

ASX RELEASE
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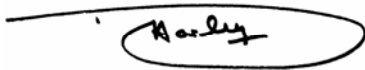
OUTCOME OF CTIEC VISIT TO PERTH

As stated in the Company's release on 3rd September, the Chairman of China Triumph International Engineering Company Ltd (CTIEC), Mr Peng Shou, met with the Board and senior management of Gunson for two days in Perth last week and attended the State Dinner for Chinese President Hu Jintao with Gunson's Managing Director, Mr David Harley.

At the Perth meeting, Gunson and CTIEC reached agreement on the general scope, timing and construction program for the Coburn Zircon Project in Western Australia, the world's second largest greenfields zircon development project, including the following specific aspects:

1. CTIEC to be responsible for construction of the whole Coburn Project on a fixed price turnkey basis
2. A subsidiary of CTIEC's parent, China National Building Material Company Limited, to invest in the Coburn Project
3. The scope of works for the Australian and Chinese construction programs, including the use of Australian sub contractors
4. A realistic timetable for the Coburn mine development.

Both parties agreed to finalise the cost of the Project capital works which will then allow each party to arrange its share of the financing. CTIEC and Gunson agreed to meet again in China next month.



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