



**GUNSON RESOURCES LIMITED**



***David Harley  
RIU Explorers Conference***

***21<sup>st</sup> February 2007***

# Corporate Summary



• Shares	108.7M
• Unlisted Options	3.7M (30/35c)
• Cash	\$3.4M
• Share Price	\$0.30
• Market Cap.	\$32.6M
• Substantial Shareholder	
– Ospraie	10%

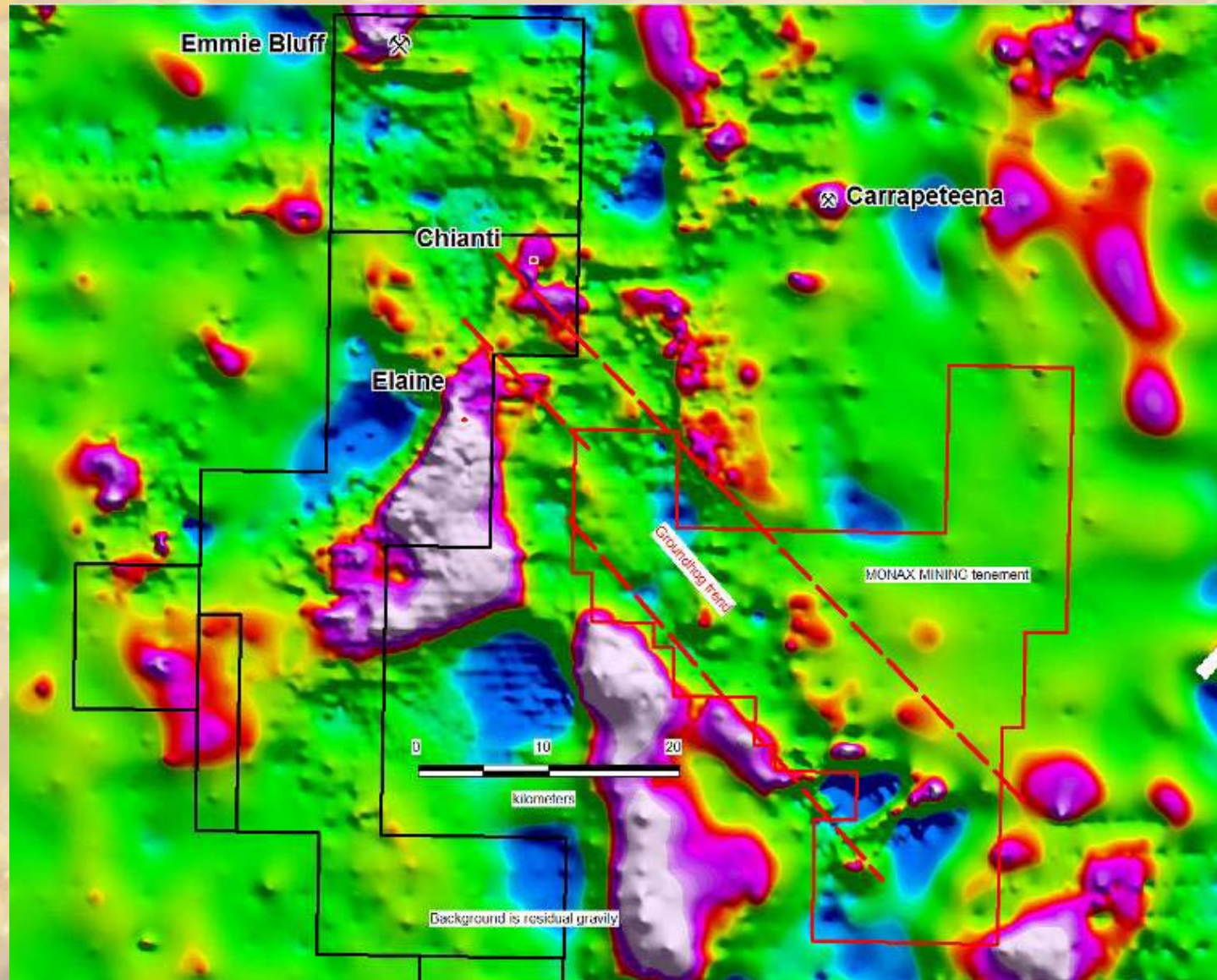
