



GUNSON RESOURCES LIMITED



***David Harley
10th Minsands Conference
Mildura, Victoria***

***8th December 2009
www.gunson.com.au***

Corporate Summary



- **Shares** **149.3M**
- **Cash (end Sept'09)** **\$0.7M**
- **Share Price** **10c**
- **Market Cap.** **\$14.9M**
- **Substantial Shareholder**
John Tilbrook **13.1M (8.8%)**
- **SPP closed,**
7 December 2009 **10c**

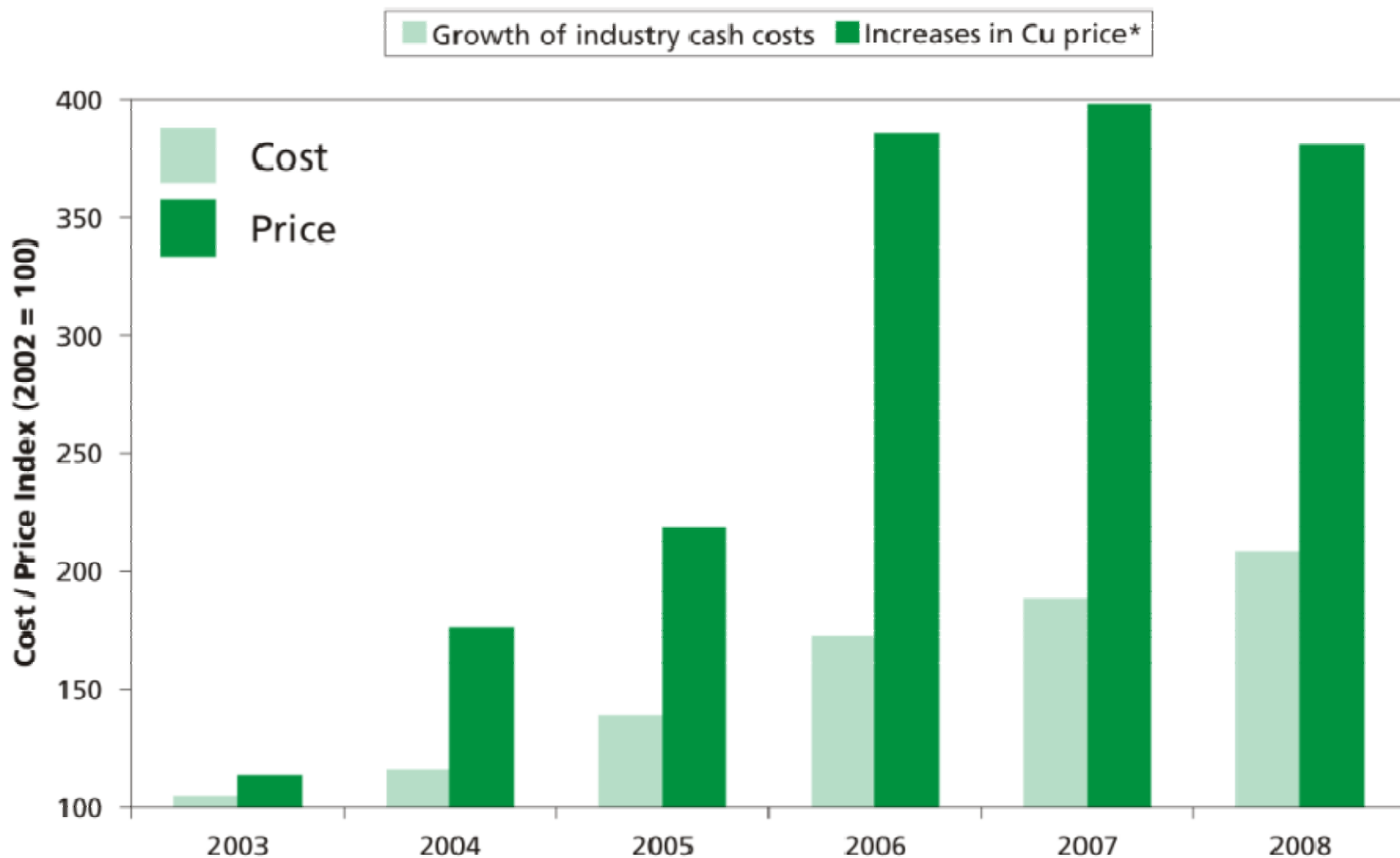
Presentation Summary



- **Industry overview**
- **Location of Coburn**
- **Exploration expenditure history**
- **Ore reserves/resources**
- **Mining Method**
- **Estimated annual mineral production**
- **Definitive Feasibility Study**
- **Zircon pricing**
- **Conclusions**

