

# Shareholders Meeting Presentation



May 2013

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# Capital Structure & Shareholders



## Finance (End March 2013)

Cash and Equivalents	\$A 0.75M
Debt	nil
Hedging	nil
Performance Bond	\$A1.2M

## Markets (23 April 2013)

Exchange	ASX
Share Price	3c
Market Cap.	\$A7.7M



## Issued Capital

Issued Shares	255.4M
Unlisted Options ( 27c- 40c)	5M

## Shareholders

Retail	87.7%
Institutions	10.1%
Directors and Staff	2.2%

## Research

Australia -	RBS Morgans
UK -	RFC Ambrian, Edison

## Summary 2012 & Early 2013

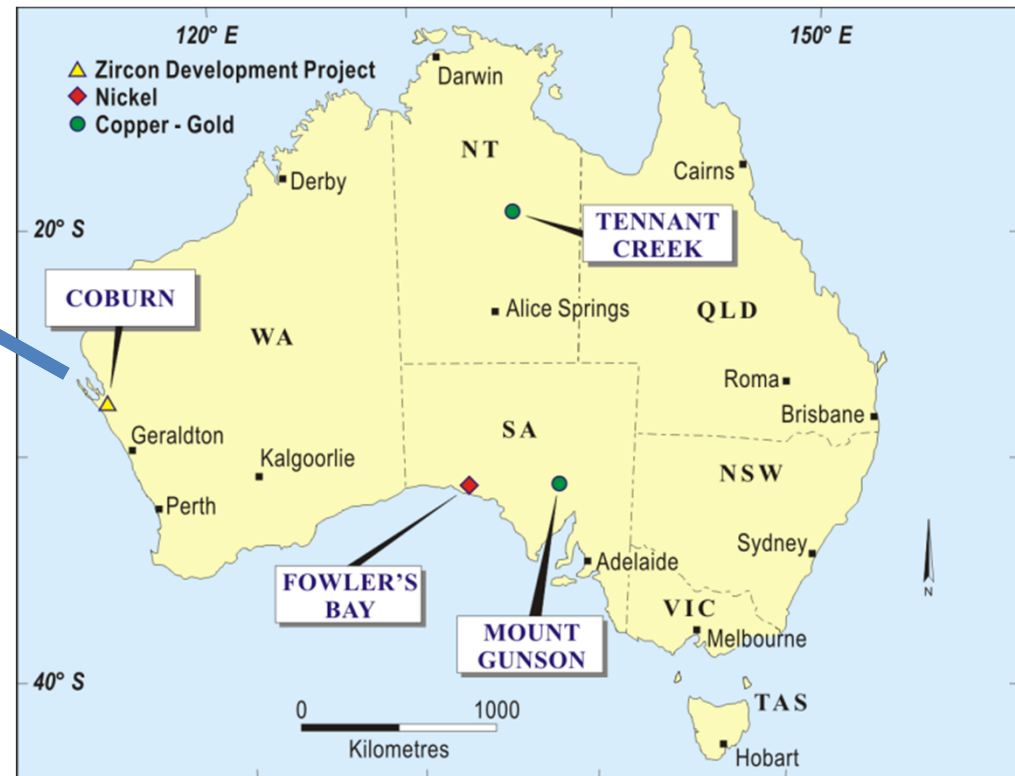


- Strong focus on advancing Coburn. Coburn 97 % of total \$3.3 million net exploration expenditure in 2011/2012.
- Offtake agreement for Coburn chloride ilmenite signed with DuPont on 2 March, 2012.
- FEED study announced in September 2012 reveals updated Coburn capex as \$192 million. Construction period cut to 18 months.
- Cost reduction study announced 28 November 2012 reduces Coburn operating costs by 6.3% or \$122 million over mine life. Further reductions likely as work continues.
- Coburn Optimisation Study results released 26 February 2013.
- POSCO SPV Negotiations terminated on 28 March 2013.
- Further Optimisation of Coburn planned when funds available.
- Search for new strategic partner commenced.
- Zircon market recovering.

