**Sheffield Resources Ltd**
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**31 January 2012**

# QUARTERLY REPORT FOR PERIOD ENDING 31 DECEMBER 2011

## HIGHLIGHTS

*Heavy Mineral Sands*

- **220%** increase in Total Mineral Resources for North Perth Basin projects to **4.08Mt of contained HM**, including 394,000t of zircon and 336,000t of rutile
- West Mine North mineral resource of **42.58Mt** @ **2.8% HM** (Measured and Indicated), containing **1.2Mt HM**, including a high-grade core of **10.09Mt at 7.7% HM** containing **779,000t of HM** (Measured and Indicated)
- Inferred Resource for Ellengail project of **46.45 Mt** @ **2.2% HM,** containing **1.04Mt HM**, including a high grade core of **11.25Mt** @ **5.0% HM** containing **560,000t HM** (Inferred)
- Exploration Target[1] for Dampier Project located near Derby of **450-850Mt** @ **5-10% HM**
- Exploration Target[1] for Drummond Crossing of **35Mt-70Mt at 1.5%–2.5% HM** - a new zircon and rutile rich dunal HMS deposit discovered near Eneabba
- Preliminary metallurgical testwork confirms high titanium ilmenite (60-66% $TiO_2$) at Yandanooka, West Mine North and McCalls
- Resource estimation in progress on McCalls project
- Scoping studies commenced on North Perth Basin HMS projects

*Iron*

- First pass RC drilling at Three Pools iron project intersects broad zones of iron mineralisation from near surface at Top Forge and Crucible prospects
- Drilling confirms an Exploration Target[1] of **20-60Mt** @ **56-60% Fe**

As at 31/12/11:

| | | | | | |
|---|---|---|---|---|---|
| Issued Shares | **58.7M** | ASX Code | **SFX** | Closing Price | **$0.34** |
| Market Cap | **$20M** | Cash Reserves | **$2.3M** | | |

[1]Sheffield has not yet reported Mineral Resources at the Dampier, Drummond Crossing and Three Pools projects and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

## RESOURCES

Total Mineral Resources for Sheffield's North Perth Basin projects have been boosted to 4.08Mt of contained heavy mineral (HM), including 394,000t of zircon and 336,000t of rutile as shown in Tables 1 & 2.

**Table 1: Sheffield Resources' contained Valuable HM (VHM) Resource inventory (0.9% HM cutoff).**

| Deposit | Resource Category | Zircon (kt)* | Rutile (kt)* | Leuc. (kt)* | Ilmenite (kt)* | Total VHM (kt)* |
|---|---|---|---|---|---|---|
| West Mine North | Measured | 18 | 33 | 42 | 200 | **293** |
| West Mine North | Indicated | 71 | 87 | 46 | 506 | **709** |
| Yandanooka | Indicated | 201 | 117 | 168 | 1,072 | **1,558** |
| Yandanooka | Inferred | 12 | 8.5 | 15 | 73 | **108** |
| Ellengail | Inferred | 92 | 90 | 20 | 658 | **860** |
| Total | Measured | 18 | 33 | 42 | 200 | **293** |
| Total | Indicated | 272 | 204 | 214 | 1,577 | **2,268** |
| Total | Inferred | 104 | 99 | 35 | 730 | **968** |
| **Total** | **All** | **394** | **336** | **291** | **2,508** | **3,529** |

The contained HM tonnages shown in Table 1 are sourced from Table 2, below, which summarises estimated tonnes and grades for Yandanooka, Ellengail and West Mine North. Previous ASX releases by Sheffield on 16 August 2011, 25 October 2011 and 7 November 2011 fully report the Yandanooka, Ellengail and West Mine North results. Iluka Resources Ltd (ASX:ILU) retains a 1.5% royalty interest in the West Mine North and Ellengail projects.

**Table 2: Sheffield Resources' Mineral Resource[1] inventory at 0.9% HM cutoff as at 7 November 2011.**

| Deposit | Resource Category | Material (Mt)* | Bulk Density | HM % | Slimes % | Osize % | In-situ HM (Mt)* | Mineral Assemblage[2] Zircon % | Rutile % | Leuc. % | Ilmenite % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| West Mine North | Measured | 6.47 | 2.0 | 5.6 | 14.8 | 1.2 | 0.36 | 4.9 | 9.1 | 11.6 | 54.9 |
| West Mine North | Indicated | 36.11 | 1.9 | 2.3 | 13.1 | 2.8 | 0.84 | 8.4 | 10.3 | 5.4 | 60.0 |
| West Mine North | Total | 42.58 | 1.9 | 2.8 | 13.4 | 2.5 | 1.21 | 7.9 | 10.1 | 6.4 | 59.2 |
| Yandanooka | Indicated | 61.00 | 2.0 | 2.8 | 14.7 | 9.4 | 1.72 | 11.7 | 6.8 | 9.8 | 62.3 |
| Yandanooka | Inferred | 10.75 | 1.9 | 1.1 | 12.9 | 9.0 | 0.12 | 10.1 | 7.0 | 12.5 | 59.8 |
| Yandanooka | Total | 71.75 | 2.0 | 2.6 | 14.4 | 9.3 | 1.84 | 11.5 | 6.9 | 10.2 | 61.9 |
| Ellengail | Inferred | 46.45 | 2.0 | 2.2 | 15.6 | 2.1 | 1.04 | 8.9 | 8.7 | 1.9 | 63.5 |
| Ellengail | Total | 46.45 | 2.0 | 2.2 | 15.6 | 2.1 | 1.04 | 8.9 | 8.7 | 1.9 | 63.5 |
| Total | Measured | 6.47 | 2.0 | 5.6 | 14.8 | 1.2 | 0.36 | 4.9 | 9.1 | 11.6 | 54.9 |
| Total | Indicated | 97.13 | 2.0 | 2.6 | 14.1 | 6.9 | 2.56 | 10.5 | 8.1 | 8.2 | 61.5 |
| Total | Inferred | 57.21 | 2.0 | 2.0 | 15.1 | 3.4 | 1.16 | 9.1 | 8.4 | 3.9 | 62.8 |
| **Total** | **All** | **160.81** | **2.0** | **2.5** | **14.5** | **5.4** | **4.08** | **9.8** | **8.2** | **6.8** | **61.7** |

*Tonnes have been rounded to reflect the relative uncertainty of the estimate.

[1] This estimate is classified and reported in a manner compliant with the JORC code and guidelines (JORC, 2004).

[2] The Mineral Assemblage is represented as the percentage of the Heavy Mineral (HM) component of the deposit, as determined by QEMSCAN. $TiO_2$ minerals defined according to the following ranges: Rutile >95% $TiO_2$; Leucoxene 85-95% $TiO_2$; Ilmenite <55-85% $TiO_2$.

## SCOPING STUDIES

Scoping studies are nearing completion on Sheffield's Yandanooka, West Mine North and Ellengail HMS projects. The studies are being undertaken to assess the economic viability of the projects. The results will also assist in determining priorities for the next phase of work.

