ASX ANNOUNCEMENT

24 November 2014

GUNSON RESOURCES LIMITED

ABN 32 090 603 642

Company Facts

Gunson Resources (ASX: GUN) Exposure to major 'construction ready' Coburn Heavy Mineral Sands Project in Western Australia and emerging country-wide exploration play in Tanzania, within a major mineral sands producing corridor

Key projects:

- Coburn Heavy Mineral Sands Project, WA (100%)
- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Mt Gunson Copper Exploration Project, SA (100%)
- Mt Gunson MG14/Windabout Copper-Cobalt-Silver Development Project, SA (100%)
- Fowlers Bay Nickel Project, SA (100%) – Western Areas Earning In

Corporate Structure

Shares on issue	606.9m
Unlisted Options	19.6m
52 week high	2.9 cps
52 week low	1.2 cps

Company Directors

Michael Folwell
Non-Executive Chairman

Richard Hill
Managing Director

Bill Bloking
Non-Executive Director

Didier Murcia
Non-Executive Director

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REGIONAL PROGRAM CONFIRMS & EXTENDS TARGETS - DRILLING UNDERWAY

Highlights

- **Recently completed mapping and pan sampling across key project areas:**
  - **confirms and extends existing mineral sands drill targets**
  - **reveal new areas of potential mineralisation & drill targets**
- **Grade & assemblage characterisation testwork underway**
- **Auger drilling at Southern Targets (Madimba Project) commenced**
- **100% acquisition of Ziwani tenement (76km²) – extends the strike potential of adjoining Madimba HMS anomalies by at least 5kms**

Gunson Resources Limited (ASX: GUN) (the "**Company**") is pleased to announce that it has recently completed a two week mapping and pan sampling programme across a number of priority target areas in its extensive 2000km^2 Tanzanian mineral sands portfolio. This programme has confirmed the prospectivity of known heavy mineral sand (HMS) occurrences and potential extensions to these occurrences in preparation for auger drill testing. It has also generated new drill targets based on the delineation of previously undiscovered significant HMS occurrences.

The Company's auger drilling campaign has now commenced with an initial focus on the Southern Projects including the Madimba tenement. Initial findings from reconnaissance and early drilling of the Southern projects will be updated over the coming weeks.

Gunson is also pleased to announce that it has secured another key tenement in the Southern Project Area adjacent to the high priority Madimba project (currently being drilled). This 100% acquisition of the tenement known as *Ziwani* adds 76km² to the project area and extends the strike potential of the Madimba HMS anomalies by an additional 5kms.

This regional programme has been completed using the Company's exclusive country wide geochemical HMS database with an initial focus on the Company's Northern (Kitambula) and Southern Project areas and the Mafia Island project off the central coast of Tanzania.

Mafia Island Project

Evidence of modern accumulations of high grade HMS mineralisation was identified at a number of coastal locations within the Mafia Island tenement (see Figure 1). The significance of the high water tide concentrations on the current beaches are evidence that firstly, there is a significant source of heavy mineral eroding from the mixed sediments forming topographic highs on the island, and secondly, modern shore line processes are concentrating the heavy mineral and that older paleo-strandlines could be located in the low-lying coastal plain environment as the shoreline has migrated seaward.

