ANNUAL GENERAL MEETING

25 November 2010




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Agenda

• Chairman's Introduction	Gerry King
• Legal Update	Gerry King
• Financial Highlights	Mark Nielsen
• Donald Update	Simon Peters
• The Market	Scott McDaniel
• The Way Forward	Scott McDaniel
• Questions	

Forward looking statements

This presentation contains forward looking statements and information. These statements are based on our current expectations along with certain assumptions and therefore such statements carry certain risks and uncertainties.

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Chairman's introduction

Gerry King

Chairman’s introduction

- Donald progressing well
- POSCO negotiations continuing
- $166.5m of cash on balance sheet at 30 June 2010
- $4m of cash generated compared to $884,000 last year
- Matilda case - Astron awarded $1.7m
- Pricing forecasts for Zircon and TiO2 products are positive

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Chairman’s introduction

2010 Delivery	
Funding partners	✓ on-going
Infrastructure streamlined	✓
Donald	
Mining licence completed	✓
Resource upgraded	✓
Five new exploration licences awarded	✓
China	
Construction of Yingkou factory structure completed	✓
Senegal	
Technical committee approved EIA	✓

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Legal update

Gerry King

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Legal update

- Gambia
  - Astron has prepared its claim to be delivered to the Gambian Govt within the next month
  - Gambian Govt is required to provide a defence
  - The Arbitration is expected late 2011

- AZ
  - AZ has made claim to restrain the vendor from selling to Astron
  - Court trial in mid December

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Financials

Mark Nielsen

2010 Financials: Balance sheet

As at 30 June	2010 $m	2009 $m
PPE includes CIP	11.4	9.0
Donald	21.8	20.4
Land - use rights	10.0	10.7
Current assets (excluding cash)	4.6	6.5
Cash & term deposits	166.5	168.9
Total Assets	214.3	215.5
Liabilities	4.6	4.3
Net Assets	209.7	211.2

2010 Financials: Commentary

Property, Plant & Equipment

- Expenditure relating to construction of Yingkou factory

Intangibles

- Donald – Expenditure capitalised in terms of AASB6

Land Use Rights

- Land in Yingkou – China
- 50 years lease
- Amortised over this period

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2010 Financials: Commentary

Cash

- Cash and deposits retained for investment and project development
- More than 95% of cash and deposits in AUD

Institution	Amount	Average Rate
CBA	121.7	5.6%
Goldman Sachs JB Were	20.9	5.75%
Bank of China	21.6	5.2%
Other Banks	2.3	2.1%
Total	166.5	

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2010 Financials: Commentary

Cash - Treasury

- Investigated and considered a number of products, eg bonds and capital guaranteed products
  - No significant enhancement to returns
- To obtain higher returns need to:
  - Commit funds for usually plus 12 months
  - Take market risk

- Keep with our current strategy
  - Extended investment horizons cash (up to 180 days)
  - This together with higher rates resulted in higher yields

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- Finalised transactions with strategic equity partners and other funding sources for Donald, determine and communicate dividend policy

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2010 Financials: Commentary

Cash utilisation

- Cash has been utilised as follows:

Cash used/(received)	$m
Share buy back	1.2
PPE and WIP	3.4
Deposit on WIM 150	0.5
Development expenditure	1.3
Operating activities	(4.0)
Net cash and term deposits utilised	2.4

- Disclosure of term deposits
  - Investment in term deposits greater than 90-days is shown on the cash invested on cash flow statement

