

**ASX RELEASE**  
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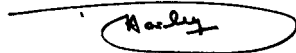
**UPDATE ON DRILLING AT THE CHIANTI COPPER PROSPECT,  
MOUNT GUNSON,  
SOUTH AUSTRALIA**

Hole MGD 34, the first of the current drilling program at Mount Gunson was completed at a depth of 600 metres on 7<sup>th</sup> January 2006.

As foreshadowed in the Company's previous announcement on 20<sup>th</sup> December 2005, drilling of hole MGD 34 resumed at a depth of 561 metres after the Christmas break on 5th January and was stopped when the depth limit of the rig had been reached. Rock types intersected in the hole since the Christmas break were similar hematite rich altered granites to those immediately above, with minor quartz – carbonate – chalcopyrite veins and narrow dykes of finer grained possibly Hiltaba age granite. The hole then passed into a fine grained chloritised mafic dyke at 576 metres which persisted to the final depth. Minor quartz – carbonate – chalcopyrite veins cut this dyke between 580 – 585 metres.

Assays of 1 metre samples of core from the portion of MGD 34 between 530-561 metres depth should be available by 18<sup>th</sup> January, followed by results from chip samples of the basement portion of the hole above 530 metres at the end of January. Sampling of the core below 561 metres commenced today.

The second hole in the current program at Chianti Prospect, MGD 35, located approximately one kilometre south of MGD 34, is in progress at 100 metres and is expected to enter the basement target zone at approximately 330 metres. This hole is sited on a pronounced bend in the peak of the Chianti gravity geophysical anomaly.



**D N HARLEY**  
**MANAGING DIRECTOR**

**Investor Enquiries:**

**Telephone:** 08 9226 3130  
**Facsimile:** 08 9226 3136  
**Email:** [enquiries@gunson.com.au](mailto:enquiries@gunson.com.au)  
**Website:** [www.gunson.com.au](http://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.