PEAK HILL IRON PROJECT – MAIDEN DSO INFERRED MINERAL RESOURCE

Highlights:

- **Maiden Inferred DSO Mineral Resource of 11.5Mt grading 58.55% Fe estimated at the Telecom Hill East Deposit**
- **The Mineral Resource is based on data collected during the successful drilling program completed in March 2012**
- **Reverse circulation percussion drilling demonstrates a significant zone of hematite-goethite enrichment exists over a strike length of 1.3km**
- **This adds to the prospectivity of the Peak Hill project which already has an Inferred Mineral Resource of 850Mt grading 27.3% for its magnetite deposit.**

Padbury Mining Limited (ASX:PDY) and Aurium Resources Limited (ASX:AGU) ("the JV Partners") are very pleased to announce a maiden DSO JORC Inferred Mineral Resource for the Telecom Hill East Deposit at their Peak Hill Iron Project Joint Venture ("JV" or "Project"). The Inferred Mineral Resource comprises **11.5Mt** at **58.557% Fe, 9.64% SiO_2, 2.29% Al_2O_3, 0.21% P, 0.02% S and 3.12% LOI** (see Table 1) hosted in the Robinson Range Formation banded iron formation (BIF).

The defining of this first DSO Mineral Resource is another significant milestone for the Peak Hill project and demonstrates the strong potential of the Telecom Hill prospect. Given the continued positive outcomes the JV partners will continue their strategy of developing the Project and will be working towards a pre-feasibility study to better define the economic potential and the positive impact the DSO asset could have on Midwest Port and Rail infrastructure. The JV partners are progressing with exploration and evaluation of additional DSO deposits at Telecom Hill and Mt Padbury.

The Telecom Hill East Mineral Resource has been classified and reported in accordance with The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Classification is based on confidence in the mapping, geological interpretation, drill spacing and geostatistical measures. Due to the reasonably broad drill spacing, lack of detailed density data and uncertainty over the depth of mineralisation all the Mineral Resource is in the Inferred category. A Summary report on the Resource estimation methods used by CSA Global is provided at the end of this announcement.

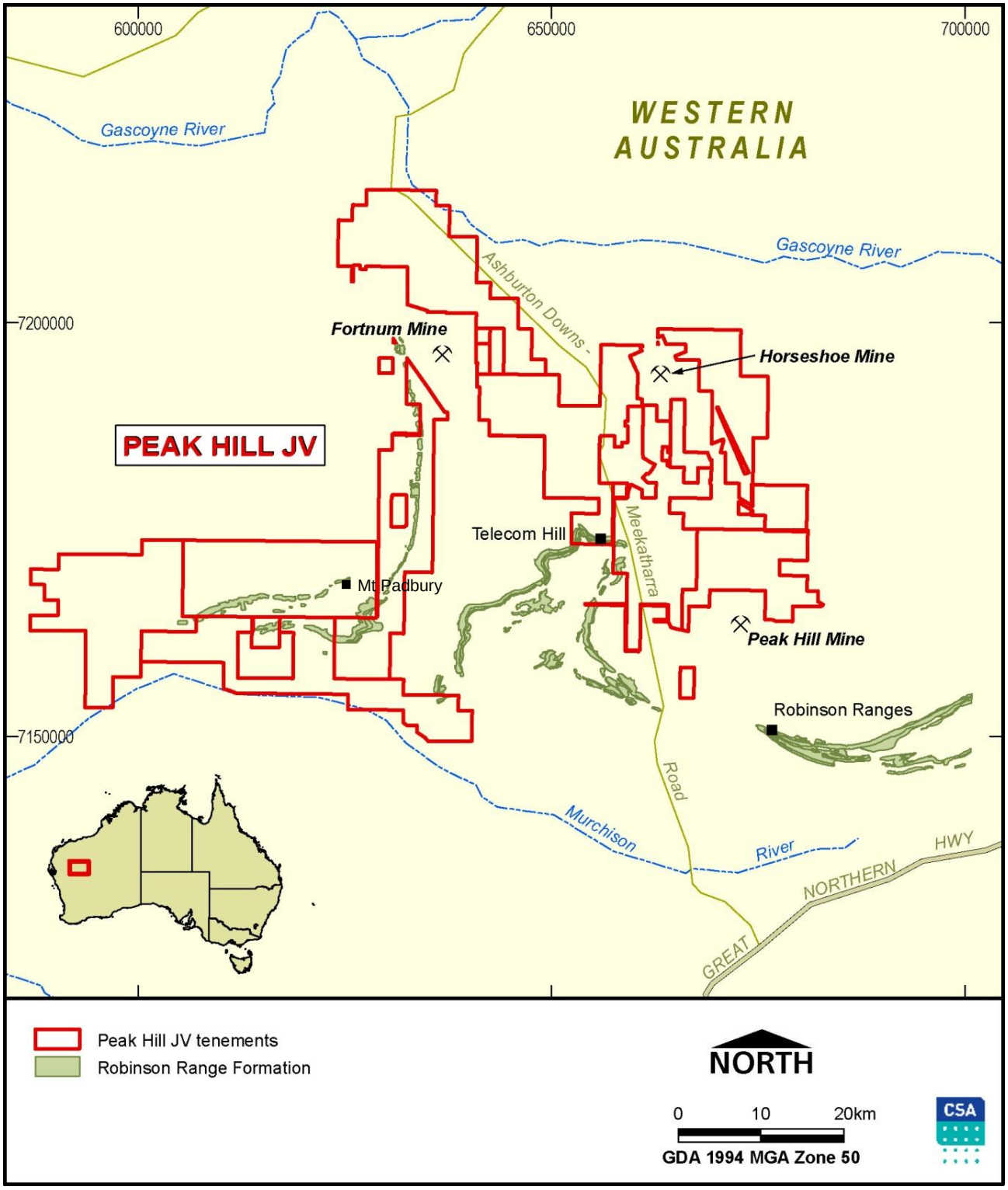

Figure 1. Project Location Plan

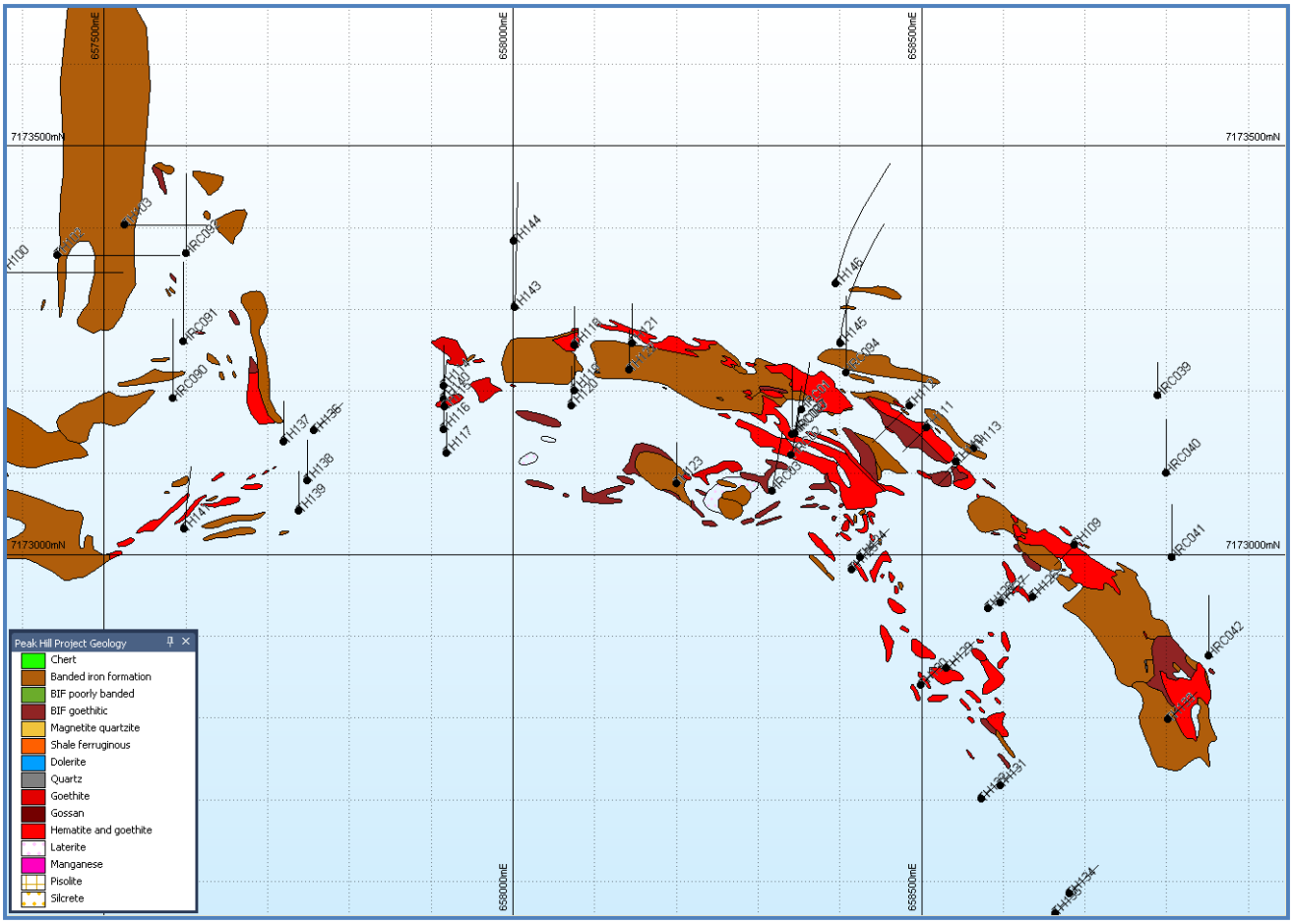

Figure 2. Telecom Hill East Prospect geological map with drill hole locations.

