



GUNSON RESOURCES LIMITED



Broker Presentation



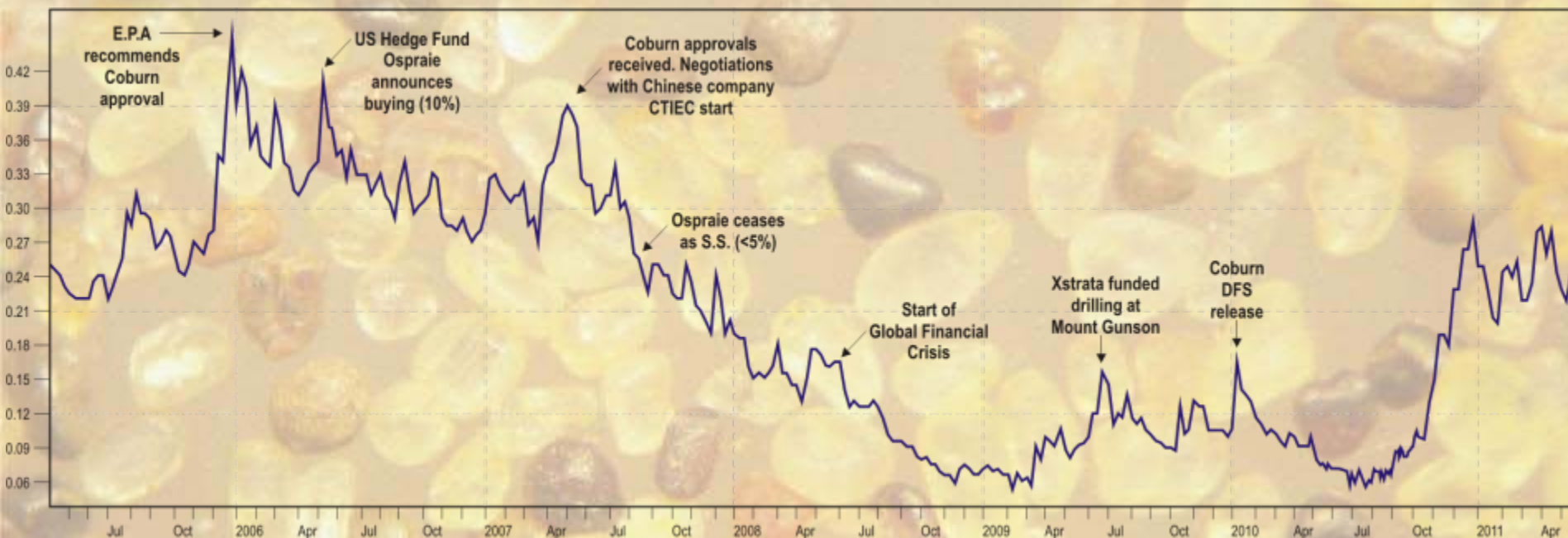
