GUNSON RESOURCES LIMITED

ABN 32 090 603 642

ASX RELEASE

6 June 2013

COMPANY UPDATE

1. Introduction

This release outlines the Company's progress on implementing its short and medium term funding strategy, an update of its exploration/development projects and the recruitment process for a new Managing Director.

2. Funding

Over $1.7 million in cash is to become available in the third quarter of 2013, from the following two sources:

(a) ***Retirement of $1.2 million Performance Bond*****.** The attached Fact Sheet (Appendix 1) released last month by the Western Australian Department of Mines and Petroleum (DMP) outlines the transition from environmental performance bonds to payment of annual levies into a Mines Rehabilitation Fund. This new arrangement will allow the release of $1.2 million currently held in a term deposit to back a Coburn Project performance bond. However, the Company will be required to pay in July 2013 an annual levy estimated to be less than $20,000. After payment of the levy, the process is estimated by DMP to take approximately three weeks, allowing the Company access to its $1.2 million term deposit for working capital.

(b) ***R&D Tax Rebate*****.** A research and development (R&D) tax rebate from the Australian Tax Office of more than $0.5 million is expected during the third quarter of 2013.

Current Cash Balance. At the end of May 2013, the Company separately held just under $0.4 million in cash and short term deposits, sufficient at the current low expenditure rate to fund its outgoings until the end of the third quarter of 2013.

3. Coburn Zircon Project

As stated in the Company's announcement on 3 May 2013, the search for a new strategic partner to maximise the value of the Coburn Zircon Project has recommenced. This process is being assisted by early signs of an improvement in both the zircon and titanium dioxide mineral markets reported by large mineral sand producers Iluka and Tronox.

4. Mount Gunson Copper Project

Additional work is being conducted on the Company's small to medium sized near-surface copper-cobalt-silver deposits immediately north of the old Mount Gunson mining centre. The Company's two main deposits, MG 14 and Windabout, were excised from the farm-in agreement with Xstrata Copper subsidiary Noranda Pacific Pty Limited in June 2009 and a bankable feasibility study (BFS) commenced in late 2009.

Since late 2011, negotiations have been held with a small-mine operator that proposes to recover metallic copper, cobalt and silver at the mine site by a solvent extraction-electrowin process. Production of saleable metal products at the mine site avoids the problem of non-payment by smelting companies for cobalt contained in copper

concentrates, which is particularly acute at Windabout because the cobalt value exceeds the value of copper in the concentrate.

An information memorandum is currently being prepared by the Company, in conjunction with the small-mine operator, which will include the new JORC 2012-compliant resource report on MG 14 received on 4 June 2013. The new MG 14 Indicated Resource is 1.62 million tonnes averaging 1.4% copper, 397 ppm cobalt and 14 g/t silver at 0.5% copper cut-off. A technical report on this Resource in accordance with the new ASX guidelines is attached as Appendix 2. An indicated resource for the Windabout deposit of 18.7 million tonnes averaging 1.0% copper, 500 ppm cobalt and 10 g/t silver at 0.5% copper cut off is listed on page 15 of the Company's 2012 Annual Report.

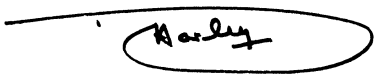
5. Tennant Creek Project

On 30 May 2013, the Central Land Council consented to the grant of exploration licence applications 23946 and 23949, along strike to the west of the Company's new Gosse 5 exploration licence 29553 granted on 19 February 2013.

Grant of the two licences on aboriginal land is expected in July 2013 and the combined strike length of the above three tenements, which cover the same east-west trending fault structure, is approximately 20 kilometres.

6. Search for New Managing Director

As also foreshadowed in the Company's announcement on 3 May 2013, the Board has retained a recruitment firm to undertake an executive search to assist it with the appointment of a new Managing Director. The recruitment firm has advised that the entire search process could be completed within approximately 10 to 12 weeks. Shareholders will be advised as soon as an appointment is made.



D N HARLEY
MANAGING DIRECTOR

Attachments: Appendix 1. DMP Fact Sheet
Appendix 2. Consultant Report on MG 14 Mineral Resource Estimation.