Table 1. Mineral Resource estimate results for Telecom Hill East Deposit.

Telecom Hill East DSO Mineral Resources								
LODE	**Category**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**AL_2O_3 (%)**	**P (%)**	**S (%)**	**LOI 1000**
Total	**Inferred**	**11.5**	**58.55**	**9.64**	**2.29**	**0.21**	**0.02**	**3.12**

Note: *The CSA Mineral Resource was estimated using Ordinary Kriging, with high grade treatment, within constraining wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade and above470mRL.*

Drilling and Sampling

The evaluation program was completed between October 2011 and March 2012 and comprised 41 RC drill holes (Figure 2). The drilling is primarily on 160 x 50 metre drilling patterns, grading to 200 x 100 metre patterns at depth. Figure 2 shows the drill hole distribution and geological mapping of Telecom Hill East. The holes were drilled at 60 degree dips and varying orientations aimed at intersecting the BIF perpendicular to stratigraphy.

All holes were sampled at one metre intervals using a cone splitter attached to the drill rig. The samples were collected into calico bags and dispatched in batches of two to three holes to ALS Laboratories in Perth. The samples were analysed for the standard iron ore suite using the fused disc XRF method and LOI at 1000° using thermo-gravimetric analysis.

Telecom Hill East Mineral Resource Estimate

The Mineral Resource estimate completed by CSA for Telecom Hill East was based on the following:

- Geological and sampling data was collected from 41 RC drill holes under the supervision of Padbury geologists.
- Geological interpretations and three dimensional modelling was completed by CSA geologists.
- CSA imported the drillhole data to Micromine 12.0 and Datamine Studio 3 software for the Telecom Hill East area and proceeded with the modelling in the Micromine extended precision environment.
- A total of 12 sections at 160m spacings were interpreted from 657,000E to 659,000E, covering the extent of the mineralisation in the Telecom Hill East area. The interpretation and wireframes were generated on 160m × 50m exploration drilling patterns. The interpretation of the mineralisation as Micromine strings on each domain has been summarised in the following sections.
- Wireframe solids were generated based on the sectional interpretations to delineate the lodes of haematite - goethite mineralisation. The lower cut-off grades of 50% Fe were used to define the mineralised envelopes within BIF units.
- Two domains were noted: the Major domain and the Minor domain (Figure 3). Only the Major Domain has been quoted in the resource table.
- The major unit is conformable and folded into a distinct plunging syncline dipping to the southwest at 70-80°. The Major Domain consists of a thick planar BIF mineralised lode with relatively higher Fe grades compared with the Minor Domain. The Minor domain is located at the south of the Major domain with lower Fe grades and higher SiO_2 and Al_2O_3 contents. Figure 3 displays the outlines of the modelled mineralised domains and lodes.
- The Mineral Resource was estimated using Ordinary Kriging within the constraining mineralised wireframes.
- A more detailed summary of the Resource estimation methods and outcomes is attached at the end of this announcement.

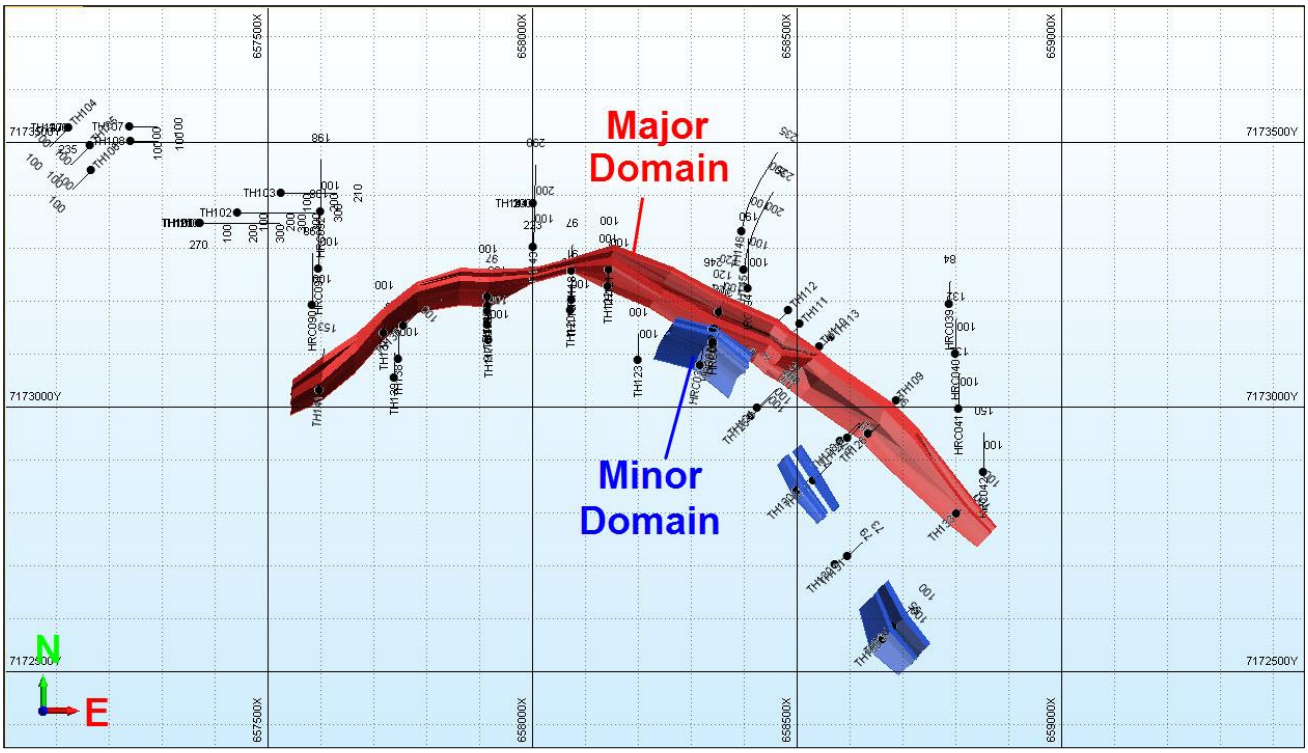

Figure 3. Plan view on extents of the modelled mineralised domains.

Telecom Hill Exploration Potential

The potential for the identification of additional resources in the Telecom Hill area is high. A total of 11.5 Mt @ 58.55% Fe has been estimated as Inferred in this Mineral Resource update. This in itself offers immediate targets for closer spaced drilling which are likely to upgrade this resource. The mineralisation is open to the east and west which provides opportunities to expand the resource. The mineralisation is not adequately tested at depth which provides additional prospects for expansion.

The phosphorus levels in the deposit are generally high, however a distinct zone of higher grade material has lower P values in the keel of the syncline.

Peak Hill Iron Project History

In 2009, the Peak Hill Project JV partners recognised the potential of the Peak Hill Iron Project to host significant iron ore deposits. The Telecom Hill prospect was recognised as source of large tonnages of magnetite beneficiation feed ore (BFO), and since then they have undertaken a number of exploration programs to increase understanding of the deposits. In addition to the magnetite potential at Telecom Hill, a number of DSO deposits have been investigated to compliment the magnetite project as well as more recent DSO discoveries at Mt Padbury 30km to the west.

The JV partners have committed to the rapid evaluation of the project, which to date has included surface geological mapping, rock chip sampling, aeromagnetic surveys, evaluation drilling programs and metallurgical studies – all with positive results.

