



**ASX RELEASE**

**27<sup>th</sup> January 2011**

**SHARE PURCHASE PLAN OFFER  
BROCHURE**

Further to the Company's announcement on 24<sup>th</sup> January 2011, the attached Share Purchase Plan Offer brochure and Application Form are being mailed to eligible shareholders today.

Funds raised from the Share Purchase Plan will be used to progress negotiations on financing the Coburn Zircon Project, continue the Bankable Feasibility Study on the Mount Gunson Copper Project and fund drilling programs on the Fowlers Bay nickel and Tennant Creek gold-copper projects.

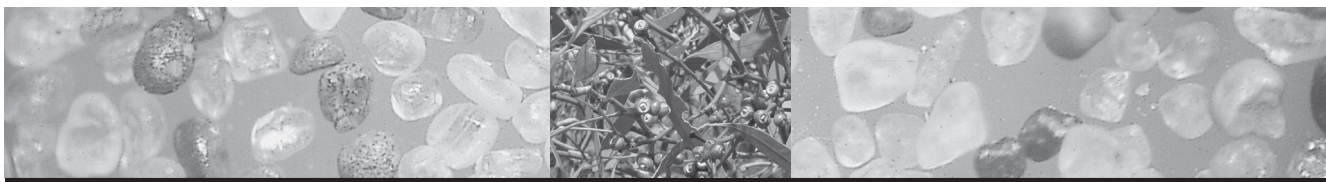
The Offer opens today and closes at 5pm Perth time on 14<sup>th</sup> February 2011. The record date was Friday, 21<sup>st</sup> January 2011.

*Harley*

**D N HARLEY  
MANAGING DIRECTOR**

**Investor enquiries:**

**Telephone:** (08) 9226 3130  
**Facsimile:** (08) 9226 3136  
**Email:** enquiries@gunson.com.au  
**Website:** www.gunson.com.au  
**Address:** PO Box 1217, West Perth  
Western Australia 6872

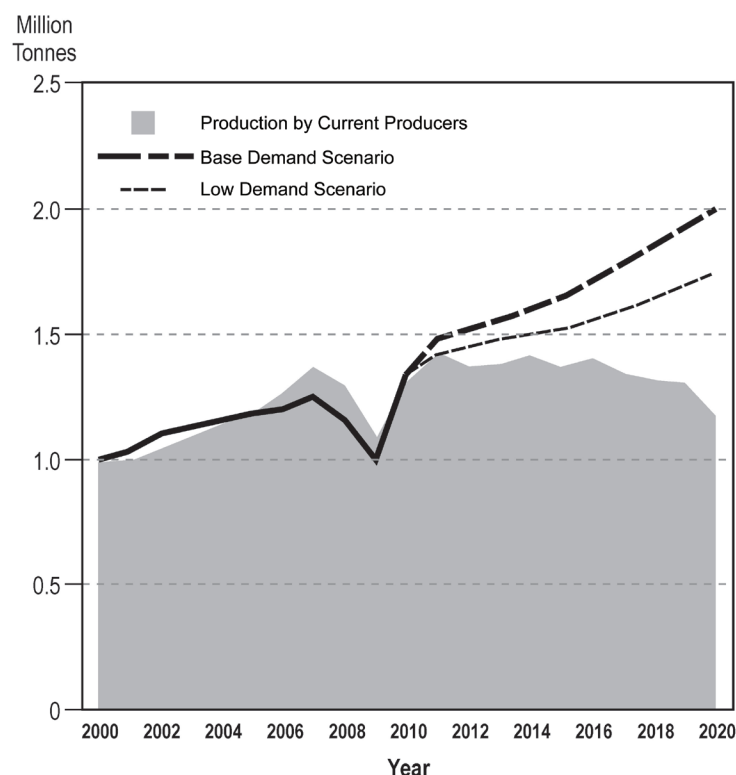


# 2011 SHARE PURCHASE PLAN OFFER

<b>IMPORTANT DATES</b>	
Record Date	Friday, 21 January 2011
Announcement Date	Monday, 24 January 2011
Documents mailed to Eligible Shareholders	Thursday, 27 January 2011
Offer opens	Thursday, 27 January 2011
Offer closes at 5pm Perth time	Monday, 14 February 2011
Expected allotment of New Shares	Friday, 18 February 2011
Expected date for the commencement of trading in New Shares	Monday, 21 February 2011
Holding statements mailed to Shareholders.	Monday, 21 February 2011

