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**GUNSON RESOURCES LIMITED**



***David Harley  
RIU Explorers Conference***

***17 February 2009***

# Corporate Summary



• Shares	123.7M
• Cash (end 2008)	\$0.34M
• SPP closes 23 Feb. 2009	
• Share Price	6c
• Market Cap.	\$7.4M
• Four Top Shareholders	
Bruce Birnie Pty Ltd	4.0M (3.2%)
Citicorp Nominees	3.8M (3.1%)
D. Harley	3.2M (2.6%)
F.W. Holst	3.04M (2.4%)

# Presentation Focus



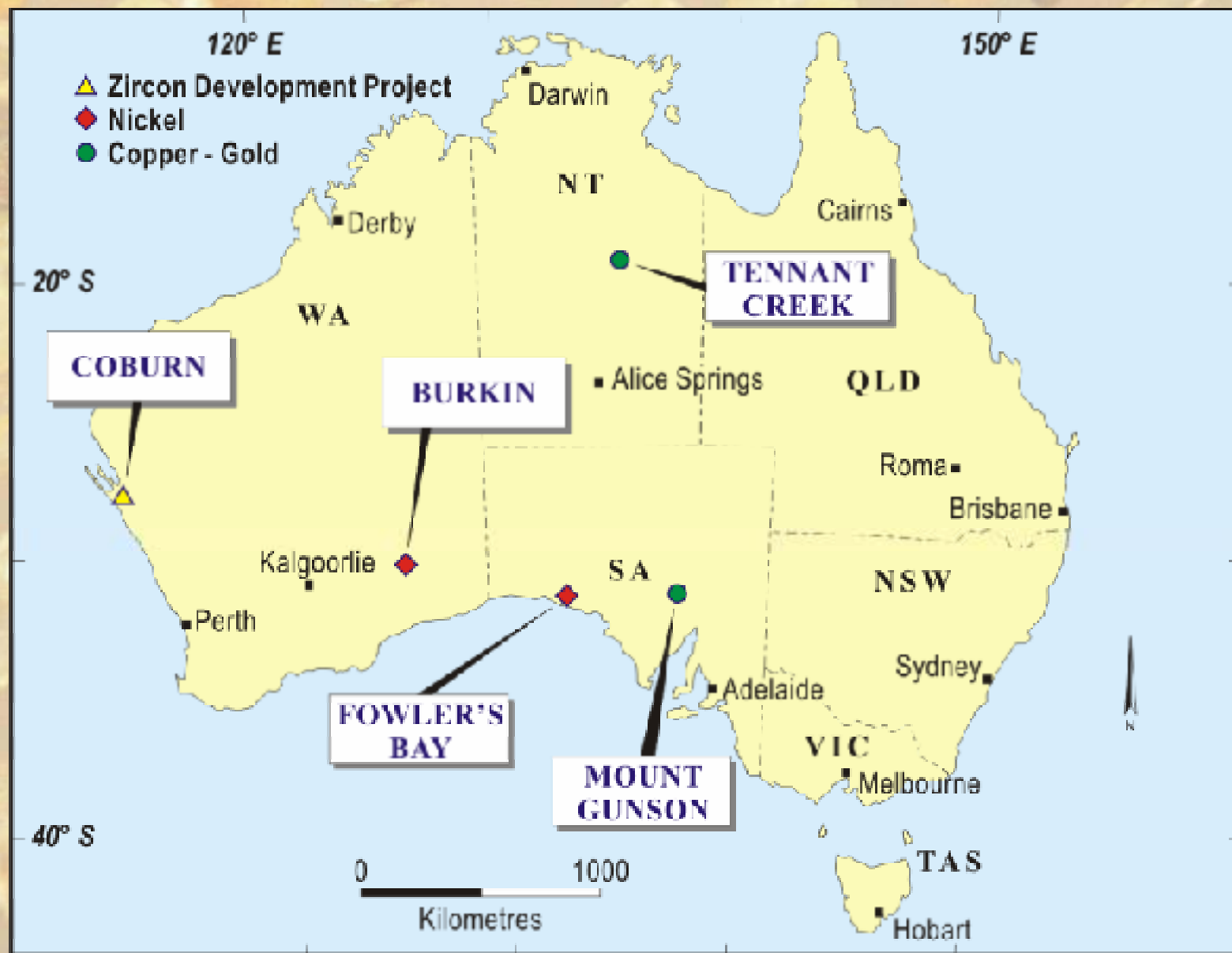
## Coburn Zircon Development Project

- Fully permitted for construction
- Ore reserve for 17.5 year mine life
- Financial returns doubled since mid 2008
- New tenders due mid April

## Mount Gunson Copper Exploration Project

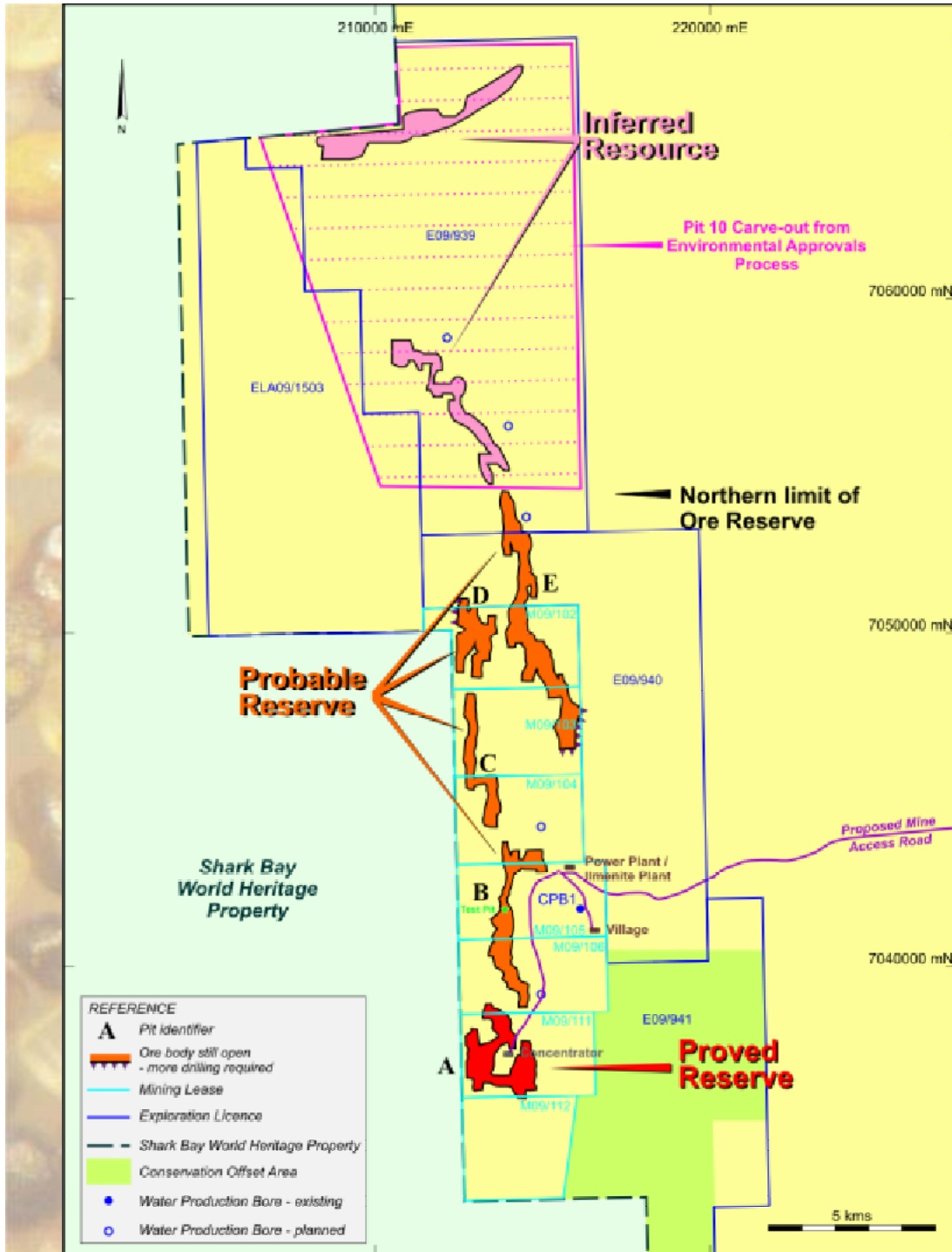
- Xstrata Copper still funding deep exploration
- Feasibility study in progress (non Xstrata)

