



**GUNSON RESOURCES LIMITED**



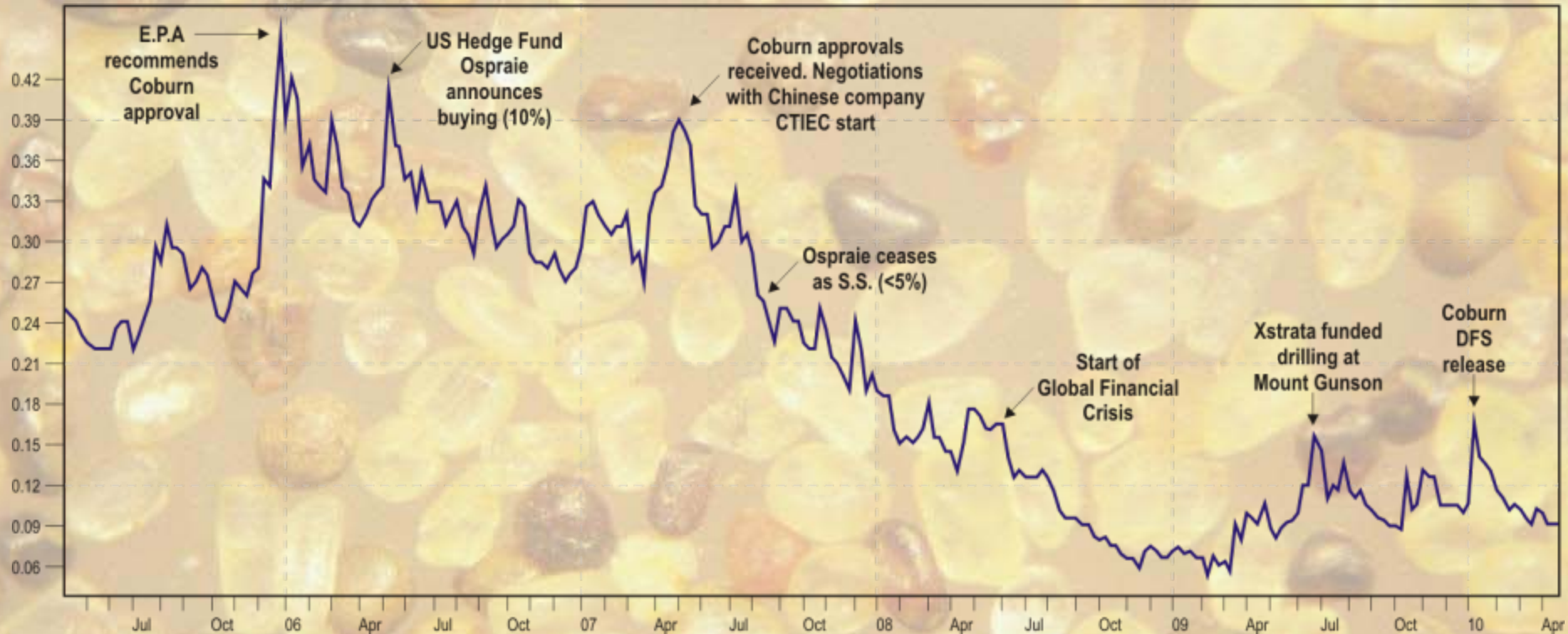
***Broker Presentation***

***David Harley  
April 2010***

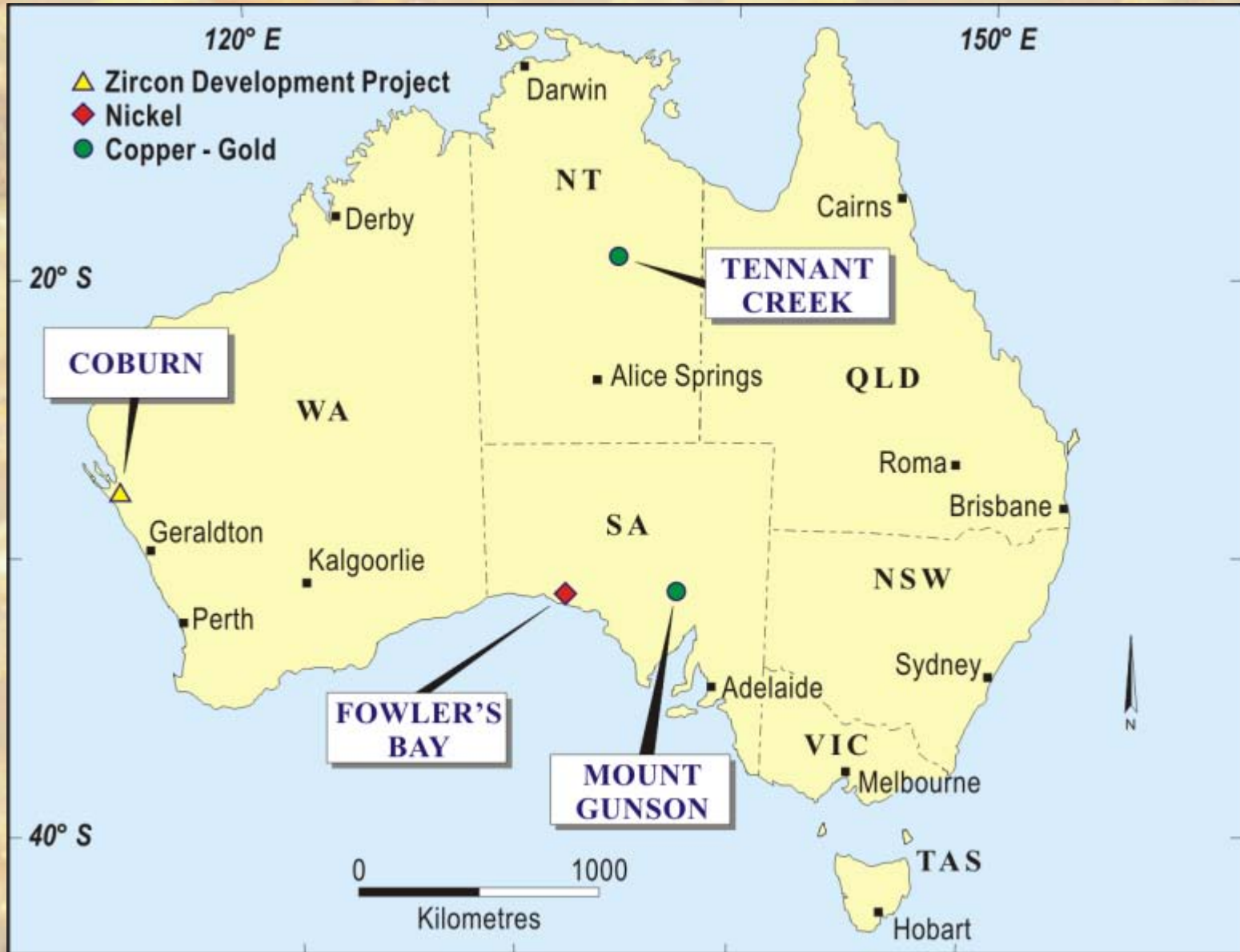
# Corporate Summary



# Gunson (GUN) Share Price 2005 - 2010



# Project Location Map



# Presentation Focus



## Coburn Zircon Development Project

- DFS results announced 7 January 2010
- Zircon offtake & financing partner being sought
- Big improvement in prices forecast

