

Melbourne Mining Club



Capital Structure & Shareholders

Finance (End March 2012)

Cash and Equivalents	\$A 3.1M
Debt	nil
Hedging	nil

Markets (20 June 2012)

Exchange	ASX
Share Price	11c
Market Cap.	\$A24.3M



Issued Capital

Issued Shares	220.8M
Unlisted Options (27c- 40c)	5M

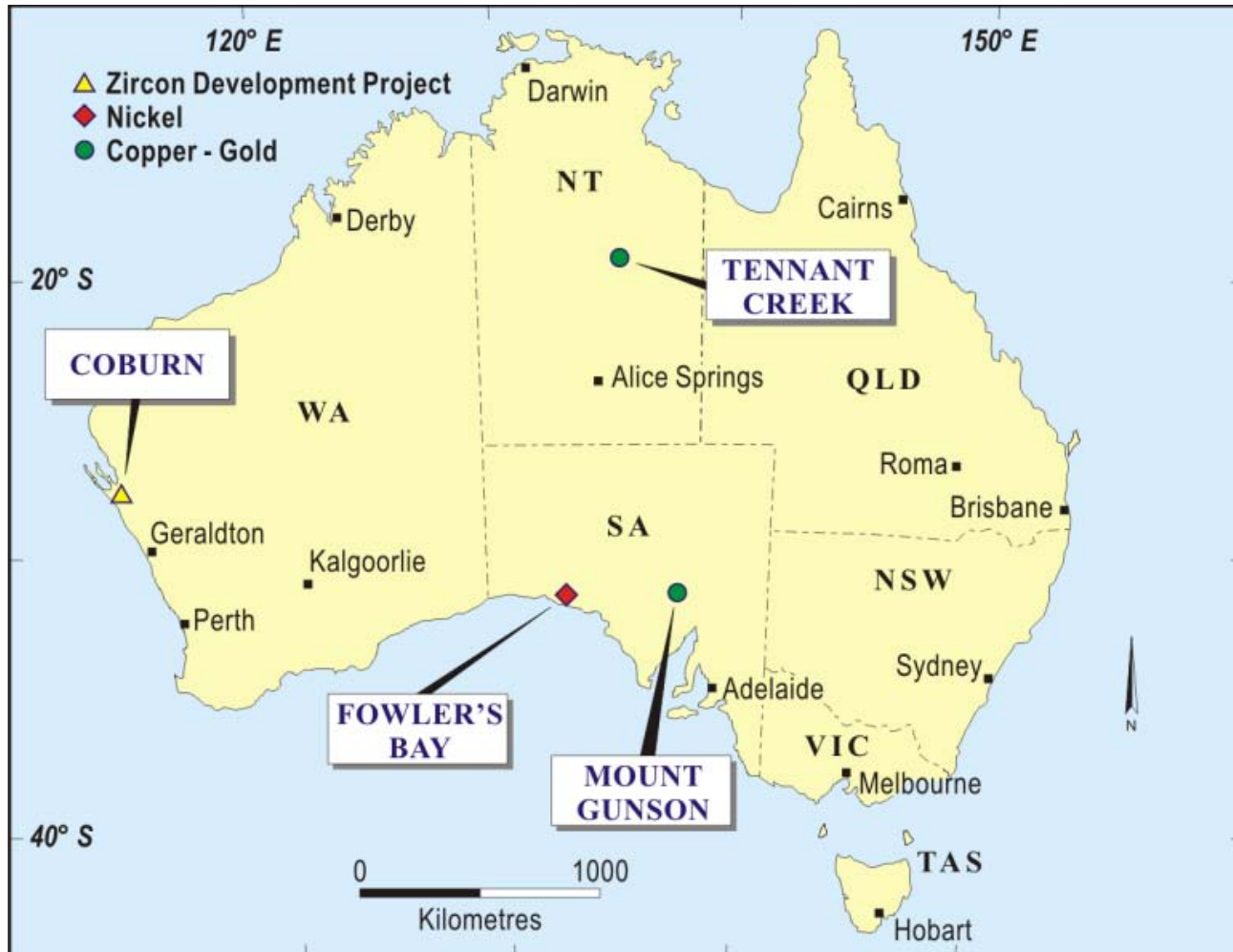
Shareholders

Retail	87%
Domestic Institutions	11%
Directors and Staff	2%

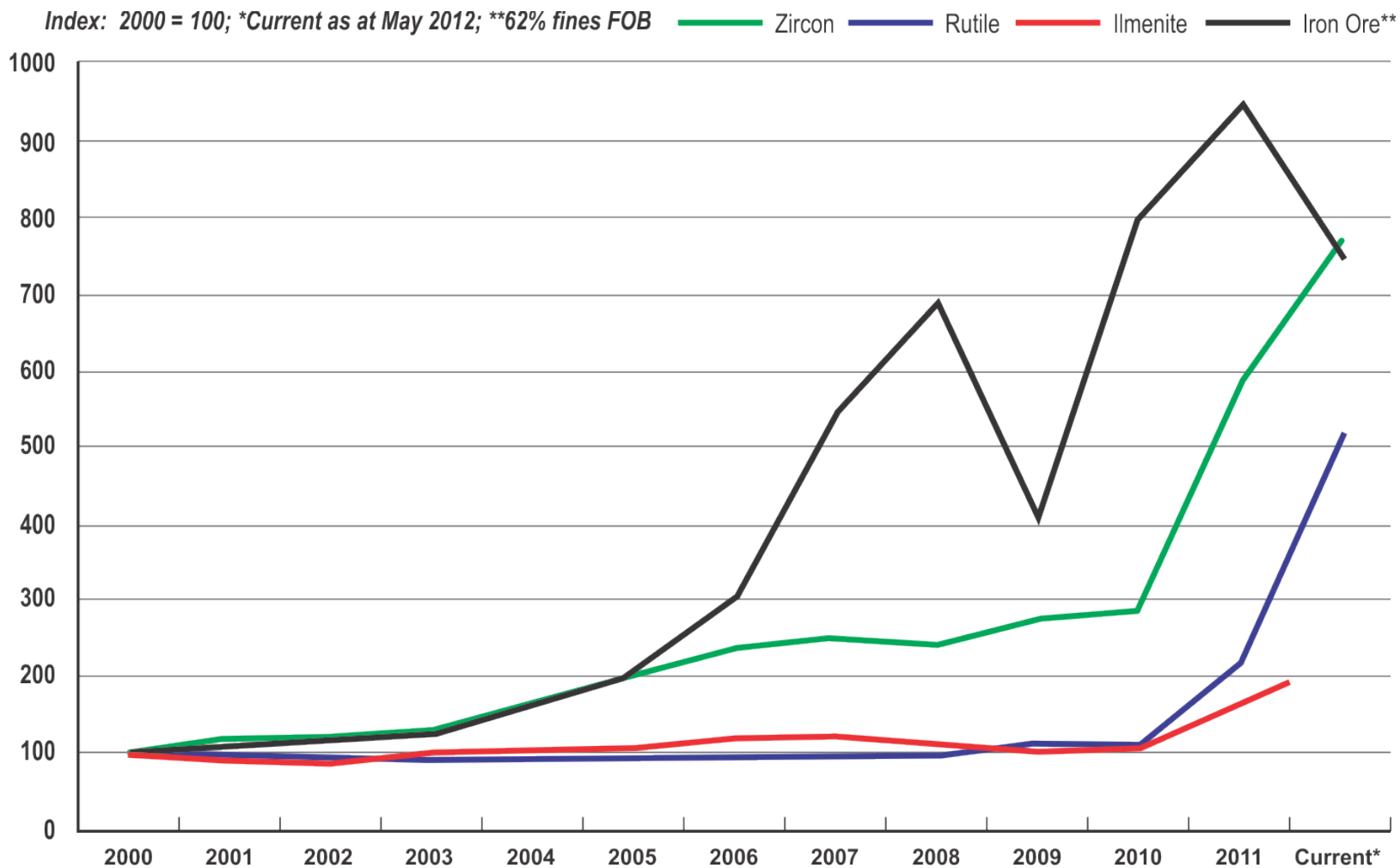
Research

-Australia	Goldman Sachs RBS Morgans RFC Ambrian Edison
-UK	

Project Locations



Mineral Sand & Iron Ore (fines 62% Fe) Pricing *f.o.b.* 2000-2012



Source: TZMI, Company data, Goldman Sachs Research

- **Iluka 9 July.** “Zircon & high grade titanium dioxide mineral sales down, pigment market has gone from full steam ahead to full stop in just over 8 weeks”.
- **DuPont 10 July.** “Recent comments regarding pigment demand in H2 2012 are not consistent with DuPont’s view”.
- **Tronox 10 July.** “All of our 2012 forecast mineral sand sales other than zircon, which is down 25 to 40%, are committed at prices above expectations and at volumes 4% above budget.
- Zircon sales volumes are down but prices are being maintained above \$US 2,000 per tonne *fob*.

