



**GUNSON RESOURCES LIMITED**



***David Harley  
Shareholders Meeting***

***16<sup>th</sup> August 2006***

# Corporate Summary



• Shares	89.3M
• Unlisted Options	3.7M (30/35c)
• Cash (end June)	\$2.1M
• Share Price	\$0.29
• Market Cap.	\$26M

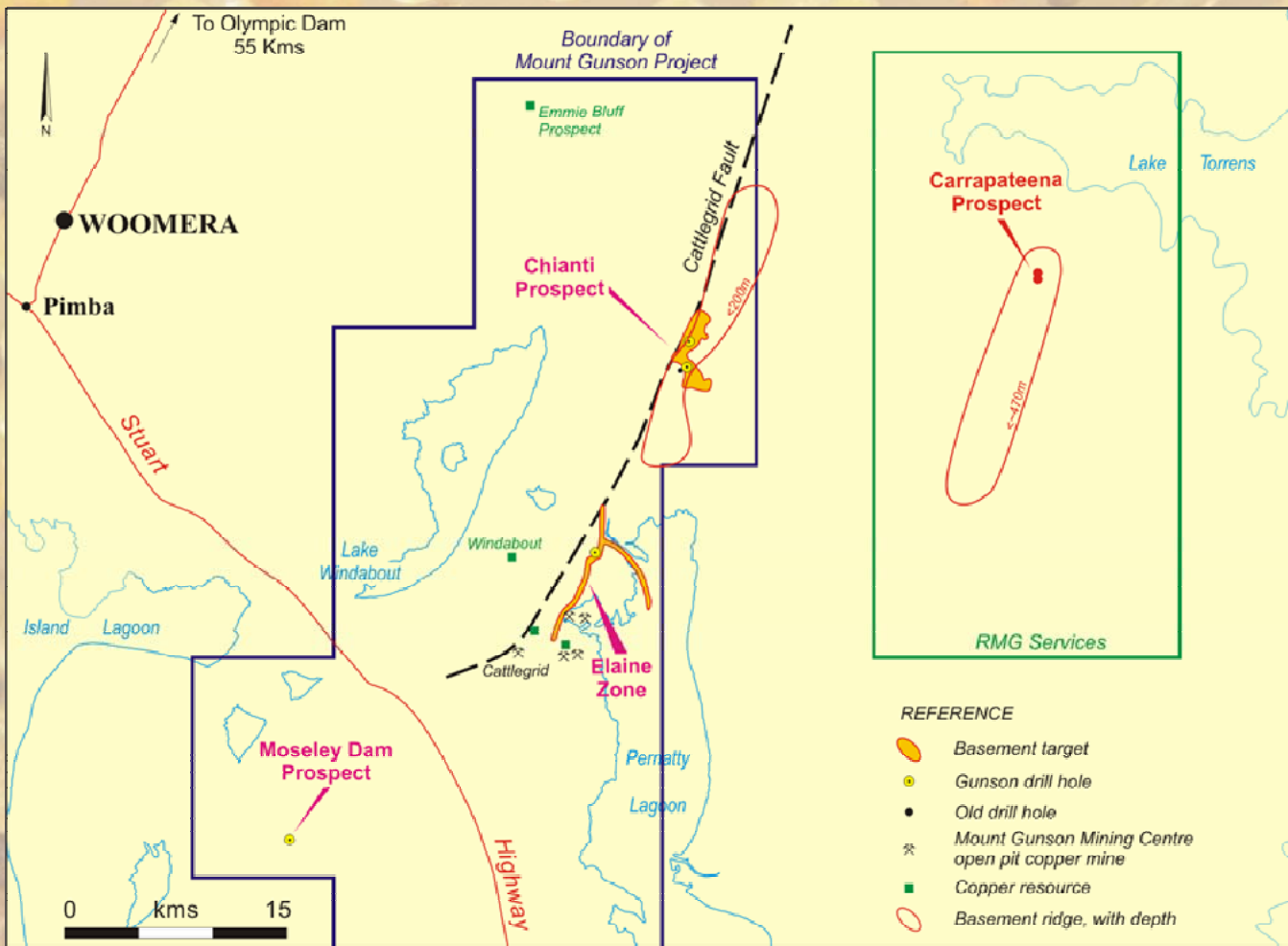
# Project Location Map

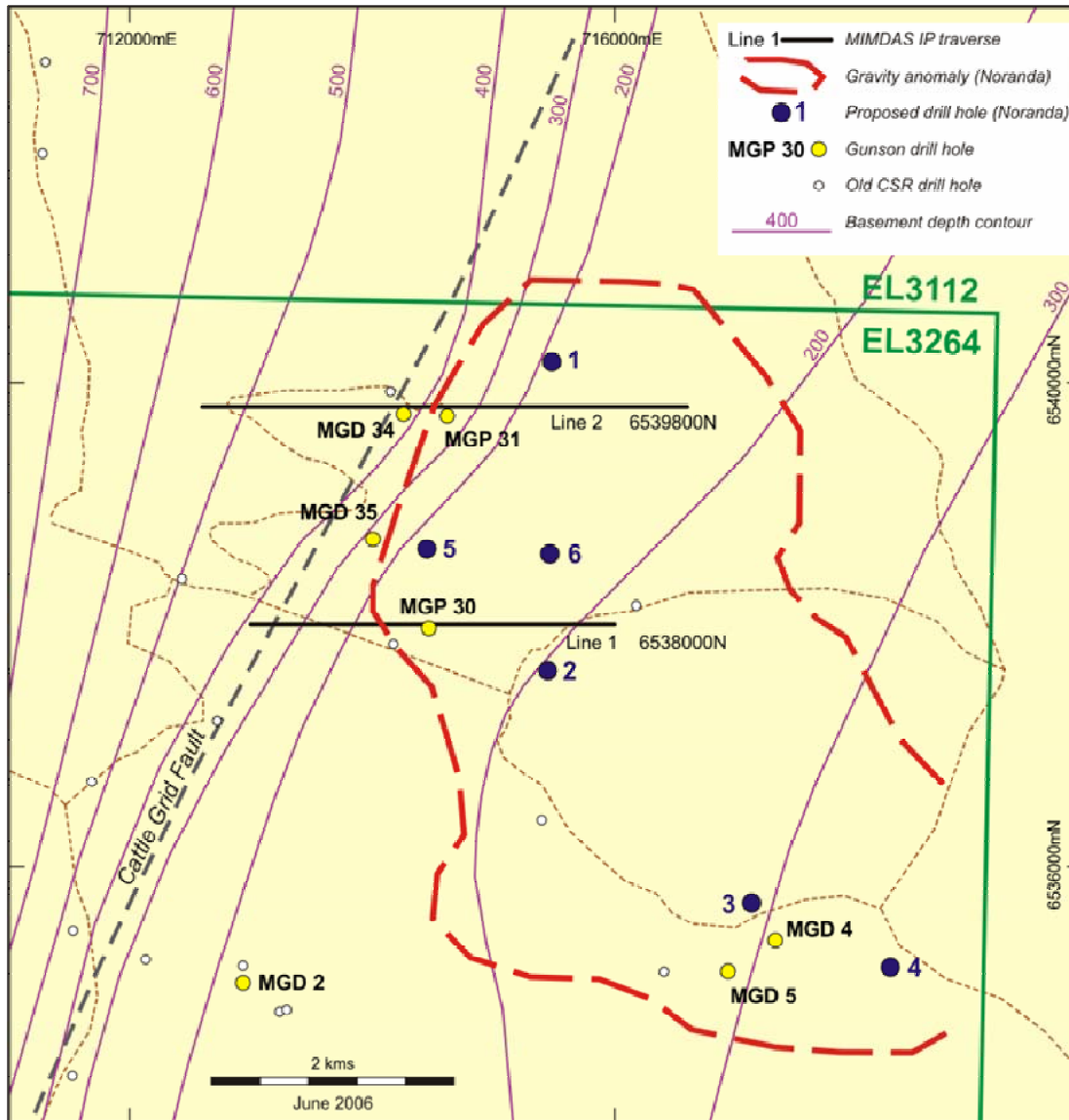




