Sheffield Resources Ltd
ACN 125 811 083
14 Prowse Street West Perth WA

21 October 2011

QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2011

HIGHLIGHTS

Heavy Mineral Sands

- Maiden resource for Yandanooka project of **1.84 million tonnes of contained heavy mineral** within a total resource of **71.75Mt @ 2.6% HM**, comprising 61Mt @ 2.8% HM (Indicated) and 10.75Mt @ 1.1% HM (Inferred)
- Yandanooka has a high value mineral assemblage comprising 11.5% zircon, 6.9% rutile, 10.2% leucoxene and 61.9% ilmenite
- Scoping study commenced on Yandanooka project
- Resource estimation in progress on Ellengail and West Mine North projects
- Sheffield's drilling results at McCalls improve upon previous BHP results
- Irwin drilling results demonstrate 5km long zone of low slimes dunal mineralisation and a new tenement application secures a further 10km of potential strike
- Grant of key tenement over large Dampier zircon exploration project, located near Derby

Talc

- Assay results from diamond drilling at Sheffield's Moora Talc Belt project confirm high purity talc at all six prospects tested, with talc chemistry similar or better than that of the Three Springs mine.

Iron

- Drilling commenced at Three Pools DSO project near Newman

As at 30/9/11:

Issued Shares	**58.7M**	ASX Code	**SFX**	Closing Price	**$0.23**
Market Cap	**$13.5M**	Cash Reserves	**$3.3M**		

EXPLORATION

Summary

Sheffield has over 6,000km^2 of highly prospective exploration tenure, situated within the state of Western Australia (refer to Figure 1 for project locations). The Company's projects are geared towards the steel industry feed cycle (iron ore and tungsten) and the emerging fillers-ceramics-pigments cycle (talc, zircon, titanium dioxide).

Sheffield has a significant presence in Western Australia's Mid-West region, where it has large consolidated tenement holdings for talc and mineral sands adjacent to a network of highways and railways connecting to the region's ports (Figure 2).

Figure 1: Location of Sheffield's exploration projects in Western Australia

During the quarter Sheffield made significant progress with the evaluation of its North Perth Basin heavy mineral sands (HMS) projects.

On 16 August 2011 the Company announced a maiden JORC resource estimate for the Yandanooka deposit of 1.84 million tonnes of contained heavy mineral within a total resource of **71.75Mt @ 2.6% HM**, comprising 61Mt @ 2.8% HM (Indicated) and 10.75Mt @ 1.1% HM (Inferred).

Resource estimation work is in progress on the Company's Ellengail and West Mine North HMS projects, to be followed by the McCalls project later in Q4 2011. The resource estimation results, together with the results of bulk sample metallurgical work currently in progress, will form the basis for scoping studies to be undertaken during Q4 2011. Scoping work has already commenced on the Yandanooka project.

During the quarter analytical results were progressively received from the previous quarter's drilling campaigns on the Company's HMS and talc projects. Assay results are still to be received from the Drummond Crossing HM exploration project.

At West Mine North, excellent infill drilling results confirmed a 3.5km long high-grade HMS mineralised zone.

At McCalls, results from a single drill traverse have outlined a 5km wide mineralised zone (>1% HM) with consistent thickness and grade, beneath a thin layer of overburden. The mineralisation is open to north and south and to over 90m depth. Sheffield's drilling results have demonstrated higher grades, greater thickness and lower slimes than indicated from historical BHP drilling.

At Irwin, Sheffield's drilling results have extend the strike length of mineralisation (>1% HM) to over 5km. The mineralisation is dunal style, with low slimes and low oversize. A new exploration licence application covers a further 10km of strike of the prospective zone.

A key exploration licence was granted over the Company's large scale zircon-rich Dampier HMS project, located near Derby in WA's Kimberley region.

Results from Sheffield's first diamond drilling programme in the Moora talc Belt have defined significant zones of premium grade talc with chemical characteristics comparable to Luzenac's Three Springs talc mine.

Following the successful completion of aboriginal heritage surveys, drilling commenced on the Three Pools iron project on 5 October 2011.

Exploration expenditure during the quarter is estimated to be $717,000.

RC drilling at Three Pools Iron Project

HEAVY MINERAL SANDS

Sheffield has accumulated a large portfolio of HMS projects located in the proven North Perth Basin and the emerging Eucla, Canning and Carnarvon Basin provinces. Since Sheffield secured its strategic HMS tenure position in early 2010 there has been a significant improvement in demand for zircon and titanium feedstocks.

North Perth Basin

Sheffield's tenement package of over 2,500km^2 in the North Perth Basin includes six advanced exploration projects: Yandanooka, Durack, West Mine North, Ellengail and Irwin which are located near Eneabba and the large McCalls deposit – a former BHP project, located near Gingin (Figures 2 & 3).

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

Sheffield's strategy is, subject to exploration success, to build multiple HMS projects capable of supporting flexible mobile mining plants.

