

Annual General Meeting 2011



Capital Structure & Shareholders

Finance (at end Sept. 2011)

| | |
|----------------------|----------|
| Cash and Equivalents | \$A 2.6M |
| Debt | nil |
| Hedging | nil |

Markets (end Nov. 2011)

| | |
|-------------|----------|
| Exchange | ASX |
| Share Price | 16c |
| Market Cap. | \$A33.4M |

Issued Capital

| | |
|---------------------------------|------|
| Issued Shares | 209M |
| Unlisted Options (27c- 40c) | 5M |

Shareholders

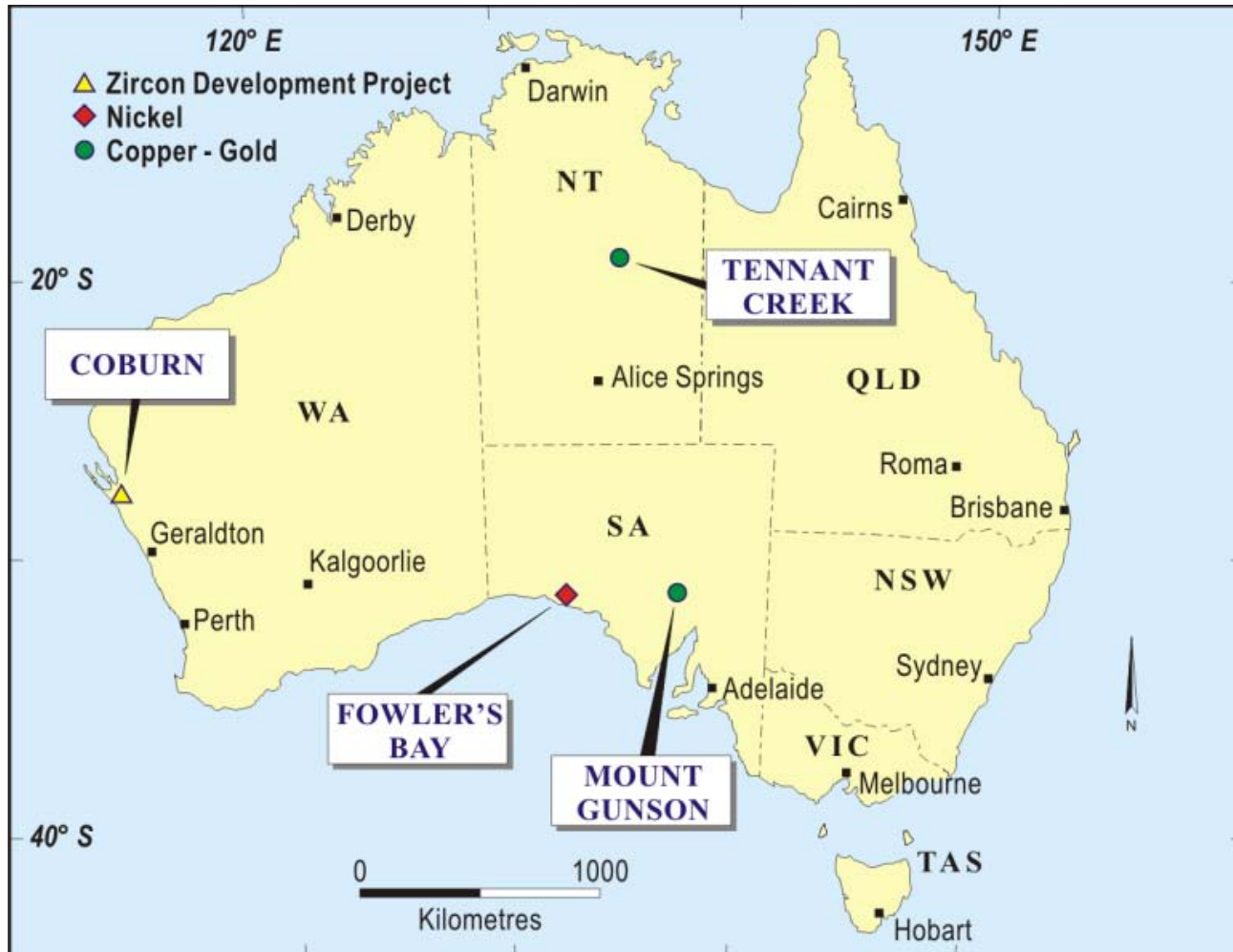
| | |
|-----------------------|-----|
| Retail | 91% |
| Domestic Institutions | 7% |
| Directors and Staff | 2% |

