



**GUNSON RESOURCES LIMITED**



**David Harley**  
**MINING AUST-ASIA 2008**

**15<sup>th</sup> July 2008**

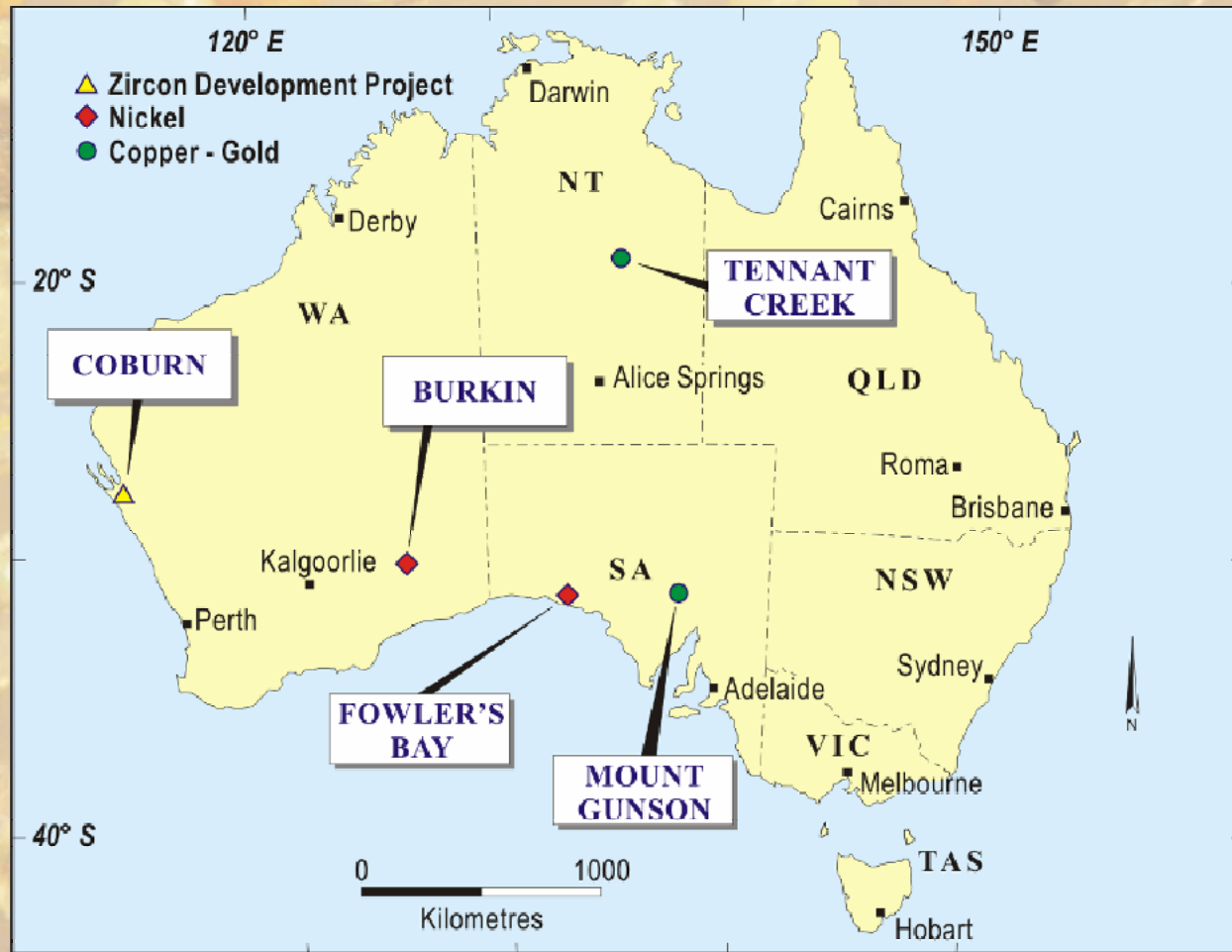
# Corporate Summary



- **Shares** **119.7M**
- **Unlisted Options** **4.4M (30-40c)**
- **Cash** **\$1.0M**
- **Share Price** **\*12c**
- **Market Cap.** **\$14.4M**
- **No Substantial Shareholders**