## METALLURGICAL TESTWORK

Preliminary metallurgical testwork has confirmed that the ilmenite at Sheffield's Yandanooka, West Mine North and McCalls projects has a high titanium content (60-66% $TiO_2$) and is potentially suitable for chloride route or synthetic rutile processing (ASX release 27 October 2011).

## MARKETS

Markets for mineral sands commodities remain very strong. Recent announcements by Iluka Resources Ltd (ASX:ILU) dated 12 October 2011 and 8 December 2011 suggest current prices in the order of US$2,420 per tonne for zircon and US$2,430-US$2,497 for rutile.

## FURTHER WORK

The Company is currently finalising the design and permitting for a major drilling campaign on the mineral sands and talc projects due to commence in March 2012.

Exploration expenditure during the quarter is estimated to be $901,000.

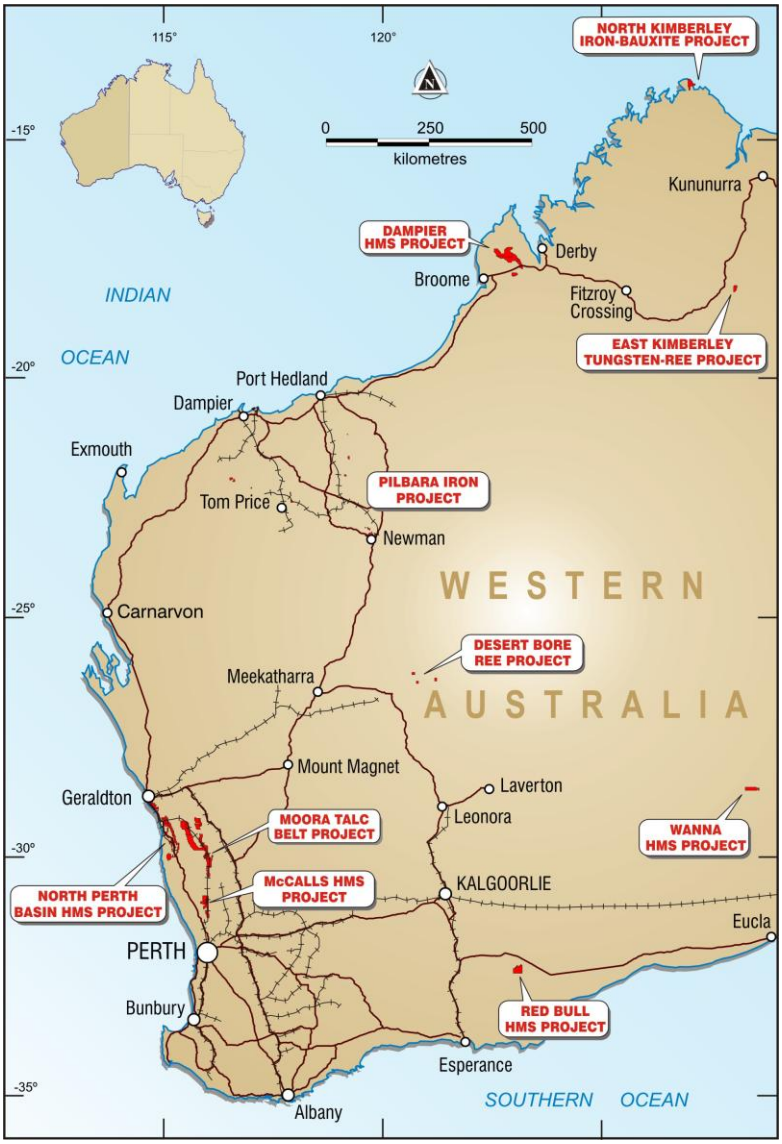


**Figure 1: Location of Sheffield's projects**

## HEAVY MINERAL SANDS

### North Perth Basin

Sheffield's tenement package of over 2,500km$^2$ in the North Perth Basin includes six exploration projects with established mineralisation: Yandanooka, Durack, West Mine North, Ellengail, Drummond Crossing and Irwin which are located near Eneabba and the large McCalls deposit, located near Gingin (Figures 1 & 2).

The projects are located close to existing highways and to a network of railway lines connecting to the Geraldton and Fremantle/Kwinana Ports.

