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VIENTO

ASX ANNOUNCEMENT

9 September 2013

SUPPLEMENTARY PROSPECTUS

Viento Group Limited (**Company**) refers to its prospectus dated 31 July 2013 (**Prospectus**) for the offer to transfer 79,799,572 fully paid ordinary shares in the capital of Qld Iron Limited to shareholders of the Company pursuant to a reduction of capital by way of an in specie distribution (**Capital Reduction**).

The general meeting to consider the Capital Reduction is scheduled to take place on 10 September 2013.

The Company wishes to advise shareholders that a supplementary prospectus has been lodged with the Australian Securities and Investments Commission on 9 September 2013 (**Supplementary Prospectus**) and can be accessed on the Company's website at www.vientogroup.com/qld-iron/ and on the Company's ASX platform (ASX code: VIE).

Shareholders can also be issued with a copy of the Supplementary Prospectus upon request by contacting Damian Wright, the Company Secretary, by email: damian.wright@vientogroup.com or by telephone: +61 8 6145 2400.

– ENDS –

About Viento
Viento is a growing mining servicing industry business specialising in civil contracting on rail embankments, access roads and general mine infrastructure projects, mine pre-stripping, contract mining and utility services to the mining, oil & gas industries. Viento provides equipment and labour hire to established mining and civil projects, heavy duty mechanical repairs and mine site shutdowns. Viento continues to manage two residential land subdivisions.

For further information contact:

Robert Nichevich
Chief Executive Officer
Viento Group Ltd
T: 61 8 6145 2400
www.vientogroup.com

Damian Wright
Company Secretary
Viento Group Ltd
T: 61 8 6145 2400

VIENTO GROUP LIMITED

ACN 000 714 054

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This supplementary prospectus (**Supplementary Prospectus**) is intended to be read with the prospectus dated 31 July 2013 (**Prospectus**), issued by Viento Group Limited (ACN 000 714 054) (**Company**).

This Supplementary Prospectus is dated 9 September 2013 and was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.vientogroup.com/qld-iron/ and on the Company's ASX platform (ASX code: VIE).

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

VIENTO GROUP LIMITED
ACN 000 714 054

SUPPLEMENTARY PROSPECTUS

1. INDEPENDENT GEOLOGIST'S REPORT & VALUATION

The Independent Geologist's Report in Section 8 of the Prospectus is replaced in its entirety with the Independent Geologist's Report & Valuation annexed to this Supplementary Prospectus.

2. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

_____

Mr Robert Nichevich
Executive Chairman
For and on behalf of
Qld Iron Limited

AL MAYNARD & ASSOCIATES Pty Ltd
Consulting Geologists
www.geological.com.au *ABN 75 120 492 435*

9/280 Hay Street,	*Tel: (+618) 9388 1000*	*Mob: 04 0304 9449*
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Australia		

Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT GEOLOGICAL REPORT

ON

THE CONSTANCE RANGE IRON PROJECT (EPM 14479)
IN
QUEENSLAND, AUSTRALIA

PREPARED FOR

Qld Iron Limited

Author: Allen J Maynard BAppSc (Geol), MAIG, MAusIMM
Company: Al Maynard & Associates Pty Ltd
Date: July, 2013
Revised September, 2013

Executive Summary

EPM 14479 is located 230km NW of Mt Isa and 200km from the Gulf of Carpentaria (Fig. 1). The main iron deposits that comprise up to six beds at Constance Range consist of dominantly hematite with siderite and silica zones. These beds are hosted in the Train Range Ironstone member of the middle Proterozoic Mullera Formation within the South Nicholson Basin.

From 1956-63 BHP Billiton Ltd (then BHP Ltd) explored the area.

Qld Iron Limited ("QIL") now has an Exploration Permit for Minerals 14479 ("EPM") over 59 sub-blocks covering 192km^2 which was granted on 27th March, 2006 for a five year term expiring on 26th March, 2011. An extension was granted to 26th March, 2014. The annual rent payable to the Queensland Department of Minerals & Energy ("DME") is $131.40 per sub-block. The cost for the 59 sub-blocks is $7,752.60 per annum. The minimum expenditure required is $150,000 per annum. QIL is the operator of an established JV on the EPM and QIL has a 70% interest. KBL Mining Limited ("KML") (ASX:KBL) holds the balance of 30% interest.

The EPM covers Deposit 'A' and Deposit 'P' and is subject to a Native Title agreement with the traditional owners, the Waanyi People granting QIL exploration access rights. The EPM is also bounded on three sides by the Lawn Hill National Park which, in a central block, covers some of the deeper mineralisation. The balance of the mineral inventory occurs to the east, west and north of the National Park.

The holder of an EPM has the exclusive right to explore, and if successful, apply for mining rights within the same ground. At present it is not known how much expenditure has been recently incurred on this ground by previous 30% interest holder CBH Resources Limited ("CBH").

CBH is replaced by KML. There are no known references to previous purchasers or occupiers of this ground other than as stated below in S4.3. The KML explanatory memorandum indicates expenditure of approximately $1m up to 2012. Since then QIL has expended a further A$105,000.

Metallurgical testing prior to 1963 confirmed that the iron can be beneficiated by a fine grind followed by 600^{o}C reduction and wet magnetic separation to a 66.4% Fe and 6.5% SiO_2 concentrate with a 90.5% recovery. Nonetheless, metallurgical tests using modern technology are required for future work.

CBH conducted a drilling program of 14 holes to broadly confirm and validate the BHP data and establish an Inferred Mineral Resource estimate under JORC Code 2004 guidelines.

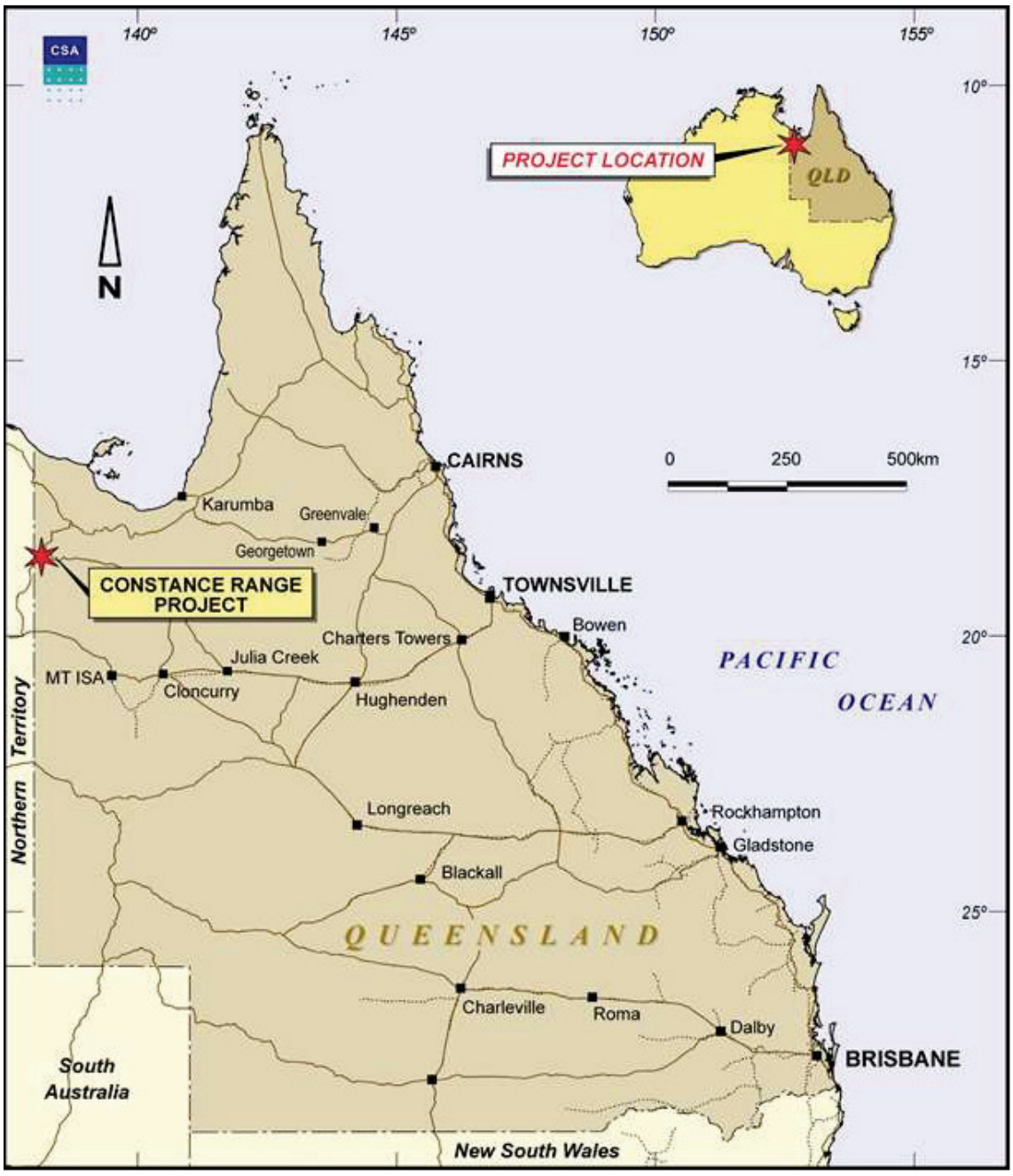

Figure 1: Regional Location Map.

Additional details are provided in Appendix 1 of this report (JORC Code Table 1). Note that although 80% of the total known mineralisation is outside of the National Park there is 43% of this within the 'Buffer Zone' which we consider is not 'available'.

The total Inferred Mineral Resource estimate outside of the National Park is 236Mt at 53.2% Fe, 10.3% SiO2, 0.02% P, 0.07% S, 1.6% Al2O3 and 11.2% LOI. However, 132Mt of this (43%) is within the Buffer Zone and this is also considered to be 'sterilised' and thus not included in the total available resource which therefore amounts to 104Mt (37%) of the overall total.