## Mount Gunson Copper Exploration/Development

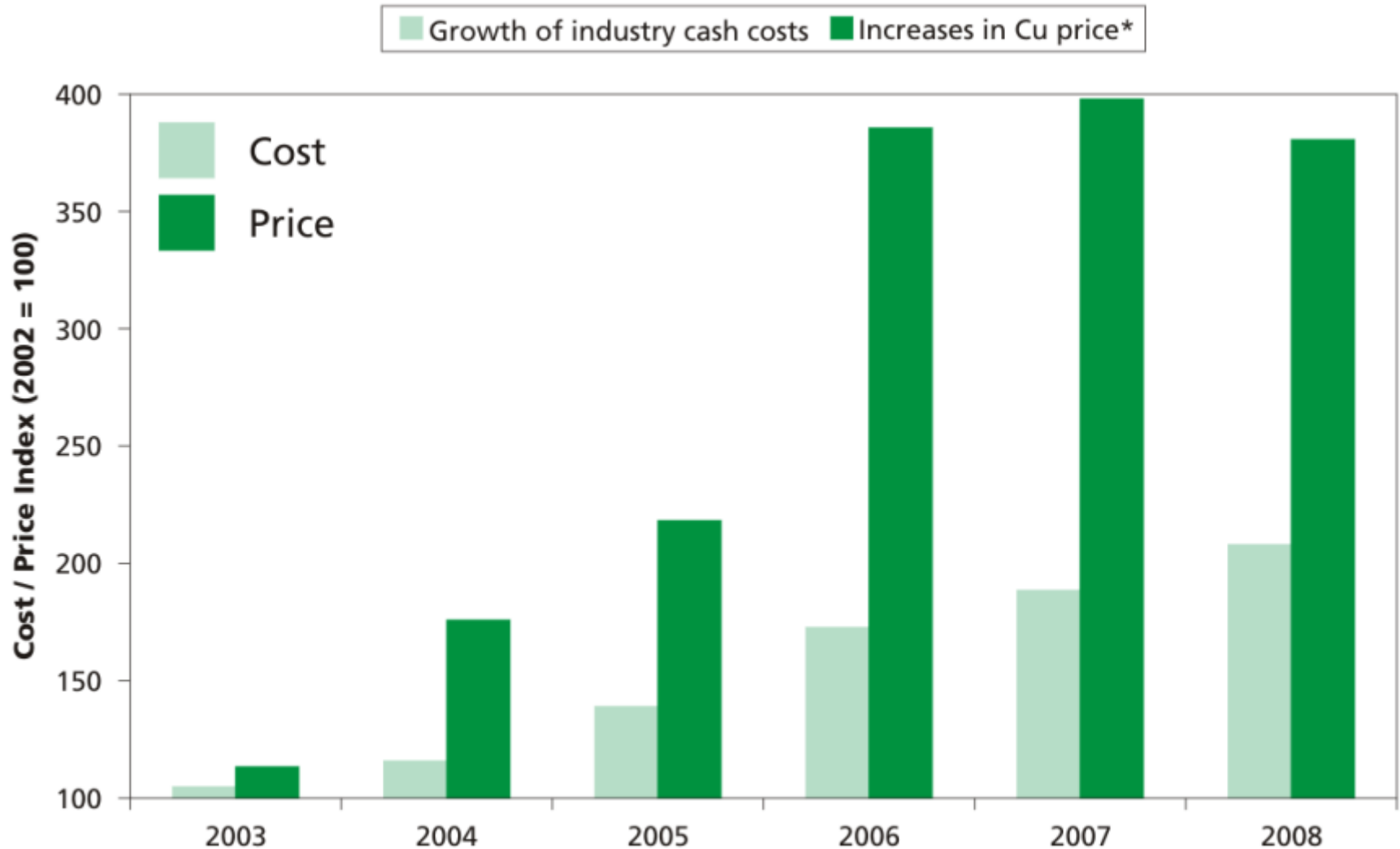
- BFS on excised MG 14 & Windabout deposits in progress
- Metallurgical drilling finished

