

MEDIA RELEASE

26th March 2007

For immediate release

PROPOSED COBURN ZIRCON MINE RECEIVES GOVERNMENT APPROVALS FOR CONSTRUCTION

Gunson Resources today announced it has received the critical government pre-construction approvals required for the development of the Coburn Zircon Project, located 250 kilometres north of Geraldton in the Gascoyne region of Western Australia (see attached map).

Gunson Resources managing director David Harley says the formal approval process took nearly 4 years to complete and has established a new benchmark for environmental approvals for an Australian junior miner's development project.

"I doubt any Australian junior mining company development project has been required to undertake such an exhaustive and comprehensive environmental approval process as we have. I am very pleased and relieved that we have met every single condition precedent required to gain government approval."

Mr. Harley added, "Coburn is the world's third largest zircon development project and is expected to generate approximately A\$1.1 billion in revenues over its 12 year mine life. It will provide a major economic stimulus to the Gascoyne region, which has Western Australia's lowest GDP per capita.

The first stage of the mine is expected to cost about A\$100 million to develop, and at full production is forecast to produce 60,000 tonnes of zircon, 120,000 tonnes of ilmenite and 30,000 tonnes of hybrid titanium dioxide product (HiTi) per annum. Coburn will have approximately 120 full time employees in its first stage and we anticipate it will generate many additional jobs throughout the broader community." Gunson expects to finalise its Definitive Feasibility Study (DFS) in late April.

Mr. Harley said that the Coburn Zircon Project lies adjacent to the Shark Bay World Heritage Property and Gunson had to go through an unprecedented and exhaustive environmental approval process, including preparing ten separate environmental management plans required as part of the Western Australian Environment Minister's statement of approval in May 2006.

"Gunson has entered into an agreement with the State Government to provide 19 environmental commitments, including a 42 sq km environmental offset area within Gunson's Coburn pastoral lease and exploration licence EL 09/941, as part of its long-term commitment to protecting the local environment" said Mr. Harley.

"We have worked very hard with Federal, State and local governments, the local community, environmental groups and other key stakeholders to ensure that the unique environmental values of the Shark Bay World Heritage Property and the broader region are protected and conserved for future generations, while ensuring the economic and social benefits of the Project are shared with the local community."

Gunson now plans to focus its full attention on finalising its Definitive Feasibility Study (DFS) and to announce the results in late April. Completion of the DFS is expected to allow finalisation of funding arrangements for the mine development, which may involve minority equity funding by a zircon offtake partner.

Mr Harley added, "Since early 2005, we have had discussions with a number of Chinese companies about potential mine development funding in exchange for offtake agreements providing an assured long term supply of zircon. Contact with potential new offtake parties regarding minority equity funding tied to zircon supply contracts commenced in January 2007."

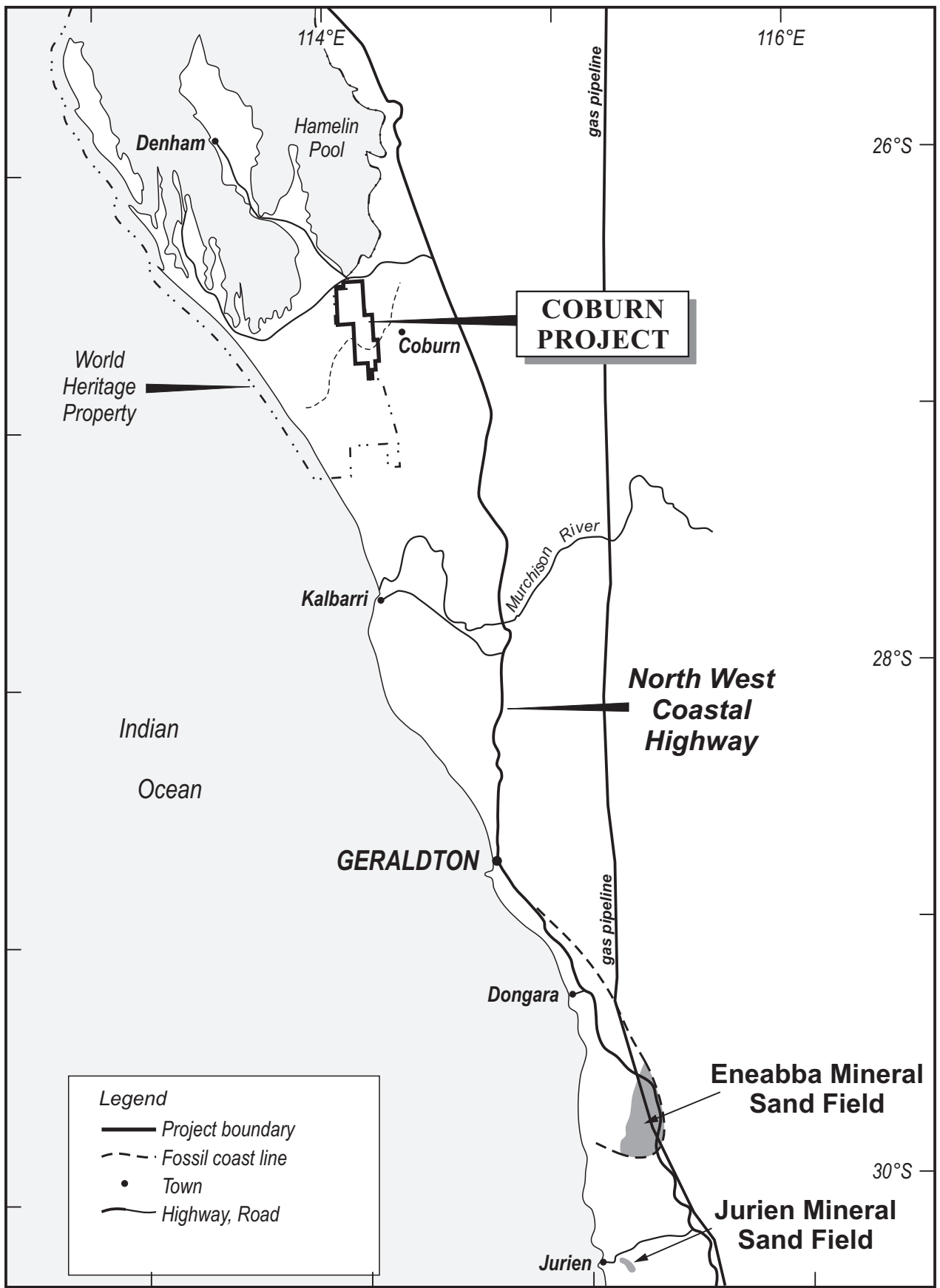
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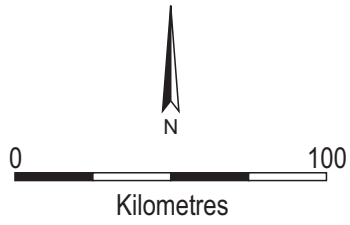
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Legend

- Project boundary
- - - Fossil coast line
- Town
- Highway, Road



Gunson Resources Ltd

COBURN PROJECT

Regional Setting

Scale : NTS	File: Coburn Regional Setting.cdr
Date : 26 Mar. 2007	