# Project Location Map





# South Australian Copper Belt

# New Discoveries Around Mount Gunson

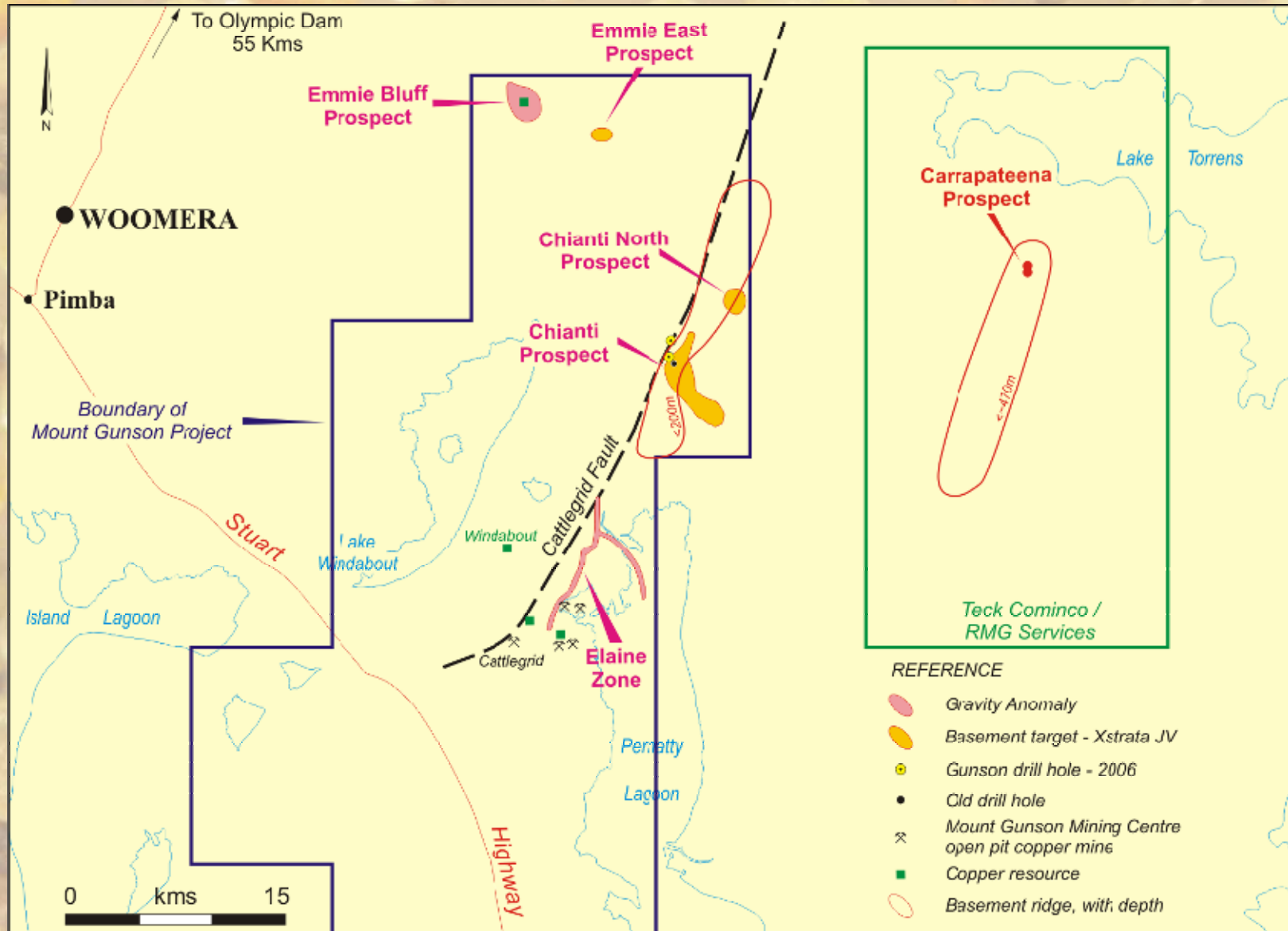


# Mount Gunson JV



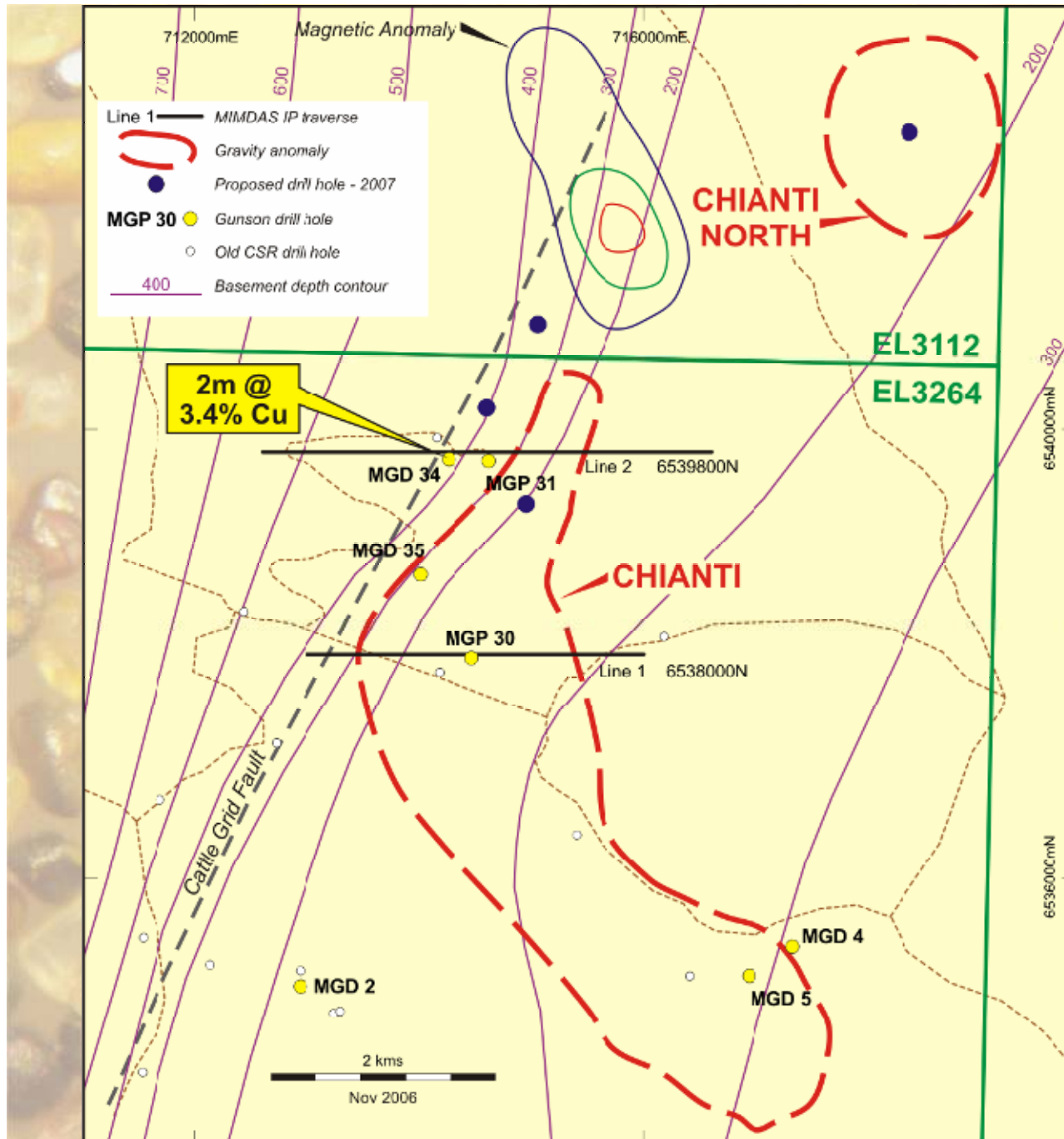
- **Commenced 15<sup>th</sup> June 2006**
- **Noranda Pacific to spend \$3.5M in 3 years for 51% interest**
- **Then another \$6.5M in extra 3 years for additional 24%**
- **Total \$10M in 6 years for 75%**
- **Xstrata took over Falconbridge in August and now owns Noranda Pacific**
- **Gunson managing exploration**

# Mount Gunson Target Areas



- REFERENCE
- Gravity Anomaly
  - Basement target - Xstrata JV
  - ⊙ Gunson drill hole - 2006
  - Old drill hole
  - ⊗ Mount Gunson Mining Centre open pit copper mines
  - Copper resource
  - Basement ridge, with depth