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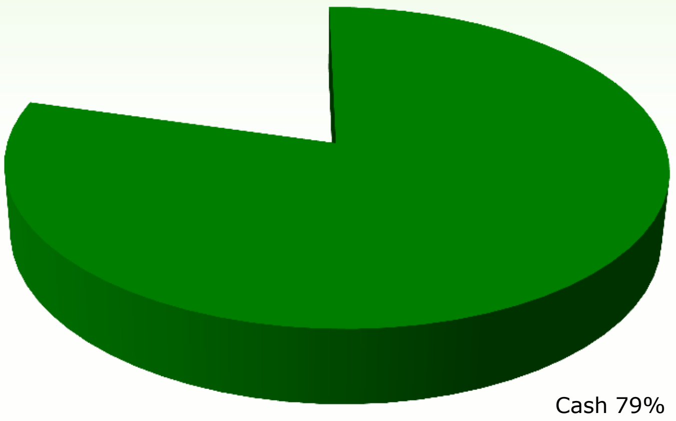
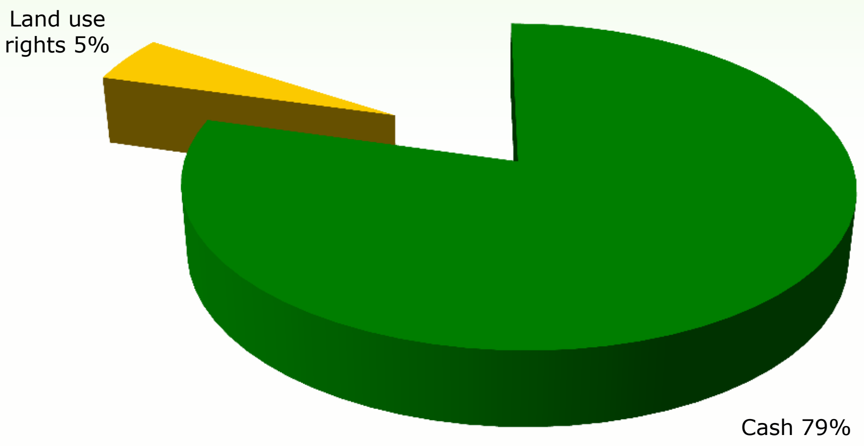
2010 Financials: Net asset value

Year ended 30 June 2010	Cps
Cash	259



2010 Financials: Net asset value

Year ended 30 June 2010	Cps
Cash	259
Land use rights	16



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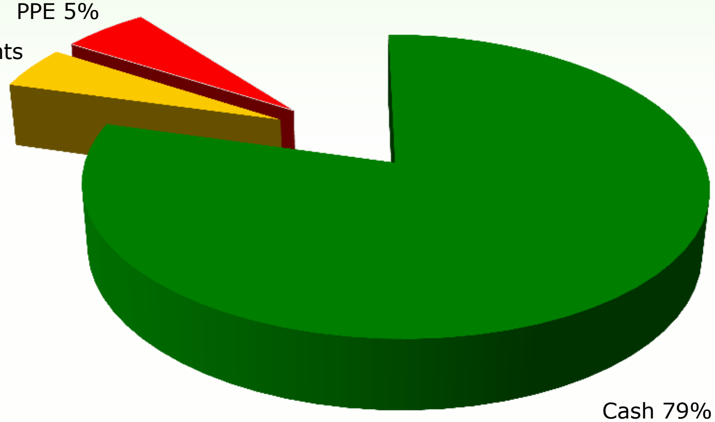
2010 Financials: Net asset value

Year ended 30 June 2010	Cps
Cash	259
Land use rights	16
PPE	18



Tangible NAV per share of 293 cps (excluding Donald)

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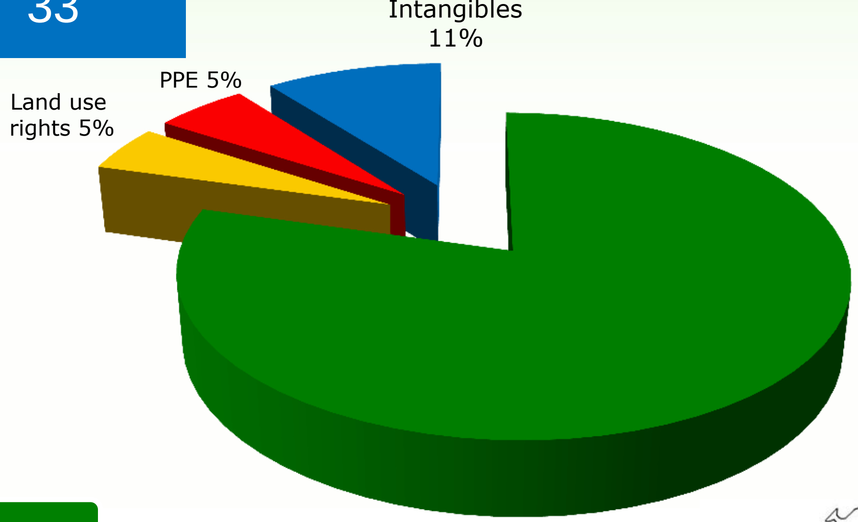
2010 Financials: Net asset value