***David Harley
May 2011***

Corporate Information

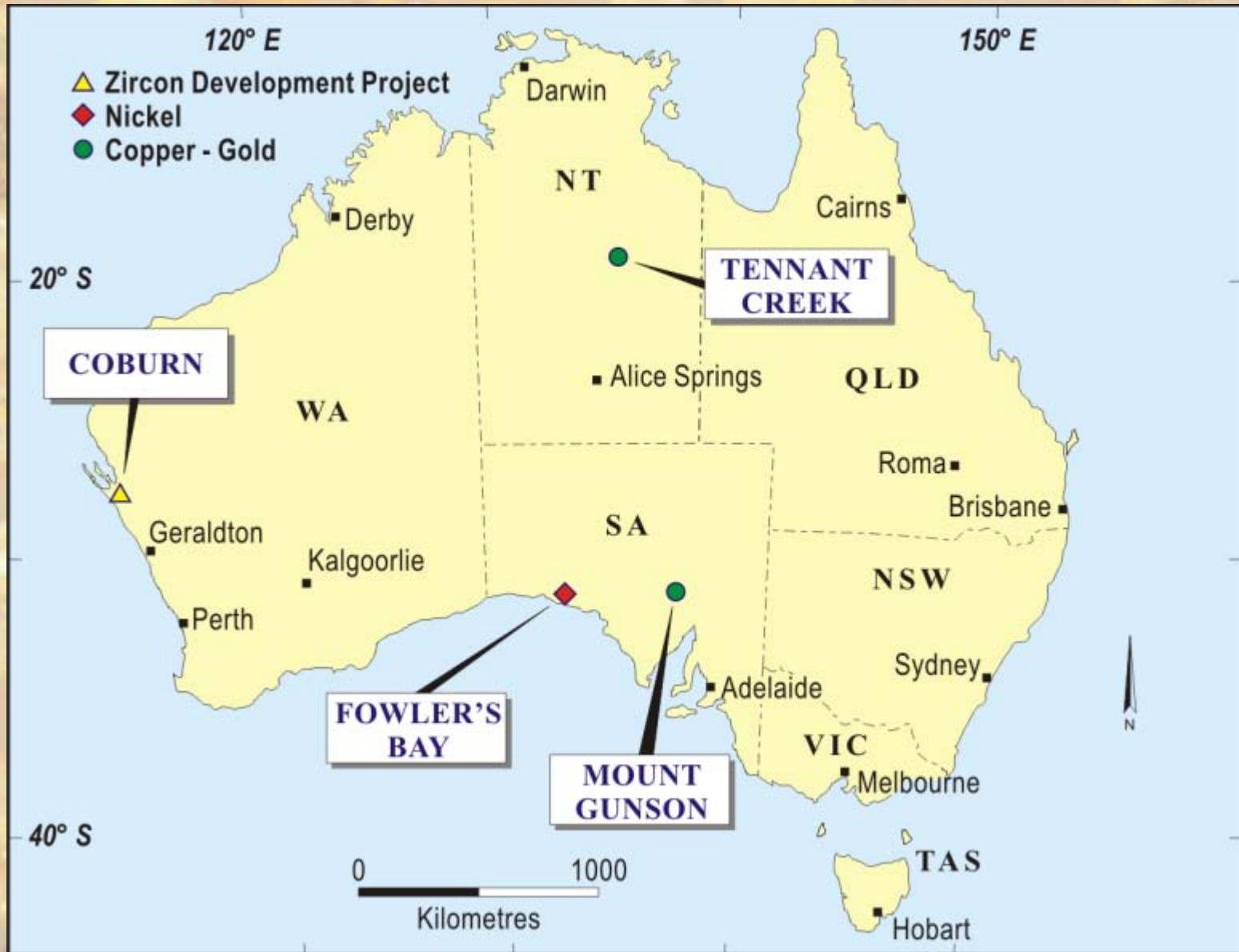


Gunson (GUN)

