THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document, which is an admission document in accordance with the AIM Rules for Companies has been issued in connection with the application for Admission. Admission will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus Rules published by the Financial Services Authority ("FSA"). Accordingly this document does not constitute a prospectus for these purposes and has not been pre-approved by the United Kingdom Listing Authority pursuant to section 85 of FSMA.

Strategic Minerals plc and the Directors, whose names appear on page 11 of this Admission Document, accept responsibility, both individually and collectively, for the information contained in this Admission Document, including responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of Strategic Minerals plc and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. In connection with this Admission Document no person is authorised to give any information or make any representations other than as contained in this Admission Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

The delivery of this Admission Document or any subscriptions or purchases made at any time subsequent to the date of this Admission Document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this Admission Document or that the information in this document is correct.

Application has been made for the Enlarged Issued Share Capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority ("Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Admission Document.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application will be made for admission of the Ordinary Shares to the Official List.

The whole of this Admission Document should be read. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this Admission Document. Your attention is also drawn to the section headed "Risk Factors" which is set out in Part 3 of this Admission Document.

Strategic Minerals plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 07440902)

Placing of up to 15,000,000 Ordinary Shares of 0.1p each at 5p per share
Admission to trading on AIM

ALLENBY CAPITAL

Nominated Adviser and Broker

Share Capital immediately following Admission
Issued and fully paid

Amount	*Number*
£296,380.54	296,380,539

The distribution of this Admission Document outside the UK may be restricted by law. No action has been taken by the Company, the holders of the Ordinary Shares or Allenby Capital Limited that would permit a public offer of Ordinary Shares or possession or distribution of this Admission Document where action for those purposes is required. Persons outside the UK who come into possession of this Admission Document should inform themselves about and observe any restrictions on the distribution of this Admission Document in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

This Admission Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe or buy Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. In particular this Admission Document is not for distribution (directly or indirectly) in or into the United States of America, Canada, Australia, the Republic of Ireland, Singapore, Japan or South Africa. Accordingly the Ordinary Shares may not, subject to certain exceptions, be offered directly or indirectly in or into the United States of America, Canada, Australia, the Republic of Ireland, Singapore, Japan or South Africa. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, the Republic of Ireland, Singapore, Japan or South Africa and they may not be offered or sold directly or indirectly within the United States of America, Canada, Australia, the Republic of Ireland, Singapore, Japan or South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, the Republic of Ireland, Singapore, Japan or South Africa.

Allenby Capital Limited, which is regulated in the UK by the FSA, is acting as the Company's nominated adviser and broker in connection with the Admission and Placing. Allenby Capital Limited's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this Admission Document. Allenby Capital Limited is the broker for the Company for the purposes of the AIM Rules for Companies and is acting exclusively for the Company and no other person in connection with the Placing and matters set out in this Admission Document. Allenby Capital Limited will not regard any other person as its customer or be responsible to anyone other than the Company for providing the protections afforded to customers of Allenby Capital Limited or for advising any other person on the Placing or other arrangements described in this Admission Document. No liability whatsoever is accepted by Allenby Capital Limited for the accuracy of any information or opinions contained in this Admission Document or for the omission of any material information from this Admission Document for which the Company and the Directors are solely responsible. Allenby Capital Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Admission Document in respect of any acquisition of Ordinary Shares.

Copies of this Admission Document will be available free of charge during normal business hours on any weekday (except Saturdays and public holidays) at the offices of Allenby Capital Limited, Claridge House, 32 Davies Street, London W1K 4ND from the date of this Admission Document and shall remain available for a period of one month from Admission.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Admission Document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this Admission Document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This Admission Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, this Admission Document does not constitute an offer to sell or the solicitation of an offer to buy any of the Ordinary Shares in United States of America (or any of its territories or possessions), Canada, Australia, South Africa, the Republic of Ireland, Singapore or Japan (collectively, the "Prohibited Territories") and this Admission Document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this Admission Document may be restricted and accordingly persons into whose possession this Admission Document comes are required to inform themselves about and to observe such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Admission Document are based on the law and practice currently in force in England and are subject to change. This Admission Document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles of the Company.

FOR THE ATTENTION OF UNITED KINGDOM RESIDENTS

Allenby Capital Limited has not approved this Admission Document for the purposes of the FSMA. This Admission Document is confidential and only for distribution in the United Kingdom (i) at any time, to persons reasonably believed by the Company to be investment professionals within the meaning of Paragraph (5) of Article 19 or to high net worth companies or unincorporated associations within the meaning of Paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), as amended, and (ii) prior to Admission, to persons who are qualified investors within the meaning of Section 86(7) of FSMA.

Outside the United Kingdom (and subject as provided below), this Admission Document is only being sent to persons reasonably believed by the Company to be investment professionals or to persons to whom it may otherwise be lawful to distribute it. This Admission Document is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person. Accordingly, this Admission Document is not a prospectus and does not require the approval of the FSA or any other relevant authority in any other member state of the European Economic Area.

FORWARD-LOOKING STATEMENTS

This Admission Document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company's future prospects, developments and business strategies.

These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" or the negative of those variations, or comparable expressions, including reference to assumptions. These statements are contained in all sections of this Admission Document. The forward-looking statements in this document including statements concerning projections of the Company's future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks to the Company are specifically described at the end of Part 3 "Risk Factors". If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential investors should not place over-reliance on forward-looking statements. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by applicable law, whether as a result of new information, future events or otherwise.

IMPORTANT NOTICE TO NON-UK PERSONS

For prospective non-UK investors, it is the responsibility of any person outside the UK wishing to purchase any Ordinary Shares to satisfy themselves as to the full observance of the laws of any relevant territory outside the UK in connection with such purchase, including obtaining any required governmental or other consents or observing any other applicable formalities.

CONTENTS

PLACING STATISTICS

Placing Price	£0.05
Number of Ordinary Shares in issue at the date of this document	281,380,539
Number of Placing Shares being issued	15,000,000
Number of Ordinary Shares immediately following Admission	296,380,539
Market capitalisation at the Placing Price immediately following Admission	£14.8m
Estimated net proceeds of the Placing receivable by the Company	£0.735m
ISIN Code	GB00B4W8PD74
AIM Symbol	SML

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Admission Document	3 June 2011
Admission to trading on AIM effective and commencement of dealings in the Ordinary Shares	8 June 2011
CREST stock accounts credited (as applicable)	8 June 2011

DEFINITIONS

"Act"	the Companies Act 2006, as amended;
"Admission"	the admission of the Enlarged Issued Share Capital, assuming full subscription, to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"Admission Document"	this document;
"AIM"	the AIM market of the London Stock Exchange;
"AIM Rules for Companies"	the rules and responsibilities in relation to companies whose securities are admitted to trading on AIM published by the London Stock Exchange (as amended) from time to time;
"AIM Rules for Nominated Advisers"	the rules of the London Stock Exchange which set out the eligibility, on-going obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange (as amended) from time to time;
"Allenby Capital" or **"Nominated Adviser"** or **"Broker"**	Allenby Capital Limited, which is authorised by the FSA to carry on investment business;
"Articles"	the articles of association of the Company;
"ASSOB"	the Australian Small Scale Offerings Board Limited, an Australian capital raising platform enabling unlisted companies to raise up to $5,000,000 in equity capital, in accordance with Australian Securities and Investments Commission Class Order 02/273;
"Board" or **"Directors"**	the board of directors of the Company comprising the Directors whose names are set out on page 11 of the Admission Document;
"Code"	the Takeover Code issued by the Panel;
"Combined Code"	the UK Corporate Governance Code as published by the Financial Reporting Council;
"Company"	Strategic Minerals plc;
"Competent Person Report"	the competent person report dated 2 May 2011 and prepared by I2M Associates, LLC, a copy of which appears in the annex to this Admission Document;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
"CRESTCo"	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
"Enlarged Issued Share Capital" or **"Enlarged Share Capital"**	the issued ordinary share capital of the Company on Admission as enlarged by the Placing Shares;
"Existing Shares"	281,380,539 existing issued Ordinary Shares of 0.1p each in the capital of the Company at the date of this Admission Document;

"FSA"	the Financial Services Authority of the United Kingdom;
"FSMA"	The Financial Services and Markets Act 2000 of the United Kingdom (as amended);
"Group"	the Company, Iron Glen and Iron Glen Pty Ltd;
"Half Shell Holdings" or **"HSH"**	Half Shell Holdings Limited a company incorporated in the British Virgin Islands with registered No. 1559310, that is wholly-owned by Walter Doyle;
"HMRC"	Her Majesty's Revenue & Customs;
"IFRS"	International Financial Reporting Standards;
"IGH Shares"	The ordinary shares of 0.1 cents each in the capital of IGH;
"Iron Glen" or **"IGH"**	Iron Glen Holdings Limited (ACN 143 999 026), a company duly incorporated in Australia on 1 June 2010;
"Iron Glen Pit"	an area within the Tenement that was previously mined until 1969;
"Iron Glen Pty Ltd" or **"IGP"**	Iron Glen Pty Ltd (ACN 138 334 513), a company duly incorporated in Australia on 16 July 2009 and a wholly owned subsidiary of Iron Glen;
"London Stock Exchange"	London Stock Exchange plc;
"Official List"	the Official List of the United Kingdom Listing Authority;
"Ordinary Shares" or **"Shares"**	the ordinary shares of 0.1 pence each in the capital of the Company (the Ordinary Shares have been subject to subdivision into ordinary shares of 0.025p each and subsequent consolidation into ordinary shares of 0.1p each. In this Admission Document, all references to Ordinary Shares are treated as Ordinary Shares of 0.1p each);
"Panel"	the Panel on Takeovers and Mergers in the United Kingdom;
"Placees"	the placees pursuant to the Placing of the Placing Shares;
"Placing"	the conditional placing of the Placing Shares by Allenby Capital pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 1 June 2011 between the Company (1) Allenby (2) the Directors (3) and Mr. Doyle (4) details of which are set out in paragraph 12 of Part 6 of this Admission Document;
"Placing Price"	5 pence per Ordinary Share;
"Placing Shares"	the new 15,000,000 Ordinary Shares to be subscribed by Placees at the Placing Price pursuant to the Placing;
"Prospectus Rules"	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
"QDEX"	Queensland Digital Exploration Reports;
"Registrar"	Share Registrars Limited;
"Regulatory Information Service Provider" or **"RIS"**	a regulatory information service provider that is approved by the FSA;

"Shareholders"	holders of Ordinary Shares;
"Takeover Code"	the City Code on Takeovers and Mergers in the United Kingdom (as amended from time to time);
"Terra Search"	Terra Search Pty Ltd (ACN 011 073 939), a consultancy firm specialising in mineral exploration, geology, data compilation and computing services, based in Townsville, Queensland;
"Warrants"	the warrants referred to at paragraphs 4.5 to 4.7 of Part 6 of this Admission Document;
"$" or **"Dollar"**	the lawful currency of Australia; and
"£" or **"Pounds Sterling"**	the lawful currency of the United Kingdom.

GLOSSARY OF TECHNICAL AND COMMERCIAL TERMS

"Burdekin Formation Limestone, Permo-Carboniferous Felsic Porphyry, Dotswood Formation feldspathic sandstone, and Kukiandra boulder conglomerate"	these are other geologic units rock names and types found in the Iron Glen tenement area having low magnetic susceptibilities compared to other rocks units of interest such as the Iron Glen Granodiorite;
"calcareous sedimentary package"	an assemblage of rocks characterized by their calcareous nature derived by depositional settling on the sea floor forming a reef, later to become a limestone or other calcareous rock unit;
"DEEDI"	Department of Employment, Economic Development and Innovation;
"DERM"	Department of Environment and Resource Management;
"EPA"	Environmental Protection Agency;
"EP Act"	Environmental Protection Act 1994 (Qld);
"Epidote, clinopyroxene, garnet, biotite, amphibole, chlorite, pyrite, pyrrhotite."	This is a series of minerals containing iron that have been identified to date occurring within the skarn located at or near the contact with the Iron Glen Granodiorite in the Iron Glen tenement area.
"EPM"	an exploration permit for minerals, granted by the Queensland Government in accordance with the MR Act;
"gangue"	a commercially worthless material that surrounds, or is closely mixed with, a wanted mineral in an ore deposit;
"MDL"	mineral development licence, granted by the Queensland Government in accordance with the MR Act;
"metasomatism of the calcareous sequences"	metasomatism is the process of chemical alteration a rock undergoes by hot fluids from an igneous or metamorphic source, such as the Iron Glen Granodiorite. When the process becomes well advanced, and in contact with limestone or other calcareous sequences of sedimentary rock (and banded iron-rich sediments) a "skarn" is formed;
"Queensland Mining Minister" or **"Minister"**	the Queensland Mining Minister for Natural Resources, Mines and Energy;
"ML"	mining lease granted by the Queensland Government in accordance with the MR Act;
"MR Act"	Mineral Resources Act 1989 (Qld);
"NACL"	North Australian Cement Limited;
"Permo-Carboniferous Iron Glen Granodiorite"	an intrusive igneous rock type that intruded the area during the Permian and Carboniferous Period of the Paleozoic Geologic Era, some 200 to 300 million years ago;
"Permo-Carboniferous Iron Glen Granodiorite"	this igneous geologic unit, called the Iron Glen Granodirorite, is found in the Iron Glen tenement area and is distinguished from nearby granite by containing slightly different minerals making the rock darker in color than granite;

"PP"	prospecting permit, granted by the Queensland Government in accordance with the MR Act;
"Pre-Cambrian metamorphics"	an assemblage of rocks that have been subjected to intense heat and pressure of sufficient duration to alter the pre-existing minerals to different mineral types that were stable in such environments during a geologic era before the Cambrian Period, more than 500 million years ago;
"quartz-epidote, calc-silicate, magnetite-sulfide skarn"	the skarn reported in the Iron Glen tenement is characterized by the relative abundance of the minerals observed in hand specimen or under the microscope, such as: the minerals quartz and epidote, a series of calc-silicate minerals in magnetite and sulfide assemblages, with marble (metamorphose limestone) and a sandstone where quartz has reformed after melting within the sandstone unit in the area;
"quartz megacrystic biotite granite"	a granite found in the Iron Glen tenement area characterized by containing large crystals of quartz, biotite and/or feldspars minerals;
"quartz megacrystic biotite granite is probably Ordovician in age"	this intrusive rock unit probably intruded some 488 to 444 million years ago during the Ordovician Period of the Paleozoic Geologic Era;
"QDEX"	Queensland Digital Exploration Reports;
"skarn"	a metamorphic rock;
"skarn"	this rock type refers to calcium-bearing rocks containing a range of silicate minerals, and is most often formed at the contact zone between intrusions of granodiorites, granites, or other high-temperature intrusives with limestone or other calcareous units;
"TAE"	Trans Australian Explorations;
"Tenement"	EPM 15654, held by Iron Glen Pty Ltd, granted on 24 May 2007 and expiring on 23 May 2012; and
"Terra Search Drilling Report"	a drilling report on the Tenement produced by Terra Search in January 2011 and commissioned by Iron Glen Pty Ltd.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Steven Andrew Sanders *(Chairman)* Patrick Griffiths *(CEO and CFO)* Matthew David Bonthrone *(Executive Director)* Michael Alexander Borrelli *(Independent Non-Executive Director)*
all of:	2nd Floor Berkeley Square House London W1J 6BD
Company Secretary	International Registrars Limited
Registered Office	Finsgate 5-7 Cranwood Street London EC1V 9EE
Company website	www.strategicminerals.co.uk
Nominated Adviser and Broker	Allenby Capital Limited Claridge House 32 Davies Street London W1K 4ND
Solicitors to the Company as to English Law	Pritchard Englefield 14 New Street London EC2M 4HE
Solicitors to the Company as to Australian Law	Hynes Lawyers Level 1, 25 Montpelier Road Bowen Hills Qld 4006 PO Box 196 Fortitude Valley Qld 4006
Auditors and Reporting Accountants to the Company	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE
Financial PR	Threadneedle Communications Aldermary House Third Floor, 10-15 Queen Street London EC4N 1TX
Solicitors to the Nominated Adviser	Cobbetts LLP 58 Mosley Street Manchester M2 3HZ

Competent Person	I2M Associates, LLC 1810 Elmen Street Houston, TX 77019
Registrar	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

PART 1

INFORMATION ON STRATEGIC MINERALS PLC

1. Introduction

The Company is the holding company of a mineral exploration group focussed, at present, predominantly on iron ore exploration in Queensland, Australia. The Company was incorporated in England and Wales on 16 November 2010 and was established as the UK holding company for the purposes of Admission. The Company currently has one wholly owned subsidiary, Iron Glen which in turn has one wholly owned subsidiary, Iron Glen Pty Ltd.

Iron Glen is a Queensland-based company that was incorporated on 1 June 2010. Iron Glen's wholly owned subsidiary, Iron Glen Pty Ltd, has title to the Tenement, which is located approximately 40 kilometres southwest of Townsville, Queensland. The Tenement, which covers an area of 2,100 hectares, is an exploration permit for minerals and was granted on 24 May 2007. The Tenement expires on 23 May 2012 and the Group must apply for a renewal of the Tenement by lodging an application with the Queensland Mining Minister no earlier than 6 months and no later than 3 months before the expiry date. The Directors expect, in line with historical precedent set by other exploration companies operating in Queensland, that the Group will be able to extend the terms of the licence for the period required to complete an exploration and resources definition and finalise any required ML applications. The application fee for a renewal of an EPM is $500.00.

An article in the Queensland Government Mining Journal published in 2008 indicated that magnetite ore constitutes 24 per cent. of Australia's economically demonstrated reserves of iron ore although quality and available tonnage are the main factors affecting the viability of magnetite deposits. Magnetite-quality variation arises in the region because a range of elements can substitute for iron in the magnetite crystal structure, thereby affecting its suitability for various industrial purposes.

The main use of magnetite in Queensland, and elsewhere, is to provide a dense medium for coal washing thereby improving the quality of the coal by removing impurities. The magnetic susceptibility of magnetite enables it to be readily recovered and, whilst much of the magnetite is recycled, magnetite losses in coal washing are generally of the order of 0.1 to 1 kg per tonne of raw coal feed.

The worldwide demand for magnetite as an iron ore source has risen in recent years as a result of: (1) the increased demand and price of iron ore; and (2) the larger number of undeveloped magnetite deposits compared with the main source of iron (hematite deposits).

The Directors believe that the Group has reached the stage in its development where it will benefit from the Company being admitted to trading on a stock exchange and that this will allow the Group to access equity capital in the future in order to further develop the Tenement and any other future licences that it may acquire.

2. Background

The Group is focused on iron ore exploration in Queensland, Australia. Since acquisition of the Tenement on 14 June 2010, Iron Glen has been exploring the Tenement. Historic production on the Tenement was carried out by NACL in an area known as the Iron Glen Pit. NACL used the magnetite mined in this pit in the production of cement. They ceased operations in 1969 and closed the Iron Glen Pit. The Tenement covers 2,100 hectares of land and can be reduced at any time by voluntarily surrendering sub-blocks within the Tenement. An application may also be made for a further EPM adjacent to the Tenement subject to there not being a prior competing tenure. The Tenement covers an area of magnetite, although to date, the area has received only superficial investigation.

The Group's area of primary interest is near the centre of the Tenement, with a current focus on an area known as the Iron Glen Pit. Since the Tenement was granted, it has had several holders, the most recent of which was Walter Doyle who transferred the Tenement in June 2010 to Iron Glen Pty Ltd. Prior title holders conducted a variety of exploration programmes that included soil sampling, rock-chip sampling and some geophysics consistently under the control of Terra Search, a well known geological and mining consultant located in Townsville, Queensland. Over the past few years, Terra Search has concentrated geological and geophysical evaluations on the Tenement's magnetite skarn deposit known as the Iron Glen Pit and surrounding area, which included researching previous exploration data and geological investigations, soil-geochemical surveys and ground-magnetic surveys, geological mapping, rock-chip and soil sampling, reprocessing of available aeromagnetics and satellite imagery data and undertaking new ground-magnetics and geological mapping and associated sampling programs.

Terra Search, on behalf of Iron Glen Pty Ltd, completed a preliminary drilling programme in October 2010, the results of which indicated that the magnetite unit, known from reports of previous small-scale mining, occurs at depth over an area larger than the existing Iron Glen Pit. The results further indicate that the magnetite encountered is of sufficient thickness and quality to be of potential interest commercially and is located in proximity to local infrastructure to support a rapid start-up of mining operations. Based on the drilling sampling, the quality of the magnetite appears to meet typical requirements, especially since titanium, aluminium, and phosphorus values are low. However, the available tonnage remains to be evaluated by additional drilling and exploration of this and other areas of interest within the Tenement.

3. Description of Principal Asset

Location of the Tenement and Accessibility

The Group's Tenement is an exploration permit for minerals and was granted on 24 May 2007. The Tenement is located in Queensland, Australia, approximately 40 kilometres south-southwest of Townsville, south of the Ross River Dam, and approximately 10 kilometres west of Woodstock. The Tenement is located at an elevation of approximately 200 metres above sea level. The Tenement is illustrated in Figure 1.

Figure 1: General Location of the Iron Glen Tenement

Source: Competent Persons Report

The Tenement sits within the "Mount Flagstone" property. The journey to the Tenement takes approximately one and a half hours from the city of Townsville by a four wheel drive vehicle. Iron Glen Pty Ltd has entered into a compensation agreement with the landholder of "Mount Flagstone" property on 28 March 2011 in relation to any disturbance caused to this property whereby Iron Glen Pty Ltd agreed amongst other things to liaise closely with the landholder, minimise damage to property, livestock, vegetation and land and to pay the sum of $450 per day in compensation for the disruption of the trail riding business of the landholder for days when Iron Glen Pty Ltd accesses the property.

Available Infrastructure

The Tenement:

- occurs 10 kilometres west of Woodstock which is situated on the Mt. Isa Railway and Flinders Highway that connect the mining/industrial complex of Mt. Isa to Townsville;
- is less than 40 kilometres along the railway line to the deep water port of Townsville which provides low cost, all weather access to bulk loading export facilities. Townsville (population 170,000) is a major regional centre for commercial and government services in North Queensland. Townsville has been a source of mining and natural resources personnel for a number of years; and
- is located in proximity to well-developed infrastructure. A major new connection road and bridge is being constructed from the intersection of the road from Woodstock on the Bruce Highway right into the port area in Townsville. This by-pass is under construction and, when completed in 2012, will enable the Group to deliver ore directly to the port at Townsville without travelling through Townsville city centre.

The Directors consider that the support of the Queensland Government for the development of a Queensland-based iron and steel industry could result in a major new industry for the State as exploration develops over the next decade, and as supporting infrastructure continues to expand. This could potentially be based at one or both of Queensland's two main industrial centres of Gladstone and Townsville. Significant factors impacting the development of the industry will be road and rail transport, port infrastructure and capacity, and the availability of water for processing and associated mining needs. With major road and port infrastructure works, including new bulk terminals, this infrastructure expansion work is well underway in the Townsville precinct.

Topography and Vegetation

The vegetation in and around the Tenement is mainly native forests and woodlands with native shrublands and heathlands in the Mingela State Forest to the south and east. The Tenement lies within the upper reaches of the Ross Drainage Basin and is part of the Brigalow Belt North and Einasleigh Uplands bioregions. The elevated regions of the Tenement that are part of the Mingela State Forest to the south and east are in the Einasleigh Uplands bioregion, whilst the northern lower elevations are in the Brigalow Belt North bioregion. This bioregion generally includes coastal areas, rugged ranges and alluvial plains. The bioregion has a sub-humid to semi-arid climate.

Previous activities

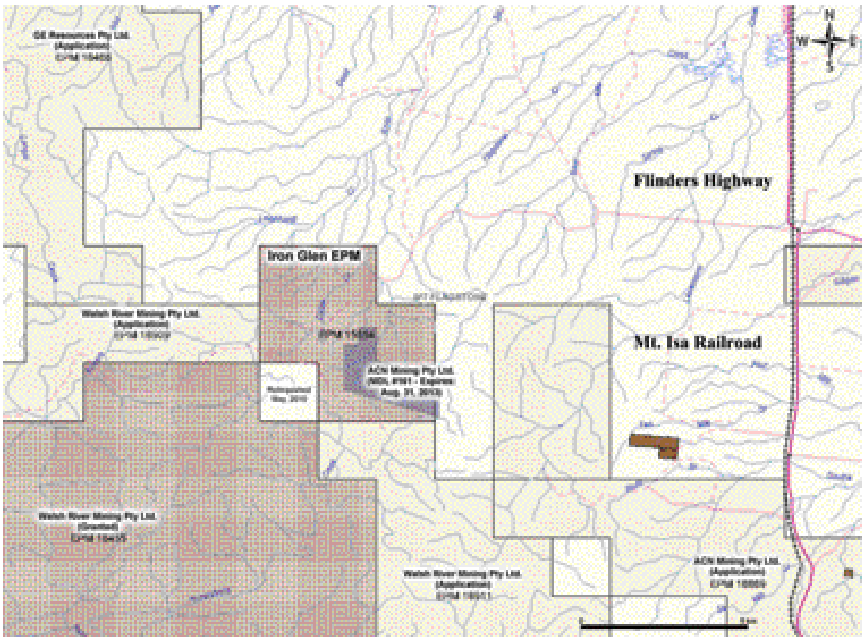
In 2007 Terra Search collected all previously conducted aeromagnetics surveys as a guide to subsequently conducting a series of ground-magnetics surveys over the central portions of the Tenement. These data were modelled to develop a series of maps, which in turn were used to design soil and rock-chip sampling programmes.

Terra Search gathered the available information from QDEX, the online source of previous mining and exploration activities in Queensland since the 1960s and before. The previous exploration activity was associated with four previous EPMs that overlapped the area underlying the Tenement.

Figure 2 shows the location of the Tenement and surrounding tenements and mining leases (shown in dark patterns). The regulatory status of the tenements shown is either "granted" (medium-brown shade) or "application" status (shown in light-brown shade).

Within the area of the Tenement there is an MDL that has been granted to ACN Mining Pty Ltd. There has been no apparent activity on the MDL. This licence is for the mining of limestone and expires on 31 August 2013. Whilst this MDL is within the area of the Tenement it does not encroach on the area of interest to the Company, which is around the Iron Glen Pit.

Figure 2: Iron Glen & Surrounding Tenements (as of 12 January 2011)



Source: QDEX Tenement Database

The previous exploration activities are listed in Table 1 beginning with EPM 814, which reported on the exploration carried out by Trans Australian Explorations in 1971. This was followed by other activities, including EPM 4637 held by Battle Mountain. EPM 4781 was held later by Newmont and EPM 5647, which in its latter stages, was held by Solomon Pacific, who completed an exploration program for limestone in 1994.

Most of the other EPMs have only encroached marginally on the Tenement and these reports contain limited geological information that would be useful in the exploration of the Tenement held by Iron Glen Pty Ltd.

Table 1: Pre 2007 Exploration Activities

EPM	*Number Sub-blocks*	*Holder*	*Date Granted*	*Date Terminated*	*Company Reports*
814	158	TAE – Reid Gap	12/10/1970	19/01/1971	CR3585
1682	54	Geopeko	3/11/1976	20/03/1978	CR6640
1704	60	Geopeko	9/12/1976	20/03/1978	CR6593
2504	103	Afmeco	16/07/1980	23/11/1981	CR8555
”	”	”	”	”	CR10096
3833	100	Afmeco	11/10/1984	25/03/1986	CR15052
”	”	”	”	”	CR15053
”	”	”	”	”	CR15054
”	”	”	”	”	CR15055
4637	65	Battle Mountain	12/3/1987	28/01/1987	CR17274
4781	103	Newmont	9/6/1987	9/5/1988	CR17770
”	”	”	”	”	CR18790
4788	87	Epithermal Gold	19/06/1987	9/5/1988	CR17770
”	”	”	”	”	CR18790

EPM	*Number Sub-blocks*	*Holder*	*Date Granted*	*Date Terminated*	*Company Reports*
5647	96	Pacminex	29/11/1988	28/11/1994	CR21363
”	”	”	”	”	CR21732
”	”	”	”	”	CR23192
”	”	”	”	”	CR23403
”	”	”	”	”	CR24288
”	”	”	”	”	CR25399
5647	96	Solomon Pacific	29/11/1988	28/11/1994	CR26173
5784	103	Carpentaria	1/3/1989	31/08/1990	CR21365
”	”	”	”	”	CR21366
10275	52	BHP	23/03/1994	7/6/1995	CR27661
15654	8	AGH to W. Doyle To Iron Glen			

Source: Competent Persons Report

Local Geology

The area surrounding the Tenement is dominated by the Permo-Carboniferous Iron Glen Granodiorite, a coarse- grained, hornblende-biotite-magnetite granodiorite which intrudes a country rock sequence of Pre-Cambrian metamorphics on the western and southern sides of the Tenement and a coarse-grained quartz megacrystic biotite granite on its eastern side.

Based on similar lithologies and rock relationships in the Ravenswood-Charters Towers district to the south and east, the quartz megacrystic biotite granite is probably Ordovician in age. Where the Permo-Carboniferous granodirorite has intruded country rock, metasomatism of the calcareous sequences has resulted in the development of a complex of quartz-epidote, calc-silicate, magnetite-sulfide skarn, marble and silicified sandstone. Although the magnetite-sulfide skarn is the principal target in Iron Glen’s exploration program, associated mineralisation including copper, silver, and other metals have been reported by Terra Search that may provide additional credits from mining magnetite and may provide other targets for exploration beyond that of iron. The recent drilling results also report elevated levels of various types of metals.

Deposit Types

There are bedded and massive types of iron mineralisation in Queensland. The bedded variety of iron ore offers large tonnage but typically has inferior grade, poor beneficiation characteristics, and unfavourable geographical locations. The massive types of iron mineralisation, such as the contact metasomatic replacements that occur at the Biggenden Mine, located 240 kilometres north-northwest of Brisbane and in the area of the Tenement, typically offer a superior grade of magnetite and favourable beneficiation characteristics (good separation and low phosphorous, aluminium, and titanium).

Contact Metasomatic Deposits

Contact metasomatic iron deposits, also known as pyrometasomatic deposits, are hydrothermal magnetite deposits formed by the replacement of country rock near the contact with intrusive igneous stocks, dikes or sills. Magnetite is often accompanied by hematite, carbonates, pyrite, chalcopyrite and pyrrhotite. The deposits vary in shape from tabular bodies to irregular to vein-like bodies. Some of the most important examples of this class are skarn deposits, developed where the intruded rock is limestone, as in the Tenement, and characterized by calc-silicate minerals such as garnet, pyroxene and amphibole, all of which are present at the Tenement. Typically, this type of deposit ranges in size from about 5 to 200 million tonnes and typically grades approximately 40 per cent. iron.

Magnetite as Gangue Mineral

Magnetite has been considered a gangue mineral in many old mining districts in Queensland. The Biggenden Mine, located west of Maryborough and northwest of Brisbane, produced gold and bismuth within a gangue including magnetite during the early 1900s; only later in the 1960s was the deposit opened up to mine the associated metasomatic magnetite deposit for use in the cement industry. This occurrence of magnetite has a significant similarity to that of the magnetite and associated mineralisation in the Tenement, e.g. near vertical magnetite mineralisation next to a granodiorite, metasomatism of carbonate intervals, and associated mineralisation.

Mineralisation

The most significant mineralisation so far explored within the Tenement is the magnetite-sulfide skarn deposit mined in the past at the Iron Glen Pit. The historic production was for use in cement manufactured by NACL during the period of 1955 to 1969 when the open pit produced more than 36,000 tonnes of iron ore. Calc silicate and skarn assemblages are developed along the contact of a calcareous sedimentary package and the Permo-Carboniferous Iron Glen Granodiorite.

Type of Mineralisation

The skarn assemblages are dominated by medium- to coarse-grained granular epidote, quartz and magnetite. Brown garnet is also present. Magnetite typically occurs as massive bands ranging 20 metres wide to less than 1 metre. Sulfide intervals are often associated with the magnetite. Coarse pyrite and chalcopyrite are commonly present; these minerals alter to malachite where oxidized.

Recent float samples of massive magnetite from the Iron Glen Pit also illustrate other minerals when viewed with a special photographic spectral enhancement. This analysis indicated the presence of copper oxide yellow-gold and fine grain pyrite.

Analysis of surficial drill and rock samples from the October drilling programme suggested that copper values of between 0.1 per cent. and 0.5 per cent. are associated with the magnetite, with selected rock chips of highly sulphidic material from the pit returning 2 per cent. to 3 per cent. copper. Silver in selected rock-chips was found to be in the range of 10 grams per tonne to over 30 grams per tonne. Iron analyses from selected rock-chip sampling at the surface and pit floors and walls of the Iron Glen Pit returned 40 per cent. to 50 per cent. iron, mostly magnetite.

Magnetics Modelling for Resource Estimates

The ground magnetic surveys completed by Terra Search in 2008 and 2010 have modelled the dimensions of the magnetite mineralisation in area of the Iron Glen Pit. They determined that the best fit is based on field observations and the current state of knowledge for a large magnetic body with moderate contents of magnetite (in the 10 per cent. to 20 per cent. magnetite range), within which exist pods and bands of high-grade to massive magnetite. The larger envelope of moderate magnetite can be modelled with the overall dimensions of 400 metres x 50 metres x 100 metres to a depth of 200 metres with a magnetic susceptibility of 200 x 10^{-3} SI units.

Using a specific gravity of 3.5, Terra Search modelled a maximum mineralisation envelope of some 10 million tonnes although only a portion of this may be a potential resource. Terra Search modelling suggests a higher grade body could be present in the order of 1 to 2 million tonnes with a magnetic susceptibility of 500 to 1,000 with iron grades of approx 30 to 50 per cent. plus 0.1 per cent. – 0.5 per cent. copper with some potential silver credits in the 10 grams per tonne to 30 grams per tonne range, based on earlier surface sampling at the Iron Glen Pit.

If a lower magnetic susceptibility is used in the calculations, then more tonnes would be present but magnetite and the associated iron content would likely be lower. However, beneficiation of a larger iron resource base combined with credits from copper, zinc, silver and/or additional beneficiated products could drive the development of such a deposit, assuming it could support a reasonable economic mine life. This work is all focused with the area of the Iron Glen Pit, an area of approximately 4 hectares within an EPM of 2,100 hectares. Other areas of interest within the Tenement have been identified for future exploration.

Such magnetic modelling requires additional information on the physical and mineralogical characteristics and on the extent of the known mineralised zone as well as any extensions laterally and at depth that may mask the magnetic signature. The magnetics may also be useful in identifying satellite zones located along the contact with the subject granodiorite or along the contact with the newly recognised granite with a carbonate or equally receptive unit that could include mineralisation of economic interest. Other geophysical methods will also be considered in exploration for metals other than magnetite.

Previous Surveys and Exploration

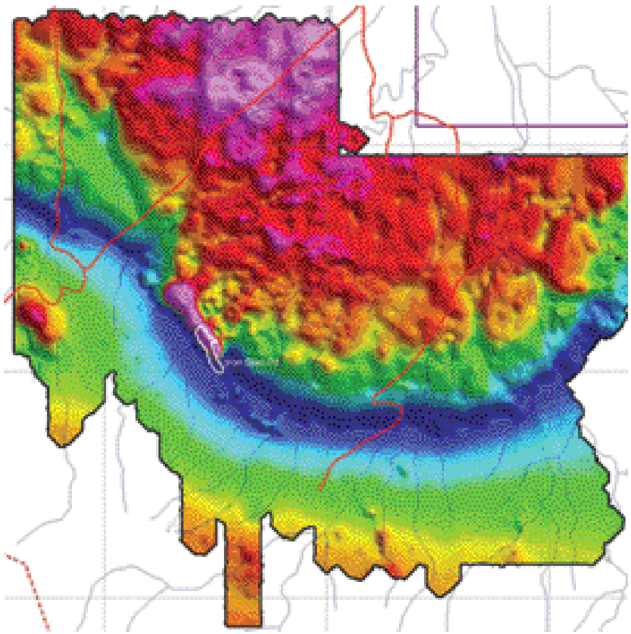
Previous Surveys and Investigations

Terra Search carried out ground magnetic surveys over 123 line kilometres at an average of 25 metre spacing in December 2007. The line length was 2.5 kilometres.

Ground Magnetics Surveys

The Terra Search magnetics surveys conducted over the past few years have served as both a mapping tool to interpret the local geology as well as a technique for the Group to target magnetic mineralisation such as the magnetite skarn for the purpose of selecting optimum drilling sites. By late 2008, Terra Search had conducted a four day field geological evaluation of selected areas of the Tenement. This resulted in the generation of a Reduced-to-Pole (RTP) image of the combined ground-magnetic surveys, as illustrated in Figure 3. This showed the magnetic body in the Iron Glen Pit to have an apparent extension to the northwest.

