GULLEWA LIMITED

ACN 007 547 480
ABN 30 007 547 480

31 October 2006

Company Announcements Office
Australian Stock Exchange Limited
Level 4 Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

LODGED ONLINE

Dear Sirs

NOTICE OF ANNUAL GENERAL MEETING

We enclose a copy of Notice of Meeting, Explanatory Statement and Proxy Form. These will be mailed out to all shareholders today.

Yours faithfully

DAVID DEITZ
Director

Encl

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GULLEWA LIMITED

ACN 007 547 480

Notice of Annual General Meeting
and
Explanatory Memorandum

Date of Meeting
Thursday, 30 November 2006

TIME OF MEETING
11:00 a.m. EDST

PLACE OF MEETING
Menzies Hotel, (Canberra Suite) 1st Floor
14 Carrington Street
Sydney NSW 2000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

GULLEWA LIMITED
ACN 007 547 480

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Gullewa Limited ("**Company**" or "**Gullewa**") to be held at the Menzies Hotel, (Canberra Suite) 1st Floor, 14 Carrington Street, Sydney NSW 2000 on Thursday, 30 November 2006 at 11:00 a.m. EDST, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2006, and accompanying reports of the Directors and auditor of the Company.

Resolution 1 – Remuneration Report

To consider and put to a non-binding vote the following resolution as an **ordinary resolution**:

> *"That the Remuneration Report required by section 300A of the Corporations Act, as disclosed in the report of the Directors for the year ended 30 June 2006, be adopted."*

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

Resolution 2 – Re-election of Mr Eddie Lee as a Director

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

> *"That Mr Eddie Lee who retires by rotation in accordance with clause 13.2 of the Company's Constitution and who offers himself for re-election, be re-elected a Director of the Company."*

Resolution 3 – Approval of Placement of up to 42,000,000 Shares

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

"That, pursuant to Listing Rule 7.1 and for all other purposes, the Company is authorised to allot and issue up to 42,000,000 Shares for the purposes, on the terms and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

For the purposes of Listing Rule 7.1 the Company will disregard any votes cast on this Resolution 3 by any person who may participate in the issue and 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, or any associate of those persons. 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
- 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.

Resolution 4 – Participation of Directors in Placement

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

"That, subject to the passage of Resolution 3 and pursuant to Listing Rule 10.11, section 195 of the Corporations Act and for all other purposes, Messrs David Deitz, Eddie Lee and David Atkinson, being Directors, and/or their respective nominees, may participate in the placement referred to in Resolution 3 by each or all of them or their respective nominee(s) subscribing for, in aggregate, a maximum of 14,000,000 fully paid ordinary shares in the capital of the Company."

For the purposes of Listing Rule 10.11 the Company will disregard any votes cast on this Resolution 4 by Mr David Deitz, Mr Eddie Lee and Mr David Atkinson or any associate of Mr David Deitz, Mr Eddie Lee and Mr David Atkinson. 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
- 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.

Resolution 5 – Grant of Director Options to Mr David Deitz

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

"That, for the purpose of Chapter 2E and section 195 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company is authorised to allot and issue up to 7,000,000 Director Options for no consideration to Mr David Deitz, a Director, and/ or his nominee(s), for the purposes, on the terms and in the manner set out in the Explanatory Memorandum accompanying this Notice of Meeting."

For the purposes of Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 5 by Mr David Deitz or any associate of Mr David Deitz. 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
- 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.

Resolution 6 – Grant of Director Options to Mr Eddie Lee

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

> *"That, for the purpose of Chapter 2E and section 195 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company is authorised to allot and issue up to 2,000,000 Director Options for no consideration to Mr Eddie Lee, a Director, and/or his nominee(s), for the purposes, on the terms and in the manner set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

For the purposes of Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 6 by Mr Eddie Lee or any associate of Mr Eddie Lee. 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
- 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.

Resolution 7 – Grant of Director Options to Mr David Atkinson

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

> *"That, for the purpose of Chapter 2E and section 195 of the Corporations Act, and Listing Rule 10.11, and for all other purposes, the Company is authorised to allot and issue up to 2,000,000 Director Options for no consideration to Mr David Atkinson, a Director, and/or his nominee(s), for the purposes, on the terms and in the manner set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

For the purposes of Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 7 by Mr David Atkinson or any associate of Mr David Atkinson. 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
- 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.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward.