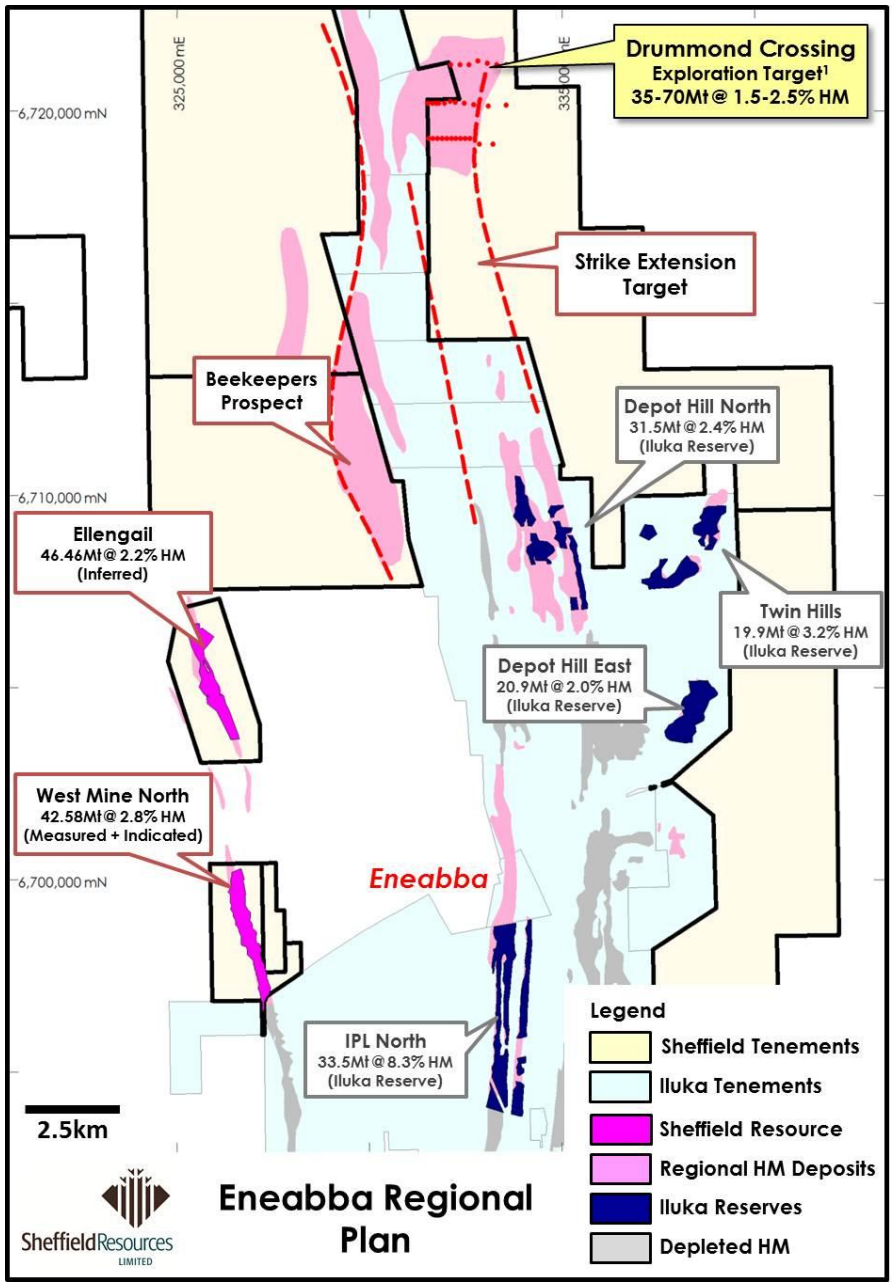


**Figure 2: Location of Sheffield's projects and other heavy mineral deposits in the Eneabba region***

** Sheffield's Mineral Resources are detailed in ASX announcements dated 7 November 2011 (West Mine North) and 25 October 2011 (Ellengail). Iluka's reserve figures are quoted from its ASX announcement dated 16 November, 2011.*

**West Mine North**

West Mine North lies on granted mining leases M70/965, M70/872 and M70/1153 and is located 6km to the west of Eneabba (Figure 2). The deposit lies immediately to the north of the Eneabba West deposit, mined by RGC Ltd in the 1990's.

On 7 November the Company announced a mineral resource for West Mine North of **42.58Mt @ 2.8% HM** (Measured and Indicated), containing **1.2Mt HM**, including a high-grade core of **10.09Mt at 7.7% HM** containing **779,000t of HM** (Measured and Indicated) (Tables 1 & 2). The heavy mineral assemblage comprises 7.9% zircon, 10.1% rutile, 59.2% ilmenite and 6.4% leucoxene.

The deposit has a central high-grade (>2.5% HM) strandline within a broad low grade (>0.8% HM) halo which includes a large component of interpreted dunal-style mineralisation above the strandline. The deposit is 4km long by up to 270m wide and 10m to 35m thick, with variable thickness of overburden from 5m to 20m (Figure 3).

Sheffield's mineral assemblage testwork indicates that the heavy mineral is coarse grained with a median diameter ($D_{50}$) of 184µm. Preliminary metallurgical testwork on a bulk sample from West Mine North indicates the ilmenite has a $TiO_2$ content above 60%, and is therefore potentially suitable for chloride route or synthetic rutile processing. Scoping studies are being undertaken on West Mine North, in conjunction with those on the Ellengail and Yandanooka projects.

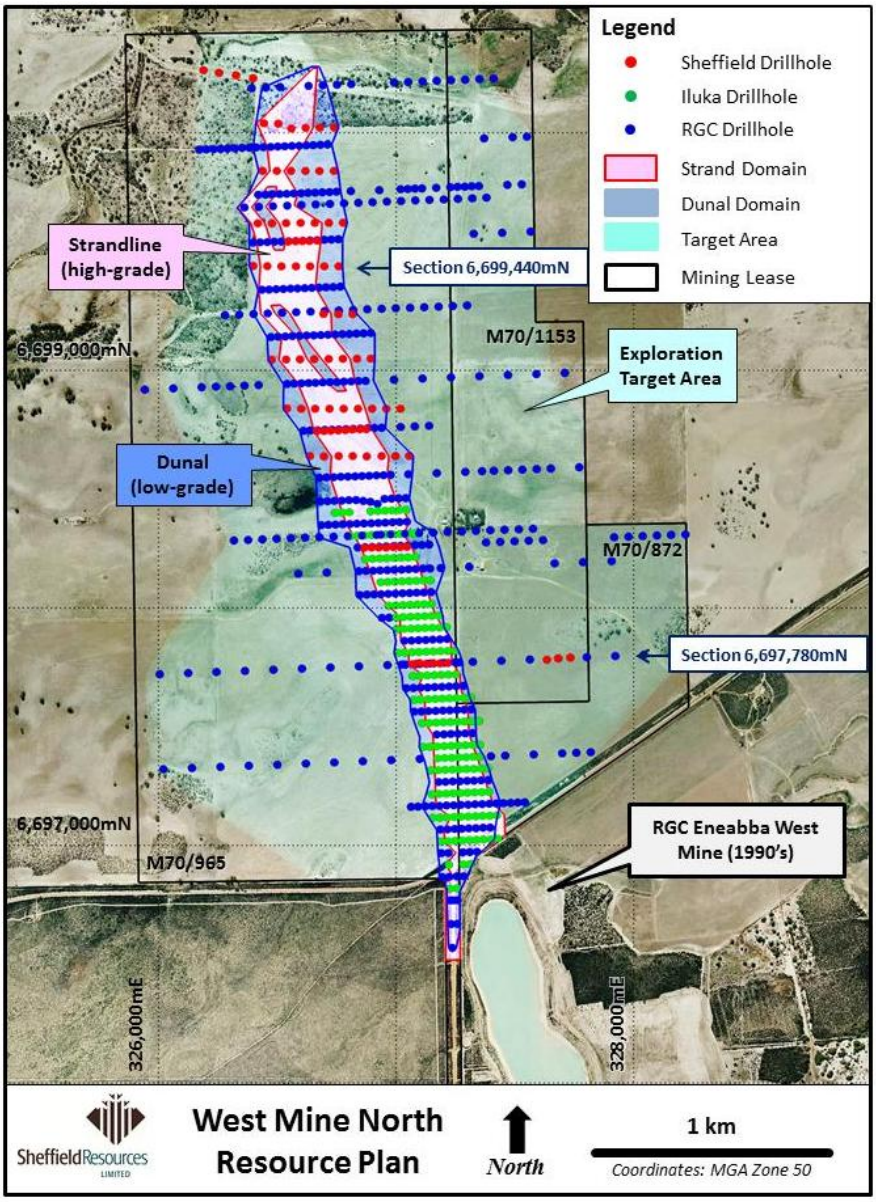


**Figure 3: West Mine North deposit showing drill hole locations and resource domains**

**Ellengail**

Ellengail is covered by retention licence R70/35 and is located 7km to the west of Eneabba and 3km to the north of West Mine North (Figure 2).

On 25 October 2011, the Company announced an Inferred Resource for the Ellengail project of **46.45 Mt @ 2.2% HM**, containing **1.04Mt HM**, including a high grade core of **11.25Mt @ 5.0% HM** containing **560,000t HM** (Inferred). The heavy mineral assemblage comprises 8.9% zircon, 8.7% rutile, 63.5% ilmenite and 1.9% leucoxene. Previous work by Iluka Resources Ltd has determined a $TiO_2$ content of the ilmenite of 54.7%, based on analysis of 11 composite samples.

