



ACN 007 547 480
ABN 30 007 547 480

4 July 2012

Company Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**GENERAL MEETING
29 JUNE 2012**

The resolution put to shareholders at the General Meeting of Gullewa Limited held on 29 June 2012, as set out below, was passed unanimously. A copy of the Notice of General Meeting is attached to this announcement (Appendix A).

Resolution	Result	Total Valid Proxies	Proxies FOR	Proxies AGAINST	Proxies ABSTAINING
Resolution 1 Approval of Issue of Options to Mr Anthony Howland-Rose	Carried on a show of hands	21,186,435	21,014,811	171,624	-

Yours sincerely

David Deitz
Director

APPENDIX A

GULLEWA LIMITED

ACN 007 547 480

Notice of General Meeting and Explanatory Memorandum

Date of Meeting

Friday 29 June 2012

Time of Meeting

9:30 a.m.

Place of Meeting

Level 8
49 – 51 York Street
SYDNEY NSW 2000

This Notice of 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 GENERAL MEETING

Notice is hereby given of a general meeting of Gullewa Limited ("**Company**" or "**Gullewa**") to be held at Quantum House, Level 8, 49 – 51 York Street, Sydney, New South Wales on Friday 29 June 2012 at 9:30 a.m. for the purpose of transacting the following business referred to in this Notice of General Meeting.

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

AGENDA

Resolution 1 – Approval of Issue of Options to Mr Anthony Howland-Rose

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

"That, pursuant to Chapter 2E.1 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Company is authorised to allot and issue up to 5,000,000 Options to Mr Anthony Howland-Rose, who is a Director, and/or his nominee(s), for the purposes, on the terms and in the manner described in the Explanatory Memorandum."

Voting Exclusion Statement

For the purposes of Chapter 2E.1 of the Corporations Act and ASX Listing Rule 10.11 the Company will disregard any votes cast on this Resolution 1 by Mr Anthony Howland-Rose and/or his nominee(s) or any of his 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
- 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.

The Company will also disregard any votes cast on Resolution 1 as a proxy by a person who is disclosed in the Remuneration Report as one of the Key Management Personnel for the Company (including Directors), or a Closely Related Party of that person where the proxy appointment does not specify the way the proxy is to vote on Resolution 1 unless:

- the proxy is the chair of the Meeting; and
- the proxy appointment expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

OTHER BUSINESS

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

By Order of the Board of Directors

David Deitz
Director

Dated 30 May 2012

PROXIES

- Votes at the Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and cast 2 or more votes at the 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.
- 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.
- Proxies appointing the chair of the Meeting which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolution (subject to the other provisions of these notes on Proxies and any required voting exclusions including those in the Notice) as this is the chair's voting intention.

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 9.30am on 23 May 2012 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. The entitlement of Shareholders to vote at the Meeting will be determined by reference to that time.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meeting.

The 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 Resolution.

ORDINARY BUSINESS

RESOLUTION 1 – APPROVAL OF ISSUE OF OPTIONS TO MR ANTHONY HOWLAND-ROSE

Background

Resolution 1 seeks the approval of Shareholders to the grant 5,000,000 Options to the executive chairman of the Company, Mr Anthony Howland-Rose, and/or his nominee(s) as part consideration for services provided to the Company by Mr Howland-Rose and to secure Mr Howland-Rose's ongoing commitment to the continued growth of the Company.

Shareholder approval to grant 5,000,000 Options to Mr Howland-Rose was sought and obtained at the Annual General Meeting. One of the conditions of that Shareholder approval (in accordance with Listing Rule 10.13) was that the Options were to be issued and allotted to Mr Howland-Rose within one (1) month of the date of the Annual General Meeting or such later date as ASX may approve. Due to an administrative oversight the Company did not issue and allot the Options to Mr Howland-Rose within that one month period and as at the date of this Notice the Options have not been issued or allotted to Mr Howland-Rose. Accordingly the purpose of Resolution 1 is to again obtain Shareholder approval to issue the 5,000,000 Options to Mr Howland-Rose.

