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GUNSON RESOURCES LIMITED

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To: Australian Stock Exchange Limited
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Subject: NEW NICKEL SULPHIDE EXPLORATION PROJECT IN WA
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Attached is an announcement regarding a new nickel sulphide exploration project in Western Australia.

D N Harley
Managing Director



**NEW NICKEL SULPHIDE
EXPLORATION PROJECT
IN THE GREAT VICTORIA DESERT, WESTERN AUSTRALIA**

Following the announcement by WMC last week of encouraging drilling results from nickel-copper targets in the West Musgrave area of Western Australia, a study of the regional geological controls on this mineralisation has been made.

As a result of the Company's study and the examination of old exploration data, application has been made for five contiguous exploration licences approximately 400 kilometres south of the West Musgrave area. These exploration licences cover an area of approximately 850 square kilometres and straddle a major northerly trending discontinuity evident in continental geophysical data. This discontinuity runs from the north coast to the south coast of Australia and passes close to the Argyle diamond mine and the West Musgrave area.

Data in the area the Company has applied for indicates the presence at shallow depths of less than 100 metres of favourable mafic to ultramafic intrusive rocks which can be tested for nickel sulphide mineralisation with relatively shallow drilling. These rocks appear to occur within a basement high between the Officer sedimentary basin to the north and the Eucla sedimentary basin to the south.

The thickness of younger sedimentary cover was an important ingredient in determining the northern limit of the ground applied for and the southern boundary adjoins a large northerly trending cluster of exploration licence applications submitted by WMC earlier this month.

The Company has been advised by the Western Australian Department of Minerals and Energy that there are no competing applications for mineral exploration title to the area applied for. While the exploration licence applications are being processed a detailed strategy will be developed to explore the area for large Proterozoic nickel sulphide deposits similar to those that host most of Canada's nickel reserves.

D N Harley
Managing Director

29 May 2000