The deposit has a central high-grade (>2% HM) core within a lower grade (>0.9% HM) halo. The deposit is 3.2km long by up to 1.4km wide, with individual mineralised domains typically 300-400m wide and 5m to 15m thick (Figure 4). Overburden varies from 0m to 15m.

The results of scoping studies, currently in progress, will determine priorities for further work.

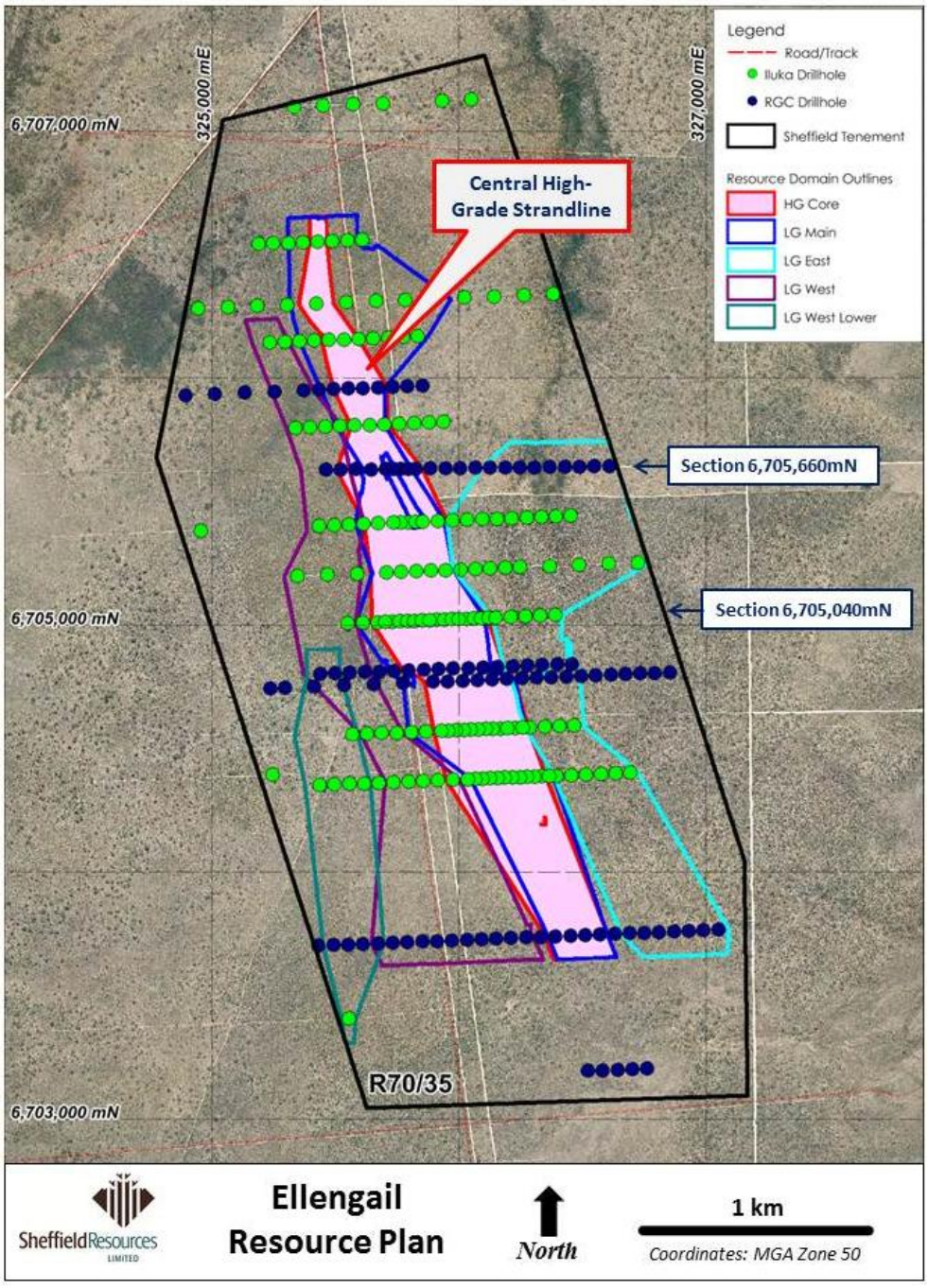


**Figure 4: Plan view of the Ellengail Deposit showing holes collars and resource domain outlines**

**Drummond Crossing**

The Drummond Crossing project is located on exploration licence E70/3814 and lies just 20km north of Eneabba (Figure 2).

During the quarter, results were received for 29 aircore holes drilled on 3 traverses at Drummond Crossing during Q2 2011. Results include:

**12m @ 2.74% HM from 0m (DCAC0024),**
**6m @ 5.24% HM from 0m (DCAC0025),**
**10.5m @ 3.16% HM from 0m, within 28.5m @ 1.91% HM from 0m (DCAC0020),**
**9m @ 2.23% HM from 0m (DCAC0019), and**
**7.5m @ 2.68%HM from 0m (DCAC0026).**

(Refer to ASX release of 21 November for full details.)

The drill results have outlined a mineralised area (>0.9% HM) of 3km N-S by 1.5km E-W. The mineralisation sits at surface, averages 9m in thickness (locally up 28.5m thick) and is open to the north and south (Figures 5 & 6). To the west, the deposit lies adjacent to mining leases held by Iluka Resources Ltd (ASX: ILU).

Sheffield has outlined an Exploration Target[1] of **35-70Mt at 1.5-2.5% HM** for the near-surface dunal style mineralisation at Drummond Crossing. The Exploration Target is derived from interpreted mineralised volumes of 19 to 36 million $m^3$ and a bulk density of 1.9t/$m^3$, and is based on drilling results announced by the Company on 21 November 2011.

QEMSCAN results confirm a heavy mineral assemblage comprising 14.9% Zircon, 10.2% Rutile, 4.4% Leucoxene and 51% Ilmenite, based on the average of 5 representative composite samples. The QEMSCAN results also indicate a favourable coarse VHM grainsize, with $D_{50}$ ranging from 145µm to 165µm (refer to ASX release of 24 January 2011 for full details).

Dunal style mineralisation, such as that discovered at Drummond Crossing, is particularly attractive as an exploration target because it usually occurs at surface, has lower associated mining costs and is generally amenable to standard processing techniques.

The discovery highlights potential to find further HMS deposits in the Eneabba region. Sheffield recently applied for two new exploration licences to north and east of Eneabba covering 66km of prospective strike for similar dunal style HMS deposits.

Iluka recently announced revised reserves for four of its Eneabba deposits to the south of Drummond Crossing, two of which (Twin Hills and Depot Hill East) have a similar setting, grade and areal extent to the mineralisation outlined by Sheffield at Drummond Crossing (Figure 2).

In addition to the near-surface dunal mineralisation, a deeper zone of mineralisation was intersected in 4 consecutive holes (DCAC0006-9) on the southernmost drill traverse, including a best intersection of 4.5m @ 5.77% HM from a depth of 27m in drill hole DCAC0008. This opens up a new exploration target to the south.

The company plans to undertake further drilling in Q2, 2012.