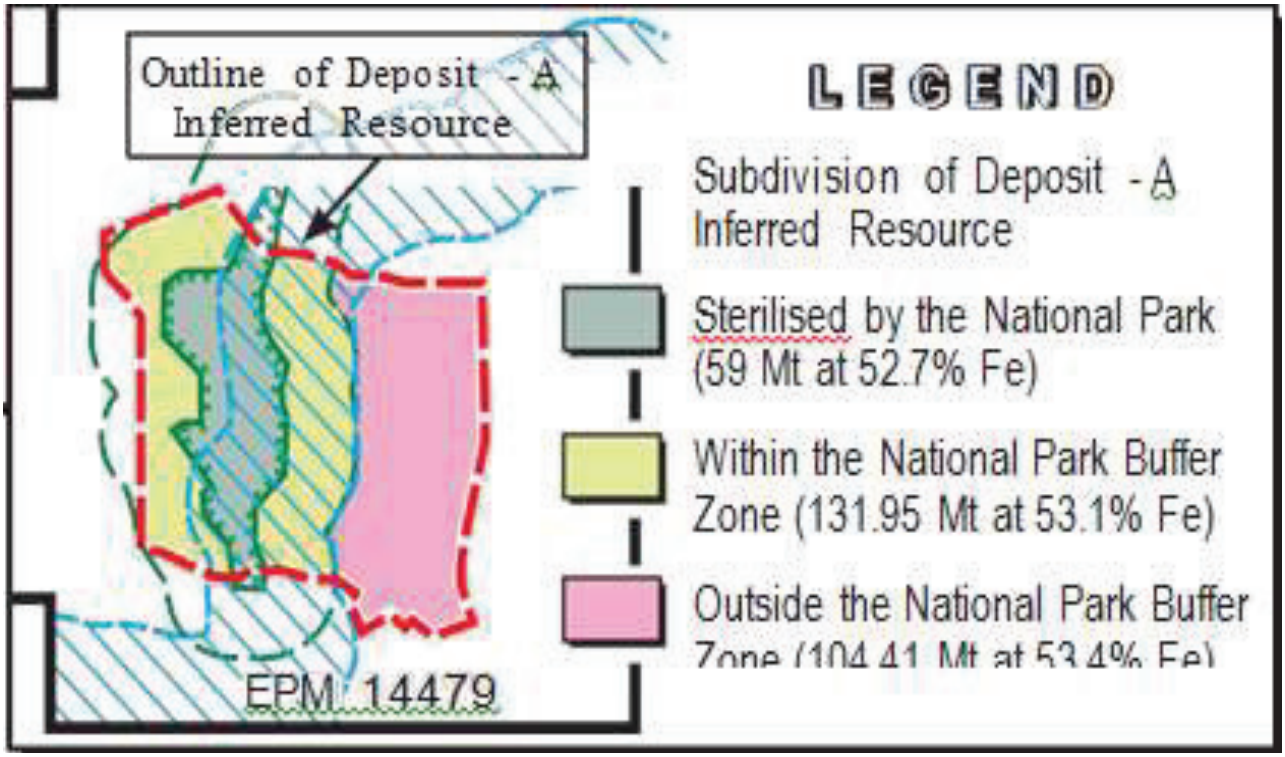

Figure 2: Constance Range Iron Project Related to Park & Buffer Zones.

Contents

List of Figures

List of Tables

The Directors
QLD Iron Ltd,
Level 1, 76 Hasler Road,
Osborne Park, WA 6017

17th July, 2013

Preamble

Al Maynard and Associates ("AM&A") were commissioned by QIL to provide an Independent Geological Report ("IGR") on its mineral exploration tenement EPM 14479 located in Queensland, Australia.

It is understood that this Report will be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") on or about 17th July, 2013, to enable the distribution in specie to shareholders of Viento Group Limited ("VGL") on a 1:1 basis.

The IGR has been prepared in accordance with the JORC Code and the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as ASIC and Australian Securities Exchange ("ASX"), which pertain to Independent Expert's Reports.

The mineral licences are considered to be at an advanced brown-fields stage. They are considered inherently speculative in nature, however, subject to varying degrees of development risk, they warrant further studies consistent with the proposed budget. The Company intends to undertake further work to assess the viability of the project. A detailed budget is not yet established.

QIL plans to study and review existing regional infrastructure, particularly transport options, to establish how this may be best utilised to develop the project. The minimum statutory expenditure commitment will be met. The IGR has been prepared on information available up to 30th June, 2013.

This Report has been prepared by Allen J. Maynard. Mr Maynard is the Principal Geologist of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and a Member of the Australian Institute of Geoscientists ("AIG"). He has over 35 years continuous experience in mineral exploration and evaluation and more than 25 years' experience in mineral asset valuation.

Neither the writer nor any of his associates or employees have any material interest either direct, indirect or contingent in QIL nor in any of the mineral assets included in this Report nor in any other QIL asset nor has any such interest existed previously. Apart from the preparation of an Independent Technical Valuation by AM&A for QIL's predecessor, VGL, on this project in July 2011, no other commercial relationship has existed between AM&A and QIL in relation to the appointment to prepare this Report.

AM&A has had no input into the formulation of any of the mineral tenements under review. This IGR has been prepared by AM&A strictly in the role of an independent consulting geologist.

The present status of the tenement listed in this Report is based on information provided by QIL and the Report has been prepared on the assumption that the tenement will prove lawfully accessible for evaluation and development. QIL has warranted to AM&A that full disclosure has been made of all material information in its possession or knowledge and that such information is complete, accurate and true. None of the information provided by QIL has been specified as being confidential and not to be disclosed in our Report.

As recommended by the Valmin Code, QIL has indemnified AM&A for any liability that may arise from AM&A's reliance on information provided by QIL or known of but not provided by QIL.

Information used in the preparation of this Report has been derived from technical information provided by QIL and other publicly available data. The writer is generally familiar with the various geological settings and styles of mineralisation and combined with the technical data available is able to make informed comments on the project areas. The writer has worked in the general area several times over the past three decades.

For the purpose of Sections 731 to 733 of the Corporations Law, AM&A were involved in the preparation of the IGR included in this Prospectus, and have authorised or caused the issue of this part of the Prospectus only. AM&A has given consent in writing to the issue of the Prospectus with this IGR included in the form and context it was provided and has not withdrawn that consent before the lodgement of the Prospectus with the ASIC.

AM&A observes Section 947B of the Corporations Act 2001 (Cwlth). In accordance with Corporations Regulation 7.6.01(1)(u) and Corporations Amendment Regulations 2003 (No. 7) 2003 No. 202, this IGR is not financial product advice but is intended to provide investors with expert opinion on matters relevant to an investment in the Company. Allen J Maynard and AM&A are not operating under an Australian financial services licence and the advice in this IGR is an opinion on matters other than financial products and does not include advice on a financial product.

Yours faithfully,

Allen J. Maynard BAppSc(Geol), MAIG, MAusIMM.

1.0 Background Information

1.1 Introduction

EPM 14479 is located 230km NW of Mt Isa and 200km from the Gulf of Carpentaria. The main iron deposits that comprise up to six beds at Constance Range consist of dominantly hematite with siderite and silica zones. These beds are hosted in the Train Range Ironstone member of the middle Proterozoic Mullera Formation situated within the South Nicholson Basin.

1.2 Location and Access

The Constance Range Project is located in far NW Queensland, some 40km NW of MMG's Century zinc–lead mine. The project area is 230km NW of Mt Isa and some 200km from the Gulf of Carpentaria.

The Adelaide–Darwin railway is about 400km to the west of the project. The closest power supply is at Century; gas is piped to Mt. Isa and concentrate ship loading facilities are available at Karumba, Gulf of Carpentaria. The area is considered to be self-sufficient for water supplies.

1.3 Tenure

QIL now has an EPM over 59 sub-blocks covering 192km2 which was granted on 27th March, 2006 for a five year term expiring on 26th March, 2011. An extension has been granted and the EPM now runs until 26 March, 2014. The annual rent payable to the DME is $131.40 per sub-block. The cost for the 59 sub-blocks is $7,752.60 per annum. The minimum expenditure required is $150,000 per annum

Tenement	Status	Area (km^2)	Grant Date	Expiry Date	Annual Expenditure Commitment (A$)
EPM 14479	Granted	192	27/3/2006	26/3/2014	$150,000

Table 1: Licence Details.

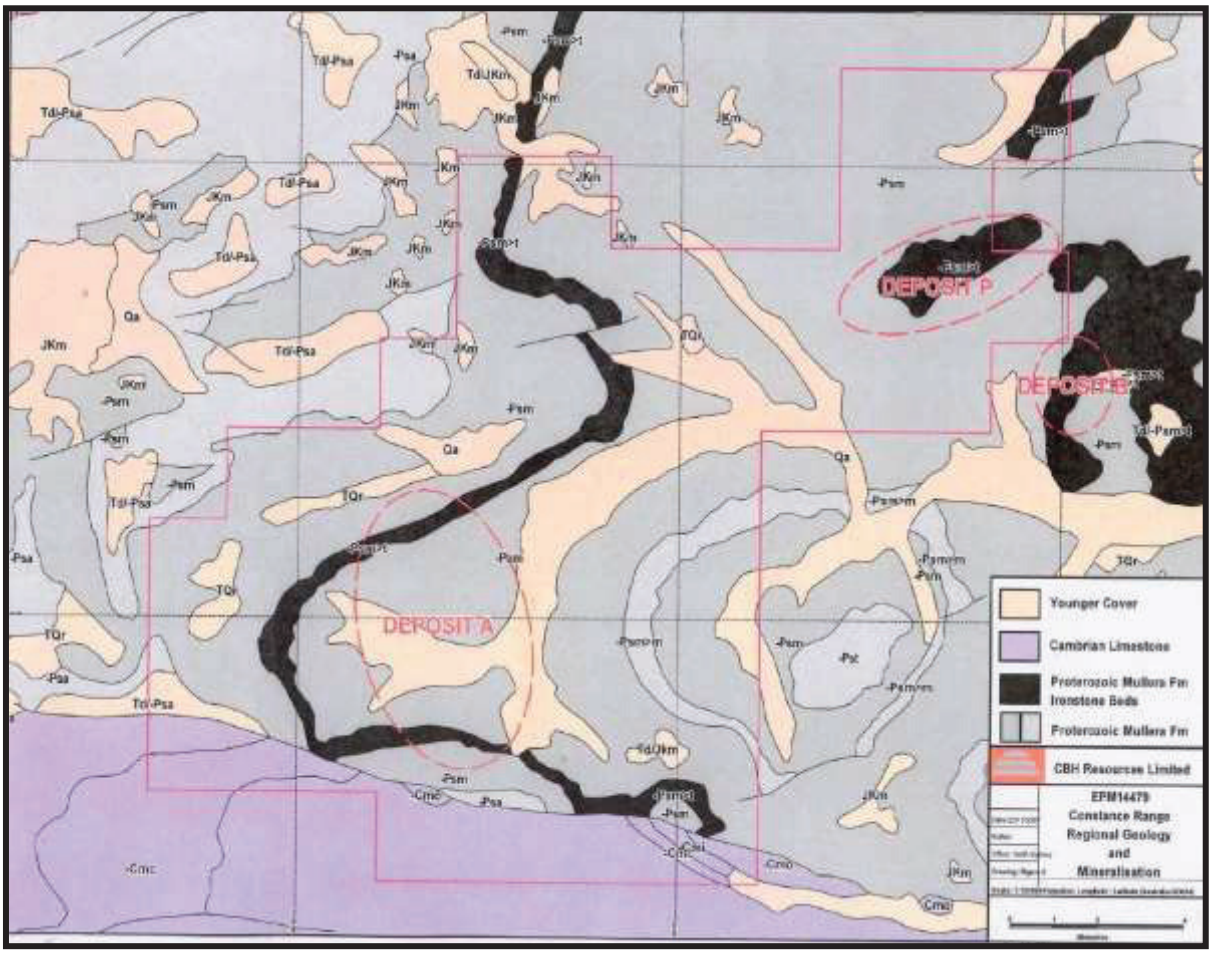

Figure 3: EPM14479 over Local Geology.

