



GUNSON RESOURCES LIMITED



David Harley
Mining 2006

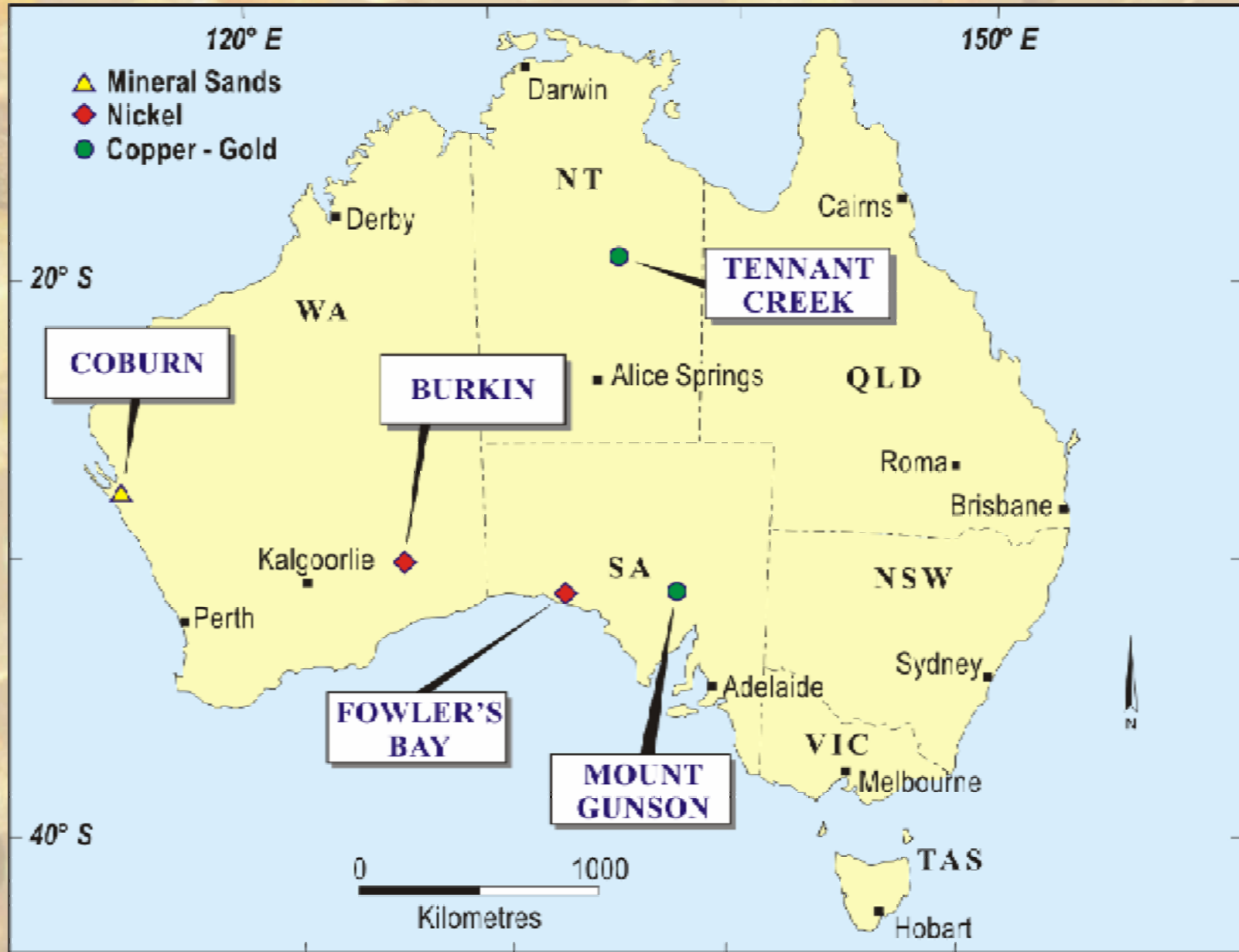
2nd November 2006

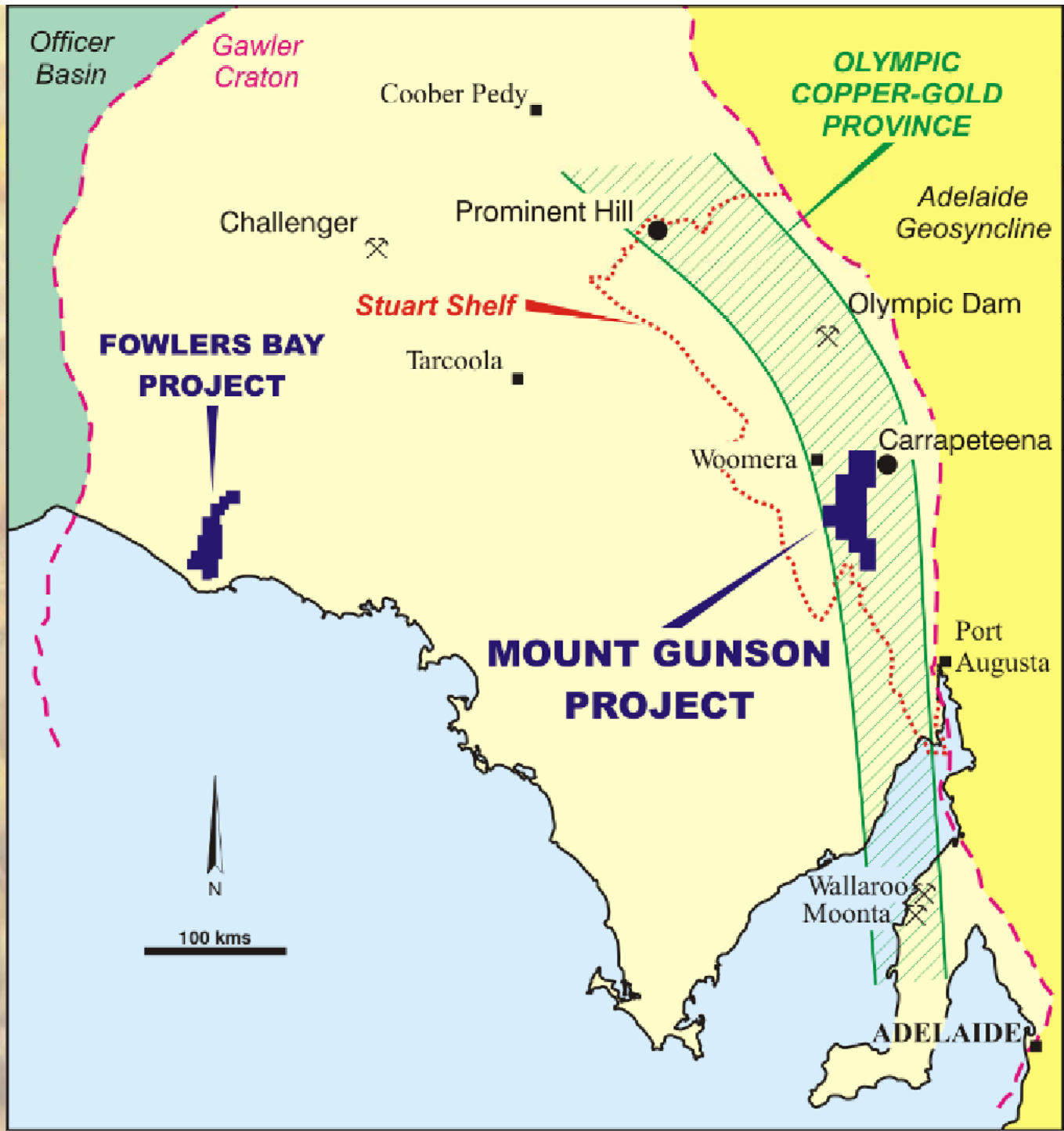
Corporate Summary



• Shares	97.6M
• Unlisted Options	3.7M (30/35c)
• Cash	\$1.5M
• Share Price	\$0.28
• Market Cap.	\$27.3M
• Substantial Shareholder	
– Ospraie	10%

