

ASX ANNOUNCEMENT

23 OCTOBER 2014



ASX Limited
Companies Announcement Office
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

Section 708A Cleansing Notice – Strandline Consideration Shares and SPP Shares

Gunson Resources Limited (**Company**) confirms that, as referred to in the Company's announcement dated 23 October 2014, Gunson issued without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Act**) 166,666,667 Ordinary Shares (**Shares**) to the shareholders of Strandline Resources Pty Ltd (**Strandline**) in consideration for the acquisition of all of the issued capital of Strandline (**Consideration Shares**), Shareholder approval for which was obtained at the Company's General Meeting held on 20 October 2014.

The Company will also make offers to issue 66,666,668 Shares under the Gunson Share Purchase Plan announced on 20 October 2014 without disclosure under Part 6D.2 of the Act.

This notice is given to ASX Limited (**ASX**) under section 708A(5)(e) of the Act in compliance with:

- the requirements of section 708A(6) of the Act with respect to the Consideration Shares; and
- the exemption to the disclosure requirement provided by ASIC Class Order 09/425 with respect to the SPP Shares.

The Company states that as at the date of this notice the Company:

- (a) has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (b) has complied with the provisions of section 674 of the Act; and
- (c) is not aware of any excluded information for the purposes of section 708A(6)(e) of the Act, being information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the Listing Rules of the ASX; and

- (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares.

An Appendix 3B with respect to the issue of the Consideration Shares the subject of this notice is attached to this notice.

For and on behalf of Gunson Resources Limited:



Ian Gregory
Company Secretary

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

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 (Shares). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 166,666,667 – Strandline Vendor Shares |
| 3 | Principal terms of the +securities (e.g. 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) | All fully paid ordinary shares.

119,834,970 of the Vendor Shares are being held in voluntary escrow for 12 months from 23 October 2014. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date 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>119,834,970 of the Vendor Shares will be held in voluntary escrow for twelve months from the date of issue and thereafter will rank equally in all respects with the existing quoted fully paid ordinary shares of the Company.</p> <p>All the remaining Shares issued rank equally in all respects with the existing quoted fully paid ordinary shares of the Company.</p>
<p>5 Issue price or consideration</p>	<p>Deemed price of \$0.015 per Share.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Vendor Shares were issued for the acquisition of Strandline Resources Pty Ltd at a deemed price of A\$0.015 cents per share.</p> <p>This issue was approved by shareholders at the Company's General Meeting held on 20 October 2014.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>7 November 2013.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil.</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil.</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	166,666,667 Shares.								
6f	Number of +securities issued under an exception in rule 7.2	Nil.								
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A.								
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A.								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 – 48,738,648 LR7.1A – 44,257,139								
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	23 October 2014.								
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">293,551,793</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: right;">+ <u>166,666,667</u></td> <td></td> </tr> <tr> <td style="text-align: right;"><u>460,218,460</u></td> <td></td> </tr> </tbody> </table>	Number	+Class	293,551,793	Fully paid ordinary shares	+ <u>166,666,667</u>		<u>460,218,460</u>	
Number	+Class									
293,551,793	Fully paid ordinary shares									
+ <u>166,666,667</u>										
<u>460,218,460</u>										

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,000,000	Unlisted options exercisable on or before 30/11/14 at 27 cents per share.
	1,600,000	Unlisted options exercisable on or before 22/06/15 at 29 cents per share.
	1,500,000	Unlisted options expiring on 8/11/15, exercisable at 5 cents per share.
	1,000,000	Unlisted options expiring on 8/11/15, exercisable at 6 cents per share.
	1,500,000	Unlisted options expiring on 8/11/15, exercisable at 8 cents per share.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends are not yet paid.	

Part 2 - 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 offer 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 offer documents 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.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue 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

⁺ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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.

 - 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 is not available now, we 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: 23 October 2014
(Company Secretary)

Print name: Ian Gregory

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	255,427,944
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p style="margin-left: 20px;"><u>2,000,000</u> fully paid ordinary shares issued on 19 August 2014 by placement of shortfall shares from the Entitlement Offer which closed on 28 May 2014.</p> <p style="margin-left: 20px;"><u>18,476,788</u> fully paid ordinary shares issued on 4 June 2014 pursuant to the Entitlement Offer.</p> <p style="margin-left: 20px;"><u>166,666,667</u> fully paid ordinary shares issued on 23 October 2014 to Strandline Vendors as approved by shareholders on 20 October 2014.</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	442,571,399

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	66,385,709
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	17,647,061 – Placement 17 April 2014
“C”	17,647,061
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	66,385,709
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	17,647,061
Total [“A” x 0.15] – “C”	48,738,648 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	442,571,399
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	44,257,139
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	44,257,139
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	44,257,139 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.