



GUNSON RESOURCES LIMITED



***David Harley
AGM 2007 - Perth***

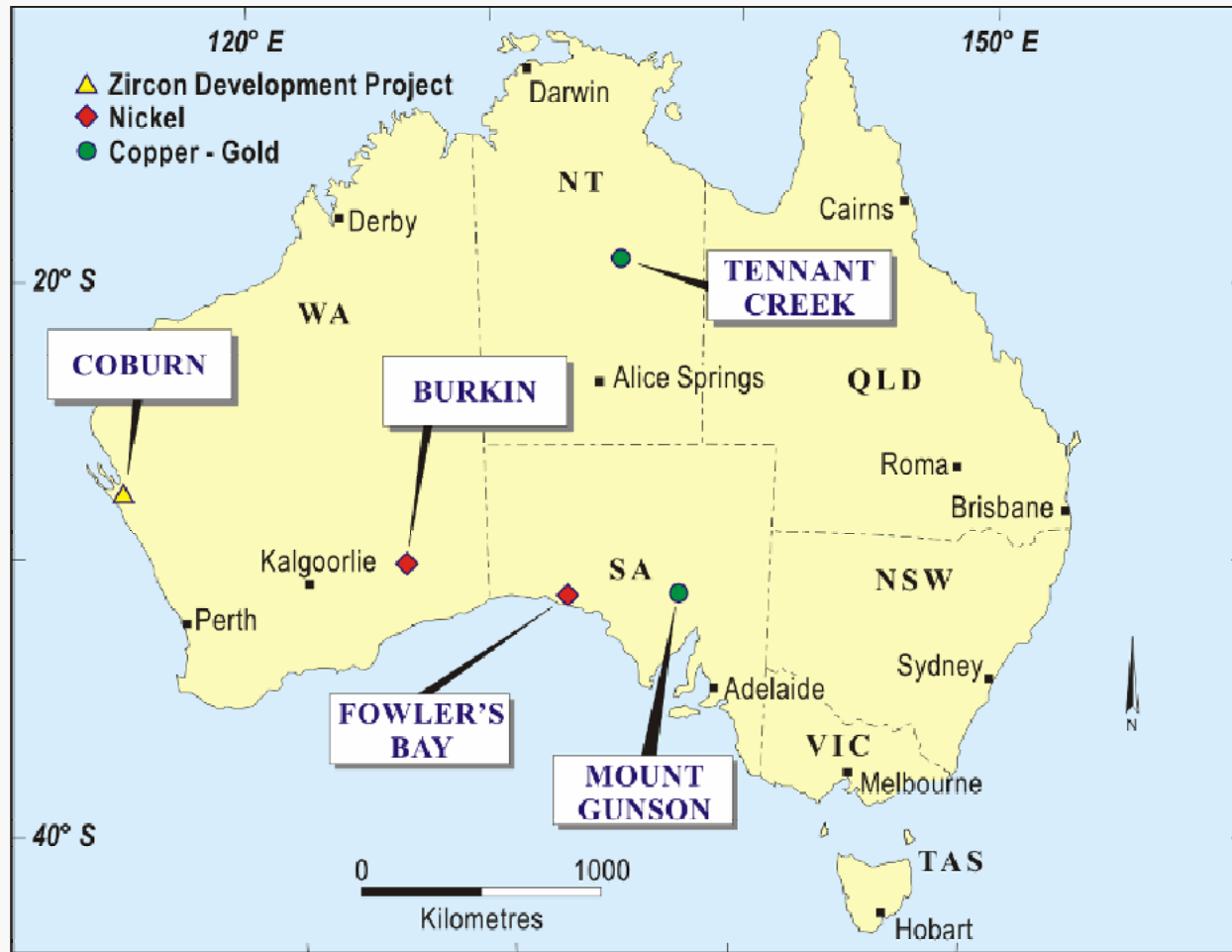
23rd November 2007

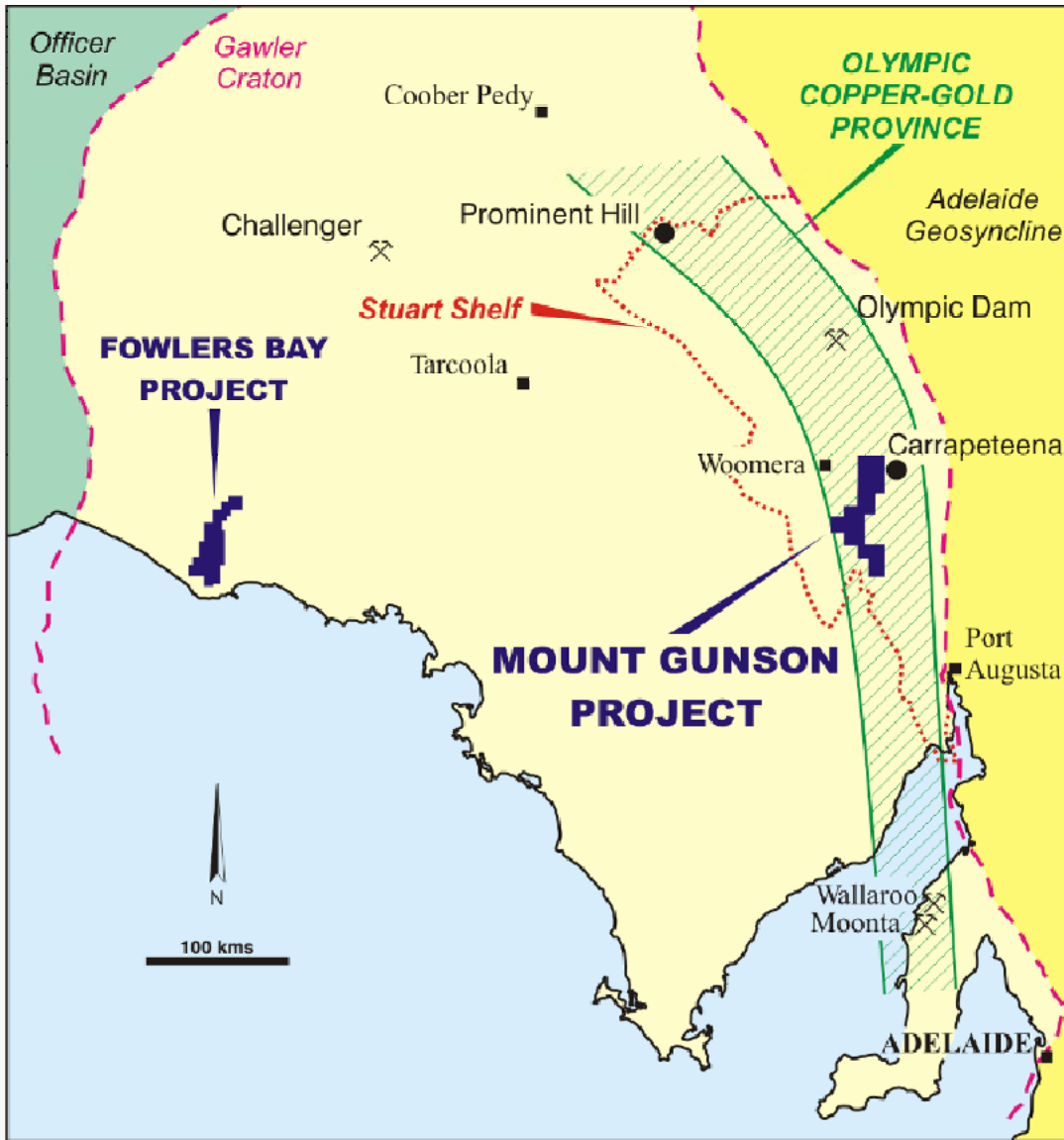
Corporate Summary



- **Shares** **108.7M**
- **Unlisted Options** **3.7M (30/35c)**
- **Cash at 30 Sept.** **\$1.0M**
- **Share Price** **\$0.20**
- **Market Cap.** **\$21.7M**
- **No Substantial Shareholders (over 5%)**