Research

| | |
|------------|-----------------------------|
| -Australia | RCR Research RBS Morgans |
| -UK | Edison |



Project Locations



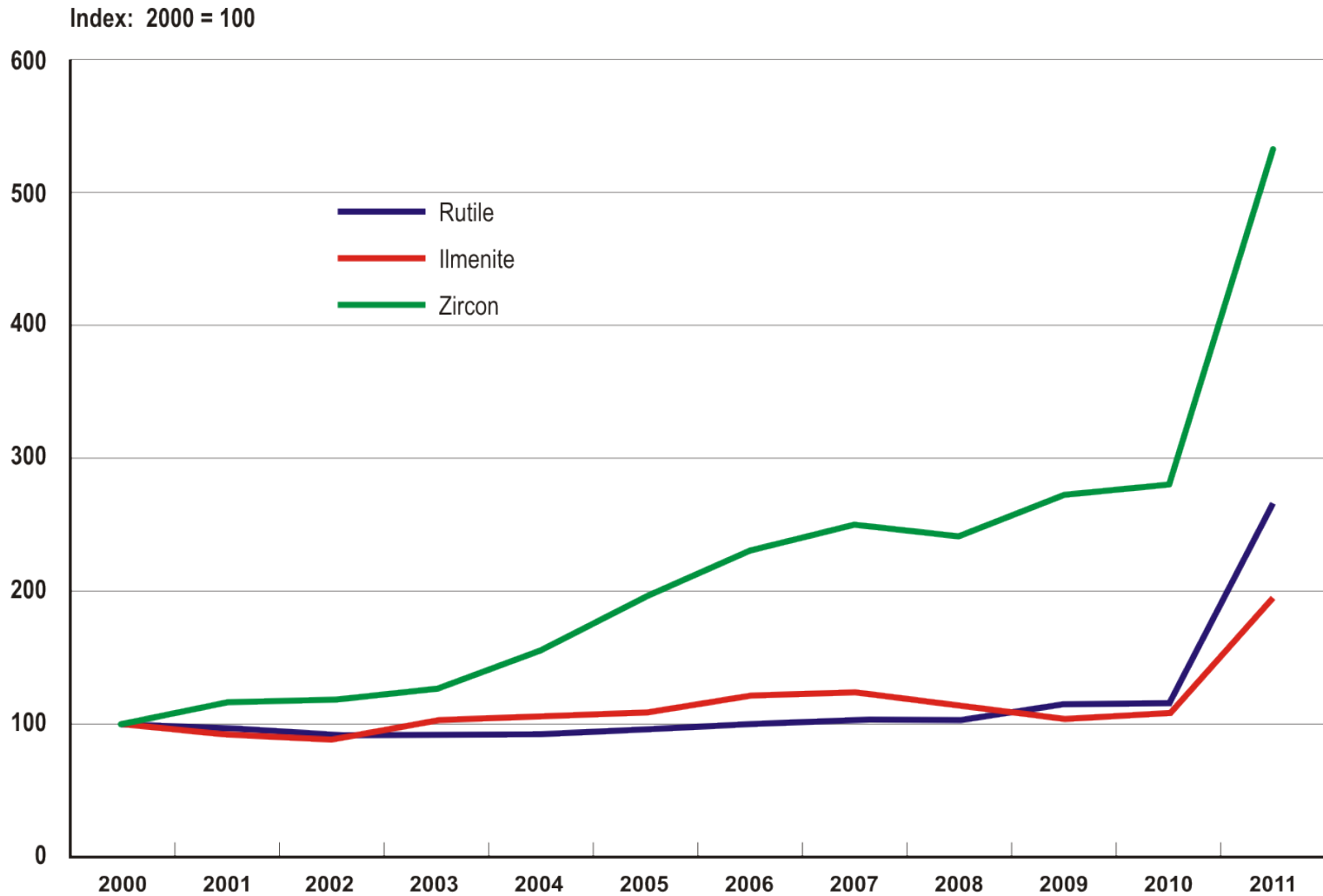
Coburn Zircon Project

Regional Setting



- Good regional infrastructure nearby - major highway, natural gas pipeline, ports.
- 250 km north of Geraldton, an established mineral sand port with available capacity.
- Gunson owns the pastoral property covering the southern half of the proposed mine.

