

GUNSON RESOURCES LTD



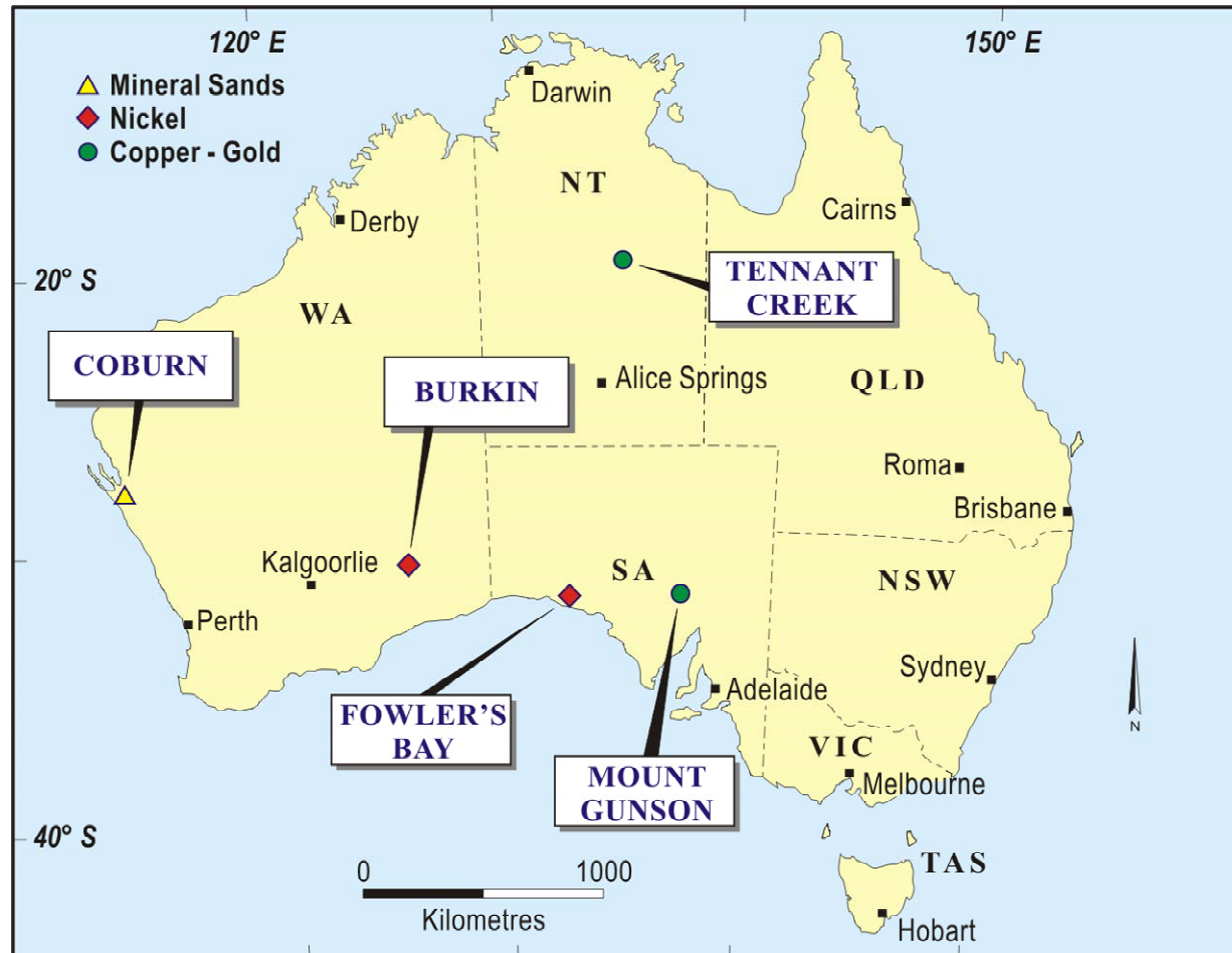
***David Harley
Mining 2005***

27th October 2005

Corporate Summary

• Shares	76.8M
• Unlisted Options	1.3M (20c)
• Cash	\$1.4M
• Share Price	\$0.24
• Market Cap.	\$18.4M
• Substantial Shareholders LUCRF	5.4%

