

ASX RELEASE
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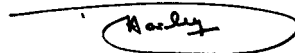
**RECOMMENCEMENT OF DRILLING AT
THE MOUNT GUNSON COPPER PROJECT,
SOUTH AUSTRALIA**

After the completion of the two hole program at Chianti Prospect on 16th January, drilling resumed today with a different rig, at Moseley Dam Prospect some 45 kilometres south west of Chianti.

Unlike the basement target at Chianti, the object at Moseley Dam is to test for shallow stratiform copper mineralisation in the cover sequence within open pit range, similar in style to the ore bodies mined previously at the Mount Gunson mining centre. The largest ore body mined at Mount Gunson was the Cattlegrid open pit mine, 20 kilometres north east of Moseley Dam, which yielded nearly 8 million tonnes of copper-cobalt ore averaging 1.7% copper with significant cobalt and silver credits.

The current six hole reverse circulation/diamond drilling program at Moseley Dam will test for copper mineralisation in the northward pinchout position of the Tapley Hill Formation shale against a basement high (Figure 1). Encouragement in the area includes a copper soil anomaly in the interpreted pinchout position and an intersection of 2 metres at 0.13% copper between 80-82 metres in an old CSR drill hole south of the target zone.

The Moseley Dam drilling program was approved for 50% funding by the South Australian Government under their PACE initiative in September 2004. Drilling is expected to take approximately 2 weeks, for a total of some 700 metres.



**D N HARLEY
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Attachments:

Figure 1: Mount Gunson Project – Moseley Dam Prospect

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ATTRIBUTION

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

GUNSON RESOURCES LIMITED

Figure 1 MOUNT GUNSON PROJECT - MOSELEY DAM PROSPECT