**Copper and Mineral Sands –
Contrasting Financial Returns
2003 - 2008**

Copper Industry Cost & Price Trends 2003 - 2008

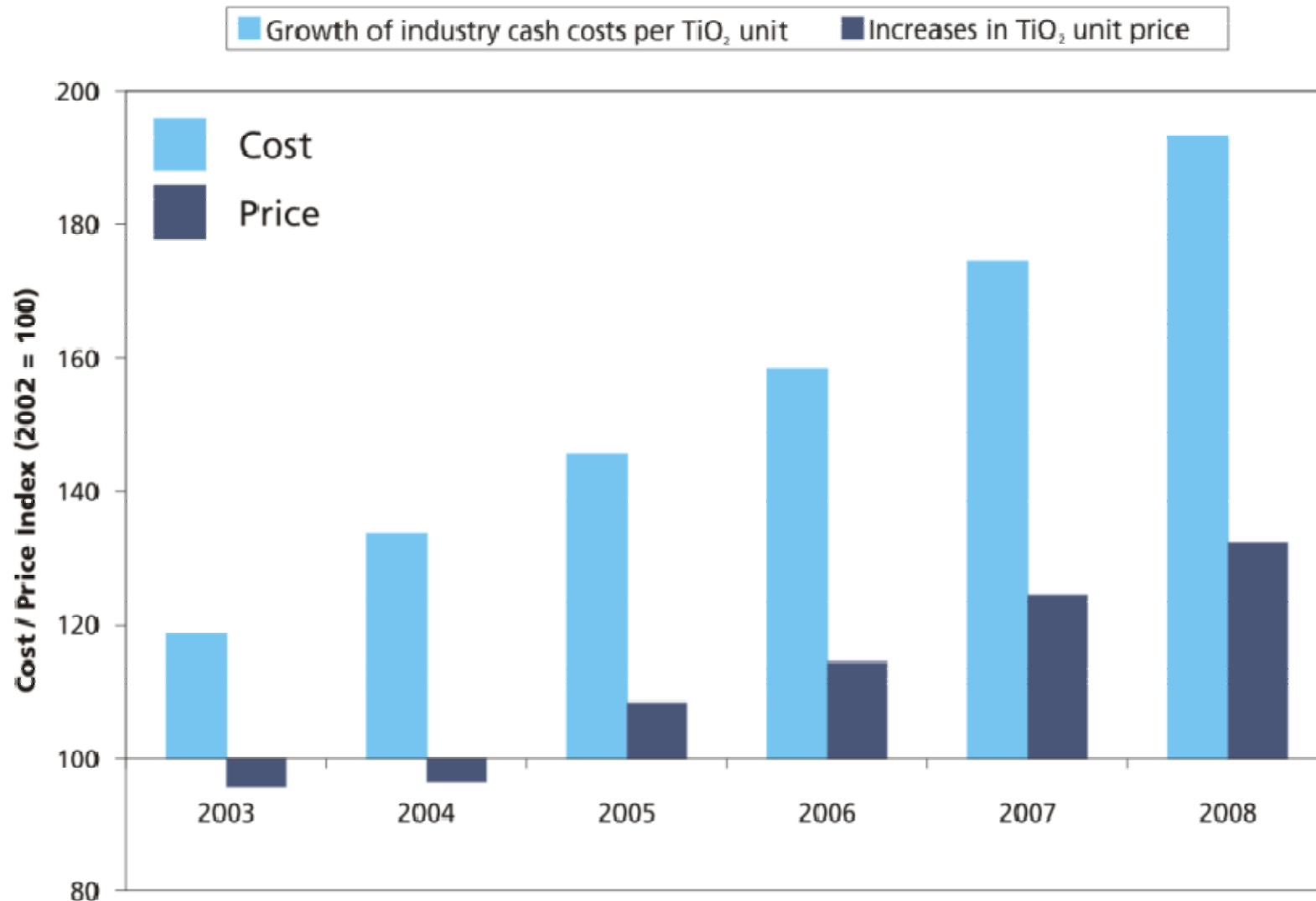


Source: Rio Tinto, October 2009

Cost data from Brook Hunt. Both costs and copper price indexed, 2002 = 100