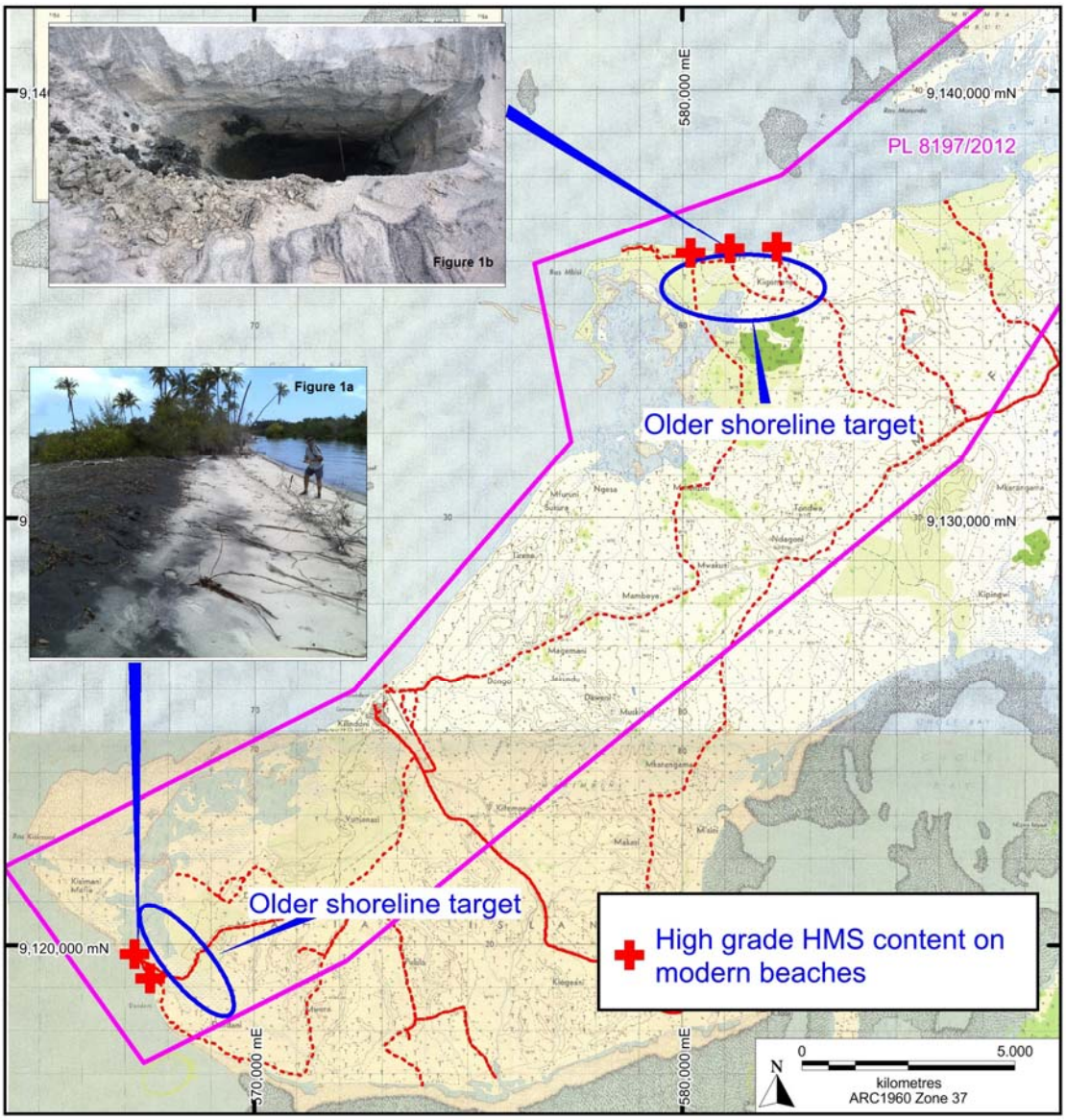

Figure 1. Map of Mafia Island showing the location of Gunsons tenement (PL8197/2012) covering the western portion of the Island Insert: Figure 1a. Mafia Island heavy mineral accumulation (black sand) on the modern beach environment; Figure 1b. Mafia Island modern beach heavy mineral accumulation with very high grade mineral sands encountered at the bottom of the hole (black sand).

Figure 1a shows an example of a modern HMS l accumulation at the high water mark on the southern coast of the island. The heavy mineral extends for 700m along the shoreline. Figure 1b is a photograph taken from a location on the western side of the island. The figure shows very high grade heavy mineral mineralisation at surface and at the bottom of the hole. Mineralisation was identified along a 2km stretch of beach at three locations.