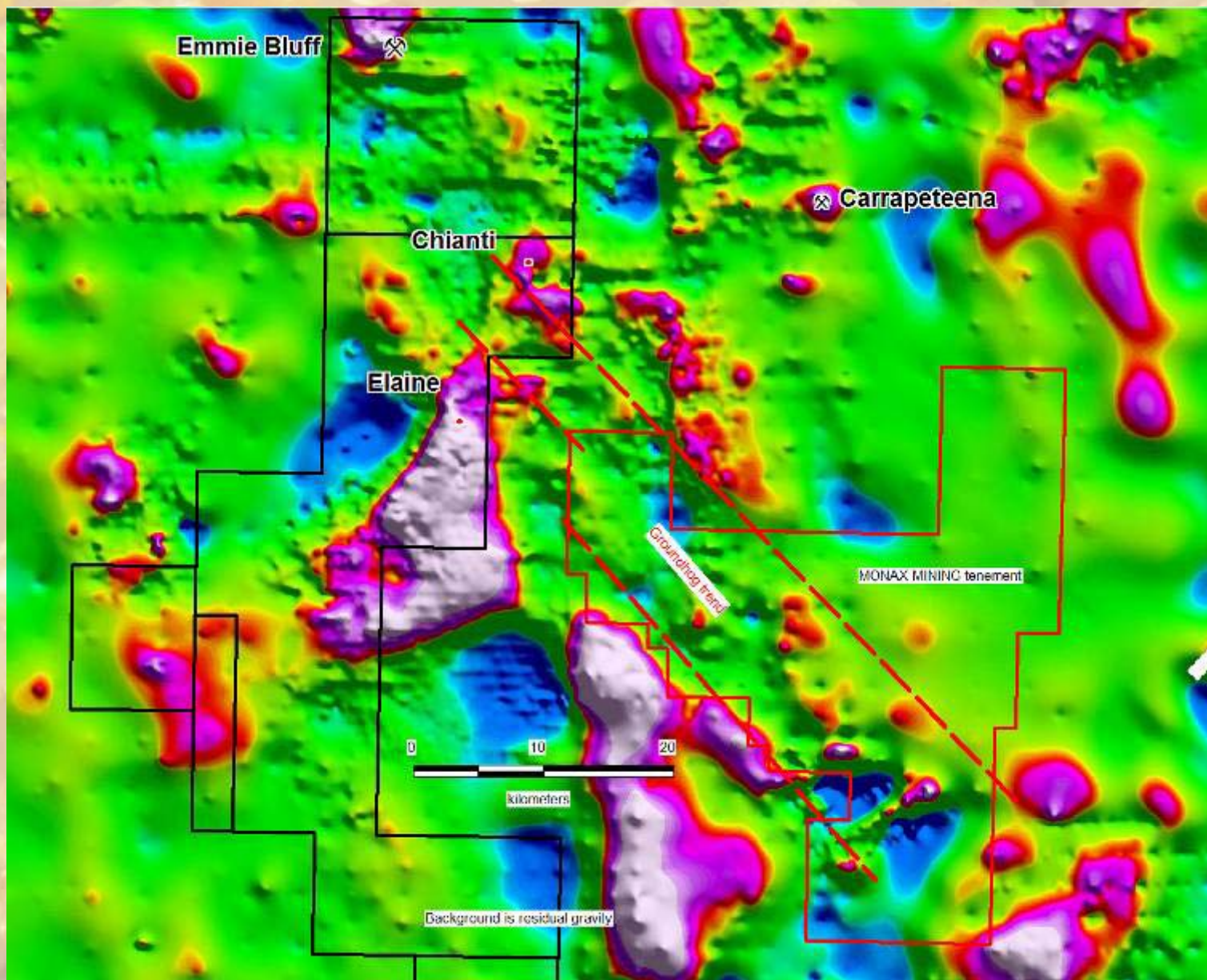
Project Location Map



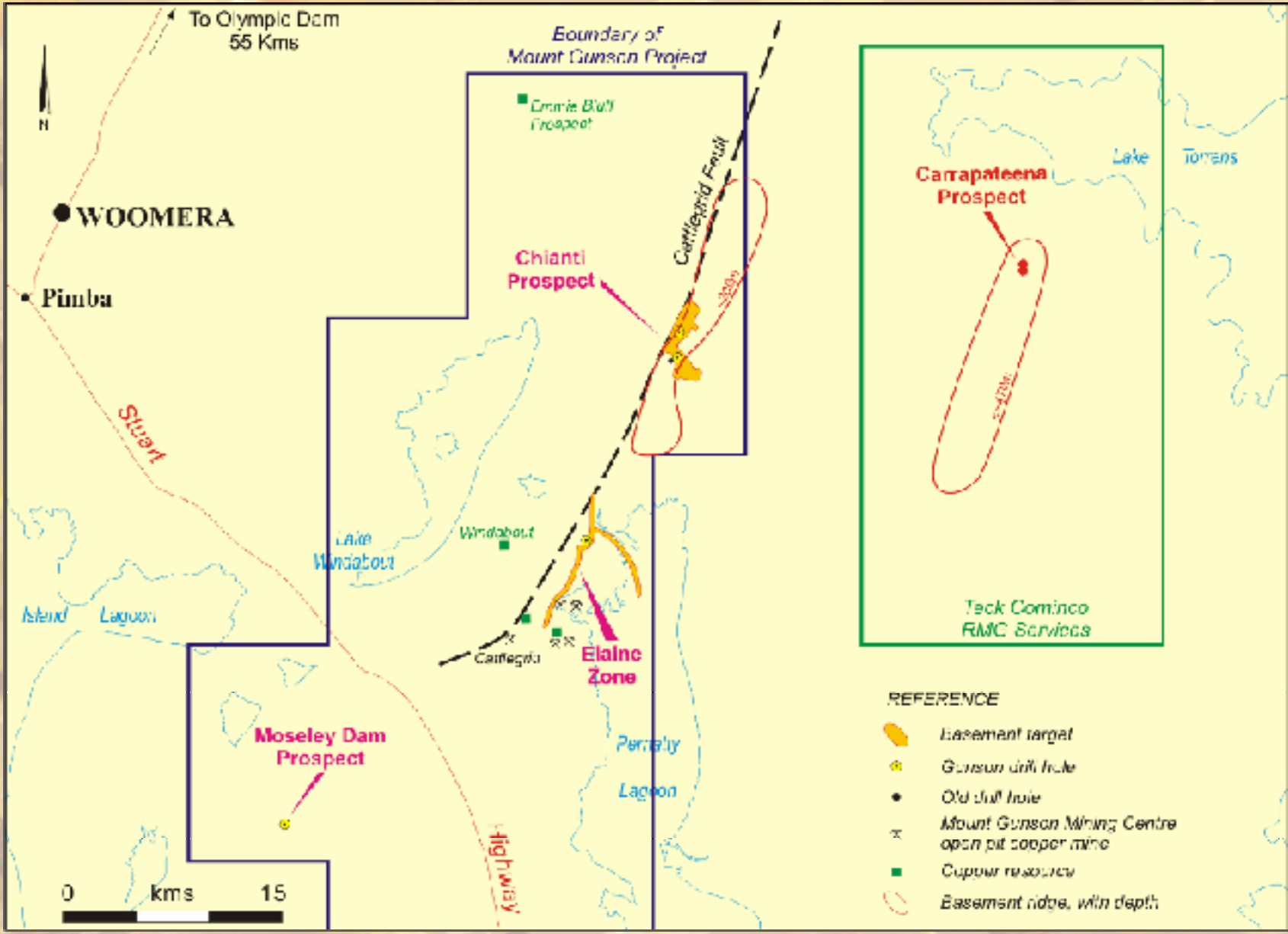


South Australian Copper Belt

New Discoveries Around Mount Gunson



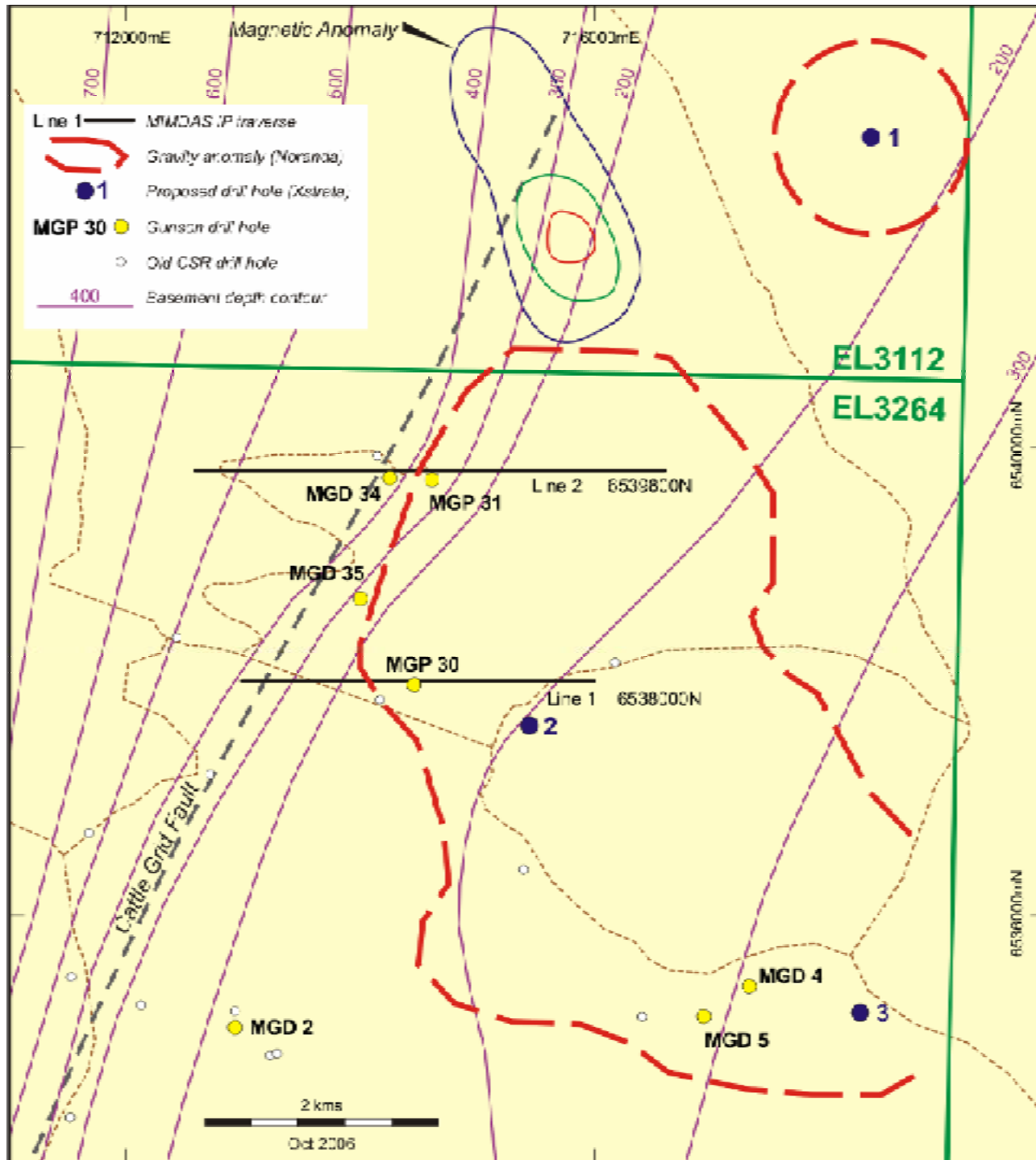
Mount Gunson Target Areas



Mount Gunson JV



- **Commenced 15th June 2006**
- **Noranda Pacific 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 took over Falconbridge in August and now owns Noranda Pacific**



