

Coburn Zircon Project



Capital Structure & Shareholders



Finance

Cash and Equivalents	\$A 2.6M
Debt	nil
Hedging	nil

Markets

Exchange	ASX
Share Price	13c
Market Cap.	\$A27M

Issued Capital

Issued Shares	209M
Unlisted Options (27c- 40c)	5M

Shareholders

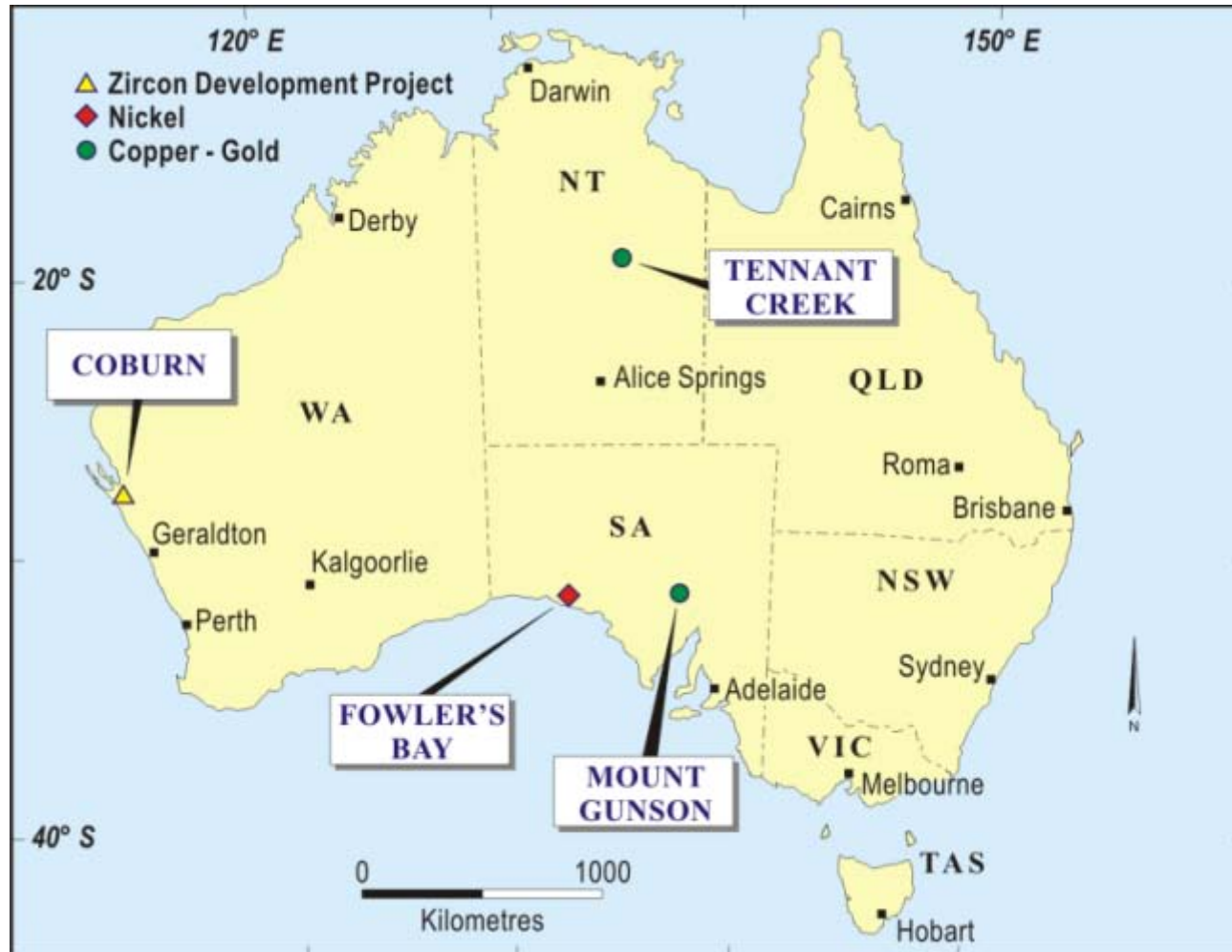
Retail	91%
Domestic Institutions	7%
Directors and Staff	2%