The Company has taken HMS samples for mineral assemblage characterisation of the modern beach accumulations. It is anticipated that any older strandlines discovered by the Company will have similar ratios and percentages of the valuable heavy mineral species. This represents a compelling priority target and exploration to be carried out in the short term will involve auger drilling the coastal plain environments targeting older paleo-shorelines with potentially high grade strandline related mineralisation.

Northern Projects - Kitambula Project

The Kitambula Project is located just 50km south of the operating **Kwale Mine** (262 Mt @ 3.7% HM**)** and is close to the port town of Tanga. In preparation for targeting of auger drilling, the key areas of the 35km contiguous tenement package, including the recently granted southern tenement, **PL 9976/2014,** were visited.

The site of recent shallow auger drilling which included hole AR042 which intersected 2.9m @ 3.38% Total Heavy Mineral (THM) from surface until the end of hole was examined (see Figure 2). The surface site examination revealed enrichment of HMS in the drainages and sands eroding from the site with a pan sample of the soil estimated to contain 3 to 4% HMS mineralisation which confirms the laboratory assay of 3.38% HMS encountered in the drill hole. The surrounding auger holes also contained shallow intervals of 1 to 2% THM with auger drill spacing 200 to 250m along lines and 1000m between the lines. One drill fence of historic air core (AC) drilling located approximately 1.5km to the south east have results that include:

- TGAC006: 22m @ 2.43% HMS from surface (including 4m @ 5.2 % THM from 6m)
- TGAC011: 6m @ 6% THM from 35m
- TGAC012: 3m @ 5.7% THM from 36m
- TGAC013: 7m @ 4.15% THM from 4m
- TGAC014: 2m @ 4.8% THM from 21m

Significantly drill hole AR042 was also chosen as one of 5 composite samples for mineral assemblage characterisation studies (Refer to the Company's ASX release dated 11/09/2014). The results have shown an impressive percentage of valuable heavy mineral (VHM) with 74.4% of the THM containing 63.9% ilmenite, 6.2% rutile and 4.1% zircon. Subsequent analysis of the VHM component of the composite sample revealed it contained a dilutionary component of quartz and > 0.4mm aggregates. These have been removed from the mass calculation which has further increased the VHM component of the AR042 to **87.68% VHM**, divided into **75.4% ilmenite, 7.3% rutile and 4.9% zircon**.

Follow-up exploration of this high priority area is planned for early 2015 and will involve additional infill auger drilling followed by a maiden Aircore drilling program. Based on the work to date in this region, the Company is targeting strandline style HMS mineralisation with dimensions in the order of 250 to 400m wide with a strike length of 2 to 3.5km with high quality grade and assemblage characteristics.