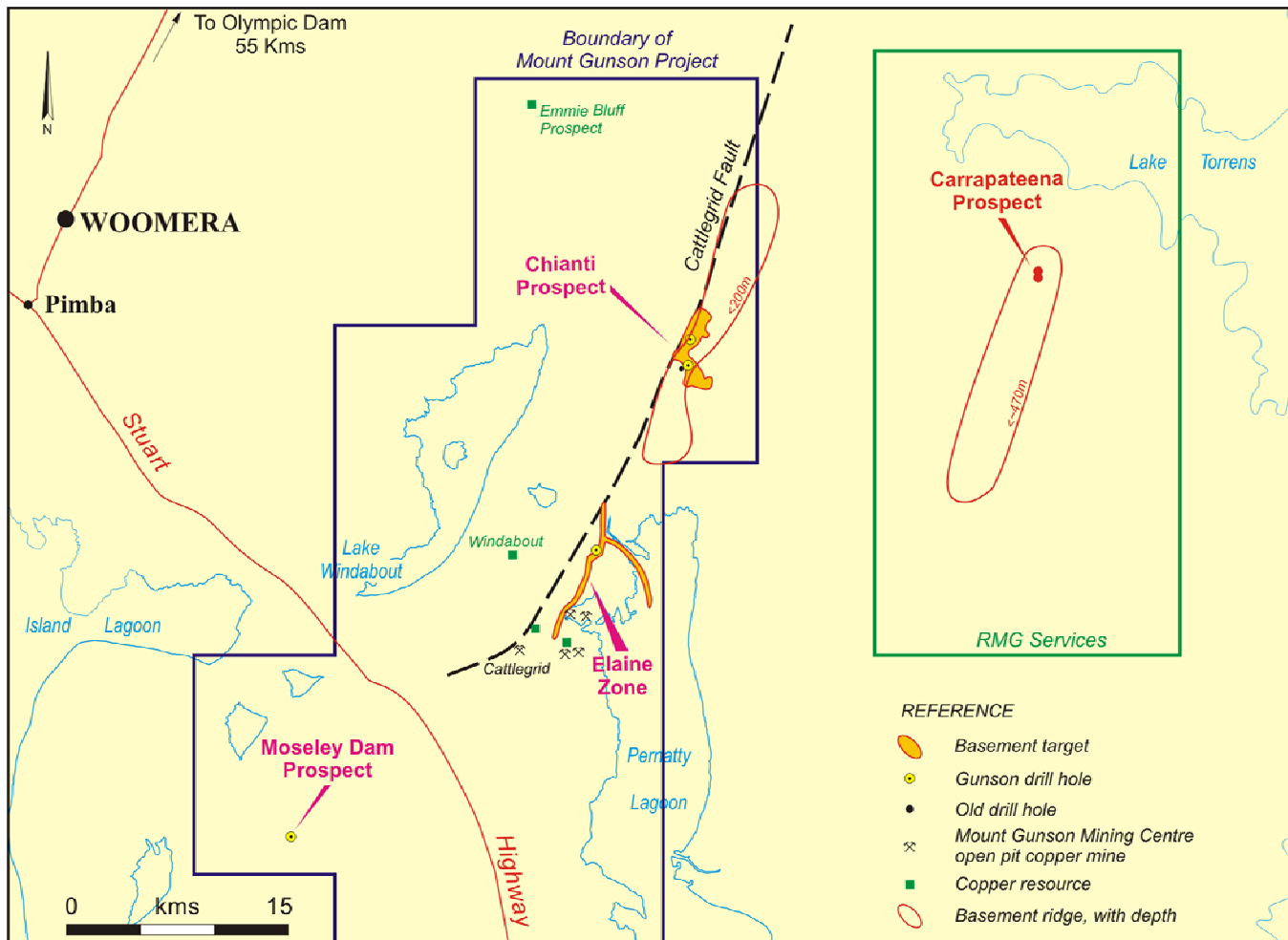
Project Location Map

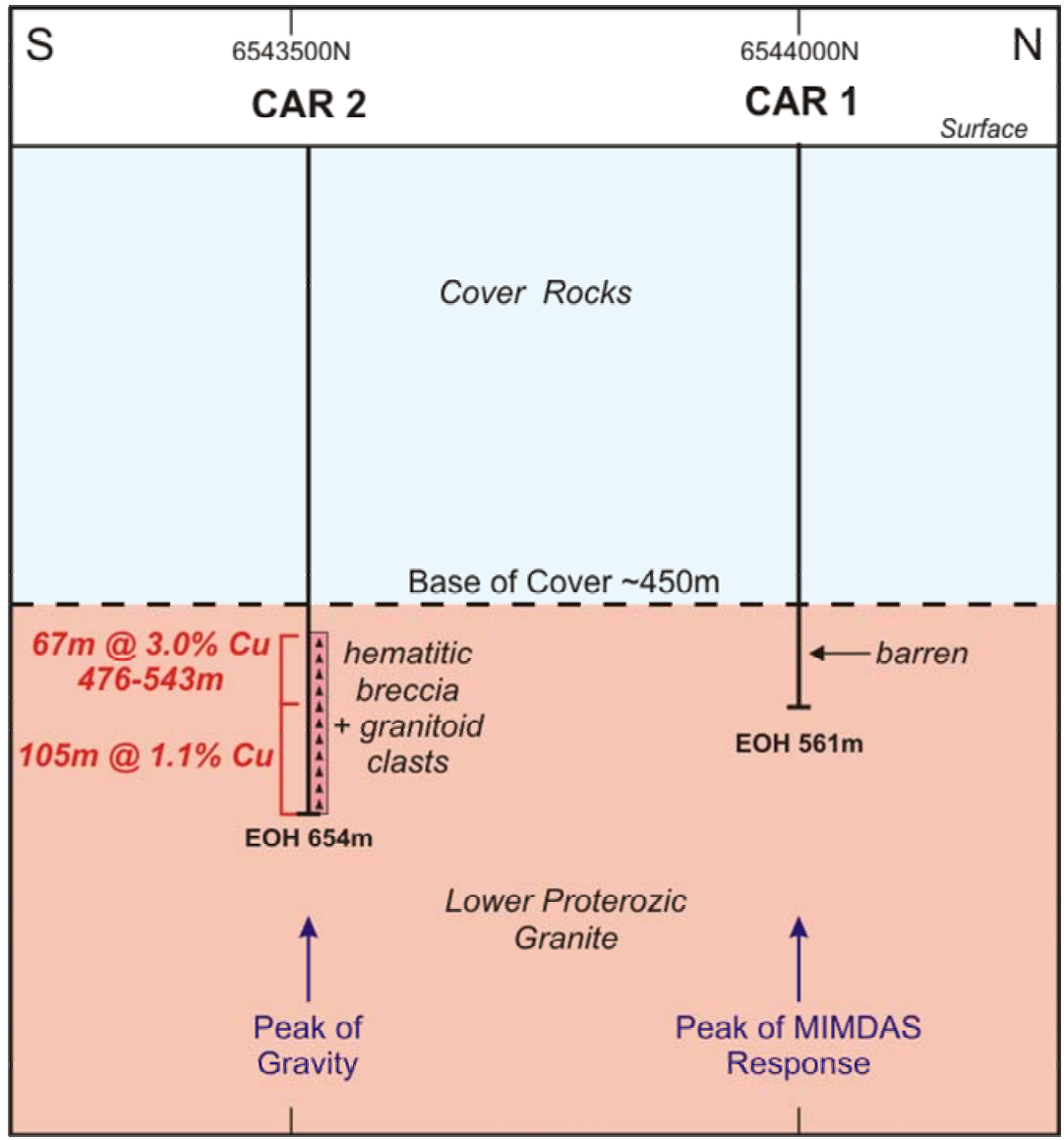




South Australian Copper Belt

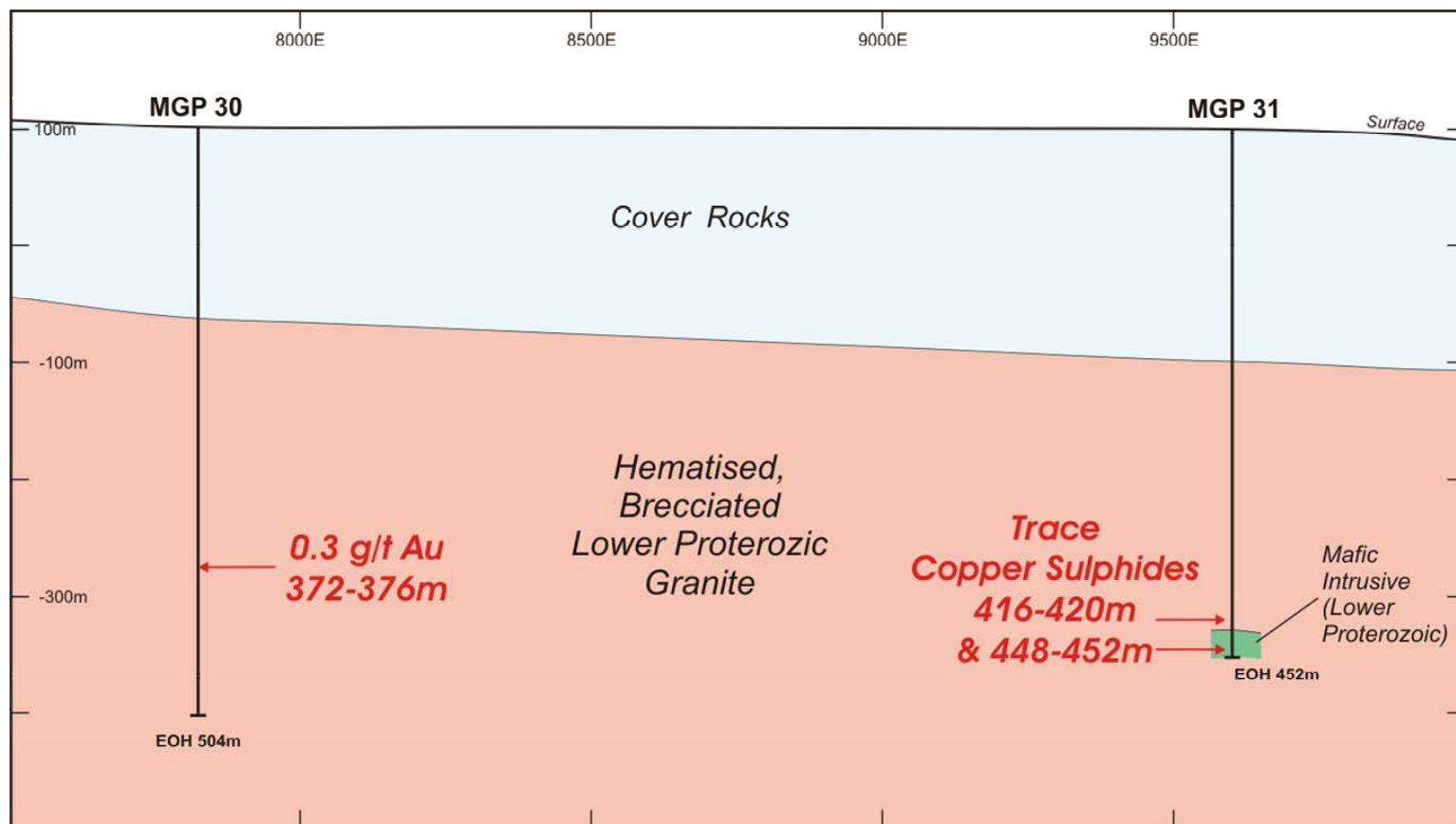