The main focus of the Peak Hill Iron project is magnetite and hematite goethite deposits hosted in the Robinson Range Iron Formation; a sequence of interbedded BIF, granular iron formation (GIF), siltstone and shale. The iron formation stratigraphy forms a prominent east–west ridge at Telecom Hill and Mt Padbury.

Drilling at the Telecom Hill Prospect to date has tested just 6km of the identified 10km strike length of the targeted area of iron mineralisation. Exploration data indicates substantial potential for delineation of additional mineralisation.

Competent Person's Statement

The Exploration Results and exploration target estimates discussed in this report were prepared under the supervision of Mr Daniel Wholley BAppSc MAIG, who is a Director and full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr Wholley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Shi has sufficient experience 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 Mineral Resources and Ore Reserves". Dr Shi consents to the inclusion of such information in this report in the form and context in which it appears.

Further inquiries:

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Terry Quinn, Managing Director, Aurium Resources – **T:** +61 8 6460 0250

MEMORANDUM

To: **Mr Gary Stokes**

Cc: **Stan Wholley, Gerry Fahey**

Date: **12 June 2012**

From: **Dr Bielin Shi**

Re: **Technical Summary on Telecom Hill East Mineral Resource Estimate.**

CSA Report #; **R256.2012**

Summary

CSA Global Pty Ltd (CSA) was engaged by Padbury Mining Limited (Padbury) to complete a Mineral Resource estimate for the Telecom Hill East haematite - goethite mineralisation at the Peak Hill JV project. The project is located approximately 120km north west of Meekatharra on the Meekatharra – Ashburton road (Figure 1). The deposits are hosted within banded iron formation (BIF) units of the Robinson Range Formation.

At the eastern end of Telecom Hill (Telecom Hill prospect – Figure 2) a number of haematite - goethite mineralised outcrops were mapped within the main BIF unit adjacent to the contact with a shale unit. Rock chip sampling of several outcrops indicated potential direct shipping ore (DSO) iron grades were present. Follow up drilling using reverse circulation percussion drilling demonstrates a significant zone of haematite - goethite enrichment exists over a strike length of 1.3km. The modelled haematite and goethite mineralisation units are sub-vertical dipping zones which are conformable with banded iron formation (BIF) stratigraphy in this area.

Based on geological modelling of the mineralisation intersected at Telecom Hill East CSA estimates an Inferred Mineral Resource of 11.5Mt at 58.5% Fe, 2.29% Al_2O_3, 9.64% SiO_2, 0.21% P, 0.02% S and 3.12% LOI1000 (Table 1).

Table 1. Mineral Resource estimate results for Telecom Hill East Deposit.

Telecom Hill East DSO Mineral Resources								
LODE	**Category**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**AL_2O_3 (%)**	**P (%)**	**S (%)**	**LOI 1000**
Total	**Inferred**	**11.5**	**58.55**	**9.64**	**2.29**	**0.21**	**0.02**	**3.12**

Note: *The CSA Mineral Resource was estimated using Ordinary Kriging, with high grade treatment, within constraining wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade and above470mRL.*