# South Australian Copper Belt

# Mount Gunson Target Areas

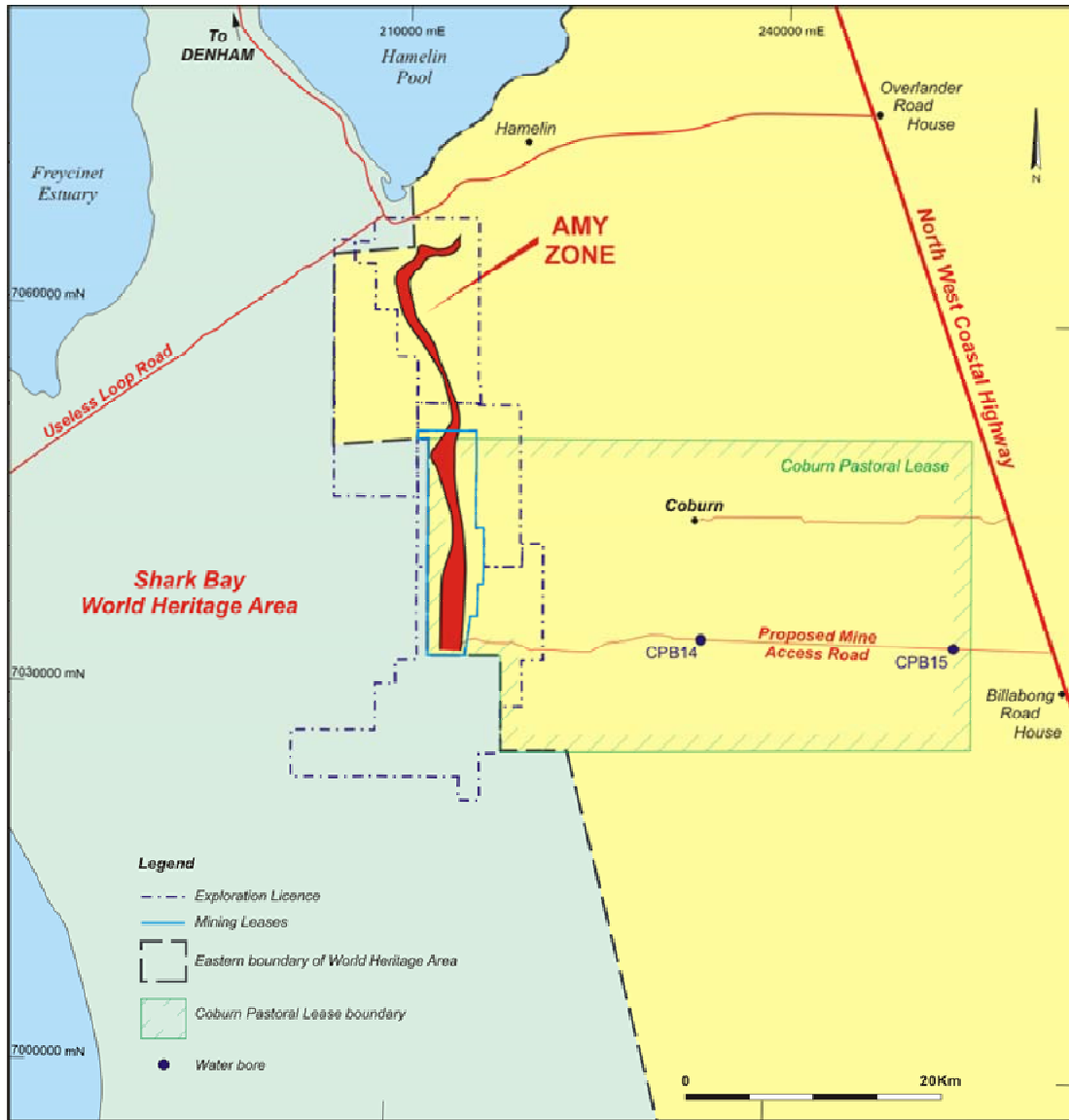




# Chianti Prospect



# Coburn – Regional Setting



# Coburn Amy Zone Mine







# Greenfields Development Projects



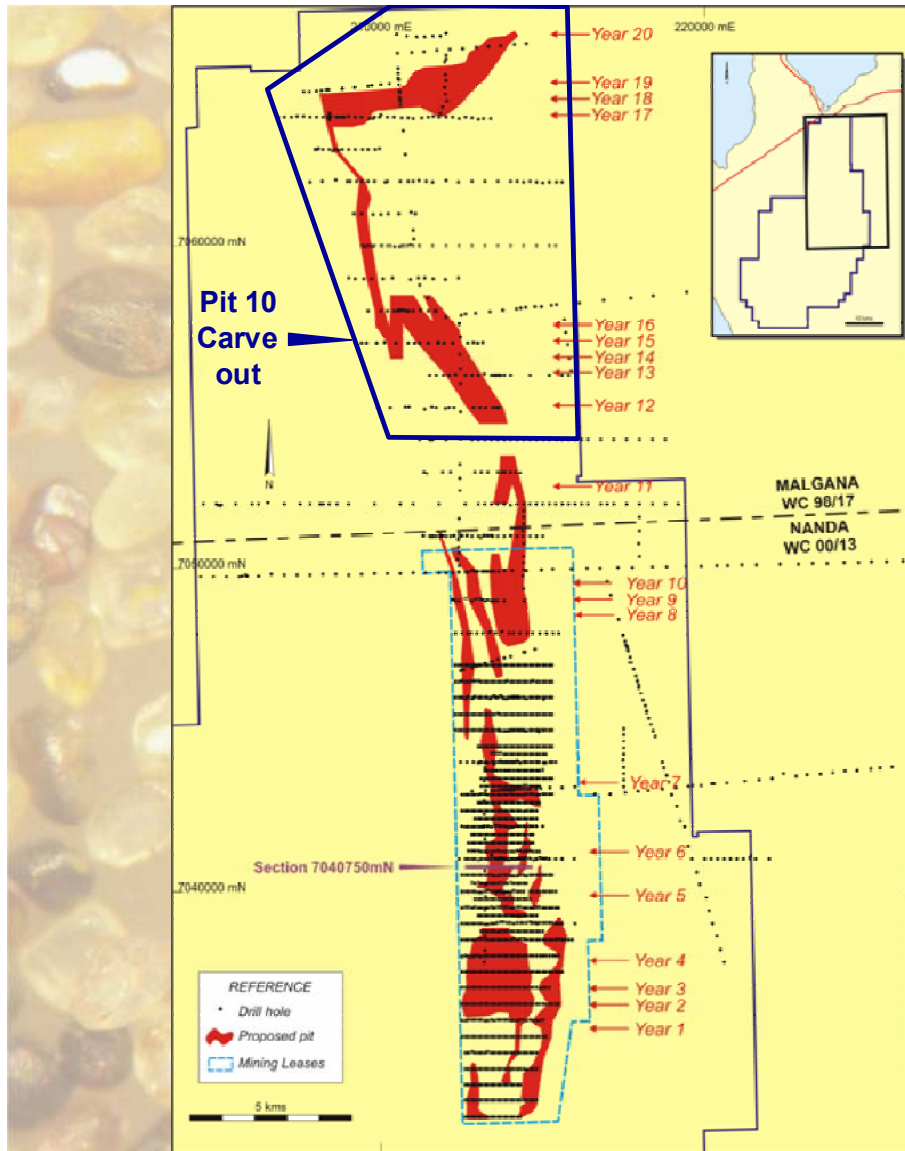
<u>Under Construction</u>	TiO <sub>2</sub> UNITS *	ZIRCON *	Rank	TiO <sub>2</sub> : ZIRCON
Douglas (Iluka)	150 #	100	1	3.5+
Moma (Kenmare)	354	52		6.8
Mindarie (Aust. Zircon)	50	30		1.6
Madagascar (Rio Tinto)	470	25		18.8
<u>Completed BFS</u>				
Senegal (Min Deposits)	11 #	80	2	4.0+
Corridor (WMC)	330	30		11.0
Coburn (Gunson)	99	60	3	1.6
Kwale (Tiomin)	230	37		6.2
<u>In BFS Stage</u>				
Tamil Nadu (Tata)	250	20		12.5

Australia

Africa

India

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



# Amy Zone Environmental Approvals

# Environmental Approval Process



May 2003	Process initiated with BFS
22 May 2006	State environmental approval
20 July 2006	Federal environmental approval
Aug 2006	15 EMP's being prepared
Nov 2006	Full permitting anticipated