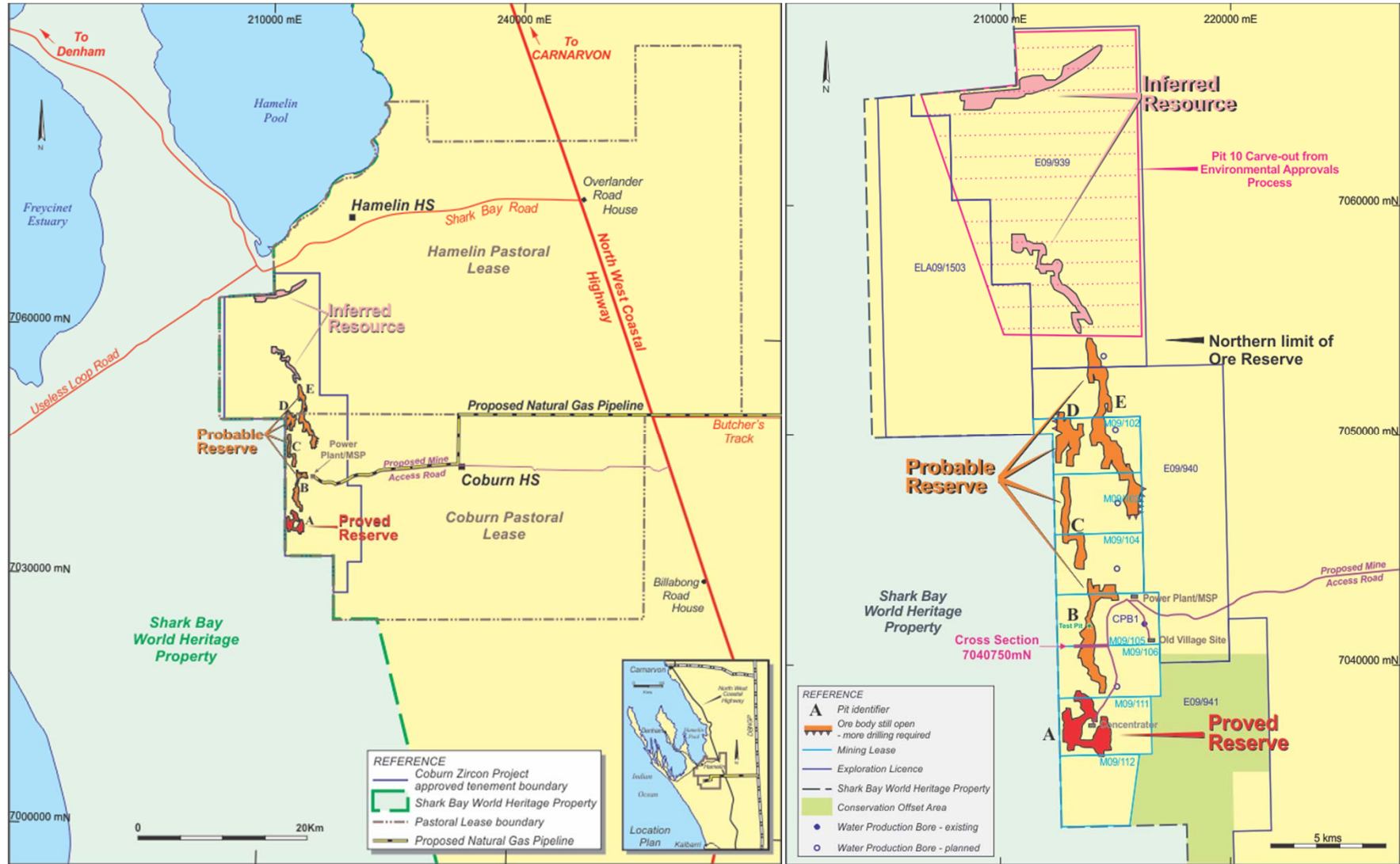
# Coburn Zircon Project Project Location



- Located on Coburn & Hamelin pastoral leases. Coburn owned by Gunson.
- Situated just outside the southeast edge of the Shark Bay World Heritage Property