## Tennant Creek Gold-Copper Project

- Drilling to start 28 April

# **Copper and Mineral Sands – Contrasting Financial Returns 2003 - 2008**

# Copper Industry Cost & Price Trends 2003 - 2008

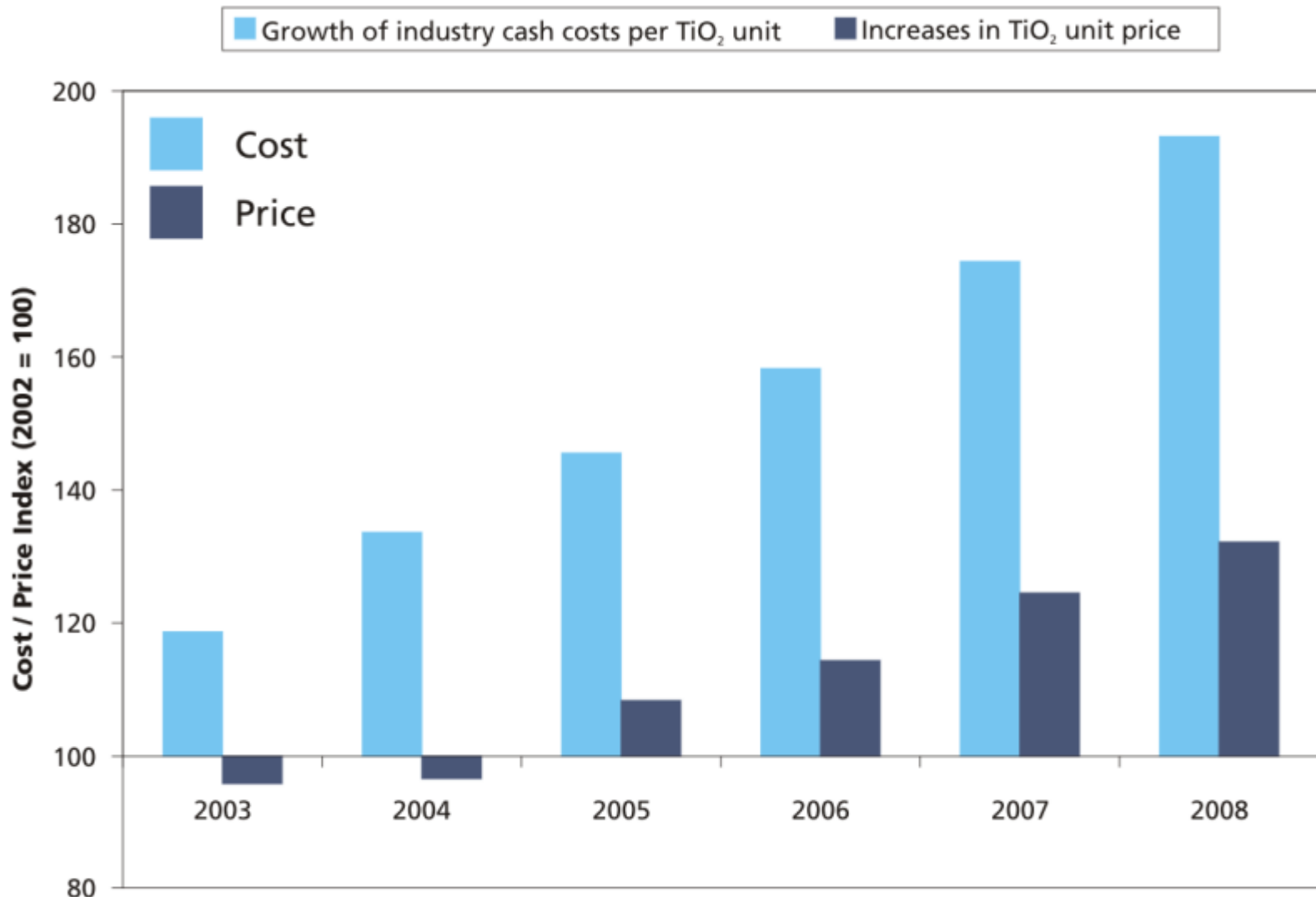


Source: Rio Tinto, October 2009

Cost data from Brook Hunt. Both costs and copper price indexed, 2002 = 100

\*Average LME Cash Price

# Mineral Sand Industry Cost & Price Trends 2003 - 2008



Source: Rio Tinto, October 2009  
Prices/costs from TZMI, RioTinto, Indexed, 2002 = 100





# Coburn – Regional Setting

# Coburn DFS Results

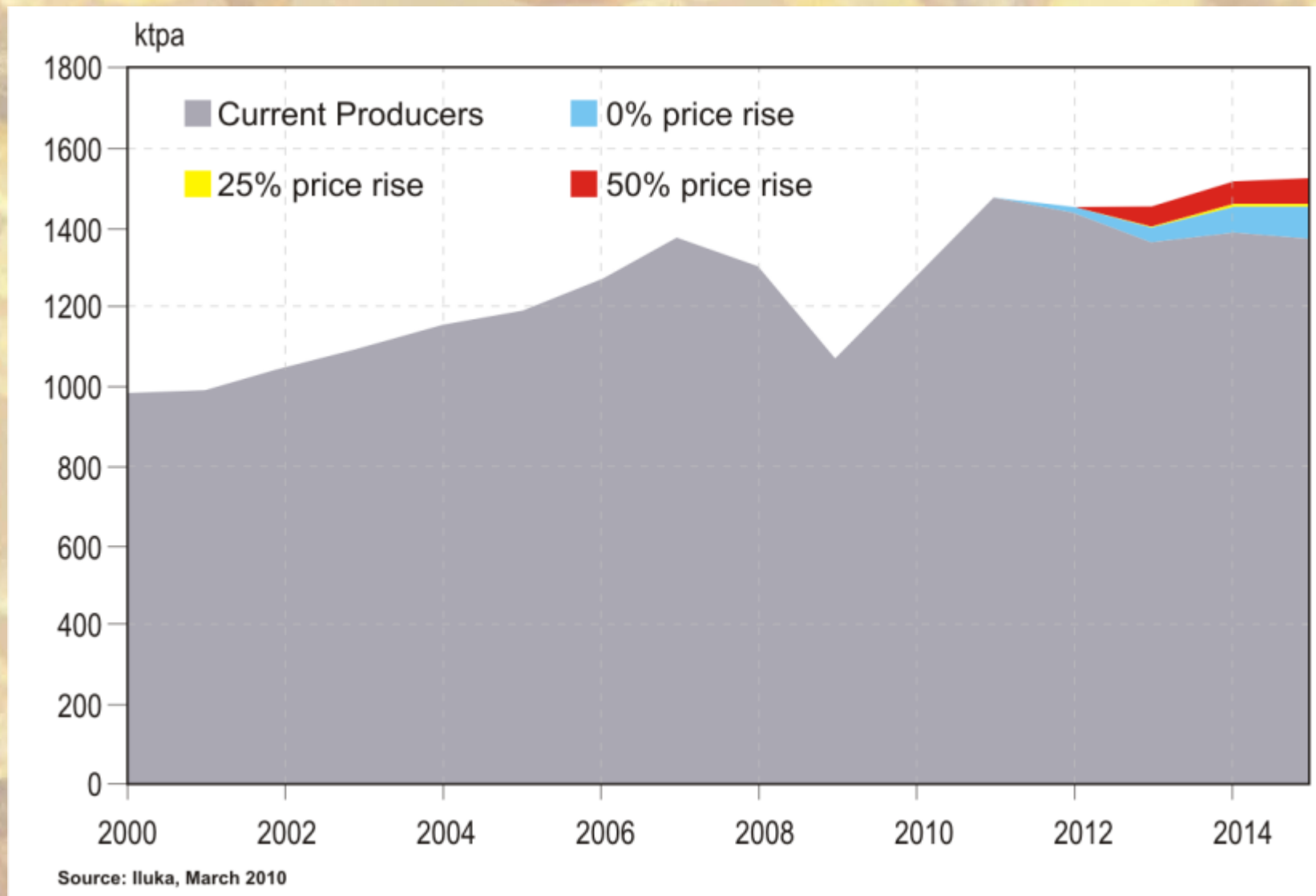


- **Mine life 23.5 years with 17.5 years JORC ore reserves.**
- **Capital cost @ P90 level \$A169 million.**
- **Total revenue over mine life \$A2.2 billion and cash surplus \$A879 million. Annual cash surplus \$A37 million.**
- **NPV \$A163 million, IRR 16.8% at 8% real discount rate. NPV currently \$A1 per Gunson share.**
- **Exchange rate 72 US cents to \$A1 – the average rate since December 1983.**
- **TZMI price forecasts used, zircon 67% of revenue.**