*The timetable is indicative only and Gunson may, at its discretion, vary any of the above dates by announcing a revised timetable to ASX.*





Source: Iluka, November 2010

*Global Zircon Supply and Demand 2000-2020.*

## LETTER FROM THE CHAIRMAN

27 January 2011

Dear Shareholder

### 2011 Share Purchase Plan

On 24 January 2011, Gunson Resources Limited (Gunson) announced a Share Purchase Plan (**SPP**) to provide an opportunity for all eligible shareholders to purchase additional shares in Gunson without incurring brokerage or other transaction costs.

Gunson has initiated this SPP to give its shareholders the opportunity to purchase additional shares at the same price as those issued to institutional and other sophisticated investors in mid December 2010. Funds raised will be used for the same purpose as the proceeds from the December 2010 placement. This is to progress negotiations on financing of the Coburn Zircon Project, continue the Bankable Feasibility Study on the Mount Gunson Copper Project and fund drilling programs on the Fowlers Bay nickel and Tennant Creek gold and copper projects.

Under the SPP, eligible Gunson shareholders have the opportunity to subscribe for up to \$15,000 of additional shares in Gunson (**New Shares**) at 20 cents per New Share representing a 13% discount to the average closing price of ordinary shares in Gunson traded on ASX in the five trading days prior to announcement of the SPP.

The offer pursuant to the SPP (**Offer**) is irrespective of the number of shares a shareholder currently holds. The Company is seeking to raise a maximum of \$2 million from the SPP and will scale back applications if they exceed \$2 million. If there is a shortfall in subscriptions from eligible shareholders under the SPP the Directors of Gunson have the right to place the shortfall shares to investors provided they are not related parties.

Highlights of the Company's current activities are set out in this brochure and further details are available from the Company's website at [www.gunson.com.au](http://www.gunson.com.au).

This letter and the accompanying Application Form set out the terms of the offer under the SPP. By accepting the offer to purchase shares under the SPP, including by making a BPay® payment, you agree to be bound by these terms and the constitution of Gunson.

The offer under the SPP is non-renounceable. This means that you cannot transfer your right to purchase New Shares under the Offer to anyone else.

## **PARTICIPATION**

You are eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares of Gunson on 21 January 2011, with a registered address in either Australia or New Zealand. The Gunson Board has determined that because of foreign securities laws, it is not practical for holders of Gunson shares with registered addresses in other jurisdictions to participate in the SPP.

If you are eligible to purchase shares under the SPP, you may select only one of the six offers to purchase New Shares in Gunson listed in the following table:

	<b>Number of shares which may be purchased</b>	<b>Total amount payable at 20 cents per share</b>
Offer A	75,000 shares	\$15,000
Offer B	62,500 shares	\$12,500
Offer C	50,000 shares	\$10,000
Offer D	25,000 shares	\$5,000
Offer E	12,500 shares	\$2,500
Offer F	5,000 shares	\$1,000

The Offer under the SPP has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425. This means that each shareholder can only apply for a maximum number of 75,000 New Shares for \$15,000, irrespective of the size of your current holding. This applies even if you receive more than one offer from Gunson (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts).

However, if you act as a trustee or nominee in respect of more than one beneficiary, you may apply for up to \$15,000 of New Shares for each occasion that you are separately recorded as a trustee or nominee for a different named beneficiary.

Gunson reserves the right to reject any application for New Shares to the extent it believes that the application (whether alone or in conjunction with other applications) does not comply with the above requirement.