[1]Sheffield has not yet reported Mineral Resources at the Drummond Crossing project and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

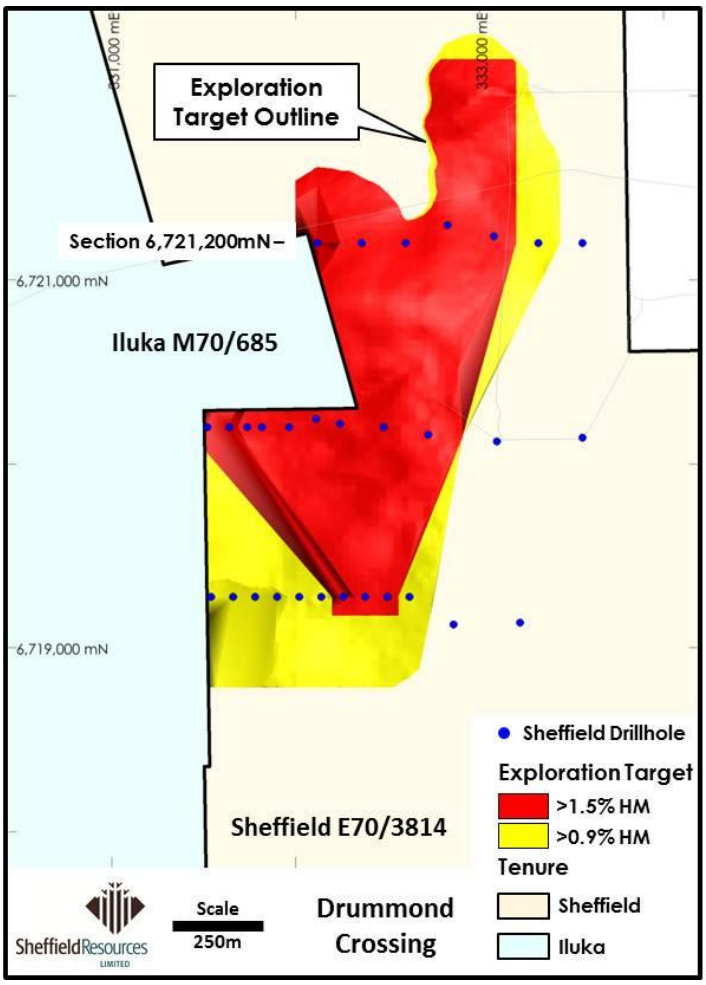


**Figure 5: Drummond Crossing drill hole plan with HM contours (average grade >3m thickness).**

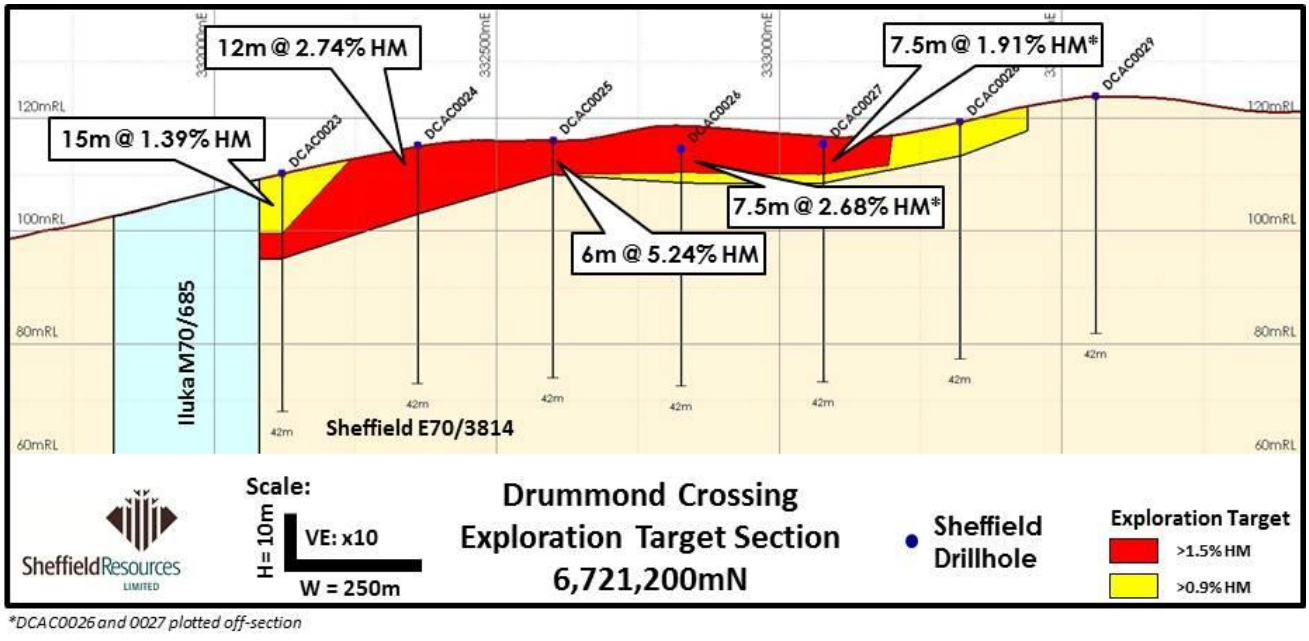


**Figure 6: Cross Section 6,721,200mN - looking north**

## Yandanooka

Other than the scoping studies and metallurgical testwork, referred to above, no further work was undertaken on Yandanooka during the quarter.

**Irwin**

Four representative composite samples from Sheffield's drilling during Q2 2011 were submitted for mineral assemblage testwork. Results are expected in the near future. Further exploration drilling is planned for Q2 2012.

**McCalls**

Resource estimation work is currently being undertaken on the McCalls HMS project using the results of historical drilling by BHP and 30 holes drilled by Sheffield in Q2 2011 (ASX release of 20 September 2011). During the quarter, exploration licences E70/3929 and E70/3931, which cover portions of the deposit, were granted.

**Dampier**

The Dampier HMS project is located approximately 60km west of the port of Derby in Western Australia's Kimberley region and lies outside the recently proclaimed Kimberley National Heritage Estate listed area.

Following a detailed review of past drilling by Rio Tinto (ASX: RIO) who explored the project between 2003 and 2009, Sheffield's geologists have outlined an Exploration Target[1] of **450-850Mt** at **5-10% HM** for the Thunderbird prospect at the Dampier project.

The Exploration Target is based on 8 Rio Tinto drill intersections on two near-perpendicular sections across the deposit (Figure 8). These drill intersections outline a mineralised area of 13-18km$^2$ and a mineralised thickness of 20-25m. The Exploration Target tonnage range is derived by applying a bulk density range of 1.8-1.9t/m$^3$ to the estimated volume range.