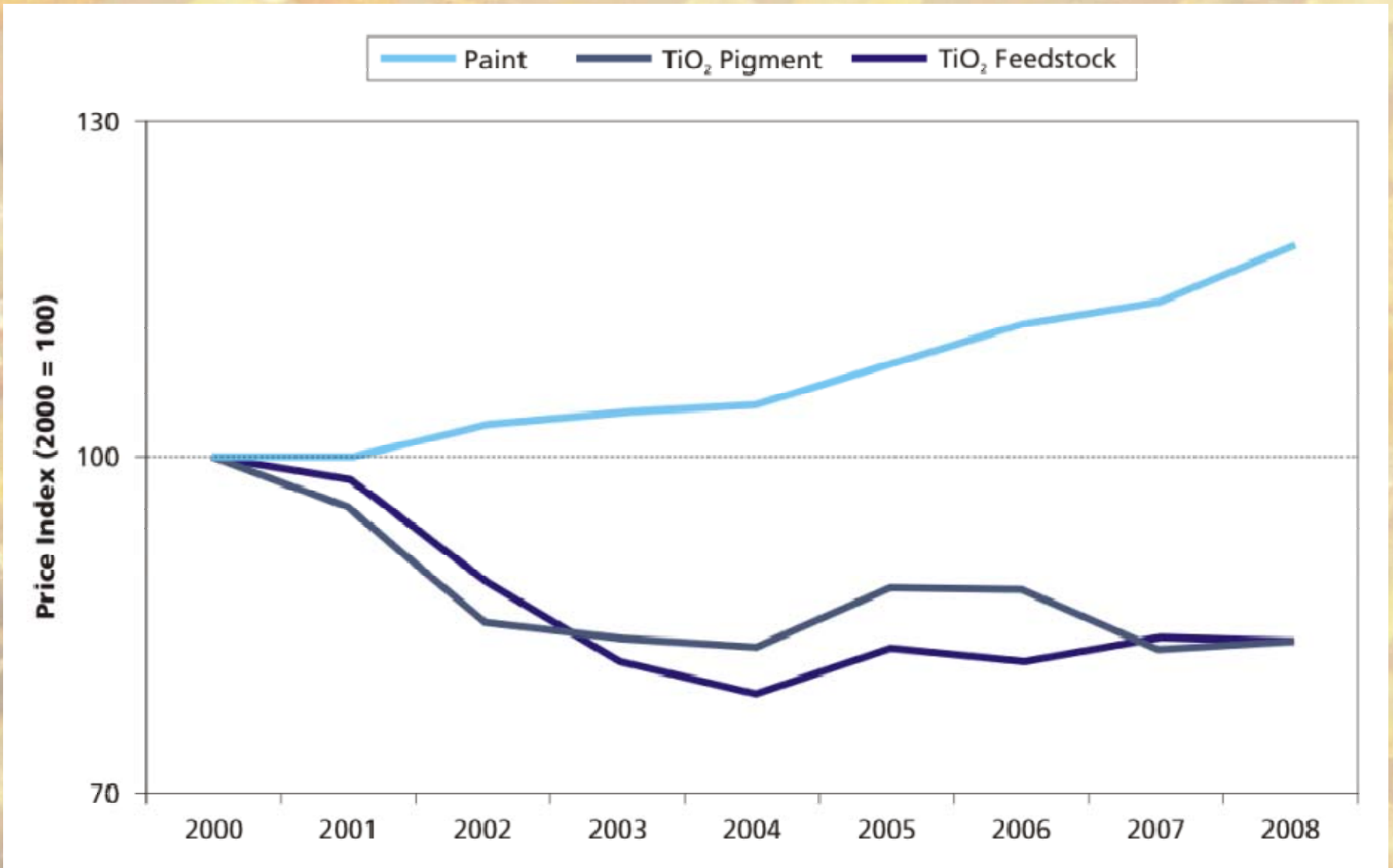
*Average LME Cash Price

TiO₂ Feedstock Industry Cost & Price Trends 2003 - 2008



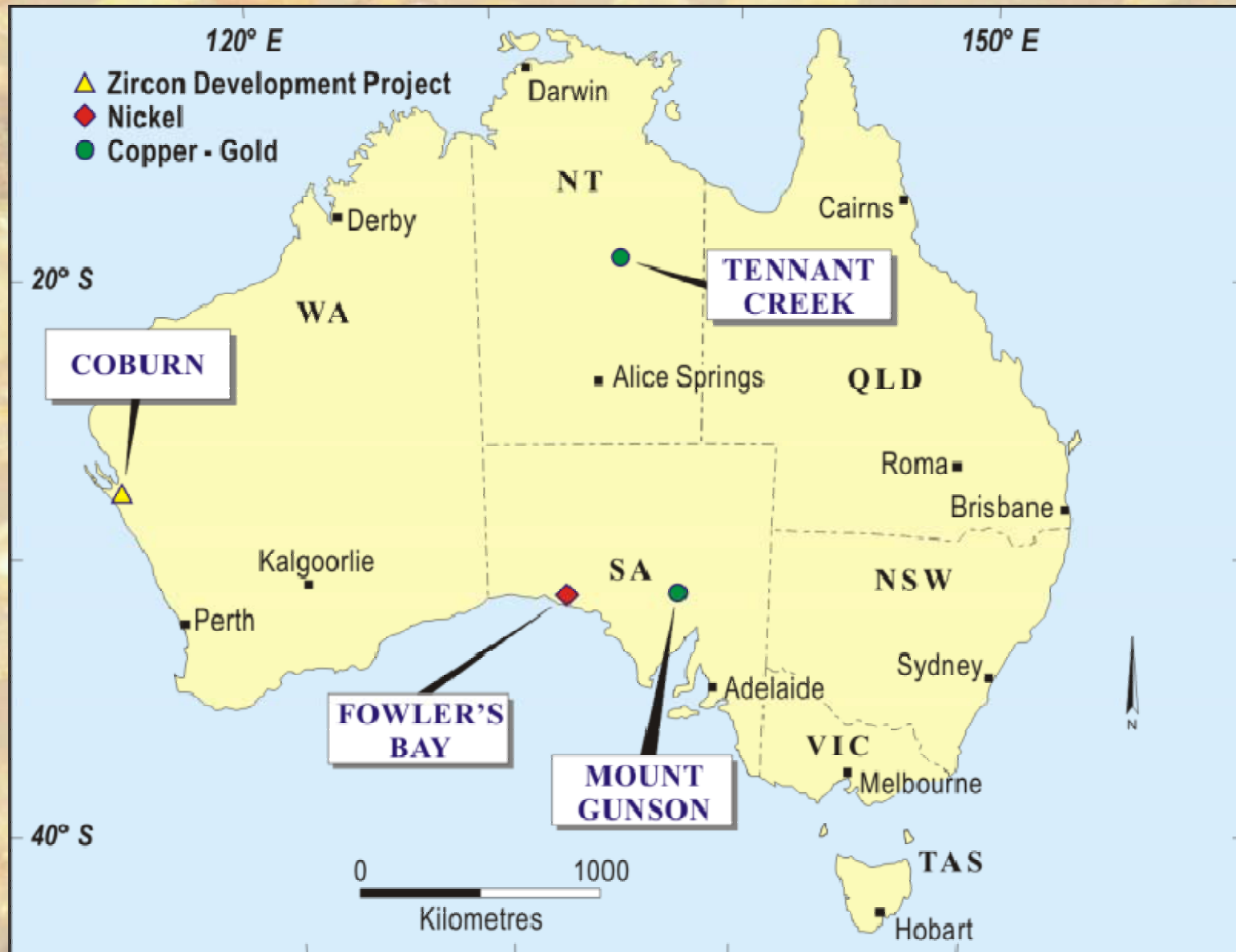
Source: Rio Tinto, October 2009
Prices/costs from TZMI, RioTinto, Indexed, 2002 = 100