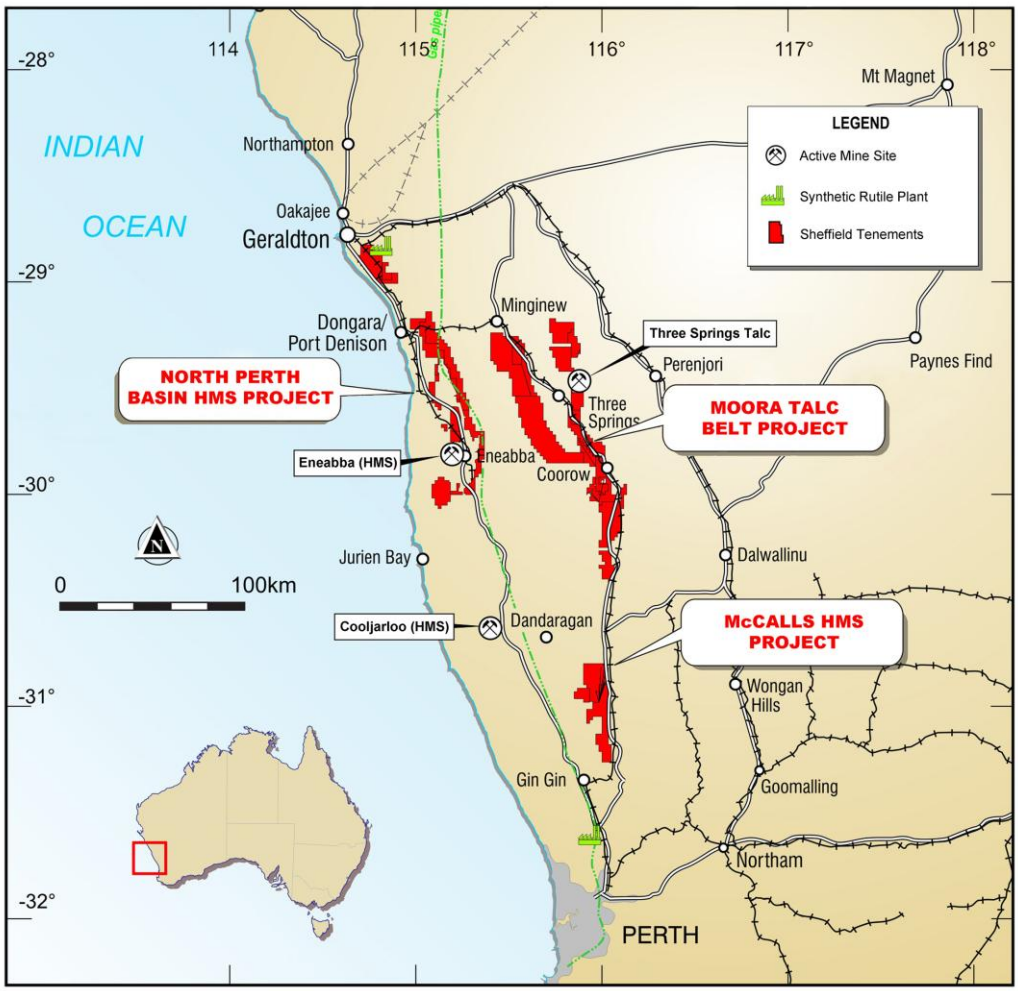

Figure 2: Sheffield's North Perth basin HMS and talc projects

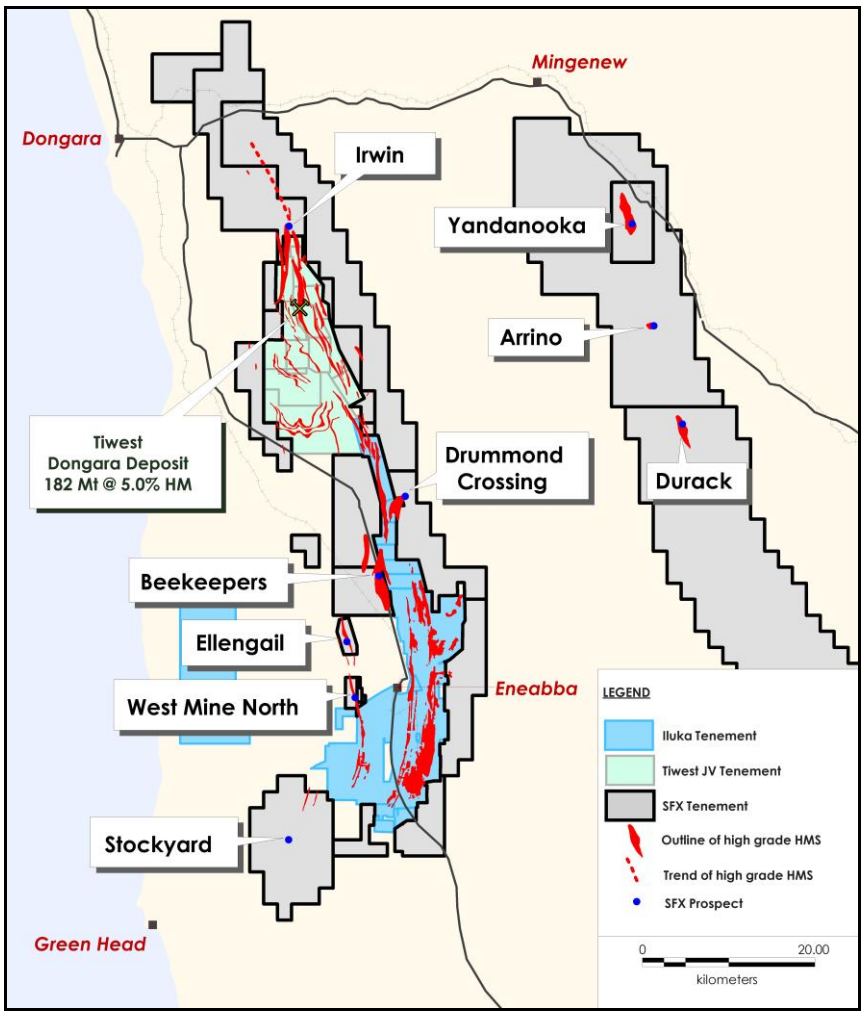

Figure 3: Sheffield's HMS projects near Eneabba

Yandanooka

The Yandanooka HMS project is located approximately 55km northeast of Eneabba in WA's Mid West region. It is situated on cleared freehold land just 2.5km from an existing sealed highway and railway connecting to Geraldton port, approximately 140km to the northwest (Figure 3).

On 16 August 2011 Sheffield announced a maiden resource estimate for the Yandanooka deposit of 1.84 million tonnes of contained heavy mineral within a total resource of **71.75Mt @ 2.6% HM**, comprising 61Mt @ 2.8% HM (Indicated) and 10.75Mt @ 1.1% HM (Inferred). This includes an Indicated Resource for the high grade core of 1.41 million tonnes of contained heavy mineral (37.5Mt at 3.8% HM).

Yandanooka has a high value mineral assemblage comprising 11.5% zircon, 6.9% rutile, 10.2% leucoxene and 61.9% ilmenite.

In addition to elevated zircon and rutile content, the heavy mineral assemblage comprises a significant proportion of high-TiO_2 ilmenite and leucoxene. Previous work by Iluka Resources Ltd has determined a TiO_2 content of the ilmenite of 64.7%, based on analysis of 6 composite samples. The high TiO_2 content of the ilmenite indicates potential suitability as feed for chloride process pigment production or synthetic rutile production. Sheffield is undertaking mineral separation studies on a bulk sample to gain further information on the ilmenite quality.

The Yandanooka deposit has a central high-grade (>2% HM) core enveloped by a lower grade (>0.9% HM) halo. The deposit is 5km long by 1.7km wide, between 2m and 20m thick, has minimal overburden and lies above the water table.

Yandanooka is interpreted to be a dunal-style HMS deposit situated along an Eocene palaeo-shoreline. Sheffield has secured tenure over 70km of strike of this prospective shoreline which includes known HM occurrences Arrino and Durack (Figure 3).

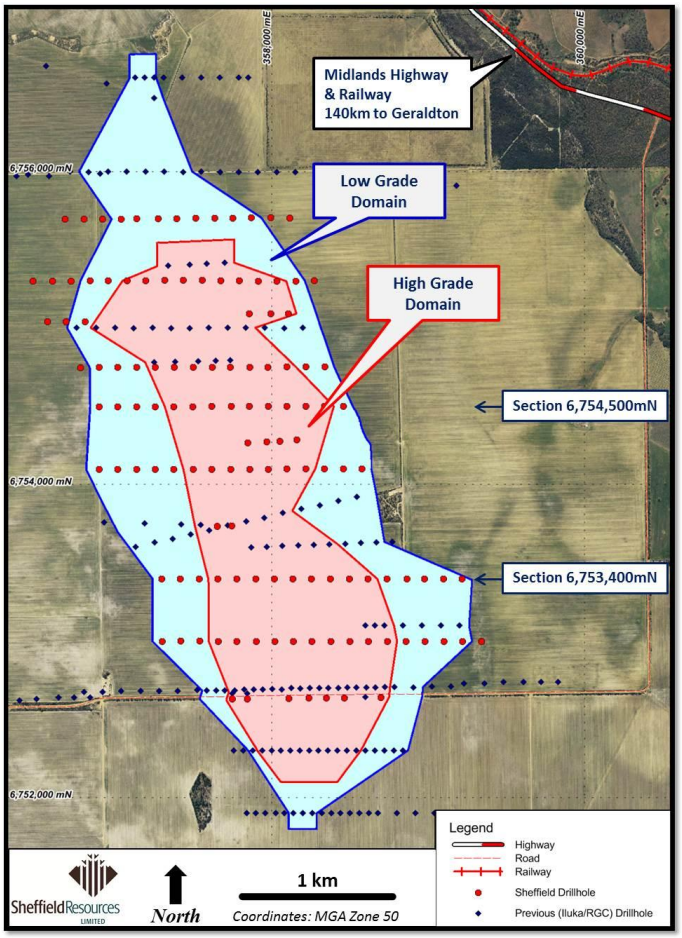

Figure 4: Plan view of the Yandanooka deposit showing holes collars and resource domains