Project Location Map





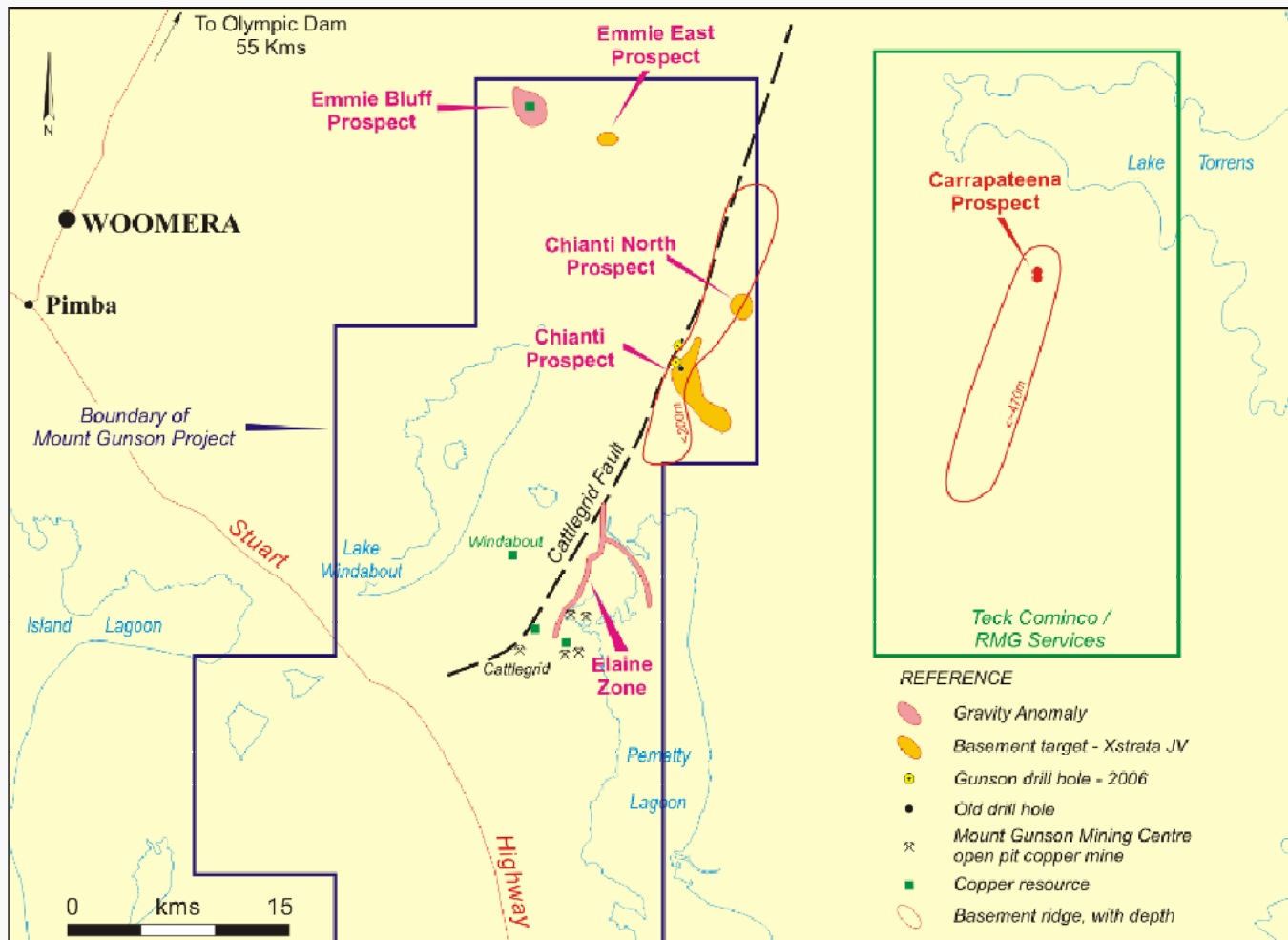
South Australian Copper Belt

Mount Gunson JV Terms

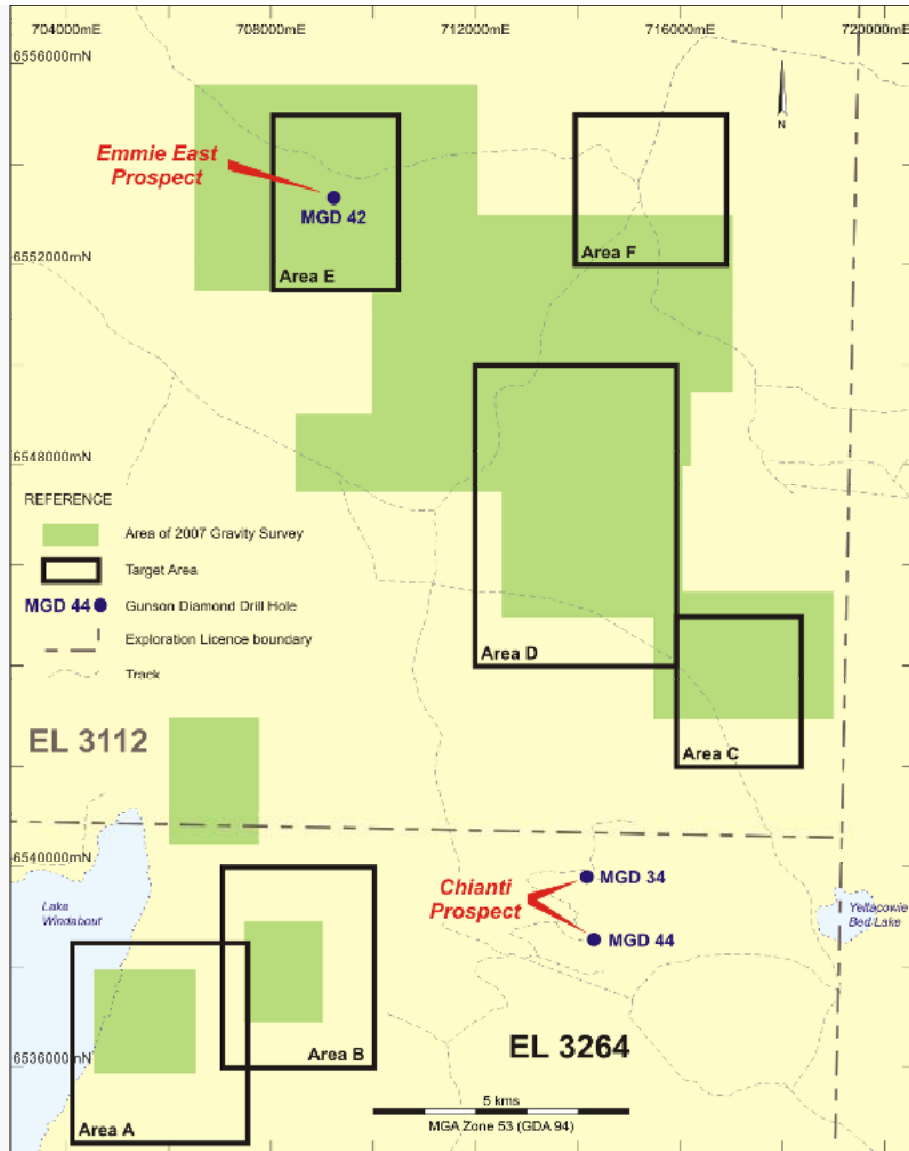


- **Commenced 15th June 2006**
- **Xstrata to spend \$3.5M in 3 years for 51% interest**
- **Then another \$6.5M in extra 3 years for additional 24%**
- **Total \$10M in 6 years for 75%**
- **Xstrata has spent \$1.0M to date – must spend \$2.5M in 1.7 years to stay in**
- **Gunson managing exploration**

