



GUNSON RESOURCES LIMITED



David Harley

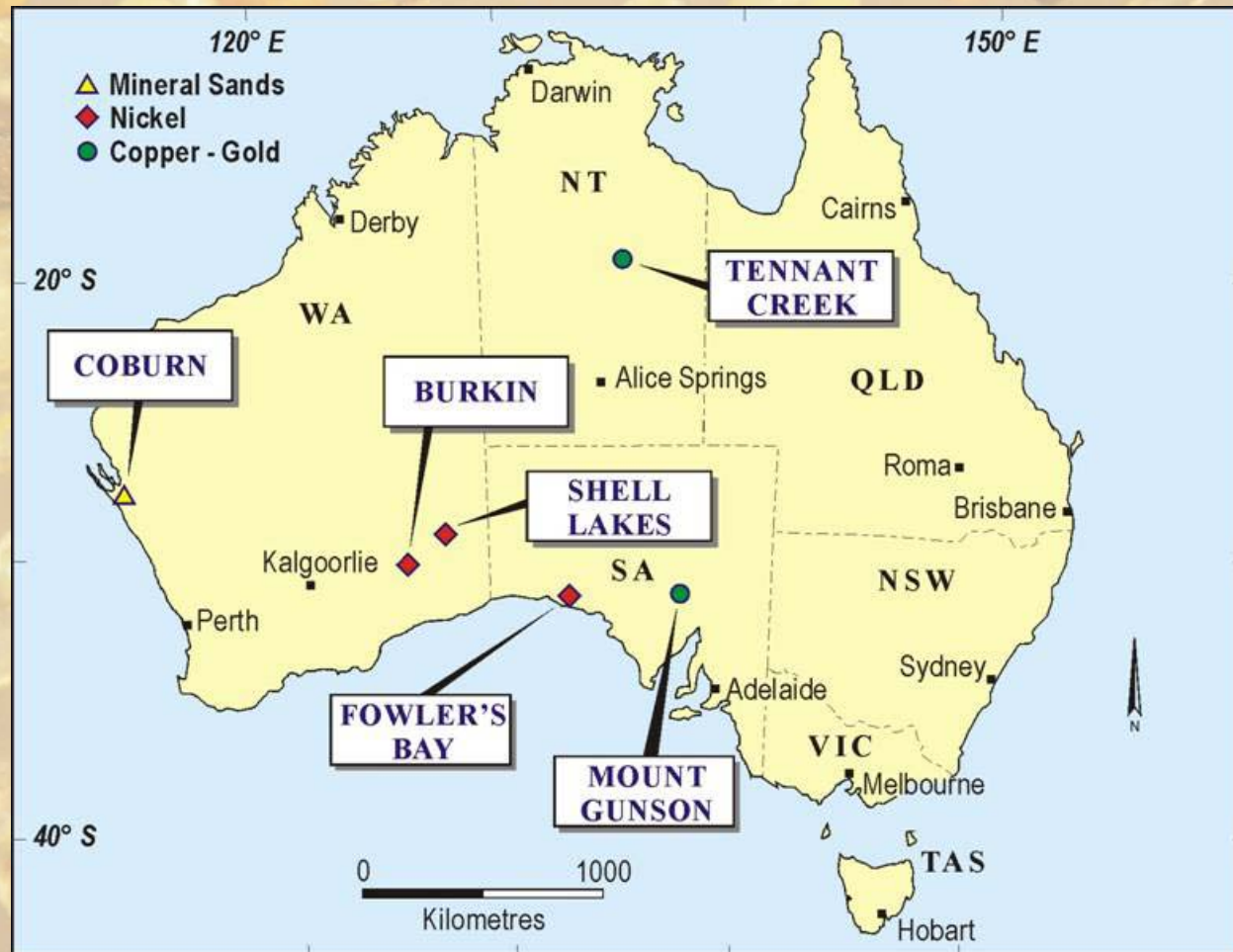
AGM 2004

Corporate Summary



| | |
|-----------------------------------|-----------------|
| • Listed | May 2000 |
| • Shares | 64.3M |
| • Cash | \$2.6M |
| • Share Price | \$0.33 |
| • Market Cap. | \$21.2M |
| • Substantial Shareholders | |
| Colonial First State | 9.8% |
| LUCRF | 6.4% |