By Order of the Board of Directors

David Deitz
Chairman

26 October 2006

PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A shareholder entitled to attend and cast 2 or more votes at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer(s) or his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed or certified copy of the same) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting.
- The **enclosed** proxy form provides further details on appointing proxies and lodging proxy forms.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

NOTES

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that Shares held at 5.00pm EDST on Tuesday 28 November 2006 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

GULLEWA LIMITED
ACN 007 547 480

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting ("**Notice of Meeting**") of Gullewa.

The Directors of Gullewa ("**Directors**") recommend Shareholders read this Explanatory Memorandum in conjunction with the Notice of Meeting (of which this Explanatory Memorandum forms a part) in full before making any decision in relation to the Resolutions.

ORDINARY BUSINESS

ANNUAL REPORT

As required under section 317 of the Corporations Act, the annual report (which includes the financial report, directors' report and auditor's report) of the Company for the year ended 30 June 2006 will be laid before the Annual General Meeting of the Company.

Shareholders will be given an opportunity to ask questions and make comments about the annual report or the Company generally, but there will be no formal resolution submitted to the Meeting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (Non-binding vote)

Requirements of Corporations Act

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

(a) discusses the Company's policy and the process for determining the remuneration of its executive officers (there are no executives other than the Directors); and
(b) sets out remuneration details for each Director of the Company named in the Remuneration Report for the financial year ended 30 June 2006.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Board or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Directors' Recommendation

The Board unanimously recommends that Shareholders adopt the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF MR EDDIE LEE AS A DIRECTOR

Mr Eddie Lee

Resolution 2 seeks approval for the re-election of Mr Eddie Lee as a Director with effect from the end of the Meeting.

Clause 13.2 of the Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office.

Mr Lee retires from office in accordance with this requirement and submits himself for re-election. His profile is contained in the Annual Report.

Directors' Recommendation

The Directors recommend the re-election of Mr Eddie Lee.

RESOLUTION 3 – APPROVAL OF PLACEMENT OF UP TO 42,000,000 SHARES

Listing Rules Requirements

Resolution 3 has been included so that Shareholders may approve pursuant to Listing Rule 7.1 the proposed issue of up to a maximum of 42,000,000 Shares to persons selected by the Directors in their discretion.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that prior shareholder approval is required for any issue of equity securities if the equity securities, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

The maximum issue of Shares pursuant to this Resolution will represent 28.15% of the issued capital of the Company on a fully diluted basis (prior to the issue of the 42,000,000 Shares) and so Shareholder approval is required under Listing Rule 7.1 to authorise the issue.

The following further information is provided to Shareholders for the purposes of Listing Rule 7.3 and approval is sought from Shareholders for the issue of Shares on the following terms:

(a) the maximum number of Shares to be issued is 42,000,000;

(b) the Shares will be issued and allotted progressively but no later than 3 months after the date of the Meeting;

(c) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed);

(d) the proposed allottees are unknown at the date of the Notice of Meeting but will be chosen at the discretion of the Directors. The Company will disclose the names of the allottees when Shares are issued;

(e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and

(f) the purpose of the placement will be to raise funds to assist in funding the development of the Company's property interests, investments by the Company in listed companies and investments in exploration and mining.

RESOLUTION 4 – PARTICIPATION OF DIRECTORS IN PLACEMENT

Approvals Required

Subject to the approval of Resolution 3, the Company will be making a placement of up to 42,000,000 Shares.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 and section 195 of the Corporations Act to allow Messrs Deitz, Lee and Atkinson, Directors, to participate in the proposed placement by permitting each or all of them and/or their respective nominee(s) o subscribe for and be allotted and issued, in aggregate, a maximum of 14,000,000 Shares on exactly the same terms as all other participants in the proposed placement.