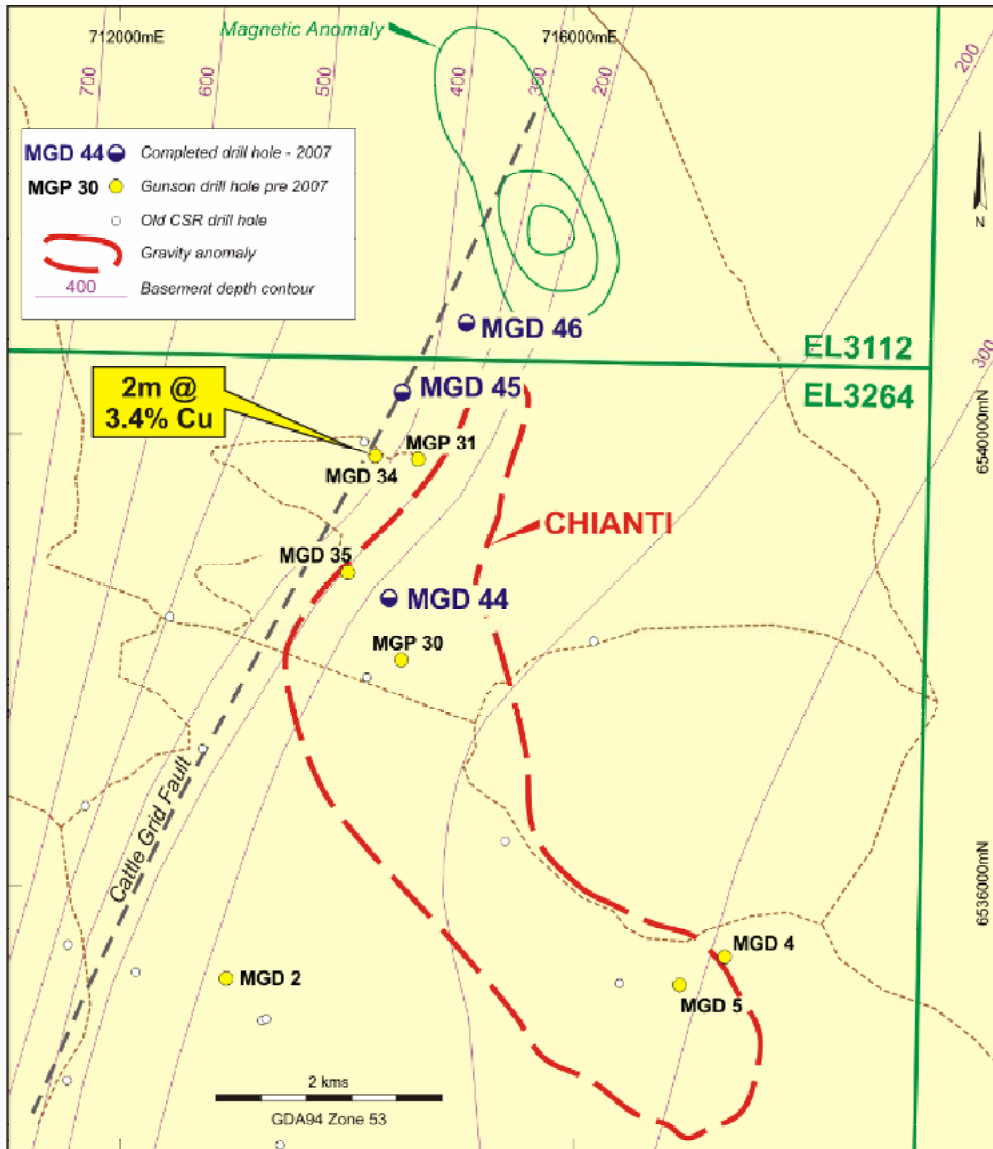
Mount Gunson Target Areas



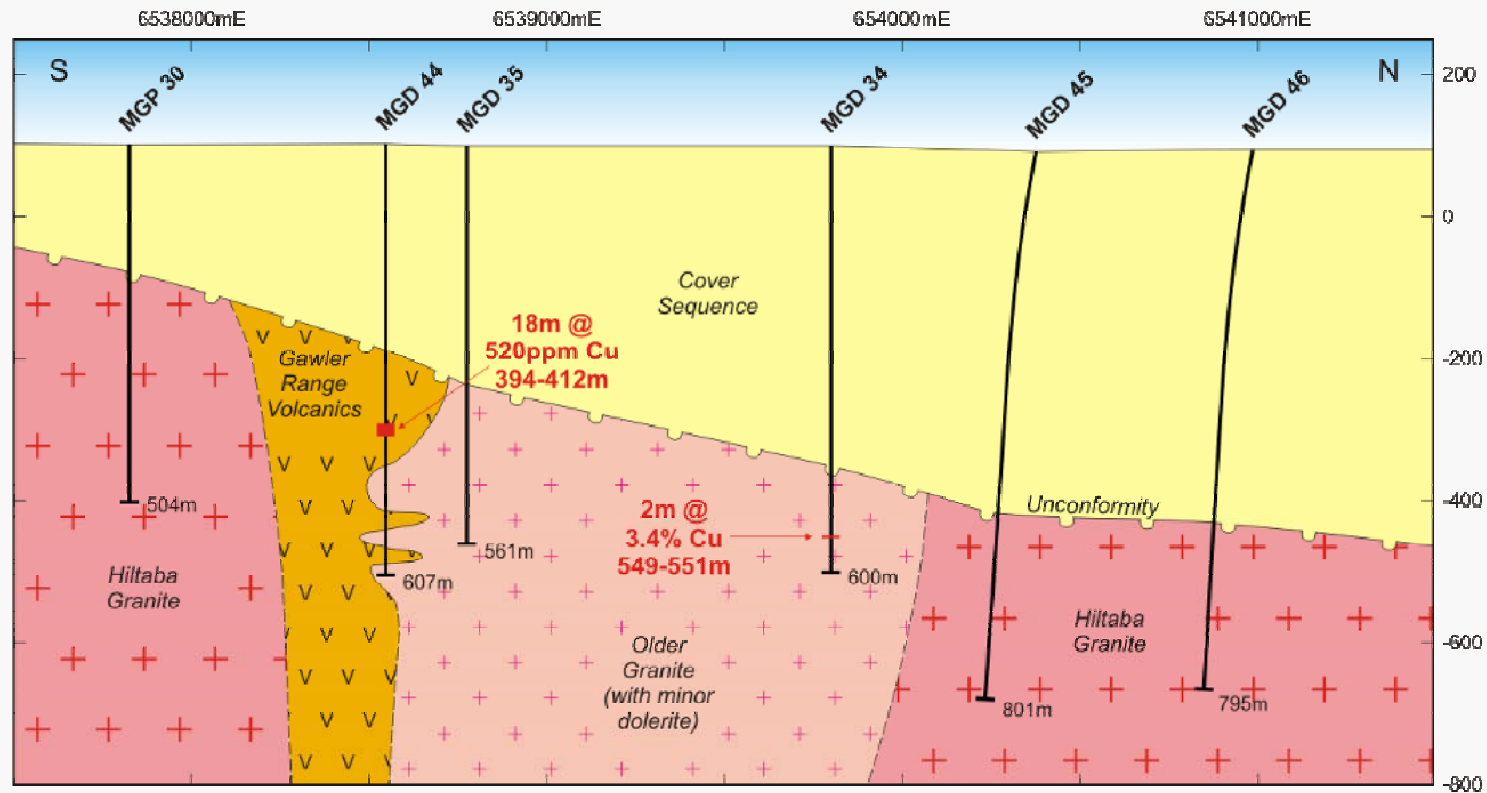
2007 Gravity Survey



Chianti Prospect - Plan



Chianti Cross Section at 714,600mE



Mount Gunson Copper Resources



<u>Prospect</u>	<u>Tonnes</u> <u>(M)</u>	<u>% Cu</u> <u>equiv*</u>	<u>Depth</u> <u>(m)</u>
Windabout	18.7	1.8	70
MG 14	1.5	2.3	25
Cattlegrid South	0.7	1.7	65
Emmie Bluff	24.0	2.2	400