Coburn Zircon Project Overview



- 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.
- Conditional agreement to buy Hamelin station, covering the northern half of the ore body.

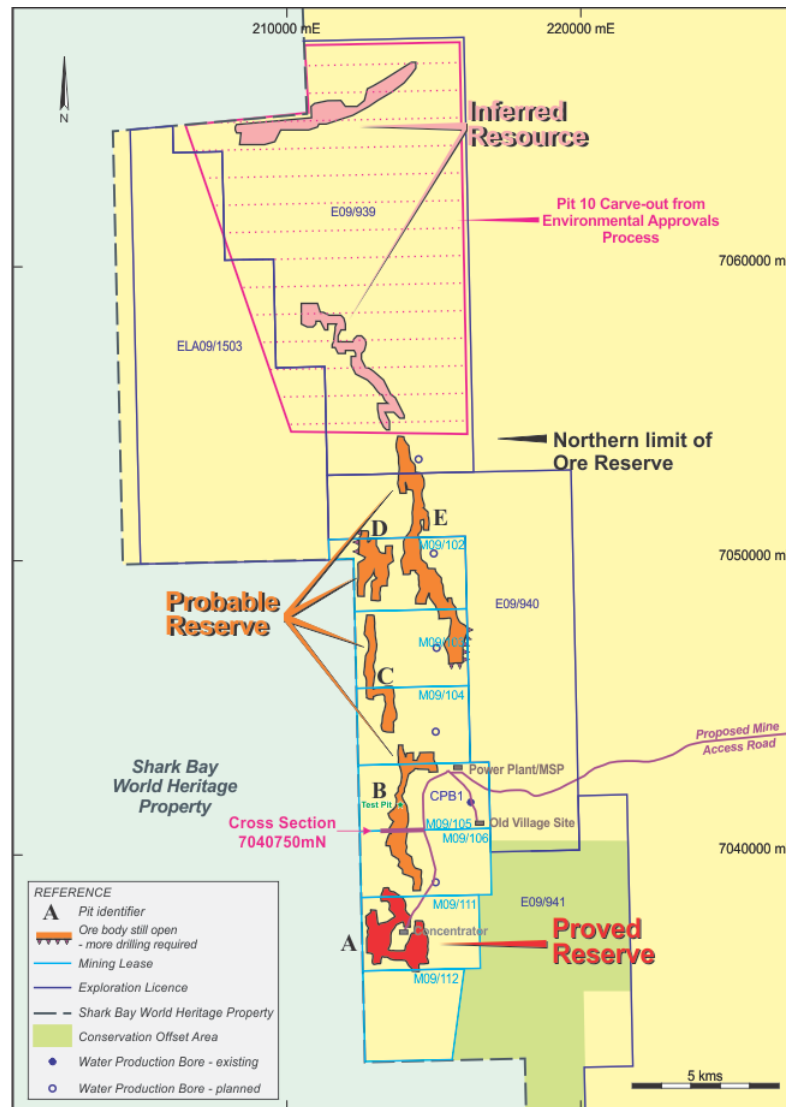
Coburn Zircon Project Local Infrastructure



- Located on Coburn & Hamelin pastoral leases
- Situated just outside the southeast edge of the Shark Bay World Heritage Property
- First phase of mine access road clearing completed

Coburn Zircon Project – Amy Zone

Ore Reserves & Potentially Mineable Resources



Coburn Zircon Project

Bulldozer, 3 km east of Coburn homestead



Coburn Zircon Project – Amy Zone

Cleared path looking west from water bore location,
5 km east of Coburn homestead



Coburn Zircon Project

Annual Production



Product	Annual tonnes	Key Specification	% of Revenue
Zircon	40,000	66% ZrO ₂	65
Ilmenite	90,000	62% TiO ₂	20
HiTi 90	16,000	90% TiO ₂	15

All Products to be sold *FOB*
Australia

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)	Early 2014*	69	40	2	1.7

Blue designates African Projects.