Chianti Prospect



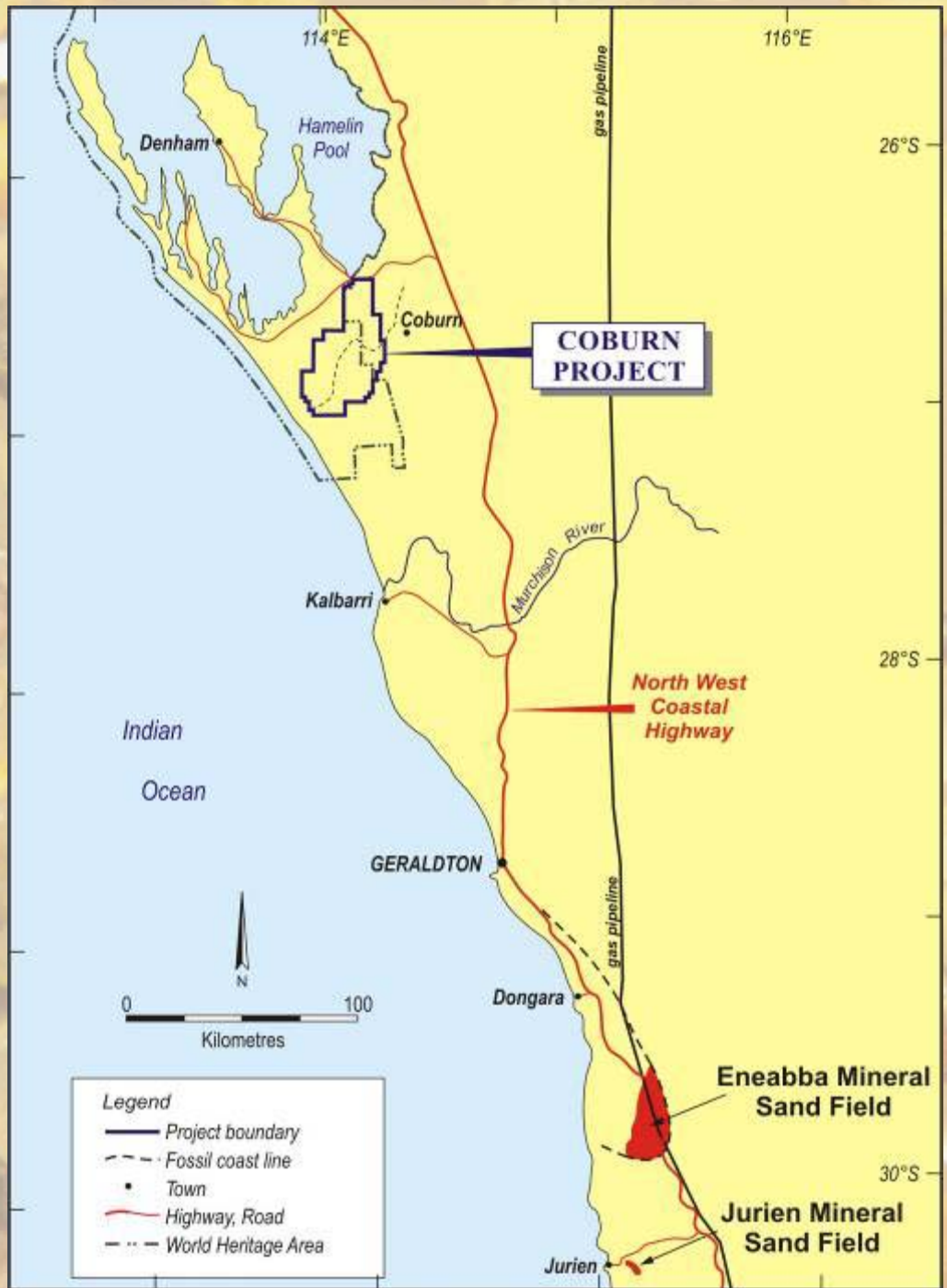
ZIRCONIO

P
GRATUITO PARA CLIENTES
PARKING GAR-VI
C/ CASANOVA, 16

CALLE DE LA PALLA

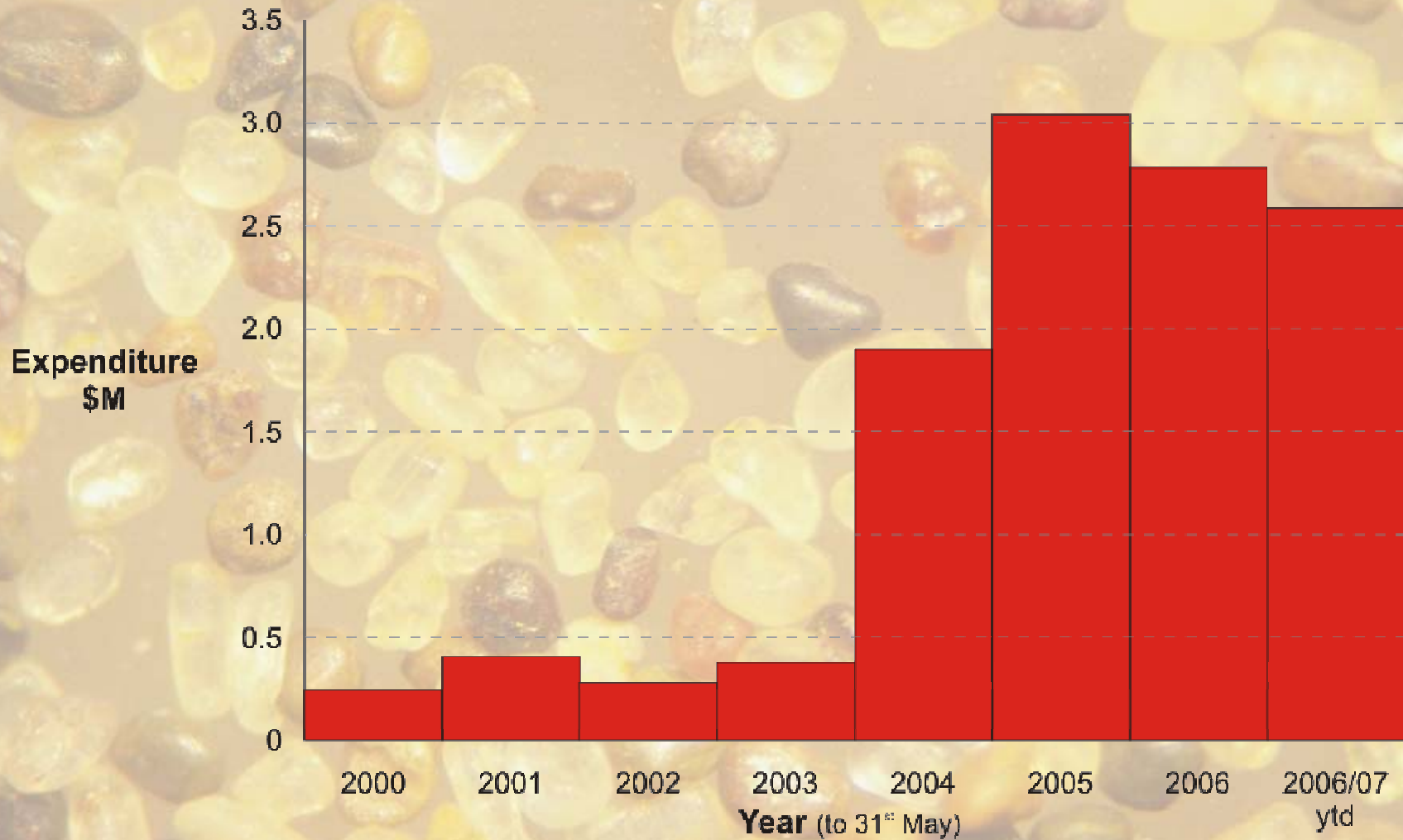
2

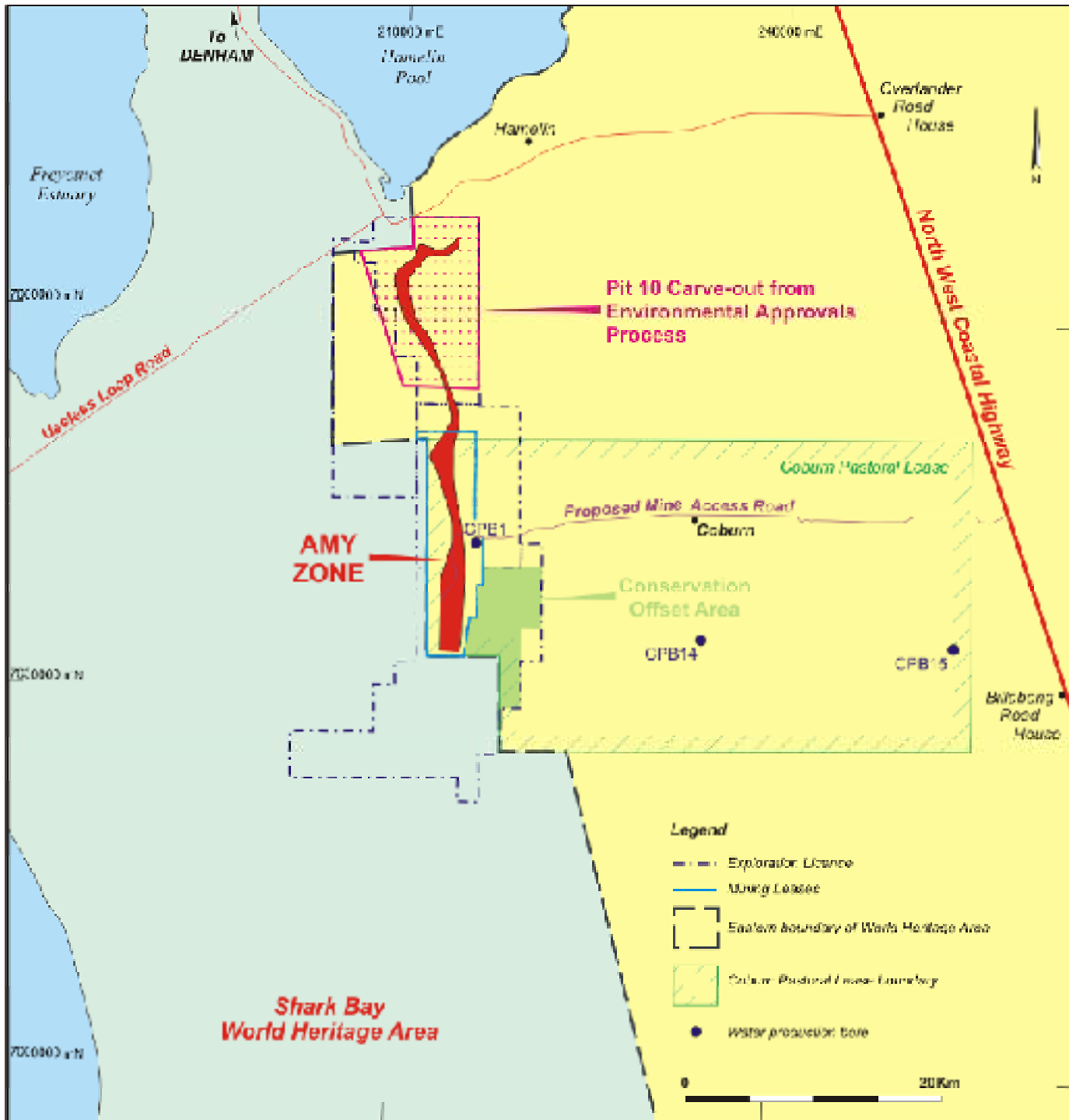
Coburn – Regional Setting





Coburn Project Expenditure 2000 - 2006





Coburn Amy Zone Mine

Environmental Approval Process



May 2003	Process initiated with BFS
22 May 2006	State environmental approval
20 July 2006	Federal environmental approval
2 nd half 2006	15 pre construction EMP's being evaluated by regulators
Feb 2007	Full permitting anticipated

