

**RESULTS OF DRILLING FOR COPPER AT
MOUNT GUNSON**

A two hole diamond drilling program designed to test stratabound copper targets on the western side of the Mount Gunson Project was completed on 24th June (Figure 1).

23 MILE TANK PROSPECT

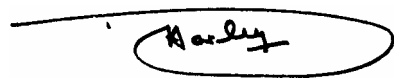
The first hole, MGD 32, intersected the top of the target Tapley Hill Formation at 453 metres, some 150 metres below the depth predicted from the IP geophysical data. No copper mineralisation was observed in the hole and it was stopped in Tapley Hill Formation at 488 metres.

MOSELEY DAM PROSPECT

Drill hole MGD 33 intersected the top of the target Tapley Hill Formation at 76 metres, some 200 metres above the depth predicted from the IP geophysical data. Minor copper sulphide mineralisation was observed within the upper Tapley Hill Formation, the best assay being 2 metres at 0.06% copper between 80-82 metres. The hole passed through the base of the Tapley Hill Formation at 207 metres, where stronger lead-zinc but weaker copper mineralisation was encountered. The best intersection was 2 metres at 0.6% lead, 0.2% zinc and 0.01% copper between 204-206 metres. The hole was stopped in Pandurra Formation sandstone at 252 metres.

INTERPRETATION

Although the above intersections at Moseley Dam Prospect are clearly uneconomic, the elevated copper values on the upper contact of the Tapley Hill Formation provide encouragement for further exploration in an area located 1-2 kilometres to the north of MGD 33. This area has no drilling and a strong copper anomaly in reconnaissance soil samples. The interpreted geological setting of this area is considered similar to that hosting the Mount Gunson copper deposits, 20 kilometres to the northwest (Figure 1). This soil anomaly is a priority target for further shallow drilling later this year.



D N HARLEY
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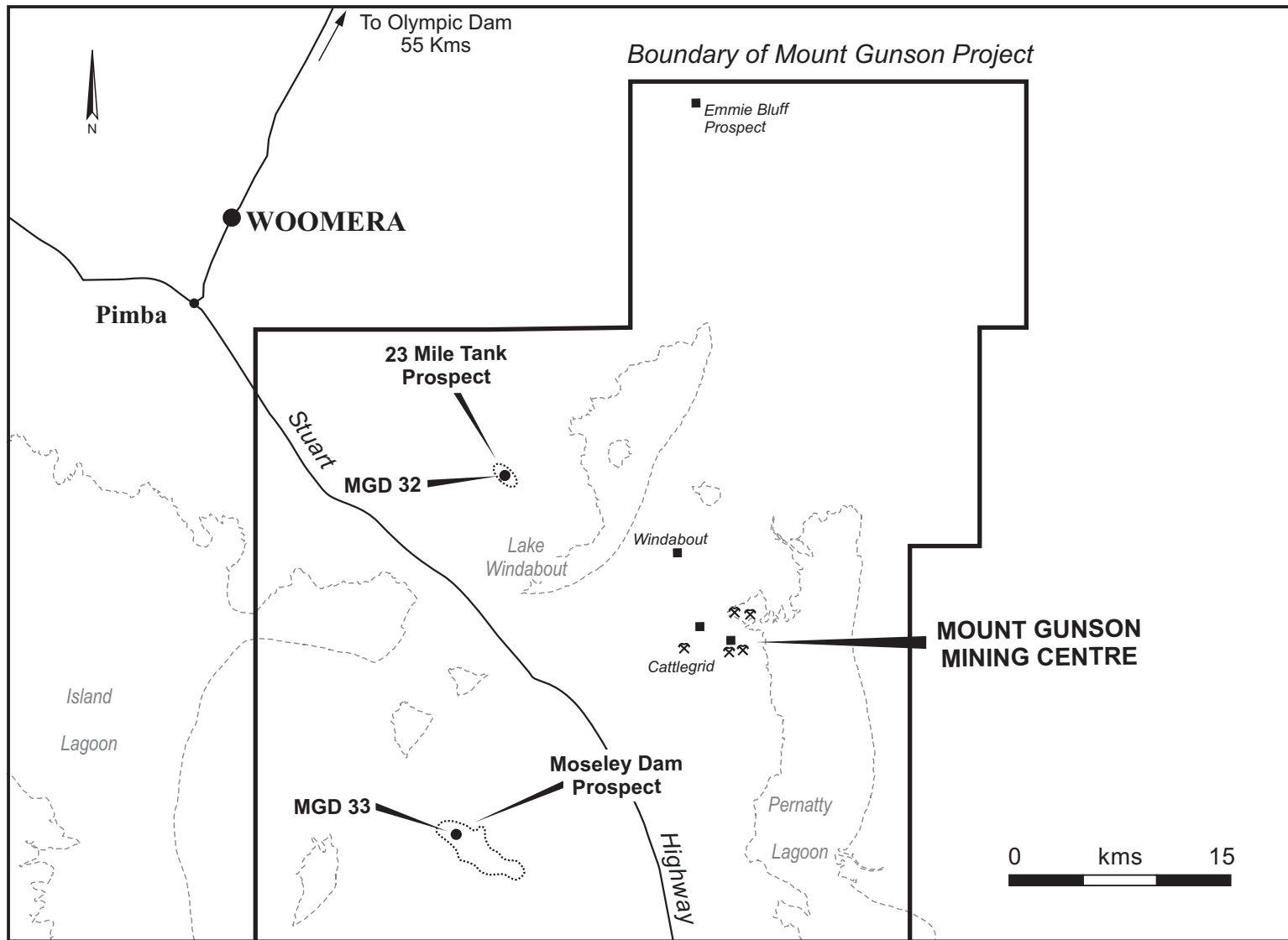
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Attachment

- Figure 1: Mount Gunson Drilling, 2004

ATTRIBUTION

The information contained in this report is based on, and accurately reflects, information compiled by Mr D N Harley, a corporate member of the Australasian Institute of Mining and Metallurgy, who has over five years experience in the field of activity being reported on.



REFERENCE

- Copper resource
- Gravity anomaly
- ⊗ Old open pit Copper Mine

Gunson Resources Ltd

Figure 1

MOUNT GUNSON DRILLING, 2004