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FACSIMILE MESSAGE

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From:	D N Harley
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Subject:	**SCOPING STUDY – COBURN PROJECT**

Please find attached an announcement on the results of a scoping study on the Coburn mineral sand project.

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GUNSON RESOURCES LIMITED

SCOPING STUDY – COBURN MINERAL SAND PROJECT

The results of a scoping study on the Amy Zone heavy mineral sand discovery in Western Australia have given considerable encouragement for the Company to continue its exploration drilling program next year. Amy Zone is a major dune hosted deposit averaging about 1% heavy minerals, which was discovered by reconnaissance drilling earlier this year. It is 26 kilometres long, averaging 1.1 kilometres wide and 23 metres thick, and lies at or close to the surface.

The scoping study was carried out by the well regarded Perth based consulting firm TZ Minerals International Pty Ltd. Their mineral recovery assumptions and mineral quality data for the study are listed in Appendix 1 and their main conclusions are as follows:

- At a grade of 1% heavy minerals, a dredge mining operation would be cash positive but would not deliver sufficient cash margin to justify the estimated $140 million initial capital outlay.

- The heavy mineral assemblage is attractive, in particular the high proportion of zircon and very high titanium content of the ilmenite (Appendix 1). However, most of the rutile and a considerable proportion of the ilmenite are fine grained, less than 100 microns, which may affect product pricing and metallurgical recoveries.

- Provided that the technical and marketing issues associated with the mineral fineness can be overcome, a deposit of approximately half the size and double the grade is approaching a viable basis for an operation.

- Scope exists to improve the head feed grade by adopting a higher stripping ratio, in return for a shorter mine life.

The key issue highlighted by the scoping study is to define a sufficient tonneage of higher grade mineralisation above 2% within or close to Amy Zone. The potential for higher grade bands has been indicated in the widely spaced drilling program this year and reinforced by encouraging results from a trial ground magnetic survey completed earlier this month.

The ground magnetic survey showed evidence for bands of higher grade mineralisation 50-100m wide along the western edge of the Amy Zone on all four drill traverses measured. Only one previous drill hole appears to have intersected a magnetic anomaly defining these higher grade bands but this intersection has confirmed the correlation between the two.

A ground magnetic survey to help guide further drilling for higher grade mineralisation next year is scheduled for the next quarter. In contrast to this year's drilling program, which was designed to define the extent of the large low grade Amy Zone deposit, drilling next year will be focused on delineating higher grade zones within and close to the Amy Zone.

Concurrently, a review of the capital items in the scoping study will be undertaken, with a view to making substantial reductions in the initial capital outlay.

In summary, the Company has demonstrated the potential for a high grade ilmenite product, with quite possibly the most favourable mineral chemistry in Australia, along with a high proportion of zircon. Emphasis next year will be on defining sufficient resources of higher grade mineralisation to trigger the commencement of a preliminary feasibility study.

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Attachments:

Appendix 1.

ATTRIBUTION

The information contained in this report is based on, and accurately reflects, information compiled by Mr D N Harley, a corporate member of the Australasian Institute of Mining and Metallurgy, who has over five years experience in the field of activity being reported on.

APPENDIX 1
AMY ZONE HEAVY MINERAL ASSEMBLAGE DETAILS

Table 1. Mineral Assemblage Breakdown and Mineral Recovery Assumptions

Mineral	Proportion of H.M. Suite (%) *	Concentrator Recovery (%)	Dry Plant Recovery (%)
Ilmenite	52	92	95
Zircon	23	95	80
Rutile	6	93	95
Leucoxene	8	50	50
Trash	11	45	-

*based on grain count of 91 samples from 26 drill holes spread throughout Amy Zone.

Table 2. Assays of Heavy Mineral Products

Assay %	Ilmenite (1)	Ilmenite (2)	Rutile	Zircon
TiO_2	59.4	65.0	91.2	1.00
Fe_2O_3	36.5	26.9	0.66	0.68
Cr_2O_3	0.091	0.146	0.141	0.001
SiO_2	1.43	2.48	2.21	32.3
MgO	0.23	0.19	<0.01	0.04
MnO	1.13	0.69	0.01	-
V_2O_5	0.13	0.13	0.58	-
Nb_2O_5	0.139	0.188	-	-
ZrO_2	0.09	0.13	4.48	65.3
CaO	0.06	0.10	<0.01	-
Al_2O_3	0.65	1.56	0.21	0.34
P_2O_5	0.021	0.065	0.017	0.108
Th (ppm)	55	112	-	245
U (ppm)	<10	<10	-	230