The Gold Company
Limited

14 July 2006

Dear Shareholder

NON RENOUNCEABLE OPTION ENTITLEMENT ISSUE

The Company on 13 July 2006, lodged a Prospectus with ASIC and ASX, seeking to raise up to approximately $160,501 via a non-renounceable entitlements issue ("**Issue**") of up to 32,100,300 options at an issue price of one half a cent (0.5 cents) each on the basis of 1 option for every 1 ordinary share held. In the calculation of any entitlement, fractions will be irrelevant.

The options are exercisable at 20 cents each with an expiry date of 30 June 2011. Application will be made to the ASX for official quotation of the options.

The funds raised under the Issue will be used as additional working capital and to meet Issue expenses.

The Issue will be fully underwritten by Upper Mantle Investments Pty Ltd. No fee is payable to the underwriter other than the right to nominate allottees to the shortfall. The Company reserves the right, within 3 months of the closing date of the prospectus, to allot and issue the shortfall at the discretion of the underwriter in consultation with the directors.

The timetable for the Issue is as follows:

Lodgement of Prospectus with ASIC and ASX	13 July 2006
Application to ASX for quotation of options under the Prospectus	13 July 2006
Notice to Shareholders	14 July 2006
Current Shares "Ex" the entitlements issue on the ASX	24 July 2006
Record Date to identify Shareholders and to determine Entitlements to options under the Prospectus	28 July 2006

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Despatch of Prospectus and Entitlement and Acceptance Form ("**Opening Date**")	3 August 2006
Closing Date	18 August 2006
ASX notified of under subscriptions	23 August 2006
Despatch Date of Holding Statements to optionholders	25 August 2006

The offer to participate in the Issue will be made available to all the Company's shareholders registered at 5pm WST on 28 July 2006 ("**Eligible Shareholders**").

The capital structure of the Company post-completion of the Issue will be as follows:

Description	**Shares**	**Options**
Securities on issue pre Issue	32,100,300	-
Securities issued pursuant to Issue	-	32,100,3000
Total securities on issue post-completion	32,100,300	32,100,300

It is anticipated that a prospectus offering options for subscription will be mailed to Eligible Shareholders on 28 July 2006. The prospectus may be viewed on the Australian Stock Exchange's website at www.asx.com.au or alternatively on the Company's website at www.thegoldcompany.com.au.

If you have any questions please do not hesitate to contact either myself or the Company Secretary, Mr Bruce Acutt.

Yours faithfully

SIMON CATO
Chairman