* Co credits factored in @ 15 x Cu

Mount Gunson Summary

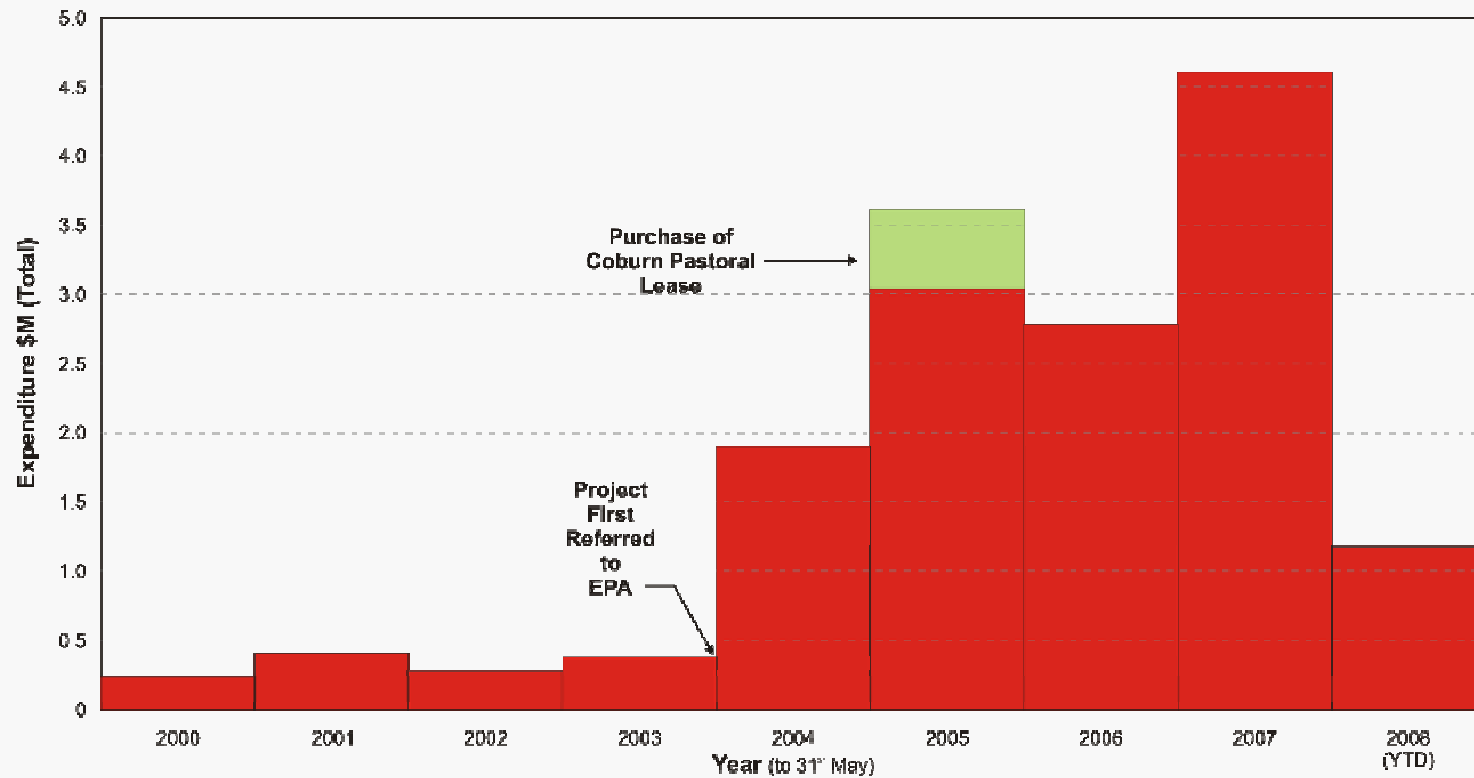


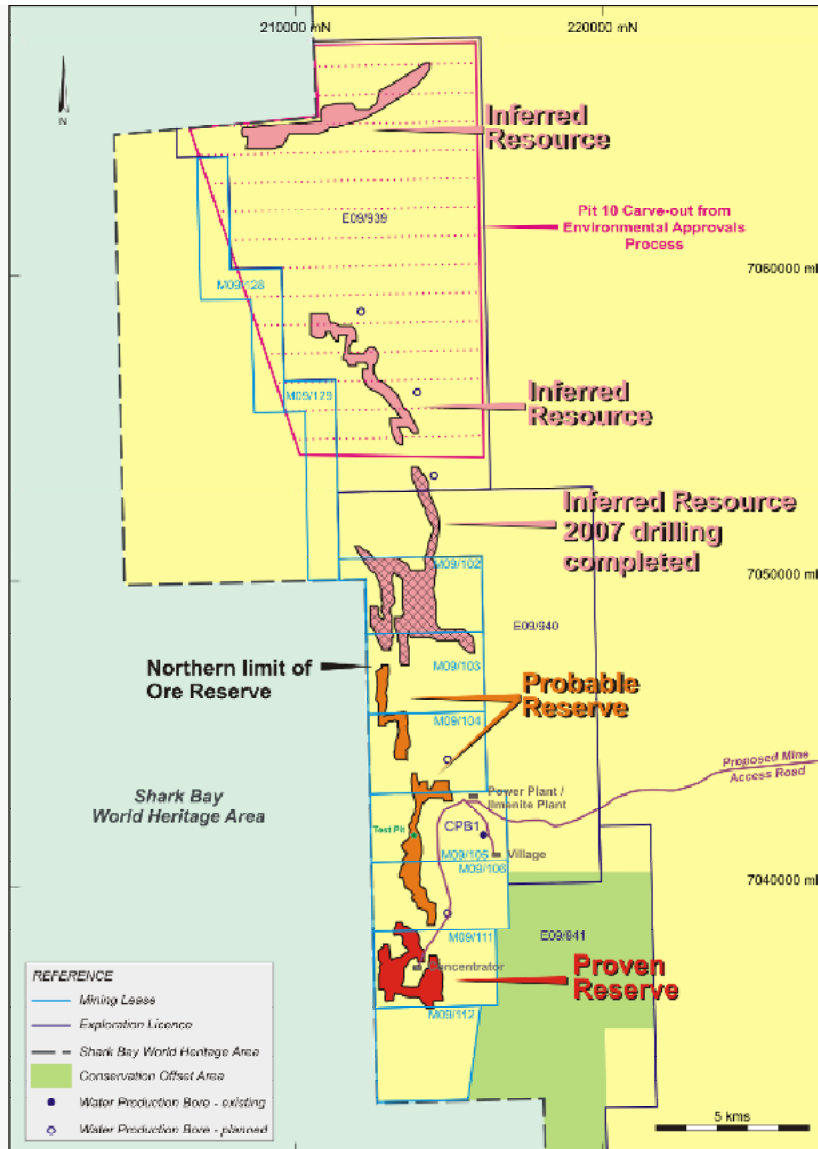
- **Work fully funded by Xstrata Copper.**
- **Xstrata must spend \$2.5M in 1.6 years to stay in.**
- **Drilling for basement Copper-Uranium-Gold targets scheduled for January 2008.**
- **Windabout open pit copper prospect being reviewed. 18.7 M tonnes @ 1% copper, with cobalt/silver credits. 70m depth.**

Coburn – Regional Setting



Coburn Project Expenditure 2000 – 2007 (30th September '07)





