

GASCOYNE RESOURCES LIMITED

ACN 139 522 900

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10am WST

DATE: Thursday, 14 November 2013

PLACE: The Celtic Club
48 Ord Street
West Perth, Western Australia

This Notice of Annual General Meeting and Explanatory Statement 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.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 3434.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am WST on Thursday, 14 November 2013 at:

**The Celtic Club
48 Ord Street
West Perth, Western Australia**

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your Shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- In person at: Level 2, 33 Ord Street, West Perth, Western Australia
- By post to: PO Box 1449, West Perth WA 6872
- By facsimile to: +61 8 9481 0411
- By scan and email to: admin@gascoyneresources.com.au

Please note that the Proxy Form must be received by the Company not later than **10am (WST) on Tuesday, 12 November 2013**.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on ASX at 4:00pm (WST) on **Tuesday, 12 November 2013** shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of the Shareholders of Gascoyne Resources Limited (the **Company**) will be held at The Celtic Club 48 Ord Street, West Perth on Thursday, 14 November 2013 commencing at 10am WST to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS – PERIOD 1 JULY 2012 – 30 JUNE 2013

To receive and consider the annual financial statements, the directors' report and the audit report of the Company for the year ended 30 June 2013.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 30 June 2013."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – RE-ELECTION OF MR JOHN DEN DRYVER AS A DIRECTOR

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

“That Mr John den Dryver, being a Director of the Company, who retires by rotation in accordance with Listing Rule 14.4 and clause 17.4 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

SPECIAL BUSINESS

4. RESOLUTION 3 – NON-EXECUTIVE DIRECTOR REMUNERATION

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

“That for the purposes of clause 17.8 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate amount or value of remuneration payable to non-executive Directors in any financial year be increased from \$250,000 to \$400,000 per annum.”

Voting exclusion:

The Company will disregard any votes cast on Resolution 3 by a Director of the Company and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 3 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 3 by a member of the Key Management Personnel or their closely related parties as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

5. RESOLUTION 4 – APPROVAL OF ISSUE OF ESOP OPTIONS TO MICHAEL DUNBAR

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

“That for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 2,300,000 ESOP Options to Mr Michael Dunbar (or his nominee) under the Company’s ESOP on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 4 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 4 by a Director if:

- (a) the Director is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Director is the Chairman of the Meeting acting 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 4 by a member of the Key Management Personnel or their closely related parties as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 14,650,000 Shares at an issue price of \$0.25 per Share to professional and sophisticated investors on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any person associated with that person. However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – DALGARANGA PROJECT

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 7,000,000 Shares in aggregate to the vendors pursuant to the Dalgara Agreement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any person associated with that person. However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – APPROVAL OF SECURITIES ISSUE – EGERTON PROJECT

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Shares up to the value of \$800,000 (issued at the five trading day Share VWAP) and 500,000 Gascoyne Options, to Exterra pursuant to the Egerton Deed following the exercise by Egerton of its option to purchase the Egerton project, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any person associated with that person. However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

“That for the purposes of sections 136(2), 140(2), 648G(5) of the Corporations Act and for all other purposes, that the proportional takeover provisions set out in Annexure C to the Explanatory Statement, be inserted as clause 7 into the Constitution of the Company.”

10. RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 9 by any person who may participate in the issue of Equity Securities under the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard any votes cast on Resolution 9 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting 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.

Important note: The persons to whom any Equity Securities under the Additional 10% Placement Facility may be issued to are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

ENQUIRIES

Shareholders are invited to contact the Company Secretary on +61 8 9481 3434 if they have any queries in respect of the matters set out in this document.

BY ORDER OF THE BOARD OF DIRECTORS



Company Secretary
Gascoyne Resources Limited
14 October 2013

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2013 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

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

1 ANNUAL FINANCIAL STATEMENTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) to be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended 30 June 2013 are included in the Company's Annual Report, a copy of which can be accessed on-line at www.gascoyneresources.com.au. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, Grant Thornton, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than Thursday, 7 November 2013:

In person at: Level 2, 33 Ord Street, West Perth, Western Australia

By post to: PO Box 1449, West Perth WA 6872

By facsimile to: +61 8 9481 0411

By email to: admin@gascoyneresources.com.au

2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2013 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 30 June 2013 Annual Report. The Annual Report is available on the Company's website at www.gascoyneresources.com.au.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2013.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's Remuneration Report receives a "no" vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, "two strikes"), a resolution (the "spill resolution") must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the "spill meeting") to consider the appointment of all of the Directors who must stand for re-appointment (other than the Managing Director). If the spill resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

The Company's Remuneration Report did not receive a "no" vote of 25% or more at the Company's previous annual general meeting held on 7 November 2012.

Further information will be provided on the “spill resolution” and “spill meeting” for any annual general meeting at which the Company may face a “second strike”.

2.3 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

3 RESOLUTION 2 – RE-ELECTION OF MR JOHN DEN DRYVER

3.1 Background

In accordance with Listing Rule 14.5 and clause 17.4 of the Company’s Constitution, at every annual general meeting an election of Directors must take place. Listing Rule 14.4 and clause 17.4 of the Company’s Constitution prevent a Director from holding office (without re-election) past the third annual general meeting following the Director’s appointment or 3 years, whichever is longer.

The Directors to retire are those Directors who have been in office for 3 years since their appointment.

For this reason, Mr John den Dryver retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Further details about Mr John den Dryver are set out in the Company’s 30 June 2013 Annual Report which is available at www.gascoyneresources.com.au.

3.2 Board Recommendation

The Directors (other than Mr John den Dryver) unanimously recommend that Shareholders vote in favour of Resolution 2.

4 RESOLUTION 3 – NON-EXECUTIVE DIRECTOR REMUNERATION

4.1 Background

Listing Rule 10.17 provides that an entity must not increase the total amount of Directors’ fees payable by it or any of its child entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive Director. This requirement is also reflected in clause 17.8 of the Constitution.

