

ASX RELEASE
16th February 2004

SHARE PLACEMENT

Placement

The Directors of Gunson Resources Limited (Gunson) are pleased to advise that Gunson has successfully completed a placement of 8,091,995 ordinary fully paid shares at 35 cents per share to clients of Southern Cross Equities Limited, raising \$2,832,198.

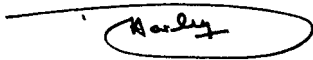
Funds raised under the placement will be applied primarily to ongoing work on the Coburn mineral sand project in Western Australia after the bankable feasibility study is completed late next month. A relatively small amount is to be spent in the June quarter drilling for copper on the Mount Gunson project in South Australia and nickel sulphide exploration on the Shell Lakes project in Western Australia.

Attached is an Appendix 3B - Application for Quotation of Additional Securities in respect to the securities discussed above, along with 300,000 management options exercised late last week.

Class Order

In accordance with ASIC Class Order 02/1180, Gunson 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 issue.

Yours faithfully



D N HARLEY
MANAGING DIRECTOR

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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.

Name of entity

GUNSON RESOURCES LIMITED

ACN, ARBN or ARSN

32 090 603 642

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 (quoted) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 8,091,995 Shares (issued by a share Placement); and
300,000 Shares (issued upon the exercise of Options) |
| 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) | <ul style="list-style-type: none">8,901,995 Ordinary Fully Paid issued under a share placement at 35 cents per share; and300,000 Ordinary Fully Paid Shares issued upon the exercise of Options (75,000 at 20 cents per share and 225,000 at 25 cents per Share) |

+ 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</p>				
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> ▪ Share Placement - Total consideration \$2,832,198 (at 35.0 cents per share); and ▪ Options Exercised - Total consideration \$71,250 				
<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 to progress development work at the Company's Coburn Project and for further exploration on the Company's remaining exploration interests.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>On or before 26 February 2004</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="694 1422 893 1467">Number</th> <th data-bbox="893 1422 1283 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="694 1467 893 1650">64,300,000</td> <td data-bbox="893 1467 1283 1650">Ordinary</td> </tr> </tbody> </table>	Number	+Class	64,300,000	Ordinary
Number	+Class				
64,300,000	Ordinary				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	3,125,000	Unlisted options exercisable on or before 12/05/05 at 20 cents per share.
	3,275,000	Unlisted options exercisable on or before 12/05/05 at 25 cents per share.
	400,000	Unlisted options exercisable on or before 7/03/06 at 20 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 16/9/08 at 20 cents per share.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Participation available from 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
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

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Appendix 3B
New issue announcement

18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	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 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
28	Date rights trading will begin (if applicable)	N/A

+ See chapter 19 for defined terms.

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 The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 A distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which quotation
is sought

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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

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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)

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

Number	+Class

(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

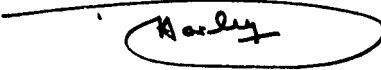
Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

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 to ASX that the issue of the +securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those +securities should not be granted +quotation. We warrant to ASX that an offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Law.
- 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:

Print name:



David Harley
Managing Director

Date: 16 February 2004

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+ See chapter 19 for defined terms.