

2012 AGM Presentation

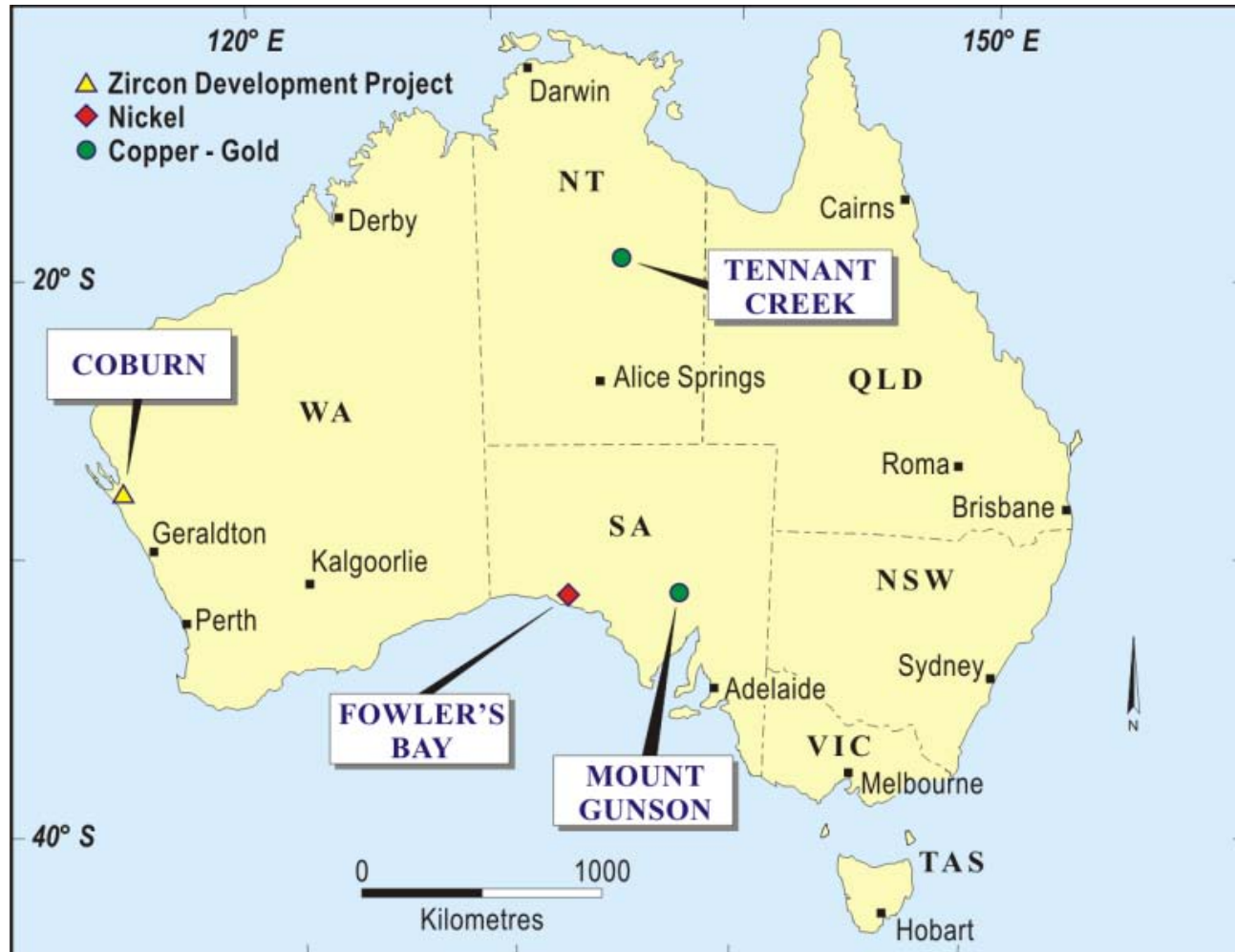


Achievements since 2011 AGM



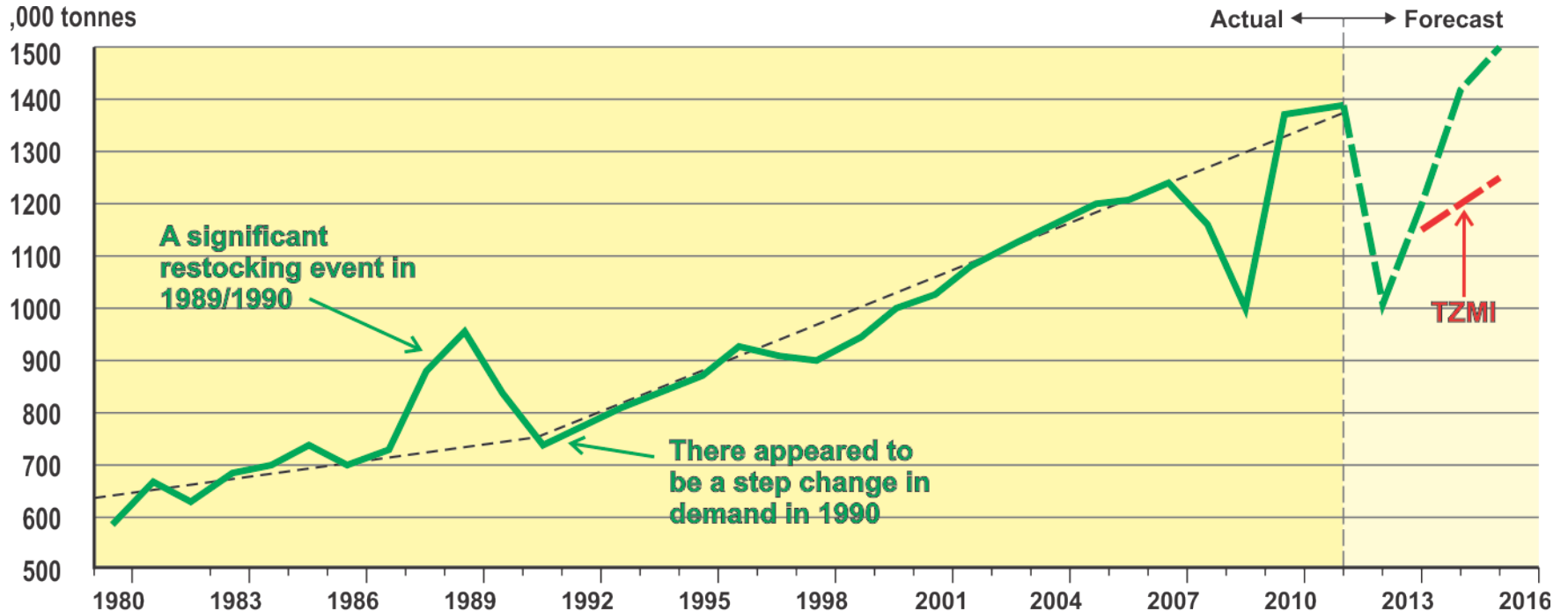
- Strong focus on advancing Coburn. Coburn 97 % of total \$3.3 million net exploration expenditure in 2011/2012.
- Offtake agreement for Coburn chloride ilmenite signed with DuPont on 2 March.
- POSCO conditional Board approval in August 2012 for 40% JV investment in Coburn, shared with Korean resource fund (POSCO SPV).
- POSCO SPV to earn in by funding \$28 million & then its 40% share of capex.
- FEED study announced in September 2012 reveals updated Coburn capex as \$192 million, Gunson share \$88 million. Construction period cut to 18 months.
- Cost reduction study announced today reduces Coburn operating costs by 6.3% or \$122 million over mine life. Further reductions likely as work continues.
- POSCO condition precedent for Gunson financing extended by 3 months from end – 2012.
- Final resolution of POSCO JVA December 2012.

