

ASX ANNOUNCEMENT

6 November 2014



ABN 32 090 603 642

Company Facts

Gunson Resources (ASX: GUN)

Exposure to major 'construction ready' Coburn Heavy Mineral Sands Project in Western Australia and emerging country-wide exploration play in Tanzania, within a major mineral sands producing corridor

Key projects:

- Coburn Heavy Mineral Sands Project, WA (100%)
- Tanzanian Heavy Mineral Sands Exploration Projects (100%)
- Mt Gunson Copper Exploration Project, SA (100%)
- Mt Gunson MG14/Windabout Copper-Cobalt-Silver Development Project, SA (100%)
- Fowlers Bay Project, SA (100%) – Western Areas JV

Corporate Structure

Shares on issue	606.9m
Unlisted Options	19.6m
52 week high	2.9 cps
52 week low	1.2 cps

Company Directors

Michael Folwell
Non-Executive Chairman

Richard Hill
Managing Director

Bill Bloking
Non-Executive Director

Didier Murcia
Non-Executive Director

Investor Enquiries

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WESTERN AREAS COMMENCING MAJOR BASE METAL EXPLORATION CAMPAIGN AT GUNSON'S FOWLERS BAY PROJECT

Highlights

- Western Areas to commence earn in on Gunson's Fowlers Bay Project as part of major ongoing exploration campaign
- Gunson free carried for up to \$1.2M of expenditure
- The campaign will commence this month with a detailed magnetic survey aimed at identifying high priority targets
- 'First mover' play in a region believed to be prospective for large multi-commodity deposits including mafic-ultramafic hosted nickel-copper-PGE's, iron oxide copper gold (IOCG), e.g. Olympic Dam, and Proterozoic gold deposits, e.g. Tropicana

Gunson Resources Limited ("Gunson") is pleased to announce that the team at Western Areas Limited (ASX: WSA) will imminently commence exploration over Gunson's 100% owned, 700km² Fowlers Bay Project as a key part of their earn in and major exploration push in the Western Gawler region of South Australia, aimed at identifying high priority base metal drill targets (see ASX Announcement 9 October 2014).

First phase exploration will include detailed airborne geophysical surveys (Magnetics) over the project area to facilitate the geological interpretations, and allow for initial target generation using the higher resolution data. A combination of drilling and further geophysics will then be used to screen the initial targets and generate further targets for detailed assessment.

Western Areas has identified this as a highly prospective project in line with their regional exploration strategy and see it as a 'first mover' opportunity targeting an area with significant discovery potential for high grade massive sulphide poly-metallic mineralisation.

Commenting on the joint venture, Gunson's Managing Director, Richard Hill, said, "We are delighted to be partnering with such a significant and well regarded base metals company such as Western Areas who have an exceptional record of discovery and production success. We look forward to the exciting news flow over the coming year."

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About the Fowlers Bay Project

The Fowlers Bay Project comprises a 700 square kilometre exploration licence located approximately 150km west of Ceduna in the Western Gawler region of South Australia, close to existing infrastructure including road and port (see Figure 1).

In late 2013, Gunson completed a gravity survey over a rectangular target area approximately 9 kilometres long by 3.5 kilometres wide. The results showed good correlation with a north-south trending magnetic zone defined by an earlier aeromagnetic survey. The gravity data suggests that the magnetic zone is comprised of mafic and possibly ultramafic rocks that may contain base metal sulphides (see Figures 1-3).

In early October 2014 Gunson announced that Western Areas had agreed to earn in to the Fowlers Bay Project as a priority target area for their Western Gawler regional exploration strategy. Under the joint venture Western Areas will sole fund up to \$1.2 million of exploration (see ASX Announcement 9 October 2014).