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ATTRIBUTION

The information in this release that relates to the MG 14 mineral resource is based on data compiled by Mr T Callaghan of Resource and Exploration Geology, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Callaghan 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Callaghan has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The remaining technical information in this release that relates to exploration results and mineral resources is based on data compiled by Mr DN Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience 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 Harley consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Government of **Western Australia**
Department of **Mines and Petroleum**

Mining Rehabilitation Fund

Fact sheet – May 2013

WHAT IS THE MINING REHABILITATION FUND?

Currently, all Mining Act tenement holders are required to provide bonds as security to ensure that they fulfil their environmental obligations. The bonds system does not cover the true cost of rehabilitating abandoned mines, and increasing bonds to cover the full rehabilitation costs would impose a significant financial impact upon the mining industry.

Bonds discourage investment by tying up significant funds that could be used for developing a mining project and also have to be applied to the specific mine for which the security is held, they cannot be used to address the problem of legacy abandoned mines.

The Mining Rehabilitation Fund (MRF) will overcome these issues by providing a pooled fund, levied according to the environmental disturbance existing on a tenement at the annual reporting date.

This model was chosen following extensive consultation with industry, Government and conservation/community stakeholders.

Money in the fund will be used for rehabilitation where the operator fails to meet rehabilitation obligations and every other effort has been used to recover funds from the operator.

Interest generated from this account will be used to fund the administration of the MRF and will also be used to undertake rehabilitation works on legacy abandoned mine sites throughout the state.

The Fund will enhance the State's ongoing capacity to manage and rehabilitate abandoned mines, leading to better environmental and community safety outcomes.

WHO IS AFFECTED AND WHEN DOES THE MRF START?

All tenement holders operating on *Mining Act 1978* tenure, (with the exception of tenements covered by State Agreements not listed in the regulations) will be required to report disturbance data and contribute annually to the Fund. Tenements with a rehabilitation liability estimate below a threshold of $50,000 will report disturbance data but will not be required to make payment to the Fund.

State Agreement proponents can opt in to the Fund, and be included in a Schedule to the MRF regulations.

The Fund will be implemented from 1 July 2013, pending gazettal of the MRF regulations. It will initially be on a voluntary 'opt in' basis. This provides companies with an early opportunity to have their bonds retired where approved by the DMP against specific criteria, and allows other companies more time to establish administrative systems.

From 1 July 2014, participation in the Fund becomes compulsory.

HOW IS THE MRF LEVY CALCULATED?

Tenement holders will be required to submit data to the department annually using the online system, declaring the number of hectares disturbed and the type of disturbance. The disturbance types will be clearly defined in the regulations.

The levy will be calculated on a per tenement basis. The Fund contribution rate is proposed to be one per cent.

The system will be available from the DMP website from 1 July 2013.

NEXT STEPS FOR TENEMENT HOLDERS

1. ***Complete online registration:*** All tenement holders have been sent a letter from the department, requesting online registration for the MRF, the tenement holder will need to provide or confirm their email address. If a tenement holder has not received this registration letter, please check that all tenement contact details held with the DMP are current. If you have further questions you can email mrfenquiry@dmp.wa.gov.au.

2. ***Submit data online (including disturbance data, MRF opt-in and details of bonds to be retired):*** After 1 July 2013, if the tenement holder wishes to opt-in to the MRF they will have to use the online system to submit land disturbance data.

   The system also provides the option to select whether you wish to opt-in to the MRF early, during the voluntary period, and to notify DMP of any existing bonds to be retired upon payment of the first levy notice of assessment. Those choosing to opt in early will need to consider the criteria for the voluntary year (see step 3).

   Alternatively, tenement holders can submit data in the voluntary period and not select to opt into the MRF in the voluntary period. Some tenement holders may choose to wait until the MRF becomes compulsory from 1 July 2014 based on what is best for their business.

   The draft regulations provide for a threshold where a tenement with a rehabilitation liability estimate of less than $50,000 (which would equate to a levy of $500) will be required to report disturbance but not required to contribute to the Fund.