Project Locations



Coburn Zircon Project

Global Zircon Consumption, Actual & Forecast 1980-2015



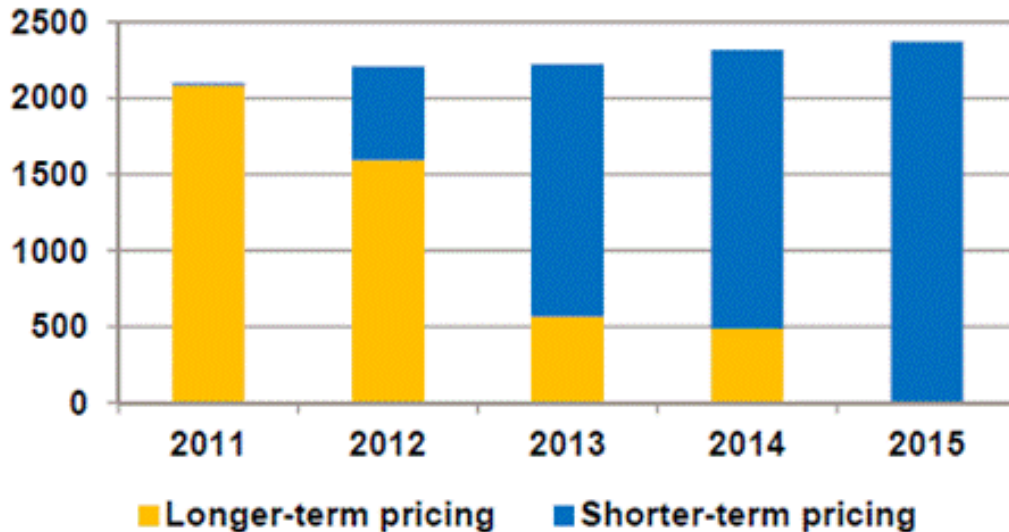
Source: ILU, J.P. Morgan Sept 2012, TZMI Nov 2012

- Global consumption increase 1991-2011 averages 3% per annum.
- Severe dips in 2009 and 2012 way below trend.
- Strong rebound to trend forecast in 2013-2015.

Titanium Dioxide Pricing – Chloride Slag a New Industry Benchmark?