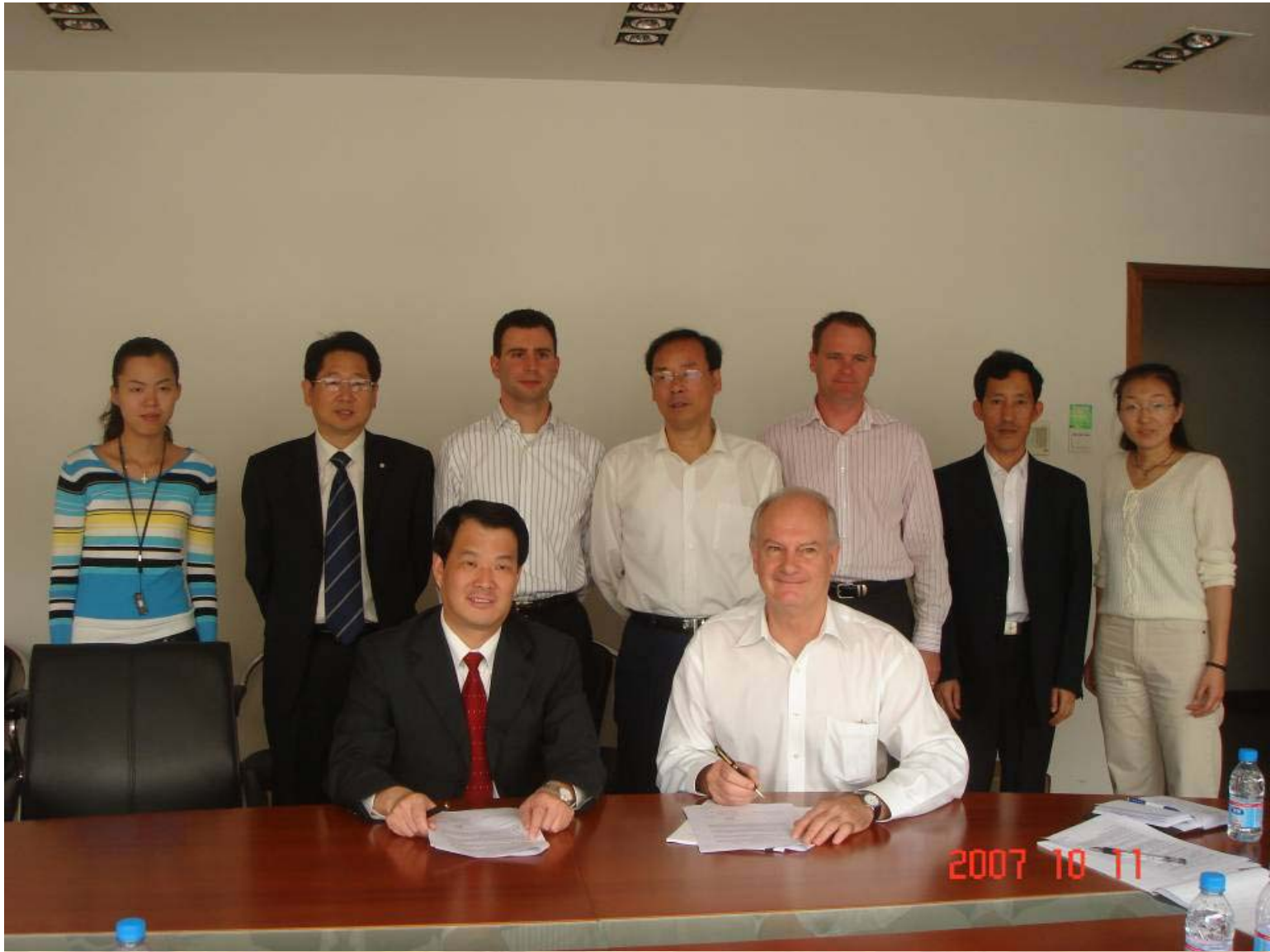
**\* 38% of price in July 2007**

# Project Location Map



# Coburn – Regional Setting





## **The Chinese – Gunson Connection**



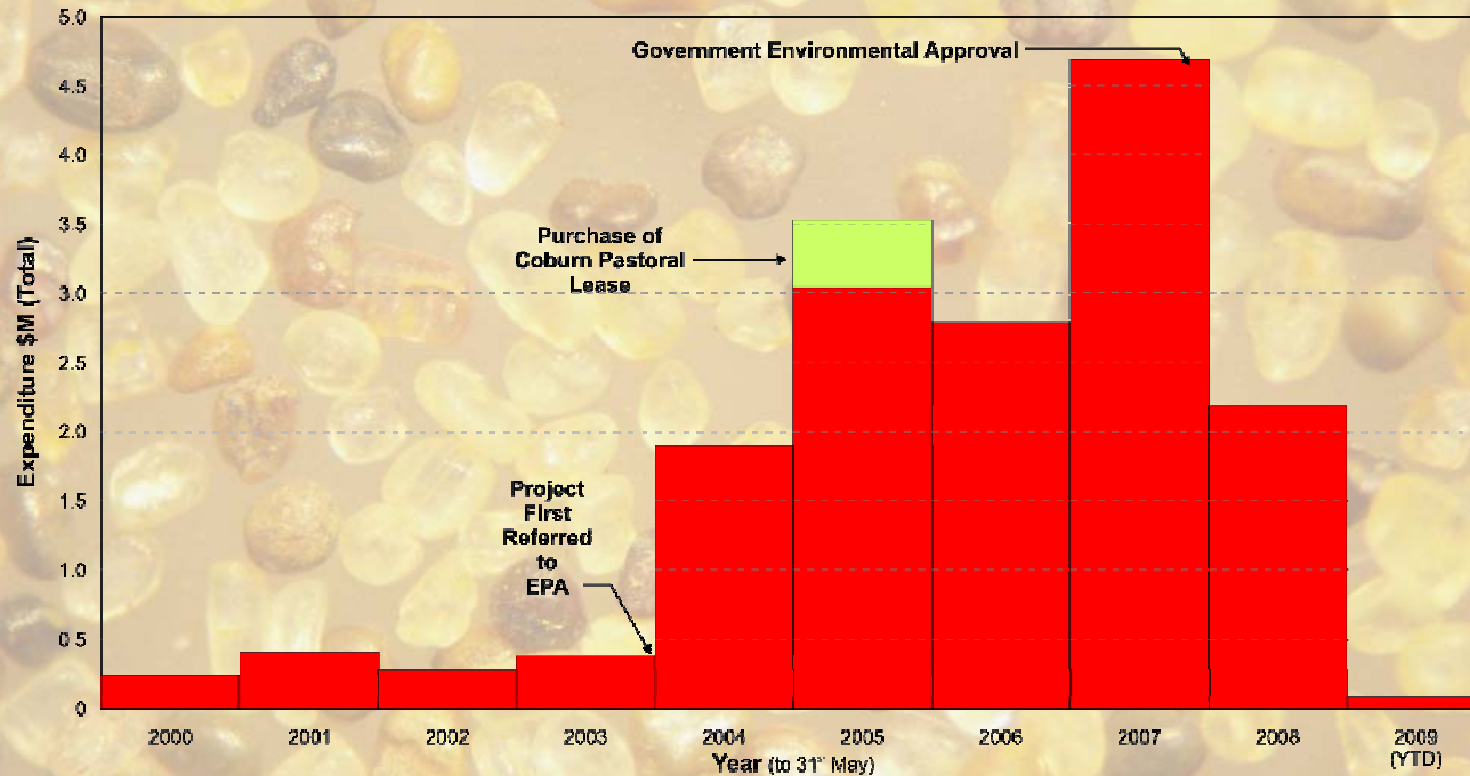
- **Large potential Chinese partner (CTIEC) identified Gunson in January 2007 via Aust Invest (now Austrade).**
- **Good strategic fit for CTIEC – Zircon offtake, Equity in source of raw materials, Construction work, MSP in China.**
- **2 MOUs signed with CTIEC in July & October 2007.**

## Key Points – CTIEC MOUs



- **CTIEC and another Chinese partner to have 40% equity in Coburn.**
- **CTIEC to build project on fixed price turnkey basis.**
- **CTIEC parent to buy 20,000 tpa Zircon.**
- **Non magnetic concentrate to be refined in MSP in CTIEC industrial park at Bengbu, China.**
- **China MSP part of Coburn Joint Venture.**

