GUNSON RESOURCES LIMITED

QUARTERLY REPORT FOR THE PERIOD ENDED 31st MARCH 2008

HIGHLIGHTS

COBURN ZIRCON DEVELOPMENT PROJECT

- Substantial increase in JORC compliant ore reserves, from 124 million tonnes (Mt) averaging 1.3% heavy minerals (HM) to 306 Mt averaging 1.2% HM.
- At the proposed mining rate of 17.5 Mt of ore per annum, the mine life at Coburn has increased by over 10 years, from 7 to 17.5 years.
- All of the ore reserves above lie within the portion of the Project area that has government environmental approvals for mining.
- Further metallurgical test work has improved the zircon product quality to the target level set by a major potential customer in March, 2008.
- Gunson's proposed Chinese offtake, construction and investment partner to visit Perth in May for further discussions.

MOUNT GUNSON COPPER EXPLORATION PROJECT

- A feasibility study is to commence immediately on the first in Gunson's inventory of small to medium sized, near surface copper resources at Mount Gunson. This inventory comprises over 200,000 tonnes of contained copper metal in JORC compliant Indicated Resources, together with significant cobalt and silver by product credits.
- The purpose of the study is to determine the viability of mining the MG 14 copper deposit, which has a JORC compliant Indicated Resource of 1.1 million tonnes grading 1.7% containing 18,700 tonnes of copper, about 25 metres below the surface.
- The study is to be carried out in conjunction with Mines Trust, a respected small mine operator currently producing copper metal from the old Kanmantoo mine, 50km east of Adelaide.
- Gunson believes that it can capitalise on its inventory of small and shallow copper deposits at Mount Gunson over the next several years, particularly in view of the current strong copper price and favourable supply/demand balance predicted for the medium term.
- Results from the Noranda Pacific funded drilling for iron oxide associated copper-gold deposits in basement rocks have been disappointing, although 2 newly defined gravity features remain as priority drill targets.

OTHER EXPLORATION PROJECTS

- A small drilling program for copper-gold at Tennant Creek is scheduled for late May 2008
- Three drill targets for Proterozoic nickel-copper sulphides defined on the Burkin Project, some 450km east of Kalgoorlie.

1. COBURN ZIRCON PROJECT (100%: WESTERN AUSTRALIA)

The highlights of the quarter were the substantial increase in ore reserves, announced on 15th April and significant improvements in the zircon recovery and product quality achieved from recent metallurgical test work, announced on 18th April.

Meetings in China with CTIEC were held in March, to discuss their fixed price turnkey construction proposal, operating costs and product quality. As a follow up to these meetings, a seven person CTIEC technical delegation will visit Gunson in Perth during May to inspect the proposed Coburn mine site, export facilities in Geraldton and an operating mineral sand mine near Bunbury, as well as to further review recent metallurgical test work and their turnkey pricing.

1.1 Government Approvals

Work on the Groundwater Mounding Management Plan, which must be approved by the Western Australian Environmental Protection Authority (EPA) prior to the commencement of commercial production, is nearing completion and this plan should be submitted to the EPA by late May.

A safety management plan for the operating phase of the proposed mine has been given verbal approval by the State Government regulator and written approval is expected by mid May.

1.2 Resource and Reserve Estimates

Based on the results of the 2007 drilling program, which are now complete, the formerly inferred resource in the centre of the Project area has been upgraded to indicated status, with a substantial increase in tonnage. The new resource figures, which apply to the area of the Project that has government environmental approval for mining, are listed in table 1 below:

Table 1. Coburn Heavy Mineral Resources

Resource Category	Million Tonnes (Mt)	Average Grade % HM	Cut-off Grade % HM
Measured	119	1.3	0.8
Indicated	599	1.2	0.8
Total	**718**	**1.2**	**0.8**

The above estimates were made by consultants McDonald Speijers.

In addition to the 718 Mt resource quoted above, an inferred resource of 261 Mt @ 1.4% HM has been estimated by Gunson from widely spaced drilling in the northern third of the Project area, which was removed from the 2005 environmental approvals process (Figure 1). Nevertheless, Gunson holds title to this part of the deposit and intends to submit application for environmental approval to mine this area once mining is well established in the southern area.

Consultants McDonald Speijers also prepared pit optimisation block models on the measured and indicated resources listed in Table 1 above. From these models, Gunson's geological and mining team have defined a mine path (Figure 1) and compiled the proved and probable reserves shown in Table 2 below.

Table 2. Coburn Heavy Mineral Ore Reserves

Reserve Category	Pit No.	Ore - Million Tonnes	HM Grade (%)	Zircon (%)	Ilmenite (%)	Rutile (%)	Leucoxene (%)
Proved	A	51	1.3	24	46	5	6
Probable	B-E	255	1.2	23	48	7	4
Total		**306**	**1.2**	**23**	**48**	**7**	**5**

The valuable mineral assemblage listed in Table 2 above is expressed as a percentage of the total heavy mineral (HM) content of each ore reserve category.