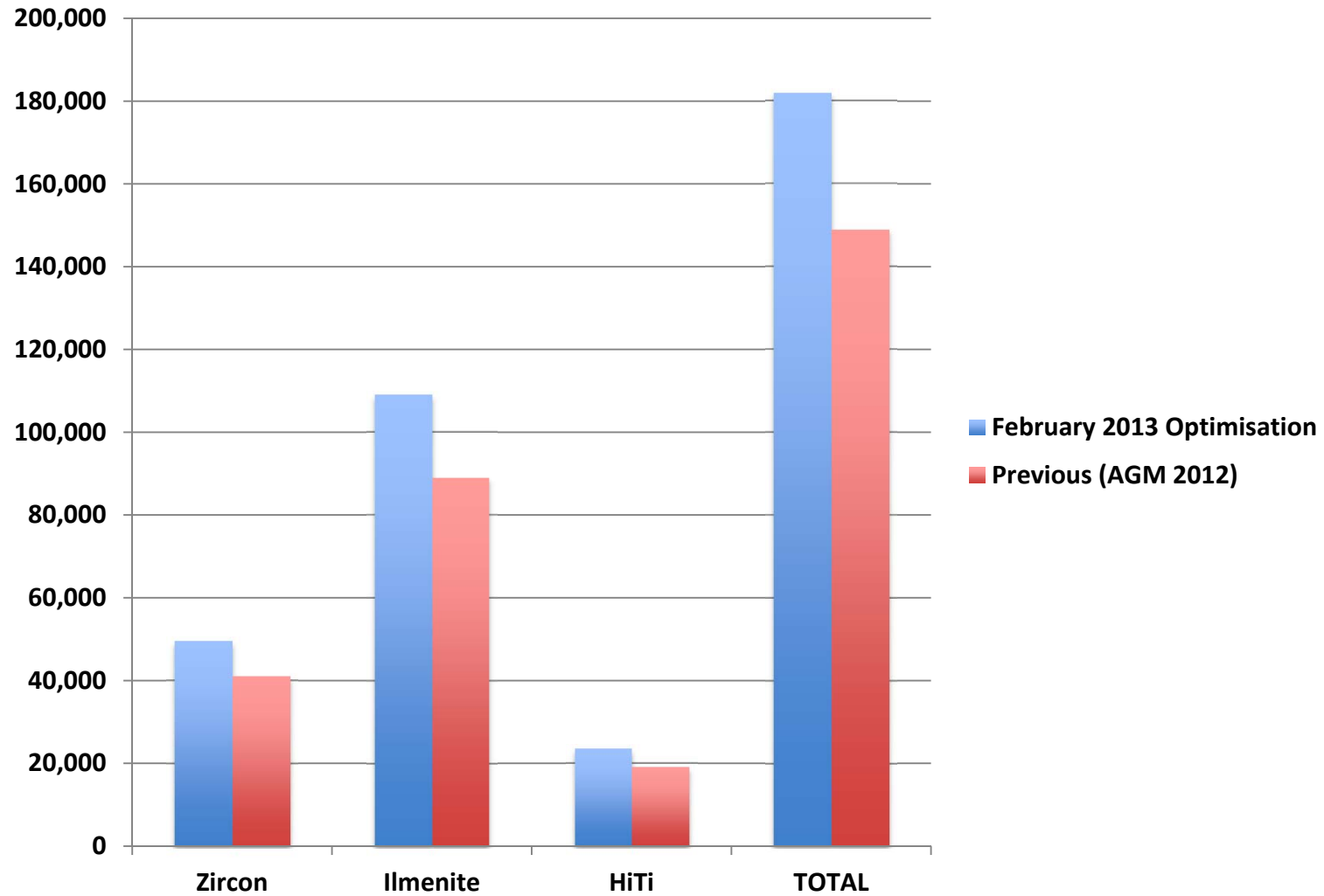
# Coburn Zircon Project Local Setting & Mine Plan



- Annual ore production up 34% to 23.4 from 17.5 mtpa.
- Finished product output up 22% to 182,000tpa from 149,000 tpa.
- Unit costs down 14%.
- Mine life down 4 years from 23 to 19.
- NPV up 56% to \$330 M from Sept 2012.
- IRR up 39% to 31.2% from Sept 2012.

Product	February 2013 Optimisation	Latest Previous (AGM 2012)	Product % Revenue *
Zircon	49,500	41,000	65
Ilmenite	109,000	89,000	19
HiTi 90	23,500	19,000	16
<b>TOTAL</b>	<b>182,000</b>	<b>149,000</b>	