Research

-Australia	RCR Research RBS Morgans
-UK	Edison



Project Locations



Coburn Zircon Project

Regional Setting



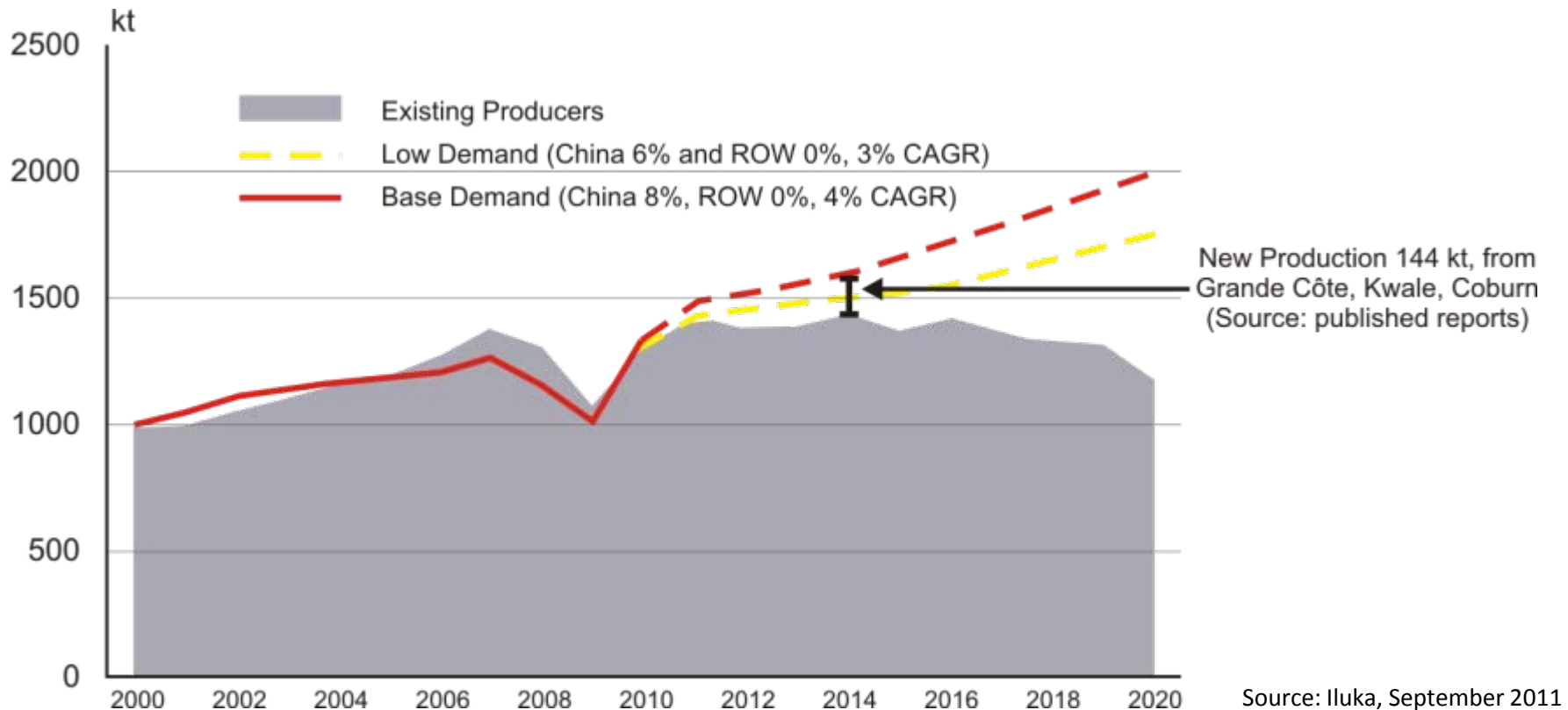
- Good regional infrastructure nearby - major highway, natural gas pipeline, ports.
- 250 km north of Geraldton, an established mineral sand port with available capacity.
- Gunson owns the pastoral property covering the southern half of the proposed mine.