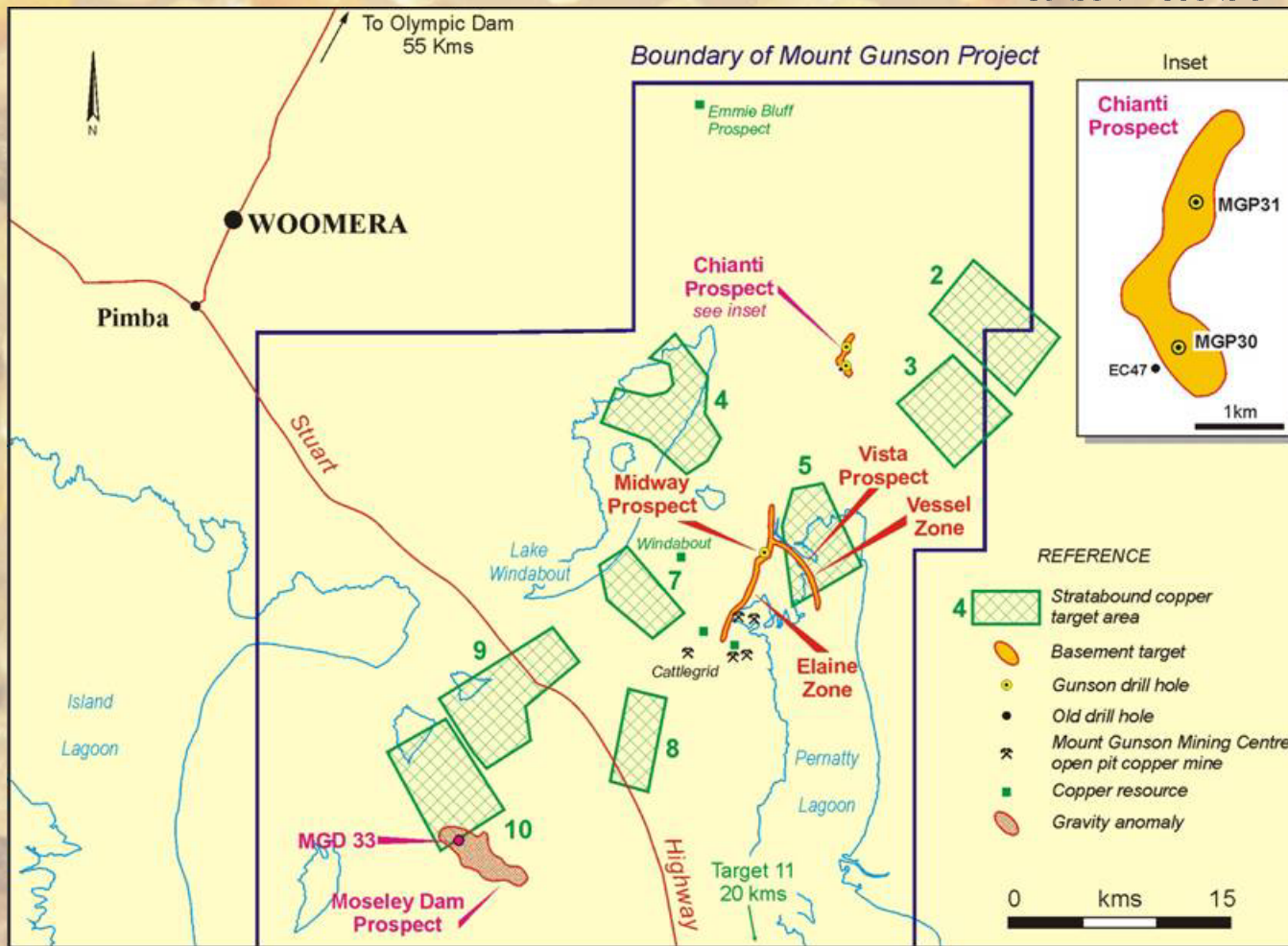
Project Location Map





South Australian Copper Belt

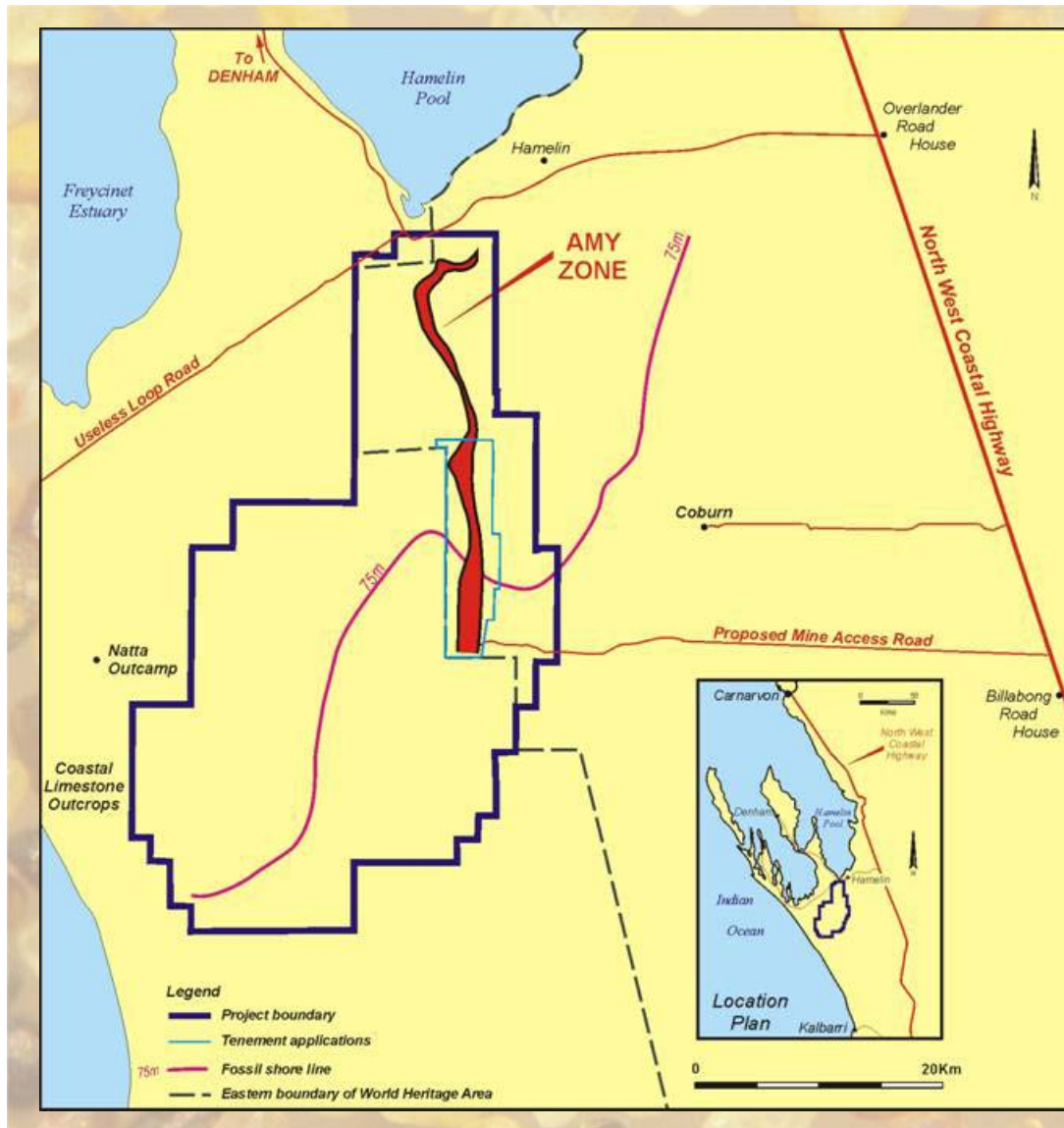
Mount Gunson Target Areas





Coburn – Regional Setting

Coburn Project Amy Zone Orebody





Coburn Project BFS – Main Contributors



General Manager

Alan Luscombe

Mining Engineer

Phil McMurtrie

Senior Geologist

Paul Leandri

Metallurgy, Plant Design

Roche Mining (MT)

