

AUSTRALIAN STOCK EXCHANGE



GUN000042

**GUNSON RESOURCES LIMITED**

ABN 32 090 603 642

FACSIMILE MESSAGE

| | |
|------------|--|
| To: | Australian Stock Exchange Limited |
| Facsimile: | 1300 300 021 |
| From: | D N Harley |
| Date: | 15 th April 2002 |
| Pages: | 3 |
| Ref: | COR A2 |
| Subject: | DIAMOND JOINT VENTURE AT SHELL LAKES, WESTERN AUSTRALIA |

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 a new diamond exploration joint venture on the Company's Shell Lakes Project in Western Australia.

D N HARLEY
MANAGING DIRECTOR



ASX RELEASE

**DIAMOND JOINT VENTURE WITH DE BEERS EXPLORATION
AT SHELL LAKES, WESTERN AUSTRALIA**

An agreement has been concluded with De Beers Australia Exploration Limited (De Beers) to explore for diamonds on the Company's wholly owned Shell Lakes Project in Western Australia.

Shell Lakes is located approximately 600 kilometres east of Kalgoorlie and some 150 kilometres north of Mundrabilla siding on the Transcontinental railway line between Perth and Sydney. The Project is strategically located on a pronounced bend in the major continental scale Mundrabilla Fault, which passes through the Argyle diamond mine and WMC's West Musgrave nickel prospect.

Data from previous exploration at Shell Lakes indicates the presence at shallow depths of several clusters of pipe like intrusive bodies. Loam geochemical sampling over some of these bodies revealed favourable diamond indicator minerals, including chromian spinels and picroilmenite.

The agreement with De Beers allows them to earn a 51% interest in any diamonds contained within the Project by expending \$2.5 million within the three years to 9 April 2005. Provided that De Beers earns its 51% equity, the agreement allows Gunson to elect to either contribute at 49% or be diluted to a 10% free carried interest to decision to mine. If Gunson elects to contribute at 49% equity and subsequently decides not to contribute to the following annual work program, it will be diluted towards a 10% free carried interest to decision to mine. However, Gunson can elect to resume contributing at its diluted equity at the commencement of any subsequent annual work programs.

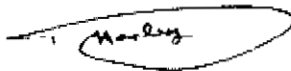
Other key terms of the agreement are listed below:

- De Beers will not earn any equity in the Project if they do not spend \$2.5 million within 3 years, or a longer period determined by mutual agreement.
- If Gunson elects not to contribute at 49% after De Beers has spent \$2.5 million during the earn-in period, the dilution formula would require De Beers to spend \$21.6 million to reduce Gunson's equity to 10%.
- If requested by Gunson, following the decision to establish a mine, De Beers will undertake to provide funding for Gunson's share of the cost of constructing and commissioning the mine, on the basis of a loan repayable from its share of production. The rate applicable will be 1.5% above the normal Westpac loan rate to large corporate borrowers. Gunson will allocate not less than 70% of its net receipts towards the repayment of the loan, but will be entitled to retain the balance 30% for its own use while the loan is being repaid.

- In the event that a mineral deposit is defined which is of a size that is less than \$900 million in terms of in-ground value, Gunson shall have the right but not the obligation to develop in its own right and De Beers shall forgo any equity in the deposit. In the event of Gunson commencing mining operations, it will reimburse De Beers the dollar value of its exploration expenditure on the Project out of Gunson's proceeds of the sale of diamonds. The annual reimbursement to De Beers will be restricted to a maximum of 10% of Gunson's annual profits.
- De Beers may withdraw at any time by giving 30 days notice to Gunson.

De Beers have commenced an initial program intended to establish whether kimberlites exist on the Project. This will include desk top studies on existing data and a new low altitude aeromagnetic survey. Drilling is also planned in 2002 but this is subject to grant of exploration title and aboriginal heritage clearance. A heritage protection agreement is being presently concluded with the local aboriginal people.

The Shell Lakes Project will be a major focus of the Company's activities in 2002, both for diamonds and nickel. It has recently been expanded in area to 3,700 square kilometres, with 14 new exploration licence applications in addition to the five which form the core of the Project.



D N HARLEY
MANAGING DIRECTOR

15th April 2002

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 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.