

COBURN CHLORIDE ILMENITE OFFTAKE, AND FINANCING

Gunson Resources Limited (Gunson) is pleased to advise that it has concluded an offtake agreement with DuPont, the world's largest pigment producer, for Gunson's proposed share of chloride ilmenite production from the Coburn Project. Good progress has also been made with the major East Asian industrial group, with whom Gunson has signed a non-binding term sheet for co-funding the proposed mine development.

1. DuPont Chloride Ilmenite Sales Agreement

Gunson has reached agreement for an ilmenite sales contract with E.I. du Pont de Nemours and Company ("DuPont"), owner of DuPont Titanium Technologies, the world's largest manufacturer of titanium dioxide. The Agreement is for Gunson's proposed share of chloride ilmenite production from Coburn over a five year period.

Product pricing under the DuPont agreement reflects the high chloride ilmenite feedstock grade of the Coburn product, typically 61.5% titanium dioxide. Relative to the previously assumed product pricing, the Agreement has a positive impact on the Project financial returns, as discussed below.

The DuPont agreement is a significant step in the Coburn Project development path, with a well respected customer providing a significant portion of the estimated Project revenue.

2. Remaining Product Offtake

Discussions with potential offtake partners for the higher titanium dioxide mineral products (rutile and leucosene combined into a 90% TiO₂ "HiTi" product) and zircon are well advanced but conclusion of sale agreements is not expected until after the detailed terms of the proposed joint venture arrangement with the Major (see below) have been finalised.

3. Project Funding

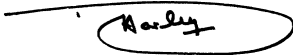
As previously announced on 23 November 2011, a non binding term sheet was executed with a major East Asian industrial group (the Major), providing for the Major to earn a large minority interest in the Coburn Project. This would be achieved by the Major contributing via a joint venture, its proportionate share of mine development expenditure, together with an additional earn-in contribution that reflects an overall Project value well in excess of Gunson's current market capitalisation.

Also as previously announced, it was initially contemplated that the due diligence and detailed documentation would be finalised within 3 months. Whilst good progress has been made with the due diligence process, it is now expected that final binding documentation will not be completed until late April.

Technical due diligence is now essentially complete and legal due diligence is well advanced, with completion expected shortly. Draft detailed joint venture documentation has also been prepared with the objective of finalising this during March, ahead of the Major's final internal approval processes.

4 Revised Project Returns

Financial modelling using updated TZMI price forecasts received in early February 2012, supports the Project valuation announced in November 2011. This new model also incorporates an adjustment to ilmenite prices based on the above DuPont agreement, and a later production commencement date reflecting the currently anticipated financing timetable.



D N HARLEY
MANAGING DIRECTOR

Further enquiries, please contact:

David Harley, Managing Director
Phone: (08) 9226 3130
Email: enquiries@gunson.com.au
Website: www.gunson.com.au

David Waterhouse, Waterhouse Investor Relations
Phone: + 61 3 9670 5008
Mobile: 0407 880 937
Email: dwaterhouse@waterhouseir.com.au