Mineral Sands

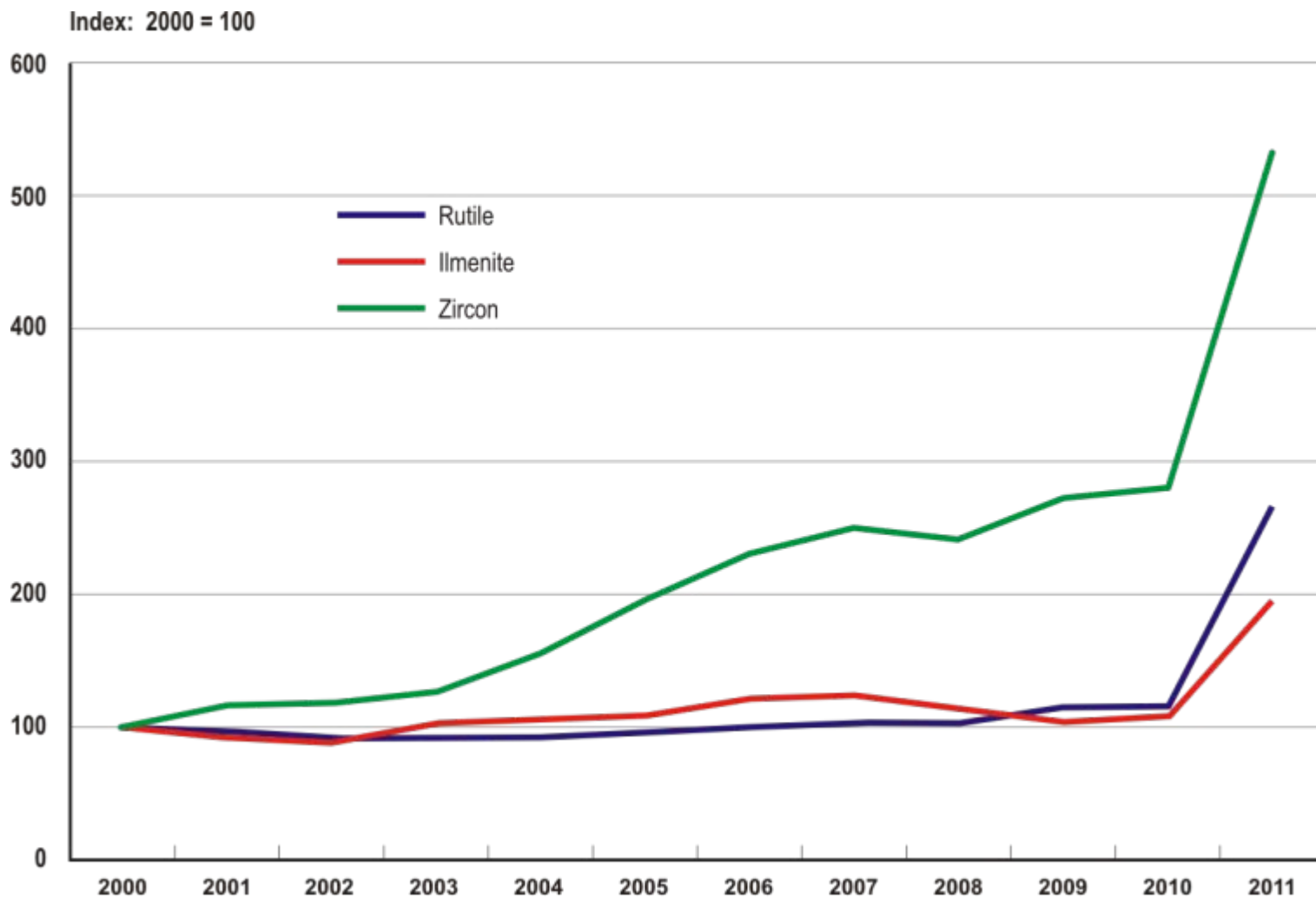
Zircon Market, Supply/Demand 2000 - 2020



- Current spot price \$US2,500 per tonne f.o.b.
- In July 2011, Credit Suisse forecast a peak of \$US3,500 per tonne f.o.b. in Q4 2012.
- TZMI long term price from 2016 is \$US1715 per tonne f.o.b. in real 2010 \$.



Mineral Sands Pricing 2010-2011



Source: TZMI; GS&PA Research Estimates, Gunson (2011)

Mineral Sands

Titanium Dioxide (TiO₂) Mineral Market

Chloride Ilmenite Current Spot \$US200

- July 2011, Credit Suisse forecast a peak of \$US325/t f.o.b. in Q4 2012.
- Gunson long-term prediction \$US200/t f.o.b. from 2016 in real 2010 \$
- Pigment or titanium sponge producers are potential offtakers

Rutile Current Spot \$US1400

- July 2011, Credit Suisse forecast a peak of \$US1650/t f.o.b. in Q4 2012.
- TZMI long-term prediction is \$US1,000/t f.o.b. in real 2010 \$

Leucoxene Current Spot \$US700

- July 2011, Credit Suisse forecast a peak of \$US1300/t f.o.b. in Q4 2012.
- No long-term forecasts available, but unlikely below \$US800/t f.o.b.

General Comments

- Unprofitable decade from 2000-2009 caused under-investment in the pigment and titanium dioxide feedstock industries.
- Little consumer resistance to date for pigment price rises, with flow-on feedstock price rises.
- Dupont's May 2011 announcement of a \$US500 million expansion in pigment production capacity (from 25% to 31% of global), the largest in the company's history.

Global Greenfields Development Projects

With Completed DFS



<u>Financed</u>	Start of Production (Estimated)	TiO ₂ UNITS tonnes pa	ZIRCON tonnes pa	Zircon Rank	TiO ₂ : ZIRCON
Grande Côte, Senegal (Min Deposits)	Late 2013	337	80	1	4.2
Kwale, Kenya (Base)	Late 2013	194	24	3	8.1
<u>Being Financed</u>					
Coburn (Gunson)	H2, 2013*	69	40	2	1.7

Blue designates African Projects.

* Assumes Financing by January 2012.