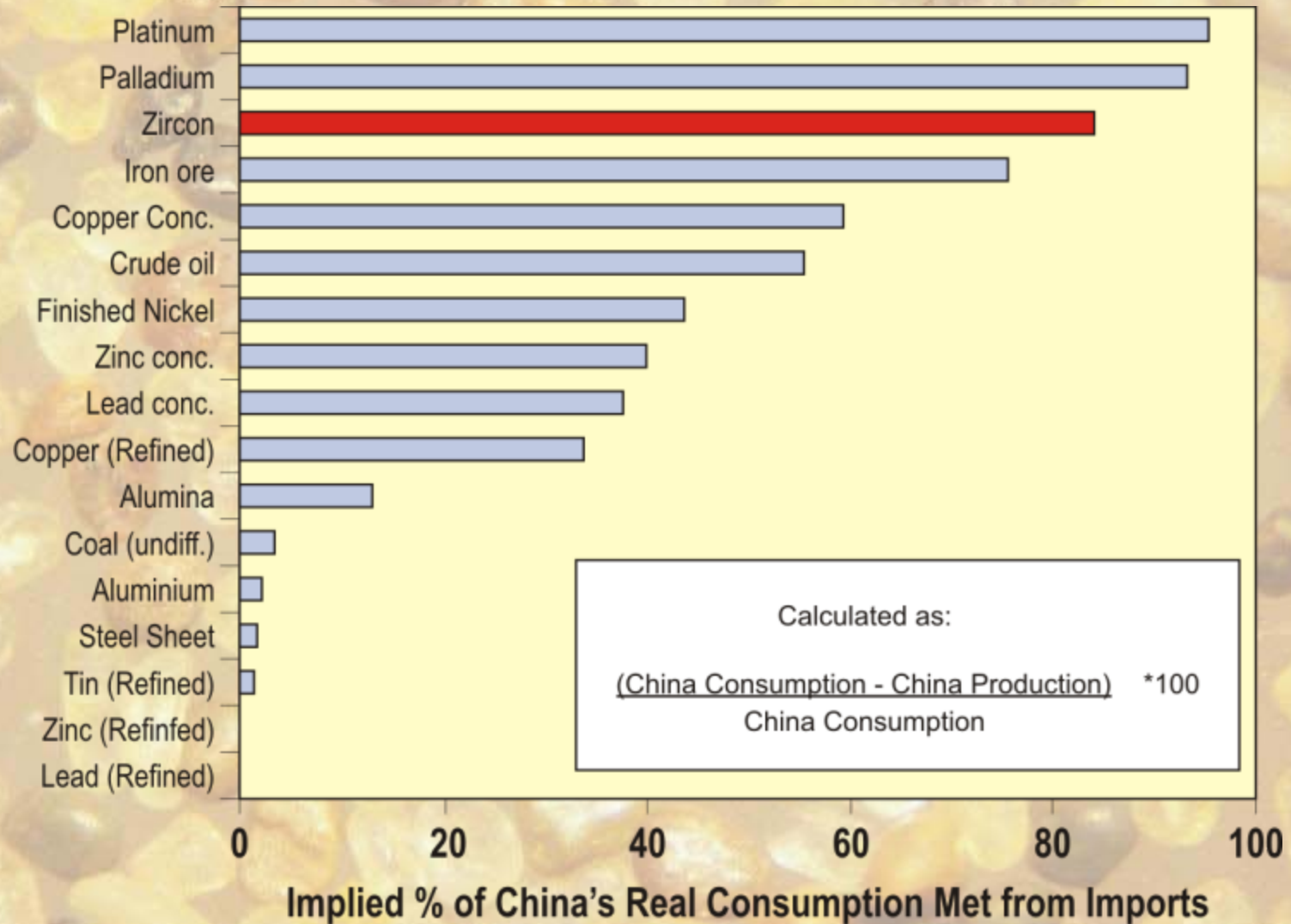
# Global Zircon Supply



Induced New Projects at 0%, 25% and 50%  
Zircon price rises (from 2008 levels)