Figure 3: A Reduced-to-Pole (RTP) Image of the Combined Ground Magnetic Surveys



Source: Terra Search, 2010

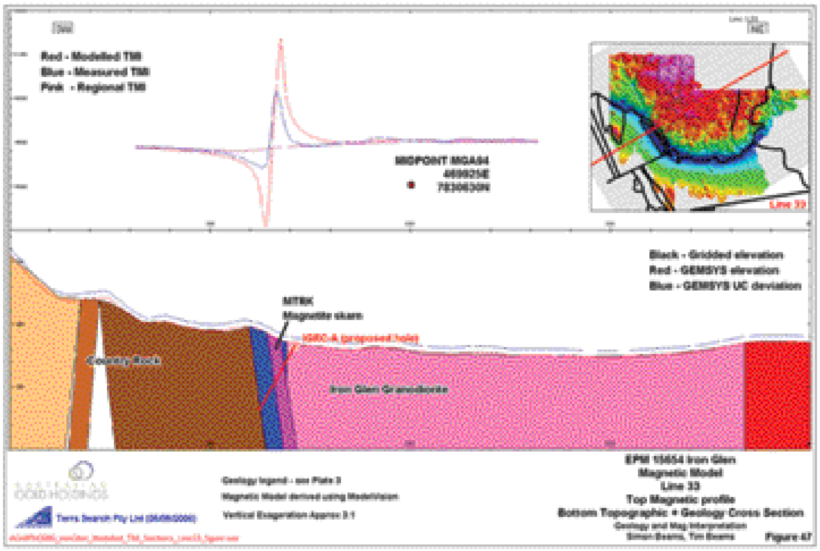
In 2010, Terra Search uncovered a number of features that, in the Directors' opinion, will be useful in future exploration programmes on the Tenement, including:

- within the survey area, the contact with the Iron Glen Granodiorite and surrounding country rocks can be seen as a large semi-circular intrusive embayment;
- the low magnetic country rock schists (magnetic susceptibility of approx 0.15 SI units) appear as a prominent low magnetic margin on the western and southern sides of the intrusion;
- on the eastern side of the intrusive aureole, the slightly magnetic Quartz Megacrystic Granite (the recently identified granite exhibiting a magnetic susceptibility of approx 15 x 10^{-3} SI units in fresh rock) is distinguished from the schists by its higher total magnetic intensity;
- most other rock units such as Burdekin Formation Limestone, Permo-Carboniferous Felsic Porphyry (recently interpreted as a siliceous calc-silicate), Dotswood Formation feldspathic sandstone, and

Kukiandra boulder conglomerate all have low measured magnetic susceptibilities (<1 x 10^{-3} SI units) and appear as magnetic low areas on the images;

- some feldspar porphyry dykes of intermediate composition have low magnetic susceptibilities (1 to 2 x 10^{-3} SI units) and these form distinctive low magnetic linears where they cut the Iron Glen Granodiorite;
- some of the weaker magnetic linears which are enhanced with advanced processing may correspond to structural dislocations, e.g., faults or shear zones. However, these are fairly subtle and detailed field mapping will be required to confirm these interpretations;
- the ground magnetic survey has delineated the horizontal extent of the magnetite skarn mineralisation, at the intrusive contact of the Iron Glen Granodiorite and calc silicate/schist/marble package;
- as defined by the Reduced-to-Pole (RTP) image, the magnetic anomaly is some 400 metres long and over 50 metres wide;
- there are small magnetic highs, along strike to the north and south, which have minor occurrences of magnetite at the surface;
- there are no other similar prominent magnetic high features along the contact of the Iron Glen Granodiorite within the survey area;
- the survey has effectively screened over 6 kilometres of prospective granodiorite/skarn contact. This strong anomaly is related to the presence of the major magnetite unit in the Iron Glen Pit area, but the extent to which the magnetite unit has been masked by faulting is unclear at present;
- 3-D magnetic modelling of the Iron Glen ground magnetic survey has shown that the mapped geological units (with their associated magnetic parameters) explain almost all the major magnetic features;
- a magnetic high has been located to the west of the Iron Glen trend. Ground follow up revealed an outcropping, strongly pyritic, highly fractured rhyolite porphyry. The magnetic susceptibility of the rhyolite is low (0.15 x 10^{-3} SI units). Since the anomaly is not explained by the surface geology, it is likely there is a deeper buried source;
- 3-D modelling of the Iron Glen ground magnetic survey shows that the large magnetic high and prominent trough-like aureole are caused by the Iron Glen Granodiorite body. This prominent trough results from the contrast between the moderately magnetic granodiorite and the non-magnetic country rocks. A steep-sided contact is indicated; and
- 3-D magnetic modelling shows that the strong magnetic high at the Iron Glen pit area can be modelled as a body of strongly magnetic skarn with conservative dimensions of 400 metres along strike x 20 metres across strike and 70 metres to 100 metres down dip. The dip of the body is consistent with surface structural measurements of 150° strike and 50° to 70° to the northeast.

Figure 4: Example Modelled Cross Section



Source: Terra Search 2010

Modelled cross sections were generated by Terra Search in 2010 from the geophysical modelling of the magnetics data. One such cross section has been presented in Figure 4. The modelled magnetics suggest that the magnetite skarn continues to a substantial depth, as indicted by the high-low signature in the figure. This suggests that a significant tonnage of magnetite may be available in the Iron Glen Pit area at depth with additional tonnage to the northwest along strike. This modelled section has been confirmed during the 2010 drilling programme.

Soil Geochemical Surveys

A soil sampling survey was carried out in 2009-2010 by Terra Search to assess the surface mineralisation over the Tenement deposit and pyritic rhyolite plug to the west. A total of 110 minus 80 mesh soil samples were collected. Terra Search concluded as follows:

- the skarn style mineralisation at the Iron Glen Pit area is identified by elevated iron, base metals (copper, lead, zinc, silver), and calcium;
- the northern strike extent of the iron and base metal in the soil geochemical anomaly is at least 200 metres longer than the Iron Glen Pit. This is a similar relationship to that shown by the ground magnetic high discussed earlier;
- gold values are up to 69 ppb. The highest values are associated with the iron-copper skarn in the central to southern part of the pit area and in the hanging wall to the skarn;
- base and precious metal values over the pyritic rhyolite plug area are all of low values (e.g. all < 5 ppb gold). If this system carries metal it would have to be at a different level to current exposures. As the magnetic high near the plug is still unexplained there is a possibility of an intrusive source at depth that may be associated with mineralisation. The pyritic rhyolite may represent the barren periphery of the hydrothermal system;
- the highest values of copper in soils occur in the central to southern parts of the Iron Glen Pit area, higher values of tungsten, molybdenum also occur in this area. This relationship is interpreted by Terra Search as indicating the hotter parts of the hydrothermal system closest to a magmatic source;
- the highest values of lead and zinc in soils occur to the northeast of the pit area. This relationship is interpreted as indicating the lower temperature areas of the hydrothermal system and the direction of the cooling path of the mineralising fluid as it moved away from a probable magmatic source; and

- the soil lines over the Iron Glen deposit are all anomalous. Discriminant Analysis conducted by Terra Search indicates that the samples at the end of survey lines are still mineralised.

Current Concepts

The methods employed by Terra Search in the exploration programme conducted on the Tenement were consistent with previous exploration programmes and included site identification based on earlier reports, soil and rock-chip sampling and analyses, aeromagnetics followed by detailed ground magnetics, and then followed by a preliminary drilling programme that included detailed geochemical and magnetic susceptibility logging, petrographic analysis of some 16 thin sections, one polished thin section and three polished blocks of surface samples and from recent drilling completed in October 2010. This petrographic analysis has begun the process of developing a clear paragenetic history of the pulses of mineralisation that have intruded the subsurface in the Tenement area with a view to aiding exploration.

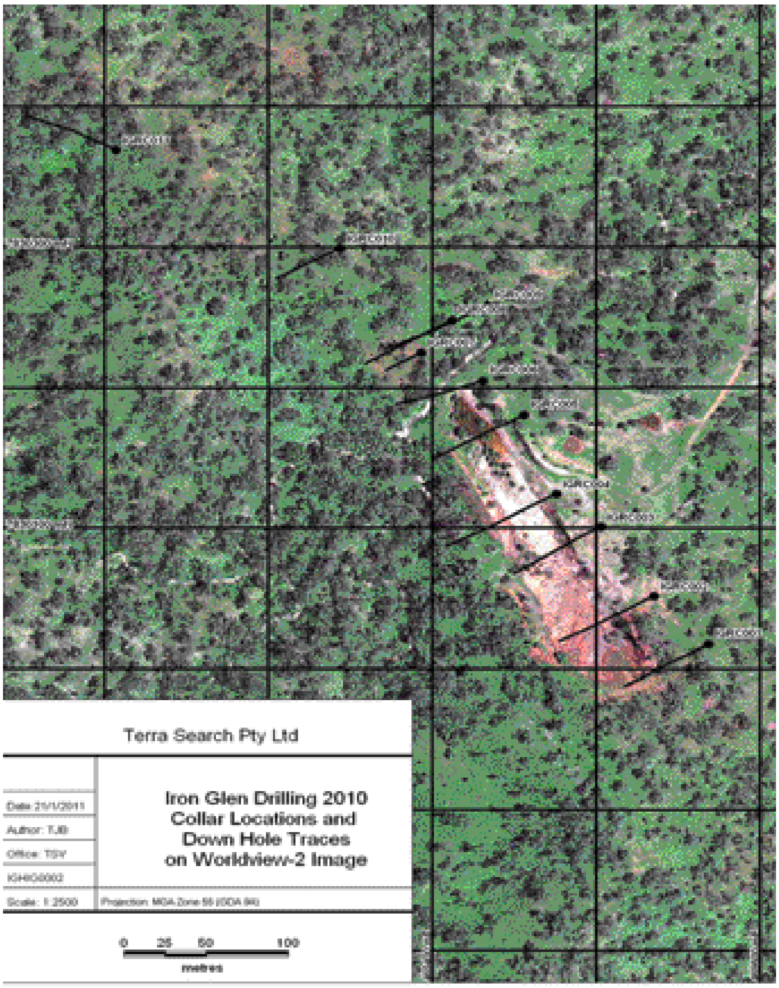
Drilling Activities

Historical drilling within the Tenement focused on determining the quality and tonnage available of limestone near the surface. TAE obtained access to percussion drill samples retained by NACL during the period of extraction of the ironstone held under lease during the period of 1955 to 1969. These were geologically logged and selected samples were assayed. The base of oxidation is 20 metres below the surface, but this is probably the base of partial oxidation because sulfides are near the surface in the existing Iron Glen Pit. Historical shallow drilling in the magnetite lenses shows intermixed sulfides containing copper over an interval of 10 to 20 metres with values ranging from 0.3 to 0.7 per cent. with even higher values reported nearby. Soil sampling confirmed that the magnetite skarn is significantly mineralised and deserved further study.

Following interpretations made by Terra Search's magnetic modelling and local geological investigations by Terra Search in 2008 and 2010, drilling and sampling were conducted in the area of the Iron Glen Pit in October 2010. Eleven holes were completed by reverse-circulation drilling for a total of 1,258 metres drilled on the Tenement using 3½ inch TBH hammer bits to a maximum depth of 148 metres at inclines of 60 degrees.

This initial drilling programme was designed to test the extent of magnetite mineralisation associated with a strong magnetic anomaly identified earlier in and around the Iron Glen Pit area. The locations of the holes drilled are shown in Figure 5 and all holes were designed to intercept the magnetite body identified by the earlier ground-magnetics programme. Terra Search reported in January 2011, that significant magnetite intercepts were encountered during the October 2010 Iron Glen drilling program.

Figure 5: Drill Hole Locations



Source: Terra Search 2010

The geological logs indicate that all high-grade iron analyses are from zones of massive to semi-massive magnetite rock and associated magnetite skarn. More than one massive magnetite zone containing copper and sulfide were encountered in the southern holes. High zinc and silver analyses were from samples that occurred outside of the zones of massive magnetite.

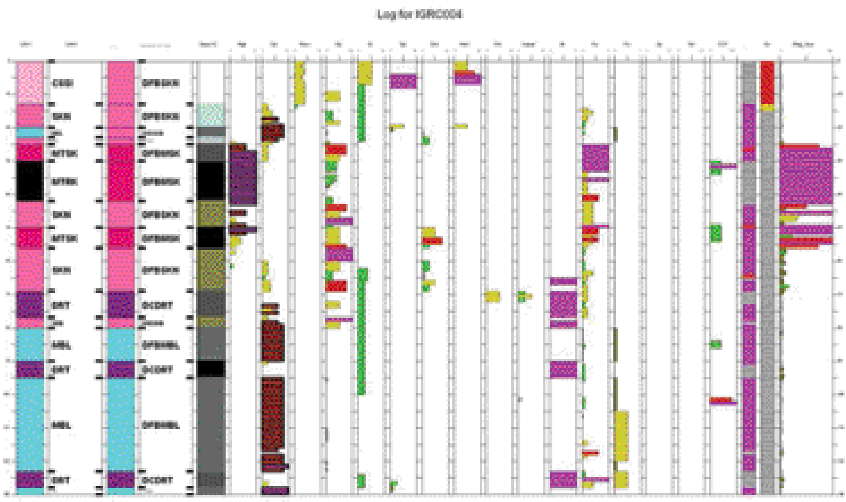
As in many similar iron skarns known elsewhere in the world, mineralisation containing more than just iron is often present in nearby zones. At the Tenement, based on the information available to date, the initial drilling programme has revealed that the mineralisation can be classified as an iron-copper-zinc-silver skarn. Terra Search reported that drilling has shown that both the granodiorite-skarn contact and skarn-marble sequence, including the enclosed magnetite skarn bodies, are steeply dipping. Some of the observations made by Terra Search on the mineralisation encountered as a result of the drilling programme included:

- in general, the massive magnetite zones are assigned to 40 per cent. plus iron or 60 per cent. plus magnetite. There is a good correlation between zones logged as massive magnetite, extremely high-magnetic susceptibilies, high-magnetite content and iron content;
- within the skarn, other iron phases besides magnetite are present – such as epidote, clinopyroxene, garnet, biotite, amphibole, chlorite, pyrite, pyrrhotite. The massive magnetite appears to be enclosed in an envelope of magnetite skarn containing >20 per cent. Fe;
- in terms of the relative position of the massive magnetite, it appears that massive magnetite occupies a similar stratigraphic position in holes IGRC002 to IGRC006. The massive magnetite occurs in the lower third of the skarn-diorite zone, generally 30 metres to 40 metres above the marble contact. The

Terra Search report suggests that there is good continuity of the massive magnetite lens over a lateral strike distance of some 250 m, with indications of thin zones of magnetite within other intervals;

- the massive magnetite intersected in the southernmost Hole IGRC001 is close to the bottom marble contact and therefore unlikely to be the same magnetite lens intersected in holes to the north. Structural complexities may increase to the south, and the main magnetite zone may have been disrupted by faulting;
- similar structural complexities may also increase to the north, where the existing drilling is not of sufficient density or orientation to establish the continuity to the north. In projecting toward the northwest, only Hole IGRC008 contains a massive magnetite intercept and this is difficult to correlate to other holes to the north, an indication that the unit has been disrupted by faulting; and
- high zinc and silver analyses were reported in drilling samples outside of the massive magnetite zones. For example: Hole IGRC002 returned 28 metres @ 59.2 g per tonne silver from a downhole depth of 48 metres to 76 metres. Hole IGRC010 samples showed 14 metres @ 0.74 per cent. zinc from 64 metres to 78 meters. Also, Hole IGRC011samples showed 76 metres @ 0.35 per cent. zinc from 0 metres to 76 metres downhole.

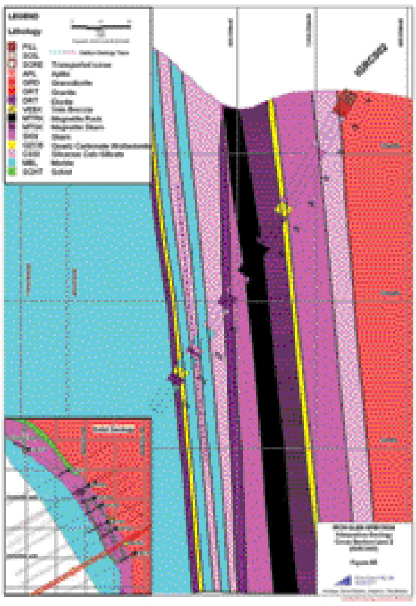
Figure 6: Hole Log with Mineralogical and Magnetic Susceptibility



Source: Terra Search 2011

The magnetite bodies remain open down dip, and along strike to the north and south, but faulting is evident in those areas. Anomalous copper, lead, zinc, and silver have been encountered, both within the magnetite zone and above and below the zone. These anomalies appear to extend north and south of the recent drilling based on Hole IGRC001 in the south and Hole IGRC011 in the north some 225 metres northwest of the Iron Glen Pit. Further interpretation of the northern drilling results is currently underway by Terra Search personnel.

Figure 7: The Main Magnetite Zone and Skarn Assemblage



Source: Competent Persons Report

Sample and Analytical Data Verification

The Terra Search internal standards used as sample analyses quality-control procedures provided good checks on sample procedures including sample preparation and cross-sample contamination. The blanks were particularly useful in determining contamination or if samples were out of order or if there was an analytical issue in assay lab equipment or preparation procedures. The Terra Search percussion chip internal standard was similar to the magnetite matrix and similar in appearance to the unknown samples for those of Iron Glen. Those samples passed through the same analytical procedure. Even though there is a natural variability when dealing with coarse percussion sample material, the Terra Search Internal standards were an acceptable check on laboratory analytical procedures (including sample preparation) and geochemical results.

Any analytical variations encountered may be a result of the sampling method where both fine-grained material and chips are recovered during drilling in dense rocks and where some segregation (or losses) would be expected. This is not an unusual problem because low concentrations of some elements often present analytical challenges, as well as preferential digestion of certain silicate, iron oxide, and other minerals that also can create analytical issues. The Terra Search QA/QC program was documented in the Terra Search final report (2011).

Mineral Processing and Metallurgical Testing

The results of the preliminary drilling show that some of the metallurgical features of the potential magnetite ore are evident, although more drilling and local mapping will be required to confirm any variability of the mineralisation, the reserves available and the range in metallurgy of the minerals to be mined. Beneficiation will be required to concentrate the magnetic fraction to more than 90 per cent. and to a specific particle-size distribution, depending upon the needs of the end-user. The bulk ore would likely contain sulfides intermixed with the magnetite, where sulfides of iron, copper, and zinc appear to be associated with the magnetite mineralisation in places.

After passing through a primary crusher, the mined material would typically travel through a magnetic separator to up-grade the mill feed. A second (fine) grinding may be required to liberate the magnetite and other metallic minerals that may be present. This would not only include magnetite but also some of the pyrrhotite present in the mined material. The non-magnetic fraction would be processed via other beneficiation circuits or stock-piled for later processing to recover any other economic constituents, such as copper, zinc, or silver. To achieve a high-grade product, the material may need to be ground to 325-mesh using a wet-process to produce a damp powder. The end product could be bagged or transported in bulk by road and/or rail.

Desirable Properties for Coal Processing

Magnetite is used as a heavy media in coal-washing plants as well as a source of iron in specialty steel production.

Run-of-mine or raw coal includes a host of constituents other than coal produced during the mining process, such as mineral masses (siderite), shale fragments, machine parts and construction materials. Coal also contains mercury, and when burned, releases mercury to the environment. Magnetite has also been found to be of use in minimising mercury in a range of coal types.

Coal can also have a large variability of moisture and maximum particle size. In coal washing, dense media gravity separation requires a material such as magnetite to form a medium denser than water to assist in separation. A cyclone vessel mixes coal and finely ground magnetite wherein separation takes place. The higher specific gravity fraction being subject to greater centrifugal forces will pull away from the central core of the cyclone vessel and passes out through piping as heavy rejects. The lighter particles are caught in an upward stream and pass out as "clean" coal. In recent designs, coal grinding and processing is a high-speed, multi-product operation.

Based on what is known to date of the Iron Glen magnetite, it is fine grained and has few impurities. If it is to meet the typical market requirements, the raw material should grind, separate, and segregate from unwanted minerals when being processed by either magnetic or gravity beneficiation methods in order to be considered a good quality magnetite product. Additional sampling will be required over the extent of the magnetite to determine its representative metallurgical properties to assess its marketability.

4. Mineral resource and mineral reserve estimates

The exploration programme at the Tenement is still at a relatively early stage. At the time of Admission, 11 holes have been drilled and additional drilling will be required before an assessment of the magnetite reserves or other mineral resources can be made.

5. Exploration licences held by the Group and financial obligations

The Group's Tenement, EPM 15654, is an exploration permit for minerals and was granted on 24 May 2007. The Tenement expires on 23 May 2012. The Tenement consists of 7 sub-blocks, having originally consisted of 8 sub-blocks following the relinquishment of 1 sub-block in May 2010 in accordance with EPM requirements. The Group must apply for a renewal of the Tenement by lodging an application with the Queensland Mining Minister no earlier than 6 months and no later than 3 months before the expiry date. The Directors expect, in line with historical precedent set by other exploration companies operating in Queensland, that the Group will be able to extend the terms of the licence.

The Group's financial obligations of holding the Tenement include yearly rentals and the likely fees are shown in Table 2).

Table 2: Rentals for Sub-Blocks Held

Year of Project	*Cost per Sub-Block*	*Number of Sub-Blocks*	*Total Cost*
Year 2011	$143.50*	7 (2,100 ha)	$1,004.50
Year 2012	$149.8 0**	6 (1,800 ha)	$898.80
Total			$1,903.30

Source: Competent Persons Report

* Based on Tenure Rental Current Yearly Rates – 2011 for EPMs at $143.50 per sub-block (~300 ha)

** Based on 2011 Rate Sheet

NB: Anticipated increase of $6.30 per year through 2012

6. Group Structure, listing on ASSOB and prior funding

Group structure

Iron Glen Pty Ltd is a wholly owned subsidiary of Iron Glen. Iron Glen Pty Ltd holds a permit for the exploration of iron and iron ore on the Tenement through to 23 May 2012.

The Company completed the acquisition of the entire issued share capital of Iron Glen on 31 March 2011 through a share for share offer to shareholders of Iron Glen.

Prior funding

Iron Glen listed on the ASSOB on 5 July 2010 and subsequently raised a total of $2,180,219 through four rounds of fundraising plus a private placement as follows:

Round 1 – $250,002 (closed on 8 September 2010)
Round 2 – $716,657 (closed on 3 November 2010)
Private Placement – $179,720 (closed on 30 November 2010)
Round 3 – $688,840 (closed on 4 February 2011)
Round 4 – $345,000 (closed on 18 March 2011)

Further details on the ASSOB funding rounds, including number of shares issued and issue prices can be found in paragraph 12 of Part 6 of this Admission Document.

The net proceeds of the ASSOB funding rounds will be used by the Group to continue the Group's resource definition and exploration programme and to provide working capital.

Half Shell Holdings (HSH) is a private company that is wholly-owned by Mr. Walter Doyle. Mr. Walter Doyle had acquired 189,900,180 IGH Shares prior to the offerings on ASSOB. On 1 October 2010, Mr. Walter Doyle transferred to HSH his 189,900,180 IGH Shares. HSH acquired 1,000,070 IGH Shares under the ASSOB Offerings mentioned above.

On 25 November 2010, HSH transferred to the Company 138,339,979 IGH Shares, representing about 51 per cent. of the issued shares of Iron Glen at the time. In exchange for its IGH Shares, the Company issued to HSH the same number of Ordinary Shares in the share capital of the Company.

HSH also transferred all of its remaining holding of 52,560,271 IGH Shares to the Company under a share exchange offer made by the Company, and in exchange was issued the same number of Ordinary Shares in the share capital of the Company.

As at the date of this Document, HSH holds a total of 190,901,250 Ordinary Shares in the Company, representing 67.84 per cent. of the issued Ordinary Shares.

The deposit of $50,000 payable to Terra Search for the Terra Search Report, that was commissioned in September 2010, together with an initial 3 month prepayment to Bourse Communications of $16,500 for public relations services, were initially paid on behalf of Iron Glen by Walter Doyle. These outlays were repaid to Mr. Doyle by Iron Glen through the issue of new ordinary shares in Iron Glen to HSH who had acquired the indebtedness of IGH from Mr. Doyle:

- 500,070 shares on 1 September 2010 at a price of 3 cents per share (Round 1 Offer); and
- 500,000 shares on 26 November 2010 at a price of 10 cents per share (Round 3 Offer).

The balance of $1,497.90 was repaid in cash.

In addition, the Competent Person Report was paid for by Strategic Minerals from the proceeds of a loan of £102,480 granted to Strategic Minerals by Walter Doyle. The key terms of this loan are summarised in paragraph 12 of Part 6 of this Admission Document.

Mr. Walter Doyle is one of the two directors (with Patrick Griffiths) of Iron Glen Pty Ltd. Iron Glen Pty Ltd is a subsidiary of Iron Glen and holds the Tenement.

These transactions would constitute related party transactions under the AIM Rules for Companies.

In order to ensure that the relationship with the Company and Walter Doyle operates on a commercial, arm's length basis, the relevant parties have entered into a relationship agreement, the key terms of which are summarised in paragraph 12 of Part 6 of this Admission Document.

ASSOB listing

The Directors recognise that the funding for Iron Glen on ASSOB has enabled the Company to achieve the initial stage of feasibility and assessment on the Tenement and they now believe that the next stage of the Company's development can be better achieved through Admission where there are greater opportunities for capital raising and a greater recognition of the value of companies within the mining sector. The Directors cancelled Iron Glen's ASSOB listing on 26 May 2011.

7. Strategy

Exploration strategy

The Directors intend to follow the recommendations contained in the Competent Person Report and intend to carry out a detailed geological mapping and sampling programme on the Tenement before any follow-up stage drilling and coring is undertaken.

Development strategy

In the event that favourable results are reported from the follow-up drilling and diamond coring programme, the Directors intend to commission a calculation of the reserve base of available magnetite. If sufficient tonnage is available, and the quality remains as indicated in the preliminary drilling programme (i.e., no deleterious contaminants become obvious), then the Directors anticipate conducting a feasibility study to include a metallurgical investigation using more than one bulk sample to determine the type of beneficiation system required to meet anticipated product specifications.

General

The Company intends to continue its evaluation of the Tenement and will use the net proceeds of the funds raised on ASSOB to continue its exploration programme and to provide working capital. The major part of the expenditure comprises controllable drilling and exploration costs.

On a more long-term basis, the Directors are aware of the prospects for expansion by acquisition and will investigate any suitable potential opportunities as and when they arise. In particular, the Directors believe that there are potential opportunities throughout Queensland, Australia and beyond.

8. Operations

The Directors intend to maintain the existing policy of outsourcing as many human resource functions as possible in order to access proven expertise for each project group, taking into account the projects, specific mining operations and locational characteristics. Contracts with such companies should significantly reduce operational risk and ensure a more rapid and profitable establishment of projects as the input of such contractors will also be sought during the design and final feasibility stage.

Similarly, exploration is carried out largely on an outsourced basis. In particular, high cost items such as drilling will be secured and executed on a "turn-key" basis. The wide network of contacts of some of the Directors facilitates the implementation of these policies. Specialised and suitable persons, reputable drilling companies, independent geological consulting agencies and laboratories have been identified and selected by the Company for its operations.

The Directors will examine the cost/benefits of acquiring a basic drilling rig as the number of projects being undertaken increases. The drilling rig will be used on early stage exploration drilling. More intensive resource definition drilling may be required as projects advance towards the detailed mine planning stage.

The Directors intend to focus employed staff on providing the essential back-office planning, financial, accounting and project reporting support with a very select number of specialists who will carry out design and supervisory roles in projects from the exploration stage right through to on-going operations.

9. Competition

The Company has noted various investment interests and initiatives in iron ore related projects in North-West and North Queensland, and in particular in the region called "*northern economic triangle*" which comprises Mount Isa, Townsville and Bowen. The Directors believe that the market for iron ore is strong. The Group has received approaches from companies in relation to a possible sale of magnetite ore and in connection with an investment in resource project.

With the activity throughout Queensland and Australia in general, the demand for skilled personnel and equipment is strong. However, from an employment perspective, the Directors believe that the Group has the advantage of being able to offer employment with the opportunity for personnel to be housed in a major regional city, Townsville, and thereby giving a daily commute to work in comparison to the high cost of fly-in-fly-out arrangements common in the industry.

10. Placing

The Company is issuing 15,000,000 Placing Shares by way of the Placing to investors to raise approximately £735,000 net of expenses. The Placing Shares have been conditionally placed at the Placing Price with certain investors. Mr. Doyle has agreed to partially underwrite the Placing and Mr. Doyle will subscribe under certain conditions at the Placing Price for any Placing Shares not subscribed for by the Placees. The Placing Shares will represent approximately 5.06 per cent. of the Enlarged Issued Share Capital of the Company. This does not include any Ordinary Shares reserved for the exercise of options to subscribe for Ordinary Shares or the Warrants as described in paragraphs 4.4 to 4.7 of Part 6 of this Admission Document. Should all of the options to subscribe for Ordinary Shares and the Warrants be exercised then an additional 57,455,652 Ordinary shares will be issued representing 16.24 per cent. of the Company's share capital as enlarged by the issue of Ordinary Shares pursuant to the exercise of the options and Warrants and assuming full subscription of the Placing Shares. The Placing Shares will be placed free of expenses and will rank *pari passu* in all respects with the Existing Shares including the right to receive all dividends and other distributions declared paid or made after the date of issue. The proceeds of the Placing will be used for the purposes set out in paragraph 7 of Part 1 of this Admission Document. Were Mr. Doyle to acquire shares directly or indirectly the aggregate holding of Mr. Doyle and Half Shell Holdings will increase.

Following Admission, assuming the Placing is fully subscribed for, HSH will hold 190,901,250 Ordinary Shares out of 296,380,539 Ordinary Shares representing 64.41 per cent. of the Enlarged Share Capital.

The Placing Shares and the Existing Shares will rank *pari passu* in all respects. The Company, Allenby Capital, the Directors and Mr. Doyle have entered into the Placing Agreement and Mr. Doyle has agreed to partially underwrite the Placing. The Placing is conditional *inter alia* upon Admission becoming effective on or before 8 June 2011 or such later time and date as the Company and Allenby Capital may agree, but in any event no later than 11 July 2011. The Placing Agreement contains provisions entitling Allenby Capital to terminate the Placing Agreement at any time prior to Admission in certain circumstances.

Details of the Placing Agreement are set out in paragraph 12 of Part 6 of this Admission Document.

No offer of securities to the public is being made for which a prospectus is required to be produced under English law.

Dealings in the Shares on AIM are expected to commence on 8 June 2011. In the case of Placees requesting their Placing Shares in certificated form, it is expected that certificates in respect of such shares will be despatched by post not later than 8 June 2011. Pending despatch of definitive share certificates or crediting of CREST accounts, the Company's registrars will certify any instrument of transfer against the register. The settlement process including the manner in which Shares were subscribed and paid for was set out in the placing letter sent to Placees on 1 June 2011.

11. Directors

Steven Andrew Sanders *(Chairman), aged 65*

Mr. Sanders is a member of the American Bar Association, the New York State Bar Association and the Bar of the City of New York, where he previously served on the European Affairs Committee. He also was the former Honorary Consul from the Republic of Moldova. In addition to his commitment to Law, Steven sits on numerous boards of other companies including TC Power Management, Inc., Helijet International, Inc. and Op-Tech Environmental Services, Inc.

A native New Yorker, Mr. Sanders earned his B.B.A degree from the City College of New York and his Juris Doctorate from Cornell Law School. He pursued his interest in corporate and international law at major law firms until 1980. Mr. Sanders subsequently opened and closed two of his own firms before forming Sanders Ortoli Vaughn Flam Rosenstadt LLP several years ago.

Patrick Griffiths *(Chief Executive Officer and Chief Financial Officer), aged 66*

Mr. Griffiths holds a BCom (Merit) from the University of New South Wales, an MBA from the University of Sydney and is a Member of National Institute of Accountants (MNIA).

Mr. Griffiths has experience in a variety of industries ranging from agriculture, building and construction, chemicals, finance, manufacturing, mining, quarries and technology. In particular, Mr. Griffiths has experience with development opportunities, including Wyndham Estate Wines where his involvement extended from initial investment appraisal and negotiation to providing on-going financial management and strategic planning support.

Mr. Griffiths' mining industry experience extends prior to 1973 when he completed feasibility studies on extensions to the Bass Strait Oil Fields and the exploration of Bonaparte Gulf for Esso. Since then he has completed extensive feasibility studies on Pilbara Iron Ore Venture, McCamey's Monster WA and a Coal Pelletising Plant in Queensland for Hancock Prospecting Pty Ltd. He was a Director and then Managing Director of a mining group listed on the Johannesburg Stock Exchange, Awande Holdings Limited, with two operating mines and one exploration project in Namibia. In more recent times Mr. Griffiths was a Director and Secretary of the Australian based subsidiaries of AIM quoted Sirius Exploration Plc until he took up his role as CEO and CFO of Iron Glen on 1 June 2010.

Patrick's roles have included managing director, general manager, chief financial officer, business advisor and analyst, financial planner and logistics manager.

Matthew David Bonthrone *(Executive Director), aged 43*

Mr. Bonthrone's business experience spans two decades from real estate development, both private and commercial, leisure retailing including web based retail, high end restaurants bars and clubs and structured fund management. Matthew started his career in the retail outdoor sector where he built up a discount retailer. Matthew went on to develop one of the first retail website platforms that still operates today.

In 2006 Mr. Bonthrone progressed into property finance to structure emerging market development opportunities for a London-based property fund, Park Town Capital plc, operating in Eastern Europe, UAE and the Caribbean. During this time he assisted in raising finance from private equity groups for Park Town Capital Plcs's fund management team, Park Town Asset Management LLP.

Michael Alexander Borrelli *(Independent Non-Executive Director), aged 55*

Mr. Borrelli initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He has subsequently been active within the investment banking sector and has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers and acquisitions for private and quoted companies on the Official List, AIM and PLUS Markets. He is currently non-executive chairman of Ablon Group Ltd and a non-executive director of Capcon Holdings plc, both of which are quoted on AIM.

12. Financial information

The table below summaries the trading results of the Group for the period from 1 June 2010 to 30 November 2010. The information has been extracted from Part 4 of this Admission document. The Company has not generated any revenue to date.

Strategic Minerals plc

	$'000
Exploration expenses	–
Administration expenses	(292)
Losses before and after taxation	(292)

This information refers to past performance. Past performance is not a reliable indicator of future results.

13. Current trading and future prospects

The Company intends to continue its evaluation of Tenement and will use the net proceeds of the funds raised through the recent ASSOB fundraising to continue the Group's resource definition and exploration programme and to provide working capital. Dependent on the results of the proposed exploration programme, significant future funding will be required in order to develop the Tenement to revenue generation. It is the expectation of the Directors that the EPM licence will be extended beyond 2012 in order to allow the Company to conclude its exploration programme.

14. Dividend policy

The Directors currently intend to devote the Company's cash resources to its operations and therefore do not anticipate paying dividends in the near future. They will reconsider the Company's dividend policy as and when the Company is in a position to pay dividends. The declaration and payment by the Company of any dividends will depend on the results of the Company's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

15. Share option scheme

The Board believes that equity incentives are, and will continue to be, an important means of retaining, attracting and motivating employees for the Group and has granted share options to certain of the Directors and others enabling them to subscribe for new Ordinary Shares, further details of which are set out in paragraph 4.4 of Part 6 of this Admission Document.

Further, it is the intention of the Board following Admission to grant new options over Ordinary Shares to certain employees and senior management of the Group. The Board intends to limit the number of share options available to the Directors and employees to a maximum of 10 per cent. of the Group's issued share capital from time to time. The grant of these further options will be made, from time to time, by the Board based upon recommendations made by the remuneration committee. The exercise of these options will also be subject to the achievement of certain performance conditions to be determined by the remuneration committee.

16. Options and Warrants

The Company has granted options to subscribe at an exercise price of 3.1p to the holders of Ordinary Shares and to the persons listed below, each of whom is either a Director of the Company and/or a director of Iron Glen or, in the case of Stephen White, a person who provided services to Iron Glen:

Name	*No. Of Ordinary Shares*
Patrick Griffiths	6,409,989
Steven Sanders	11,684,994
John Bohringer	6,409,989
Joel Felix	1,134,984
Stephen White (as trustee of the YT Trust)	1,000,000

The options are exercisable at any time in the period to 31 March 2014 and, in the case of all the option holders other than Stephen White, the Shares issued on the exercise of the options would be subject to the restrictions applied under the lock-in agreement referred to in paragraph 12 of Part 6 of this Admission Document.

Further details of the terms of the option agreements under which these options have been granted are set out in paragraph 4.4 of Part 6 of this Admission Document. These option agreements were entered into on 31 March 2011 to replace the corresponding earlier option arrangements that had been agreed to be granted by Iron Glen prior to its acquisition by the Company.

The Company has also granted Warrants under which the holders are entitled to subscribe for Ordinary Shares of the Company. The Company has granted Warrants in respect of up to 23,369,988 Ordinary Shares exercisable at a price of 1.86p per share at any time in the period from 31 March 2012 to 31 March 2014 to Mr. Leo Knifton and Warrants in respect of up to 3,000,000 Ordinary Shares exercisable at a price of 0.1p per share, at any time in the period to 31 March 2013 to Mr. Thomas Knifton. In the case of Mr. Leo Knifton these Warrants have been issued to replace the corresponding earlier option arrangements that had been agreed to be granted by Iron Glen, prior to its acquisition by the Company. In the case of Mr. Thomas Knifton, the Warrants have been issued in respect of services that Mr. Thomas Knifton is to provide to the Company.

On 1 June 2011, the Company also granted to Allenby Capital, conditional on Admission, a Warrant in respect of up to 4,445,708 Ordinary Shares, representing 1.5 per cent. of the Enlarged Share Capital on Admission (assuming full subscription of the Placing Shares) exercisable at the Placing Price as to 2,222,854 Ordinary Shares within 6 months from Admission, and as to the remainder from 6 to 12 months from Admission.

Further details of the Warrant Instruments under which these Warrants have been issued are contained in paragraphs 4.5 to 4.7 of Part 6 of this Admission Document.