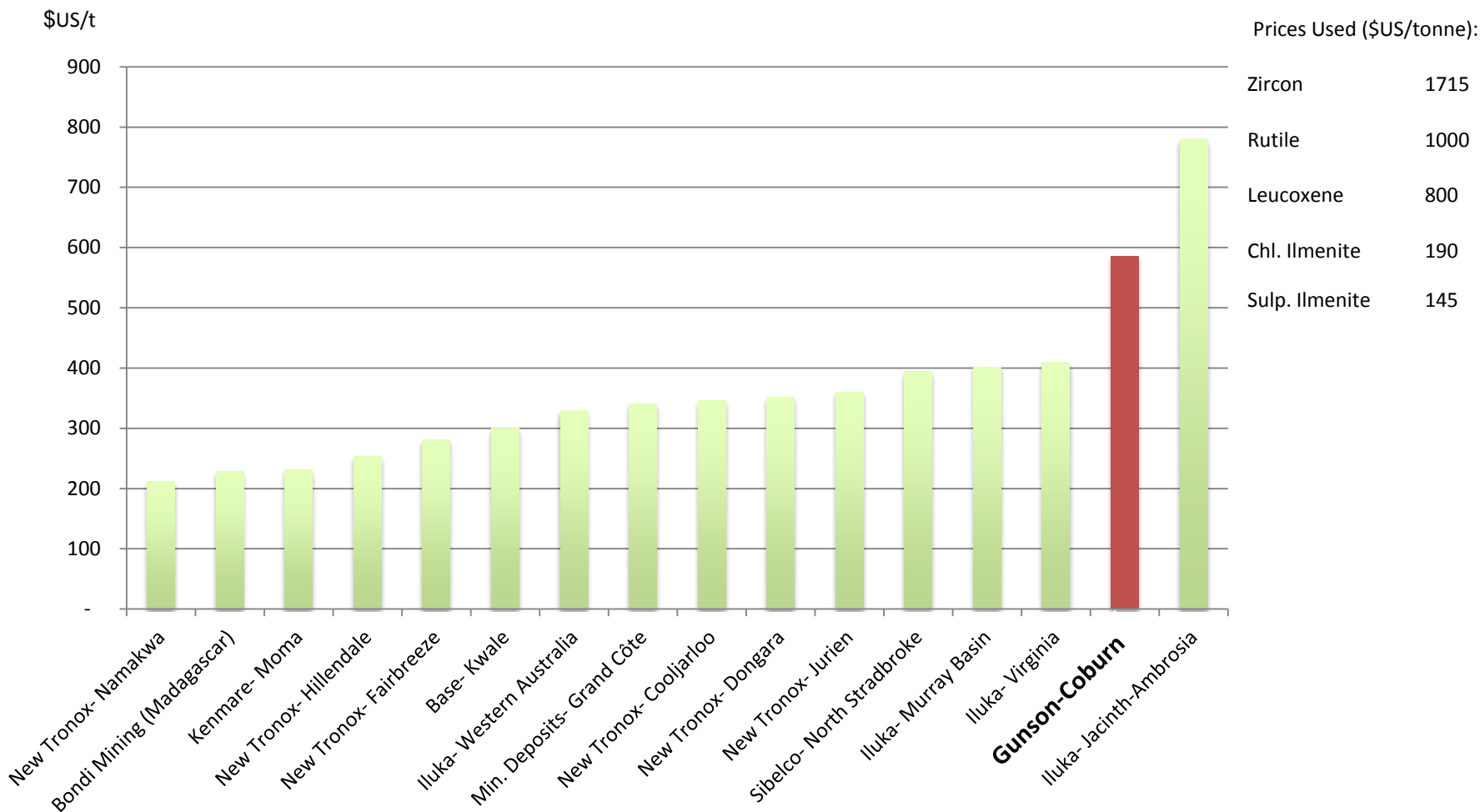
Coburn permitted for well above proposed capacity.

Global Heavy Mineral (HM) Suite Comparison

In Situ Value of 100% HM



Coburn's high zircon level gives it a high value heavy mineral assemblage



Source: RFC

Dune-Hosted Heavy Mineral Sand Deposits: Comparative Table of In Situ Ore Values* (\$US)



Project	Grade %	Value/t	Cost/t [#]
Kwale, Kenya (Base)	4.9	14.70	4.67
Coburn, Australia (Gunson)	1.26	7.40	3.80
Moma, Mozambique (Kenmare)	2.9	6.70	2.50
Grande Côte, Senegal (Min Deposits)	1.7	5.90	1.38
North Stradbroke, Australia (Sibelco)	0.9	3.40	not available