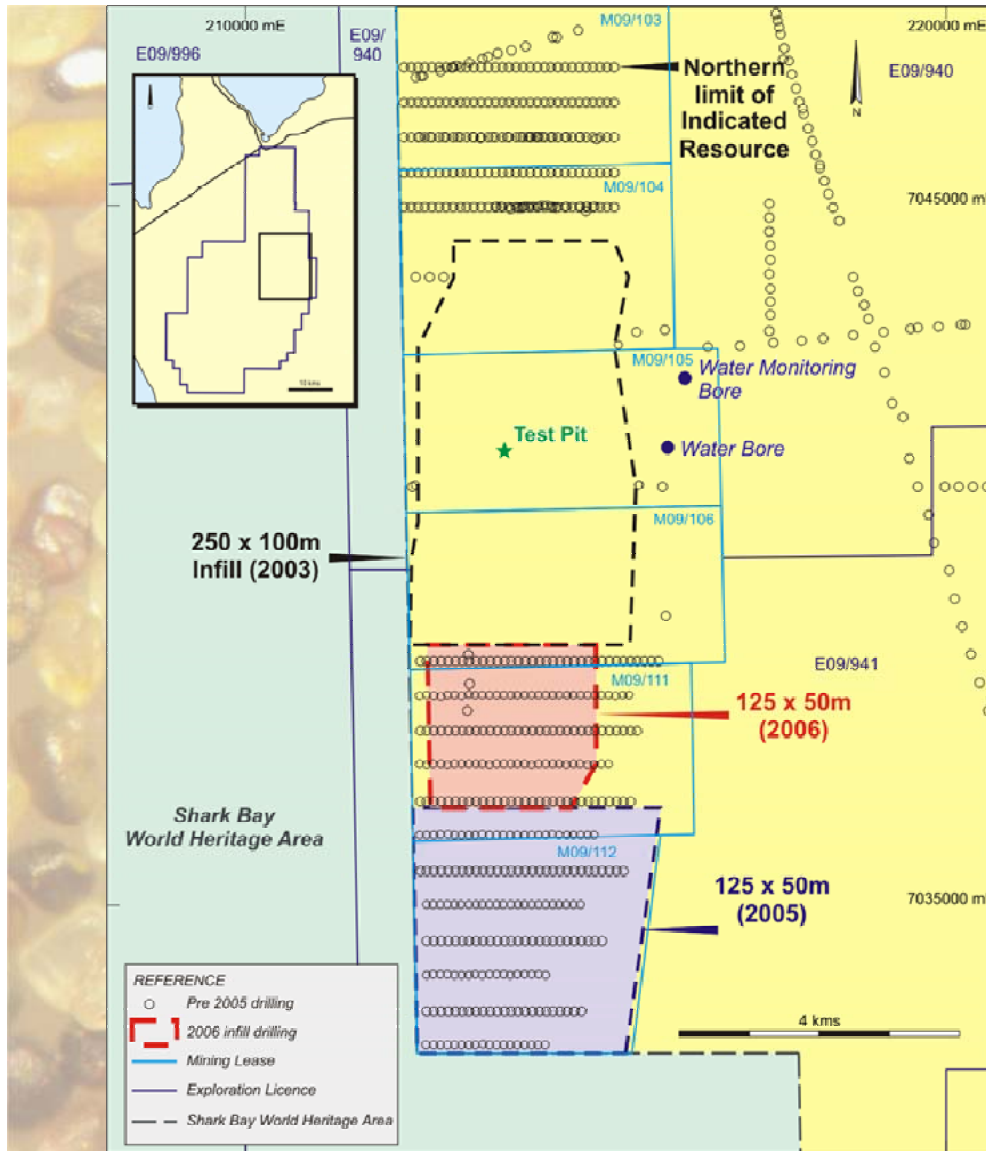
# Coburn Resources



Category	Million Tonnes	Average Grade HM %	Cut-off Grade HM %	Strip Ratio
Indicated*	305	1.4	0.8	0.3 : 1
Inferred	420	1.4	0.8	0.6 : 1
Total	725	1.4	0.8	

Total HM 10Mt

\* Amy South



# Amy South Drilling Program 2006

# Coburn Saleable Products



		<b>% of HMC</b>
<b>Ilmenite (f.o.b. Geraldton)</b>	<b>60% TiO<sub>2</sub></b>	<b>40</b>
<b>Non Magnetics (toll treated)</b>		<b>52</b>
<b>Zircon</b>		<b>25</b>
<b>HiTi</b>		<b>11</b>

ie. 76% of HMC recovered to saleable product

# Coburn Estimated Annual Production



Product	Years 1 – 2 (tonnes)	Year 3 onward (tonnes)	% of Revenue
Zircon	30,000	60,000	63
Ilmenite	60,000	120,000	18
HiTi	15,000	30,000	19



