



# Notice of Annual General Meeting 2008

Gunson Resources Limited (**Gunson** or the **Company**) gives notice that the Annual General Meeting of members will be held at The Celtic Club Inc, 48 Ord Street, West Perth, Western Australia on Monday, 24th November 2008 at 2.00 pm Western Standard Time.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered. Terms used in this Notice have the meaning given to them in the Explanatory Statement





# Agenda

## BUSINESS

### 1. Reports and Accounts

To receive and consider the Financial Report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2008.

### 2. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the year ended 30 June 2008.”*

**Note** – the vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3. Resolution 2 – Re-election of Mr William H Cunningham

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That Mr William H Cunningham, who retires by rotation in accordance with Rule 58.1 of the Company’s constitution and being eligible, be re-elected as a Director of the Company.”*

### 4. Resolution 3 - Approval for past placement of shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That approval is given for the past issue of a total of 8,570,287 fully paid ordinary shares in the Company on the terms and to the persons set out in the Explanatory Statement accompanying the Notice of Meeting.”*

#### Voting Exclusion Statement

Under Rule 14.11 of the Listing Rules of ASX Limited, the Company will disregard any votes cast on the resolution in Item 4 by any person who participated in any of the past issues and any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the Meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

### 5. Resolution 4 - Approval for possible future placement of shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That approval is given for the issue of up to 15 million fully paid ordinary shares in the Company at a price that is at least 90% of the average market price for fully paid ordinary shares in the Company to the persons and on the terms set out in the Explanatory Statement accompanying the Notice of Meeting.”*

# Agenda

## Voting Exclusion Statement

Under Rule 14.11 of the Listing Rules of ASX Limited, the Company will disregard any votes cast on the resolution in Item 5 by any person who may participate in the proposed issue, by any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the resolution is passed and by any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that the Chairman of the Meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

## BY ORDER OF THE BOARD



**IAN GREGORY**  
**COMPANY SECRETARY**  
West Perth  
16 October 2008

## BACKGROUND INFORMATION

To assist you in deciding how to vote on the above resolutions, further details as background information to the resolutions are set out in the Explanatory Statement forming part of this Notice of Meeting.

## GLOSSARY

Words defined in the Explanatory Statement have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting, the following words are defined here:

**AGM** means annual general meeting.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means all or some of the Directors acting as the Board of Directors of the Company.

**Company** means Gunson Resources Limited ACN 090 603 642.



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

**Directors** means directors of the Company.

**Explanatory Statement** means the explanatory statement which accompanies this Notice of Meeting.

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

**Shareholder** means a registered holder of a share in the Company.

**WST** means Western Standard Time at Perth, Western Australia.

### **RECOMMENDATION**

The Board believes that the above resolutions are in the best interests of the Shareholders and save where otherwise indicated in the Explanatory Statement, unanimously recommends that Shareholders vote in favour of each of them.

### **VOTING IN PERSON**

A shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the Corporations Act.

The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry or at [www.computershare.com](http://www.computershare.com).

### **VOTING AND 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.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the General Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the 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.

In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 5.00 pm (WST) on Friday 21st November 2008. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.



## VOTING BY PROXY

To vote by proxy:

- the signed and completed proxy appointment form (enclosed with this Notice); and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at one of the addresses set out below by no later than 2.00 pm (WST) on Saturday, 22nd November 2008.

Documents received after that time will not be valid for the scheduled meeting.

**By mail** PO Box 1217, West Perth, Western Australia 6872

**By fax** (08) 9226 3136 (International: +61 8 9226 3136)

**In person** Registered Office – Level 2, 33 Richardson Street, West Perth, Western Australia 6005

A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

## QUESTIONS FROM SHAREHOLDERS

The Chairman of the Meeting will allow a reasonable opportunity for shareholders to ask questions or make comments on the management and performance of the Company.

Mr Brad McVeigh of BDO Kendalls Audit & Assurance (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2008 (or his representative), will attend the Meeting. The Chairman of the Meeting will allow a reasonable opportunity for the members as a whole to ask the Auditor questions at the Meeting about:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have to the address below by no later than 5.00pm (WST) on Friday, 14th November 2008.

**By mail** PO Box 1217, West Perth, Western Australia 6872

**By fax** (08) 9226 3136 (International: +61 8 9226 3136)

**In person** Registered Office – Level 2, 33 Richardson Street, West Perth, Western Australia 6005

As required under section 250PA of the Corporations Act, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2008. The Chairman of the Meeting will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.



# Explanatory Statement

## INTRODUCTION

This Explanatory Statement forms part of the Notice of Annual General Meeting and has been prepared to provide shareholders of Gunson Resources Limited (Company) with information about the items of business to be considered at the Annual General Meeting to be held at The Celtic Club Inc, 48 Ord Street, West Perth, Western Australia on Monday, 24th November 2008 at 2.00 pm Western Standard Time.

This Explanatory Statement is an important document and should be read carefully and in its entirety by all shareholders.