The ore reserve total for the Coburn Project has increased by two and a half times, from 124 Mt @ 1.3% HM to 306 Mt @ 1.2% HM. The clay (slime) content of the ore is very low, averaging 2.7% and the overall strip ratio is 0.6 tonnes of waste per tonne of ore.

At the proposed mining rate of 17.5 Mt per annum, the much higher ore reserve has increased the life of the proposed mine from 7 years to 17.5 years.

1.3 Metallurgical Test Work and Projected HM Production

Recent laboratory test work on bulk samples from the 2007 drilling has produced some very encouraging results, in particular improving the quality of the zircon product and reducing the proportion of waste material in the zircon-rich non magnetic concentrate.

The improvements result from refinements to the flow sheet for the dry mineral separation facility to be located at the mine, known as the Ilmenite Plant, and to the flow sheet for the proposed mineral separation plant (MSP) in China. The functions of the Ilmenite Plant are to produce an ilmenite product, reduce the quantity of uneconomic minerals transported from the mine site and to improve the quality of the valuable HMs by cleaning them with an attritioning agent.

Two product streams are to be trucked to the port of Geraldton from the Ilmenite Plant. The first is a final magnetic ilmenite product containing 62% titanium dioxide to be sold f.o.b. at Geraldton and the second is a non magnetic concentrate containing approximately 65% zircon with only 2% uneconomic minerals.

Annual production from the Ilmenite Plant is estimated to be 84,000 tonnes of ilmenite product and 81,000 tonnes of non magnetic concentrate, to be shipped to China for the recovery in the Project MSP of zircon and other valuable HMs. Estimates of the final product quantities from the proposed China MSP await the

completion of further metallurgical tests currently in progress but the tonnages are likely to increase from previously announced figures.

1.4 Conclusions

Results from the 2007 drilling program were a great deal better than expected, extending the mine life of the Project based on JORC compliant ore reserves from 7 to 17.5 years.

The recently completed ore reserve study has highlighted the significance of the northernmost pit, pit E on Figure 1 and shown that the ore in pits D and E is open to the north west and south east respectively. Pit E contains nearly half the total ore reserve, with a mine life of 8.3 years, a grade of 1.1% HM and by far the lowest strip ratio of 0.2 tonnes of waste per tonne of ore. Its impact on the Project economics will be evaluated further over the next several weeks.

Perhaps equally significant are the results of the recent metallurgical test work, in particular lowering the TiO_2 content of the zircon product to levels which will improve its market acceptance.

2. MOUNT GUNSON COPPER PROJECT (100%: SOUTH AUSTRALIA)

The main activity during the quarter was a deep drilling program to test for iron oxide associated copper-gold mineralisation within basement rocks at Chianti and Emmie East Prospects. This program was completed on 22nd March, with disappointing results.

A feasibility study on the first in Gunson's inventory of small to medium sized, near surface copper resources commenced after the end of the quarter. This resource inventory is listed on page 19 of the Company's 2007 Annual Report.

2.1 Geophysical Program

A considerable amount of geophysical work was completed during the quarter, including interpretation of gravity data collected in 2007, induced polarisation (IP) and transient electro-magnetic (TEM) surveys, and geophysical testing of diamond drill core.

Gravity Interpretation: Detailed computer modelling of gravity data over 3 priority target areas at Emmie East, north east of Lake Windabout and Chianti North respectively, has defined drilling targets in each area. Only one of these, the Emmie East Prospect, was drilled during the quarter, the remaining two targets needing aboriginal heritage clearance before any drilling can be initiated.

IP Surveys: Two IP surveys were completed at Chianti Prospect during the quarter, the first in January comprising 3 east-west traverses 3 km long and the second two 400m spaced east-west lines, 2.4 and 2 km long respectively in March (Figure 2). The main anomaly revealed by these surveys, known as the Eastern IP Zone, is approximately 500m wide and trends north-south. It is open to the north but terminates to the south near drill hole MGD 44.

TEM Surveys: Two east-west surface traverses and one down hole survey were completed in March. Each of the TEM traverses was about 2 km long and the results extended the anomalous zone described in the previous quarterly report northwards by 600 m (Figure 2). On the northernmost traverse, 539,800N, one anomaly peak lies between drill holes MGP 31 and MGD 34 and the other immediately west of MGD 34. Both holes intersected the high tenor copper sulphide bornite, by far the best intersection being 2m @ 3.4% copper in hole MGD 34 whereas MGP 31 intersected traces of bornite, identified microscopically in drill chips between 448 – 452m.