* Financing September 2012.

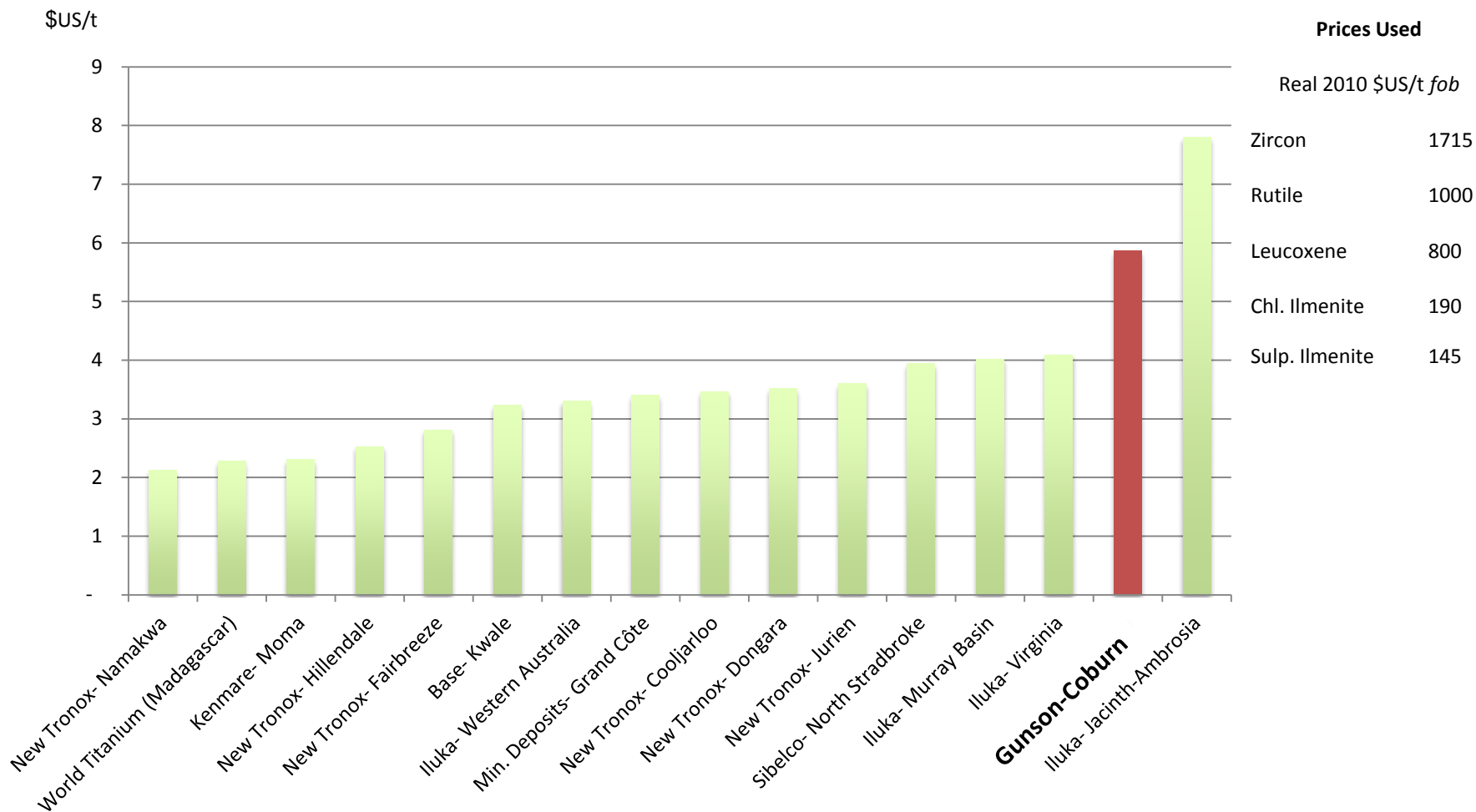
Coburn permitted for well above proposed capacity.