# China's Raw Material Import Dependency in 2009

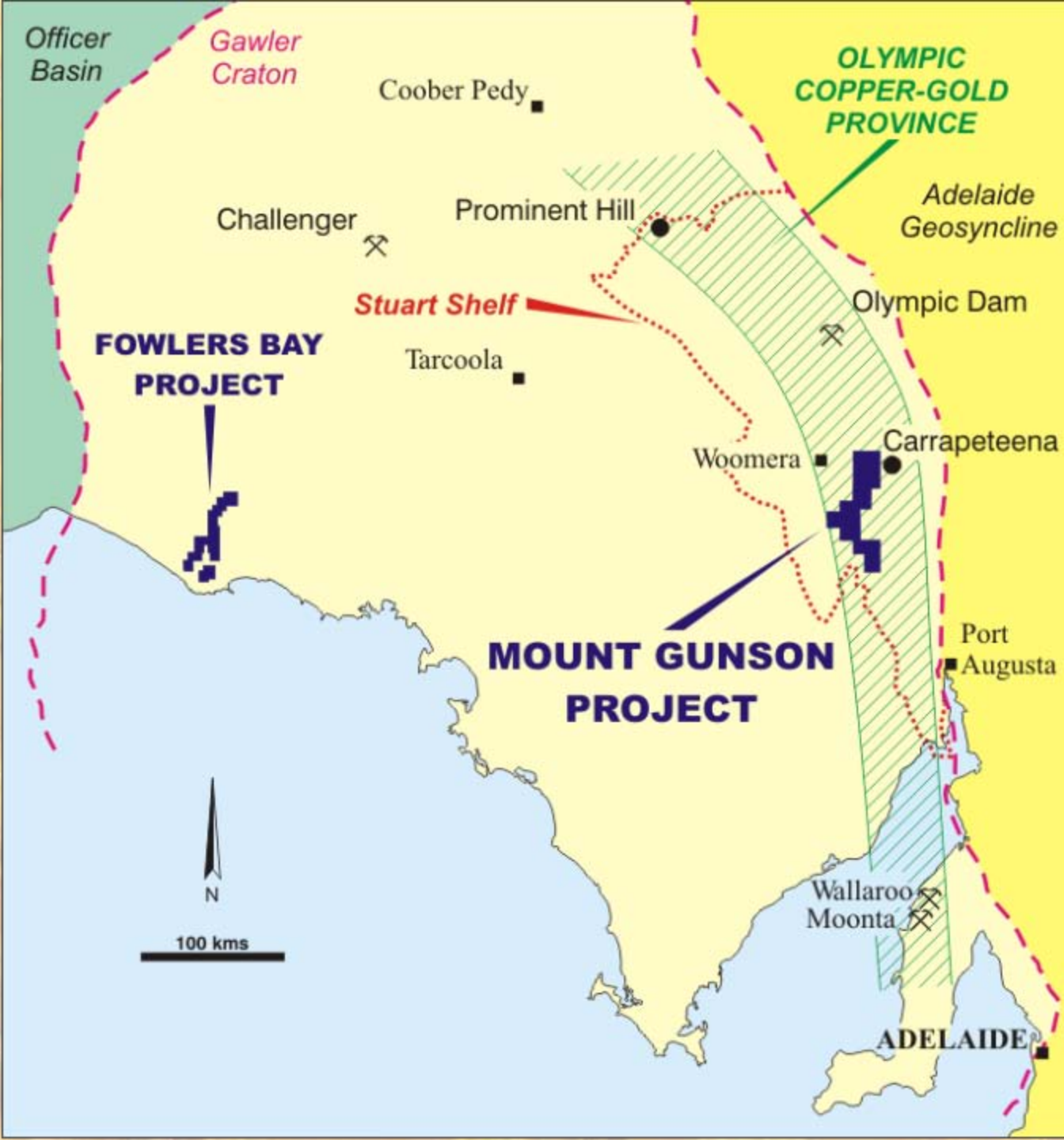


# Coburn – Next Steps

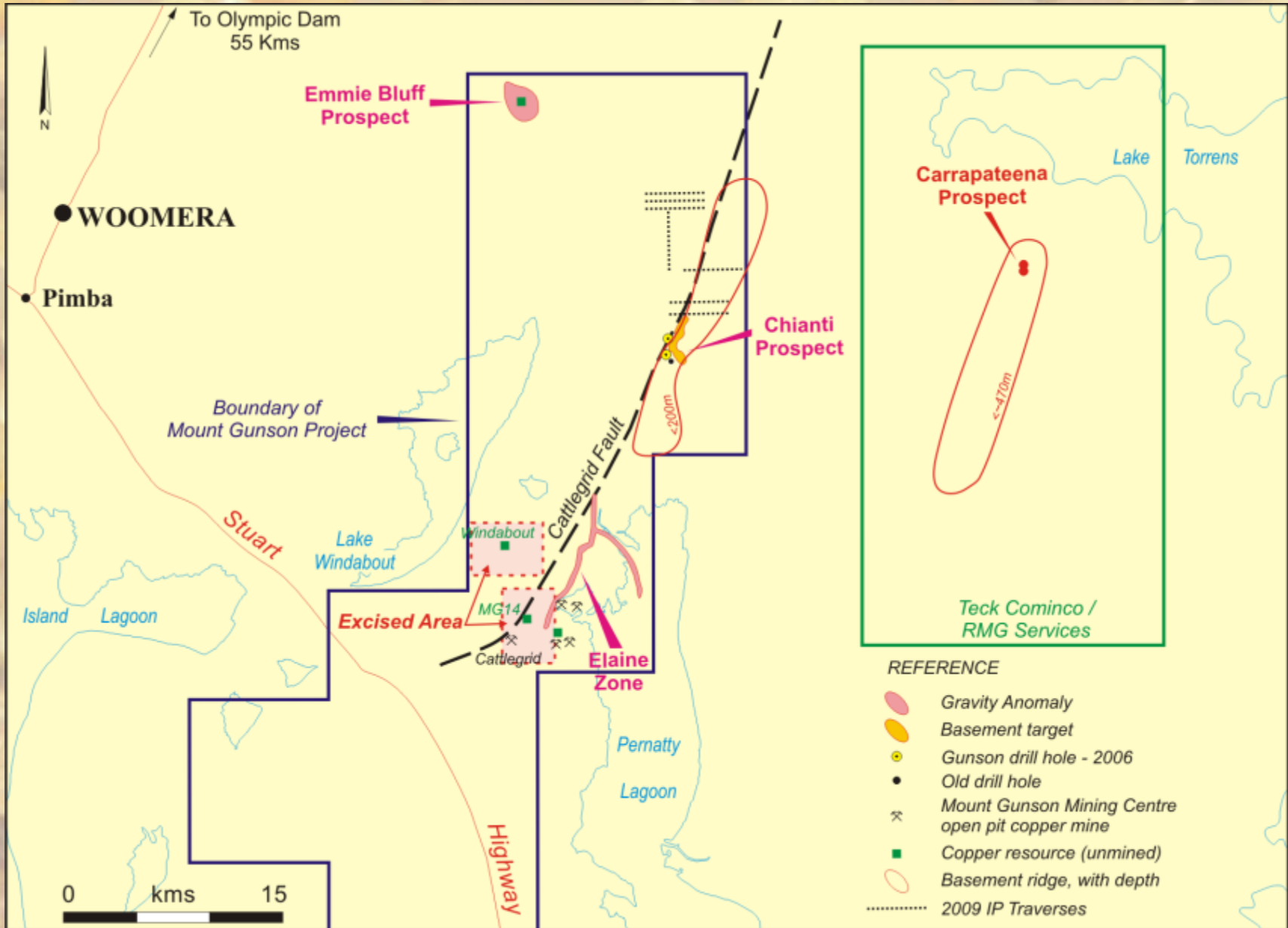


- **Discussions with zircon offtake investors for project finance in progress.**
- **Historically very low number of proposed new mine developments herald big price rises. No new zircon mines under construction anywhere in the world.**
- **TZMI forecasting up to a 46% real increase in zircon price by 2015.**
- **Once financing is in place, construction period is 85 weeks.**

