



ABN 32 090 603 642

(To be renamed Strandline Resources Limited)

**Notice of Annual General Meeting
and
Explanatory Memorandum**

Date of Meeting

26 November 2014

Time of Meeting

10.00 a.m. (WST)

Place of Meeting

Gunson Resources Limited

(To be renamed Strandline Resources Limited)

Level 1, 985 Wellington Street

West Perth, Western Australia 6005

This is an important document. Please read it carefully and in its entirety. If you do not understand it please consult with your professional advisers.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE, VISIT: www.gunson.com.au

Notice of Annual General Meeting

Gunson Resources Limited (To be renamed Strandline Resources Limited) ABN 32 090 603 642

The Annual General Meeting of Gunson Resources Limited (to be renamed Strandline Resources Limited) (**Company**) will be held at the Company's offices located at Level 1, 985 Wellington Street, West Perth, Western Australia, on Wednesday, 26 November 2014, at 10.00 a.m. (WST).

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the AGM.

AGENDA

1. Financial reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of Gunson Resources Limited (to be renamed Strandline Resources Limited) for the financial year ended 30 June 2014 which are contained within the Annual Report.

Note: This item of business is for discussion only and is not a Resolution.

2. Resolution 1 – Adoption of the Remuneration Report (non-binding resolution)

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

'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company (which is contained in the Directors' Report in the Annual Report) for the financial year ended 30 June 2014 be adopted.'

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

The Company will disregard any votes cast on this Resolution by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member, unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

3. Resolution 2 – Re-election Mr William Bloking as a Director

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

'That, for the purpose of clause 58.1 of the Constitution and for all other purposes, Mr William Bloking, a Director who retires by rotation, and being eligible, is re-elected as a Director.'

4. Resolution 3 – Election of Mr Richard Hill as a Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Richard Hill, a Director who was appointed on 23 October 2014, retires, and being eligible, is elected as a Director.'

5. Resolution 4 – Election of Mr Didier Murcia as a Non-Executive Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Didier Murcia, a Director who was appointed on 23 October 2014, retires, and being eligible, is elected as a Director.'

6. Resolution 5 – Election of Mr Michael Folwell as a Non-Executive Director

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

'That, for the purpose of clause 56.2 of the Constitution and for all other purposes, Mr Michael Folwell, a Director who was appointed on 23 October 2014, retires, and being eligible, is elected as a Director.'

7. Resolution 6 – Approval of Past Placement of Shares

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

'That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 17,647,061 fully paid ordinary shares in the Company issued on 17 April 2014 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their Associates. However, 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 if it is cast by the Chairman of 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.

8. Resolution 7 – Approval of Incentive Plan

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

"That approval is given under Listing Rule 7.2, Exception 9 of the Listing Rules and for all other purposes, for the issue of Performance Rights under the Company's Incentive Plan as an exception to Listing Rule 7.1 of the Listing Rules on the terms and conditions in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive plan in relation to the Company) or any of their Associates. However, 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 if it is cast by the Chairman 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.

9. Resolution 8 – Renewal of the Company's proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

'That the proportional takeover provisions in the form set out in clause 23 of the Constitution, a copy of which is tabled at the AGM, are renewed for a period of 3 years commencing on the date of the AGM pursuant to section 648G of the Corporations Act.'

10. Resolution 9 – Approval of 10% Placement Facility

To consider, and if thought fit, to pass as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2. and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any of their Associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the Chairman of 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.

Important note: The proposed allottees of any Equity Securities under this 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% Placement Facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

11. Resolution 10 – Approval of issue of SPP Shortfall Shares to sophisticated and professional investors

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given to issue the Shares comprising the shortfall from the SPP (i.e. the SPP Shortfall Shares), up to a maximum of 66,666,668 Shares, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a 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 any of their Associates. However, 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, if it is cast by the Chairman of 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.

12. Resolution 11 – Approval of issue of SPP Shortfall Shares to Mr Richard Hill

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 2,666,667 SPP Shortfall Shares to Mr Richard Hill, the Managing Director (or his nominee), on the terms set out in the Explanatory Memorandum be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Richard Hill and any of his Associates. However, the Company need not disregard a vote if it is cast by that person as proxy, in accordance with the directions on the Proxy Form or if it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit. Further, a member of the Company's Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard such vote) as a proxy on this Resolution if the appointment does not specify how the proxy is to vote, unless the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