# Coburn Project Expenditure 2000 – 2008 (10<sup>th</sup> July)

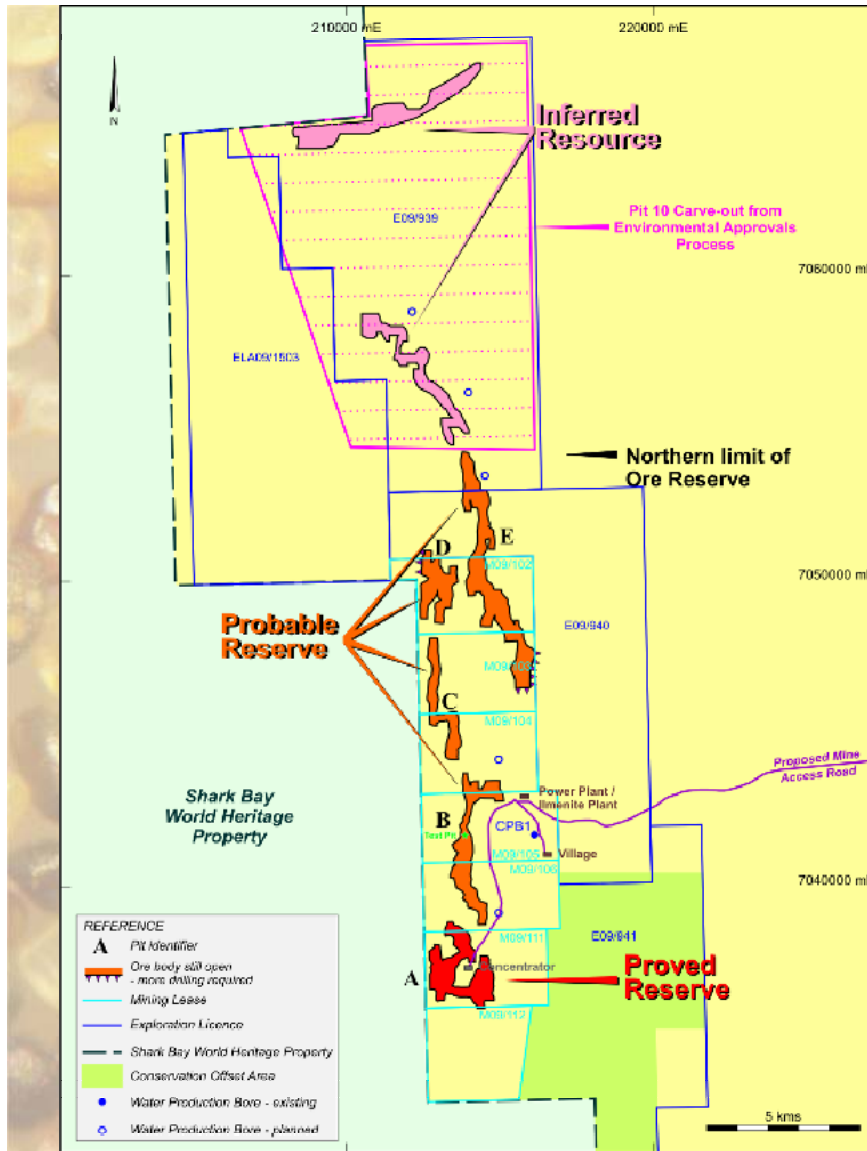




## **Coburn – Attractions for Chinese Investors**



- 1. Fully permitted for construction.**
- 2. Long mine life – 17.5 years of JORC ore reserves.**
- 3. Front end engineering done / fully costed.**
- 4. High confidence in product quality & flow sheet.**
- 5. 3% of world zircon production in a tightening late cycle market.**



## Amy Zone

### Ore Reserves & Potentially Mineable Resources

# Coburn Heavy Mineral Ore Reserves

## 17.5 Year Mine Life



Reserve Category	Pit No.	Ore – Million Tonnes	HM Grade (%)	Zircon (%)	Ilmenite (%)	Rutile (%)	Leucoxene (%)
Proved	A	51	1.3	24	46	5	6
Probable	B-E	255	1.2	23	48	7	4
<b>Total</b>		<b>306</b>	<b>1.2</b>	<b>23</b>	<b>48</b>	<b>7</b>	<b>5</b>

**Zircon etc % is % of HM**

# Coburn Estimated Annual Production



Product	Annual tonnes	Key Specification	% of Revenue
* Zircon	40,000	66% ZrO <sub>2</sub>	66
Ilmenite	84,000	62% TiO <sub>2</sub>	21
* Rutile	9,000	95% TiO <sub>2</sub>	9
* Others	10,300	Leuc, 2ndry Ilmen, Kyanite	4