Unfortunately, the down hole TEM response in hole MGD 48 was negative, downgrading the potential of a TEM target immediately to the east of this hole (Figure 2).

Diamond Drill Core Measurements: Physical property measurements on 11 samples of drill core from MGD 48 indicated that the surface IP anomaly was caused by specular hematite (iron oxide) rather than sulphide mineralisation. This result was not expected but was confirmed by the low copper assays from this hole discussed below.

2.2 Drilling

Three deep diamond drill holes were completed during the quarter: the first 2 at Chianti Prospect and the last at Emmie East Prospect. Summaries of these drill holes are outlined below.

MGD 47 (Chianti Prospect): The first hole in the program, MGD 47, was sited to test the shallower of 2 anomalies previously reported from the only IP traverse completed in 2007. This hole passed through the base of the cover sequence at 400m depth. Basement comprised moderately to strongly altered granite with negligible sulphide mineralisation and for this reason, the hole was stopped early at 562m, 238m above its scheduled depth of 800m. The virtual absence of sulphides in the core from MGD 47 strongly suggested that there is no IP anomaly at this site. This observation was confirmed by the re-evaluation process discussed below.

During February, re-evaluation of the results of the four IP traverses surveyed at Chianti Prospect between December and January focused on the poor correlation between the single traverse read in December 2007 and the 3 traverses read in January 2008. In contrast, the correlation between the 2008 traverses is very good and the anomalies line up well. Re-examination of data from the December 2007 traverse led to the conclusion that the data were not recorded as reported by the geophysical contractor. With this knowledge, reprocessing of the data produced a good match with the 2008 traverses, confirming that there is no anomaly beneath hole MGD 47. Instead, the only credible IP anomaly is in the same relative position as those on the traverses along strike in either direction, as shown on Figure 2.

MGD 48 (Chianti Prospect): This hole, located 470m to the south east of MGD 47, was sited to test the centre of the Eastern IP Zone, on the traverse with the strongest IP response.

MGD 48 was pre-collared to 206m and entered the basement at 356m. The upper 20m of the basement comprised strongly altered granite with abundant earthy and dark grey hematite as veins and patches. Beneath this upper zone, the hole

passed into strongly altered and deformed granite, with minor breccia zones but no visible sulphides.

Suspected high tenor copper sulphide was first observed as specks in hematised granite between 431-432m. A second zone was noted on the upper contact of a 35m thick deformed and altered dolerite unit between 495-497m. Below 570m, specks of the suspected copper sulphide become more abundant, associated with narrow hematite rich and brecciated quartz veins within strongly altered and deformed granite. At 631m, the hole passed into cherty ferruginous sedimentary rocks with 10% hematite rich beds and no visible copper sulphides. These sedimentary rocks persisted to 696m. From 696m, the dominant lithology is granite with no sulphides to the end of the hole at 772m.

Unfortunately, the copper assays from this hole did not support the visual identification of the high tenor copper sulphide bornite, the highest copper value being 47 ppm. It is suspected that the mineral mistakenly identified as bornite is fine grained, hematite stained chlorite.

MGD 49 (Emmie East Prospect): Hole MGD 49 was collared about 750m south east of MGD 42 drilled at Emmie East Prospect 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.

2.3 Ongoing Exploration for Deep Copper – Gold Targets

The drilling program described above consumed approximately 44% of the 2007/2008 budget approved by the Company's Joint Venture partner, Noranda Pacific Pty Limited (Noranda Pacific). Noranda Pacific has decided that it wishes to evaluate the results of the exploration completed to date before committing any more funds to the Project.

The 2008 drilling program has downgraded both Chianti and Emmie East Prospects, although there are TEM targets near holes MGP 31 and MGD 34 at Chianti which remain to be tested. Attractive gravity geophysical targets which have not been tested by drilling have been defined north east of Lake Windabout and at Chianti North, with the Lake Windabout target preferred because of its stronger gravity signature.

2.4 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 3 years of 15th June 2006. By the end of March 20008, Noranda Pacific had spent nearly $1.7 million.

2.5 Feasibility Study – MG 14 Copper Deposit

Introduction: As well as its high potential for large and deep iron oxide associated copper-gold deposits in the basement, there are a number of relatively small, shallow copper deposits in the cover sequence at Mount Gunson, which collectively contain over 200,000 tonnes of copper metal in JORC compliant Indicated Resources. These deposits have significant cobalt and silver by product credits, as shown on page 19 of the Company's 2007 Annual Report.

To date, the main focus of exploration at Mount Gunson has been on the deep, copper-gold targets in basement rocks. To a large extent, this focus has reflected the exploration priorities of the two major companies that have funded the majority of work since Gunson was floated in 2000: Billiton, then BHP Billiton from 2000-2002, followed by Noranda Pacific, now part of the Xstrata Copper Business Unit, since mid 2006.

