



Shareholder Information Meeting

Tuesday 18 December 2007

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Disclaimer

- The statements made in this presentation that are not historical facts are forward-looking statements that represent the directors' beliefs and assumptions based on currently available information. These statements may relate to matters such as expected financial performance, business prospects, and development activities and like matters. These statements involve risks and uncertainties. Actual results could differ materially from those projected as a result of these risks and should not be relied upon as a prediction of future events. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.



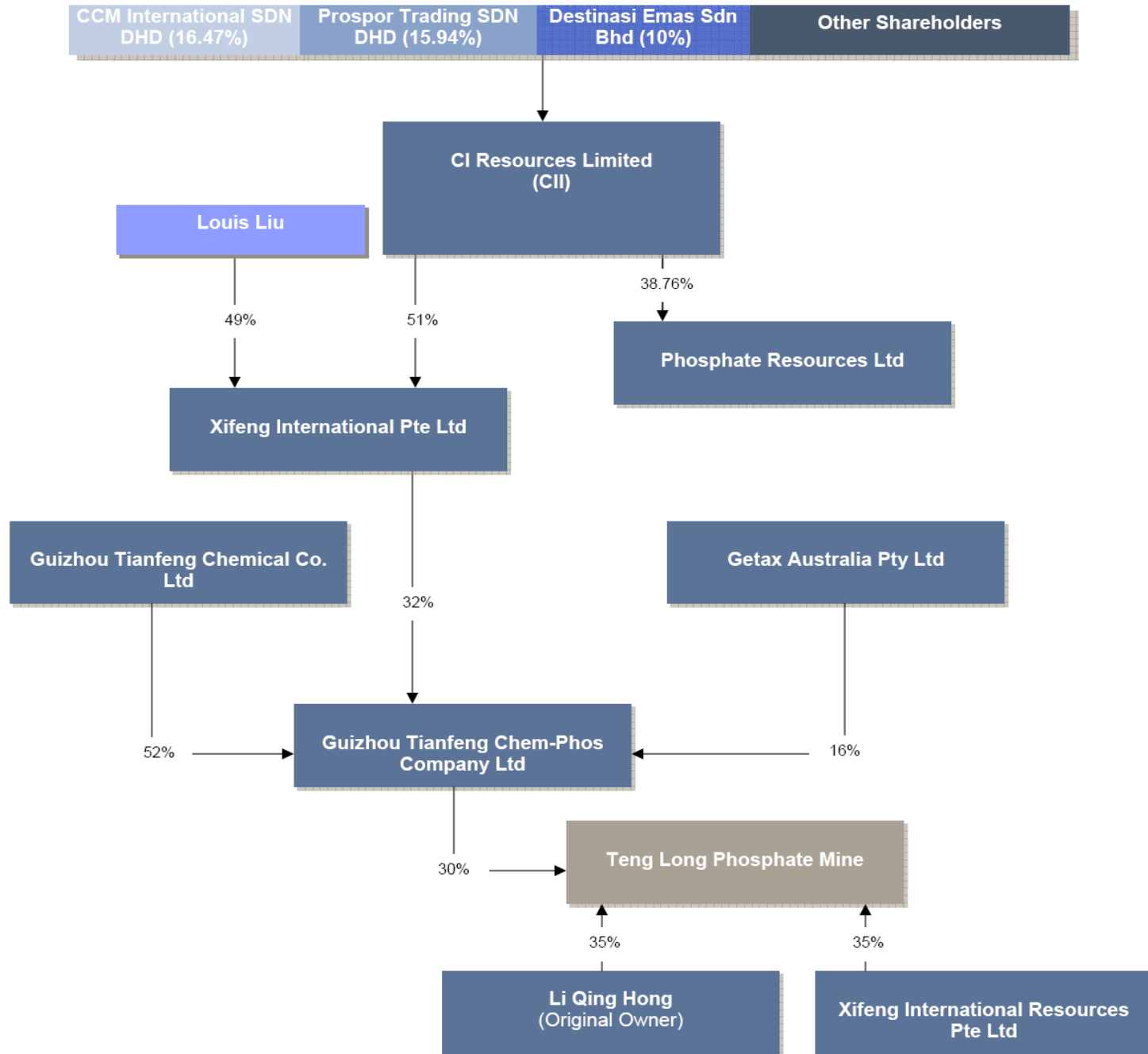
Content of Presentation

- Board Objectives and Corporate Structure
- Investment in Phosphate Resources Limited
- Investment in Xifeng International and Guizhou Tiangfeng Chem-Phos Co Ltd
- Memorandum of Understanding with Xiangxi Xifeng Chemical Phosphate Co Ltd
- Phosphate Market and China
- Hunan Two project
- Summary