The number of Options (set out in Annexure A to this Explanatory Memorandum) proposed to be issued and allotted to Mr Anthony Howland-Rose and/or his nominee(s) under Resolution 1 is the same the number of Options that was approved to be issued to Mr Anthony Howland-Rose and/or his nominee(s) at the Annual General Meeting. The exercise price of the Options will be the price which is 25% above the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, the date of the Meeting (which is different to the terms of the Options for which approval was sought at the AGM, the exercise price for which was 25% above the closing sale price of the Shares recorded on the stock market of the ASX on the trading day immediately preceding the day of the Meeting).

Under the Company's current circumstances, it is considered that the incentive to Mr Howland-Rose represented by the issue of these Options is a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The Directors agree that it is better for the Company that Mr Howland-Rose be rewarded in part by way of securities in the Company, rather than solely by way of cash.

The number of Options to be granted to Mr Howland-Rose 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. The Directors have sought independent advice on market standards from a remuneration consultant for the purposes of considering whether the proposed number of Options to be granted will ensure that Mr Howland-Rose's overall remuneration is in line with market standards.

The Directors believe that Mr Howland-Rose's package, including the proposed grant of Options is comparable to other remuneration packages for the executive chairman of comparable companies.

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, Mr Howland-Rose is a related party of the Company.

Resolution 1 provides for the grant of Options to Mr Howland-Rose 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 party to whom the proposed resolution would permit the financial benefit to be given is Mr Anthony Howland-Rose (or his nominee(s)), who is a Director and the executive chairman of the Company.
- (b) The nature of the financial benefit proposed to be given is the grant of the Options to Mr Howland-Rose for no consideration on the terms and conditions set out in Resolution 1 and Annexure A to this Explanatory Memorandum.
- (c) All Directors were available to consider Resolution 1. Mr Howland-Rose declined to make a recommendation to shareholders in respect of Resolution 1 as he has a material personal interest in the outcome of the Resolution. Messrs Deitz, Lee and Atkinson (who do not have an interest in Resolution 1) recommend that Shareholders approve the grant of Options under Resolution 1 to Mr Howland-Rose for the reasons outlined above.
- (d) Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 1 that is known to the Company or any of its Directors:
 - (i) The proposed resolution would have the effect of giving power to the Directors to grant up to 5,000,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. As at the date of this Notice the Company has 149,723,100 listed Shares on issue and 12,255,000 unlisted options.
 - (ii) The Company's advisers have valued the Options using the Black-Scholes Option Pricing Model ("BSModel"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. 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 value of the Options has been prepared using the following variables:
 - the price of the underlying share is 8.21 cents based on the volume weighted average price of the Shares recorded on the stock exchange of the ASX over the last five days trading up to and including 30 April 2012
 - the exercise price is . 10.26 cents being a 25 % premium to the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, 30 April 2012;
 - the Option term is 5 years;
 - a volatility factor of 63.37%; and
 - a risk free interest rate of 4.75%, as at 30 April 2012.

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

- that the Options are American call options (i.e. 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 value of each Option to be 0.0322 cents. Any change in the variables applied in the BSModel between the date of the valuation and the date the Options are granted would have an impact on their value.

If any of the Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Options and all existing options are also exercised, the total dilution would be approximately 3.09%. The market price of the Company's Shares during the period of the Options will normally determine whether or not Option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Options. If the Options are exercised the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

The intended grant date of the Options is a future date yet to be decided though expected to be on 29 June 2012 or thereafter. The exercise price of each Option will be 25% above the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, the date of the Meeting. However, since the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, the date of the Meeting is not known, for the purposes of the valuation, the Options have been valued as though granted on 30 April 2012 having regard to the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, that date. The Options have been valued using market data current at that time. Accordingly the actual exercise price (and also the value of the Options as at the date of issue) could vary having regard to the fluctuations in the market price of the Shares between the date of this Notice and the date upon which the Options are offered to Mr Howland-Rose following the Meeting in which case the valuation of the Options may vary.