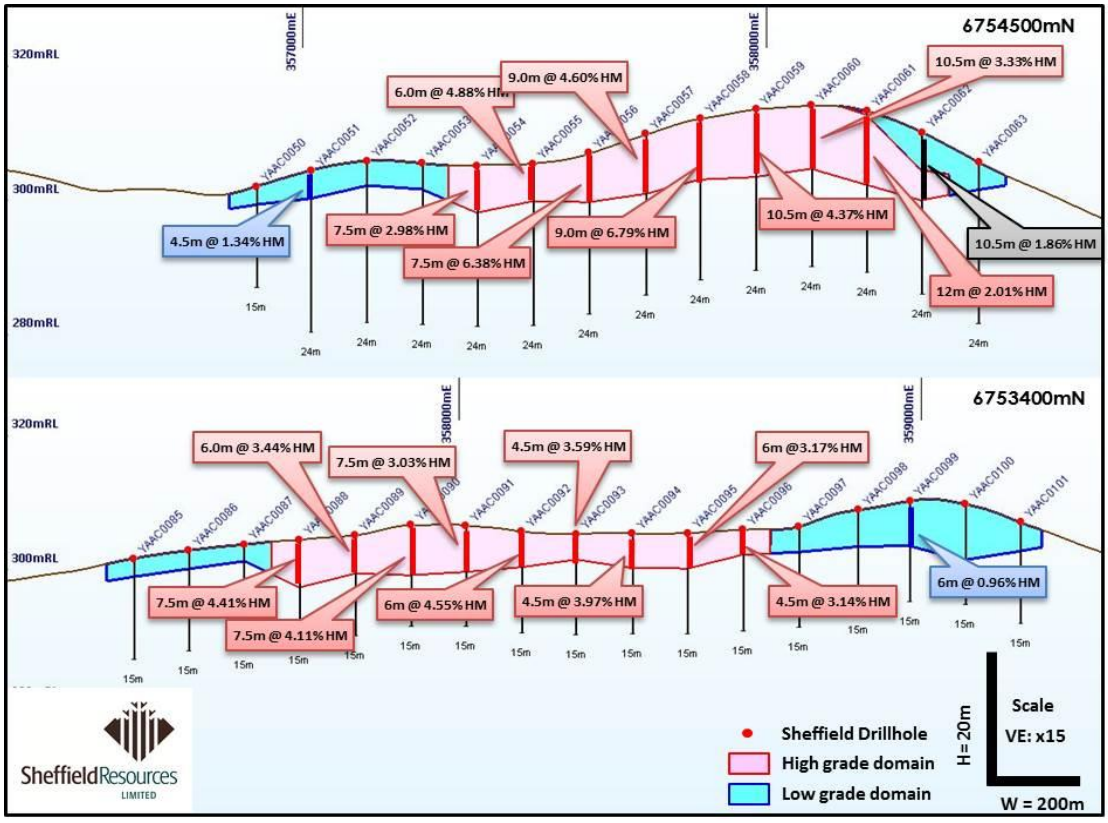

Figure 5: Typical cross-sections, looking north, through the Yandanooka deposit

West Mine North and Ellengail

The West Mine North and Ellengail HMS projects are located approximately 6km west of Eneabba in Western Australia's Mid West region (Figure 3). West Mine North is on 3 granted mining leases, while Ellengail is covered by a retention licence. The projects were acquired by Sheffield from Iluka Resources Ltd earlier this year for a consideration of $150,000 and a 1.5% royalty.

Analytical results were received from a 90 hole drilling programme completed at West Mine North during Q2 2011. Significant intersections include:

22.5m @ 6.87% HM from 16.5m (WMAC0077),
12m @ 8.2% HM from 18m (WMAC0064),
7.5m @ 10.9% HM from 24m (WMAC0071), and
15m @ 4.05% HM from 13.5m (WMAC0034).
(Refer to ASX release of 9 August 2011 for further details).

The results confirm a zone of high grade mineralisation (>2.5% HM) approximately 3.5km long by 250m wide and up to 22m thick. The high-grade mineralisation is variably overlain and enveloped by a halo of lower grade (1-2% HM) mineralisation (Figure 6).

Resource estimates are close to being finalised for both West Mine North and Ellengail. Metallurgical testwork is also being performed on a bulk sample from West Mine North, the results of which will be incorporated into scoping studies to be undertaken later in Q4 2011.

Environmental surveys will be undertaken at Ellengail during Q4 2011, ahead of drilling planned for 1H 2012.

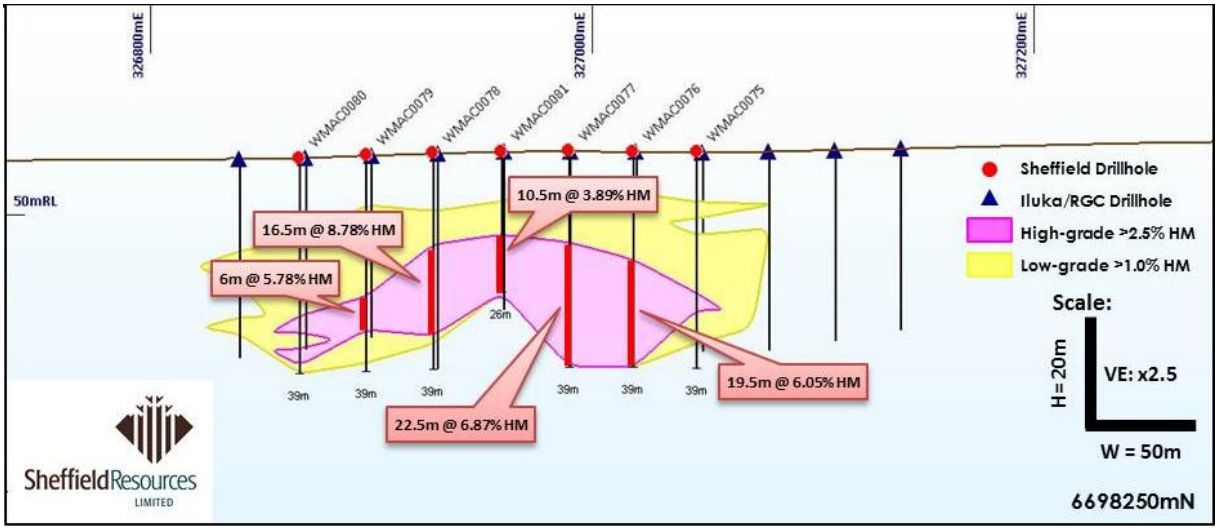

Figure 6: Typical drill hole section through West Mine North (vertical exaggeration x2.5).

McCalls

The McCalls HMS project is located 110km north of Perth, near Gingin (Figure 2).

On 20 September the Company announced results from a 30 hole drilling programme completed during Q2 2011. Significant intersections include:

85.5m @ 1.52% HM from 4.5m (MCAC0019)
58.5m @ 1.49% HM from 4.5m (MCAC0015)
61.5m @ 1.32% HM from 1.5m (MCAC0008)
49.5m @ 1.52% HM from 1.5m (MCAC0016), and
45.0m @ 1.60% HM from 6.0m (MCAC0010)
(Refer to ASX release of 20 September 2011 for further details).

The results demonstrate consistent grades and widths of heavy mineral along a 5km long north-south section (398740mE) across the strike of the deposit (Figures 7 & 8).

Of the 30 holes drilled, all returned significant mineralised intervals (>1% HM), with all but 2 holes ending in mineralisation. Drill hole MCAC0019 extended to test the depth potential, intersected 85.5m of mineralisation and was still in mineralisation at the end of the hole.

Sheffield's drilling programme was designed to infill earlier broadly spaced drilling by BHP who explored the McCalls region during the early 1990s. On Section 398740mE, Sheffield completed 25 drill holes to infill 8 holes drilled by BHP. Significantly, the average width and grade of Sheffield's drill intersections is higher, and the average slimes component is lower than those of the BHP drill intersections, as follows:

Table 1: Sheffield vs BHP drill results on Section 398740E

	Drill holes	Average Width (m)	Average HM%	Average Slimes% (<45µ)
Sheffield	25	44	1.36	22.8
BHP	8	29	1.25	23.7

In its release of 17 January, 2011, Sheffield stated an **Exploration Target*** of between **1.5 and 2.5 billion tonnes grading between 1.1% and 1.3% HM** for McCalls. The average heavy mineral grade of 1.35% (all intersections), from this drilling programme is above the higher target range.

The average heavy mineral assemblage at McCalls as determined by BHP (who performed mineral observations on just 15% of the holes they drilled) is: ilmenite 74.2%, zircon 4.37%, rutile 0.52%, leucoxene 4.08%, monazite 0.03%, and other minerals 16.8%. The high TiO_2 content of the ilmenite (62.6%) indicates potential suitability for chloride route processing or synthetic rutile feedstock. Sheffield will undertake its own mineral assemblage testwork to gain a better understanding of the spatial distribution of high value heavy minerals, such as zircon and rutile, within the deposit.

The McCalls project is well situated with respect to existing infrastructure, including main roads, rail and power. A railway line located 10km to the east of the project connects to Fremantle/Kwinana ports approximately 160km by rail to the south and to Geraldton port 345km by rail to the north. This railway also links to Iluka Resources' Narngulu synthetic rutile plant near Geraldton and passes within 1km of Tiwest's Chandala synthetic rutile plant at Muchea, 75km to the south of McCalls.

*Sheffield has not yet reported Mineral Resources at the McCalls 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.