Board Objectives

- Best use of our investment in Phosphate Resources
- Retention of investment in Xifeng International and Guizhou Tiangfeng Chem-Phos Co Ltd
- New investment opportunities





Phosphate Resources

38.76% Stake (1,327,180 shares)

- Phosphate Resources*
 - Profit before tax \$5,330,000
 - Dividend of 20 cents per share
 - Cash reserves to meet all outstanding liabilities (based on present government policy settings) associated with the closure of the mine
 - Immediate term outlook and potential for future growth look positive
 - Company now looking at how to best utilise its brand, experience and capacities into the future

*Source - 2006-07 Annual Report and letter to shareholders



Phosphate Resources

- Mine Life
 - Newspaper articles – mine life of five years
 - Application for additional mining leases
 - Federal Court hearing scheduled for February 2008
- Best return for CI Resources shareholders
 - Failed attempts in the past to merge CI Resources and Phosphate Resources
 - Board continues to review options that will provide the best outcome for shareholders



Xifeng International and Guizhou Tiangfeng Chem-Phos Co Ltd

- Operates a chemical plant that is capable of producing mono-ammonium phosphate (MAP), sulphuric acid and compound fertilisers
- Performance of investment
 - Loss to 31 December 2006
 - Profit for the period to 30 June 2007 – offset by administrative overheads
 - Expected operating profit for the current calendar year – offset by administrative overheads
 - Company pursuing new opportunities to export products



Xifeng International and Guizhou Tiangfeng Chem-Phos Co Ltd

- Challenges
 - Overhead costs – three sets of auditors – administrative costs.
 - Qualification of accounts
- Focus of Work
 - Reducing overheads
 - Reviewing potential for the company



Hunan Two Project

Memorandum of Understanding (MOU)

- MOU signed with Xiangxi Xifeng Chemical Phosphate Co Ltd (XXCP)
- Opportunity exists to develop a phosphate mine and beneficiation process
- Non binding MOU establishes a framework under which an assessment can be made about the feasibility of developing the project



About Phosphates

- Used primarily to produce fertilizer
- Also used to make compounds that go into animal feed
- At the very high end, it is used in food additives for human consumption
- High quality phosphates deposits are increasingly difficult to secure
- Main producers are USA, Russia, Morocco, Tunisia and China
- Increasing demand and tight supply has resulted in a market for phosphate grades that would not have been previously commercial



World Production of Phosphate

<u>Country</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
	(metric tons)	(metric tons)	(metric tons)
China	47,730,000	52,760,000	56,030,000
United States	35,328,000	35,515,000	30,464,000
Morocco	26,675,000	27,601,000	27,098,000
Russia	11,345,000	11,317,000	10,867,000
Tunisia	8,050,000	8,204,000	7,812,000
Jordan	6,222,000	6,380,000	5,881,000
Brazil	5,689,000	5,631,000	5,800,000
Syria	2,883,000	3,496,000	3,580,000
Israel	2,947,000	2,916,000	2,907,000
South Africa	2,855,000	2,642,000	2,664,000
Australia	2,755,000	2,860,000	2,528,000
Egypt	2,219,000	2,621,000	2,177,000
OTHERS	10,627,000	10,182,000	9,792,000
World Total:	165,325,000	172,125,000	167,600,000
Data from International Fertilizer Industry Association (2006 report)			