Resources

McDonald Speijers

Mine Optimisation

Tennant Isokangas

Power

Energy Developments Ltd

Environment

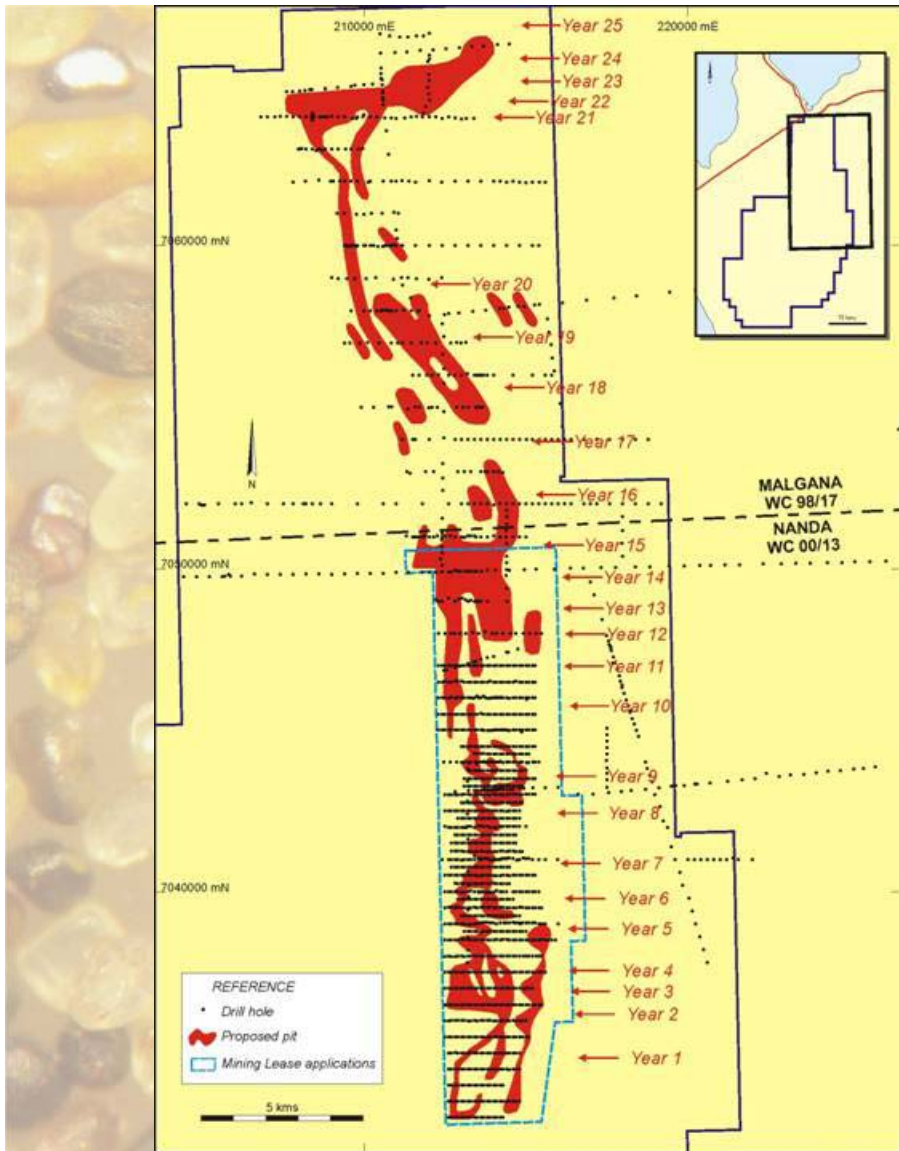
URS

Marketing

TZMI

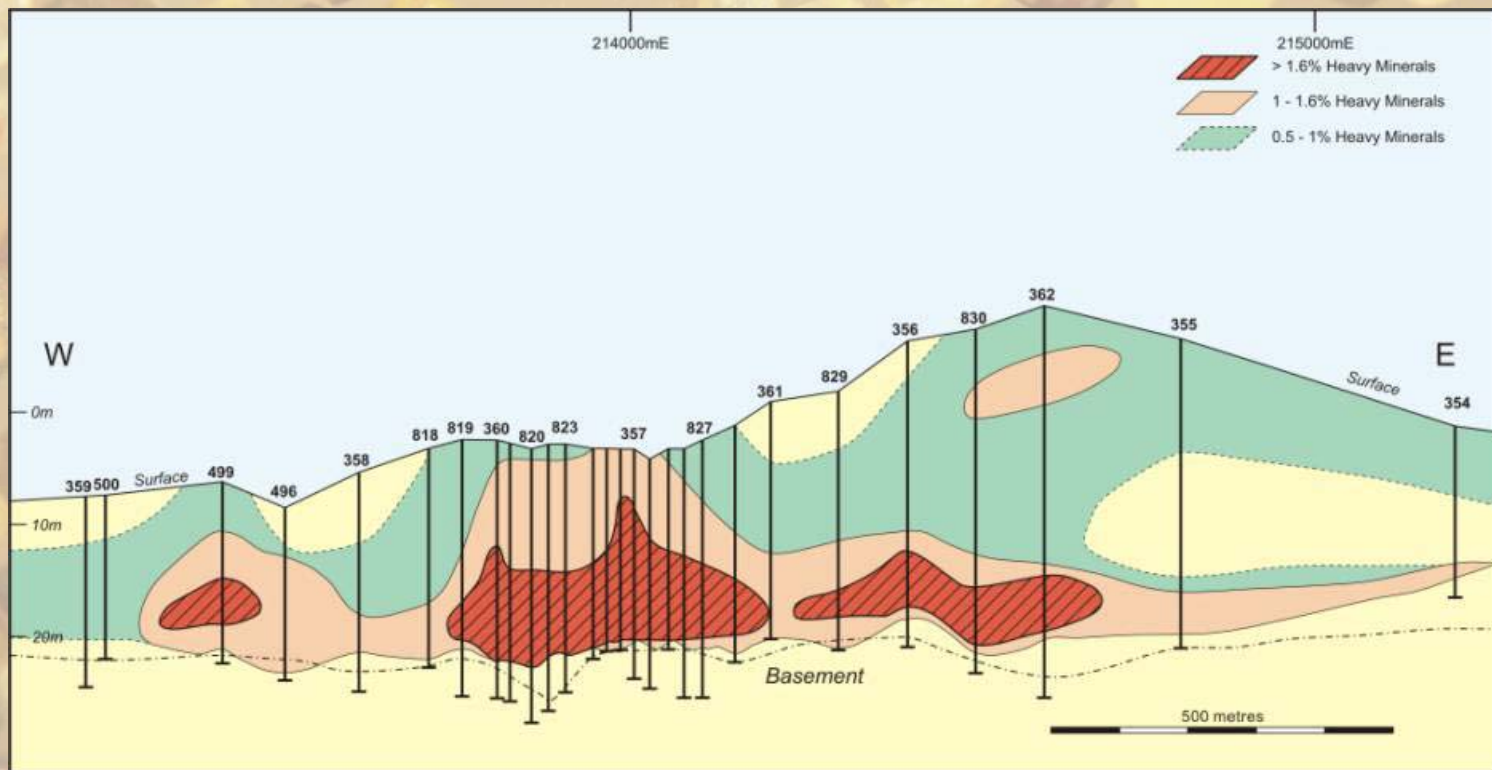
Commercial

Ernst & Young



Amy Zone Resource and Amy South

Amy Zone South Cross Section



Amy Zone - Inferred Resource (2003)



Tonnes: 690 million *

Grade: 1.35% HM

Tonnes HM: 9.3 million

Slimes: <3%

Oversize 1%

*** Includes 133Mt indicated resource
at Amy Zone South**

PFS Review - Revenue, Cost and Return Estimates (2003)



| | |
|-------------------------------|------------------|
| Total revenue | \$1,405 M |
| Total operating costs | \$1,007 M |
| Operating cash surplus | \$399 M |
| Cost / tonne HMC | \$157 |
| IRR after tax | 23% |
| NPV (8%) | \$64 M |
| Exchange Rate | \$0.65 |

Initial Production & Revenue Mix



| PRODUCT | TONNES PRODUCT | % PROJECT REVENUE | % 2003 WORLD PRODUCTION |
|----------|----------------|-------------------|-------------------------|
| ZIRCON | 28,000 | 60 | 2.5 |
| ILMENITE | 56,000 | 20 | 2.5* |
| HiTi | 12,200 | 20 | 4.5 |

* % of world chloride ilmenite

Selected World Mineral Sand Projects

TZMI September 2004



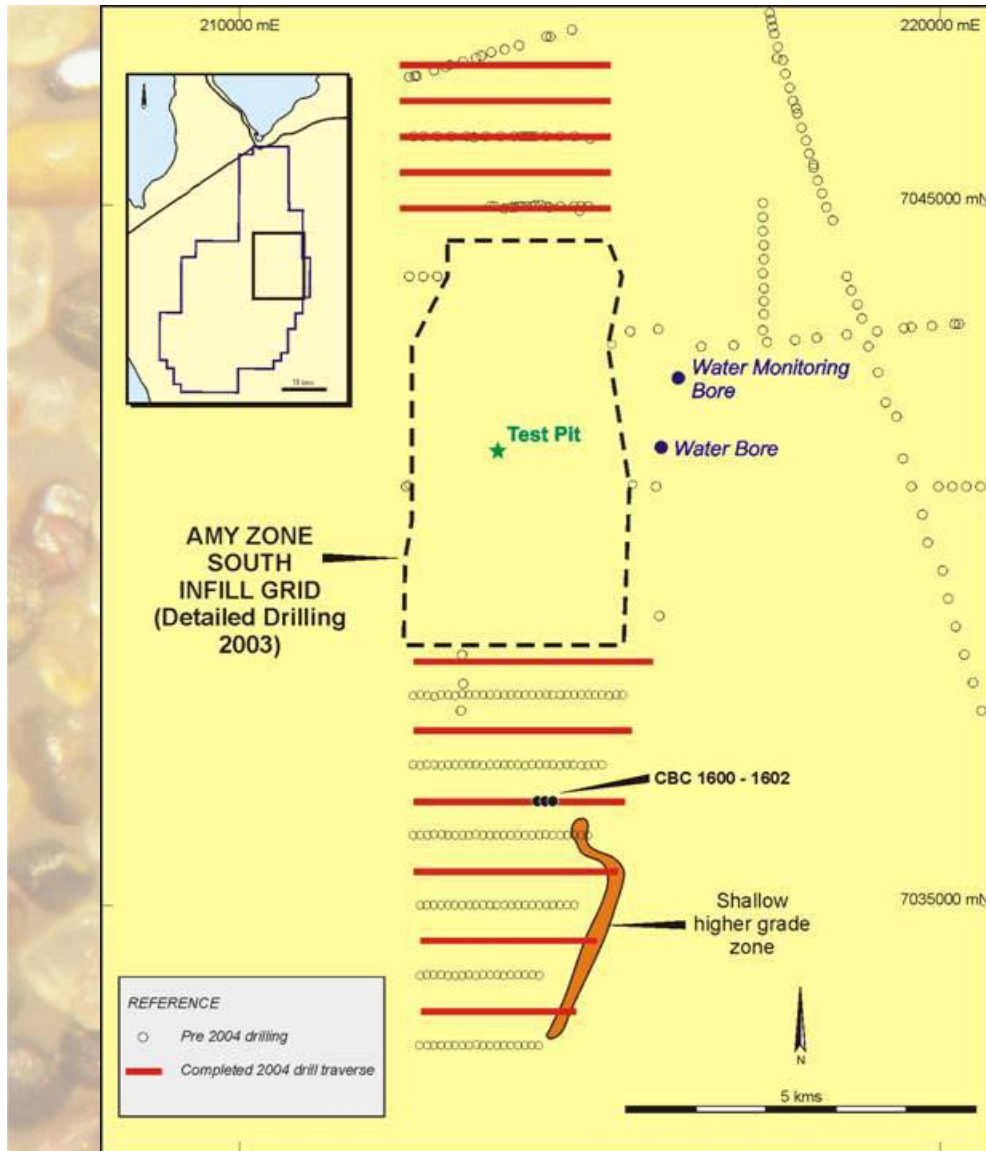
| <u>Under Construction</u> | TiO ₂ UNITS * | ZIRCON * | TiO ₂ : ZIRCON |
|---------------------------|--------------------------|----------|---------------------------|
| Douglas (Iluka) | 150 # | 100 | 3.5+ |
| Moma (Kenmare) | 354 | 52 | 6.8 |
| <u>Completed BFS</u> | | | |
| Pooncarrie (Bemax) | 170 | 32 | 5.3 |
| Mindarie (Sth. Titanium) | 71 | 44 | 1.6 |
| Corridor (WMC) | 330 | 30 | 11.0 |
| <u>In BFS Stage</u> | | | |
| Tamil Nadu (Tata) | 250 | 20 | 12.5 |
| Coburn (Gunson) | 90 | 56 | 1.6 |