17. Future funding

The level of future funding required to bring the business of the Company to the next stage of development will depend on the results of the proposed exploration programme. Should further funds be required then the Company will explore all available funding options at that time including a placing of shares.

18. Corporate governance and share dealing code

The Directors recognise the importance of sound corporate governance. The Directors consider that the Company complies with the main provisions of the Combined Code, in so far as possible and appropriate given the Company’s size and nature.

The Company holds at least four board meetings throughout the year. The Board is responsible for formulating, reviewing and approving the Company’s strategy, budgets, major items of capital expenditure and acquisitions.

The audit committee will meet at least twice a year and be responsible for ensuring that the financial performance of the Company is properly reported and monitored and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. It will meet once a year with the auditors without executive board members present. The audit committee will be chaired by Alex Borrelli.

The remuneration committee will review the performance of the executive Directors and will set and review the scale and structure of their remuneration and the terms of their service agreements with due regard to the interests of the Shareholders. In determining the remuneration of executive Directors, the remuneration committee will seek to enable the Company to attract and retain executives of the highest calibre. The remuneration committee will also make recommendations to the Board concerning the allocation of share options to employees. No director will be permitted to participate in discussions or decisions concerning his own remuneration. The remuneration committee will be chaired by Steven Sanders.

As a result of the current size of the Company, a nomination committee will not be put in place at the current time. The Directors will review the need for a nomination committee as the Company progresses.

The Company follows a model code for Directors' and key employee share dealings which is appropriate for an AIM quoted company. The Directors comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees as well.

The Company has a compliance policy setting out the procedures to be followed in order for the Company to fully comply with the AIM Rules for Companies.

19. Taxation

General information relating to UK taxation with regard to the Ordinary Shares and Admission is summarised in paragraph 7 of Part 6 of this Admission Document. **If you are in any doubt as to your tax position you should consult your own independent financial adviser.**

20. Admission, Settlement and CREST

Application has been made to the London Stock Exchange for the Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Share Capital will commence on AIM at 8.00 a.m. on 8 June 2011.

The Articles permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. Application has been made and agreed with CREST by the Company's Registrar for the Ordinary Shares to be admitted to CREST with effect from Admission and CREST. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within CREST if the individual Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that share certificates for Ordinary Shares will be despatched by the Company's Registrar in the week commencing 8 June 2011 and Ordinary Shares will be delivered in CREST immediately following Admission.

21. Lock-in arrangements

Each of the Directors other than Alex Borrelli, together with Half Shell Holdings, Walter Doyle, John Bohringer and Joel Felix, as directors of Iron Glen and Mr. Leo Knifton (the "**Locked-in Persons**") have entered into lock-in and orderly market arrangements in respect of all of their shareholdings, the terms of which are described more fully in paragraph 12.1.3 of Part 6 of this Admission Document.

Under the terms of these arrangements, the Locked-in Persons have conditionally agreed not to sell, transfer or otherwise dispose of any Ordinary Shares held by them, other than in certain specified circumstances, for a period of 12 months following Admission (or in the case of Mr. Leo Knifton, for a period of 6 months following Admission).

The Locked-in Persons have also undertaken that for a further 12 months from the first anniversary of Admission (or in the case of Mr. Leo Knifton, for a period of 18 months following Admission) they will only sell or otherwise dispose of any Ordinary Shares held by them with the prior consent of Allenby Capital. Any permitted disposal of Ordinary Shares shall be facilitated through the brokers of the Company at the time.

In addition, Mr. Thomas Knifton has entered into a lock-in arrangement in respect of the Warrants that have been issued to him under which he agrees that he will not dispose of any of the Warrants, or any shares issued on the exercise of the Warrants for a period of six months from Admission. The terms of this lock-in arrangement are described more fully in paragraph 12.1.3 of Part 6 of this Document.

The lock-in arrangements outlined above will apply in respect of 247,056,252 Ordinary Shares representing approximately 83.36 per cent. of the Share Capital of the Company assuming full subscription of the Placing Shares on Admission.

22. Further information

Your attention is drawn to Parts 2 to 6 of the Admission Document, which provide additional information on the Group and, in particular, to the risk factors set out in Part 3 entitled "Risk Factors".

23. Takeover Code

The Company is incorporated and registered in the UK but is managed and controlled outside the UK. For this reason the Takeover Code does not apply to the Company. It is emphasised that, although the Ordinary Shares will trade on AIM, the Company will not be subject to takeover regulation in the UK.

Shareholders may not therefore be afforded the protections of the Takeover Code as they might have if they were shareholders in a company where a takeover is regulated by the Panel.

PART 2

MINING IN QUEENSLAND, AUSTRALIA

An article in the Queensland Government Mining Journal published in 2008 indicated that magnetite ore constitutes 24 per cent. of Australia's economically demonstrated reserves of iron ore although quality and available tonnage are the main factors affecting the viability of magnetite deposits. Magnetite-quality variation arises in the region because a range of elements can substitute for iron in the magnetite crystal structure, thereby affecting its suitability for various industrial purposes.

Magnetite that is used to produce pig iron by direct reduction is the dominant mineral in low-grade iron ores that are beneficiated by wet-magnetic separation. Several magnetite projects are under development in Western Australia where the ore has to be ground to 50-60 microns before the impurities can be separated. Based on recent international market pressures, magnetite deposits are also likely to form a significant part of any future iron ore industry in Queensland.

The main use of magnetite in Queensland, and elsewhere, is to provide a dense medium for coal washing thereby improving the quality of the coal by removing impurities. The magnetic susceptibility of magnetite enables it to be readily recovered and, whilst much of the magnetite is recycled, magnetite losses in coal washing are generally of the order of 0.1 to 1 kg per tonne of raw coal feed. In 2006/2007, Queensland imported approximately 83,600 tonnes of magnetite through the port of Gladstone, approximately 830 kilometres south of Townsville.

The worldwide demand for magnetite as an iron ore source has risen in recent years as a result of: (1) the increased demand and price of iron ore; and (2) the larger number of undeveloped magnetite deposits compared with the main source of iron (hematite deposits). However, the magnetite deposits in north-eastern Queensland are of a lesser size than the Constance Range ironstone deposits and others in western Queensland.

Northwest Queensland

Constance Range

The main area of bedded ironstone mineralisation in Queensland is in the Constance Range area approximately 250 kilometres northwest of Mount Isa in northwest Queensland. Up to ten lenticular beds of iron formation have been located with interbedded shale, siltstone and sandstone, present in the Train Range Ironstone Member of the South Nicholson Group in the South Nicholson Basin. Outcropping ironstones in the region consist of a variable mixture of ochrous red hematite, finely crystalline blue-black hematite, limonite, quartz grains and cement, clay and relict siderite, and vary in appearance from oolitic forms to quartz sandstone with hematite matrix. Below the zone of oxidation, the ironstones consist of oolites of hematite, siderite and/or chamosite and silica grains in a matrix of siderite, hematite, quartz, and carbon.

Broken Hill Proprietary Company Ltd. conducted a preliminary resource estimate in the early 1960s and delineated approximately 250 M tonnes at 52 per cent. iron. Subsequently, the Pilbara iron province in Western Australia was discovered and, because of the large reserves and high quality of the iron ore and its proximity to ports for shipping the ore, developed.

Interest in the Constance Range has recently been revived by public and private interests although part of the area lies within a Wild Rivers Preservation Area. Although Queensland iron ore has been eclipsed for the time being by the deposits in Western Australia, as additional sources of magnetite are brought into production in Queensland, magnetite may become a vital commodity for use in washing plants in Australia, China, and elsewhere. The future importance of magnetite to the Queensland economy has been emphasized in a promotional report released by the Queensland Government in 2011.

Mt. Isa-Cloncurry Area

Although some of the primary iron resources in the Mt. Isa region are suggested to be economically commercial, magnetite resources are widely available, either as a by-product of mining metals or contained within iron deposits. These could be beneficiated by incorporating new smelting processes using natural gas or coal as reductants, both of which are available locally, to produce a high-quality magnetite product.

Resources in tailings dams also occur at the Ernest Henry copper-gold mine, 38 kilometres northeast of Cloncurry, east of Mt. Isa and at the Osborne underground copper-gold mine located 195 kilometres southeast of Mt. Isa. The Ernest Henry Mine ore contains in the region of 20 per cent. magnetite and the Osborne Mine ore between 30-55 per cent. magnetite. Potentially the magnetite is either available from the tailings dams or as a direct by-product of future copper-gold mining. The Osborne underground copper-gold mine has in the region of 16 million tonnes of tailings ready for reprocessing to extract the magnetite. A report in 2011 by the Queensland Government indicated that the Ernest Henry mine is being converted to an underground mine at a cost of US$542 million, and that the mine is based on a probable ore reserve of 72 Mt at a grade of 1 per cent. copper, 0.5 g/t gold and 22 per cent. magnetite (measured resource 5 Mt at 1.3 per cent. copper, 0.7 g/t gold and 30 per cent. magnetite, indicated resource 72 Mt at 1.3 per cent. copper, 0.7 g/t gold and 26 per cent. magnetite and inferred resource 13 Mt at 1.2 per cent. copper, 0.6 g/t gold and 24 per cent. magnetite). When considering only the potential magnetite production, the available magnetite is considered in the following ore classifications:

Magnetite Availability at the Ernest Henry Mine

Ore Classification	*Million Tonnes*	*Per cent. in Ore*
Probable Reserves	15.8	22
Measured Resources	1.7	30
Indicated Resources	18.7	26
Inferred Resources	3.1	24

A separate extraction circuit is to be installed to produce the magnetite concentrates. The magnetite processing operation is expected to produce approximately 1.2 Mtpa of magnetite for export to Asia. The planned mine life is to 2024. Their remote location and lack of current infrastructure also calls into question their actual commercial viability, especially railroad facilities to transport the magnetite product to Townsville for shipment to Asia. There is however a project to ship magnetite to Townsville's port facilities in the first half of 2011.

Undeveloped iron-oxide copper-gold deposits with associated magnetite also occur north and south of Cloncurry and include the exploration areas held by Exco Resources Ltd and Ivanhoe Cloncurry Mines Pty Ltd. The main project of Exco Resources Ltd is a copper-gold resource at E1 North near the Ernest Henry Mine, whilst the Monakoff project to the south is rich in magnetite. In a pre-feasibility study, Exco Resources Ltd projected a by-product production of about 500,000 tonnes per annum of magnetite. Subsequent studies confirm that the project economics have the potential to be improved by the recovery of by-product magnetite,

Ivanhoe Cloncurry Mines Pty Ltd. holds several prospects located near the abandoned Mount Elliott and Selwyn mines, the largest and most advanced of which is Swan prospect. The magnetite in the tailings dam from the abandoned Selwyn mine is understood to potentially be as high as 33 per cent. of the tailings.

There are also numerous zones of magnetite-hematite bearing rocks that outcrop in northwest Queensland, although they do not appear to carry any significant copper-gold mineralisation. The most abundant of these are the banded ironstones that occur throughout the region south of Cloncurry and which are yet to be explored for their iron potential. In addition, small, fault zone-hosted magnetite-hematite deposits with surficial enrichment occur elsewhere in northwest Queensland, for example, in the areas of Mount Philipp, Mount Leviathan and Fort Roger. As a result of the increased demand for magnetite, and because it is also produced as a waste product of other mining projects in northwest Queensland, interest has increased in the commercial development of these resources. In these deposits, a considerable proportion of the mining costs are sunk against the copper and gold production and the capital costs associated with the introduction of magnetic-separation processing are relatively low. However, transportation and infrastructure costs remain a significant operational expense and are likely to be a key factor in retarding the development of these remote localities, price notwithstanding, in determining the future viability of these deposits.

Northeast Queensland

Small deposits of hematite-magnetite manganese quartzite, some with surficial enrichment, occur in the Iron Range area of Cape York Peninsula. In the remote Tablelands Region and vicinity, deposits include the Whispering Ridge deposit south of Ravenshoe, the Paddy and Mount Ruby deposits near Mount Garnet, and the Mount Lucy deposit near Almaden. In addition to the Blacks Creek and Jessie prospects, the Paddy and Mount Ruby prospects have been investigated over the past few years but no results or development plans have been announced to date.

Red Dome Mines

The Red Dome copper-gold deposit is 15 kilometres west-northwest of Chillagoe, Queensland, and 150 kilometres west of Cairns. The deposit is a type of gold-skarn related to the intrusion of fault/shear-controlled Permian-Carboniferous porphyritic rhyolite dykes within the Silurian-Devonian Chillagoe Formation. The upper parts of the ore body are hosted by breccia. The deposit was first discovered in 1978 and mining commenced in 1986 before ceasing from open cut in mid-1996 although processing of stockpiles continued for another two years. Total recorded production was 12.2 Mt of ore for 22.716 tonnes of gold, 105.855 tonnes of silver and 36.059 tonnes of copper from an open pit, developed to a depth of 350 metres. The average grade was 2.7 grams per tonne gold and 0.4 per cent. copper developed to a depth of 350 metres. The remaining resource, which was still open at depth, was quoted at 4.7 Mt at 2.1 grams per tonne gold and 0.6 per cent. copper. There have been previous studies on the gold-bearing skarns in the area that could be useful in future exploration at the Tenement, although gold values are low in the samples analysed to date and conspicuously present in mineralised intervals encountered during recent drilling.

The relevance of these skarn and epithermal deposits is that strong analogies exist to guide the exploration at the Tenement that have not been applied to the area in the past. Their histories of development, especially at Red Dome, also have been relatively long and expensive, but rewarding.

Mount Garnet Area

The Mount Garnet Area, in northern Queensland, contains iron mineralisation at the so-called Paddy Lease. This prospect is located approximately 125 kilometres west of Innisfail, Queensland, and is covered by Mining License #3945 and EPM 15481. Some sampling has been undertaken and metallurgical testing of approximately 400 kg of iron from the Paddy Mining Lease indicated that the iron grade ranged between 65.2 to 66.3 per cent. Fe.

Queensland Mines Division personnel indicated that the interpreted zone of iron mineralisation is in the Chilligoe Formation and is about 1 km long and 0.5 kilometres wide. A 300 kg bulk sample submitted for metallurgical testing of a sample of Paddy magnetite ore indicated good recoveries at a coarse grind size, high grades (65.46 to 66.29 per cent. Fe) and extremely low levels of impurities (<0.01 per cent. phosphorous). Drilling on the Paddy prospect produced intersections of 45 metres of continuous iron mineralisation, including 19 metres @ 51.28 per cent. Fe from a depth of 19 metres and 5 metres @ 48.48 per cent. Fe from a depth of 34 metres below the surface.

Also in the general area, the Queensland Government recently reported that Consolidated Tin Mines Limited is developing the Mount Garnet tin project, which is focused on the Gillian, Pinnacles and Deadmans Gully/Windermere tin and fluorine-bearing magnetite skarns. A bankable feasibility study was to be completed by late 2010. The aim is to develop an open-pit mining operation with a throughput of 700,000 tonnes of tin ore per year over an initial life of seven and a half years. This is expected to produce about 3,000 tonnes of tin metal in concentrate and 236,000 tonnes of magnetite concentrate grading greater than 65 per cent. iron per year. The area apparently has substantial additional magnetite resources in the Mt. Garnet area.

Mount Moss Mine

Located south of the above deposits and 105 kilometres west-northwest of Townsville, the skarn-related Mount Moss deposit is claimed to be the largest known magnetite deposit in Queensland to date. The deposit is held by Curtain Brothers Mt Moss Mining Pty Ltd and a feasibility study was conducted by them for a mine exporting one million tonnes/year of high-grade iron ore through the Townsville Port. Amongst other things, the feasibility study showed that the potential issues in transporting the ore to the port of Townsville apparently have been overcome. The Mount Moss Mine has recently moved its first shipment of magnetite through Townsville as part of a series of trial shipments to a steel mill in China and this represents the first export of magnetite produced in Queensland for more than 100 years.

A 2011 Queensland Government report indicated that the company outlined a JORC (Joint Ore Reserves Committee)-compliant mineral resource in February 2009 of 20 Mt at 41 per cent. iron, 0.35 per cent. copper and 0.35 per cent. zinc. Mining commenced in 2007 and by the end of 2008 two stages of open-pit mining had been completed.

Around 1.2 Mt of predominantly oxidised magnetite ore was stockpiled on site with processing trials proceeding during the second half of 2008. By early 2009 small tonnages of commercial grade magnetite powder were being produced through a trial mill and processing plant. A plant upgrade capable of producing 80,000 tpa of coal washing magnetite powder was commissioned in December 2009.

An additional crushing, screening and processing plant capable of producing 500,000 tpa of export-quality oxidised magnetite lump product was constructed and commissioned in mid-2009. During the calendar year 2010, a total of 90,000 tonnes of export quality lump iron ore was shipped to China from Townsville. As indicated above, this is important because no magnetite has previously been produced in Queensland for export for more than 100 years. Also, 10,000 tonnes of magnetite were sold to coal washeries in the Bowen Basin.

Mount Biggenden

In south-central Queensland, west of Maryborough and northwest of Brisbane, magnetite was produced from the Biggenden Mine for coal washing and small amounts have also been produced in the past for use as a flux in smelting operations and for cement manufacture. Mount Biggenden reportedly produced 741,000 tonnes of magnetite from 1942 to 1969.

The geology of the Mount Biggenden mine is similar to the general features of the Iron Glen mineralisation as is presently known. Although the Mount Biggenden mine produced bismuth and other minerals of value for many years, magnetite was not mined until a market developed in the coal-processing industry years after production of these mineral products ceased. The paragenetic relationships in mineral formation are important in developing the detailed geologic history of mineralisation and the sequence of mineral formation. This aids exploration in determining the proximal and distal parts of the mineral zoning in a hydrothermal systems and therefore provides a guide to the company's consulting geologist in selecting drill sites.

The paragenetic relationships in mineral formation are important in developing the detailed geologic history of mineralisation and the sequence of mineral formation. This aids exploration in determining the proximal and distal parts of the mineral zoning in a hydrothermal system(s) and therefore provides a guide in selecting drill sites.

The minerals involved in such skarn systems are only stable in certain temperatures ranges, above or below which other minerals are formed. In the Mount Biggenden ore body, magnetite is formed in the early history of skarn formation and is generally found in proximity to the intrusive body, such as granodiorites or granites, the hotter parts of the mineralising event. Other metals have been introduced later and are found at some distance away from the magnetite, although faulting can bring the two zones together.

The paragenic sequence (or timing of mineralization) is worked out through detailed microscopic studies in polished ore mineral sections, petrologic thin sections, and fluid-inclusion studies, as well as in mapping field relations to resolve any dislocation or truncations of target mineralization and to predict where it may be located. A report in 2010 produced a preliminary petrographic analyses of surface samples of various rock types and of samples obtained during the recent Iron Glen drilling program, which represents the beginning of the process to determine the characteristics of the mineralisation and the boundaries and possible extensions of both the magnetite and the metal sulfides that are also present within the mineralised system at Iron Glen.

Mineral Licences

Renewing an EPM

Iron Glen Pty Ltd must apply for a renewal of the Tenement by lodging an application with the Queensland Mining Minister within the renewal period. The renewal period is no earlier than 6 months and no later than 3 months before the expiry date. The application for renewal should be accompanied by the renewal fee and a statement that:

(a) describes the programme of work proposed to be carried out under the authority of the Tenement, if renewed;

(b) details the estimated human, technical and financial resources to be used to carry out the exploration work during each year of the term of the Tenement, if renewed; and

(c) details of Iron Glen Pty Ltd's financial and technical resources for carrying out the exploration work.

The information required to be provided in an application to renew the Tenement as described above is similar to what Iron Glen Pty Ltd was required to provide in its application for the Tenement.

The Minister may renew the Tenement if the Minister is satisfied of each of the following:

(a) Iron Glen Pty Ltd has observed and performed all the covenants and conditions applying to the Tenement and required to be observed and performed by it;

(b) Iron Glen Pty Ltd has complied with the relevant statutory requirements in relation to the Tenement;

(c) the activities proposed to be carried out during the renewed term are appropriate and acceptable;

(d) the financial and technical resources available to Iron Glen Pty Ltd to carry out the proposed activities during the renewed term are appropriate; and

(e) the public interest will not be adversely affected by the renewal.

Provided that Iron Glen Pty Ltd has complied with the terms and conditions of the Tenement, it is likely that a renewal of the Tenement will be granted.

If the Minister is not satisfied with Iron Glen Pty Ltd's application for renewal of the Tenement, the Minister may give Iron Glen Pty Ltd a notice requiring it to give the Minister information required to assess the application for renewal of the Tenement, such as why the renewal should not be refused.

If Iron Glen Pty Ltd fails to respond to the Minister within the prescribed time or if the Minister is not satisfied with Iron Glen Pty Ltd's response, the Minister may refuse to renew the Tenement.

Applying for a Mining Lease

Iron Glen Pty Ltd may apply for a Mining Lease (ML) on land contiguous to its EPM for the same minerals as the EPM. In order to acquire a ML, Iron Glen Pty Ltd must lodge a ML Application that satisfies the requirements imposed by the MR Act for approval with the Queensland Minister for Natural Resources, Mines and Energy and Minister for Trade. The MR Act prescribes the criteria that a ML Application must address, including but not limited to:

(a) a description of the land subject to the ML Application (including a sketch or map setting out the boundaries of the land);

(b) a statement providing reasons why the ML should be granted;

(c) the mineral(s) sought under the ML Application;

(d) an outline of the proposed mining program;

(e) an outline of any proposals for infrastructure requirements necessary to enable the proposed mining program to proceed; and

(f) a description of the estimated human, technical and financial resources proposed to be committed to the ML, if granted.

If the Minister is satisfied that Iron Glen Pty Ltd has complied with all requirements of the MR Act, the Mining Registrar will provide a copy of the ML Application to the EPA for its assessment.

The Mining Registrar will then issue a Certificate of Application to Iron Glen Pty Ltd that must be forwarded by Iron Glen Pty Ltd to all "owners" of the land subject to the proposed ML. Following this, the Minister will open an objection period, at which time third parties may inspect the ML Application documents and lodge an objection to the ML Application. If an objection has been lodged, a conference will be called between Iron Glen Pty Ltd and the objecting third party and if no agreement can be reached, the matter will be heard in the Land Court. If the matter has been heard by the Land Court, the Minister will generally accept the Land Court's recommendations. Otherwise, the Minister will consider whether to grant the ML based on the ML Application, compliance with the MR Act, native title, impact on the environment and whether it considers Iron Glen Pty Ltd to have the requisite technical and financial capabilities.

Minerals covered by an EPM

Under the MR Act, an EPM may be granted in respect of:

- all minerals other than coal; or
- coal.

Iron Glen Pty Ltd's EPM 15654 has been granted in respect of "all minerals other than coal". For the purposes of the MR Act, a mineral is a substance:

- normally occurring naturally as part of the earth's crust;
- dissolved or suspended in water on or within the earth's crust; or
- that may be extracted from a substance mentioned in paragraph (a) or (b) of section 6 of the MR Act.

PART 3

RISK FACTORS

The attention of prospective investors is drawn to the fact that ownership of shares in the Company will involve a variety of risks which, if they occur, may have a materially adverse effect on the Company's business or financial condition, results or future operations. In such case, the market price of the Ordinary Shares could decline and an investor might lose all or part of his or her investment.

In addition to the information set out in this Admission Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements. Additionally, there may be further risks of which the Directors are not aware or believe to be immaterial which may, in the future, adversely affect the Company's business and the market price of the Ordinary Shares.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.

Risks relating to the Company

Exploration and Mining Risks

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. The mineral deposits to be assessed by the Group may not contain economically recoverable volumes of resources. Should the mineral deposits contain economically recoverable resources then delays in the construction and commissioning of mining projects or other technical difficulties may result in the Group's current or future projected target dates being delayed or further capital expenditure being required.

The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, explosions, flooding and extended interruptions due to inclement or hazardous weather conditions and other acts of God. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. No assurance can be given that the Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

The occurrence of any of these hazards can delay activities of the Group and may result in liability. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

Mineral exploration is highly speculative in nature, involves many risks and frequently is unsuccessful.

There can be no assurance that any mineralisation discovered will result in proven and probable reserves being attributed to the Group. If reserves are developed, it can take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the cases of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation.

Operational Targets and Delays

The Group's operational targets will be subject to the completion of planned operational goals on time and according to budget, and are dependent on the effective support of the Group's personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets with a consequent material adverse impact on the business, operations and financial performance of the Group. The Group will not generate any income until mining has successfully commenced. In the meantime the Group will continue to expend its cash reserves and raise additional funding.

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition.

The Group's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The terms of the Group's licences include obligations to pay licence fees. Invoices for certain fees may not in the future be processed by the government in time to allow the Group to pay fees in accordance with the terms of its licences, and any such delay could have a material adverse impact on the ability of the Group to satisfy the terms of its licences. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit.

The Group has one permit, EPM 15654, which expires on 23 May 2012. There can be no guarantee that the Tenement will be renewed by the Queensland Mining Minister and Minister for Trade when applied for. IGP will have to lodge an application with the Minister for the renewal of the Tenement no earlier than 6 months prior to the expiry date and no later than 3 months prior to the expiry date. The Minister will renew the Tenement if the Minister is satisfied that IGP has satisfied a number of predetermined criteria over the duration of the Tenement to the time of application for renewal.

If the Minister is not satisfied with IGP's application for renewal of the Tenement, the Minister may give notice to IGP requiring IGP to give the Minister information required to assess the application for renewal of the Tenement, such as why the renewal should not be refused. If IGP fails to respond to the Minister within the prescribed time or if the Minister is not satisfied with IGP's response, the Minister may refuse to renew the Tenement.

There is a risk that negotiations with the government in relation to the renewal or extension of a licence, or the grant of a MDA, may not result in the renewal or grant taking effect prior to the expiry of the previous licence period and there can be no assurance of the terms of any extension, renewal or grant.

The Tenement may be subject to undetected title defects. If a title defect does exist it is possible that the Group may lose all or part of its interest in the Tenement.

Environmental issues

Mining operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and companies must generally comply with permits or standards governing, among other things, tailing dams and waste disposal areas, water consumption, air emissions and water discharges. While the application of such laws to the Group's operations in Australia is uncertain at this time, the Group may, in the future, incur significant costs to comply with the environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied.

Mineral Resources Rent Tax

In July 2010 the Australian Government released details of its proposed Mineral Resource Rent Tax ("MRRT"). The proposed MRRT is expected to affect mining and resources companies involved in iron ore and coal exploration and development from 1 July 2012. The proposed rate of tax is 30 per cent. applied to the taxable profit of the resource. There will be no MRRT liability for taxpayers earning less than $50 million per annum. The final details and design of the MRRT are not determined and will depend on the outcome of the parliamentary process. If the MRRT is passed through parliament, it will have a direct impact on the Company if (based on current proposals):

- the Company applies for and is granted a mining lease over the land underlying the Tenement;
- the Company successfully mines and produces iron ore; and
- the Company's profit margin, as a result of mining and producing iron ore, exceeds $50 million per annum.

Economic risks

Historically, commodity prices (including iron ore) have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, expectations for inflation, speculative activity, consumption patterns and global or regional political events.

Early Stage of Operations

The Group's operations are at an early stage of development and success will depend on the Directors' ability to manage the current projects and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for it, to develop all or any of the licences. Further, the Group currently has no assets producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future and its ability to access equity and debt markets for its development requirements.

Volatility of Price of iron ore

The market price of iron ore is volatile and is affected by numerous factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in iron ore market prices could render less economic, or uneconomic, some or all of the exploration and/or extraction activities to be undertaken by the Group.

Volatility of Metal Prices and Exchange Rates

Historically, metal prices have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. In the case of gold, purchases and sales of bullion holdings by central banks or other large holders or dealers may also have an impact on the market and price. The aggregate effect of these factors is impossible to predict.

Consequently as a result of the above, price forecasting can be difficult to predict or imprecise.

Any future Company income from its product sales will be subject to fluctuations in metal prices and could become subject to exchange controls or similar restrictions. Currency conversion may have an adverse effect on income or asset values.

Insurance coverage

There are significant exploration and operating risks associated with exploration for iron ore, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, formations and reserves, production facilities and other property. In addition, the Group will be subject to liability for environmental risks such as pollution and abuse of the environment. Although the Group will exercise due care in the conduct of its business and will maintain what it believes to be customary insurance coverage for companies engaged in similar operations, the Group is not fully insured against all risk in its business. The occurrences of a significant event against which the Group is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

Development Projects

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades or ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors.

As a result, it is possible that actual cash operating costs and economic returns may differ from those currently estimated.

Resource Estimates

The Company has derived the ore resource figures presented in this Admission Document from those reported in the Competent Person's Report set out in Part 7 of this Admission Document and which are subject to the qualifications in the Competent Person's Report. Reserves and resources estimates may require revisions based on actual production experience. Furthermore, a decline in the market price of iron ore that the Group may discover could render ore reserves containing relatively lower grades of these minerals uneconomic to recover and may ultimately result in a restatement of reserves.

Environmental Factors

The Group's operations are subject to environmental regulation (including regular environmental impact assessments and permitting). Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

Limited Operating History

The Group has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Group has not earned profits to date and there is no assurance that it will do so in the future. A majority of the Group's activities will be directed to the development of the Tenement. Significant capital investment will be required to achieve commercial production from the Tenement. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Financing

Should the Group develop any of its projects to the point of production, the successful extraction of iron ore may require very significant capital investment. In addition, delays in the construction and commissioning of any of the Group's mining projects or drilling projects or other technical difficulties may result in projected target dates for related production being delayed and/or further capital expenditure being required. In common with all mining and drilling operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in laboratory conditions. The Group's ability to raise further funds will depend on the success of existing and acquired operations. The Group may not be successful in procuring the requisite funds and, if such funding is unavailable, the Group may be required to reduce the scope of its operations or anticipated expansion. In the event that financing is successful it may mean that new Ordinary Shares need to be issued on a non pre-emptive basis, thus diluting the interests of investors at that time.

Access to Capital Markets

The Group may require additional financial resources to continue funding its exploration and development activities. The Group may in the future raise additional funds through public or private financing or through bringing in joint venture partners. The availability of this capital is subject to general economic conditions and lender and investor interest in the Group's projects. To ensure the availability of capital, the Group will maintain an investor relations programme in order to inform all Shareholders and potential investors of the Group's developments. Any investment in the Group should be regarded as an investment in the potential resources rather than a direct investment in the commodity itself.

Acquisition and Joint Venture Risks

The Company may make further licence acquisitions or enter into joint ventures in circumstances where the Directors believe that such acquisitions or joint ventures would support the Company's strategy. However, there can be no assurances that the Company will be able to identify, complete and integrate suitable acquisitions or manage such joint ventures successfully. Acquiring new businesses and entering into joint ventures can place significant strain on management, employees, systems and resources and can take significant time to negotiate with all relevant parties. The acquired businesses may not perform in line with expectations to justify the expense of acquisition.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Group competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Group, in the search for and acquisition of exploration and development rights on attractive mineral properties. The Group's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the Tenement on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that the Group will continue to be able to compete successfully with its competitors in acquiring exploration and development rights on such properties.

Infrastructure

The Group must use the public infrastructure in Australia for its operations. There is a risk that some of the infrastructure required by the Group may not be available at the times required.

Actions of third parties, including contractors and partners

The Company will be reliant to a great extent on third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Company. To the extent that the Company cannot engage contractors according to its plans and budgets, its financial and operational performance may be adversely impaired.

In certain circumstances, the Company may be liable for the acts or omissions of its partners. If a third party pursues claims against the Company or against a joint venture vehicle as a result of the acts or omissions of the Company's partners, the Company's ability to recover from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Company's financial performance and condition.

Dependency on Key Personnel

The loss of any key individuals in the Group's management team or the inability to attract appropriate personnel could impact the Group's performance.

Ability to recruit and retain staff

The Group may be adversely affected by an inability to recruit, retain and motivate suitable personnel as its business develops and grows in size. There can be no assurance that suitably qualified personnel will be available and that the Group will be able to retain existing professionals or meet their remuneration requirements. Furthermore, the cost base in relation to such remuneration, which may include equity compensation, may increase significantly and could have an adverse effect on the Group's results of operations and/or financial condition. As a result of the nature of the Group's industry and the extended administrative procedures required to fill these key positions it can sometimes be difficult to find appropriate individuals with the necessary skills and experience required to fill these key positions.

Risks relating to Australia

Taxation in Australia

The Company and the other members of the Group are resident for tax purposes in Australia, in the case of the Company by reason of the location of central management and control in Queensland, Australia and will accordingly be subject to the taxation in Australia. The rates of taxation and the application of fiscal legislation and administration within Australia, including any applicable double taxation and other international measures that could have application to the Company and other members of the Group, may change so as to increase the rates of taxation applied to them or to introduce new fiscal measures that would increase the burden of taxation of the Company and the other members of the Group or otherwise adversely affect the operational and economic prospects of the Group, including measures that could affect the operations of the Group in Australia, the availability of equipment and employees, the economic cost of exploration, mining and other activities that are to be conducted by the Group.

Operational risks

The Group's taxation status or the legislation and regulations in the countries in which it operates could change.

Weather

The North-East of Australia has a wet season from December to March. The high levels of rainfall may make access to some of the licence areas difficult or impossible at certain times during this period which may make exploration either difficult or impossible at those times.

Investment Risks

Ability to Secure Future Financing

The Company expects to raise funds in the future, to raise further working or development capital for progression of existing technologies investments or for investment in operating facilities based on the technologies, and for working capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the price paid by a current investor, or higher. The investment opportunity offered in this Admission Document may not be suitable for all recipients of this Admission Document. Investors are therefore strongly recommended to consult an adviser authorised under the FSMA, who specialises in investments of this nature before making their decision to invest.

General Economic Conditions

Market conditions may affect the ultimate value of the Company's share price regardless of operating performance. The Company could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks or changes in governmental legislation or policy.

The Company is a new company with no operating history

The Company was incorporated on 16 November 2010 and has no track record or operating history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested. The past performance of companies, assets or funds managed by the Directors, or persons affiliated with them in other ventures in the mining sector or otherwise, is not necessarily a guide to the future performance of the Company.

Currency Exchange Risks

As a consequence of the international nature of the Group's business, the Company is exposed to the risk of changes in foreign currency exchange rates. This may result in gains or losses with respect to movements in exchange rates that may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results.

Market Perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Taxation Framework

This Admission Document has been prepared in accordance with current UK tax legislation, practice and licence area and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.

Forward Looking Statements

Certain statements within this Admission Document, including those in the part of this Admission Document under the heading "Information on the Group", constitute forward looking statements. Such forward looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Group to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulation, competition, changes in development plans and the other risks described in this Part 3. There can be no assurance that the results and events contemplated by the forward looking statements contained in this Admission Document will, in fact, occur. These forward looking statements are correct only as at the date of this Admission Document. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstance or unanticipated events occurring after the date of this Admission Document except as required by law or by regulatory authority.

AIM Market Risks

Trading on AIM

An investment in shares traded on AIM is generally perceived to involve a higher degree of risk and be less liquid than an investment in shares listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Consequently, it may be more difficult for an investor to sell his or her Shares than it would be if the Shares were listed on the Official List, and he or she may receive less than the amount paid. It is also possible that an active trading market may not develop and continue upon Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

Share Pricing Risks

The market price of the Shares may not reflect the underlying value of the Company's net assets. The price at which the Shares are quoted and the price which investors may realise for their Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the quoted investment sector or investment or quoted companies generally and which are outside the Company's control. These factors could include the performance of the Company, large purchases or sales of the Shares, legislative changes, general economic, political or regulatory conditions, or changes in market sentiment towards the Shares. Any of these events could result in a material decline in the market price of the Shares.

Limited Regulatory Control

Shareholders will not enjoy protections or rights other than those reflected in the Articles and those rights conferred by law. Although the Directors recognise the importance of good corporate governance, neither the Listing Rules of the United Kingdom Listing Authority nor the Combined Code will apply to the Company.

Lack of Liquidity of the Company's Ordinary Shares

Although the Company has applied for the Ordinary Shares to be admitted to trading on AIM, no assurance can be given that at any time after Admission a liquid market for the Ordinary Shares will develop. Shareholders who need to dispose of their Ordinary Shares may be forced to do so at prices that do not fully reflect the net asset value per share.

General

The risks noted above do not necessarily comprise all those potentially faced by the Group and are not intended to be presented in any assumed order of priority. Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.

Investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART 4

FINANCIAL INFORMATION ON THE COMPANY AND IGH

JEFFREYS HENRY LLP

Chartered Accountants

Finsgate 5-7 Cranwood Street
London EC1V 9EE

Telephone 020 7309 2222
Fax 020 7309 2309
Email jh@jeffreyshenry.com
Website www.jeffreyshenry.com

Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

3 June 2011

The Directors
Strategic Minerals Plc
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

And

Allenby Capital Limited
Claridge House
32 Davies Street
Mayfair
London
W1K 4ND

Dear Sirs,

Strategic Minerals Plc ("SM" or "Company")

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document (the "Admission Document"), dated 3 June 2011 of Strategic Minerals Plc ("SM") on the basis of the accounting policies set out in section 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose. It does not constitute audited statutory accounts.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

The financial information set out below is based on the audited financial statements ("financial statements") of SM for the period from incorporation on 16 November 2010 to 31 December 2010 and have been prepared on the basis set out in note 1 below after making such adjustments, as we considered necessary.

Responsibilities

The directors of Strategic Minerals Plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with IFRS. It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 3 June 2011, a true and fair view of the state of affairs of the Company as at 31 December 2010 and of its income statement, cash flow and statement of changes in equity for the period then ended, and has been prepared in accordance with IFRS in a form that is consistent with the accounting policies set out in note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- income statement, balance sheet, statement of changes in equity, cash flow statement;
- notes to the income statement and the balance sheet.