The following table illustrates the impact of passing Resolution 4 on each Director's voting power in Gullewa, assuming that each individual Director receives the full placement of 14,000,000 Shares (although only a maximum combined total of 14,000,000 Shares could be issued to the Directors and/or their respective nominees) and all of the 42,000,000 Shares, which could be issued if Resolution 3 is approved, are issued:

Directors	Shares	Options	Percentage voting power in the Company on an undiluted basis *(Total issued share capital of Gullewa is 167,931,551)*	Percentage voting power in the Company on a fully diluted basis *(Total issued share capital of Gullewa is 191,188,307)*
David Deitz	17,149,698	16,500,000	10.21%	17.60%
Eddie Lee	14,000,000	3,378,378	8.34%	9.09%
David Atkinson	14,000,000	3,378,378	8.34%	9.09%

Section 195 of the Corporations Act

Section 195 of the Corporations Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

As each Director is considered to hold a material personal interest in the consideration of the issue of whether the Directors may participate in the proposed placement pursuant to Resolution 3, a quorum cannot be formed to consider the matter at Board level. However by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before Shareholders to consider and resolve.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the issue of the participation of the Directors in the placement proposed pursuant to Resolution 3 to Shareholders to consider and resolve upon.

Listing Rule 10.11

Listing Rule 10.11 requires prior shareholders' approval by ordinary resolution to any issue by a listed company of equity securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the participation of the Directors (who are related parties of the Company) and/or their respective nominee(s), in the placement proposed pursuant to Resolution 3 in accordance with the terms of Resolution 4.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

(a) the maximum number of Shares the Company can issue to each and all Directors and/or their respective nominees under Resolution 4 is 14,000,000 Shares (in aggregate) which forms part of, and is not additional to, the 42,000,000 Shares to be issued pursuant to Resolution 3;

(b) the Company will issue the Shares within one month of the date of the Meeting;

(c) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed);

(d) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and

(e) the funds raised will be used to assist in funding the development of the Company's property interests, investments by the Company in listed companies and investments in exploration and mining.

RESOLUTIONS 5, 6 & 7 – GRANT OF DIRECTOR OPTIONS TO DAVID DEITZ, EDDIE LEE AND DAVID ATKINSON

Introduction

The Company proposes to grant a total of 11,000,000 Director Options to David Deitz, Eddie Lee and David Atkinson, and/or their nominees, as follows:

Name	Director Options
David Deitz, and/or his nominee(s)	7,000,000
Eddie Lee, and/or his nominee(s)	2,000,000
David Atkinson, and/or his nominee(s)	2,000,000

The terms of the Director Options are set out in Annexure A to this Explanatory Memorandum. The exercise price of the Director Options will be the price which is 25% above the weighted average market price of Shares trading on the ASX over the last 5 days on which sales were recorded up to and including the date this Notice of Meeting is dispatched to Shareholders ("**Director Option Exercise Price**").

The grant of Director Options is designed to encourage the performance of the Directors. The Directors believe that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors for their performance, to provide Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

The issue of options as part of the remuneration packages of directors is a well established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding their directors.

The number of Director Options to be granted to Messrs Deitz, Lee and Atkinson and their exercise price and expiry date has been determined based upon the Directors' wish to ensure that the remuneration offered is competitive with market standards and where appropriate, based upon performance hurdles.

The Directors have sought independent advice on market standards from a remuneration consultant for the purposes of considering whether the proposed number of Director Options to be granted will ensure that Messrs Deitz's, Lee's and Atkinson's overall remuneration is in line with market standards.

The Directors believe the packages, including the proposed grant of Director Options are comparable to other remuneration packages for directors of comparable companies. The exercise of the Director Options will provide working capital for the Company at no significant cost. If all Director Options proposed to be issued pursuant to Resolutions 5, 6 and 7 are ultimately exercised, an indicative amount of $797,500.00 would be raised based on the closing Share price on 17 October 2006 of $0.058 and an exercise price for the Director Options of $0.0725 (being an exercise price of 25% above the closing Share price on 17 October 2006).

Material Personal Interest

Section 195 of the Corporations Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

As each Director may be considered to hold a material personal interest in the consideration of the issue of the Director Options pursuant to Resolutions 5, 6 and 7, a quorum cannot be formed to consider the matter at Board level. However by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before Shareholders to consider and resolve.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of Director Options pursuant to Resolutions 5, 6 and 7 to Shareholders to consider and resolve upon.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or

(b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, the Directors are each a related party of the Company.

