GUNSON RESOURCES LIMITED
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DRILLING OF TEM GEOPHYSICAL TARGET AT FOWLERS BAY, SOUTH AUSTRALIA

Diamond drilling of a strong bedrock Transient Electromagnetic (TEM) target to test for massive nickel sulphides in the northern part of the Project exploration licence (Figure 1) was suspended earlier this week, following the failure of the two completed diamond drill holes to intersect the interpreted TEM conductive zone.

Down hole TEM measurements in the two drill holes are scheduled for early next week, to establish the location of the conductive zone in relation to the drill holes. Results from this survey are expected by 21st March, after which further drilling will be considered.

Details of the two diamond drill holes completed to date (Figure 1) are as follows:

Hole No	Angle	Pre Collar Depth	Total Depth	Geology
FBD 1	Vertical	50m	279m	Gneisses with foliation near-parallel to core axis ***ie vertical***
FBD 2	60° NW	39m	270m	Gneisses with foliation at 35 degrees to core axis

A possible explanation for both holes missing the TEM conductor is that its dip is steep north west, not steep south east, as predicted prior to the drilling program.

The exploration target at Fowlers Bay is craton margin Proterozoic nickel sulphide deposits on the western side of the Gawler Craton, within a belt of northerly trending ultramafic rocks hosted by faulted gneisses. The interpreted TEM conductor lies in a regional north – easterly trending fold in this belt, interpreted from magnetic data. The basement rocks observed in the drilling are consistent with this geological setting.

D N HARLEY
MANAGING DIRECTOR

Figure 1. **Fowlers Bay Project – Diamond Drill Holes**

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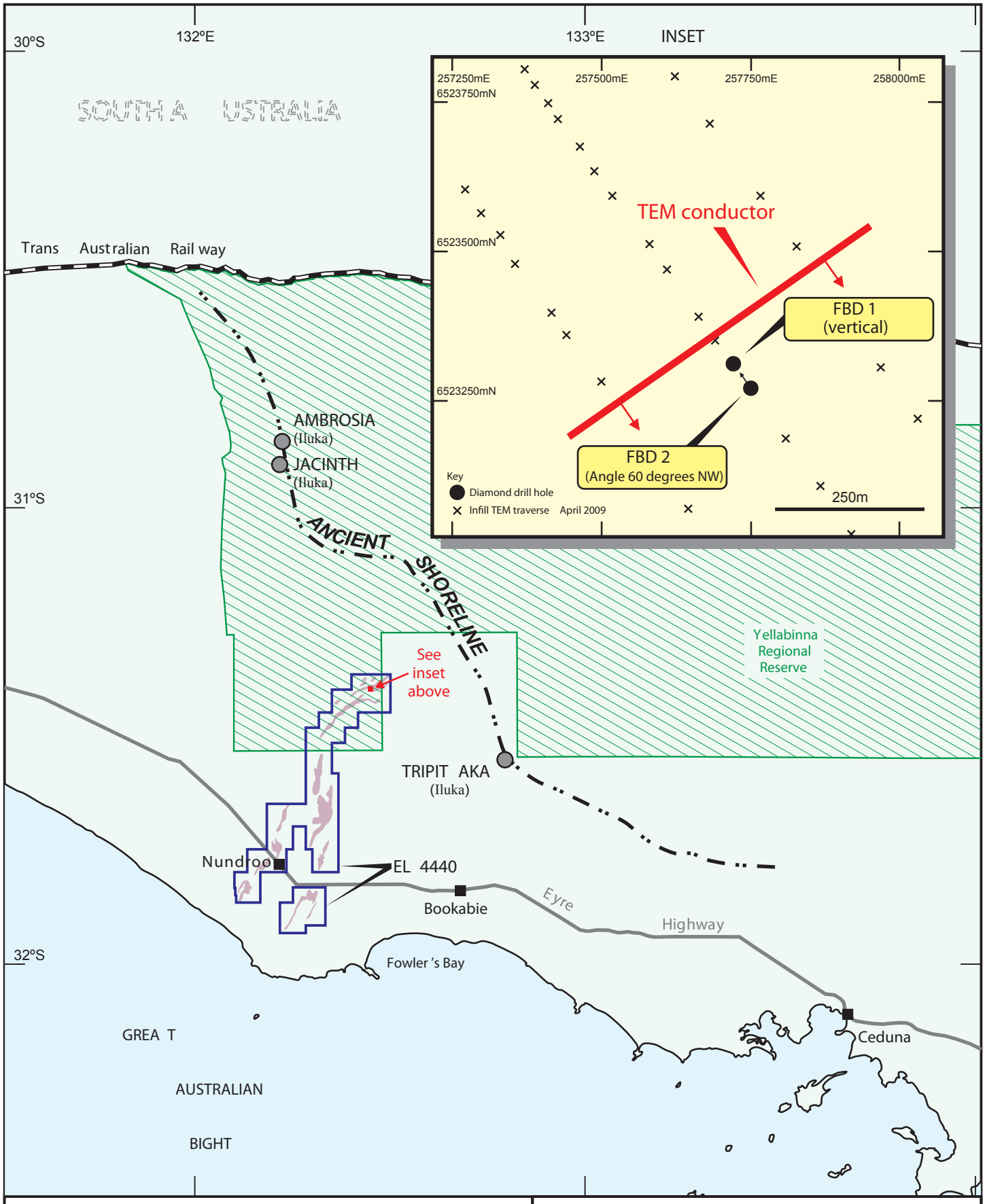

Legend

- Gunson Resources exploration licence
- Zircon rich heavy mineral sand deposit
- Interpreted ultramafic rock unit

N

50km

GDA94

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Fowler 's Bay Project - S.A.

Diamond Drill Holes

Scale : 1:1,250,000	File : FB Diamond Drill Holes.cdr
Date : 11 Mar 2011	Figure 1