



GIPPSLAND
LIMITED

ACN 004 766 376

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

For the Annual General Meeting to be held on
27 November 2013 at 12.30pm (WST) at
Suite 4, 1st Floor, 207 Stirling Highway, Claremont WA 6010, Australia.

As this is an important document, please read it carefully. This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. Shareholders in doubt as to how they should vote should seek advice from their professional advisers.

If you are unable to attend the Annual General Meeting, please complete the proxy form 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 ("**Gippsland**" or the "**Company**") will be held at:

**1st Floor, 207 Stirling Highway
Claremont WA 6010
Australia**

**Commencing at
12.30pm (WST)
on 27 November 2013**

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.

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 Share Registry on facsimile number (08) 9315 3333 (International: + 61 8 9315 3333); or
- deliver the proxy to the share registry at Suite 1, 770 Canning Highway, Applecross Western Australia, 6153, Australia; or
- mail the proxy to PO Box 535, Applecross, Western Australia, 6953, Australia;

so it is received not later than 12.30pm (WST) on Wednesday, 25 November 2013.

Your proxy form is enclosed.

NOTES:

1. In accordance with section 249L of the Corporations Act, Shareholders are advised that:
 - each Shareholder has a right to appoint a proxy;
 - the proxy need not be a Shareholder of the Company; and
 - A Shareholder of the Company who is entitled to cast 2 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify this proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.
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 Regulation 7.11.37 Corporations Regulations 2001 (Cth), the Directors have set a snapshot time and date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot time and date is 4.00pm (WST) on 25 November 2013.
4. Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

-
- if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- 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; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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 the "**Company**") will be held at Suite 4, 1st Floor, 207 Stirling Highway, Claremont WA 6010, Australia, at 12.30pm (WST) on Wednesday, 27 November 2013.

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as ordinary business and special business. Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in the Explanatory Statement.

ORDINARY BUSINESS

Annual Accounts

To receive and consider the financial report of the Company and the consolidated financial report of the consolidated entity for the year ended 30 June 2013, the declaration of the Directors, the Remuneration Report and the reports by the Directors and independent auditor.

Note: A copy of the Company's 2013 Annual Report, including the Financial Statements declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2013, may be accessed by visiting the Company's website at <http://www.gippslandltd.com>.

Resolution 1: Non Binding Resolution to adopt Remuneration Report

To consider and if thought fit, to pass, with or without amendment, the following as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2013 (as set out in the Company's 2013 Annual Report) be adopted."

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

Voting Prohibition Statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (a) both of the following apply:
 - (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
 - (ii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; or
- (b) all of the following apply:
 - (i) the person is the Chairman of the meeting; and
 - (ii) the Chairman does so as a proxy appointed by writing; and
 - (iii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
 - (iv) the member(s) on whose behalf the Chairman is acting as proxy marks/mark the box on the proxy form, directing the Chairman to vote in accordance with the Chairman's stated voting intentions (where the member(s) has/have not indicated in the proxy form a

different voting intention on the proposed resolution).

The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.

Resolution 2: Re-election of a Director (By Rotation) – Mr. John Kenny

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

"That Mr. John Kenny, being a Director of the Company, retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, is hereby re-elected as a Director of the Company."

Resolution 3: Re-election of a Director (By Rotation) – Mr. Jon Starink

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

"That Mr. Jon Starink, being a Director of the Company, retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, is hereby re-elected as a Director of the Company."

Resolution 4: Approval of Additional Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed (and any associates of such a person).

However, a person described above may cast a vote on Resolution 4 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holders to participate in an issue of equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

DATED THIS 21st DAY OF OCTOBER 2013

BY ORDER OF THE BOARD



Mr Rowan Caren
Company Secretary

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.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in this Explanatory Statement.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to Shareholders of Gippsland in deciding whether or not to pass the Resolutions which are the subject of the business of the Annual General Meeting of the Company to be held at 12.30pm (WST) on Wednesday 27 November 2013 at Suite 4, 1st Floor, 207 Stirling Highway, Claremont, Western Australia. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Shareholders are asked to refer to the Glossary at the end of the Explanatory Statement which contains definitions of the terminology used.

