

**METALLURGICAL DRILLING RESULTS - WINDABOUT PROSPECT
MOUNT GUNSON COPPER PROJECT, SA**

In the Company's release of 29th April 2010, copper intersections from MG 14 Prospect were listed and it was stated that assays for the metallurgical drilling at Windabout Prospect were expected in May. These assays were received earlier this week and the best intersections from each of the five vertical diamond drill holes completed at Windabout Prospect in April are listed below:

Hole N ^o	From (m)	To (m)	Intersection
MGD 63	59.0	61.0	2.0 m @ 1.4% Cu
MGD 64	74.2	76.2	2.0 m @ 1.5% Cu
MGD 65	82.7	84.3	1.6 m @ 1.8% Cu
MGD 66	63.4	65.4	2.0 m @ 3.0% Cu
MGD 67	62.1	64.8	2.7 m @ 1.5% Cu

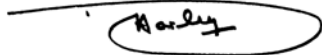
Two of the above intersections may become wider, as a 0.4 metre sample immediately above the MGD 64 intersection and half metre samples immediately either side of the higher grade MGD 66 intersection were not assayed. These 3 samples were selected by the metallurgical laboratory for rock mechanical testing but are now being assayed, with results expected in early June.

Both MG 14 and Windabout Prospects occur in areas excised from the Noranda Pacific Pty Limited farm-in agreement, collectively known as the Excised Area and are currently the subject of a Bankable Feasibility Study (BFS).

As for MG 14 Prospect, the above intersections were calculated at a 0.8% copper cut-off grade. They compare well with the neighbouring drill holes on the attached plan, Figure 1 and have added useful infill data on the relatively widely spaced Windabout drilling grid. To put the drill hole spacing at Windabout Prospect in context, it averages 100 m, compared to the 50 m average spacing at MG 14. The latest drilling results support the Company's view that selective mining of the Windabout deposit could yield a lower tonnage of higher grade mineralisation than the Indicated Resource of 18.7 million tonnes at 1% copper published on page 19 of the Company's 2009 Annual Report. Confirmation of such high grade zones is to be the focus of drilling scheduled for the second half of 2010.

Metallurgical test work at Optimet Laboratories in Adelaide has been in progress for approximately 3 weeks and this program is scheduled for completion in August, 2010.

Discussions with companies interested in funding part of the BFS and potential mine development have continued this month, although some potential investors have been turned away by the Government's ill conceived "super profits" tax. However, a resolution of BFS funding is expected in June.



D N HARLEY
MANAGING DIRECTOR

Figure 1 Windabout Prospect – 2010 Metallurgical Drilling

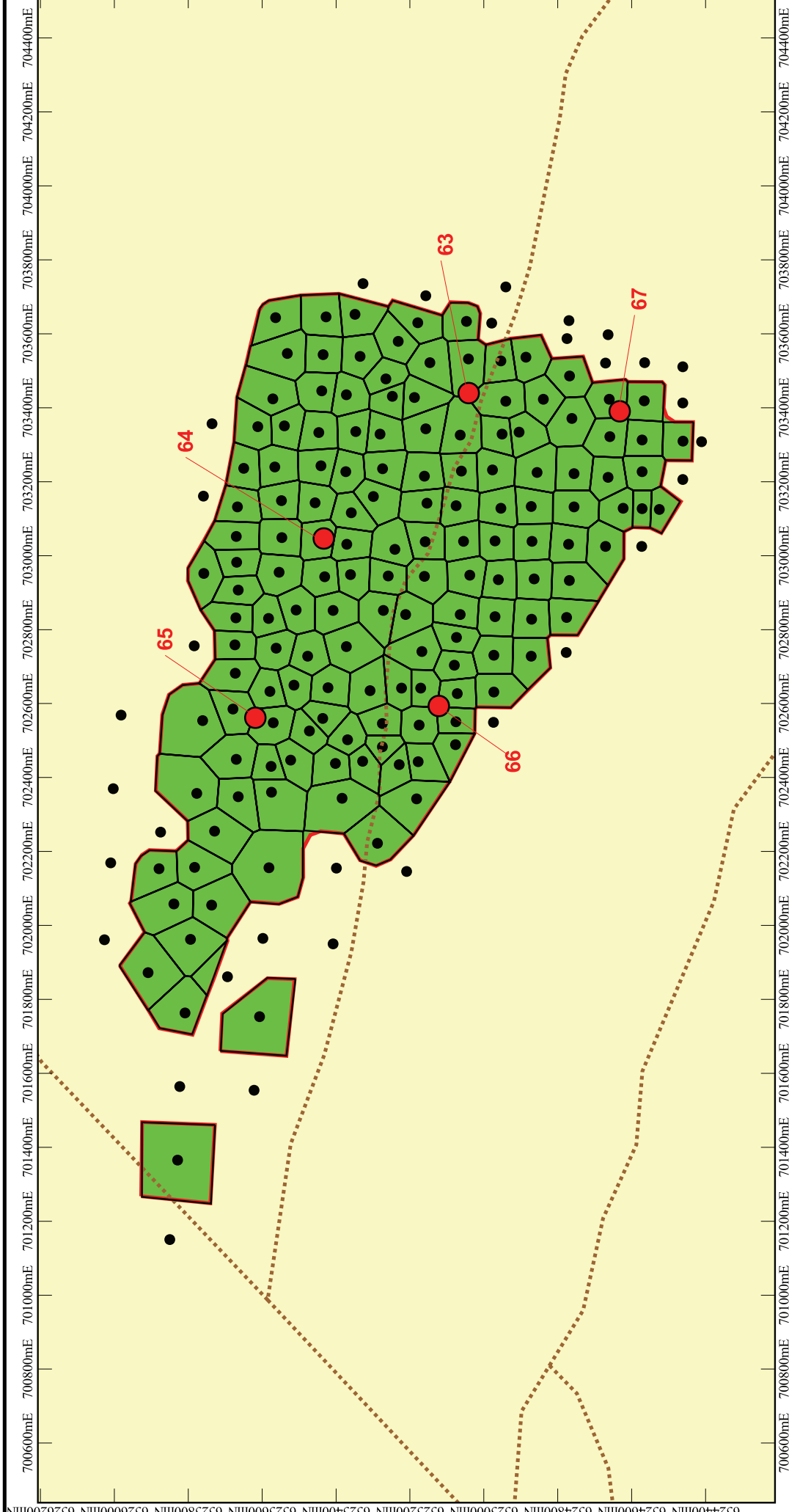
Investor Enquiries:

Telephone: 08 9226 3130
Facsimile: 08 9226 3136
Email: enquiries@gunson.com.au
Website: www.gunson.com.au
Address: PO Box 1217,
West Perth, Western Australia, 6872

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 Project

Windabout Prospect

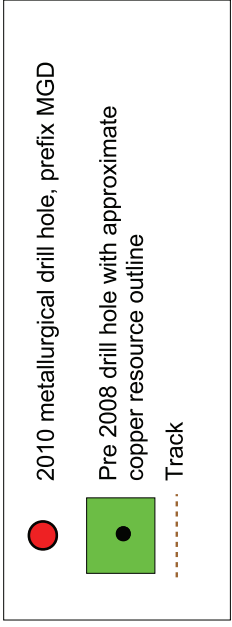
2010 Metallurgical Drilling

May 27, 2010

Plan No: 2010-

Scale 1 : 15,000

Figure: 1



Transverse Mercator Projection, Map Grid of Australia 1994
Geocentric Datum of Australia 1994