**Rio Tinto Legacy Contracts
2011-2015
(from Investec, September 2012)**



Source: Rio Tinto

**Investec Expected Average
Chloride Slag Prices
2011-2014**

Year	\$US/tonne
2011	440
2012	730
2013	975
2014	1,750

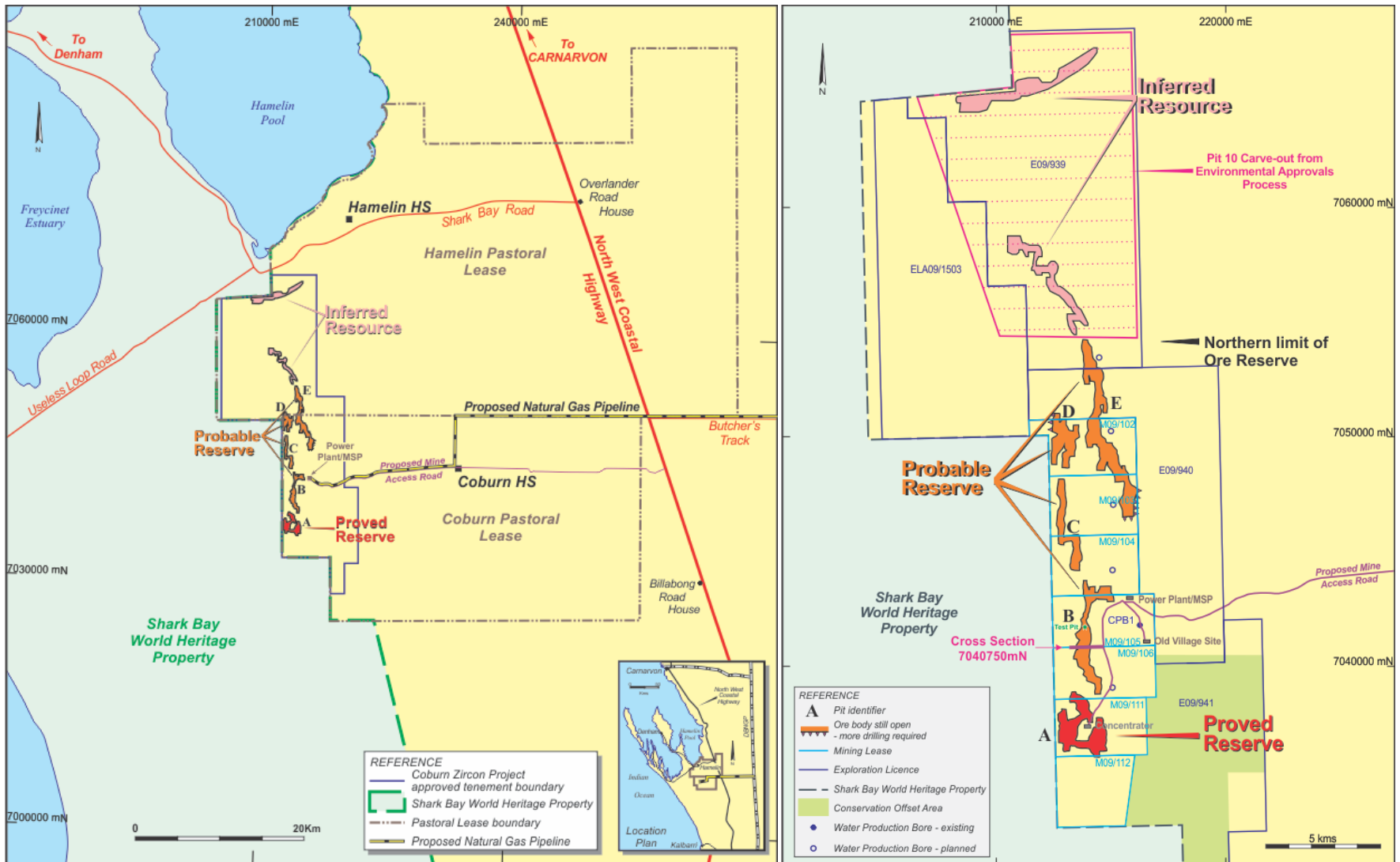
- Titanium dioxide consumption linked to GDP growth in emerging economies.
- Rio Tinto forecast titanium dioxide market to grow 46% to 9.5Mtpa in 2020.