Paint Industry vs TiO₂ Feedstocks & Pigments, Unequal sharing of Price Rises



Source: RioTinto, October, 2009

Project Location Map

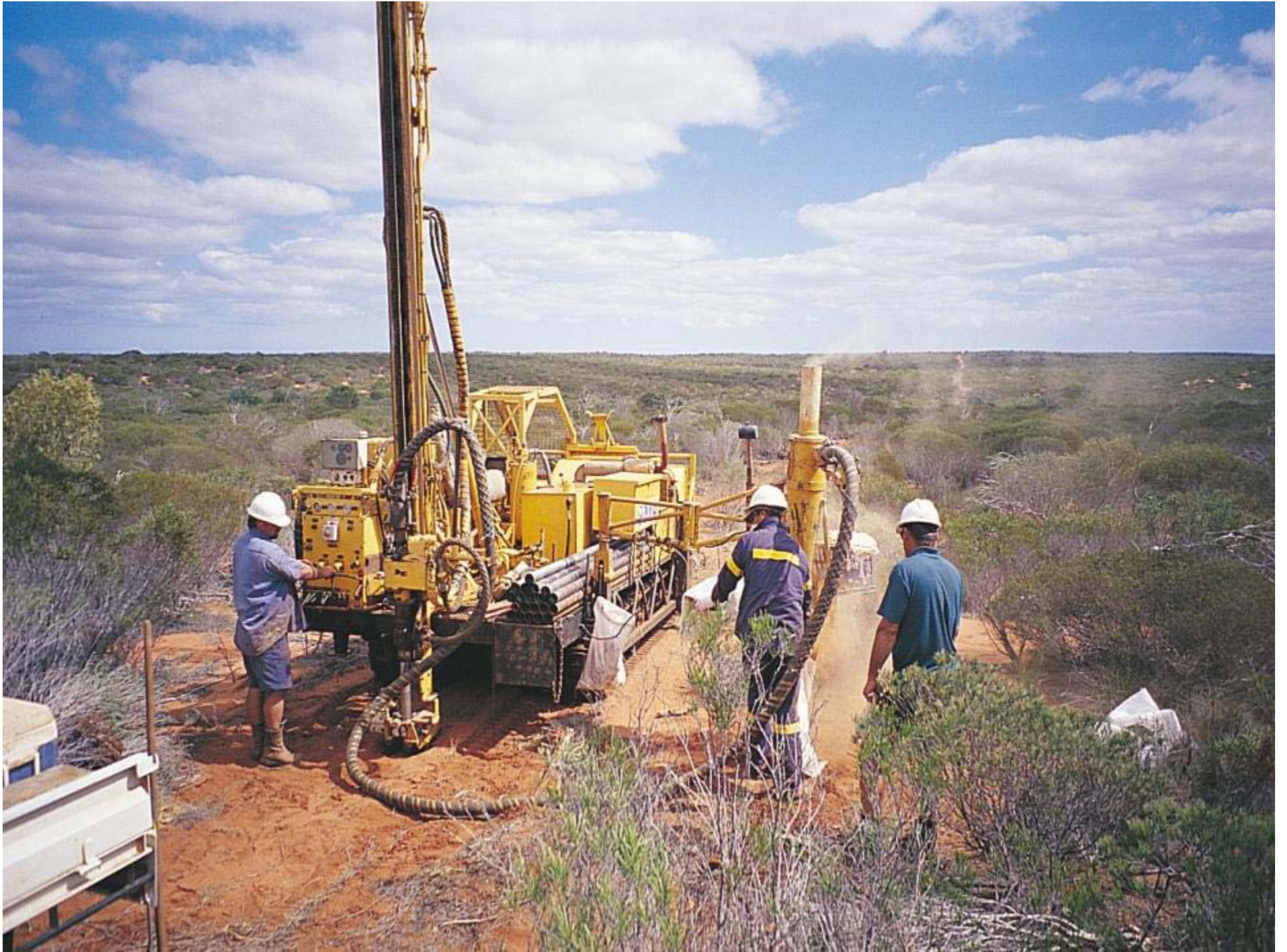


Coburn – Regional Setting







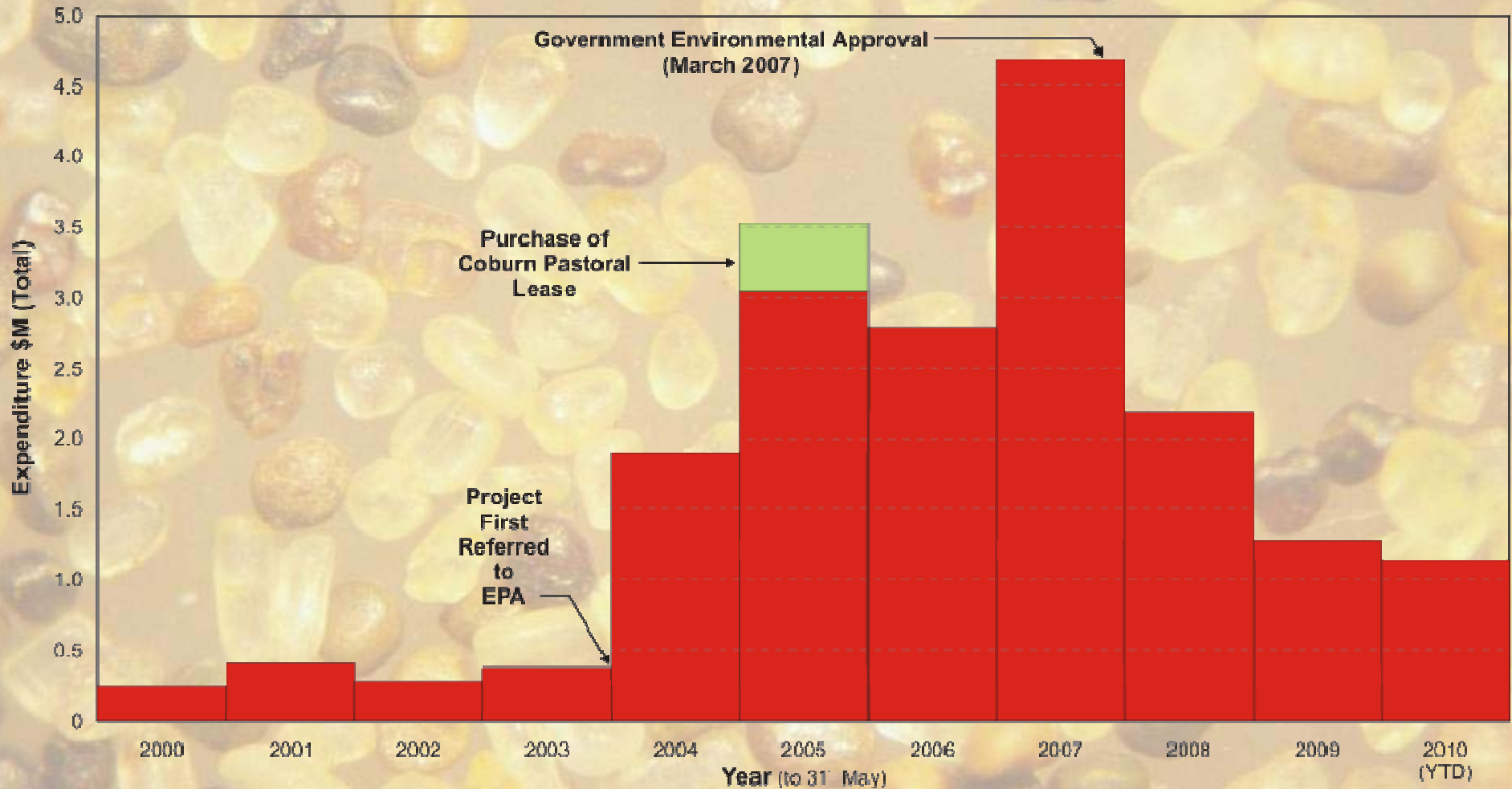


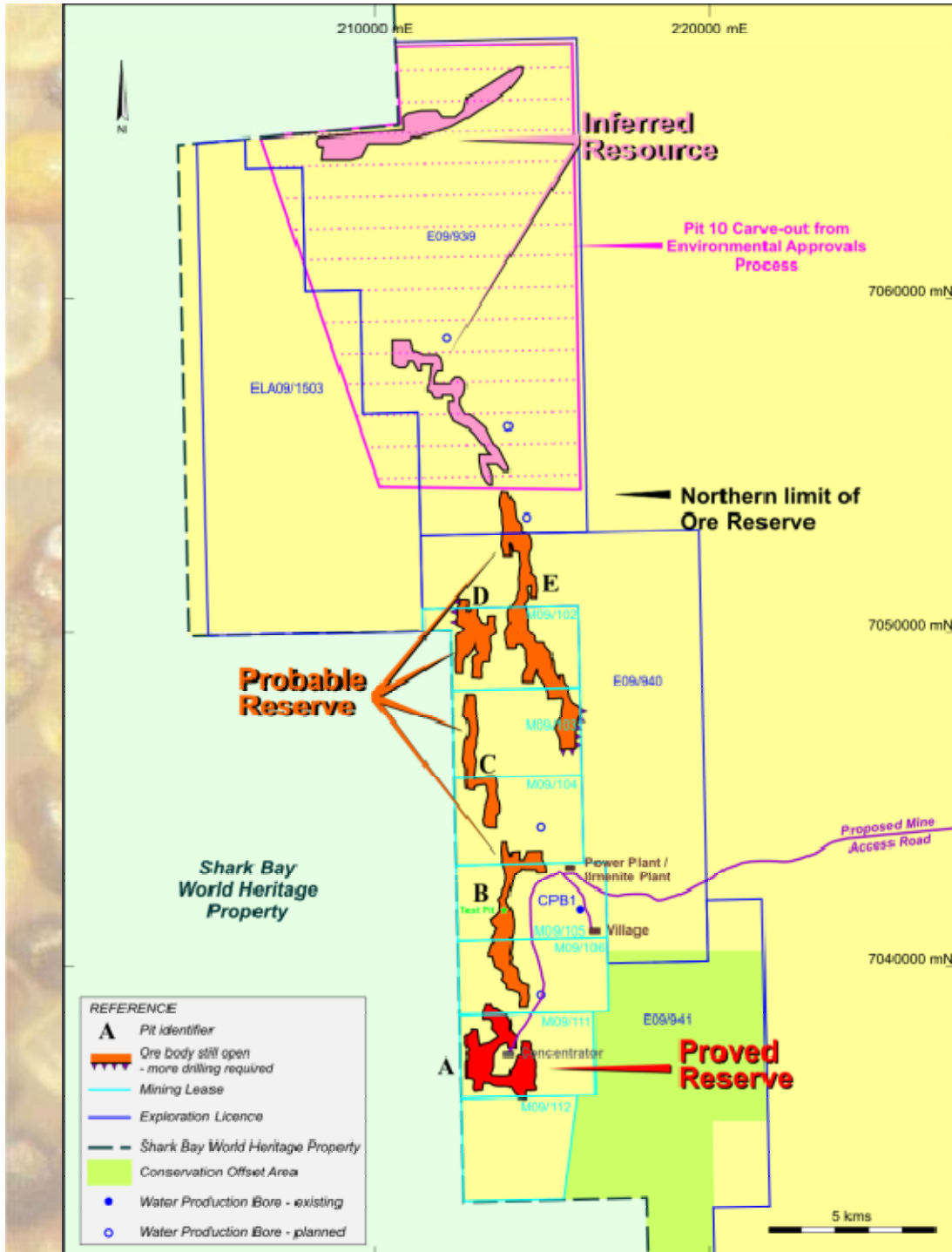






Coburn Project Expenditure 2000 – 2010 (31st May)





Amy Zone

Ore Reserves & Inferred Resources

Coburn Heavy Mineral Ore Reserves (Permitted for Mining)



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
Total		306	1.2	23	48	7	5

Reserve categories above are as per the JORC code. Competent persons for these reserves are given on page 18 of Gunson's 2009 Annual Report.

Coburn Resources

(Non-Permitted Area Only)