- (iii) As at the date of this Notice, Mr Howland-Rose and his associates have relevant interests in 12,198,478 Shares.
- (iv) The total value of Mr Howland-Rose's remuneration package, including superannuation and all other entitlements, is \$144,000. Mr Howland-Rose receives no other remuneration for his role as executive chairman or as a Director generally.
- (v) The following table gives details of the highest, lowest and latest price of Shares trading on ASX over the past 12 months ending on 16 May 2012:

Type of security	Highest Price	Date of Highest Price	Lowest Price	Date of Lowest Price	Latest Price	Date of Latest Price
Ordinary Shares	0.185	05/05/2011	0.065	26/09/2011	0.70	16/05/2012

- (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 Options pursuant to Resolution 1.
- (vii) The primary purpose of the grant of Options to Mr Howland-Rose is to provide a market linked incentive package in his capacity as Director and for the future performance by him. The Board considered the extensive corporate and exploration industry experience of Mr Howland-Rose and

the current market price of the Shares when determining the number and exercise price of the Options to be put before the Shareholders for their approval. In addition the Board considers the proposed grant of the Options to be put before the Shareholders to be reasonable and commercial in light of the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration and development industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves. Accounting standards require that granted options be valued and expensed. The Board does not consider that there are otherwise any significant opportunity costs to the Company or benefits foregone by the Company in the proposed issue of the Options upon the terms proposed to the Shareholders for their approval.

- (viii) The Directors consider the grant of Options to Mr Howland-Rose is reasonable in the circumstances for the reasons set out in the Background to Resolution 1 and paragraph g above
- (ix) 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 Resolution 1.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party. Mr Howland-Rose is considered a related party of the Company by virtue of the fact that he is a Director.

Approval pursuant to Listing Rule 7.1 is not required in order to grant the 5,000,000 Options to Mr Howland-Rose as approval is being obtained under ASX Listing Rule 10.11. The grant of the 5,000,000 Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.13 and approval for the issue of the Options to Mr Howland-Rose is sought on the following terms:

- (a) The maximum number of Options to be issued is 5,000,000.
- (b) The Options will be issued no later than one (1) month from the date of approval of the Resolution (or such later date as approved by ASX).
- (c) The terms and conditions of the Options are set out in Annexure A.
- (d) The Shares issued upon exercise of the Options will rank equally in all respects with the Company's existing issued Shares.
- (e) The Options are being granted for nil consideration as part consideration for the services provided by Mr Howland-Rose as executive chairman of the Company for the purpose set out in the Background to Resolution 1 and paragraph (d)(vii) above and accordingly no funds will be raised.

Directors' Recommendation

The Directors (other than Mr Howland-Rose) recommend that Shareholders vote in favour of Resolution 1.

GLOSSARY

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

Annual General Meeting	means the annual general meeting of Shareholders held on 30 November 2011.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and the market operated by it, as the context requires.
Board	means the board of Directors.
Closely Related Party	is defined in respect of a member of Key Management Personnel as: <ul style="list-style-type: none">▪ a spouse or child of the member;▪ a child or spouse of the member's spouse;▪ a dependent of the member or the member's spouse;▪ 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 dealings with the Company;▪ a company the member controls; or▪ a person prescribed by regulations that may be made for this purpose.
Company or Gullewa	means Gullewa Limited (ACN 007 547 480).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
EDST	means Eastern Daylight Savings Time.
Key Management Personnel	has the meaning given in the accounting standards and broadly means those persons with the authority and responsibility for planning, directing and controlling the activities of the Company, and includes any Director.
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 or General Meeting	means the general meeting of the Company to be held on 29 June 2012 at 9.30 a.m. convened by this Notice.
Notice of Meeting or Notice	means the notice of general meeting which accompanies and includes this Explanatory Memorandum.
Option	means an option to acquire a Share on the terms set out in Annexure A.
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

The terms and conditions of the Options that are the subject of Resolution 1 are:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share upon the payment of the price, which is 25% above the volume weighted average price of the Shares recorded on the stock market of the ASX over the 5 trading days prior to, but not including, the date of the General Meeting, per Share subscribed for.
3. The Options will lapse at 5:00 pm, Eastern Standard Time on the date that is five (5) years less one day from the date of their issue ("**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. Option holders 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, the Options 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 Option holder 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 Option holder 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 holder's identification number within 5 business days of exercise of the Options.
11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.