13. Resolution 12 – Approval of issue of SPP Shortfall Shares to Mr Didier Murcia

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 2,666,667 SPP Shortfall Shares to Mr Didier Murcia, a Non-Executive Director (or his nominee), on the terms set out in the Explanatory Memorandum be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Didier Murcia and any of his Associates. However, the Company need not disregard a vote if it is cast by that person as proxy, in accordance with the directions on the proxy form or if it is cast by the Chairman of 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. Further, a member of the Company's Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard such vote) as a proxy on this Resolution if the appointment does not specify how the proxy is to vote, unless the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

14. Resolution 13 – Approval of issue of SPP Shortfall Shares to Mr Michael Folwell

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to a total of 2,666,667 SPP Shortfall Shares to Mr Michael Folwell, a Non-Executive Director (or his nominee), on the terms set out in the Explanatory Memorandum be approved”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Michael Folwell and any of his Associates. However, the Company need not disregard a vote if it is cast by that person as proxy, in accordance with the directions on the proxy form or if it is cast by the Chairman of 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. Further, a member of the Company's Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard such vote) as a proxy on this Resolution if the appointment does not specify how the proxy is to vote, unless the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

15. Resolution 14 – Change of Name to Strandline Resources Ltd

To consider and, if thought fit, to pass as a **special resolution**:

“That for the purpose of section 157(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the change of the name of the Company from Gunson Resources Limited to Strandline Resources Limited.”

NOTES

These notes form part of the Notice of Meeting.

1. Background information

To assist you in deciding how to vote on the Resolutions, background information to the resolutions is set out in the Explanatory Memorandum forming part of this Notice of Meeting.

2. Required Majorities

All of the Resolutions except Resolutions 9 and 14 are **ordinary resolutions** and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions in person, by proxy, or by an authorised representative.

Resolutions 9 and 14 are **special resolutions** and will be passed only if supported by at least 75% of the votes cast by Shareholders entitled to vote on the resolution in person, by proxy, or by an authorised representative.

3. Recommendation

The Board believes Resolutions 1 to 14 are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends Shareholders vote in favour of each of them.

4. Voting entitlements

The Directors have determined that, for the purpose of voting at the AGM, Shareholders eligible to vote at the AGM are those persons who are the registered holders of Shares at 5.00 p.m. (WST) on 24 November 2014.

5. How to vote

You may vote by attending the AGM in person, by proxy, or by an authorised representative.

6. Voting in person

To vote in person, attend the AGM on the date and at the place set out above. Shareholders are asked to arrive at the venue by 9.45 a.m. (WST) so the Company may check their Shareholding against the Company's Share register and note attendances.

7. Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy must appoint a representative to exercise any of the powers the body corporate can exercise as a proxy at the AGM. The representative should bring to the meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received at the Share Registrar **no later than 10.00 a.m. (WST) on 24 November 2014** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

By Post: Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile (inside Australia): 1800 783 447

By Facsimile (outside Australia): +61 3 9473 2555

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any proxy form received after 10.00 a.m. (WST) on 24 November 2014 will not be valid for the AGM.

8. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

9. Questions from Shareholders

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

Mr Chris Burton of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2014 (or his representative), will attend the AGM. The Chairman of the AGM will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) 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 by fax or to the address below by no later than 5.00 p.m. (WST) on 19 November 2014.

By Post: PO Box 1217
West Perth, Western Australia 6872

By Facsimile: (08) 9226 3136 (within Australia)

By Facsimile: +61 8 9226 3136 (outside Australia)

In person: Level 1, 985 Wellington 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 AGM, 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 2014. The Chairman of the AGM will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

10. Annual Report

The Company advises a copy of its Annual Report for the year ended 30 June 2014 is available to download at the website address, <http://www.gunson.com.au>.

When you access the Company's Annual Report online, you can view it and print a copy.

Please note if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or sometime in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

11. Enquiries

Shareholders are invited to contact the Company Secretary, Mr Ian Gregory on +61 8 9226 3130 if they have any queries on the matters set out in these documents.

By order of the board

Date 23 October 2014



Signed _____

Name Ian Gregory
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the AGM of the Company to be held on Wednesday, 26 November 2014.

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

1. Financial Reports

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to section 10 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2014 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements of Key Management Personnel, including the Managing Director, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Reports in the Company's Annual Report, which can be found in the annual report section of the website at <http://www.gunson.com.au>.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chairman of the AGM will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Although voting on the adoption of the Remuneration Report is for advisory purposes only, if there are two consecutive votes at annual general meetings of the Company against the Company's remuneration report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive annual general meeting at which a Strike occurs (**Second Strike**), a resolution must be put to Shareholders to hold another meeting where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by Key Management Personnel (or their Associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chairman to vote Shareholders' undirected proxy votes. In this regard, you should specifically note that if you appoint the Chairman as your proxy and you indicate on the Proxy Form you do not wish to specify how the Chairman should vote on Resolution 1, the Chairman will cast your votes in favour of Resolution 1. **If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.**

3. Resolutions 2 to 5 – Election of Directors

3.1 Background

Clause 58.1 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. A retiring Director is eligible for re-election. Mr William Bloking retires in accordance with clause 58.1 of the Constitution and, being eligible, has offered himself for re-election.