1. Annual Accounts

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company and the consolidated financial report of the consolidated entity for the financial year ended 30 June 2013 together with the declaration of the directors, the Remuneration Report and the reports by the Directors and independent auditor.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.gippslandltd.com.

2. Resolution 1 – Non Binding Resolution To Adopt Remuneration Report

2.1 General

In accordance with Section 250R of the Corporations Act the Company submits to shareholders for consideration and adoption its Remuneration Report for the year ended 30 June 2013. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report is set out in the Directors Report contained within the Company's Annual Report. The Annual Report is available on the Company's website at www.gippslandltd.com. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of Directors and Key Management Personnel of the Company;
- (b) details of the remuneration of, and options held by, Directors and Key Management Personnel of the Company; and
- (c) a summary of the terms of any contract under which any Director or Key Management Personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 "Two strikes rule"

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder

meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Voting Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy, you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. Resolution 2 – Re-Election Of A Director (By Rotation) – Mr. John Kenny

Resolution 2 seeks approval for the re-election of Mr John Kenny as a Director. Clause 13.2 of the Constitution requires that at an Annual General Meeting of the Company one third of the Directors (except the Managing Director or any alternate Director) or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring Director is eligible for re-election.

The Company currently has three Directors, and in accordance with ASX Listing Rule 14.4 and the Company's Constitution one must retire. However in order to ensure that no Director holds office for more than 3 years, each of Mr Kenny and Mr Starink shall retire from office.

Mr John Kenny retires by rotation in accordance with this requirement, is eligible for re-election and puts himself forward for re-election at this Annual General Meeting.

Mr Kenny was appointed a Director on 2 September 1999. He is also a member of the Company's Remuneration Committee and is Chairman of the Company's Audit Committee.

Mr Kenny is a corporate and resources lawyer with a specialised interest in venture capital, initial public offerings and mergers and acquisitions. He has extensive experience in public equity fundraisings and the pricing of equity, debt and derivative securities.

During the past three years Mr Kenny has served as a Director of The ARK Fund Limited, Indus Coal Limited and Sun Resources Limited.

4. Resolution 3 – Re-Election Of A Director (By Rotation) – Mr. Jon Starink

Resolution 3 seeks approval for the re-election of Mr Jon Starink as a Director.

Clause 13.2 of the Constitution requires that at an Annual General Meeting of the Company one third of the Directors (except the Managing Director or any alternate Director) or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring Director is eligible for re-election.

The Company currently has three Directors, and in accordance with ASX Listing Rule 14.4 and the Company's Constitution one must retire. However in order to ensure that no Director holds office for more than 3 years, each of Mr Kenny and Mr Starink shall retire from office.

Mr Jon Starink retires by rotation in accordance with this requirement, is eligible for re-election and puts himself forward for re-election at this Annual General Meeting.

Mr Starink was appointed a Director on 8 May 2007. He is also a member of the Audit Committee and the Remuneration Committee.

Mr Starink is a Chartered Professional Engineer, a Chartered Scientist and a Chartered Industrial Chemist, a Fellow of the Institution of Engineers Australia, a Fellow of the Australasian Institute of Mining and Metallurgy, a Fellow of the Institution of Chemical Engineers, a Member of The Metallurgical Society and a Member of the Royal Australian Chemical Institute.

Mr Starink has over 30 years experience in the mining industry in the role of both Executive and Non-Executive Director. His extensive practical and operational experience includes engineering design and project management; mining exploration management; science and engineering research & development and process innovation & development.

Mr Starink served in senior technical and engineering roles with the Sons of Gwalia Ltd Greenbushes tantalum-tin project for 10 years where he was directly responsible for process development, project design and construction management for the tin smelter and tantalum extraction projects.

During the past three years Mr Starink has served as a director of Macarthur Minerals Limited.

5. Resolution 4 - Additional Placement Capacity

5.1 Background

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

The Company is an Eligible Entity.

The Company is now seeking shareholder approval by way of a special resolution to give it the ability to issue Equity Securities under the 10% Placement Facility during the 12 month period following the passing of Resolution 4.