Share Price 2005 – May 2011



Project Location Map



Coburn - New Developments

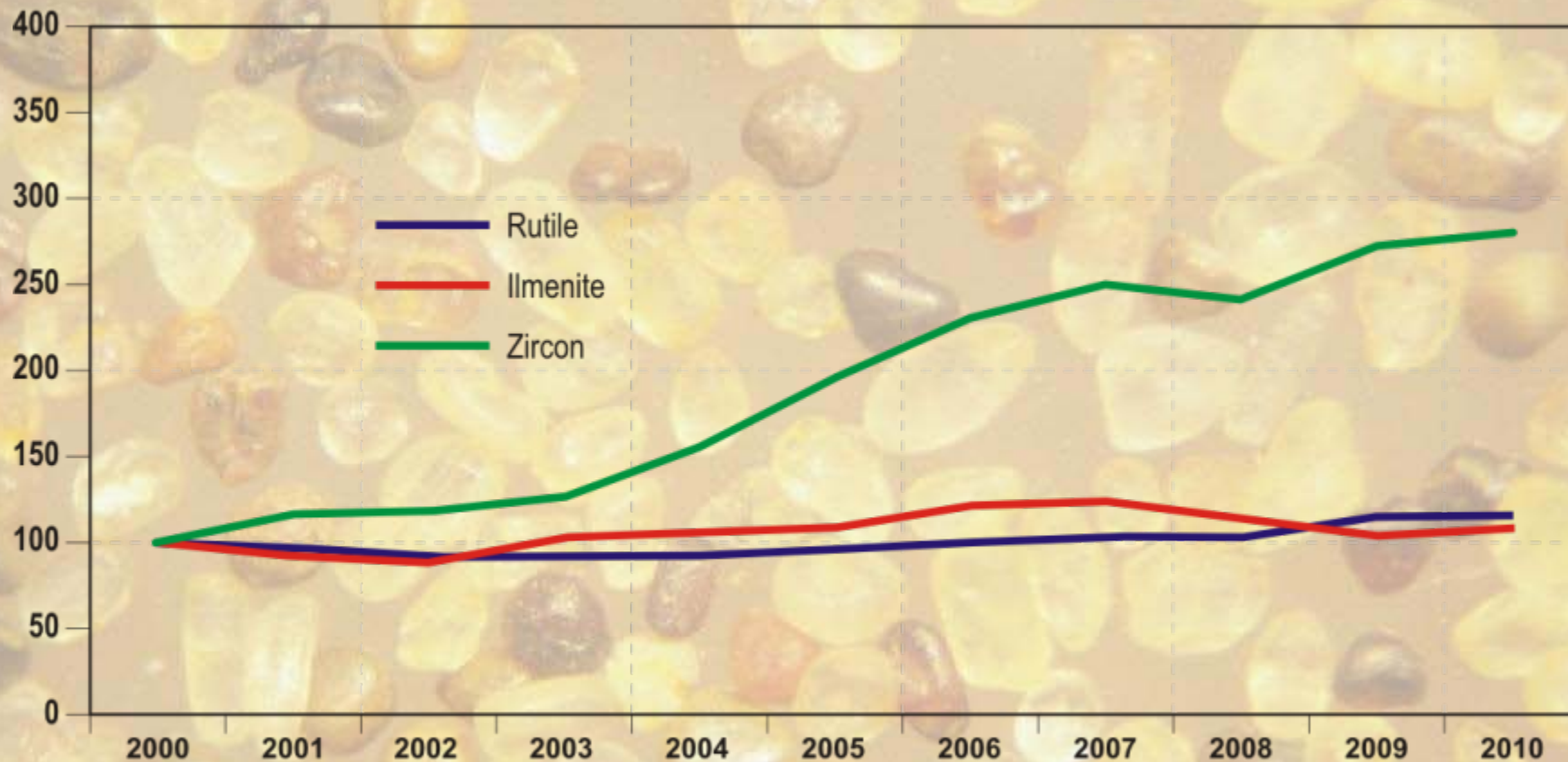


- **RFC Financing Mandate Expanded.**
- **Go Alone Option now available due to Improved Market.**
- **Funding Objective: Best Return to Shareholders Without Excessive Risk.**
- **Capital Cost Review Shows 6% Increase Since End 2009.**
- **Water Bore For Mine Access Road Construction Scheduled for August 2011.**
- **Resource Drilling Program Finished 20 May 2011.**