\* Same % for 2013 Optimisation and AGM 2012





# Coburn Optimisation Study

## Unit Cost Comparison

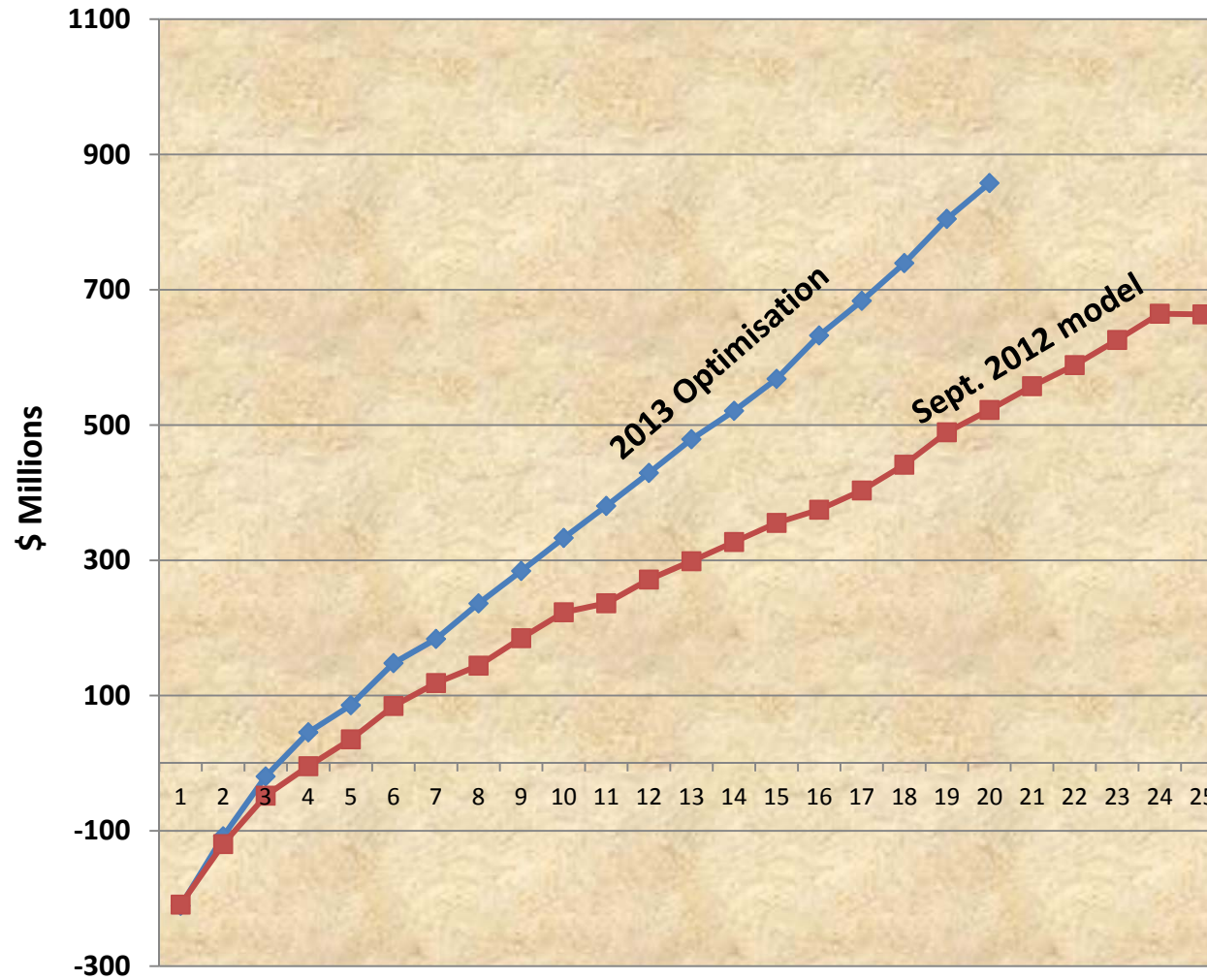


Cost per tonne of ore *	Optimisation	September 2012
Mining	\$2.11	\$2.31
Wet Concentrator	46c	55c
Mineral Separation	32c	45c

