

ASX RELEASE
13th March 2007

**DRILLING AT EMMIE EAST
COPPER PROSPECT - MOUNT GUNSON,
SOUTH AUSTRALIA**

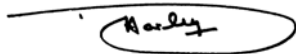
Since the Company announced the commencement of drilling at Mount Gunson on 13th February 2007, the first hole, MGD 42, has made slower than expected progress. It is currently at a depth of 830 metres in Pandurra Formation sandstone, the lowermost rock unit in the cover sequence above the basement target zone.

The main cause of the drilling delay, which resulted in little progress for nearly 3 weeks, was a cavity that formed in the ground on the edge of the hole some 50 metres below the 300 metre deep pre collar. This cavity triggered a series of broken drill rods and mechanical failures, requiring extension of the steel casing below the pre collar to cover the cavity.

After the additional casing was installed, drilling accelerated and it is anticipated that the hole will enter the target zone in the next 2 days. Completion of the hole is expected next week and a decision on the location of the next hole in the drilling program will be announced at that time.

Hole MGD 42 passed through the contact between the Whyalla Sandstone and Pandurra Formation cover sequence rock units at 457 metres. The Tapley Hill Formation shale, which often occurs between these two rock units and which hosts the upper mineralised horizon at Emmie Bluff Prospect some 5 kilometres to the west, was absent.

The drilling program is being funded by Noranda Pacific Pty Ltd, part of Xstrata Copper, who have the right to earn a 51% interest in the Mount Gunson Project by spending \$3.5M on exploration within 3 years of 15th June 2006.



**D N HARLEY
MANAGING DIRECTOR**

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
Media: Tony Dawe 0413 322 110

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.