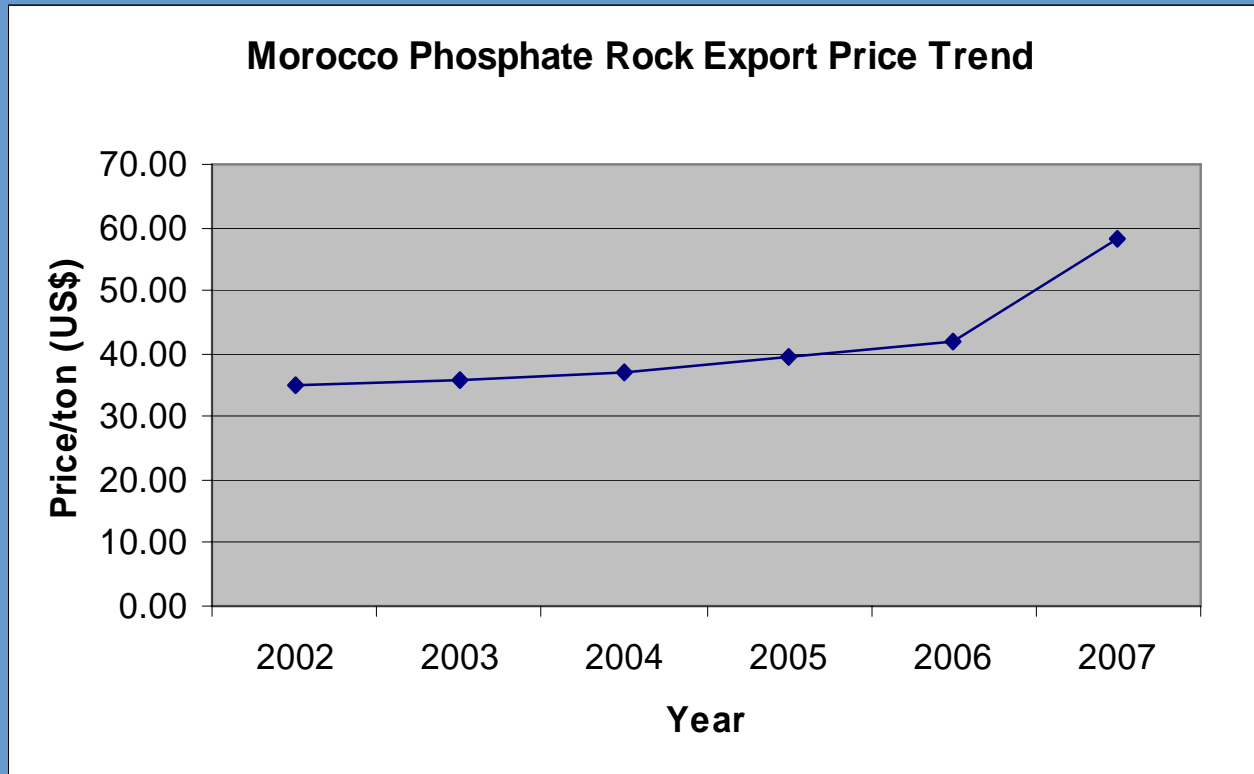


Phosphate Rock Price Trend

- No “international quality standard” for phosphate rock.
- Every phosphate deposit has a unique composition, with different P₂O₅ content, different impurities and different “usable P₂O₅” content.
- Phosphate rock is not traded on the London Commodities Exchange like more common commodities such as copper, iron ore etc...
- It thus does not have a transparent “international price”.
- Prices are agreed between buyers and sellers with recent price trends showing an upward movement.



