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**GUNSON RESOURCES LIMITED**

ABN 32 090 603 642

**FACSIMILE MESSAGE**

<b>To:</b>	Australian Stock Exchange Limited
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<b>Date:</b>	18th December 2001
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<b>Subject:</b>	<b>DRILLING AT MOUNT GUNSON</b>

The information contained in this facsimile is confidential and intended for the addressee only. If you have received this facsimile please contact us immediately by telephone on (08) 9226 3130.

Please find attached an announcement on the results of drilling at Midway Prospect on the Mount Gunson Copper Project, South Australia.

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

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**ASX RELEASE**

**DRILLING RESULTS – MIDWAY PROSPECT  
MOUNT GUNSON COPPER PROJECT,  
SOUTH AUSTRALIA**

Diamond drill hole MGD 29, designed to test for Olympic Dam style copper-gold mineralisation within a pronounced bend in the 10 kilometre long Elaine Zone geophysical anomaly was completed on 12<sup>th</sup> December. This is the third hole sole funded by Billiton Exploration Australia Pty Ltd, now a wholly owned subsidiary of BHP Billiton, as part of the Mt Gunson Joint Venture initiated on 9<sup>th</sup> April 2001.

The hole was collared just over 600 metres north of the previous drill hole, MGD 28 and some 1.4 kilometres south of the only other drill holes which have tested the Elaine Zone geophysical anomaly. It was angled 60 degrees east at the collar but steepened with depth to an overall average dip of about 70 degrees. Rock units encountered in the hole were the Pandurra Formation cover sequence from the surface to 679.5 metres (vertical depth 630 m) and altered basement Gawler Range Volcanics from 679.5 metres to the end of the hole at 999 metres. Narrow mafic dykes occur between 814–837 and 908–915 metres, and magnetite veining is present below 935 metres.

Copper mineralisation occurs from 800 metres but assays revealed anomalous though low copper values. The best interval was a 2 metre zone averaging 0.06% copper between 810 – 812 metres, associated with 5-8% pyrite, fluorite, chlorite-carbonate, tourmaline and red rock alteration.

**INTERPRETATION OF MIDWAY PROSPECT**

The earlier interpretation of the northwesterly trending gravity anomaly at Midway Prospect as a broad mass of hematite and possible copper sulphides within the basement volcanic rocks and extending up to the base of the cover sequence is not supported by the results of MGD 29. At this locality, it is now considered more likely that the dense body manifested by the Midway Prospect gravity anomaly is a steep zone of sulphides in a dilational feature below 1 kilometre depth. This interpretation is supported by the vertical zonation of alteration minerals in MGD 29, from low temperature at the top of the basement to high temperature below 900 metres.

**EXPLORATION FOCUS IN 2002**

In view of the main potential at Midway Prospect and nearby areas of Elaine Zone being at depths below 1 kilometre, focus at Mount Gunson in 2002 will shift along strike to untested residual gravity anomalies in the basement where the cover thickness is considerably shallower. This will include the northern extension of Elaine Zone and, subject to resolution of aboriginal heritage issues, Vista Prospect on the Vessel Zone (Figure 1).

One such high priority anomaly on the northern extension of Elaine Zone, centred approximately 16 kilometres NNE of Midway Prospect, is at least 4 kilometres long and appears to have a cover depth averaging about 200 metres. An old CSR diamond hole, EC 47, drilled in 1981 and located about 100 metres south of the southern edge of this anomaly, provides considerable encouragement for further drilling. This hole encountered partially brecciated basement granite from 178 metres depth with strong sericite-chlorite-hematite alteration and anomalous iron, gold and silver values.



**D N Harley**  
**Managing Director**

**18 December 2001**

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**Attachments:**

- Figure 1 – Northern Mount Gunson Project

**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.

# Gunson Resources Limited

## Figure 1

### NORTHERN MOUNT GUNSON PROJECT