Mount Gunson Target Areas

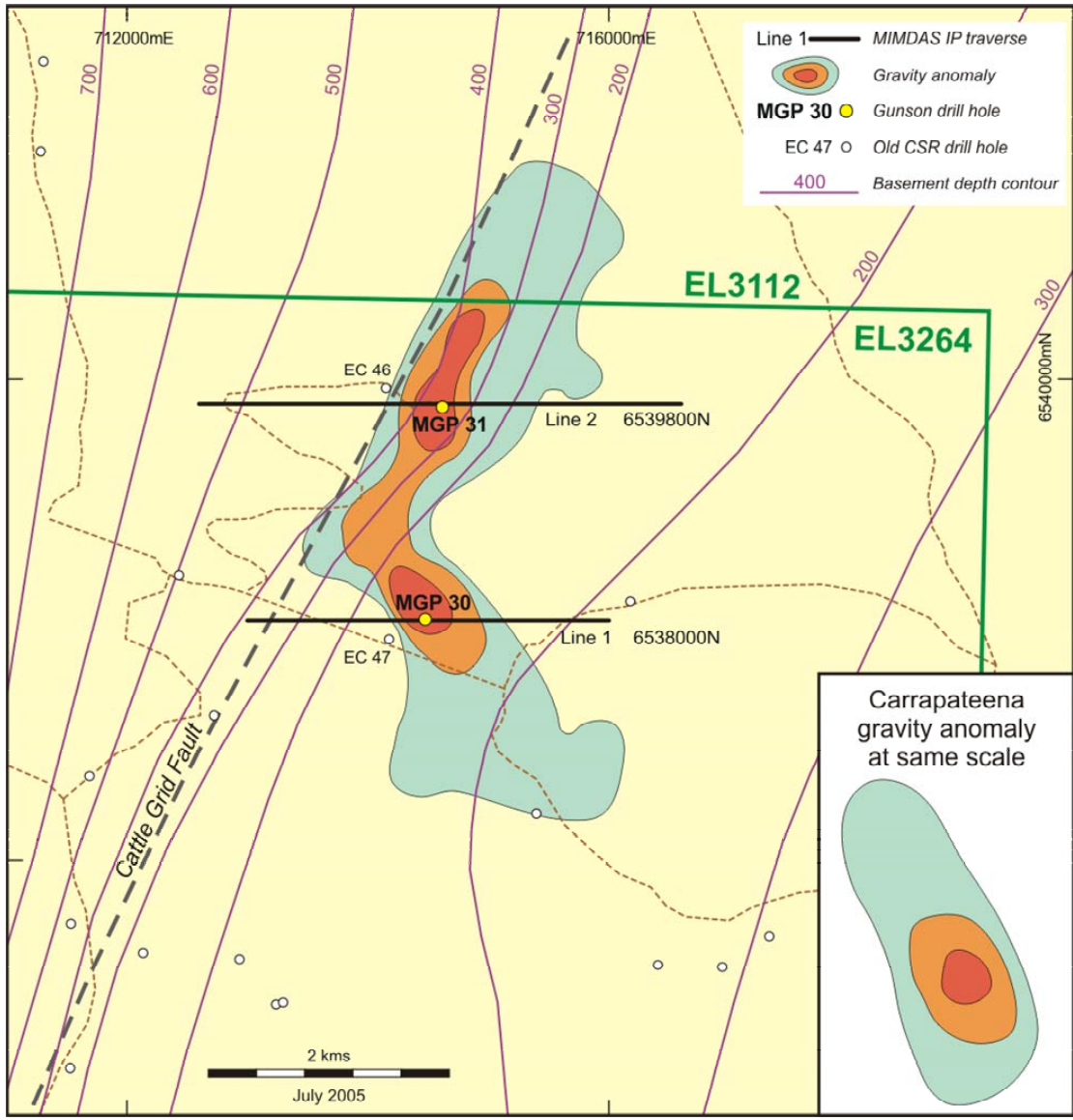




**Carrapateena
Prospect
Cross Section
(looking west)**

Chianti Prospect – Cross Section (looking west)