3. ***Eligibility criteria for retirement of bonds:*** Upon lodgement of the information online, tenement holders will be asked if any of the following criteria apply:

   a. *If the tenement holder or controlling business entity is currently under administration, they will be* ***ineligible*** *to have bonds retired during the voluntary opt in phase.*

   b. *If the tenement holder has been issued with any fines, direction to modify or stop work orders within the last two years and/or the tenement is due for renewal before 1 July 2014, the tenement holder will be required to write to the Director General of the Department of Mines and Petroleum outlining reasons for requesting early entry into the MRF.*

4. ***MRF Levy Payment Advice to be paid:*** If eligible under step 3, an MRF levy payment advice will be sent based on the data submitted by the tenement holder at step 2.

5. ***Bond release process commences:*** After the levy payment is received by the Department, the process to retire the bond will begin.

   The Department will then write to the tenement holder and the bank which holds the bond, advising that the bond may be released. Depending upon complexity, this process may take up to three weeks for the DMP to prepare and provide documentation, plus additional time for the bank to complete its processing.

WHAT HAPPENS WITH NEW MINING PROJECTS — DO WE STILL HAVE TO PAY A BOND?

New projects commencing operations prior to 1 July 2013:
May still be required to post a partial or full bond.

New projects commencing after 1 July 2013:
May choose to participate in the MRF and avoid supplying a bond.

WHERE CAN I GET MORE INFORMATION?

The department will continue to consult with industry as the regulations are finalised and implementation of the MRF progresses. For more information on the MRF, please refer to the department's website at: www.dmp.wa.gov.au/environment, or email mrfenquiry@dmp.wa.gov.au.

Tim Callaghan – Resource and Exploration Geology

TECHNICAL MEMORANDUM

MG14 Cu-Co-Ag DEPOSIT – RESOURCE ESTIMATION METHODOLOGY, JUNE 2013

The MG14 deposit is a sediment-hosted Copper-Cobalt sulphide deposit formed through the replacement of diagenetic pyrite within dolomitic shales of the Tapley Hill Formation. The geology of the deposits is simple with the Tapley Hill formation forming a flat lying bed located 20-25m below surface. Mineralisation consists of fine grained, chalcocite-bornite-chalcopyrite-covelite-pyrite-carrolite-galena-sphalerite in a gangue of dolomite, clay/sericite, quartz and siderite.

A kriged block model resource estimation has been completed on historic and recent diamond and RC drilling data. Although largely based on historic data, data quality is considered to be low risk with only minor statistical discrepancies between historic drilling campaigns. The high grade eastern end of the deposit has been drilled on 50m centres with the lower grade western end drilled on 100m centres (Figure 1). Details of sampling techniques and data used for this estimation are summarised in Table 2.

The MG14 Mineral Resource classified and reported in accordance with the 2012 edition of the JORC Code is listed in Table 1.

Table 1. MG14 Indicated and Inferred Resource

	Cu >0.5% cutoff.				Cu >1.0% cutoff.			
Classification	**MTonnes**	**Cu Pct**	**Co Ppm**	**Ag Ppm**	**MTonnes**	**Cu Pct**	**Co Ppm**	**Ag Ppm**
Inferred	0.43	0.7	274	10				
Indicated	1.62	1.4	397	14	1.3	1.6	405	16
Total	**2.05**	**1.3**	**371**	**14**	**1.3**	**1.6**	**405**	**16**

The resource has been classified as Indicated and Inferred based on drill hole spacing and data integrity. The deposit was not classified as a Measured Resource due to the lack of QAQC data and the large amount of historic data used for the estimation.