The maximum aggregate remuneration that may be paid to the Company’s non-executive Directors for their services as Directors is currently set at \$250,000 per annum. Resolution 3 seeks Shareholder approval to increase the maximum aggregate remuneration by \$150,000 from \$250,000 to \$400,000 per annum.

The increase is requested as spare capacity as the Company transitions into the development phase on its Glenburgh project and may need to recruit additional expertise to the Board and also to meet the remuneration requirements necessary to secure and maintain the highest calibre persons as non executive Directors to the Company.

The proposed maximum aggregate remuneration has been determined after consideration of the above factors and after reviewing an independent survey of the remuneration paid by similar companies listed on ASX. The Board believes that the proposed increase in aggregate remuneration is appropriate for the Company and is in line with the remuneration paid by similar companies.

By Resolution 3, the Company seeks Shareholder approval to increase the total non-executive Directors’ fees payable per annum and, in accordance with the requirements of Listing Rule 10.17 provides the following information:

- (a) the amount of the proposed increase in the total amount of non-executive Director's remuneration is \$150,000;
- (b) the total amount payable to the non-executive Directors of the Company, if Shareholder approval is given, will increase from \$250,000 per annum to \$400,000 per annum; and
- (c) the Board considers that the total amount payable to the non-executive Directors of the Company in Board fees is reasonable and commensurate with the role of a director of a publicly listed company, having regard to the duties and responsibilities of the position.

4.2 Board recommendation

The non-executive Directors have an interest in Resolution 3 and accordingly do not make a recommendation to Shareholders. The Managing Director, Michael Dunbar as an executive director has no interest in Resolution 3 and recommends that Shareholders vote in favour of the Resolution.

5 RESOLUTION 4 – APPROVAL OF ISSUE OF ESOP OPTIONS TO MICHAEL DUNBAR

5.1 Background

Resolution 4 seeks Shareholder approval to grant and issue 2,300,000 ESOP Options under the Company's ESOP to Mr Michael Dunbar (or his nominee) on the terms set out in Annexure A.

The ESOP Options issued to Mr Michael Dunbar (or his nominee) will be exercisable at a price that is 40% greater than the VWAP of the Shares on ASX for the 7 trading days prior to the date of issue of the ESOP options. 50% of the ESOP Options to be issued to Mr Michael Dunbar will vest immediately and 50% will vest 12 months after the date of issue. The ESOP Options will expire three years after the date of issue.

The grant of the ESOP Options is designed to incentivise the recipients and align the Board and senior staff in the setting and achievement of the Company's objectives, by participating in the future growth and prosperity of the Company through share ownership. The grant of the ESOP Options to Mr Michael Dunbar, who is the Managing Director of the Company, is to provide an incentive for future services he will provide to the Company and an acknowledgement of past service.

In this regard, it is noted that the Company has previously issued ESOP Options to key staff on the same terms as those proposed to be issued to Mr Michael Dunbar, except that the ESOP Options were issued at a price that was 38% greater than the VWAP of the Shares on ASX for the 7 trading days prior to the date of issue of the ESOP options.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

5.2 ASX Listing Rules 10.11 and 10.14

ASX Listing Rule 10.11 provides a general restriction against issuing securities (including an option) to a related party of the company without shareholder approval. As the Director is a related party of the Company, shareholder approval under the Listing Rules is required.

ASX Listing Rule 10.14 provides that a company must not issue equity securities (including options to acquire shares) to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate approval is not

required under Listing Rules 10.11 or 7.1. Shareholders should note that the issue of ESOP Options to the Director is not included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

5.3 Information required for approval under Listing Rule 10.14

ASX Listing Rule 10.15 requires the following information to be provided for an approval under ASX Listing Rule 10.14.

- (a) The ESOP Options will be granted to Mr Michael Dunbar (or his nominee).
- (b) If Resolution 4 is passed by Shareholders, the maximum number of ESOP Options to be granted to Michael Dunbar (or his nominee) is 2,300,000.
- (c) The ESOP Options will be issued for no consideration, accordingly no funds will be raised from the grant of the ESOP Options and any funds raised from the exercise of the ESOP Options will be used for general working capital purposes.
- (d) No ESOP Options were issued to a related party of the company or persons referred to in Listing Rule 10.14 since the ESOP was last approved on 7 November 2012.
- (e) ESOP Options may be offered to persons who are Directors, senior executives, employees or consultants of the Company or any subsidiary (**Plan Participant**) based on a number of criteria including contribution to the company in the future and other factors the Board considers relevant.
- (f) A voting exclusion statement is included in the Notice.
- (g) No loan is being provided by the Company to Mr Michael Dunbar for the acquisition of the ESOP Options.
- (h) The ESOP Options will be issued to Mr Michael Dunbar not later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). 50% of the ESOP Options to be issued to Mr Michael Dunbar will vest immediately and 50% will vest 12 months after the date of issue.

5.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

For the purposes of Chapter 2E, a Director is a related party of the Company.

Resolution 4 provides for the grant of ESOP Options to Mr Michael Dunbar, a Director of the Company (or his nominee), which is a financial benefit for the purposes of Chapter 2E of the Corporations Act and therefore requires prior shareholder approval.

5.5 Information requirements for Chapter 2E of the Corporations Act

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below.

- (a) ***Identity of the related parties to whom Resolution 4 permits financial benefits to be given.***

If Resolution 4 is passed by Shareholders, the related party to whom the financial benefit will be given to is Mr Michael Dunbar as a Director.

(b) ***Nature of the financial benefit***

The nature of the financial benefit proposed to be given to the Director is the grant of ESOP Options in the Company for no consideration on the terms and conditions set out in Annexure A.

(c) ***Interest of Mr Michael Dunbar in the Company***

As at the date of this Notice, Mr Michael Dunbar (or his nominee) holds the following relevant interests in the securities in the Company representing 2.14% of the current issued Share capital of the Company on a fully diluted basis.