Mr Richard Hill, Mr Didier Murcia and Mr Michael Folwell were appointed as Directors by the Board on 23 October 2014 following Shareholder approval of the acquisition of Strandline (details of which were provided to Shareholders in a notice of meeting and explanatory statement dated 17 September 2014). In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election. Each of Mr Hill, Mr Murcia and Mr Folwell seek election as a Director of the Company.

Subject to Resolutions 2 to 5 being passed, after the AGM the Board will comprise Mr William Bloking, Mr Richard Hill, Mr Didier Murcia and Mr Michael Folwell.

Details on each of Mr Hill's, Mr Murcia's and Mr Folwell's respective background including experience, knowledge and skills are set out in the aforementioned notice of meeting and explanatory statement for the extraordinary meeting of the Company held on 20 October 2014.

The Board considers the mix of executive and non-executive Directors collectively brings the range of skills, knowledge and experience necessary to direct the Company.

3.2 Election of Mr William Bloking

Mr William Bloking was appointed as Director of the Company on 1 August 2013, a position he has continued to hold. With effect from the conclusion of this AGM, and subject to Resolution 2 being passed, Mr William Bloking will remain a Director.

Mr William Bloking retires in accordance with clause 58.1 of the Constitution and offers himself for re-election as a Director of the Company.

The Board (with the exception of Mr William Bloking) recommends Shareholders vote in favour of Resolution 2.

3.3 Election of Mr Richard Hill

Mr Richard Hill was appointed as a Director by the Board on 23 October 2014 in accordance with clause 56.1 of the Constitution.

Mr Hill retires in accordance with clause 56.2 of the Constitution and offers himself for election as a Director of the Company.

The Board (with the exception of Mr Hill) recommends Shareholders vote in favour of Resolution 3.

3.4 Election of Mr Didier Murcia

Mr Didier Murcia was appointed as a Director by the Board on 23 October 2014 in accordance with clause 56.1 of the Constitution.

Mr Murcia retires in accordance with clause 56.2 of the Constitution and offers himself for election as a Director of the Company.

The Board (with the exception of Mr Murcia) recommends Shareholders vote in favour of Resolution 4.

3.5 Election of Mr Michael Folwell

Mr Michael Folwell was appointed as a Director by the Board on 23 October 2014 in accordance with clause 56.1 of the Constitution.

Mr Folwell retires in accordance with clause 56.2 of the Constitution and offers himself for election as a Director of the Company.

The Board (with the exception of Mr Folwell) recommends Shareholders vote in favour of Resolution 5.

4. Resolution 6 – Approval of Past Placement of Shares

Under 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. On 17 April 2014, the Company made a placement of Shares as detailed below.

Resolution 6 seeks Shareholder approval under Listing Rule 7.4 to ratify this past placement of Shares. The Company confirms the issue of the Shares the subject of Resolution 6 did not breach Listing Rule 7.1. None of the recipients of those placement Shares was a related party of the Company within the meaning of the Corporations Act and the Listing Rules.

The effect of the approval under Listing Rule 7.4 of the past placement of Shares will be that these 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% placement limit imposed by Listing Rule 7.1 (i.e. the 15% limit is “renewed” to the extent of the approval).

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) the number, issue price, issue date and recipients of the Shares issued by the Company are as follows:
 - 17,467,061 Shares at 1.7 cents per Share to sophisticated and professional investors who are not related parties of the Company on 17 April 2014, announced to ASX on 16 April 2014;
- (b) the funds raised from the placement above have been used for working capital to sustain operations and maintain permits and tenements in Western Australia, South Australia, and Northern Territory and to support activities of Torrens Mining on the MG14/Windabout Copper Project;
- (c) all of the Shares issued pursuant to the placements above were fully paid ordinary shares which ranked equally with all other existing Shares from their date of issue; and
- (d) a voting exclusion statement is included in the Notice.

The Directors believe Resolutions 6 is in the best interests of the Company and its Shareholders and unanimously recommend Shareholders vote in favour of this Resolution.