# Chianti Prospects and Proposed Drilling





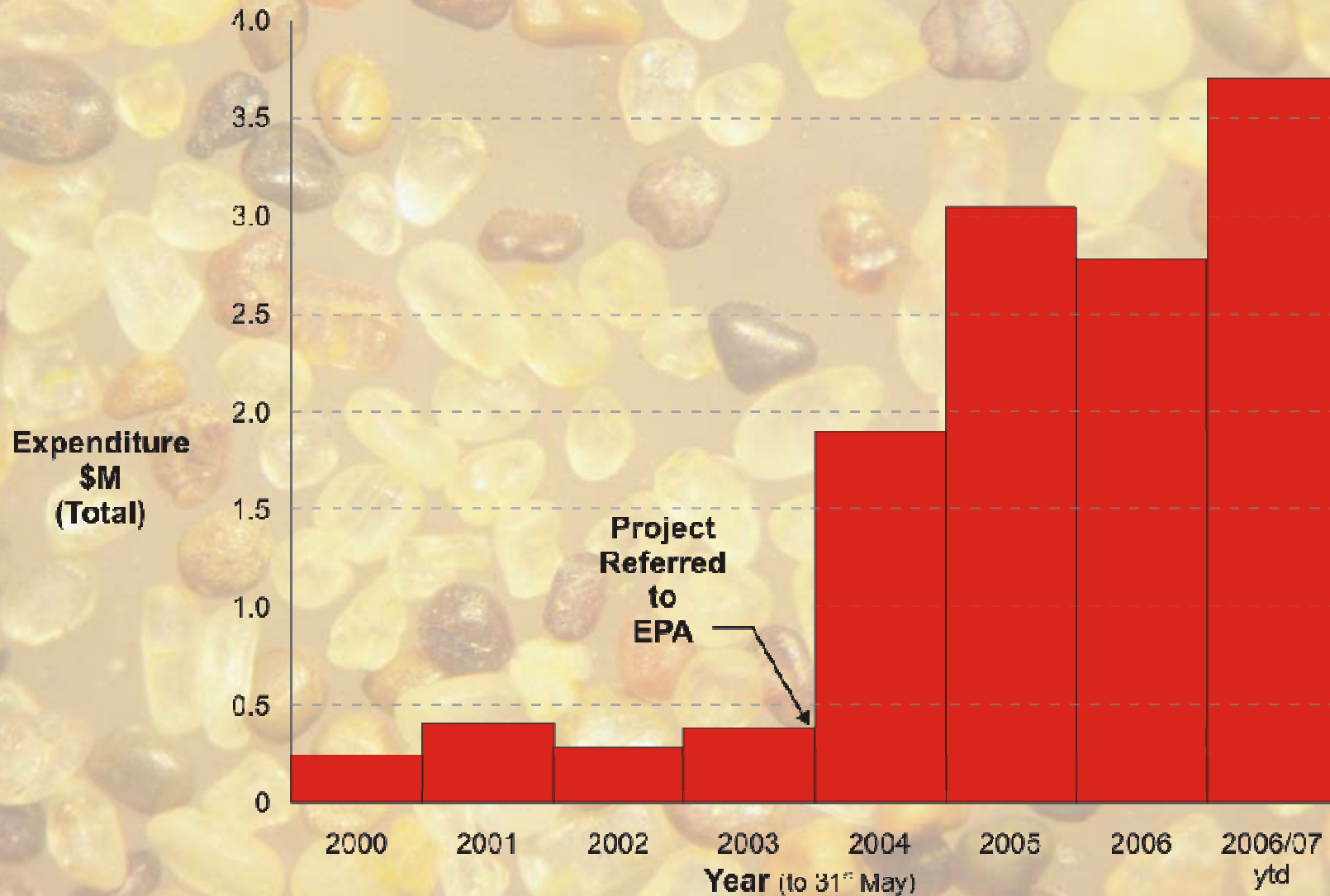


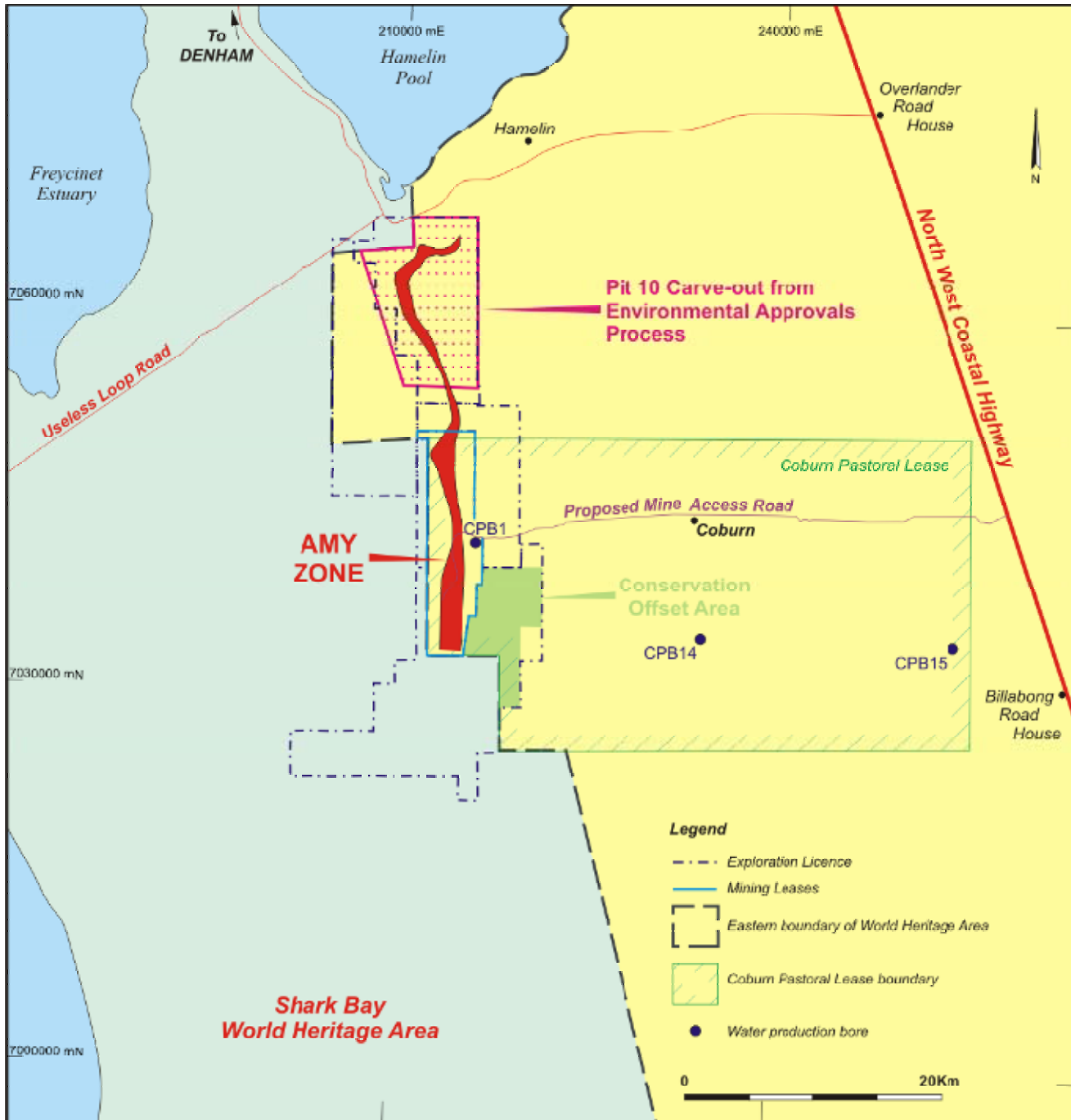
# Coburn – Regional Setting





# Coburn Project Expenditure 2000 – 2007 (19<sup>th</sup> Feb)





# Coburn

# Amy Zone Location

# Environmental Approval Process



May 2003	Process initiated with EPA
22 May 2006	State environmental approval
20 July 2006	Federal environmental approval
2 <sup>nd</sup> half 2006	15 (now 10) pre construction EMP's evaluated by regulators
March 2007	Full permitting anticipated