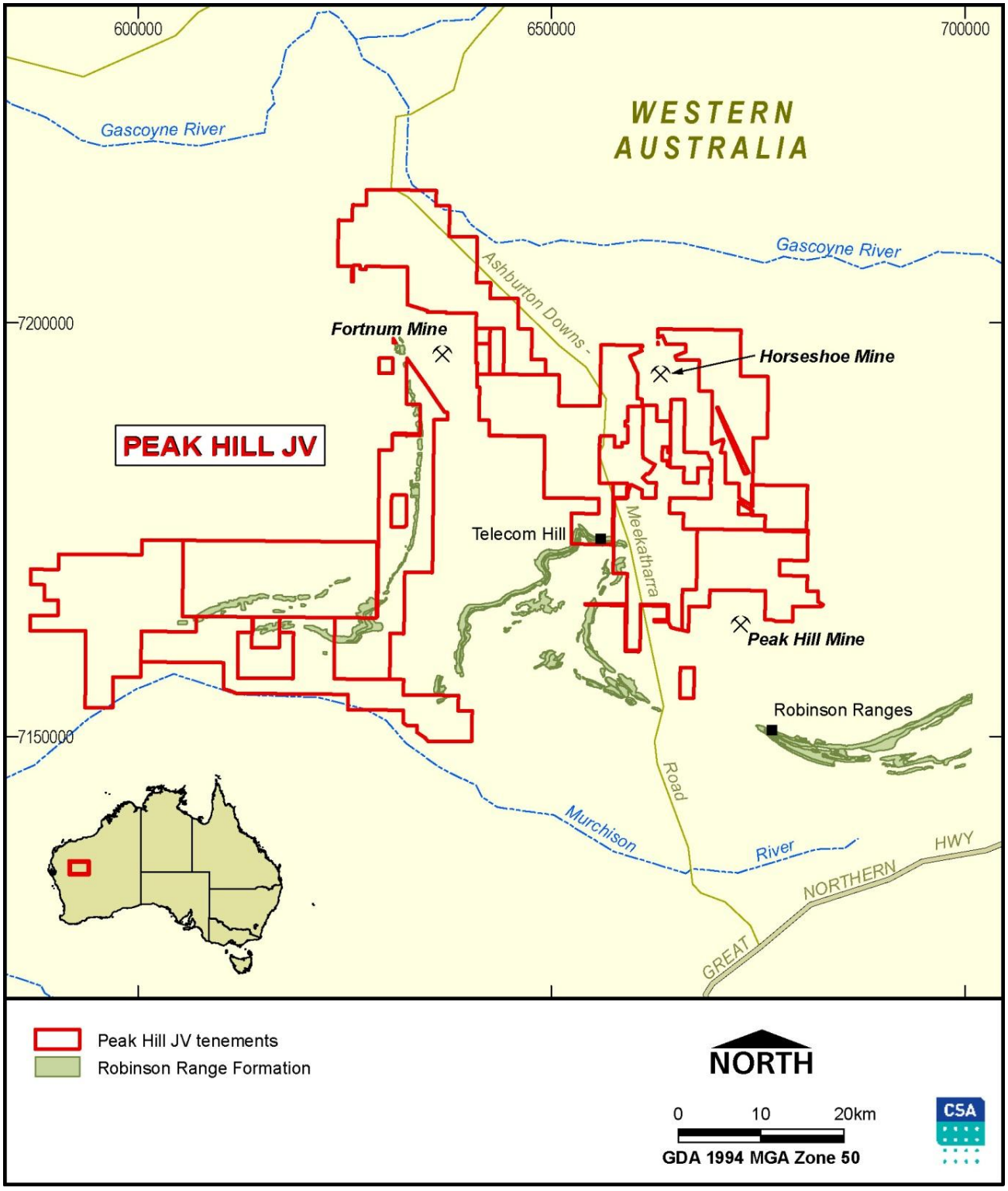

Figure 3. Project location plan

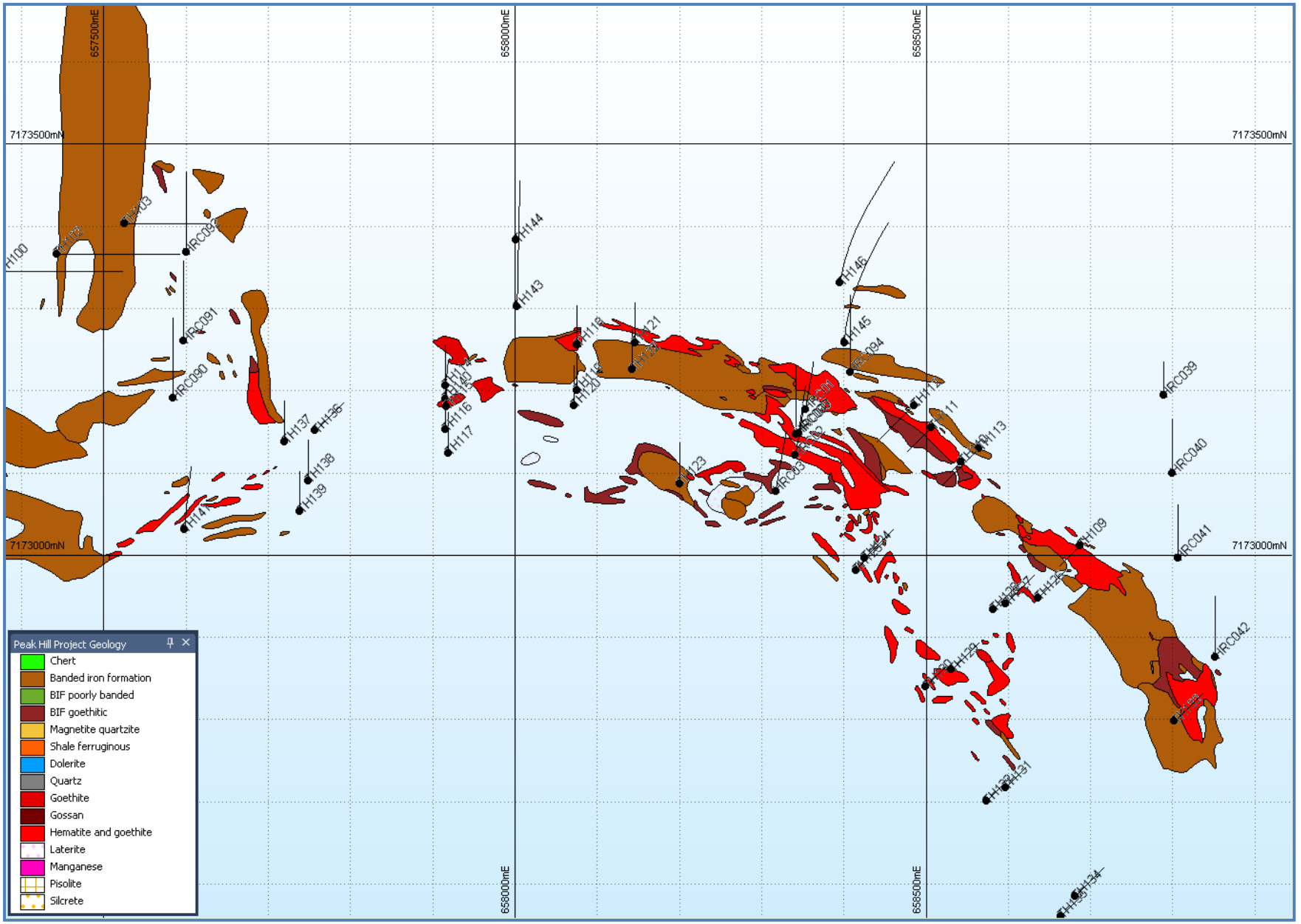

Figure 4. Telecom Hill East Prospect geological map with drill hole locations.

Drilling and Sampling

The resource evaluation program was completed between October 2011 and February 2012 and comprised 41 RC drill holes. The drilling is primarily on a 160 x 50 metre drilling patterns, grading to a 200 x 100 metre patterns at depth. Figure 2 shows the drill hole distribution and geological mapping of Telecom Hill East. The holes were drilled at 60 degree dip and varying orientations aimed at intersecting the BIF perpendicular to stratigraphy.

All holes were sampled at one metre intervals using a cone splitter attached to the drill rig. The samples were collected into calico bag and dispatched in batches of two to three holes to ALS Laboratories in Perth. The samples were analysed for the standard iron ore suite using the fused disc XRF method and LOI at 1000 using thermo-gravimetric analysis.

Modelling

The wireframes for haematite and goethite mineralisation units are modelled based on geological interpretation. The mineralisation within them has been delineated using lithology, Fe grade, SiO_2 and Al_2O_3 content. A 1m composite data set for individual lodes was used for variography analysis and estimation. For continuity purposes, adjacent drill holes and sections were used to refine the geological relationship and to reduce the saw-tooth effect to the modelling.

A block model was created using 20.0mE × 10.0mN × 10.0mRL parent blocks. Ordinary Kriging (OK) was used to estimate 3D blocks. Quantitative Kriging Neighbourhood Analysis was used to optimise parameters for the Kriging search strategies.

The Telecom Hill East Mineral Resource have been classified and reported in accordance with The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Resource classification is based on confidence in the mapping, geological interpretation, drill spacing and geostatistical measures. Due to the reasonably broad drill spacing, lack of detailed density data and uncertainty over the depth of mineralisation all the Mineral Resource is in the Inferred category.

QAQC Analysis

- Preliminary QA-QC analysis of field duplicate data was undertaken to assess the input data quality. Field duplicates were taken at random at a rate of 1 in 20 samples (Figure 3).

- No significant errors or bias were noted in the data.
- Standard reference materials were taken at rate of 1 in 20 samples throughout the drilling program. The results demonstrated that all but one batch of samples fell inside acceptable control limits. One of the early batches of samples had a slight low bias. The entire batch was reanalysed which then conformed to the required control limits.

- The QA-QC analysis of the CRM's indicates the data is of a suitable quality for inclusion in the Mineral Resource estimate.

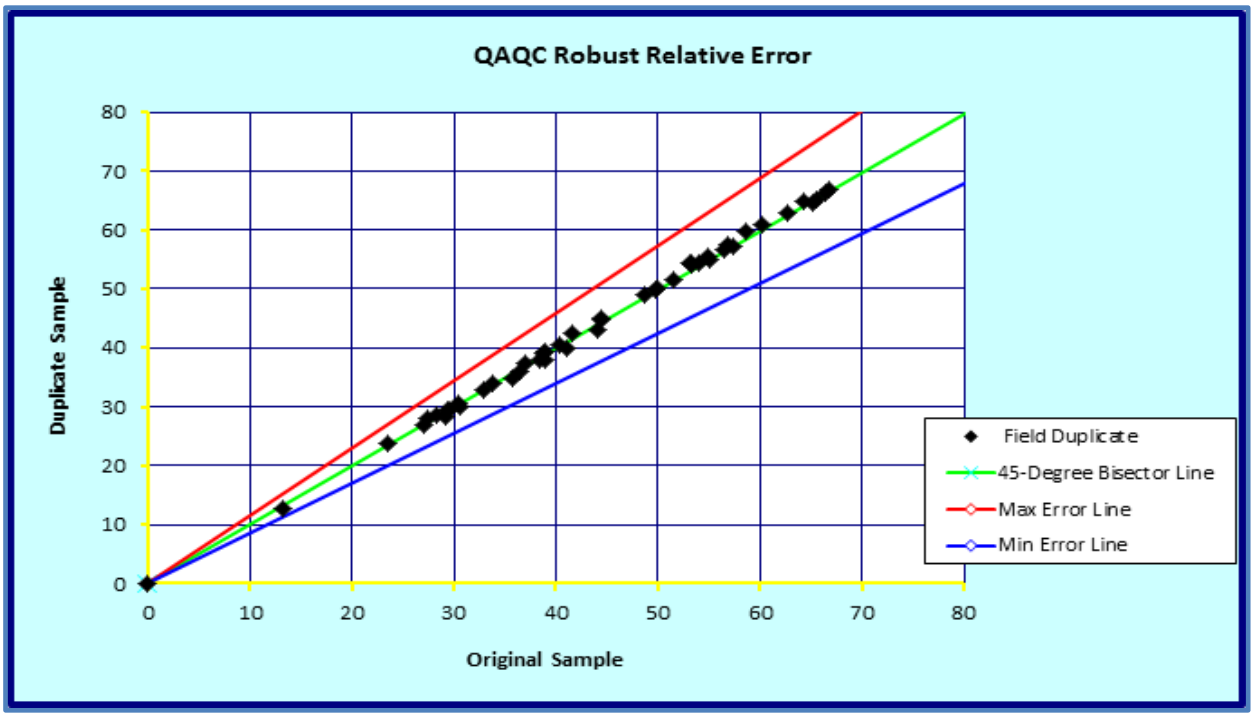

Figure 5. Duplicate vs Original data for Telecom Hill east drilling samples

Telecom Hill East Mineral Resource Estimate

The Mineral Resource estimate completed by CSA for the Telecom Hill East was based on the following:

- Geological and sampling data was collected under the supervision of Padbury geologists.
- Geological interpretations and three dimensional modelling was completed by CSA geologists.

- CSA imported the drillhole data to Micromine 12.0 and Datamine Studio 3 software for the Telecom Hill East area and proceeded with the modelling in the Micromine extended precision environment.
- A total of 12 sections at 160m spacing were interpreted from 657,000E to 659,000E, covering the extent of the mineralisation in Telecom Hill East area. The interpretation and wireframes were generated based on a 160m × 50m exploration drilling patterns. The interpretation of the mineralisation as Micromine strings on each domain has been summarised in the following sections.
- Wireframe solids were generated based on the sectional interpretations to delineate the lodes of Haematite - goethite mineralisation. The lower cut-off grades of 50% Fe were used to define the mineralised envelopes within BIF units.
- Two domains were noted The Major domain and Minor domain (Figure 4). Only the Major Domain has been quoted in the resource table.
- The major unit is conformable and folded into a distinct plunging syncline dipping to the southwest at 70-80° (see Figures 4 and 5). The Major Domain consists of a thick planar BIF mineralised lode with relatively higher Fe grades compared with the Minor Domain. The Minor domain is located at the south of Major domain with lower Fe grades and higher SiO_2 and Al_2O_3 contents. Figures 4 and 5 demonstrate the outlines of the modelled mineralised domains and lodes.