# Project Location Map



# Coburn – Regional Setting





# 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

# Large Global Greenfields Development Projects



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

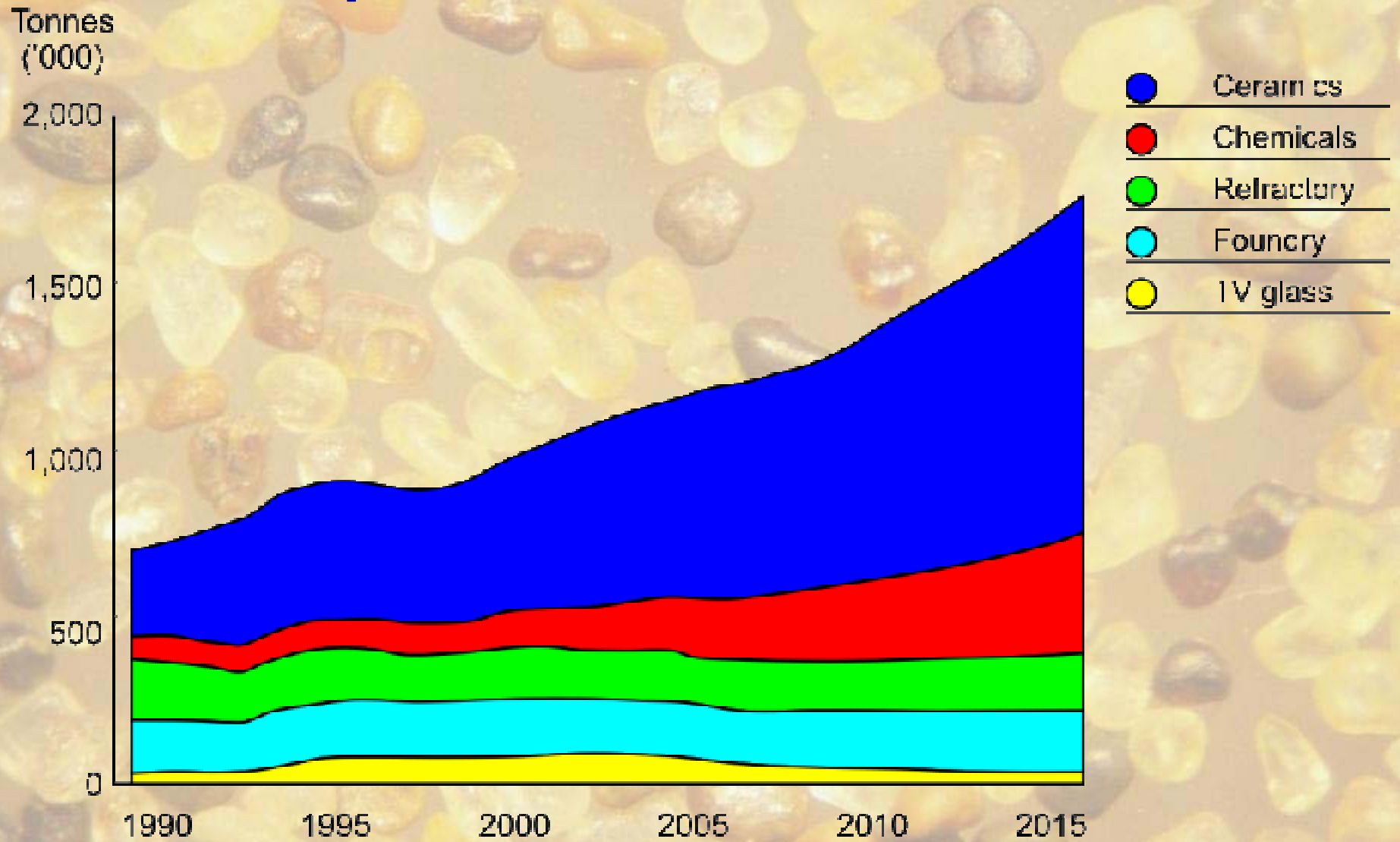
**Australia**

**Africa**

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



# End-use Trends for Zircon Consumption 1990 - 2015



Source: TZMI

# Zircon Price vs Gold & LME Metals



LONDON METAL EXCHANGE  
(LME) INDEX

Points

5000 —  
4500 —  
4000 —  
3500 —  
3000 —  
2500 —  
2000 —  
1500 —  
1000 —

**GOLD**  
US\$/oz  
**ZIRCON**  
US\$/tonne FOB  
US\$  
1000

950  
900  
850  
800  
750  
700  
650  
600

2007

2008

2009

Sources: Bloomberg; Investment Banks;  
Zircon price from TZMI

— LME — Zircon — Gold



# **Coburn – Attractions for 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. Very tight zircon market due to supply deficit – strong price in 2009.**
- 6. Short construction period (58 weeks).**