Zircon & TiO₂ Mineral Prices 2000-2010

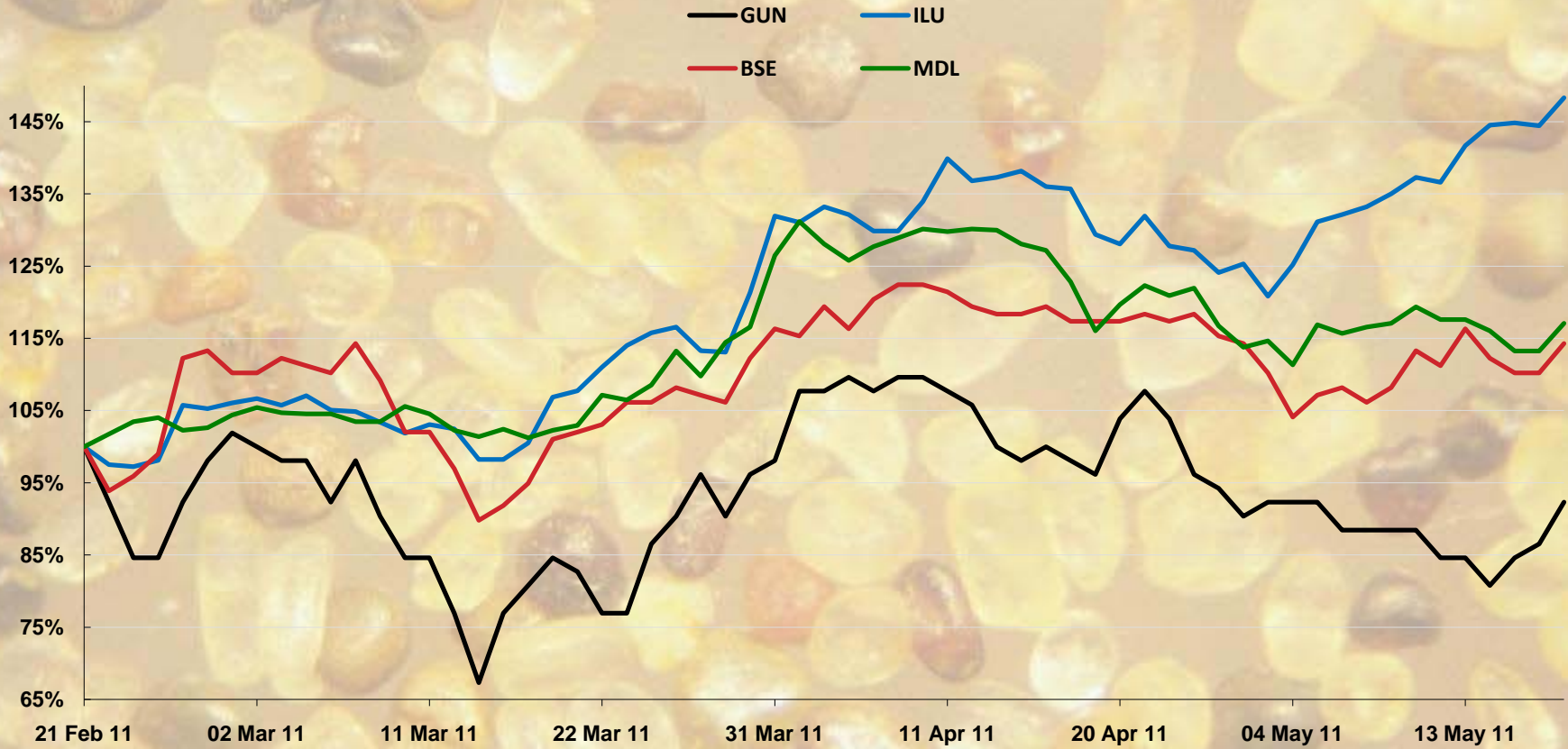