Coburn Resources

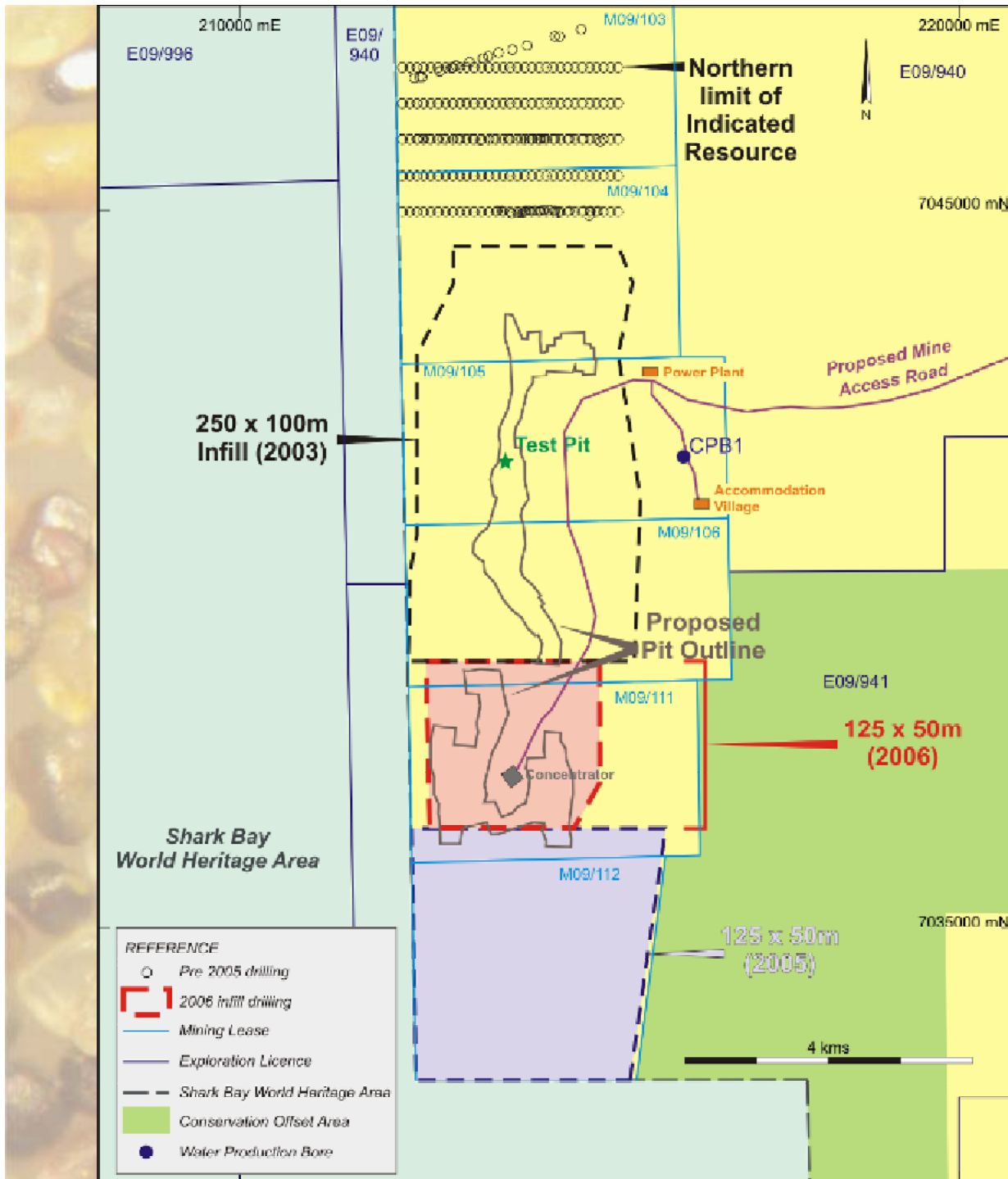


Category	Million Tonnes	Average Grade HM %	Cut-off Grade HM %
Indicated*	305	1.4	0.8
Inferred	420	1.4	0.8
Total	725	1.4	0.8