# Coburn Product Offtake Status



**Zircon**

**42% to Key Customers.  
US\$6M prepayments.  
Balance being negotiated.**

**Ilmenite**

**Being negotiated.**

**HiTi**

**Being negotiated.**

# **Gunson - Coburn Financial Summary**

**(Lonsec – March, 2006)**

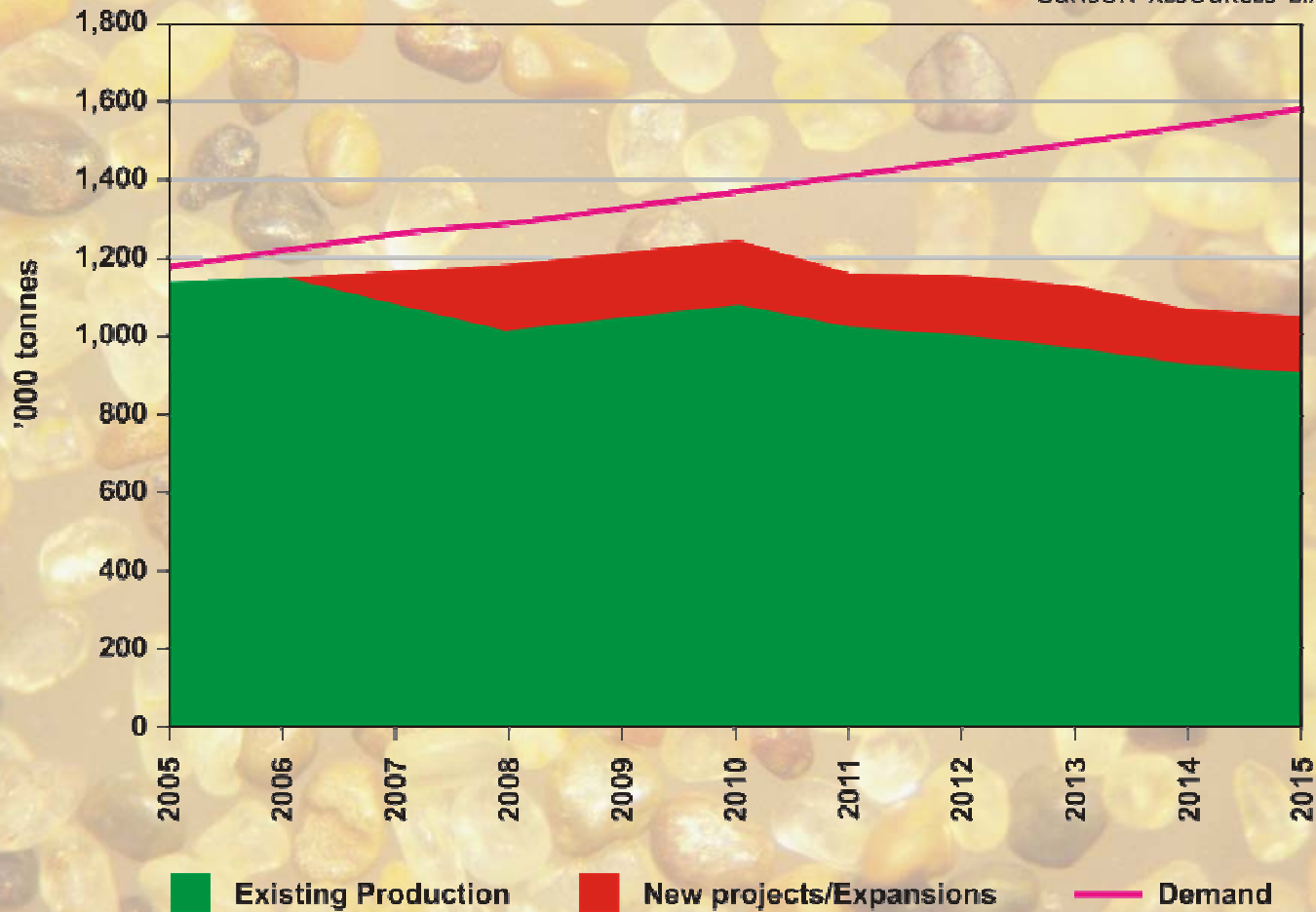


## **A\$Millions**

<b>Annual Revenue</b>	<b>55</b>
<b>After tax profit</b>	<b>12</b>
<b>DCF (8%)</b>	<b>80</b>
<b>Valuation/share*</b>	<b>91 cents</b>
<b>Current share price</b>	<b>33 cents</b>

