

AUSTRALIAN STOCK EXCHANGE



GUN000039

**GUNSON RESOURCES LIMITED**

ABN 32 090 603 642

FACSIMILE MESSAGE

To:	Australian Stock Exchange
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Please find attached the Company's half yearly financial report for the period to 31st December 2002.

D N HARLEY
MANAGING DIRECTOR

GUNSON RESOURCES LIMITED
ACN 090 603 642

INTERIM FINANCIAL REPORT

31 DECEMBER 2001

GUNSON RESOURCES LIMITED
ACN 090 603 642

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CORPORATE DIRECTORY

DIRECTORS

William Cunningham (Chairman)
David Harley (Managing Director)
Peter Harley (Director)

COMPANY SECRETARY

Darryl Edwards

REGISTERED & PRINCIPAL OFFICE

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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 2001.

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	(Non Executive Director) Appointed 23 December 1999

All Directors were in office from the beginning of the financial period until the date of this report.

2. REVIEW AND RESULTS OF OPERATIONS

The Company incurred an operating loss after income tax of \$93,334 (2000:\$116,642) for the half-year ended 31 December 2001.

The highlights of the Company's activities in the six months to 31 December 2001 have been as follows:

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

A deep diamond drill hole sole funded by the Company's substantial shareholder and Joint Venture partner BHP Billiton, tested for copper-gold mineralisation at Midway Prospect on the Elaine Zone geophysical anomaly. This hole did not encounter significant copper mineralisation and it appears that the source of the geophysical anomaly and thus the main potential at this locality is at depth, below the existing drilling.

A new high priority target area named Chianti Prospect has been defined on the northern extension of Elaine Zone, approximately 16 kilometres NNE of Midway Prospect. This target is at considerably shallower depths and drilling is scheduled for mid March 2002.

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

A detailed low altitude aeromagnetic survey over the Amy Zone heavy mineral sand deposit defined a considerable number of magnetic anomalies interpreted to be zones of enhanced grade. These anomalies are largely untested by the previous widely spaced drilling program and are scheduled for drilling in April 2002.

- **Onslow Base Metal Project - Western Australia**

A single diamond drill hole designed to test part of the Minderoo South geophysical anomaly encountered geochemically anomalous basement rocks with features indicating potential for Broken Hill type zinc-lead mineralisation. An exploration program targeting this style of mineralisation is being formulated.

- **Shell Lakes Nickel/Diamond Project - Western Australia**

Grant of title for the five exploration licence applications (ELA's), which comprise this project, is expected shortly.

In the meantime, discussions with potential joint venture partners for both the diamond and nickel exploration programs are continuing.

3. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the half year ended 31 December 2001 the Company issued 4,440,000 ordinary fully paid shares at 30 cents per share, raising \$1,332,000. In addition, two of the Company's consultants exercised 300,000 options at 20 cents per share, bringing the total issued capital to 37.4 million shares. No other significant changes occurred in the state of affairs of the Company during the period.

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



DN Harley
Managing Director

Perth, Western Australia
1 March 2002

GUNSON RESOURCES LIMITED
ACN 090 603 642

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2001

	Notes	31 December 2001 \$	31 December 2000 \$
Total Revenue From Ordinary Activities	2	77,013	72,001
Administration expenses	3	<u>170,347</u>	<u>188,663</u>
Loss From Ordinary Activities Before Income Tax		(93,334)	(116,642)
Income Tax Expense		<u>-</u>	<u>-</u>
NET LOSS ATTRIBUTABLE TO MEMBERS		<u>(93,334)</u>	<u>(116,642)</u>
Basic earnings per share (cents per share)		<u>(0.28)</u>	<u>(0.35)</u>

The accompanying notes form part of this financial report.

GUNSON RESOURCES LIMITED
ACN 090 603 642

CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2001

	31 December 2001 \$	30 June 2001 \$
CURRENT ASSETS		
Cash assets	2,754,449	1,736,427
Receivables	15,984	25,808
TOTAL CURRENT ASSETS	<u>2,770,433</u>	<u>1,762,235</u>
NON-CURRENT ASSETS		
Exploration Expenditure	4,187,374	4,017,892
Property, Plant & Equipment	1,745	1,655
TOTAL NON-CURRENT ASSETS	<u>4,189,119</u>	<u>4,019,547</u>
TOTAL ASSETS	<u>6,959,552</u>	<u>5,781,782</u>
CURRENT LIABILITIES		
Payables	40,675	76,335
Provisions	4,058	4,058
TOTAL CURRENT LIABILITIES	<u>44,733</u>	<u>80,393</u>
TOTAL LIABILITIES	<u>44,733</u>	<u>80,393</u>
NET ASSETS	<u>6,914,819</u>	<u>5,701,389</u>
EQUITY		
Contributed Equity	7,319,866	6,013,102
Accumulated Losses	(405,047)	(311,713)
TOTAL EQUITY	<u>6,914,819</u>	<u>5,701,389</u>

The accompanying notes form part of these financial statements.