Australia

Mozambique

India

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



Amy South Drilling Program 2004

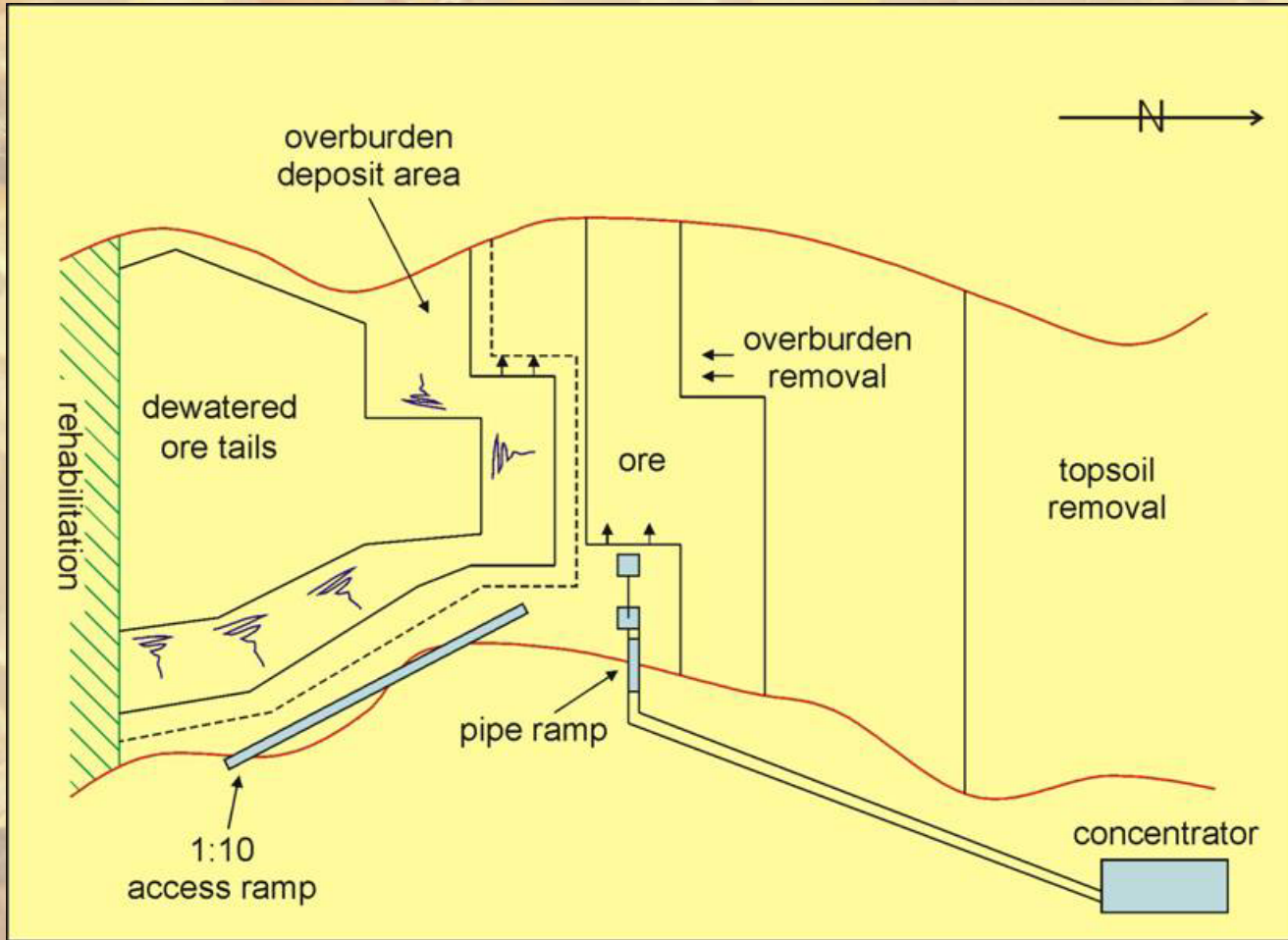


GLINSON TRUSSOURCES LIMITED

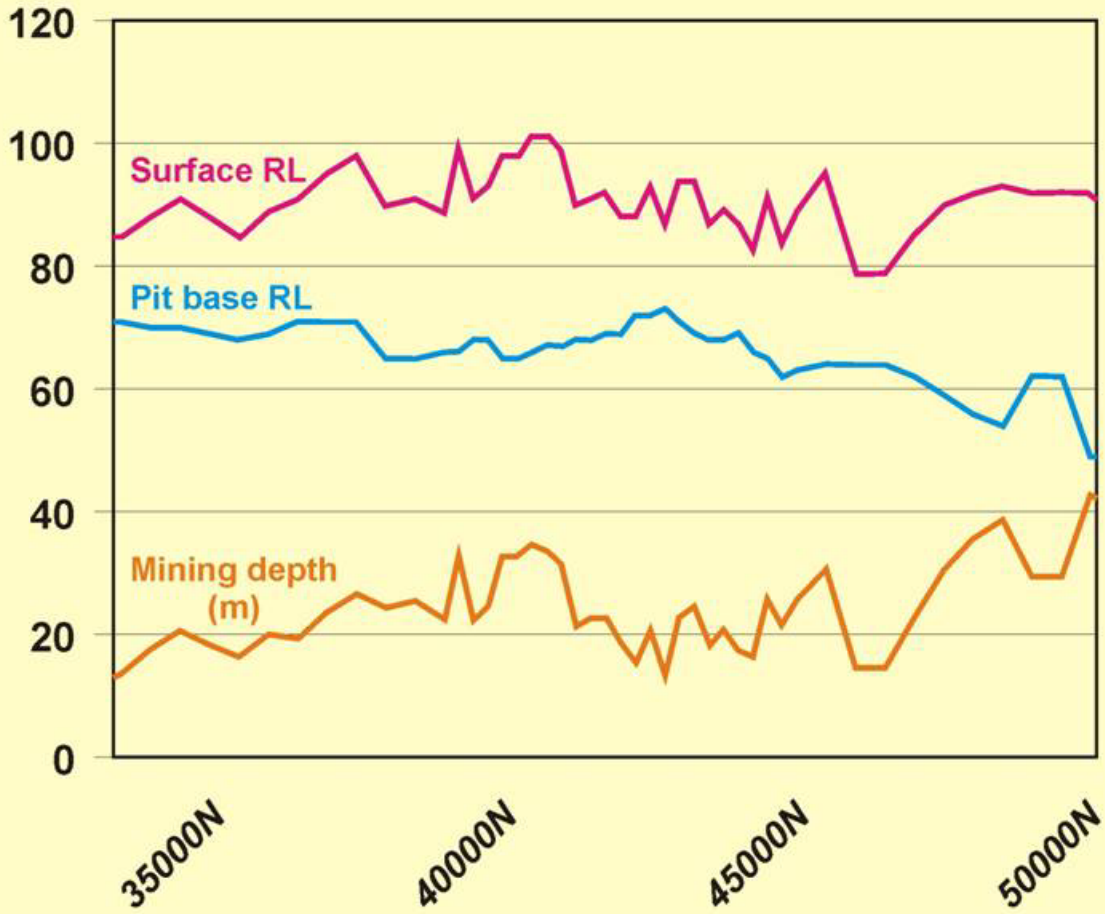
4 3 2004



Amy Zone Mining Method



Amy South Pit Levels and Mining Depth



Coburn Project – Environment/Licensing Schedule



| | 2004 | 2005 | | | | 2006 |
|--|------|------|----|----|----|------|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Baseline Studies | ■ | | | | | |
| Stakeholder Consultation | ■ | ■ | ■ | | | |
| Public Environmental Review (PER) | | ■ | | | | |
| Response to PER | | | ■ | ■ | | |
| NOI / Works Approval | | | | | ■ | |
| Native Title Negotiations | ■ | | | | | |