2.0 Geological Setting

The Constance Range Iron deposits form part of the Train Range Ironstone Member from the middle Proterozoic Mullera Formation of the South Nicholson Basin. There are up to six ironstone beds within a 100m stratigraphic thickness interbedded with dark-grey shales, siltstones and sandstones. Only the lowermost beds have sufficient grade or thickness to warrant commercial consideration. The oolitic ironstone beds are similar to those of the Wabana deposits of Newfoundland that had been exploited during the early twentieth century by underground room and pillar mining to provide 50-63% Fe direct shipping ore to European and American markets. These oolitic deposits are different to Banded Iron Formation deposits that are more typical of the Australian iron ore industry.

The hogsbacks and mesa ironstone outcropping beds are composed of ochrous, red hematite and quartz grains cemented in quartz, hematite and chamosite with minor shale and clay. Fresh iron is similar but also contains siderite, minor carbon and rare small veinlets of quartz-pyrite, siderite-pyrite or calcite. The silica content is higher near surface and beds range in composition from hematite-rich to siderite-rich, with varying quantities of quartz. Higher grade beds weather to form high

grade oxidised ironstone and low grade beds weather to ferruginous sandstone. Beds dip 5-30° around the rims of two major and several minor structural basins that are cross-folded and cross-faulted.

The aerial extent of the ironstones is some 650km^2 and represents a large target where potential tonnes are proportional to ironstone bed thickness. Unfortunately most of this potential is under thick cover and only deposits on the rims of basin are of commercial interest. Much of Deposit 'A' is in the Lawn Hill National Park and is also sterilised from mining.

2.1 Regional Geology

The South Nicholson Basin straddles the Northern Territory- Queensland border. It contains a Mesoproterozoic sedimentary succession that unconformably overlies Palaeoproterozoic rocks of the Murphy inlier to the north and Lawn Hill Platform to the north, south and southeast. The basin is unconformably overlain by the Palaeozoic Georgina Basin to the south and southeast and by the Mesozoic Carpentaria Basin to the east in Queensland.

The basin fill predominantly consists of sandstone, siltstone and shale of the South Nicholson Group. This is understood to correlate with the Roper Group in the McArthur Basin. The three formations that are most conspicuous in outcrop in the Northern Territory are the 1,000m thick Constance Sandstone, 2400m thick Mullera Formation and the 2,700m thick Mittiebah Sandstone. Contacts between these units are conformable, but they may originate from different depocentres.

The only recorded significant mineralisation in the South Nicholson Basin is sedimentary ironstone in the Constance Range of Queensland where oolitic Hematite, siderite and chamosite beds occur in the Train Range Ironstone Member of the Mesoproterozoic Mullera Formation.

2.2 Structure

The mineralised bands outcrop on surface some 85m above the valley floor and dip 5-30^0, some 15^o on average, to the east. Beds dip around the rims of two major and several minor structural basins that are cross-folded and cross-faulted.

2.3 Mineralisation - Metallurgy

The previous exploration established that the lower three beds are well developed regarding iron mineralisation.

The Upper Bed is 2.8 - 5.5m thick and was considered uneconomic since silica levels are high. The Middle Bed is 3.7 - 6.8m thick with higher grade mineralisation over the top 3.0 - 4.5m on the southern basin limb. The Lower Bed is 0.6 - 7.0m thick and has higher grades on the northern limb of the basin.

Oxidised beds are composed of ochrous, red hematite and quartz grains cemented in quartz, hematite and chamosite with minor shale and clay. Fresh iron is similar but also contains siderite, minor carbon and rare small

veinlets of quartz-pyrite, siderite-pyrite or calcite. The silica content is higher near surface and beds range in composition from hematite-rich to siderite-rich, with varying quantities of quartz.

Initial metallurgical testwork conducted in 1956 used a composite sample from 11 shallow, 'Deposit A' drill cores.
These samples produced an unrepresentative head grade of 51.3%Fe and 22% SiO_2 since the silica is about twice elected cut-off grade. The sample was crushed, roasted, milled and subjected to wet magnetic separation followed by de-magnetisation and classification to produce a concentrate with a grade of 66.4% Fe and 6.45% SiO_2 for an overall recovery of 90.5%.

Other various tests were conducted, such as dry magnetic separation or sink-float testing but results yielded were lower than the conventional route.

Check testwork performed on dump samples in 1965 produced similar results with a 64% Fe product from 97% recovery but the silica grades were not reported. Recent high intensity magnetic separation, dense media separation and flotation advances have developed as the conventional process to separate silica from hematite in low grade iron ores. This may be the appropriate beneficiation process for Constance Range but needs to be tested as does 'pelletisation' of concentrates.

Please note, these historical results reported by BHP Ltd are not reported in accordance with the JORC Code. Kindly refer to Annexure 2 for clarification of the use of these results for the purposes of this Report to comply with the JORC Code.

3.0 Exploration History

BHP concentrated exploration in seven areas of outcropping ironstone. After outcrop mapping and sampling the company drilled 205 holes for 25,600m. Three deposits received higher attention with Deposit A receiving 110 holes for 16,500m, Deposit I with 30 holes for 3,500m and Deposit P with 13 holes for 1640m.

Two parallel shafts to 75m depth each were sunk in Deposit A, 150m apart and were connected by a cross-cut. The underground development was to study roof and floor conditions for potential underground 'room and pillar' mining and also supply a bulk sample for metallurgical testing.

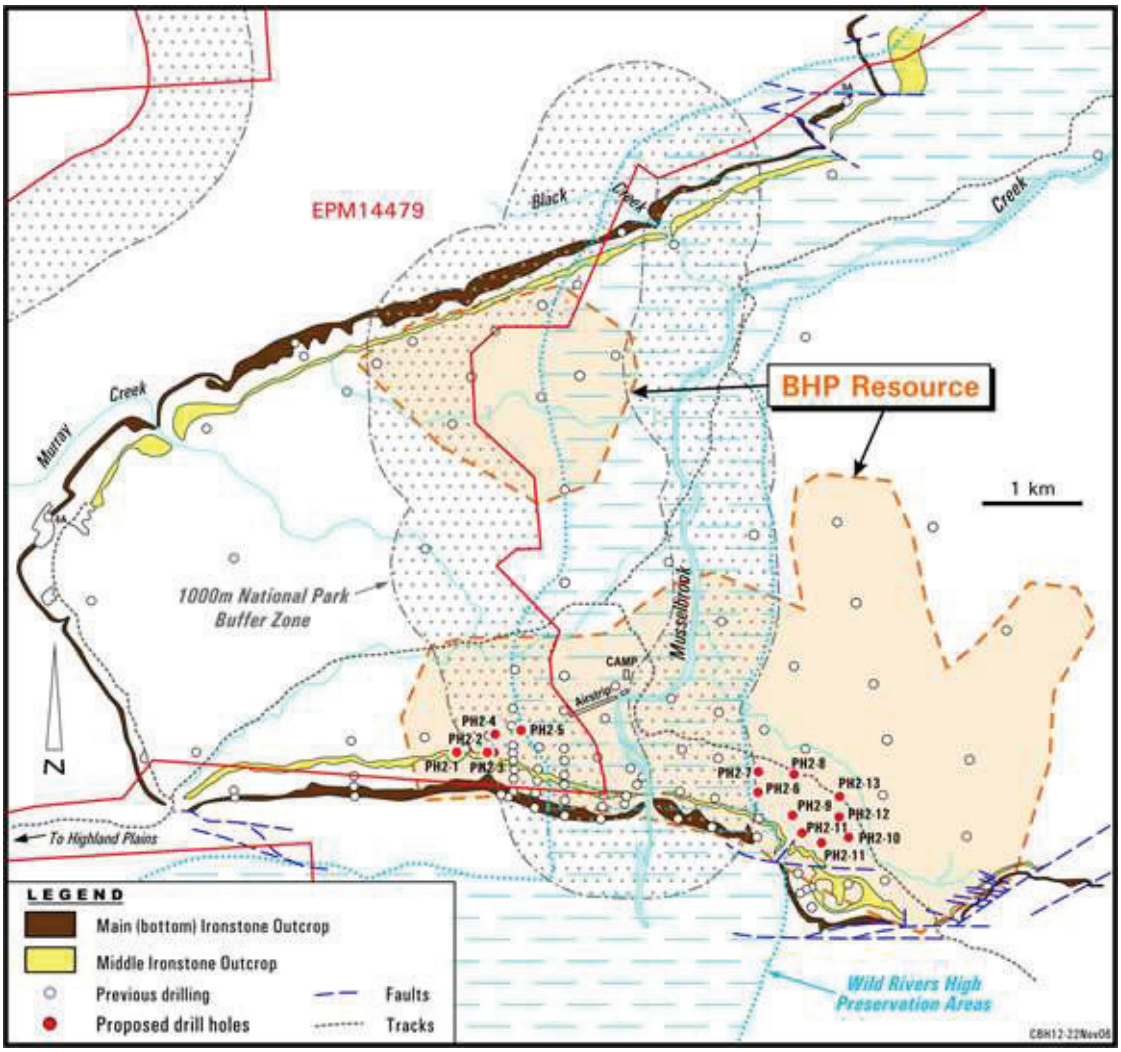

Figure 4: Constance Range Iron Project Exploration History Diagram.

4.0 Exploration Potential

A recent preliminary modelling exercise conducted by independent consultants CSA Australia Pty Ltd ("CSA") for CBH using sectional interpretation over Deposit A was completed.

