

COBURN MINERAL SAND PROJECT AND EXTENSION OF SPP

1. Coburn Mineral Sand Project

Since the previous release on 14th March the Company has made considerable progress in advancing the Project toward commercial production in late 2006.

1.1 Offtake Agreements

Follow up visits to potential offtake partners in China are scheduled over the next month. Discussions will focus on advancing offtake contracts, provision of capital funding for mine development and Gunson's participation in mineral separation and marketing in China.

Discussions with other potential partners interested in participating in the Project are continuing.

1.2 Environmental Approval Process

The draft Public Environmental Review report was submitted to the Environmental Protection Authority Service Unit (EPASU) on 15th March. Approval from the EPASU to make the report public for the prescribed 8 week Public Review period is expected by late May.

1.3 Purchase of Coburn Pastoral Lease

The purchase was settled on 14th April and de stocking of the property will commence shortly.

1.4 Engineering Design and Costing

A number of Australian engineering groups are currently preparing proposals for detailed engineering design of the minesite concentrator, including a review of the BFS capital and operating cost estimates. Deadline for the proposal is the end of April and a decision on the successful proponent is expected in early May.

Earlier predictions of significant savings in capital expenditure have been supported by feedback from the engineering groups. In the meantime, studies of the capital cost of fabricating the equipment in China are progressing and indications of cost are expected during May.

1.5 Infill Drilling

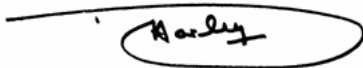
A 1,100 hole infill drilling program is scheduled to commence on 22nd April and is designed to convert probable ore reserves to the proven category on the southern end of the Amy Zone ore body. This program has the potential to extend the outline of the ore body to the east.

1.6 Debt Funding

Discussions with selected banks regarding debt funding have continued, with strong interest from all groups that have reviewed the Project.

2. Extension of Share Purchase Plan Deadline

Directors have decided today to extend the deadline for the Company's share purchase plan, launched on 5th April. The extension is by four days, from 5 pm on Monday, 18th April to 5 pm on Friday, 22nd April and will give shareholders additional time to subscribe to the SPP offer.

A handwritten signature in black ink, appearing to read "Harley", is enclosed within a hand-drawn oval. A horizontal line extends to the left from the top of the oval.

**D N HARLEY
MANAGING DIRECTOR**

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