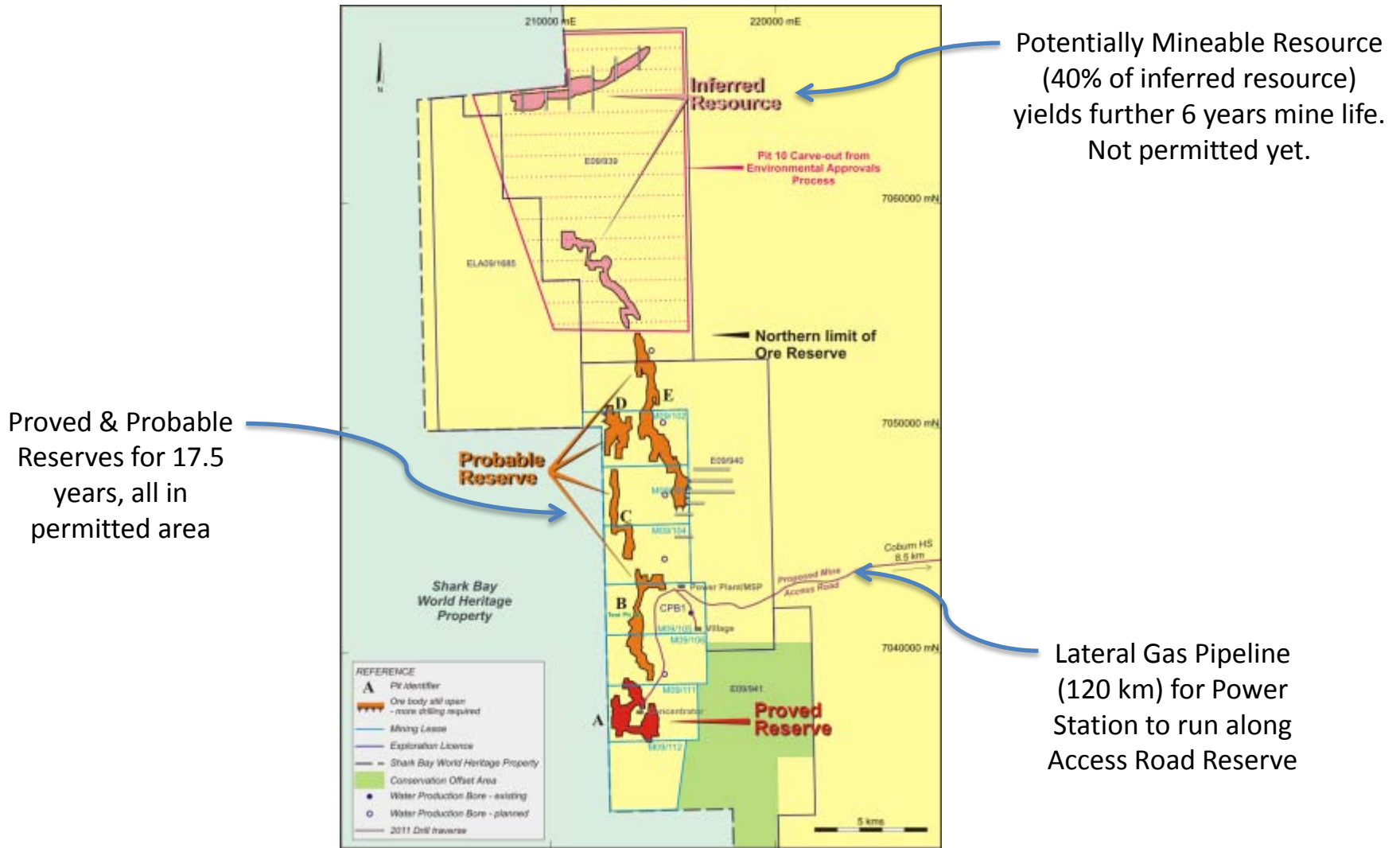
* Ranking by In-Situ Value

Cost per tonne refers to operating cost per tonne of ore mined.