Mineral Sands Pricing 2000-2011



Source: TZMI; GS&PA Research Estimates, Gunson (2011)

Global Greenfields Development Projects

With Completed DFS



| <u>Financed</u> | Start of Production (Estimated) | TiO ₂ UNITS tonnes pa | ZIRCON tonnes pa | Zircon Rank | TiO ₂ : ZIRCON |
|-------------------------------------|---------------------------------|----------------------------------|------------------|-------------|---------------------------|
| Grande Côte, Senegal (Min Deposits) | Late 2013 | 337 | 80 | 1 | 4.2 |
| Kwale, Kenya (Base) | Late 2013 | 194 | 24 | 3 | 8.1 |
| <u>Being Financed</u> | | | | | |
| Coburn (Gunson) | H2, 2013* | 69 | 40 | 2 | 1.7 |

Blue designates African Projects.

* Assumes Financing by February 2012.

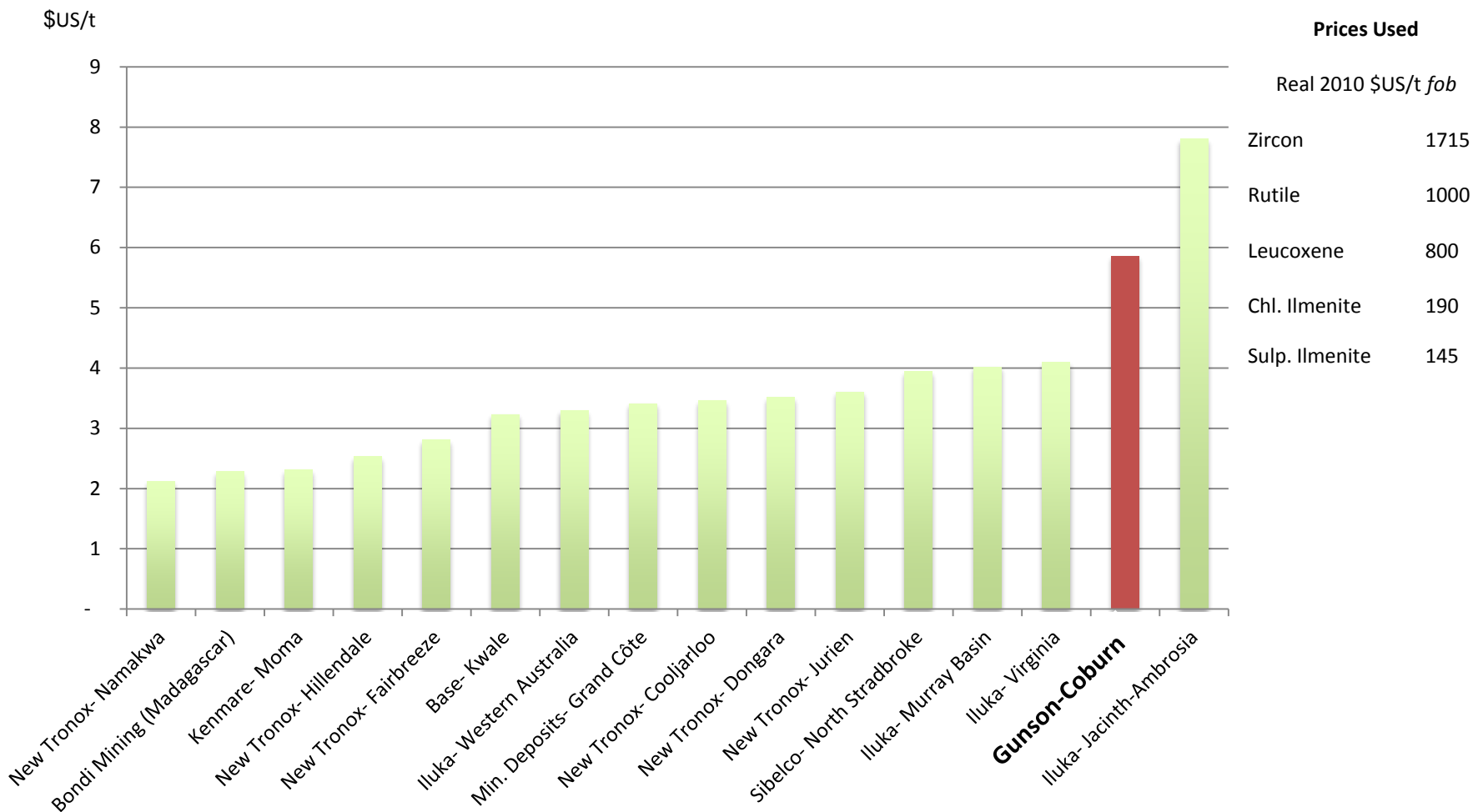
Coburn permitted for well above proposed capacity.

