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**GUNSON RESOURCES LIMITED**

ABN 32 090 603 642

FACSIMILE MESSAGE

To:	Australian Stock Exchange Limited
Facsimile:	1300 300 021
From:	David Harley
Date:	13 th March 2001
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Subject:	HALF YEARLY FINANCIAL REPORT

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Please find attached our half yearly financial report to 31 December 2000.

DN Harley
Managing Director

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GUNSON RESOURCES LIMITED
ACN 090 603 642

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2000

GUNSON RESOURCES LIMITED
ACN: 090 603 642

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GUNSON RESOURCES LIMITED
ACN: 090 603 642

DIRECTORS REPORT

Your directors present their report on the accounts for the half-year ended 31 December 2000.

1. DIRECTORS

The following persons held office as directors of Gunson Resources Limited during the half-year and until the date of this report:

W H Cunningham	(Chairman) Appointed 13 March 2000
D N Harley	(Managing Director) Appointed 23 December 1999
P C Harley	Appointed 23 December 1999

Directors were in office from the beginning of the financial period until the date of this report, unless otherwise stated.

2. REVIEW AND RESULTS OF OPERATIONS

The Company incurred an operating loss after income tax of \$116,642 for the half-year ended 31 December 2000.

The highlights of the Company's activities in the six months to 31 December 2000 have been as follows:

- **Mount Gunson Copper Project – South Australia**

The first drill hole to test the newly defined Elaine Prospect geophysical anomaly discovered a large new zone of Olympic Dam style iron oxide associated mineralisation. This zone contains minor copper sulphides and is interpreted as the fringe zone to a large breccia body further to the east, which is to be tested with a second hole in early 2001.

Elaine Prospect is interpreted to form part of a major near vertical iron oxide rich breccia zone in the basement rocks at least 250 metres wide known as Elaine Zone. Elaine Zone is expressed geophysically as a zone of gravity and magnetic anomalies which extend southward for approximately 10 kilometres, beneath the old open pit copper mines of the Mt Gunson mining centre.

- **Coburn Mineral Sand Project – Western Australia**

A 350 hole drilling program completed during the period under review has defined a major dune hosted deposit averaging about 1% heavy minerals. This deposit, known as the Amy Zone, is 26km long, averaging 1.1km wide and 23m thick and lies at or close to the surface.

A scoping study on Amy Zone completed in December has given considerable encouragement for the Company to continue its exploration drilling program in 2001 when the focus will be on defining higher grade bands within and close to Amy Zone.

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- **Onslow Copper Project – Western Australia**

Interpretation of gravity geophysical data collected during the period under review has enabled better definition of the drilling targets described in the Company's Prospectus.

A drilling program to test these targets has been planned and discussions with major mining companies regarding the funding of the drilling are in progress.

3. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the half year ended 31st December 2000 the Company issued 400,000 ordinary fully paid shares in consideration for the acquisition of an exploration licence located near Onslow. No other significant changes occurred in the state of affairs of the Company during the period.

4. SHARE OPTIONS

As at 31 December 2000 the Company had 7,000,000 options on issue as follows:

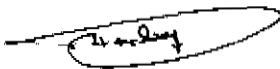
- 3,500,000 unlisted options exercisable at 20 cents each on or before 12 May 2005,
- 3,500,000 unlisted options exercisable at 25 cents each on or before 12 May 2005.

The total number of options on issue as at the date of this report is 7,000,000.

No shares have been issued by virtue of the exercise of an option during the half year or to the date of this report.

No person entitled to exercise any of the above options has any rights, by virtue of the option, to participate in any share issue of any other corporation.

Signed in accordance with a resolution of the Board of Directors.



DN Harley
Managing Director

Perth, Western Australia
9 March 2001

GUNSON RESOURCES LIMITED
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Financial Statements**PROFIT & LOSS STATEMENT****For the period 1st July 2000 to 31st December 2000**

	31 December 2000	31 December 1999
	\$	\$
Operating loss before income tax	(116,642)	-
Income tax expense attributable to operating loss	-	-
	<hr/>	<hr/>
Operating loss after income tax	(116,642)	-
Accumulated losses at the beginning of the financial period	(114,436)	-
	<hr/>	<hr/>
Accumulated losses at the end of the Period	(231,078)	-

The accompanying notes form part of these financial statements.