	Ordinary Shares	Unlisted ESOP Options exercisable at \$0.40 expiring 16 November 2013
Michael Dunbar	1,650,000	1,800,000

(d) ***Dilution***

If the ESOP Options the subject of this Resolution are exercised, the Company's issued Share capital will increase by 2,300,000 Shares representing 1.4% of the issued share capital of the Company (assuming no other securities are issued or exercised), diluting other Shareholders by a corresponding amount.

5.6 Other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

(a) ***Valuation of ESOP Options***

The ESOP Options are not to be quoted on ASX and as such have no actual market value. The ESOP Options are capable of being converted to Shares by the payment of the exercise price (as detailed above) per ESOP Option and accordingly have a value at the date of grant. If the Company's shares are trading at a higher price than the exercise price at the time of exercise, the effect will be to give an immediate financial benefit to the Director who has exercised their ESOP Options.

It is a requirement of ASIC that a dollar value be placed on financial benefits to be issued to a company's directors and for which shareholder approval is required.

The Binomial Option Valuation method is regarded as acceptable by ASIC as a valuation model where the ESOP Options cannot be readily valued by some other means because the proposed options are not to be quoted on ASX and as such have no actual market value. In determining the value of the proposed ESOP Options under Resolution 4, the following assumptions were applied:

Assumptions	
Valuation Date	11 October 2013
Market Price of Shares (at Valuation Date)	19 cents
Exercise Price	28 cents
Expiry Date	14 November 2016

Risk Free Interest Rate	3.05%
Volatility	90%
Dividend yield	0%
Indicative value per ESOP Option:	10.3 cents

The indicative value of the financial benefit to be provided to Mr Michael Dunbar of the ESOP Options is set out below:

	Value per ESOP Option	Number of ESOP Options	Total Value of ESOP Options
Michael Dunbar	10.3 cents	2,300,000	\$236,900

(b) ***Entitlements***

The Director's base salary or director's fees per annum (including superannuation) and the total financial benefit to be received by him as a result of the grant of ESOP Options pursuant to Resolution 4 are as follows:

	Total salary/fees* (\$ p.a.)	Total Value of ESOP Options (\$)	Total financial benefit (\$)
Mr Michael Dunbar	300,000	236,900	536,900

* inclusive of superannuation contributions

(c) ***Other information***

The Directors consider that the issue of ESOP Options to Mr Michael Dunbar is a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

The Company considers that, to enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the ESOP Options is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of ESOP Options required to be issued to attract and retain senior directors. Based on that review, the Board determined the number of ESOP Options to be issued to Mr Michael Dunbar in Resolution 4 to be appropriate.

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 Resolution 4.

5.7 Board recommendation

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 ESOP Options to Mr Michael Dunbar.

The Directors recommend that Shareholders vote in favour of Resolution 4, save for Mr Michael Dunbar who has a material personal interest in the outcome of Resolution 4 and declines to make a recommendation in respect of it.

6 RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SECURITIES – PLACEMENT

6.1 Background

On 10 December 2012, the Company announced that it had carried out a placement of 14,650,000 Shares to professional and sophisticated investors at \$0.25 per Share to raise \$3,662,500 before costs (**Placement**).

A portion of the Shares issued pursuant to the Placement, being 12,661,952 Shares were issued under the Company's Additional 10% Placement Facility under Listing Rule 7.1A. The balance of Shares under the Placement being 1,988,048 Shares, were issued under Listing Rule 7.1.

The purpose of Resolution 5 is for Shareholders to approve and ratify under Listing Rule 7.4, the issue of the 14,650,000 Shares issued under the Placement.

6.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under Listing Rule 7.1A, where an eligible entity obtains shareholder approval to increase its placement capacity, any equity securities issued under that additional placement capacity will not be counted in the variable upon which the 10% placement capacity is based until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since their issue). In addition, any equity securities issued under that additional placement capacity will reduce the balance of equity securities able to be issued under that additional capacity without prior shareholder approval until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since their issue).

By ratifying this issue, the Company will increase the variable upon which the 10% placement capacity is based and retain the flexibility to issue equity securities in the future up to the 10% placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Under Resolution 5, the Company accordingly seeks Shareholder approval for, and ratification of, the issue of the securities set out in section 6.1 so as to limit the restrictive

effect of Listing Rules 7.1 and 7.1A on any further issues of Equity Securities in the next 12 months.

The securities issued, for which approval and ratification is sought under Resolution 5, comprise approximately 9.10% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

In compliance with the information requirements of Listing Rule 7.5 and Listing Rule 7.3A.6(b), Shareholders are advised of the following information:

(a) ***Number of securities issued and date of issue***

Under Resolution 5, the Company seeks from Shareholders approval for, and ratification of, the issue of 14,650,000 Shares on 10 December 2012.

(b) ***The price at which the securities were issued***

The Shares were issued for 25 cents per Share (issued at a discount of 2.5 cents to the market price of 27.5 cents as at 7 December 2012).

(c) ***Terms of the securities***

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company has applied to ASX for official quotation of the Shares, which has been granted.

(d) ***Persons to whom the securities were issued to***

The Shares were issued professional or sophisticated investors.

None of the professional or sophisticated investors to whom Shares were issued to were related parties of the Company (or associates of such persons) at the time of issue of the Shares.

(e) ***The use of the funds raised and value of consideration***

The purpose of the issue was to raise funds (a total cash consideration of \$3,662,500 before costs) in order to maintain its aggressive exploration and resources growth drilling strategy at the Company's Glenburgh gold project, while finalising the feasibility study into development at Glenburgh and commencing exploration at the Dalgaranga gold project.

The Company has spent all of the funds raised from the issue of Shares under the Placement as noted above on progressing its projects and general working capital.

(f) ***Voting exclusion statement***

A voting exclusion statement for Resolution 5 is included in the Notice preceding this Explanatory Statement.

6.3 Recommendation of directors

The Board believes that the ratification of this issue is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further securities representing up to 25% (subject to approval of Resolutions 6, 7 and 9) of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends Shareholders vote in favour of Resolution 5.

