

16 April 2014

Dear Optionholder,

Gunson Resources Limited – Non-renounceable Entitlement Offer – Notification to Optionholders

We write to you as the registered holder of options in Gunson Resources Limited (**Gunson** or the **Company**) as at today's date.

On 16 April 2014, **Gunson** announced a capital raising comprising:

- a placement raising A\$300,000 before costs (**Placement**); and
- a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share (**New Share**) for every five (5) fully paid ordinary shares held as at 5.00 pm WST on 24 April 2014 (**Record Date**) by eligible shareholders (**Offer**), in accordance with Section 708AA of the *Corporations Act 2001* (Cth).

The **Offer** is available to all Gunson shareholders registered on the **Record Date** whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Offer is not being extended to any Shareholder whose address is outside Australia or New Zealand.

Pursuant to the **Offer**, the Company will issue up to 54,615,001 New Shares at an issue price of A\$0.017 each to raise up to A\$928,455 (before costs).

The combined proceeds of the **Placement** and the **Offer** will be expended on working capital which is required to sustain operations and maintain permits and tenements through to June 2015 whilst the Company searches for, and negotiates entry of, a strategic partner to assist with or take over development of the Coburn Mineral Sands Project in Western Australia and to support the activities of Torrens Mining Limited (parent company of Terrace Mining Pty Ltd) in its effort to establish the feasibility of producing Copper, Cobalt and Silver metal from the MG14 and Windabout deposits at Mount Gunson.

In the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to shareholders.

The timetable for the **Offer** is as follows:

Event	Date
Announcement of Offer and Lodgment of Appendix 3B and Section 708AA(2)(f) Notice with ASX	16 April 2014
Lodge Offer Document with ASX (Prior to commencement of Trading)	16 April 2014
Ex Date	22 April 2014



GUNSON RESOURCES LIMITED
ABN 32 090 603 642

Record Date (Company determines eligible shareholders at 5:00 PM WST)	24 April 2014
Dispatch of Offer Document – Offer opens	30 April 2014
Closing Date (Applications must be received by 5:00 PM WST)	14 May 2014
Notification of Shortfall (if any) to ASX	19 May 2014
Allotment Date (the date New Shares are allotted)	21 May 2014
Dispatch Date (the date on which holding statements are sent to shareholders who have taken up their entitlement of New Shares)	22 May 2014
Normal Trading of New Shares	22 May 2014

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates.

The New Shares to be issued pursuant to the **Offer** will rank equally with the Company's existing fully paid ordinary shares.

Eligible Shareholders will receive a copy of the Offer Document prepared in connection with the **Offer** and must complete the application form accompanying the Offer Document to take up their entitlements. **Eligible Shareholders** will also be given the opportunity to subscribe for new shares over and above their entitlement (**Additional New Shares**). The allocation of any **Additional New Shares** will be subject to Gunson's discretion and limited to the extent that there are sufficient **Additional New Shares** from shareholders who do not take up their entitlement.

The **Offer** is non-renounceable which means that shareholders who do not take up their entitlements will not receive any proceeds from the sale of entitlements not taken up. The entitlements to participate in the **Offer** are not transferable and cannot be traded on the ASX or any other exchange or privately transferred.

A table setting out the capital structure of the Company, following completion of the **Placement** and the **Offer** is set out below (assuming no exercise of options before the **Record Date** and full subscription for **New Shares** under the **Placement** and the **Offer**):

Shares	
255,427,944	Shares quoted on ASX as at the announcement of the Placement and the Offer
17,647,061	New shares issued pursuant to the Placement
54,615,001	Maximum number of shares issued pursuant to the Offer
327,690,006	Total issued Shares

The Company has a total of 9,600,000 unlisted options. The unlisted options do not carry a right to participate in the **Offer**. If you wish to participate in the **Offer** you need to exercise your options so that you are registered as a Shareholder at 5:00 PM (WST) on the **Record Date**. Notice of exercise of options and payment of the exercise price of the options should be received by Computershare Investor Services on or before 22 April 2014 as notices of exercise of options received after this date cannot be assured of the allotment of Shares by the record date.

If you require an option exercise form, please contact the Company on +61 8 9226 3130 or Computershare Investor Services on 1 300 850 505.

The Offer Document for the **Offer** is available on the ASX Limited website at www.asx.com.au and also on the Company's website at www.gunson.com.au.

Enquiries

Any queries regarding the **Offer** should be directed to Ian Gregory, Company Secretary on +61 8 9226 3130. Any queries regarding the application form accompanying the Offer Document should be directed to the Computershare Investor Services on 1 300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). You can also contact your stockbroker or professional adviser with any queries in relation to the **Offer**.

This notice is to inform you of the **Offer**. You are not required to do anything in respect of this letter.

The directors of the Company recommend that you read the Offer Document carefully and seek advice from your financial advisor if you have any queries. We look forward to your participation in the **Offer**.

Yours sincerely,



William F. Bloking FAICD
Managing Director
Gunson Resources Limited

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