Yours faithfully,

Jeffreys Henry LLP

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company has applied all accounting standards and interpretations issued by the International Accountancy Standards Board and International Accounting Interpretations Committee effective at the time of preparing the financial statements.

The financial statements are presented in sterling (£), rounded to the nearest thousand pounds.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.1 ***Fixed asset investments***

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

1.2 ***Income Tax***

The Company adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1.3 ***Impairment of Assets***

At each reporting date, the Company reviews carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.4 *Critical Accounting Estimates and Judgements*

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimate – impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value assessments and value-in-use calculations performed in assessing recoverable amount incorporate a number of key estimates.

1.5 *Equity*

Share capital is the amount subscribed for shares at their nominal value.

Share premium represents the excess of the amount subscribed for the share capital over the nominal value of the respective shares net of share issue expenses.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 16 NOVEMBER 2010 TO 31 DECEMBER 2010

	Notes	*2010* *£'000*
Continuing operations		
Other expenses from ordinary activities		–
Profit before income tax		–
Income tax expense		–
Profit for the period		–
Profit attributable to:		
Owners of the parent		–
Net profit per share expressed in cents per share		–

3. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Notes	*2010* *£'000*
Assets		
Non-current assets		
Investment in subsidiary undertaking	6.1	6,917
Total assets		6,917
Equity attributable to the owners of the parent		
Issued capital	6.2	138
Share premium	6.2	6,779
Total equity		6,917
Liabilities		
Current liabilities		
Trade and other payables		–
Total equity and liabilities		6,917

4. STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 16 NOVEMBER 2010 TO 31 DECEMBER 2010

	Share capital *£'000*	*Share premium* *£'000*	*Total* *£'000*
Balance at 16 November 2010	–	–	–
Shares issued for the period	138	6,779	6,917
Balance at 31 December 2010	138	6,779	6,917

5. STATEMENT OF CASH FLOWS FOR THE PERIOD 6 NOVEMBER 2010 TO 31 DECEMBER 2010

	2010
	£'000
Cash flows from operating activities	
Cash generated from operations	–
Cash flows from financing activities	
Proceeds from issuing shares	–
Net cash generated from financing activities	–
Increase in cash and cash equivalents	–
Cash and cash equivalents at beginning of period	–
Cash and cash equivalents at end of period	–

6. NOTES TO THE FINANCIAL INFORMATION

6.1 *Fixed Asset Investments*

	As at 31 December 2010
	£'000
Cost	
Addition	6,917
At 31 December 2010	6,917
Carrying amount	
At 31 December 2010	6,917

The investment represents a 50.96 per cent. interest in Iron Glen Holdings Limited, a company incorporated in Australia and whose activity is that of a holding company for an Australian mineral exploration company. This interest was acquired on 25 November 2010 by way of a share for share exchange with Half Shell Holdings Limited.

6.2 *Called up share capital*

Allotted, issued and fully paid	*Class*	*Nominal Value*	*As at 31 December 2010 Share capital*	*As at 31 December 2010 Share premium*
			'000	*'000*
138,339,979	Ordinary	0.1p	138	6,779

On 16 November 2010, the date of Incorporation, the Company allotted 1 Ordinary share of £1 each.

On 25 November 2010 each £1 Ordinary capital was sub-divided into 1,000 Ordinary shares of 0.1p each.

On 25 November 2010, the Company allotted 138,338,979 ordinary shares of 0.1p each for 5.15p in exchange for 138,339,979 Ordinary Shares of $0.10 of Iron Glen Holdings Limited.

On 15 January 2011 56,155,002 ordinary shares of £0.001 each were issued to the founder shareholders of IGH in exchange for their shares in IGH.

On 3 February 2011 the £0.001 ordinary shares were subdivided into £0.00025 ordinary shares.

On 16 March 2011 340,831,564 ordinary shares of £0.00025 each were issued to certain shareholders of IGH in exchange for their shares in IGH.

6. NOTES TO THE FINANCIAL INFORMATION (continued)

6.2 *Called up share capital* (continued)

On 29 March 2011 6,706,668 ordinary shares of £0.00025 each were issued to remaining shareholders of IGH in exchange for their shares in IGH.

On 9 May 2011 the £0.00025 ordinary shares were consolidated into £0.001 ordinary shares.

Called up share capital

On 31 March 2011 the Company granted the following options exercisable at a subscription price per share noted below at any time in the period to 31 March 2014.

Name	*No. of Ordinary Shares*	*Price Per Share (£)*
Patrick Griffiths	6,409,989	0.031
John Bohringer	6,409,989	0.031
Joel Felix	1,134,984	0.031
Stephen White	1,000,000	0.031
Steven Sanders	11,684,994	0.031

The terms of the Option Agreement include a right of first refusal under which, if the option holder, after exercising the Option, wishes to sell some or all of the Ordinary Shares issued on the exercise of the Option, he must give notice to Half Shell Holdings Limited ("HSL") of the number and price of the Ordinary Shares to be sold and HSL has the right to purchase those Ordinary Shares. If HSL does not take up this right, the Ordinary Shares may then be sold at a price and otherwise on terms no less favourable than those offered to HSL.

At the date of this report the Company is issuing 15,000,000 placing shares of £0.001 by way of the Placing to investors to raise approximately £735,000 net of expenses. The placing is conditional upon Admission to AIM.

On 31 March 2011, the Company granted to Thomas Knifton a Warrant carrying the right to subscribe for up to 3,000,000 Ordinary Shares at an issue price of £0.001 at any time in the period to 31 March 2013 for services provided.

Conditional upon Admission to AIM ("Admission") the Company has granted to Allenby Capital Warrants carrying the right to subscribe for up to 4,445,708 Ordinary Shares of £0.001 each at an issue price of 5p, which Allenby Capital may exercise for up to 2,222,854 Ordinary Shares at any time in the period ending on 6 months from Admission and the remainder at any time in the period from 6 to 12 months from Admission. The Warrants are subject to adjustment to take account of further issues of shares by way of capitalisation of reserves, but not further issues of shares for cash. The Warrants cease to be exercisable following a takeover offer that results in a change of control of the Company. The Warrants may be transferred in whole or in part at any time by the warrant holder.

On 31 March 2011, the Company granted to Leo Knifton Warrants carrying the right to subscribe for up to 23,369,988 Ordinary Shares at an issue price of £0.0186. The Warrants may be exercised, subject to certain restrictions, at any time in the period from 31 March 2012 to 31 March 2014.

6.3 *Contingent liabilities*

There are no contingent liabilities outstanding at 31 December 2010.

6.4 *Ultimate controlling party*

The ultimate controlling party is Half Shell Holdings Limited.

6.5 *Auditors*

The auditors in the period were Jeffreys Henry LLP.

JEFFREYS HENRY LLP

Chartered Accountants

Finsgate 5-7 Cranwood Street
London EC1V 9EE

Telephone 020 7309 2222
Fax 020 7309 2309
Email jh@jeffreyshenry.com
Website www.jeffreyshenry.com

Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

3 June 2011

The Directors
Strategic Minerals Plc
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

And

Allenby Capital Limited
Claridge House
32 Davies Street
Mayfair
London
W1K 4ND

Dear Sirs,

1. Iron Glen Holdings Limited and Subsidiaries ("Iron Glen" or "Group")

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document (the "Admission Document"), dated 3 June 2011 of Strategic Minerals Plc ("SM") on the basis of the accounting policies set out in section 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose. It does not constitute audited statutory accounts.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

2. Basis of preparation

The financial information set out below is based on the audited consolidated financial statements ("financial statements") of Iron Glen for the period 1 June 2010 to 30 November 2010 and have been prepared on the basis set out in note 1 below after making such adjustments, as we considered necessary.

3. Responsibilities

The directors of Strategic Minerals Plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standard ("IFRS"). It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

4. Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

5. Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 3 June 2011, a true and fair view of the state of affairs of the Group as at 30 November 2010 and of its income statement, cash flow and statement of changes in equity for the period then ended, and has been prepared in accordance with IFRS in a form that is consistent with the accounting policies set out in note 1.

6. Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement;
- notes to the income statement, cash flow statement and the balance sheet.

Yours faithfully,

Jeffreys Henry LLP

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Iron Glen Holdings Limited comply with International Financial Reporting Standards (IFRS). The financial statement information is presented in Australian dollars ($).

Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.1 ***Principles of Consolidation***

The consolidated financial statements incorporate the assets and liabilities of the Group as at 30 November 2010 and the result of all entities for the period then ended. Iron Glen Holdings Limited and its subsidiary together are referred to in this financial report as the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

1.2 ***Exploration and Evaluation Expenditure***

Exploration, evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

1.3 ***Trade Receivables***

Trade receivables and other receivables are carried at amounts due less any allowance for specific doubtful debts.

1.4 ***Income Tax***

The Group adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1.5 *Impairment of Assets*

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 *Employee Entitlements*

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of long service leave and other employee entitlements which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Contributions made by the consolidated entity to employee superannuation funds are charged to expenses as incurred.

1.7 *Inventories*

Inventories are measured at the lower of cost and net realisable value.

1.8 *Mining licences*

Mining licences are carried at cost less, where applicable, impairment losses.

The carrying amount of mining licences is reviewed annually by the Directors to ensure that the recoverable amount of the assets, are not in excess of their carrying value.

1.9 *Share based payments*

The Group compensates its employees, directors and certain consultants with equity settled share based payments. Cost is recognised based on the value of goods and services rendered, unless that fair value cannot be estimated reliably. If the fair value of goods and services cannot be estimated reliably, the value of the goods and services rendered, and the corresponding increase in equity, shall be measured by reference to the value of the equity instruments granted. Transactions with employees and others providing similar services are measured at the fair value of the equity instruments granted.

1.10 *Plant and Equipment*

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation and impairment losses.

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Depreciation

Plant and equipment, are depreciated over their estimated useful lives ranging from 3 to 40 years to write off the net cost of each asset during its expected useful life. The straight line method of depreciation is used.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

1.11 ***Accounts Payable***

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

1.12 ***Financial assets and liabilities***

The net market values of the Group's financial assets and liabilities approximate their carrying amounts.

1.13 ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investment with original maturities of three months or less, and bank overdraft.

1.14 ***Goods and services tax***

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Balance Sheet inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.15 ***Financial Instruments***

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting adopted for financial assets that are delivered within time frames established by marketplace convention.

Financial instrument are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or losses are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group is no longer has any significant continuing involvement in the risks and benefits associated with the assets.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities are derecognised where related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Held to maturity investments

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

1.16 *Critical Accounting Estimates and Judgements*

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimate – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value assessments and value-in-use calculations performed in assessing recoverable amount incorporate a number of key estimates.

1.17 *Accounting standards effective but not yet adopted*

The AASB has issued new and amended accounting standards and interpretation that have mandatory application for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 9: Financial Instruments and AASB 2009-11: Amended to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretation 10 & 12) (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amended the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

Change made to accounting requirements include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- Simplifying the requirements for embedded derivatives;
- Removing the tainting rules associated with held-to-maturity assets;
- Removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised costs;

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.
- Reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

  The objective of the entity's business model for managing the financial assets; and;

  The characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirements for government related entities. No changes are expected to materially affect the Group.
- AASB 2009 – 8: Amendments to Australian Accounting Standards – Group Cash- settled Share-based Payment Transactions (AASB 2) (Applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments classify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 & 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.
- AASB 2009 – 9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters (AASB 1) (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.
- AASB 2009 – 10: Amendments to Australian Accounting Standards – classification of Right issues (AASB 132) (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options, or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants *pro-rata* to all existing owners of the same class of its own non – derivative equity instruments. These amendments are not expected to impact the Group.
- AASB 2009 – 12: Amendments to Australian Accounting Standards (AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052) (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect change made to the text of International Financial Reporting Standards by the IASB. The standards also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purpose of certain operating segment disclosures. These amendments are not expected to impact the Group.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 2009 – 13: Amendments to Australian Accounting Standards arising from Interpretations 19 (AASB 1) (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009 – 14: Amendments to Australian Interpretations – Prepayment of a Minimum Funding Requirement (AASB Interpretation 14) (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous requirements when an entity repays future contributions into a defined benefit pension plan. This interpretation is not expected to impact the Group.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JUNE 2010 TO 30 NOVEMBER 2010

	Notes	*2010* *$'000*
Continuing operations		
Other income		–
Share based payments	6.1	(75)
Depreciation expenses		(1)
Other expenses from ordinary activities	6.2	(216)
Loss before income tax		(292)
Income tax expense	6.10	–
(Loss) for the period		(292)
Loss attributable to:		
Owners of the parent		(292)
Net loss per share expressed in cents per share	6.6	(0.01)

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2010

	Notes	*2010* *$'000*
Assets		
Non-current assets		
Property, plant and equipment	6.7	3
Deferred exploration and evaluation expenditure	6.8	335
		338
Current assets		
Cash and cash equivalents	6.3	663
Other receivables	6.4	35
Other current assets	6.5	3
		701
Total assets		1,039
Equity attributable to the owners of the parent		
Issued capital	6.11	1,156
Share based payment reserve	6.12	75
Retained losses		(292)
Total equity		939
Liabilities		
Current liabilities		
Trade and other payables	6.9	100
		100
Total liabilities		100
Total equity and liabilities		1,039

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JUNE 2010 TO 30 NOVEMBER 2010

	Paid-up capital $'000	*Share based payment $'000*	*Accumulated losses $'000*	*Total $'000*
Balance at 1 June 2010	–	–	–	–
Loss for the period	–	–	(292)	(292)
Total comprehensive income for the period	–	–	(292)	(292)
Payment of dividends	–	–	–	–
Shares issued for the period	1,221	–	–	1,221
Cost of equity	(65)	–	–	(65)
Share based payments	–	75	–	75
Balance at 30 November 2010	1,156	75	(292)	939

5. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JUNE 2010 TO 30 NOVEMBER 2010

	Notes	*2010 $'000*
Cash flows from operating activities		
Cash generated from operations		(154)
Net cash generated from operating activities	6.13.2	(154)
Cash flows from investing activities		
Purchase of property, plant and equipment		(4)
Payment for exploration expenditure		(335)
Net cash generated from investing activities		(339)
Cash flows from financing activities		
Proceeds from issuing shares		1,156
Net cash generated from financing activities		1,156
Increase in cash and cash equivalents		663
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period	6.13.1	663

6. EXPENSES

Loss before income tax has been determined after the following expenses:

6.1 *Share based payments (refer to note 6.12)*

	$'000
Consulting fees	75
	75

6.2 *Other expenses from ordinary activities*

	Period to 30 November 2010 $'000
Accounting fees	4
Administration expenses	48
Audit fees	10
Consultants fees	73
Legal fees	62
Operating lease rentals	3
Postage and courier	1
Telephone	1
Travel expenses	6
Others	8
	216

6.3 *Cash and cash equivalents*

	As at 30 November 2010 $'000
Cash at bank	663
Cash in hand	–
	663

6.4 *Other receivables*

	As at 30 November 2010 $'000
Current	
GST receivable	35

6. EXPENSES (continued)

6.5 *Other current assets*

	As at 30 November 2010 $'000
Deposits	1
Prepayments	2
	3

6.6 *Loss per share*

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	As at 30 November 2010 $'000
Loss after tax for the period attributable to equity holders of the parent	(292)
Weighted average number of ordinary shares for the purpose of basic earnings per share	219,156,498
Basic loss per ordinary share (in $)	(0.0001)

6.7 *Property, plant and equipment*

	As at 30 November 2010 $'000
Office Equipment:	
At cost	4
Accumulated depreciation	(1)
Total Office Equipment	3
Total Property, Plant and Equipment	3

6.8 *Deferred exploration and evaluation expenditure*

	As at 30 November 2010 $'000
Exploration costs	335
Accumulated impairment	–
Total exploration and evaluation	335

The exploration costs include prepaid costs relating to exploration permit applications.

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. The group has an interest in certain exploration tenements and the amounts shown above include amounts expended to date in the acquisition and/or exploration of those tenements.

6. EXPENSES (continued)

6.9 *Trade and other payables*

	As at 30 November 2010 $'000
CURRENT	
Unsecured	
Trade payables	27
Accrued expenses	73
	100

6.10 *Income tax expense*

The *prima facie* tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	Period to 30 November 2010 $'000
Net Loss	(292)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(88)
Effects of:	
Non allowable deductions relating to share based payments	23
Total deferred taxes asset not recognised	65

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because it is not probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

The potential future income tax benefit will be obtained if:

- The relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be realised by another group in the Group in accordance with Division 170 of the Income Tax Assessment Act 1997;
- The relevant company continues to comply with the conditions for deductibility imposed by the law; and no changes in tax legislation adversely affect the Company in realising the benefit.

6.11 *Contributed equity and issued capital*

	As at 30 November 2010 $'000
Ordinary Shares	
Issued capital as at 30 November 2010 is 271,468,222 fully paid ordinary shares	
At the beginning of the period	–
Fully paid and issued during the period	1,221
Less: Capital issuance costs	(65)
At 30 November 2010	1,156

6. EXPENSES (continued)

6.11 ***Contributed equity and issued capital* (continued)**

	No of Shares
At the beginning of the reporting period	–
Issued during the period	271,468,222
At 30 November 2010	271,468,222

The group was initially capitalised with 211,000,200 founder shares. Subsequently two rounds of capital raisings and 1 round of Private Placements have been completed and a third round was in progress as at the reporting date. Private placements were made during November 2010.

	No of Shares
A summary of the capital issued as at the reporting date is as follows:	
– Founders shares (1 June 2010)	211,000,200
– Round 1 Offering (between 11 August to 20 September 2010)	8,333,400
– Round 2 Offering (between 1 October and 10 November 2010)	14,333,140
– Private placement (11 and 17 November 2010)	2,246,500
– Round 3 Offering (26 November and ongoing at reporting date)	500,000
Issued and paid up capital	236,413,240
Share based payments (refer to note 6.12):	
– Consulting fees	35,054,982
	35,054,982
Issued Shares	271,468,222

Capital management

Management's objective is to control the capital of the Group in order to provide adequate capital to support operations, meet debt obligations, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and attempts to adjust its capital structure in response to changes in these risks and in the market.

6.12 ***Share based payments***

The following share based payments were made during the period:

Consulting fees:

23,369,988 ordinary shares were issued during the period to pay for consulting fees. The value of the share based payment is $50,000 and is based on the value of services received.

11,684,994 ordinary were issued during the period to pay for consulting fees. The value of the share based payment is $25,000 and is based on the value of services received. The payment of shares was made to Matthew Bonthrone prior to his appointment as a director.

6. **EXPENSES (continued)**

6.13 ***Statement of cash flows reconciliation***

6.13.1 *Reconciliation of cash and cash equivalents*

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial period, as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	As at 30 November 2010 $'000
Cash and cash equivalents	663

6.13.2 *Reconciliation of net loss after tax to net cash flows from operations*

	Period to 30 November 2010 $'000
Net loss after income tax	(292)
Add/(less) non-cash items	
Depreciation	1
Share based payment reserve	75
Changes in assets and liabilities:	
(Increase) in trade and other receivables	(35)
(Increase)/decrease in other assets and liabilities	(3)
Increase/(decrease) in payables	100
Net cash provided by/(used in) operating activities	(154)

6.13.3 There are no commitments and contingencies of the parent entity as at reporting date of this report.

6.14 ***Auditors' remuneration***

Amounts received or due and receivable by PKF Australia for:

	Period to 30 November 2010 $'000
– An audit of financial report of the entity and any other entity in the consolidated entity	10
– Tax advice and secretarial services	4
	14

6.15 ***Contingent liabilities***

There are no contingent liabilities outstanding at 30 November 2010.

6. EXPENSES (continued)

6.16 ***Commitments***

Expenditure commitments

6.16.1 In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work and meet minimum expenditure requirements. These obligations are subject to periodic renegotiation. These obligations are not provided for in the financial report and are payable:

	As at 30 November 2010 $'000
Within one year	23
After one year but not more than five years	22
	45

6.16.2 Lease commitments

There are no lease commitments for the reporting period of the report.

6.17 ***Related party disclosure***

The Directors and other members of key management personnel of the Group during or since the end of the financial period are:

– John Bohringer (Appointed on 1 June 2010)
– Joel Sergio Felix (Appointed on 1 June 2010)
– Patrick Griffiths (Appointed on 1 June 2010)
– Matthew David Bonthrone (Appointed on 30 September 2010)

Key management personnel compensation:

	Period to 30 November 2010 $'000
Short-term employee benefits	51
Post-employment benefits	–
Other long-term employee benefits	–
	51

Certain benefits are paid to the directors' personal related entity.

The Group acquired EPM 15654, through the acquisition of Iron Glen Pty Ltd, an entity wholly owned by Walter Doyle on 14 June 2010 for $1 (refer to note 22).

No options are held by key management personnel at the date of this report.

6.18 ***Financial risk management***

Financial Risk Management Policies

The Group's financial instruments, consists mainly of deposits with banks, accounts payable and receivable. The Group's operations are primarily financed with equity capital.

6. EXPENSES (continued)

6.18 ***Financial risk management* (continued)**

Risk Management

The directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. These include the use of forecasts to determine future cash flow requirements.

Financial risk exposures and management

The main risk the Group is exposed to through its financial instruments is credit risk.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as discloses in the balance sheet and notes to the financial statements.

Credit risk is managed on a Group basis. It arises from exposures through deposits with financial institutions. The directors monitor credit risk by actively assessing the rating quality and liquidity of counter parties. Only banks and financial institutions with an 'A' rating are utilised.

Credit risk for counterparties included in financial assets and financial liabilities, at 30 November 2010 is detailed below:

	As at 30 November 2010 $'000
Deposits	1
Other Receivables	34
Total	35

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

The following table illustrates the contractual maturities of the Group's financial liabilities:

	As at 30 November 2010 $'000
Within six months	100
6-12 months	–
Between 1 and 2 years	–
	100
Total contractual cash flows	100
Carrying amount of liabilities	100
Non interest bearing	100
Fixed interest rate	–
Variable interest rate	–
	100

6. EXPENSES (continued)

6.18 *Financial risk management* (continued)

Financial Instrument

The Group is currently in the exploration phase therefore movements in commodity prices within reasonable ranges would not have a material impact on the comprehensive loss for the period.

6.19 *Controlled Entities*

6.19.1 *Subsidiaries of Iron Glen Holdings Ltd*

Iron Glen Pty Ltd, domiciled in Australia, is a 100 per cent. owned subsidiary of Iron Glen Holdings Ltd.

6.19.2 *Acquisition of Controlled Entities*

On 14 June 2010 Iron Glen Holdings Ltd acquired a 100 per cent. interest in Iron Glen Pty Ltd. The purchase consideration, assets and liabilities arising from the acquisition, are as follows:

	Acquiree's Carrying Amount *$*	*Fair Value* *$*
Purchase consideration:	1	1
Less:		
Exploration assets	30,000	30,151
Overdraft and payables	30,150	30,150
	(150)	1
Surplus (deficit)		–

6.20 *Events after the balance sheet date*

No significant events have occurred since balance sheet date which would impact on the financial position of the Group disclosed in the Balance Sheet as at 30 November 2010 or on the results and cash flows of the Group for the period ended on that date, apart from the following:

- Post 30 November 2010, there were 9,755,067 ordinary shares issued at $0.10/$0.15 each, amounting to $983,840.
- IGH is now a wholly owned subsidiary of SM.

6.21 *Segment information*

The Group operates in one geographic region which is Australia, and its sole business segment is the exploration of minerals.

6.22 *Company details*

The registered office and principal place of business of the Company is:

Nexus Towers North
Level 2, Suite 104
105-107 Scarborough Street,
Southport QLD 4215
Australia

6.23 *Auditors*

The auditors in the period were PKF Australia, Level 5, RSL Centre, 9 Beach Rd, Surfers Paradise, Queensland, 4217, Australia.

PART 5

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE GROUP

Set out below is an unaudited pro forma statement of net assets based on the net assets of Strategic Minerals Plc ("SM") and the consolidated net assets of Iron Glen Holdings Limited ("IGH"). This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of IGH placing receipts post 30 November 2010, SM's placing receipts on Admission and if the share for share exchanges between SM and IGH's shareholders had occurred on 31 December 2010.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of SM or the Enlarged Group.

The statement of pro forma net assets set out below is based on the audited balance sheet of SM as at 31 December 2010 (as extracted without material adjustment from SM's financial information in Part 4 of this document and IGH (as extracted without material adjustment from IGH's financial information as at 30 November 2010 in Part 4 of this document), and other adjustments on the basis described in the notes below. The Enlarged Group will adopt IGH's accounting policies.

Unaudited pro forma statement of net assets as at 31 December 2010

	Strategic Minerals £'000	*Iron Glen Holdings £'000*	*Equity raised £'000*	*Acquistion of further interest in IGH £'000*	*Admission costs £'000*	*Placing £'000*	*Consolidation adjustments £'000*	*Consolidated position enlarged group £'000*
Non current assets								
Property Plant Equipment		2						2
Exploration costs		209						209
Investments	6,917			9,073			(15,990)	
	6,917	211	–	9,073	–	–	(15,990)	211
Current assets								
Trade and other receivables		24						24
Cash as cash equivalents		414	592		(385)	750		1,371
	–	438	592	–	(385)	750	–	1,395
Total assets	6,917	649	592	9,073	(385)	750	(15,990)	1,606
Current liabilities								
Trade and other payables		(62)			(102)			(164)
	–	(62)	–	–	(102)	–	–	(164)
Total liabilities	–	(62)	–	–	(102)	–	–	(164)
Net assets	6,917	587	592	9,073	(487)	750	(15,990)	1,442

Notes:

1. The financial information in respect of SM as at 31 December 2010 has been extracted, without material adjustment, from the financial information as , as set out in Part 4 to this document.

2. The financial information in respect of IGH as at 30 November 2010 has been translated from Australian $ to GBP at an exchange rate of 1.6 and extracted, without material adjustment, from the consolidated financial information, as set out in Part 4 to this document.

3. The equity raised by IGH, at 10 Australian cents per share ,in the period from 1 December 2010 to 18 March 2011 was AUS$929k net of commissions and this has been translated from Australian $ to GBP at an exchange rate of 1.6. The equity raised by SM was AUS$20k.
4. At 31 December 2010 a share for share exchange had been undertaken between SM and certain shareholders of IGH. Since 1 December 2010 the remaining IGH shareholders have accepted the offer made by SM and the acquisition of further interest noted above represents the allotment of SM shares to the remaining IGH shareholders at 18 March 2011. These have been valued at 10 Australian cents.
5. The pro forma net asset statement has been prepared on the basis that the acquisition by SM of a 100% interest in IGH is not accounted for as a business combination under IFRS 3 (Revised) but as a group reorganisation. There will be approximately £487,000 of fees incurred by SM in respect of the Admission.
6. The Placing receipts of £750,000 before expenses are conditional on Admission.
7. The pro forma financial information does not constitute statutory accounts within the meaning of section 485 of CA 2006.
8. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 31 December 2010 for either SM or IGH.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company and the Directors, whose names and functions appear on page 11, accept responsibility, individually and collectively, for the information contained in this Admission Document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and contains no omission likely to affect the import of such information. All Directors accept responsibility accordingly.

1.2 Jeffreys Henry LLP, reporting accountants to the Company, whose name and address appears on page 11, has given and not withdrawn its written consent to the inclusion of the accountants' reports in Part 4 of this Admission Document and the references to such report in the form and context in which they appear, and the pro-forma statement of net assets in Part 5. To the best of the knowledge of Jeffreys Henry LLP (which has taken all reasonable care to ensure that such is the case), the information contained in the accountants reports in Part 4 of this Admission Document, and the information contained in the pro-forma statement of net assets in Part 5, is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered in England and Wales on 16 November 2010 as a private limited company with the name of Strategic Minerals Limited and with registered number 07440902. By special resolution dated 3 February 2011 the Company was converted to a public limited company and the name of the company was changed to Strategic Minerals plc on 9 February 2011.

2.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.3 The Company's registered office is at Finsgate, 5-7 Cranwood Street, London EC1V 9EE, England. The telephone number of the Company is +61 (0) 7 55 32 44 48.

2.4 The Company's principal place of business is at Suite 104, Nexus Towers, 105/107 Scarborough Street, Southport, Queensland 4215, Australia. The telephone number of the Company is +61 (0) 7 55 32 44 48.

2.5 The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

2.6 International Registrars Limited was appointed company secretary of the Company on 16 November 2010. Patrick Griffiths was appointed joint company secretary of the Company on 8 December 2010 and resigned from that position on 24 March 2011.

2.7 The Company's ISIN number is GB00B4W8PD74.

2.8 The business of the Company and its principal activity is that of an investment and holding company.

3. Subsidiaries and investments

3.1 The Company has the following wholly owned subsidiaries as follows:

Name	*Country of incorporation (registered number)*	*Date of incorporation*	*Activity*
Iron Glen Holdings Limited	Australia	1 June 2010	Holding Company
Iron Glen Pty Ltd	Australia	16 July 2009	Trading

3.2 Except as stated in this paragraph 3, the Company does not have, nor has it taken any action to acquire, any significant investments.

3.3 Save as disclosed in this paragraph 3, the Company does not hold, and nor will it on Admission hold, a proportion of the capital of any undertaking likely to have a sufficient effect on the assessment of its own assets and liabilities, financial position or profits and losses.

4. Share capital

4.1 The entire issued share capital of the Company at the date of the Admission Document is, and assuming full subscription of the Placing, following Admission will be 296,380,539 Ordinary Shares. The Ordinary Shares are issued in Pounds Sterling.

4.2 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form under the CREST system, which is a paperless settlement procedure in accordance with the Uncertificated Securities Regulations 2001 enabling securities to be evidenced and transferred otherwise than by a written instrument. The Company's Registrars, SLC Registrars Limited, are responsible for keeping the Company's register of members.

4.3 Since incorporation, there have been the following changes to the Company's issued share capital

4.3.1 By written resolution passed on 25 November 2010, the one issued ordinary share in the Company was subdivided into 1,000 ordinary shares of £0.001 each in the Company.

4.3.2 On 25 November 2010, on completion of the acquisition by the Company of 138,339,979 IGH Shares transferred by Half Shell Holdings Limited ("**HSH**"), the Company issued to HSH, credited as fully paid at par, a total of 138,339,979 Ordinary Shares in the Company.

4.3.3 On 15 January 2011, 56,155,002 Ordinary Shares were issued to founding shareholders of IGH in exchange for their 56,155,002 IGH Shares.

4.3.4 On 3 February 2011, all of the issued and unissued ordinary shares of £0.001 each in the capital of the Company were subdivided into ordinary shares of £0.00025 each, for each on the basis of four new ordinary shares of £0.00025 for each ordinary share of £0.001.

4.3.5 Following acceptances of the IGH Share Exchange Offer, on 16 March 2011 the Company issued 85,207,891 Ordinary Shares of to those holders of IGH Shares who had accepted the IGH Share Exchange Offer at the time.

4.3.6 On 29 March 2011, following acceptances of the IGH Share Exchange Offer by the remaining holders of IGH Shares, the Company issued 1,676,667 Ordinary Shares to those remaining shareholders in exchange for their IGH Shares.

4.3.7 On 9 May 2011, all the issued and unissued ordinary shares of £0.00025 each in the capital of the Company as at the date of the resolution were consolidated and divided into ordinary shares of £0.001 each on the basis of one new ordinary share of £0.001 credited as fully paid for each four ordinary shares of £0.00025 each held by shareholders.

4.3.8 With effect immediately upon Admission, and pursuant to the authority given by the resolutions referred to in paragraph 4.8 below, 15,000,000 new Ordinary Shares will be allotted at the Placing Price pursuant to the Placing.

4.4 On 31 March 2011, the Company granted to the persons listed in Column (1) below options to subscribe for the numbers of Ordinary Shares shown opposite their respective names in Column (2), exercisable at a subscription price per share of the amount shown in Column (3) below at any time in the period to 31 March 2014.

(1) *Name*	*(2)* *No. of Ordinary Shares*	*(3)* *Price Per Share (£)*
Patrick Griffiths	6,409,989	0.031
Steven Sanders	11,684,994	0.031
John Bohringer	6,409,989	0.031
Joel Felix	1,134,984	0.031
Stephen White (as trustee of YT Trust)	1,000,000	0.031

The terms of the Option Agreements include a right of first refusal under which, if the option holder, after exercising the Option, wishes to sell some or all of the Ordinary Shares issued on the exercise of the Option, he must give notice to HSH of the number and price of the Ordinary Shares to be sold and HSH has the right to purchase those Ordinary Shares. If HSH does not take up this right, the Ordinary Shares may then be sold at a price and otherwise on terms no less favourable than those offered to HSH.

4.5 On 31 March 2011, the Company granted to Mr. Leo Knifton Warrants carrying the right to subscribe for up to 23,369,988 Ordinary Shares at an issue price of £0.0186. The Warrants may be exercisable at any time in the period from 31 March 2012 to 31 March 2014. The Warrants are subject to adjustment to take account of further issues of shares by way of capitalisation of reserves, but not further issues of shares for cash. The Warrants cease to be exercisable following a takeover offer that results in a change of control of the Company. The Warrants may be transferred in whole or in part at any time by the warrantholder subject to certain restrictions. The Ordinary Shares issued on the exercise of the Warrants may not be sold or otherwise disposed of by the warrantholder without the consent of Allenby Capital or its successor for a period of 12 months from 31 March 2012.

4.6 On 31 March 2011, the Company granted to Thomas Knifton Warrants carrying the right to subscribe for up to 3,000,000 Ordinary Shares at an issue price of £0.001 at any time in the period to 31 March 2013. The Warrants are subject to adjustment to take account of further issues of shares by way of capitalisation of reserves, but not further issues of shares for cash. The Warrants cease to be exercisable following a takeover offer that results in a change of control of the Company. The Warrants may be transferred in whole or in part at any time by the warrantholder.

4.7 On 1 June 2011, the Company granted to Allenby Capital, conditional upon Admission, Warrants carrying the right to subscribe for up to 4,445,708 Ordinary Shares at an issue price of 5p, which Allenby Capital may exercise for up to 2,222,854 Ordinary Shares at any time in the period ending 6 months from Admission and the remainder at any time in the period from 6 to 12 months from Admission. The Warrants are subject to adjustment to take account of further issues of shares by way of capitalisation of reserves, but not further issues of shares for cash. The Warrants cease to be exercisable following a takeover offer that results in a change of control of the Company. The Warrants may be transferred in whole or in part at any time by the warrantholder.

4.8 Section 561(1) of the Act gives the Company's shareholders pre-emption rights on any new issue of equity securities (as defined in section 560 of the Act) for cash by the Company except for issues of shares under an employee share scheme, to the extent that such pre-emption rights have not been disapplied by a special resolution passed pursuant to Section 569(1) of the Act.

4.9 On 9 May 2011, the members of the Company passed an ordinary resolution authorising the Directors to allot shares or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £1,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2012 or the date falling fifteen months after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. By special resolution passed on 9 May 2011, the Directors were empowered to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority to allot shares or grant Rights set out earlier in this paragraph, as if section 561(1) of the Act did not apply to any such allotment.

4.10 The Ordinary Shares have been created under the Articles and will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of the Admission Document. The Ordinary Shares are entitled on a *pari passu* basis with all issued Ordinary Shares to share in any surplus on a liquidation of the Company.

4.11 15,000,000 Ordinary Shares are being issued pursuant to the Placing at a price of 5p per Ordinary Share which represents a premium of 4.99p over their nominal value of £0.001 each. No expenses are being charged to any subscriber or purchaser.

4.12 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital, further details of which are set out in paragraph 5.3 of this Part 6. The dividend and voting rights attaching to the Ordinary Shares are also set out in paragraph 5.3 of this Part 6.

4.13 The Ordinary Shares have no redemption or conversion rights.

4.14 Save as disclosed in this Admission Document, there are no acquisition rights or obligations over authorised but unissued capital, nor is there an undertaking to increase the share capital of the Company.

4.15 Save as disclosed in this Admission Document:

4.15.1 no share or loan capital of the Company has been issued or is proposed to be issued;

4.15.2 no person has any preferential or subscription rights for any share capital of the Company;

4.15.3 there are no convertible securities, exchangeable securities or securities with warrants issued by the Company;

4.15.4 the Company does not have in issue any securities not representing share capital, and none of the Company's shares are held by or on behalf of the Company itself; and

4.15.5 no share or loan capital of the Company is proposed to be issued or is under option or is the subject of an agreement, conditional or unconditional, to be put under option and Ordinary Shares have been issued to the Directors or any other person pursuant to the exercise of options.

4.16 The Ordinary Shares are to be freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint holders as transferees and is in respect of only one class of shares, and the transfer procedure set out at paragraph 5.3 of this Part 6 has been complied with. Transfer restrictions may apply to shares where a member has failed to comply with a notice requesting information served by the Company under Section 793 of the Act.

4.17 A shareholder is required pursuant to Part 22 of the Act to notify the Company when he acquires or disposes of a material interest in shares in the capital of the Company equal to or in excess of 3 per cent. of the nominal value of that share capital (and thereafter any whole percentage change in such interests).

4.18 No person has made a public takeover bid for the Company's issued share capital in the financial period to 30 November 2010 or in the current financial period.

5. Memorandum and Articles of Association

A summary of the terms of the Articles of Association of the Company is set out below. The summary below is not a complete copy of the terms of the Articles of Association of the Company.