If Shareholders approve Resolution 4, the exact number of Equity Securities the Eligible Entity may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 6.2 below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

Gippsland intends to use the funds for expenditure associated with securing a financing of Abu Dabbab, operating expenditure for the Abu Dabbab alluvial project, continued exploration expenditure in Eritrea, for general working capital and for administration.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

5.2 Description of Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$6,878,500.

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

The Company, as at the date of this Notice, has on issue two classes of Equity Securities, being ordinary shares and unlisted options. The number of each class of equity securities is set out in the table below:

Security	Number on issue
Listed ordinary shares	1,375,700,081
Unlisted options exercisable at 6 cents on or before 31 December 2013	600,000

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

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months;

D is 10%; and

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

At the date of this Notice, the Company has on issue 1,375,700,081 ordinary shares and, after adjusting for securities issued in the past 12 months without shareholder approval, therefore has the capacity to issue:

- (a) 200,605,012 Equity Securities under Listing Rule 7.1; and

- (b) 137,070,008 Equity Securities under a Listing Rule 7.1A approval obtained on 16 November 2012. The existing Listing Rule 7.1A approval will expire no later than 15 November 2013.

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

5.3 Specific Information required by Listing Rule 7.3A

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

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the VWAP of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

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

(b) Date of Issue

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

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

(10% Placement Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the below table.

The table below shows the dilution of existing shareholders on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice, calculated in accordance with the formula in ASX Listing Rule 7.1A(2).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity. The number of Shares on issue (Variable A in the formula) may increase as a result of the issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders meeting.

		Dilution		
		\$ 50% decrease in Issue Price \$0.003	\$ Issue Price \$0.006	\$ 50% Increase in Issue Price \$0.009
Current Variable 'A' 1,370,700,081	10% voting dilution	137,070,008	137,070,008	137,070,008
	Funds raised	\$411,210	\$822,420	\$1,233,630
50% increase in current Variable 'A' 2,056,050,121	10% voting dilution	205,605,012	205,605,012	205,605,012
	Funds raised	\$616,815	\$1,233,630	\$1,850,445
100% increase in current Variable 'A' 2,741,400,162	10% voting dilution	274,140,016	274,140,016	274,140,016
	Funds raised	\$822,420	\$1,644,840	\$2,467,260

The table has been prepared on the following assumptions:

- There are currently 1,375,700,081 existing Shares on issue as at the date of this Notice of Meeting.
- The Company issues the maximum number of equity securities available under the 10% Placement Facility;
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into ordinary shares before the date of the issue of the equity securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- The table shows only the dilution effect of issuing the equity securities under Listing Rule 7.1A, not under the 15% placement capacity the Company has under Listing Rule 7.1;
- The issue price is \$0.006 being the closing price of the Shares on 8 October 2013 ("**Reference Share Price**").

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the annual general meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity securities will cease to be valid in the event that the shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or

Listing Rule 11.2 (disposal of main undertaking).

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) as cash consideration. In such circumstances, the Company intends to allocate the funds towards for expenditure associated with securing a financing of Abu Dabbab, operating expenditure for the Abu Dabbab alluvial project, continued exploration expenditure in Eritrea, for general working capital and administration and for the costs of issue.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined at the date of this Notice but may include existing shareholders and/or new shareholders who are not related parties of the Company.

The identity of the recipients of Equity Securities under the 10% Placement Capacity will be determined having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds that are available to the Company at that time, including but not limited to, rights issues or other offers in which existing Shareholders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisors (if applicable).

Further if the Company is successful in acquiring new resources, assets or investments, it is possible that the recipients under the 10% Placement Capacity may include vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 16 November 2012.

The Company has not issued any Equity Securities pursuant to the Previous Approval.

In the 12 months preceding the date of the 2013 Annual General Meeting, the Company has issued 169,805,766 Equity Securities and this represents 14% of the total diluted number of Equity Securities on issue at the commencement of that 12 month period. Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the 2013 Annual General Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount	Consideration & Use of Funds as at 7 October 2013
Rights Issue – 12/04/13 Appendix 3B – 6/3/13	164,805,766	Shares ²	Shareholders	1 cent per share (equal to the Market Price ¹)	Cash Amount raised = \$1,648,058 Amount spent = \$1,648,058 Use of funds Used for Abu Dabbab alluvial plant operating costs, repay shareholder loan, Eritrean exploration expenditure and working capital Amount remaining = \$Nil Proposed use of remaining funds ³ N/A
Issue – 6/5/2013 Appendix 3B – 11/6/13	5,000,000	Shares ²	John S Dunlop Nominees Pty Limited	1 cent per share (11% premium to the Market Price ¹)	Non-Cash \$50,000 in lieu of fees for services provided Current value ⁴ = \$30,000

