



ACN 090 603 642

8<sup>th</sup> August 2005

Dear Shareholder,

**SHAREHOLDERS MEETING AND COMPANY UPDATE**

Enclosed is a notice of General Meeting of Shareholders, to be held at the Company's office at 10am on Thursday 8<sup>th</sup> September 2005. The purpose of this meeting is to approve the issue of Gunson shares to investors in March and July this year. This will enable the Company to raise further working capital later this year, if required. If you are unable to attend the meeting, but wish to vote on the resolution, a proxy form is enclosed for your use.

Also enclosed is a copy of our June quarterly report, which contains the latest developments on our Coburn Mineral Sand Project in Western Australia and the Mount Gunson Copper Project in South Australia.

A significant copper discovery has been made 19 kilometres to the east of our Mount Gunson Project, which has created additional interest in the Company on the share market. As outlined in the enclosed quarterly report, this discovery has some similarities to our Chianti Prospect at Mount Gunson, which we plan to drill later this year.

As you will read in the quarterly report, we have a very busy program mapped out in the second half of the year. We look forward to further significant developments during this period.

Yours sincerely

**WH Cunningham**  
**Chairman**

# GUNSON RESOURCES LIMITED

ABN 32 090 603 642

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Gunson Resources Limited (**Company**) will be held in the Company's office at Level 2, 33 Richardson Street, West Perth, Western Australia, at 10.00am Western Standard Time on Thursday, 8 September 2005.

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

### AGENDA

#### SPECIAL BUSINESS

##### Resolution 1 – Ratification of Issue of Placement Shares

To consider and, if thought fit, to pass 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 9,643,180 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.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'I. Gregory', with a large, stylized flourish below it.

**IAN GREGORY  
COMPANY SECRETARY**

**West Perth  
4 August 2005**

## **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 6 September 2005

### **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 6 September 2005.

**Your proxy form is enclosed.**

# GUNSON RESOURCES LIMITED

ABN 32 090 603 642

## EXPLANATORY STATEMENT

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 – RATIFICATION OF ISSUE OF PLACEMENT SHARES

#### 1.1 Background

The Company completed placements of a total of 9,643,180 fully paid ordinary shares as follows:

- 5,260,000 fully paid ordinary shares at an issue price of 26 cents each on 23 March 2005, raising \$1,367,600 (“March 2005 Placement”); and
- 4,383,180 fully paid ordinary shares at an issue price of 22 cents each on 27 July 2005, raising \$964,300 (“July 2005 Placement”).

#### 1.2 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:

##### March 2005 Placement

- (a) the total number of Shares issued was 5,260,000 Shares;
- (b) the Shares were issued at a price of 26 cents per Share;
- (c) the allottees of the Shares were clients of ABN Amro Morgans Limited and Cygnet Capital Pty 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 further development of the Coburn Mineral Sand Project.

**July 2005 Placement**

- (a) the total number of Shares issued was 4,383,180 Shares;
- (b) the Shares were issued at a price of 22 cents per Share;
- (c) the allottees of the Shares were clients of ABN Amro Morgans Limited and F W Holst;
- (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 further development of the Coburn Mineral Sand Project.

**2. ENQUIRIES**

Shareholders are invited to contact the Company Secretary, Mr Ian Gregory on (08) 9226 3130 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

## 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 General Meeting to be held in the Company's office at Level 2, 33 Richardson Street, West Perth, Western Australia on 8 September 2005 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 General Meeting

**FOR**      **AGAINST**      **ABSTAIN**

Resolution 1 – Ratification of Issue of Placement Shares

**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                      2005

**By:**

#### Individuals and joint holders

Signature
Signature
Signature

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

Sole Director and Sole Company Secretary
Director/Company Secretary
Director

# **GUNSON RESOURCES LIMITED**

**ABN 32 090 603 642**

## **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.