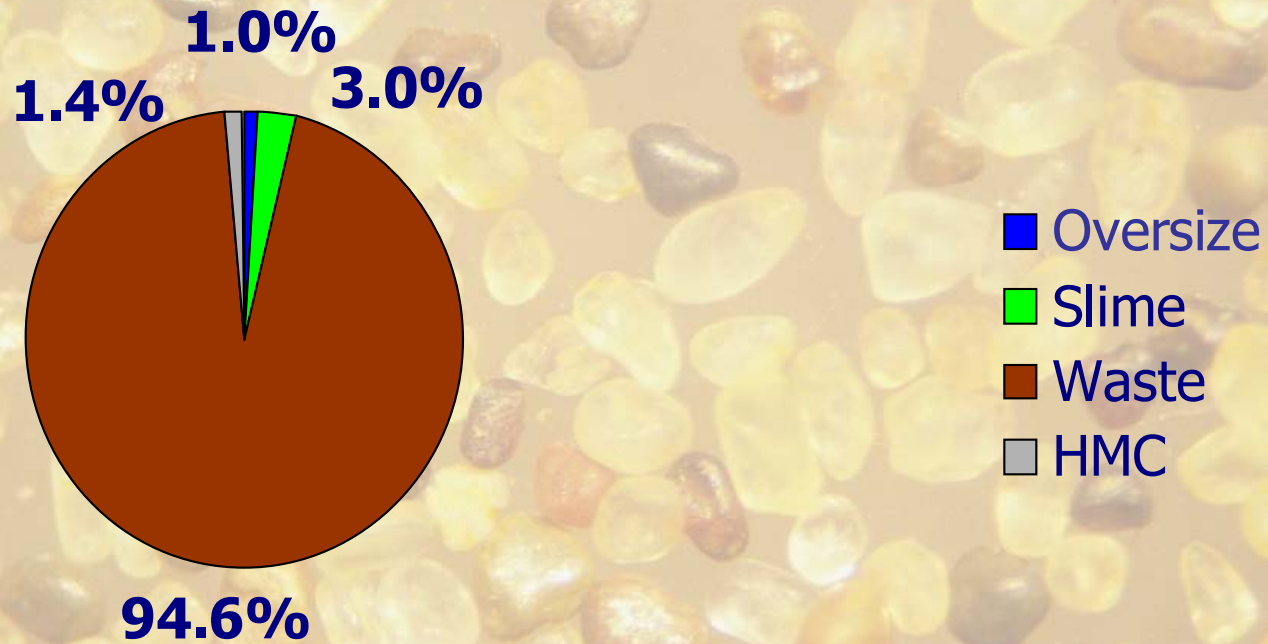


Coburn Product Marketing

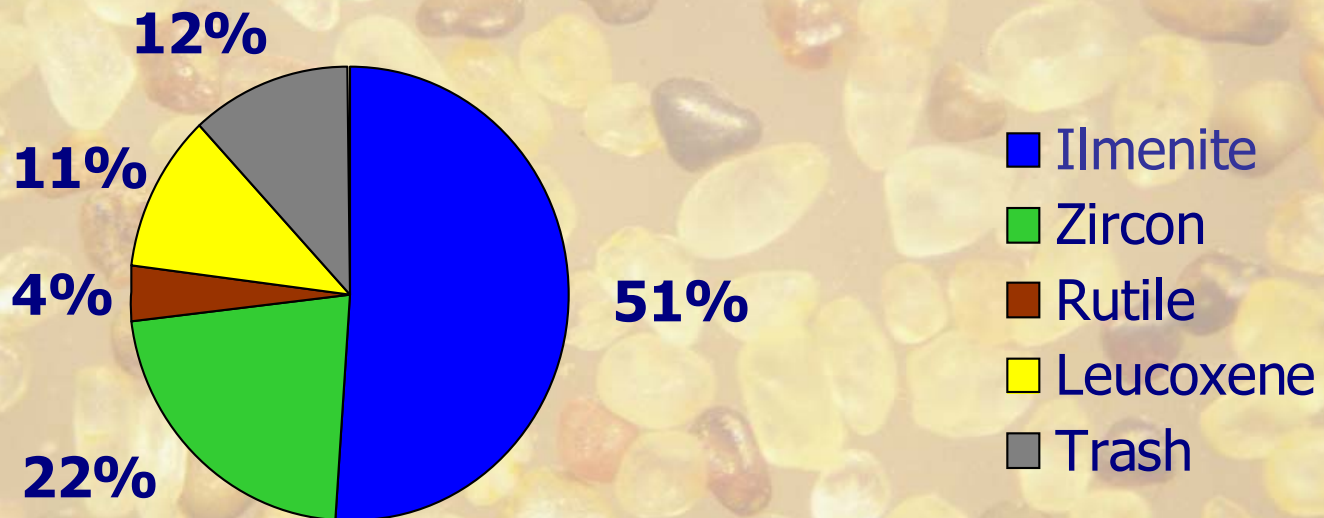


- **Sale of concentrate or refined product are both options**
- **Very strong interest in zircon product – ceramic grade**
- **Strong interest in primary ilmenite, due to low U/Th, TiO₂ 60%**
- **Good price possible for mixed rutile / leucoxene product - HiTi**

Coburn Mineral Sands Ore



Coburn Heavy Mineral Assemblage

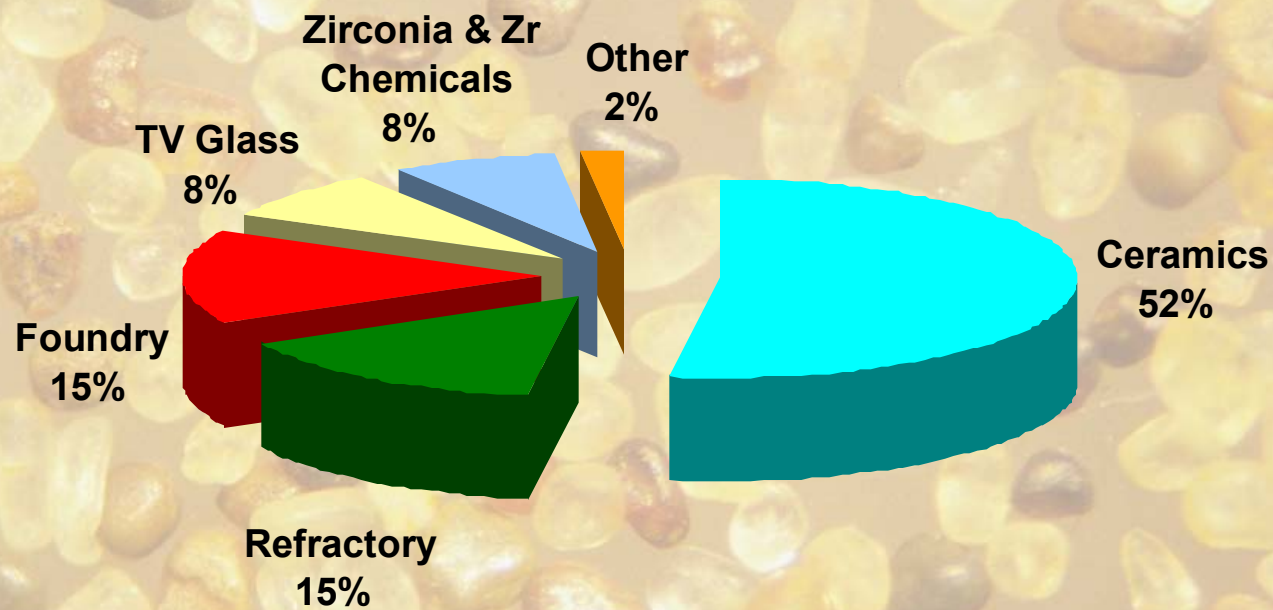


Trash materials made up of up to 61 trace elements



Zircon Consumption by End Use Market 2002

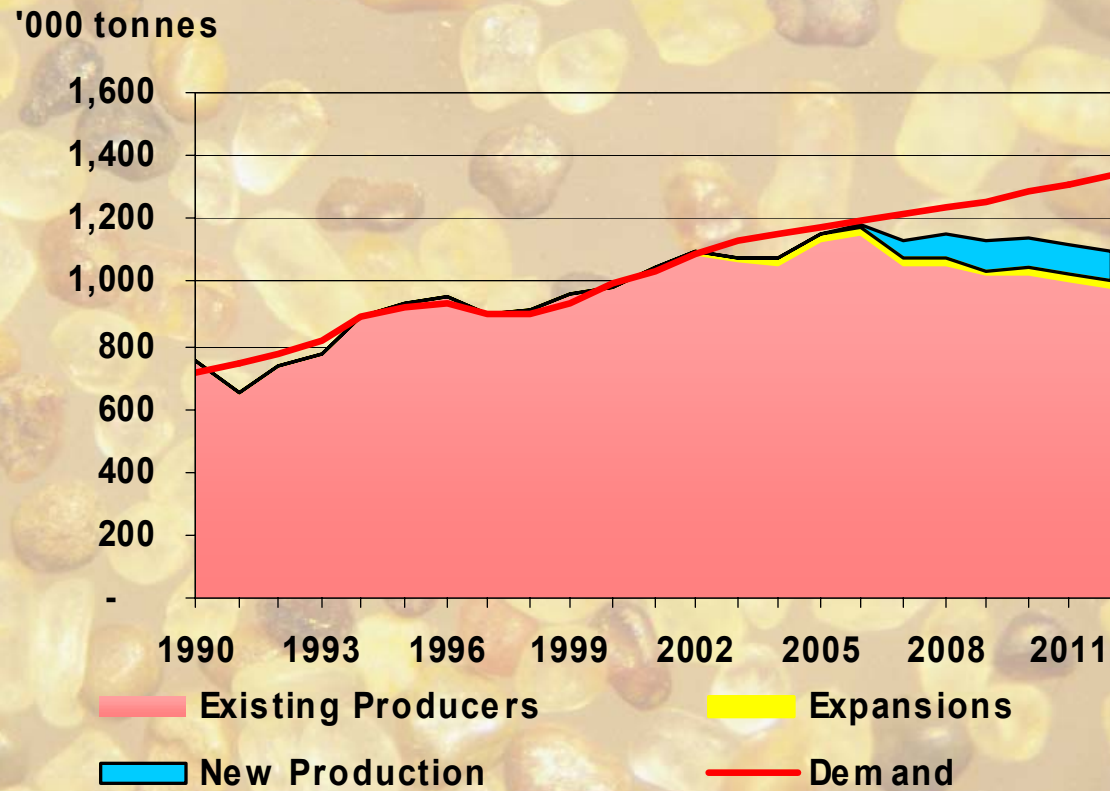
Total Consumption in 2002 ~ 1.1 million tonnes



