



12 May 2000

**Dear Shareholder**

On behalf of the Board, I am pleased to welcome you as a shareholder in Gunson Resources Limited and to enclose your holder statement for safekeeping. The expected date for listing of the Company's shares on the stock exchange is Wednesday, 17 May.

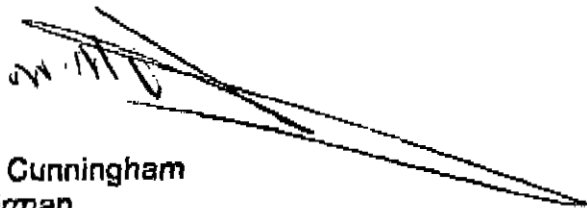
Our initial public offering of 17,500,000 shares was fully subscribed despite the uncertain market conditions, and we look forward to a very active exploration programme, as outlined in the Prospectus.

In accordance with the Prospectus, Billiton have subscribed \$0.5 million in share capital to the Company, which will fund drilling and other exploration activities on the Mount Gunson copper project in South Australia. Drilling for Olympic Dam style mineralisation at Mount Gunson is scheduled to start on 17 May, the first hole being at Hunter Hill.

Planning for a major drilling programme on the Coburn mineral sand project in Western Australia has commenced and drilling is expected to begin in late June.

I appreciate your interest in becoming a shareholder in the Company and look forward to your continued support.

Yours faithfully



**W H Cunningham**  
Chairman

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