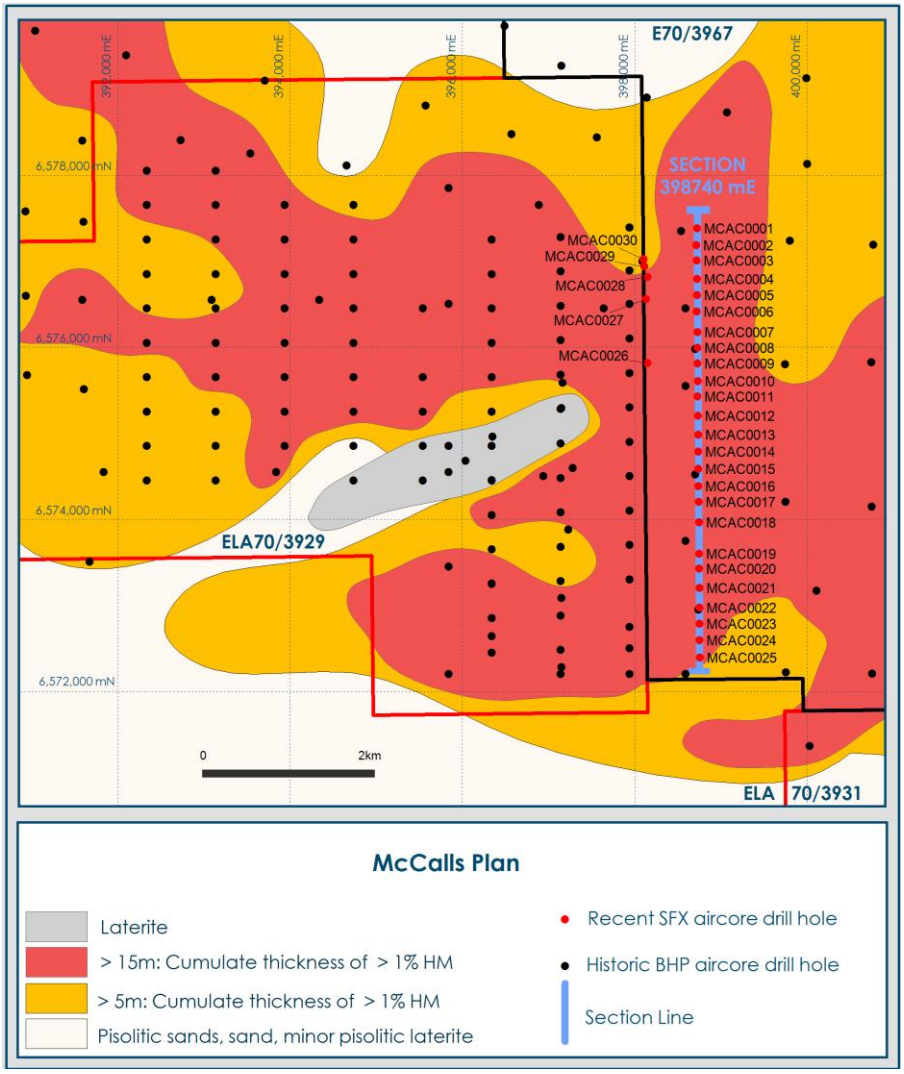

Figure 7: McCalls HMS project – plan of drill hole collars and mineralised zones

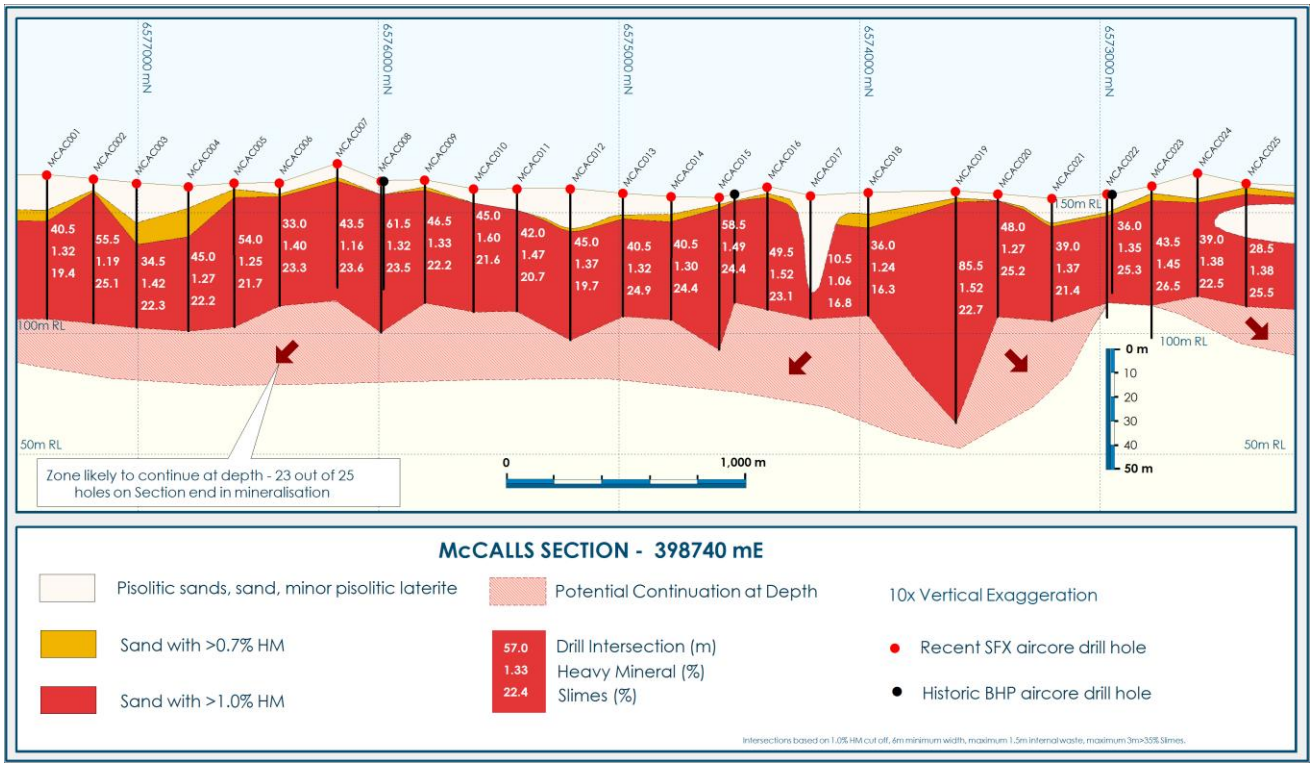

Figure 8: McCalls Project – Section 398740mE, looking to the east

Irwin

On 13 September 2011 Sheffield announced results from a 31 hole drilling program at its Irwin HMS project located 80km southeast of Geraldton (Figure 2). Significant intersections include:

18.0m @ 1.25% HM from 6.0m (IRAC008),
13.5m @ 1.40% HM from 7.5m (IRAC019),
15.0m @ 1.66% HM from 4.5m (IRAC031),
12.0m @ 1.70% HM from 7.5m (IRAC029), and
9.0m @ 2.58% HM from 25.5m (IRAC027).
(Refer to ASX release of 13 September 2011 for further details).

The drill results at Irwin, together with results of drilling by North Mining Ltd in 1994, confirm the presence of a large 1.5–2.5km wide zone of low grade (1-2% HM), dunal-style mineralisation, and increase the strike length of the zone to 5km (Figure 9).

The mineralisation averages 10m in thickness but is locally up to 18m thick at 1% HM cut-off. It is variably overlain and enveloped by a halo of lower grade (0.5-1% HM) mineralisation. An important feature of the dunal mineralisation is the low slimes content (weighted average 6.4%) and low oversize (3.0%), which favour low cost processing techniques.

Sheffield recently applied for an additional exploration licence (ELA70/4189) which extends the Irwin exploration target for an additional 10km to the north (Figure 9).

The Irwin project represents a large virgin exploration target, strategically located close to infrastructure and adjacent to Tiwest's Dongara deposit (181.6 Mt at 5.0% HM) (Magnetic Minerals Ltd ASX release 24 July 2002). The Dongara deposit was acquired by the Tiwest JV following the takeover of Magnetic Minerals by Ticor Ltd in March 2003.

Assemblage work is yet to be undertaken on the Irwin mineralisation. Sheffield will select representative composite samples from its recent drilling for mineral assemblage testwork in October. Further exploration drilling is planned for 1H 2012.