May 1st
2003

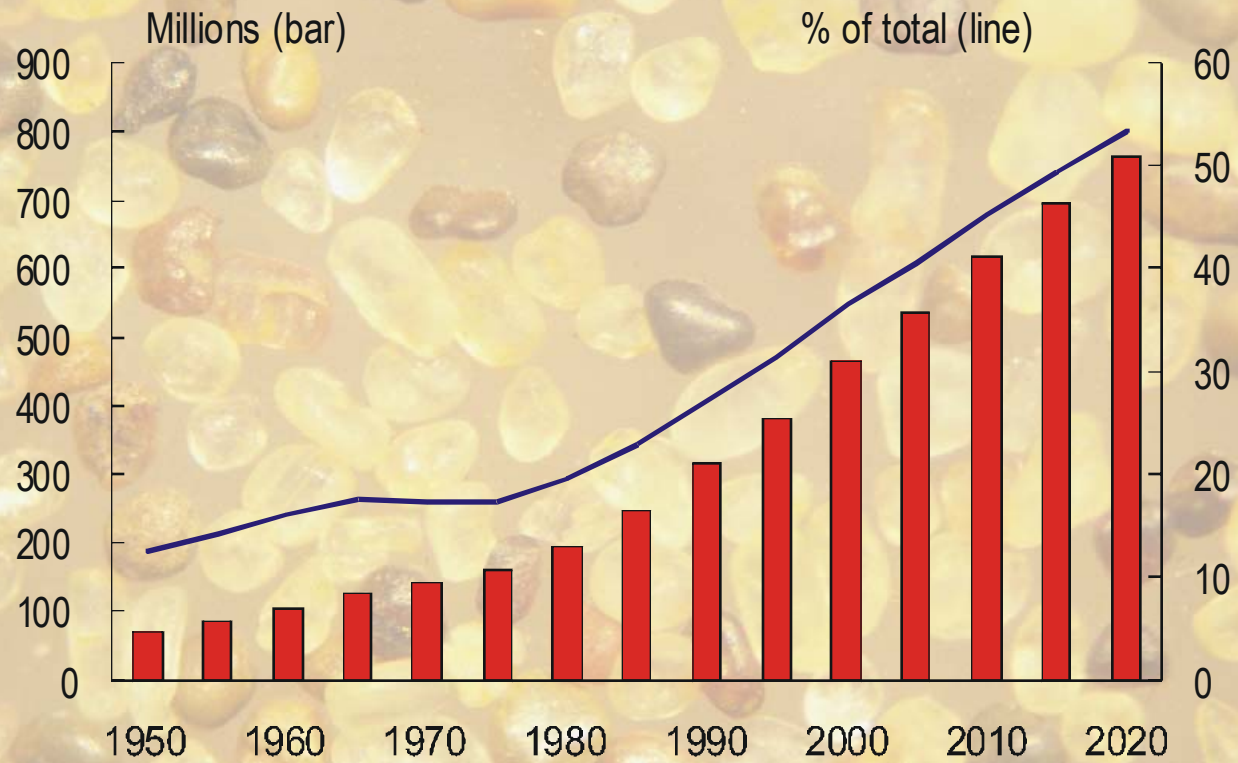


Zircon Supply/Demand Outlook to 2012



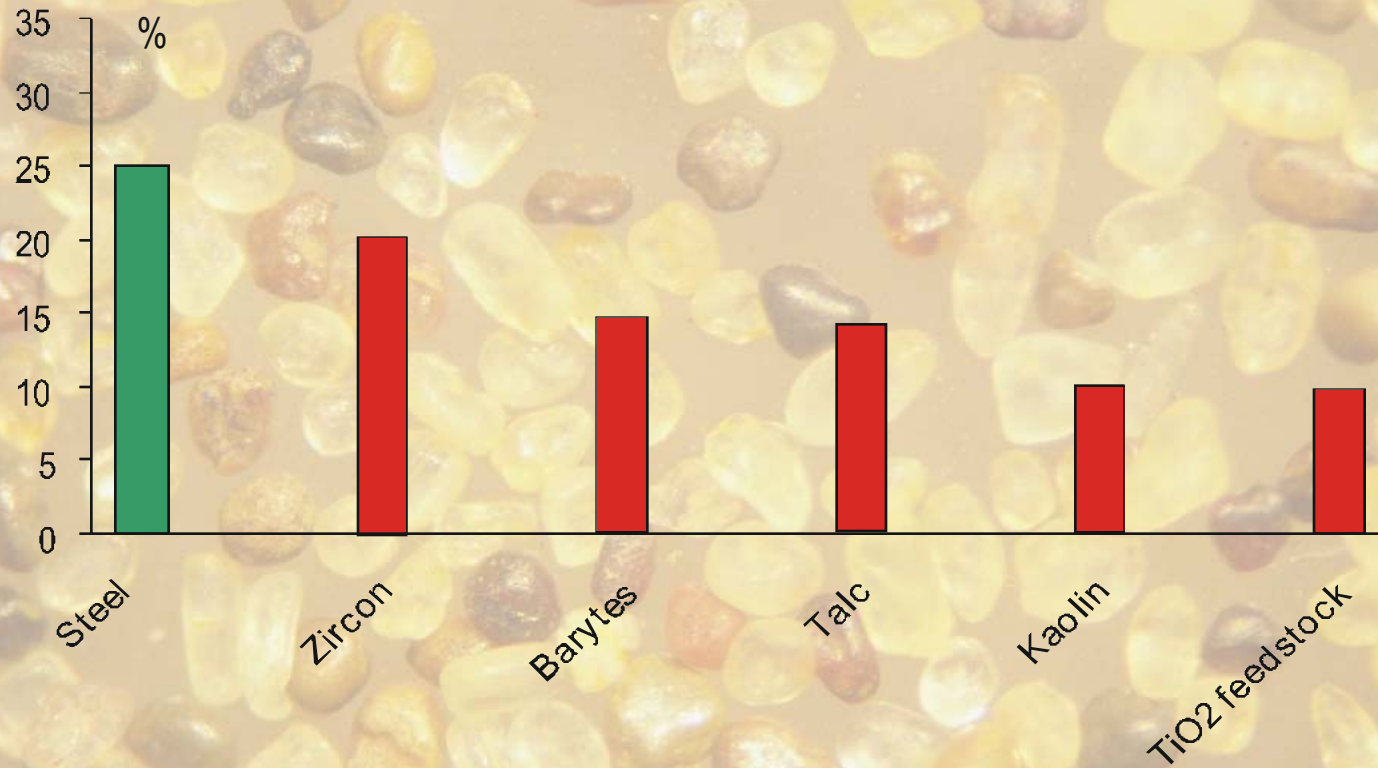
Sept
2004

China's urban population



Source: UN

China's shares of world consumption

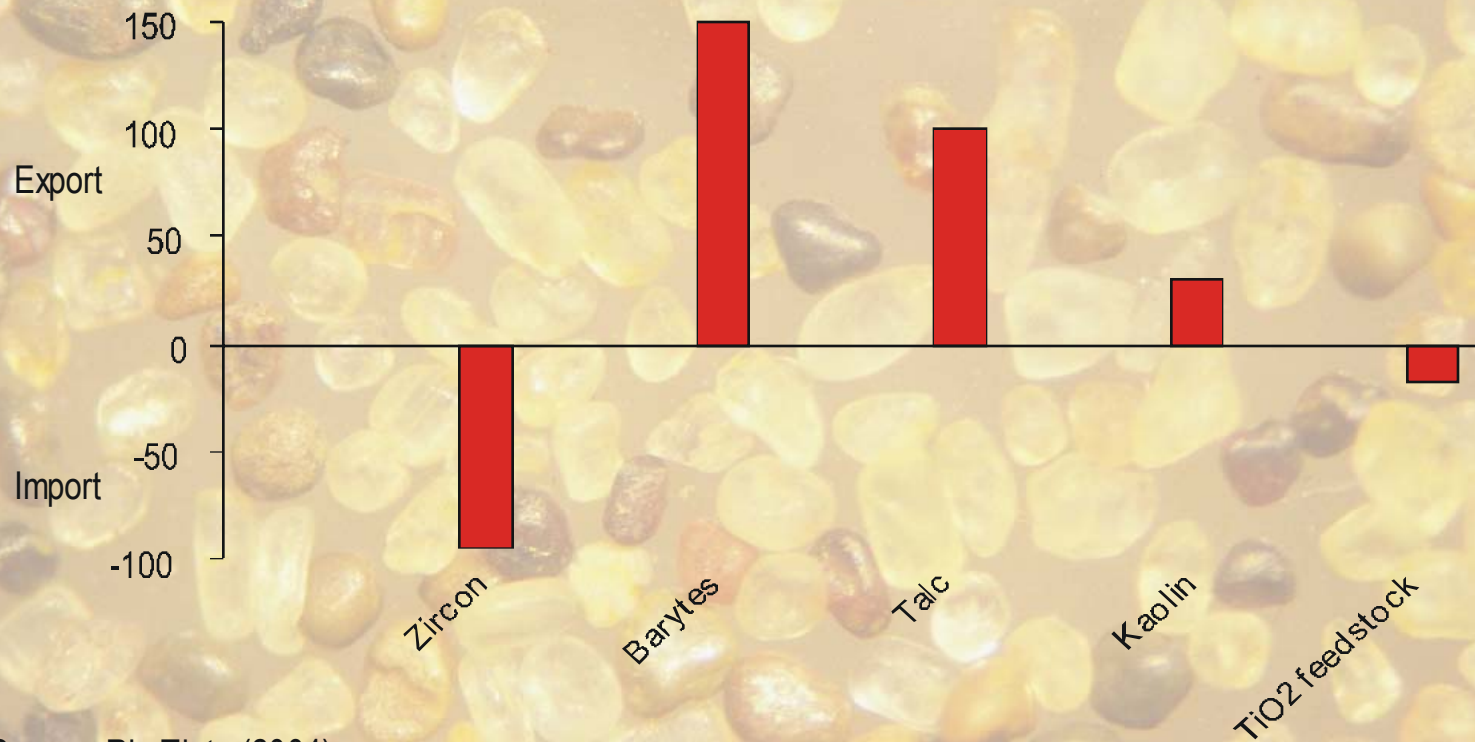