# Coburn Resources



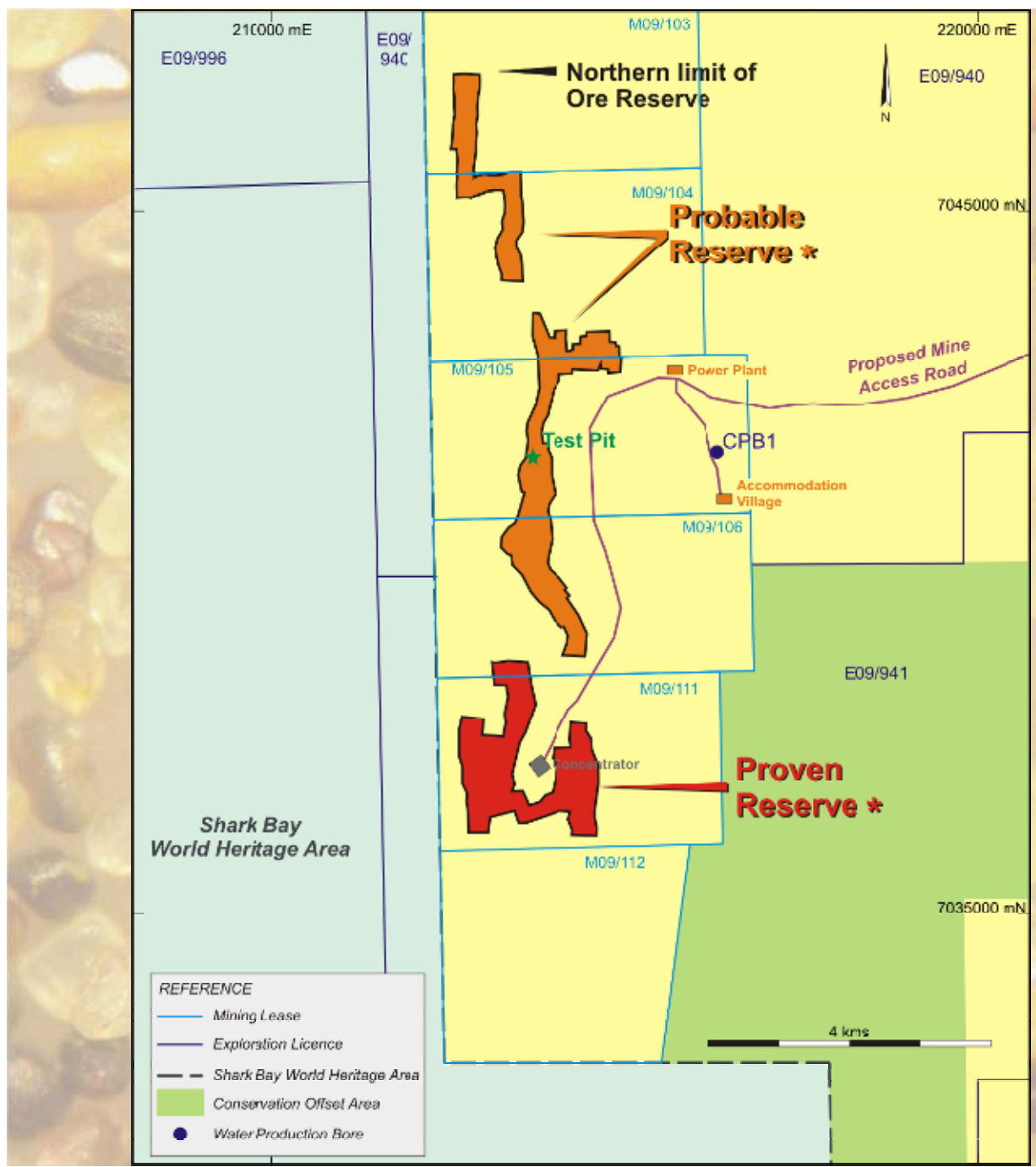
Category	Million Tonnes	Average Grade HM %	Cut-off Grade HM %
Indicated*	305	1.4	0.8
Inferred	420	1.4	0.8
Total	725	1.4	0.8

Total HM 10Mt

\* Amy South

# Amy South Mine Plan

**\* being finalised**





# Coburn Estimated Annual Production



<b>Product</b>	<b>Years 1 – 2 (tonnes)</b>	<b>Year 3 onward (tonnes)</b>	<b>% of Revenue</b>
Zircon	30,000	60,000	63
Ilmenite	60,000	120,000	18
HiTi	15,000	30,000	19

# Global Greenfields Development Projects



<u>Under Construction</u>	TiO <sub>2</sub> UNITS *	ZIRCON *	Rank	TiO <sub>2</sub> : ZIRCON
Douglas (Iluka)	150 #	100	1	3.5+
Moma (Kenmare)	354	52		6.8
Mindarie (Aust. Zircon)	50	30		1.6
Madagascar (Rio Tinto)	470	25		18.8
<u>Completed BFS</u>				
Kwale (Tiomin)	In Force Majeure	37		6.2
Senegal (Min Deposits)	11 #	80	2	4.0+
Corridor (BHPB)	330	30		11.0
Coburn (Gunson)	99	60	3	1.6
<u>In BFS Stage</u>				
Tamil Nadu (Tata)	250	20		12.5