\* Includes power costs

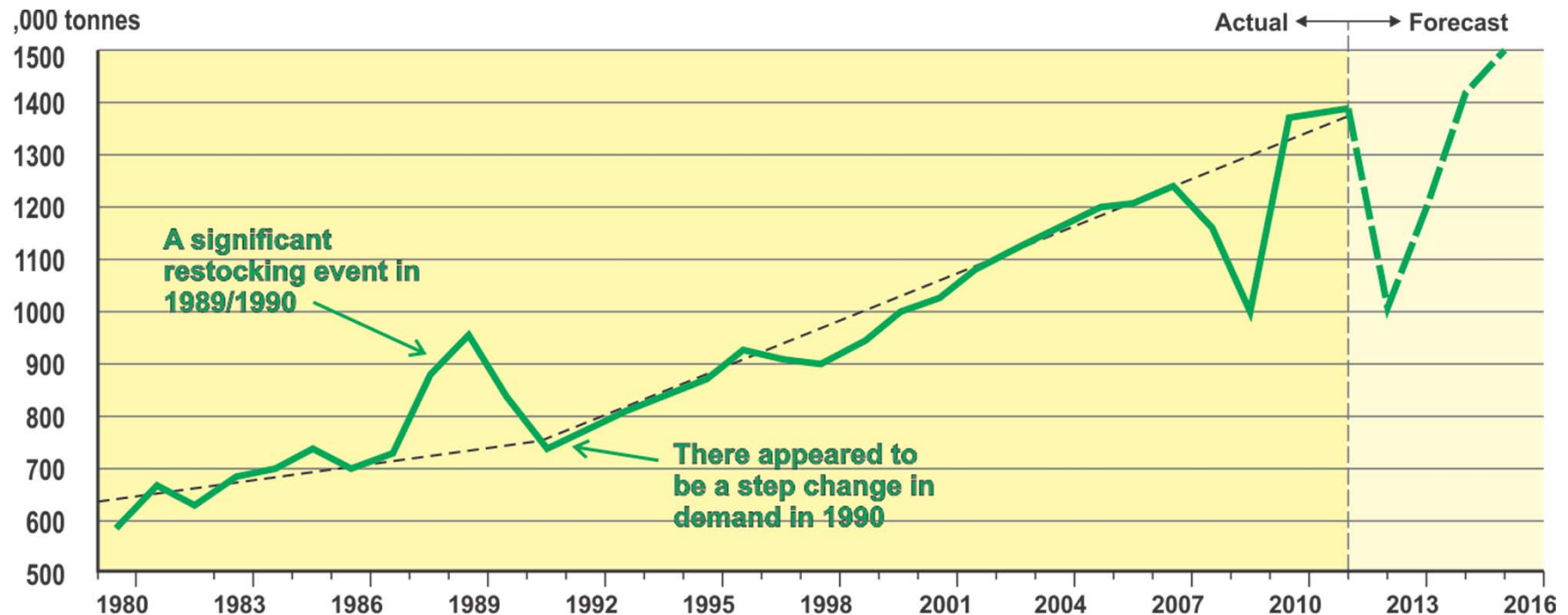
# Coburn Optimisation Study

## Comparative Operating Cashflows



# Coburn Zircon Project

## Global Zircon Consumption, Actual & Forecast 1980-2015

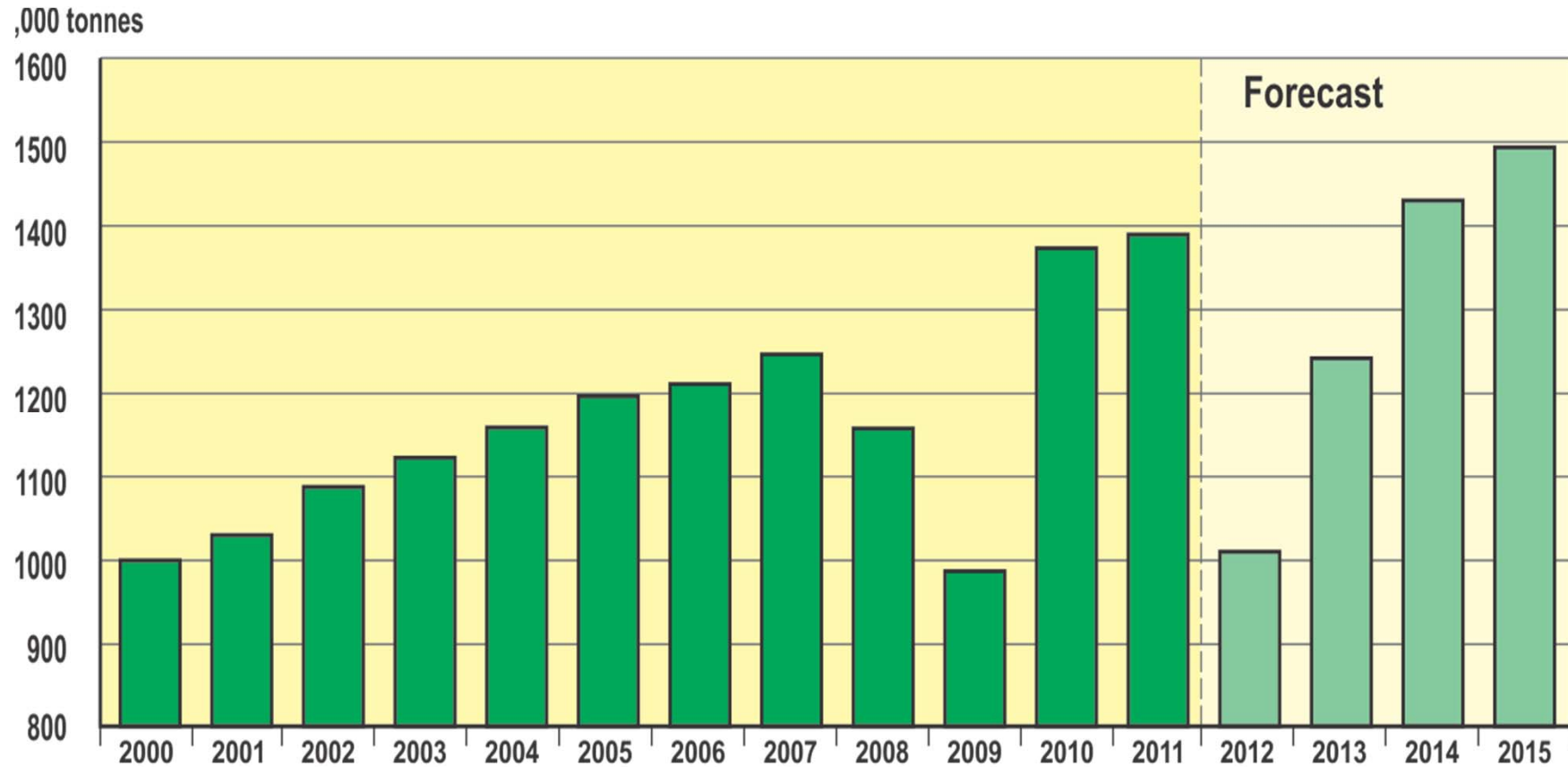


Source: ILU, J.P. Morgan Sept 2012.

