

PROGRESS REPORT – DRILLING AND FURTHER GEOPHYSICAL SURVEYS AT MOUNT GUNSON

1. Introduction

Since Gunson's previous release on 3rd March 2008, two additional Induced Polarisation (IP) traverses have been read at Chianti Prospect and one drill hole, MGD 49 at Emmie East Prospect, was completed at 956m.

Further surface and down hole Transient Electromagnetic (TEM) work at Chianti Prospect is scheduled to commence on 2nd April, while copper - gold assays from the 60m zone of high tenor copper sulphides in hole MGD 48 at Chianti Prospect announced on 3rd March are expected on 20th April.

2. Chianti Prospect

Two additional east – west IP traverses located 400m and 800m south from the southern boundary of the previous IP grid were completed on 7th March. There was no discrete IP anomaly on either of the traverses.

These results are consistent with the TEM survey completed over the same area in late 2007, the southernmost traverse of which coincides with the northern of the two most recent IP lines (Figure 1). No anomaly was evident on the southern TEM line and the TEM results suggest that the coincident IP/TEM anomalous zone terminates some 300m south of hole MGD 48. Hole MGD 48 is located on the western edge of the TEM anomaly but in the centre of the IP anomaly.

Results of geophysical measurements on 9 samples of drill core from MGD 48 have shown IP anomalism associated with dolerite above and with specular hematite in granite intersected below the 60m zone of high tenor copper sulphides announced on 3rd March. To further check the IP properties of the mineralised zone, two additional samples have been taken and the results are expected in mid April.

Further surface and down hole TEM work is scheduled for early April, to support the case for testing the TEM anomaly which lies within the eastern half of the IP anomalous zone tested by hole MGD 48 (Figure 1). The TEM work will include down hole surveys in hole MGD 34, which contains the best copper intersection at Chianti Prospect achieved to date and in recently completed hole MGD 48, which contains the 60m zone of high tenor copper sulphides described above. Surface readings along east – west traverse 6,539,800 N will also be taken.

3. Emmie East Prospect

Hole MGD 49 was collared about 750m south east of MGD 42 drilled last year, to test the peak of a residual gravity anomaly which was missed by MGD 42.

After passing through 754m of cover sequence rocks, MGD 49 entered a relatively dense, uniform dolerite dyke and remained in this rock unit until the hole was terminated at 956m. The apparent density contrast between the dolerite and overlying sedimentary rocks appears adequate to explain the Emmie East gravity anomaly and no further work is planned at this prospect. The drill rig left the Project area on 22nd March.

4. Other Prospects

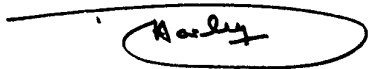
Detailed computer modelling of gravity data from the Chianti North and Lake Windabout target areas noted in Gunson's December 2007 quarterly report has defined attractive drill targets in both areas. The target north east of Lake Windabout has a stronger gravity signature and is preferred to the Chianti North target.

5. Ongoing Drilling

Further drilling at Mount Gunson is planned for late April, once the results of the TEM survey at Chianti Prospect have been interpreted and assays and the additional IP susceptibility tests from hole MGD 48 received. All of these results should be available by late April, allowing the site of a further hole at Chianti Prospect to be chosen. The favoured site at this stage is the coincident IP and TEM anomaly east of MGD 48, as it occurs within basement on a major bend in the associated gravity anomaly (Figure 1).

6. Funding

Noranda Pacific Pty Ltd, a company within the Xstrata Copper Business Unit, has the right to earn a 51% interest in the Project by spending \$3.5 million on exploration within three years of 15th June 2006. By the end of February 2008, Noranda Pacific had spent nearly \$1.3 million.