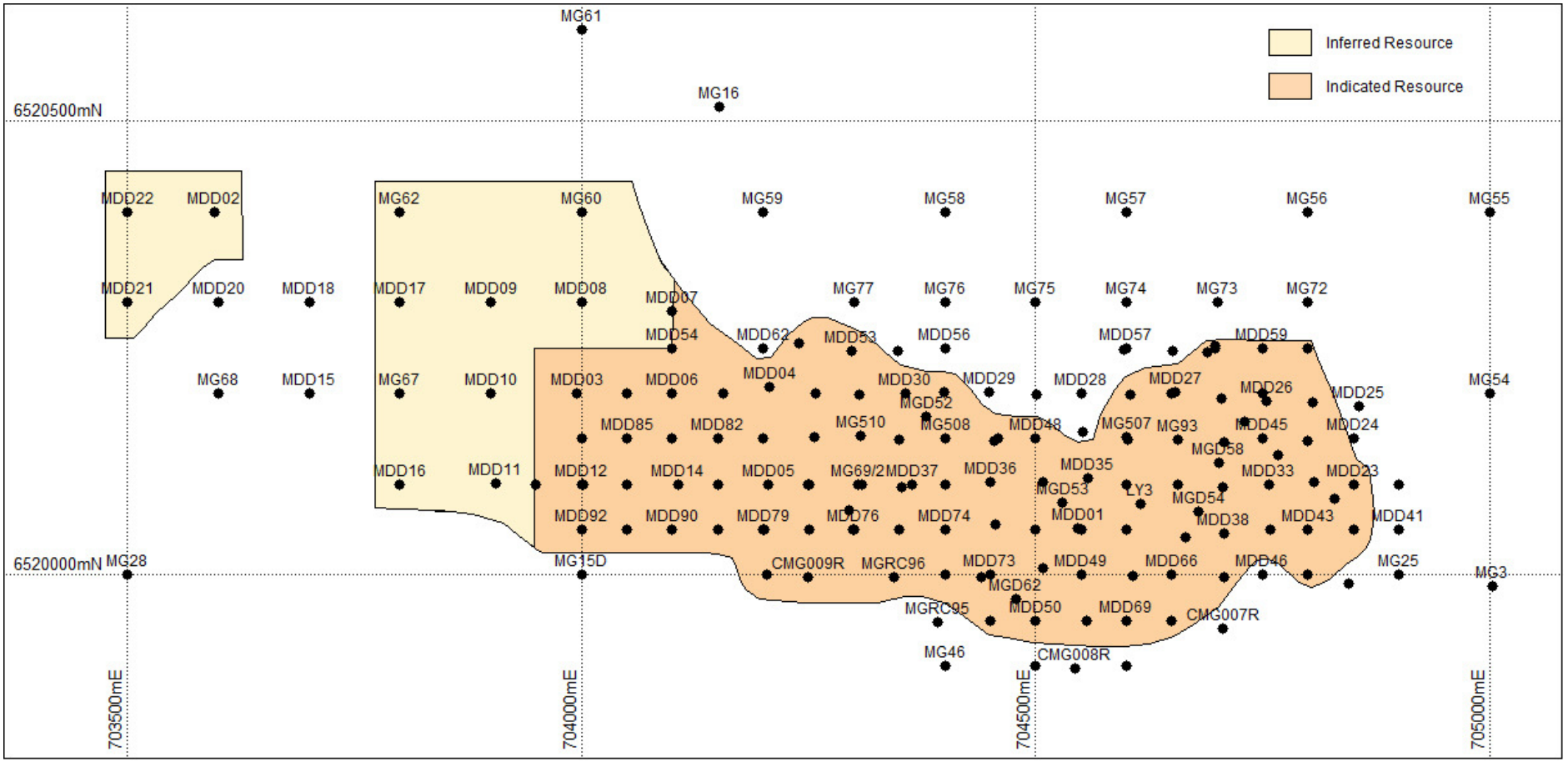

Figure 3. MG14 Drill Hole Locations and Indicated and Inferred Resource.