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

The Offer is being made in accordance with Exception 15 under ASX Listing Rule 7.2 and Exception 8 under ASX Listing Rule 10.12 and therefore shareholder approval to the issue of shares under the SPP is not required. The SPP is also being conducted in accordance with Class Order 09/425 issued by the Australian Securities and Investments Commission so a disclosure document under the *Corporations Act 2001 (Cth)* is not being provided.

Accordingly shareholders must rely on their own knowledge of Gunson and the previous disclosures made by Gunson to the Australian Securities Exchange (**ASX**).

The Board recommends that you obtain your own independent financial and taxation advice in relation to the Offer and consider the price movements of the Shares in the Company prior to accepting the Offer.

## **ALLOCATION AND POSSIBLE SCALE BACK**

It is proposed that 10 million New Shares will be issued under the SPP to raise \$2 million. Gunson has absolute discretion as to the amount raised through the SPP and reserves the right to scale back the number of New Shares allotted to participating shareholders if applications in excess of \$2 million are received. The Directors of Gunson, have the right to scale back applications, taking

into account various factors, including, but not limited to, changes in holding balances between the Record Date and the closing date of the Offer.

The Offer of 10 million New Shares is equivalent to approximately 5.2% of Gunson's ordinary shares on issue at the Record Date. Shareholder approval is not required to issue New Shares under the SPP.

If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

If a scale back produces a fractional number when applied to your parcel, the number of New Shares you will be allocated will be rounded up or down to the nearest whole number of New Shares.

In the event of a scale back, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the issue price of New Shares, will be refunded to you by direct credit (to your nominated account as recorded on Gunson's share register) or cheque as soon as possible, without interest.

## **SHORTFALL**

In the event of a shortfall in subscriptions under the SPP the shortfall shares may be placed by RBS Morgans

## **PRICING**

The issue price for each New Share is 20 cents. This price represents a 13% discount to the average closing price of ordinary shares in Gunson traded on ASX in the five trading days prior to announcement of the SPP. The maximum allowable discount under the current regulations is 20%.

You should note that the Gunson share price could rise or fall between the date of this offer and the date when Gunson allots the New Shares to you. This means that the price you pay for every New Share under this offer might be either higher or lower than the Gunson share price at the time of this offer or at the time the New Shares are allotted to you under the SPP.

Participation in the SPP is entirely optional, subject to the eligibility criteria set out above. The offer to acquire New Shares is not a recommendation. You should consult your stockbroker or professional adviser in relation to this offer and your participation under the SPP. Gunson also recommends that you monitor the Gunson share price, which can be found in the financial pages of major Australian newspapers, or on the ASX website at [asx.com.au](http://asx.com.au) (ASX code: GUN).

## **ISSUES OF NEW SHARES**

New Shares will be allotted on or about 18 February 2011. New Shares will be fully paid ordinary shares in Gunson, ranking equally with existing shares in Gunson and will carry the same voting rights, dividend rights and other entitlements at the allotment date.

It is expected that the New Shares allotted to you under the SPP will be quoted on ASX on or about 21 February 2011 and you should receive your holding statement or confirmation advice shortly after that date.

## **APPLICATION**

***The offer will close at 5pm (Perth time) on 14 February 2011.***

If you wish to apply for any New Shares under the SPP, you can either:

- (a) complete the enclosed application form and send it with your payment by cheque made payable to "Gunson Resources Limited SPP A/C" and drawn in Australian currency for the correct amount, in the enclosed reply-paid envelope (New Zealand holders will need to affix the appropriate postage stamp) so that it is received by no later than 14 February 2011; or
- (b) make a BPay® payment by using the personalised reference number shown on your Application Form which is required to identify your holding (and which is unique to the SPP). If you make your payment using BPay® you do not need to return your Application Form. (New Zealand holders will not be able to make a payment using BPay®).

Do not forward cash. Applications and payments under the SPP may not be withdrawn once they have been received by Gunson.

Please read the enclosed Application Form for further details of how to apply for New Shares under the SPP. Application Forms or BPay® payments received after the closing date may not be accepted.