The sectional interpretation was built using Micromine software and the resultant string files were used to construct a wireframe model using Datamine software. A block model was created inside the wireframe using the inverse distance squared technique for grade interpolation.

Cut-off grades used by CBH are 49.5% Fe and 12% SiO_2 with a minimum thickness of 2m down hole.

The estimate is summarised below in Table 2.

Co.	M t	%Fe	%SiO_2	% P	%Al_2O_3	%LOI
CBH	236	53.2	10.3	0.02	1 . 6	11.2

Table 2: CBH Resource Estimate Summary.

The presence of the national park and associated buffer zone over the mineral inventory sterilises a large part of the deposit. The national park sterilises 20% and buffer zone 43% that together sterilise approximately 63% of the inventory.

The area covered	Category	Mt	%Fe	SiO_2	%P	$\%Al_2O_3$	%LOI
Inside Buffer Zone	Inferred	132	53.1	10.5	0.02	1.6	11.2
Outside Buffer Zone	Inferred	104	53.4	10.1	0.02	1.6	10.5
Total & Averages		**236**	**53.2**	**10.3**	**0.02**	**1.6**	**11.2**

Table 3: Sterilisation exclusions for Deposit A.

CBH conducted a drilling program of 14 holes to broadly confirm and validate the BHP data and establish an Inferred Mineral Resource estimate. Note that about 37% of the known mineralisation is outside of the buffer zone and the national park.

More details about the resource estimates are contained in Appendix I. Note that there have been no material changes since the resource estimates were last reported in the KML prospectus dated 7th December, 2009.

5.0 Conclusion

The total Inferred Mineral Resource estimate outside of the National Park is 236Mt at 53.2% Fe, 10.3% SiO2, 0.02% P, 0.07% S, 1.6% Al2O3 and 11.2% LOI. However, 132Mt of this (43%) is within the Buffer Zone and this is also considered to be 'sterilised' and thus not included in the total available resource which therefore amounts to 104Mt (37%) of the overall total.

AM&A understands that over the next 6-12 months, QIL intends to conduct extensive infrastructure studies on the project to determine viable transport options in the event that further exploration carried out on the project upgrades the current status of the Inferred Mineral Resource Estimate. This is intended to be funded from the joint venture with KML and from loan funds available from VGL.

Yours faithfully,

Allen J. Maynard BAppSc(Geol), MAIG, MAusIMM.

6.0 References

AusIMM, (2004), "Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee (JORC) of the AusIMM, the Australian Institute of Geoscientists (AIG) and the Minerals Council of Australia (MCA), effective December 2004.

AusIMM. (2005), "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code)" 2005 Edition.

CANADIAN INSTITUTE OF MINING, METALLURGY AND PETROLEUM, (2000), "CIM Standards on Mineral Resources and Reserves-Definitions and Guidelines". Prepared by the CIM Standing Committee On Reserve Definitions. Adopted by CIM Council August 20, 2000.

Hewlett A., 2008: “Mineral Resources Summary Report – Constance Range Deposit A”, Queensland. Prepared for CBH Resources Limited, February, 2008. Unpub. Rep by CSA Australia Pty Ltd.

Inflation Calculator: http://www.rba.gov.au/calculator/calc.go

Kimberley Metals Ltd, 2009: Prospectus.

Lindsay, N, 2005, "Constance Range Iron Ore Deposit - Observations" unpub.

Natural Resources and Water, 2007, "Gregory Wild River Declaration", Queensland Government.

Queensland Department of Energy & Minerals.

Rowel!, K., "Summary Report of Investigations at Constance Range, Queensland, 1956 - 1963", BHP unpublished.

7.0 Glossary

Alteration Zone	A zone within which rock-forming minerals have been chemically changed.
Anomaly	Value higher or lower than the expected or norm.
Axis	Hinge-line of a fold.
Country rock	A general term applied to rock surrounding or penetrated by mineral veins.
Dip	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
Domain	The areal extent of given lithology or environment.
Dyke	A tabular intrusive body of igneous rock that cuts across bedding at a high angle.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Fold	A bend in the rock strata or planar structure.
Geophysics	Study of the earth by quantitative physical methods.
Igneous	Formed by solidification from a molten or partly molten state.
Inferred Resource	A resource inferred from geoscientific evidence, drillholes, underground openings or other sampling procedures where lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.
JORC Code	Joint Ore Reserves Committee- Australasian Code for Reporting for Identified Mineral Resources and Ore Reserves.

Metamorphism	The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed "meta" as in "metabasalt".
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Opencut	Descriptive of a mine worked open from the surface.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Orebody	A continuous, well-defined mass of ore.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Porphyroblastic	Large mineral crystal in a metamorphic rock which has grown within the finer grained groundmass.
Primary mineralisation	Mineralisation which has not been affected by near-surface oxidising processes.
RAB	**R**otary **A**ir **B**last (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	**R**everse **C**irculation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the internal drill rods thus minimising sample losses and contamination.
Reverse Fault	A fracture in rocks in which the strata above the fracture have been displaced up the fracture plane relative to the strata below the fracture.
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Silicified	Containing a high proportion of silicon dioxide.
Soil sampling	Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
Strike-slip fault	Faults parallel to the strike of the rock strata.
Stringer	A narrow vein or irregular filament of mineral traversing a rock mass.
Subcrop	The surface expression of a mostly concealed rock layer.
Syncline	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
Unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
Vein	A narrow intrusive mineral body.

Abbreviations

g	gram (= 1.0 ppm).	kg	kilogram
km	kilometre	km^2	square kilometre
lb	pound weight	M	million
m	metre	m^2	square metre
m^3	cubic metre	mm	millimetre
MMI	Mobile Metal Ions	t	tonne
ppb	parts per billion	ppm	parts per million

Appendix 1: Information about the Resource Estimate

JORC Code, 2004 Edition – Table 1 report template
Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• CBH diamond drilling: Re-assembled core was split into quarters by diamond saw and then into 1 metre lengths using drilling depth tags for reference. The start of sampling intervals was determined by geological logging of mineralisation. A quarter core was then bagged for despatch to the laboratory for chemical analysis.
Drilling techniques	• CBH diamond drilling, - HQ triple tube diamond core. Core not orientated.
Drill sample recovery	• CBH Core logged by geologist – core recovery, lithology, structure, RQD. All mineralised intervals logged by CBH geologists as 100% core recovery.
Logging	• CBH Core logged by geologist to a standard appropriate for JORC Code (2004) resource estimation, mining and metallurgical studies. All core was photographed.
Sub-sampling techniques and sample preparation	• CBH Core quartered by diamond sawing over 1 metre intervals determined by logged geological contacts. This sampling method and size is representative of the core being sampled and appropriate for JORC Code (2004) resource estimation.
Quality of assay data and laboratory tests	• CBH Core sample preparation undertaken at ALS laboratory. Details of crushing and pulverisation not provided. Aliquot analysed by whole rock fused disc XRF with thermo-gravimetric analysis of LOI at 370^{o}C, 650^{o}C and 1000^{o}C. Certified standards inserted 1:20 with all assays falling within three standard deviations with no significant bias. Approximately 1:20 pulp residues re-assayed at a second laboratory and resulted in excellent repeatability.
Verification of sampling and assaying	• CBH - The CBH drilling included three holes that twinned the earlier BHP holes. The correlation between the twinned holes was excellent so no adjustment of grades in the BHP drilling was necessary. This close correlation between the twinned more recent CBH drill holes with the earlier BHP drilling provided sufficient confidence for CSA to include the BHP drilling in their resource estimate.
Location of data points	• CBH drill holes surveyed using GPS using AMG coordinates. The CBH surveying is considered adequate for the resource estimates as classified as Inferred.
Data spacing and distribution	• Taking into consideration the style, continuity and extent of the mineralisation being reported as an Inferred resource, the drill hole spacing is appropriate for these estimates. Grade compositing had not been applied.
Orientation of data re geological structure	• The spacing and orientation of the drilling used for the CSA Inferred resource estimates was appropriate and the modelling procedures are not likely to have unduly biased the results.
Sample security	• CBH reported that they followed industry standards for QA/Qc but sample security cannot be independently confirmed. Considering the close correlation between the earlier BHP and the CBH drilling results it does not seem likely any sample interference has occurred.
Audits or reviews	• The CBH drilling data has been audited by CSA and Behre Dolbear for the Kimberley Metals 2009 prospectus. The CP believes that these audits satisfactorily showed that the quality of the sampling was adequate, as indicated previously in this “Table 1”, for the purposes of estimating an Inferred resource.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• QIL has an EPM over 59 sub-blocks covering 192km2 which was granted on 27th March, 2006 for a five year term expiring on 26th March, 2011. An extension has been granted and the EPM now expires 26 March, 2014. QIL have not entered into any other agreement with third parties regarding these licenses. QIL have confirmed to the CP that this tenure is secure and there are no unique impediments that may affect future work and ultimately, if required, eventual conversion to mining leases other than those described in the text of this report. It is pointed out though that the Boodjamulla National Park boundary and associated 1km Buffer Zone may impact on the amount of resources that can be eventually mined. This is intended to be funded from the joint venture with KML and from loan funds available from VGL.
Exploration done by other parties	• As described in the body of this report. Initially BHP during 1950s then much later work supervised by CSA on behalf of CBH.
Geology	• The Constance Range Iron deposits form part of the Train Range Ironstone Member from the middle Proterozoic Mullera Formation of the South Nicholson Basin. There are up to six ironstone beds within a 100m stratigraphic thickness interbedded with dark-grey shales, siltstones and sandstones. Only the lowermost beds have sufficient grade or thickness to warrant commercial consideration.
Drill hole Information	• Initially explored by BHP in the early 1960s with eventually 108 diamond drill holes for 16,257m completed within the current tenement block. CBH followed up with 14 diamond drill holes for 1,276m to twin three of the BHP holes and infill gaps in the BHP drilling. The CP believes that the drill hole collar locations, down-hole surveys, sample logging and assays are of sufficient quality to be used for a JORC Code compliant Inferred resource estimate.
Data aggregation methods	• All drill hole grades are quoted as length weighted averages and all resource estimates are quoted with tonnage weighted grades. • After statistical analysis the following upper grade cuts were used in the resource estimates by CSA: SiO2 = 25%, Al2O3 5%, LOI 25% and P 0.1%. A lower Fe grade cut of 35% was also applied. • No metal equivalent grades were used in the resource estimate.
Relationship between mineralisation widths and intercept lengths	• All drilling was collared as vertical and intersect the flat dipping strata and mineralisation close to perpendicular however the intersection widths will be slightly longer than true widths. The actual difference will depend on the actual intersection angle however the resource estimation method used uses all the drilling data in 3D and takes into consideration the intercept angles when calculating model grades.
Diagrams	• As provided within the body of the report
Balanced reporting	• AM&A considers the reporting to be unbiased as three separate independent consulting groups (CSA, Behre Dolbear, AM&A) have reviewed the data and are basically all in accordance with the descriptions.
Other substantive exploration data	• All the meaningful data that has been made available to the CP is included in the report.
Further work	• The CP understands that over the next 6-12 months, QIL intends to conduct extensive infrastructure studies on the project to determine viable transport options in the event that further exploration carried out on the project upgrades the current status of the Inferred Mineral Resource Estimate. This is intended to be funded from the joint venture with KML and from loan funds available from VGL.