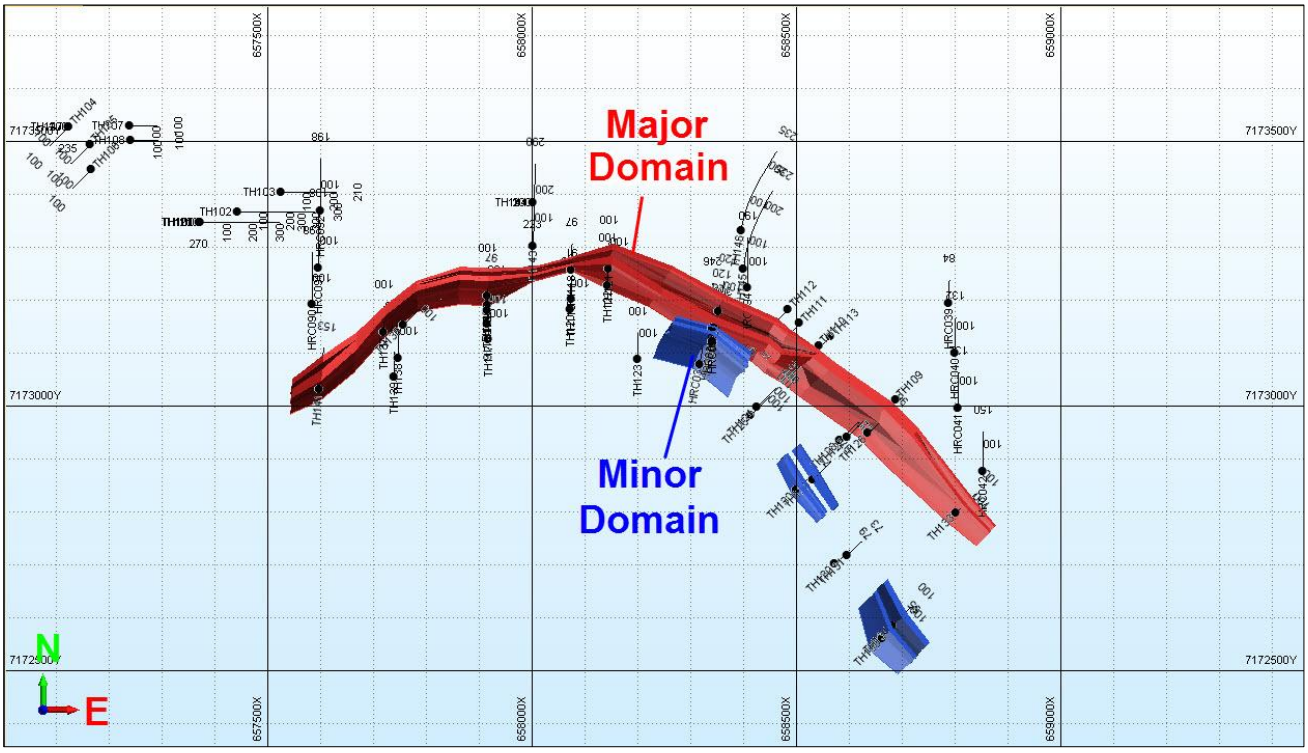

Figure 6. Plan view on extents of the modelled mineralised domains.

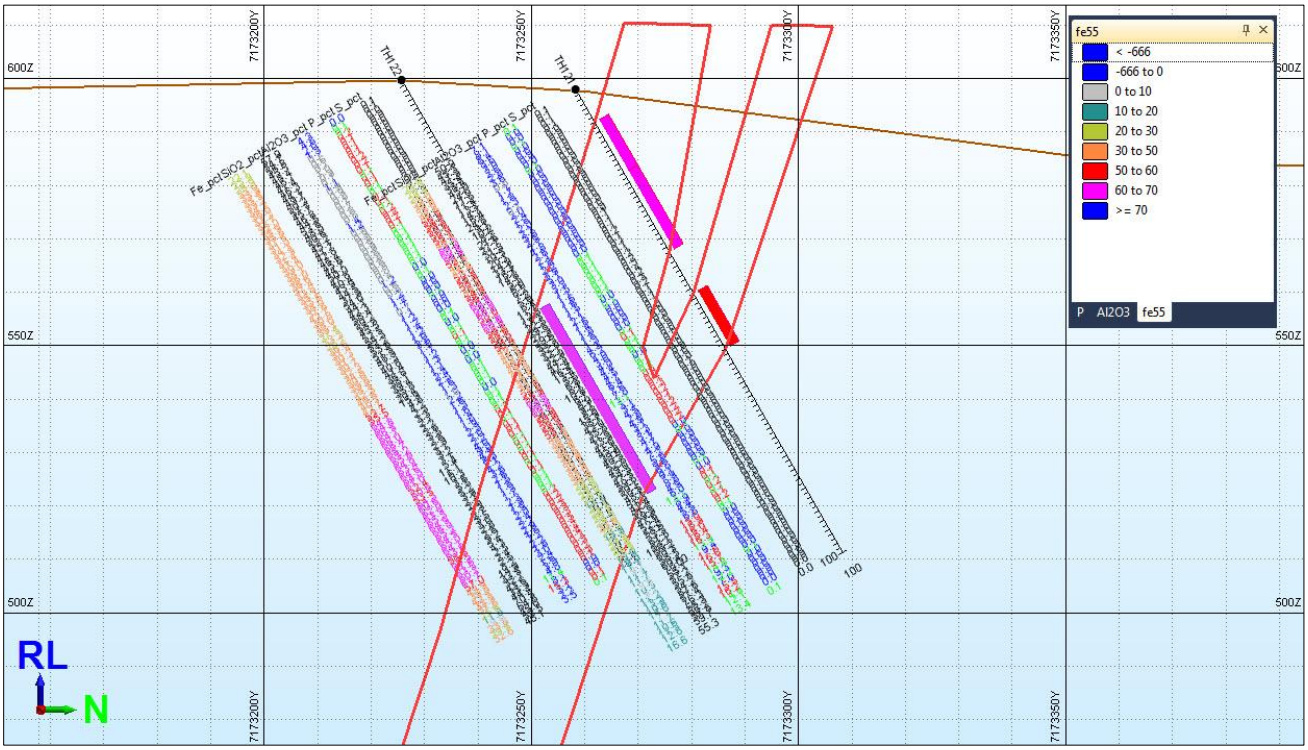

Figure 7. 3D view on extents of the modelled mineralised lodes with drill hole traces.

- Drillhole samples were flagged according to the mineralised lode they fall into based on the constructed wireframes.
- The majority of samples are 1m composites. Compositing to 1m had no effect due to the location of the 1m samples.
- Statistical analysis of the 1m composites shows Fe and other variables have coefficient variance (CV) below 1 (Table 2).
- For the resource estimation, the current model has individually assessed the high-grade outliers. Top Cuts were used to treat the high-grade outliers of the lodes based on a review of the domain histogram, log probability plot. Figure 6 shows the probability plots by domains for variables. Table 3 shows the top cut analysis and effects.
- A 'flattening' or an 'unfolding' process has been carried out prior to variography and interpolation. The objectives are aimed at removing the variable dip and strike typically associated with the mineralised domains. The effect of flattening for composites and model as examples is shown in Figure 7 and 8.