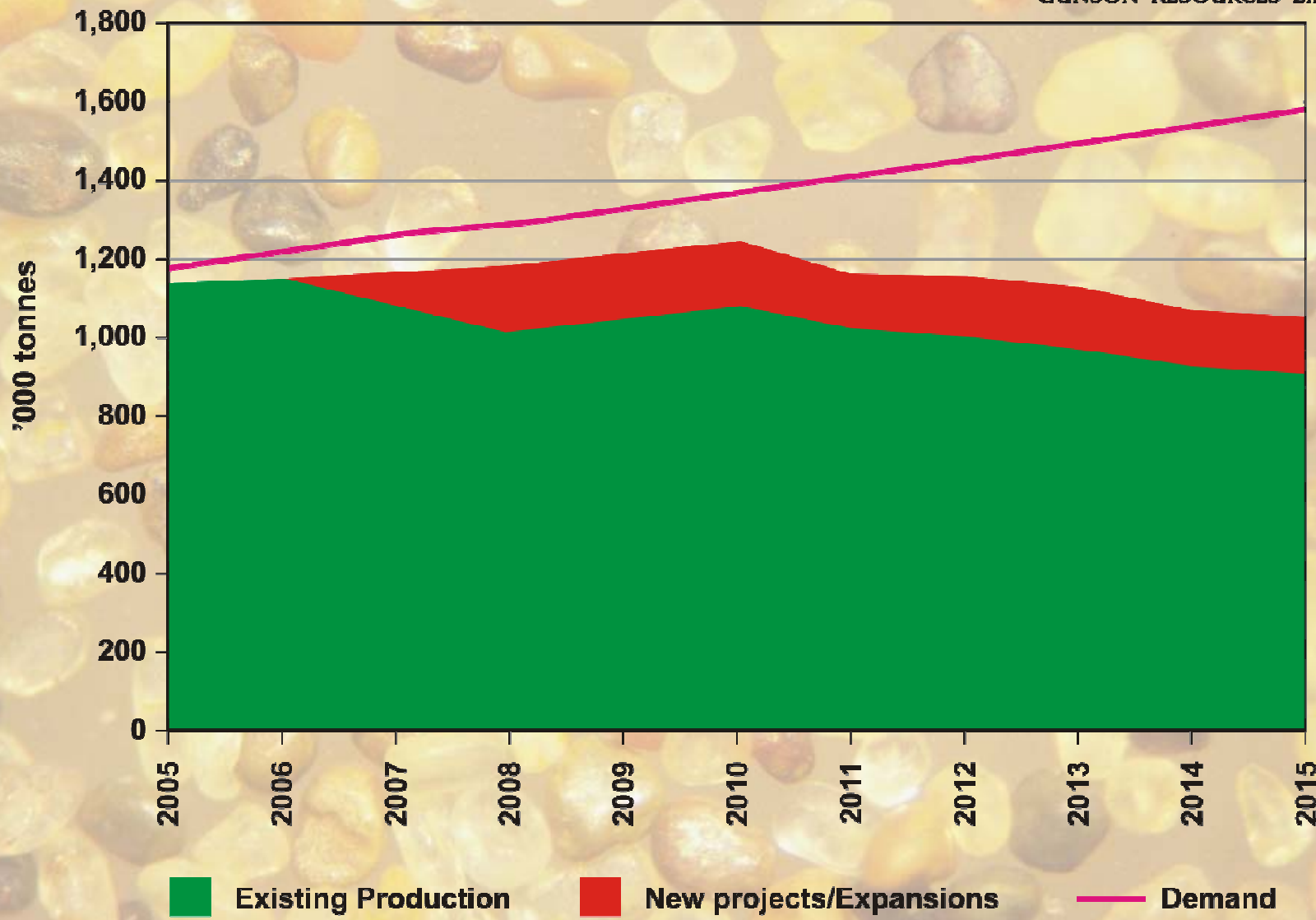
Australia

Africa

India

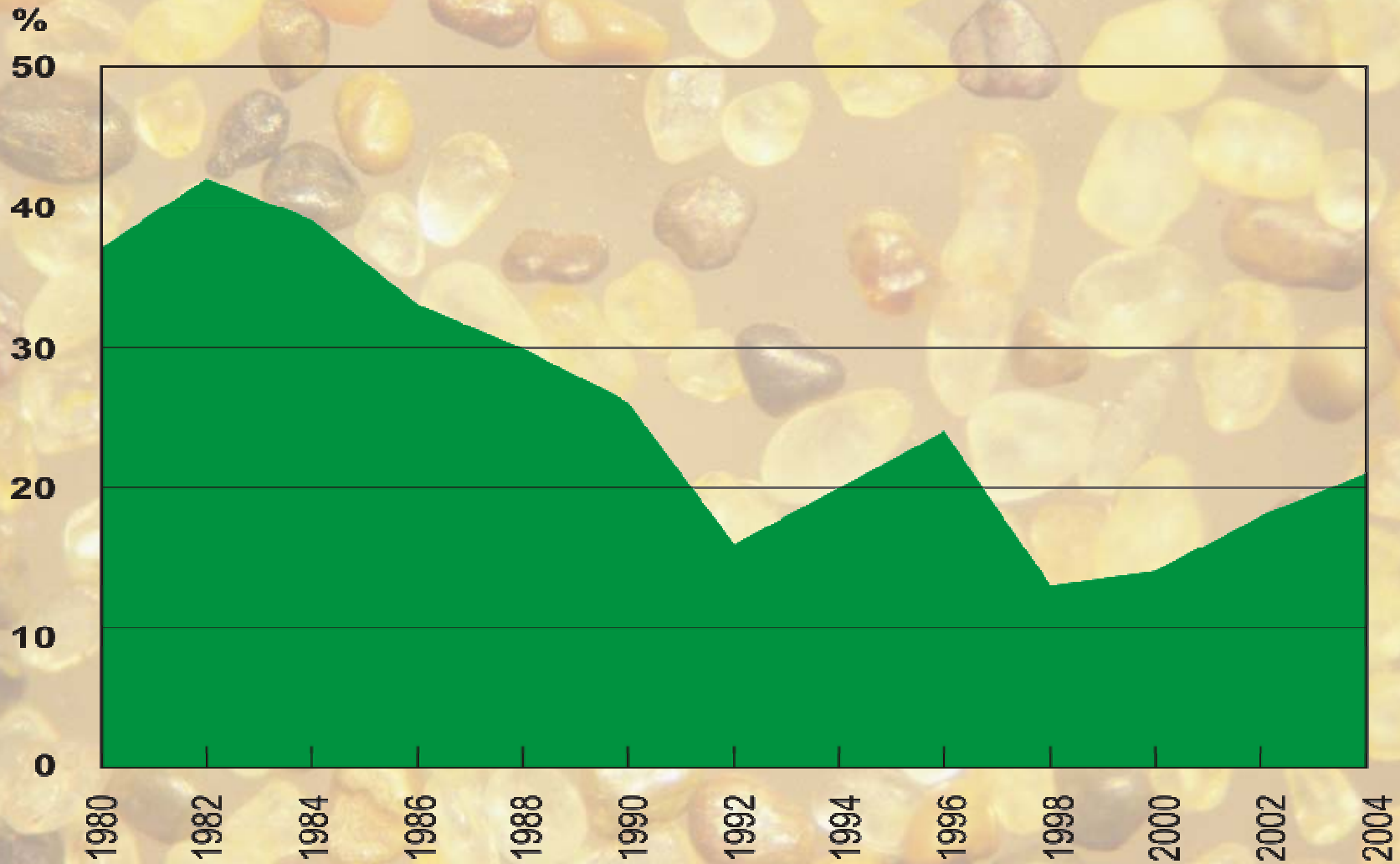
\* ,000 tonnes per annum # Ilmenite excluded + Ilmenite included

# Zircon Supply/Demand Forecast



Source: Iluka Resources, 2006

# Eneabba – % of World Zircon Production 1980-2004



Source: TZMI Mineral Sands Report, March 2005

# **Coburn Definitive Feasibility Study (DFS)**



- **95% complete.**
- **Tender prices negotiated downwards – both capital and operating items.**
- **Metallurgy for Ilmenite / tolling plants being finalised.**
- **DFS completion target – 2H March 2007, to coincide with final environmental approval.**

# Conclusions



- **Permitting and financing to be completed H1 2007.**
- **12 month construction period envisaged.**
- **Coburn is the third largest greenfield zircon development project in the world.**
- **Mount Gunson drilling in progress – first hole at 500m (target 800m).**



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