Within the Exploration Target area the mineral assemblage averages 7.9% zircon, 2.3% rutile, 6.0% leucoxene, 16.9% altered ilmenite, and 16.6% ilmenite; based on the average of 63 samples analysed by SEM probing at the Rio Tinto facility in the United Kingdom in 2006, and 65 samples analysed by the CSIRO in Perth during 2008 using the AutoGeo SEM method. The high average HM (7.9%) and the moderately high average zircon component of the assemblage (8.0%) equate to an average in situ zircon grade of 0.63%. The in situ zircon grade of 0.63% ranks Thunderbird in the top bracket of zircon exploration targets.

The Thunderbird Exploration Target is surrounded by a larger, sparsely drilled area, 15km in strike length, containing lower grade heavy mineral drill intersections. This broader target is supported by a large thorium radiometric anomaly, thought to be sourced from rare earth-bearing monazite and xenotime within the heavy mineral concentrations (Figure 7).

The heavy mineral concentrations are hosted by shallowly-dipping and deeply weathered sand units of the Cretaceous Jowlaenga Formation. The heavy mineral is fine-grained and typical of large shallow-water offshore mineral sand deposits. The fine grainsize, variable iron cementation and hardness may present some metallurgical challenges (lower recoveries) however these are offset by the high heavy mineral grade and the potentially high value zircon, rutile and leucoxene-rich mineral assemblage.

Aboriginal Heritage Surveys over the project will be completed as soon as possible after the northern wet season, ahead of an aircore drilling programme of sufficient density to enable estimation of an inferred resource and to provide representative samples for metallurgical work. Sheffield anticipates this drilling will commence in Q2 2012.

[1]Sheffield has not yet reported Mineral Resources at the Dampier project and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

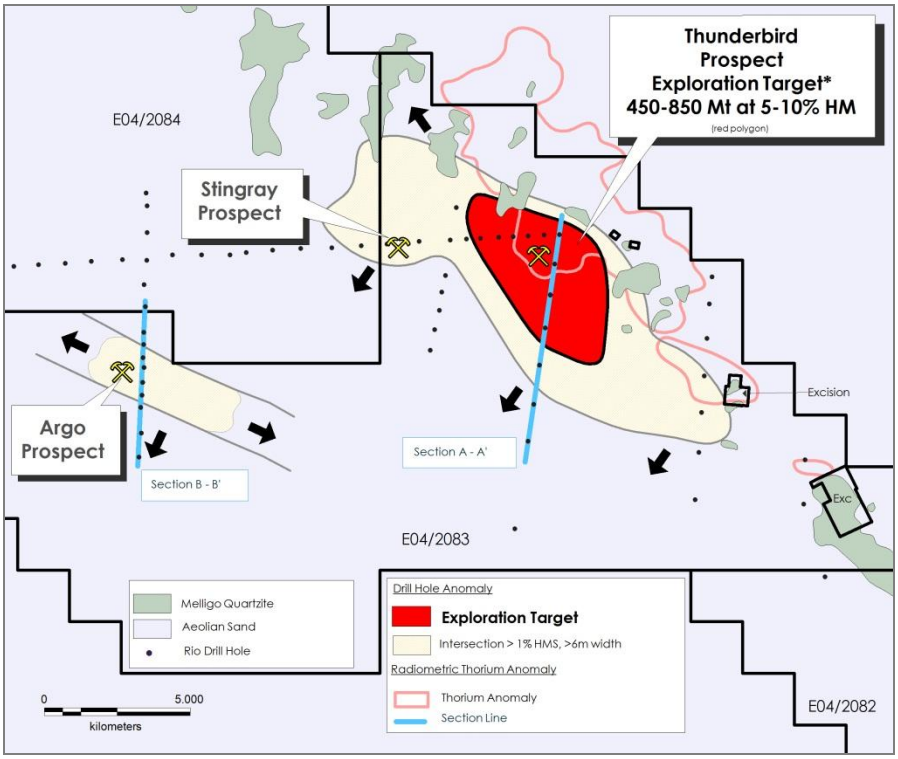


**Figure 7: Dampier project – Plan of Thunderbird & Argo prospects**

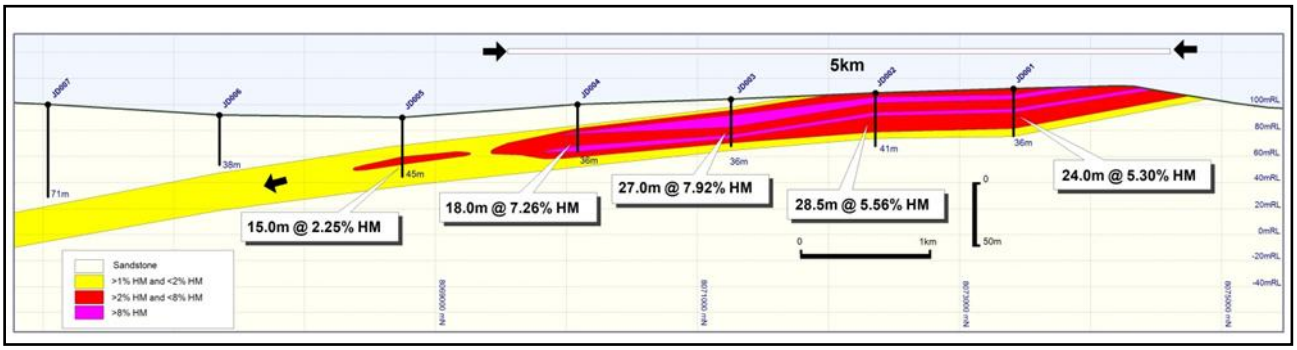


**Figure 8: Thunderbird Prospect – Cross Section A-A'**

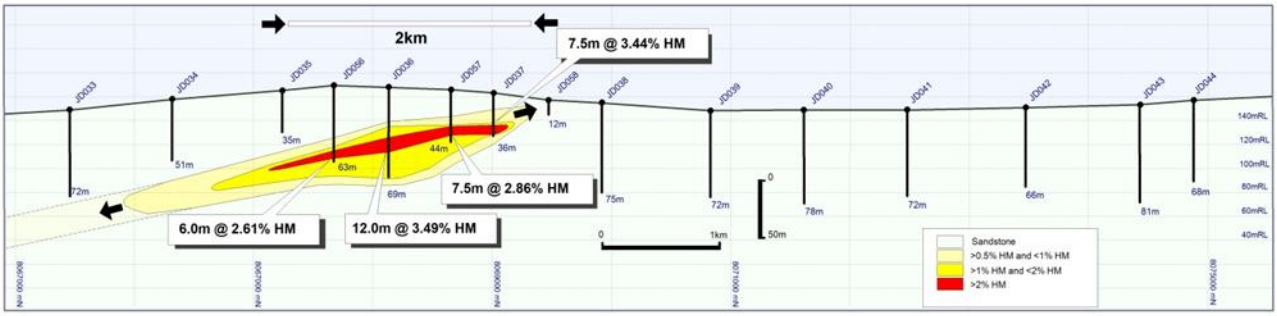


**Figure 9: Argo Prospect – Cross Section B-B'**

## Woodleigh

The Woodleigh project tenement E09/1739 was surrendered after a review of open file aeromagnetic data failed to identify any targets of significance.