Amy Zone

Ore Reserves & Potentially Mineable Resources

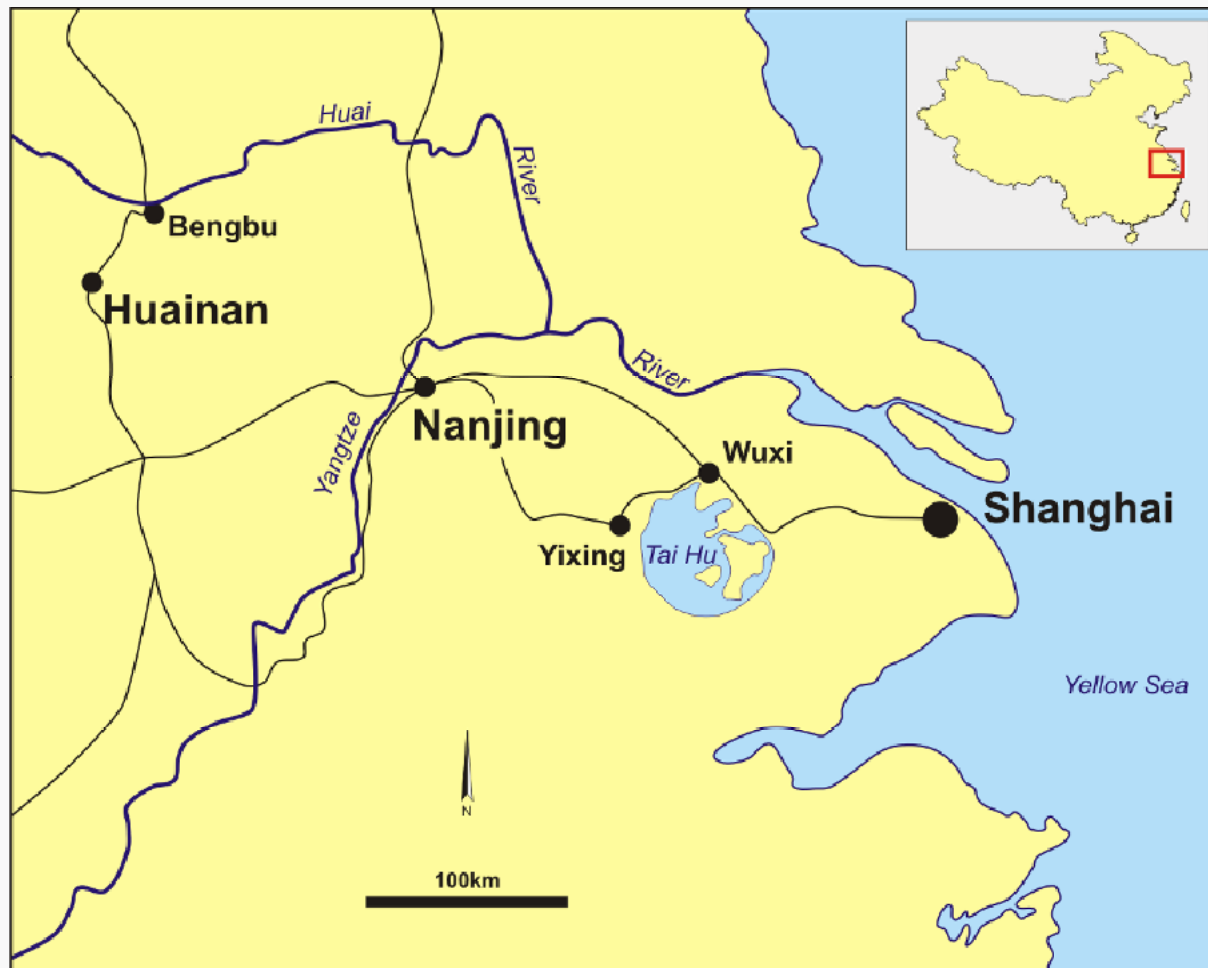
Coburn Estimated Annual Production



Product	Annual tonnes	Key Specification	% of Revenue
*Zircon	38,000	65% ZrO ₂	66
Ilmenite	74,000	62% TiO ₂	19
*HiTi	17,000	84% TiO ₂	15