5. Resolution 7 – Approval of the Incentive Plan

5.1 Background

Resolution 7 seeks Shareholder approval under Listing Rule 7.2, Exception 9 for the issue of Performance Rights under the Company's Incentive Plan (**Plan**) (and therefore the issue of Shares on exercise of those Performance Rights) as an exception to Listing Rule 7.1. Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of this Meeting (i.e. issues of Performance Rights under the Plan will for a period of 3 years be excluded from the calculations in determining the number of securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1).

The purpose of the Plan is to increase Shareholder value in the Company by:

- (a) driving management decisions focussed on the long term prosperity of the Company through the use of Performance Hurdles (as defined under the Plan);
- (b) linking Employee remuneration to Employee performance in relation to Performance Hurdles which enhance the Company's performance and contribute to the growth of the Company; and
- (c) ensuring the longer term success of the Company by attracting new staff and retaining existing Employees.

5.2 Listing Rule 7.2 – Summary of the Plan

A summary of the main provisions of the Plan is set out below:

- (a) Only Employees may participate under the Plan. An Employee is defined as a full-time or part-time employee, an Executive Director or the Managing Director of the Company or a related body corporate or a Contractor of the Company. Contractor means a person who has worked for the Company for more than one year and has received 80% or more of their income in the year preceding the Grant Date from the Company.
- (b) The Board of Directors may determine which Employees and Directors are entitled to participate in the Plan and the extent of that participation, the Performance Hurdles to be met before the Performance Rights may be exercised, the Performance Periods, the Test Date(s), the Service Period, the Expiry Date and all other terms of the Performance Rights.
- (c) The Board of Directors may offer Performance Rights to any Eligible Person (i.e. an Employee) at such times and on such terms as the Board considers appropriate. However, under the Listing Rules, no Performance Rights may be issued to a Director, whether under the Plan or otherwise, without prior Shareholder approval.
- (d) An Employee who accepts an offer of Performance Rights under the Plan (i.e. a Participant) will not pay anything for the grant of the Performance Rights.
- (e) A Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (f) All Shares allotted upon exercise of the Performance Rights will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX.
- (g) The Company will not apply for official quotation of any Performance Rights.
- (h) The Performance Rights are not transferable except if a Participant dies.

- (i) Performance Rights lapse on the earlier to occur of:
 - (i) where Performance Hurdles have not been satisfied on the Test Date;
 - (ii) if an Eligible Person ceases to be an Employee (except in certain cases);
 - (iii) the day the Board makes a determination that Performance Rights lapse due to breach, fraud or dishonesty;
 - (iv) the day the Board makes a determination that Performance Rights lapse due to a change of control in the Company;
 - (v) the winding up or change of main undertaking of the Company; or
 - (vi) the Expiry Date.
- (j) If the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of a Participant for a Performance Right held by the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares to which the Performance Right relates will be increased by the number of Shares which the Participant would have received under the bonus issue if the Performance Right had vested immediately prior to the record date for the bonus issue.
- (k) On a reorganisation of the Company's capital, the rights of Participants will be changed to the extent necessary to comply with the Listing Rules of the ASX.
- (l) The Board may terminate or suspend the Plan at any time without notice to Participants.

5.3 Listing Rule 7.2 – Number of securities issued under the Plan since the last approval

The Plan has only recently been adopted by the Board and is being put before Shareholders for the first time at this AGM. Therefore, as at the date of the AGM, the Company has not issued any Performance Rights under the Plan.

5.4 Listing Rule 7.2 – Voting Exclusion Statement

A voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7.

5.5 Directors' Recommendation

All the Directors (except those who are eligible to participate under the Plan) recommend Shareholders vote in favour of Resolution 7.

6. Resolution 8 – Renewal of the Company's proportional takeover provisions

6.1 Background

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer.

The Constitution previously contained a clause (clause 23) that enabled the Company to refuse to register Shares acquired under a proportional takeover bid unless approved by a resolution of Shareholders. Clause 23 was not renewed for a period of more than 3 years and by its terms ceased to have effect and, in accordance with section 648G(3) of the Corporations Act, was deemed to be omitted from the Constitution.

In the Directors' view, it is now appropriate to consider reinsertion of clause 23 in the Company's Constitution. The proposed new clause 23 is in identical terms to the previous provision. The proposed new clause would operate for 3 years, and would then cease to apply unless renewed or reinserted by a further special resolution of Shareholders.

Resolution 8 is a special resolution which means a vote to pass this resolution is decided on a 75% majority of the votes cast by Shareholders entitled to vote on this resolution.

If Resolution 8 is passed, then for 21 days after the meeting the Shareholders holding 10% or more of the Company's Shares would have the right to apply to the court to have the resolution set aside. The court may set aside the resolution if the court is satisfied in all the circumstances it is appropriate to do so.

