



Gulf Mines Limited  
ACN 059 954 317

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Shareholders of Gulf Mines Limited will be convened at 11:00am (Brisbane Time) on Friday 4 June 2010 at 41 Cavendish St, Earlville QLD 4870. The attached Explanatory Memorandum provides additional information on matters to be considered at this meeting and is to be read in conjunction with and forms part of this notice.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed proxy form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the meeting. The Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting describes the various matters to be considered.

### SPECIAL BUSINESS

#### Resolution 1: Ratify issue of securities under Placement

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

**“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 14,800,000 ordinary fully paid shares and 7,400,000 unlisted options in the Company on the terms and conditions set out in the Explanatory Memorandum.”**

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.5.6, the Company will disregard any votes cast on this Resolution by any person who participated in the issue or an associate of any such person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### Resolution 2: Removal of auditor

To consider and, if thought fit, pass the following ordinary resolution:

**“That WHK Horwath, the current auditor of the Company be removed as the auditor of the Company effective from the date of the Meeting.”**

#### Resolution 3: Appointment of auditor

To consider and, if thought fit, pass the following special resolution:

**“That, subject to the passing of Resolution 2, KPMG, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the Meeting.”**

The meeting will deal with any other business, which may be brought forward in accordance with the Constitution and the Corporations Act, 2001.

By Order of the Board

Darren Thamm  
Company Secretary  
04 May 2010

## **EXPLANATORY MEMORANDUM**

### **Introduction**

This Explanatory Statement has been prepared for the information of Shareholders in connection with business to be conducted at the Company's General Meeting to be held at 11:00am on Friday 4 June 2010.

This Explanatory Statement should be read in conjunction with the Notice of 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 General Meeting. Resolutions 1-2 are ordinary resolutions, and accordingly require approval by a simple majority of Shareholders entitled to vote on a show of hands or by a poll. Resolution 3 is a special resolution and accordingly requires approval by 75% of Shareholders entitled to vote on a show of hands or by a poll.

The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of attending and voting at the Meeting, Shares will be taken to be held by the registered holders at 11:00am on Wednesday 2 June 2010.

### **Resolution 1: Ratify Placement**

On 30 April 2010, the Company announced the successful completion of a placement to sophisticated investors with the assistance of Prema Capital Limited.

The placement raised a total of \$444,000 for the issue of the following Placement Securities:

- (a) Fully paid ordinary shares issued at 3 cents per share ("the Placement Shares"); and
- (b) One attached option for every two shares issued exercisable at 5 cents on or before 25 April 2011 ("the Placement Options").

The Placement Securities were issued pursuant to the Company's 15% placement capacity. Under Listing Rule 7.1, the prior approval of shareholders is not required to issue the Placement Securities because those securities, when aggregated with all other securities issued by the Company in the previous twelve months (other than those securities issued with shareholder approval), do not exceed 15% of the number of securities on issue at the commencement of that twelve month period.

Listing Rule 7.4 provides that the issue will be treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 at the time and holders of ordinary securities subsequently approve it. Ratification is now being sought for the issue of the Placement Securities to enable the Board to consider additional funding initiatives over the next twelve months consistent with the provisions of Listing Rule 7.1 and the Corporations Act.

For the purposes of Listing Rule 7.5, the following information is provided to shareholders:

#### *Placement Shares*

- 14,800,000 fully paid ordinary shares issued at 3 cents per share.
- The Placement Shares rank pari passu with existing shares.
- The issue of the Placement Shares raised a total of \$444,000.

#### *Placement Options*

- 7,400,000 unlisted options allotted on the basis of one option for every two Placement Shares issued.
- Application Price was \$nil
- The options are exercisable at 5 cents on or before 25 April 2011 and allow the option holder to convert to listed shares;
- A copy of the full terms and conditions of the options is included at Schedule 1 to this Notice of Meeting.

The Placement Securities were issued to investors known to the Company and Prema Capital Limited who are not related parties.