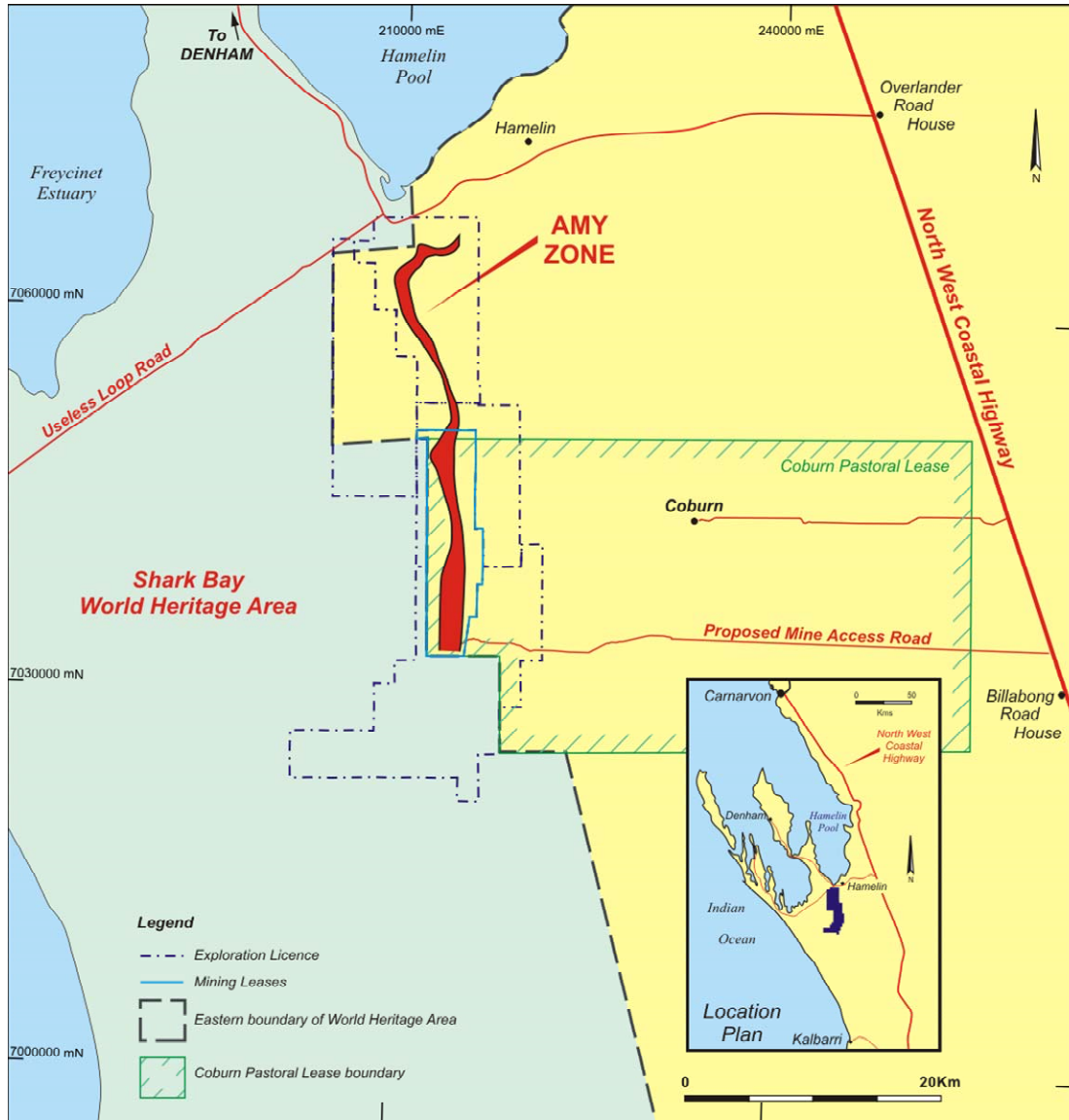




Chianti Prospect

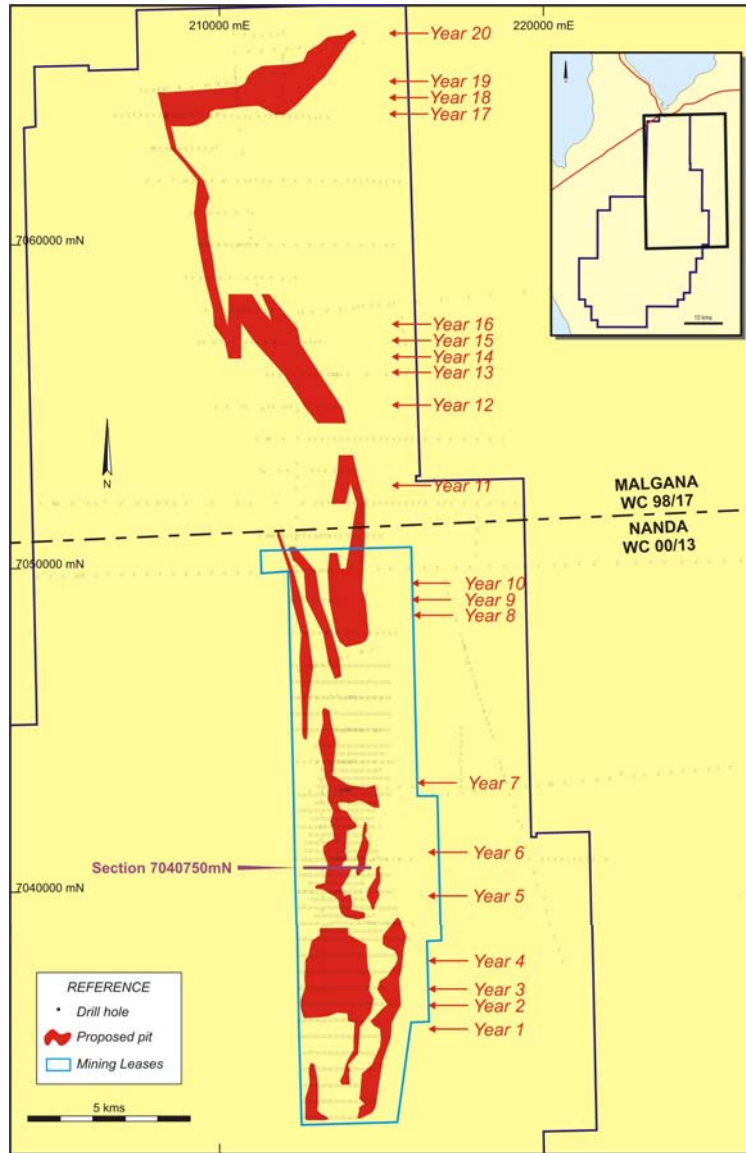


Coburn – Regional Setting



Coburn Amy Zone Mine





Amy Zone Resource and Amy South

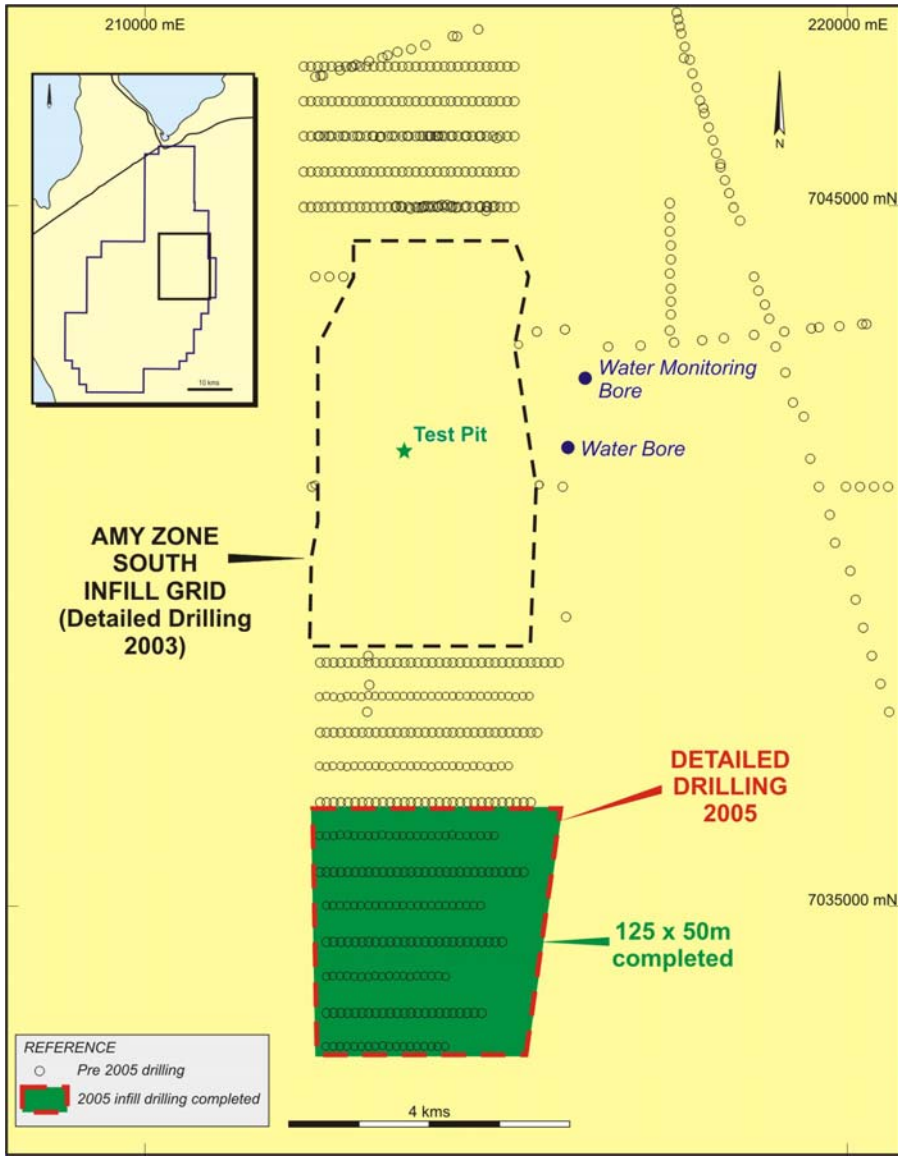
Coburn Reserves/PM Resources

Dec 2004

Category	Million Tonnes	Average Grade HM %	Cut-off Grade HM %	Strip Ratio
Probable*	250	1.1	0.8	0.3 : 1
PM Resource	370	1.1	0.8	0.6 : 1