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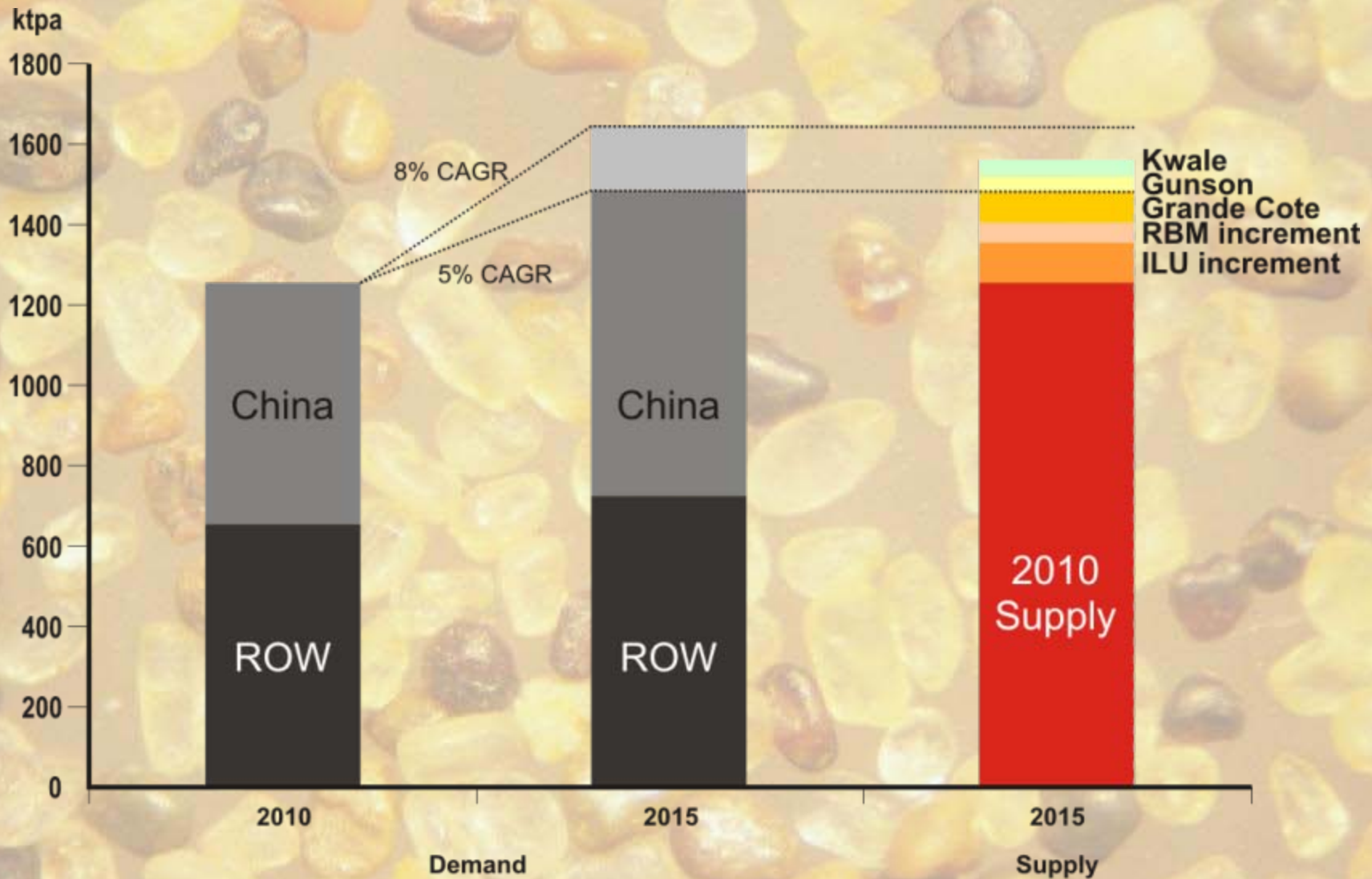