If the exact amount of money is not tendered with your application, Gunson reserves the right to either return your application form and/or payment and not allot any New Shares to you or to allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you. The amount of any refund will be paid to you by direct credit (to your nominated account as recorded on Gunson's share register) or cheque as soon as possible, without interest.

### **AMENDMENT, WITHDRAWAL, SUSPENSION, TERMINATION, ANOMALIES AND DISPUTES**

Gunson may amend, withdraw, suspend or terminate the SPP at any time before allotment of the New Shares. If Gunson does this, it will notify ASX.

The omission to give notice of the amendment, withdrawal or termination of the SPP or non-receipt of the notice does not invalidate the amendment, withdrawal or termination. Gunson may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application.

Any determinations by Gunson will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Gunson's rights may be exercised by the Board or any delegate of the Board.

### **INTENTION OF DIRECTORS**

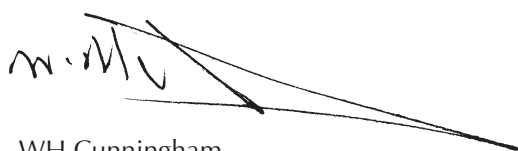
All Gunson Directors intend to take up their full entitlement in the Offer.

### **QUESTIONS**

If you have any questions about the SPP, please contact:

Mr Ian Gregory,  
Company Secretary  
PO Box 1217  
West Perth WA 6872  
Telephone 0419 961 926

Yours sincerely



WH Cunningham  
Chairman  
Gunson Resources Limited

*The new shares referred to in this letter and the Application Form have not and will not be registered under the United States Securities Act of 1933, as amended, (Securities Act) and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act), in the absence of registration or an available exemption from registration. This document has been prepared for publication in Australia and New Zealand only and may not be released elsewhere.*

## KEY INFORMATION ON GUNSON'S EXPLORATION PROJECTS

The additional working capital to be raised from the SPP is for the same purpose as the \$3 million placement to seven institutions and other sophisticated investors completed in mid December last year. This is to progress negotiations on financing of the Coburn Zircon Project, continue the Bankable Feasibility Study on the Mount Gunson Copper Project and fund drilling programs on the Fowlers Bay nickel and Tennant Creek gold and copper projects.

### 1. COBURN ZIRCON PROJECT, Western Australia

The project is located 250 kilometres (km) north of the regional centre and port of Geraldton, immediately south of Shark Bay and just outside the eastern boundary at the Shark Bay World Heritage Property.

Since the Company's 2010 Annual Report, further evidence of tightening in the zircon and titanium minerals markets has led to significant upward revisions to price forecasts by market analysts. The latest price forecasts recently provided by respected global mineral sands consultancy TZMI have further enhanced the attractiveness of the Coburn Project, despite the higher current Australian to US dollar exchange rate than those assumed in the latest Annual Report.

The new analysis has increased the already high level of interest from potential investors in the Project, including those with which the Company is currently engaged in discussions.

Using the new price forecasts and an Australian to US dollar exchange rate at parity, the pre tax internal rate of return (IRR) of the Project has increased to 21.2% and the net present value (NPV) to A\$216 million. A comparative table between the October 2010 and January 2011 financial analyses of the Project Definitive Feasibility Study (DFS) is shown below, in millions of real 2009 Australian dollars, showing a 29% increase in the IRR and a 53% increase in the NPV:

	DFS January 2011	DFS October 2010
Total Revenue	2,249	2,086
Total Operating Costs	1,291	1,288
Net Operating Margin	958	798
Capital Cost	169	169
IRR before tax/financing	21.2%	16.4%
NPV (8%)	216	141
Exchange Rate (\$US to \$A)	1.00	0.85

### 2. MOUNT GUNSON COPPER PROJECT, South Australia

The project is located 100km south of the BHP Billiton Olympic Dam copper, uranium and gold mine. Xstrata Copper is funding exploration for large copper deposits at Mount Gunson and earned a 51% interest in the Project by spending \$3.5 million by March 2010. Xstrata Copper has the right to increase its interest to 75% by spending a total of \$10 million, including the initial \$3.5 million, by mid June 2013. At the end of December 2010, Xstrata Copper had spent \$4.17 million.