Table 2. Univariate statistics for 1m composites by domain

Variable	Domain	Number	Minimum	Maximum	Mean	Median	Std Dev	Variance	Coeff Var
Fe	Major	458	0	67.23	58.337	60.4	8.16	66.581	0.14
	Minor	115	0	62.72	50.933	52.345	7.509	56.385	0.147
SiO3	Major	458	0	49.5	9.692	6.09	8.895	79.126	0.918
	Minor	115	0	31.1	10.136	8.29	6.356	40.404	0.627
Al2O3	Major	458	0	15.4	2.477	1.96	1.74	3.028	0.703
	Minor	115	0	14.05	6.569	6.235	2.785	7.757	0.424
P	Major	458	0	0.576	0.185	0.166	0.114	0.013	0.617
	Minor	115	0	0.399	0.128	0.116	0.07	0.005	0.543
S	Major	458	0	0.639	0.021	0.007	0.051	0.003	2.468
	Minor	115	0	1.805	0.228	0.043	0.383	0.147	1.678
LOI1000	Major	458	0	11.55	3.059	2.52	1.924	3.702	0.629

	Minor	115	0	14.57	8.174	8.81	2.737	7.493	0.335

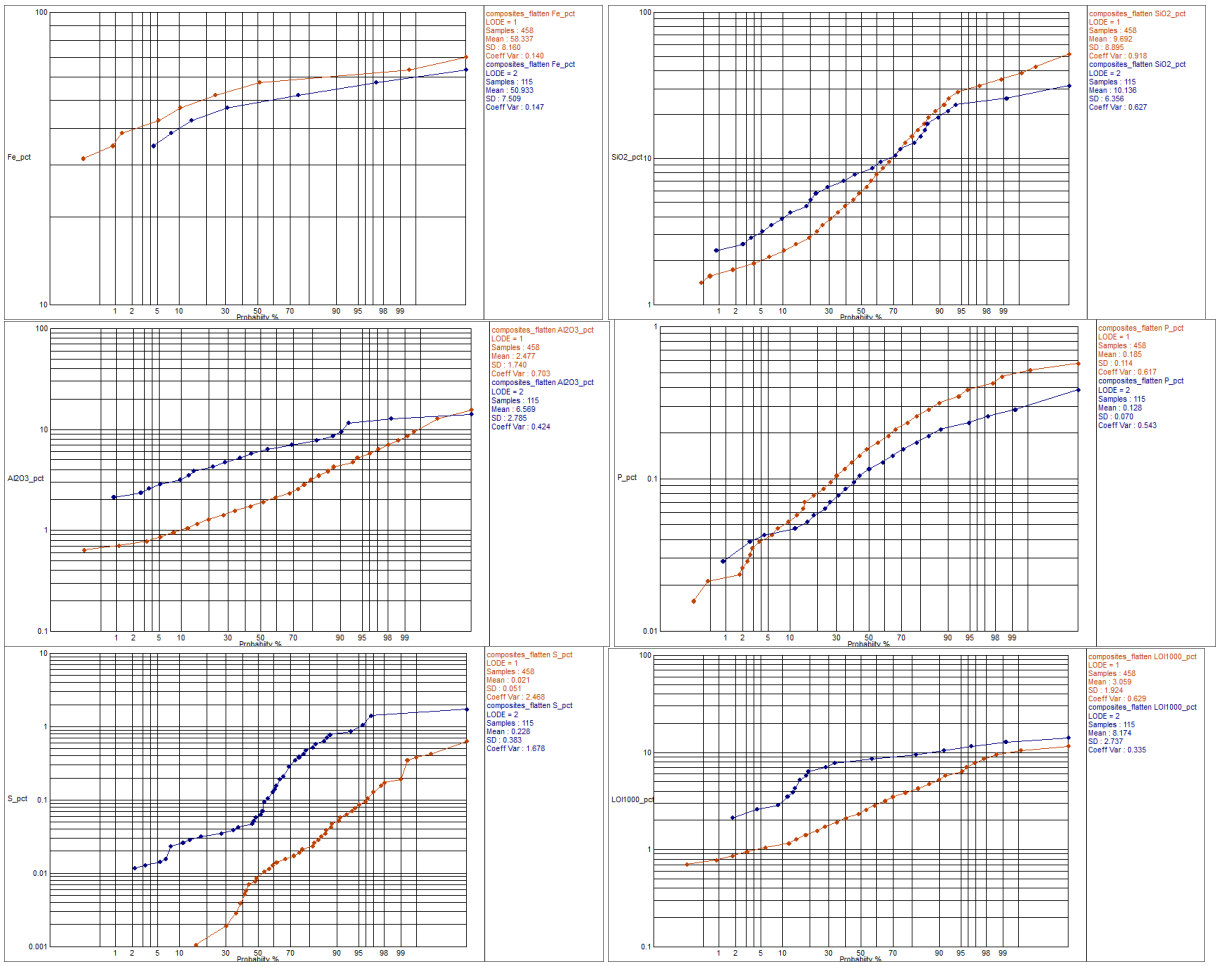

Figure 8. Probability plots for Fe, SiO2, Al2O3, P, S and LOI1000 (brown –Major; blue – Minor).

Table 3. Top cut analysis and effects.

Variable	Composite Number	Top Cut	Metal Cut estimated	Data Cut	Comments
Fe (%)	573	999			No Top cut
SiO2 (%)	573	35	0.63%	1.57%	Cluster of higher grade outliers
Al2O3 (%)	573	999			No Top cut

P (%)	573	0.5	0.29%	1.22%	Cluster of higher grade outliers
S (%)	573	1.1	6.56%	0.70%	Cluster of higher grade outliers
LOI1000	573	999			No Top cut

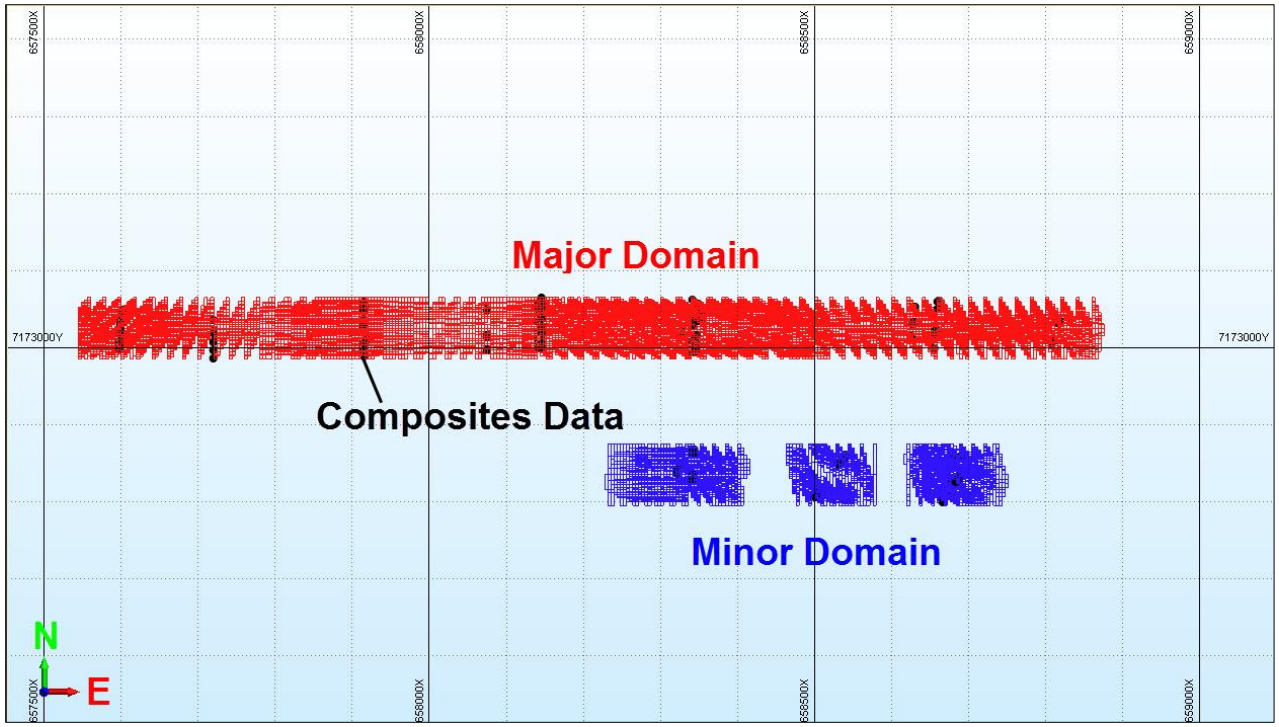

Figure 9. Plan view on flatten block models and composites (black points) of Telecom Hill East deposit.