To be sold fob Australia

\* 81,000 tpa of non-magnetic concentrate shipped to China

## Coburn Non Magnetic Concentrate – Composition \*

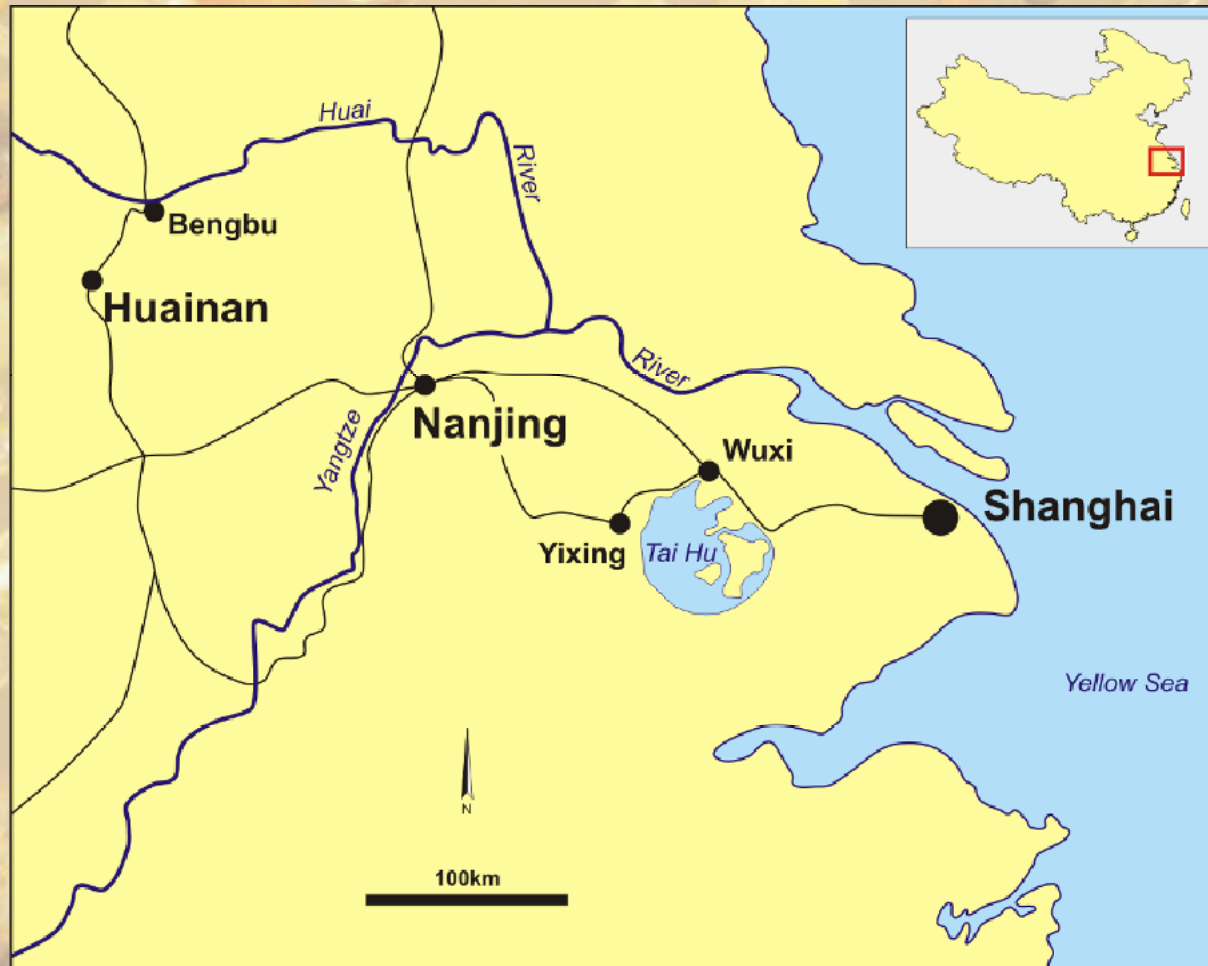


Zircon	58%
Rutile	15%
Others	27%
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Total	100%
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This concentrate to be shipped to China  
for mineral separation  
81,000 tpa