Selection of drilling targets from geophysical data generated in September and October 2010 is currently in progress.

Two areas of the Project covering the shallow MG14 and Windabout copper deposits at 25 metres (m) and 70m depths respectively were excised from the Xstrata Copper agreement in June 2009. The combined Excised Area, to a depth of 250m, is approximately 3.5 square km and a Bankable Feasibility Study on a sequential development of the MG14 and Windabout deposits is in progress.

### 3. FOWLER'S BAY NICKEL PROJECT, South Australia

Diamond drilling of a high priority TEM geophysical target for massive nickel sulphides is scheduled to start in late February 2011. The target is at approximately 100m depth, comprising a strong conductive zone at least 200m long, open to the north east. It is located in a regional fold structure within a belt of magnetic units interpreted to be Proterozoic mafic and ultramafic rocks prospective for nickel sulphides.

### 4. TENNANT CREEK GOLD – COPPER PROJECT, Northern Territory

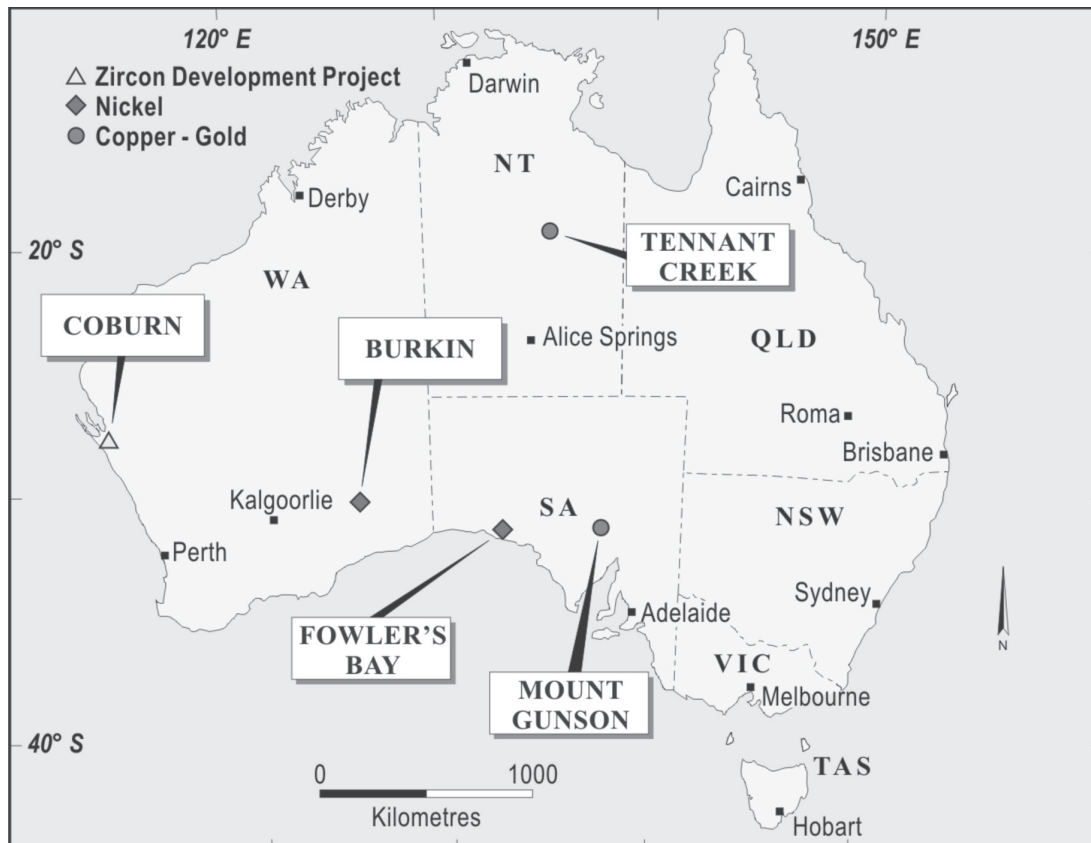
Diamond drilling of a discrete gravity geophysical anomaly on the western side of the Gosse 5 exploration licence is scheduled for April 2011. This anomaly is approximately 1km long and interpreted to be a hematitic ironstone body in the 100m – 150m depth range, underlain by a magnetic zone 200m below.