Section 3 Estimation and Reporting of Mineral Resources.

Criteria	Commentary
Database integrity	• The CP did not carry out an audit of the database as original documentation and logs were not available, The database was originally compiled by CSA. This data was thoroughly checked by CSA against original copies where available as part of the compilation process. A further audit of the data was carried out by Behre Dolbear in 2009. The CP believes that these audits satisfactorily showed that the quality of the database was adequate for the purposes of estimating an Inferred resource.
Site visits	• The CP for this report, Allen Maynard has not made a site visit. A site visit was not considered necessary since no substantial work had been carried out on the property since the Kimberley Minerals 2009 Prospectus was issued. Site visits were made by the Behre Dolbear CP at the time the Prospectus was being compiled by them.
Geological interpretation	• The geology of the Constance Range iron deposit, i.e. gently folded sediment hosted mineralisation is simple and straight forward and no other valid interpretation would significantly affect the outcome of the resource estimate quoted in this report. • The wireframes generated by CSA to confine the resource model were based on this simple stratigraphy.
Dimensions	• The Upper Bed is from 2.8m to 5.5m thick. The Middle Bed is from 3.7m to 6.8m thick. The Lower Bed is from 0.6m to 7.0m thick. The southern resource area ranges from 5km E-W to 3km N-S while the northern resource area ranges from1.5km N-S in the west to 3.5km N-S in the east. The northern resource has dimensions of 2km N-S by 2km E-W..
Estimation and modelling techniques	• CSA used a three dimensional block model method based on north-south cross section interpretations and +49% Fe wireframes following the interpreted stratigraphy using Micromine and Datamine software. A minimum thickness of 2m and a maximum of 2m internal dilution were used in the model. An inverse distance squared algorithm within three domains was used to interpolate grades into the resource blocks. • The CSA resource estimate has not been independently checked. • As well as the iron grade, all the usual accessory elements including: Al2O3, SiO2, P and LOI, were modelled and reported. • No selective mining units were considered in the modelling since only Inferred resources were estimated. • After statistical analysis the following upper grade cuts were used in the resource estimates by CSA: SiO2 = 25%, Al2O3 5%, LOI 25% and P 0.1%. A lower Fe grade cut of 35% was also applied. • Once the model had been generated CSA visually compared the block grades against the drill intersections and they were found to correlate as expected. • The CP believes that the estimation method, model block size, parameters and assumptions used are appropriate for the style of mineralisation being modelled.
Moisture	• All grades quoted in the report are on the standard dry basis.
Cut-off parameters	• A lower cut-off grade of 49% Fe was used to constrain the mineralisation model and to report the resource estimate. • The CP has no record of the reasoning used by CSA for using this cut-off grade but the CP believes that it is reasonable since at this cut-off grade produces a geologically coherent wireframe and, based on knowledge of similar deposits, this grade of material with blending and after beneficiation should produce a marketable product.
Mining factors or assumptions	• No mining factors were considered in the resource estimates quoted. The project is at an early stage of exploration with only Inferred resources quoted and further work on modifying factors such as mining, metallurgical, commercial, environmental and government need to be studied before reasonable mining assumptions including method, depths, mining losses and dilution can be considered. the CP however believes that that there is a reasonable expectation that if further detailed exploration eventually delimits a similar quantity and tenor of mineralisation as described in this report that there are reasonable prospects for its eventual economic extraction.

Metallurgical factors or assumptions	• AM&A have not been provided with any information regarding meaningful metallurgical test work carried out on representative samples taken from the deposit since the 1960s. There have however been significant advances in metallurgical processes and technology since then that may beneficiate the ore by removing deleterious minerals and improve metal recoveries.
Environmental factors or assumptions	• Since the resources in this report are only Inferred, no detailed environmental impact study has been done on the impact any future mining project may have on the local environment. The Boodjamulla National Park boundary and associated 1km Buffer Zone may impact on the amount of resources that can be eventually mined. The country contained within the boundaries of the Company's tenements is otherwise generally suitable for all the necessary mining infrastructure including roads, mine dumps and buildings normally associated with a project of the type that could be envisaged to extract the mineralization described this report.
Bulk density	• The bulk density database is quite limited and the CP is not able to determine how these measurements were made. CSA indicated that additional density determinations are required before any further resource estimates are undertaken. Given the style of deposit there will be a correlation between the grade and density and consequently once sufficient bulk density determinations are available it may be possible to develop an algorithm based on the iron grade that can be used with confidence in the future to convert volumes to tonnes. The CP believes that the bulk density used by CSA in their resource estimates is within the expected range for the type of mineralisation modelled and suitable for an Inferred resource estimate.
Classification	• The CP believes that the classification of all the quoted resources in this report as Inferred properly reflects the uncertainties described previously in this table in the quality of the drilling data such as drill hole spacing, sampling QA/QC, resource estimation method and the bulk density used.
Audits or reviews	• Since original documentation and logs were unavailable, the CP was unable to audit the data and CSA resource estimate but relied on previous audits by CSA and Behre Dolbear in 2009 for the Kimberley Metals prospectus published that year. The CP believes that the Behre Dolbear audits satisfactorily confirmed that the data and resource estimate complied with the JORC Code (2004) and the CP believes that the data and CSA resource estimate also conforms with the JORC Code (2004) for an Inferred resource estimate.
Discussion of relative accuracy/ confidence	• The Inferred resource estimate quoted in this report is a global estimate that the CP believes complies with the JORC Code (2004) definition as follows: An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. The wide spacing of the drilling used to estimate the resources and some inadequacies in the QA/QC records of the sampling and chemical analyses preclude the classification of the resource estimate as Indicated. The drill spacing is sufficient to adequately imply geological and grade continuity and the quality of the data is sufficient for categorisation of the resource estimate as Inferred. There is no recorded mine production from the resource.

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Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT TECHNICAL VALUATION OF THE CONSTANCE RANGE IRON PROJECT (EPM 14479) IN QUEENSLAND, AUSTRALIA

VIEW OF CONSTANCE RANGE.

PREPARED FOR

QLD IRON LIMITED

Author: Allen J Maynard BAppSc(Geol), MAIG, MAusIMM
Company; Al Maynard & Associates Pty Ltd

Date: 18th June, 2013

TABLE OF CONTENTS

List of Figures

List of Tables

The Directors,
Qld Iron Limited,
Level 1, 76 Hasler Road,
Osborne Park, WA 6017

18th June, 2013

Dear Sirs,

VALUATION REPORT FOR QLD IRON LIMITED

1.0 INTRODUCTION – JUNE, 2013 UPDATE

This report has been prepared by Al Maynard & Associates ('AM&A') at the request of Qld Iron Limited ("QIL") to provide an independent appraisal of the current cash value of the Constance Range iron ore project which is secured by Exploration Permit for Minerals EPM 14479 located in northwest Queensland, Australia. QIL has a 70% interest in the tenement.

1.1 Scope and Limitations

This independent valuation and its accompanying geological report have been prepared at the request of Mr. R. Nichevich, of QIL to provide the writer's opinion of the current value of the property described in this accompanying geological report. QIL holds 70% of the project with the 30% partner being KBL Mining Limited ("KBL").

The original buy-in component was contracted by a payment of A$200,000 (of reimbursement of previous expenses) plus the issue of A$1.0 million in shares of CBH Resources Ltd ("CBH"). CBH is replaced by KBL. This payment reflected the right for CBH to earn 30% with a now expired option of going to 50% and the right to purchase the unearned balance. QIL operates management of the JV which operates with standard rules for programs of work and cash calls with standard dilution clauses.

The CBH holding was agreed to in April, 2008, by an advance cash payment to the JV account of $250,000 for the purpose of funding future exploration not as part of the buy-in component to earn the initial 30% interest. Although not specifically described as such in the agreement I have been advised by Mr R Nichevich the party (KBL) negotiating this new arrangement that the funding was agreed to enable the completion of the Pre-Feasibility Study. The outstanding elements included marketing, outline of capital costs as per the Joint venture document.

This valuation has been prepared in accordance with the requirements of the Valmin code (1997) and updated version (2005) as adopted by the Australian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM').

This valuation is valid as of 8th June, 2013, which is the date of the final review of the valuation report. This valuation can be expected to change over time

having regard to political, economic, market and legal factors. The valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the properties concerned or by other explorers on prospects in the near environs. The valuation could also be affected by the consideration of other exploration data, not in the public domain, affecting the properties which have not been made available to the author.

In order to form an opinion as to the value of any property, it is necessary to make assumptions as to certain future events, which might include economic and political factors and the likely exploration success. The writer has taken all reasonable care in formulating these assumptions to ensure that they are appropriate to the case. These assumptions are based on the writer's technical training and experience in the mining industry. The opinions expressed represent the writer's fair professional opinion at the time of this report. These opinions are not however, forecasts as it is never possible to predict accurately the many variable factors that need to be considered in forming an opinion as to the value of any mineral property.

The valuation methodology of mineral properties is exceptionally subjective. If an economic reserve or resource is subsequently identified then this valuation will be dramatically low relative to any later valuations, or alternatively if further exploration is unsuccessful it is likely to decrease the value of the tenements.

The values obtained are estimates of the amount of money, or cash equivalent, which would be likely to change hands between a willing buyer and a willing seller in an arms length transaction, wherein each party had acted knowledgeably, prudently and without compulsion. This is the required basis for the estimation to be in accordance with the provisions of the Valmin Code (2005).

There are a number of generally accepted procedures for establishing the value of mineral properties with the method employed depending upon the circumstances of the property. When relevant, AM&A uses the appropriate methods to enable a balanced analysis. Values are presented as a range and the preferred value is identified.

The readers should therefore form their own opinion as to the reasonableness of the assumptions made and the consequent likelihood of the values being achieved.