Source: TZMI; GS&PA Research Estimates

Share Price vs Iluka



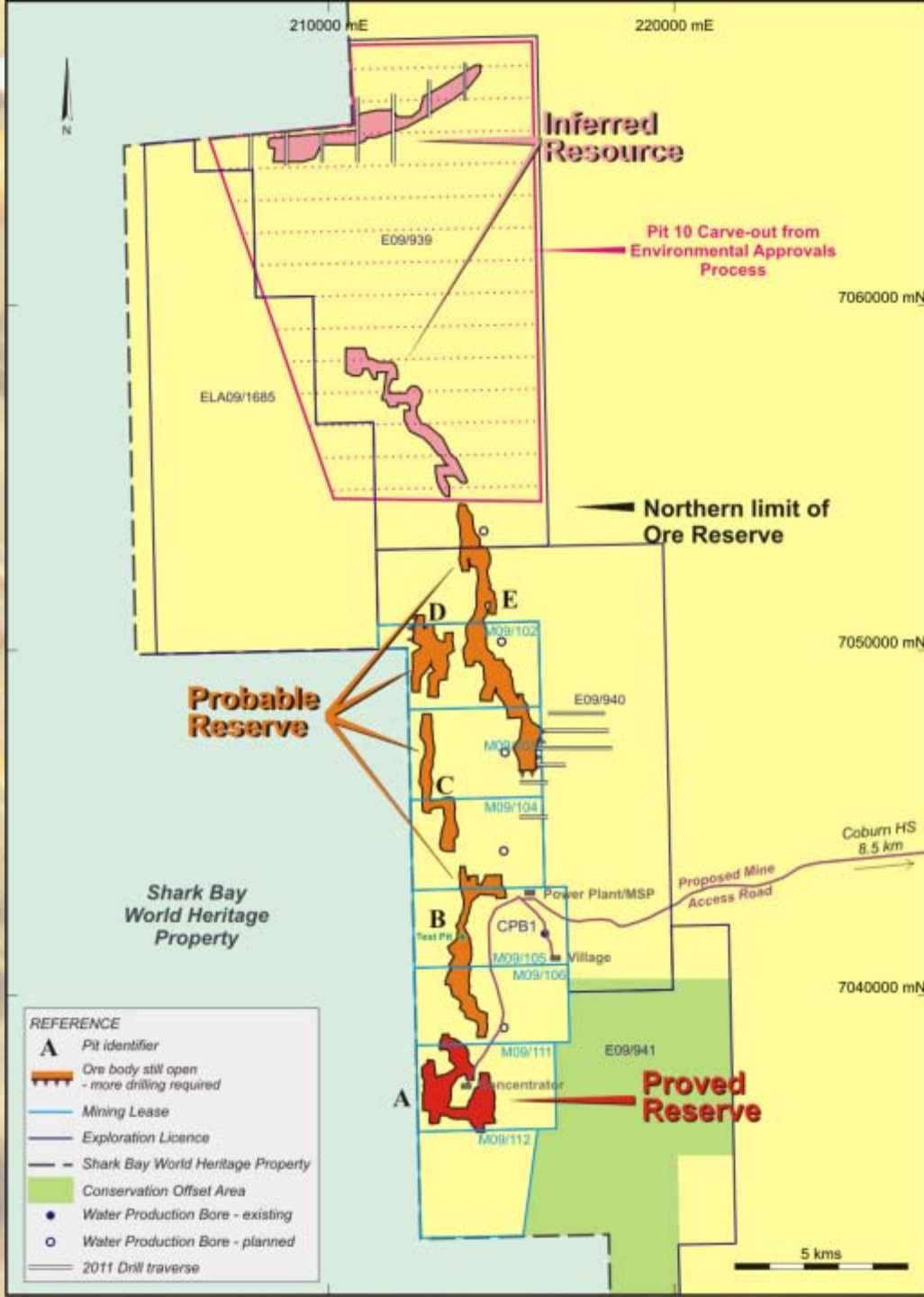
Zircon Supply & Demand



Source: Company reports, Macquarie Research, April 2011; includes projects currently in construction / feasibility



Coburn – Regional Setting



Amy Zone

Ore Reserves & Inferred Resources



Coburn Heavy Mineral Ore Reserves



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

Strip ratio 0.6 t overburden to 1 tonne ore

Global Greenfields Development Projects with significant zircon



<u>Under Construction</u>	TiO ₂ UNITS *	ZIRCON *	Zircon Rank	TiO ₂ : ZIRCON
Nil				
<u>Recently Completed DFS</u>				
Senegal (Min Deposits)	337	80	1	4.2
Coburn (Gunson)	69	40	2	1.7
Kwale (Base)	194	24	3	8.1

Note: Corridor Sands (BHPB) and Toliara (Exxaro) shelved in 2009.

Australia

Africa

* ,000 tonnes per annum (average over life of mine)

Estimated Annual Mineral Production



Product	Annual tonnes	Key Specification	% of Revenue
Zircon	40,000	66% ZrO ₂	67
Ilmenite	90,000	61% TiO ₂	18
Rutile	9,000	95% TiO ₂	10
Leucoxene	7,000	90% TiO ₂	5

All Products to be sold *fob*
Australia

Coburn DFS Financial Summary

(Real \$A millions)



	DFS Apr 11	DFS Jan 11
Total Revenue	2,401	2,249
Total Operating Costs	1,318	1,291
Net Operating Margin	1,083	958
Capital Cost	168.8	168.8
IRR before tax/financing	32%	21.2%
NPV (8%)	301	216
Exchange Rate (\$US to \$A)	1.0	1.0

