



Recoilless Technologies International Corp. Limited **Annual General Meeting Minutes**

Friday 4 November 2005

7.00pm to 7.45pm

Hemisphere Conference Centre

488 South Road Moorabbin Victoria Australia

Chairman – Mr John W. Murray

The Shareholders of Recoilless Technologies International Corp. Limited (“RTI”) attended an Annual General Meeting on Friday 4 November 2005 and were given a brief overview of RTI’s activities for the 2004/2005 financial year and since the last Annual General Meeting held on 22 November 2004. Reports were provided by Mr John W. Murray, Mr Richard Giza, Major General Peter J. Dunn, Professor Ross E. Babbage, Mr Douglas A. Kelley and Mr Getha Somasundaram. The Shareholders also voted on 8 ordinary resolutions by poll.

Mr John W. Murray, a Non Executive Director and Vice Chairman of RTI, Chaired the Annual General Meeting and introduced the other members of the Board; Mr Richard Giza (Chairman, Chief Executive Officer and Executive Director), Mr Joseph Vella (Executive Director), Mr Adam J. Vella (Non Executive Director), Major General Peter J. Dunn (Non Executive Director), Brigadier Stephen H. Ayling (Non Executive Director), Professor Ross E. Babbage (Non Executive Director), Mr Douglas A. Kelley (Non Executive Director) and Mr Getha Somasundaram (Chief Financial Officer and Company Secretary).

There were 12.50% Shareholders represented by proxy, 78.96% present personally and the remaining 8.54% not in attendance.

Mr J Murray provided the following summary of the events that transpired since the last Annual General Meeting and included:

- Strengthening of the RTI Board through the appointment of six new Non Executive Directors;
- Attendance at the IWA and Outdoor Classics Tradeshow in Germany;
- Ongoing discussions with a major European small arms manufacturer;
- RTI Board and Executive strategy development weekend;



- Independent Verification and Validation of the Recoilless Technology;
- Meeting with the Defence Science and Technology Organisation (DSTO) in Adelaide;
- Meeting with representatives of a significant United States defence contractor; and
- Lodgement of the Prospectus.

Mr J Murray confirmed the engagement of Mr A Vella, Major General P Dunn, Brigadier S Ayling, Professor R Babbage, Mr D Kelley and himself as Non Executive Directors of the Company during the 2004/2005 financial year increasing the number of Directors on the Board to 8.

As it was discussed in detail at the June 17 2005 Extraordinary General Meeting, Mr J Murray only briefly touched on the subject of RTI representatives attending the IWA and Outdoor Classics Tradeshow in Nuremberg Germany where the Recoilless Technology was introduced to a number of key representatives from the international weapons industry including small arms manufacturers and defence contractors.

Mr J Murray informed Shareholders that in August this year, the Directors and key RTI Executives attended a strategy development meeting where a number of key strategic issues were discussed and agreed in relation to RTI's future direction.

Mr R Giza advised of the achievement of one of RTI's most significant milestones; the Independent Verification and Validation of the Recoilless Technology by Ballistic and Mechanical Testing Pty Ltd with the test results proving the effectiveness of the Recoilless Technology. Mr R Giza advised that although the formal Independent Verification and Validation test results are of a classified nature, a summary report was available for viewing at RTI's registered offices.

Major General P Dunn provided advice on a meeting that he and Brigadier S Ayling had with DSTO in Adelaide in September to rekindle relationships with that part of the Australian Defence Organisation, which is an important element to RTI's commercialisation strategy.

Professor R Babbage informed Shareholders of his recent travel to the United Kingdom and the United States where he meet with Senior Officials from the relevant Australian diplomatic missions with the purpose of raising awareness of RTI, the potential of the Recoilless Technology and the need to develop stronger relationships with the governments in the United Kingdom and the United States.



Mr D Kelley advised of the attendance of Professor R Babbage and himself at the offices of a major defence contractor with a view to developing further commercial relationships with RTI. Mr D Kelley confirmed that RTI will be working closely with that organisation over the coming months to try and capitalise on that meeting and the existing relationship.

On behalf of the Board, Mr G Somasundram informed Shareholders of another significant milestone for RTI since the last Annual General Meeting, in addition to the Independent Verification and Validation of the technology. That milestone was the lodgement of RTI's first Prospectus with the Australian Securities and Investments Commission which sought to raise between \$1.8 million and \$5 million. Mr G Somasundaram was pleased to announce to Shareholders that as of the date of the Annual General Meeting, 4 November 2005, RTI was able to process applications under the Prospectus and electronic copies of the Prospectus on CD ROM were available at the conclusion of formalities.