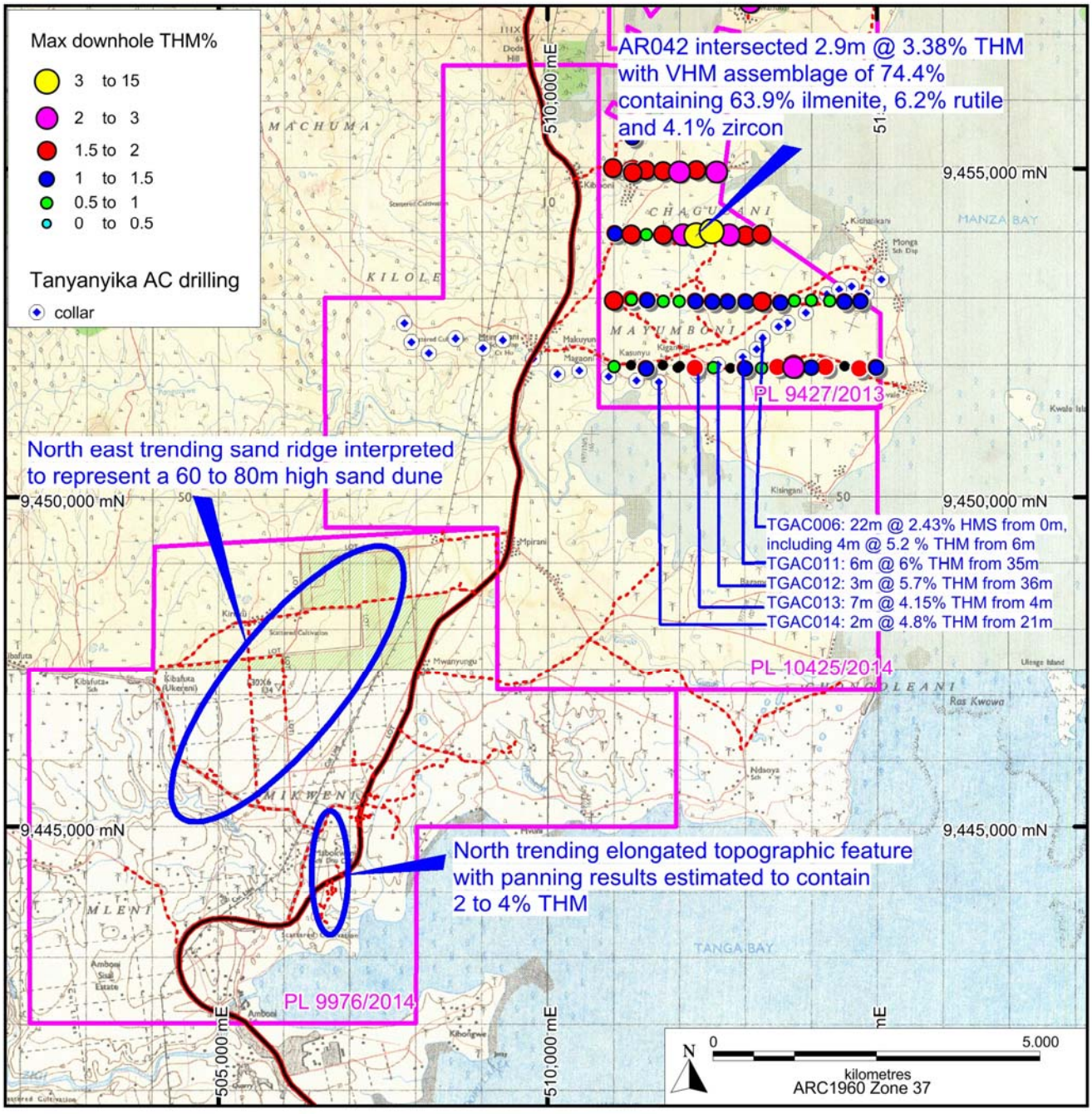

Figure 2. Location Map showing a portion of the Company's Northern Project (Kitambula) showing drill targets based on historical and recent reconnaissance work.

The recently granted tenement of PL 9976/2014, which represents southern-most tenement in the Kitambula package was evaluated for strandline and dunal styles of HMS mineralisation (see Figure 2).

Strong concentrations of HMS were discovered at a number of locations within the tenement. One roadside cutting revealed strong accumulations of heavy mineral in the drainage (see Figure 3). A north trending elevated ridge some 1750m long and 200m wide was identified from detailed topographic maps. This was followed up with some initial pan sampling with two pans completed by Company geologists adjacent to the ridge showing 2 to 4% HMS (see Figure 4). Significantly there is no previously recorded exploration of this new target.

The existence of a large accumulation of sand thought to be related to a dunal system located entirely within the tenement was also confirmed. The red brown sand ridge is greater than 5km in length and at least 2km wide. The surface sands were well sorted, fine to medium grained and contained low clay contents. The thickness of the sandy unit is estimated to be between 60 and 100m. The Company will now look to test the HMS potential of the dune with initial auger drilling followed-up by deeper aircore drilling.

The Company plans to drill test the existing targets in the Kitambula project area with initial focussed auger drilling followed by aircore drilling in areas where resource potential is delineated. Additionally, grid based auger drilling will be employed to test the larger tenement position. Auger drilling of the Kitambula Targets is planned to commence in early 2015 following completion of the southern auger drilling campaign.

Figure 3. Heavy mineral sand (black sand) accumulation from roadside drainage.