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Financial Statements (continued)

Balance Sheet

	31 December 2000 \$	30 June 2000 \$	31 December 1999 \$
CURRENT ASSETS			
Cash	2,307,720	3,249,171	1
Other Receivables	49,682	7,450	-
TOTAL CURRENT ASSETS	2,357,402	3,256,621	1
NON-CURRENT ASSETS			
Exploration Expenditure & Mining Properties	3,668,777	2,805,589	-
Plant & Equipment	2,889	2,185	-
TOTAL NON-CURRENT ASSETS	3,671,666	2,807,774	-
TOTAL ASSETS	6,029,068	6,064,395	1
CURRENT LIABILITIES			
Accounts Payable	240,319	240,151	-
Provisions	6,725	5,577	-
TOTAL CURRENT LIABILITIES	247,044	245,728	-
TOTAL NON CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	247,044	245,728	-
NET ASSETS	5,782,025	5,818,667	1
SHAREHOLDER'S EQUITY			
Share Capital	6,013,103	5,933,103	1
Accumulated Losses	(231,078)	(114,436)	-
TOTAL SHAREHOLDER'S EQUITY	5,782,025	5,818,667	1

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The accompanying notes form part of these financial statements.

Financial Statements (continued)

Statement of Cashflows
For the Half Year ended 31st December 2000

	31 December 2000 \$	30 June 2000 \$	31 December 1999 \$
Cashflows related To operating activities			
Payments for Exploration and evaluation	(756,279)	(187,143)	
Payments to suppliers and employees	(204,603)	(82,843)	
Interest received	72,001	12,698	
GST Paid	(43,524)	(1,293)	
Withholding Tax Paid	(6,157)	(6157)	
Total cashflows related to operating activities	<u>(938,562)</u>	<u>(264,738)</u>	-
Cashflows related to Investing activities			
Payments for plant and equipment	(2,889)	-	-
Total cashflows related to investing activities	<u>(2,889)</u>	<u>-</u>	<u>-</u>
Cashflows related to financing activities			
Net Proceeds from Share Issue	-	3,513,909	1
Total cashflows related to financing activities	<u>-</u>	<u>3,513,909</u>	<u>1</u>
Net increase / (decrease) in cash held	(941,451)	3,249,171	1
Cash at beginning of period	3,249,171	-	
Cash at end of period	<u>2,307,720</u>	<u>3,249,171</u>	<u>1</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2000

1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law, applicable Accounting Standards including AASB 1029: Half-Year Accounts & Consolidated Accounts and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

It is recommended that the half-year report is read in conjunction with the Annual Financial Statements of Gunson Resources Limited as at 30 June 2000 together with any public announcements made by the Company during the half-year ended 31 December 2000 in accordance with the continuous disclosure obligations arising under Corporations Law.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year.

2. COMPARATIVE FINANCIAL PERIOD

There is no comparable financial information on the Company as it was incorporated on 23 December 1999.

	31 December 2000	31 December 1999
	\$	\$
3. OPERATING PROFIT		
Include in the operating profit / (loss) before tax are the following items of revenue and expense-		
(a) Interest Revenue	72,001	-
4. SUBSEQUENT EVENTS		
Nil		
5. EARNINGS PER SHARE		
(a) Basic earnings per share (cents per share)	(0.36)	-
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	32,468,005	

Diluted earnings per share are not materially different from basic earnings per share.

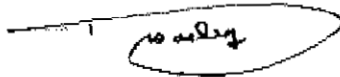
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DIRECTORS DECLARATION

In accordance with a resolution of the directors of Gunson Resources Limited we declare that in the opinion of the directors:

- a) the financial statements and notes of the Company:
 - (i) give a true and fair view of the financial position of the Company as at 31 December 2000 and the performance of the Company for the half-year ended on that date, and
 - (ii) comply with Accounting Standard AASB 1029: Half-Year Accounts & Consolidated Accounts and the Corporations Regulations.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



D N Harley
Managing Director

Perth, Western Australia
9 March 2001

GUNSON RESOURCES LIMITED
ACN: 090 603 642

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GUNSON RESOURCES LIMITED

Scope

We have reviewed the financial report being the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and Directors' Declaration of Gunson Resources Limited for the half-year ended 31 December 2000. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Half-Year Accounts and Consolidated Accounts, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.


Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gunson Resources Limited is not in accordance with:

- (a) the Corporations Law, including
 - (i) giving a true and fair view of the company's financial position as at 31 December 2000 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Half Year Accounts and Consolidated Accounts and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

BDO
Chartered Accountants


G F Brayshaw
Partner
Dated: 9 March 2001
Perth, Western Australia