Mr J Murray confirmed that there was a quorum present for the purposes of considering the 8 Ordinary Resolutions and in accordance with both RTI's Constitution and the Corporations Act. Mr J Murray thanked Shareholders for their continued support and assured them that the Board and Executives were committed to RTI, the realisation of its objectives and the proper and ethical conduct of its business. It was confirmed that the Chairman, Mr R Giza, signed the minutes of the last Annual General Meeting held on 22 November 2004. It was also noted that the Directors recommended that Shareholders vote in favour of all resolutions.

To commence formal proceedings, Shareholders were given the opportunity to ask questions relative to the Annual Financial Report and Auditors Report which were provided to Shareholders as Annexures to the Notice of Annual General Meeting. No questions were raised.

Mr J Murray tabled the Directors Report and provided Shareholders with the opportunity to ask questions. No questions were raised.

Mr J Murray advised Shareholders that the voting on the Ordinary Resolutions will be done by poll and not a show of hands. It was confirmed that proxies had been received from Shareholders that were not able to attend personally and their votes had been recorded.

As all Directors retired as Directors in accordance with Clause 67 of the Company's Constitution, they were put forward for re-election in accordance with Clause 70 of the Company's Constitution.

The first Ordinary Resolution was put to the meeting that Mr R Giza be elected to the Board. Shareholder 1114 seconded the motion and the motion was put to a vote and carried with



90.8% of shares (12.50% proxy, 78.30% in person and 9.2% did not vote) counted in favour of Mr R Giza's re-election.

The second Ordinary Resolution was put to the meeting that Mr J Vella be elected to the Board. Shareholder 1123 seconded the motion and the motion was put to vote and carried with 90.87% of shares (12.50% proxy, 78.37% in person and 9.13% did not vote) counted in favour of Mr J Vella's re-election.

The third Ordinary Resolution was put to the meeting that Mr J Murray be elected to the Board. Shareholder 1114 seconded the motion and the motion was put to vote and carried with 90.86% of shares (12.50% proxy, 78.36% in person and 9.14% did not vote) counted in favour of Mr J Murray's re-election.

The fourth Ordinary Resolution was put to the meeting that Mr A Vella be elected to the Board. Shareholder 1069 seconded the motion and the motion was put to vote and carried with 90.86% of shares (12.50% proxy, 78.36% in person and 9.14% did not vote) counted in favour of Mr A Vella's re-election.

The fifth Ordinary Resolution was put to the meeting that Major General P Dunn be elected to the Board. Shareholder 1068 seconded the motion and the motion was put to vote and carried with 90.87% of shares (12.50% proxy, 78.37% in person and 9.13% did not vote) counted in favour of Major General P Dunn's re-election.

The sixth Ordinary Resolution was put to the meeting that Brigadier S Ayling be elected to the Board. Shareholder 1030 seconded the motion and the motion was put to vote and carried with 90.87% of shares (12.50% proxy, 78.37% in person and 9.13% did not vote) counted in favour of Brigadier S Ayling's re-election.

The seventh Ordinary Resolution was put to the meeting that Professor R Babbage be elected to the Board. Shareholder 1126 seconded the motion and the motion was put to vote and carried with 90.82% of shares (12.50% proxy, 78.32% in person and 9.18% did not vote) counted in favour of Professor R Babbage's re-election.

The eighth and final Ordinary Resolution was put to the meeting that Mr D Kelley be elected to the Board. Shareholder 1109 seconded the motion and the motion was put to vote and carried with 90.87% of shares (12.50% proxy, 78.37% in person and 9.13% did not vote) counted in favour of Mr D Kelley's re-election.



Following the completion of the voting on the 8 Ordinary Resolutions, Shareholders were given the opportunity to ask questions. Upon noting that the Audited Financial Report was difficult to read, Shareholder 1114 raised several questions of which were answered by Mr J Murray.

Q1. Why was there a \$3 million loss?

A1. RTI was a Research and Development company and therefore earned no income but instead incurred losses during this year. To receive income or revenue, RTI would need to commercialise the technology. RTI aims to establish commercial relationships within the next 2 years.

Q2. It was difficult from a financial perspective for young company's therefore why are some of the Directors salaries in excess of \$100,000 per annum?

A2. These salaries relate to Executive Directors and are part of their Executive Packages.

Q3. When would Shareholders get a return on their investment when you are only seeking to raise between \$1.8 and \$5 million? Would we get a return on investment within the next two years?

A3. The intention was not to provide dividends in the immediate future but instead a definite increase in Shareholder value. There would be no short term return. A listing on the Australian Stock Exchange (ASX) would provide value. Contracts equal cash flow (income) which equals Shareholder value. Further, key investments include employing the right people and getting things done right to better RTI's position.

Being no further questions and no further business, the meeting concluded at 7:45pm and Shareholders were invited to help themselves to refreshments, view multimedia materials on display and obtain a copy of the Prospectus on CD-ROM.

Signed as a true and correct record on 21 November 2005.

Mr Getha Somasundaram

Company Secretary