# South Australian Copper Belt



# Mount Gunson Target Areas



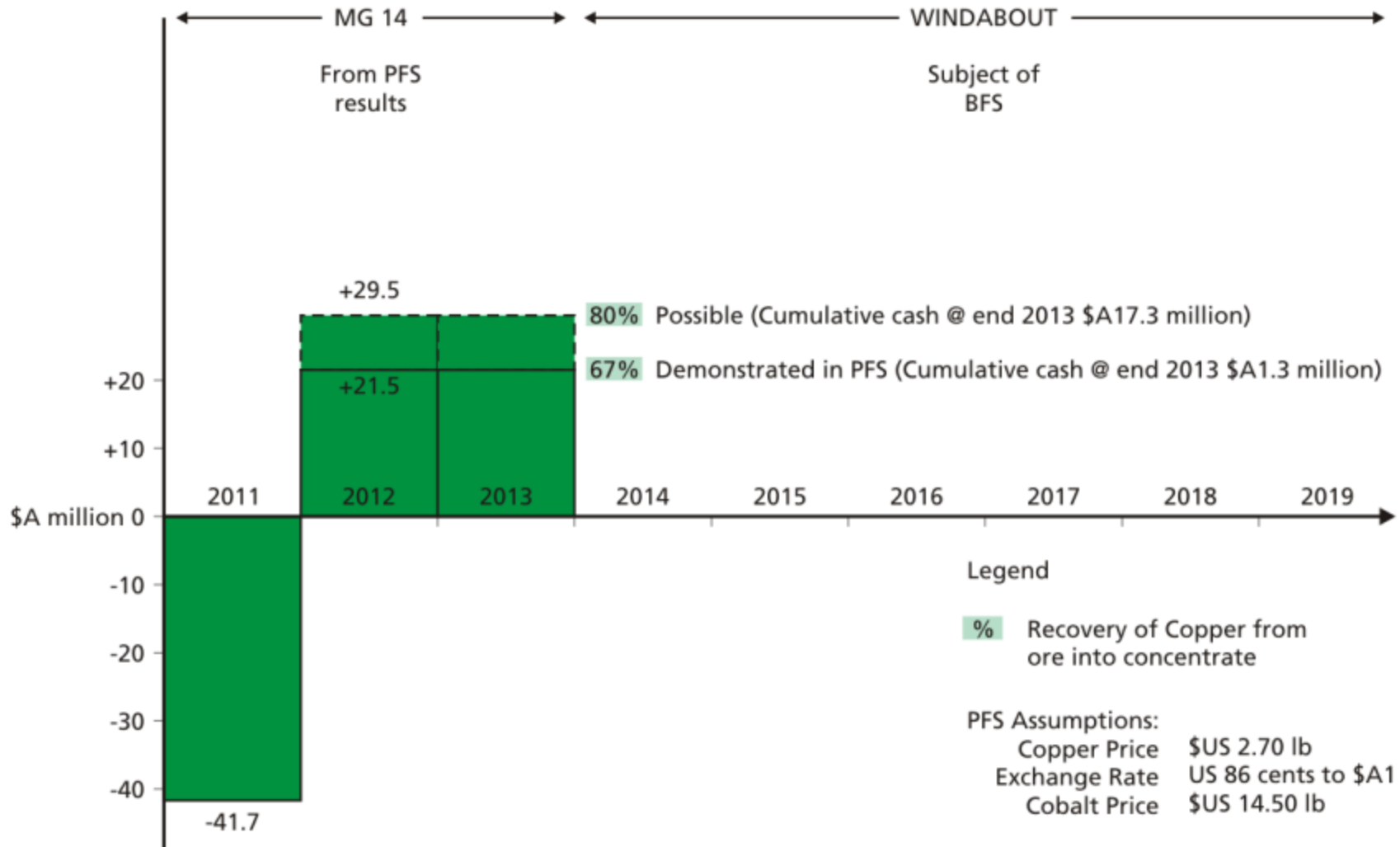
# **Pre Feasibility Study (PFS) on MG 14 (100% Gunson-completed Oct 2009)**



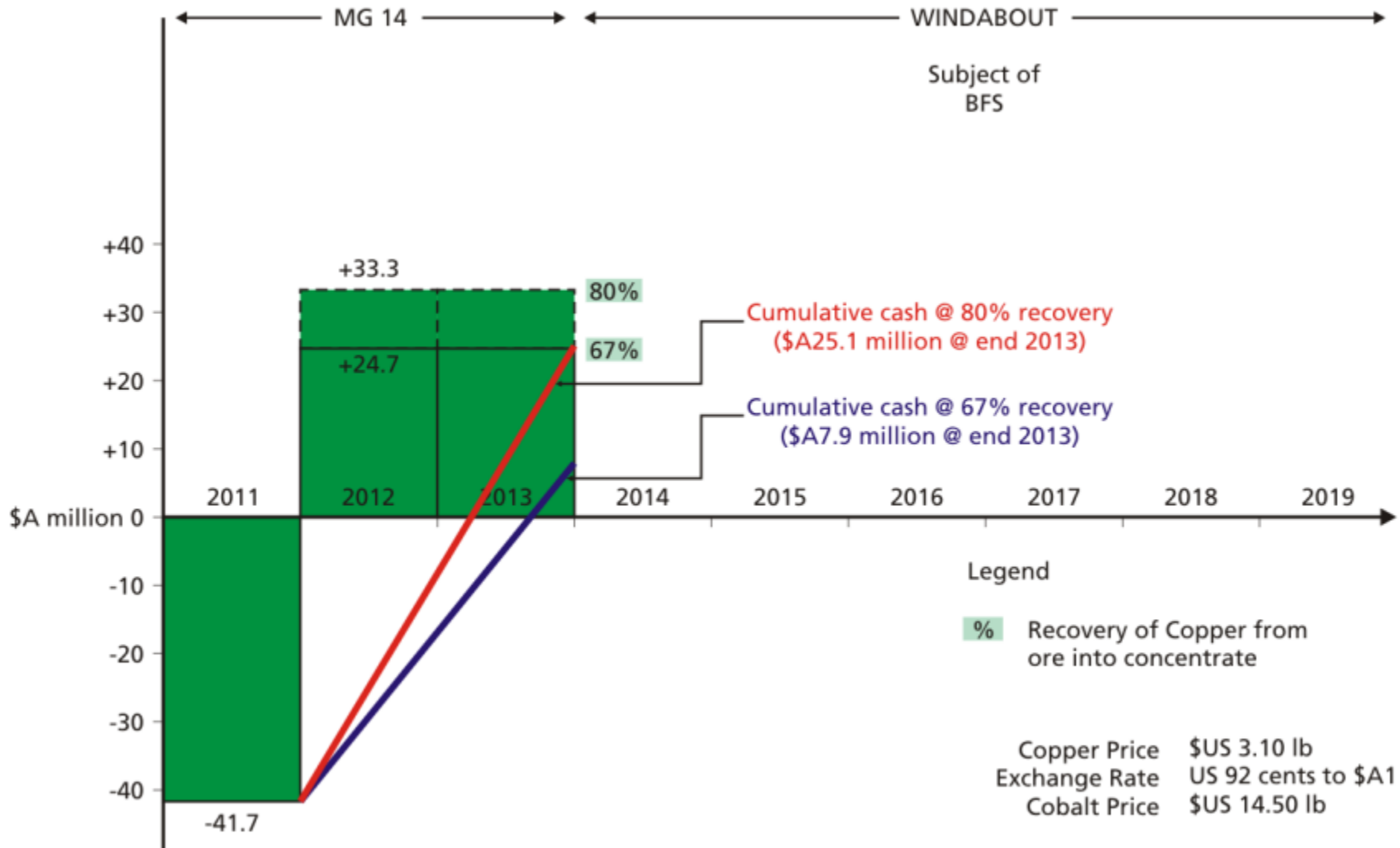
- **Generates cash surplus of \$A21.5 M per annum over 2 years @67% copper recovery. Higher recovery possible.**
- **Pays back capex in <2 years.**
- **Once MG 14 exhausted, Windabout deposit 5km to the north could be developed.**
- **MG 14 concentrate 33% Cu, 1.1% Co. Low sulphur & uranium. Attractive smelter feedstock.**



