

ASX RELEASE
29th July 2009

**SUCCESSFUL COMPLETION OF FIRST 2009 DRILL HOLE:
MOUNT GUNSON COPPER PROJECT**

The first hole of the 2009 drilling program at Mount Gunson, MGD 55, was completed today at 1,108 m. This hole tested the 400 m wide peak zone of the Emmie Bluff gravity geophysical anomaly, first identified by Mount Isa Mines (MIM) in the early 1980s.

MGD 55 intersected strongly hematitic basement rocks from 736 m, beneath interbedded sandstone and shale units of the cover sequence.

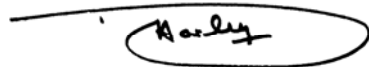
Basement comprises metamorphosed, altered hematite and chlorite rich sedimentary rocks with trace sulphides to 918 m, then increasing pyrite and the copper sulphide chalcopyrite from 918 to 1,000 m. The interval between 935 and 1,000 m is particularly hematite and sulphide rich, with a visual estimate of 3% chalcopyrite or approximately 1% copper overall. Narrower zones of higher grade copper mineralisation were noted. Below 1,015 m, the dominant rock type is sandstone, with minor conglomerate beds.

The mineralised core from MGD 55 will be trucked to Adelaide for sampling and assay next week, with assay results expected in late August.

In the meantime, the drill rig will move some 2.8 km to the west of MGD 55, to test a residual gravity high west of the Con Ryan magnetic anomaly tested with hole SAE 7 by MIM in 1990 (Figure 1). SAE 7 was stopped at 1,222 m, an estimated 80 m above the magnetic source. The new hole, MGD 56, is located about 750 m west of SAE 7 and its anticipated depth is 1,300 m.

Juxtaposition of a shallower gravity anomaly adjacent to the Con Ryan magnetic anomaly is considered to be a favourable location for iron oxide associated copper-gold mineralisation.

The drilling is being funded by Noranda Pacific Pty Limited (Noranda), a company within the Xstrata Copper Business Unit. Noranda has the right to earn a 51% interest in the Mount Gunson Copper Project by spending \$3.5 million on exploration by 15th June 2010. At the end of June 2009, Noranda had spent \$2.3 million.



D N HARLEY
MANAGING DIRECTOR

Figure 1 Con Ryan Residual Gravity and Drilling

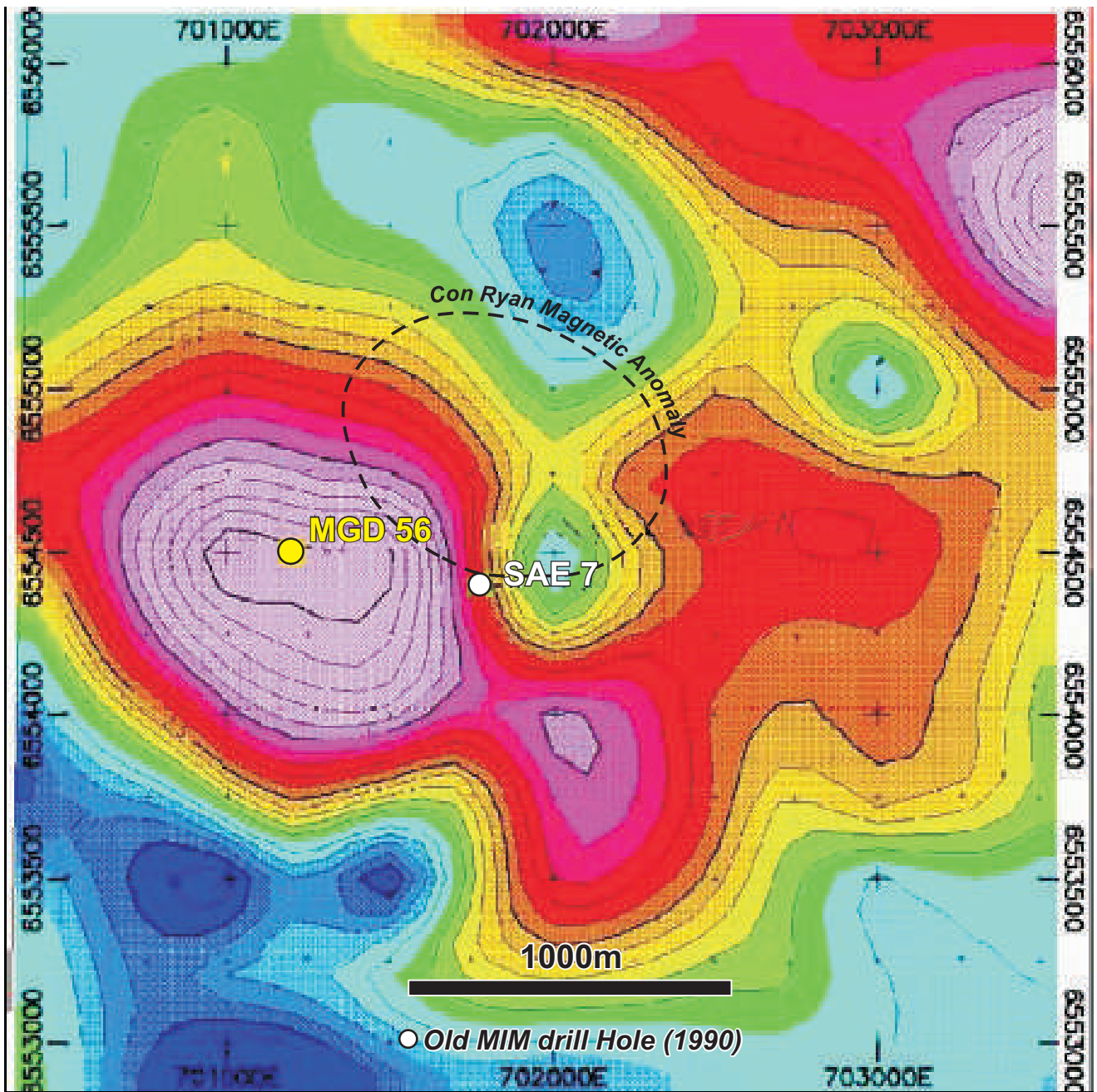
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ATTRIBUTION

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.

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Gunson Resources Ltd
Mount Gunson Copper Project
South Australia
Con Ryan Anomaly
Residual Gravity and Drilling

Date : 29 July 2009	File : Con Ryan Residual Gravity_Drilling MGD56.cdr
	Figure 1