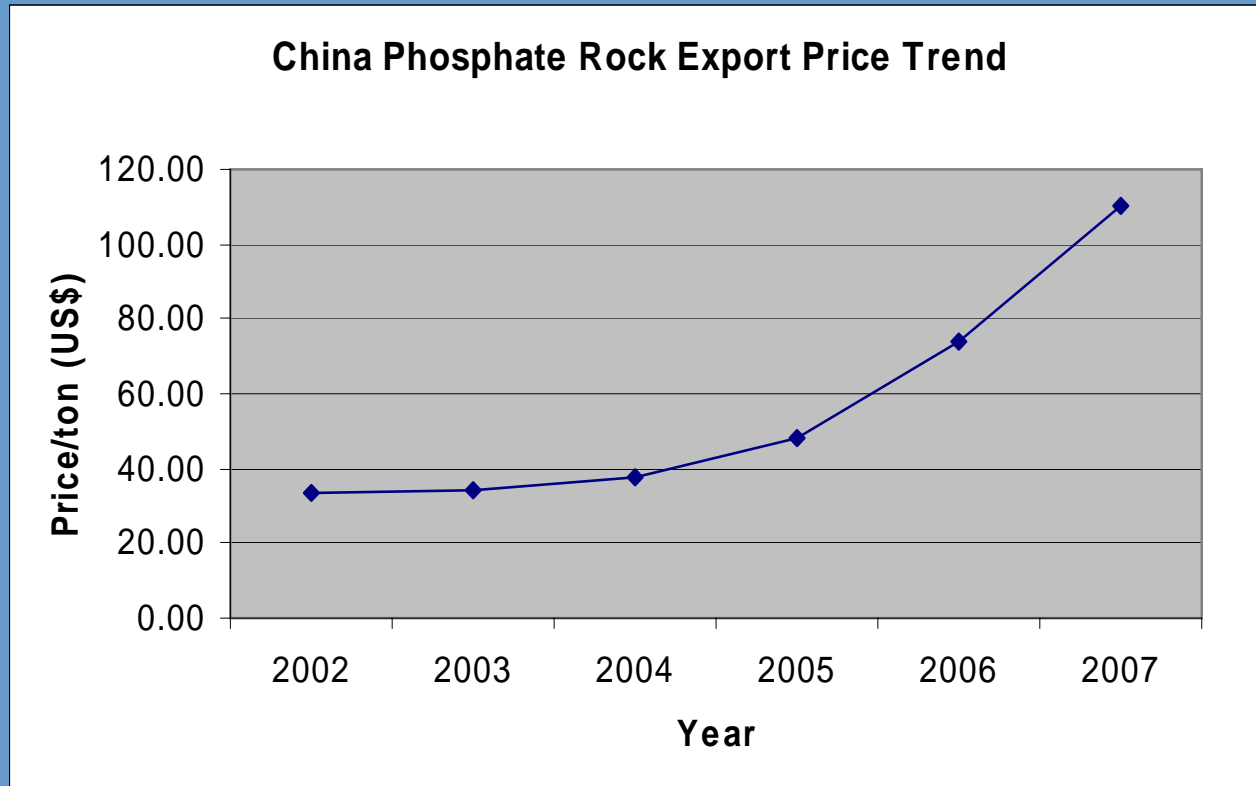
Phosphate Rock Price Trend



Source: Unverifiable market information



Phosphate Rock Price Trend



Source: Unverifiable market information

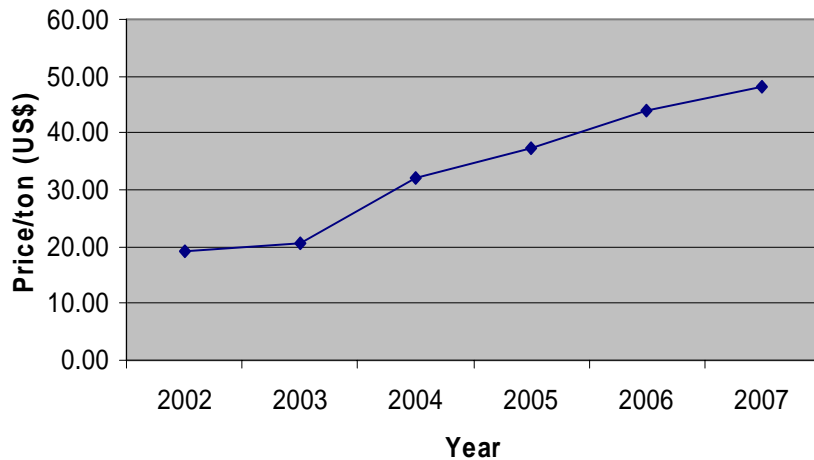


Phosphate Rock Market Situation In China



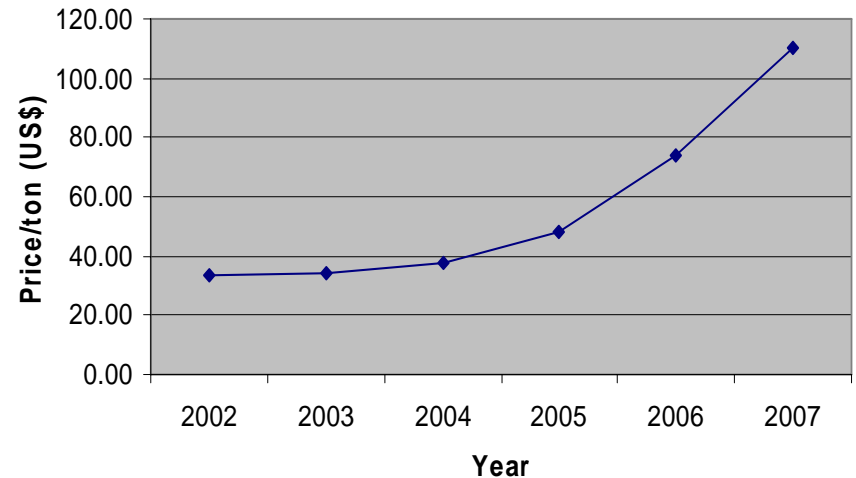
China's internal and export phosphate rock price trends

China Internal Phosphate Rock Price Trend



Source: Unverifiable market information

China Phosphate Rock Export Price Trend





China's Phosphate Resource

- China's phosphate rock resource:

More than 30% grade	- 1.1 billion tons	- 6.6%
Between 12% and 30%	- 13.39 billion tons	- 79.8%
Less than 12% grade	- 2.28 billion tons	- 13.6%
- China's high-grade phosphates are found in Guizhou, Yunnan, Hubei and Sichuan.