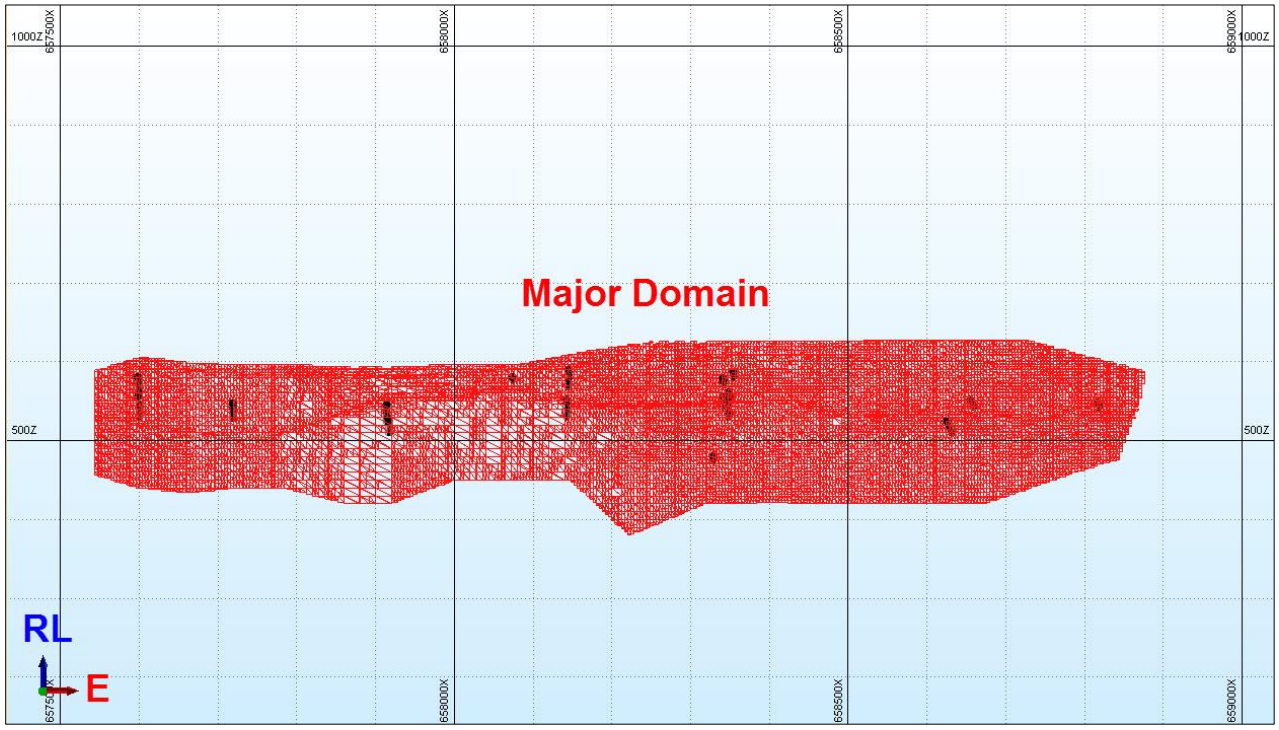

Figure 10. Long section view on flatten block models and composites (black points) of Telecom Hill East deposit.

- Variography and evaluation of suitable estimation parameters based on the "flattened" data were undertaken using Isatis software. The variograms were calculated for 6 variables of Fe%, SiO_2%, Al_2O_3%, P%, S%, and LOI1000. The variography analysis was based on the 1m composite data in each domain.
- A volume block model was constructed, with blocks coded based on the wireframes in a similar fashion to the drill hole samples.
- A block model was created using 20.0mE × 10.0mN × 10.0mRL parent blocks. Sub-cells were generated down to 5.0mE × 2.0mN × 2.0mRL as appropriate to honour wireframe lodes and regolith interpretations during model construction.
- Ordinary Kriging (OK) was used to estimate 3D blocks. Quantitative Kriging Neighbourhood Analysis was used to optimise parameters for the Kriging search strategies.
- Quantitative Kriging Neighbourhood analysis (QKNA) was undertaken on a subset of blocks in the main domains to establish optimum search and minimum/maximum composite parameters. Goodness-of-fit statistics are generated to assess the efficiency of the various parameters. The

primary statistics used are the Kriging efficiency and the slope of regression. Table 4 shows the estimation search strategy.

Table 4. Kriging search strategy.

Domain	Search Ellipse			Search Pass 1		Search Pass 2			Search Pass 3		
	Major	Semi-Major	Minor	Min Samples	Max Samples	Search Factor	Min Samples	Max Samples	Search Factor	Min Samples	Max Samples
Major	110	60	30	8	24	2	8	24	3.5	4	24
Minor	110	60	30	8	24	2	8	24	3.5	4	24

- Search ellipses were orientated based on the overall geometry of mineralisation of domains.
- A minimum of 8 samples and a maximum of 24 samples were used to estimate the sample grades into each block for the first search pass. The minimum number of samples was reduced to 4 for the smaller zones in the second and third search pass to ensure all blocks found sufficient samples to be estimated.
- A maximum of 4 samples from any one drill hole were used per block estimate, with cell discretisation of 5 x 5 x 2 (X × Y × Z), and no octant based searching utilised.
- Statistical, visual and plot assessment of the Block Model was undertaken to assess successful application of the various estimation passes, to ensure that as far as the data allowed all blocks within lodes were estimated and the model estimates considered acceptable.
- Density values were assigned into the block model based on the updated downhole geophysical measurement data provided by Padbury (Table 5). CSA reviewed the geophysical density data which indicated the Fresh BIF has density of 3.014, however a value of 2.90 was chosen as a slightly conservative figure to allow for any inaccuracy in the geophysical data.

Table 5. Density algorithm for Telecom Hill BIF units

Lithology Unit	Density (gm/cm³)
BIF	2.90

- The Telecom Hill East Mineral Resource have been classified and reported in accordance with The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Resource classification is based on confidence in the mapping, geological interpretation, drill spacing geological domaining and geostatistical measures.
- The current resource models provide robust global estimates of Fe, SIO_2, AL_2O_3, P, S, and LOI1000 in the Telecom Hill East deposit.
- Detailed resource tabulations and grade tonnage curves are presented in the following figure and table (Table 6 and Figure 9).

Table 6. **Telecom Hill East Global Resource grade and tonnage tabulations**

Cutoff (Fe %)	Million Tonnes	Grade (Fe %)
0	11.7	58.45
45	11.6	58.45
50	**11.5**	**58.55**
51	11.4	58.66
52	11.2	58.76
53	10.9	58.94
54	10.4	59.19
55	9.9	59.44
56	9.1	59.76
57	8.0	60.21
58	6.9	60.66
59	5.3	61.33
60	3.8	62.03