- Global consumption increase 1991-2011 averages 3% per annum.
- Severe dips in 2009 and 2012 way below trend.
- Strong rebound to trend forecast in 2013-2015.

# Coburn Zircon Project

## Zircon Demand 2000 - 2015



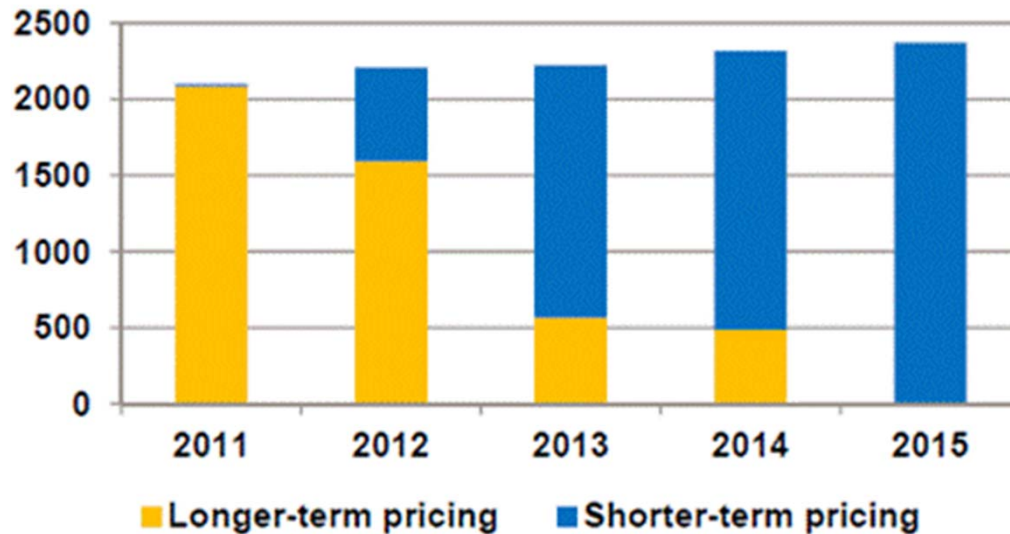
Source: Companies, J.P. Morgan estimates