## **Status of Chinese Negotiations**

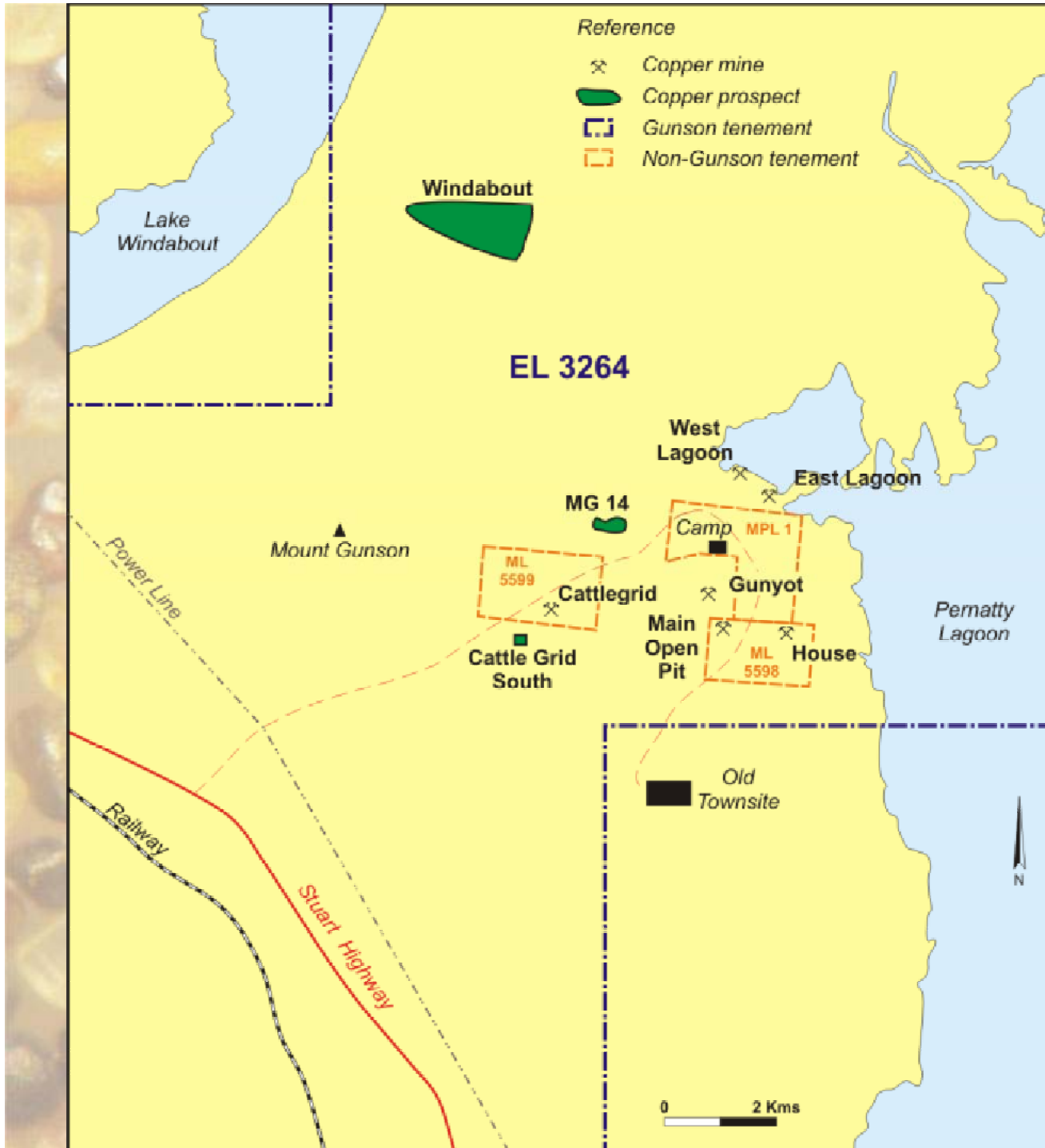


- **The Balloch Group (TBG) engaged in September 2008 to assist Gunson in China.**
- **TBG have introduced well credentialed potential investors and construction contractors for China MSP.**
- **CTIEC advised that Gunson will not accept them as the general construction contractor.**
- **Gunson confident of attracting offtake investor(s) by May 2009.**



# South Australian Copper Belt

# Mount Gunson – Shallow Copper Deposits



# Mount Gunson Shallow Copper Resources



<u>Prospect</u>	<u>Tonnes (million)</u>	<u>% Cu</u>	<u>% Co</u>	<u>Depth (m)</u>	<u>Contained Copper (t)</u>
Windabout ✱	18.7	1.0	0.05	70	187,000
MG 14 ✱	1.1	1.7	0.04	25	18,700
Cattlegrid South ●	0.7	1.7	-	65	11,900
Emmie Bluff ●	24.0	1.3	0.06	400	312,000

Resource categories above are as per the JORC code, shown as symbols in the left hand column, ✱ for indicated, ● for inferred.

Competent persons for these resources are given on page 24 of Gunson's 2008 Annual Report.