Resolutions 5, 6 and 7 provide for the grant of Director Options to the Directors which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders:

(a) The related parties to whom the proposed resolution would permit the financial benefit to be given are as follows:

Name	**Director Options**
David Deitz, and/or his nominee(s)	7,000,000
Eddie Lee, and/or his nominee(s)	2,000,000
David Atkinson, and/or his nominee(s)	2,000,000

(b) The nature of the financial benefit proposed to be given is the grant of the Director Options for no consideration on the terms and conditions set out in Resolutions 5, 6 and 7 and Annexure A to this Explanatory Memorandum.

On the basis of the indicative Director Option value, as detailed in paragraph (d)(ii) below, the value of the Director Options proposed to be issued to each of the Directors, is as follows:

Name	Role	Value of Director Options ($)
David Deitz	Chairman	130,900
Eddie Lee	Director	37,400
David Atkinson	Director	37,400

(c) As all Directors and/or their respective nominee(s) are participating in the proposed issue of Director Options, each of the Director express no opinion and makes no recommendation in respect of the grant of the Directors Options proposed by Resolution 5, 6 and 7 as they consider that they have a material personal interest in the outcome of these Resolutions.

(d) Other information (apart from that as set out throughout this Notice of Meeting) that is reasonably required by Shareholders to make a decision whether it is in the interests of the Company to pass Resolutions 5, 6 and 7 that is known to the Company or any of its Directors is as follows:

(i) The proposed resolution would have the effect of giving power to the Directors to grant up to 11,000,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 125,931,551 listed Shares, and 23,256,756 unlisted options on issue.

(ii) The Company's advisers have valued the Director Options using the Black-Scholes Option Pricing Model ("**BSModel**"), which is the most widely used and recognised model for pricing options, and which ASIC has indicated as acceptable. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. Their assessment of the indicative value (indicative only because the exercise price for the Director Options will be the price which is 25% above the weighted average market price of Shares trading on the ASX over the last 5 days on which sales were recorded up to and including the date this Notice of Meeting is dispatched to Shareholders) of the Director Options has been prepared using the following variables:

- the price of the underlying Share is 5.8 cents;
- the exercise price is 7.25 cents;
- the Director Option term is 5 years;
- a price volatility factor of 59.14%; and
- the average risk free interest rate of 6.00%, as at 17 October 2006.

In deriving the valuation the BSModel relies upon the following assumptions:

- that the Director Options are American call options (ie. they can be exercised at any time during the period);
- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

Using the abovementioned variables the BSModel calculates the indicative value of a Director Option to be 1.87 cents. Any change in the variables applied in the BSModel between the date of the valuation and the date the Director Options are granted would either increase or decrease their value.

(iii) If any Director Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing Shareholders. Based on the securities of the Company on issue as at 17 October 2006, the exercise of the total proposed

Director Options would have a dilution effect of approximately 7.83% on non-associated Shareholders' interest in the Company, or approximately 4.30% on a fully diluted basis (assuming all existing options to acquire Shares are exercised and all 42,000,000 Shares which could be issued pursuant to the placement proposed under Resolution 3 are issued and the Directors participate to the maximum extent permitted under Resolution 4).

The market price of the Company's Shares during the period of the Director Options will normally determine whether or not option holders exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Director Options.

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on ASX over the past 12 months ending on 17 October 2006:

Security	**Highest Price**	**Date of highest price**	**Lowest Price**	**Date of lowest price**	**Latest Price on 17 October 2006**
Ordinary Shares	6.5 cents	23.8.2006	0.6 cents	5.12.2005	5.8 cents

(iv) As at the date of this Notice, the Directors and their associates have relevant interests in securities in the Company as follows:

Name	**Number of Shares**	**Number of options**	**Exercise Price**	**Expiry Date**
David Deitz	3,149,698	9,000,000	6 cents	30.6.09
		7,500,000	3.25 cents	5.12.10
Eddie Lee	0	1,000,000	6 cents	30.6.09
		2,378,378	3.25 cents	5.12.10
David Atkinson	0	1,000,000	6 cents	30.6.09
		2,378,378	3.25 cents	5.12.10

(v) Based on the Director Option values set out in paragraph (d)(ii) above the Directors will be receiving the following remuneration for their roles as Directors, plus compulsory superannuation contributions in accordance with the Superannuation Guarantee legislation in the next financial year if Resolutions 5,6 and 7 are passed:

Name	**Role**	**Cash salary and fees ($)**	**Value of Director Options($)**	**Total Remuneration (p.a) ($)**
David Deitz	Chairman	60,000	130,900	190,900
Eddie Lee	Director	25,000	37,400	62,400
David Atkinson	Director	25,000	37,400	62400

The Directors receive no other remuneration for their roles as Directors.