Table 2. Summary of MG14 Drill Hole Sampling Techniques and Data

Criteria	Status
Drilling Techniques	• 84 NQ surface diamond core DDH for 3195m • 12 RC holes for 384.5m. • 63 HQ surface diamond core DDH for 1825m. • 17 rotary percussion holes for 525m • 10 holes drilled post 2007 • Historic drilling between 1974 and 1995
Sample recovery	• Not quantified in historic logs and reports. Four holes reported as having poor recovery were twinned during the same drilling program.
Logging	• Logging of geology as coded stratigraphic units. • Lithology codes stored in Access database created by Gunson Resources Ltd contractors.
Sub-Sample preparation	• Half metre sub-samples collected from cyclone-three tier splitter. • Initially composited to 2m samples and re-assayed on 0.5m samples for composites with >0.5% Cu. • Diamond core split with diamond saw and sampled on either 1.0m or 0.5m lengths.
Sample preparation	• Not cited • Historic samples assayed in on site mine laboratories
Assaying	• Post 2007 Cu and Co by AAS or OES. Pre 2008 drillholes by various Laboratories including ACCL, AMDEL and Classic Laboratories. Lower detection 1 ppm for Cu and Co but variable depending on Laboratory.
Assay QA/QC	• Not documented in previous resource estimations or historic reports. • Twinned holes reconcile well with historic data and geology
Location of Data	• Historic documentation not cited. • Recent holes located by GPS • All coordinates in AGD 94. • Most holes vertical.
Data Spacing and distribution	• Drill spacing approximately 50 x 50m with the exception of the West Zone which is 100 x 100m. • The majority of holes are vertical drilled on 50 to 100m spaced north-south lines.
Bulk Density	• Uniform Bulk Density of 2.5 measured by AMDEL Laboratories using immersion technique. Documentation not cited.
Database Integrity	• All data captured and stored in customised access database • Data integrity validated with Surpac Software for EOH depth and sample overlaps.

Table 3. Summary of MG14 Resource Estimation

Criteria	Status
Database Integrity	• All data captured and stored in customised access database by Gunston Resources Ltd. • Data integrity validated with Surpac Software for EOH depth and sample overlaps.
Site Visits	• No site visits were conducted for this estimation. The majority of the drilling was completed by ACC in the 1980's.
Geological Interpretation	• Wire-framed solid models on 50m spaced north-south sections. • Grade and lithology used for domain modeling • Single domain layer on upper mineralised horizon • Lower mineralised horizon included only if internal dilution was less than 1.5m. • Solid models snapped to drill holes • Minimum mining width of 1m @ 0.3% Cu with some allowances for geological continuity. • Internal dilution restricted to 1.5m
Block Dimensions	• 6519700N to 6520650N • 703300E to 705100E • 0mRL to 110mRL • 25 x 25 x 1m block size with sub-celling to 6.5m in the x and y and 0.25m in the z directions
Estimation and Modelling techniques	• Domain intercepts written to database • Data composited on 1m down hole including Cu, Co and Ag • No top cutting of Cu, Co or Ag required • Ordinary kriged model constrained by geology solid model • Estimation completed with Surpac software licensed to Tim Callaghan
Moisture	• 9-11% moisture determined from Metallurgical test holes.
Cut-off Parameters	• The resource is reported at 0.5% and 1.0% Cu cut offs designed to provide a range of grade-tonnage figures for Financial modeling.
Mining Assumptions	• Rip, doze, load and haul open pit operation • Preliminary mine designs designed by Barratt and Fuller (1995).
Metallurgical assumptions	• 2009 metallurgical testwork by Ian Wark Research Institute suggest a recovery of 66.7% from sulphide flotation. Flow sheet design by Sedgman Ltd. • Recent metallurgical test holes completed in 2010. Results not cited.
Environmental assumptions	• Historic Mining site. Environmental studies included in 2009 Pre-feasibility study (Sickerdick and Colton, 2009).
Bulk Density	• Uniform Bulk Density of 2.5 measured by AMDEL Laboratories using immersion technique. Documentation not cited.
Classification	• The resource has been classified based on drill hole spacing and data integrity.

Audits or Reviews	• Estimation reconciles with earlier estimations completed by Bampton, 1997 and Paterson, 2008. • An ID^2 estimation of Cu grades reconciles well with the ordinary kriged estimation (1.29% Cu vs 1.30% Cu).

Competent Person Statement

The information in this report that relates to Mineral Resources was prepared in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Tim Callaghan of Resource and Exploration Geology, who is a Member of The Australian Institute of Mining and Metallurgy ("AusIMM"). He has a minimum of five years experience in the estimation and assessment and evaluation of Mineral Resources of this style and is a Competent Person as defined in the JORC Code. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context it appears.