Global Heavy Mineral (HM) Suite Comparison

In Situ Value of 1% HM



Coburn's high zircon level gives it a high value heavy mineral assemblage



Source: RFC

Dune-Hosted Heavy Mineral Sand Deposits: Comparative Table of In Situ Ore Values* (\$US)



| Project | Grade % | Value/t | Cost/t [#] |
|---------------------------------------|-------------|-------------|---------------------|
| Kwale, Kenya (Base) | 4.9 | 14.70 | 4.67 |
| Coburn, Australia (Gunson) | 1.26 | 7.40 | 3.80 |
| Moma, Mozambique (Kenmare) | 2.9 | 6.70 | 2.50 |
| Grande Côte, Senegal (Min Deposits) | 1.7 | 5.90 | 1.38 |
| North Stradbroke, Australia (Sibelco) | 0.9 | 3.40 | not available |

* Ranking by In-Situ Value

Cost per tonne refers to operating cost per tonne of ore mined.

Source: RFC

Based on TZMI long-term price forecasts at the dates below.

| | November 2011 | January 2010 |
|-----------------------------|----------------------|---------------------|
| Total Revenue | 103.3 | 92.7 |
| Total Operating Costs | 66.5 | 57.7 |
| Net Operating Margin | 36.8 | 35.0 |
| Capital Cost | 180 | 169 |
| IRR before tax/financing | 28.3% | 15.6% |
| NPV (8%) | 223.7 | 139 |
| Exchange Rate (\$US to \$A) | 1.00 | 72c |

*Figures above are in millions of Australian dollars, except IRR and Exchange Rate.
Operating costs include 5% State royalty.*

Coburn Zircon Project

Strategic Investor Term Sheet (*non-binding*)



- Joint Venture Structure.
- Gunson is the Manager, with a majority interest.
- Minority partner is a major East Asian industrial group. Is to contribute its equity share of funding PLUS earn-in payment reflecting a Project value well above Gunson's current market cap.
- Minority partner to help Gunson with funding.
- Offtake split according to equity.
- Due diligence in progress. Deadline early February.
- Both parties keen to start construction (85 weeks to commissioning).