- Hunan has large quantities of medium grade phosphates but there are currently no phosphate mines operating in Hunan.
- The Hunan One mine and beneficiation project is due to come on stream in 2008
- China's high-grade ores are being depleted at a very fast rate.



China's Phosphate Resource

China's Production of Phosphate Rock

Year	Production	% increase from previous year
2004	47.7 million tons	
2005	52.8 million tons	10.7%
2006	56.0 million tons	6.1%

Source: International Fertilizer Industry Association 2006 Report



China's Demand Vs Supply Of Phosphate

Period	Production/Yr	Export	Demand/Year
2004	47.7M tons	3.1M tons	44.6M tons
2005	52.8M tons	2.1M tons	50.7M tons
2006	56.0M tons	1.0M tons	55.0M tons

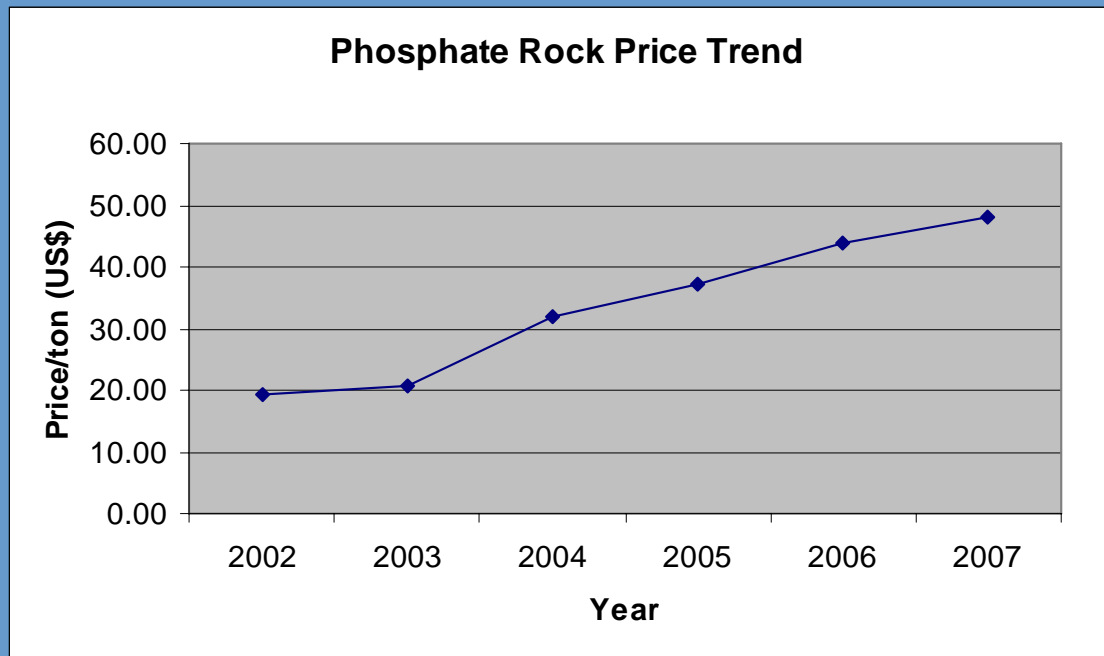
Source: International Fertilizer Industry Association 2006 Report