## BUSINESS OF THE MEETING

### **Item 1 - Receive and consider the Financial and other reports**

This item is self explanatory. It is intended to provide an opportunity for shareholders at the Meeting to raise questions on the reports themselves and on the performance of the Company generally. No formal resolution to adopt the reports will be put to shareholders at the Meeting, save for Resolution 1 in relation to the Remuneration Report.

### **Item 2 – Resolution 1: Adoption of Remuneration Report**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the year ending 30 June 2008.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### **Item 3 - Resolution 2: Re-election of Mr William H Cunningham**

Rule 58.1 of the Company's Constitution provides that one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office at every annual general meeting.

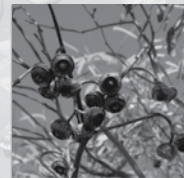
The Director(s) to retire at an annual general meeting are those who have been longest in office since their last election, however, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.

Mr William Cunningham retires by rotation in accordance with this requirement pursuant to the Company's Constitution, and, being eligible, offers himself for re-election at the Annual General Meeting.

### ***William H Cunningham B.Com. (Non-Executive Chairman) Age 69***

Bill Cunningham is a consultant in mineral commodities marketing with over 40 years experience in the mining industry, mainly with WMC Resources Limited and CRA Limited. Prior to leaving WMC in 1997, he was manager for that Company's Nickel Division intermediate products marketing. Since 1997, he has managed his own mineral marketing consultancy.

The Directors (excluding Mr. William Cunningham) recommend that shareholders vote in favour of Resolution 2. The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.



#### **Item 4 – Resolution 3: approval for past placement of shares**

Under ASX Listing Rule 7.1, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without shareholder approval.

Item 4 seeks shareholder approval under ASX Listing Rule 7.4 to ratify the past placement of the following shares:

- (i) 47,500 shares in the Company to a financial services company for strategic financial services at a deemed price of 20 cents per share on 11th February 2008, announced to ASX on 8th February 2008;
- (ii) 6,522,787 shares in the Company at 14 cents per share to FW Holst & Co, sophisticated investor clients of Equity Underwriters and other sophisticated investors on 6th May 2008, announced to ASX on that date; and
- (iii) 2,000,000 shares in the Company at 15 cents per share to a sophisticated investor client of Bell Potter Securities on 3rd June 2008, announced to ASX on that date.

The effect of the ratification will be that this issue of shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% limit imposed by ASX Listing Rule 7.1 (ie the 15% limit is “renewed” to the extent of the ratification).

All of the shares issued pursuant to the placements above were fully paid ordinary shares which ranked equally with all other existing fully paid ordinary shares in the Company from their date of issue. None of the recipients of placement shares was a related party of the Company within the meaning of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

The funds raised from the placement above have been and will be used for:

- (a) the provision of strategic financial services;
- (b) a feasibility study on the MG14 copper deposit;
- (c) a small drilling program at Tennant Creek;
- (d) further advancement of the Coburn Zircon Project; and
- (e) general working capital purposes.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and its shareholders and unanimously recommend that shareholders vote in favour of it.

#### **Item 5 – Resolution 4: Approval for possible future placement of shares**

##### **Background**

Item 5 relates to a part of the proposed funding arrangements for the Coburn Zircon Project mine development. The Company is considering a number of possible funding options for the development of the Coburn Project. The Directors currently anticipate undertaking a major capital raising in 2009, subject to the Company and one or more Chinese zircon consumers finalising the terms of an investment in the development of the Coburn Project.

Gunson’s primary focus is on the profitable development of Coburn with a nominal annual production of 40,000 tonnes of zircon over a mine life of at least 17.5 years.

Over the past few months, the Company has made a number of positive advances towards development of the Coburn Project. Effort has been focused on (1) completion of new resource and ore reserve estimates, which have extended the mine life based on JORC compliant ore reserves from 7 to 17.5 years, (2) negotiating offtake agreements for the remainder of the Coburn mineral



products not already subject to the memoranda of understanding (**MOUs**) with Chinese company CTIEC, (3) optimising the operational model to improve profitability and (4) firming up prices for key operating and capital items of the Project.

To assist in funding the Company's working capital requirements and long lead capital items at the Coburn Project until the main capital raising occurs, Gunson is seeking shareholder approval to have the ability, if necessary, to make a placement of up to 15 million ordinary shares. This will be in addition to Gunson's renewed ability to issue up to 15% of its share capital in accordance with ASX Listing Rule 7.1, pursuant to the Resolution in Item 4.

The reasons for the proposed placement are largely the same as the reasons for the past placement announced on 30th January 2007, namely to enable the Company to fund its ongoing requirements prior to the anticipated major capital raising referred to above.

The proposed placement, if undertaken, would provide additional working capital and would enable Gunson to continue its work on long lead items, such as detailed engineering design on the Coburn Project. Normally, this would be done once major funding is in place. However, the advantages of having funding in place to undertake this work are that construction time will be shortened and there will be less latitude for contingency in pricing by suppliers to the Project.

The Company is currently examining several alternatives for the structure of the main capital raising. Once the final estimated capital costs for the Coburn Project are determined, shareholders will be provided with further information on these costs and the Company's preferred funding alternatives.