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

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

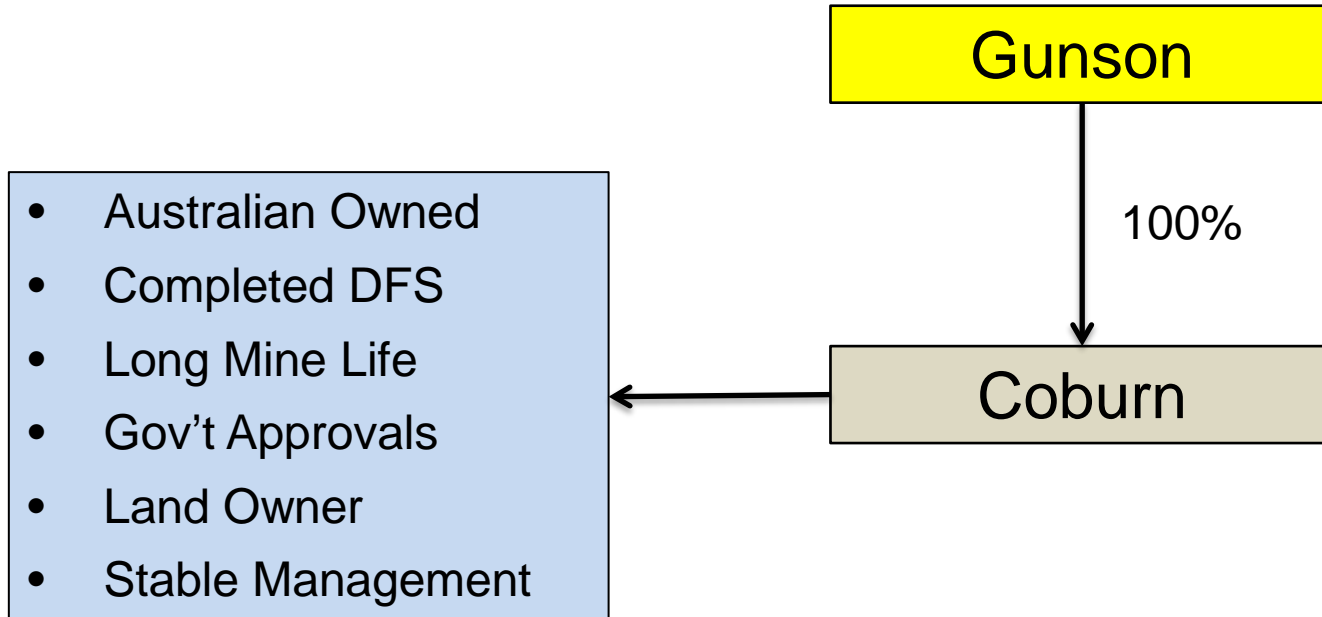
	November 2011	January 2010
Total Revenue	103.3	92.7
Total Operating Costs	66.5	57.7
Net Operating Margin	36.8	35.0
Capital Cost	180	169
IRR before tax/financing	28.3%	15.6%
NPV (8%)	223.7	139
Exchange Rate (\$US to \$A)	1.00	72c

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

- Joint Venture Structure.
- Gunson is the Manager, with a majority interest.
- POSCO to contribute its equity share of funding PLUS earn-in payment reflecting a Project value well above Gunson's current market cap.
- Offtake split according to equity.
- Due diligence completed.
- JV agreement in final stages of drafting & POSCO Board review scheduled for August 2012.
- First of 2 Investment Committee meetings held, the second later this week.