D N HARLEY
MANAGING DIRECTOR

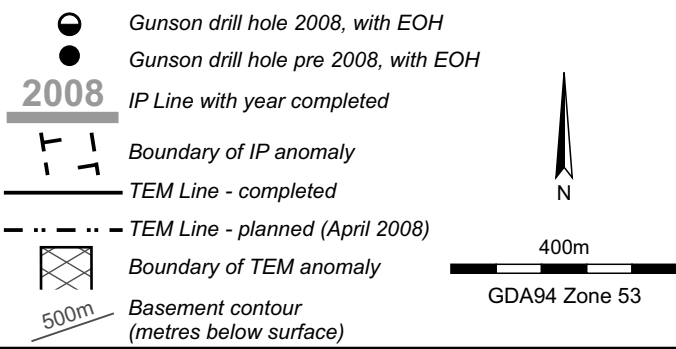
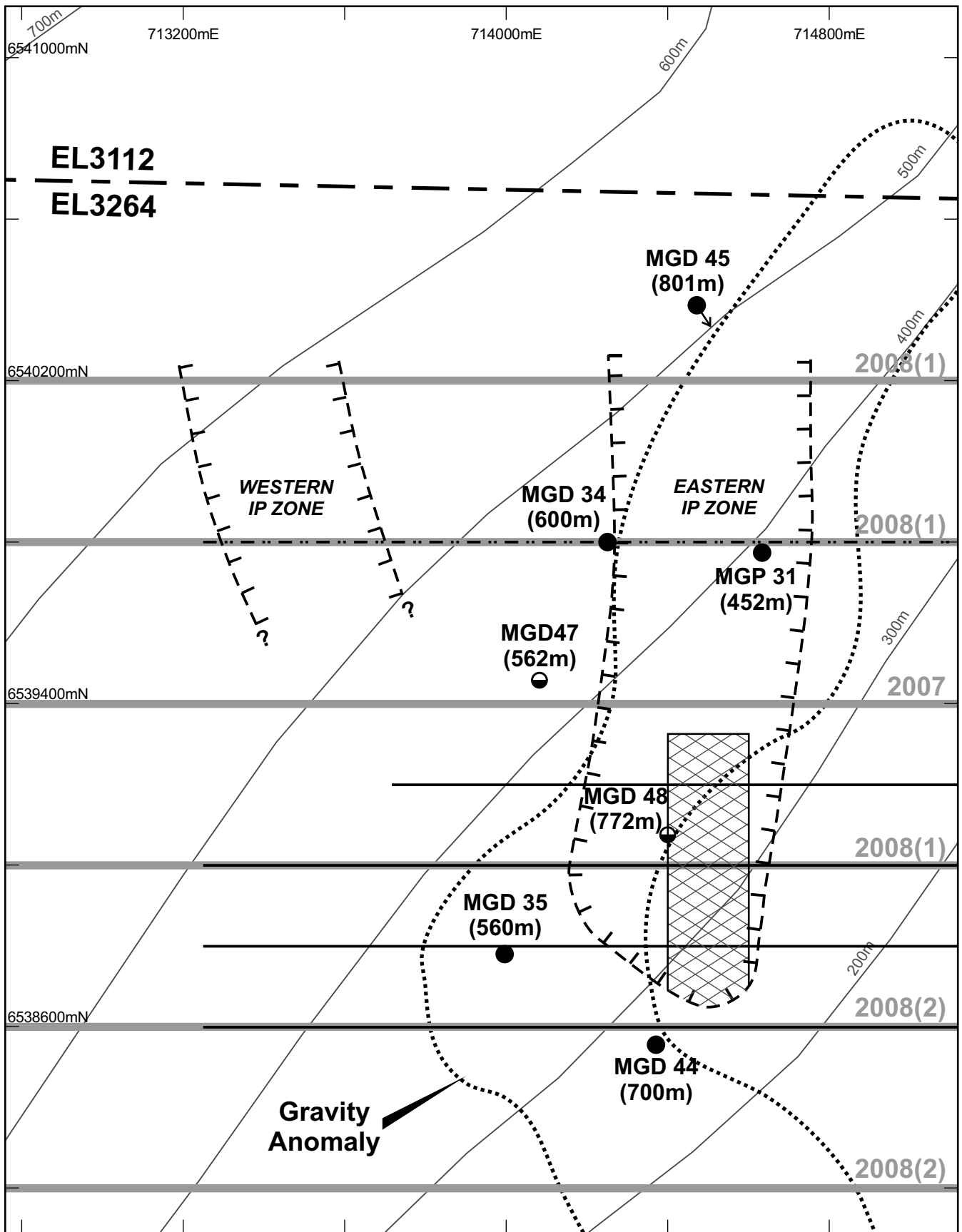
Attachment: Figure 1 Chianti Prospect Drilling and TEM/IP Anomalies

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

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.



Gunson Resources Ltd	
MOUNT GUNSON PROJECT	
Chianti Prospect	
Drilling and TEM/IP Anomalies	
Scale : NTS	File : Chianti Prospect IP Anomalies & Drilling Rev3.cdr
Date : 27 Mar. 2008	Figure 1