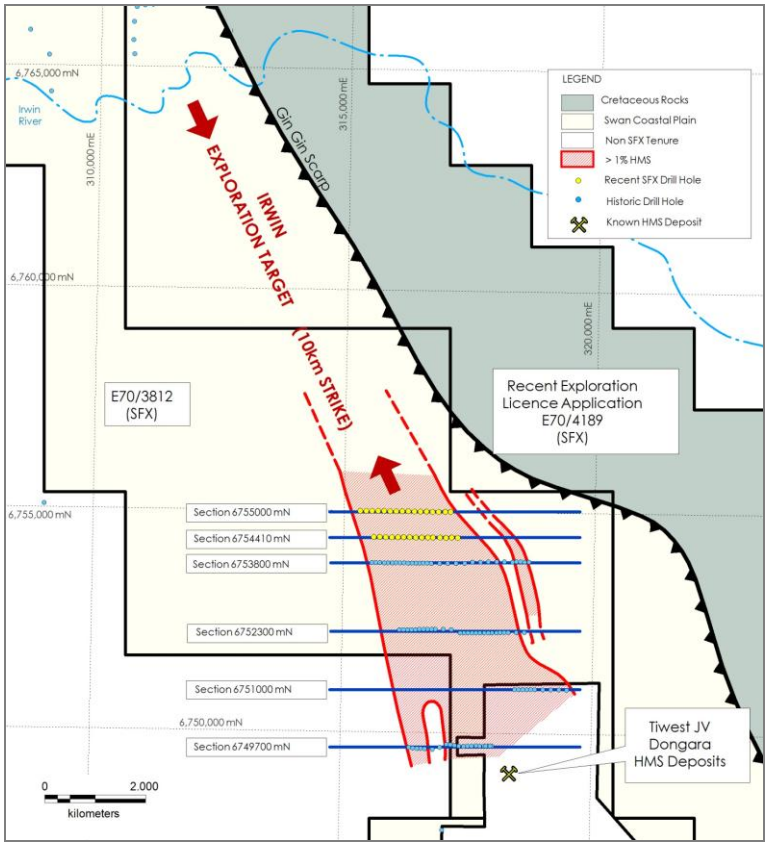

Figure 9: Irwin Project – Plan of Drill Hole collars and Exploration Target

Georgina

The Georgina project exploration licence E70/3947 was granted on 27 September 2011. The project covers a 25km strike length of the prospective Swan Coastal Plain and lies just 11km to the southeast of Geraldton. Previous broadly spaced scout drilling by Westralian Sands in 1990 and 1991 recorded anomalous HM intersections in the vicinity of Arthur Road, including the following consecutive intersections drilled parallel to strike over a 1km strike length:

12m @ 5.1% HM from 48m depth (GE286),
9m @ 2.5% HM from 48m (GE285), and
21m @ 2.9% HM from 39m depth (GE284).

Drilling is scheduled for 1H 2012, subject to land access and approvals.

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.

The main exploration licence over the project, E04/2083, was granted on 5 September 2011. Together with 3 adjacent tenements under application, the Dampier project covers 1,314 km^2 of prospective mineral sands ground.

The Dampier project area was explored by Rio Tinto ("Rio") between 2004 and 2009. Rio completed four broadly spaced aircore drill traverses, identifying two zones of significant heavy mineral concentration: a large, shallow "eastern zone", named Thunderbird, and a smaller, deeper "western zone", named Argo. Selected intersections from each prospect are listed below:

Thunderbird	**45m @ 9.85% HM from 3m (JD073),** **27m @ 7.00% HM from 1.5m (JD023), and** **27m @ 7.92% HM from 9m (JD003).**
Argo	**12m @ 3.49% HM from 42m (JD036), and** **7.5m @ 3.44% HM from 27m (JD037)** (Refer to ASX release of 7 September 2011 for further details).

Significantly, the mineral assemblage includes zircon grades of up to 11.4%.

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.

The Thunderbird prospect is located within a 15km by 6km coincident geochemical, drill hole and thorium radiometric anomaly. This target has been tested by only four lines of drilling. The mineralisation remains open in all directions.

Sheffield intends to complete Aboriginal Heritage Surveys over the project as soon as possible, ahead of an aircore drilling programme of sufficient density to enable estimation of an inferred resource and to provide representative samples for metallurgical work. Due to the impending onset of the wet season it may not be possible to complete this work until May 2012.

250,000 options (exercise price of 44c, expiry 3 years) were issued to a consultant in consideration for identifying the Dampier HMS opportunity for the Company.

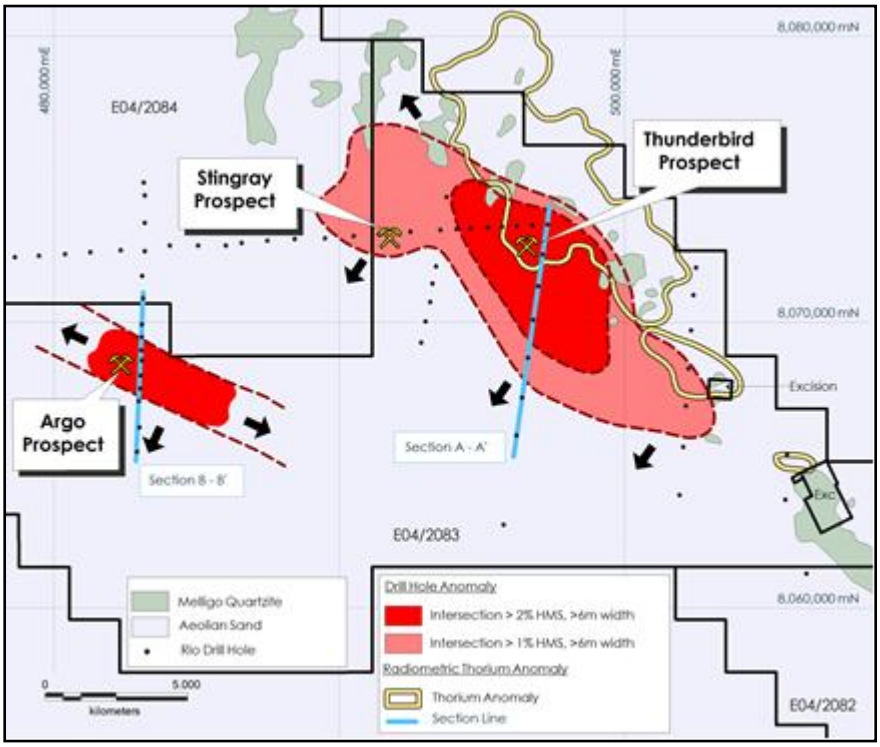

Figure 10: Dampier project – Plan of Thunderbird & Argo prospects

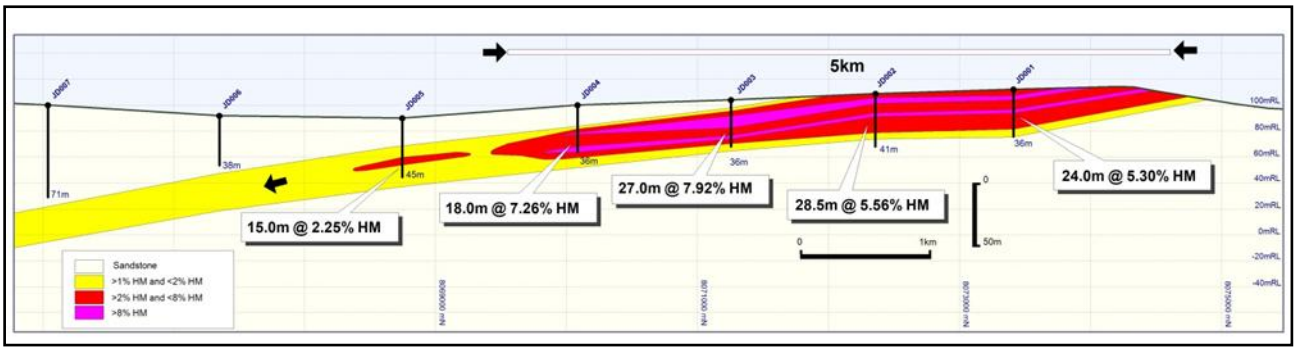

Figure 11: Thunderbird Prospect – Cross Section A-A'