5.1 At the Company's General Meeting held on 3 February 2011 the Company was re-registered as a public company and adopted new articles of association applicable to a public company limited by shares, incorporating various amendments to reflect the changes in company law brought about by the Act, which came into effect on 1 October 2009, and by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations"), which came into effect on 3 August 2009 and which amended the provisions of the Act in relation to certain rights of shareholders at meetings of the Company. Under the Act, as from 1 October 2009, all provisions of the Company's memorandum of association are deemed to form part of the Company's articles of association including, in particular, the statement of objects and the statement of authorised share capital. The Act does not require a company to set out its objects. It provides that, unless the articles of association state otherwise, a company's objects will be unrestricted. The Act also removes the requirement for a company to have an authorised share capital.

5.2 The Company is managed and controlled outside the United Kingdom. For this reason the Takeover Code does not apply to the Company. Although the Ordinary Shares will be admitted to trading on AIM, the Company will not be subject to the Takeover Code in the UK. The Articles of the Company do not contain provisions that mirror those provided by the Takeover Code.

5.3 The Articles of Association of the Company as adopted by special resolution on 3 February 2011 (the "Articles") contain, *inter alia*, provisions to the following effect:

5.3.1 *Voting Rights*

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present), on a show of hands every member who being an individual is present in person or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act and the Articles.

5.3.2 *Variation of rights*

If at any time the capital of the Company is divided into different classes of shares, none of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Act, the sanction of a special resolution passed at a separate meeting of the members of that class but not otherwise.

5.3.3 *Dividends*

Subject to the provisions of the Act and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the Directors. Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on Ordinary Shares in such amounts as and when they see fit. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. Subject to the provisions set out in the Articles, the Directors may resolve to issue script dividends.

Any dividend unclaimed after a period of 12 years from the date of its declaration shall, if the Directors so resolve, shall be forfeited and will revert to the Company.

5.3.4 *Untraceable members*

Subject to various notice requirements, the Company may sell any shares of a shareholder if, during a period of 12 years, at least three dividend payments on those shares have become payable and the cheques or warrants have remained uncashed and on or after the expiry of that period of 12 years, the Company has published advertisements both in an international newspaper and in a newspaper circulating in the area of the last known address of the shareholder and the Company has received no indication of the existence of such shareholder during such period. Notice of the intention to sell must also be given to the nominated adviser of the Company for the time being.

5.3.5 *Return of capital on winding up*

On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Act, be divided amongst the members.

5.3.6 *Power to issue shares*

Subject to the Statutes (as defined in the Articles) and to the authority of the company in General Meeting required by the Statutes, the Directors may allot, grant options over, offer or otherwise deal with or dispose of any share of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine. The Directors may not issue any relevant securities unless authorised to do so by an ordinary resolution of the Company and relevant securities may not be allotted for cash unless authorised to do so by a special resolution of the Company. Any such resolution shall state the maximum amount of relevant securities that can be allotted under it and shall also state the date on which such authority shall expire. Any authority must not be for more than five years from the date on which the resolution is passed.

5.3.7 *Restrictions on transferability of share*

Subject to the provisions of the Articles relating to CREST, in order to transfer Ordinary Shares, all transfers must be in any usual form or in such other form which the Directors may approve, and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

The Directors may, in their absolute discretion and without assigning any reason (but must provide the transferee with a notice of the refusal within two months), refuse to register the transfer of a share if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. The Directors may also decline to register any instrument of transfer unless (i) it is in respect of only one class of share; (ii) it is lodged with the Company, together with the relevant share certificate(s); and (iii) it is in favour of not more than four transferees jointly.

Notwithstanding any other provision of the Articles the Directors may (in their absolute discretion and without given any reason therefor) refuse to register any transfer of a share to a "Prohibited Person" (being, *inter alia*, a person who, by virtue of his holding, may, in the opinion of the Board, cause or be likely to cause the Company and/or Shareholders some regulatory, pecuniary, legal or material administrative disadvantage that might not otherwise be suffered or incurred). If any transferee is a Prohibited Person or the Board otherwise determines that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the Board otherwise determines (in its sole discretion and without being obliged to provide its reasons thereof) that such holding is not in the Company's interest, the Company may direct such transferee to sell his shares to a person who is not a Prohibited Person within thirty clear days of the notice of refusal.

In exceptional circumstances approved by the London Stock Exchange, the Directors may refuse to register any such transfer, provided that their refusal does not disturb the market.

The Articles contain no other restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

5.3.8 *Notifiable interest in holdings of shares*

A person is required by law to notify the Company if he has a "notifiable interest" in holdings of three per cent. or more of the Company's total voting rights and capital in issue. The obligation also arises if such holdings change to reach, exceed or fall below every one per cent. increment above three per cent. of the Company's total voting rights and capital in issue. "Notifiable interests" in this context include both direct and indirect interests in the voting rights of the Company, and financial instruments which give the holder the formal entitlement to acquire shares with voting rights attached. The obligations to notify the Company as aforesaid are subject to certain exceptions set out in the Disclosure and Transparency Rules published by the FSA.

5.3.9 *Alteration of share capital*

The Company may by ordinary resolution cancel any unissued shares, consolidate all or any of its share capital into shares of larger amount and, subject to the provisions of the Statutes, subdivide its shares into shares of smaller amount. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

5.3.10 *Purchase by the Company of its own shares*

Subject to the provisions of the Act and to the authority of the Company in general meeting required by the Act, the Company may purchase its own shares.

5.3.11 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow upon such terms and in such manner as they think fit and, subject to the provisions of the Act, to grant any mortgage, charge or debentures, debenture stock or other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

5.3.12 *Board of Directors*

No shareholding qualification is required by a Director. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall be not less than two but not more than eight. The Directors shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meetings of the Company.

The Company may by ordinary resolution appoint any person to be a Director or may by ordinary resolution remove any Director.

Subject to the provisions of the Articles, at the annual general meeting of the Company in each year, one-third of the Directors for the time being shall retire from office by rotation. The Directors to retire by rotation on each occasion shall be those directors that have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire, shall retire by rotation at the third annual general meeting after his last appointment or reappointment.

The Directors shall have the power at any time to appoint any person as a director, either to fill a casual vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for election and any Director who so retires shall not be taken into account in determining the number of directors who are to retire by rotation.

Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit.

5.3.13 *Disclosure of Interests in Contracts*

Any Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of director and, subject to Section 188 of the Act, on such terms as to remuneration and otherwise as the Board shall arrange.

Any Director may continue to be or become a Director, managing director, manager, executive or other officer or member of any other company or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the Company may be interested as shareholder or otherwise or any parent undertaking or subsidiary undertaking of any parent undertaking of the Company, and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager, executive or other officer or member of any such other company which derive from any such office or employment or from any contract, transaction, or arrangement with or from his membership or interest in such other body corporate or undertaking. No such office, employment, contract, transaction or arrangement or interest shall be liable to be avoided on the ground of any such interest or benefit.

The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers, executives or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a Director, managing director, manager, executive or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

Subject to the provision of the Statutes (as defined in the Articles), no Director or intending Director shall be disqualified by his office from contracting with the Company (or otherwise entering into any arrangement, transaction or proposal with the Company) either as vendor, purchaser or otherwise nor, subject to the interest of the Director concerned being duly declared as required by Articles 94 of the Articles, shall any such contract or arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit, remuneration or other benefit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) on any resolution including:

(i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he (together with any person connected with him) is not the holder or beneficially interested in one per cent. or more of any class of shares (excluding any shares held as treasury shares) or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of HM Revenue & Customs for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relate;

(vi) any contract, arrangement or proposal for the benefit of employees of the group under which the Director benefits in a similar manner as the employees or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relates; and

(vii) any proposal concerning insurance which the Company proposes to maintaining or purchase for the benefit of Directors or for the benefit persons including Directors.

Subject to and only to the extent permitted by the Act, the Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:

(i) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and

(ii) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 95.6.1 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that the authorisation is only effective if:

    (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of Article 95 of the Articles.

5.3.14 *Remuneration and other Compensation of Directors*

The Directors shall determine the remuneration of the Directors. The Directors shall be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination of the two. The Directors may also by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a director.

There shall be available to be paid out of the funds of the Company to the Directors as fees for their services as Directors (excluding amounts payable under any other provisions in the Articles and the remuneration of any Managing Director or Director holding executive office) in each year such sums as the Board may determine form time to time not exceeding an aggregate sum of £200,000 or such other higher amount as sanctioned by ordinary resolution of the Company.

The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two if there are two or more directors, and shall be one if there is only one Director.

5.3.15 *General Meetings*

The Company shall in each year hold a general meeting as its annual general meeting. The annual general meetings shall be held at such time and place as the directors shall determine.

The Directors may, (in addition) call a general meeting other than the annual general meeting and shall, upon a shareholders' requisition convene an extraordinary general meeting. A shareholders' requisition is a requisition of shareholders of the Company holding at the date of deposit of the requisition not less than five per cent. in par value of the capital of the Company as at that date that carries the right of voting at general meetings of the Company.

At the least 21 days' notice shall be given of any annual general meeting and at least 14 clear days' notice shall be given in respect of any other general meeting of the Company to those members who under the provisions of the Articles or under the rights attached to the shares held by them are entitled to receive the notice, and to the auditors. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting.

Subject to the provisions of the Act, a resolution may be put to a vote at a general meeting of the Company or any class of shareholders only if (i) it is proposed by or at the direction of the Directors; (ii) it is proposed at the direction of the court; (iii) it is proposed on the requisition in writing of such number of shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Act; or (iv) the chairman of the meeting, in his absolute discretion, decides that the resolution may properly be put to a vote at that meeting.

No business shall be transacted at any general meeting unless a quorum is present. Two shareholders being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has only one shareholder entitled to vote at such general meeting in which case the quorum shall be that one shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. In the case of an equality of votes, the chairman of the Meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member.

Unless a poll is demanded in accordance with Article 65 of the Articles, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

The instrument appointing a proxy must be in writing in any usual or common form, or such other form as may be approved by the Directors, and will be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorized, or if permitted by the Directors, in electronic form in the manner and form and subject to such terms and conditions as the Directors may decide. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

6. Mandatory bids, Squeeze Out Rights and Sell Out Rights

6.1 Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

6.2 Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. United Kingdom Taxation

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the United Kingdom regarding the ownership and disposal of Ordinary Shares. This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares and should not be construed as constituting advice. It addresses certain limited aspects of the UK taxation position of UK resident, ordinarily resident and domiciled Shareholders who are beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. **Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares.** This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

7.1 ***Taxation of Dividends***

No tax will be withheld by the Company when it pays a dividend.

A UK resident individual shareholder who receives a dividend from the Company will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and related tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The lower rate of income tax on dividend income is currently 10 per cent.

An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.,) will have no income tax to pay in respect of the dividend.

The higher rate of income tax on dividends is currently 32.5 per cent. with in the 40 per cent. income tax bracket and 42.5 per cent. within the 50 per cent. bracket. This means that an individual shareholder who is taxed on the dividend in the 40 per cent. bracket will have further income tax to pay at a rate of 22.5 per cent. of the cash dividend paid plus the related tax credit (or 25 per cent. of the net dividend). An individual shareholder in the 50 per cent. bracket will have further income tax to pay at a rate of 32.5 per cent. of the cash dividend paid plus the related tax credit (or approximately 36.1 per cent. of the net dividend).

UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company and the dividend received and related tax credit will constitute franked investment income.

Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

7.2 ***Taxation of Chargeable Gain***

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Acquisition will be regarded as an acquisition of new holding in the share capital of the Company.

The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the ate of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding. If a shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on their circumstances arise. UK resident individuals and trustees are generally subject to capital gains tax at a current flat rate of 28 per cent. (reduced to 18 per cent. where a gain falls within an individual's unused basic rate income tax band).

Gains made by UK resident companies are subject to corporation tax but there is an entitlement to indexation allowance which may reduce the chargeable gain.

A Shareholder who is neither resident or ordinarily resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the shareholder is a company) or through a branch or agency (where the shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

7.3 ***Stamp Duty and Stamp Duty Reserve Tax***

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will generally give rise to a liability to pay UK *ad valorem* stamp duty, or stamp duty reserve tax, at the rate in each case of 50 pence per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the neareast £5).

8. Substantial Shareholders

8.1 Except for the interests of the Directors, which are set out in paragraph 9 of this Part 6 and those persons set out in this paragraph, the Directors are not aware, at the date of the Admission Document, of any interest which immediately following Admission would amount to three per cent. or more of the Company's issued share capital:

Name	*No. of Ordinary Shares*	*Percentage of issued Ordinary Shares before exercise of Options and Warrants* — *As at the date of this Admission Document*	*Immediately following Admission (assuming full subscription of the Placing Shares)*
Half Shell Holdings Limited*	190,901,250	67.84%	64.41%
Leo Knifton**	23,369,988	8.31%	7.89%
Joel Sergio Felix***	10,550,010	3.75%	3.56%
Matthew David Bonthrone	11,684,994	4.15%	3.94%

* Walter Doyle is the sole director and shareholder of Half Shell Holdings Limited and has agreed to underwrite the Placing.

** In addition to the Ordinary Shares held by Mr. Knifton, he also holds Warrants to subscribe for up to 23,369,988 Ordinary Shares, details of which are summarised in paragraph 4.5 above.

*** In addition to the Ordinary Shares held by Mr. Felix, he also holds options to subscribe for 1,134,984 Ordinary Shares, details of which are summarised in paragraph 4.4 above.

8.2 Save as disclosed above, as at the date of the Admission Document, the Directors are not aware of any interest of persons connected with them which would, if such persons connected were a Director, require to be notified to the Company under Chapter 3 of the Disclosure and Transparency Rules and could be required to be entered in the register of directors' interests pursuant to section 809 of the Act.

8.3 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 9 of this Part 6, has voting rights different from other holders of Ordinary Shares.

8.4 Except as regards the shareholding of Half Shell Holdings Limited, the Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

8.5 Save as disclosed in paragraphs 8.1 and 9.1, as at the date of the Admission Document, the Company and the Directors are not aware of any interest (which is notifiable under Rule 5.1.2 of the Disclosure and Transparency Rules) which directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

9. Directors' Interests

9.1 The interests of the Directors, their immediate families and civil partners (as defined in the Civil Partnership Act 2004) (if any) and persons connected with them, within the meaning of Sections 252-254 of the Act, in the issued share capital of the Company as at the date of the Admission Document which have been notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules or could, with reasonable diligence, be ascertained by the Directors, all of which are beneficial, and their holdings of options in respect of Ordinary Shares, are:

Directors	*No. of Ordinary Shares*	*Percentage of issued Ordinary Shares immediately following Admission (assuming full subscription of the Placing Shares) but before the exercise of the Options and Warrants*	*Options*
Patrick Griffiths	5,275,005	1.78%	6,409,989
Matthew Bonthrone	11,684,994	3.94%	–
Steven Sanders	–	–	11,684,994

9.2 Except as disclosed above, as at the date of the Admission Document, the Directors are not aware of any interests of persons connected with them which would, if such connected person were a Director, be required to be notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules and could be required to be entered in the register of directors' interests pursuant to section 809 of the Act.

9.3 Save as disclosed in paragraphs 8.1 and 9.1 above, as at the date of the Admission Document, the Company and the Directors are not aware of any interest (which is notifiable under Rule 5.1.2 of the Disclosure and Transparency Rules) which directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

9.4 None of the Directors, nor any persons connected with them, is interested in any related financial instrument (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet.

9.5 There are no outstanding loans granted by any member of the Group to any Director, nor has any guarantee been provided by any member of the Group for their benefit.

9.6 Save as disclosed in the Admission Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

9.7 In the case of the Directors who have roles as directors of companies which are not a part of the Group, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Group. There are currently no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.

10. Directors' Letters of Engagement and Service Contracts

10.1 By an agreement dated 1 June 2011, between the Company and Matthew Bonthrone, Mr. Bonthrone was appointed as an Executive Director of the Company with effect from his appointment as a director of the Company on 16 November 2010. The Company is to pay a salary to Mr. Bonthrone at a rate of £1,000 per annum. This rate will be reviewed upon any fundraising or acquisition by the Company that involves a significant addition to the responsibilities of Mr. Bonthrone and otherwise is subject to review on a yearly basis. Mr. Bonthrone is required to devote such time and attention to the affairs of the Company as may be required. If and to the extent that he undertakes other functions or roles for other companies, he may only do so with the approval of the directors and in circumstances in which his duties to the Company take priority. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Bonthrone is in material breach of the terms of the appointment.

10.2 By an agreement dated 1 June 2011, between the Company and Patrick Griffiths, Mr. Griffiths was appointed as Chief Executive Officer and Chief Financial Officer of the Company with effect from his appointment as a director of the Company on 8 December 2010. The Company is to pay a salary to Mr. Griffiths at a rate of £1,000 per annum. This rate will be reviewed upon any fundraising or acquisition by the Company that involves a significant addition to the responsibilities of Mr. Griffiths and otherwise is subject to review on a yearly basis. Mr. Griffiths is required to devote such time and attention to the affairs of the Company as may be required. If and to the extent that he undertakes other functions or roles for other companies, he may only do so with the approval of the directors and in circumstances in which his duties to the Company take priority. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Griffiths is in material breach of the terms of the appointment.

10.3 On 1 June 2011, the Company entered into a letter of appointment with Steven Sanders in respect of his appointment as non-executive chairman of the Company with effect from his appointment as a director of the Company on 8 December 2010. The terms of this letter provide for an annual fee of £1,000. The appointment will be subject to one month's notice of termination by either party. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Sanders is in material breach of the terms of the appointment.

10.4 On 1 June 2011 the Company entered into a letter of appointment with Alex Borrelli in respect of his appointment as a Non-Executive Director of the Company with effect from his appointment as a director of the Company on 28 February 2011. The terms of this letter provide for a monthly fee of £2,500. The appointment will be subject to one month's notice of termination by either party. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Borrelli is in material breach of the terms of the appointment.

10.5 Save as otherwise disclosed in this Admission Document there was no remuneration paid or benefits in kind granted to the Directors for the period from incorporation to Admission, under the arrangements in force at the date of the Admission Document. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 1 June 2012 under arrangements that are in force and that will come into effect on Admission will amount to £33,000.

10.6 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors. None of the Directors has any commission or profit sharing arrangements with the Company.

10.7 Except as provided for in paragraphs 10.1 to 10.4 above, the total emoluments of the Directors will not be varied as a result of the Admission.

10.8 Except as disclosed in this paragraph 10, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of the Admission Document.

11. Additional Information on the Board

11.1 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which unless otherwise stated are incorporated in the UK) within the five years prior to the publication of the Admission Document:

Director	*Current directorship:*	*Previous directorship:*
Steven Sanders	Op-Tech Environmental Services Inc (Delaware) Helijet International (Canada) TC Power Mgt. Inc (Nevada) Sanders, Ortoli, Vaughn-Flam, Rosenstadt, L.L.P (New York)	Vectr Resources Inc (Nevada) Mexoro Resources Inc (Colorado)
Patrick Griffiths	Iron Glen Holdings Limited (Australia) Iron Glen Pty Limited (Australia) Brumby Group Pty Limited (Australia) Brumby Mines Pty Limited (Australia) Propelled Energy Systems Pty Ltd (Australia)	Adavale Holdings Pty Limited (Australia) Bicarb Sequestration Pty Limited (Australia) Co2 Energy Storage Pty Ltd (Australia) Derby Salt Pty Limited (Australia) Queensland Potash Pty Limited (Australia) Drummond Basin Phosphate Pty Limited (Australia) Wishbone Gold Pty Limited (Australia)
Matthew Bonthrone	Base Interactive Limited Iron Glen Holdings Limited (Australia)	Wilsonix Limited Smythe Property Limited Bonthrone Limited Cellular Contracts Limited Cellular Contracts UK Limited Intercell UK Limited Spy UK Limited NCM Europe Limited Smythe Limited
Alex Borrelli	Ablon Group Limited (Guernsey) BNB Recruitment Solutions PLC (in liquidation) BWA Group plc Capcon Holdings plc Nordic Panorama plc (in liquidation)	ABDM Limited IAF Capital Limited IAF Corporate Finance LLP IAF Securities Limited (in liquidation) Shore Capital and Corporate Limited Shore Capital Markets Limited

Mr. Borrelli was appointed as a director of IAF Securities Limited (in liquidation) ("**IAFS**") on 1 September 2008 and resigned on 18 January 2009. IAFS entered into a creditors' voluntary liquidation on 23 March 2009. IAF Securities is part of IAF Group plc (in liquidation), a company whose securities were previously traded on AIM.

Mr. Borrelli was appointed as a director of BNB Recruitment Solutions plc (in liquidation) ("**BNB**") on 5 April 2007. BNB was placed into administration on 29 June 2009 and entered into a creditors' voluntary liquidation on 25 January 2010.

Mr. Borrelli was appointed as a director of Nordic Panorama plc (in liquidation) ("**NPP**") on 10 September 2008. NPP was placed into a member' voluntary winding up pursuant to a resolution of the members on 2 September 2010.

Mr. Bonthrone was appointed as a director of Bonthrone Limited on 1 December 1993 and resigned on 6 September 2007. Bonthrone Limited was placed into administration on 15 June 2006 and was liquidated and dissolved on 21 June 2007.

Mr. Bonthrone was appointed as a director of Spy UK Limited on 18 March 1999. On 17 November 2000, Spy UK Limited was placed into liquidation by extraordinary resolution of its members and was dissolved on 12 May 2006.

11.2 Save as disclosed in paragraph 11.1 above, no Director has:

11.2.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;

11.2.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;

11.2.3 been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

11.2.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

11.2.5 been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or

11.2.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

11.3 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

11.4 In the case of those Directors who have roles as directors of companies which are not a part of the Group, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Group. Except as mentioned above, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.

11.5 Except for the Directors, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

12. Material Contracts

12.1 The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group in the last two years or are other contracts that contain provisions under which the members of the Group have an obligation or entitlement which is material to the Group as at the date of the Admission Document:

Agreements relating to the Company

12.1.1 On 1 June 2011, the Company, the Directors and Allenby Capital entered into a nominated adviser and broker agreement. Under this agreement Allenby Capital will receive from the Company:

(a) a corporate finance fee of £150,000 plus VAT, payable at a rate of £10,000 per month starting from the date of thes Engagement Letter, with any balance outstanding being payable on Admission;

(b) a placing commission of 5 per cent. on any funds raised by Allenby Capital and a placing commission of 2 per cent. of the gross amount of the Placing from placees identified by the Company; and

(c) conditional on Admission, a warrant in respect of up to 4,445,708 Ordinary Shares, representing 1.5 per cent. of the issued capital of the Company on Admission, exercisable at the Placing Price as to 2,222,854 Ordinary Shares within 6 months from Admission and as to the remainder from 6 to 12 months from Admission.

Under this Agreement, the Company has appointed Allenby Capital to act as its nominated adviser as required by the AIM Rules for Companies, and as its broker. The Company agreed to comply with its legal obligations and those of AIM and the London Stock Exchange and to consult and discuss with Allenby Capital all of its announcements and statements and to provide Allenby Capital with any information which Allenby Capital believes is necessary to enable it to carry out its obligations to the Company or the London Stock Exchange as nominated adviser. Pursuant to this Agreement, Allenby Capital has agreed, *inter alia*, to provide such independent advice and guidance to the directors of the Company as they may require to ensure compliance by the Company on a continuing basis with the AIM Rules. The Agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The Agreement continues for an initial period of 12 months from Admission unless terminated for reason prior to such date in accordance with the terms of the Agreement and thereafter until terminated in accordance with the terms thereof.

12.1.2 On 1 June 2011, the Company, the Directors, Allenby Capital and Mr. Doyle entered into a Placing Agreement (the "Placing Agreement"), pursuant to which Allenby Capital, subject to certain conditions, including Admission taking place on or before 8 June 2011 (or such later date as the Company and Allenby Capital may agree, but not later than 11 July 2011), Allenby Capital has agreed to assist in the placing of Ordinary Shares proposed to be issued by the Company at the Placing Price and to procure Admission. Under the Placing Agreement, the Company is to pay Allenby Capital a commission under the terms of the nominated adviser and broker agreement referred to in paragraph 12.1.1 above.

The Company has agreed to pay all other costs and expenses relating to the application for Admission.

The Placing Agreement contains certain warranties given by the Directors, by Walter Doyle (the owner of Half Shell Holdings Limited and a director of Iron Glen Pty Ltd) and the Company, and indemnities given by the Company in favour of Allenby Capital. It also contains provisions entitling Allenby Capital to terminate the agreement prior to Admission if, among other things, a breach of any of the warranties occurs or on the occurrence of an event fundamentally and adversely affecting the position of the Company. The liability of the Company under the warranties and indemnities is not subject to a financial limit, but the liability of each of the Directors and of Mr. Doyle is subject to maximum financial limits.

12.1.3 On 1 June 2011, the Company (1), Allenby Capital (2), each of the Directors (other than Alex Borelli) (3), HSH (4), Walter Doyle (5), Joel Felix (6), John Bohringer (7) and Leo Knifton (8) entered into a Lock-In Deed pursuant to which each has agreed with the Company and Allenby Capital, not to dispose of any shares in the capital of the Company for a period of one year from Admission (or in the case of Leo Knifton, 6 months from Admission), other than in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror. They have also agreed that for a further period of 12 months (or in the case of Leo Knifton, 18 months from Admission), they will only dispose of their Ordinary Shares with the consent of the Company and Allenby Capital or its successor. In addition, on 1 June 2011, the Company (1), Allenby Capital (2) and Thomas Knifton (3) entered into a lock-in deed under which Mr. Thomas Knifton agreed that he would not dispose of any of the Warrants issued by the Company to him, or shares issued on the exercise of such Warrants for a period of six months from Admission. The restrictions in this Lock-In Agreement are subject to the same exceptions as are mentioned above. In addition, the restrictions cease upon a placing of any shares being completed by the Company after Admission.

12.1.4 On 1 June 2011, the Company entered into a Relationship Agreement with Allenby Capital and Walter Doyle. The Relationship Agreement regulates the relationship between Mr. Doyle, his associates and the Company on an arm's length and normal commercial basis. Amongst other things, Mr. Doyle undertakes not to use that shareholding to try and take control of the board of directors or to secure the appointment of any additional or replacement directors.

12.1.5 On 14 June 2010, Iron Glen Pty Ltd and Mr. Walter Doyle entered into an Agreement under which Mr. Doyle assigned the Tenement to Iron Glen Pty Ltd for a consideration of $30,000.

12.1.6 On 14 June 2010, Mr. Doyle transferred the one issued share of Iron Glen Pty Ltd to Iron Glen Holdings Limited for $1.

12.1.7 On 28 February 2011, Iron Glen Holdings Limited, Mr. Bonthrone and Mr. Leo Knifton exchanged letters recording agreements entered into in March 2010 for the provision by Mr. Bonthrone and Mr. Knifton of advisory services to IGH for a consideration of $50,000 for Mr. Knifton and $25,000 for Mr. Bonthrone which was applied in subscribing for IGH shares at 0.213 cents per share of which 23,369,988 were subscribed by Mr. Knifton and 11,684,994 were subscribed by Mr. Bonthrone.

12.1.8 On 25 November 2010, HSH and the Company entered into an agreement for the acquisition by the Company of 138,339,979 IGH Shares for an aggregate consideration of £138,340 which was satisfied on completion by the issue by the Company of 138,339,979 new Ordinary Shares in the Company. The IGH Shares transferred to the Company by HSH represented 51 per cent. of the issued shares of IGH at the time.

12.1.9 In January and February 2011, the Company issued 56,155,002 Ordinary Shares to the founding shareholders of IGH in exchange for their 56,155,002 IGH Shares.

12.1.10 On or about 2 February 2011, the Company made an offer to the other shareholders of IGH, including HSH for its remaining 52,560,271 IGH Shares not already held by the Company, to acquire all of their holdings of shares in IGH in exchange for the issue by the Company of Ordinary Shares in the Company. The offer was accepted by all of the holders of IGH Shares and as a result a total of 86,884,558 IGH Shares were transferred to the Company, which, in exchange issued a further 86,884,558 Ordinary Shares in the Company.

12.1.11 On 31 March 2011, the Company and Mr. Thomas Knifton entered into an Agreement under which Mr. Thomas Knifton was engaged to provide assistance in relation to prospective future financing of the Group for a fee of £10,000 which has been satisfied by the issue by the Company of Warrants under which Mr. Thomas Knifton is entitled to subscribe for up to 3,000,000 Ordinary Shares at a subscription price of £0.001 per share at any time in the period to 31 March 2013.

12.1.12 On 31 March 2011, the Company and Mr. Doyle exchanged a letter agreement under which it was recorded that the sums of US$165,663.72 that Mr. Doyle had applied in payment of fees charged to the Company and £44,990.61 representing various expenses incurred by the Company at the time, had been advanced by Mr. Doyle to the Company and were to be treated as an interest free unsecured loan of an aggregate value of £147,470.61 owing by the

Company to Mr. Doyle and repayable only from surplus cash resources of the Company arising on any further equity fundraising that provides surplus funds not required for the working capital purposes of the Company.

12.1.13 The Option Agreements referred to at paragraph 4.4 of this Part 6 of the Admission Document.

12.1.14 The Warrants granted by the Company to respectively Mr. Leo Knifton, Mr. Thomas Knifton and Allenby Capital and referred to at paragraphs 4.5 to 4.7 of this Part 6 of the Admission Document.

12.1.15 The existing and proposed service agreements and letters of appointments entered into between the Directors and the Company referred to at paragraph 10 of this Part 6 of the Admission Document.

ASSOB Offerings

12.1.16 Iron Glen Holdings Limited has conducted the following offerings of new Ordinary Shares of Iron Glen Holdings Limited during the period that the Ordinary Shares were listed on ASSOB:

(a) An offer of IGH Shares at an issue price of $0.03 was opened on 15 June 2010. New investors subscribed a total of $250,002 for 8,333,400 new IGH Shares under the terms of this offer.

(b) An offer of IGH Shares at an issue price of $0.05 was opened on 8 September 2010. New investors subscribed a total of $716,657 for 14,330,140 new IGH Shares under the terms of this offer.

(c) A private placement at a placing price of $0.08 was completed on 12 November 2010 to raise $179,720, by the issue of a total of 2,246,500 new IGH Shares.

(d) An offer of IGH Shares at an issue price of $0.10 was opened on 22 November 2010. New investors subscribed a total of $688,840 for 6,888,400 new IGH Shares under the terms of this offer.

(e) An offer of IGH Shares at an issue price of $0.10 was opened on 4 February 2011. New investors subscribed a total of $320,000 for 3,200,000 new IGH Shares under the terms of this offer. As part of Round 4 of ASSOB offerings, one investor agreed to subscribe a total of $25,000 for 166,667 IGH Shares at an issue price of $0.15.

13. Working capital

The Company and the Directors are of the opinion, having made due and careful enquiry, that the Group will have sufficient working capital for its present requirements, that is, for at least 12 months from the date of Admission.

14. Environmental Issues

As far as the Directors are aware, there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.

15. Litigation

15.1 The Company is not involved in any governmental, legal or arbitration proceedings which have or, since incorporation, may have had, a significant effect on the Company's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Company.

15.2 IGH is not currently involved in any governmental, legal or arbitration proceedings which have or, in the 12 months preceding the date of the Admission Document, may have had, a significant effect on IGH's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against IGH.

16. Intellectual property

Except as set out in the Admission Document, the Group is not dependent on any patents, licences, industrial, financial or commercial contracts or new manufacturing processes which have a material effect on the Group's business or profitability.

17. Premises

17.1 The Company does not own any premises.

17.2 Other than IGH's interest in the Tenement through its holding in Iron Glen Pty Ltd, IGH does not own any premises.

18. Employees

As at 3 June 2011, the Company has two employees who are its executive directors: Patrick Griffiths and Matthew Bonthrone. IGH has no employees other than its directors.

19. Significant changes

19.1 Except for the execution of the Acquisition Agreement, there has been no significant change in the financial or trading position of the Company since 31 December 2010, the date to which the most recent financial information is available.

19.2 There has been no significant change in the financial or trading position of IGH since 30 November 2010, the date to which the most recent audited financial information is made up.

20. Related Party Transactions

20.1 Other than as disclosed in the Admission Document, during the period from its incorporation to the date of the Admission Document, the Company has entered into no related party transactions.

20.2 Other than as disclosed in the Admission Document, IGH has not entered into any related party transactions that are outstanding.

21. General

21.1 Save as disclosed in this Admission Document, there have been no interruptions in the business of the Group, nor are there any significant recent trends, which may have or have had in the 12 months preceding the publication of this Admission Document a significant effect on the financial position of the Group or which are likely to have a material effect on the prospects of the Group for the next 12 months.

21.2 Except as disclosed in the Admission Document, there have been no significant authorised or contracted capital commitments at the date of publication of the Admission Document.

21.3 The gross proceeds of the Placing receivable by the Company are expected to be approximately £750,000. Assuming that the Placing is fully subscribed the total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, costs of printing and other fees payable and sales commissions) are estimated to be £487,000 plus VAT.

21.4 The Placing Price is payable in full in cash on acceptance.

21.5 Except as stated in the Admission Document (and in particular in connection with Thomas Knifton as set out in paragraph 12.1.11 of this Part 6) and for the advisers named on pages 11 and 12 of the

Admission Document to the extent disclosed elsewhere in this Admission Document and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of the Admission Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission.

21.6 Other than pursuant to the Placing, the Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

21.7 Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM at 8.00 a.m. on 8 June 2011.

21.8 It is expected that definitive share certificates will be dispatched by hand or first class post. In respect of uncertificated shares it is expected that shareholders' CREST stock accounts will be credited on 8 June 2011.

21.9 The Ordinary Shares are in registered form. No temporary documents of title will be issued.

21.10 Allenby Capital has given and not withdrawn its written consent to the issue of the Admission Document with references to their name in the form and context in which they appear.

21.11 The reporting accountants, Jeffreys Henry LLP, have given and not withdrawn their written consent to the issue of the Admission Document with the inclusion in it of their reports and references to them and to their name in the form and context in which they respectively appear. Jeffreys Henry LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

21.12 I2M Associates LLC has given and not withdrawn its written consent to the issue of the Admission Document with the inclusion in it of its report and letter and references taken and its name in the form and context in which they respectively appear. The Competent Person's Report was prepared by the Competent Person at the request of the Directors for publication by the Company as part of this Admission Document and for the purpose of the proposed Admission.

21.13 Where information contained in the Admission Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.14 The financial information relating to the Company contained in the Admission Document does not comprise statutory accounts for the purposes of section 434(3) of the Act.

21.15 The accounting reference date of the Company is currently 30 November and will remain so on Admission.

21.16 Except as disclosed in the Admission Document, as far as the Directors are aware there are no known trends, uncertainties, demands, commitments or events that are reasonably expected to have a material effect on the Group's prospects for at least the current financial year.

21.17 Except as disclosed in the Admission Document, since the date of incorporation of the Company, the Company has had no significant or principal investments and there are no significant or principal investments in progress and there are no significant or principal future investments on which the Board has made a firm commitment.

21.18 The Company has not declared a dividend for any of the financial years in the period covered by the historical financial information set out in Part 4 of the Admission Document.

22. Copies of the Admission Document

Copies of the Admission Document, which contains full details about the Company and the Admission, are available to the public free of charge from the offices of Allenby Capital Limited at Claridge House, 32 Davies Street, London W1K 4ND during normal business hours on any weekday (other than Saturdays and public holidays) and shall remain available for at least one month after the date of Admission.

Dated: 3 June 2011

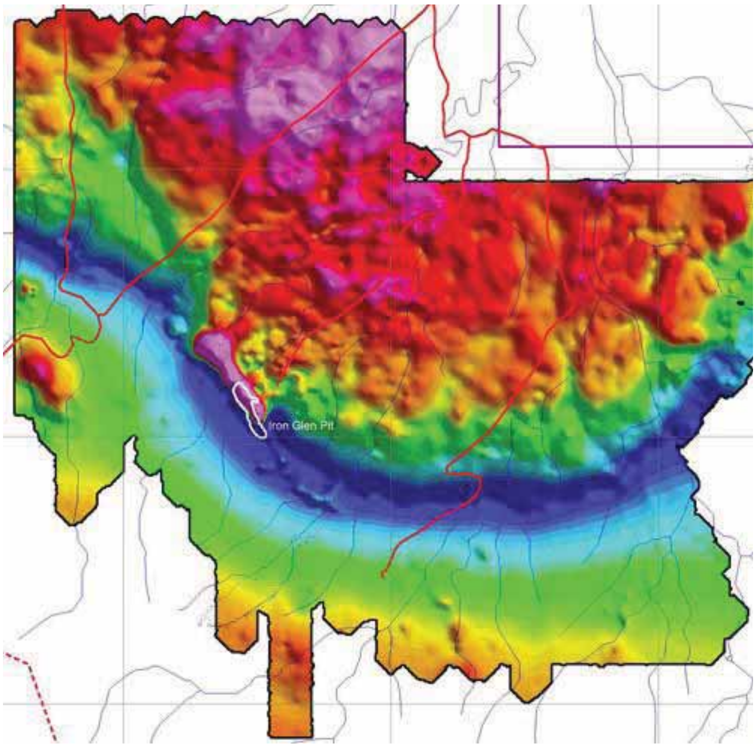
APPENDIX I

COMPETENT PERSON'S REPORT

Iron Glen Project:
Northeast Queensland, Australia
Competent Persons Report (CPR)

for:

Allenby Capital Limited
Strategic Minerals plc
London, England



By

Michael D. Campbell, P.G., P.H.
and
Jeffrey D. King, P.G.

