



Notice is given that the fifth Annual General Meeting of Gunson Resources Limited (Company) will be held at The Western Australian Club (Inc), 101 St Georges Terrace Perth, Western Australia, at 10.00am Western Standard Time on Tuesday, 16 November 2004.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as special business.

## AGENDA

### ORDINARY BUSINESS

#### *Reports and Accounts*

To receive and consider the financial statements and reports of the Directors and the Auditors for the year ended 30 June 2004.

#### **Resolution 1 – Re-election of Director – Mr Bill Cunningham**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, Mr W H Cunningham, being a director of the Company retires by rotation in accordance with the Constitution and, being eligible, is hereby re-elected as a director of the Company."*

**Short Explanation:** The Constitution of the Company requires that at the Annual General Meeting, one third of the directors (excluding the Managing Director) for the time being shall retire from office. A retiring director is eligible for re-election.

### SPECIAL BUSINESS

#### **Resolution 2 – Ratification of Issue of February 2004 Placement Shares**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 8,091,995 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue of the Shares and any of their associates.

#### **Resolution 3 – Ratification of Issue of Shares to the Nanda People's Trust**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 60,000 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person participating in the issue of the Shares and any of their associates.

BY ORDER OF THE BOARD



DARRYL EDWARDS | Company Secretary

West Perth

12th October 2004

**NOTES:****Members entitled to attend and vote**

In accordance with the Company's constitution and the Corporations Regulations 2001, the directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. This date is 5.00pm (WST) on 14 November 2004.

**Proxies**

A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**How to Vote**

You may vote by attending the meeting in person, by proxy or authorised representative. A body corporate may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act 2001 (Cth). Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the Meeting.

**Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Memorandum as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (08) 9226 3136 (International: + (61 8) 9226 3136);
- mail the proxy form to Gunson Resources Limited, PO Box 1217 West Perth, Western Australia, 6872; or
- deliver to Level 2, 33 Richardson Street, West Perth, Western Australia, 6005;

so that it is received not later than 10.00am (WST) on 14 November 2004.

Your proxy form is enclosed.

**EXPLANATORY STATEMENT**

GUNSON RESOURCES LIMITED ABN 32 090 603 642

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your financial adviser, your stockbroker or solicitor.

**1. RESOLUTION 1 – RE-ELECTION OF A DIRECTOR – MR BILL CUNNINGHAM**

The Company's Constitution requires that at the annual general meeting one third of the directors (except for the Managing Director) for the time being shall retire from office. A retiring director is eligible for re-election. Additional directors appointed since the last annual general meeting shall not be taken into account in determining the directors who are to retire by rotation.

Mr Cunningham, the Company's Non Executive Chairman, retires by rotation and is eligible for re-election. The experience, qualifications and other information on Mr Cunningham is included in the Company's 2004 Annual Report.

**2. RESOLUTION 2 – RATIFICATION OF ISSUE OF FEBRUARY 2004 PLACEMENT SHARES****2.1 Background**

The Company completed a placement of a total of 8,091,995 fully paid ordinary shares at an issue price of 35 cents each on 16 February 2004, raising \$2,832,198.

**2.2 ASX Listing Rules**

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the issue of these shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Outlined below is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4 for the Share Issues:

- (a) the total number of Shares issued was 8,091,995 Shares;
- (b) the Shares were issued at a price of 35 cents per Share;
- (c) the allottees of the Shares were clients of Southern Cross Equities Limited;
- (d) the Shares issued ranked pari passu with the existing Shares on issue; and
- (e) funds raised by the issue of Shares will be applied for the completion of the bankable feasibility study in relation to the Coburn Project.

### 3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO NANDA PEOPLE'S TRUST

#### 3.1 Background

The Company has recently issued 60,000 fully paid ordinary shares to the Nanda traditional aboriginal owners in respect of a native title agreement for the Company's Coburn Mineral Sand Project.

#### 3.2 ASX Listing Rules

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the issue of these shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Outlined below is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4 for the Share Issues:

- (a) the total number of Shares issued is to be 60,000 Shares;
- (b) the Shares are to be issued in respect as consideration for a Native Title Agreement, which will enable the Company to conduct mining activities on its Coburn Mineral Sand Project;
- (c) the allottee of the Shares was the Nanda People's Trust;
- (d) the Shares rank pari passu with the existing Shares on issue; and
- (e) there will be no funds raised with Shares issued.

### 4. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Darryl Edwards on (08) 9322 7600 if they have any queries in respect of the matters set out in this Notice.

### GLOSSARY

**ASX** means Australian Stock Exchange Limited (ACN 008 624 691).

**Board** means the board of directors of the Company duly appointed in accordance with the Constitution of the Company.

**Company** means Gunson Resources Limited (ABN 32 090 603 642).

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement set out in this Memorandum.

**Listing Rules** means the official listing rules of ASX.

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting.

**Resolution** means a resolution contained in the Notice.

**Share** means an ordinary fully paid share in the capital of the Company.

**WST** means Western Standard Time.

# PROXY FORM

APPOINTMENT OF PROXY  
GUNSON RESOURCES LIMITED  
ABN 32 090 603 642

## ANNUAL GENERAL MEETING

### Appointment of Proxy

I/We \_\_\_\_\_  
being a Member of Gunson Resources Limited entitled to attend and vote at the Meeting, hereby

Appoint \_\_\_\_\_  
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at The Western Australian Club (Inc), 101 St Georges Terrace, Perth, Western Australia on 16 November 2004 at 10.00am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each resolution.

### Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Re-election of a Director – Mr Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Issue of Shares to Nanda People's Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do not wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

By: **Individuals and joint holders**

**Companies (affix common seal if appropriate)**

\_\_\_\_\_  
Signature; Sole Director and Sole Company Secretary

\_\_\_\_\_  
Signature; Director/Company Secretary

\_\_\_\_\_  
Signature; Director

PROXY FORM

### Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.