

GUTNICK RESOURCES N.L.

A.B.N. 44 009 157 439

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders of Gutnick Resources N.L. (the "Company") will be held at Level 8, 580 St Kilda Road, Melbourne, Victoria, 3004, Australia on 5 September 2003 at 11.00 am. The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes the matter to be considered.

SPECIAL BUSINESS

ORDINARY RESOLUTION

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

"To approve the placement of up to 100 million ordinary shares at an issue price of 10 cents together with one option at no issue price, with an exercise price of 10 cents and a latest exercise date of 28 February 2013 for each ordinary share issued and otherwise on the terms and conditions set out in the Appendix A to the Explanatory Statement to shareholders."

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the resolution by a person who may participate in the proposed placement of shares and options and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of that person (or those persons).

The Company need not, however, 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 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.

By Order of the Board

Dated this 5th day of August 2003.



PETER LEE
General Manager Corporate
& Company Secretary

GUTNICK RESOURCES N.L.

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NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT TO SHAREHOLDERS

This Explanatory Statement provides shareholders of the Company with information in respect of the resolution to be considered at the General Meeting of the Company to be held at Level 8, 580 St Kilda Road, Melbourne 3004 on 5 September 2003 at 11:00 a.m. Shareholders should carefully review this Explanatory Statement and the associated Notice of General Meeting ("Notice") to which this Explanatory Statement is attached.

If you have difficulty in properly understanding this documentation, we urge you to consult your financial or legal adviser.

Resolution

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval (but subject to certain exceptions), issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of those securities exceeds 15% of the number of fully paid securities on issue at the commencement of that 12 month period. The proposed placement of up to 100 million ordinary shares ("Shares") and 100 million attaching options ("New Options") exceeds this threshold and requires shareholder approval.

In accordance with ASX Listing Rule 7.3, the following additional information is provided:

- The maximum number of securities to be issued if the resolution is passed is up to 100,000,000 fully paid ordinary Shares and 100,000,000 New Options.
- The Shares will be issued at a price of 10 cents. One New Option will be issued at no issue price, with an exercise price of 10 cents and a latest exercise date of 28 February 2013, for each ordinary Share issued.
- The latest date by which the Company will issue the ordinary Shares and New Options will be 3 months from the date of passing this Resolution (or such later date to the extent permitted by any ASX waiver of the Listing Rules).
- At the date of this Explanatory Statement, the names of the proposed allottees are not known, however, the Company plans to approach investors to whom a prospectus does not need to be provided under the Corporations Act.
- The funds to be raised by the placement are intended to be used for the Company's exploration program, new project generation/acquisition, working capital and retirement of debt.
- The Shares allotted and issued will rank equally with existing ordinary shares on issue. The terms and conditions of the New Options are set out in Appendix A to the Notice that accompanies this Explanatory Statement.
- The Shares and New Options may be allotted progressively. The Company may not necessarily issue the full complement of Shares and New Options and may issue a lesser number but always with one New Option with each Share.
- The Shares and New Options the subject of this Resolution shall be issued at the discretion of the Directors other than to Related Parties (as defined in the ASX Listing Rules).

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FURTHER INFORMATION

The following information is provided to shareholders to facilitate an informed assessment to be made regarding the proposed issue of Shares and New Options under the Resolution (in addition to information disclosed elsewhere in this Explanatory Statement and the accompanying Notice):

- Application will be made for Official Quotation on ASX of the Shares and where possible the New Options to be issued pursuant to the Resolution and fully paid shares to be issued on exercise of the New Options. Official Quotation of those Shares and New Options cannot be guaranteed.; and
- The sum to be raised on issue of the fully paid Shares and attaching New Options pursuant to the Resolution will be \$10,000,000 if all of the Shares and attaching New Options are issued.

By Order of the Board and dated this 5th day of August 2003.