Funds raised from the Placement are to be used by the Company to provide working capital and for further exploration on the Company's tenements.

The Directors unanimously recommend the ratification of the issue of these Placement Securities and recommend that Shareholders vote in favour of Resolution 1.

### **Resolution 2 and 3: Removal and Appointment of Auditor**

Under section 329 of the Corporations Act, an auditor of the company may be removed from office by resolution of which two months notice of the intention to move the resolution has been given. The notice of intention to remove WHK Horwath is provided to Shareholders in Schedule 2 to this Notice of Meeting.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

The Company provides the notice of intention to shareholders and seeks the removal of auditor even though the meeting will be held less than 2 months after the notice of intention is given.

The Company now wishes to remove its auditor for operational reasons, principally because the auditors are based in Brisbane and the Company's registered office is in Cairns. WHK Horwath has confirmed that it has no objections to its removal as auditors and does not wish to make any representations to members regarding its removal.

In the interest of having the audit of the annual financial report for the year ended 30 June 2010 completed in a timely and efficient manner, the Board resolved to convene the meeting for 4 June 2010. This provides the prospective new auditor sufficient time to put in place appropriate arrangements for the audit of the annual financial report.

If WHK Horwath is removed under Resolution 2, the Directors propose that KPMG be appointed as the Company's auditors effective from the date of the meeting. The nomination of KPMG as auditor of the Company is provided to Shareholders in Schedule 2 to this Notice of Meeting. KPMG have given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolutions 2 and 3 are passed, the appointment of KPMG as the Company's auditor will take effect at the close of the General Meeting.

The Directors wish to thank WHK Horwath for its services to the Company during its time as the Company's auditor.

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## SCHEDULE 1 - TERMS AND CONDITIONS OF OPTIONS

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Shareholders who were issued fully paid ordinary shares in the Placement completed on 30 April 2010 are entitled to receive one (1) option for every two listed shares issued under the Placement under the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00pm (EST) on 25 April 2011. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be five cents (\$0.05).
- (d) If the Company is required by the ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Expiry Date and, in relation to the same, undertakes a consolidation of its issued capital, the Exercise Price will be varied to the greater of \$0.20 and the exercise price that would naturally occur under the consolidation as a result of the application of ASX Listing Rule 6.23. The variation in accordance with this paragraph (d) will take place from the date that ASX grants the Company conditional approval for reinstatement to trading of its securities following the Company re-complying with the provisions of Chapter 1 and 2 of the ASX listing rules.
- (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion. Where less than 10,000 Options are held, all Options must be exercised together.
- (f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) an Option will not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (j) The Options are freely transferrable.
- (k) The Company will not apply for the quotation of the Options on the ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
- (m) the Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options.
- (n) there will be no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules (if applicable).

# G E REVELEIGH & CO Pty Ltd

(ACN 010 121 392)

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as trustee for THE Arfamo TRUST

Company Secretary  
Gulf Mines Limited  
41 Cavendish St  
Earlville QLD 4870

28 April 2010

## NOTICE OF INTENTION AND NOMINATION

Dear Sir

I, G E Reveleigh & Co Pty Ltd of 41 Cavendish St, Earlville QLD 4879 being a member of Gulf Mines Limited (“the Company”), request that a general meeting of the Company be held at the first available time, in any event no later than 2 months from the date of this notice, to consider and, if thought fit, pass resolutions that:

- (a) WHK Horwath be removed as auditor of the Company; and
- (b) KPMG be appointed as the new auditor of the Company.

Furthermore, for the purposes of section 328B(1) of the Corporations Act 2001, I hereby give you notice of the nomination of KPMG of 15 Lake St, Cairns, Queensland 4870 as auditor of the Company.

Signed by G E Reveleigh & Co Pty Ltd ATF Arfamo Trust



Signature

In the presence of:



Signature of Witness

LINDY CLARE BROOKS

Full name of Witness

40 NELSON ST CAIRNS 4870

Address