Total	620	1.1	0.8	

PM = Potentially Mineable

* Amy South



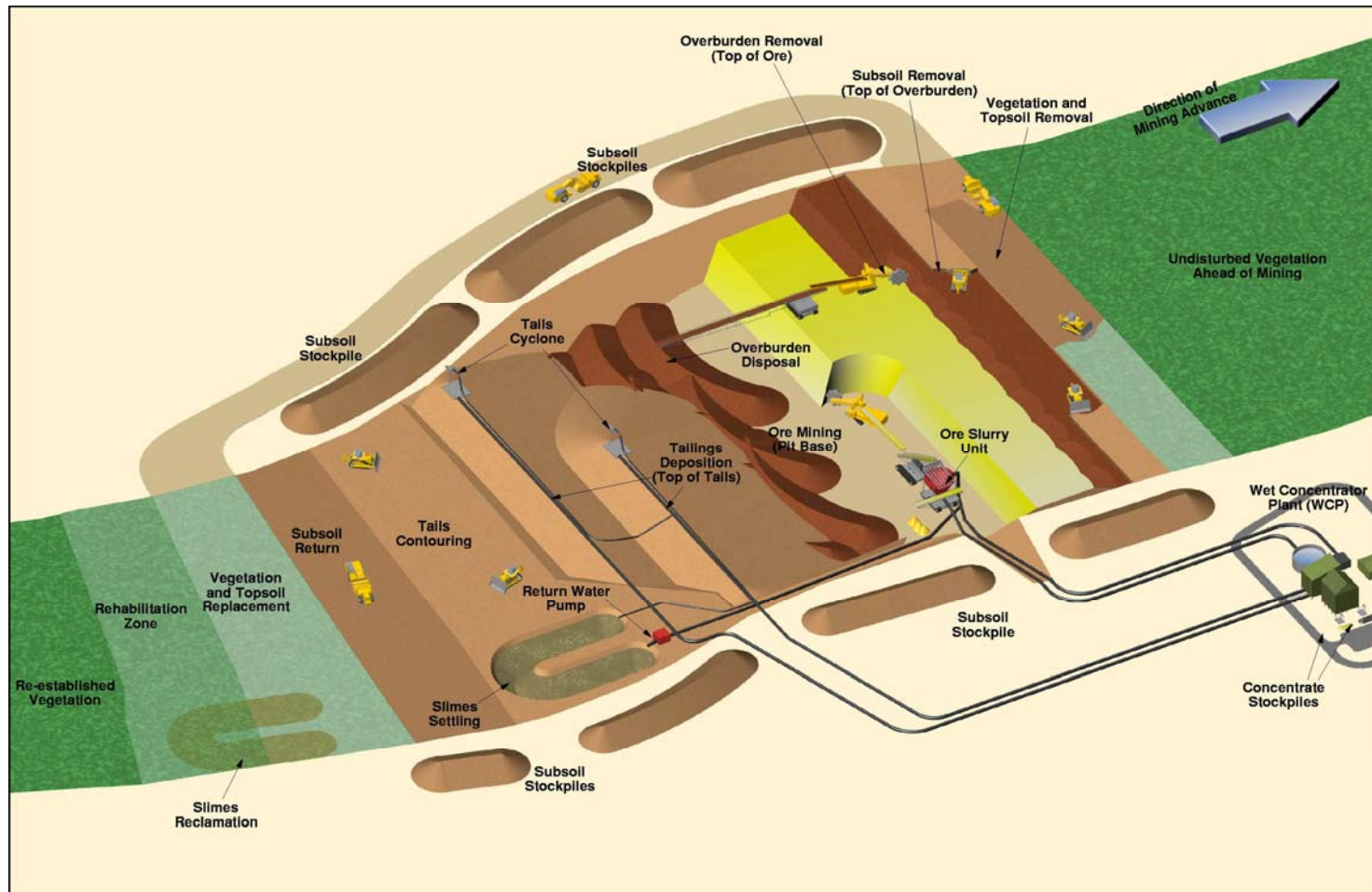
Amy South Drilling Program 2005



4 3 2004



Amy Zone Mining Method



Coburn Estimated Annual Production and Prices

Product	Years 1 – 2 (tonnes)	Year 3 onward (tonnes)	Price \$US/Tonne	% of Revenue
Zircon	30,000	60,000	620#	63
Ilmenite	60,000	120,000	85	18
HiTi	15,000	30,000	350	19

Zircon now \$US 750.

