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GUNSON RESOURCES LIMITED

ABN 32 090 603 642

FACSIMILE MESSAGE

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Facsimile:	1300 300 021
From:	D N Harley
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Please find attached for your information.

D N HARLEY
Managing Director



PROGRESS REPORT ON DRILLING FOR HEAVY MINERAL SANDS AT COBURN, WESTERN AUSTRALIA

Since the Company's latest quarterly report on 31st July 2000, considerable progress has been made with the reconnaissance drilling programme on the Coburn heavy mineral sand tenements near Shark Bay in Western Australia. Drilling has been suspended for several weeks to enable the evaluation of results to date but is scheduled to recommence in late September.

Approximately 260 holes have been completed in this programme, along widely spaced traverses averaging 2 kilometres apart, to establish the overall geometry of the heavy mineral zones. A northerly trending zone of mainly dune hosted mineralisation approximately 14 kilometres long, 1.2 kilometres wide and 33 metres thick has been defined in the south western part of the area. This zone, known as the Amy zone, extends to the surface and is open along strike to the south, as shown on the attached diagrams: figures 1 and 2.

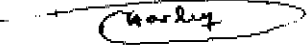
The main features of the Amy zone are outlined below:

- Panning estimates with limited laboratory check analysis indicate that the average grade is just over 0.9% heavy minerals. This figure includes low grade overburden and has been calculated from the surface to the base of the mineralisation.
- A narrower but still very large band of higher grade mineralisation averaging about 1.8% heavy minerals is present towards the base of the zone. To the south, this band of mineralisation appears to improve in grade and is closer to the surface.
- From earlier work outlined in the Company's prospectus, the contained heavy minerals are attractive, with low levels of uneconomic or trash minerals. The ilmenite is strongly altered, a favourable characteristic for pigment production.
- The mineralisation occurs in loose sand with negligible slimes; generally less than 3%.
- It is associated with a prominent ridge interpreted to be a fossil coastal sand dune system.

Statistical details of the drilling programme and some selected intersections of mineralisation based largely on laboratory analysis are listed in Appendix 1, attached.

The Amy zone compares favourably with similar coastal dune hosted deposits in southern Queensland and New South Wales, where quite profitable mining operations are active on lower grade ore bodies. Encouraged by the large tonnage potential of the Amy zone and the possibility of similar low cost mining techniques to those employed on the east coast of Australia, the Company intends to launch a preliminary "scoping" study on the economics of the deposit after the completion of further drilling later this year.

Objectives of the forthcoming drilling of the Amy zone will be to test the strike extent of the shallow higher grade mineralisation to the south, to better define the mineralisation and to collect further samples for detailed mineralogical testing and market research.



D N HARLEY
Managing Director

14th September 2000

Investor enquires:

Telephone: (08) 9226 3130
Facsimile: (08) 9226 3136
E-mail: enquires @gunson.com.au
Website: <http://www.gunson.com.au>
Address: PO Box 1217, West Perth
Western Australia 6872

Attachments

- * Appendix 1
- Figures 1 and 2

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.

APPENDIX 1

Details of the Coburn project drilling programme: July – August 2000

1a) *Drilling Statistics*

Number of holes: 261
 Total metreage: 7,094
 Average hole depth: 27m
 Hole spacing along
 traverses: 50-400m, mostly 200-400m
 Heavy mineral analysis: Western Geochemical Laboratories

1b) *Selected intersections of mineralisation confirmed by laboratory analysis (see figure 2 for location of drill holes).*

