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COR R1
22nd October 2007

Dear Shareholder

ANNUAL REPORTS & GENERAL MEETING

1. Annual Report

On behalf of the Board of Directors, I have pleasure in enclosing this year's Annual Report.

Due to recent Australian Government legislation, the default option for the receipt of company annual reports has changed to the company's website. This means that you will have access to timely and cost effective annual reports unless you request a printed version.

If you do not wish to receive a copy of future Gunson Annual Reports, you need not respond to this letter. All shareholders will continue to receive a Notice of the Annual General Meeting each year, with a proxy form and details of how to access the Annual Report on the Company's website.

Alternatively, if you wish to continue receiving the Annual Report by mail, please complete and return the election form at the back of the Proxy Form in the enclosed Notice of Meeting to the address shown by 21st November, 2007.

2. Annual General Meeting

I am pleased to invite you to attend the eighth Annual General Meeting of the Company, to be held in The Western Australian Club at 101 St Georges Terrace, Perth at 2.30pm on Friday, 23rd November 2007. A copy of the Notice of Meeting is enclosed and if you are able to attend, please bring this letter with you to facilitate your admission to the Meeting.

If you are unable to attend but wish to vote on any of the resolutions to be put to the Meeting, a proxy form for your use is enclosed with the Notice of Meeting.

Thank you for your support as a shareholder of the Company.

Yours sincerely



W H CUNNINGHAM
CHAIRMAN