The information presented in this report is based on technical reports provided by QIL supplemented by our own inquiries. At the request of AM&A copies of relevant technical reports and agreements were made available.

QIL will be invoiced and expected to pay a fee for the preparation of this report. This fee comprises a normal, commercial daily rate plus expenses. Payment is not contingent of the results of this report or the success of any subsequent public fundraising. Except for these fees, neither the writer nor his family nor associates have any interest neither in the property reported upon nor in QIL. QIL has confirmed in writing that all technical data known to the public domain is

available to the writers. It has also confirmed, in writing that only one other independent professional valuation affecting the mineral property, the subject of this report, were commissioned within the last two years by Viento Group Limited ("Viento").

The valuation presented in this document is restricted to a statement of the fair value of the tenement package. The Valmin Code (2005) defines fair value as "The estimated amount of money, or the cash equivalent of some other consideration, for which, in the opinion of the Expert reached in accordance with the provisions of the Valmin Code, the mineral asset or security shall change hands on the Valuation date between a willing buyer and a willing seller in an arms length transaction, wherein each party had acted knowledgeably, prudently and without compulsion".

It should be noted that in all cases, the fair valuation of the mineral properties presented is analogous with the concept of "valuation in use" commonly applied to other commercial valuations. This concept holds that the properties have a particular value only in the context of the usual business of the company as a going concern. This value will invariably be significantly higher than the disposal value, where, there is not a willing seller. Disposal values for mineral assets may be a small fraction of going concern values.

In accordance with the Valmin Code (2005), we have prepared the "Range of Values" as shown in Table 3, Section 5.5. A field visit was not made to the project as the principal source of data relates to drilling conducted a long time ago and does not depend on visible surface geology. Regarding the Constance Range Iron project it is considered that sufficient geotechnical data has been provided from the reports covering the previous exploration of the area to enable an understanding of the geology. Reports prepared by CSA Australia Pty Ltd ("CSA") were made available and reviewed. This, coupled with drill data from the area provides sufficient information to form an opinion as to the current value of the mineral assets.

1.2 Statement of Competence

This report has been prepared by Allen J. Maynard BAppSc(Geol) MAusIMM and Member of AIG, a geologist with over 35 years in the industry and 30 years in mineral asset valuation. The writer holds the appropriate qualifications, experience and independence to qualify as an independent "Experts under the definitions of the Valmin Code (2005).

2.0 VALUATION OF THE MINERAL ASSETS – METHODS AND GUIDES

Without proven ore reserves it is difficult to place a singular dollar value on any mining tenement. However, with due regard to the guidelines for assessment and valuation of mineral assets and mineral securities as adopted by the AusIMM Mineral Valuation Committee on 17 February 1995 – the Valmin Code (updated 1997 & 2005) – we have derived the estimates listed below using the appropriate method for the current technical value of the mineral exploration properties as described.

The following ASIC publications have also been duly referred to and considered in relation to the valuation procedure: 'Regulatory Guidelines' 111 & 112.

The subjective nature of the valuation task is kept as objective as possible by the application of the guideline criteria of a "fair value". This is a value that an informed, willing, but not anxious, arms length purchaser will pay for a mining (or other) property in a transaction devoid of "forced sale" circumstances.

2.1 General Valuation Methods

The original Valmin Code and updated versions identified various methods of valuing mineral assets, including:-

- Discounted cash flow,
- Joint Venture and farm-in terms for arms length transactions,
- Precedents from similar asset sales/valuations,
- Multiples of exploration expenditure,
- Ratings systems related to perceived prospectivity,
- Real estate value and,
- Rule of thumb or yardstick approach.

2.2 Discounted Cash Flow/Net Present Value

This method provides an indication of the value of a property with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project. The discount is very subjective and varying factors are applied to the resources. Alternatively a value can be assigned on a royalty basis commensurate with the in situ contained metal value.

Net present value ('NPV') is determined from discounted cash flow ('DCF') analysis where reasonable mining and processing parameters can be applied to an identified ore reserve. It is a process that allows perceived capital costs, operating costs, royalties, taxes and project financing requirements to be analysed in conjunction with a discount rate to reflect the perceived technical and financial risks and the depleting value of the mineral asset over time. The NPV method relies on reasonable estimates of capital requirements, mining and processing costs.

2.3 Joint Venture Terms

The terms of a proposed joint venture agreement may be used to provide a market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or all of the property. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots properties are involved.

2.4 Similar Transactions

When commercial transactions concerning properties in similar circumstances have recently occurred, the market value precedent may be applied in part or in full to the property under consideration.

2.5 Multiple of Exploration Expenditure

The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a tenement with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that takes into account the valuer's judgment of the prospectivity of the tenement and the value of the database. MEEs can typically range from 0.0 to 3.0 applied to previous exploration expenditure to derive a dollar value.

2.6 Ratings System of Prospectivity (Kilburn)

The most readily accepted method of this type is the modified Kilburn Geological Engineering/Geoscience Method and is a rating method based on the basic acquisition cost ('BAC') of the tenement that applies incremental, fractional or integer ratings to a BAC cost with respect to various prospectivity factors to derive a value. Under the Kilburn method the valuer is required to systematically assess four key technical factors which enhance, downgrade or have no impact on the value of the property. The factors are then applied serially to the BAC of each tenement in order to derive a value for the property. The factors used are; off-property attributes on-property attributes, anomalies and geology. A fifth factor that may be applied is the current state of the market.

2.7 Empirical Methods (Yardstick – Real Estate)

The market value determinations may be made according to the independent expert's knowledge of the particular property. This can include a discount applied to values arrived at by considering conceptual target models for the area. The market value may also be rated in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration property based on current market prices for equivalent properties, existing or previous joint venture and sale agreements, the geological potential of the properties, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation. This method is termed a "Yardstick" or a "Real Estate" approach. Both methods are inherently subjective according to technical considerations and the informed opinion of the valuer.

2.8 General Comments

The aims of the various methods are to provide an independent opinion of a "fair value" for the property under consideration and to provide as much detail as possible of the manner in which the value is reached. It is necessarily subjective according to the degree of risk perceived by the property valuer in addition to all

other commercial considerations. Efforts to construct a transparent valuation using sophisticated financial models are still hindered by the nature of the original assumptions where a known resource exists and are not applicable to properties without an identified resource.

The values derived for this report have been concluded after taking into account:-

- The cost and accuracy of the existing technical data and its relevance to the prospect;
- Using the exploration data and potential as a measure of worth;
- The general geological environment of the property under consideration is taken into account to determine the exploration potential;
- Current market values for properties in similar or analogous locations;
- Commodity prices: iron ore at $110-130 per tonne.

2.9 Environmental implications

Information to date indicates that the project area contains some unique faunal habitats or fauna or flora species regarded as being rare, threatened or endangered. AM&A is aware of specific environmental constraints on part of the project area. The Gregory River declaration of 2007 does not apply to this tenement. The terms of the declaration are likely to be a consideration when dealing with environmental issues.

2.10 Native Title Claims

The tenements may be subject of Native Title Claims and will be dealt with through the normal administrative process. AM&A is not aware of any sacred sites or areas of significance within the tenement. There is currently limited access for exploration as per the agreement included as part of the Joint Venture agreement.

2.11 Commodities-Metal prices

Where appropriate current metal prices are used sourced from the usual metal market publications. In this valuation no prices were considered during the valuation.

2.12 Resource/Reserve Summary

There has been an inferred JORC compliant resource calculated by CSA as per tables 1 and 2.

2.13 Previous Valuations

Only one previous valuation report (AM&A, 2011) has been commissioned by Viento within the last two years.

2.14 Encumbrances/Royalty

According to information provided there are no encumbrances attached to any of the licences however there are statutory State royalties due on all production.

3.0 BACKGROUND INFORMATION

3.1 Purpose

This independent valuation has been provided by way of a detailed study of information provided by QIL for the purpose of estimating a current cash value of the Constance Range tenement (EPM 14479) which in turn derives a value for the holding company – QIL – as the EPM 14479 is the only mineral asset held by the company. (Fig 1).

The area under review comprises a single EPM. Advanced areas include Deposit "A" and Deposit "P" and the Extension area that has been delineated by limited drilling.

3.2 Specific Valuation Methods

There are several methods available for the valuation of a mineral prospect ranging from the most favoured DCF analysis of identified Reserves/Resources to the more subjective rule-of-thumb assessment when no Reserves have yet been calculated but Resources exist. These are discussed in Section 2.0.

4.0 CONSTANCE RANGE IRON PROJECT

4.1 Introduction

EPM 14479 is located 230km NW of Mt Isa and 200km from the Gulf of Carpentaria. The main iron deposits that comprise up to six beds at Constance Range consist of dominantly hematite with siderite and silica zones. These beds are hosted in the Train Range Ironstone member of the middle Proterozoic Mullera Formation situated within the South Nicholson Basin.

From 1956-63 BHP Billiton Ltd (then BHP Ltd) explored the area.

QIL now has an Exploration Permit for Minerals 14479 ('EPM') over 59 sub-blocks covering 192km^2 which was initially granted on 27th March, 2006 for a five year term expiring on 26th March, 2011. An extension has been granted until 26th March, 2014. The annual rent payable to the Queensland Department of Minerals & Energy ("DME") is $131.40 per sub-block. The cost for the 59 sub-blocks is $7,752.60 per annum. The minimum expenditure required is $150,000 per annum.

The EPM covers Deposit 'A' and Deposit 'P' and is subject to Native Title issues, the claimant being the Waanyi People. The EPM is also bounded on three sides by the Lawn Hill National Park which, in a central block, covers some of the deeper mineralisation.

The balance of the mineral inventory occurs to the east, west and north of the National Park.

The holder of an EPM has the exclusive right to explore, and if successful, apply for mining rights within the same ground. At present it is not known

how much expenditure has been historically incurred on this ground nor how much will be spent until CBH discloses this information. There are no known references to previous purchasers or occupiers of this ground other than as stated below in S4.3. A reading of the KBL explanatory memorandum indicates expenditure of approximately $1m up until 2012. QIL has expended $105,000 within the previous 12 months.

Metallurgical testing prior to 1963 confirmed that the iron can be beneficiated by a 60 micron grind followed by 600^{o}C reduction and wet magnetic separation to a 66.4% Fe and 6.5% SiO_2 concentrate with a 90.5% recovery. Nonetheless metallurgical tests using modern technology are required for future work.

4.2 Location and access

Constance Range is located in far NW Queensland some 40km NW of Hong Kong listed MMG Limited's 'Century' zinc–lead mine. The project area is 230km NW of Mt Isa and some 200km from the Gulf of Carpentaria.