I2M Associates, LLC
Houston, Texas and Seattle, Washington
May 2, 2011
Version 1.7

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CPR Executive Summary

Allenby Capital Limited and Strategic Minerals plc have received a Competent Persons Report (CPR) from I2M Associates (I2M) dated March 30, 2011, and revised on May 2, 2011, on the Iron Glen tenement located in Northeast Queensland, Australia. The key elements of I2M's assessment are:

- A preliminary drilling program was completed in October, 2010, indicating that a magnetite unit occurs at depth over an area larger than an existing pit. The magnetite encountered is of sufficient thickness and quality to be of potential interest commercially and is located in proximity to local infrastructure that would support a rapid start-up of mining operations. Section 6.2 of this CPR sets out the description of the asset (tenement) suggested in the AIM Guidance Notes for Mining Companies for Appendix 1.
- I2M concurs with the determination offered by Terra Search recently that additional drilling and diamond coring are merited to determine the available resources and reserves present in the steeply dipping and faulted magnetite body.
- As suggested in the AIM Guidance Notes for Mining Companies for Appendix 2 and 3, Section 18.1 and Section 19.0 of this CPR indicate that this project just completed the preliminary drilling stage and that there are insufficient drilling data at this date to estimate resources and reserves. It calls for additional drilling for the purpose of supporting a feasibility study for establishing the available resources and reserves in the near future.
- I2M also concurs that the base-metal anomalies indicated from the recent drilling also should be investigated further.
- I2M also concludes that the skarn-related, base-metal anomalies should be pursued at depth throughout the Iron Glen tenement beyond the magnetite association.
- Two types of exploration targets are now apparent at the Iron Glen tenement. One is the magnetite; the other is an assemblage of minerals containing anomalous copper, zinc, and silver.
- The massive types of iron mineralization typically offer a superior grade of magnetite, favorable beneficiation characteristics (good separation and low phosphorous, aluminum, and titanium).
- In general, the massive magnetite zones are assigned to 40% plus iron or 60% plus magnetite.

- The magnetite bodies remain open down dip, and along strike to the north and south, but faulting is evident in those areas. Anomalous copper, lead, zinc, and silver (and vanadium) have been encountered, both within the magnetite zone and within associated zones.

- Copper in the high-grade magnetite ranges from 0.02% copper in the north to over 0.25% copper in the south, with selected rock chips of highly sulphidic material from the pit returning 2% to 3% copper.

- Of particular note, high zinc and silver analyses were reported in drilling samples within and away from the massive magnetite zones, and Hole IGRC002 returned 28 m @ 59.2 g/t silver from a downhole depth of 48 m to 76 m. This 28 m zone included a 2 m sample assaying 7 ozs silver, copper at 1% and anomalous gold and bismuth.

- I2M concurs that the base-metal anomalies indicated from the recent drilling also should be investigated further by: a) mapping structural relationships in the area to evaluate faulting and geological associations, b) assessing the various skarn models available from world-class deposits, and c) developing guides to future drilling and coring targets of opportunity developed as a result of these evaluations.

- I2M confirms that while this CPR incorporates the comprehensive format of NI 43-101, this report is also considered to be JORC-compliant as the asset is based in Australia. Certifications are provided in Section 24.0 of this CPR.

- I2M confirms that there has been no material change in conditions, assumptions, or facts regarding the Iron Glen project since our meetings and site visit in Queensland in December, 2010.

Section 3.0 Project Summary

Iron Glen Holdings Limited (Iron Glen) is a Queensland-based company that controls EPM 15654, which is located approximately 40 kms southwest of Townsville, Queensland. The Iron Glen tenement holds a permit for exploration through mid-2012, granted by the Queensland Government on May 24th, 2007. The tenement originally consisted of 8 sub-blocks. The EPM currently consists of seven sub-blocks; one was relinquished in May, 2010.

The area of primary interest is near the center of the tenement, with a current focus on an area known as the Iron Glen Pit, abandoned since 1969. Since EPM 15654 was granted on May 24th, 2007, the tenement has had several holders beginning with Walter Doyle, followed by Australian Gold Holdings Limited. It was then returned to Walter Doyle (Iron Glen Pty Ltd.) who then transferred the EPM in 2010 to Iron Glen Holdings Limited. These title holders have conducted a variety of exploration programs that included soil sampling, rock-chip sampling and some geophysics. Over the past few years, Terra Search Pty Ltd. (Terra Search) has concentrated on geological and geophysical evaluations on the Iron Glen magnetite skarn deposit and surrounding area for Iron Glen, which included researching previous exploration data and geological investigations, geological mapping, rock-chip and soil sampling, reprocessing of available aeromagnetics and satellite imagery data and of undertaking new ground-magnetics and geological mapping and associated sampling programs.

A preliminary drilling program was completed in October, 2010, indicating that the magnetite unit, known from reports of previous small-scale mining, occurs at depth over an area larger than the existing pit. The magnetite encountered is of sufficient thickness and quality to be of potential interest commercially and is located in proximity to local infrastructure that would support a rapid start-up of mining operations. Based on the drilling sampling, the quality of the magnetite appears to meet typical requirements, especially since titanium, aluminum, and phosphorus values are low. However, the available tonnage remains to be evaluated by additional drilling.

We have reviewed the available geochemical data produced during earlier exploration and from the recent drilling program, including a preliminary petrographic report on samples from the Iron Glen tenement in context with data from deposits of similar characteristics in various deposits of the world that have been mined, and have concluded that the Iron Glen property has sufficient merit established by drilling to date to recommend: 1) additional surface mapping, 2) additional geological assessment in terms of developing potential exploration models to guide future drilling, and 3) additional drilling and coring in the area of the preliminary drilling, but also north and south along the contact of the igneous intrusives where carbonate units may be in proximity or at some distance away, based on some models of mineralization.

Two types of exploration targets are now apparent at the Iron Glen tenement. One is the magnetite; the other type an assemblage of minerals containing anomalous copper, zinc, and silver. In some hole intervals, the latter are associated with the magnetite zone. These metals are also found in other hole intervals that are associated with skarn-type mineralization, an assemblage of minerals similar to those found in other deposits in various parts of the world that are being mined or have been mined in the past for these metals, and others.

Section 4.0 Introduction

4.1 Location of Property

Iron Glen engaged I2M Associates, LLC (I2M) on November 25, 2010 to provide an independent assessment and review of the current technical information and future exploration and development plans for the Iron Glen tenement located in Northeast Queensland, (see Figure 1). In the form of a Competent Persons Report (CPR), this report is to be used by Iron Glen as part of a future listing on the London Stock Exchange's international market (AIM).

4.2 Scope of Work

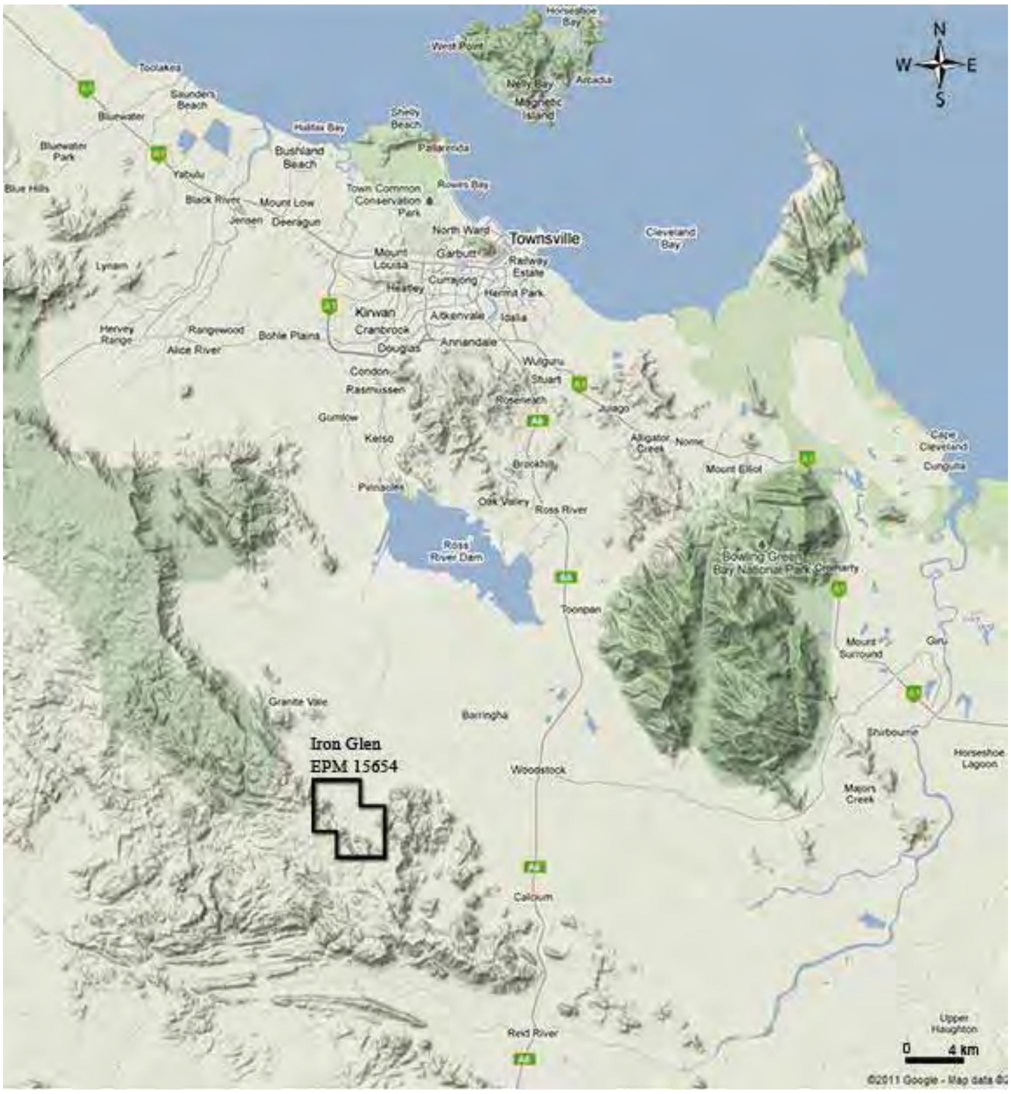
This report has been prepared based on our review of the available internal Iron Glen data and information and on information provided by their principal consultant, Terra Search located in Townsville, Queensland. Additional information has been obtained from various Australian governmental agencies and from the available geoscience literature, and from the files of I2M Associates, LLC in Houston, Texas, and Seattle, Washington.

For this report, I2M personnel carried out the following tasks:

- Discussions on December 15th, 2010 with senior personnel of Iron Glen Holdings Limited in Brisbane, Qld. regarding the status of the project.
- Discussions on December 15th, 2010 with senior personnel of the Queensland Department of Mines and Exploration in Brisbane, Qld. regarding Department activities in Northeast Queensland.
- Discussions with Queensland Environmental Protection Agency senior personnel Townsville, Qld. on December 16th, 2010 regarding potential environmental issues should Iron Glen be developed as a mining operation.
- Discussions with Terra Search Personnel, Townsville, Qld. on December 17th, 2010 regarding their results to date, with special emphasis on the recent drilling results.
- Site visit to the Iron Glen Pit and environs south-southwest of Townsville, Qld. on December 18th, 2010.
- Independent review of historical reports on previous exploration from the 1970s to date in the Iron Glen EPM area and environs.
- Independent review of recent geological reconnaissance reports, geochemical soil surveys and ground-magnetics reports, and recent reverse-circulation drilling reports prepared by Terra Search and associated personnel.
- Independent audit of drill-hole databases, assay certificates, and associated data.
- Independent geological assessment of mineralized zones in context with other similar deposits in the world that have been studied in detail.
- Independent assessment of the basis for pursuing additional exploration at Iron Glen.

Figure 1

General Location of the Iron Glen Tenement



4.3 Iron Glen Tenement

The general location of the Iron Glen tenement (EPM 15654) is shown in Figure 1. In Figure 2, the location of the tenement and surrounding tenements and mining leases (shown in dark patterns) are shown. The regulatory status of the tenements shown is either “granted” (medium-brown shade) or “application” status (shown in light-brown shade). There is an old mining lease located within the

Iron Glen tenement filed a number of years ago to mine limestone. There has been no apparent activity on the lease and it expires in 2013.

Additional information is provided on the companies with tenements either granted or in application stage surrounding the Iron Glen tenement in Section 17.0 - Adjacent Properties (Tenements).

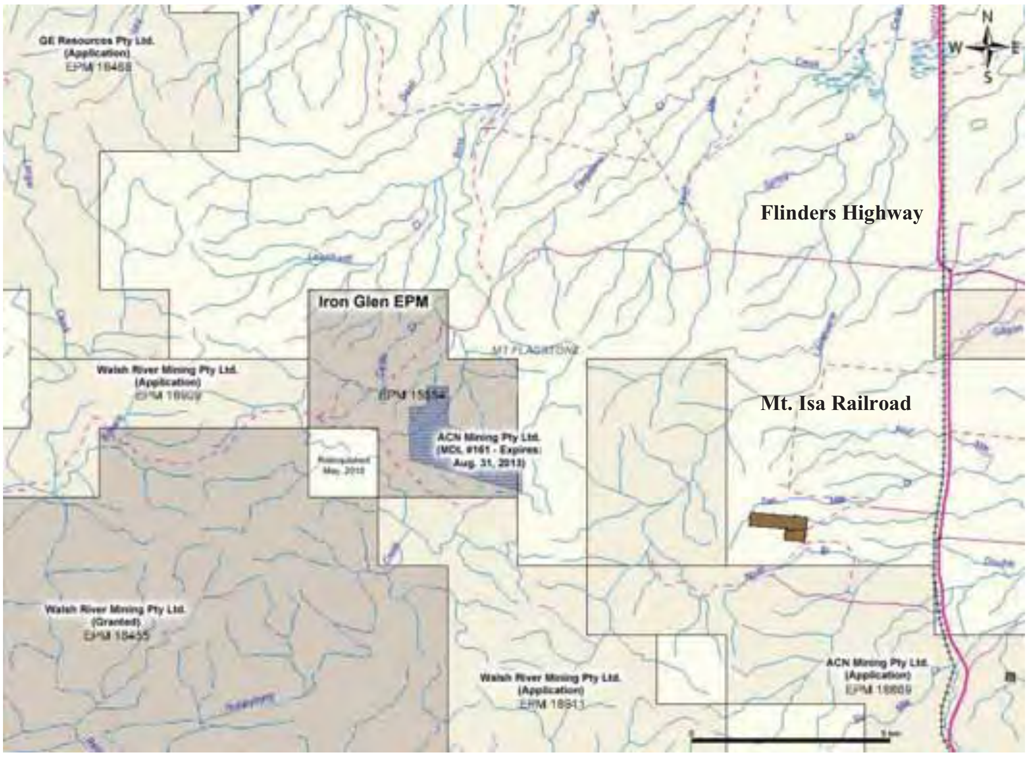


Figure 2 - Iron Glen & Surrounding Tenements (As of January 12, 2011)
Source: QDEX Tenement Database

Exploration within the southern section of the EPM 15654 is somewhat constrained by the Mingela State Forest which encompasses the high hills, wrapping around the southwestern to southeastern section of the EPM. Special conditions apply to exploration in the Queensland State Forest in the event Iron Glen management elects to conduct exploration in the restricted sections of the EPM (see Figure 6).

Updates on the location of the above tenement boundaries are available from the Queensland Department of Mines and Energy, which provides at no charge an interactive tenement-mapping database via a website that should be consulted to confirm native and tenement boundaries. See citation and link: Section 23.0 - References.

During December 18th, 2010, I2M personnel, consisting of Michael D. Campbell, P.G., P.H., Thomas C. Sutton, Ph.D., P.G., and M. David Campbell, P.G., visited the subject tenement by helicopter and on foot. I2M personnel also observed the Iron Glen pit, recent drilling sites, and the terrain and access to the area (see Figures 3 and 4).

Figure 3 – Aerial View of the Iron Glen Pit Looking Southwest (Photo by M. David Campbell)

Figure 4 – Site Visit Personnel at Iron Glen Pit during Mid-December, 2010.
(Photo by M. David Campbell, P.G.)

4.4 Units

The Metric System is the primary system of measure and length used in this Report and is generally expressed in kilometers (kms), meters (m), and centimeters (cm); volume is expressed as cubic meters (m^3); mass is expressed as metric tonnes (t); area as hectares (ha); laboratory analyses are reported as elements or are converted to oxide percents (in parts per million (ppm)). Grams per tonne (g/t) is an equivalent unit to ppm. One tonne is the equivalent of 2,204.6 lbs.

Monetary units are in Australian Dollars. Mining and mineral acronyms in this report conform to mineral industry-accepted usage. The reader is directed to the glossary of commonly used terms: www.maden.hacettepe.edu.tr/dmmrt/index.html.

Section 5.0 Reliance on Other Experts

The authors of this report have relied on the available pertinent reports of Terra Search, the technical literature and company reports made available online by the Geological Survey of Queensland and other sources. Queensland exploration reports are collected using an internet document management system called QDEX (**Q**ueensland **D**igital **EX**ploration Reports system). QDEX contains company reports, associated figures, tables, maps, and geophysical information from 1960 to the present on mineral exploration and development projects in Queensland. The reports consulted have been cited in this report and in Section 23.0 - References.

The I2M personnel selected for this project also included Thomas C. Sutton, Ph.D., P.G., and M. David Campbell, P.G. Their resumes may be viewed in Section 26.0 - Appendix III. During the week of December 12, 2010, I2M personnel met in Brisbane with Mr. Patrick Griffiths, Executive Director, Iron Glen Holdings Limited on December 15, and with Mr. David Mason, Executive Director, Geological Survey of Queensland, Department of Employment, Economic Development and Innovation; Mr. Terry Denaro, BSc (Hons) - Project Leader-Mineral Geoscience, Geological Survey of Queensland, Queensland Government Department of Mines and Energy; and with Mr. Ian Withnall, BSc (Hons), FGSAust - Geoscience Manager - Minerals, Geological Survey of Queensland, Queensland Mines and Energy, Department of Employment, Economic Development and Innovation, to discuss the geological information available in the area of the Iron Glen tenement.

On December 16, I2M personnel met with Mr. Kevin Doyle, representative of Iron Glen Holdings Limited, in Townsville to discuss the status of the Iron Glen project, and with Ms. Tania Laurencont, Manager – Environment, Queensland Environmental Protection Agency and associated staff members to discuss environmental matters that may impact current and future exploration and mining operations on the Iron Glen tenement.

During December 17, 2010, I2M personnel met with Simon Beams, Ph.D., Principal Geologist, and Mr. Tim Beams, B.Sc., Geophysicist, of Terra Search to discuss the ground magnetics program, the soil and rock-chip programs conducted over the past few years, and the recent drilling and sampling program and the status of the report thereon. On December 18, 2011, I2M personnel, in the company of Mr. Kevin Doyle, conducted a site visit of the Iron Glen tenement by helicopter and on the ground, with special emphasis on the Iron Glen pit and associated recent drilling sites and surrounding outcrops. The next day, I2M personnel visited James Cook University to consult the library for any geological reports focusing on the area of interest.

I2M personnel also were provided with copies of the technical reports and associated literature on past exploration on the Iron Glen tenement. Input was also subsequently received from the Iron Glen management regarding current land status (see Sections 6.2 and 6.3).

Section 6.0 Property Description and Location

6.1 General Description

EPM 15654 is located about 40 kms south-southwest of Townsville, south of the Ross River Dam, and approximately 10 kms west of Woodstock (Figure 5). The latitude/longitude coordinates for the center of the EPM are East 146 degrees 42 minutes and South 19 degrees 37 minutes. The EPM occurs on the Mingela 100,000 topographic sheet (#8258) and is located at an elevation of some 200 m above mean sea level. See Figures 5 and 6.

The Iron Glen EPM is located in proximity of well-developed infrastructure (see Figure 5):

- Townsville (population 170,000) is Australia's largest tropical city and a major regional center for commercial and government services in North Queensland.
- It occurs 10 kms west of the Mt. Isa Railway and Flinders Highway that connect the mining/industrial complex of Mt. Isa to Townsville.
- It is less than 40 kms along the railway line to the deep water port of Townsville.
- It is approximately 20 kms south of Lake Ross, the main water supply for Townsville.
- A major electricity transmission line traverses the northwest section of the EPM.

The EPM occurs on the property “Mount Flagstone” owned by Mr. Peter Bucknell, Jones Road, in nearby Woodstock, Qld. Access is obtained via the Ross River Dam and a series of public and station tracks south though Laudham Park and Humpybong land holdings. Access past the Ross River Dam requires permission from North Queensland Water Authority and is not unreasonably withheld.

Figure 5 - Section of Topographic Sheet (100,000 sheet (#8258)), showing the Iron Glen Tenement and Infrastructure (roads, railroad, power line, creeks, and the Mingela State Forest).

EPM 15654 is located approximately 55 kms by road from Townsville using this access. In June, 2008, during exploration conducted by Terra Search, the road was reported to be in reasonable condition having been graded and the trip by vehicle took approximately 1.5 hrs. A four-wheel drive vehicle is required to negotiate some creek crossings. In view of the many creek crossings, access after extended rain periods during the wet season could be difficult even after the dry period has returned unless the crossings and gullies have been repaired by bulldozer.

6.2 Property Ownership and Financial Obligations

Iron Glen Pty Ltd, domiciled in Australia, is a 100%-owned subsidiary of Iron Glen Holdings Ltd. On June 14, 2010, Iron Glen Holdings Limited acquired a 100% interest in Iron Glen Pty Ltd. The purchase consideration, assets and liabilities arising from the acquisition are reported in the Director's Financial Report of the period ending November 30, 2010, signed by Patrick Griffiths, Director, dated January 17, 2011. This and other aspects of the Remuneration Report of Iron Glen Holdings Limited contained therein have been validated by Grant Chatham, Partner of PKF Accountants, in their Independent Auditor's Report dated January 17, 2011.

The financial obligations of holding the Iron Glen tenement include yearly rentals. We have included our estimates of the likely rentals fees (in Table 1). It is the responsibility of the EPM holder to check the current rental rate and to pay the rentals before the indicated due date.

The anticipated increase in the annual rental rates through 2012 have been estimated at AUS$ 6.30 and incorporated in Table 1. As incorporated in Table 1, the Iron Glen EPM is required to be reduced as required by the Queensland Department of Mines and Environment (DME). At some point in the exploration program, assuming results are favorable, a Mineral Development License (MDL) and lease will be required to permit the mining venture to proceed. The MDL is designed to allow time to conduct various permitting requirements, one of which will be the confirmation of a Native Title Agreement. Others include agreements on water-use rights, railway agreements (if possible), and others focusing on the construction of facilities or infrastructure, and with the holder of any overlapping MDL (see Section 6.4 - Permitting.

Table 1
Rentals for Sub-Blocks Held

Year of Project	Cost per Sub-Block	Number of Sub-Blocks	Total Cost
Year 2011	$143.50*	7 (2,100 ha)	$ 1,004.50
Year 2012	149.8 0**	6 (1,800 ha)	898.80
Total:			$1,903.30

* Based on Tenure Rental Current Yearly Rates – 2011 for EPMs at AUS $143.50 per sub-block (~300 ha)
** Based on 2011 Rate Sheet
*** Anticipated increase of $6.30 per year through 2012.

A minimum annual expenditure statement (MAE) is required by the DME and is included in the application by the applicant based on a scope of work (and cost estimate), the latter becoming the MAE if approved by the Queensland Government. Furthermore, there is a minimum MAE of $1,000 per sub-block. Based on the extensive exploration carried out over the past few years, including the recent drilling program, the MAE requirements have been met.

A bond is required to be paid to the Australian Environmental Protection Agency of $2,500 per EPM for a five-year period. At the end of 5 years, the bond is refundable if all required restoration activities (if any) have been carried out.

6.3 Current Royalties and Agreements Concerning Land Access

Mr. Scott Standen, Partner, Hynes Lawyers, Brisbane, attorneys to Iron Glen have responded to I2M inquires regarding royalty, land access, and native titles that may be applicable in the subject area.

6.3.1 Royalty

Mr. Standen advises that under the *Mineral Resources Act 1989* (Qld) (Act), the holder of a prospecting permit must pay, in respect of all minerals mined or purported to be mined, a royalty to the Minister. The royalty rate for each mineral is provided for at Schedule 4 to the *Mineral Resources Regulation 2003* (Qld). The royalty rate for iron ore is calculated as follows:

(a) if the average price for each tonne of iron ore is $100 or less - $1.25 for each tonne; or

(b) if the average price for each tonne of iron ore is more than $100 - the rate is worked out using the following formula, rounded down to 2 decimal places:

R = 1.25% + ((A-100)/A x 1.25%)

Where:

R is the rate.

A is the average price for each tonne of iron ore.

Note: The royalty payable for iron ore under paragraph (b) is worked out by applying the royalty rate as a percentage of the value of the iron ore sold, disposed of or used in the return period.

Mr. Standen advised that there are no other current royalties in affect involving future production from the Iron Glen EPM. This is not to imply that additional royalties may not be offered by Iron Glen and/or accepted by a third-party at some time in the future.

6.3.2 Agreements Concerning Land Access

Mr. Standen reviewed the existing Compensation Agreement entered into between Australian Gold Holdings Limited and Peter Bucknell that Iron Glen elected to honor. The Compensation Agreement in its current form provides that Iron Glen compensate Peter Bucknell for any disturbance caused to the Mount Flagstone property by Iron Glen.

Land Access Code

Mr. Standen indicated that the Queensland Parliament has recently introduced a new Land Access Code that will form part of the conditions of all tenements issued under the Act. The Code updates the existing notice of entry (NOE) and compensation provisions contained under the Act and aims to ensure consistency in the definitions of "compensatable effects" for which tenement holders must compensate landowners. A breach of the Code may result in pecuniary penalty, and can also potentially lead to forfeiture of a tenement.

Access / NOE provisions under the Code

Proposed activities for which access to the land is required are categorized as either a 'preliminary activity' or an 'advanced activity.' A 'preliminary activity' is an authorized activity "that will have no impact, or only a minor impact, on the business or land use activities of any owner or occupier of the land on which the activity is to be carried out". Some examples are provided below:

- walking the area;
- driving along an existing road or track;
- taking soil or water samples;
- drilling without constructing earthworks;
- geophysical surveying without site preparation; and
- aerial, electrical or environmental surveying.

Activities on land that is less than 100 ha or that is used for intensive farming or broad-acre agriculture, an activity that is carried out within 600 m of a school or an occupied residence, or that affects the lawful carrying out of an organic or bio-organic farming system, is considered a preliminary activity. All other activities are considered to be 'advanced activities'.

NOE requirements under the Code provide that a tenement holder can enter the land in accordance with an existing agreement, such as the subject Compensation Agreement. However, for advanced activities, broad overview compensation must be determined first, and once that has occurred, an NOE may be given. If an agreement can't be reached, a negotiation notice must be given to the land owner to commence negotiating the entry of the tenement holder on the land.

Mr. Standen recommends that a new agreement be made with Mr. Bucknell to reflect the new Code that takes into account Iron Glen's progress with its exploration that has occurred since the Compensation Agreement between Australian Gold Holdings Limited and Peter Bucknell was executed.

6.3.3 Native Title

Mr. Standen previously communicated with the National Native Title Tribunal (NNTT) and the North Queensland Land Council (NQLC) in August, 2010 about any Native Title claims over the Iron Glen EPM and provided Iron Glen with the following advice:

> *"NNTT confirmed that there were no registered Native Title claims over the land where EPM 15654 is concerned. However, as EPM 15654 was granted under the Expedited Procedure under section 237 of the Native Title Act 1993 (Cth), Iron Glen must follow the Conditions (as previously provided to you by DEED). The Conditions oblige Iron Glen to provide "Notified Native Title Parties" with written notice of any proposed "Exploration Activities". We note that you have satisfied this condition by contacting the NQLC.*
>
> *After discussions with the NQLC, we understand that while there are no registered Native Title Claims over the land where EPM 15654 is concerned, a previous Native Title claim was filed but not registered. As such, Iron Glen has an obligation under the Aboriginal Cultural Heritage Act 1993 (Cth) to notify this party. NQLC have contacted this party to inform them of Iron Glen's proposed "Exploration Activities." As yet, they have not received a response. We understand that this party may elect to meet with Iron Glen to discuss the proposed "Exploration Activities" and may even do a "walk over" of the site concerned. NQLC confirmed that they will advise Iron Glen of that party's decision."*

6.4 Permitting

At present, a Mining Development License (MDL) is currently held by a limestone mining company whose lease expires in 2013. The area covers part of the Iron Glen EPM where limestone is apparent at the surface (see Figures 2 and 6), mostly within the area designated as a State Forrest. Iron Glen personnel should monitor any activities on this lease, although they should not have any impact on any future Iron Glen exploration or development operations.

A permit was required to drill test wells; coring and logging are considered part of the drilling program. Drilling of the test holes also required a Class 3 driller with all the appropriate certificates for permission to drill in the Iron Glen area. Other permitting requirements include yearly reports on the exploration program to the Queensland Department of Natural Resources and Water (DNRW).

In the event that Iron Glen requires a ground-water supply at some time during the project, they will be required to communicate with the staff at the DNRW and the Department of Infrastructure and Planning (DIP) offices in Brisbane and Townsville to evaluate the current conditions and availability of ground-water resources for use in Iron Glen operations. A bore census may be required to assess ground-water usage in the area, followed by a title search of the nearby bores. These activities would identify the nearby bores in the area so that selected landowners could be contacted, if need be, and negotiations initiated concerning the possible transfer of the ground-water license for use in any Iron Glen operations. Iron Glen may elect to drill a new bore to secure an independent water supply, if permitted by the regulatory agencies. These activities would be considered sometime in the future should Iron Glen management contemplate mining operations.

6.5 Environmental Issues

Magnetite is the principal ore mineral in iron skarns such as that of the Iron Glen deposit. Ore grades are typically 40 to 50 weight percent iron and higher, but these deposits have relatively low sulfide mineral contents and therefore relatively low acid-generating potential in the surface water run-off. According to Hammarstrom, *et al*., (1986), in addition to the acid-buffering potential afforded by the common presence of carbonate-bearing rocks, epidote minerals in the rocks also consume acid generated that may be in contact with the environment.

Magnetite is generally stable in the surface environment (as is evident in Figures 12 and 13), and persists as a heavy mineral in stream sediment during mechanical erosion. Furthermore, metals, including mercury, selenium, cadmium, and arsenic, that pose the most significant threats to the environment when they become bioavailable, are generally not associated with most magnetite skarns. In recent work, magnetite has been found to be useful in coal processing in a new process that removes mercury from raw coal before it is burned to produce electricity in various parts of the world, see Section 18.2 - Desirable Properties for Coal Processing.

The Iron Glen EPM is not currently subject to any known environmental study. However, potential environmental and infrastructure issues may include, but not be limited to, the proximity to the border of a State Park. An Environmental Impact Study (EIS) will likely be required to assess and identify any possible issues created by developing or using new or existing infrastructures to develop the Iron Glen project involving processing plant operations, ground-water use, waste handling, rail and port use, and other supporting infrastructure. Because the Iron Glen site is located within the upper reaches of the Ross Drainage Basin, another environmental consideration would also likely focus on the potential impact of Iron Glen operations on the Ross River and Ross Lake, which are sources of drinking water for Townsville located approximately 40 kms downstream from the Iron Glen EPM (see Figure 5).

Section 7.0 Accessibility, Climate, Local Resources, and Physiography

7.1 Topography, Elevation, and Vegetation

The topography and associated elevation in the general area of the subject tenement is illustrated in Figure 6, along with the boundaries of the subject tenement. Based on information provided by the Australian Government (see Section 23.0 - References), the vegetation in the area of interest is mainly native forests and woodlands with native shrublands and heathlands in the Mingela State Forest to the south and east.

The subject tenement lies within the upper reaches of the Ross Drainage Basin and is part of the Brigalow Belt North and Einasleigh Uplands bioregions. The elevated regions of the tenement that are part of the Mingela State Forest to the south and east are in the Einasleigh Uplands bioregion, while the northern lower elevations are in the Brigalow Belt North bioregion. This bioregion generally includes coastal areas, rugged ranges and alluvial plains. Its main town centers include Townsville, Bowen, Clermont, Emerald and Collinsville. The bioregion has a subhumid to semiarid climate.

The region to the immediate north and east of the tenement contains rangelands (or savannas) much of which has been developed for agriculture and is generally found on the more fertile soils that was originally occupied by brigalow (*Acacia harpophylla*) or grasslands of eastern grasses (*Dichanthium* and *Bothriochloa spp.*). The rangelands occur as eucalypt woodland, often in a mosaic pattern with pastures and farmland.

The vegetation of the Brigalow Belt North bioregion consists of woodlands of ironbarks (*Eucalyptus melanophloia, Eucalyptus crebra*), poplar box (*Eucalyptus populnea*) and Brown's box (*Eucalyptus brownii*) with forests of brigalow (*Acacia harpophylla*), blackwood (*Acacia argyrodendron*) and gidgee (*Acacia cambagei*).

The alluvial plains to the north of the tenement support woodlands of poplar box, gidgee or coolibah (*Eucalyptus coolabah*) with forest areas of Dawson gum-brigalow (*Eucalyptus cambageana-Acacia harpophylla*). Along the water courses, such as the Ross River and associated tributaries are tall woodlands to open-forests of red gum (*Eucalyptus camaldulensis* and *E. tereticornis*) and coolibah.

The wetter climate to the east of the tenement supports open forests including ironbark (*Eucalyptus drepanophylla*) and lemon-scented gum (*Corymbia citriodora*). River red gums (*Eucalyptus camaldulensis*) are found to occur along large water courses in the bioregion.

There are 78 rare, 53 vulnerable and 13 endangered plant species within this broad bioregion. Mammal species in this bioregion are generally adapted to the eucalypt woodlands and open forests. Approximately 43 mammal species have been recorded with ten species of macropods, including the bridled nailtailed wallaby (*Onychogalea fraenata*), brushtailed rock-wallaby (*Petrogale penicillata*), wallaroo (*Macropus robustus*), eastern gray kangaroo (*Macropus giganteus*) and the black-striped wallaby (*Macropus dorsalis*).

There are four presumed extinct, 10 endangered, 30 vulnerable and 35 rare animal species that reportedly exist within the bioregion. The extinct animals include the western quoll (*Dasyuria geoffroii geoffroii*), white-footed rabbit-rat (*Conilurus albipes*), downs hopping-mouse (*Notomys mordax*) and the paradise parrot (*Psephotus pulcherrimus*). Native plants includes the cycad (*Cycas couttsiana*) and a number of dry rainforests species such as *Atalaya calcicola* and *Alectryon tropicus*. Heath and woodland species east of Herberton include mottled gum (*Eucalyptus pachycalyx*), the purple flowering wattle (*Acacia pupureipetala*) and *Grevillea glossadenia*. Approximately 62 plant species are listed as rare and threatened in this bioregion and *Plectranthus minutus* and *Tylophora rupicola* are considered endangered.

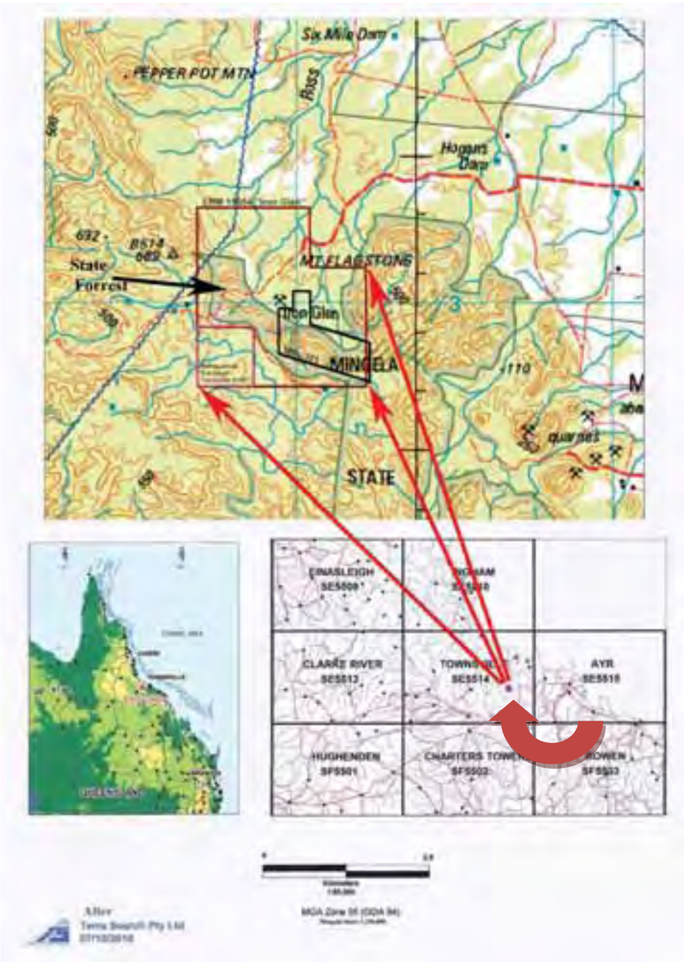


Figure 6 - Topography and Elevation, State Forest Boundaries, and Current Mining Development Lease in the Iron Glen EPM

7.2 Accessibility to Properties

The subject area is located approximately 40 kilometers south of Townsville and 12 kilometers south of the Ross Lake. Access to the tenement is possible from the east along a road from the Flinders Highway at Woodstock with permission from the property owner. Otherwise, access is from the north near the Ross River Dam along a series of public and station tracks and seven gates, which adds about 15 kilometers to the distance to the tenement from Townsville. All site access past Flinders Highway west toward the subject tenement is via unpaved roads and crosses multiple creeks (see Figure 6). The Iron Glen area is one of monsoonal climate and heavy rainfall during the wet season on soils desiccated during the warm dry months and not only produces severe gully and sheet erosion, but also results in ground-water recharge with excess discharging as surface run off via streams and rivers.