In view of the current strong price and firm outlook for copper, Gunson has decided to capitalise on the shorter term opportunities offered by its inventory of small, shallow deposits in the cover sequence.

Agreement with Mines Trust: An agreement was signed on 21st April with Mines Trust, an unlisted company controlled by Mr Steven Sickerdick. Mines Trust is the operator of the Kanmantoo heap leach copper plant, located approximately 50 km east of Adelaide. This operation was initiated in 2006, to treat the low grade ore stockpile from the old Kanmantoo open pit copper mine. The ore, which averages about 0.6% copper, is crushed and then leached with sulphuric acid. Copper metal is recovered by pumping the metal rich liquor through rotating drums containing scrap steel. Approximately 50 tonnes of copper is sold per month, with a high cash margin.

Gunson and Mines Trust have agreed to carry out a feasibility study on developing the MG14 deposit at Mount Gunson, which will include but not be limited to the following aspects:

a) Details and costs of obtaining mining title and the relevant statutory approvals
b) Deposit geology, JORC complaint resource and ore reserves
c) Proposed mining method and mine development costs
d) Metallurgical test work and flow sheet
e) Treatment plant
f) Site infrastructure, power and water
g) Project capital and operating costs
h) Product sales contracts

The Agreement is to be replaced by a more detailed Production Agreement prior to the completion of financing of the proposed mine development, the target date for which has been set for 1st December 2008.

A condition precedent of the agreement is the written approval by Noranda Pacific to develop a mine at MG 14. Noranda Pacific has advised that it cannot make a decision whether or not to approve the MG 14 feasibility study until it has assessed the results of the 2007/2008 exploration program at Mount Gunson, now nearing completion. In the meantime, Gunson and Mines Trust have commenced work on

the study, in the knowledge that Noranda Pacific may become a majority equity partner in the proposed MG 14 mine if it meets its exploration expenditure target outlined above by mid June next year.

The MG 14 Copper Deposit – Previous Work: The MG 14 deposit, named in 1973 after the discovery drill hole about 1 kilometre north of the old Cattlegrid copper mine (Figure 3), is a totally concealed, flat lying body of copper sulphide mineralisation at about 25 metres average depth. It is oriented east-west and is about 800 metres long by 200 metres wide and about 2.5 metres thick.

A JORC compliant Indicated Resource was estimated by Mr K.F. Bampton of Ore Reserve Evaluation Services in 1997. This resource is 1.1 million tonnes @ 1.7% copper, 17g/t silver and 390ppm cobalt at a 0.5% copper cut-off. Excluding by product credits, the contained copper metal in the deposit is 18,700 tonnes.

Bampton's resource estimate was based on 107 vertical drill holes, approximately half of which are diamond core holes and the remainder reverse circulation. The main copper sulphides, in decreasing order of abundance, are chalcopyrite, bornite, and covellite/chalcocite.

Metallurgical test work on some diamond core samples was carried out in 1990, which showed that fine grinding was needed to achieve satisfactory recoveries. Based on the test work done, a conventional flotation circuit was proposed, with relatively high flotation retention times. No work was done on recovering copper metal from the concentrate but this possibility will be evaluated in the 2008 study.

A scoping study carried out by the Adelaide Chemical Company in 1992 indicated that producing a sulphide concentrate on site from an open pit mine at MG 14 was financially attractive at a copper price of US $1 per pound and cobalt at US $15 per pound. With the current copper price of approximately US $4 per pound and cobalt above US $50 per pound, Gunson is confident that the financial return from MG 14 will have improved significantly since 1992.

2008 MG 14 Feasibility Study: Aspects of the proposed MG 14 mine development to be covered in the 2008 feasibility study are listed above. Gunson will manage the study and carry out the majority of the work on it, however Mines Trust will assume responsibility for supervising the metallurgical test work, metallurgical flow sheet development and the design and costing of a treatment plant to process between a half and three quarters of a million tonnes of ore per annum.

New metallurgical samples will be obtained from several wide diameter diamond core holes, scheduled to commence as soon as practicable. This drilling program, along with the laboratory testing of metallurgical samples taken from the core will be funded by Gunson. The total cost of this work is estimated not to exceed $100,000.

Because of the extensive drilling database available from previous work on the MG 14 deposit, no further ore body delineation work is considered necessary and Gunson has the geological and mining skills in house to complete the feasibility study before December 2008.

It is intended that results from the study will guide the structure of the proposed Production Agreement between Gunson and Mines Trust, along with fund raising for the mine development.