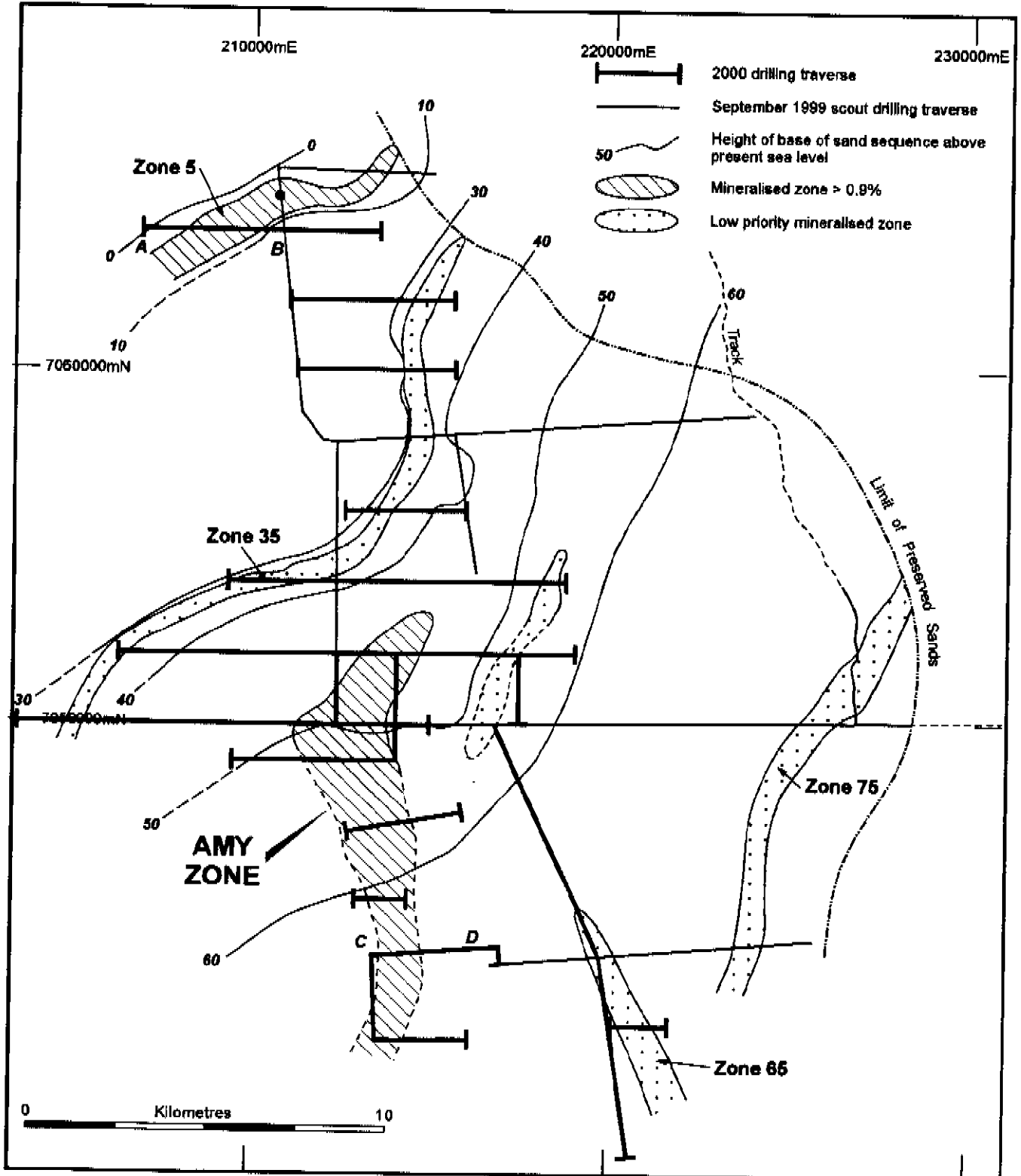
Hole Number	From (m)	To (m)	Intersection	%Slime
CBC 356	0	28	28m @ 0.9%	*
	22	28	6m @ 2%	2.2
CBC 357	0	20	20m @ 1.8%	2.5
	7	20	13m @ 2.4%	1.9
CBC 360	0	23	23m @ 1.4%	*
	10	23	13m @ 1.9%	1.4
CBC 362	0	35	35m @ 1.1%	*
	28	34	6m @ 2.5%	1.6

* *Data for whole interval not available*

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Figure 1

EASTERN COBURN PROJECT - RECONNAISSANCE DRILLING



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Figure 2 EASTERN COBURN PROJECT CROSS SECTION OF LINE 7043000mN