The Corporations Act requires certain information to be included in the notice of meeting where the approval of Shareholders is sought to adopt proportional takeover provisions.

That information is set out below.

6.2 Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares.

6.3 Effect of the proposed takeover provisions

If a proportional takeover bid is made, the Directors must ensure a resolution of Shareholders to approve the takeover bid is voted on more than 14 days before the last day of the bid period.

The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Constitution).

The proportional takeover approval provisions do not apply to full takeover bids.

6.4 Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

To assess the merits of these provisions, Shareholders should make a judgement as to what events are likely to occur to the Company during the 3 year life of the proposed new clause 23.

6.5 Potential advantages and disadvantages

The Directors consider the proposed proportional takeover provisions have no potential advantages or disadvantages for them and they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders of the proposed proportional takeover provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring any proportional takeover bid is adequately priced; and

- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proposed proportional takeover provisions.

6.6 Previous operation of clause 23

While clause 23 was in effect, there were no takeover bids for the Company, either proportional or full. Therefore, the Directors cannot point to any more specific advantages or disadvantages evident from the operation of the clause during that period.

6.7 Knowledge of any acquisition proposals

As at the date on which this Notice of Meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

6.8 Recommendation of the Board

The Directors consider the proposed insertion of new clause 23 in the Constitution is in the best interests of Shareholders and unanimously recommend Shareholders vote in favour of Resolution 8.

7. Resolution 9 – Approval of 10% Placement Facility

7.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be so at the date of the Annual General Meeting.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The Company intends to use the consideration to (1) fund exploration, resource estimation, and metallurgical work on its Tanzanian assets, (2) progress the Coburn Mineral Sands Project, (3) fund further exploration at Mount Gunson and Tennant Creek and (4) for general working capital.

The Board believes the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Directors of the Company believe Resolution 9 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of this Resolution.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being Shares (ASX Code: GUN) and unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2. provides eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- (C) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
- (D) less the number of fully paid ordinary shares cancelled in the 12 months.

Note A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 606,885,128 Shares. Subject to Shareholders approving Resolutions 6 and 9, immediately following the AGM the Company will have the capacity to issue approximately:

- (i) 91,032,770 Equity Securities under Listing Rule 7.1; and
- (ii) 60,688,513 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

7.3 Listing Rule 7.1A

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2. as at the date of this Notice.

The table also shows:

- (i) calculations where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) calculations where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0075 50% decrease in Issue Price	\$0.015 Issue Price	\$0.030 100% increase in Issue Price
Current Variable A 606,885,128 Shares	10% Voting Dilution	60,688,513 Shares	60,688,513 Shares	60,688,513 Shares
	Funds raised	\$455,164	\$910,328	\$1,820,655
50% increase in current Variable A 910,327,692, Shares	10% Voting Dilution	91,032,770 Shares	91,032,770 Shares	91,032,770 Shares
	Funds raised	\$682,746	\$1,365,492	\$2,730,983
100% increase in current Variable A 1,213,770,256 Shares	10% Voting Dilution	121,377,026 Shares	121,377,026 Shares	121,377,026 Shares
	Funds raised	\$910,328	\$1,820,655	\$3,641,311

The Table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.

- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.015, being the closing price of the Shares on ASX on 20 October 2014.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 9 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
 - (e) The Company may seek to issue the Equity Securities for cash or non-cash consideration, or a combination of both. In such circumstances, the Company intends to use the consideration to (1) fund exploration, resource estimation, and metallurgical work on its Tanzanian assets, (2) progress the Coburn Mineral Sands Project, (3) fund further exploration at Mount Gunson and Tennant Creek, and (4) for general working capital. If the Equity Securities are issued for non-cash consideration, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
 - (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4. and 3.10.5A upon issue of any Equity Securities.
 - (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited, to the following:
 - (i) the methods of raising funds available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
 - (h) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
 - (i) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 7 November 2013. Therefore, the following information is provided in accordance with Listing Rule 7.3A.6 regarding the Equity Securities issued in the previous 12 months preceding the date of this Meeting.