2.6 Conclusions

Results from the Noranda Pacific funded exploration for iron oxide associated copper-gold deposits in basement rocks have been disappointing, although two newly defined gravity targets north east of Lake Windabout and at Chianti North remain as priority drill targets. Noranda Pacific have advised that they wish to assess the results of the 2007/2008 exploration program before making a decision whether to continue funding further exploration, such as drilling the Lake Windabout and Chianti North gravity targets.

In the meantime, work has commenced on the MG 14 feasibility study and Gunson is optimistic that together with Mines Trust, it can capitalise on its inventory of small, shallow copper deposits at Mount Gunson. This view is supported by the current strong copper price and favourable supply/demand balance forecast for the coming years.

If Noranda Pacific meet their exploration expenditure target of $3.5 million in the remaining 13 months of the first phase of their Agreement with Gunson, they will have the right to participate as 51% equity partners in any mine development at MG 14.

3. BURKIN NICKEL/GOLD PROJECT (100%: WESTERN AUSTRALIA)

Three targets for Proterozoic nickel-copper sulphide deposits were defined from detailed interpretation of results from the low level aeromagnetic survey flown last December.

A first pass drilling program comprising single vertical diamond drill holes to approximately 250m depth in one or more of the three target areas is planned for mid 2008. Encouragement for this approach comes from the interpretation of the magnetic anomalies as large mafic intrusions in the Proterozoic basement at shallow depths, possibly less than 120 m below the ground surface.

Further encouragement for exploration in the Burkin Project area is the presence of numerous small, isolated magnetic anomalies which were inspected in the field last week. They may be diatremes with diamond potential.

In accordance with a 2003 agreement between Gunson and BHP Billiton, BHP Billiton were offered their once off right to farm in to the Project near the end of the quarter but they declined this offer on 21st April 2008.

4. TENNANT CREEK GOLD-COPPER PROJECT (100%: NORTHERN TERRITORY)

Works authorisation for a proposed 20 hole drilling program from the Northern Territory Department of Primary Industry, Fisheries and Mines was received in March, subject to the lodgement of a $4,600 security deposit.

A drilling contractor has been chosen to carry out the program, which is expected to commence in late May.

5. FOWLER'S BAY NICKEL PROJECT (100%: SOUTH AUSTRALIA)

Interpretation of the results of an airborne EM survey in the northern part of the Project by a neighbouring tenement holder is still in progress.

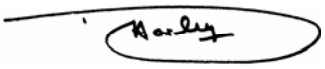
6. SHARE PLACEMENT

A placement of fully paid ordinary shares to sophisticated investors at 14 cents per share is well advanced and is to be completed later this week. Just over 7 million shares are being issued, to raise $1 million which will fund the feasibility study on the MG 14 copper deposit at Mount Gunson and a small drilling program at Tennant Creek.

The new shares will rank equally with Gunson's existing shares and increase the Company's issued capital to just over 118 million shares.

7. FINANCIAL

At 31st March, the Company had $441,000 in cash and short term deposits. Exploration expenditure during the quarter was $456,000 and forecast exploration expenditure by Gunson in the June 2008 quarter is $300,000.



D N HARLEY
MANAGING DIRECTOR

Figure 1: Coburn Project – Ore Reserves and Resources
Figure 2: Chianti Prospect – Drilling and TEM/IP Anomalies
Figure 3: Mount Gunson Shallow Copper Deposits

