

12 February 2013

WOUNDED KNEE PROJECT DRILLING UPDATE

A total of nine reverse circulation (RC) holes were drilled within the Wounded Knee Project area during October for a total of 833m. The holes were targeting depth extensions of a laterally extensive quartz ridge that displays copper mineralisation at surface. Seventy samples from this program were submitted for analytical test work.

Geological logging of the drill chips has challenged the most recent geological mapping and structural interpretations.

No significant assay results were returned from the drill sampling program although above background assays were recorded for a number of elements. The highest values are shown in Table 1, below. These results are from a number of separate zones and represent the highest values detected from each element.

Au ppb	Ag ppm	Cu %	Mo ppm	Ni ppm	Pb ppm	Sn ppm	Zn ppm
54	1.25	0.066	37	122	349	1.8	333

Table 1: Highest assays returned from recent drilling.

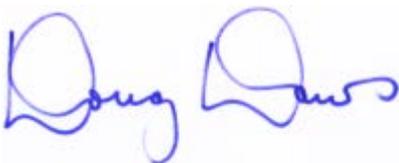
A thin section and subsequent handheld XRF analysis of recovered drill chips has revealed possible elevated levels of Rare Earth Elements (REEs). This result has instigated resubmission of samples for further analysis. Results are awaited.

Reconnaissance mapping of the area local to the drill program resulted in identification of a number of mineralised quartz outcrops containing copper and lead mineralisation.

Detailed mapping is planned given the scale of highly mineralised quartz tension gashes evident in specific areas. By combining existing structural knowledge with localised and specific geological mapping, it is hoped to gain a detailed understanding of mineralisation controls. In particular, mineralised quartz veining and its relationship with local geology needs to be assessed.

Sampling of mineralised outcrops will occur to ascertain which commodities occur in specific zones. To date, lead, copper, gold, silver, zinc, and molybdenum mineralisation has been identified within the project area.

Geophysics methods will be assessed in conjunction with the detailed mapping with a view to defining targets for further drill testing.



**Douglas Daws
Chairman**

The information in this report relating to exploration results and mineral resources is based on information compiled by Mr N. Cull who is a Member of the Australian Institute of Geoscientists. Mr. Cull is a senior geological consultant for Northern Manganese Pty Ltd, and consents to the inclusion in this type of report of the information as presented. He has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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