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: GIP, (terms are set out in the Constitution).
3. It is proposed that the funds raised from issues of Equity Securities will be used, together with the Company's other cash reserves, for expenditure associated with securing a financing of Abu Dabbab, operating expenditure for the Abu Dabbab alluvial project, continued exploration expenditure in Eritrea, for general working capital and for administration. This statement as it relates to the future use of funds is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.006) as at 9 October 2013.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holders to participate in an issue of equity securities under ASX Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

5.4 Directors recommendation in relation to Resolution 4

All the directors recommend that shareholders vote in favour of Resolution 4.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Rowan Caren, on (08) 9340 6000 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

"\$"	means Australian dollars;
"10% Placement Capacity"	the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A;
"ASIC"	means the Australian Securities and Investments Commission;
"Associate"	has the meaning given in Section 11 of the Corporations Act;
"Annual General Meeting" or "Meeting"	means the annual general meeting the subject of the Notice;
"ASX"	means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited;
"Board"	means the board of Directors;
"Chair"	means the chair of the Meeting;
"Closely Related Party"	of a member of the Key Management Personnel means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth);
"Company" or "Gippsland"	means Gippsland Limited ABN 31 004 766 376;
"Constitution"	means the Company's Constitution;
"Corporations Act"	means the Corporations Act 2001 (Cth);
"Director"	means a director of the Company;
"Eligible Entity"	means an entity that, at the date of the relevant general meeting: (a) is not included in the S&P/ASX 300 Index; and (b) has a maximum market capitalisation (excluding restricted securities securities quoted on a deferred settlement basis) of \$300,000,000;

"Equity Securities"	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security;
"Explanatory Statement"	means the explanatory statement accompanying this Notice;
"Key Management Personnel"	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group;
"Listing Rules"	means the Listing Rules of the ASX;
"Notice", "Notice of Meeting" or "Notice of Annual General Meeting"	means the notice of annual general meeting which accompanies this Explanatory Statement;
"Placement Period"	the period during which Shareholder approval under Listing Rule 7.1A is valid;
"Relevant Interest"	has the meaning given in Sections 608 and 609 of the Corporations Act;
"Remuneration Report"	means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013;
"Resolution"	means a resolution proposed pursuant to this Notice;
"Share"	means a fully paid ordinary share in the Company;
"Shareholder"	means the holders of a Share;
"Variable A"	means "A" as set out in the calculation in section 5.3 of the Explanatory Statement;
"Voting Power"	has the meaning given in Section 610 of the Corporations Act; and
"WST"	means Australian Western Standard Time.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
SUITE 4
207 STIRLING HIGHWAY
CLAREMONT WA 6010

GIPPSLAND LIMITED

ABN: 31 004 766 376

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:**PO BOX 535,****APPLECROSS WA 6953 AUSTRALIA**

770 Canning Highway,

APPLECROSS WA 6153 AUSTRALIA

T: +61 8 9315 2333 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

Code: Holder Number: **SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐**OR**

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing**(if this person is someone other than the Chairperson of the meeting).**

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 12.30pm on Wednesday, 27 November 2013 at Suite 4, 1st Floor, 207 Stirling Highway, Claremont WA and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution**For Against Abstain***

1. Non Binding Resolution to adopt Remuneration Report

☐☐☐

2. Re-election of a Director (By Rotation) - Mr. John Kenny

☐☐☐

3. Re-election of a Director (By Rotation) - Mr. Jon Starink

☐☐☐

4. Approval of Additional Placement Capacity

☐☐☐**Important for Resolution 1**

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐ I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

SECTION C: Please Sign Below**This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.**

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 12.30pm on Monday, 25 November 2013.**ONLINE PROXY SERVICE**You can lodge your proxy online at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

My/Our contact details in case of enquiries are:

NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

TELEPHONE NUMBER

(			)																
---	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOTES

1. Name and Address

This is the name and address on the Share Register of Gippsland Limited. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Gippsland Limited.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 12.30pm on Monday, 25 November 2013, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

Online www.securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.