

**METALLURGICAL DRILLING AT THE MOUNT GUNSON
COPPER PROJECT – SOUTH AUSTRALIA**

A ten hole wide-diameter diamond drilling program was completed on the MG 14 – Windabout Excised Area on 18th April 2010. The object of this program, which began on 17th March, was to collect samples for metallurgical test work, as part of the Bankable Feasibility Study (BFS) on the MG 14 and Windabout copper deposits excised in June 2009 from the Noranda-Pacific Pty Limited farm-in agreement.

Total metreage drilled in this program was 566 m, comprising 171 m at MG 14 and 395 m at Windabout. Assays for the MG 14 drilling have been received and those for Windabout are expected in early May. All holes were vertical and significant intersections at MG 14 are listed below:

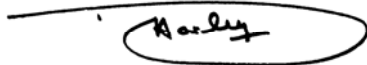
Hole N°	From (m)	To (m)	Intersection
MGD 58	26.0	27.4	1.4 m @ 2.6% Cu
MGD 59	26.2	27.9	1.7 m @ 2.1% Cu
MGD 60	27.4	29.0	1.6 m @ 1.7% Cu
MGD 61	25.6	28.3	2.7 m @ 2.1% Cu
MGD 62	26.7	28.8	2.1 m @ 2.6% Cu

As MG 14 is a flat sheet-like deposit, the intersection widths listed above are close to true widths.

The above intersections were calculated at a 0.8% copper cut-off grade and compare well with the neighboring drill holes shown on the attached plan, Figure 1. In all cases, the highest grade mineralisation occurs at the top of the ore zone, likely corresponding with the greatest abundance of the high tenor copper sulphide chalcocite (80% copper).

Metallurgical test work in 2008 – 2009 on samples from the MG 14 deposit showed that a high grade copper concentrate assaying 33% copper with very low uranium could be produced, at a copper recovery from ore to concentrate of 67%. Test work on the new MG 14 samples has commenced, with the aim of improving the copper recovery into concentrate and possibly the concentrate grade.

In the meantime, discussions with companies interested in funding part or all of the BFS and part of the potential mine development are continuing, including concentrate buyers, copper smelters and investment funds.



D N HARLEY
MANAGING DIRECTOR

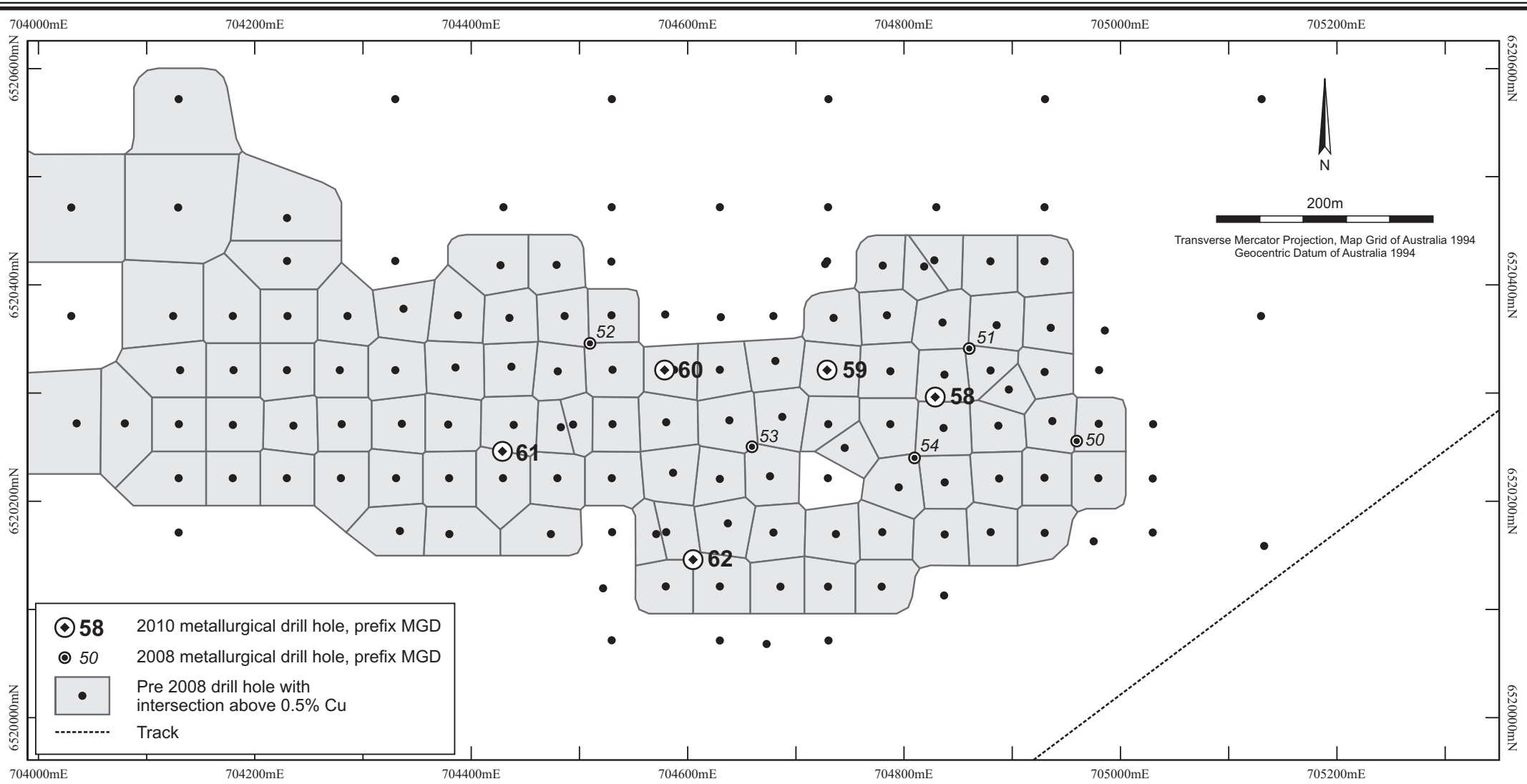
Figure 1 MG 14 Metallurgical Drilling - 2010

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.



- ◆ 58 2010 metallurgical drill hole, prefix MGD
- 50 2008 metallurgical drill hole, prefix MGD
- ● Pre 2008 drill hole with intersection above 0.5% Cu
- Track

GUNSON RESOURCES LIMITED	
Mount Gunson Copper Project	
MG 14 Prospect	
Metallurgical Drilling 2010	
Scale : 1 : 5,000	File : MG14 Met Test Holes 2010.cdr
Date : 28 Apr 2010	Figure 1