Source: RFC

Coburn Zircon Project

Mine Path

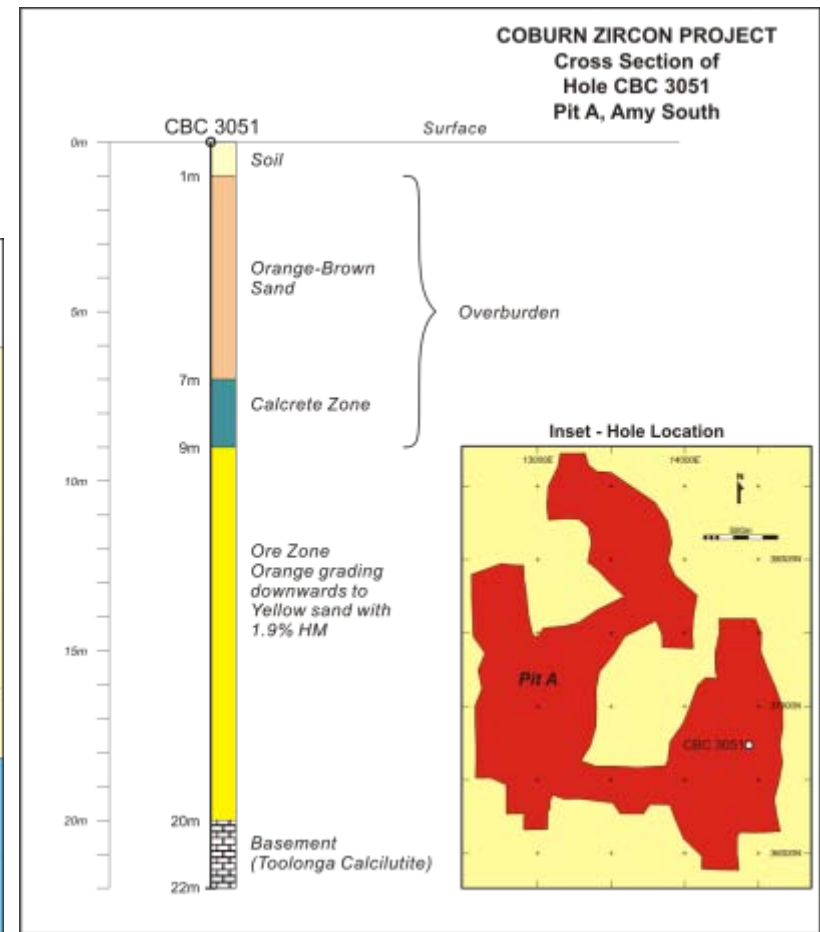
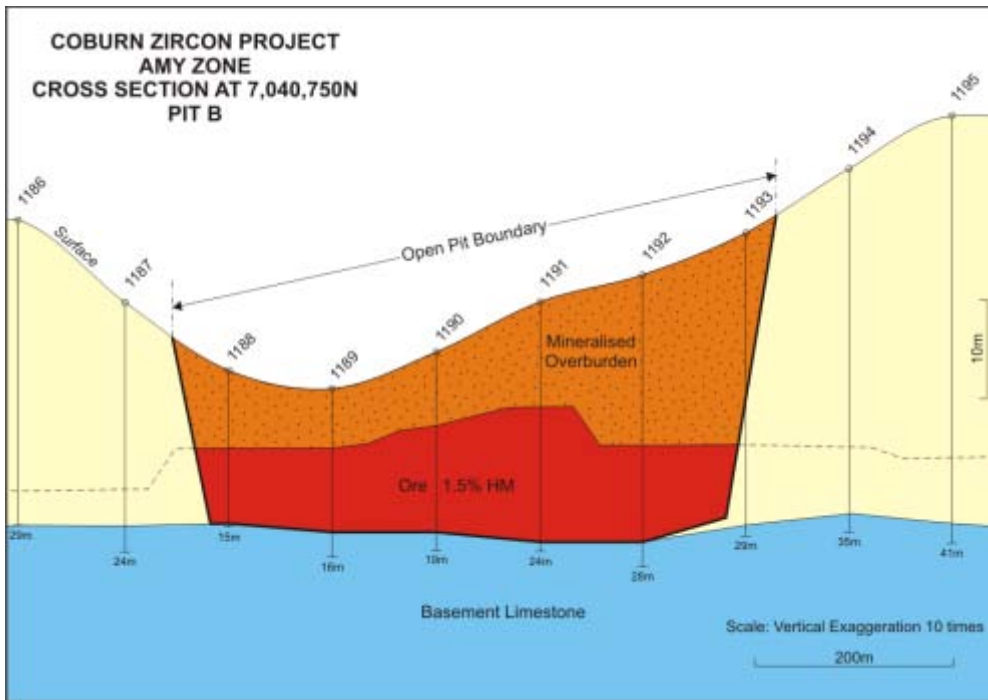


Coburn Zircon Project

Geology



- Dune hosted : Thick, wide ore body
- Low slimes 2.7% & oversize 3.3%
- Simple, low cost mining
- Low Strip Ratio 0.64t waste to 1t ore



Coburn Zircon Project

Resources and Reserves



Long life ore body with good resource upside beyond the current mine plan

Table 1. Coburn Heavy Mineral Resources (Whole Project)

