

# **GIPPSLAND LIMITED**

ABN 31 004 766 376

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held on  
Tuesday 11 November 2003 at 10.00am (WST) at  
18 Stirling Highway, Nedlands, Western Australia.**

***This is an important document. Please read it carefully.***

***If you are unable to attend the Annual General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.***

## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

### **Venue**

The Annual General Meeting of the shareholders of Gippsland Limited will be held at:

**18 Stirling Highway  
NEDLANDS  
WESTERN AUSTRALIA**

**Commencing at  
10.00am (Perth Time)  
on 11 November 2003**

### **How to Vote**

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

### **Voting in Person**

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10.00am.

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (08) 9389 8612 (International: + 61 8 9389 8612); or
- deliver to the registered office of the Company at Level 2, 18 Stirling Highway, Nedlands, Western Australia or PO Box 352, Nedlands, Western Australia, 6909,

so that it is received not later than 10.00am (WST) on 9 November 2003.

**Your proxy form is enclosed.**

# GIPPSLAND LIMITED

ABN 31 004 766 376

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Gippsland Limited (Gippsland or Company) will be held at 18 Stirling Highway, Nedlands, Western Australia at 10.00am (Perth Time) on 11 November 2003.

## AGENDA

### BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as ordinary business and special business.

### ORDINARY BUSINESS

#### Annual Accounts

To receive, consider and adopt the financial report of the Company for the year ended 30 June 2003 and the reports by the Directors and Independent Auditor.

#### Resolution 1: Re-election of a Director (By Rotation)

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

*"That Dr John Chisholm, being a director of the Company retires by rotation in accordance with the Constitution and, being eligible, is hereby re-elected as a director of the Company."*

The Constitution requires that at the Annual General Meeting, one-third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

#### Resolution 2: Ratify Previous Issue of 500,000 Shares at 12 cents per Share

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

*"That, pursuant to Rule 7.4 of the Listing Rules of the ASX, the Company approves and ratifies the allotment and issue of 500,000 fully paid up ordinary shares in the Company at an issue price of 12 cents per share made on 24 March 2003 to Mr Ayman Ayyash, the Company's Regional Manager for the Middle East and North Africa (MENA)".*

The purpose of the allotment was to procure Mr Ayman Ayyash's employment with the Company. The shares issued to Mr Ayman Ayyash are fully paid up ordinary shares which rank pari passu with existing shares. The Company will disregard any votes cast on this Resolution 2 by Mr Ayman Ayyash and any associates of Mr Ayman Ayyash. However, the Company need 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 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 3: Ratify Previous Issue of 14,000,000 Shares and 14,000,000 Options pursuant to the Company's Prospectus dated 6 August 2003**

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

*"That, pursuant to Rule 7.4 of the Listing Rules of the ASX, the Company approves and ratifies the allotment and issue of 14,000,000 fully paid up ordinary shares in the Company at an issue price of 4 cents per share with each share also receiving an attaching option for no consideration with an exercise price of 9 cents and a term expiring on 31 December 2007 made pursuant to the Company's Prospectus dated 6 August 2003".*

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue that took place and by 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 person associated with those persons. However, the Company need 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 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.

**SPECIAL BUSINESS**

**Resolution 4: Approval to the Issue of Shares**

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

*"That, pursuant to Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company approve and authorise the Directors of the Company to allot and issue up to 25,000,000 fully paid ordinary shares in the capital of the Company at an issue price which is at least 80% of the average market price for the Company's shares on ASX over the 5 trading days preceding the date on which the issue is made and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and by 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 person associated with those persons. However, the Company need 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 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.

**DATED THIS 6TH DAY OF OCTOBER 2003  
BY ORDER OF THE BOARD**

**GARY STEINEPREIS  
COMPANY SECRETARY**

## NOTES:

1. A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, 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 to vote as the proxy decides 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.
3. For the purposes of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 9 November 2003.

## EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

### 1. GENERAL INFORMATION

This Explanatory Memorandum has been prepared for the shareholders of Gippsland Limited (**Gippsland or Company**) in connection with the Annual General Meeting of the Company to be held on 11 November 2003.

### 2. RESOLUTION 1

Resolution 1 seeks approval for the re-election of Dr John Chisholm as a Director.

The Constitution requires that at an Annual General Meeting of the Company one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

Dr Chisholm retires by rotation, is eligible for re-election and puts himself forward for re-election at this Meeting.

### 3. RESOLUTION 2

#### Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 2 has been included so that shareholders may ratify pursuant to Listing Rule 7.4 the previous issue, made on 24 March 2003, of 500,000 fully paid up ordinary shares in the capital of the Company at a deemed issue price of 12 cents per share to Mr Ayman Ayyash, the Company's Regional Manager for the Middle East and North Africa (MENA).

No funds were raised by the issue and the issue was made as part of Mr Ayman Ayyash's employment agreement with the Company made on 24 March 2003.