30th April 2008

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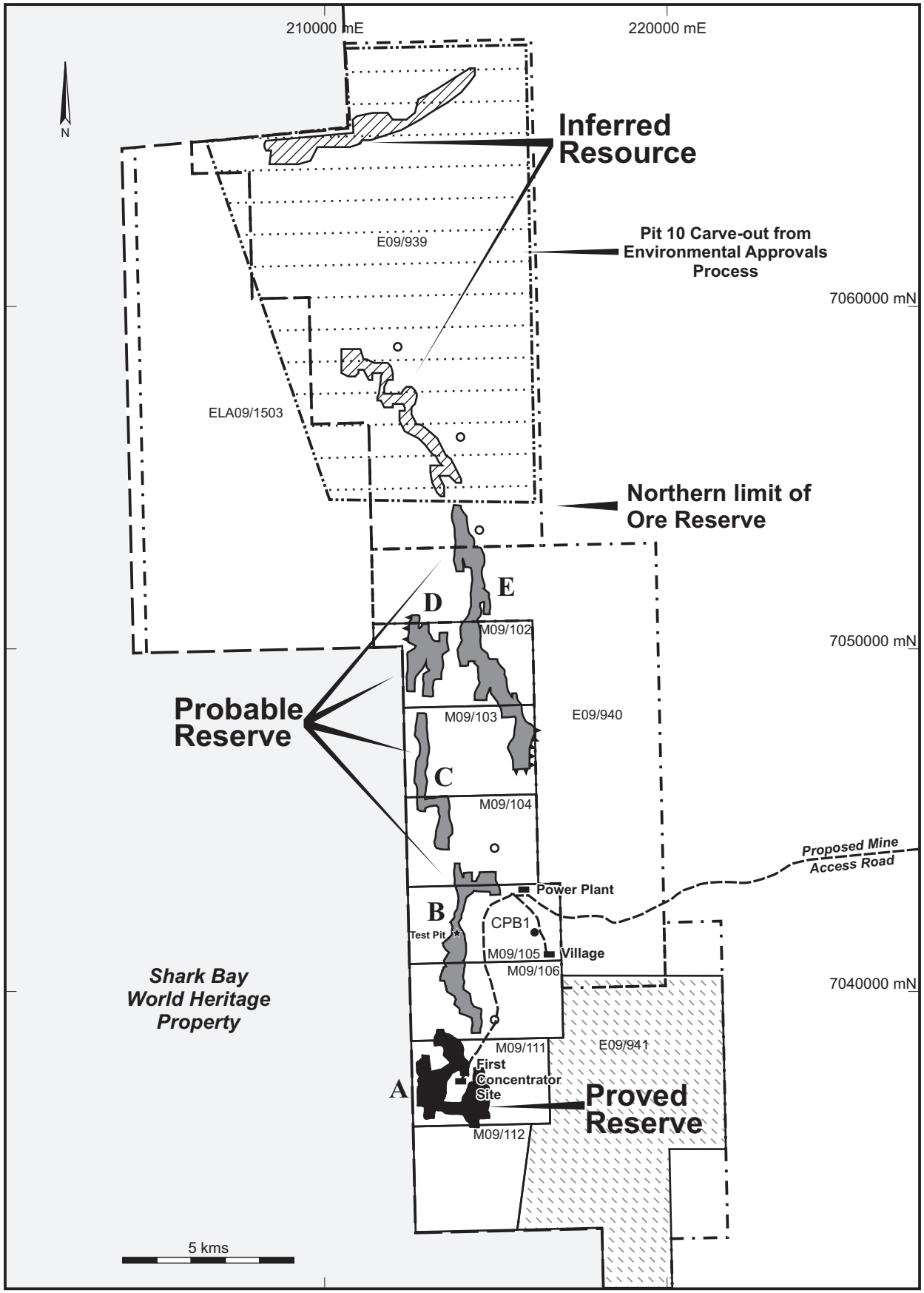
ATTRIBUTION

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.

Information relating to inferred mineral resources at Coburn in this release is based on data compiled by Mr Paul Leandri of Gunson Resources Limited, who has over 15 years relevant experience in the field of activity being reported on. Mr Leandri is a member of the Australian Institute of Geoscientists and a corporate member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 release of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Leandri consents to the inclusion of the information in the report in the form and context in which it appears.

The information in this release that relates to measured and indicated mineral resources at Coburn is based on data compiled by Mr Diederik Speijers of McDonald Speijers, who has over 30 years of relevant experience in the field of activity being reported on. Mr Speijers is a corporate member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2004 release of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Speijers consents to the inclusion of the information in the report in the form and context in which it appears.

Information relating to ore reserves at Coburn in this release is based on data compiled by Mr Todd Colton and Mr Paul Leandri of Gunson Resources Limited, both of whom have over 15 years relevant experience each in the field of activity being reported. Mr Leandri is a Corporate member of the Australasian Institute of Mining and Metallurgy and 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 release of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Leandri and Mr Colton consent to the inclusion of the information in the report in the form and context in which it appears.



REFERENCE

- A — Pit Identifier
- Ore body still open - more drilling required
- Mining Lease
- Exploration Licence
- Shark Bay World Heritage Property
- Conservation Offset Area
- Water Production Bore - existing
- Water Production Bore - planned

