



Kirkalocka Drilling Update Clarification

18 August 2011

On 15 August 2011, Mount Magnet South NL (“MMS” or “the Company”) updated shareholders on exploration activities at the Company’s Kirkalocka Gold Project. A detailed breakdown of the June 2011 Mineral Resource Estimate referred to in that update follows.

June 2011 Mineral Resource Estimate

Category	Tonnes (Mt)	Grade (g/t Au)	Gold (ounces)
Indicated	7.1	1.2	270,000
Inferred	3.0	0.9	90,000
TOTAL	10.1	1.1	360,000

Competent Persons Statement

The estimation, depletion and reporting was completed by Lynn Olssen MAusIMM (CP), who is a full-time employee of Snowden Mining Industry Consultants. Lynn Olssen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (JORC, 2004). Lynn Olssen consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The estimate was completed under the overall supervision and direction of Graham Howard, MAusIMM, who is a full time employee of Graham Howard Consulting. Graham Howard has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (JORC, 2004). Graham Howard consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information including database compilation, geological interpretation and mineralisation wire framing was completed by Richard Inglis MAusIMM, who is self employed. Richard Inglis has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (JORC, 2004). Richard Inglis consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Rounding, conforming to the JORC Code, may cause some computation discrepancies.