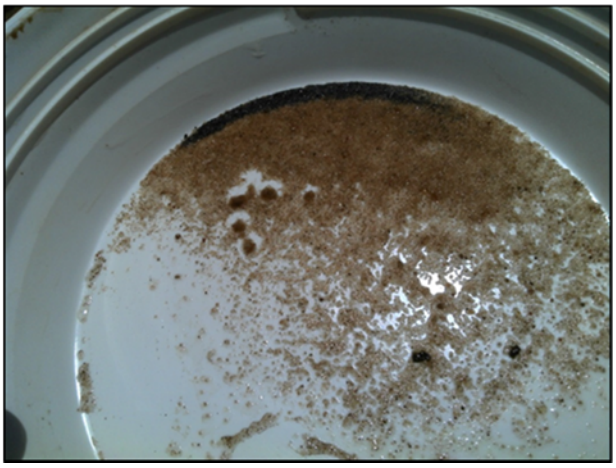

Figure 4. Pan sample from outcrop at roadside cutting estimated to contain 2 to 4% THM. Heavy mineral is located on the top of the pan as the dark coloured or black grains.

Southern Projects - New Acquisition & Current Drilling

The Company is also pleased to announce that it has secured a key tenement immediately to the north of the high priority Madimba tenement which is currently being auger drilled. This 100% acquisition of the tenement known as Ziwani adds 76km² to the area and extends the strike potential of Madimba HMS anomalies by an additional 5kms.