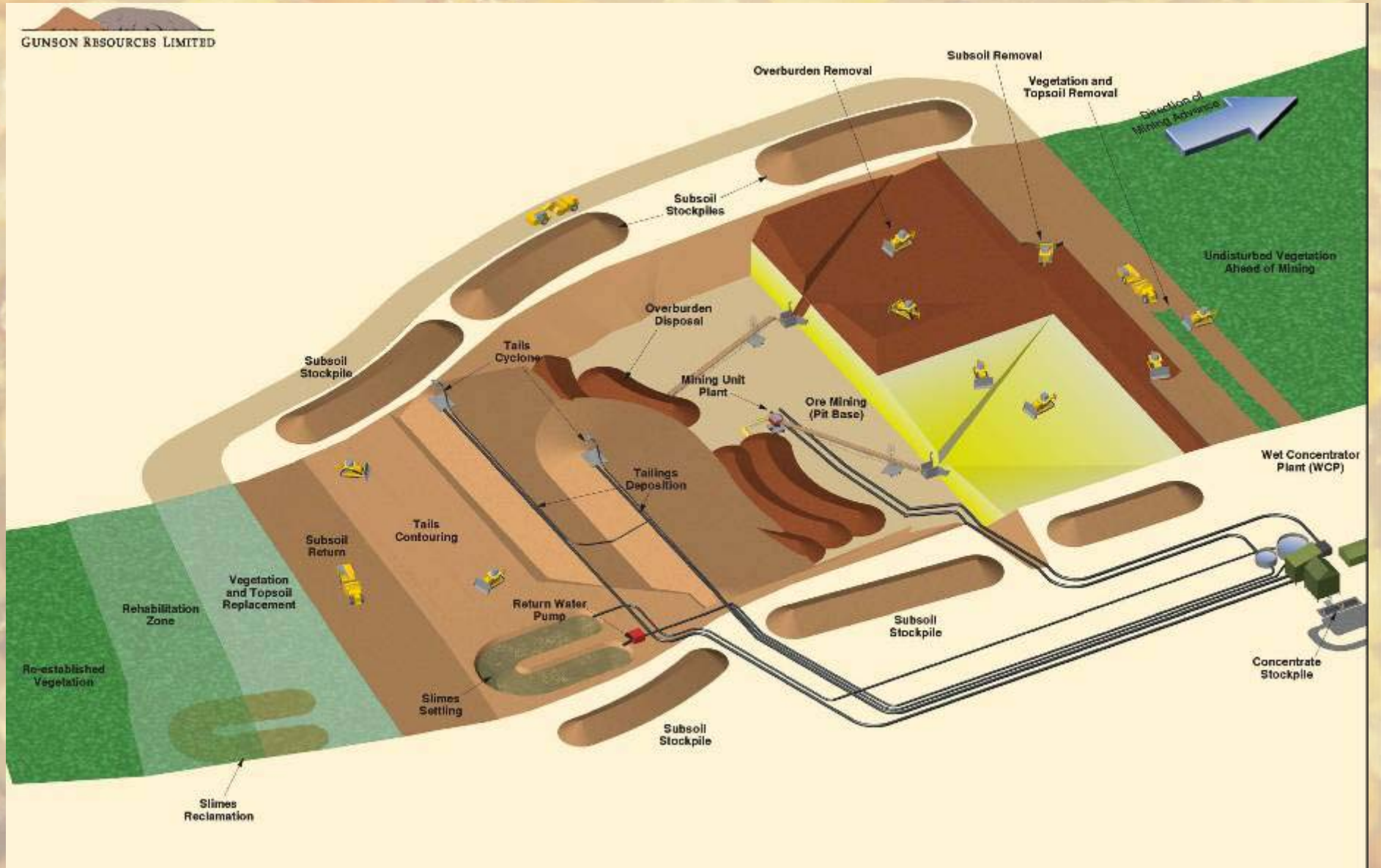
Total HM 10Mt

* Amy South

Amy South Drilling Program 2006



Mining Method Schematic



Coburn Estimated Annual Production



Product	Years 1 – 2 (tonnes)	Year 3 onward (tonnes)	% of Revenue
Zircon	30,000	60,000	63
Ilmenite	60,000	120,000	18
HiTi	15,000	30,000	19

Greenfields Development Projects



<u>Under Construction</u>	TiO ₂ UNITS *	ZIRCON *	Rank	TiO ₂ : ZIRCON
Douglas (Iluka)	150 #	100	1	3.5+
Moma (Kenmare)	354	52		6.8
Mindarie (Aust. Zircon)	50	30		1.6
Madagascar (Rio Tinto)	470	25		18.8
Kwale (Tiomin)	230	37		6.2
 <u>Completed BFS</u>				
Senegal (Min Deposits)	11 #	80	2	4.0+
Corridor (WMC)	330	30		11.0
Coburn (Gunson)	99	60	3	1.6
 <u>In BFS Stage</u>				
Tamil Nadu (Tata)	250	20		12.5