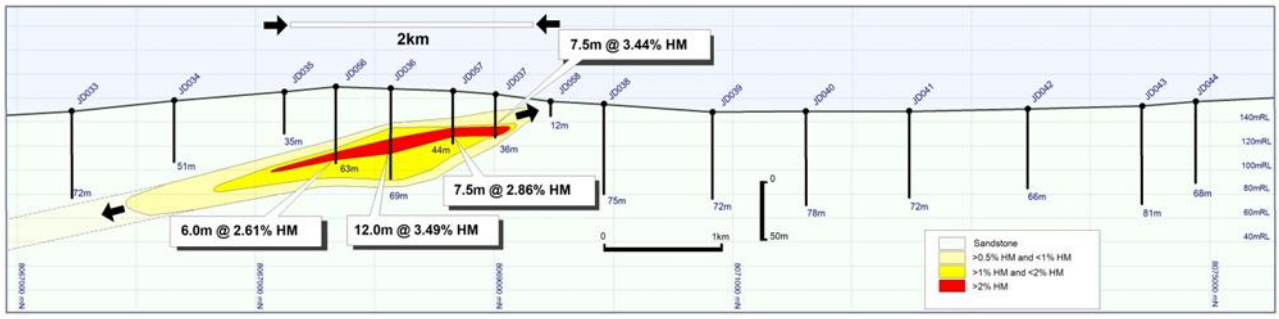

Figure 12: Argo Prospect – Cross Section B-B'

Woodleigh

The Woodleigh project (E09/1739) covers conceptual HMS targets in the Carnarvon Basin. During the quarter the Company undertook processing of open file aeromagnetic data, the results of which are subject to ongoing interpretation.

TALC

Sheffield holds 1,152km^2 of tenure over the 175km-long Moora Talc Belt. For the past 50 years the Moora Talc Belt has been exclusively controlled by large mining companies such as Rio Tinto, WMC and Unimin.

The Moora Talc Belt includes the large Three Springs mine which is owned by Rio Tinto Limited subsidiary Luzenac Australia Pty Ltd (currently in the process of being acquired by French conglomerate Imerys). Three Springs has been operating since 1948 and is renowned for producing premium grade microcrystalline talc and is a relatively simple "dig-and-deliver" operation.

Within Sheffield's Moora Talc Belt project there are over twenty known talc occurrences and many more grassroots targets. Subject to exploration success, Sheffield's strategy is to prove up large deposits, or clusters of deposits, containing high quality talc capable of supporting long-life "direct shipping" mining operations.

Assay results from the Company's 1,238m core drilling programme completed in June 2011 have defined the chemical characteristics of the talc, with high grade talc intersected at all six prospects drilled. Furthermore, significant widths of talc are defined at three of the prospects; Fowlers, Prowaka South and Tilleys.

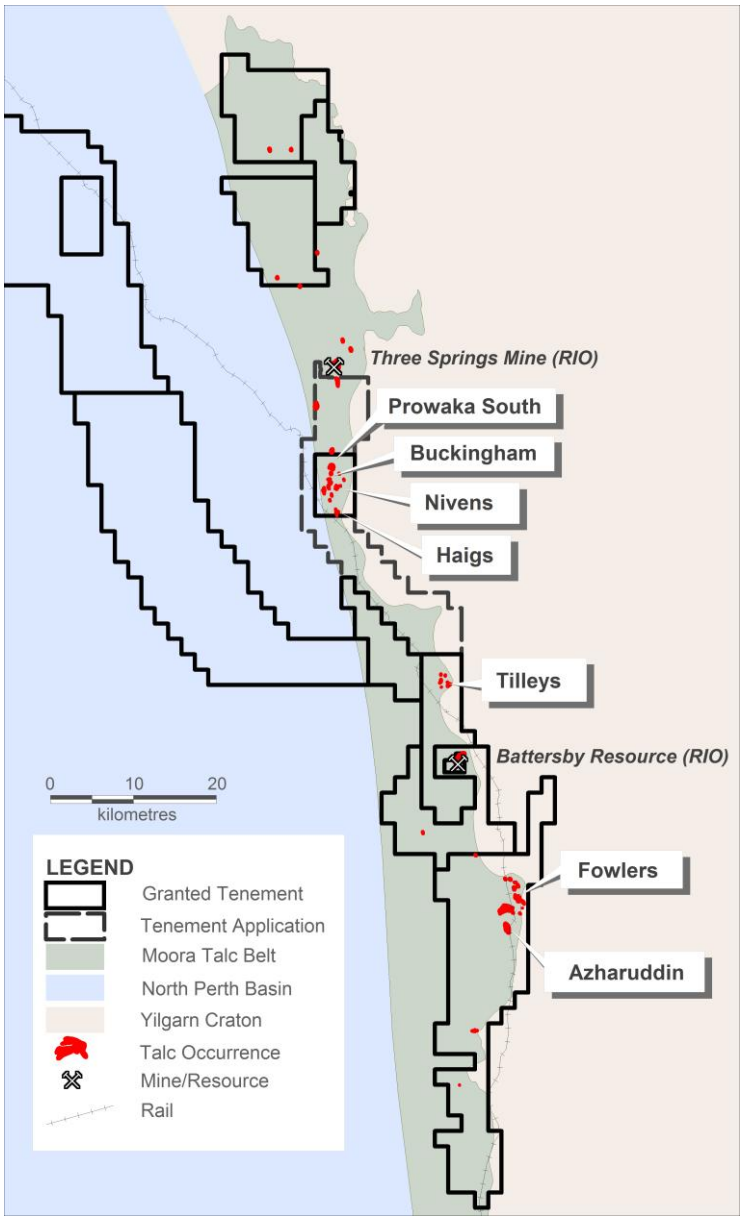

Figure 13: Sheffield's tenements in the Moora Talc Belt

The results of Sheffield's talc drilling programme demonstrate that several of Sheffield's prospects contain talc which is of comparable or better chemical purity than that of the Three Springs Mine. This is most evident in the lower levels of the undesired contaminant, iron, in Sheffield's samples as shown in Figure 14 (Refer to ASX release of 4 October 2011 for further details).

Significantly, the Company has also finalised access and approvals to drill the Azharuddin prospect, located 4km south of Fowlers prospect in the southern half of the Moora Talc Belt (Figure 13). Limited historical drilling (2 holes) at Azharuddin by Rio Tinto intersected multiple intervals of high purity talc up to 18m thick from relatively shallow depths. Sheffield plans to drill Azharuddin, along with other high priority talc targets, during 1H 2012.

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.