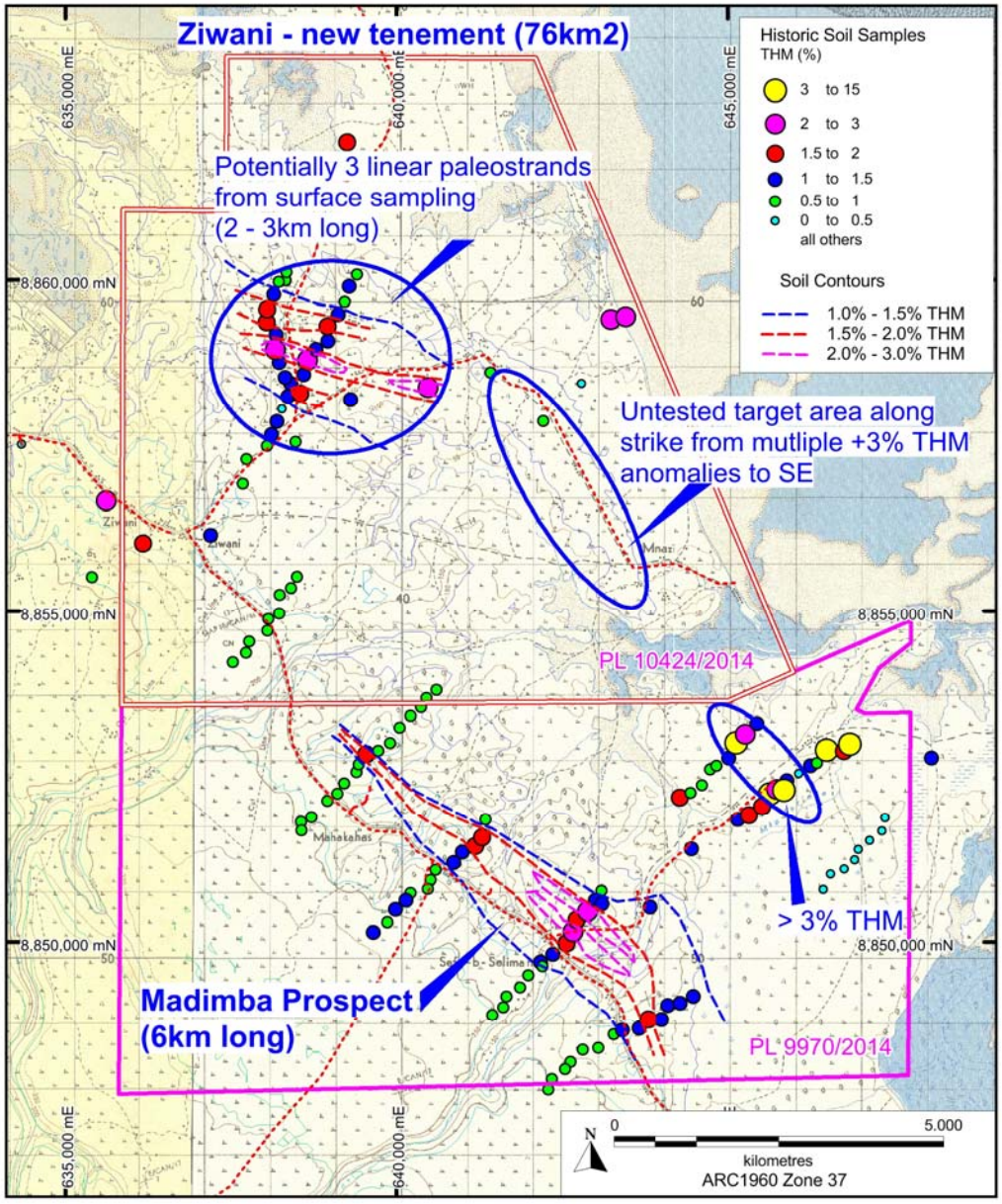

Figure 5. The Madimba tenement and newly acquired Ziwani tenement showing prospectivity of the project area.

As previously reported, the Madimba project is an exciting target in southern Tanzania close to the port town of Mtwara. Historical surface sampling delineated a 6000m long x 300 to 800m wide heavy mineral sands anomaly with peak values of up to 3% HM (see Figure 6). Significantly the anomaly is located at the base of a topographic high and may represent a potential paleo-strandline. In addition the anomaly is located adjacent to the major Rovuma River which has transported mineral sands hundreds of kilometres from the interior of the Africa. The database shows previous regional samples at Mtwara contained up to 4.35% HMS with elevated rutile and zircon with a combined total of 8%. Average TiO2 ilmenite microprobe analysis based on 19 samples from this region is 55.7% TiO2. The Madimba targets are currently being auger drilled.

Historical geochemical data and recent reconnaissance work on the new Ziwani Project indicates potential for a number of linear paleo-strands, each approximately 2000m long with initial surface evidence of + 2% heavy minerals (see Figure 5). In addition, there is at least 5km of prospective strike continuation between this prospect and the > 3% THM soil anomaly identified at Madimba to the south that remains virtually unexplored. The majority of the 76km² tenement remains unexplored and requires systematic testing given this significant anomalism and the proximity to the regionally significant Rovuma River to the south, a potential source of HMS.

The acquisition was based on the utilisation of the Company's exclusive Tanzania wide geochemical HMS database and our on ground team who can rapidly assess new properties and make informed geological decisions.

Figure 6. Auger drilling at the Madimba Prospect.

Forward Exploration Programme

The specialist mineral sands and in-country team will follow this 6 week reconnaissance and auger drilling programme with an intensive 6-12 month campaign (including high-impact drilling) on priority targets, with a view to delineating at least one significant resource area near key infrastructure. The Team will also continue to press its strategic advantage in the region through application of its exclusive country-wide heavy minerals geochemical database.

About Gunson's 100% owned Tanzanian Mineral Sands Projects

Gunson now controls a dominant (2000km²) mineral sands exploration position along the coast of Tanzania, within a major world class mineral sands corridor. This is the result of careful targeting over a 3 year period by recently acquired private group, Strandline Resources Pty Ltd (Strandline). These projects are located along the coast of Tanzania and surrounded by some of the world's major world-class mineral sands mines, located in neighbouring Kenya, Mozambique, Madagascar and South Africa (see Figure 7)

Prospective areas held by Gunson include five projects along the coast where tenure contiguously covers +35-50km of coastline exposure, cumulatively ~ 200 km strike, and all targets are within 20kms of the coast, close to ports and other key infrastructure (Figure 8). Given the extent and location of these target areas and the strong historical evidence, Gunson is targeting scalable, high grade, high quality, high value mineral assemblages (Ilmenite, Rutile, Zircon) close to infrastructure that have potential to be rapidly brought into production.