Source: Rio Tinto (2004)

China's net trade in industrial minerals

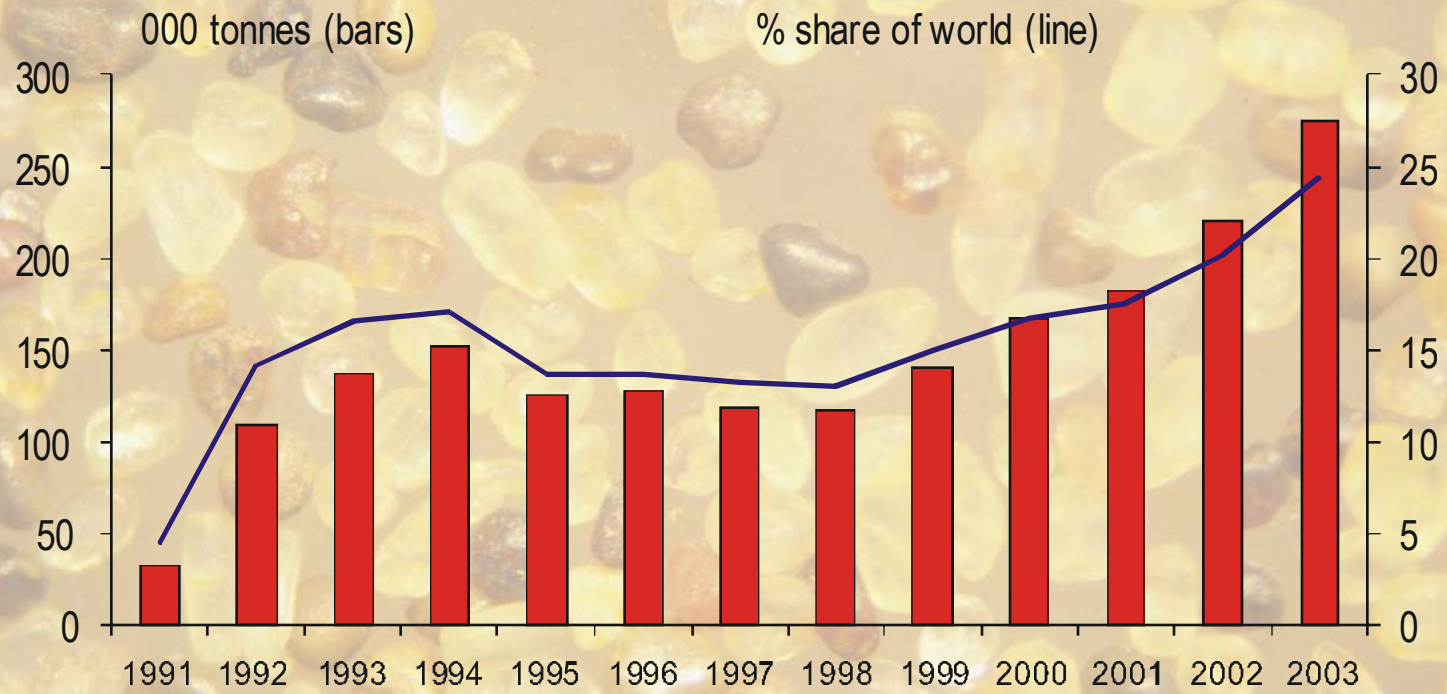


Imports or exports expressed as a % of domestic consumption

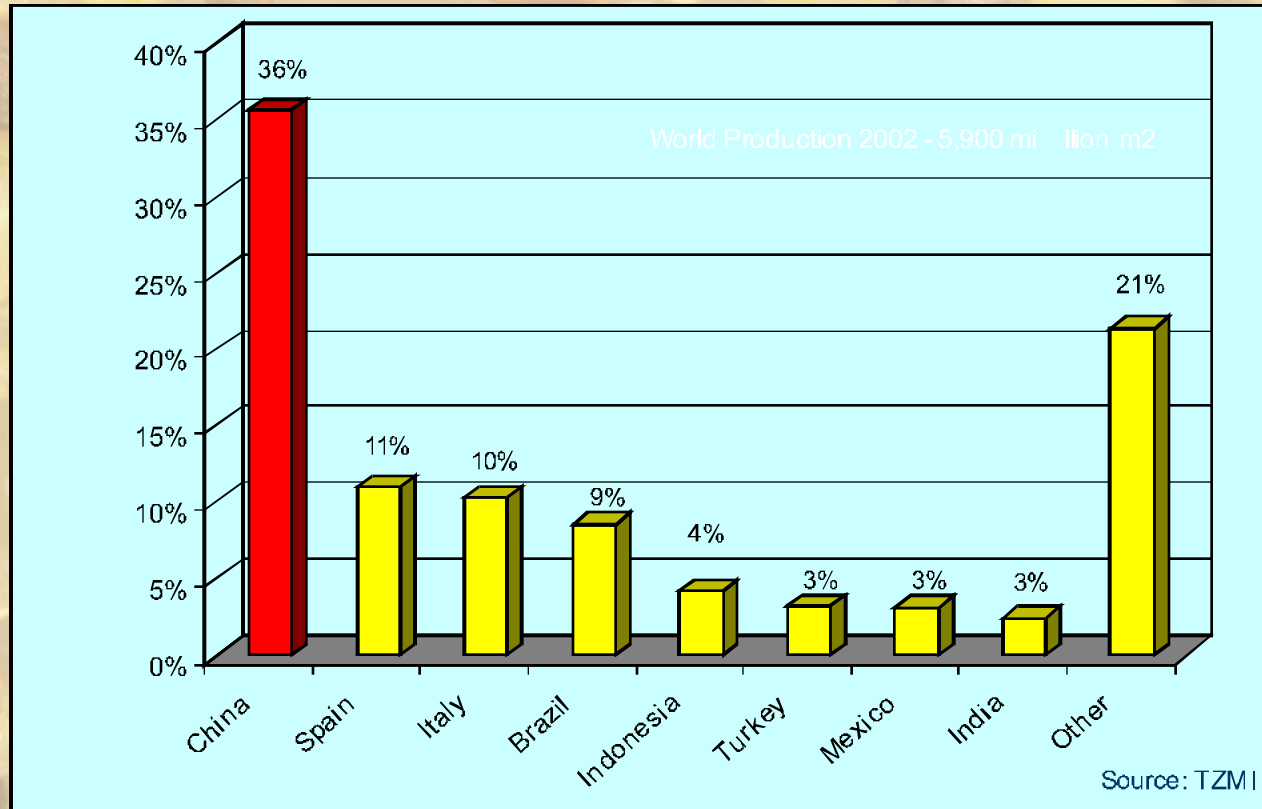


Source: Rio Tinto (2004)