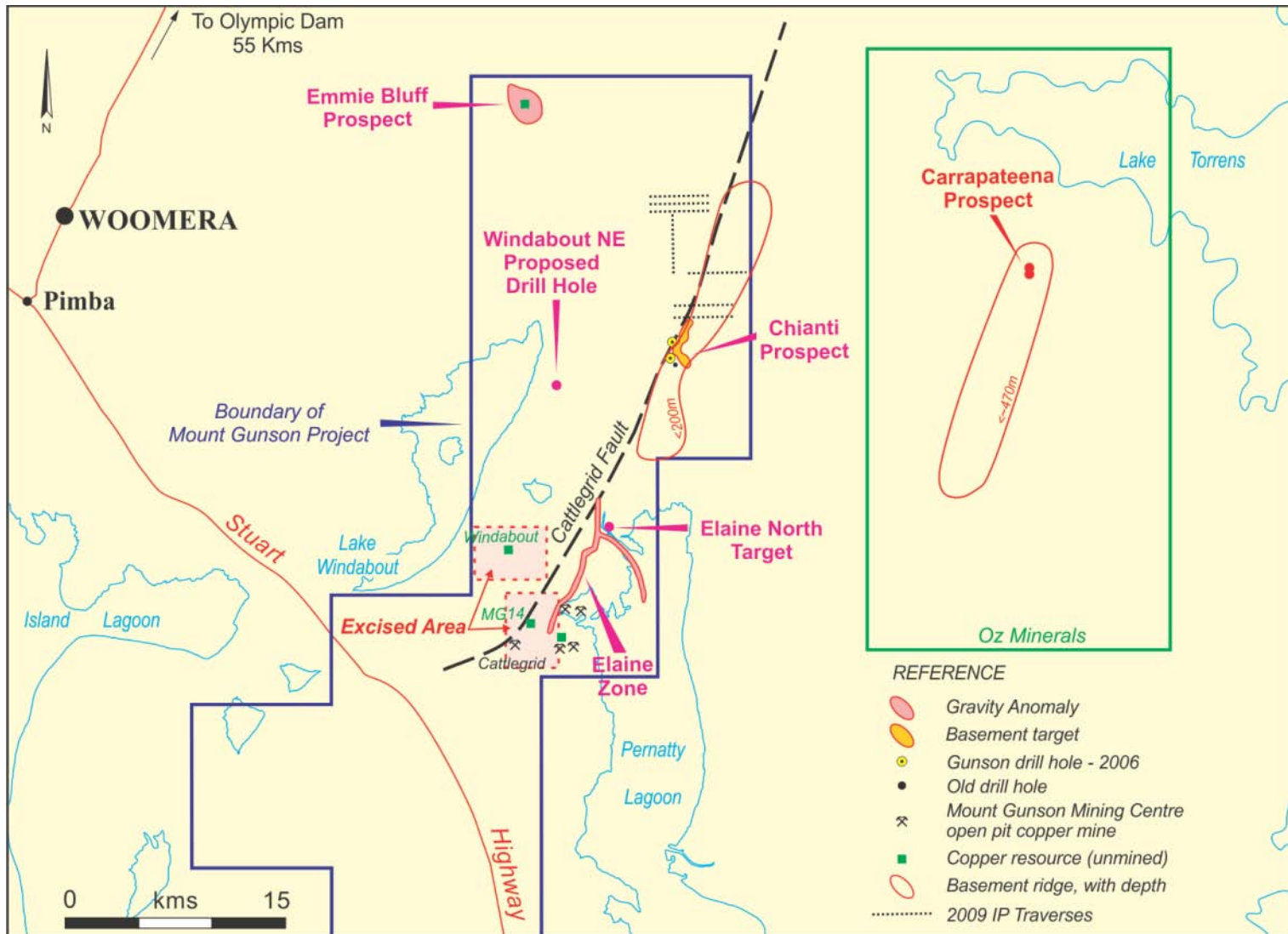
- Ready for development – fully permitted, DFS completed, 85 week construction period.
- Zircon & Titanium Dioxide mineral markets supply constrained, price rises to continue.
- Simple, low cost mining & processing.
- High value mineral assemblage.
- Long mine life & robust economics at base case price forecasts.
- Term sheet with major East Asian industrial group meets, for the first time, Gunson's objective of a Joint Venture structure, Gunson management, majority ownership & earn-in payment.