The Company wishes to ratify this issue pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months. The information required to be given to shareholders pursuant to Listing Rule 7.5 is contained in both this Explanatory Statement and the notes to Resolution 2 as set out in the Notice of Annual General Meeting.

#### **4. RESOLUTION 3**

##### **Listing Rule 7.4**

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 3 has been included so that shareholders may ratify pursuant to Listing Rule 7.4 the previous issue, made between 6 August 2003 and 8 September 2003 of 14,000,000 fully paid up ordinary shares in the Company at an issue price of 4 cents per share with each share also receiving an attaching option for no consideration with an exercise price of 9 cents and a term expiring on 31 December 2007 pursuant to the Company's Prospectus dated 6 August 2003. These 14,000,000 options were issued with terms and conditions which are identical to the current ASX listed option class.

\$560,000 in funds (before expenses) were raised by the issue of these 14,000,000 shares and 14,000,000 options and the Company intends to use the funds raised by the issue to replenish the Company's cash position and to provide additional capital for the exploitation and development of the Company's Abu Dabbab tantalum, niobium, tin, feldspar and quartz deposit located in the Abu Dabbab area of the central eastern desert of the Arab Republic of Egypt.

These 14,000,000 shares and 14,000,000 options are now all listed for quotation on the ASX and they rank pari passu with existing ASX listed shares and the ASX listed option class. These 14,000,000 shares and 14,000,000 options were issued and allotted to a number of investors introduced to the Company by various stockbrokers.

The Company wishes to ratify this issue pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months. The information required to be given to shareholders pursuant to Listing Rule 7.5 is contained in both this Explanatory Statement and the notes to Resolution 3 as set out in the Notice of Annual General Meeting.

#### **5. RESOLUTION 4**

##### **Resolution 4 – Approval to the Issue of Shares**

##### **Listing Rule 7.1**

Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue or where the issue is pro rata to all shareholders in accordance with their existing shareholdings.

For the purposes of Listing Rule 7.3, the following information is provided in relation to Resolution 4 to allow shareholders to assess the proposed issue of up to 25,000,000 fully paid ordinary shares in the capital of the Company as contemplated by Resolution 4:

- (a) the maximum number of fully paid ordinary shares in the capital of the Company to be allotted and issued is 25,000,000 fully paid ordinary shares;

- (b) the shares the subject of Resolution 4 will be issued and allotted no later than (3) months after the date of this General Meeting or such later date as approved by ASX;
- (c) the issue price of the fully paid ordinary shares in the capital of the Company proposed to be allotted and issued will be a price equal to at least 80% of the average market price of the Company's shares on ASX over 5 trading days preceding the day on which the Prospectus for the placement is issued;
- (d) the allottees in respect of Resolution 4 are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue;
- (e) in relation to Resolution 4, by way of an example, in the event that the Company's share price was 20 cents, then 80% of this price is 16 cents. 25,000,000 shares at 16 cents per share totals to \$4,000,000;
- (f) the fully paid ordinary shares to be issued will rank pari passu on allotment and issue with the existing ordinary shares of the Company; and
- (g) the Company intends to use the funds raised by the issue of the 25,000,000 fully paid ordinary shares the subject of Resolution 4 to replenish the Company's cash position and to provide additional capital for the exploitation and development of the Company's Abu Dabbab tantalum, niobium, tin, feldspar and quartz deposit located in the Abu Dabbab area of the central eastern desert of the Arab Republic of Egypt. Funds over and above this specific purpose will be used for general working capital purposes, review and analysis of new projects and for the funding the Company's existing activities.

## **6. ENQUIRIES**

Shareholders are invited to contact the Company Secretary, Gary Steinepreis on (08) 9389 8611 if they have any queries in respect of the matters set out in these documents.



# PROXY FORM

**APPOINTMENT OF PROXY  
GIPPSLAND LIMITED  
ABN 31 004 766 376**

## GENERAL MEETING

I/We \_\_\_\_\_  
being a Member of Gippsland Limited entitled to attend and vote at the Meeting, hereby

Appoint  
Name of proxy \_\_\_\_\_

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 18 Stirling Highway, Nedlands, Western Australia on 11 November 2003 at 10.00am (WST) and at any adjournment thereof.

### Voting on Business of the General Meeting

|              |                                                            | FOR                      | AGAINST                  | ABSTAIN                  |
|--------------|------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Re-election of Dr John Chisholm                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Ratify Issue – 500,000 Shares                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Ratify Issue – 14,000,000 Shares<br>and 14,000,000 Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approve Issue – 25,000,000 Shares                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you do **not** wish to direct your proxy how to vote, please place a mark in this box ☐

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 proxy holder will be disregarded because of the interest. The Chairman intends to vote in favour of all of the resolutions.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM MAY BE HELD INVALID.**

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature \_\_\_\_\_

Director

Signature \_\_\_\_\_

Director/Company Secretary

Signature \_\_\_\_\_

Sole Director and Sole Company Secretary

**GIPPSLAND LIMITED**  
**ABN 31 004 766 376**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary - that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.