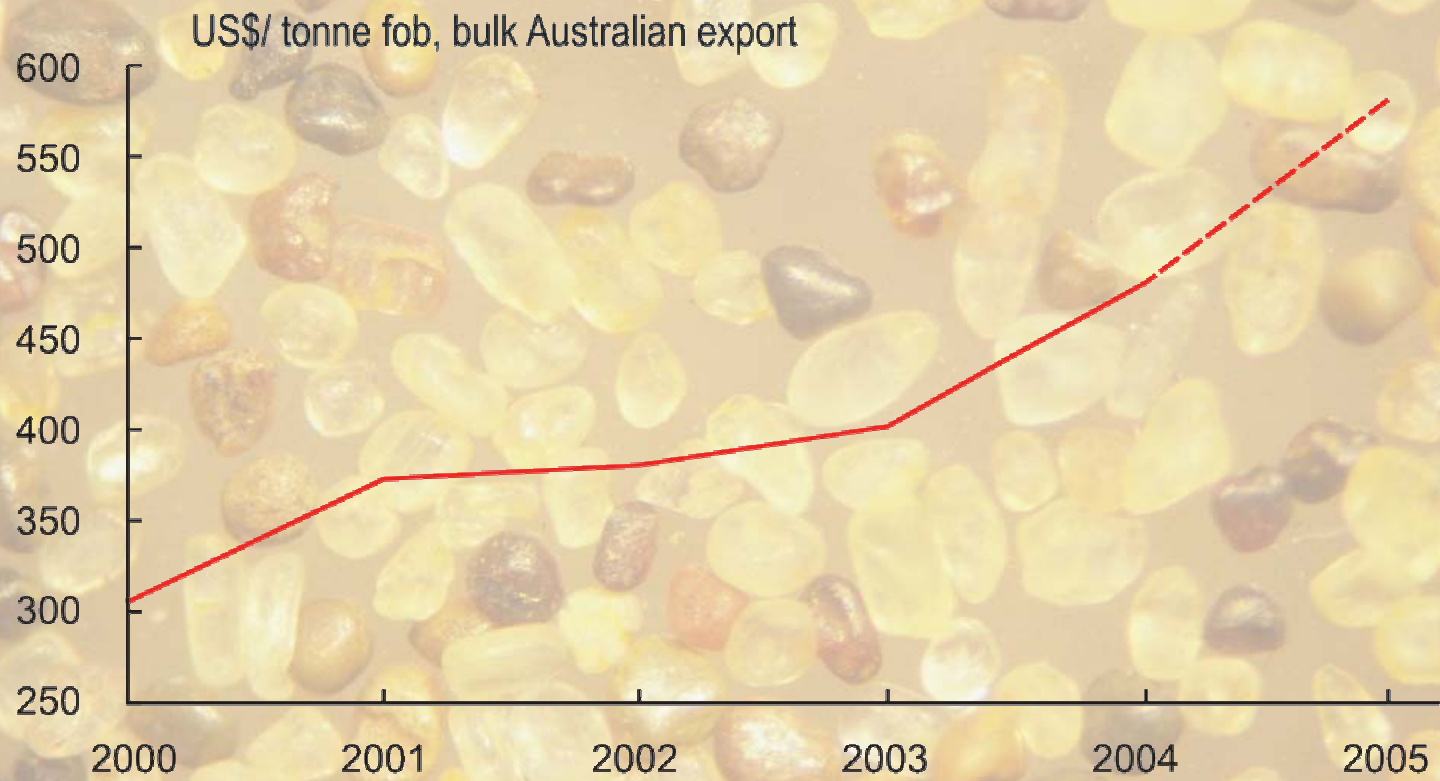
China's consumption of zircon



World Tile Production - 2002



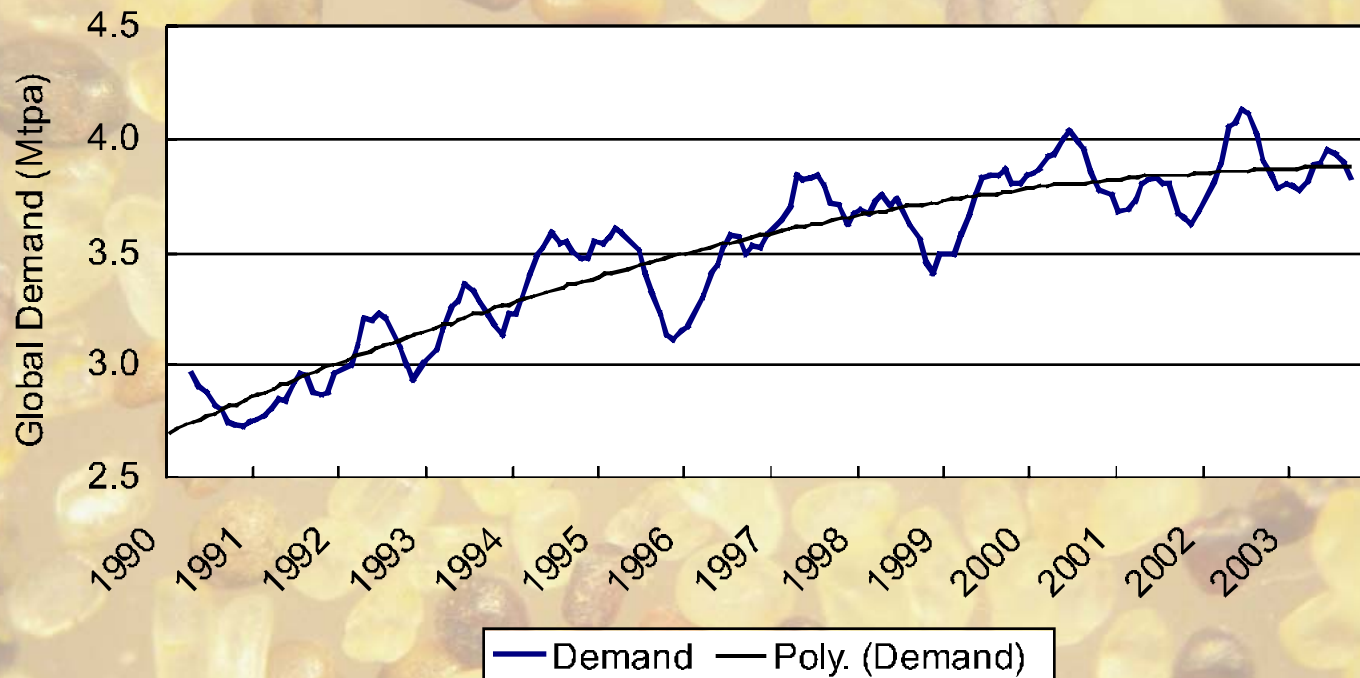
Zircon price



Source: TZMI

----- forecast

Polynomial Fit of TiO₂ Demand



Polynomial trendline gives Growth = 0.4% at end 2002

Source: Huntsman Tioxide 2004

Project Timetable



- **Bankable Study started** **May 2003**
- **Bankable Study completed** **Dec 2004**
- **Funding confirmed** **Q3 2005**
- **Construction to commence** **Q4 2005**
- **Operations commissioning** **Q4 2006**

Conclusions



- **Coburn BFS to be completed in December 2004**
- **Environmental program on course for mining permits late in Q3 2005**
- **Subject to successful BFS outcome and grant of mining approvals, commissioning of operations Q4 2006**
- **Coburn is the second largest zircon development project in the world**



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