Directors remain positive about the prospects for the Coburn Project. In order to capture the upside and create value for Gunson shareholders, the Company intends to fund the Coburn mine development in an efficient and timely manner. This would include a rights issue to existing shareholders. For the reasons outlined above, Directors seek your support to allow the Company to achieve its objectives.

Further information in relation to Item 5 is set out below.

#### **Resolution in Item 5**

Item 5 seeks shareholder approval under ASX Listing Rule 7.1 for the issue of up to 15 million fully paid ordinary shares in the Company at a price that is at least 90% of the average market share price of Gunson's fully paid ordinary shares over the last 5 days on which sales of the Company's shares are recorded before the day of issue.

The allottees under the placement are proposed to be international and Australian institutions and sophisticated investors. All of the shares in the placement will be issued on a single occasion no later than 3 months after the Annual General Meeting and allotment will occur on the same date.

The shares issued will be fully paid ordinary shares and will rank equally with all other existing fully paid ordinary shares in the Company from their date of issue.

The Directors believe that the resolution in item 5 is in the best interests of the Company and its shareholders and unanimously recommend that shareholders vote in favour of it.





# Proxy Appointment Form

Name and address of member or joint members:

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## Appointment of proxy

I/We, being a member/s of Gunson Resources Limited and entitled to attend and vote, appoint

Name of proxy (please print) \_\_\_\_\_

or failing that person or, if no person is named, the Chairman of the Meeting to attend, act generally and vote as directed below, or, if no directions are given, as the proxy or the Chairman sees fit, at the Annual General Meeting of the Company to be held on Monday, 24th November 2008 at 2.00 pm (WST) and at any adjournment.

## Appointing a second proxy

If appointing a second proxy, state the percentage of your voting rights applicable to the proxy appointed by this form \_\_\_\_\_ %

## Voting directions to your proxy - please mark to indicate your directions

### Business

Resolution	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Mr William H Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for past placement of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for future placement of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If you appoint the Chairman of the Meeting as your proxy, and you do not direct him how to vote on any of the items, the Chairman of the Meeting will vote in favour of each of those items.

If you appoint the Chairman of the Meeting as your proxy and you do not wish to direct the Chairman how to vote please mark **X** in the box.

By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the relevant item and that votes cast by the Chairman as your proxy in relation to the relevant item will, if the Chairman has an interest in the outcome, be disregarded.

## Signatures of individual member, joint individual member, attorney or company member

(Circle one option) Member, Attorney,  
Joint Member, Sole Director and  
Sole Company Secretary



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Director

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Director/Company secretary (delete one)

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Contact name

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Contact Details: 1. Daytime telephone

2. Date

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Your annual report is available online, simply visit:

[www.gunson.com.au](http://www.gunson.com.au)



## **INSTRUCTIONS FOR COMPLETION OF PROXY APPOINTMENT FORM**

### **Your name and address**

This is your name and address as it appears on the register of members of the Company. If this information is incorrect, please make the correction on the Proxy Appointment Form. Members sponsored by a broker should advise their broker of any changes.

**Please note that you cannot change ownership of your shares using this Proxy Appointment Form.**

### **Appointment of proxy**

If you are entitled to vote at the Meeting, you have a right to appoint a proxy and should use this Proxy Appointment Form. The proxy need not be a member of the Company and can be an individual or a body corporate.

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you leave the box blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy and vote on your behalf.

Your proxy's authority to speak and vote for you at the Meeting is suspended if you are present at the Meeting.

### **Voting directions to your proxy**

You may direct your proxy how to vote by marking in 1 of the 3 boxes opposite each item of business. All your votes will be cast in accordance with your direction, unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by this Proxy Appointment Form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy will vote as he or she chooses. If you mark more than 1 box relating to the same item of business, any vote by your proxy on that item will be invalid.

### **Appointing a second proxy**

If you are entitled to cast 2 or more votes you may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you wish to appoint a second proxy, an additional Proxy Appointment Form may be obtained by telephoning the Company or you may copy this form. Both Proxy Appointment Forms should be lodged together.

If you appoint 2 proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, section 249X of the Corporations Act 2001 (Cth) will take effect so that each proxy may exercise half of the votes (ignoring fractions).

If you appoint 2 proxies, neither proxy will have a right to vote on a show of hands.

If you appoint another member as your proxy, that person will have only 1 vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

### **Signing instructions**

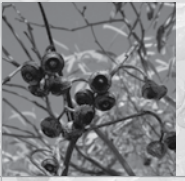
This Proxy Appointment Form must be signed and dated by the member or the member's attorney. Any joint member may sign.

If this form is signed by an attorney and you have not previously lodged the power of attorney with the Company for notation, please attach a certified copy of the power of attorney to this form when you return it.

If the member is a company that has a sole director or a sole director who is also the sole company secretary, this form must be signed by that person. Otherwise, this form must be signed by 2 directors or 1 director and a company secretary. Please indicate the office held by signing in the appropriate place.

### **Privacy**

Chapter 2C of the Corporations Act 2001 (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000 (Cth). Information is collected to administer your shareholding which may not be possible if some or all of the information is not collected.



Your annual report is available online, simply visit:  
**[www.gunson.com.au](http://www.gunson.com.au)**



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