The Adelaide – Darwin railway is over 400km to the west of the project. The closest power supply is at Century; gas is piped to Mt. Isa and concentrate ship loading facilities are available at Karumba, Gulf of Carpentaria. The area appears to be self sufficient for water.

4.3 Geology and Mineralisation

The Constance Range Iron deposits form part of the Train Range Ironstone Member from the middle Proterozoic Mullera Formation of the South Nicholson Basin. There are up to six ironstone beds within a 100m stratigraphic thickness interbedded with dark-grey shales, siltstones and sandstones. Only the lowermost beds have sufficient grade or thickness to warrant commercial consideration. The oolitic ironstone beds are similar to those of the Wabana deposits of Newfoundland that had been exploited during the early twentieth century by underground room and pillar mining to provide 50-63% Fe direct shipping ore to European and American markets. These oolitic deposits are different to Banded Iron Formation deposits that are more typical of the Australian iron ore industry.

The hogsbacks and mesa ironstone outcropping beds are composed of ochrous, red hematite and quartz grains cemented in quartz, hematite and chamosite with minor shale and clay. Fresh iron is similar but also contains siderite, minor carbon and rare small veinlets of quartz-pyrite, siderite-pyrite or calcite. The silica content is higher near surface and beds range in composition from hematite-rich to siderite-rich, with varying quantities of quartz. Higher grade beds weather to form high grade oxidised ironstone and low grade beds weather to ferruginous sandstone. Beds dip 5-30° around the rims of two major and several minor structural basins that are cross-folded and cross-faulted.

The aerial extent of the ironstones is some 650km^2 and represents a large target where potential tonnes are proportional to ironstone bed thickness. Unfortunately most of this potential is under thick cover and only deposits on the rims of basin are of commercial interest. Much of Deposit 'A' is in the Lawn Hill National Park and is also sterilised from mining.

4.3.1 Regional Geology

The South Nicholson Basin straddles the Northern Territory- Queensland border. It contains a Mesoproterozoic sedimentary succession that unconformably overlies Palaeoproterozoic rocks of the Murphy inlier to the north and Lawn Hill Platform to the north, south and southeast. The basin is unconformably overlain by the Palaeozoic Georgina Basin to the south and southeast and by the Mesozoic Carpentaria Basin to the east in Queensland.

The basin fill predominantly consists of sandstone, siltstone and shale of the South Nicholson Group. This is understood to correlate with the Roper Group in the McArthur Basin. The three formations that are most conspicuous in outcrop in the Northern Territory are the 1,000m thick Constance Sandstone, 2400m thick Mullera Formation and the 2,700m thick Mittiebah Sandstone. Contacts between these units are conformable, but they may originate from different depocentres.

The only recorded significant mineralisation in the South Nicholson Basin is sedimentary ironstone in the Constance Range of Queensland where oolitic Hematite, siderite and chamosite beds occur in the Train Range Ironstone Member of the Mesoproterozoic Mullera Formation.

4.3.2 Structure

The mineralised bands outcrop on surface some 85m above the valley floor and dip 5-30^0, some 15^o on average, to the east. Beds dip around the rims of two major and several minor structural basins that are cross-folded and cross-faulted.

4.4 Exploration Completed

BHP concentrated exploration in seven areas of outcropping ironstone. After outcrop mapping and sampling the company drilled 205 holes for 25,600m. Three deposits received higher attention with Deposit A receiving 110 holes for 16,500m, Deposit I with 30 holes for 3,500m and Deposit P with 13 holes for 1640m.

Two parallel shafts to 75m depth each were sunk in Deposit A 150m apart and were connected by a cross-cut. The development was to study roof and floor conditions for potential underground 'room and pillar' mining and also supply a bulk sample for metallurgical testing. Expenditure in current (2013) terms is estimated at $21.6M from the 1963 figure of £630,000. (RBA Inflation Calculator)

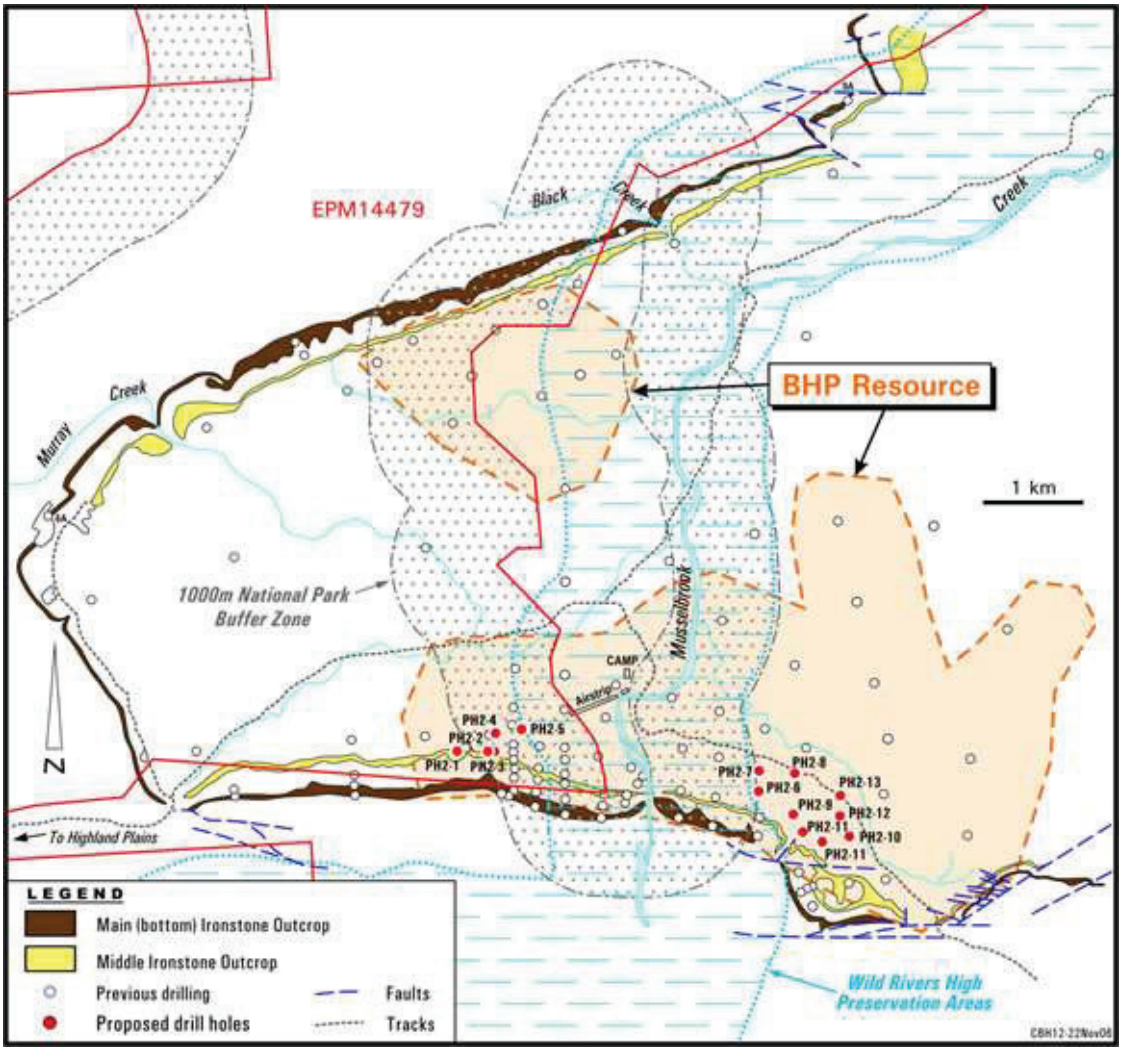

Figure 1: Constance Range Iron Project Exploration History Diagram.

4.5 Mineralisation - Metallurgy

The previous exploration established that the lower three beds are well developed regarding iron mineralisation.

The Upper Bed is 2.8 - 5.5m thick and was considered uneconomic since silica levels are high. The Middle Bed is 3.7 - 6.8m thick with higher grade mineralisation over the top 3.0 - 4.5m on the southern basin limb. The Lower Bed is 0.6 - 7.0m thick and has better grades on the northern limb of the basin.

Oxidised beds are composed of ochrous, red hematite and quartz grains cemented in quartz, hematite and chamosite with minor shale and clay. Fresh iron is similar but also contains siderite, minor carbon and rare small veinlets of quartz-pyrite, siderite-pyrite or calcite. The silica content is higher near surface and beds range in composition from hematite-rich to siderite-rich, with varying quantities of quartz.

Initial metallurgical testwork conducted in 1956 used a composite sample from 11 shallow, Deposit A drill cores. These samples produced an

unrepresentative head grade of 51.3%Fe and 22% SiO_2 since the silica is about twice elected cut-off grade. The sample was crushed, roasted, milled and subjected to wet magnetic separation followed by de-magnetisation and classification to produce a concentrate with a grade of 66.4% Fe and 6.45% SiO_2 for an overall recovery of 90.5%. Other various tests were conducted, such as dry magnetic separation or sink-float testing but results yielded were lower than the conventional route.

Check testwork performed on dump samples in 1965 produced similar results with a 64% Fe product from 97% recovery but the silica grades were not reported. Recent high intensity magnetic separation, dense media separation and flotation advances have developed as the conventional process to separate silica from hematite in low grade iron ores. This may be the appropriate beneficiation process for Constance Range but needs to be tested as does 'pelletisation' of concentrates.

4.6 Resources and Potential

A recent preliminary modelling exercise conducted by independent consultants CSA Australia Pty Ltd for CBH using sectional interpretation with missing collar elevation data and absolute hole positions over Deposit A was completed. The sectional interpretation was built using Micromine software and the resultant string files were used to construct a wireframe model using Datamine software. A block model was created inside the wireframe using the inverse distance squared technique for grade interpolation.

No check assays have been undertaken and geological continuity in some areas is not certain. The results are summarised in Table 1.

Co.	M t	%Fe	$\%SiO_2$	% P	$\%Al_2O_3$	%LOI
CBH	236	53.2	10.3	0.02	1.6	11.0

Table 1: CBH estimate.

The presence of the national park and associated buffer zone over the mineral inventory sterilises a large part of the deposit. The national park sterilises 20% and buffer zone 43% that together sterilise approximately 63% of the inventory. The area covered by the national park and buffer zone also covers most of the most accessible parts of the resource with the remainder being generally deeper than the excluded zones. This data is summarised in Table 2 and represents the CSA published numbers in the KBL prospectus.