China's internal demand for phosphate rock is increasing at a pace (~ 11% per annum) to the point where its exports have been drastically reduced.



China's Phosphate Resource

Prices have steadily increased between 10-16% in the last 4-5 years



Source: Unverifiable market information



China's Phosphate Resource

- China's high-grade ores are rapidly being mined out
- China has no choice but to move towards beneficiation of its medium grade rocks to improve the grade and to sustain supply to its own market
- Otherwise, China will have to import more phosphate rock from overseas.

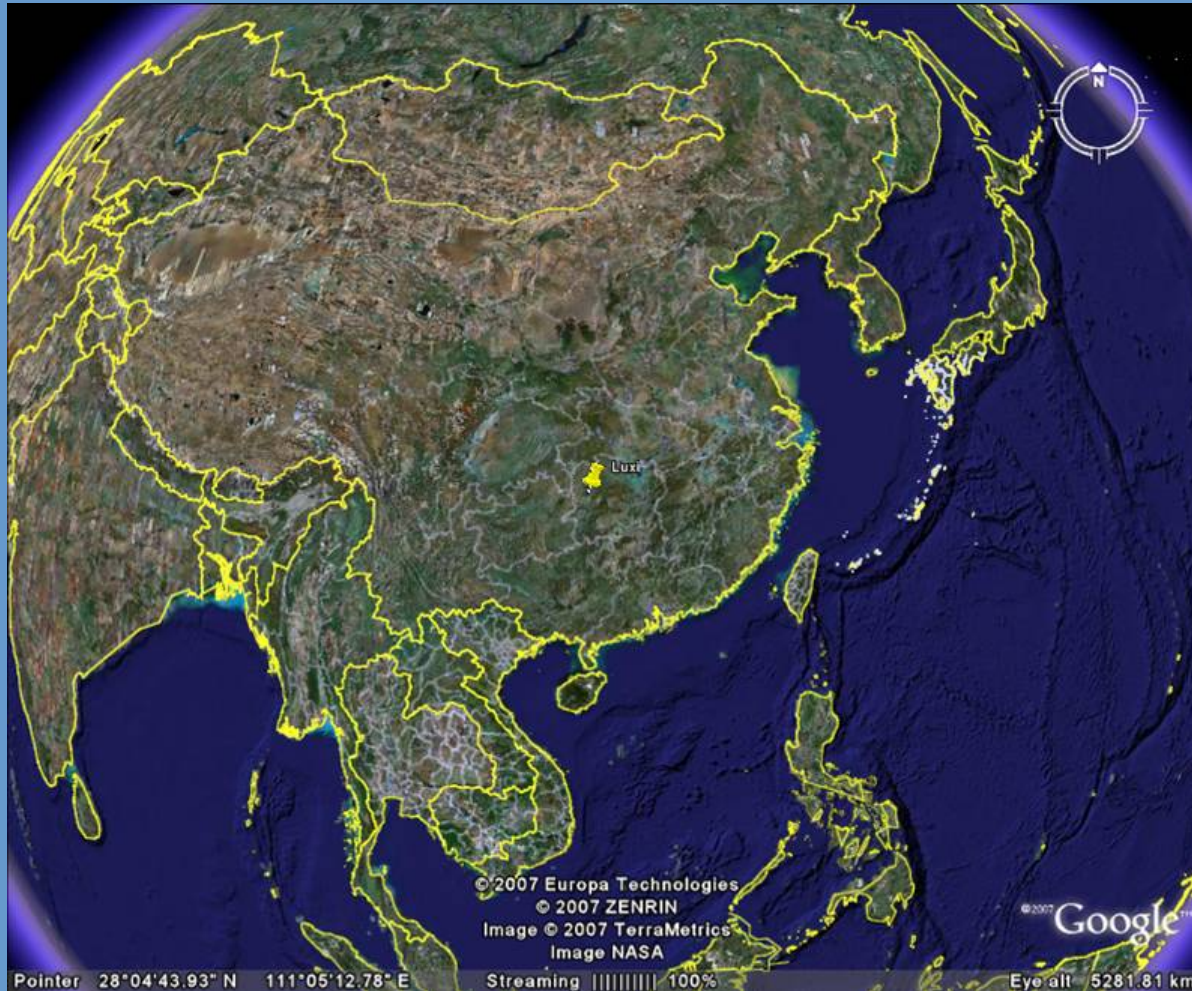


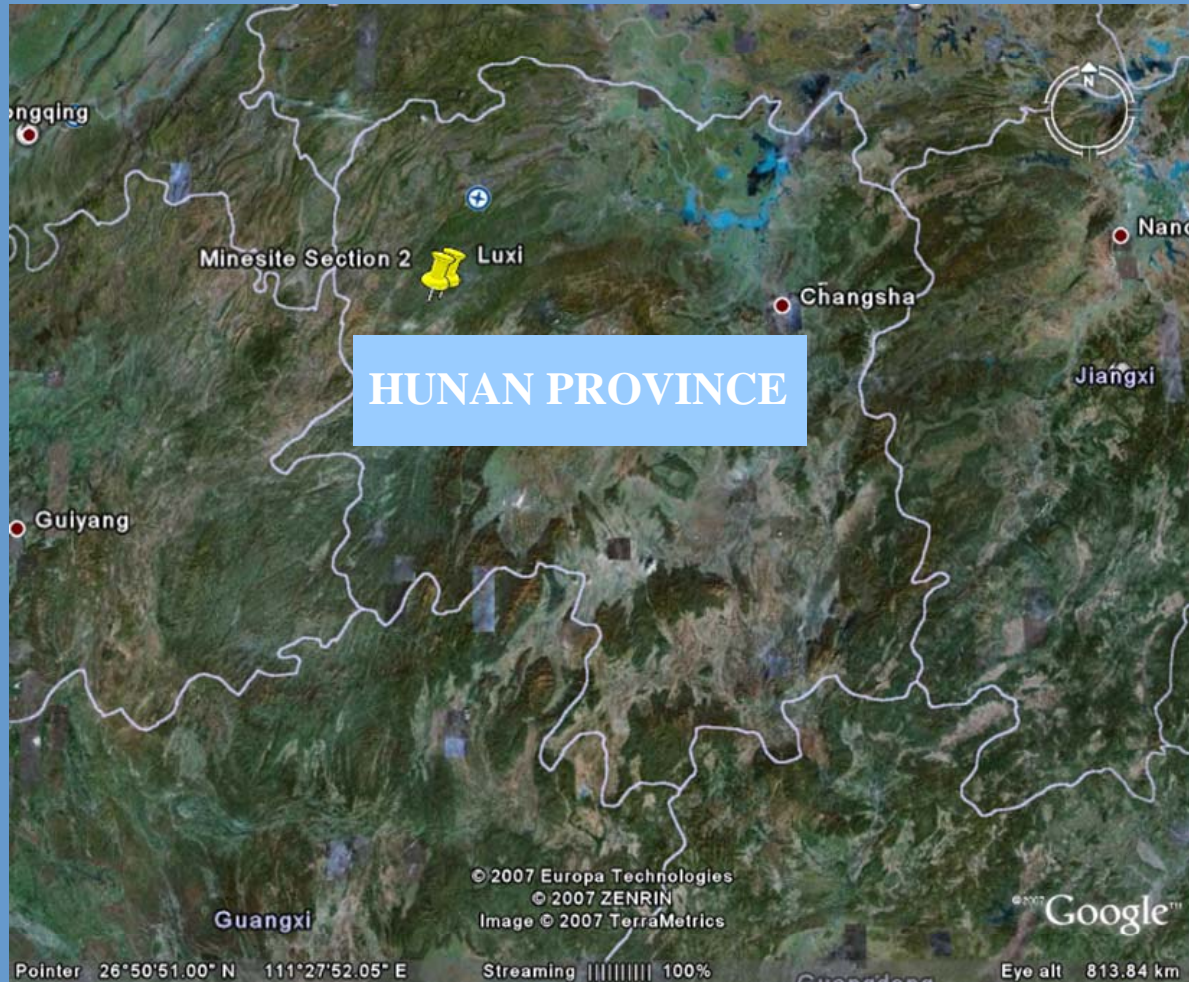
Beneficiated Phosphate Rock

- There is no market outside of China for beneficiated rock
- Beneficiated phosphate rock has the capacity to attract a price premium due to it lowering the production costs of fertilisers



Hunan 2 Phosphate Rock Project









Hunan Province

- Hunan is a significant producer of agricultural products, e.g:
 - Rice, Tea, Cotton, Tobacco and Oranges
- There are >150 fertilizer plants in Hunan
- But NO phosphate rock mine currently in production in Hunan
- All of Hunan's phosphate requirement has to be imported from other provinces



Hunan Province

Total Fertilizer Production:

- > 1,000,000 tons SSP
- > 150,000 tons FMP
- > 1,500,000 tons NPK

Total Fertilizer Consumption:

- > 300,000 tons FMP
- > 4,000,000 tons NPK

Consumption > Production

The Provincial Government is very supportive of any phosphate mining project in Hunan



Hunan 2 Project