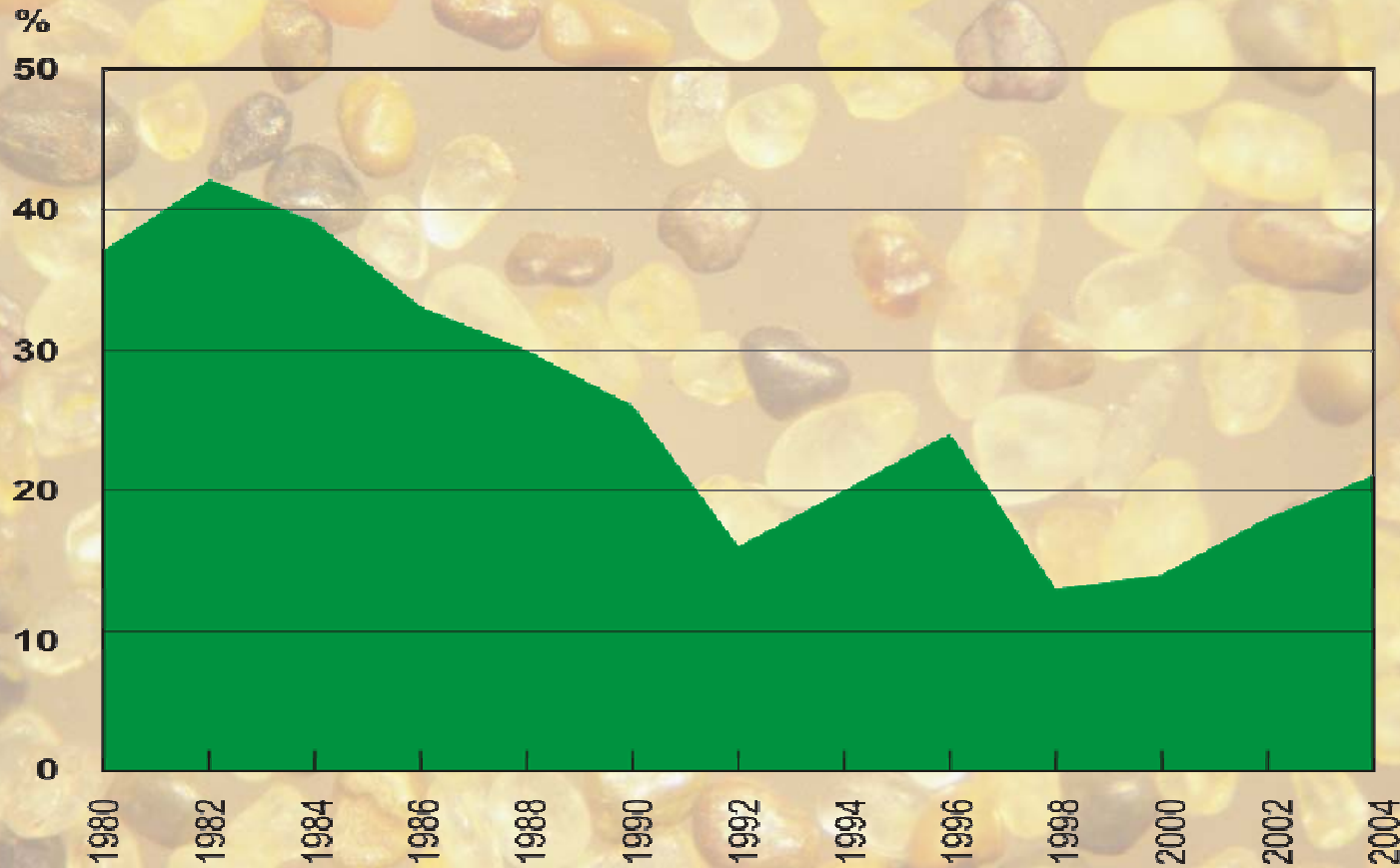
\* Adjusted for May 2006 placement

# Zircon Supply/Demand Forecast



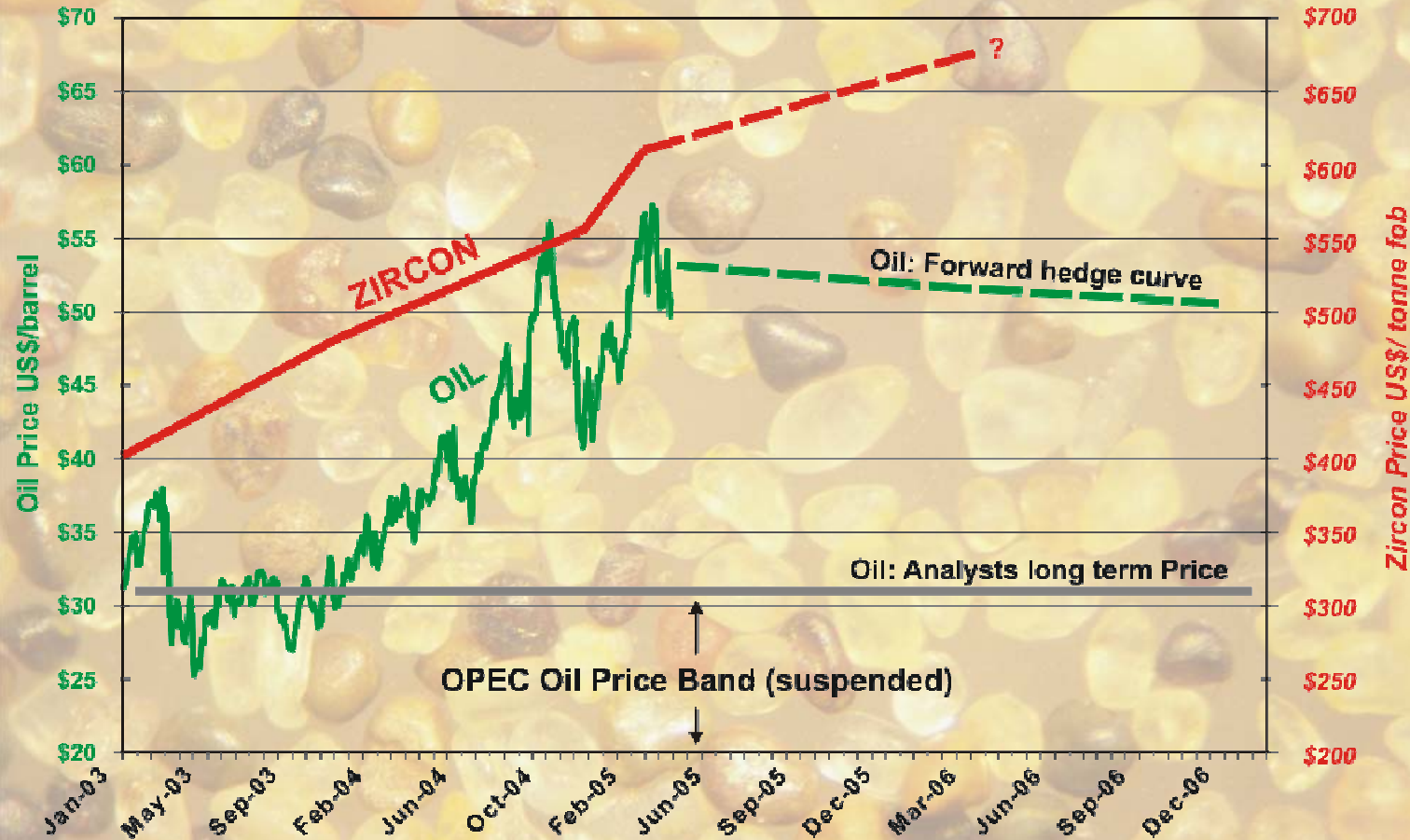
Source: Iluka Resources, 2006

# Eneabba – % of World Zircon Production 1980-2004



Source: TZMI Mineral Sands Report, March 2005

# Oil and Zircon price curves 2003 - 2006



## **Coburn Definitive Feasibility Study (DFS)**



- **80% complete.**
- **Camp, Borefield, Power, Mining - tenders received.**
- **Concentrator / Road Proposals - early September 2006.**
- **Ilemenite Plant, Site infrastructure - estimates only**
- **DFS completion date - September 2006.**

## Conclusions



- **Permitting and financing to be completed Nov 2006.**
- **12 month construction period envisaged.**
- **Coburn is the third largest greenfield zircon development project in the world.**
- **Mount Gunson drilling September 2006.**



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