* Shipped to China in non-magnetic concentrate

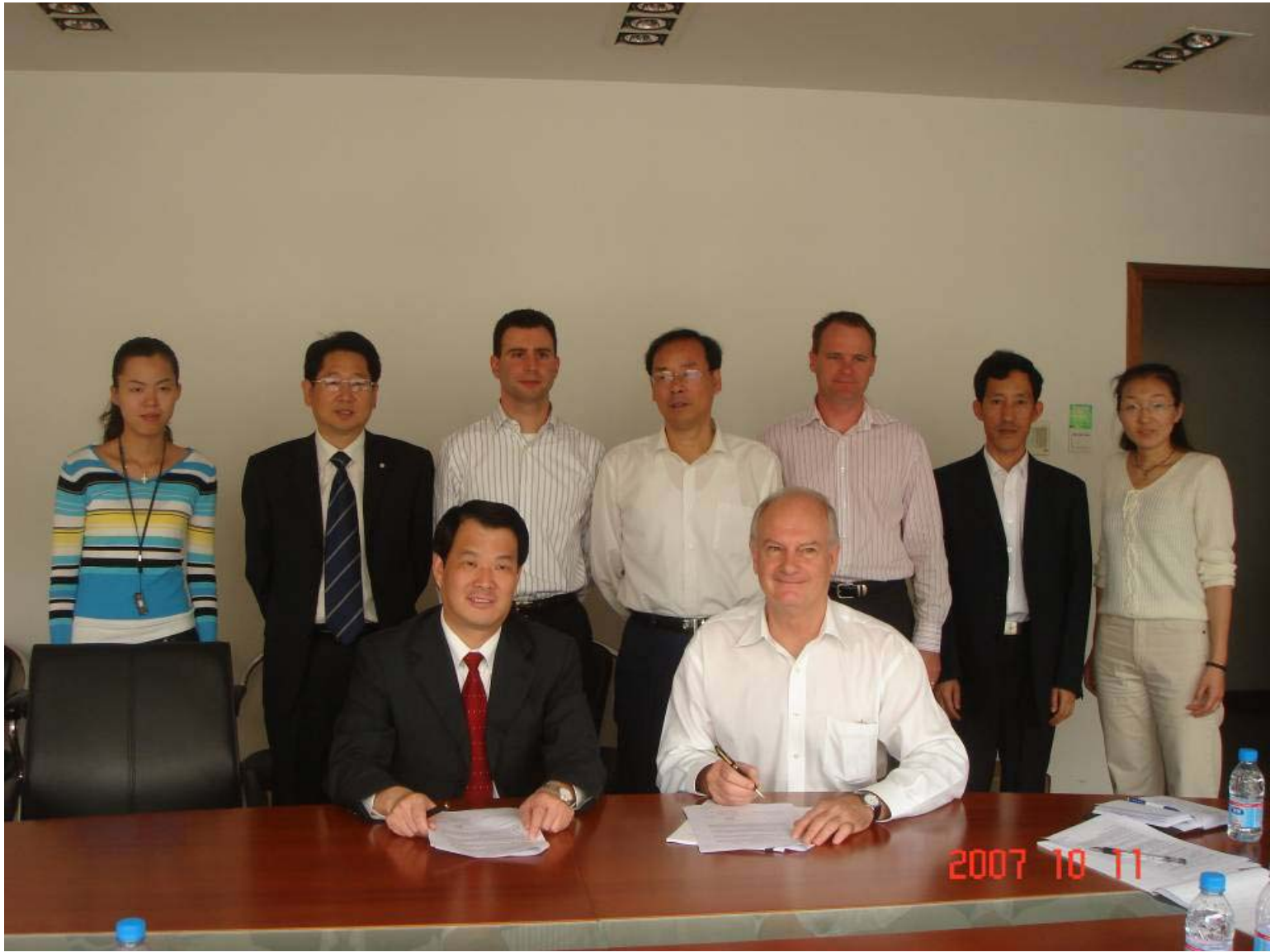
Shanghai District, China











MOU's with CTIEC – July and October 2007



- **CTIEC is the engineering arm of China National Building Materials (CNBM) 36% listed on Hong Kong Stock Exchange.**
- **CNBM and a Bengbu power supply company to take a combined 40% interest in Coburn.**
- **CNBM to offtake 20,000 tonnes Zircon p.a.**
- **Non magnetic minerals to be separated at Bengbu (MSP).**
- **CTIEC to be the turnkey contractor for the whole project subject to 40% investment and offtake.**
- **Draft legally binding Outline Agreement covering the commercial, legal and management structure being reviewed – aim is to sign by end 2007.**
- **Aim is to commence construction early 2008.**
- **Production first half of 2009, after 58 week construction period.**

Proposed Investment In Coburn By CTIEC - Status



- **Gunson CEO met with CTIEC in China 18-20 Nov '07.**
- **Engineering aspects reviewed to help finalise fixed price turnkey proposal.**
- **Gunson General Manager staying on in Bengbu until early December to advise / assist CTIEC, an initiative very well received.**
- **CTIEC aim is to report to Investment Committees of CNBM / Bengbu Power on the costs / financial returns of Coburn.**
- **Draft, legally binding Outline Agreement reviewed with CTIEC – good progress on wording / content.**
- **Price of Chinese fabricated steel for Coburn Plant c.i.f. Australia less than half the Australian price.**

Industry average R/C ratio: 1999 - 2007



Conclusions - Coburn



- **Two MOUs with Chinese company CTIEC signed in July and October 2007**
 - **CTIEC parent and a Bengbu power company to take 40% interest.**
 - **Offtake for 53% of zircon production**
 - **CTIEC to build Project on fixed price, “turnkey” basis.**
 - **Aiming for legally binding agreement by end 2007.**
 - **If agreement concluded, start construction early 2008, production first half of 2009.**

Conclusions – Other Projects



- **Mount Gunson Copper Project activity to accelerate**
 - **Drilling of basement copper-uranium-gold targets scheduled for January, 2008.**
 - **Review of 18.7M tonne open pit Windabout Prospect in progress.**
 - **Xstrata Copper sole funding, must spend \$2.5M in 1.6 years to stay in.**
- **Burkin nickel/gold – aeromagnetic survey in progress**
- **Tennant Creek gold/copper – drilling early 2008**



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