**IRON**

During the quarter, the Company completed an RC drilling programme of 25 holes for 1,212m at the Three Pools project, located 20km to the north of Newman in the eastern Pilbara. The drilling was designed as an initial test of substantial zones of iron mineralisation mapped and sampled at five prospects by Sheffield's geologists earlier this year (see Figure 10 and ASX release 11 May 2011).

The drilling intersected significant widths of iron mineralisation from shallow depths at the Top Forge and Crucible prospects, for example:

Top Forge:

**50m @ 57.5% Fe from 0m (TPRC012)**
**42m @ 57.6% Fe from 6m (TPRC011)**
**44m @ 56.0% Fe from 0m – includes 18m @ 59.6% Fe from 26m (TPRC017)**

Crucible:

**52m @ 56.9% Fe from 16m (TPRC022)**
**46m @ 56.2% Fe from 2m – includes 30m @ 59.3% Fe from 16m (TPRC023)**
**44m @ 55.4% Fe from 4m – includes 20m @ 59.1% Fe from 28m (TPRC025)**

(Refer to ASX release of 1 December 2011 for full details).

Ten holes were drilled at the Top Forge prospect. The iron enrichment intersected at Top Forge is up to 50m thick and averages 29m thickness over the area drilled (600m x 400m). Significantly, iron enrichment greater than 40m thick remains open along strike to the northwest and southeast, and down-dip to the southwest (Figure 12). Mineralisation in outcrop extends over an area of 1km x 500m, with only the central part of this area drilled to date.

Five holes were drilled at the Crucible prospect. The drilling intersected iron enrichment up to 52m thick with an average thickness of 36m over the area drilled (250m x 100m). Mineralisation remains open down-dip, where the thickest mineralised interval of 52m was intersected in drill-hole TPRC022 (Figure 13). Only the eastern half of the prospect was drilled in this programme. Iron enrichment extends in outcrop over a total area of 600m x 150m.

At both Top Forge and Crucible, iron mineralisation is associated with the Boolgeeda Iron Formation. The Boolgeeda Iron Formation is known to host several significant iron deposits in the Pilbara including Atlas Iron's Hickman and McCameys North discoveries.

The Company is of the view that the drilling results, together with previously announced mapping and sampling results, support an **Exploration Target**[1] for Three Pools of **20-60Mt @ 56-60% Fe**.

Of the three other prospects drilled: Winter Rose, Vulcan's View and Paradise; only Paradise returned significant assay results with 3 holes out of the 6 drilled contain mineralised intervals above 50% iron, however these are thin (4 to 10m), and of too low grade to justify further work.

Three Pools is situated just 6km from the Rio Tinto–Hancock JV's $1.5 billion Hope Downs 4 project, currently in development; and is also proximal to Brockman Resources Ltd's (ASX:BRM) Coondiner, Kalgan Creek and Opthalmia Range projects and Atlas Iron Ltd's (ASX:AGO) Hickman project.

Sheffield's geologists have identified several additional targets within the Boolgeeda Iron Formation which will be subject to further exploration during the 2012 field season.

[1]Sheffield has not yet reported Mineral Resources at the Three Pools project and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