7 RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – DALGARANGA PROJECT

7.1 Background

On 6 August 2012, the Company announced that it had entered into the Dalgara Project Agreements for the purchase of 80% of the Dalgara Project. On 7 February 2013, the Company announced that the purchase of the Dalgara Project had been completed and it had issued a total of 7,000,000 Shares and total cash consideration of \$150,000 to two private vendors.

The purpose of Resolution 6 is for Shareholders to approve and ratify the issue of the 7,000,000 Shares, undertaken without Shareholder approval.

7.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under Resolution 6, the Company seeks Shareholder approval for, and ratification of, the issue of the securities set out in section 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

The securities issued, for which approval and ratification is sought under Resolution 6, comprise approximately 4.35% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

In compliance with the information requirements of Listing Rule 7.5 and Listing Rule 7.3A.6(b), Shareholders are advised of the following information:

(a) ***Number of securities issued and date of issue***

Under Resolution 6, the Company seeks from Shareholders approval for, and ratification of, the issue of 7,000,000 Shares, issued on 7 February 2013.

(b) ***The price at which the securities were issued***

The Shares were issued as part of the consideration paid by the Company pursuant to the terms of the Dalgara Project Agreements, at a deemed issue price of \$0.1853 (issued at a discount of \$0.1147 to the market price of \$0.30 as at 6 February 2013).

(c) ***Terms of the securities***

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company has applied to ASX for official quotation of the Shares.

(d) ***Persons to whom the securities were issued to***

The Shares were issued to two private vendors who were issued 3,500,000 Shares each.

Neither of the two private vendors were related parties of the Company (or associates of such persons) at the time of issue of the Shares.

(e) ***The use of the funds raised and value of consideration***

The Shares were issued as part of the consideration paid by the Company pursuant to the terms of the Dalgara Agreements. The total non-cash consideration value of the 7,000,000 Shares (given the trading price of Shares as at 11 October 2013 of \$0.19) is \$1,330,000.

(f) ***Voting exclusion statement***

A voting exclusion statement for Resolution 6 is included in the Notice preceding this Explanatory Statement.

7.3 Recommendation of directors

The Board believes that the ratification of this issue is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further securities representing up to 25% (subject to approval of Resolutions 5, 7 and 9) of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends Shareholders vote in favour of Resolution 6.

8 RESOLUTION 7 – APPROVAL OF SECURITIES ISSUE – EGERTON PROJECT

8.1 Background

On 29 May 2013, the Company announced that its wholly owned subsidiary Egerton had entered into a 15 month exclusive option to purchase agreement in respect of the Egerton gold project with Exterra (**Egerton Deed**). If Egerton decides to exercise its option it will acquire a 100% interest (subject to minor pre-existing royalties) in the Egerton Project in consideration of the Company issuing to Exterra, Shares up to the value of \$800,000 to the five day VWAP plus 500,000 Gascoyne Options, exercisable at \$0.25 per Share within 3 years from the date of issue.

The purpose of Resolution 7 is for Shareholders to approve the intended issue of Shares up to the value of \$800,000 (to be issued at the five trading day Share VWAP) and 500,000 Gascoyne Options.

8.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

As at the date of the Notice of Meeting, neither the Shares nor the Gascoyne Options had been issued to Exterra.

In compliance with the information requirements of Listing Rules 7.3 (for the purposes of approval under Listing Rule 7.1), Shareholders are advised of the following information:

(a) ***Number of securities to be issued***

Under Resolution 7, the Company seeks from Shareholders approval for, the issue of Shares up to the value of \$800,000 to the five trading day Share VWAP and 500,000 Gascoyne Options.

(b) ***The date by which the entity will issue the securities***

The securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). The securities will be issued on one date and not on successive dates.

(c) ***The issue price of the securities***

The Shares are to be issued up to the value of \$800,000 at a deemed issue price per Share equal to the VWAP for Shares traded on ASX on each of the five consecutive trading days immediately preceding the date of completion of the purchase of the Egerton project. The 500,000 Gascoyne Options are to be issued as part of the consideration paid by the Company pursuant to the terms of the Egerton Deed.

(d) ***Terms of the securities***

The Shares to be issued are fully paid ordinary shares in the capital of the Company, to be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the existing Shares. The Company will apply to ASX for official quotation of the Shares.

The Gascoyne Options are to be issued on the terms and conditions set out in Annexure B.

The Company will not apply to ASX for official quotation of the Gascoyne Options.

(e) ***Persons to whom the securities are to be issued to***

The person to whom the Shares up to the value of \$800,000 (issued at the five trading day Share VWAP) and 500,000 Gascoyne Options, are to be issued under the Egerton Deed, will be Exterra.

Exterra will not be a related party of the Company (or associates of such persons) at the time of issue of the Shares.

(f) ***The use of the funds raised***

The Shares and Gascoyne Options to be issued under the Egerton Deed are to be issued as the consideration paid by the Company pursuant to the terms of the Egerton Deed.

(g) ***Voting exclusion statement***

A voting exclusion statement for Resolution 7 is included in the Notice preceding this Explanatory Statement.

8.3 Recommendation of directors

The Board believes that the approval of this issue is beneficial for the Company as it allows the Company to approve the above issue of securities and retain the flexibility to issue further securities representing up to 25% (subject to approval of Resolutions 5, 6 and 9) of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends Shareholders vote in favour of Resolution 7.

9 RESOLUTION 8 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

9.1 Background to resolution

The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders approve the bid.

This Resolution proposes the re-insertion of the proportional takeover provisions at clause 7 of the Constitution, which expired on 25 September 2012 as these provisions were not renewed within 3 years of coming into effect. The provisions are extracted in full in Annexure C of this Explanatory Statement and are the same as the proportional takeover provisions which were previously included in the Constitution.

What is a proportional takeover bid and why does the Company need proportional takeover approval provisions?