7.3 Local Resources

Ground-water resources are available from water bores (windmills and tanks (ponds)) in areas where fractures and joints are prevalent (see Figure 6). In areas where granite and other igneous and metamorphic rocks are present in the subsurface, ground-water supplies would be available, especially near dry creeks where major fractures or joints often occur. Lower meadows surrounded by hills consisting of igneous and metamorphic rocks serve as collection areas for shallow ground water. The depth to the water table in such areas will need to be monitored because the volume of ground water available within the fracture systems may not be large, although sufficient supplies can be available under certain circumstances, see Larsson, I., M. D. Campbell, *et al.*, (1984). Surface water was noted in numerous creeks leading out of the immediate area, eventually to the Ross River north of the subject tenement. Typically, these creeks are dry and only run during and after rainfall. A few cattle were observed during the I2M Associates' site visit the week of December 12th, 2010.

A major power transmission line right-of-way crosses the subject tenement's northwest corner heading toward Townsville to the north and to Charters Towers to the south. The nearest railway is the main Mt Isa Railway located parallel to Flinders Highway, approximately 10 kms east of the subject tenement (see Figure 6).

7.4 Climate and Seasonal Operations

The general area experiences a semi-arid to tropical climate with dry winters. Rainfall decreases with the distance from the coast, but extensive precipitation can occur in association with the passage of tropical cyclones emanating out of the Coral Sea across the coast and inland. The annual average rainfall ranges from 400 mm in the subject area to 1,200 mm along the coast, except during drought periods that may last 5 years or more. Drought conditions occur more frequently inland than near the coast.

Temperatures in the Townsville area range from 17°C to 44°C in the summer and from 1°C to 33°C in winter. During the summer, field conditions related to industrial development are not usually conducive to optimal production. However, the prevailing weather factors could be favorable for year-round operations if certain precautions were taken concerning the rainy season and high temperatures and humidity during the summer. Because the Iron Glen site is located only a few kilometers from maintained roads and blacktop highway and about 40 kms from Townville, the site is strategically located for easy access even during some periods of the wet season. During the dry season of moderate temperature, low rainfall, and low humidity, the area offers near optimal conditions for explorations and potential mining operations. The prevailing weather factors, based on many years of accumulated weather data collected in Townsville are illustrated in Figures 7, 8, and 9.

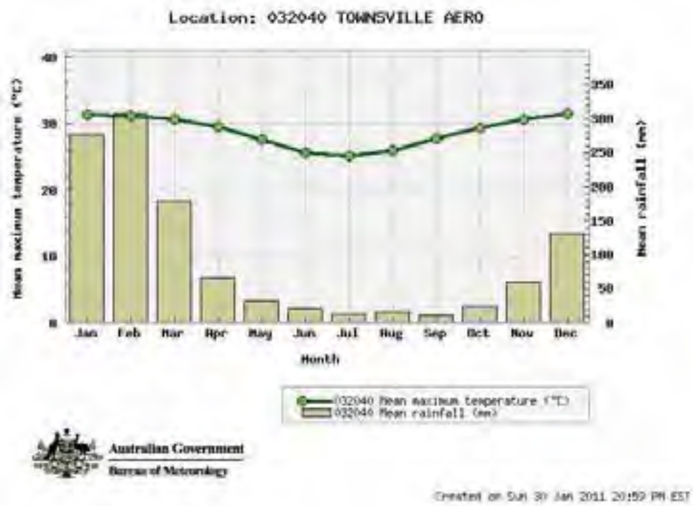


Figure 7 - Mean Maximum Monthly Temperatures and Rainfall

Figure 8 - Average Daily Relative Humidity (@ 3:00 PM)

21

Figure 9 - Mean Monthly Wind Speed (@ 3:00 PM) and Mean Daily Solar Exposure

7.5 Available Infrastructure

As discussed in Sections 7.2 - Accessibility to Properties and 7.3 - Local Resources, supporting infrastructure is available in Townsville about 40 kilometers to the north via the Flinders Highway located approximately 10 kilometers to the east. The Main Mt. Isa Railway parallels Flinders Highway heading north to Townsville. Also, a major power transmission line crosses the subject tenement's northwest corner (see Figure 6).

The support of the Queensland Government for the development of a Queensland-based iron and steel industry could result in a major new industry for the State as exploration develops over the next decade, and as supporting infrastructure continues to expand. This could potentially be based at one or both of the two main industrial centers of Gladstone and Townsville. Significant factors impacting the development of the industry will be road and rail transport and port infrastructure and capacity, and the availability of water for processing and associated mining needs.

Section 8.0 History

8.1 Previous Activities

Terra Search collected all previous aeromagnetics surveys as a guide to subsequently conducting a series of ground-magnetics surveys over the central portions of the Iron Glen tenement. These new data were modeled to develop a series of maps, which in turn were used to design soil and rock-chip sampling programs. All known work to date performed by Terra Search on the Iron Glen area have been cited in Section 23.0 - References.

Terra Search (2010) gathered the available information from QDEX, the online source of previous mining and exploration activities in Queensland since the 1960s and before, and presented the following exploration narrative for the previous activities in the Iron Glen area. This activity was associated with four previous EPMs that overlapped the area of the current EPM 15654, and which involves the collection of geological and exploration information relevant to the current geological evaluation of EPM 15654, the Iron Glen tenement.

These activities are listed in Table 2, are keyed to their respective reports, and begins with EPM 814, which reports on the exploration carried out by Trans Australian Explorations (TAE) in 1971 (see Perkin (1971) - Report CR3585); followed by other activities, including: EPM 4637 held by Battle Mountain (Cameron (1988) - Report CR17274).

EPM 4781 was held later by Newmont; and EPM 5647, which in its latter stages, was held by Solomon Pacific, who completed an exploration program for limestone in 1994 (Hamilton, 1994 - Report CR26173).

Most of the other tenements have only encroached marginally on the area of current interest and these reports contain limited geological information or do not offer new exploration data that would be of use in the exploration of the area of the current EPM 15654 held by Iron Glen.

Table 2

Company Reports: Pre-2007 Exploration Activities

EPM	Number Sub-blocks	Holder	Date Granted	Date Terminated	Company Reports
814	158	TAE – Reid Gap	12/10/1970	19/01/1971	CR3585
1682	54	Geopeko	3/11/1976	20/03/1978	CR6640
1704	60	Geopeko	9/12/1976	20/03/1978	CR6593
2504	103	Afmeco	16/07/1980	23/11/1981	CR8555
"	"	"	"	"	CR10096
3833	100	Afmeco	11/10/1984	25/03/1986	CR15052
"	"	"	"	"	CR15053
"	"	"	"	"	CR15054
"	"	"	"	"	CR15055
4637	65	Battle Mountain	12/3/1987	28/01/1987	CR17274
4781	103	Newmont	9/6/1987	9/5/1988	CR17770
"	"	"	"	"	CR18790
4788	87	Epithermal Gold	19/06/1987	9/5/1988	CR17770
"	"	"	"	"	CR18790
5647	96	Pacminex	29/11/1988	28/11/1994	CR21363
"	"	"	"	"	CR21732
"	"	"	"	"	CR23192
"	"	"	"	"	CR23403
"	"	"	"	"	CR24288
"	"	"	"	"	CR25399
5647	96	Solomon Pacific	29/11/1988	28/11/1994	CR26173
5784	103	Carpentaria	1/3/1989	31/08/1990	CR21365
"	"	"	"	"	CR21366
10275	52	BHP	23/03/1994	7/6/1995	CR27661
15654	8	AGH to W. Doyle To Iron Glen			

8.2 Previous Exploration Results

Of some note, however, is the field work by Perkin (1971), who reported on the exploration results in the general Iron Glen pit area discussed in Report CR3585 regarding EPM 814 in the area called Reid Gap. The target exploration was for skarn-related copper mineralization. He reported that outcropping copper mineralization was associated with magnetite over a strike length in excess of 200 m and up to 15 m wide. The magnetite and copper occurred within altered limestone, near the contact with or adjacent to intrusive granite (actually granodiorite). The copper mineralization consisted of malachite and sulfides (mainly pyrite, chalcopyrite and possible occasional bornite - with up to 1% copper, averaging 0.5% copper - occurring in hard, silicified hornfels). Of particular importance to the current exploration program is that Perkin indicated that he observed another magnetite show approximately 1.5 kms along the contact to the northwest of the current Iron Glen pit.

Later, Puce (2007) reported that the Iron Glen workings were held under mining lease ML5987 and Iron Glen East ML5994 from 1955 to 1969 by North Australian Cement Limited. The main commodity produced was iron as magnetite in hematite. The iron was used in the manufacture of cement. During the 14 years of operation, about 36,000 tonnes of ore were reportedly extracted.

This is confirmed by the Queensland Geological Record (QGR) for 2001/2002 (page 69) which also provides information on the Copper Creek workings, located nearby, which consisted of a shaft some 6 m deep. The main commodity produced was copper. No production records have been located. The relevant portion from the QGR is presented below:

> "About 15 kms west northwest of Calcium lies the Iron Glen (aka Eastern Lode) ironstone deposit composed of magnetite and hematite which is intermixed with limestone deposits. Saint-Smith (1920) reported a 6-meters deep shaft at this occurrence which contained traces of copper carbonates. The deposit was mined for use in cement manufacture by North Australian Cement Limited and between 1955-1969 produced more than 36,000 tonnes of iron from open cut workings (Levingston, 1971)."

In the older literature, the Iron Glen area was also referred to as the Woodstock prospect (after Levingston, 1962). Of particular interest are the comments made by Saint-Smith (1920) who confirmed that iron-rich rocks were also observed at "Cattle Creek", no more than one kilometer west of what is now known as the Iron Glen pit. Brooks (1970) has reviewed the iron-related occurrences known at the time in Queensland, which places the Iron Glen deposit in some context, which will be discussed later in this report, see Section 20.0 - Other Relevant Data and Information.

More recently, Puce (2007) also defined the principal zone of geological interest in the Iron Glen pit as a calcareous skarn developed in limestones in contact with granodiorite. The skarn is dominated by epidote and contains disseminations and lenses of magnetite with sulfide segregations, large and small. He collected 16 rock-chip samples of ironstone, magnetite and skarn from the Iron Glen pit area. Iron content was reported high but variable and confirmed the earlier findings by Perkin (1971) of magnetite-rich rock samples reporting in excess of 45% total iron, with copper and sulphur values moderate to high, commonly more than 0.5% copper and more than 0.5% sulphur, up to 3.1% copper and 3.6% sulphur.

Base metals such as lead, zinc and silver are also reported as moderate: respectively, lead (100 ppm to 750 ppm), zinc (100 ppm to 500 ppm), and silver (30 ppm to 178 ppm). Deleterious elements to iron ore quality, such as titanium, aluminum, and phosphorous all appear to be low. Gold is low – generally less than 0.01 ppm in surface samples; nearby, samples have been reported to contain low but significant values. Broadly, results are similar to the previous company sampling by Battle Mountain (Cameron, 1988 and Hamilton, 1987), and in more recent projects in the Iron Glen EPM and in other magnetite deposits of northeast Queensland, discussed later in this report, see Section 11.0 - Mineralization and Section 20.0 - Other Relevant Data and Information.

Bismuth was reported as being geochemically high and was confirmed in Holes IGRC002 and IGRC008, which is consistent with a Permo-Carboniferous intrusive (see Morrison and Beams, 1995) and with the mineralization at the Biggenden Mine located to the southeast near Marybourgh, Qld. (see Siemon, 1971). The deposit at Biggenden has remarkable similarities to what is currently known of the Iron Glen mineralization, and the geological information from that deposit would be useful as a potential analogy to guide exploration at the Iron Glen deposit, see Section 20.0 - Other Relevant Data and Information.

In terms of mineral exploration (not including limestone mining), the Iron Glen Prospect appears to have lain dormant from the early 1970's through 2007 when Walter Doyle was granted EPM 15654. Exploration in the district through the 1970's and early 1980's focused on uranium associated with felsic Permo-Carboniferous volcanics and intrusives similar to the hosts of uranium and precious metals in the Ben Lomond area due west of Townsville. In the 1980's and early 1990's exploration focus shifted to gold exploration that was also primarily associated with Permo-

Carboniferous intrusive-extrusive complexes and prospective structural settings such as the Ellenvale Graben to the south of the Iron Glen area where Battle Mountain (see Cameron, 1988: Report CR17274) and Newmont Australia Limited (Hamilton, 1987: Report CR17770) carried out regional exploration for gold. Base metals and silver were utilized as pathfinder elements in this exploration and both companies sampled the Iron Glen ironstone. Newmont returned some elevated gold (to 1.8 ppb) and copper values in stream-sediment sampling. Given their gold focus, the low gold values in the ironstone downgraded the area, although high copper and silver values were noted.

After reviewing the above company activities and associates reports, we have concluded that only superficial studies have been conducted in the general area of current interest over the past decades. If obvious outcrops did not show significant alteration and associated favorable sampling results, the tenements were relinquished. No systematic local mapping and little drilling have been conducted that would support the development of various models of mineralization until that recently conducted by Terra Search on the Iron Glen tenement.

With the addition of advanced ground magnetics surveying and associated data modeling, coupled with sophisticated software used by Terra Search, exploration of a higher level and sophistication than previous efforts has led to more effective targeting of sites for follow-up drilling and for working out the geological relationships, which together improves the chance of discovering a significant ore body. The results of recent activities on the Iron Glen tenement are discussed later in this report, see Section 12.0 - Exploration.

Section 9.0 Geology

9.1 Regional Geology

The Iron Glen EPM is located on the Townsville 1:250,000 geology sheet in a Paleozoic Terrain often referred to as the Coast Range Igneous Province (evident in Figures 1, 5 and 6). The regional geology tends to be complex in places, incorporating many geological events over the full span of the Paleozoic era, and based on recent observations by Terra Search (2010) may extend back into the NeoProterozoic with several geological events in evidence from the post-Paleozoic to Recent. Terra Search (2010) indicates that in spite of the proximity of EPM 15654 to Townsville, the geological relationships are not well known. Reconnaissance mapping was undertaken in the 1960s and 1970s to produce the Townsville 1:250,000 geology sheet. There has been follow up mapping by the Geological Survey of Queensland in the 1980's and 1990's with the publication of the Mingela 1:100,000 sheet (Reinks *et al.,* 1996). This is the same mapping that appears on the revised Townsville 1:250,000 sheet, Second Edition, (Draper *et al*., 1997), see Figure 10. However, we understand that only limited traverses were undertaken in the Iron Glen area, and most of the revisions on this map relate to reinterpretations utilizing more detailed aeromagnetic coverage, which does not cover the Iron Glen area.

On the Mingela sheet (see Figure 10), the Iron Glen iron deposit is shown to occur within the contact zone of a band of northwest trending Neo-Proterozoic and Middle Paleozoic rocks with a Permo-Carboniferous Granite. The NeoProterozoic band is represented by unassigned schists and metasediments. The Middle Paleozoic rocks by the Middle Devonian Fanning River Group including fossiliferous limestone of the Burdekin Formation (and unassigned calcareous and feldspathic sandstone with a band of Kukiandra Formation conglomerate), and an unassigned feldspathic sandstone/siltstone of the Dotswood Group.

The NeoProterozoic rocks also appear on the eastern side of the map. These older rocks are intruded by Permo-Carboniferous granite which includes a hornblende-biotite granodiorite and porphyrytic granodiorite. The Paleozoic units are overlain by Tertiary and Recent transported sediments.

Structurally, the area is complex with several major northwest faults defining the unit boundaries. Major unconformities are suggested by the variation in the dip of some of the rock units; for example, on the Mingela sheet: the western Devonian sequence is dipping 20 degrees to 70 degrees to the southwest. The NeoProterozoic units are generally uniformly dipping to the northeast, 50 to 70 degrees.

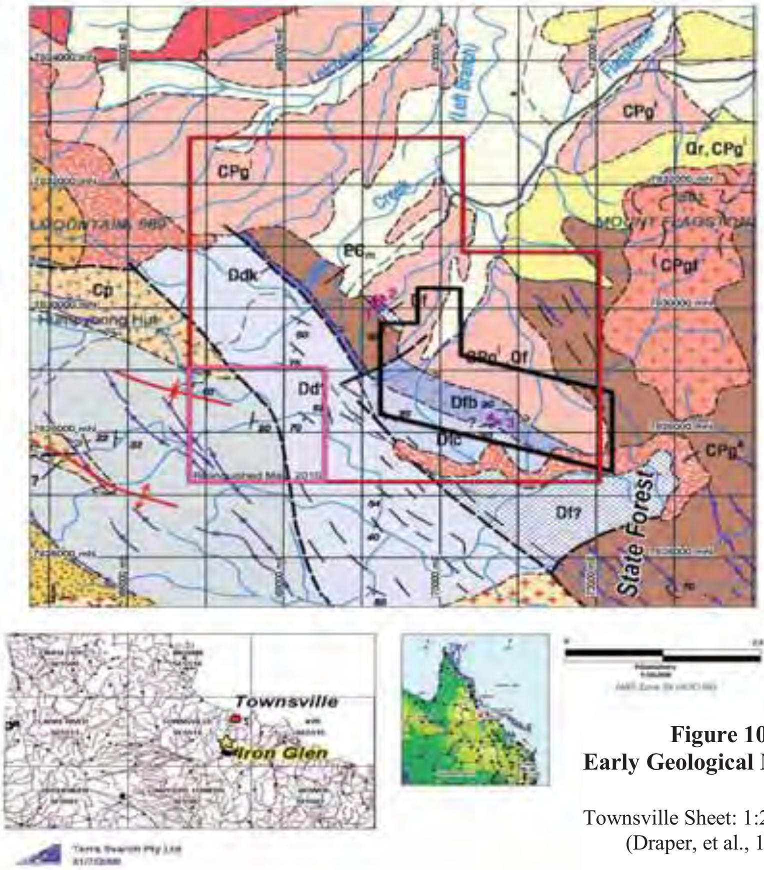


Figure 10
Early Geological Mapping

Townsville Sheet: 1:250,000
(Draper, et al., 1997)

9.2 Local Geology

The Iron Glen area is dominated by the Permo-Carboniferous Iron Glen Granodiorite, a coarse-grained, hornblende-biotite-magnetite granodiorite which intrudes a country rock sequence of Pre-Cambrian metamorphics on the western and southern sides and a coarse-grained quartz megacrystic biotite granite on its eastern side.

Based on similar lithologies and rock relationships in the Ravenswood-Charters Towers district to the south and east, the quartz megacrystic biotite granite is probably Ordovician in age. Terra Search (2011) indicates that observations and interpretations resulting from the drilling program have led to a revision of the geological interpretations made earlier (Terra Search, 2010). The main changes are that the original calcareous package is reinterpreted as being Devonian in age and assigned to the Burdekin Formation of the Fanning River Group. This assemblage of calcareous beds have been metasomatised and metamorphosed by the Iron Glen Granodiorite producing marble, skarn, siliceous calc-silicate, massive magnetite and magnetite skarn. These interpretations are based on the observations that the NeoProterozoic schist is not interlayered with the skarn sequence (see Figure 11).

Figure 11
Interpretative Geology by Terra Search (2011)

Where the Permo-Carboniferous Iron Glen granodirorite has intruded county rock, metasomatism of the calcareous sequences has resulted in the development of a complex of quartz-epidote, calc-silicate, magnetite-sulfide skarn, marble and silicified sandstone. Although the magnetite-sulfide skarn is the principal target in the Iron Glen exploration program, associated mineralization including copper, silver, and other metals have been reported by Terra Search (i.e., Terra Search, 2008) that may provide additional credits from mining magnetite and may provide other targets for exploration beyond that of iron. The recent drilling results also report elevated levels of various types metals; see Section 13.0 - Drilling Activities.

Section 10.0 Deposit Types

There are bedded and massive types of iron mineralization in Queensland. Brooks (1970) reviewed the iron ore resources in Queensland and concluded that the bedded variety of iron ore offers large tonnage but typically has inferior grade, poor beneficiation characteristics, and unfavorable geographical locations. The massive types of iron mineralization, such as the contact metasomatic replacements that occur at the Biggenden Mine and in the Iron Glen area, typically offer a superior grade of magnetite, favorable beneficiation characteristics (good separation and low phosphorous, aluminum, and titanium), and favorable geographic locations for shipping product, but have only offered reserves of a few million tonnes to date. The limited tonnage illustrates that perceived depth limitations of open pit mining have restricted the expectations of the potential size of these deposits developed in the past. With sustained higher prices, larger operations and deeper mines can be expected in the future. Therefore, available tonnages would be expected to increase regionally for this type of iron ore.

10.1 Contact Metasomatic Deposits

Contact metasomatic iron deposits, also known as pyrometasomatic deposits, are hydrothermal magnetite deposits formed by the replacement of country rock near the contact with intrusive igneous stocks, dikes or sills. Magnetite is often accompanied by hematite, carbonates, pyrite, chalcopyrite and pyrrhotite. The deposits vary in shape from tabular bodies to irregular to vein-like bodies. Some of the most important examples of this class are skarn deposits, developed where the intruded rock is limestone, as in the Iron Glen deposit, and characterized by calc-silicate minerals such as garnet, pyroxene and amphibole, all of which are present at the Iron Glen EPM. Typically, this type of deposit ranges in size from about 5 to 200 million tonnes and typically grades approximately 40% iron (Fe).

Meinert (1992) concluded that there are two main subtypes of iron skarns: calcic and magnesian. Calcic iron skarns are associated with intrusives of gabbro to syenite composition, whereas magnesian iron skarns are associated with granodiorite to granite intrusives. Examples of calcic iron skarns occur in Cornwall in Pennsylvania (USA), Sarbai in Kazahkstan (725 million tonnes at 46% Fe) and Marmoraton in Ontario (Canada). The largest magnesian iron skarn deposit is the Sherogesh deposit in the Commonwealth of Independent States (234 million tonnes at 35% Fe). Brooks (1970) also sites an example of pyrometasomatic replacement of non-carbonate rocks present in the El Romeral deposit in Chile, where a diorite stock intrudes andesite porphyry and metasediments.

10.2 Magnetite as Gangue Mineral

Magnetite has been considered a gangue mineral in many old mining districts in Queensland. The Biggenden Mine, located west of Marybourgh and northwest of Bribane produced gold and bismuth within a gangue including magnetite during the early 1900s (Craig, 1969), and only later in the 1960s was the deposit opened up to mine the associated metasomatic magnetite deposit for use in the cement industry. This occurrence of magnetite has a significant similarity to that of the magnetite and associated mineralization in the Iron Glen deposit, e.g. near vertical magnetite mineralization next to a granodiorite, metasomatism of carbonate intervals, and associated mineralization. For additional discussions regarding the Biggenden Mine and for additional discussions of other occurrences of iron deposits in Queensland, see Section 20.0 - Other Relevant Data and Information.

Section 11.0 Mineralization

The most significant mineralization within EPM 15654 is the magnetite-sulfide skarn deposit mined in the past at the Iron Glen pit. As indicated previously, the historic production was for use in cement manufactured by North Australian Cement Limited during 1955-1969 when the open pit produced more than 36,000 tonnes of iron ore. Calc silicate and skarn assemblages are developed along the contact of a calcareous sedimentary package and the Permo-Carboniferous Iron Glen Granodiorite, as discussed in Section 10.2 - Magnetite as a Gangue Mineral, above.

11.1 Type of Mineralization

The skarn assemblages are dominated by medium- to coarse-grained granular epidote, quartz and magnetite. Brown (andradite?) garnet is also present. Magnetite typically occurs as massive bands ranging 20 m wide to less than 1 meter. Sulfide intervals are often associated with the magnetite. Coarse pyrite and chalcopyrite are commonly present; these minerals alter to malachite where oxidized.

Recent float samples of massive magnetite from the Iron Glen pit (see Figures 12 and 13) also contain other minerals when viewed with a special photographic spectral enhancement. This setting emphasizes the more subtle saturation of lower-spectral colors with less effect on the highersaturated colors (*PhotoShop* vibrance setting at +75). Figure 12A is the original sample of massive magnetite with fresh and oxidized faces (top) and showing large, cubic crystal faces reflecting the flash light. Figure 12B shows the otherwise obscured copper oxide (green) and other oxides (yellow) on fresh surfaces. In the next sample, Figure 13A shows the massive, granular magnetite. Figure 13B shows a circular mass of yellow-gold, fine-grained pyrite in the left portion of fresh sample face.

In previously reported surficial drill and rock samples, analyses suggested that copper values of between 0.1% and 0.5% are associated with the magnetite, with selected rock chips of highly sulphidic material from the pit returning 2% -3% copper. Silver in selected rock-chips was found to be in the range of 10 gram/tonne to over 30 grams/tonne. Iron analyses from selected rock-chip sampling at the surface and pit floors and walls returned 40% to 50% iron, mostly magnetite.

Figure 12A - Original Magnetite

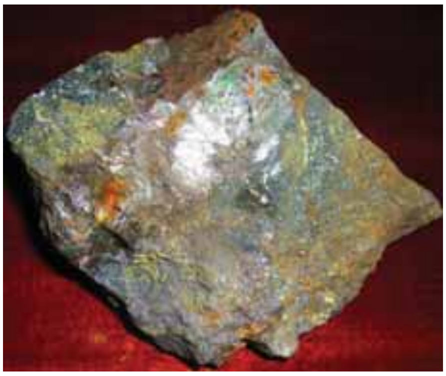


Figure 12B - Enhanced View

Figure 13A - Original Magnetite

Figure 13B - Enhanced View

11.2 Magnetics Modeling for Resource Estimates

The ground magnetic surveys completed by Terra Search (2010) and (2008), have modeled the dimensions of the magnetite mineralization in the Iron Glen area. They determined that the best fit is based on field observations and the current state of knowledge for a large magnetic body with moderate contents of magnetite (in the 10% to 20% magnetite range), within which exist pods and bands of high-grade to massive magnetite. The larger envelope of moderate magnetite can be modeled with the overall dimensions of 400 m x 50 m x 100 m to a depth of 200 m with a magnetic susceptibility of 200 x 10^{-3} SI units.

Using a Specific Gravity of 3.5, Terra Search modeled a maximum mineralization envelope of some 10 million tonnes although only a portion this may be a potential resource. Terra Search modeling suggests a higher grade body could be present in the order of 1 to 2 million tonnes with a magnetic susceptibility of 500 to 1,000 with iron grades of approx 30 to 50% plus 0.1% - 0.5% copper with some potential silver credits in the 10 grams/tonne to 30 grams/tonne range, based on earlier surface sampling at the Iron Glen pit.

If a lower magnetic susceptibility is used in the calculations, then more tonnes would be present but magnetite and the associated iron content would likely be lower. However, beneficiation of a larger iron resource base combined with credits from copper, zinc, silver and/or additional beneficiated products could drive the development of such a deposit, assuming it could support a reasonable economic mine life.

Such magnetic modeling requires additional information on the physical and mineralogical characteristics and on the extent of the known mineralized zone as well as any extensions laterally and at depth that may mask the magnetic signature. The magnetics may also be useful in identifying satellite zones located along the contact with the subject granodiorite or along the contact with the newly recognized granite with a carbonate or equally receptive unit that could include mineralization of economic interest. Other geophysical methods should also be considered in exploration for metals other than magnetite.

Section 12.0 Exploration

12.1 Previous Surveys and Investigations

For background, Puce (2007) also recommended a ground magnetic survey to prospect for magnetite masses around and along the Iron Glen granodiorite contact to the northwest. The survey was designed as a series of short east-west lines over the known outcropping areas from the southeast, traversing to the northwest. Terra Search carried out the survey in December, 2007. In total, 123 line kms were surveyed at generally 25 m spacing, line length was 2.5 kms (Terra Search, 2008).

12.1.1 Ground Magnetics Surveys

The Terra Search magnetics surveys conducted over the past few years have served as both a mapping tool to interpret the local geology as well as a technique for targeting magnetic mineralization such as the magnetite skarn for the purpose of selecting optimum drilling sites. By late 2008, Terra Search has conducted a 4-day field geological evaluation of selected areas of the Iron Glen EPM. This resulted in the generation of a Reduced-to-Pole (RTP) image of the combined ground-magnetic surveys, as illustrated in Figure 14. This clearly shows the magnetic body in the Iron Glen Pit with an apparent extension to the northwest.

Terra Search has developed a number of new exploration concepts that will be useful in future exploration programs on the Iron Glen EPM; only a few need to be summarized here:

- The details present in the ground magnetic data are on the scale useful for drilling target definition.
- Within the survey area, the contact with the Iron Glen Granodiorite and surrounding country rocks can be clearly seen as a large semi-circular intrusive embayment.
- The low magnetic country rock schists (magnetic susceptibility of approx 0.15 SI units) appear as a prominent low magnetic margin on the western and southern sides of the intrusion.

- On the eastern side of the intrusive aureole, the slightly magnetic Quartz Megacrystic Granite (the recently identified granite exhibiting a magnetic susceptibility of approx 15 x 10^{-3} SI units in fresh rock) is distinguished from the schists by its higher total magnetic intensity.

- Most other rock units such as Burdekin Formation Limestone, Permo-Carboniferous Felsic Porphyry (recently interpreted as a siliceous calc-silicate), Dotswood Formation feldspathic sandstone, and Kukiandra boulder conglomerate all have low measured magnetic susceptibilities (<1 x 10^{-3} SI units) and appear as magnetic low areas on the images.

- Some feldspar porphyry dykes of intermediate composition have low magnetic susceptibilities (1 to 2 x 10^{-3} SI units) and these form distinctive low magnetic linears where they cut the Iron Glen Granodiorite.

- Some of the weaker magnetic linears which are enhanced with advanced processing may correspond to structural dislocations, e.g., faults or shear zones. However, these are fairly subtle and detailed field mapping will be required to confirm these interpretations.

- The ground magnetic survey has clearly delineated the horizontal extent of the magnetite skarn mineralization, at the intrusive contact of the Iron Glen Granodiorite and calc silicate/schist/marble package.

- As defined by the Reduced-to-Pole (RTP) image, the magnetic anomaly is some 400 m long and over 50 m wide.

- There are small magnetic highs, along strike to the north and south, which have minor occurrences of magnetite at the surface.

- There are no other similar prominent magnetic high features along the contact of the Iron Glen Granodiorite within the survey area.

- The survey has effectively screened over 6 kms of prospective granodiorite/skarn contact. This strong anomaly is related to the presence of the major magnetite unit in the Iron Glen pit area, but the extent to which the magnetite unit has been masked by faulting is unclear at present.

- 3-D magnetic modeling of the Iron Glen ground magnetic survey has shown that the mapped geological units (with their associated magnetic parameters) explain almost all the major magnetic features.

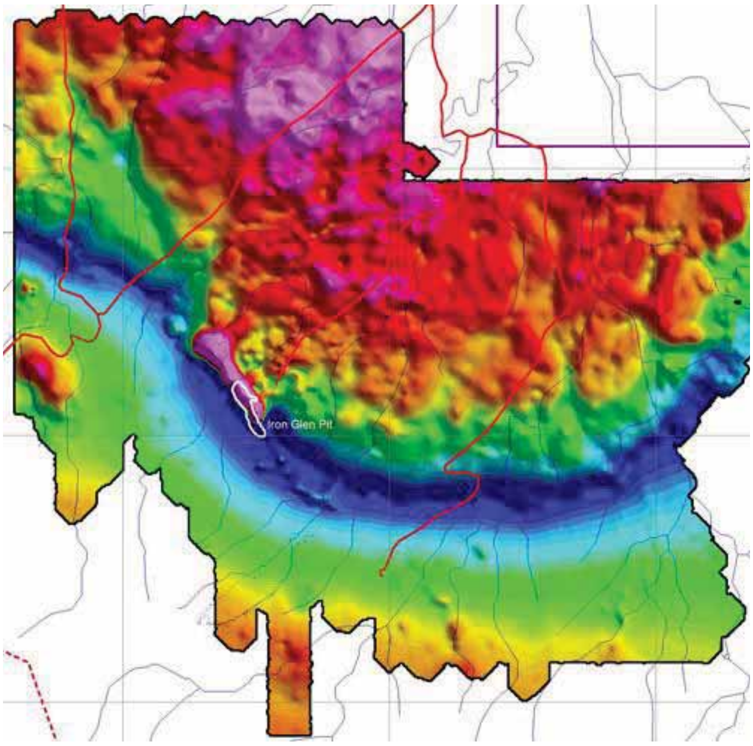


Figure 14 - A Reduced-to-Pole (RTP) Image of the Combined Ground Magnetic Surveys (Terra Search, 2010)

- A magnetic high has been located to the west of the Iron Glen trend. Ground follow up revealed an outcropping, strongly pyritic, highly fractured rhyolite porphyry. The magnetic susceptibility of the rhyolite is low (0.15 x 10^{-3} SI units). Because the anomaly is not explained by the surface geology, it is likely there is a deeper buried source.

- 3-D modeling of the Iron Glen ground magnetic survey shows that the large magnetic high and prominent trough-like aureole are caused by the Iron Glen Granodiorite body. This prominent trough results from the contrast between the moderately magnetic granodiorite and the non magnetic country rocks. A steep-sided contact is indicated.

- 3-D magnetic modeling shows that the strong magnetic high at the Iron Glen pit area can be modeled as a body of strongly magnetic skarn with conservative dimensions of 400 m along strike x 20 m across strike and 70 m to 100 m down dip. The dip of the body is consistent with surface structural measurements of 150° strike and 50° to 70° to the northeast.

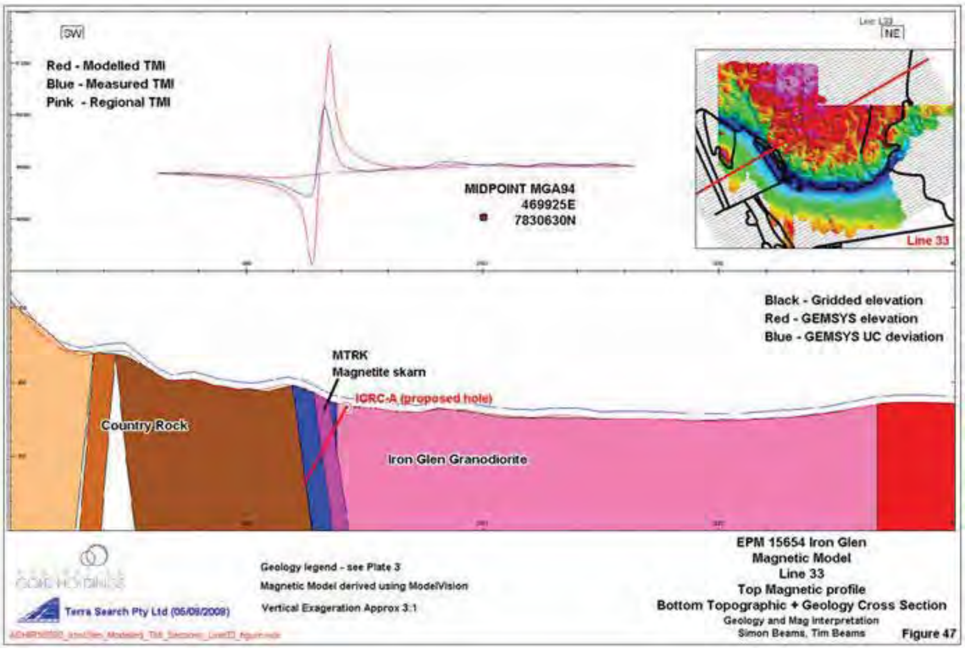


Figure 15 - Example Modeled Cross Section (from Terra Search, 2010)

Modeled cross sections were generated by Terra Search (2010) from the geophysical modeling of the magnetics data. One such cross section has been presented in Figure 15. This figure has been selected to illustrate some additional observations. The modeled magnetics suggest that the magnetite skarn continues to a substantial depth, as indicted by the high-low signature in the figure. This suggests that a significant tonnage of magnetite may be available in the Iron Glen pit area at depth with additional tonnage to the northwest along strike. Also, this modeled section has been confirmed during the 2010 drilling program (see Figure 23 and 24 in Section 13.0 - Drilling Activities).

12.1.2 Soil Geochemical Surveys

A soil sampling survey was carried out in 2009-2010 by Terra Search to assess the surface mineralization over the Iron Glen deposit and pyritic rhyolite plug to the west. A total of 110 minus 80 # mesh soil samples were collected. Terra Search concluded as follows:

- The skarn style mineralization at the Iron Glen pit area is clearly identified by elevated iron, base metals (copper, lead, zinc, silver), and calcium.

- The northern strike extent of the iron and base metal in the soil geochemical anomaly is at least 200 m longer than the Iron Glen pit. This is a similar relationship to that shown by the ground magnetic high discussed earlier.

- The southern strike extent of the iron and base metal in soil anomaly does not extend beyond the general area of the Iron Glen pit.

- Gold values are up to 69 ppb. The highest values are associated with the iron-copper skarn in the central to southern part of the pit area and in the hanging wall to the skarn.

- Base and precious metal values over the pyritic rhyolite plug area are all of a low values (e.g. all < 5 ppb gold). If this system carries metal it would have to be at a different level to current exposures. As the magnetic high near the plug is still unexplained there is a possibility of an intrusive source at depth that may be associated with mineralization. The pyritic rhyolite may represent the barren periphery of the hydrothermal system.

- The highest values of copper in soils occur in the central to southern parts of the Iron Glen pit area, higher values of tungsten, molybdenum also occur in this area. This relationship is interpreted by Terra Search as indicating the hotter parts of the hydrothermal system closest to a magmatic source.