# Mount Gunson Copper Project Cash Flow Schematic Chart 1 Using PFS Assumptions



# Mount Gunson Copper Project Cash Flow Schematic Chart 2 Current Copper Price/Exchange Rate



# MG 14/Windabout Resource Details



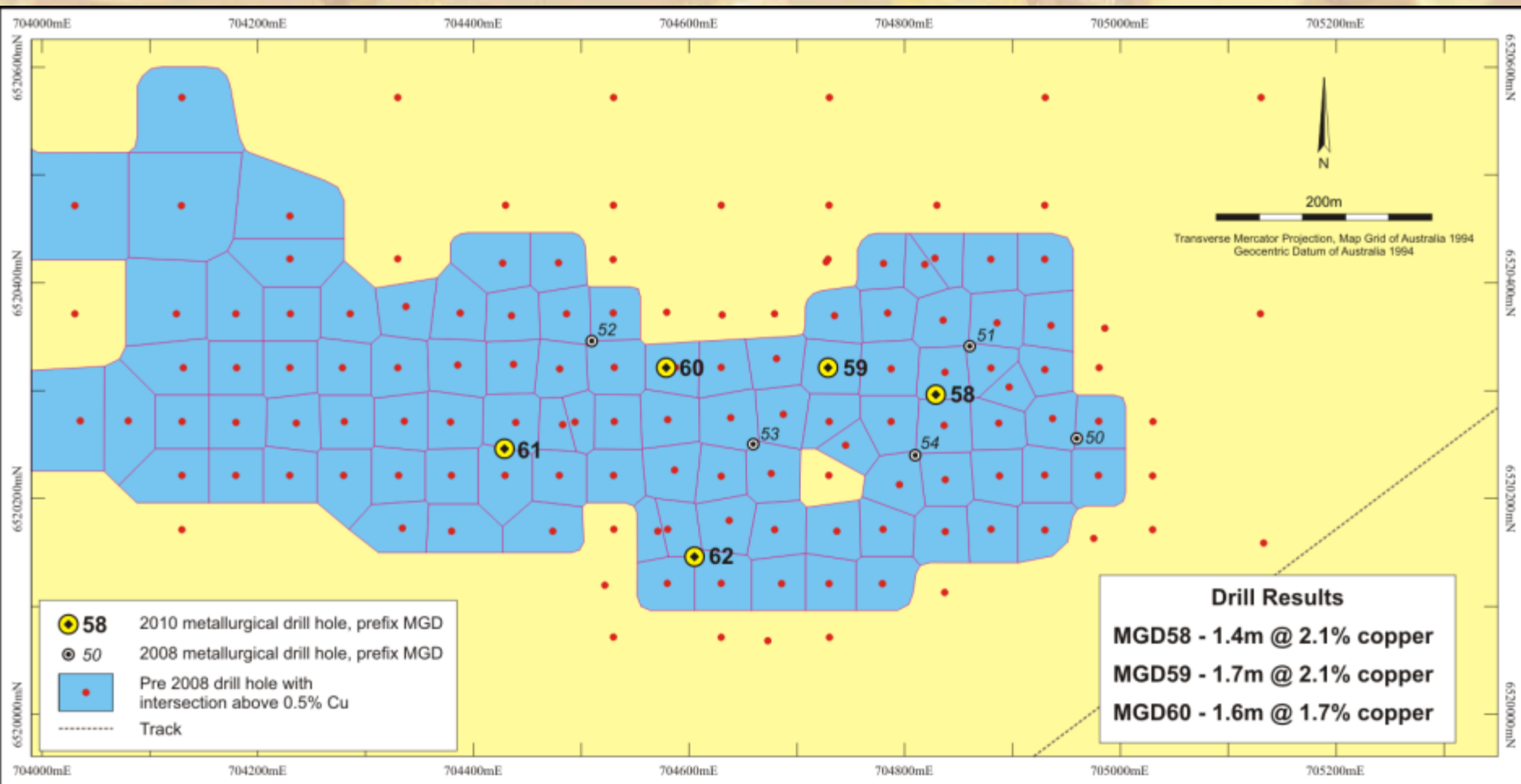
- **Both deposits flat sheets 1-3 m thick, in dolomitic siltstone.**
- **MG14 25m deep, 112 drill holes, Indicated Resource 1.1 M tonnes @1.7% copper (18,700t contained).**
- **Windabout 65m deep, 196 drill holes, Indicated Resource 18.7 M tonnes @ 1% copper (187,000t contained).**
- **BFS focus is on Windabout.**