Assuming that the Share Purchase Plan announced on 20 October 2014 and due to close on or about 14 November 2014 is fully subscribed (66,666,668 shares at 1.5 cents per share to raise \$1 million before costs), the Company will have issued a total of 418,123,852 Equity Securities during the 12 months preceding the date of this Meeting representing approximately 160% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of this Notice, being 261,277,944.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

Date of Issue	Allottee	Equity Security	Price (and discount to market if any)	Key terms	Amount Raised Use of Funds or non-cash Consideration
17 April 2014	Sophisticated and professional investors.	17,647,061 Shares.	\$0.017 per Share. Shares were issued at a 9% discount to the closing market price on the date of issue, being \$0.0187.	Placement of fully paid ordinary shares. Shares rank equally with existing Shares.	\$300,000 Of these proceeds \$300,000 has been used for working capital to sustain operations and maintain permits and tenements in Western Australia, South Australia, and Northern Territory and to support activities of Torrens Mining on the MG14/Windabout Copper Project.
4 June 2014	Various shareholders who participated in the Non-Renounceable Entitlement Issue.	18,476,788 Shares.	\$0.017 per Share. Shares were issued at a 13.33% premium to the closing market price on the date of issue, being \$0.012.	Non-Renounceable Entitlement Issue of fully paid ordinary shares. Shares rank equally with existing Shares.	\$314,105 Of these proceeds \$202,105 has been used for working capital to sustain operations and maintain permits and tenements in Western Australia, South Australia, and Northern Territory and to support activities of Torrens Mining on the MG14/Windabout Copper Project. The balance of funds remaining is \$112,000 and will be used for the above purposes.
19 August 2014	Professional services provider in payment for professional services.	2,000,000 Shares.	\$0.017 per Share. Shares were issued at a 29% discount to the closing market price on the date of issue, being \$0.024.	Issue of fully paid ordinary shares in payment for professional services provided to the Company. The Shares were issued from the shortfall from the Non-Renounceable Entitlement Issue. The Shares are being held in voluntary escrow for 12 months from the date of issue and thereafter will rank equally with existing Shares.	No funds were raised. The Shares were issued in payment for professional services provided to the Company. Current of value of these = \$30,000

Date of Issue	Allottee	Equity Security	Price (and discount to market if any)	Key terms	Amount Raised Use of Funds or non-cash Consideration
23 October 2014	Shareholders of Strandline Resources Pty Ltd as approved at the General Meeting held on 20 October 2014.	166,666,667 Shares.	Deemed price of \$0.015 per Share, which equals the closing market price on 20/10/14. The shares have not been issued at the date of this Notice.	The Share were issued in consideration for the acquisition of all of the issued capital of Strandline Resources Pty Ltd as approved at the General Meeting held on 20 October 2014. The Shares will be held in escrow for 12 months from 23 October 2014.	No funds were raised. The Share were issued in consideration for the acquisition of all of the issued capital of Strandline Resources Pty Ltd as approved at the General Meeting held on 20 October 2014. Current value of these Shares = \$2,500,000
23 October 2014	Institutional and sophisticated investors as proposed by the Company's broker and corporate adviser, as approved at the General Meeting held on 20 October 2014.	146,666,668 Shares.	\$0.015 per Share, which equals the market closing price on 20/10/14. The shares have not been issued at the date of this Notice.	Placement of fully paid ordinary shares. Shares rank equally with existing Shares.	\$2,200,000 No funds have been expended at the date of the Notice. The Company intends to use the funds raised under the Capital Raising as follows: (a) drilling and exploration of the Company's Tanzanian mineral sands projects; (b) conducting resource estimation and metallurgical work at the Company's Tanzanian mineral sands projects; (c) progressing Gunson's Coburn Mineral Sands Project; (d) further exploration of Gunson's MG14/Windabout Copper Project at Mount Gunson and the Fowlers Bay Nickel Project; and (e) for working capital purposes.
Expected issue date is 24 November 2014	Shareholders of the Company pursuant to a Share Purchase Plan announced on 20 October 2014.	Up to 66,666,668 Shares	\$0.015 per Share, a discount of 1% from the 5-day VWAP for the period ending 17 October 2014. The Shares have not been issued at the date of this Notice.	Pursuant to a Share Purchase Plan announced on 20 October 2014 and offered to all Shareholders in the Company as of 17 October 2014 with a registered address in Australia or New Zealand.	Up to \$1,000,000 No funds have been raised at the date of the Notice. The Company intends to use the funds raised under the Share Purchase Plan as follows: • exploration and drilling of the Company's Tanzanian mineral sands assets; • conducting resource estimation and

Date of Issue	Allottee	Equity Security	Price (and discount to market if any)	Key terms	Amount Raised Use of Funds or non-cash Consideration
					<p>metallurgical work at the Company's Tanzanian mineral sands assets;</p> <ul style="list-style-type: none"> • progressing Gunson's Coburn Mineral Sands Project; • further exploration of Gunson's MG14/Windabout Copper Project at Mount Gunson and the Fowlers Bay Nickel Project; and • for working capital purposes.