# Coburn Zircon Project

## Titanium Dioxide Pricing – Chloride Slag a New Industry Benchmark?



**Rio Tinto Legacy Contracts  
2011-2015  
(from Investec, September 2012)**



Source: Rio Tinto

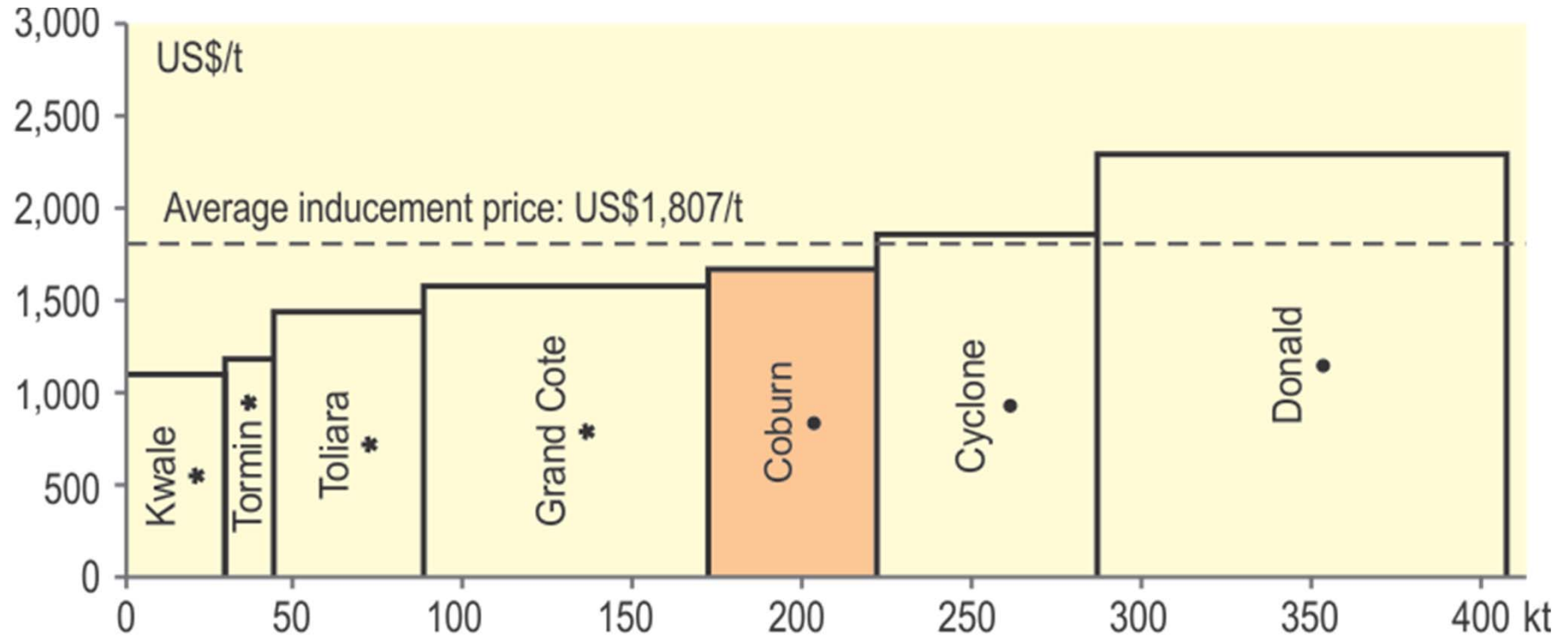
**Investec Expected Average  
Chloride Slag Prices  
2011-2014**

Year	\$US/tonne
2011	440
2012	730
2013	975
2014	1,750

- Titanium dioxide consumption linked to GDP growth in emerging economies.
- Current chloride slag price \$US 1,250 to \$US 1,300 per tonne.

# Coburn Zircon Project

## Zircon Inducement Prices for Selected Global Development Projects



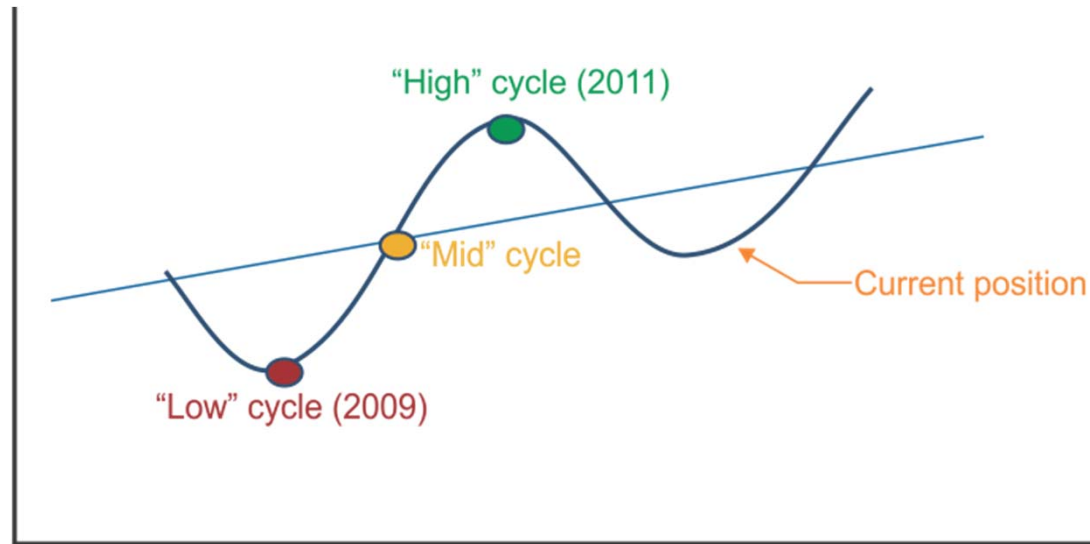
Source: J.P. Morgan March, 2013.