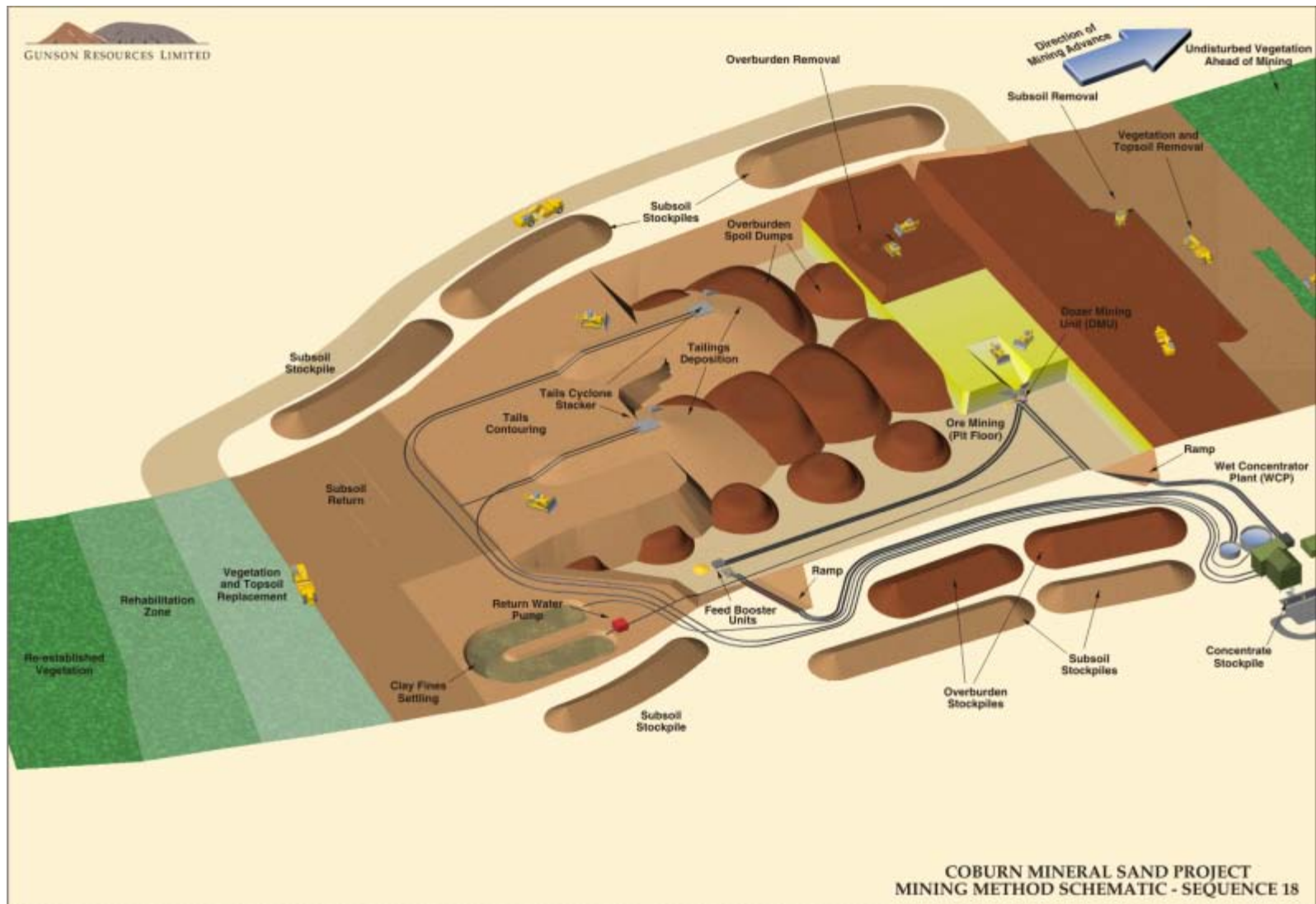
Resource Category	Million Tonnes (Mt)	Average Grade % Heavy Mineral (HM)	Cut-off Grade % HM	Contained HM (Tonnes)
Measured	119	1.3	0.8	1.5
Indicated	599	1.2	0.8	7.2
Inferred *	261	1.4	0.8	3.6
Total	979	1.26	0.8	12.3

* In northern 1/3, not approved for mining

Table 2. Coburn Heavy Mineral Ore Reserves (Southern 2/3 : Government Approved for Mining)

Reserve Category	Pit No.	Ore – Million Tonnes	HM Grade %	Zircon %	Ilmenite %	Rutile %	Leucoxene %
Proved	A	53	1.3	24	46	5	6
Probable	B-E	255	1.2	23	48	7	4
Total		308	1.2	23	48	7	5