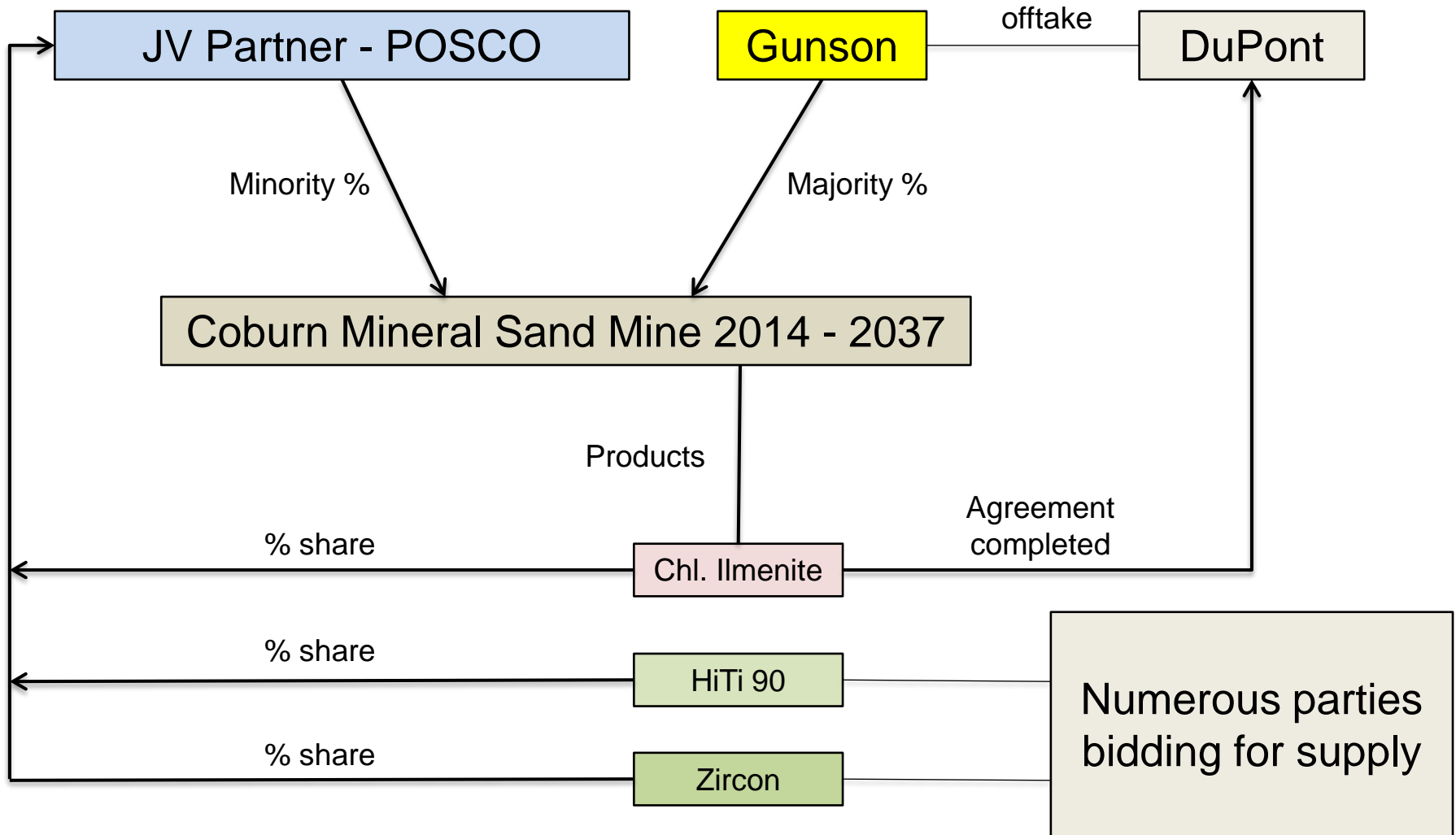
Coburn Zircon Project

Current Situation



Coburn Zircon Project

Joint Venture Model



- Fully permitted for development, first phase clearing of mine access road completed.
- Strong commodity markets, supply constrained. Offtake agreement for ilmenite concluded with DuPont, with Zircon & HiTi agreements getting close.
- Simple, low cost mining & processing.
- High value mineral assemblage.
- Long mine life & robust economics at base case price forecasts.
- Financing: JV with POSCO as minority partner. Gunson to manage & POSCO to make earn-in payment based on a project value well above Gunson's market capitalisation. POSCO Board decision in August 2012.
- Two FEED studies in progress by Sedgman & DBP – new capex figures from Sedgman Engineering FEED /Value Engineering by end August.

Disclaimer & Competent Persons Statement



Disclaimer & Forward Looking Statements

This presentation has been prepared by Gunson Resources (the “Company”). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation. This presentation contains forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. The Company has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws Gunson makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

You should not act or refrain from acting in reliance on this presentation material. This overview does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decisions.

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.