

ASX RELEASE
5th December 2005

**EPA RECOMMENDS COBURN
MINERAL SAND PROJECT FOR
APPROVAL**

In a bulletin published today, the Western Australian Environmental Protection Authority (EPA) has recommended to the Minister for the Environment that the proposed heavy mineral sand mine at Coburn, near Shark Bay be granted environmental approval. A copy of this bulletin is on the Gunson website (see address below). The EPA's recommendation follows an exhaustive 2.5 year scientific study and government/public review process costing the Company in excess of \$2 million.

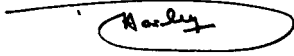
Submissions from the public in mid 2005 focused on the potential impact on district groundwater supplies, the effectiveness of rehabilitation after mining and the impact on the nearby Shark Bay World Heritage Property. The Company responded to these submissions in October 2005, addressing public concerns by removing the northern third of the ore body from the mining proposal, Pit 10. Gunson has committed to complete more studies to demonstrate that successful rehabilitation can be achieved and that Pit 10 can be developed without adverse impact on the World Heritage Property, before resubmitting this northern pit for approval in several years time. Mining is not scheduled in this area of the Coburn Project until year 13.

The anticipated timetable for the remainder of the statutory approvals process is outlined below.

- Two week public appeals period on the EPA Report and Recommendations: 5th – 19th December 2005.
- State and Commonwealth Environment Ministers' decision: early 2006.
- Mining approvals: early 2006.

In the meantime, equipment supply, mine service and product sales contracts are being advanced with a fixed price, fixed delivery quote for the minesite heavy mineral concentrator expected later this month. Financial approvals are scheduled for the first quarter of 2006, with construction forecast to begin in the second quarter of 2006. First production is scheduled for the June quarter of 2007.

Coburn is currently the third largest greenfields zircon development project in the world, with the highest concentrate value of any heavy metal sand mine or large development project in Australia.

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature appears to read "Harley".

D N HARLEY
MANAGING DIRECTOR

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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.