Coburn Zircon Project Mining Method



Coburn Zircon Project

Processing and Products

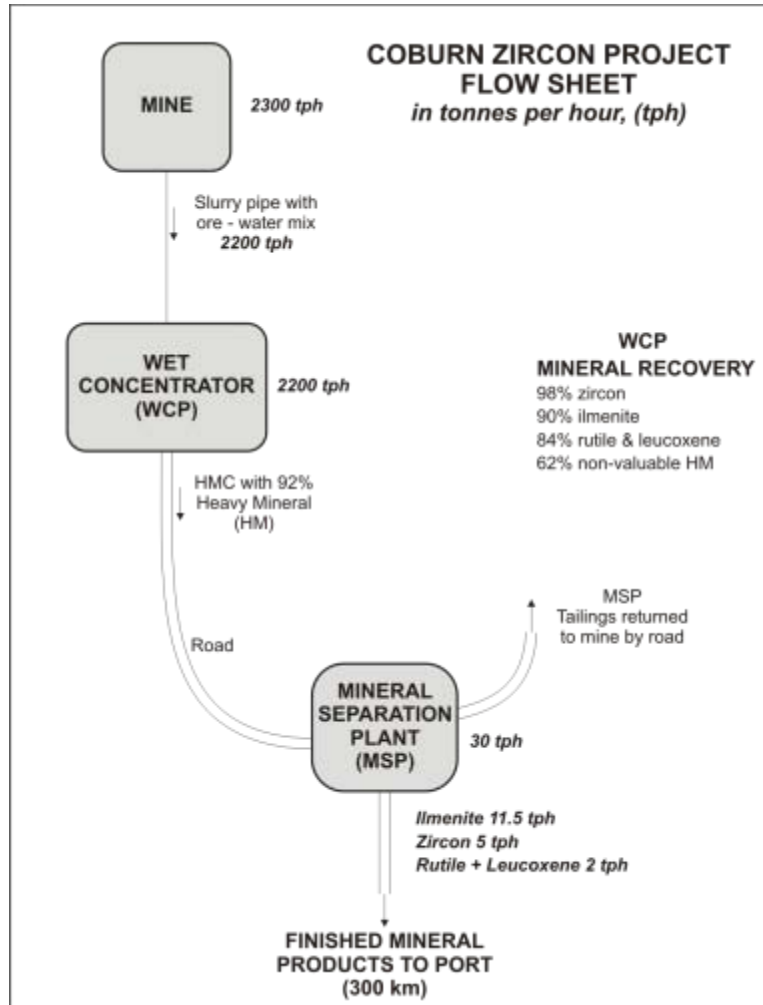


Table 3. Average Annual Production

Product	Annual Tonnage	% of Revenue
Zircon	40,000	67
Ilmenite	90,000	18
Rutile	9,000	10
Leucoxene	7,000	5
Total	146,000	100.0

Total mine life 23.6 years,
including 6 years of potentially
mineable resource (see slide 11).

Coburn Zircon Project

Capital Cost as at May 2011



Table 4a. Capital Cost Estimates – EPCM Contractor (Includes Contingency and EPCM costs)

Item	Description	Cost (\$A million)
1	2 x Dozer Mining Units	22.6
2	Wet Concentrator Plant	35.3
3	Mineral Separation Plant	43.9
4	Water Supply	9.4
5	Road/Civils	21.1
6	Site Services	6.1
7	Village/Office	15.3
8	Geraldton Shed	5.6
9	Power Retic., Mobilisation & General	7.9
Total		167.2

Table 4b. Capital Cost Estimates – Owner (Includes Contingency)

Item	Description	Cost (\$A million)
1	Communications	1.9
2	Insurance etc	1.7
3	Owner Pre Production	7.2
4	Miscellaneous	0.6
Total		11.4

Based on July 2011 TZMI long-term price forecasts.

	August 2011	January 2010
Total Revenue	111.2	92.7
Total Operating Costs	67.2	55.5
Net Operating Margin	44.0	37.2
Capital Cost	180	169
IRR before tax/financing	33%	15.6%
NPV (8%)	272	139
Exchange Rate (\$US to \$A)	1.00	72c

*Figures above are in millions of Australian dollars, except IRR and Exchange Rate.
Operating costs include 5% State royalty.*

**Coburn Zircon Project – Upside Sensitivity at
2011 Average Spot & Q4 2012 Forecast Prices**



Life of Mine Price Assumptions

Product	Annual Production Tonnes pa	2011 Average Spot \$US/t	Q4 2012 Forecast \$US/t *
Zircon	40,000	2,200	3,500
Chl. Ilmenite	90,000	200	325
Rutile	9,000	1,300	1,650
Leucoxene	7,000	800	1,300

* Credit Suisse, July 2011

Life of Mine Returns (\$US1 = \$A1)

	2011 Average Spot	Q4 2012 Forecast
NPV	\$A329m	\$A986m
IRR	27.8%	60.7%

- Ready for development – fully permitted, DFS completed, 85 week construction period.
- Zircon & Titanium Dioxide mineral markets supply constrained, price rises to continue.
- Simple, low cost mining & processing.
- High value mineral assemblage.
- Long mine life & robust economics at base case price forecasts.
- Financing & related offtake discussions well advanced, including with strategic investors.

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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.