- (j) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. Resolution 10 – Approval of issue of SPP Shortfall Shares to sophisticated and professional investors who are clients of Hartleys

8.1 Background

On 20 October 2014 the Company announced its proposal to undertake a Share Purchase Plan (**SPP**) pursuant to which each eligible Shareholder can subscribe for up to \$15,000 worth of ordinary Shares at an issue price of \$0.015 per Share to raise up to \$1 million.

The terms of the SPP provide if less than 66,666,668 Shares are applied for under the SPP, the Shares not subscribed for will comprise the shortfall and may be placed at the discretion of the Directors to institutional and sophisticated investors who are clients of Hartleys (**SPP Shortfall Shares**).

Therefore, Listing Rule 7.1 approval is now sought under Resolution 10 to enable the Directors to place SPP Shortfall Shares with sophisticated and professional investors who are clients of Hartleys and who are not related parties of the Company without using the Company's existing Listing Rule 7.1 capacity. The SPP offer will close on 14 November 2014, with the SPP Shortfall Shares being issued after the date of this Meeting. As such, the number of the SPP Shortfall Shares is unknown as at the date of this Notice of Meeting. The maximum number of the SPP Shortfall Shares that may be issued is 66,666,668, although this will only occur in the unlikely event no Shareholders subscribe for the SPP Shares.

8.2 Technical information provided in accordance with Listing Rule 7.3

- (a) The maximum number of SPP Shortfall Shares which may be issued is 66,666,668 Shares.
- (b) The SPP Shortfall Shares, if issued, will be issued no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price will be \$0.015 per Share.
- (d) The SPP Shortfall Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

- (e) The SPP Shortfall Shares will be issued to sophisticated and professional investors who do not require disclosure under section 708 of the Corporations Act and who are clients of Hartleys and not related parties of the Company.
- (f) The Company intends to use the funds raised from the SPP towards:
 - (i) exploration and drilling of the Company's Tanzanian mineral sands assets;
 - (ii) conducting resource estimation and metallurgical work at the Company's Tanzanian mineral sands assets;
 - (iii) progressing the Coburn Mineral Sands Project;
 - (iv) further exploration at the Mount Gunson MG14/Windabout Copper Project and possibly at Tennant Creek; and
 - (v) working capital purposes.

8.3 Directors' recommendation

The Directors recommend Shareholders approve Resolution 10.

9. Resolutions 11 to 13 – Approval of issue of SPP Shortfall Shares to Mr Richard Hill, Mr Didier Murcia and Mr Michael Folwell

9.1 Background

Listing Rule 10.11 approval is sought under Resolutions 11 to 13 to enable Mr Hill, Mr Murcia and Mr Folwell to participate in the SPP shortfall, details of which are provided under Section 8.1 above. Listing Rule 7.1 approval is not required if Shareholder approval for the issue is obtained under Listing Rule 10.11. Therefore, if Resolutions 11 to 13 are approved, the SPP Shortfall Shares issued under those Resolutions will not count towards the Company's Listing Rule 7.1 capacity.

As set out above, the SPP offer will close on 14 November 2014, with the SPP Shortfall Shares being issued after the date of this Meeting. As such, the number of SPP Shortfall Shares that may be taken up by Mr Hill, Mr Murcia and Mr Folwell is unknown as at the date of this Notice of Meeting. However, the maximum number of SPP Shortfall Shares each of Mr Hill, Mr Murcia and Mr Folwell may take up are as follows:

Director	Maximum number of SPP Shortfall Shares which may be taken up
Mr Hill	2,666,667
Mr Murcia	2,666,667
Mr Folwell	2,666,667

9.2 Chapter 2E

Chapter 2E prohibits the giving of financial benefits to related parties of a public company (the definition of which includes directors of the public company) unless an exception applies.

The Directors (other than Mr Hill in the case of Resolution 11, Mr Murcia in the case of Resolution 12 and Mr Folwell in the case of Resolution 13) have considered the proposed issue of SPP Shortfall Shares and have formed the view the issue of those SPP Shortfall Shares to each of Mr Hill, Mr Murcia and Mr Folwell falls within the 'arm's length' exception to the requirement for related party Shareholder approval under Chapter 2E of the Corporations Act due to the fact each of Mr Hill, Mr Murcia and Mr Folwell will be participating in the SPP Shortfall on the same terms as eligible Shareholders who will be participating under the SPP. In forming this view, the non-conflicted Directors in each case have considered a number of factors including the guidance in ASIC Regulatory Guide 76: Related Party Transactions.

