

## **GOVERNMENT APPROVES CONSTRUCTION OF COBURN ZIRCON MINE**

### **HIGHLIGHTS**

- **All pre-construction approvals have now been granted**
- **Coburn is the third largest zircon development project in the world**
- **Coburn DFS to be completed in late April**
- **Gunson discussing minority equity funding with potential Chinese offtake partners**

Gunson Resources Limited ("Gunson", ASX Code: GUN) is pleased to announce that government approvals for the commencement of construction at Coburn have been received.

Gunson Resources managing director David Harley said, "I doubt any Australian junior mining project has been required to undertake such an exhaustive and comprehensive environmental approval process as we have. I am very pleased and relieved that we have met every environmental condition precedent required to gain government approval for the commencement of construction."

Advice that all ten of the environmental management plans required prior to construction had been approved by the Department of Environment and Conservation was received on 16<sup>th</sup> March 2007. The other pre-construction approvals listed in the Company's release of 2<sup>nd</sup> January 2007 were received on the dates outlined below:

1. ***Non Substantial Change from the 2005 Public Environmental Review*** – from the Western Australian Environmental Protection Authority (EPA) on 21<sup>st</sup> March 2007 and the Commonwealth Department of Environment and Heritage on 6<sup>th</sup> March 2007.
2. ***Shark Bay Shire Council*** "In Principle" support for Development Application, subject to a 21 day advertising period which expires on 28<sup>th</sup> March 2007 – on 16<sup>th</sup> March 2007.
3. ***Mining Proposal 1: Access Road and Support Infrastructure*** – conditional approval from the Department of Industry and Resources on 26<sup>th</sup> March 2007, subject to the Company lodging unconditional bank guarantees to cover environmental performance bonds.

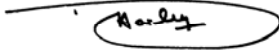
The above approvals come nearly four years after the Coburn Project mine development proposal was first discussed with the EPA in May 2003, although it was not formally referred to them until September 2003.

Now that the necessary government approvals have been received, the Company plans to focus its full attention on finalising its Definitive Feasibility Study (DFS) over the next month and announce the results in late April.

Mr. Harley said, "Coburn is the world's third largest zircon development project and will generate approximately A\$1.1 billion in revenues over its 12 year mine life. The initial stage of mine development and associated infrastructure is expected to cost

A\$100 million, and at full production is forecast to produce 60,000 tonnes of zircon, 120,000 tonnes of ilmenite and 30,000 tonnes of hybrid titanium dioxide (HiTi) per annum. Coburn will employ 120 full time employees in the initial phase and we anticipate it will generate many additional jobs throughout the broader community.”

Discussions with potential Chinese offtake parties regarding funding of the mine development in exchange for an assured long term supply of zircon and minority equity in the Project, have been in progress since early 2005. Contact with potential new offtake parties regarding minority equity funding tied to zircon supply contracts commenced in January 2007.



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**ATTRIBUTION**

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.