- Phosphate deposit is owned by Xiangxi Xifeng Chem-Phos Co Ltd (XXCP)
- Principal Shareholder/Director: Dr Louis Liu
- A 3-year Mining License has been issued – renewable every 3 years, subject to meeting all safety and environmental regulations
- XXCP is looking for a Joint Venture (JV) partner to bring the project into production



Hunan 2 Deposit

- Hunan Geological Mineral Prospecting and Development Bureau carried out drilling between 1960–1966 that comprised of 3431 metres (48 holes along 4 lines), with depths up to 100 metres



Plan for Hunan Project

- Seven adits (totalling 3km in depth) have already been constructed into the hillsides of the mine site to confirm the feasibility of mining operations.
- These will be upgraded to meet all safety standards and thereafter underground mining operations can commence.



Hunan 2 Mine Site



Beneficiation process

- Beneficiation process – floatation method
- Beneficiation ratio = 2.5 : 1
- Beneficiation of phosphate rocks is used by other Chinese producers





Local Infrastructure

- Local Government Support
- Local Community – very supportive as project will generate local employment
- Local Labour – plenty available
- Road Access – good roads and highways near to mine site
- Logistics Support – available locally



Hunan 2 Phosphate Project

- Objective – to produce up to 500,000 tonnes of processed rock/annum
- The Hunan 2 Project, when fully implemented, has the capacity to be the largest Phosphate rock mine in Hunan province.



Investment and JV Equity

- Option 1 (smaller scale startup / progressive buildup):
 - Investment of AUD\$6 million
- Option 2 (full scale startup):
 - Investment of AUD\$35 million
- In both options, XXCP will vend in its Mineral Deposits and Mining Rights into the JV
- Feasibility studies will determine the optimal size of the project and the investment required
- The Equity structure will depend on the size of the project and the capital required



Project Viability

- Preliminary estimates have indicated that both options (smaller scale start-up or full scale project) are capable of providing sound returns on investment
- The most attractive option will be considered at the pre-feasibility study stage



Next Step

Pre-Feasibility Study



Conclusion – Hunan 2

- Hunan 2 project has significant potential
- Chinese geological reports claim there is a mineable mineralisation
- Beneficiation process to turn medium grade rock into a high quality 30% grade product is used by other mining companies in China
- Initial estimates show the project to be financially robust



Conclusion – Hunan 2 <continued>

- CI Resources intends to adopt an active, yet cautious approach moving forward
- Early identification of business opportunities
- Early identification of challenges and fatal flaws
- Project has the potential to provide excellent long term prospects if prerequisites are sound and it is prudently managed



Potential Investments

- Company continues to review investment opportunities in phosphate mining.



Questions ?



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