Australia

Africa

India

* ,000 tonnes per annum # Ilmenite excluded + Ilmenite included

Coburn Product Offtake Status

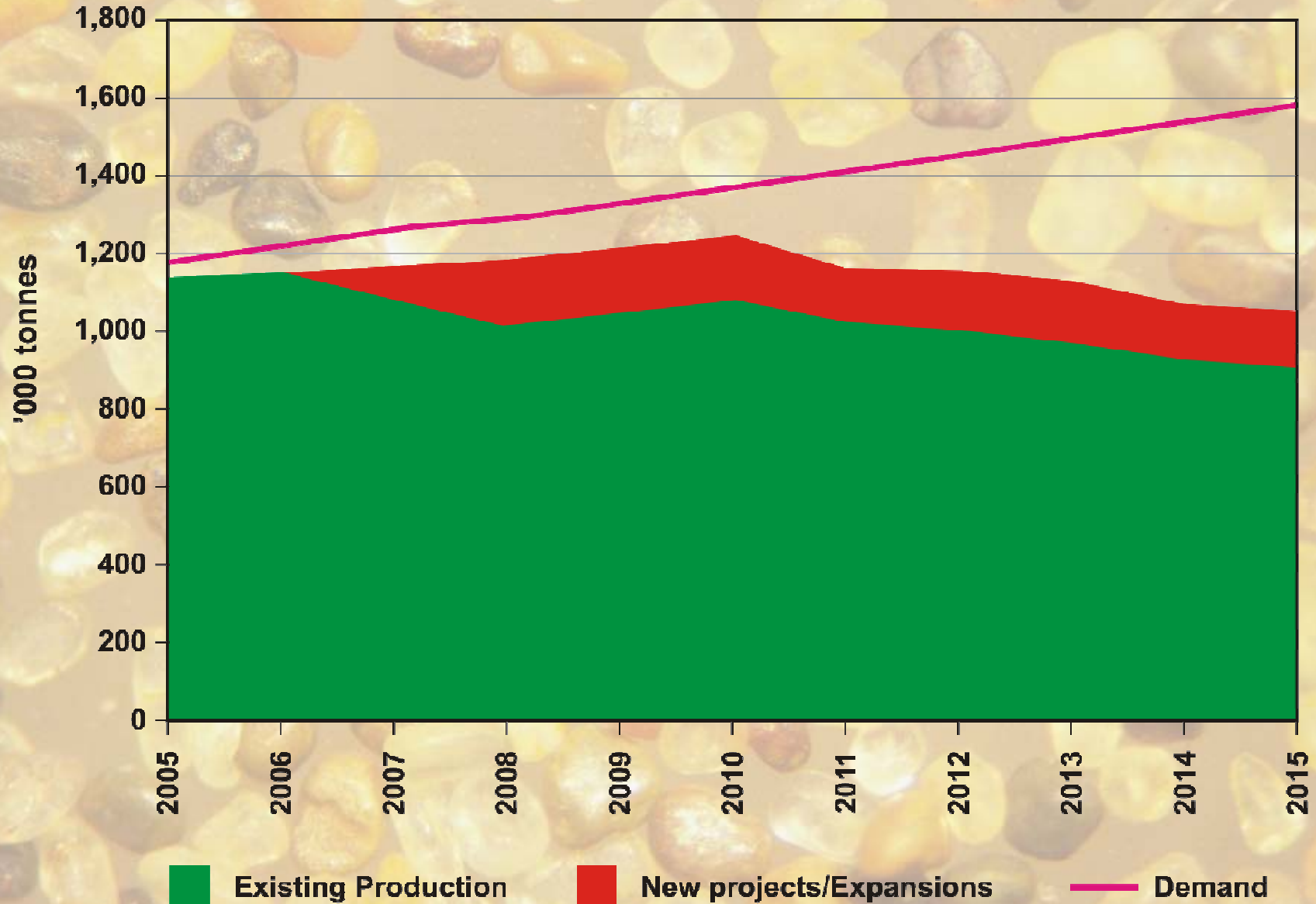


Zircon **42% to Key Customers.
US\$6M prepayments.
Balance being negotiated.**

Ilmenite **Being negotiated.**

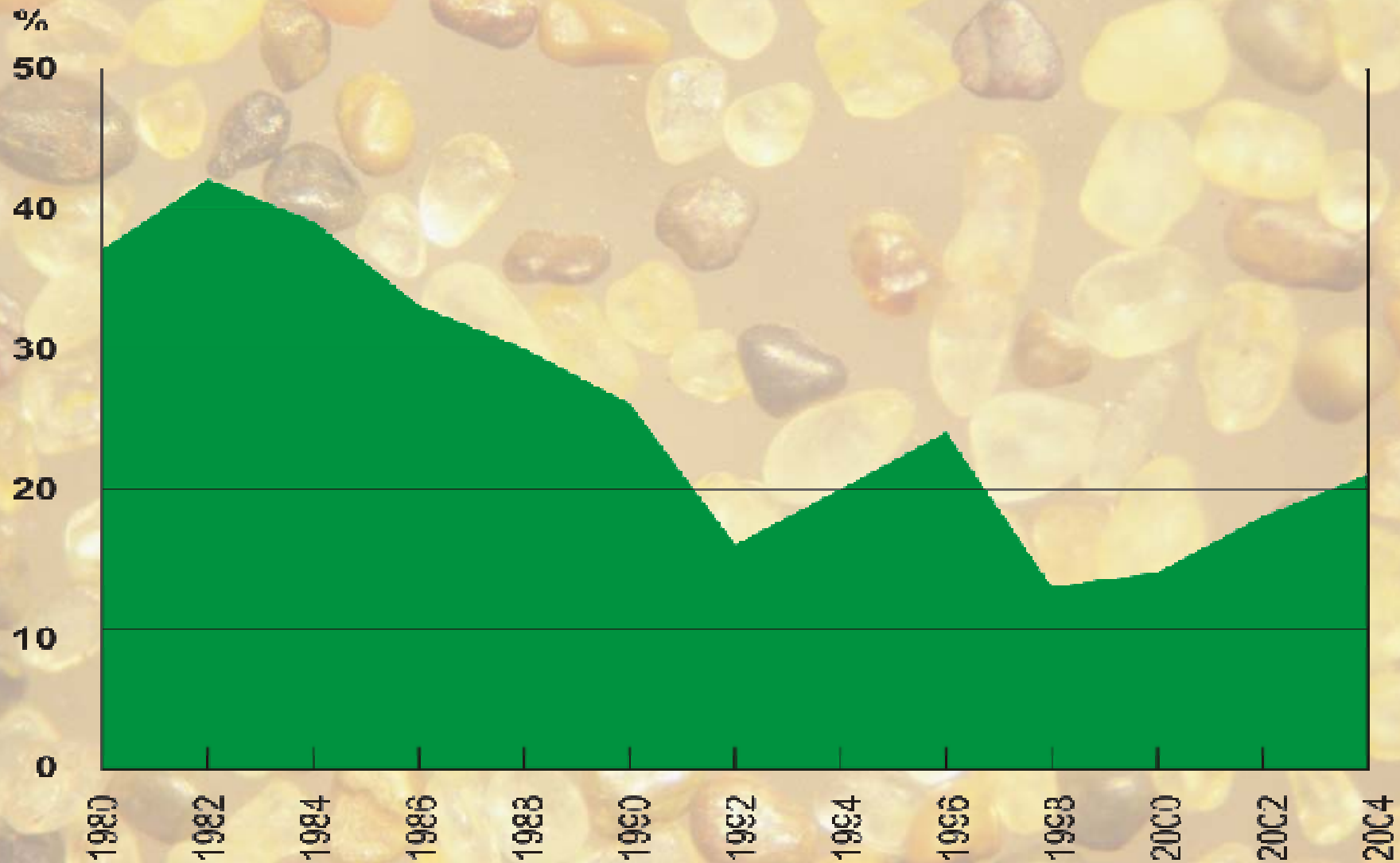
HiTi **Being negotiated.**

Zircon Supply/Demand Forecast



Source: Iluka Resources, 2006

Eneabba – % of World Zircon Production 1980-2004



Source: TZMI Mineral Sands Report, March 2005

Coburn Definitive Feasibility Study (DFS)



- **90% complete.**
- **Concentrator, Camp, Road, Borefield, Power, Mining - tenders received.**
- **Tender prices being negotiated downwards.**
- **Ilmenite Plant, Site infrastructure - estimates being upgraded.**
- **DFS completion target - early Feb 2007.**

Conclusions



- **Permitting and financing to be completed Feb 2007.**
- **12 month construction period envisaged.**
- **Coburn is the third largest greenfield zircon development project in the world.**
- **Mount Gunson drilling early 2007.**



GUNSON RESOURCES LIMITED



***David Harley
Mining 2006***

2nd November 2006