Gunson Resources Ltd

COBURN PROJECT

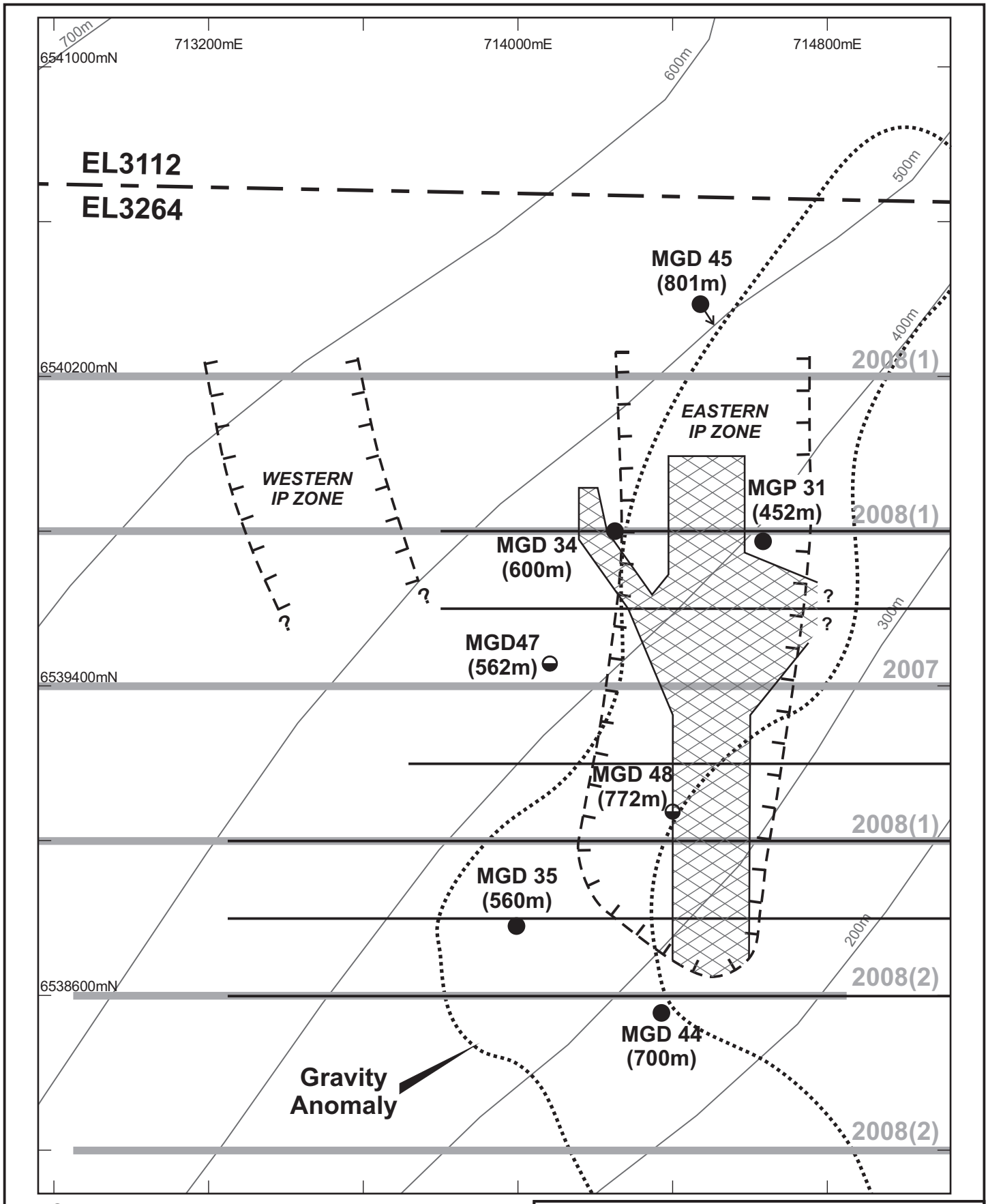
Amy Zone

Ore Reserves & Resources

Scale : NTS

Date : 30 April 2008

Figure 1.