South Australian Copper Belt



Mount Gunson Project

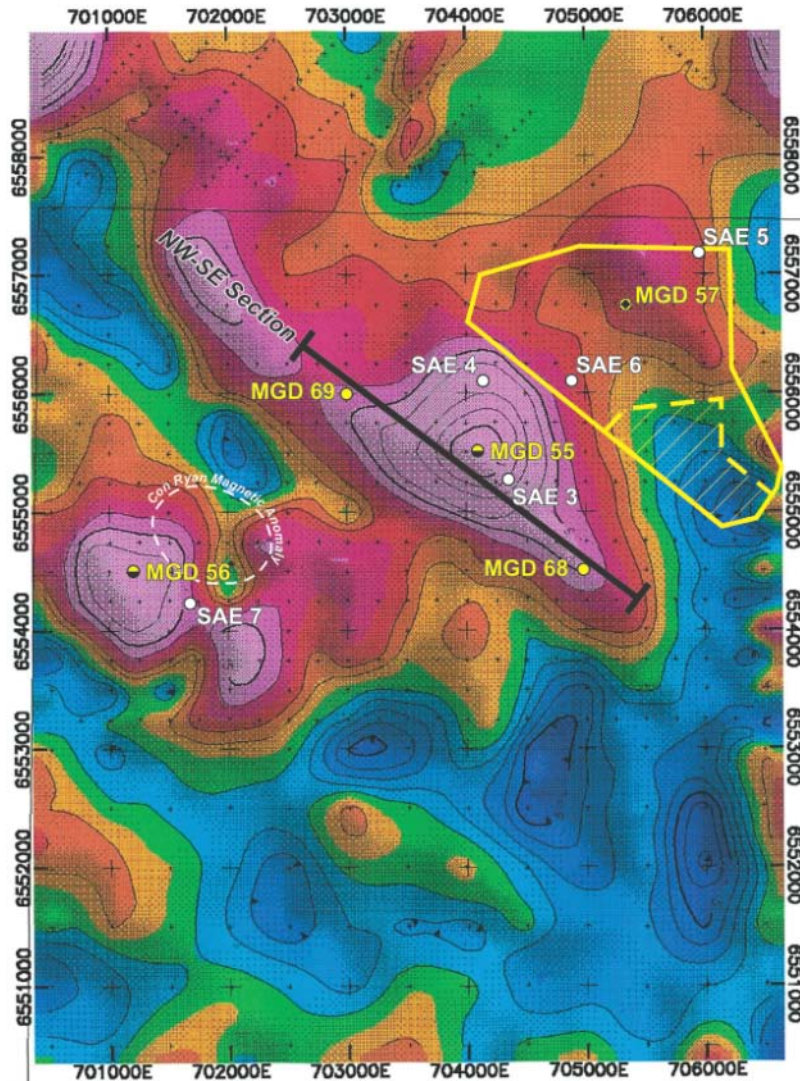
Target Areas



Mount Gunson Project

Emmie Bluff Residual Gravity –

Drilling & Cover Sequence Copper Deposit

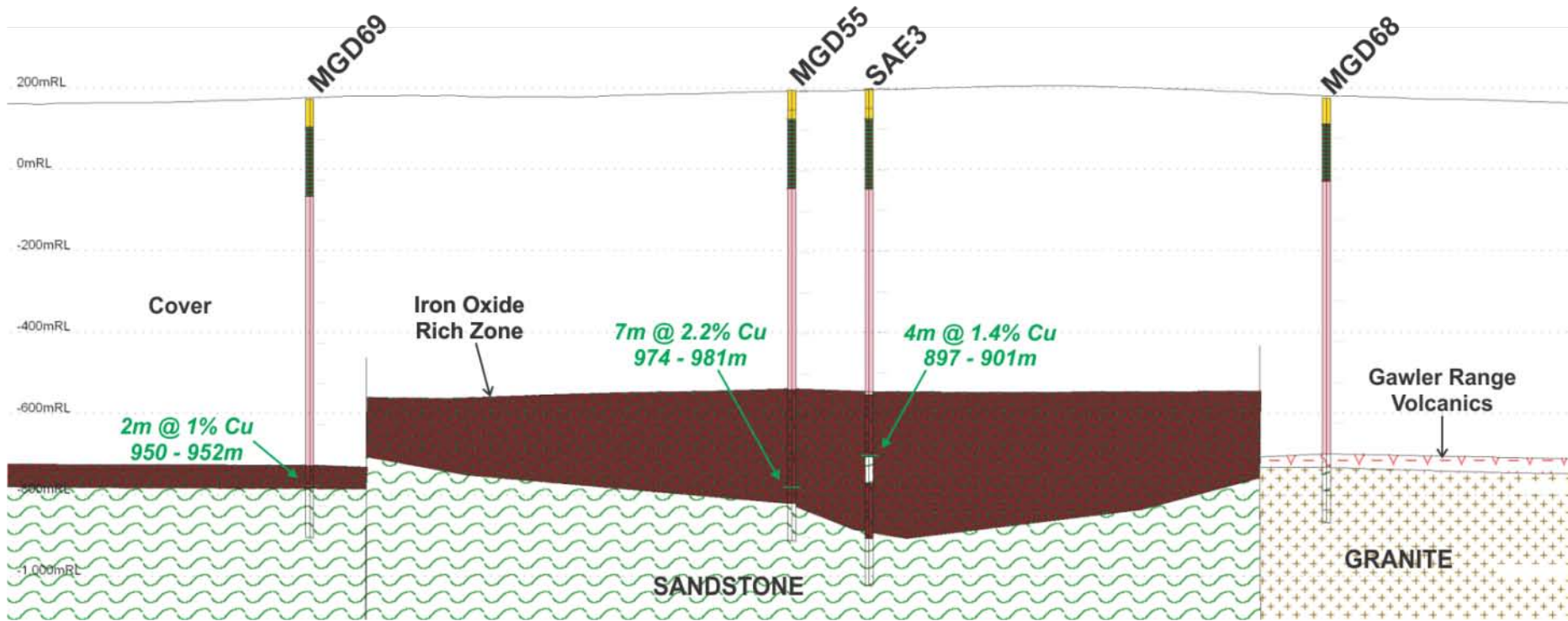


REFERENCE

- 2011 diamond drill hole
- ◐ 2010 diamond drill hole
- ◑ 2009 diamond drill hole
- Old MIM diamond drill hole 1980s
- ▭ Copper resource in Cover Sequence
- ▨ Higher grade zone