Year ended 30 June 2010	Cps
Cash	259
Land use rights	16
PPE	18
Donald	33



NAV per share of 326 cps

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Financials - Corporate

- POSCO
  - Signed a MOU and subsequently a framework agreement with POSCO
  - Continuing discussions
- Other investors
  - Discussions with other major investors continuing

- Share buy-back
  - Continue with the share buy back in order to:
    - Provide liquidity in the share and an exit for sellers
    - Value enhancing to shareholders

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Donald Project

Simon Peters

Donald Project – Update

Geology

- Drilled 315 holes during May
  - Results and new geological model in January 2011

- Upgraded the Resource Base and a delivered a Probable Reserve (excluding May drilling)

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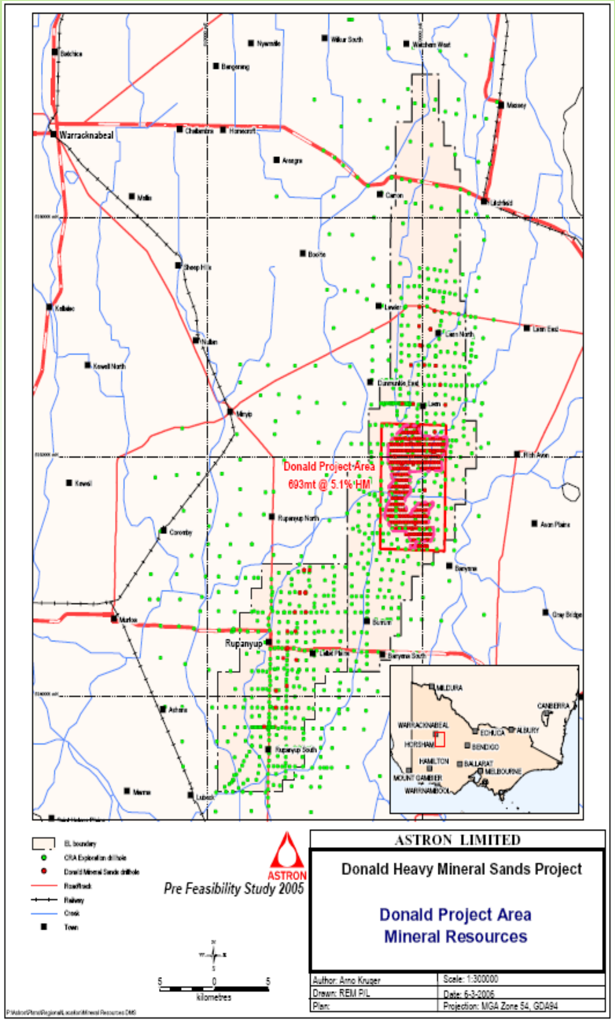
Donald Project – Mineral Resource

1) Resources have been classified as Indicated and inferred under the 2004 JORC code
2) All resources have been rounded to the nearest 10 million tonnes
   and one decimal place in grade
3) Donald resources are reported using a 1% HM lower cut-off grade



Donald Project – Mineral Resource

August 2010 *See diagram below*

Donald Mineral Sand Mineral Resource and Ore Reserve Estimate									
Location		Classification	Tonnes (Mt)	HM (%)	Ilmenite (% of HM)	Leucoxene (% of HM)	Rutile (% of HM)	Zircon (% of HM)
Ore Reserve	Project Area 1 (MIN5532 Application)	Probable	169	6.2	31	21	4.2	18
	Project Area 2 (South of MIN5532 within EL4433)	Probable	135	6.4	33	17	4.7	20
	Total	**Probable**	**305**	**6.3**	**32**	**19**	**4.4**	**19**
Mineral Resource	Project Area 1 (MIN5532 Application)	Indicated	200	6.1	31	21	4.2	18
		Inferred	70	5.9	34	19	3	19
	Project Area 2 (South of MIN5532 within EL4433)	Indicated	170	6.2	33	17	4.7	20
		Inferred	140	5.4	31	16	3.1	18
	EL4433 (Excluding Project Areas 1 and 2)	Inferred	800	5.7	36	15	0.4	18
	Total	**Indicated**	**370**	**6.1**	**32**	**19**	**4.5**	**19**
		Inferred	**1010**	**5.7**	**33**	**16**	**1**	**18**

Note 1: **Ore Reserves**

The Ore Reserve Estimate is based on Indicated Mineral Resources contained within mine designs above an economic cut-off.