Greenfields Development Projects

<u>Under Construction</u>	TiO ₂ UNITS *	ZIRCON *	Rank	TiO ₂ : ZIRCON
Douglas (Iluka)	150 #	100	1	3.5+
Moma (Kenmare)	354	52		6.8
Pooncarrie (Bemax)	170	32		5.3
<u>Completed BFS</u>				
Mindarie (Aust. Zircon)	71	43		1.6
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
Senegal (Min Deposits)	11 #	75	2	4.0+

Australia

Africa

India

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

Coburn Project – BFS 2004

Initial Capital Costs (\$A million)

	BFS	Potential Saving (Resourceinvest 2005)
Site Infrastructure	14.0	
Concentrator	45.7	30%
Pre strip	0.7	
MSP	*	
Bucket Wheel Excavators (2)	11.2	25%
Total Initial Capital	71.6	55.1

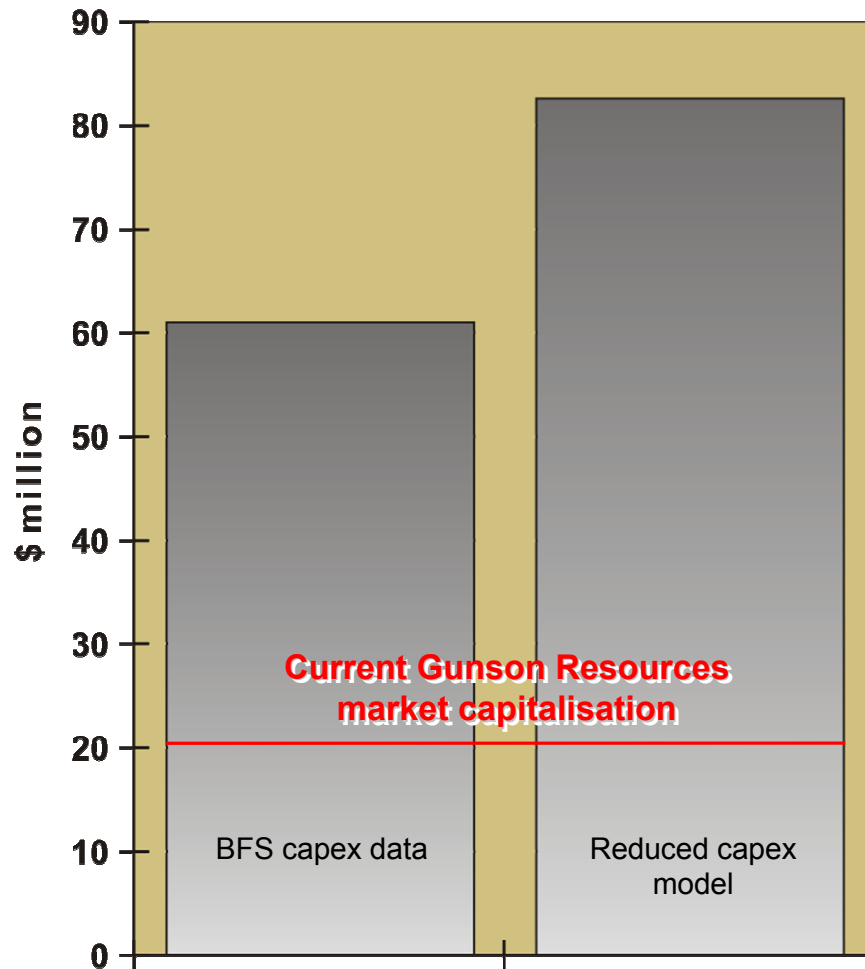
** \$A86.3 million cost of MSP not included in the BFS 2004 financial evaluation*

Coburn Project – BFS Capital Model (Resourceinvest – April 2005)#

Operating Cash Surplus	\$433 M
Capital Cost	\$128.5 M *
IRR after tax	19%
NPV (10%)	\$61 M
Exchange rate	\$0.75

#no gearing

* Reduced Capex Model \$95.5 M



Coburn Project Valuation (Resourceinvest – April 2005)

Coburn Concentrate Mineralogy

MAGNETIC (55 wt%)

89% Ilmenite

10% Leucoxene

1% Zircon

0% Waste

NON MAGNETIC (45 wt%)

52% Zircon

15% Ilmenite

14% Rutile

10% Leucoxene

9% Waste *

* Overall 4% waste

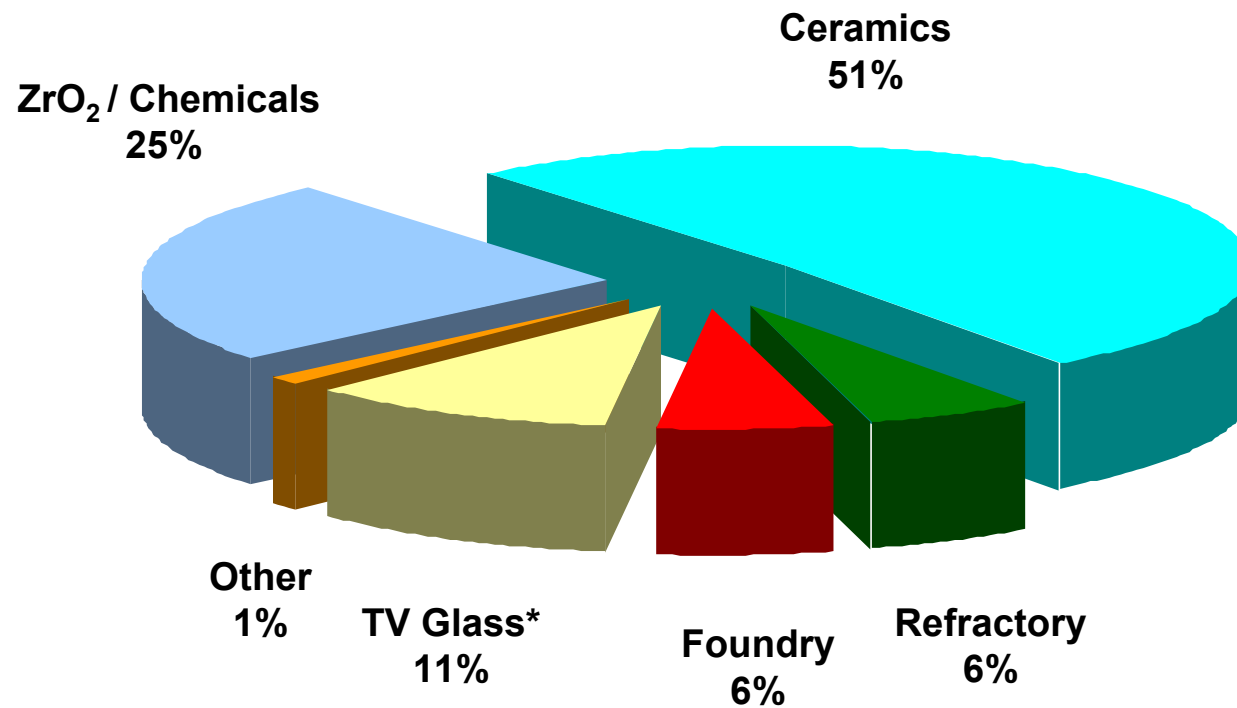


Shanghai District, China





Zircon Market Segments (2004)