Under a proportional takeover bid the bidder offers to buy a proportion only of each Shareholder's Shares in the Company. This means that control of the Company may pass without members having the chance to sell all their Shares to the bidder.

In order to deal with this possibility, the Company may provide in its constitution that:

- (a) in the event of a proportional takeover bid being made for Shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their Shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressured to accept the bid even if they do not want it to succeed.

In compliance with the information requirements of s 648G(5) of the Corporations Act, Shareholders are advised of the information below.

(a) ***Effect of clause 7***

The effect of clause 7 is that, if a proportional takeover offer is received, Shareholders shall vote on a resolution to approve the proportional bid (at a meeting of Shareholders or by means of a postal ballot). The deadline for the resolution to be voted on and passed must be at least 14 days before the bid closes.

If the proportional bid is not approved, the registration of any transfer of shares resulting from an offer made under the proportional bid will be prohibited and the bid will be deemed to be withdrawn. If the proportional bid is approved, the transfers will be registered, provided they comply with the other provisions of the Corporations Act and the Company's constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The provisions of clause 7 do not apply to takeover bids for the whole of the issued shares in the Company. The insertion of clause 7 will make it operational in the

manner described above for a period of three years (or longer if it is subsequently renewed by further resolutions of Shareholders).

(b) ***Reasons for proposing the resolution***

Without the proposed clause, a proportional takeover bid may enable control of the Company to be acquired without Shareholders having an opportunity to dispose of all their shares to the bidder. Shareholders therefore risk holding a minority interest in the Company. If the Shareholders considered that control of the Company was likely to pass under any takeover bid, they could be placed under pressure to accept the offer even if they do not want control of the Company to pass to the bidder. The proposed clause will prevent this by permitting Shareholders to decide whether a proportional takeover bid should be permitted to proceed.

The bidder and its associates would not be permitted to vote on the matter and thereby influence the outcome.

(c) ***Current acquisitions***

As at the day on which this statement is prepared, none of the Directors of the Company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the company.

(d) ***Potential advantages and disadvantages of the proportional takeover approval provisions for Shareholders***

The potential advantages of the proposed proportional takeover approval provisions for Shareholders are that:

- (i) The proposal would enable shareholders to act in a cohesive manner and thereby avoid the coercion of shareholders that arises where they believe the offer to be inadequate, but nevertheless accept through fear that other shareholders will accept.
- (ii) The proposal would enable shareholders, by combining together, to veto a change of control that would lock them into a minority position.
- (iii) The existence of the approval machinery in the Constitution would make it more probable that any takeover bid will be a full bid for the whole shareholding of each member, so that shareholders may have the opportunity of disposing of all their shares rather than of a proportion only.
- (iv) If a proportional takeover bid should be made, the existence of the approval machinery will make it more probable that a bidder will set its offer price at a level that will be attractive to the shareholders who vote.

The potential disadvantages of the proposed proportional takeover approval provisions for Shareholders are that:

- (i) By placing obstacles in the way of proportional takeover bids, the proposal may tend to discourage proportional takeover bids, thus reducing the opportunity for shareholders to sell a portion of their holding.
- (ii) It is possible (though, in the opinion of the Board, unlikely) that the existence of the provisions might have an adverse effect on the market value of the Company's shares by making a proportional takeover bid less likely and thereby reducing any takeover speculation element in the share price.

- (iii) An individual shareholder who wishes to accept a proportional takeover bid will be unable to sell to the bidder unless a majority of shareholders favour the proportional takeover bid.
 - (iv) The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.
- (e) ***Advantages and disadvantages of the proposal for the directors***

If the Directors consider that a proportional takeover bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company if the bidder needs a majority of the votes cast by the independent Shareholders before it can succeed.

On the other hand, under the proposal, if a proportional takeover bid is commenced, the Directors must seek the shareholders' views. They must do so even though the Directors believe that the bid should be accepted.

At present it is only the Directors who express on behalf of the company any formal view on the adequacy or otherwise of a takeover bid. Under the approval machinery the most effective view on a proportional takeover bid will become the view expressed by the vote of the shareholders themselves.

9.2 Board Recommendation

The reasons why the Board has proposed that the Constitution should continue to provide for a shareholder approval on proportional takeover bids are set out above as the advantages of the proposal. The Directors consider that the advantages associated with the proportional takeover provisions outweigh the disadvantages. The Directors consider that Shareholders should have the power to prevent the control of the Company from passing to a bidder without it making a bid for all the bid class shares.

Furthermore, the Directors believe that the approval procedure set out in clause 7 of the Constitution is the best procedure available to shareholders to ensure that they are not forced to accept a proportional offer even though they do not wish the bidder to obtain control of the Company.

The Board therefore considers the resolution renewing the provisions of clause 7 of the Constitution to be in the interests of Shareholders, and unanimously recommends that shareholders adopt it by voting in favour of this Resolution.

10 RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

10.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 9 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 9 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 10.2(b) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

10.2 Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Minimum Issue Price

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, namely Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the VWAP for securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

(b) Dilution

As at the date of this Notice of Annual General Meeting, the Company has 158,269,520 Shares on issue. If Shareholders approve Resolutions 5, 6, 7 and 9, the Company will have the capacity to issue a maximum of approximately 15,826,952 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise 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 following formula:

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

A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under 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 shareholders under Listing Rule 7.1 or 7.4.

If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (iii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The below table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.09 50% decrease in Issue Price	\$0.19 Issue Price	\$0.28 50% increase in Issue Price
Current Variable A 158,269,520 Shares	Shares issued	15,826,952 New Shares	15,826,952 New Shares	15,826,952 New Shares
	Funds raised	\$1,424,426	\$3,007,121	\$4,431,547
50% increase in current Variable A 237,404,280 Shares	Shares issued	23,740,428 New Shares	23,740,428 New Shares	23,740,428 New Shares
	Funds raised	\$2,136,638	\$4,510,681	\$6,647,320
100% increase in current Variable A 316,539,040 Shares	Shares issued	31,653,904 New Shares	31,653,904 New Shares	31,653,904 New Shares
	Funds raised	\$2,848,851	\$6,014,242	\$8,863,093

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities.
3. 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%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is 19 cents, being the closing price of the Shares on ASX on 11 October 2013.