Therefore the Company is not required to seek related party Shareholder approval under Chapter 2E of the Corporations Act for Resolutions 11 to 13.

9.3 Technical information provided in accordance with Listing Rule 10.13

- (a) The maximum numbers of SPP Shortfall Shares which may be issued to each of Mr Hill, Mr Murcia and Mr Folwell is set out in the table at Section 9.1 above.
- (b) The issue price of the SPP Shortfall Shares will be 1.5 cents per Share.
- (c) Subject to Shareholder approval, the SPP Shortfall Shares will be issued within 1 month after the date of the AGM.
- (d) Each of Mr Hill, Mr Murcia and Mr Folwell are related parties of the Company by virtue of being Directors.
- (e) The Company intends to use the funds raised from the SPP and the SPP Shortfall towards the matters set out at Section 8.2(f) above.
- (f) A voting exclusion statement is included in the Notice.
- (g) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolutions 11 to 13.

9.4 Directors' recommendations

- (a) The Directors (except Mr Hill) recommend Shareholders approve Resolution 11.
- (b) The Directors (except Mr Murcia) recommend Shareholders approve Resolution 12.
- (c) The Directors (except Mr Folwell) recommend Shareholders approve Resolution 13.

10. RESOLUTION 14 – CHANGE OF NAME TO STRANDLINE RESOURCES LTD

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 14 seeks shareholder approval to change the Company's name from Gunson Resources Limited to Strandline Resources Limited. If Resolution 14 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

Strandline Resources Pty. Ltd. will change its name to Strandline Australia Pty Ltd to assist in facilitating this change of name.

The proposed name, Strandline Australia Pty Ltd, has been reserved by the Company and if Resolution 14 is passed, the Company will lodge a copy of the special resolution with ASIC following the completion of the Acquisition in order to effect the change.

GLOSSARY

In this document:

AGM means the Annual General Meeting of the Company to be held on 26 November 2014, or any adjournment or postponement of the Annual General Meeting.

Annual Report means the Company's Annual Report for the year ended 30 June 2014 containing the Financial Report, the Directors' Report and the Auditors Report.

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

ASX means ASX Limited (ACN 000 943 377) or the Australian Securities Exchange, as appropriate.

Auditor's Report means the Auditor's Report on the Financial Report.

Board means the Company's Board of Directors.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Gunson Resources Limited (to be renamed Strandline Resources Limited) (ACN 090 603 642).

Constitution means the Company's Constitution, as amended from time to time.

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

Directors means the Directors of the Company.

Directors' Report means the annual Directors' Report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum which accompanies and forms part of the Notice of Meeting.

Financial Report means the annual Financial Report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of the ASX.

Notice or **Notice of Meeting** means this notice of Annual General Meeting.

Option means an option to subscribe for and be allotted a Share in the Company.

Performance Rights means performance rights proposed to be issued under the Plan.

Plan has the meaning given to it in section 5.1 of the Explanatory Memorandum.

Proxy Form means the proxy form attached to the Notice of Meeting.

Remuneration Report means the Remuneration Report which is contained in the Directors' Report.

Resolution means a resolution referred to in the Notice of Meeting.

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

Shareholder means a registered holder of a Share.

Share Registrar means Computershare Investor Services Pty Ltd (ACN 000 937 879).

SPP has the meaning given to that term in Section 8.1.

SPP Shares has the meaning given to that term in Section 8.1.

SPP Shortfall Shares has the meaning given to that term in Section 8.1.

Strandline means Strandline Resources Pty Ltd (ACN 165 036 537).

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Australian Western Standard Time.



GUNSON RESOURCES LIMITED

ABN 32 090 603 642

┌ 000001 000 GUN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 723 670
(outside Australia) +61 3 9946 4435

Proxy Form

For your vote to be effective it must be received by 10.00am (WST) Monday, 24 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.gunson.com.au

To review and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Gunson Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Gunson Resources Limited to be held at Gunson Resources Limited, Level 1, 985 Wellington Street, West Perth, Western Australia on Wednesday, 26 November 2014 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 7, 11, 12 and 13 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7, 11, 12 and 13 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 7, 11, 12 and 13 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election Mr William Bloking as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of issue of SPP Shortfall Shares to sophisticated and professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Richard Hill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval of issue of SPP Shortfall Shares to Mr Richard Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Didier Murcia as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval of issue of SPP Shortfall Shares to Mr Didier Murcia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Mr Michael Folwell as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval of issue of SPP Shortfall Shares to Mr Michael Folwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Past Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14	Change of Name to Strandline Resources Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 8	Renewal of the Company's proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /

GUN

190374A

Computershare +