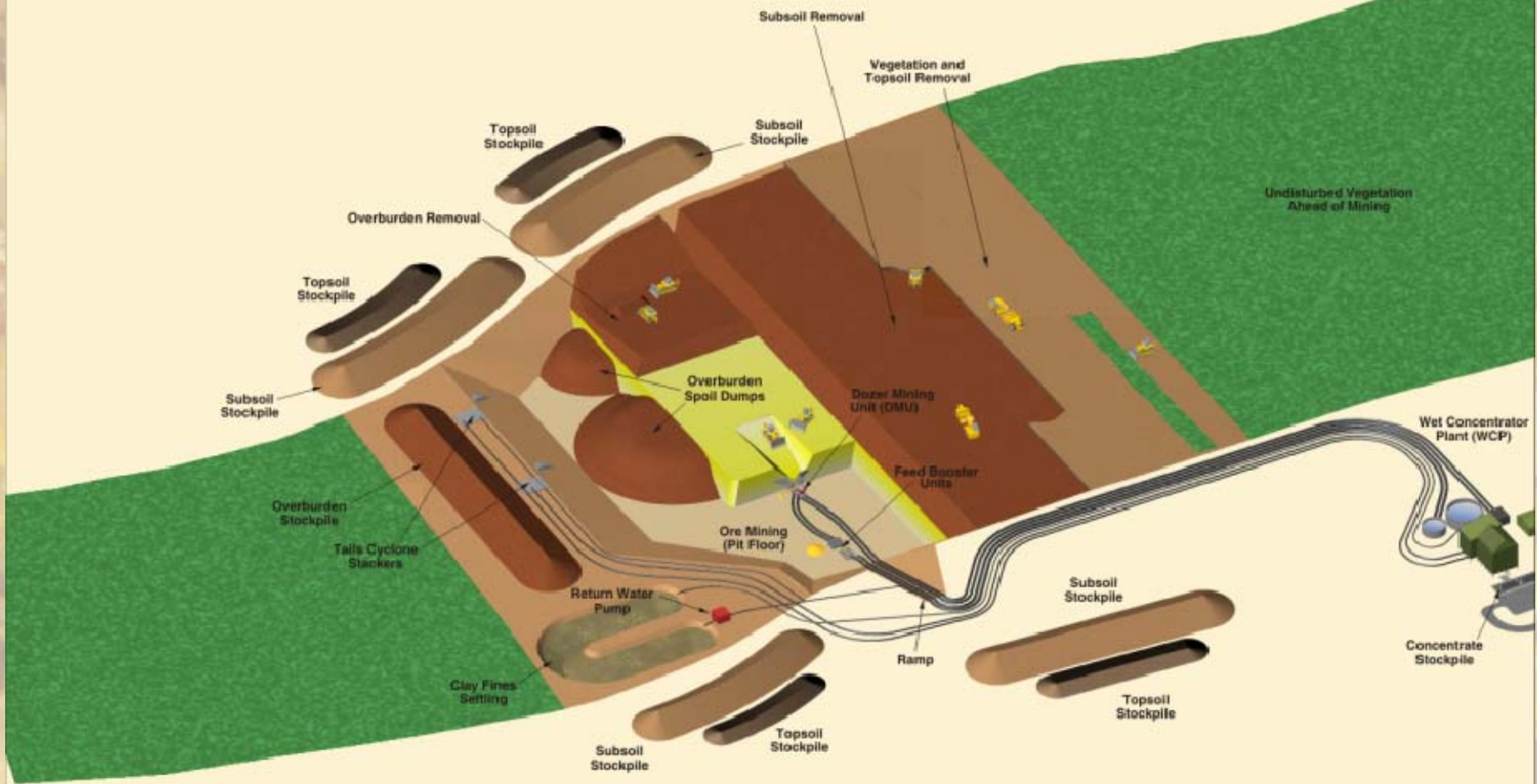
- 1. Inferred Resource (0.8% HM cut off)**
261 million tonnes @ 1.4% HM, 2.3% slimes.
- 2. Potentially mineable resource (Non-JORC)**