# Feasibility Study



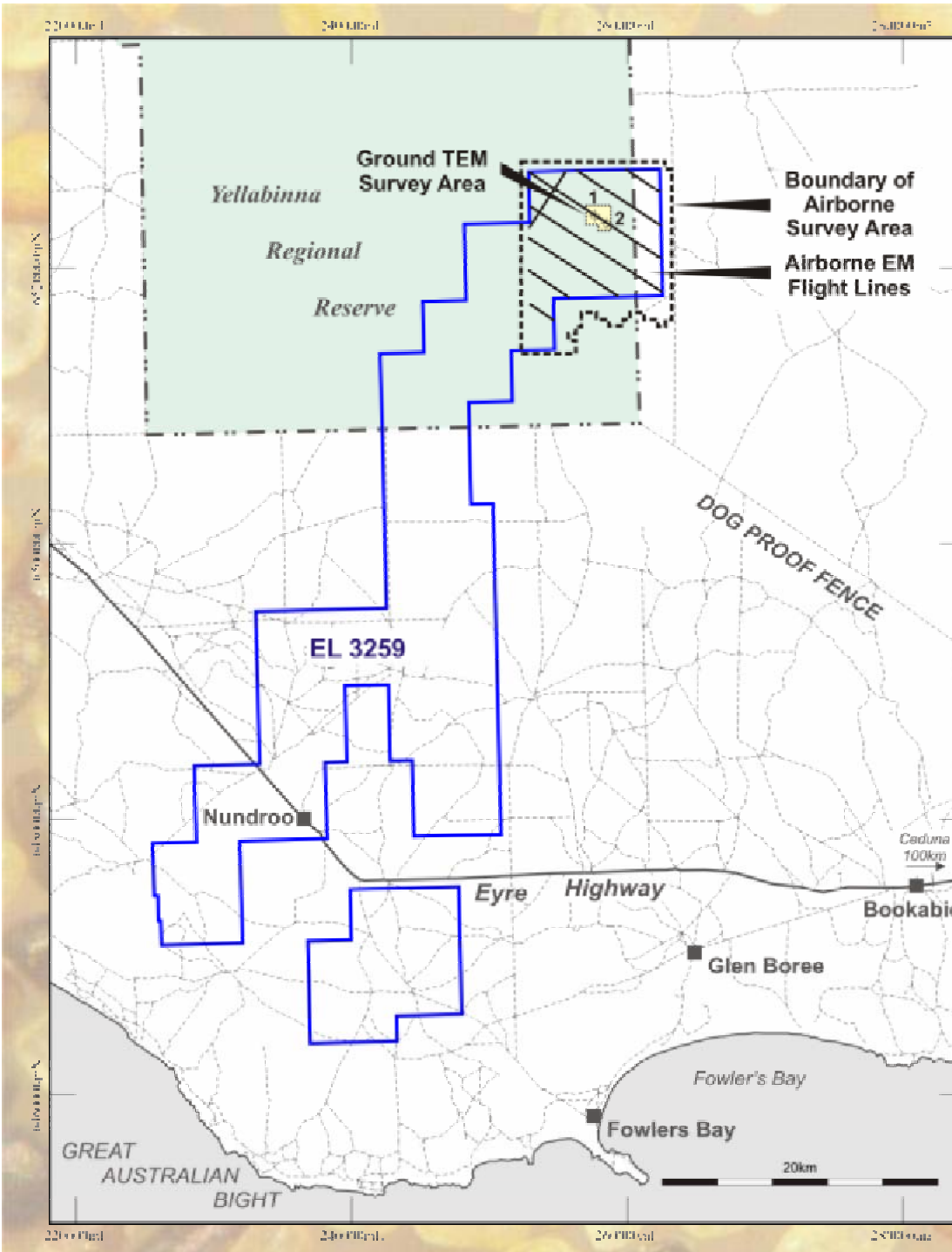
- **Commenced April 2008**
- **MG14 18,700t Cu @ 25m depth**
- **Windabout 187,000t Cu @ 70m depth**
- **Mines Trust partnering Gunson**
- **Metallurgical test work in progress to produce concentrate, then saleable product**

# Summary – Mount Gunson



- **Low capital/operating cost production potential**
- **Feasibility study due for completion mid 2009**
- **Xstrata Copper funding deep exploration**
- **MG14/Windabout excluded from Xstrata Copper farm-in**

# Fowler's Bay Nickel Project



# Gunson Upside



- **Fully permitted zircon development project at Coburn with strong interest from potential Chinese partners, particularly end users.**
- **Good strategic fit for Chinese – zircon offtake in a very tight market, good financial returns and short construction period.**
- **Shallow, undeveloped copper resources at Mount Gunson. 200,000 tonnes copper metal in situ (excluding Co credits).**
- **Strong exploration upside – copper, nickel, gold.**



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