\* from 2008 JORC ore reserve

# Shanghai District, China





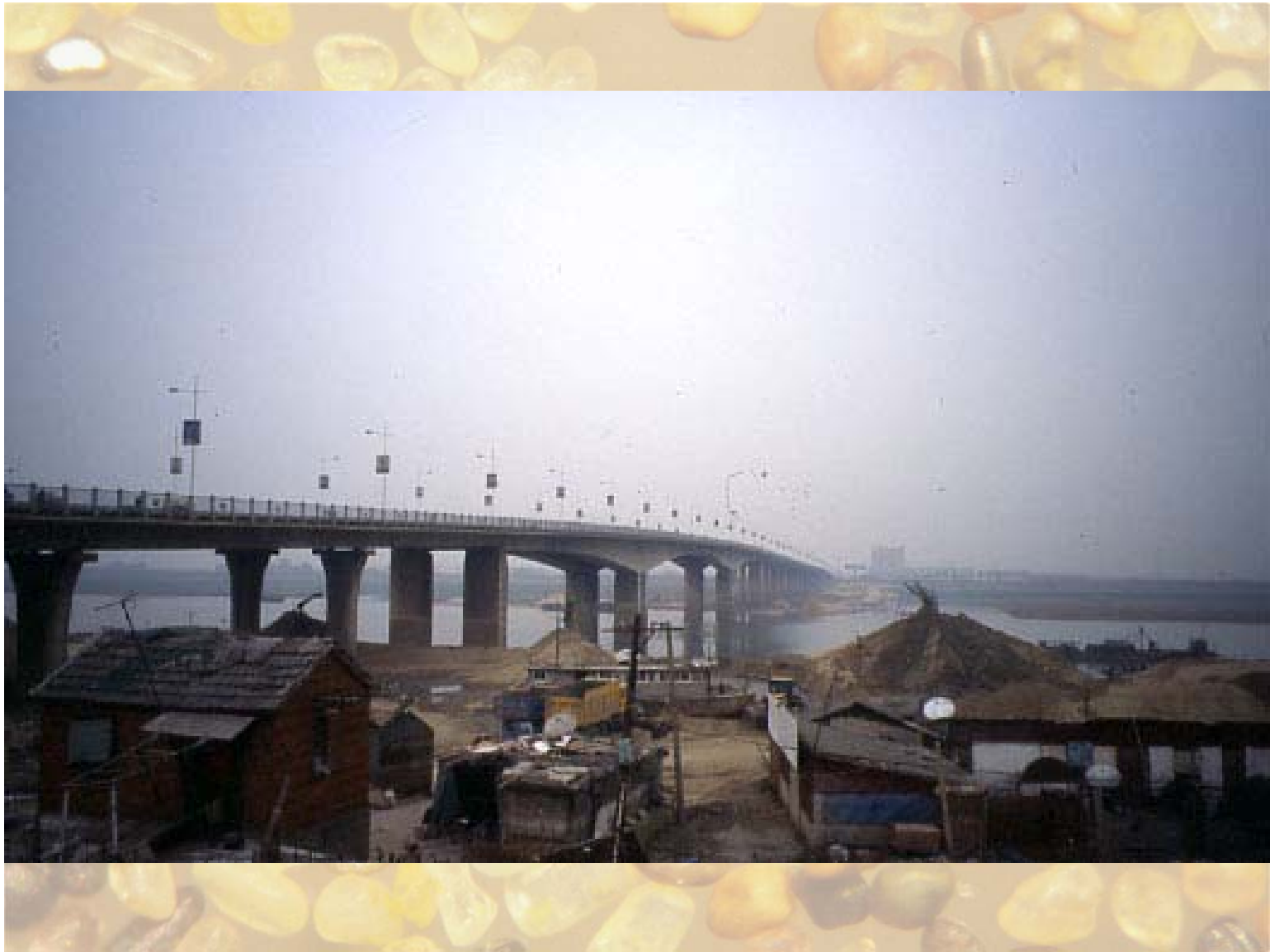












# Large Global Greenfields Development Projects



<u>Under Construction</u>	TiO <sub>2</sub> UNITS *	ZIRCON *	Zircon Rank	TiO <sub>2</sub> : ZIRCON
<b>Madagascar (Rio Tinto)</b>	470	25		18.8
<b>Eucla Basin</b>	110	300	1	0.4
<u>Completed BFS</u>				
<b>Kwale (Tiomini)</b>	In Force Majeure	37		6.2
<b>Senegal (Min Deposits)</b>	11 #	80	2	4.0+
<b>Corridor (BHPB)</b>	215	20		11.0
<b>Coburn (Gunson)</b>	60	40	3	1.6