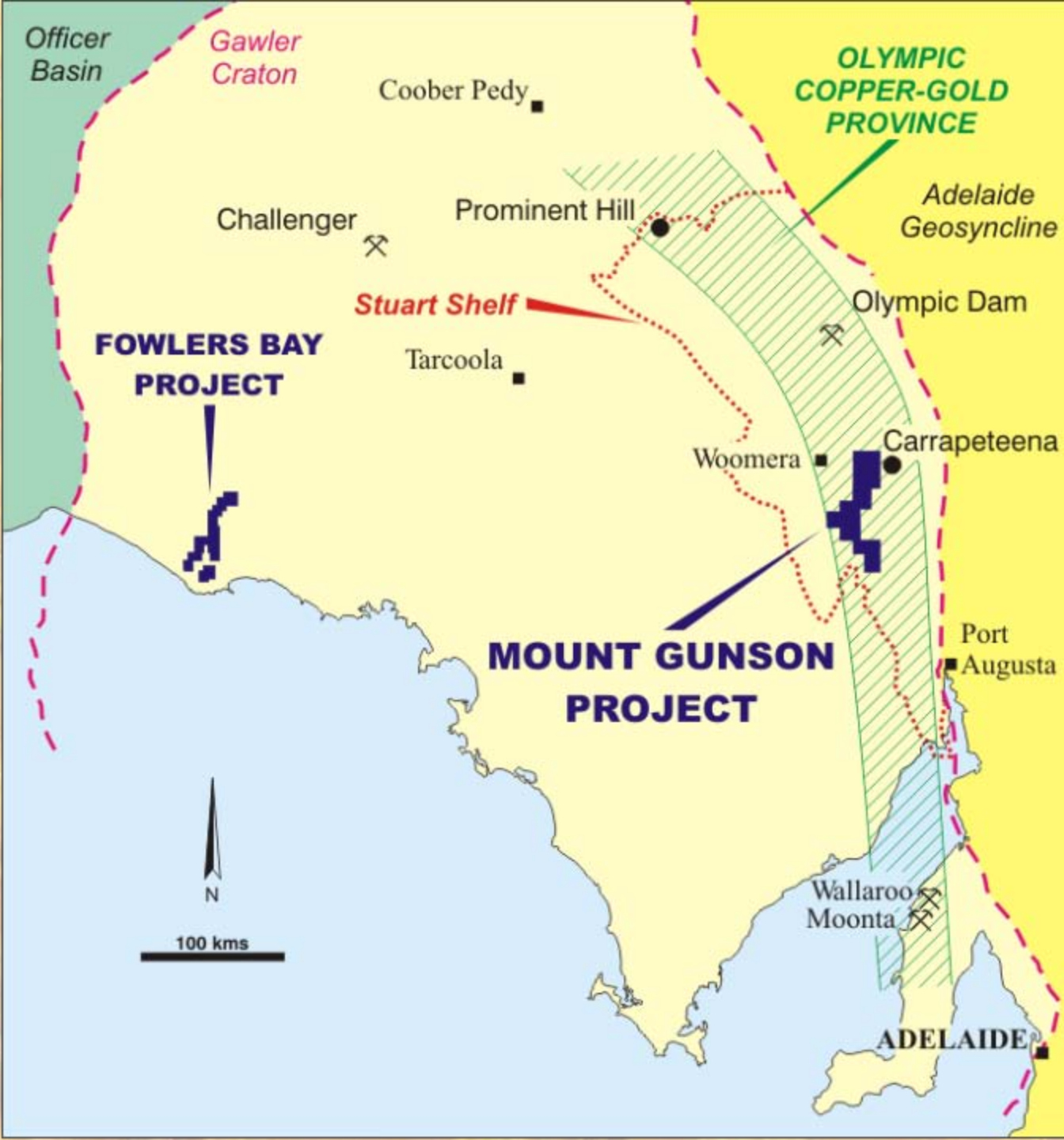
1. Calculated at 2.5% state royalty. At the prevailing 5% state royalty, IRR is 29.7% & NPV \$A274 million.
2. Concessional diesel fuel prices increased 25% from Jan 2011.