(c) **Issue Period**

If Shareholders approve Resolution 9, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and

- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

(d) **Purpose of Issues**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new 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) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and scoping and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to whom Equity Securities will be issued to will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

The persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility will be the vendors of the new resources assets or investments.

The persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility will not include related parties of the Company.

(f) ***Previous issues of Equity Securities made in the 12 months preceding the Meeting***

(i) Placement

See section 6 of this Explanatory Statement for information for the purposes of Listing Rule 7.3A.6(b), regarding the Placement and ratification of this issue under Resolution 5.

(ii) Dalgaranga Agreements

See section 7 of this Explanatory Statement for information for the purposes of Listing Rule 7.3A.6(b), regarding the issue of Shares pursuant to the Dalgaranga Agreements and ratification of this issue under Resolution 6.

The total number of Equity Securities issued in the 12 months preceding the date of the meeting is 21,650,000 Shares, which is 15.53% of the number of Equity Securities on issue at the commencement of that 12 month period.

(g) ***Voting exclusion statement***

A voting exclusion statement for Resolution 9 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

10.3 Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 9.

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Additional 10% Placement Facility	has the meaning given to that term in section of 10.1 of the Explanatory Statement.
Annexure	an annexure to this Notice of Annual General Meeting.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited.
Board	board of Directors.
Chairman	chairman of the Annual General Meeting.
Company or Gascoyne	Gascoyne Resources Limited ACN 139 522 900.
Company Secretary	the company secretary of the Company.
Constitution	constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dalgaranga Agreements	the sale and joint venture agreements between the Company and two private vendors dated 5 August 2012.
Director	director of the Company.
Director's Report	the annual directors' report of the Company.
Egerton	Egerton Exploration Pty Ltd ACN 163 614 551, a wholly owned subsidiary of the Company.
Egerton Deed	the Egerton project option deed between the Company and Exterra Resources Limited dated 28 May 2013.
Equity Securities	has the meaning given to that term in the Listing Rules.
ESOP	the Company's share option plan established prior to the Company's listing on the ASX, on the terms and conditions set out in the Company's prospectus dated 26 October 2009 lodged with ASIC in respect of the Company's listing on the ASX.
ESOP Option	Options issued under the ESOP.
Explanatory Statement	the explanatory statement that accompanies this Notice of Annual General Meeting.

Exterra	Exterra Resources Limited ACN 138 222 705.
Gascoyne Options	Options in the Company issued pursuant to the Egerton Deed.
Key Management Personnel	key management personnel of the Company (as defined in Section 9 of the Corporations Act).
Listing Rules	listing rules of the ASX.
Meeting or Annual General Meeting	the annual general meeting convened by this Notice of Annual General Meeting.
Notice or Notice of Annual General Meeting or Notice of Meeting	this notice of Annual General Meeting.
Option	option to subscribe for a Share.
Placement	has the meaning given to that term in section 6.1 of the Explanatory Statement.
Plan Participant	has the meaning given to that term in section 5.3(e) of the Explanatory Statement.
Proxy Form	the proxy form enclosed with this Notice of Annual General Meeting.
Remuneration Report	the Company's remuneration report for the year ended 30 June 2013.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
VWAP	volume weighted average price.
WST	Australian Western Standard Time.

ANNEXURE A – TERMS OF ESOP OPTIONS

- (a) An uncertified holding statement will be issued for the ESOP Options.
- (b) The ESOP Options shall expire on the earliest of the relevant dates set out below (**Expiry Date**):
 - (i) the date on which the Plan Participant's appointment with the Company is terminated for cause;
 - (ii) unless the Board agrees otherwise, 30 days after the Plan Participant's resignation or employment or engagement with the Company or an associated body corporate is terminated;
 - (iii) 30 days (or such later date as the Company's Board determines in its sole discretion) after a person or corporation becomes entitled to proceed to compulsory acquisition of the shares pursuant to section 661 of the Corporations Act. In such event, the Company shall notify (in writing) the Plan Participant of the Expiry Date as soon as possible after the Company becomes aware that the person or corporation has become entitled to proceed to compulsory acquisition;
 - (iv) 10 days (or such later date as the Company's Board determines in its sole discretion) after the Company convenes a meeting of shareholders in order to enter into a Plan of arrangement (pursuant to the provisions of the Corporations Act which, if implemented would result in a person or corporation becoming entitled to not less than 90% of the shares. In such event, the Company shall notify (in writing) the Plan Participant of the Expiry Date as soon as possible after the Company convenes the aforementioned meeting; and
 - (v) the date specified by the Board upon the grant of an ESOP Option.
- (c) Each ESOP Option shall carry the right in favour of the Plan Participant to subscribe for one (1) Share.
- (d) Shares allotted to Plan Participants on exercise of ESOP Options shall be issued at an exercise price determined by the Board in its discretion (**Exercise Price**) provided that in no event shall the Exercise Price be less than the VWAP of Shares sold on ASX during the five business days prior to the Issue Date or such other period as determined by the Board in its discretion.
- (e) The Exercise Price of Shares the subject of the ESOP Options shall be payable in full on exercise of the ESOP Options.
- (f) The ESOP Options held by each option holder may be exercised in whole or in part at any time up to and including the Expiry Date by the delivery to the registered office of the Company of a notice in writing stating the intention of the Plan Participant to:
 - (i) exercise all or a specified number of ESOP Options; and
 - (ii) pay the Exercise Price by way of subscription monies in full for the exercise of each ESOP Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the shares. An exercise of only some ESOP Options shall not affect the rights of the Plan Participant to the balance of the ESOP Options held by the Plan Participant.

