

ASX ANNOUNCEMENT

16 APRIL 2014



ABN 32 090 603 642

GUNSON ANNOUNCES PLACEMENT AND ENTITLEMENT OFFER

Company Facts

Gunson Resources (ASX: GUN) is focused on bringing its technically robust, 'construction ready' Coburn Heavy Mineral Sands Project in Western Australia into development with a credible strategic partner.

Key projects:

- Coburn Heavy Mineral Sands Project (100%)
- Mt Gunson Copper Exploration Project (49%)
- Mt Gunson Copper – MG14 & Windabout Excised Areas (100%)
- Fowlers Bay Nickel Project (100%)
- Tennant Creek Gold-Copper Project (100%)

Corporate Structure

Shares on issue	255.4m
Unlisted Options	9.6m
52 week high	A\$0.105
52 week low	A\$0.017

Company Directors

David Craig
Non-Executive Chairman

Bill Bloking
Managing Director

Garret Dixon
Non-Executive Director

Investor Enquiries

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Highlights

- Completed a placement of 17,647,061 shares to sophisticated investors at A\$0.017 per share to raise \$300,000 before costs.
- Announcing a pro-rata non-renounceable entitlement offer on the basis of 1 New Share for every 5 existing shares held at the Record Date of 24 April 2014 at an issue price of A\$0.017 per share.
- Offer is partially underwritten by Gunson's Managing Director.
- Offer will comprise a maximum of 54,615,001 shares to raise \$928,455 before costs.

Gunson Resources Limited (**ASX: GUN**) ("**Gunson**" or the "**Company**") wishes to advise that it has completed a placement of 17,647,061 shares to sophisticated investors at A\$0.017 per share to raise A\$300,000 before costs ("**Placement**"). The issue will be made utilising a portion of Gunson's existing 15% placement capacity under ASX Listing Rule 7.1.

The Company is also pleased to announce that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company via a non-renounceable entitlement offer (**Offer**) on the basis of one (1) New Share for every five (5) existing shares held at 5:00 PM (WST) on the record date of 24 April 2014 in order to raise A\$928,455 (before costs).

The issue price for shares offered under the **Offer** will also be A\$0.017 per share (**Issue Price**), and it represents a discount of:

- 15% to Gunson's last closing price of A\$0.02 on 11 April 2014;
- 12% to Gunson's 5 day VWAP price of A\$0.019 on 11 April 2014

The **Placement** shares will be entitled to participate in the **Offer**. Shares issued under the **Placement** and the **Offer** will rank pari passu with existing ordinary shares on issue, and application will be made for their quotation.

The combined proceeds of the **Placement** and **Offer** are to 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.

Entitlement Offer

The **Offer** will comprise a maximum of 54,615,001 shares (the **Offer Shares**) and is partially underwritten by Mr. William Bloking, the Managing Director of the Company, up to the amount of A\$100,000.

The **Entitlement 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.

Any fractional entitlements under the **Offer** will be rounded up to the nearest whole number. The **Offer** will be open from 30 April 2014 to 14 May 2014. Eligible shareholders will be sent further details about the **Offer** via an Offer Document, which is expected to be lodged with the ASX and dispatched on 30 April 2014.

Eligible shareholders will also be given the opportunity to subscribe for 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 there are sufficient **Additional New Shares** from shareholders who do not take up their entitlement.

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

Proposed Timetable	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 trading commencing)	16 April 2014
Ex Date	22 April 2014
Record Date (Company determines eligible shareholders 5:00 PM WST)	24 April 2014
Dispatch of Offer Document	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 upon which 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

This timetable is indicative only and may be subject to change. Subject to the Corporations Act and ASX Listing Rules, Gunson reserves the right to vary the dates and times in connection with the **Offer**, including the closing date, without prior notice.

If there is any shortfall in subscriptions under the **Offer**, the Company reserves the right to place the shortfall shares at their discretion within three months of the closing date of the offer.

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