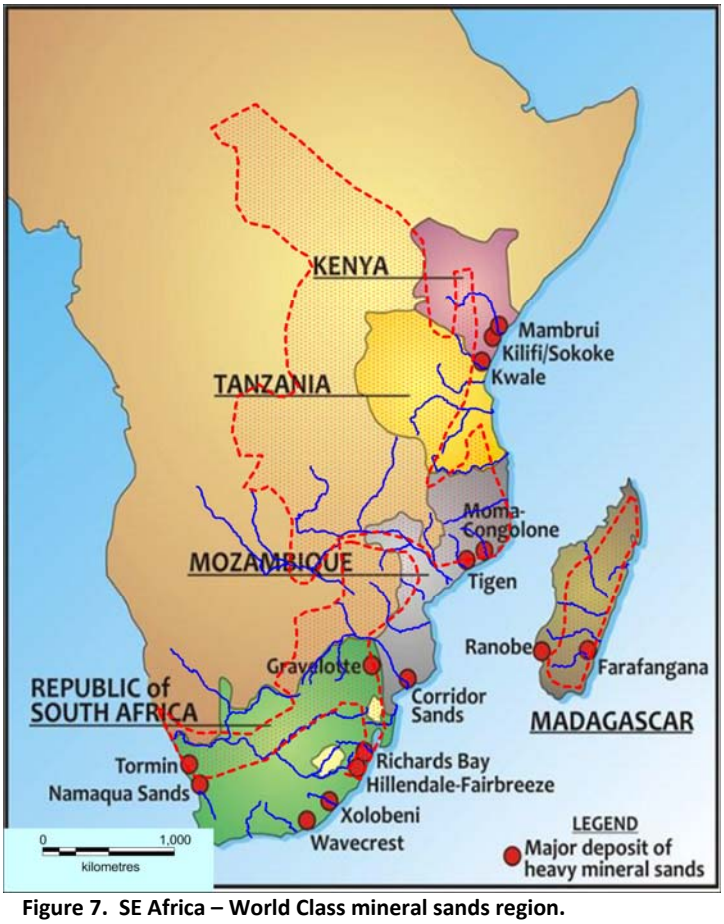

Figure 7. SE Africa – World Class mineral sands region.

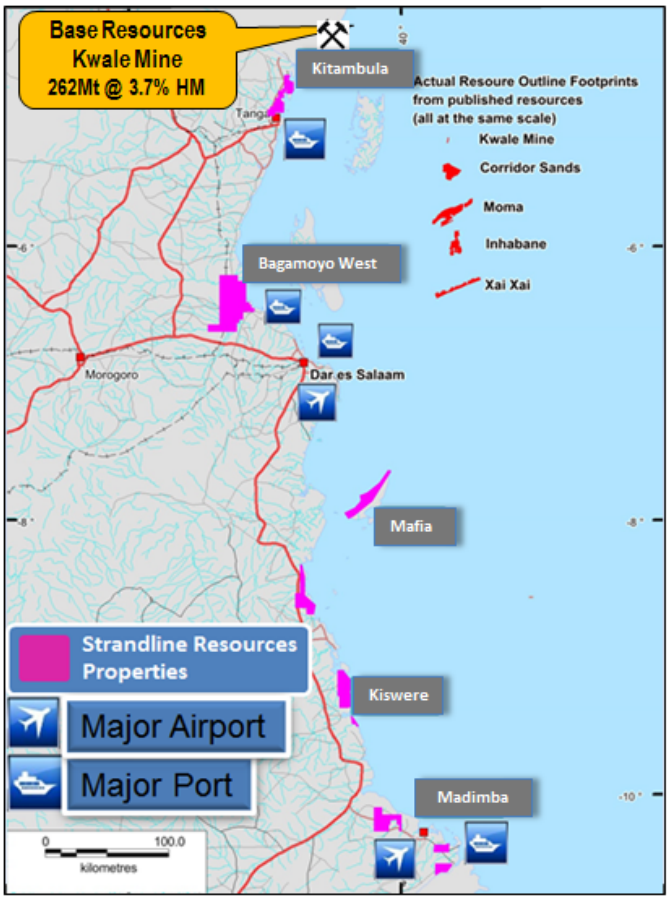

Figure 8. Tanzania coast showing key projects and infrastructure.