(vi) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Director Options pursuant to the Resolutions other than:

(A) the potential dilution of Shareholding of Shareholders set out in paragraph (d)(iii) above, and

(B) the possibility that, if the Director Options are exercised at a time when the market price of Shares is greater than the exercise price of the Director Options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

(vii) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions, other than as set out throughout this Notice of Meeting..

Listing Rule 10.11

If Resolutions 5, 6 and 7 are passed, securities may be issued to Messrs Dietz, Lee and Atkinson and/or company(ies) controlled by these persons who are related parties of the Company for the purposes of the Corporations Act and Listing Rules.

Accordingly, approval for the issue of Directors Options to Messrs Dietz, Lee and Atkinson and/or their respective nominee(s) is also required pursuant to Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 Exception 14, the approval of the holder of ordinary securities pursuant to the Listing Rule 7.1 is not required in order to issue the Director Options to Messrs Dietz, Lee and Atkinson and/or their respective nominee(s) if such approval is obtained under Listing Rule 10.11. Shareholders should note that the issue of Directors Options to Messrs Dietz, Lee and Atkinson and/or their respective nominee(s), will not be included in the 15% calculation for the purposes of Listing Rule 7.1. For the purposes of Listing Rule 10.13, the following information is provided to Shareholders:

(a) the Director Options will be granted to Mr David Dietz, Mr Eddie Lee and Atkinson, who are all directors of the Company, and/or their respective nominee(s);

(b) the maximum number of Director Options to be granted is 11,000,000 and the maximum number of Director Options which could be issued to each Director, and/or their respective nominee(s), is as follows:

Name	Director Options
David Deitz, and/or his nominee(s)	7,000,000
Eddie Lee, and/or his nominee(s)	2,000,000
David Atkinson, and/or his nominee(s)	2,000,000

(c) the Director Options will be granted on a date which will be no later than 1 month after the date of this Meeting;

(d) the Director Options will be granted for no consideration;

(e) no funds will be raised by the grant of the Director Options; and

(f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

CAPITAL STRUCTURE

On completion of the issue of Shares and Director Options contemplated by this Notice of Meeting, the capital structure of the Company will be as follows:

Description	Number of Shares
Shares issued at the date of this Notice of Meeting	125,931,551
Shares issued pursuant to Resolution 3	42,000,000
TOTAL	**167,931,551**

Description	Number of options	Exercise Price	Expiry Date
Options issued at the date of this Notice of Meeting	11,000,000	6 cents	30 June 2009
Options issued at the date of this Notice of Meeting	12,256,756	3.25 cents	5 December 2010
Options issued pursuant to Resolution 5	7,000,000	Director Option Exercise Price	30 November 2011
Options issued pursuant to Resolution 6	2,000,000	Director Option Exercise Price	30 November 2011
Options issued pursuant to Resolution 7	2,000,000	Director Option Exercise Price	30 November 2011
TOTAL	**34,256,756**		

All of the options of the Company, either issued at the date of this Notice of Meeting, or proposed to be issued pursuant to this Notice of Meeting are unlisted.

GLOSSARY

In the Notice of Meeting, the following terms have the following meanings unless the context otherwise requires:

Annual Report	means the Company's report including the reports of the Directors and auditor of the Company and the financial statement of the Company for the year ended 30 June 2006.
Annexure	means an annexure to this Explanatory Memorandum.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Stock Exchange Limited.
Board	means the board of Directors.
Company	means Gullewa Limited (ACN 007 547 480).
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Director Option	means an option to acquire one Share, exercisable at an exercise price which is 25% above the closing Share price on the date this Notice of Meeting is dispatched to Shareholders, on or before 30 November 2011 and otherwise on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
Director Option Exercise Price	means the price which is 25% above the weighted average market price of Shares trading on the ASX over the last 5 days on which sales were recorded up to and including the date this Notice of Meeting is dispatched to Shareholders.
EDST	means Eastern Daylight Saving Time.
Gullewa	means the Company.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the entity is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Meeting	means the annual general meeting the subject of the Notice.
Notice of Meeting	means the notice of annual general meeting which accompanies and includes this Explanatory Memorandum.