- (g) The Company shall allot the resultant shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the ESOP Options.
- (h) ESOP Options shall not be listed for Official Quotation on ASX.
- (i) The ESOP Options are not transferable except to an associate (as defined in the Corporations Act) of the Plan Participant or nominee approved by the Board in its discretion.
- (j) Shares allotted pursuant to an exercise of the ESOP Options shall rank from the date of allotment, equally with existing fully paid ordinary shares in all respects.
- (k) The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of ESOP Options listed for Official Quotation on ASX.
- (l) In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the Plan Participant shall be reconstructed in accordance with the Listing Rules.
- (m) Subject to paragraph (l), the Plan Participant shall have no rights to a change in the Exercise Price of an ESOP Option or a change to the number of Shares over which an ESOP Option can be exercised.
- (n) If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an ESOP Option to be free of any conditions of exercise. ESOP Options which are so declared may be exercised at any time on or before they lapse.
- (o) There are no participating rights or entitlement inherent in the ESOP Options and Plan Participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the ESOP Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced so as to give holders the opportunity to exercise their ESOP Options before the date for determining entitlements to participate in any issue.
- (p) If, from time to time, before the expiry of the ESOP Options the Company makes a pro rata issue of Shares to the holders of Shares for no consideration (**Bonus Issue**), the number of Shares over which an ESOP Option is exercisable will be increased by the number of Shares which the holder would have received if the ESOP Option had been exercised before the date for calculating entitlements to the Bonus Issue.

ANNEXURE B – TERMS OF GASCOYNE OPTIONS

- (a) Each Option will entitle the holder to subscribe for one Share in the Company.
- (b) The Options are exercisable at a price of \$0.25 (**Exercise Price**).
- (c) The Options may be exercised at any time on or before the third anniversary of the date of issue of the Options (**Expiry Date**) in whole or in part, by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the Exercise Price in immediately available funds for the number of Shares in respect of which the Options are exercised. An Option not exercised on or before the Expiry Date will lapse.
- (d) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then existing Shares.
- (e) The Options are only transferable with the consent of the Board of Gascoyne and subject always to the Corporations Act, the Company's Constitution and the ASX Listing Rules.
- (f) Application will not be made to ASX for official quotation of the Options.
- (g) Application will be made to ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of Options within the time period required by the ASX Listing Rules after the date of allotment.
- (h) Holders of Options may only participate in new issues of securities to holders of Shares if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to the holders of Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (i) If there is a pro rata issue of securities to holders of Shares for which no consideration is payable by them (**Bonus Issue**), the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue at the date of issue of the Bonus Shares.
- (j) There will be no change to the Exercise Price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares in the Company (other than a Bonus Issue).
- (k) If, prior to the Expiry Date, there is a reorganisation of the issued capital of the Company, Options are to be treated in the manner set out in the ASX Listing Rules at the time of the reorganisation.
- (l) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued, and a holding statement provided to the holders of Options in respect of those Shares, on the above terms and conditions not more than 15 business days after the receipt of a duly executed form of notice of exercise and the Exercise Price in immediately available funds in respect of the Options exercised.

ANNEXURE C – PROPORTIONAL TAKEOVER PROVISIONS

7 PLEBISCITE TO APPROVE PROPORTIONAL TAKEOVER BID

7.1 Definitions

In this clause 7:

- (a) **“Approving Resolution”** means a Resolution to approve the Proportional Takeover Bid;
- (b) **“Approving Resolution Deadline”** means the day that is 14 days before the last day of the bid period during which offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission;
- (c) **“Eligible Member”** has the meaning given in clause 7.2(a)(iii); and
- (d) **“Proportional Takeover Bid”** has the meaning given in section 9 of the Corporations Act.

7.2 Resolution to approve Proportional Takeover Bid

- (a) Where offers have been made under a Proportional Takeover Bid in respect of Securities:
 - (i) the registration of a transfer giving effect to a takeover contract for the Proportional Takeover Bid is prohibited unless and until an Approving Resolution is passed or is taken to have been passed in accordance with this clause 7.2;
 - (ii) the Approving Resolution shall be voted on in either of the following ways as determined by the Directors:
 - (A) at a Meeting; or
 - (B) by means of a postal ballot;
 - (iii) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held bid class Securities (**“Eligible Members”**) is entitled to vote on the Approving Resolution;

- (iv) an Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the Resolution bears to the total number of votes on the Resolution is greater than 50%, and otherwise is taken to have been rejected; and
 - (v) the Directors must ensure that the Approving Resolution is voted on in accordance with this clause 7.2 before the Approval Resolution Deadline.
- (b) If the Directors determine that the Approving Resolution shall be voted on at a Meeting, then the provisions of this Constitution that apply to a general Meeting of the Company shall apply with such modifications as the circumstances require as if the Meeting were a general Meeting of the Company.
- (c) If the Directors determine that the Approving Resolution shall be voted on by means of a postal ballot:
 - (i) the Directors shall dispatch to Eligible Members:
 - (A) a notice proposing the Approving Resolution;
 - (B) a ballot paper for the purpose of voting on the Approving Resolution;
 - (C) a statement setting out the details of the Proportional Takeover Bid; and
 - (D) a memorandum explaining the postal ballot procedure which is to govern voting in respect of the Approving Resolution;
 - (ii) a vote recorded on a ballot paper shall not be counted for the purposes of determining whether or not the Approving Resolution is passed, unless the ballot paper is:
 - (A) correctly completed and signed under the hand of the Eligible Member or that person's attorney duly authorised in writing or if the Eligible Member is a body corporate, in a manner set out in section 127(1) or (2) of the Corporations Act or under the hand of its attorney so authorised; and
 - (B) received at the Office on or before the time and date specified for its return in the notice proposing the Approving Resolution, such date to be not less than 18 days before the end of the period during which offers under the Proportional Takeover Bid remain open; and
 - (iii) On the date specified for the return of ballot papers in the notice proposing the Approving Resolution or the Business Days following

that date, the Directors shall arrange for a count of the ballot papers returned and determine whether the Approving Resolution has been passed or rejected and shall upon completion of counting disclose the results of the ballot and the Approving Resolution shall accordingly be deemed to have been voted on upon the date of such declaration.

