



23rd March 2005

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

By E-lodgment

No. of pages: 9

PLACEMENT, EXERCISE OF OPTIONS AND SPP

Placement

The Board of Gunson Resources Limited ("**Gunson**") is pleased to announce that it has completed a placement of 5.26 million shares at 26 cents per share to raise \$1,367,600 ("**Placement**").

Exercise of Unlisted Share Options

On 18th March 2005, Mundi Investments Pty Ltd exercised its 200,000 unlisted options to purchase fully paid ordinary shares in Gunson at 20 cents per share.

Shareholder Share Purchase Plan Offer (SPP)

Gunson also proposes to make an offer to shareholders pursuant to a Shareholder Share Purchase Plan ("**Plan**"), under which eligible shareholders may apply for shares in the Company up to a maximum of \$5,000 per shareholder.

The offer of shares under the Plan is limited to approximately \$1.82 million, represented by 7 million shares. This offer under the Plan will be made at 26 cents per share, being the same price as shares issued under the Placement. In the event of oversubscriptions, applications will be processed on a pro rata basis.

The Record Date for this offer has been set at 5.00pm (WST) on **Monday, 4th April 2005** and offer documents will be forwarded to eligible shareholders on or about **Tuesday, 5th April 2005**. The Company will not need to obtain shareholder approval to complete the Plan.

The offer will close on **Monday, 18th April 2005**. To ensure participation in the Plan any potential purchaser of the Company's shares following this announcement should consult with their broker to determine whether they will be entitled to participate in the Plan. Shareholders should allow at least 3 Business Days prior to the Record Date to purchase shares to ensure that they are registered as an eligible shareholder.

Use of funds

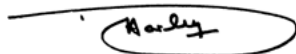
Funds raised under the Plan and Placement will be applied for advancing the Company's Coburn Mineral Sand Project toward financial closure and a decision to proceed with mine development. A much smaller amount will be applied to funding the forthcoming drilling program for copper-uranium-gold at the Mount Gunson Project in South Australia.

Upon completion of this capital raising program, a total of approximately \$3.2 million will have been raised to fund work on the Coburn and other projects, and Gunson's share capital will have increased to 76.76 million shares.

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

Section 708A Statement

For the purposes of section 708A of the Corporations Act 2001 (Cth) ("Act"), the Company has allotted the placement shares without disclosure to investors under Part 6D.2 of the Act, and provides this notice in accordance with section 708A(5)(e). Further at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act. In addition, at the date of this notice there is no 'excluded information' (as defined by in section 708A(7) and (8) of the Act), required to be disclosed by the Company.

A handwritten signature in black ink, appearing to read "Harley", enclosed within a hand-drawn oval shape.

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, 1/1/2003.

Name of entity

GUNSON RESOURCES LIMITED

ABN

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

12,460,000 Ordinary Fully Paid Shares
- 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)

<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"> • Placement - Total Consideration of \$1,367,600 in respect of the share placement of 5,260,000 shares; • SPP- Total Consideration of \$1,820,000 in respect of the proposed Share Purchase Plan Offer of 7,000,000 shares; • Exercise of Options - Total Consideration of \$40,000 in respect of the exercise of 200,000 options. 				
<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 further the development of the Coburn Mineral Sands Project and to fund a small exploration program at Mt Gunson.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<ul style="list-style-type: none"> • 23 March 2005, in respect of the share placement of 5,260,000 shares issued under the placement and the exercise of options 200,000 options into shares; • On or about 19 April 2005, in respect of the proposed Share Purchase Plan Offer of 7,000,000 shares. 				
<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="716 1707 1000 1749">Number</th> <th data-bbox="1000 1707 1276 1749">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1749 1000 1877">76,760,000</td> <td data-bbox="1000 1749 1276 1877">Ordinary</td> </tr> </tbody> </table>	Number	⁺ Class	76,760,000	Ordinary
Number	⁺ Class				
76,760,000	Ordinary				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including 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.
	200,000	Unlisted options exercisable on or before 07/03/06 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 16/09/08 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

+ See chapter 19 for defined terms.

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 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 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
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)?

33 +Despatch date

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

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
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

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

+ See chapter 19 for defined terms.

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

Quotation agreement

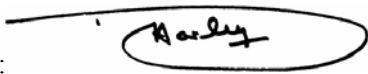
- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 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.

- 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: 
Managing Director

Date: 23 March 2005

Print name: DAVID HARLEY
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+ See chapter 19 for defined terms.