GUNSON RESOURCES LIMITED
ACN 090 603 642

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2001

	31 December 2001 \$	31 December 2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for exploration and evaluation	(189,837)	(756,279)
Payments to suppliers and employees	(192,288)	(204,603)
Interest received	49,404	72,001
Management fees (Mt Gunson JV)	27,609	
Withholding Tax Paid	-	(6,157)
GST paid/received	17,594	(43,524)
	<hr/>	<hr/>
NET CASHFLOWS FROM/(USED IN) OPERATING ACTIVITIES	(287,518)	(938,562)
	<hr/>	<hr/>
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(1,224)	(2,889)
	<hr/>	<hr/>
NET CASHFLOWS FROM/(USED IN) INVESTING ACTIVITIES	(1,224)	(2,889)
	<hr/>	<hr/>
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	1,392,000	-
Payment of share issue costs	(85,236)	-
	<hr/>	<hr/>
NET CASHFLOWS FROM/(USED IN) FINANCING ACTIVITIES	1,306,764	-
	<hr/>	<hr/>
NET INCREASE / (DECREASE) IN CASH HELD	1,018,022	(941,451)
Cash at beginning of period	1,736,427	3,249,171
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CASH AT THE END OF THE FINANCIAL YEAR	2,754,449	2,307,720

GUNSON RESOURCES LIMITED
ACN 090 603 642

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2001

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS

The half year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act, Accounting Standard 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements.

It is recommended that this financial reports be read in conjunction with the 30 June 2001 Annual Financial Statements and any public announcements by Gunson Resources Limited during the half year in accordance with continuous disclosure obligations arising under the Corporations Act.

They have been prepared on the basis of historical costs and except where stated, do not take into account changing money values or current valuations of non current assets.

The accounting policies are consistent with those of the previous financial year (30 June 2001) and corresponding half year.

The carrying amount of non current assets are reviewed to determine whether they are in excess of their recoverable amount at the end of the half year. If the carrying amount of a non current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

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

The half year report does not include full disclosure of the type usually included in an annual financial report.

GUNSON RESOURCES LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont')
FOR THE HALF YEAR ENDED 31 DECEMBER 2001

	2001	2000
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Management fees – Joint Venture	27,609	-
Interest received – other persons	49,404	72,001
	77,013	72,001
3. LOSS FROM ORDINARY ACTIVITIES		
The loss from ordinary activities before income tax has been determined after:		
Depreciation	1,588	704
4. EVENTS SUBSEQUENT TO REPORTING DATE		
Nil		
5. CONTINGENT LIABILITIES		
The Directors are not aware of any contingent liabilities as at 31 st December 2001.		
There has been no change in liabilities since the last annual reporting date.		
6. SEGMENT INFORMATION		
The Company operates wholly within the Minerals Exploration Industry within Australia		

GUNSON RESOURCES LIMITED
ACN 090 603 642

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 set out on pages 4-8:
 - (i) give a true and fair view of the financial position of the Company as at 31 December 2001 and the performance of the Company for the half-year ended on that date, and
 - (ii) comply with Accounting Standards AASB 1029 "Interim Financial Reporting" 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.

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



D N Harley
Managing Director

Perth, Western Australia
1 March 2002



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"Advisers to growing businesses"

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GUNSON RESOURCES LIMITED

Scope

We have reviewed the financial report being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Directors' Declaration of Gunson Resources Limited for the half-year ended 31 December 2001. 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: Interim Financial Reporting, 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 and the ASX.


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 Act, including
 - (i) giving a true and fair view of the company's financial position as at 31 December 2001 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: "Interim Financial Reporting" and the Corporations Regulations; and
- (a) other mandatory professional reporting requirements.

BDO
Chartered Accountants


G F Brayshaw
Partner
Dated: 1 March 2002
Perth, Western Australia

INTERIM FINANCIAL REPORT
ENDED 31 DECEMBER 2001