Coburn Zircon Project Project Location

- Located on Coburn & Hamelin pastoral leases
- Situated just outside the southeast edge of the Shark Bay World Heritage Property



Coburn Zircon Project Local Setting & Mine Plan



**Coburn Zircon Project
Cleared path looking west from water bore
location, 5 km east of Coburn homestead**



Coburn Zircon Project

Annual Production



Product	Annual tonnes	Key Specification	% of Revenue
Zircon	41,000	66% ZrO ₂	65
Ilmenite	89,000	62% TiO ₂	19
HiTi 90	19,000	90% TiO ₂	16

All Products to be sold *FOB*
Australia

Global Greenfields Development Projects With Completed DFS



<u>Financed</u>	Start of Production (Estimated)	TiO ₂ UNITS tonnes pa	ZIRCON ^o tonnes pa	Zircon Rank	TiO ₂ : ZIRCON
Grande Côte, Senegal (Min Deposits)	Late 2013	337	80	1	4.2
Kwale, Kenya (Base)	Late 2013	194	24	3	8.1
<u>Being Financed</u>					
Coburn (Gunson)	Q3 2014*	72	41	2	1.7

Blue designates African Projects.

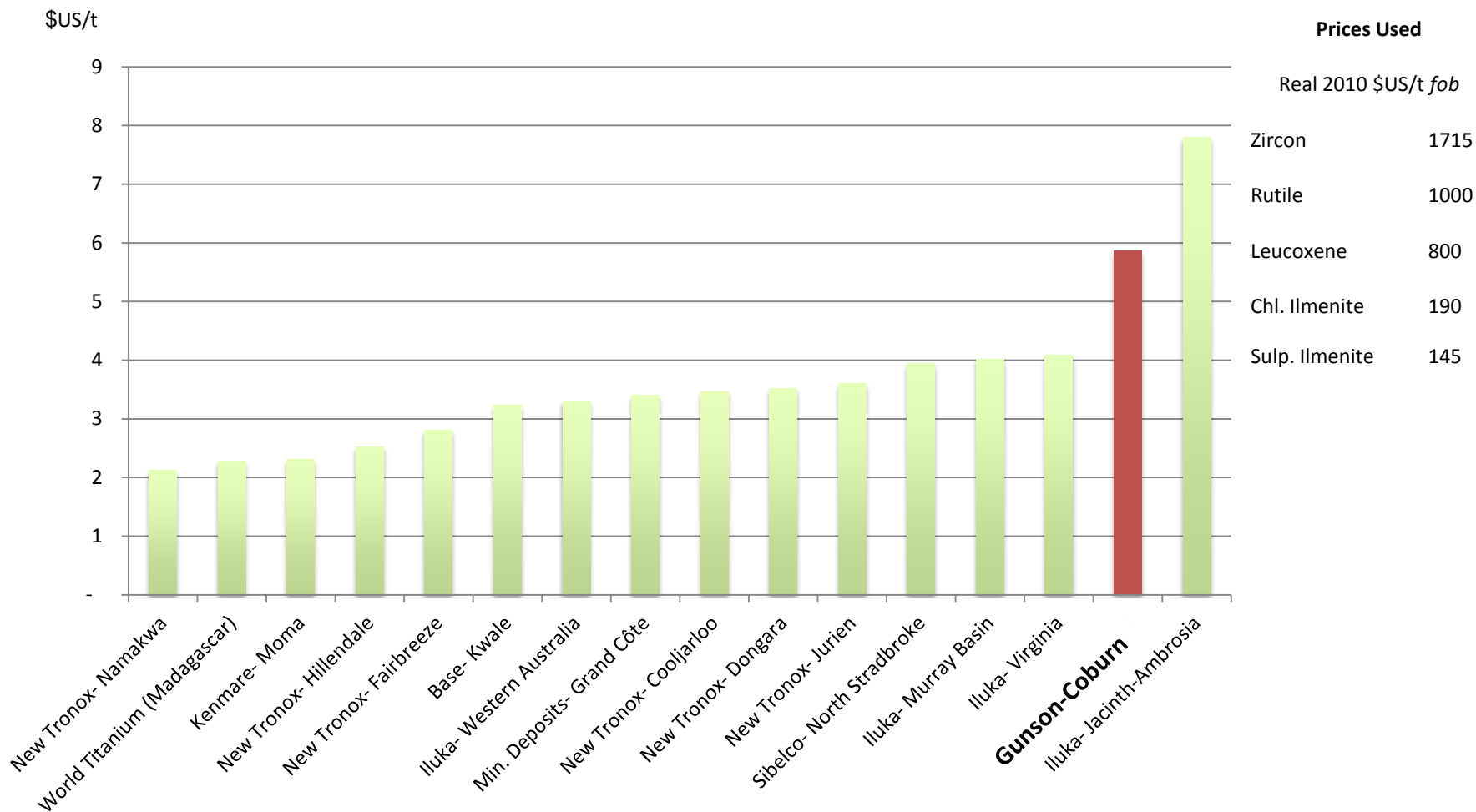
- Average over life of mine.

* Financing early 2013.

Coburn permitted for well above proposed capacity.

Global Heavy Mineral (HM) Suite Comparison In Situ Value of 1% HM

Coburn's high zircon level gives it a high value heavy mineral assemblage



Source: RFC

Coburn Zircon Project

Annual Financial Summary



Based on TZMI long-term price forecasts at the dates below.