Source: Astron, TZMI

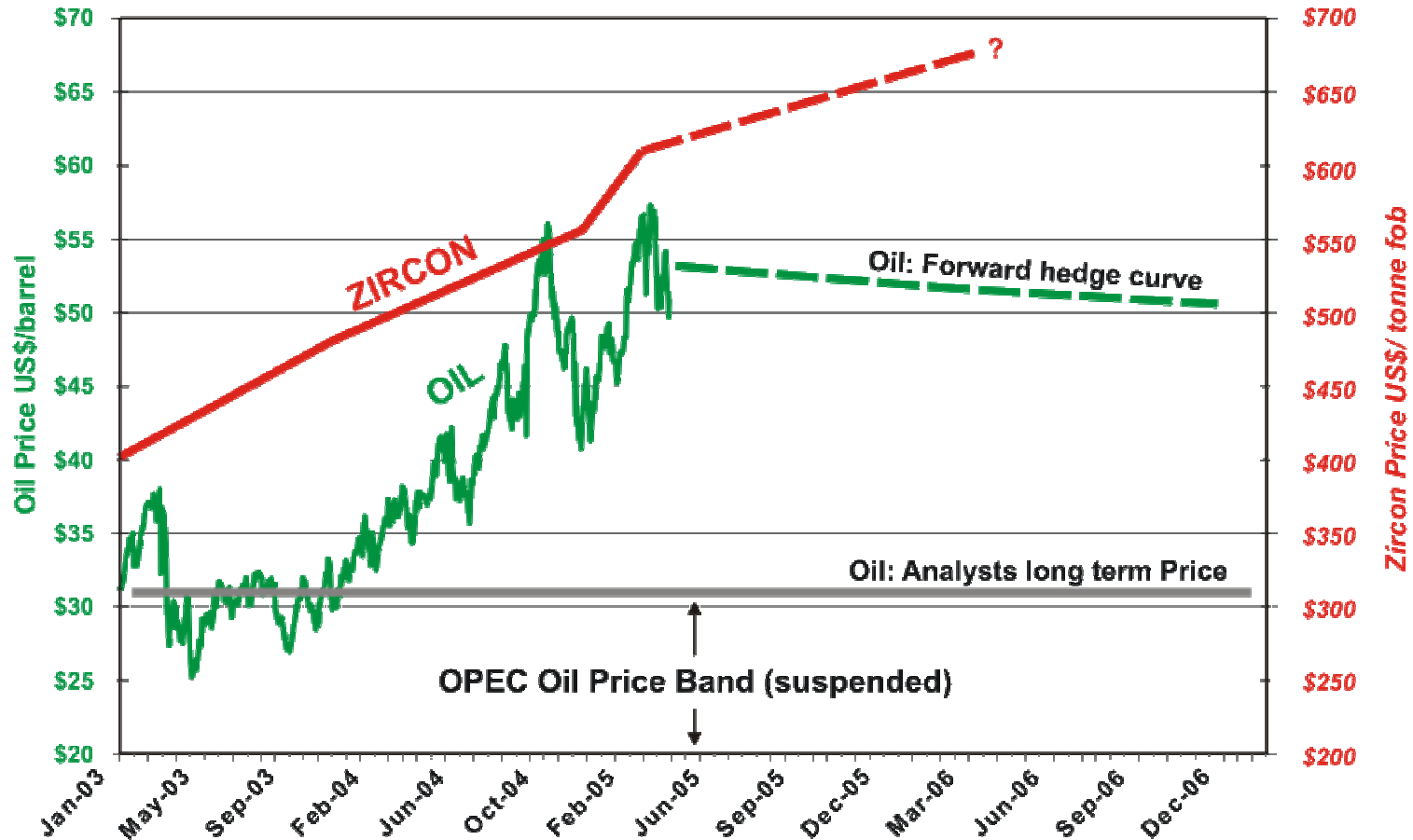
* Cathode-ray tube

Zircon Market – Segment Growth (1999-2004)