PETER LEE
General Manager Corporate
& Company Secretary

APPENDIX A

TERMS AND CONDITIONS OF NEW OPTIONS

- 1 The New Options are exercisable after 1 January 2004. The Directors reserve the right to allow Optionholders to exercise the New Options at any time after their issue. If the Directors make this decision all Optionholders will be notified in writing. Notwithstanding these arrangements New Options must be exercised by 5:00pm Melbourne time on 28 February 2013 ("the Expiry Date"). New Options not exercised on or before the Expiry Date will automatically lapse.
- 2 To exercise all or some of the New Options a duly completed form of application for Ordinary Shares on exercise of New Options ("Notice of Exercise") must be delivered to the Company's share registry and received by it prior to the Expiry Date stating the number of New Options which the Optionholder wishes to exercise. Each exercise must be for a minimum parcel of 500 New Options or, in the event that a holder holds less than 500 New Options, then the entire New Option parcel. Cheques must be payable to "Gutnick Resources NL" and be crossed "Not Negotiable".
- 3 The New Options entitle the holder to subscribe (in respect of each New Option held) for one new ordinary share at an exercise price per New Option equivalent to the issue price of one ordinary shares issued at the same time as these New Options.
- 4 Upon the exercise of the New Options by Notice of Exercise to the Company and receipt of all relevant documents and cleared payment funds, ordinary shares will be issued ranking pari passu with the then issued ordinary shares. The Directors will make application for the quotation on ASX of the Ordinary Shares issued pursuant to the exercise of the New Options, but give no assurance that such quotation shall be granted
- 5 Unless otherwise determined by the Directors, any Notice of Exercise of a New Option received by the Company's share registry will be deemed to be a Notice of Exercise of the New Option on the last business day of the month in which such Notice of Exercise is received.
- 6 Optionholders do not participate in new issues of capital which may be offered to shareholders during the currency of the New Options prior to the exercise of the New Option. Prior to any new pro rata issue of ordinary shares being offered to shareholders, Optionholders will be notified of the issue by the Company and will be afforded ten business days before the record date (to determine entitlements to the issue) to exercise their New Options.
- 7 It is a condition of the New Options that, in the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the New Options will be reorganised as required by ASX Listing Rules on a reorganisation of capital.
- 8 The New Options may be transferred at any time prior to their expiry in accordance with Securities House Business Rules and/or the ASX Listing Rules.
- 9 Optionholders will be required to obtain a Notice of Exercise for New Options from the Company's share registry.
- 10 Adjustments to the number of ordinary shares over which New Options exist and/or the New Option exercise price may be made if there is a change to the capital structure of the Company by way of pro rata issue for cash or a bonus issue. The method of adjustment shall be in accordance with ASX Listing Rules. However, subject to approval of ASX, if the Company makes a pro rata bonus issue of ordinary shares to shareholders, the total number of New Options will be increased by the same ratio as the increase in the total number of ordinary shares and the exercise price of New Options will be amended in inverse proportion to that ratio.
- 11 All Optionholders will be entitled to attend meetings and receive and will be sent all reports and accounts required to be laid before members of the Company in General Meetings and all notices of General Meetings of Members, but will not be entitled to participate in the Meetings unless they are otherwise registered as holders of ordinary shares.
- 12 The Company is entitled to treat the registered holder of a New Option as the absolute owner of that New Option. Accordingly, the Company shall not be bound to recognise any equitable or other claim to, or interest in, that New Option on the part of any person other than the registered holder (unless otherwise required by law).

GUTNICK RESOURCES N.L.
A.B.N. 44 009 157 439
PROXY FORM

The Company Secretary
 Gutnick Resources N.L.
 PO Box 6315
 St Kilda Road Central
 Victoria 8008
 Australia
 Facsimile No: 03 8532 2881

I/We _____
 (PLEASE USE BLOCK LETTERS)
 of _____

being a shareholder/s of the Company hereby appoint _____
 (INSERT NAME)

or failing him/her the Chairman of the Meeting (mark with an "X")

as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of shareholders of the Company to be held at 11:00 a.m., on 5 September 2003 at Level 8, 580 St Kilda Road Melbourne, Victoria, 3004 Australia, and at any adjournment thereof in the manner indicated below (by ticking the appropriate box) or in the absence of indication, as he/she thinks fit. Shareholders cannot appoint themselves. The Chairman of the Meeting will act as your proxy if you do not appoint someone. By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest.