- \* Africa
- Australia

# Coburn Zircon Project

## Illustrative Mineral Sands Cycles

(Modified from Iluka, April 2013)



### Cycle Characteristics

#### **High**

- Above - trend GDP growth
- Strong demand
- Prices peak
- Scarcity fears
- Assets fully utilised

#### **Mid**

- Trend GDP growth
- Average demand
- Re-stocking \*
- Normal mining & processing
- Prices trend up
- Growth capex

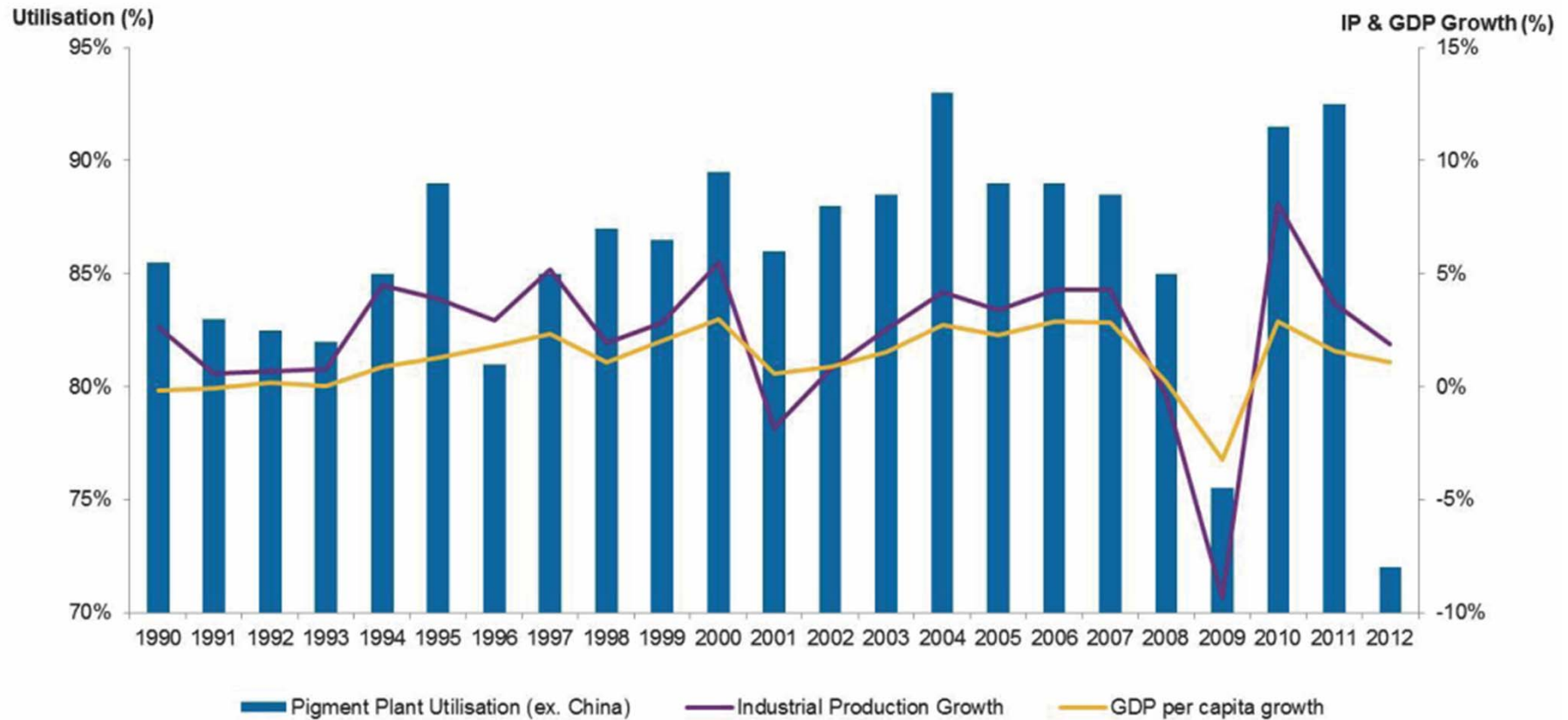
\* by customers

#### **Low**

- Below - trend GDP growth
- Low demand
- De-stocking \*
- Excess capacity idled
- Prices fall
- Investment stalls

# Pigment Plant Utilisation Excluding China

(Modified from Iluka, April 2013)





## Conclusions



- Coburn the best unfinanced zircon development project in the world.
- Further optimisation planned – focus on mineral processing plants.
- Construction-ready & fully permitted.
- New strategic partner search started.
- Mount Gunson – MG14 and Windabout reinvestigation started.

# Disclaimer & Competent Persons Statement



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The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 his information in the form and context in which it appears.