

ASX RELEASE
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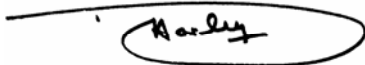
**COBURN ZIRCON PROJECT –
SECOND MOU WITH CTIEC**

At a meeting in the Chinese city of Bengbu late last week, Gunson and China Triumph International Engineering Company Ltd (CTIEC) signed a second Memorandum of Understanding (MOU) to follow up on their first MOU announced on 23rd July 2007. Two key points of the second MOU are as follows:

- 1 A subsidiary of CTIEC's parent, China National Building Material Company Limited (CNBM) and an electric power supply company in the Chinese city of Bengbu to take a combined 40% participating interest in the Project.
- 2 A draft, legally binding Outline Agreement, documenting the commercial and legal structure and management of the Project in its development and operational phases has been prepared and is being considered by the parties. All three parties will make their best endeavours to conclude this Agreement by the end of 2007, so that construction of the proposed mine in Western Australia and mineral separation plant in China can commence in early 2008.

Last week's MOU also reiterated the previous understandings regarding zircon offtake by CNBM, and CTIEC undertaking the construction of the Project on a fixed price "turnkey" basis, announced over the past 3 months.

The Company is pleased with the commitment to the Project by CTIEC, who are currently building factories at Bengbu which could consume a significant portion of the zircon production from Coburn.



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