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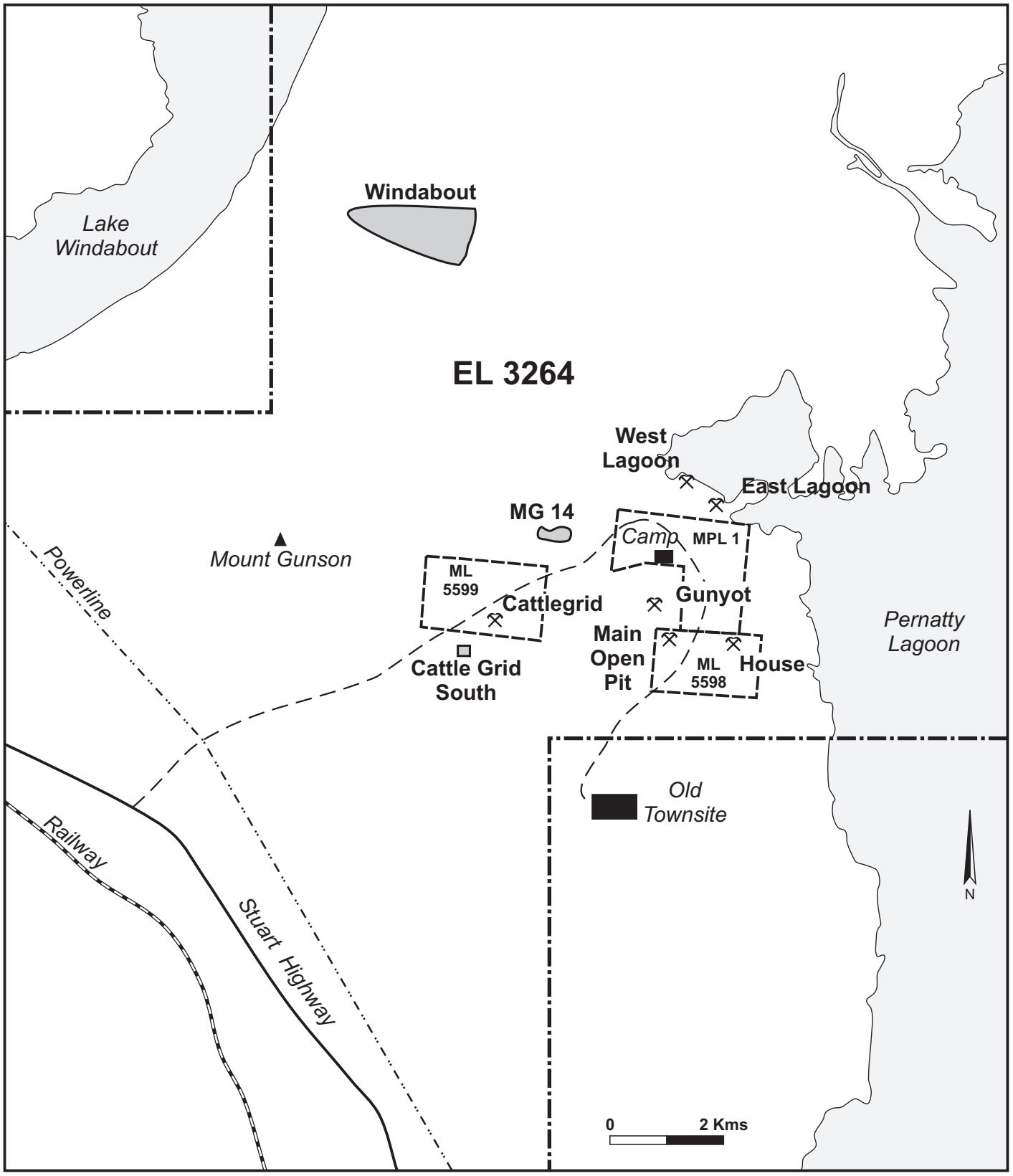
MOUNT GUNSON PROJECT

Chianti Prospect

Drilling and TEM/IP Anomalies

Scale : NTS	File : Chianti Prospect IP Anomalies & Drilling Rev4.cdr
Date : 30 April 2008	**Figure 2**



Reference

- *Copper mine*
- *Copper prospect*
- *Gunson tenement*
- *Non-Gunson tenement*

Gunson Resources Ltd

MOUNT GUNSON PROJECT

Mount Gunson
Shallow Copper Deposits

Scale : NTS	Figure 3.
Date : 30 April 2008	

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Gunson Resources Limited

ABN	Quarter ended ("current quarter")
32 090 603 642	31 March 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(456)	(1,853)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(242)	(502)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	45
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received	-	366
1.7	Other - R&D rebates	-	8
	Other income	31	77
	Net Operating Cash Flows	(654)	(1,859)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(654)	(1,859)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(654)	(1,859)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	478
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Share Issue costs	-	(10)
	Net financing cash flows	-	468
	Net increase (decrease) in cash held	(654)	(1,391)
1.20	Cash at beginning of quarter/year to date	1,095	1,832
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	441	441

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	44
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors salaries and fees during the quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issue of 47,500 ordinary shares at a deemed price of 20 cents in consideration for receipt of corporate advice.

Issue of 400,000 unlisted options to employee for nil consideration exercisable at 35 cents each, expiring 4 May 2012. The options will vest on 9 August 2008.

Issue of 400,000 unlisted options to employee for nil consideration exercisable at 40 cents each, expiring 4 May 2012. The options will vest on 9 August 2008.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Mount Gunson Copper Project to the end of March, 2008 – Xstrata Copper via its subsidiary Noranda Pacific Pty Limited has a cumulative expenditure of $1,699,015. (Initial earn-in phase $3.5 million required by 14 June 2009).

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300,000
4.2	Development	-
	Total	**300,000**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	441	1,095
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	441	1,095

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A	Nil	N/A	N/A

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased	N/A	Nil	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	111,139,465	111,139,465		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	47,500	47,500	20 cents	20 cents
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		1,800,000	-	30 cents	30/11/10
		1,800,000	-	35 cents	30/11/10
		400,000	-	35 cents	04/05/12
		400,000	-	40 cents	04/05/12
7.8	Issued during quarter	400,000	-	35 cents	04/05/12
		400,000	-	40 cents	04/05/12
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

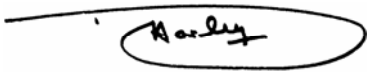
+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 30th April 2008

Managing Director

Print name: David N Harley

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.