Coburn Conclusions

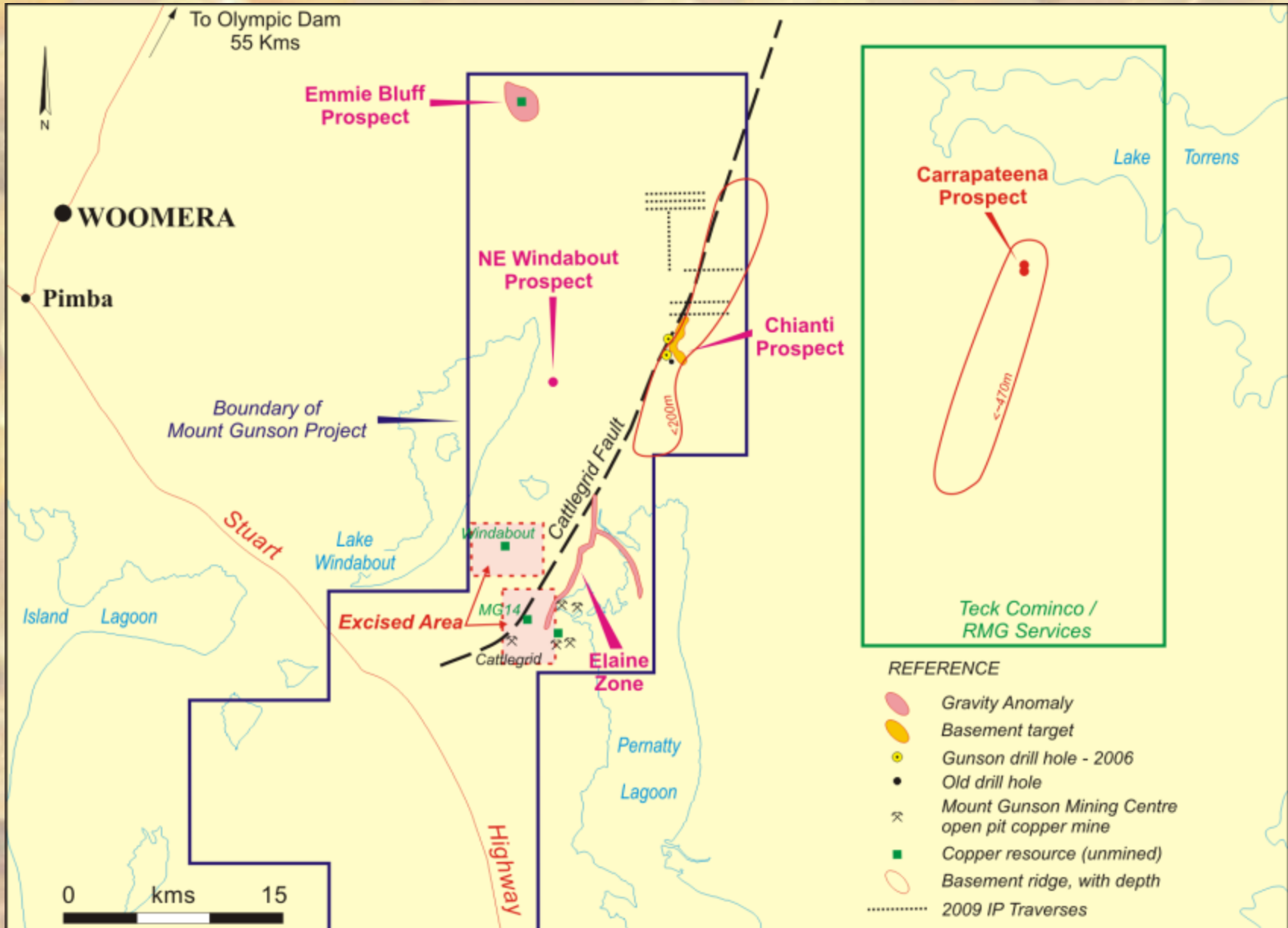


- **Coburn ready for construction, once finance available.**
- **It is one of only three significant mineral sand development projects in the world with completed detailed feasibility studies.**
- **Eighty-five (85) week construction period.**
- **RFC Mandate expanded to include “go alone” option as well strategic investor.**
- **Current zircon supply squeeze to become acute from 2012.**

South Australian Copper Belt



Mount Gunson Focus Areas



Mount Gunson Project Xstrata Copper Farm-in



- **Xstrata Copper, via it's subsidiary Noranda Pacific (Noranda) became Gunson's JV partner in May 2006**
- **Ten deep drill holes and several geophysical surveys have been conducted since 2007.**
- **Noranda earned 51% interest in the farm- in tenements in March 2010 and can increase its interest to 75% by spending a cumulative \$10 million by mid June 2013.**
- **Noranda had spent \$4.3 million to end March 2011.**
- **Two deep holes scheduled at Emmie Bluff & NE Windabout respectively in June/July.**

Mount Gunson Project MG14 and Windabout Prospects



- **Metallurgical test work since early 2010 shows that MG14 is far more profitable than Windabout.**
- **Financial modelling in progress to decide on 2 options**
 - a. **MG14 developed alone with second hand capital equipment (2-3 year mine life).**
 - b. **Sequential development of MG14, then Windabout for 10 year mine life.**

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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***David Harley
May 2011***