For further enquiries, please contact:

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Note 1: All data presented in this ASX release has been released in full on 11/09/2014

Note 2: The following Appendix 1 of the JORC code that follows refers to the pan sampling technique used by the Company to sample and estimate THM percentages from the pan samples

COMPETENT PERSON STATEMENT

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Dr Mark Alvin, a consultant to Gunson. Dr Alvin is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Alvin consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Appendix 4

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Panned samples were taken from shallow holes dug with a spade to a depth of 30cm • A small cap of sand was scooped from the side of the hole • The samples are panned a s reconnaissance technique to assist with identifying more prospective units and mapping of THM occurences
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling was completed
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling was completed
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• The sample was wet panned to obtain an estimate of the THM content and slimes

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	•
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• None
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The sample was not assayed • The wet panning provided an estimate of the THM content which was sufficient for the purpose of determining approximate concentrations of THM at this early stage
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• None
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• A handheld GPS was used to identify the positions of the pan sample in the field • The handheld GPS has an accuracy of +/- 5m • The datum is used is WGS84 zone 37

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	• The accuracy of the locations is sufficient for this early stage exploration
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• None
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Pan samples were taken on a regional scale so there orientation to geologic structure is unknown.
Sample security	• *The measures taken to ensure sample security.*	• No samples were submitted for geochemical analysis using the pan samples concentrates
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration work was completed on tenements that are 100%owned by the Company in Tanzania or are able to be acquired for 100% ownership • The tenements mentioned in this release include PL9427/2013, HQ28631, PL9976/2014 and PL8197/2012 • The tenements were all granted in 2012, 2013 and 2014 for a four year term • Traditional landowners and Chiefs of the affected villages were supportive of the pan sampling program.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Tanganyika Gold in 1998 and 1999 • The Company has obtained the hardcopy reports and maps in

Criteria	JORC Code explanation	Commentary
		relation to this information • The historic data comprises surface sampling, limited AC drilling and mapping • The historic results are not reportable under JORC 2012
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand style are possible in Tanzania 1. Thin but high grade strandlines related to paleao shorelines 2. Large but lower grade dunal deposits related to windblown sands • The coastline of Tanzania is not well known for massive dunal systems such as those developed in Mozambique however some dunes are known to occur and cannot be discounted as an exploration model. Palaeo strandlines are more likely and will be related to ancient shorelines or terraces. In Tanzania three terraces have been documented and include the Mtoni terrace (1-5m ASL), Tanga (20-40m ASL) and Sakura Terrace (40 to 60m ASL). Strandline mineral sand accumulations related to massives storm events are thought to be preserved at these terraces above the current sea level.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All exploration results referred to in this announcement were previously released 11/09/2014
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used*	• No data aggregation methods have been

Criteria	JORC Code explanation	Commentary
	for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• None applicable to pan samples
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figures and plans are displayed in the main text
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results referred to in this announcement were previously released 11/09/2014.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The concentrate THM samples have undergone full Modal analysis to gain an understanding of the valuable heavy mineral (VHM) • 10 Composite samples were identified for the VHM analysis using a range of grades and geographic spread • All results released 11/09/2014
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will include additional auger sampling, infill auger sampling • Should sufficient targets be generated an AC drill program is planned • Additional modal analysis will also be undertaken on suitable composite HM samples to determine VHM • As the project advances TiO2 and contaminant test work will also be undertaken • Satellite image acquisition and LIDAR radar imaging is also being considered • Processing of the 1km spaced magnetic data is also planned