### FURTHER INFORMATION

The information above is a concise summary of Gunson's projects only. Further details are available from Gunson's website at [www.gunson.com.au](http://www.gunson.com.au) and more detailed financial data and information about Gunson and its projects can be found in Gunson's 2010 annual report.

### ATTRIBUTION

*The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



*Project Location Map*



ABN 32 090 603 642



**Please return completed form to:**  
Computershare Investor Services Pty Limited  
Locked Bag 2508 Perth  
Western Australia 6001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000  
www.computershare.com



000001  
000  
SAM  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 IND

For your security keep your SRN/HIN confidential.

Entitlement Number:  
Record Date: 21 January 2011  
Offer Closes: 5pm AWST 14 February 2011  
Price per Security: A\$0.20

**SHARE PURCHASE PLAN APPLICATION FORM**

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Gunson Resources Limited Share Purchase Plan (SPP) contained in the letter to Gunson Resources Limited securityholders dated 27 January 2011, Gunson Resources Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$15,000.00 per eligible securityholder, subject to a minimum application of A\$1,000.00.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Gunson Resources Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Gunson Resources Limited to subscribe for Gunson Resources Limited Shares on the terms of the SPP. In addition, by submitting the slip below or by making payment using electronic means you certify that the aggregate of the application price paid by you for;

- the Shares you are subscribed for under the SPP; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below,

does not exceed A\$15,000.00.

**METHOD OF ACCEPTANCE**

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Gunson Resources Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Gunson Resources Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Gunson Resources Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Gunson Resources Limited does not notify you of that event.

**GUN** **SPRB** **+**

▼ PLEASE DETACH HERE ▼

SAMP\_PAYMENT\_000000/000001/000001/i



Paperclip  
cheque(s)  
here.



**GUNSON RESOURCES LIMITED**  
ABN 32 090 603 642

Please see overleaf for Payment Options



**Biller Code: 123456**

**Ref No: 1234 5678 9012 3456 78**

I/We wish to purchase:

5,000 shares or A\$1,000.00   
 or   
  12,500 shares or A\$2,500.00   
 or   
  25,000 shares or A\$5,000.00   
 or   
  50,000 shares or A\$10,000.00   
 or   
  62,500 shares or A\$12,500.00   
 or   
  75,000 shares or A\$15,000.00

\* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

**Payment Details – Please note that funds are unable to be directly debited from your bank account**

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to Gunson Resources Limited - SPP A/C

**Contact Details**

Please provide your contact details in case we need to speak to you about this slip

**Name of contact person**

**Contact person's daytime telephone number**

# How to accept the Share Purchase Plan

## Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form.

Make your cheque, bank draft or money order payable to Gunson Resources Limited - SPP A/C in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

**If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.**

**Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.**

## Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

## Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 3pm (AWST) on 14 February 2011. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither CIS nor Gunson Resources Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Perth by no later than 5pm (AWST) on 14 February 2011. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

**Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.**

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 850 505.**

This form may not be used to notify your change of address. For information, please contact CIS on 1300 850 505 or visit [www.computershare.com](http://www.computershare.com) (certificated/issuer sponsored holders only).

**CHESSE holders must contact their Controlling Participant to notify a change of address**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

B  
P  
A  
Y

G  
U  
N

126383\_011ZCC

## Payment Options:



**Billir Code: 123456**

**Ref No: 1234 5678 9012 3456 78**

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au)



**By Mail  
Gunson Resources Limited  
Computershare Investor  
Services Pty Limited  
Locked Bag 2508  
Perth, Western Australia 6001  
AUSTRALIA**



Entitlement Number: <xxxxxxxxxx>

**SAMPLE CUSTOMER  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN TAS 7000**