106 million tonnes @ 1.3% HM, 2.5% slimes.

HM Proportions...

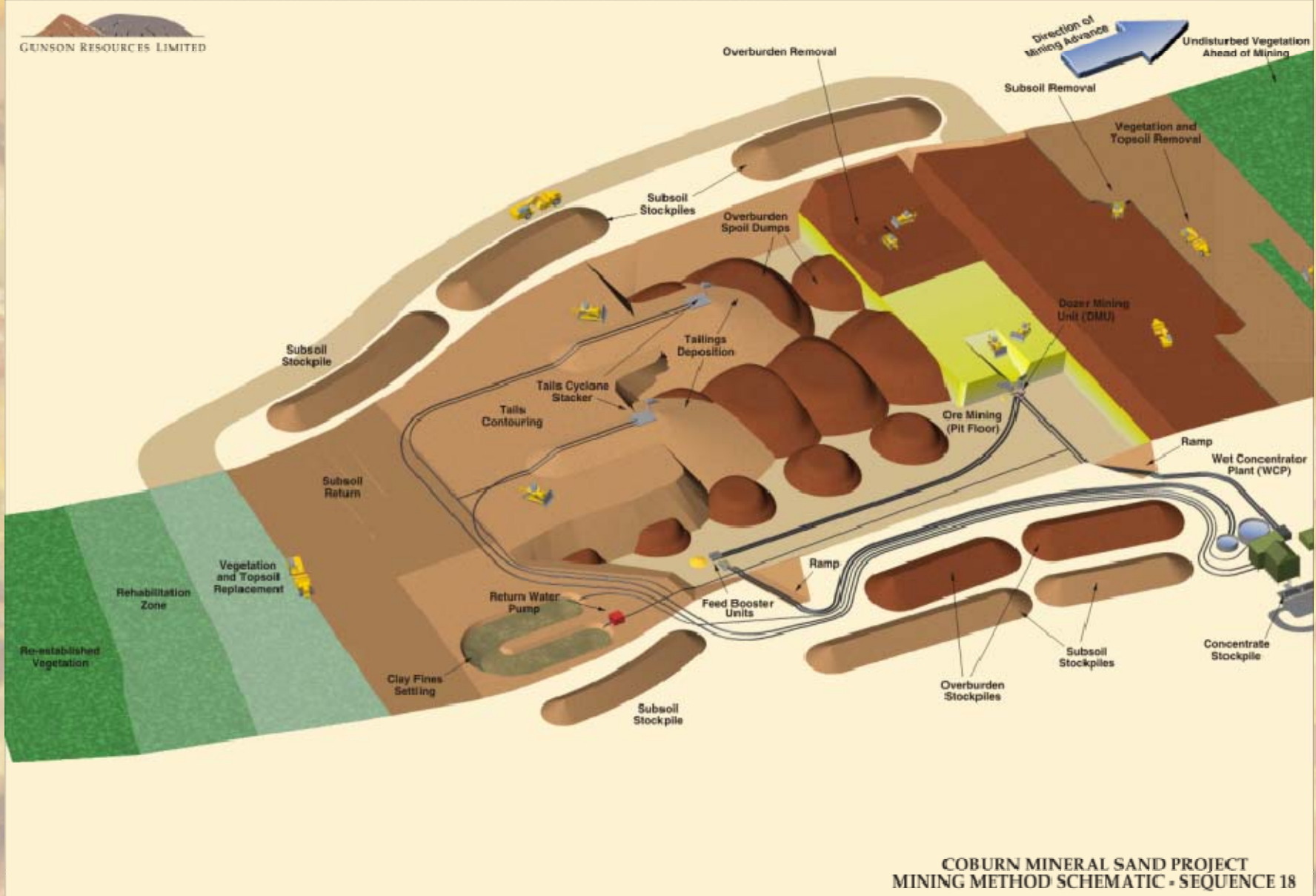
Zircon	19%
Ilmenite	53%
Leucoxene	12%
Rutile	5%