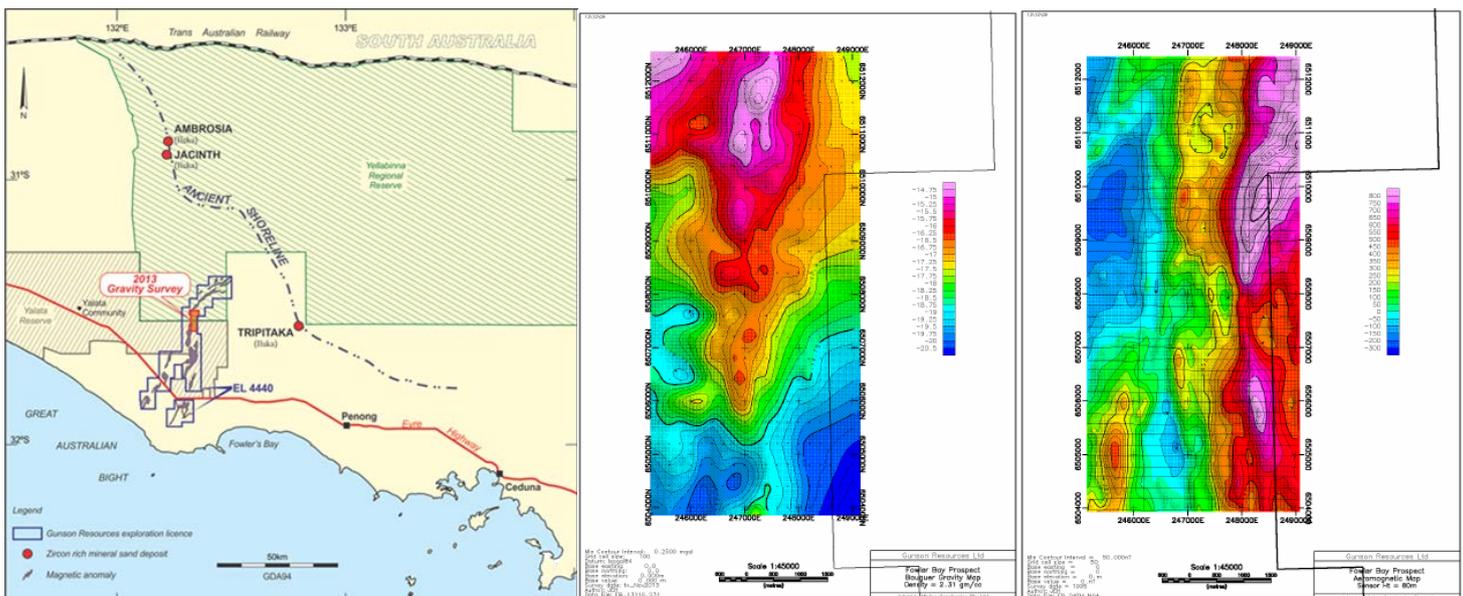


Figure 1. Location of Fowlers Bay Project

Figures 2 and 3. Coincident 9 x 3.5km gravity and magnetic anomaly (see Fig 1 inset area)

Geological Setting

The Fowlers Bay Project is part of an area that is believed to be prospective for mafic-ultramafic hosted nickel-copper-PGE sulphides, as well as iron oxide copper gold (IOCG), e.g. Olympic Dam, and Proterozoic gold deposits, e.g. Tropicana.

The tenement package covers an interpretive prospective craton margin containing deep seated structures, with a complex and long lived structural and Proterozoic intrusive history. The area is known to host mafic-

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ultramafic intrusive rocks, and the extent, exact age and prospectivity of these will be the first key goal of the initial exploration.

The area is tectonically related to the Musgrave (Nebo/Babel and Succoth) and Albany-Fraser Orogens (Nova/Bollinger), and has the potential to host mafic-ultramafic intrusive related deposits (such as Eagle, Voisey Bay, and Tamarack). These styles of deposits are typically large and multi-commodity (nickel, copper and +/-PGEs).

About Western Areas Limited

Western Areas is an ASX 200 listed company and Australia's second largest nickel sulphide producer, with high grade nickel production assets in Australia and base metals exploration projects across Australia, Canada and Finland. Western Areas was built upon the successful discovery of two of the highest grade nickel ore bodies in the world located at Forrestania, Western Australia. The Company has a committed strategy to growth which includes both significant re-investment in exploration at Forrestania and also continued regional exploration programs outside Forrestania and pre-development projects in the base metals space in stable jurisdictions.

About the Joint Venture

As outlined in Gunson's ASX Announcement dated 9 October 2014, the key terms of the Joint Venture are as follows:

- Western Areas will be Project Operator.
- Western Areas will spend \$800k on agreed exploration activities over 2.5 years (Term 1) to earn a 75% participating interest in the Project.
- Following Term 1, Western Areas can declare a 75%/25% Joint Venture (**JV**) or elect to earn a further 15% interest by spending another \$400k in the subsequent 18 month period (Term 2).
- Following Term 2, a 90% Western Areas/10% Gunson JV will be formed.
- Gunson will be "free-carried" until a JV is declared, following which it can pay its pro-rata share of JV costs, dilute its interest, or convert it into a 1% gross royalty.

For further enquiries, please contact:

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COMPETENT PERSON STATEMENT

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Brendan Cummins, a consultant to Gunson. Mr Cummins is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.