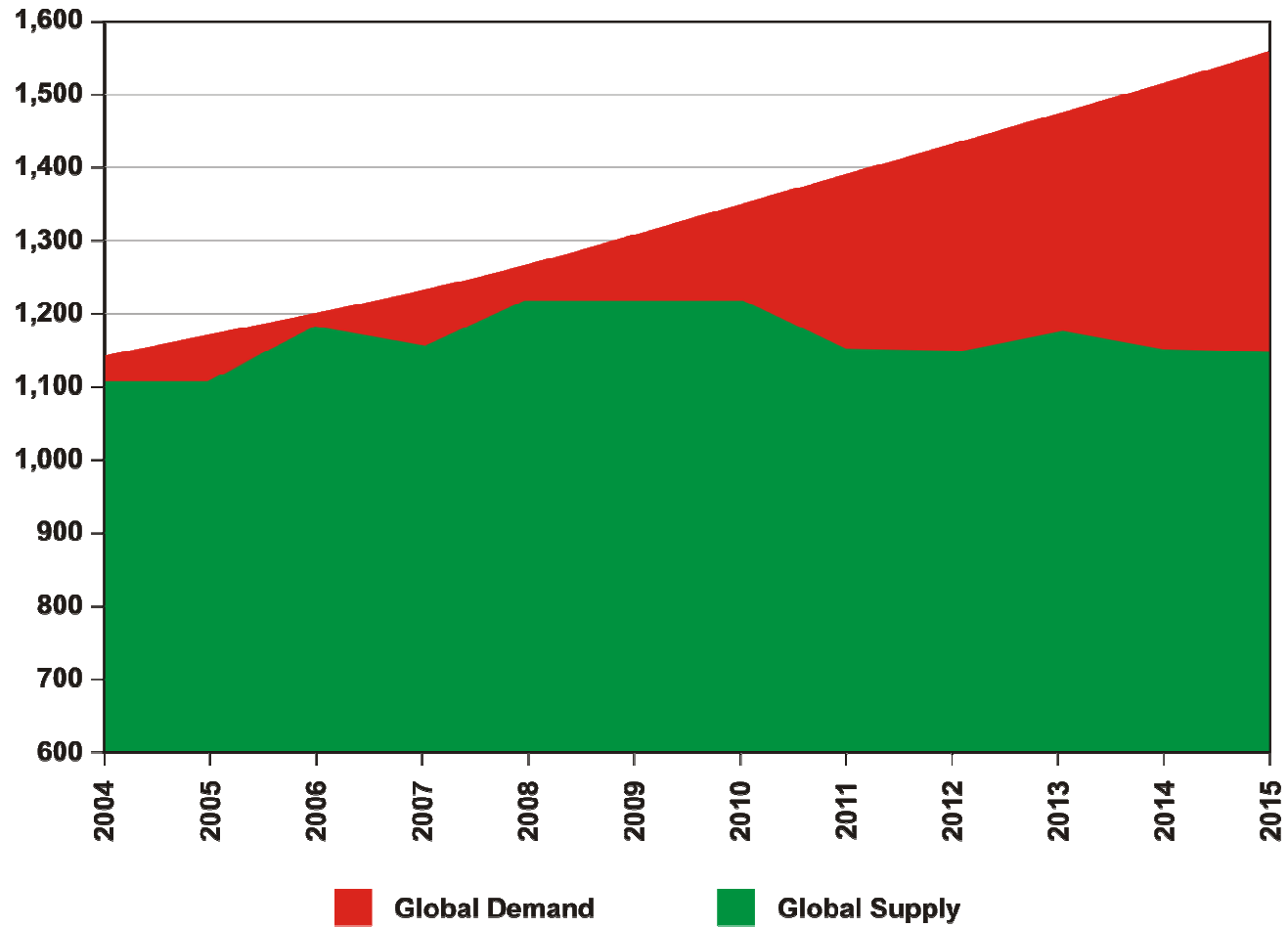
	World Growth %	% due to China
ZrO ₂ /Chemicals	66.7	90.7
Ceramics	32.7	40.3
Refractories	1.9	-
Foundry	-3.6	-
TV Glass*	32.4	83.3

* Cathode-ray tube

Oil and Zircon price curves 2003 - 2006

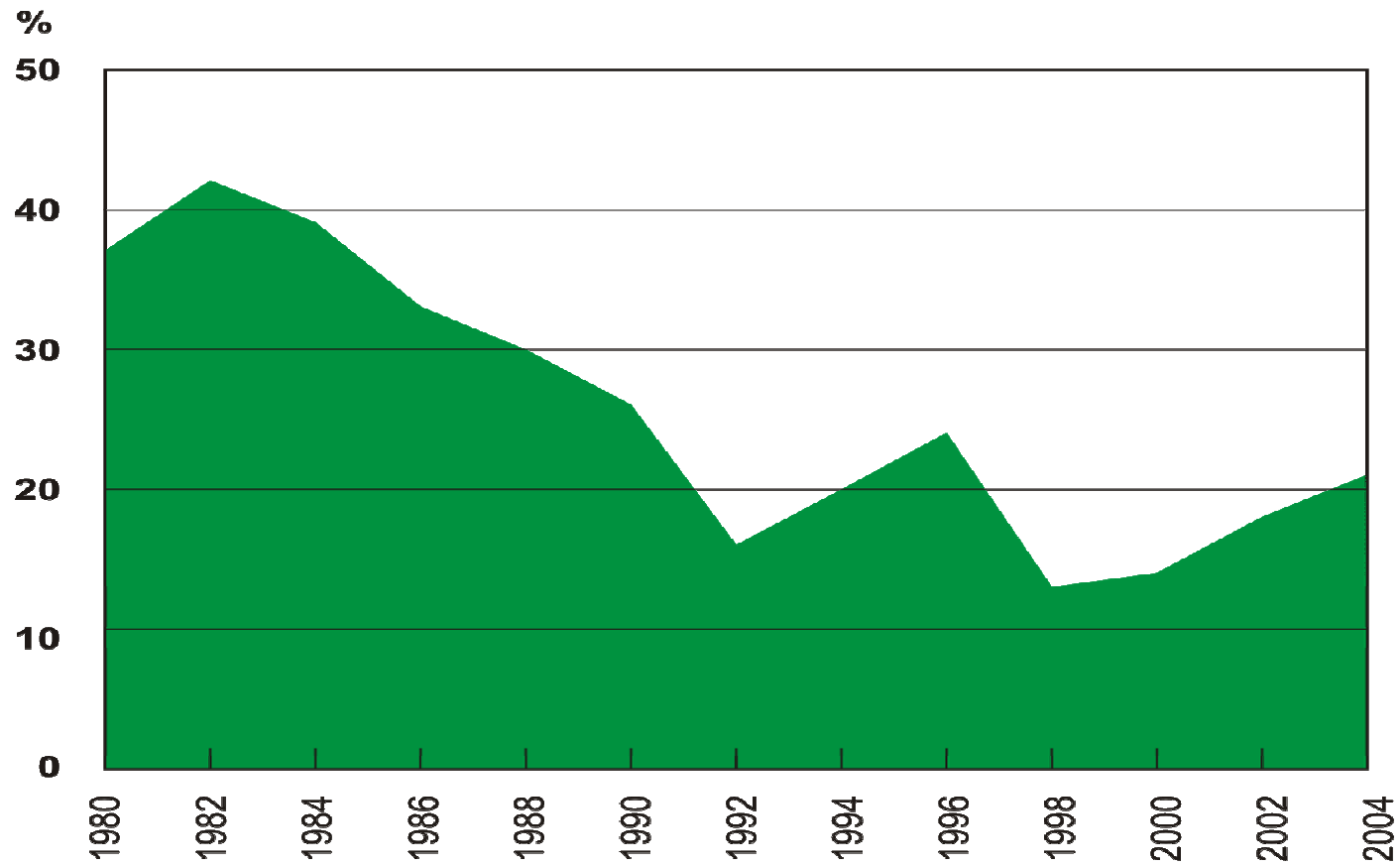


Zircon Market Outlook













Source: Iluka Resources, 2005

Eneabba – % of World Zircon Production 1980-2004



Source: TZMI Mineral Sands Report, March 2005

Coburn Project Schedule 2005 - 2007

	2005		2006				2007
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Public Review Period							
Proponent Response							
EPA Report to Minister							
Appeals Period							
Minister's Decision							
Offtake Contracts							
Equipment Supply Contracts							
Construction Contracts							
Lending Offers							
Financial Closure							
Construction			← - - - - - →				
Commissioning							↔

Conclusions

- **Coburn on track for first production in first quarter, 2007.**
- **Permitting and financing to be completed first quarter, 2006.**
- **Coburn is the third largest zircon development project in the world.**
- **Drilling for copper at Mount Gunson near end November.**