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**ASX RELEASE**  
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## **COBURN ZIRCON PROJECT – CTIEC FIXED PRICE TURNKEY ENGINEERING PROPOSAL**

A fixed price turnkey engineering proposal for construction of the Coburn Zircon Project at the mine site in Western Australia and at the proposed mineral separation plant in China was received from Chinese company CTIEC on 1<sup>st</sup> August 2008.

This proposal contains considerable detail on the costing of the mine construction in Australia, including the mining unit, tailings distribution system, wet concentrator and ilmenite separation plants, accommodation village, water and electricity supply, telecommunications, site offices and general mine infrastructure.

The Chinese mineral separation plant (MSP) proposal contains a similar level of detail and assumes that the MSP will be built in CTIEC's Glass and New Materials High Technology Industrial Park at Bengbu, some 400 kilometres NW of Shanghai. It is envisaged that a significant portion of the zircon product from the MSP will be consumed in CTIEC's factories in this High Technology Industrial Park.

Gunson's engineering staff have commenced a review of the CTIEC proposal and it is likely that a trip to China will be made later this month to discuss details of the costing and engineering assumptions in it.

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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.