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**COBURN ZIRCON PROJECT – CTIEC
VISIT TO WESTERN AUSTRALIA
10-17th MAY 2008**

A 7 person technical delegation from Chinese company CTIEC visited Gunson's operations in Western Australia earlier this month, as foreshadowed in the Company's announcement on 18th March 2008.

The purpose of the CTIEC visit was to carry out further due diligence on the Coburn Zircon Project, in particular the metallurgical flow sheet and Australian operating costs. Visits to the proposed mine site, the port of Geraldton and a mining operation near Bunbury were made during the week-long trip by the CTIEC delegation. In Perth, Geraldton and Bunbury, members of the delegation visited engineering workshops and met with potential suppliers of the accommodation village, mine water supply, dozer traps and mine access road.

CTIEC's progress on its fixed price turnkey construction proposal for the Project in Western Australia and China was also reviewed. It was agreed that CTIEC would finalise its turnkey proposal by the end of June 2008, following a further visit to China earlier in June by Gunson's Project General Manager, Alan Luscombe.

Since the Company's visit to China in March, the spot zircon price there has risen by over 10%. According to market consultants TZMI, ilmenite prices have also firmed in China this year, exceeding the percentage rise for that of zircon.

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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.