



15th August 2003

Manager of Company Announcements
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-lodgment

No. of pages: 10

PLACEMENT AND SHAREHOLDER SHARE PURCHASE PLAN OFFER

Placement

The Board of Gunson Resources Limited ("**Gunson**") is pleased to announce that it has agreed to place 3 million shares to clients of Intersuisse Limited at 12.5 cents per share to raise \$375,000 ("**Placement**"). The Company will be seeking shareholder approval in relation to the issue of these shares under the Placement.

Shareholder Share Purchase Plan Offer

Gunson also proposes to make an offer to shareholders pursuant to ASIC Class Order 02/831 under which shareholders may apply for shares in the Company up to a maximum of \$5,000 per shareholder.

The initial offer of shares under the Shareholder Share Purchase Plan ("**Plan**") is limited to approximately \$1,250,000, represented by 10 million shares. Accordingly, applications will be accepted on a first come first accepted basis so that the total number of shares issued under the Plan does not exceed 10 million shares.

This initial offer under the Plan will be made at 12.5 cents per share, being the same price as shares to be issued under the Placement.

The Record Date for this offer has been set at 5.00pm (WST) on **Friday 22nd August 2003** and offer documents will be forwarded to eligible shareholders on or about Monday 25th August 2003.

It is anticipated the offer will close on Monday 15th September 2003 or such earlier date as determined by Gunson's directors. Any potential purchaser of the Gunson's shares following this announcement should consult with their broker to determine whether they will be entitled to participate in the Shareholder Share Purchase Plan.

It is important to note that the issue of shares under the Plan is subject to Gunson obtaining the necessary shareholder approvals. The relevant notice of meeting to approve the Offer under the Plan together with approval to issue the Placement shares is being despatched to shareholders today.

Use of funds

Funds raised under the Plan and Placement, together with funds recently received from the placement to Southern Cross Equities announced on 31 July 2003, will be applied for the completion of the bankable feasibility study on the Company's Coburn Mineral Sand Project and ongoing work on this Project.

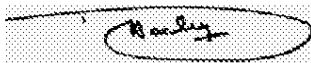
Upon completion of this capital raising program, a total of approximately \$2.3 million will have been raised to fund the completion of the Coburn bankable feasibility study due for completion in early 2004.

Please find attached an Appendix 3B - Application for Quotation of Additional Securities, in relation to securities to be issued pursuant to the Placement and the Plan.

Class Order

In accordance with ASIC Class Order 02/1180, the Company advises that there is no information to disclose of that kind that would be required to be disclosed under sub-section 713(5) of the Corporations Act, if a Prospectus were to be issued in reliance of section 713 in respect of the Placement.

Yours faithfully

A handwritten signature in black ink, appearing to read "D N Harley", is enclosed within a hand-drawn oval. The signature is positioned above a horizontal line that spans the width of the oval.

D N HARLEY
MANAGING DIRECTOR

Appendix 3B

**New issue announcement,
application for quotation of additional securities
and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

GUNSON RESOURCES LIMITED

ABN

39 090 603 642

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares; and Options (unlisted) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,000,000 Ordinary Fully Paid Shares, to be issued subject to shareholder approval; and 1,400,000 Options (unlisted), to be issued subject to shareholder approval. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1,000,000 Options are exercisable at 20 cents per share within 5 years from the date of issue. 400,000 Options are exercisable at 20 cents per share on or before 7 March 2006. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
|--|--|
| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes, from the date of issue.</p> |
| <p>5 Issue price or consideration</p> | <p>Total consideration \$1,625,000 (at 12.5 cents per share)</p> <p>The Options are issued for services provided to the Company.</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Funds will be used for the completion of the bankable feasibility study in relation to the Company's Coburn Project and for ongoing work on this Project.</p> |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>On or about 17 September 2003, after shareholder approval.</p> |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|------------|----------------------------|
| 8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable) | 55,908,005 | Ordinary Fully Paid Shares |

| | Number | +Class |
|---|-----------|---|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | 3,200,000 | Unlisted options exercisable on or before 12/05/05 at 20 cents per share. |
| | 3,500,000 | Unlisted options exercisable on or before 12/05/05 at 25 cents per share. |
| | 100,000 | Unlisted options exercisable on or before 16/12/07 at 20 cents per share. |
| | 1,000,000 | Unlisted Options exercisable on or before 5 years from the date of issue at 20 cents per share. |
| | 400,00 | Unlisted Options exercisable on or before 7/3/2006 at 20 cents per share. |

| | |
|---|---|
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Participation available from the date of issue. |
|---|---|

Part 2 - Bonus issue or pro rata issue

| | |
|---|-----|
| 11 Is security holder approval required? | N/A |
| 12 Is the issue renounceable or non-renounceable? | N/A |
| 13 Ratio in which the +securities will be offered | N/A |
| 14 +Class of +securities to which the offer relates | N/A |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|---|-----|
| 15 | +Record date to determine entitlements | N/A |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A |
| 17 | Policy for deciding entitlements in relation to fractions | N/A |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | N/A |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |

+ See chapter 19 for defined terms.

| | | |
|----|--|-----|
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) | | |

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

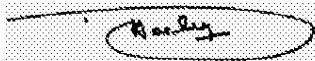
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 15 August 2003

Print name: **David Harley**
Managing Director

+ See chapter 19 for defined terms.