(d) Subject to clause 7.2(f), to be effective, an Approving Resolution must be passed before the Approving Resolution Deadline.

(e) Where a Resolution to approve the Proportional Takeover Bid is voted on before the Approving Resolution Deadline in accordance with this clause 7.2, the Company must, on or before the Approving Resolution Deadline, give:

(i) the bidder; and

(ii) if the Company is listed - each relevant financial market,

a written notice stating that a Resolution to approve the Proportional Takeover Bid has been voted on and whether the Resolution has been passed or rejected.

(f) Where, as at the end of the day before the Approving Resolution Deadline, no Resolution to approve the Proportional Takeover Bid has been voted on in accordance with this clause 7.2, a Resolution to approve the Proportional Takeover Bid is taken to have been passed on the Approving Resolution Deadline in accordance with this clause 7.2.

(g) If an Approving Resolution is voted on before the Approving Resolution Deadline in accordance with this clause 7.2 and is rejected,

(i) despite section 652A of the Corporations Act:

(A) all offers under the Proportional Takeover Bid that have not been accepted as at the end of the Approving Resolution Deadline; and

(B) all offers under the Proportional Takeover Bid that have been accepted, and from whose acceptance binding contracts have not resulted, as at the end of the Approving Resolution Deadline,

are taken to be withdrawn at the end of the Approving Resolution Deadline;

(ii) as soon as practicable after the Approving Resolution Deadline, the bidder must return to each person who has accepted an offer referred to in clause 7.2(g)(i)(B), any documents that the person sent the bidder with the acceptance of the offer;

- (iii) the bidder:
 - (A) is entitled to rescind; and
 - (B) must rescind as soon as practicable after the Approving Resolution Deadline,
- each binding takeover contract for the Proportional takeover Bid; and
- (iv) a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the takeover contract between such person and the bidder.

7.3 Sunset

Clauses 7.1 and 7.2 cease to have effect on the third anniversary of the date of their adoption or, if those clauses have been renewed in accordance with the Corporations Act, the third anniversary of the date of their last renewal.

CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the directors of:

..... (**Company**),
Insert name of Shareholder Company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at the annual general meeting of the members of Gascoyne Resources Limited to be held on Thursday, 14 November 2013 commencing at 10am (WST) and at any adjournments of that annual general meeting.

DATED 2013

Please sign here

Executed by the Company)
in accordance with its constituent documents)
)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

- Insert name of appointing Shareholder Company and the name or position of the appointee corporate representative (eg "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (eg director) of each authorised company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Prior to the Meeting, send or deliver the Certificate to the registered office of Gascoyne Resources Limited at Level 2, 33 Ord Street, West Perth, Western Australia or fax the Certificate to the registered office at +61 8 9481 0411.

PROXY FORM

Step 1. Appoint a Proxy to Vote on Your Behalf

I/We being a Shareholder/s of Gascoyne Resources Limited and entitled to attend and vote hereby appoint:

☐ The Chairman of the Meeting (mark with an 'X' in box to the left) **OR** _____ Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 Chairman sees fit) at the Annual General Meeting of Gascoyne Resources Limited to be held in Perth on Thursday, 14 November 2013 at The Celtic Club, 48 Ord Street West Perth, commencing at 10 am (WST) and at any adjournment of that Annual General Meeting.

Important for Resolutions 1, 3 and 4 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking the box below, you are expressly authorising the Chairman of the Annual General Meeting to exercise your proxy on Resolutions 1, 3 and 4 as set out below.

If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1, 3 and 4 the Chairman of the Annual General Meeting will not cast your votes on Resolutions 1, 3 and 4 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Annual General Meeting as your proxy you can direct the Chairman how to vote by either marking the individual resolution boxes below (for example if you wish to vote against or abstain from voting) or by marking the box (in which case the Chairman of the Meeting will vote in favour of Resolutions 1, 3 and 4). The Chairman of the Annual General Meeting intends to vote all available proxies in favour of Resolutions 1, 3 and 4.

☐ I/We expressly authorise the Chairman of the Annual General Meeting to exercise my/our proxy on Resolutions 1, 3 and 4. I/We acknowledge that the Chairman of the Annual General Meeting may exercise my/our proxy even though Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of Key Management Personnel and/or even if the Chairman of the Annual General Meeting has an interest in the outcome of these Resolutions 1, 3 and 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Step 2. Items of Business

Voting directions to your proxy – please mark ☒ to indicate your directions

Ordinary Business		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report (Non-binding Resolution)	☐	☐	☐
Resolution 2	Re-election of Mr John Den Dryver as a Director	☐	☐	☐
Special Business				
Resolution 3	Non-executive Director Remuneration	☐	☐	☐
Resolution 4	Approval of issue of ESOP Options to Mr Michael Dunbar	☐	☐	☐
Resolution 5	Ratification of prior issue of Shares - Placement	☐	☐	☐
Resolution 6	Ratification of prior issue of Shares – Dalgara Project	☐	☐	☐
Resolution 7	Approval of securities issue – Egerton Project	☐	☐	☐
Resolution 8	Approval of proportional takeover provisions	☐	☐	☐
Resolution 9	Approval of Additional 10% Placement Facility	☐	☐	☐

*If you mark the Abstain box for a Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions on next page)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form %

PLEASE SIGN HERE This section **MUST** be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your Shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chairman of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 4:00pm (WST) on Tuesday, 12 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting

Appointment of a Second Proxy

You are entitled to appoint up to two 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 Secretary on +61 8 9481 3434 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the Shareholders should 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Lodging your Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting being no later than 10am (WST) on Tuesday, 12 November 2013. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

By facsimile to:	+61 8 9481 0411
By scan and email to:	admin@gascoyneresources.com.au
By post to:	PO Box 1449, West Perth WA 6872
In person at:	Level 2, 33 Ord Street, West Perth, Western Australia