The figures presented were rounded and include mining dilution and ore loss. The Ore Reserve Estimate has been derived as part of a mining study prepared to a conceptual level of accuracy with estimates prepared within ±30%. The mining study is based on an operation that will produce ore concentrated on site and ship the concentrate to China for separation into final products. A mine design and production and cash flow schedules, incorporating mining and metallurgical modifying factors, were prepared. The economic assessment achieved a positive cash flow for a range of downside sensitivities, of both prices and costs, beyond the ±30% accuracy of the project. Costs and modifying factors used in the mining study assume mining by conventional open pit methods utilising hydraulic excavators and haul trucks. Modifying factors applied include mining dilution (5%) and ore loss (5%). Metallurgical recoveries and costs have been derived by batch testing of bulk samples. The schedule is based on an ore production rate of 7.5 Mtpa. The expected project life is over 40 years (over 20 years within MIN5532).

Note 2: **Mineral Resource**

The Mineral Resource Estimates are inclusive of the Ore Reserve Estimate.

The Mineral Resource Estimate is based on the material above a cut-off grade of 1% HM.

The figures presented were rounded to the nearest 10M for tonnes, decimal place for % Rutile and % HM and whole number for % Ilmenite, Leucoxene and Zircon.

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Donald Project – Mineral Resource

Competent Persons Statement

The information in this report relating to Mineral Resources is based on information compiled by Rod Webster. Rod Webster is a full time employee of AMC Consultants Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity he undertook to qualify as a Competent Person as defined in the JORC Code, 2004 Edition. The information in this report relating to Ore Reserves is based on information compiled by Pier Federici.

Pier Federici is a Member of the Australian Institute of Mining and Metallurgy and a full time employee of AMC Consultants Pty Ltd . He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity he undertook to qualify as Competent Person as defined in the JORC Code, 2004 Edition. Pier Federici consents to the public release of the material contained within this report.

The metallurgical factors and assumptions used in producing the Ore Reserve Estimate have been reviewed and accepted by Neil Dawson. Neil Dawson is a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Titanek Pty Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit, and to the activity he undertook to qualify as a Competent Person as defined in the JORC Code, 2004 Edition. Neil Dawson consents to the public release of the material contained within this report.

August 2010

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Donald Project – Update

Approvals & regulatory

- Secured Mining Licence in August
- Discussions with state and federal governments regarding export permits with indications that permits will be successful

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Donald Project - Update

Technical & Infrastructure

- Purchase of Land Parcels within ML
- Definitive Engineering Study undertaken on 7.5Mtpa plant
  - Due to complete study by end of December 2010
- Logistical studies undertaken & Feasibility Studies updated
- State and Federal Government Wimmera Mallee water pipeline project nears completion
- Continuing discussions with water bureau

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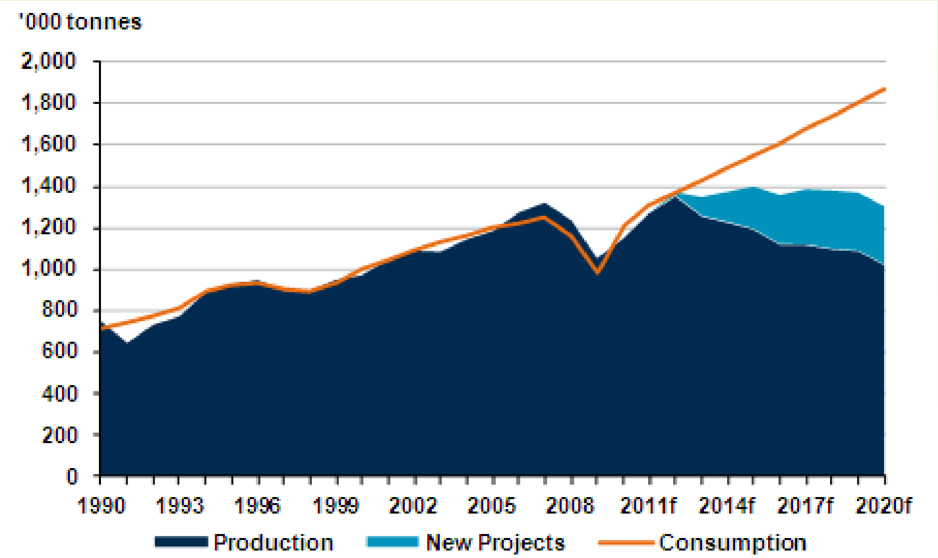
The Market