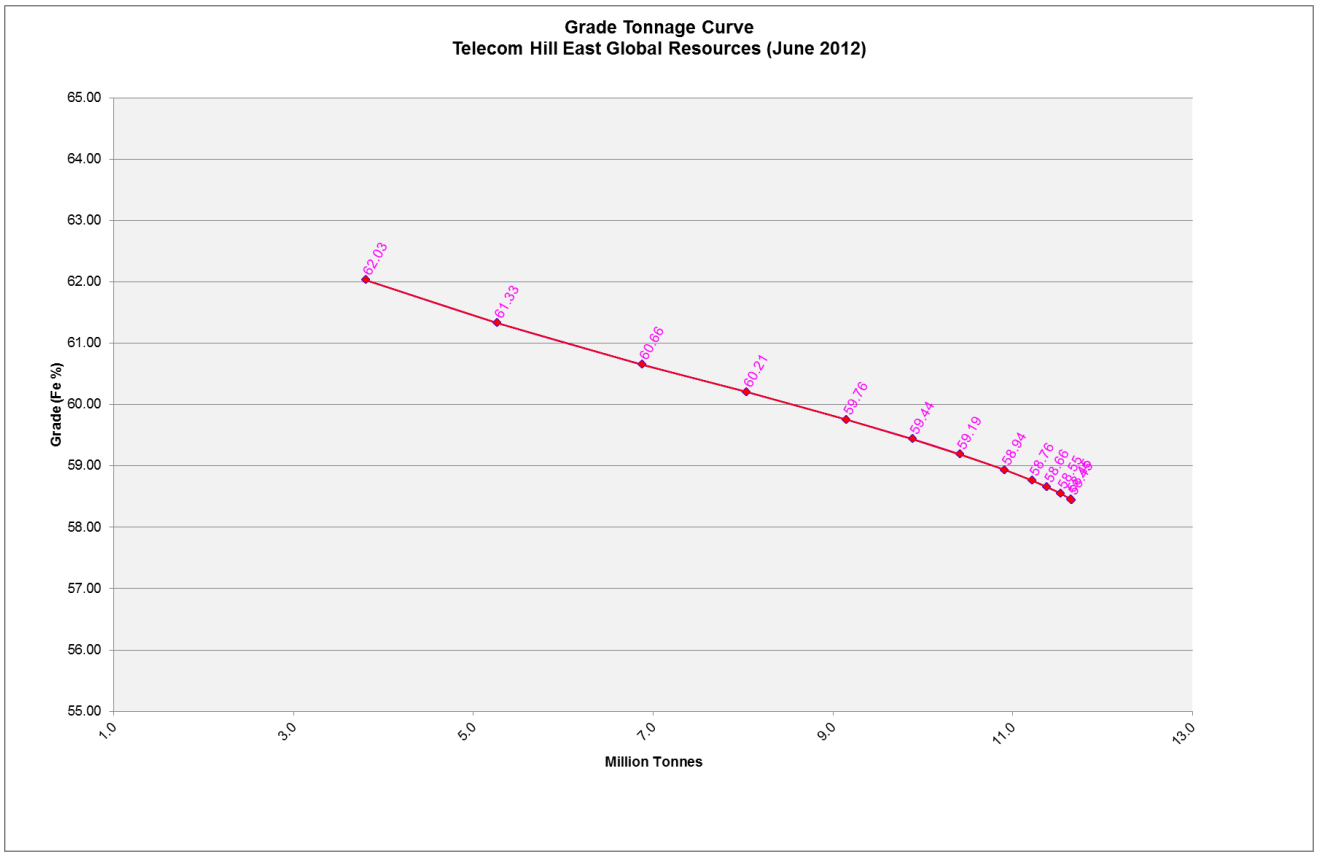

Figure 11. Fe Grade -Tannage curve for Telecom Hill East global resource.

Telecom Hill Exploration Potential

The potential for the identification of additional resources in the Telecom Hill area is high. A total of 11.5 Mt @ 58.5% Fe has been estimated as Inferred in this Mineral Resource update, this in itself offers immediate targets for closer spaced drilling which are likely to upgrade this resource. The mineralisation is open to the east and west which provides opportunities to expand the resource. The mineralisation is not adequately tested at depth which provides additional opportunities for expansion.

The phosphorus level in the deposit are generally high, however a distinct zone of higher grade material has lower P values in the keel of the syncline. Figure 10 below shows the distribution of resource blocks with P lower than 0.2%. Collectively these blocks comprise a lower tonnage resource of 5.4Mt at 58.45% Fe with P at 0.14% (Table 7).

Table 7. Mineral Resource Estimate results for Telecom Hill East Deposit with lower phosphorous value.

Grade Tonnage Reported above a Cut off Grade of 50% Fe; above 470mRL; P < 0.2%								
LODE	**Category**	**Million Tonnes**	**Fe (%)**	**SiO2 (%)**	**AL2O3 (%)**	**P (%)**	**S (%)**	**LOI1000**
Total	**Inferred**	**5.4**	**58.45**	**10.39**	**2.08**	**0.14**	**0.02**	**2.44**

Note: *The CSA Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 50% Fe. Ordinary Kriging with high grade treatment. The resource is quoted from blocks above the specified Fe % cut-off grade with a P value of <0.2%.*

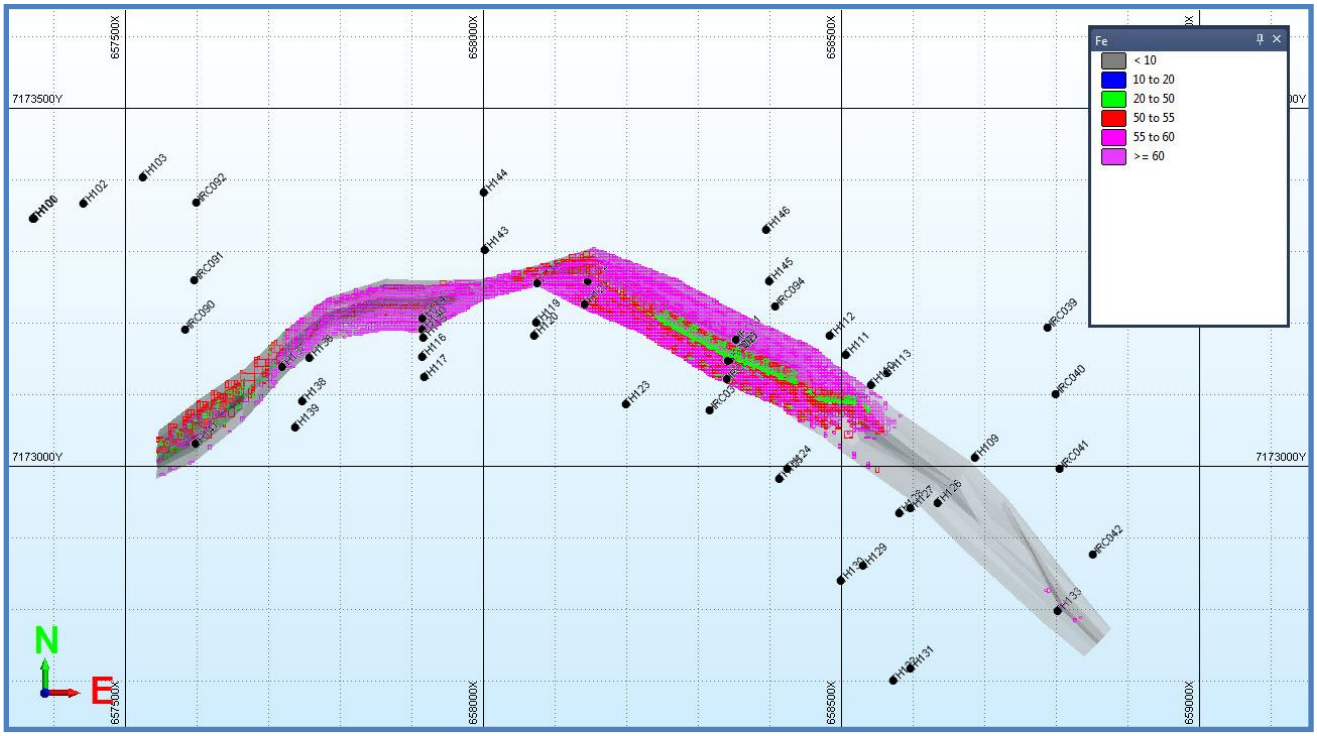

Figure 12. Diagram Showing distribution of resource blocks with +50% Fe and <0.2% P inside the grey Resource wireframe.

There also remains good potential for discovery of additional magnetite resources in the Telecom Hill area as extensions to the DSO resource. Several magnetite drill intercepts have been recorded in the holes targeting DSO as well as a number of holes outside the DSO resource.

Conclusion and Recommendation

In CSA's opinion, the current Mineral Resource model provides a robust global estimate of the in situ hematite - goethite mineralisation in the Telecom Hill East deposit. The following conclusions and recommendations are made to assist Padbury with increasing the confidence of both current and future resource estimates.

1. As the mineralisation is interpreted to be sub-vertical in orientation, further drilling should include angled diamond core holes. This will assist with maintaining high quality representative samples.
2. Diamond core drilling should be undertaken as a priority to collect geotechnical information, samples for accurate density measurements and preliminary metallurgical test work.
3. The ongoing collection of orientation data to allow a better geotechnical understanding of the geology and structure of the deposit is recommended.
4. Maintain the current QA-QC procedures to ensure high quality data is available for subsequent resource upgrades.
5. The Mineral Resource shows a substantial volume of material classified as Inferred. This material is an immediate target for resource category upgrading, which in turn may provide reserves for mine development.
6. In planning to attain Indicated Mineral Resource status, additional drillholes should be planned that:
    - confirm the existing interpretation. More holes need to target the footwall and hangingwall contacts to better define the deposits and refine the mineralisation model;
    - The areas of Inferred Mineral Resources offer immediate targets for adding reserves and should be tested at a closer drill spacing;
    - Kriging neighbourhood analysis indicates a drill spacing of 80 x 50m would be adequate to improve confidence to an indicated resource category as long as holes were positioned to define the full width of the BIF units.
    - Provide at least two holes on each 200m spaced section that transect the entire zone below the base of oxidation;
    - Target lower P material in this deposit and any subsequent deposits in the area to try and lower global P values for the global resource.
7. Density measurements should be conducted and improved by:
    - collecting diamond core samples for direct measurement, with sufficient samples from the oxide and transitional layer rock types to test the assumed values from geophysics used in the current estimate;
    - continue the program of downhole density logging where possible to compare with physical measurements;
8. Improvement to resource modelling:
    - Improving geology understand and lithology unit interpretation;
    - Improve understanding of P values
    - Improved data entry, storage and validation systems, especially for density measurements;
    - Acquire detailed digital terrain model (DTM) of the surface topography.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr Bielin Shi has sufficient experience 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 Mineral Resources and Ore Reserves". Dr Shi consents to the inclusion of such information in this report in the form and context in which it appears.

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