If two proxies are being appointed the proportion of my voting rights this proxy is appointed to represent at a poll is%* of my shareholding or.....votes* (*Complete whichever is applicable). If a shareholder appoints two proxies only one may vote on a show of hands. To indicate whether this proxy may vote on a poll mark the following box. (mark with an "X")

Proxies lodged in favour of the Chairman of the Meeting that do not indicate a vote against or do not abstain from voting on the resolution will be used to vote in favour of the resolution.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on your behalf on a poll. Your shares will not be counted in computing the required majority.

Special Business	FOR	AGAINST	ABSTAIN
Ordinary Resolution			
Placement of up to 100 million ordinary shares and options.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not mark either the For or Against box, your proxy will not be able to vote unless you mark this box which indicates that your proxy has the discretion to determine how to vote your shares.

Signed this _____ day of _____ 2003

SIGNATURE OF Shareholder/s

Individual Shareholder/s _____

Company Shareholder

Executed by: _____)
 _____)
 _____)
 _____)
 in the presence of _____)



 Director/Sole Director & Sole Secretary*

 Director/Secretary**s

**Delete whichever is inapplicable*

PROXIES

1. A Shareholder entitled to attend and vote at the above meeting is entitled to appoint not more than two other persons as his/her proxy or proxies to attend and vote instead of the Shareholder at the meeting.
2. If a Shareholder appoints one proxy, that proxy may vote on a show of hands.
3. If a Shareholder appoints two proxies only one may vote on a show of hands and that proxy should be clearly identified on the proxy form by marking the box provided. **Failure to identify such designated proxy will result in neither proxy being able to vote on a show of hands.**
4. If you appoint two proxies to represent you at a meeting, you must show in the space provided either the percentage of your shareholding or the number of votes (you are entitled to one vote for each share you own upon a poll being declared) those proxies are to represent. If you do not complete this section then each proxy may, on a poll, vote half of your shareholding. **A separate proxy form must be submitted for each proxy you appoint. If you require a second proxy form, please contact the Company**
5. A proxy need not be a Shareholder of the Company.
6. If you appoint a proxy to represent you and vote on your behalf at the above meeting and that person is also a Shareholder or has already been appointed as a proxy for another Shareholder, your vote may not be counted on a show of hands. This is because, on a show of hands, your proxy's vote is only counted once irrespective of the number of shareholders that, that person represents. However, if a poll is taken and your proxy votes, your vote will be counted in full in reaching a decision.
7. The proxy form must be lodged at Level 8, 580 St Kilda Road, Melbourne, Victoria 3004 Australia, the registered office of the Company or by being sent by fax to +613 8532 2881, to be received not less than forty-eight (48) hours before the time of the commencement of the meeting. If a proxy is executed by an attorney of a Shareholder, the attorney must declare that he has no notice of revocation of the power of attorney. The power of attorney or a certified copy of the Power of Attorney (if any), if it has not already been noted by the Company, must accompany the proxy form.
8. Signing Proxies
 - (i) Joint Holding - All holders must sign.
 - (ii) Shares in Company Names - Companies must execute this form in the way provided by Law:
 - (a) Two directors of the Company; or
 - (b) A director and secretary of the Company; or
 - (c) The sole director and sole company secretary of a proprietary company.
 - (iii) Individual - Must be signed by the Shareholder or their attorney.
9. For the purpose of the Meeting, Shares will be taken to be held by the persons who are registered holders at 10.00 p.m., on 3 September 2003. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

COMPANY REPRESENTATIVE

If shares are held in a company name and it is intended that a representative of the company attend the meeting rather than lodge a proxy prior to the Meeting, the person attending the Meeting must present authority from the company director/s signed in the way provided by Law.