Scott McDaniel

The Structure of the Zircon Market -Shortfall

- Based on TZMI demand and supply assumptions, the Zircon market shortfall is expected to be 500,000 tpa by 2020



Global demand v Global supply: 2009-2020 (Source: TZMI)

- Result, TZMI forecasts show steady increases in Zircon prices

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The Structure of the Zircon Market - Demand

- Significant negative impact of global financial crisis on Zircon market
- 2009 sharpest ever annual decline in Zircon consumption
- Expect an increase in demand from zirconia, nuclear industry and other technology driven applications
- The demand is envisaged to be driven by the urbanisation of China & India
- China expected to account for 47%* of demand by 2015 and 52%* by 2020
- Europe expected to decline to 19%* by 2015 and 16%* by 2020

**Source-TZMI*

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The Structure of the Zircon Market - Supply

- GFC has deferred work or approvals which could accentuate market supply shortfalls from 2014
- Due to resource depletion expectation is that supply from existing suppliers will reduce from 1.13mtpa to 1.0mtpa*
- Estimated 200,000* tpa will come on stream by 2015

**Source-TZMI*

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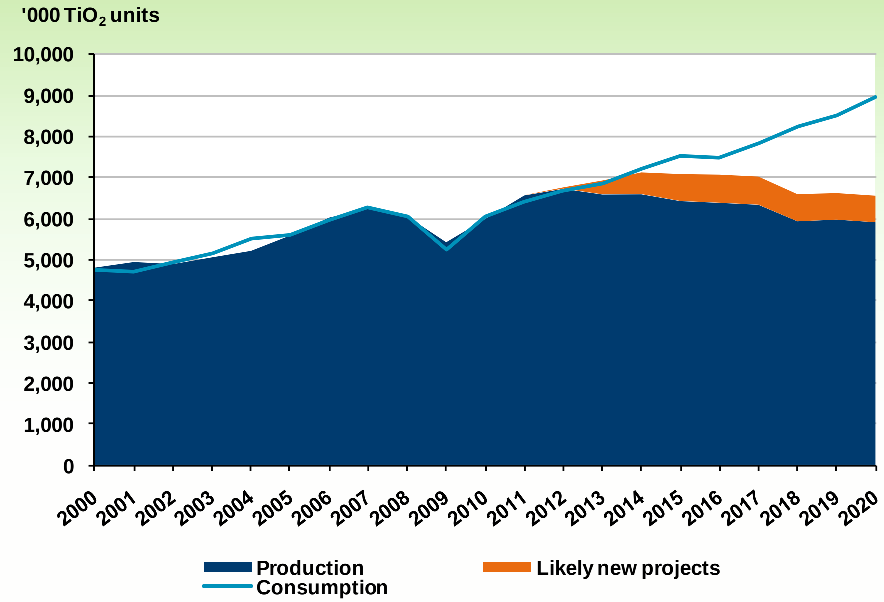
The Structure of the Market – Ti feedstock

- Expect market to be in balance in the medium term
- From 2014 and assuming demand growth continues above 3.7%* need additional new projects to close the gap



Total titanium feedstock supply balance 2009 – 2020 (*Source TZMI)*

Result, TZMI forecasts an overall upward trend in feedstock prices

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The Way Forward

Scott McDaniel

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The Way Forward 2011

- Finalise all outstanding technical and infrastructure issues and approvals
- Complete detailed designs and quotations
- Conclude transactions equity partners and funding providers
- Let construction contracts
- Possible complementary acquisitions and joint ventures

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Questions