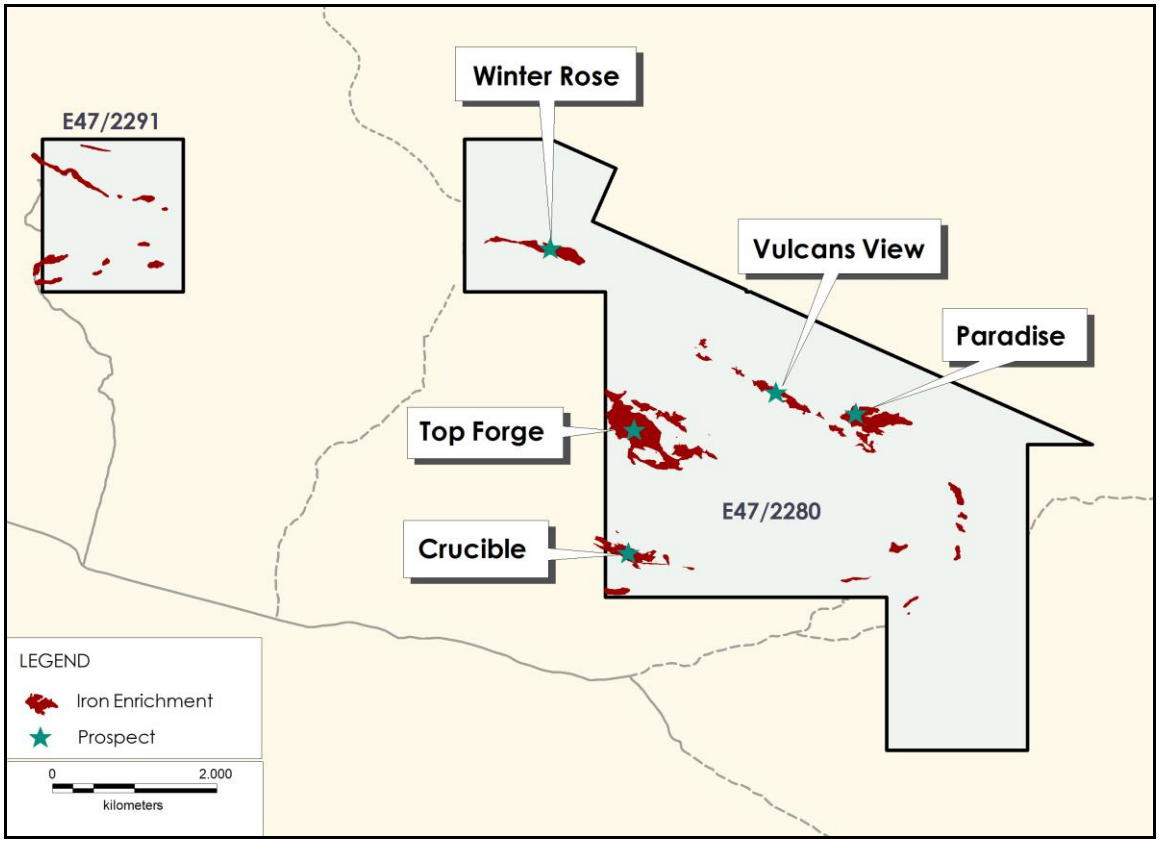


**Figure 10: Location of iron prospects on the Three Pools project north of Newman**

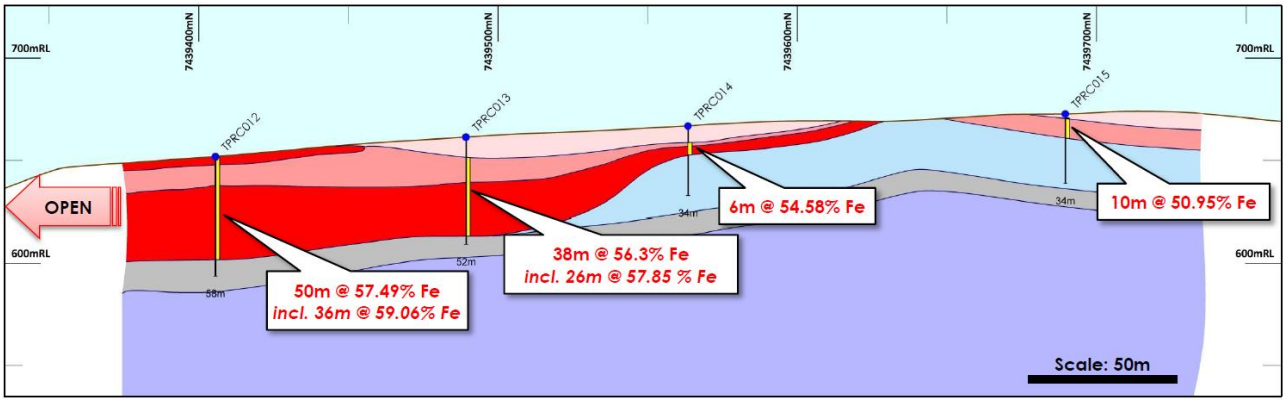


**Figure 11: Cross-section through TPRC012 to TPRC015 at the Top Forge prospect.**

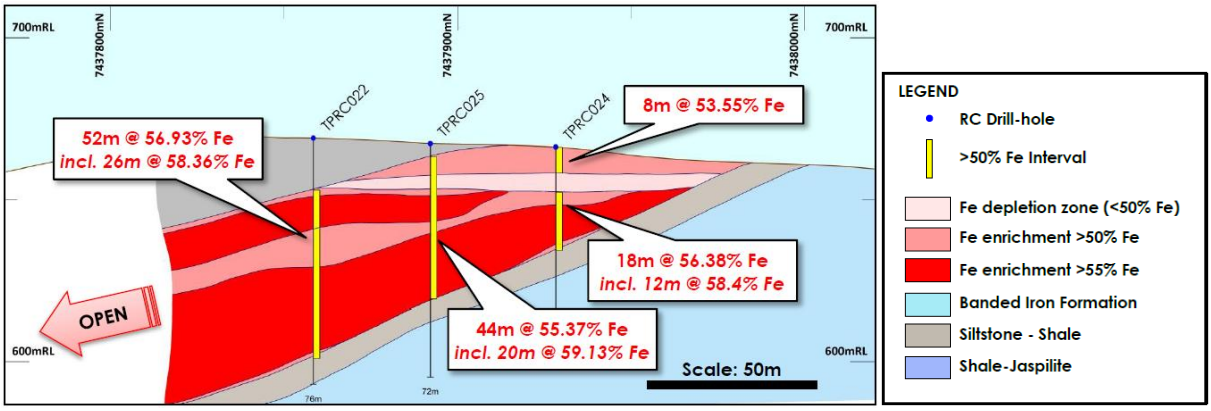


**Figure 12: Cross-section through TPRC022, 025 and 024 at the Crucible prospect.**

## TALC

Sheffield has a dominant tenure position (1,152km$^2$) covering the 175km-long Moora Talc Belt. Following the grant of E70/3883 during the quarter, all Sheffield's tenure in Moora Talc belt is now granted. E70/3883 is in a highly prospective location – it abuts the mining leases of Imery's Three Springs Talc Mine to the north and includes known talc occurrences: Three Springs South, Prowaka and Thomas.

The Three Springs mine has been operating since 1948 and is renowned for producing premium grade microcrystalline talc from a relatively simple "dig-and-deliver" operation. Sheffield's strategy is to discover talc deposits of similar size and quality to the Three Springs deposit.

Sheffield is one of very few listed public companies in the world offering significant exposure to talc which is principally used in the manufacture of paper, ceramics and plastics.

During the quarter reconnaissance sampling and mapping was completed in the Hillview, Coorow and Marchagee districts. In total 43 samples were collected from these target areas, of which 42 were taken to characterise host lithologies and alteration. The highlight of this work was the discovery of a new zone of outcropping talc mineralisation located just south of Marchagee.

A sample taken of this talc mineralisation confirmed the presence of high purity talc with low levels of contaminants (Table 3). This new discovery of talc mineralisation is further evidence of widespread talc mineralisation within the belt and underlines the potential of the Marchagee district to host multiple talc deposits. Historic and recent drilling by Sheffield has identified significant zones of talc mineralisation at the Fowlers, Beans and Azharuddin prospects, all located within the highly prospective talc corridor south of Marchagee.

**Table 3: Rock chip sample results from the Marchagee talc occurrence**

| Sample Number | East | North | MgO (%) | $SiO_2$ (%) | $Fe_2O_3$ (%) | $Al_2O_3$ (%) | CaO (%) | $P_2O_5$ (%) | LOI (%) (1000°) |
|---|---|---|---|---|---|---|---|---|---|
| HV043 | 404229 | 6564370 | 29.04 | 61.66 | 1.19 | 1.91 | 0.14 | 0.008 | 5.49 |

*Samples >28% MgO and <2% CaO. Coordinates are MGA Zone 50 (GDA94). Samples analysed by XRF.*

Following a successful diamond drilling programme in June 2011 which confirmed the high chemical purity of talc at several of Sheffield's prospects (see ASX release dated 4 October 2011) the Company is undertaking brightness measurements on the talc drill samples. This work is nearing completion, with final results due in Q1 2012.

Sheffield's next talc drilling campaign is scheduled for Q2 2012 and will include an initial test of the high priority Azharuddin target near Marchagee.

## TUNGSTEN

No work was undertaken on the Berthas Butt Tungsten Project (E80/4394) during the quarter.

## CASH POSITION

As at 31 December 2011, the Company had cash reserves of approximately $2.3 million.

**Bruce McQuitty**
Managing Director
31 January 2011

**COMPETENT PERSONS' STATEMENT – EXPLORATION RESULTS**

The information in this announcement that relates to exploration results is based on information compiled by Mr Bruce McQuitty and Mr David Archer. Both Mr McQuitty and Mr Archer are full time employees of the Company. Mr McQuitty and Mr Archer are Members of the Australasian Institute of Geoscientists and each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Each of Mr McQuitty and Mr Archer consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**COMPETENT PERSONS' STATEMENT – RESOURCE ESTIMATES**

The information in this web page that relates to resource estimation is based on information compiled under the guidance of John Vann. Mr Vann is a Principal of Quantitative Group and acts as a consultant to the Company. Mr Vann is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Mr Vann consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this web page that relates to reporting of resource and exploration results is based on information compiled under the guidance of Mark Teakle. Mr Teakle is a consultant to the Company. Mr Teakle is a Member of the Australasian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Mr Teakle consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**FORWARD LOOKING AND EXPLORATION TARGET STATEMENTS**

Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "seek", "expected", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

The terms "Target" and "Exploration Target", where used in this report, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Reserve.