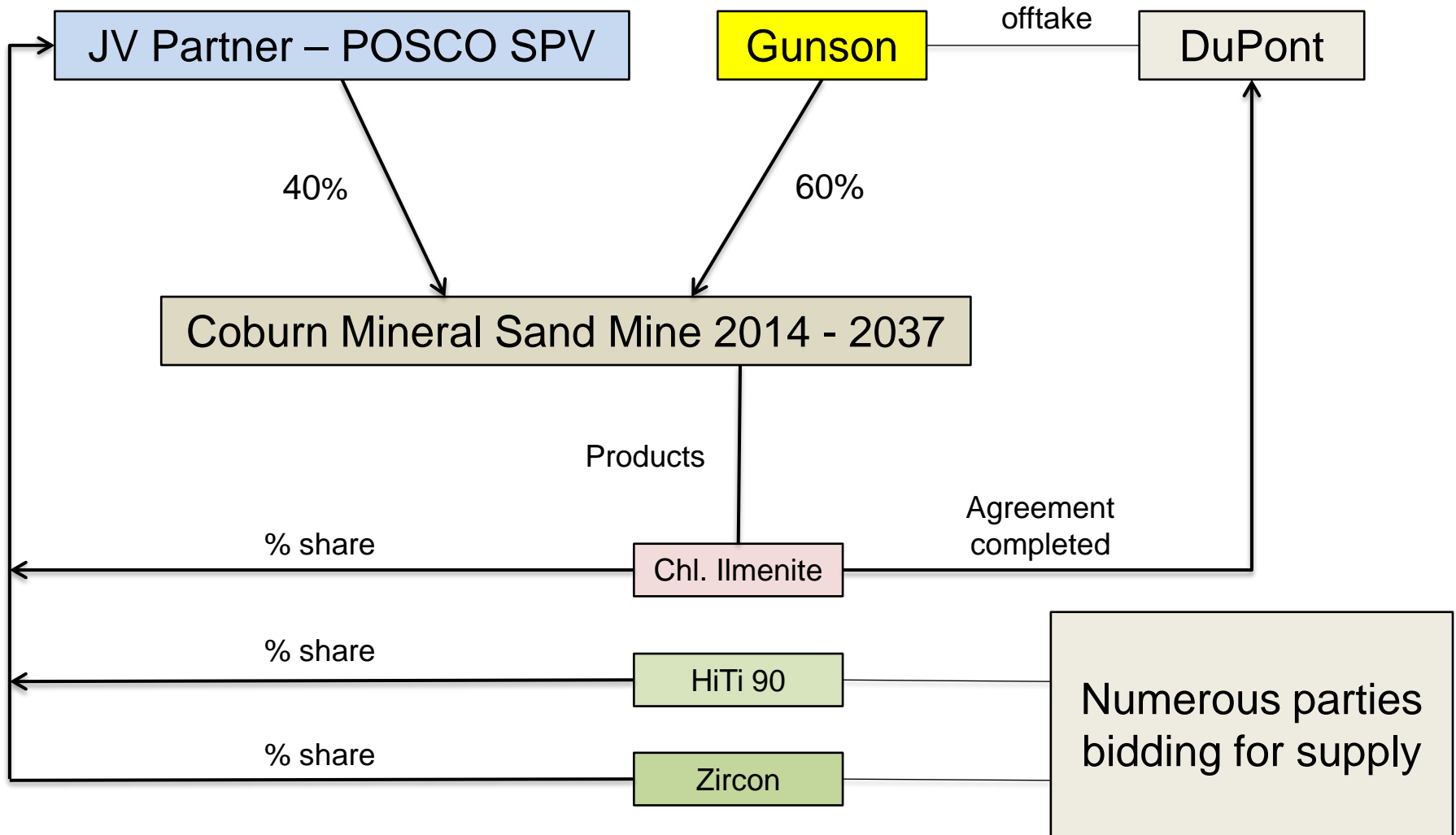
	September 2012	November 2011
Total Revenue	123.8	103.3
Total Operating Costs	85.1	66.5
Net Operating Margin	38.7	36.8
Capital Cost	192	180
IRR before tax/financing	22.4%	28.3%
NPV (8%)	210.6	223.7
Exchange Rate (\$US to \$A)	See below*	1.00

*Figures above are in millions of Australian dollars, except IRR and Exchange Rate.
Operating costs include 5% State royalty.*

** Exchange rate assumptions: US to Australian dollar. 0.95 in 2014, 0.93 in 2015, 0.9 in 2016, 0.85 from 2017. Figures based on Bloomberg consensus rates to 2016 and ten year bank swap rates from 2017 onwards.*

- Joint Venture Structure.
- Gunson is the Manager, with a 60% interest.
- POSCO SPV to contribute its equity share of funding plus \$A28 million earn-in payment.
- Offtake split according to equity.
- Due diligence completed.
- POSCO Board approved investment in August 2012.
- Korean fund, minority partner in POSCO SPV, JVA signing forecast for Dec 2012.

Coburn Zircon Project Joint Venture Model



- Fully permitted for development, first phase clearing of mine access road completed.
- Commodity prices supported by dominant major producers. Offtake agreement for ilmenite concluded with DuPont. Zircon & HiTi agreements getting close.
- Stable political environment.
- High value mineral assemblage.
- Long mine life & attractive economics at base case price forecasts. Upside from ongoing operating cost review.
- Financing: POSCO SPV earn-in payment reduces Gunson share of CAPEX to \$A88 million, excluding working capital. Debt finance under discussion with short list. Resolution expected by early 2013. Equity financing to follow debt agreement.

Disclaimer & Competent Persons Statement



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Competent Persons Statement

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.