- 3. Conversion ratio to potentially mineable : 40% of inferred resource.**

Ratio is 3% higher in permitted area.



COBURN MINERAL SAND PROJECT
MINING METHOD SCHEMATIC - SEQUENCE 5



COBURN MINERAL SAND PROJECT
MINING METHOD SCHEMATIC - SEQUENCE 18

Estimated Annual Mineral Production



Product	Annual tonnes	Key Specification	% of Revenue
Zircon	40,000	66% ZrO ₂	66
Ilmenite	84,000	62% TiO ₂	22
Rutile	9,000	95% TiO ₂	9
Others	7,700	Leuc, 2ndry Ilmen	3

All Products to be sold *fob*
Australia

Large Global Greenfields Development Projects with significant zircon



<u>Under Construction</u>	TiO ₂ UNITS *	ZIRCON *	Zircon Rank	TiO ₂ : ZIRCON
Nil				
<u>Completed BFS</u>				
Senegal (Min Deposits)	11 #	80	1	4.0+
Coburn (Gunson)	60	40	2	1.6

Note: Corridor Sands (BHPB), Kwale (Tiomin) and Toliara (Exxaro) shelved in 2009.

Australia

Africa

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

Definitive Feasibility Study (DFS)



- **Nearly complete – estimated timing mid December 2009.**
- **Sedgman Metals finalising its Design Definition study, aimed at lowering capital and operating costs.**
- **Metallurgical test work by Allied Mineral Laboratories completed and report due 10 December 2009.**
- **MSP to be at the mine, not overseas.**
- **Once DFS results available, strategic investors in Middle East and China to review document and investment decision expected in early 2010.**

Zircon Price vs Gold & LME Metals

2007 – late 2009



**LONDON METAL EXCHANGE
(LME) INDEX**

Points

7500

7000

6500

6000

5500

5000

4500

4000

3500

3000

2500

2000

1500

1000

Sources: Bloomberg; LME Index Gold
Zircon price 2007-2008 from TZMI
2009, Gunson estimate

GOLD
US\$/oz

ZIRCON
US\$/tonne FOB

US\$

1250

1200

1150

1100

1050

1000

950

900

850

800

750

700

650

600

1 Jan
2007

1 Jan
2008

1 Jan
2009

1 Jan
2010

--- LME

--- Zircon
(Premium)

--- Gold



Conclusions



- **Negotiations with Chinese company CTIEC terminated in November 2008.**
- **Construction re-tendered early 2009.**
- **Sedgman Metals appointed preferred engineer June 2009.**
- **Sedgman report due 15 December 2009.**
- **DFS results to be released shortly after the Sedgman report received, in December 2009.**
- **Strategic investors to make investment decision based on DFS, with emphasis on zircon quality.**
- **Coburn is only one of two significant greenfields zircon development projects left in the world.**


Attribution and Forward Looking Statements



The information in this presentation which relates to exploration results, mineral resources, ore reserves and financial projections is based on data compiled by Mr David Harley, Managing Director of the Company. Mr Harley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Harley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

This presentation contains forward-looking statements that are subject to risk factors with exploration for and developing mineral deposits. Forward-looking statements include predictions of timing, cost and reserve estimates, plans and expectations that are expressed in good faith and believed to have a reasonable basis. However, such statements are subject to a range of variables over which the Company has little control, such as the availability of service providers, commodity prices, exchange rates, political and operational risks, statutory approvals and judicial outcomes.

The Company does not accept any obligation to release publicly any revisions to “Forward Looking Statements” to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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