Mount Gunson Project

Emmie Bluff NW-SE Section

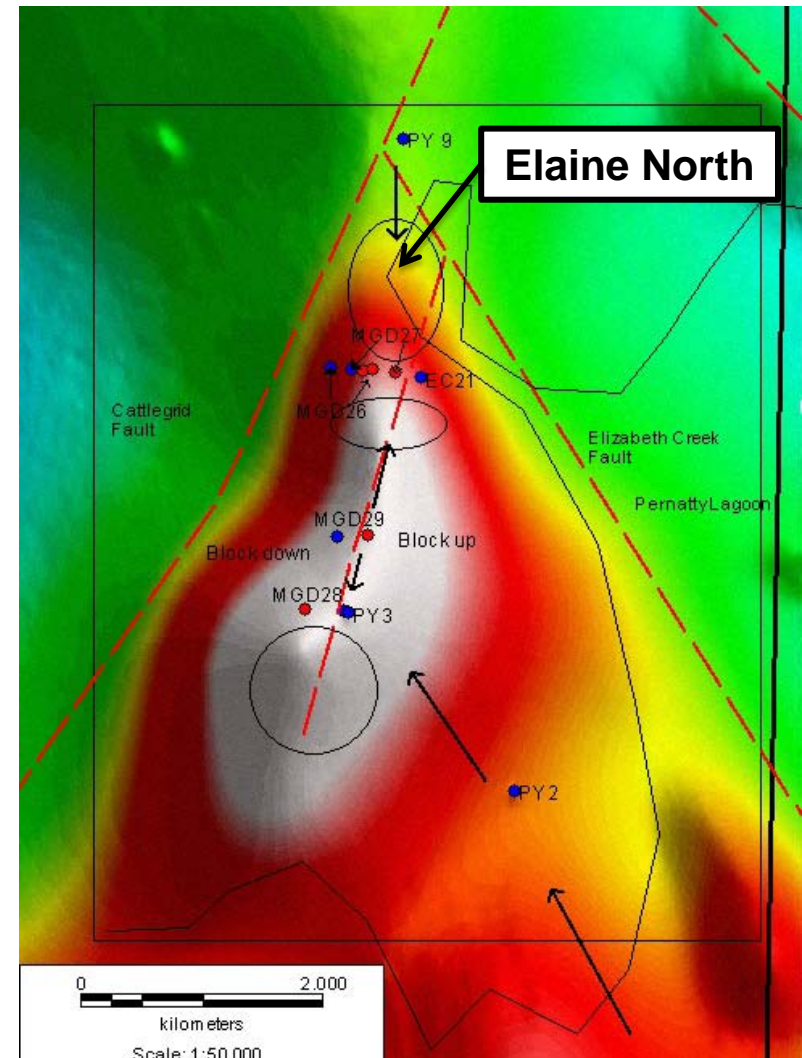


Mount Gunson Project

Elaine North Target



- Strong geophysical target.
- Favourable alteration and copper mineralisation.
- Near the junction of 2 major faults.
- Cover depth less than half of Emmie Bluff.



- \$5.2 M spent to end September, 2011.
- Xstrata currently has 51% equity & may increase this to 75% by spending \$10 M by mid June 2013.
- Big geophysical program planned for H1 2012.
- Drilling H2 2012.

- Coburn mine development financing path now clearer.
- East Asian industrial group keen to proceed with Coburn mine development subject to due diligence completion by early February 2012.
- Supply shortages of zircon and titanium dioxide minerals to continue & drive prices higher.
- Offtake & financing negotiations for the Gunson equity share of the Coburn mine well advanced.
- High level of exploration activity sole funded by Xstrata Copper in 2012.

Disclaimer & Competent Persons Statement



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Competent Persons Statement

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.