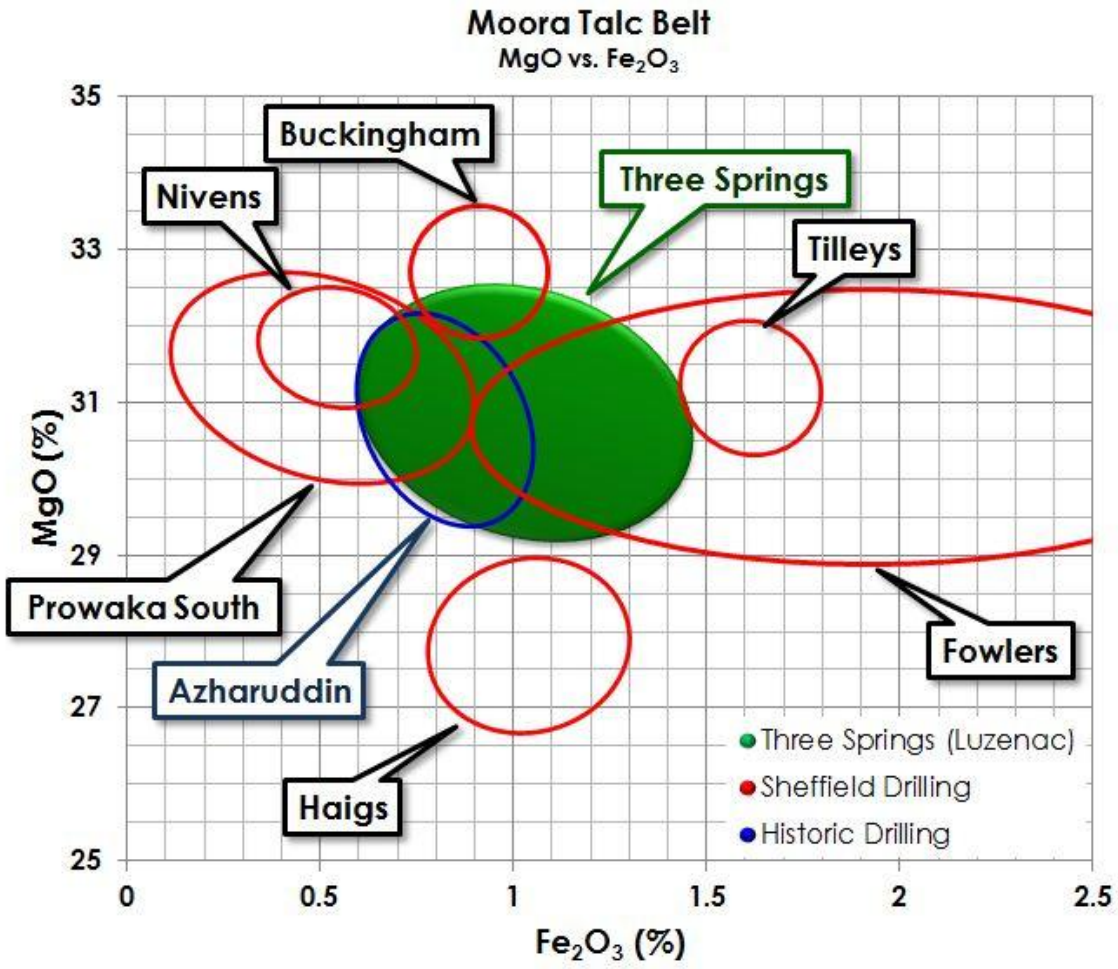

Figure 14: Plot of MgO vs Fe_2O_3 showing a comparison of Sheffield Prospects with the Three Springs Mine. (Three Springs data sourced from open file reports).

IRON

Sheffield holds 5 granted tenements in the world class Pilbara iron ore province. Four of these tenements, E47/2280 "Three Pools", E47/2291 "Eagle Pool", E45/3640 "Discard" and E45/3662 "Panorama" are located in the eastern Pilbara.

Following the successful completion of aboriginal heritage surveys, drilling commenced on the Three Pools project on 5 October 2011. The RC drill programme of approximately 2,000m will provide an initial test of five substantial zones of iron mineralisation mapped and sampled by Sheffield's geologists.

Based on the results of mapping and sampling to date (70 rock chip samples averaging 61.89% Fe), the Company considers the Three Pools project to contain an **Exploration Target*** of between **20 and 60 million tonnes at 58% to 64% Fe** (refer to ASX release of 27 July for further details).

The iron mineralisation at Three Pools is associated with both the Boolgeeda Iron Formation and a banded iron formation within the Wongarra Volcanics. The Boolgeeda Iron Formation is known to host several significant iron deposits in the Pilbara including Atlas Iron's (ASX:AGO) Hickman and McCameys North discoveries.

* 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.

Three Pools is situated just 6km from the Rio Tinto–Hancock JV's $1.5 billion Hope Downs 4 project, currently in development.

Three Pools is also proximal to Brockman Resources Ltd's (ASX:BRM) Coondiner, Kalgan Creek and Opthalmia Range projects from where Brockman recently announced DSO grade sample results (BRM: ASX release 30 August 2011).

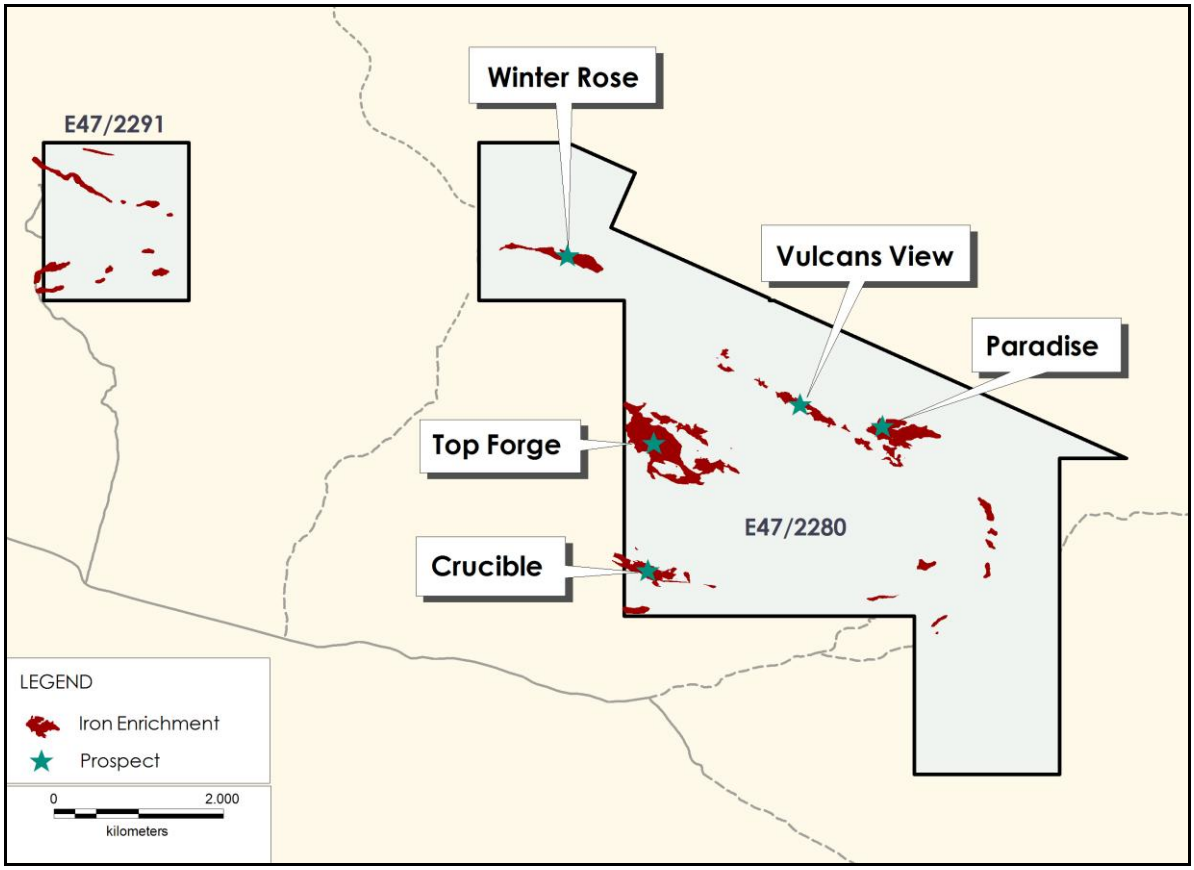

Figure 15: Location of iron prospects on the Three Pools project north of Newman

TUNGSTEN

Sheffield is exploring for tungsten at Berthas Butt (E80/4394) near Halls Creek in WA's Kimberley region (Figure 16).

Initial reconnaissance work was undertaken during the quarter, including the collection of 20 rock chip samples (Table 2). Results of the sampling have confirmed significant tungsten mineralisation at the Glory Rock Hole, Rock Pile and Late Night Zone prospects:

- Late Night Zone: average **1.33% WO_3** from 2 samples,
- Glory Rock Hole: average **0.86% WO_3** from 7 samples, and
- Rock Pile: average **0.28% WO_3** from 2 samples.

The tungsten mineralisation at Berthas Butt occurs as coarse disseminated scheelite within a distinctive epidote altered quartzite horizon. This prospective horizon strikes for over 16 kilometres around the Castle Creek Anticline (Figure 17).The mineralised zones are typically podiform and stratiform with strike lengths of between 20 and 400m, and widths of up to 10 metres.

Berthas Butt was explored by the Union Oil Development Corporation ("Union Oil") from 1980 to 1983. Union Oil discovered approximately 50 tungsten occurrences, including 5 zones of scheelite mineralisation with strike lengths of several hundred meters. These zones were referred to as Late Night, Snake Gully, Glory Rockhole, South West and Rock Pile prospects.

In 1982, Union Oil undertook first pass diamond drilling at each of the above prospects, completing 12 holes in total (although half of these were ineffective tests). The best intersection obtained was **2.5m at 0.96% WO_3** from 41.5m depth in drill hole BB1 at the Glory Rock Hole prospect.

The Company considers the Berthas Butt project to have potential to host multiple pods of high grade tungsten mineralisation and that previous exploration drilling has been too broadly spaced to provide a definitive test of such pods. The Company intends to undertake detailed mapping and sampling during Q2 2012 to fully understand the geometry of the mineralised zones.