Zone	Category	Mt	%Fe	SiO_2	%P	$\%Al_2O_3$	%LOI
Inside Buffer Zone	Inferred	132	53.1	10.5	0.02	1.6	11.2
Outside Buffer Zone	Inferred	104	53.4	10.1	0.02	1.6	10.5
Total & Averages		**236**	**53.2**	**10.3**	**0.02**	**1.6**	**11.2**

Table 2: Sterilisation exclusions for Deposit A.

CBH conducted a drilling program of 14 holes to broadly confirm and validate the old BHP data and establish an Inferred Mineral Resource estimate. Note that about 44% of the total known mineralisation is outside of the buffer zone.

Geological consultants CSA were provided with the CBH data and estimated the Inferred Resources compliant with the 2004 JORC Code.

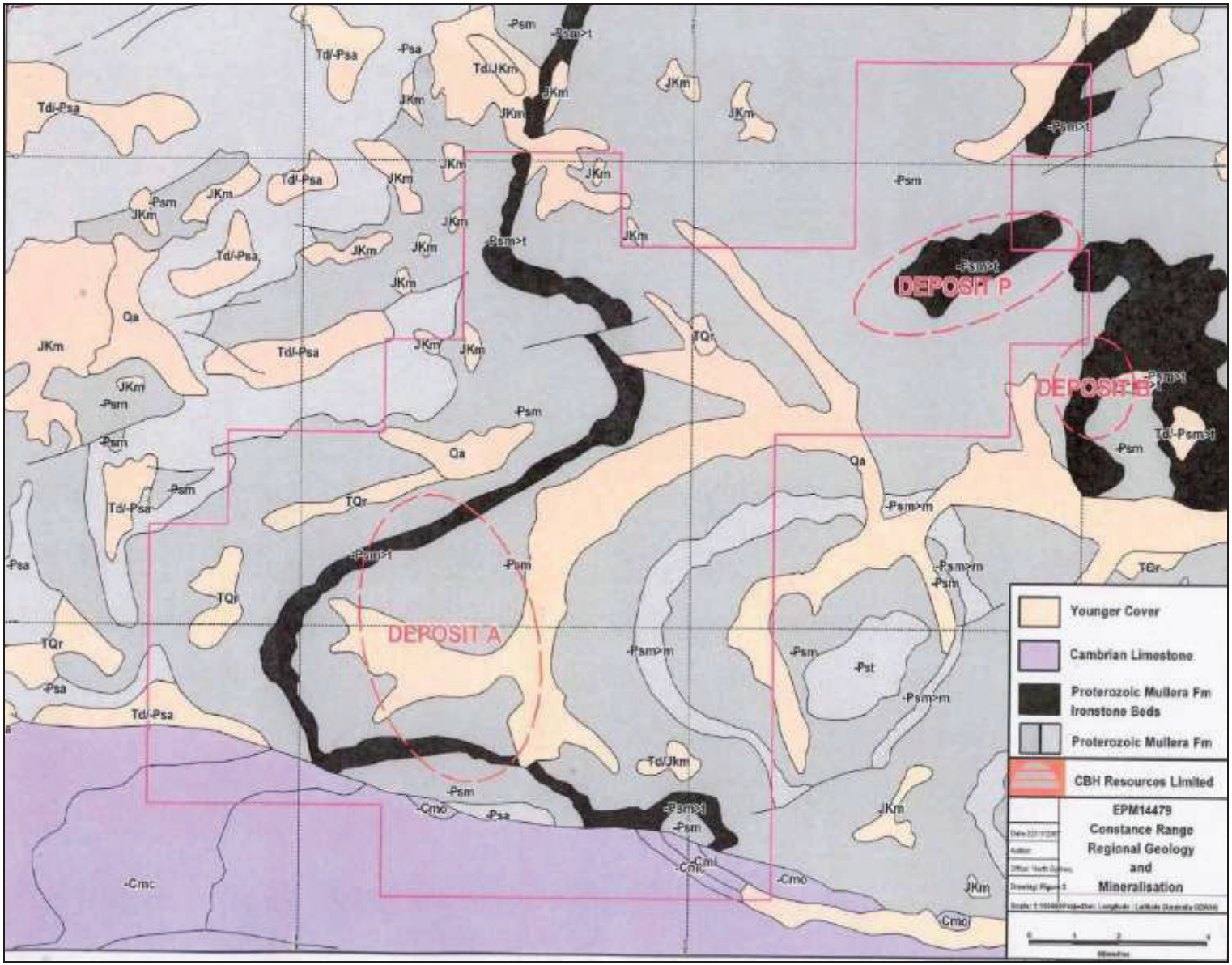

Figure2: Constance Range plan of Iron Deposits "A" & "P" within EPM14479.

5.0 VALUATION OF THE CONSTANCE RANGE PROPERTY

To arrive at a fair market value several aspects need to be considered.

- The remoteness of the deposit from shipping.
- Presence of nearby infrastructure – Century Zinc mine.
- The presence of the Lawn Hill National Park with its associated buffer zone sterilises some 63% of the deposit and also most of the easily accessible parts over the rest.
- The remainder of the estimated mineralisation outside the national park and buffer zone is generally deeper than that within the excluded zones.
- This dictates that although the aerial extent of the ironstones is about 650km^2, the beds are mostly under thick cover such that only deposits on the rims of basin are of commercial interest.
- The cost of deep, room and pillar underground mining, the necessity for a fine grind (high energy) in the beneficiation route and untested pelletisation requirement for concentrate product are also disadvantages.
- The paucity of drillhole density that leaves open the possibility to identify additional mineralisation.

5.1 Valuation Methods

As no Ore Reserves are available, the Discounted Cash Flow method is not applicable. The Kilburn method is considered to provide a range of values that is so wide that it is not realistic.

There has as yet, not been a positive nor any conclusive outcome from the existing JV with CBH however it is included here as it is the last known 'arms-length' transaction. The writer considers that the MEE and Empirical methods are also applicable.

There are no directly comparable transactions that the writer is aware of relating to the geological setting and tenement holding.

5.2 MEE Method

Using the MEE method (Multiple of Exploration Expenditure) it is considered quite appropriate to apply a deflating factor rather than an inflating one primarily due to the very high silica content of the iron mineralisation outlined to date.

From Table 2 above it is seen that 37% of the total mineralisation is not restricted by either National Park or Buffer Zone areas.

Adopting the adjusted total expenditure of $20M and only allowing 37% results in an initial value of $7.4M using a PEM of 1.0.

A further discount of 70% is applied to the $7.4M to allow for the high silica content (10%) which would result in penalties being applied to the delivery price (FOB) if it were indeed acceptable in the first place.

Thus, it is determined that $2.2M +/-10% is ascribed to the project value using the MEE method. This results in a range from $2.0M to $2.4M with the most likely or preferred value being the mid-point of $2.2M.

5.3 Empirical Method

From a very general perspective regarding project location, the mineralisation type and style, the estimated approximate costs of mining ($5.00 to $7.00/tonne) and beneficiation ($5.00 to $8.00/tonne) and the road transport ($0.10 per tonne/kilometre = $40/400km) and associated maintenance and handling to port costs ($2.00/tonne) it is considered that the project could be economically viable with the price for this type of iron in the $110 to $130/tonne range.

Therefore, we consider that a nominal $0.015 to $0.025 per tonne would be apportioned to the mineralisation (88Mt) outside of the restricted zones as a measure of worth. Current iron spot prices are around $120 per tonne. This equates to a range of $1.32M to $2.2M from within which the mid-point of $1.76M is ascribed as the preferred or most likely value.

5.4 Joint Venture Method

The initial terms of the JV with CBH, announced on 24th May, 2006, and slightly changed by the deed of variation on 1st April 2008 were for the payment of the sum of $200,000 to partially reimburse previous expenditure by QIL and the issue of $1.0 million worth of shares in CBH at that date. The variation was for payment of $250,000 by CBH to QIL as outlined in the agreement which sum was understood to be used to finalise the Pre-Feasibility report.

CBH may no longer complete a Bankable Feasibility Study to earn a further 20% to achieve a total 50% interest. This means that there can be a 70% unencumbered interest available for disposal or sale.

Under the original JV agreement CBH has the right to purchase the balance of the unencumbered 70% at market valuation.

Thus for a total $1.45 million cost by way of ‘payment’ to Viento, CBH retains a 30% holding in the ground.

If a Bankable Feasibility Study is completed it is possible that the conclusion will be unfavourable because of the restrictions already placed upon the project by the National Park, the geometry of the mineralisation and the overall grade of iron plus known contaminants.

On this basis a 100% holding would be valued at A$2.9 million (2 x $1.45M).

At page 20 of the Notice of general meeting accompanying the ASX Release from Kimberley Metals Ltd ("Kimberley") dated 3rd April, 2008, CBH indicated":

"Kimberley has agreed to acquire the 30% joint venture interest of CBH Constance range Pty Ltd in EPM 14799 Queensland for $1,304,000 with effect the day following the spinoff.

CBH has placed its own value of $1.30M for the existing 30% CBH/Kimberley have, by their own valuing methods, added $100,000 as an additional sum after the initial transaction total of A$1.2 million, to the tenement and retention of their right to 30% of it.

Thus the 30% interest could be valued at A$1.3M. This would then value the 100% interest at A$4.33 million on a straight-line basis.

The average of two JV methods is $3.6M from the range of $2.9M to $4.3M

5.5 Valuation Conclusions

5.5.1 70% Holding Derived from the 100% Holding

By applying the average of the three valuation methods above we have a lower range of $2.1M, an upper range of $3.0M and the most preferred current cash value of $2.5M for a 100% holding. A summary of our appraised values for the tenement is shown in the following Table 3.

Method	Low Range A$M	High Range A$M	Preferred A$M
MEE	2.0	2.4	**2.2**
Empirical	1.3	2.2	**1.8**
JV	2.9	4.3	**3.6**
Totals	6.2	8.9	**7.6**
Averages	**2.1**	**3.0**	**2.5**
70%	**1.5**	**2.1**	**1.7**

Table 3: Range of Values for the Constance Iron Project.

Thus, it is the writer's opinion that the current value of 100% of the Constance Range Iron Project (or Hematite Hill) is ascribed at A$2.5 million from within the range of A$2.1 million to A$3.0 million.

On the basis of this combination of methods the current cash value of QIL's holding of a 70% interest in the Constance Range Iron Project is $1.7 million from within the range of $1.5 million to $2.1 million.

Yours faithfully,

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