Remuneration Report	means the remuneration report appearing in the Annual Report.
Resolution	means a resolution proposed pursuant to the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The terms and conditions of the Directors' Options the subject of Resolutions 5, 6 and 7 are:

1. Each option shall be issued for no consideration.

2. Each option entitles the holder to subscribe for one ordinary share in the capital of Gullewa Limited ACN 007 547 480 ("**Company**") upon the payment of [See Explanatory Memorandum] cents per share subscribed for.

3. The options will lapse at 5.00 pm, Eastern Daylight Saving Time on 30 November 2011 ("**Expiry Date**").

4. The options are not transferable and will not be listed for official quotation on the ASX.

5. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.

6. Optionholders have the right to exercise their options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options, and will be granted a period of at least 10 business days before books closing date to exercise the options.

7. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the option.

O = the old exercise price of the option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.]

8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.

9. The options shall be exercisable at any time before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him.

10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of the receipt of a properly executed Notice and payment of the requisite exercise price.

11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects. The Company will apply for admission to quotation by the ASX of the shares issued upon the exercise of options within 3 business days after the date of allotment of those shares.

12. The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of options held, the number of shares to be issued on exercise of the options, the exercise price, the due date for payment of the exercise price and the consequences of non-payment.

GULLEWA LIMITED
ACN 007 547 480

PROXY FORM

The Company Secretary
Gullewa Limited
Registered Office Address: Level 2 Quantum House
49-51 York Street
SYDNEY NSW 2000
Facsimile: (02) 9397 7575

I/We (name of shareholder) ....
of (address) ....
being a member/members of Gullewa Limited HEREBY APPOINT
(name) ....
of (address) ....
and/or failing him (name) ....
of (address) ....
or failing that person then the Chair of the Annual General Meeting as my/our proxy to act generally for me/us and to vote for me/us at the Annual General Meeting of the Company to be held at the Menzies Hotel, (Canberra Suite) 1st Floor, 14 Carrington Street, Sydney NSW 2000 on Thursday, 30 November 2006 at 11:00 a.m. EDST and at any adjournment of the meeting.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default and you do ***not*** *wish to direct your proxy how to vote as your proxy in respect of Items 4 and 5, please place a mark in this box.* ☐

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Items 4 and 5 and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Items 4 and 5 and your votes will not be counted in calculating the required majority if a poll is called on these Items.

The Chair of the Annual General Meeting intends to vote ***in favour*** *of all Items (including Items 4 and 5) in relation to undirected proxies.*

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain*
1 – Remuneration Report	☐	☐	☐
2 – Re-election of Eddie Lee as a Director	☐	☐	☐
3 – Approval of Placement of up to 42,000,000 Shares	☐	☐	☐
4 – Participation of Directors in Placement	☐	☐	☐
5 – Grant of Director Options to David Deitz	☐	☐	☐
6 – Grant of Director Options to Eddie Lee	☐	☐	☐
7 – Grant of Director Options to David Atkinson	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ______% and Proxy 2 represents _____% of my total votes
My total voting right is __________shares

If the shareholder(s) is an individual:

Name: ____

If the shareholder is a company:

Affix common seal (if required by Constitution)

________________________________ ________________________________
Director/Sole Director and Secretary Director/Secretary

Dated:

In addition to signing the Proxy Form above please provide the information below in case we need to contact you.

________________________________ ____________________________
Contact name Contact Daytime Telephone

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.

2. A shareholder entitled to attend and cast 2 or more votes at this Annual General Meeting is entitled to appoint not more than 2 proxies to attend and vote at this Annual General Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy this form.

3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer, or officers of the company (as the case may be) or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.

4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.

5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting (that is, by 11:00 a.m. EDST on Tuesday, 28 November 2006), by person, post, courier or facsimile to the respective addresses stipulated in this proxy form.

6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:

   (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;

   (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;

   (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and

   (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

   If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.