Table 2: Berthas Butt Reconnaissance Rock Chip Samples Results – Tungsten Samples

Sample	Prospect	East	North	WO_3 (%)
BB001	Bullaman	391515	8001886	<0.001
BB002	Bullaman	391361	8001838	<0.001
BB003	Regional	396746	8000615	0.001
BB004	Regional	396747	8000620	0.001
BB005	Regional	395837	7998849	0.011
BB006	Regional	393635	7994126	0.003
BB007	Glory Rock Hole	393062	7994109	**1.929**
BB008	Glory Rock Hole	393062	7994104	**0.513**
BB009	Glory Rock Hole	393075	7994098	**0.252**
BB010	Glory Rock Hole	393069	7994081	**0.144**
BB011	Glory Rock Hole	393078	7994079	**0.706**
BB012	Glory Rock Hole	393088	7994070	**1.441**
BB013	Glory Rock Hole	393095	7994067	**1.050**
BB014	Rock Pile	392338	7990724	**0.482**
BB015	Rock Pile	392435	7990806	0.074
BB016	South West Zone	392066	7992023	0.052
BB017	South West Zone	392025	7991926	0.008
BB018	Late Night Zone	396756	8000580	**1.692**
BB019	Late Night Zone	396754	8000597	**1.775**
BB020	Late Night Zone	396770	8000635	**0.514**

Scheelite fluorescing under UV light

Epidote altered quartzite

Coordinates are GDA94 Zone 52. All samples were prepared by sodium peroxide fusion (Nickel crucibles) and Hydrochloric acid. Analysed by Inductively coupled mass spectrometry (ICP-MS) analysis except Cr and Cu which were analysed by Inductively Coupled Plasma-Optical Emission Spectroscopy (ICP-OES)

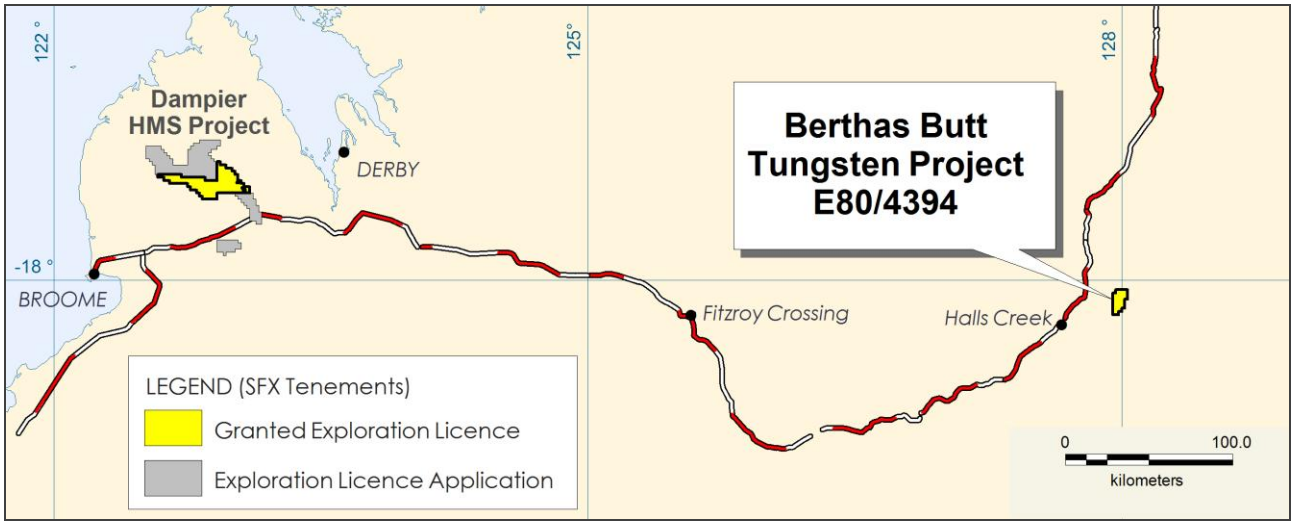

Figure 16: Location of Berthas Butt project in Eastern Kimberley region

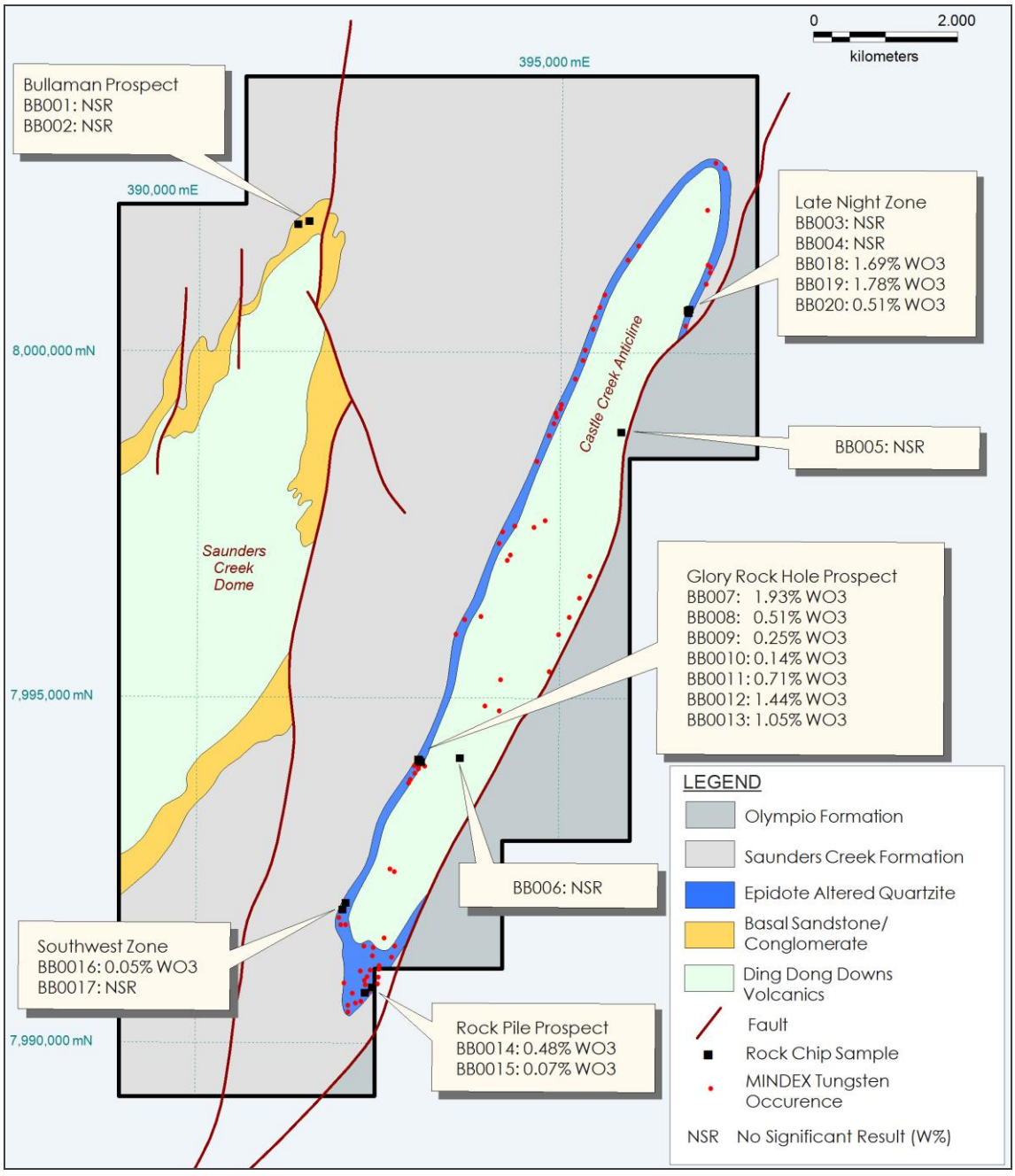

Figure 17: Berthas Butt project - location of rock chip samples and tungsten results

CORPORATE

The Company's Annual General Meeting is to be held at the Boardroom, Vic Hotel, 226 Hay Street, West Perth at 10.30am on 28 November.

CASH POSITION

As at 30 September 2011, the Company had cash reserves of approximately $3.3 million.

Bruce McQuitty
Managing Director
21 October 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 – YANDANOOKA RESOURCE ESTIMATE

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.