**Australia**

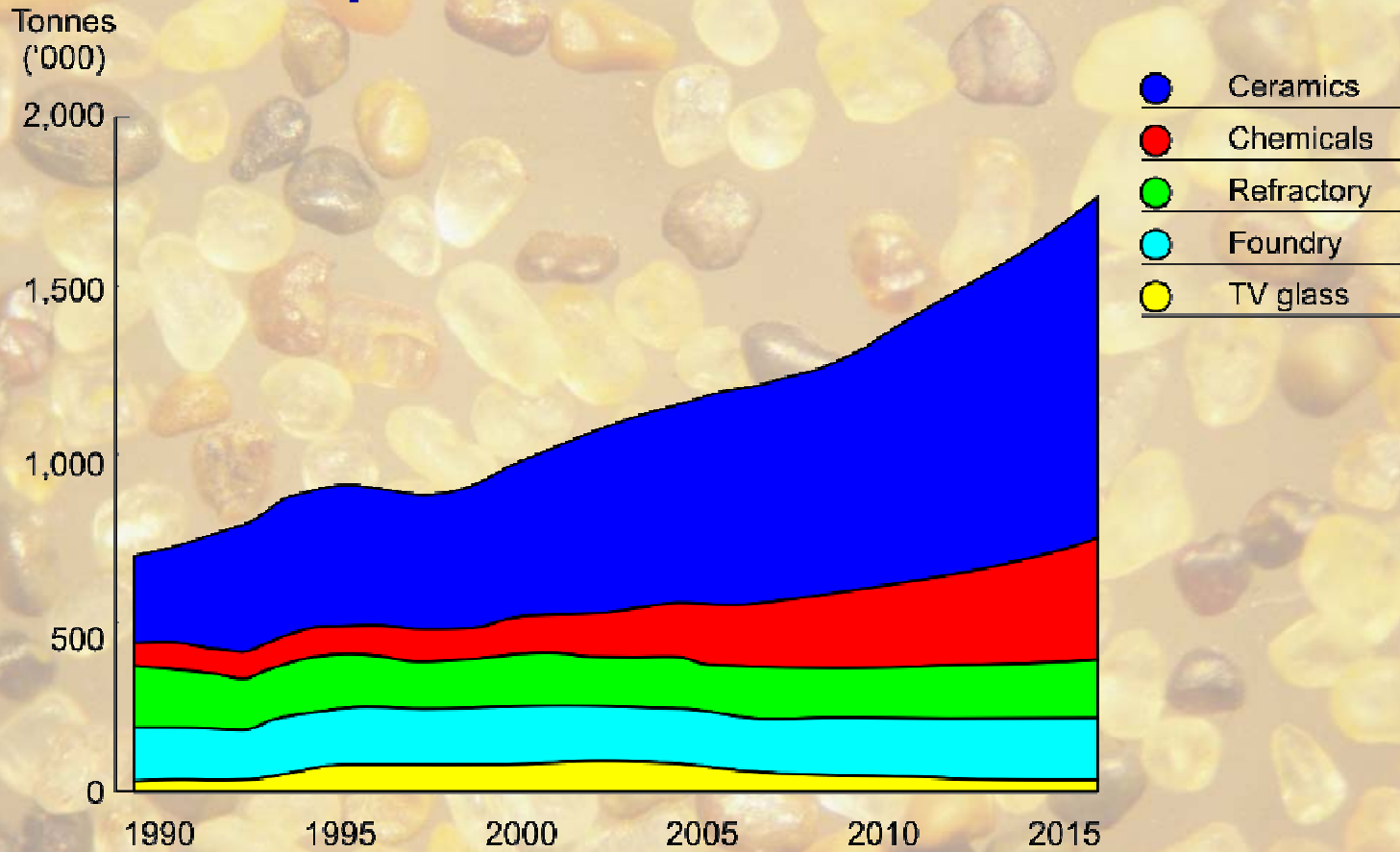
**Africa**

\* ,000 tonnes per annum # Ilmenite excluded + Ilmenite included

## Industry average R/C ratio: 1999 - 2007



# End-use Trends for Zircon Consumption 1990 - 2015



Source: TZMI

## Zircon Demand by Region, 2007



● Europe	30%
● China	30%
● Other Asia-Pacific	16%
● North America	12%
● Japan	5%
● Other countries	7%

Source: TZMI



## **Conclusions - Coburn**



- **Coburn is currently the third largest greenfield zircon development project in the world.**
- **Financing awaits completion of CTIEC negotiations.**
- **CTIEC fixed price construction proposal expected late July.**
- **58 week construction period estimated.**



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