# **BFS Program/Funding**

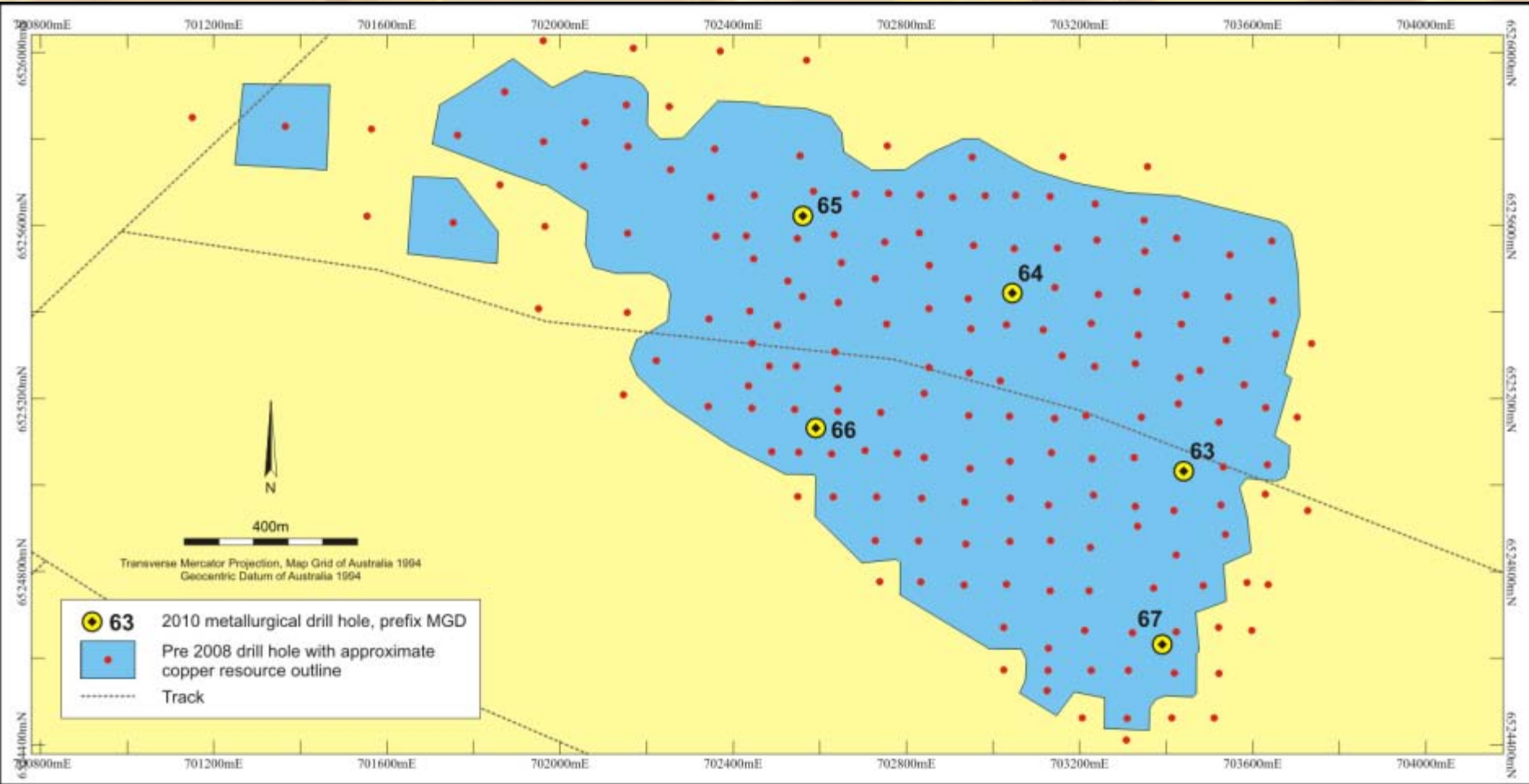


- **Completion time 15 months - end March 2011.**
- **Drilling - Metallurgical, Geotechnical, Resource Definition.**
- **Mine design & optimisation.**
- **Metallurgy.**
- **Geotechnical - Windabout.**
- **Engineering - Sedgman Metals.**
- **Permitting/ environmental.**
- **Funding discussions in progress.**

# MG14 Metallurgical Drilling - 2010



# Windabout Metallurgical Drilling - 2010



# Conclusions – Mount Gunson



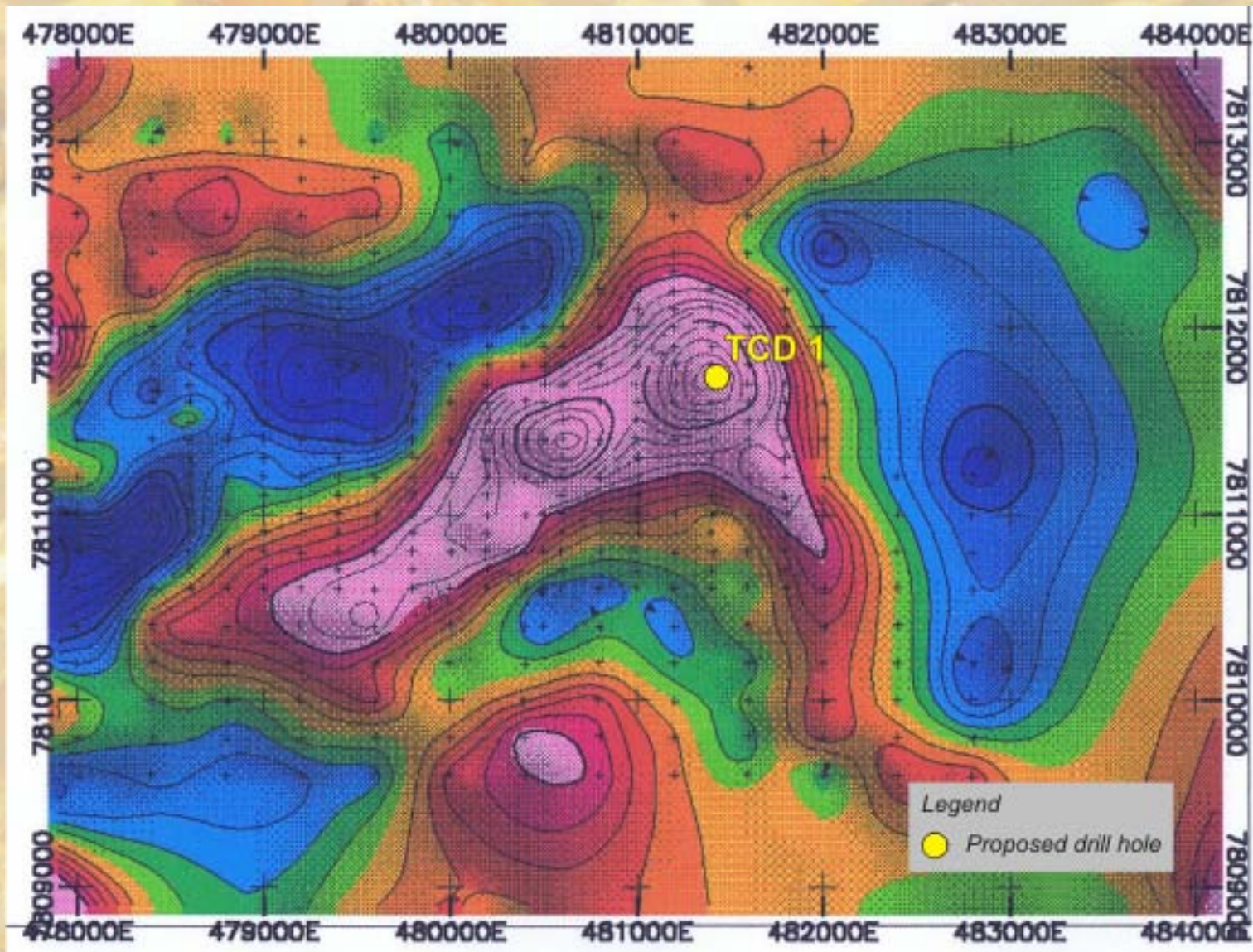
- **In the middle of the best endowed copper belt in Australia (75% of known resources).**
- **Xstrata Copper funding drilling for deep IOCG deposits.**
- **MG14/ Windabout are small deposits, close to surface, excised from Xstrata farm-in.**
- **BFS on MG14/ Windabout in progress. Metallurgical drilling completed 18 April.**
- **BFS completion target end March 2011, focus on Windabout.**

# Tennant Creek District – Mines & Prospects





# Tennant Creek Project – Gosse 5 Gravity Anomaly, Proposed Drilling



# Gunson Upside



- **Coburn Zircon Project DFS completed January 2010. Strong zircon price rises predicted for 2012, due to supply crunch caused by lack of new mine developments. No new mines under construction anywhere.**
- **Mount Gunson Copper BFS making good progress - metallurgical drilling completed.**
- **Strong market interest in Mount Gunson copper concentrate/ funding.**
- **Drilling at Tennant Creek (gold-copper) starts 28 April.**

# Attribution and Forward Looking Statements



The information in this presentation which relates to exploration results, mineral resources, ore reserves and financial projections is based on data compiled by Mr David Harley, Managing Director of the Company. Mr Harley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 this information in the form and context in which it appears.

This presentation contains forward-looking statements that are subject to risk factors with exploration for and developing mineral deposits. Forward-looking statements include predictions of timing, cost and reserve estimates, plans and expectations that are expressed in good faith and believed to have a reasonable basis. However, such statements are subject to a range of variables over which the Company has little control, such as the availability of service providers, commodity prices, exchange rates, political and operational risks, statutory approvals and judicial outcomes.

The Company does not accept any obligation to release publicly any revisions to “Forward Looking Statements” to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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