- The highest values of lead and zinc in soils occur to the northeast of the pit area. This relationship is interpreted as indicating the lower temperature areas of the hydrothermal system and the direction of the cooling path of the mineralizing fluid as it moved away from a probable magmatic source.

- The soil lines over the Iron Glen deposit are all anomalous. Discriminant Analysis conducted by Terra Search indicates that the samples at the end of survey lines are still mineralized.

The geochemical soil maps generated by Terra Search resulting from the above surveys are particularly interesting, especially for gold and silver illustrated in

Figure 16; for copper, lead, and zinc in Figure 17, and for molybdenum, antimony, and tungsten in Figure 18, below:

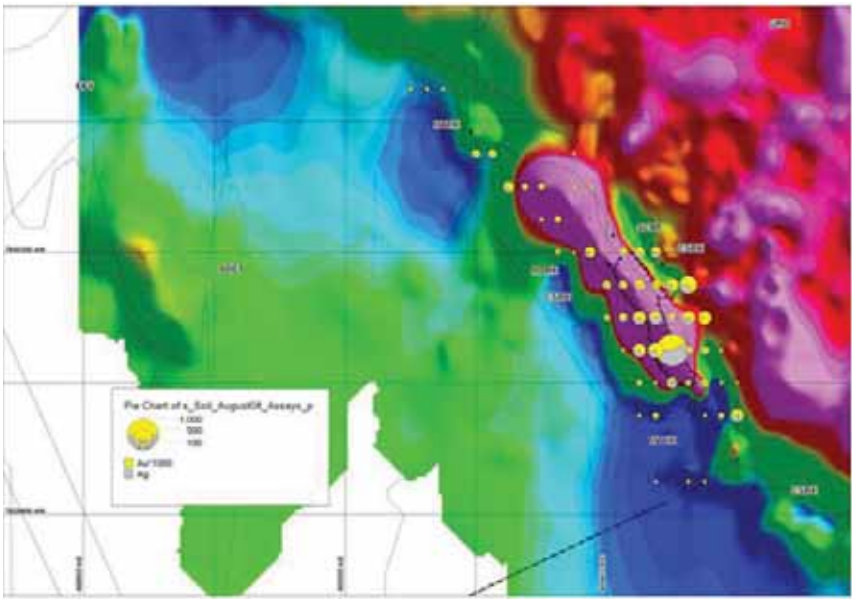


Figure 16 - Gold and Silver Soil Values (Terra Search, 2010)

When comparing the soil anomalies apparent in Figures 16, 17, and 18, with the corresponding hole logs (in Appendix II), the anomalies from the soil surveys have produced a guide to later drill-site selections. In general, however, the reported copper, lead, and zinc soil survey anomalies have been confirmed in the recent drilling, see Section 13.0 - Drilling Activities.

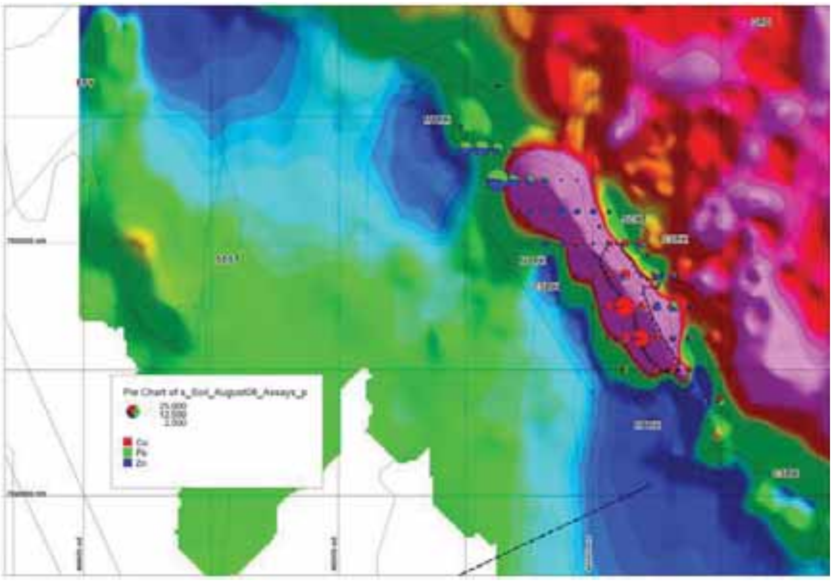


Figure 17 - Copper, Lead, and Zinc Values (Terra Search, 2010)

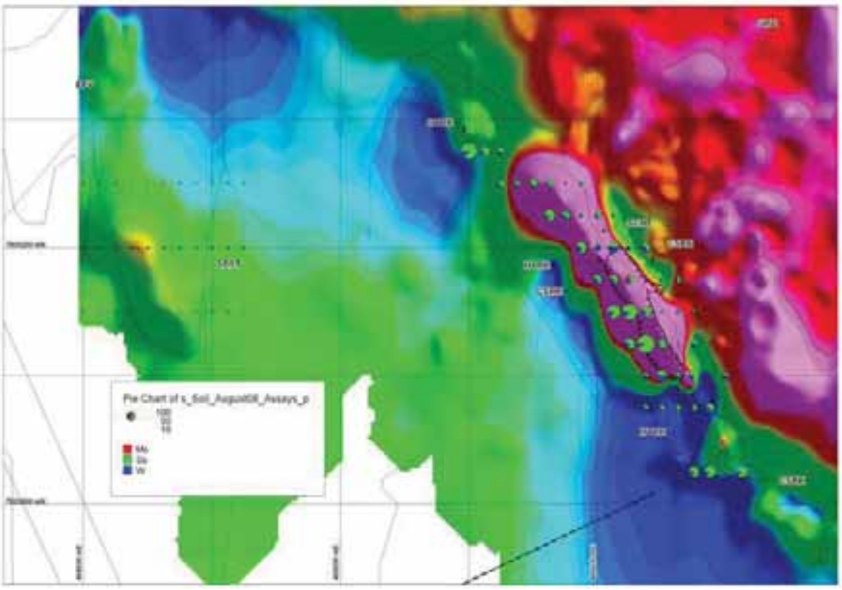


Figure 18 - Molybdenum, Antimony, and Tungsten Values (Terra Search, 2010)

12.2 Current Concepts

The descriptive model described by Cox (1986) of iron skarn deposits (Model 18d) is consistent with the methods employed by Terra Search in the exploration program conducted in the Iron Glen area over the past few years. This included site identification based on earlier reports, soil and rock-chip sampling and analyses, aeromagnetics followed by detailed ground magnetics, and then followed by a preliminary drilling program that included detailed geochemical and magnetic susceptibility logging, petrographic analysis of some 16 thin sections, 1 polished thin section and 3 polished blocks of surface samples and from the recent drilling completed in October, 2010 (see Price, 2010 and Terra Search, 2011). This petrographic analysis has begun the process of developing a clear paragenetic history of the pulses of mineralization that have intruded the subsurface in the Iron Glen area (see Price, 2010). This will aid exploration.

Section 13.0 Drilling Activities

Historical drilling within the Iron Glen tenement focused on determining the quality and tonnage available of limestone near the surface. Trans Australian Explorations (TAE) obtained access to percussion drill samples retained by North Australian Cement Limited (NACL) during the period of extraction of the ironstone held under lease during 1955-1969. These were geologically logged and selected samples were assayed. The base of oxidation is described as 20 m below the surface, but this is probably the base of partial oxidation because sulfides are near the surface in the existing Iron Glen pit. Historical shallow drilling in the magnetite lenses shows intermixed sulfides containing copper over an interval of 10 to 20 m with values ranging from 0.3 to 0.7% with even higher values reported nearby. Soil sampling confirmed that the magnetite skarn is significantly mineralized and deserved further study.

Following up on interpretations made by Terra Search's magnetic modeling and local geological investigations of 2008 and 2010, drilling and sampling were conducted in the area of the Iron Glen pit in October, 2010. Eleven holes were completed by reverse-circulation drilling for a total of 1,258 m drilled on the Iron Glen EPM using 3½ inch TBH hammer bits to a maximum depth of 148 m at inclines of 60 degrees.

This initial drilling program was designed to test the extent of magnetite mineralization associated with a strong magnetic anomaly identified earlier in and around the Iron Glen pit area (shown in Figures 14 to 18).

Figure 19 - Drill rig on site of IGRC002, looking south. Cyclone and sample splitter at left of photo (Terra Search, 2011).

The locations of the holes drilled are shown in Figure 20, and they are identified as IGRC001 through IGRC011. Drilled at angles of 60 degrees, all holes were designed to intercept the magnetite body identified by the earlier ground-magnetics program, the anomaly of which is illustrated in Figure 21 (and modeled in the cross-section in Figure 15). The hole locations and horizontal extent projected to the plan view are also presented.

Terra Search (2011) recently reported that significant magnetite intercepts were encountered during the October, 2010 Iron Glen drilling program, and based on their report, we conclude that the drilling results also have indicated the presence of other metals. These results are summarized in the tables below (see Tables 3, 4, and 5). The angle drilling intercepts are presented as down-hole widths and not true widths.

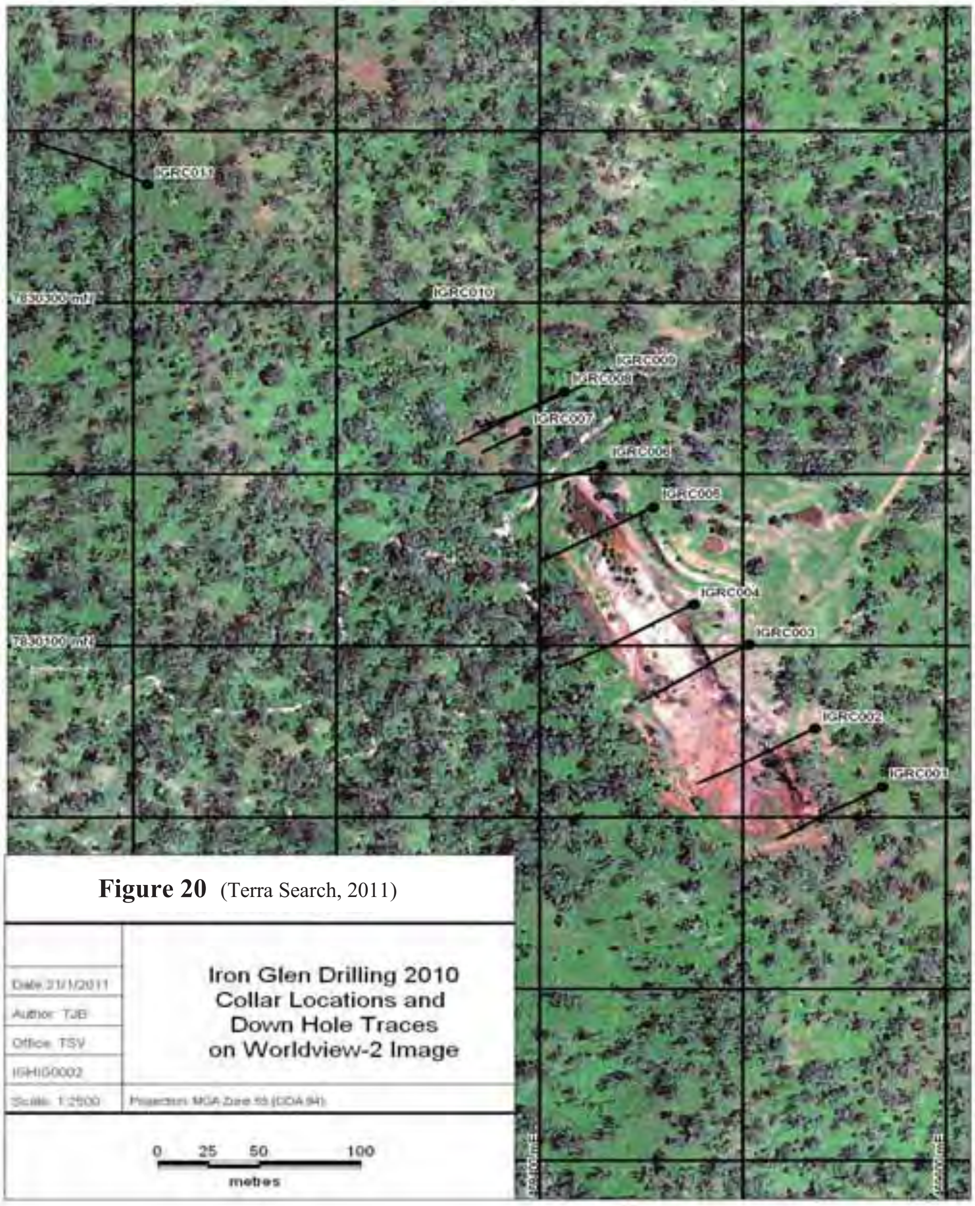


Figure 20 (Terra Search, 2011)

The geological logs indicate that all high-grade iron analyses are from zones of massive to semi-massive magnetite rock and associated magnetite skarn, (see Hole Logs in Appendix II). More than one massive magnetite zone containing copper and sulfide were encountered in the southern holes. Of particular note is that high zinc and silver analyses are from samples that occur outside of the zones of massive magnetite.

As in many similar iron skarns known elsewhere in the world, mineralization containing more than just iron is often present in nearby zones. At the Iron Glen EPM, based on the information available to date, the initial drilling program has revealed that the mineralization can be classified as an iron-copper-zinc-silver skarn. Terra Search (2011) reports that drilling has shown that both the granodiorite-skarn contact and skarn-marble sequence, including the enclosed magnetite skarn bodies, are steeply dipping. We have reviewed their observations (presented below) on the mineralization encountered as a result of the drilling program:

- In general, the massive magnetite zones are assigned to 40% plus iron or 60% plus magnetite. There is a good correlation between zones logged as massive magnetite, extremely high-magnetic susceptibilies, high-magnetite content and iron content.
- Within the skarn, other iron phases besides magnetite are present – such as epidote, clinopyroxene, garnet, biotite, amphibole, chlorite, pyrite, pyrrhotite. The massive magnetite appears to be enclosed in an envelope of magnetite skarn containing >20% Fe.
- In terms of the relative position of the massive magnetite, it appears that massive magnetite occupies a similar stratigraphic position in holes IGRC002 to IGRC006. The massive magnetite occurs in the lower third of the skarn-diorite zone, generally 30 m to 40 m above the marble contact. Terra Search (2011) suggests that there is good continuity of the massive magnetite lens over a lateral strike distance of some 250 m, with indications of thin zones of magnetite within other intervals.
- The massive magnetite intersected in the southernmost Hole IGRC001 is close to the bottom marble contact and therefore unlikely to be the same magnetite lens intersected in holes to the north. Structural complexities may increase to the south, and the main magnetite zone may have been disrupted by faulting.
- Similar structural complexities may also increase to the north, where the existing drilling is not of sufficient density or orientation to establish the continuity to the north. [In projecting toward the northwest,] only Hole IGRC008 contains a massive magnetite intercept and this is difficult to correlate to other holes to the north, [an indication that the unit has been disrupted by faulting].
- Diorite dikes cut the skarn sequence and are also altered and somewhat metamorphosed.
- The felsic granite and aplite intersected are assumed to be late differentiates of the Iron Glen granodiorite.

- The fine-grained siliceous rock in the western area of the EPM, previously reported by Terra Search (2010) as felsic porphyry, has been re-interpreted as siliceous calc-silicate, otherwise known as a siliceous skarn.

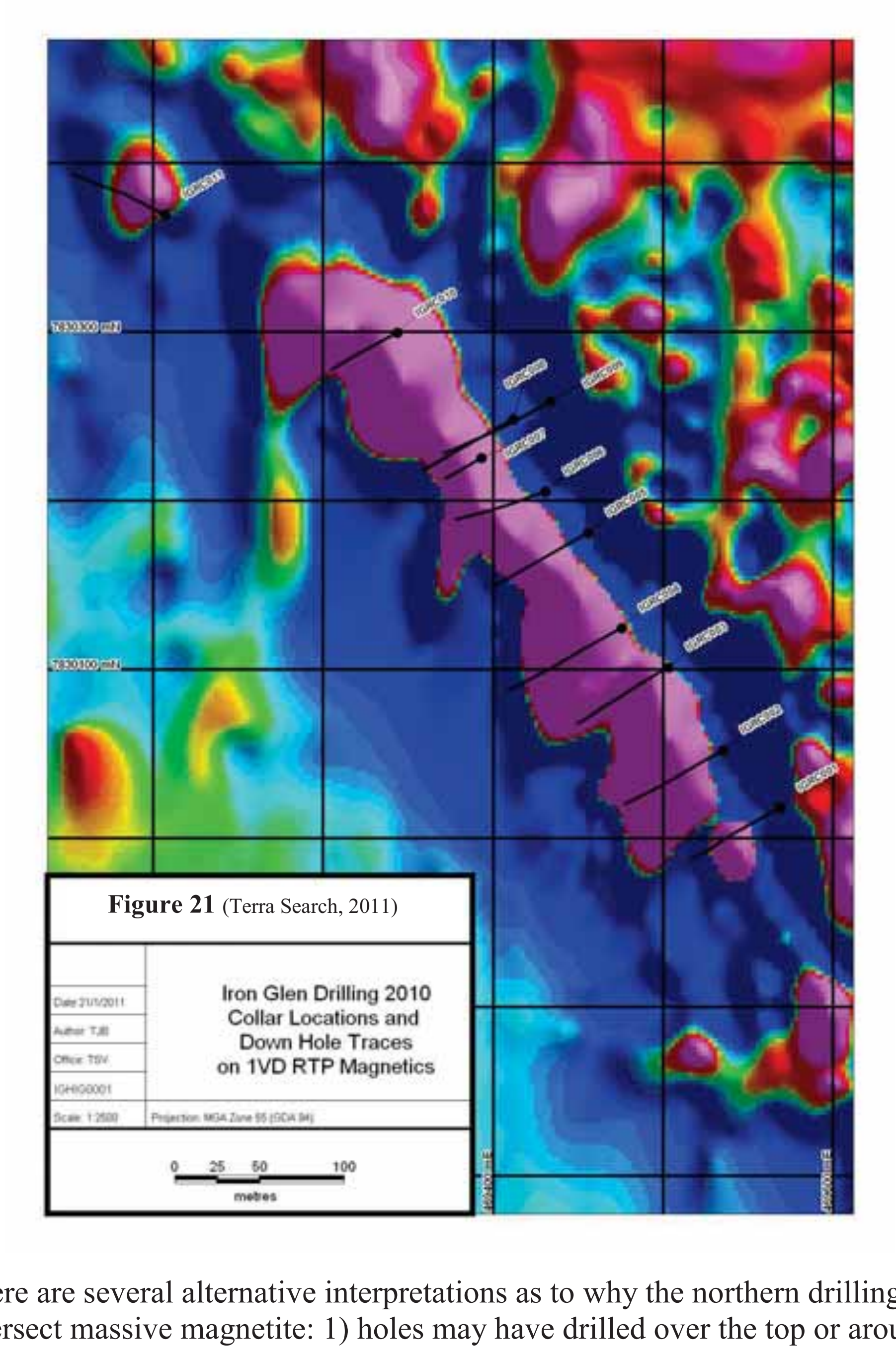


Figure 21 (Terra Search, 2011)

- There are several alternative interpretations as to why the northern drilling did not intersect massive magnetite: 1) holes may have drilled over the top or around the flanks of deeper magnetic features, 2) the sequence may be dipping away from the azimuth of the current drill holes, and 3) structural complications may exist. As is common in the early phases of drilling skarn deposits, such issues need to be resolved with additional drilling.

- There is a zoning evident along the strike length of the skarn and magnetite skarn. Copper mineralization is commonly associated with the magnetite bodies in the southern and central holes, around the pit area. Silver is also anomalous.

- There is less copper and silver evident in the northern holes, even in the massive magnetite zone. Zinc and lead are much more prominent here, often present in skarn intervals that are not particularly magnetite-rich. This is not unusual in such deposits.

- The high-grade magnetite averages 30 to 50% Fe over downhole widths of 2 m to 10 m. A lower grade (20% Fe) envelope occurs around the high grade zones.

- Sulphur (as S) in the high-grade magnetite ranges from 0.5% S in the north to over 2.5% S in the south (see Table 3).

Table 3
Iron, Copper, Silver & Sulphur Intercepts
(Terra Search, 2011)

Hole ID	From	To	Width	Fe	Cu	Ag	S
	m	m	m	%	%	g/t	%
IGRC001	100	110	10	31.8	0.20	16.5	2.8
IGRC002	64	68	4	26.5	0.28	23.0	2.2
IGRC003	62	68	6	47.1	0.22	22.0	1.5
IGRC004	30	42	12	49.7	0.21	11.5	2.5
IGRC005	82	88	6	50.9	0.06	4.4	1.4
IGRC006	68	72	4	44.6	0.02	1.8	0.6
IGRC007	24	26	2	39.6	0.05	5.6	1.6
IGRC008	74	86	12	40.8	0.03	2.8	0.7
IGRC010	50	52	2	21.8	0.01	0.4	0.3
IGRC010	62	64	2	20.1	0.02	1.3	0.4

- Copper in the high-grade magnetite ranges from 0.02% copper in the north to over 0.25% copper in the south.

- Silver in the high-grade magnetite ranges from 1 ppm silver in the north to over 23 ppm silver in the south (see Table 4).

- Of particular note, a few high zinc and silver analyses were reported in drilling samples outside of the massive magnetite zones. For example: Hole IGRC002 returned 28 m @

59.2 g/t silver from a downhole depth of 48 m to 76 m. Hole IGRC010 samples showed 14 m @ 0.74% zinc from 64 m to 78 m. Also, Hole IGRC011samples showed 76 m @ 0.35% zinc from 0 m to 76 m downhole.

Table 4
Zinc and Silver Intercepts
(Terra Search, 2011)

Hole ID	From	To	Width	Zn	Ag
	m	m	m	%	g/t
IGRC002	28	30	2	2.82	
IGRC002	48	76	28		59.2
IGRC003	68	74	6	0.14	
IGRC003	62	74	12		23
IGRC004	6	20	14	0.11	
IGRC005	100	110	10	0.8	
IGRC006	82	98	16	0.38	
IGRC007	22	28	8	0.69	
IGRC008	90	94	4	0.92	41
IGRC009	100	102	2	0.65	
IGRC010	64	78	14	0.74	
IGRC011	0	76	76	0.35	
Includes:					
IGRC011	0	26	26	0.48	
IGRC011	54	64	10	0.51	

- The high-grade magnetite contains on average 14% SiO_2, 2.7% Al_2O_3, 7.6% CaO, 0.02% P_2O_5 (see Table 5). As discussed later in this report, these values indicate the magnetite drilled to date is of high quality.

- Gold values were all low, [but conspicuous in Holes IGRC002, 3, 6, and especially in Hole IGRC007, (see Appendix II for Hole Logs of interest)].

- It is worth noting that iron not only occurs as magnetite, but some iron is present as siderite, pyrrhotite (which also has relatively high magnetic susceptibility) and in silicates, such as: clinopyroxene, epidote and garnet, etc.

Table 5
Major Element Oxide for High-Grade Magnetite Intercepts
(Terra Search, 2011)

Sample	Hole ID	From	To	SiO_2	TiO_2	Al_2O_3	Fe_2O_3	MnO	MgO	CaO	Na_2O	K_2O	P_2O_5
		m	m	%	%	%	%	%	%	%	%	%	%
6998168	IGRC00 3	62	64	15.00	0.13	2.57	69.32	0.41	1.46	7.14	0.13	0.12	0.03
6998169	IGRC00 3	64	66	13.80	0.11	1.78	72.44	0.38	1.66	6.27	0.13	0.09	0.03
6998215	IGRC00 4	32	34	16.20	0.14	2.81	67.93	0.37	0.83	7.28	0.12	0.11	0.02
6998216	IGRC00 4	34	36	11.05	0.21	2.83	76.69	0.36	1.08	5.04	0.13	0.16	0.03
6998217	IGRC00 4	36	38	14.20	0.18	3.22	70.40	0.45	1.30	6.52	0.14	0.12	0.02
6998218	IGRC00 4	38	40	11.30	0.09	2.05	77.88	0.45	1.18	4.99	0.12	0.10	0.02
6998219	IGRC00 4	40	42	13.40	0.11	2.90	71.02	0.47	1.11	7.74	0.09	0.08	0.01
6998311	IGRC00 5	82	84	12.15	0.06	1.70	72.96	0.47	1.20	6.95	0.09	0.07	0.01
6998312	IGRC00 5	84	86	12.05	0.05	1.71	73.33	0.45	1.08	7.55	0.09	0.07	0.01
6998313	IGRC00 5	86	88	16.85	0.09	2.55	64.72	0.47	1.54	9.51	0.07	0.06	0.01
6998374	IGRC00 6	68	70	19.05	0.15	3.94	61.32	0.52	1.78	10.40	0.11	0.07	0.02
6998375	IGRC00 6	70	72	18.90	0.11	3.64	61.94	0.61	2.02	10.00	0.17	0.11	0.02
6998467	IGRC00 8	74	76	17.00	0.14	3.30	63.99	0.46	2.07	9.79	0.12	0.08	0.01
6998468	IGRC00 8	76	78	13.15	0.14	2.58	68.62	0.49	1.88	7.65	0.11	0.08	0.02
6998469	IGRC00 8	78	80	11.90	0.10	2.20	75.75	0.49	1.26	5.95	0.12	0.08	0.01
6998470	IGRC00 8	80	82	15.35	0.10	3.28	67.19	0.53	1.41	8.27	0.10	0.08	0.01
6998494	IGRC00 8	74	76	16.90	0.14	3.33	63.63	0.47	2.04	9.94	0.11	0.08	0.01
6998495	IGRC00 8	76	78	13.20	0.14	2.59	68.62	0.49	1.88	7.67	0.10	0.08	0.02
6998496	IGRC00 8	78	80	11.65	0.10	2.15	76.16	0.49	1.22	5.90	0.11	0.08	0.01
6998497	IGRC00 8	80	82	14.55	0.11	3.05	69.50	0.52	1.37	7.83	0.11	0.08	0.01
AVE				14.38	0.12	2.71	69.67	0.47	1.47	7.62	0.11	0.09	0.02

The magnetite bodies remain open down dip, and along strike to the north and south, but faulting is evident in those areas. Anomalous copper, lead, zinc, and silver (and even vanadium) have been encountered, both within the magnetite zone and above and below the zone. These anomalies appear to extend north and south of the recent drilling based on Hole IGRC001 in the south and Hole IGRC011 in the north some 225 m northwest of the Iron Glen pit. Further interpretation of the northern drilling results is currently underway by Terra Search personnel.

The geological logs for the 11 holes drilled have been presented by Terra Search (2011) in the format shown in Figure 22-A through 22-C. As an example, we have included one such log, e.g., for Hole IGRC004. These logs represent the findings of the Terra Search October, 2010 drilling program, including the occurrence of the magnetite zones and other zones of mineralization.

Figure 22-A

Hole Log with Mineralogical and Magnetic Susceptibility (Terra Search, 2011)

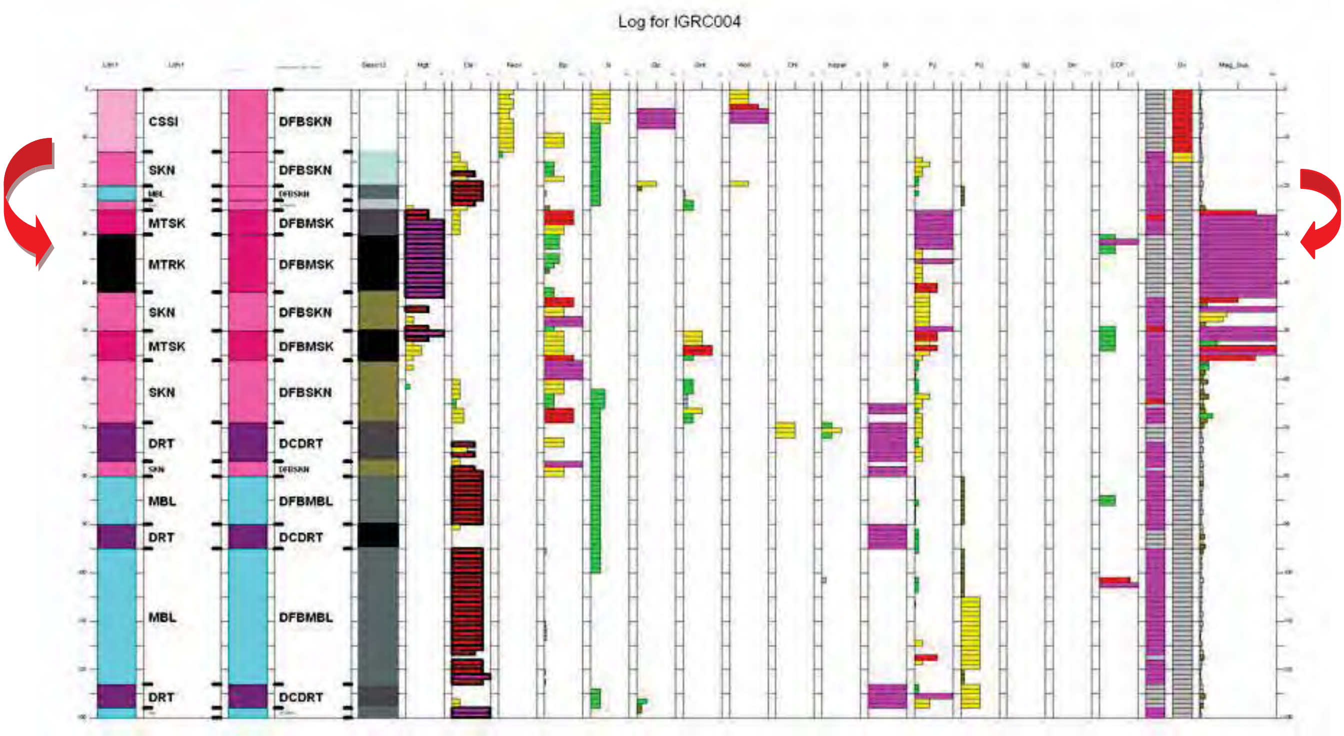


Figure 22-A presents the unit definitions (e.g., MTRK is the unit name for the massive magnetite zone), the geological descriptions, and other hole-related information, with magnetic susceptibility logging shown on the right margin of the figure above. This first log of each hole presents the geological information. The second log (Figure 22-B) presents the laboratory results for the major geochemistry, and the third log (Figure 22-C) presents the so-called minor geochemical data. Of particular note is that each log includes the Fe values (in the left margin), which infers the massive magnetite unit (MTRK) quite well.

In Figure 22-A, there is also a secondary magnetite zone a few meters below the main magnetite zone (unit name: MTSK). Pyrite was reported during logging within the main magnetite zone encountered in Hole IGRC004. Also, arsenic, magnesium, sulphur, and some copper and silver and other elements of interest are also present in the main zone. The logs for the other holes are available in Appendix II, and are presented in the same sequence for each hole in Appendix II, as in Figures 22-A to C above and below.

Figure 22-B

Hole Log with Major Oxides and Elemental Scans (Terra Search, 2011)

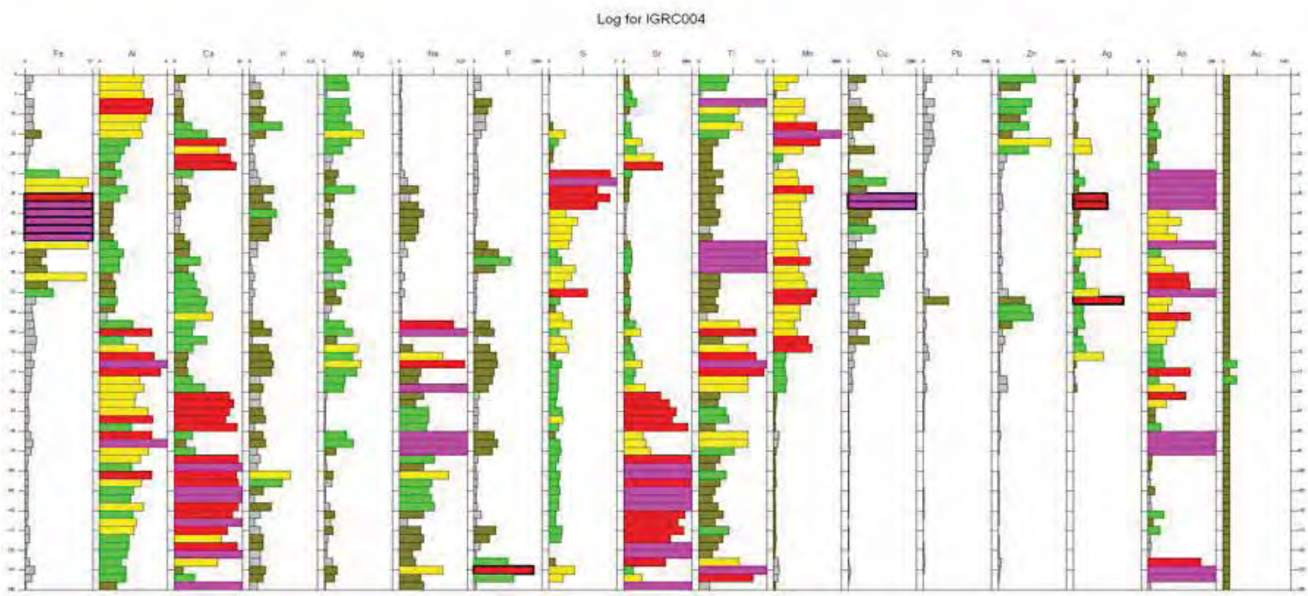
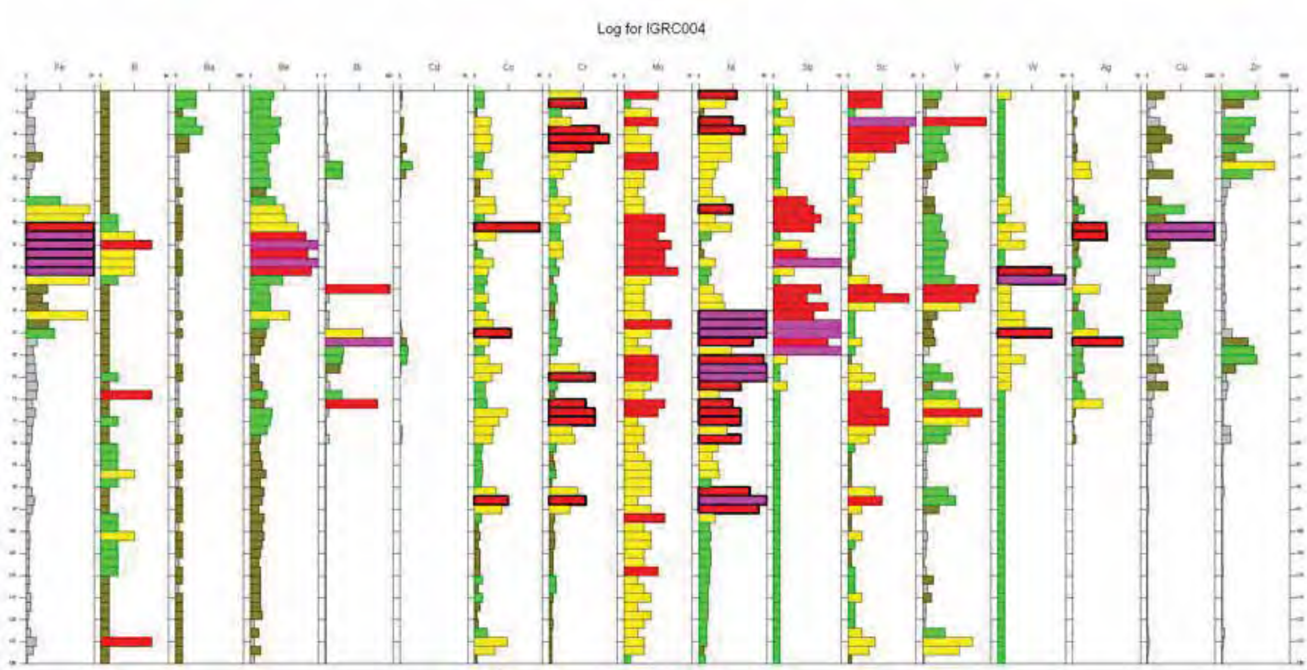


Figure 22-C

Hole Log with Elemental Scans and Metals (Terra Search, 2011)



Upon inspection of these hole logs, the magnetite zone is apparent, when present (see left margin of the three Hole Logs for reference). The other anomalies generally occurring in non-magnetite zones are indicated in Table 6:

Table 6
Magnetite Presence and Other Anomalous Metals in Drill Intercepts
(Data from Hole Logs - Terra Search, 2011)

Drilled Hole	Magnetite Present?	Other Anomalous Metals
Hole IGRC001	Yes	and for copper
Hole IGRC002	Yes	and for copper, silver, and gold
Hole IGRC003	Yes	and for copper and gold
Hole IGRC004	Yes	and copper and silver
Hole IGRC005	Yes	and for zinc
Hole IGRC006	Yes	and for zinc and gold
Hole IGRC007	Yes	and for copper, lead, zinc, silver, and gold
Hole IGRC008	Yes	and for lead and zinc
Hole IGRC009	No	and for zinc
Hole IGRC010	Yes	and for lead and zinc
Hole IGRC011	No	and for lead, zinc, and manganese

We have concluded that these geochemical anomalies form the basis for justifying further exploration and drilling for non-magnetite targets. This is combined with our review of existing economically significant deposits occurring elsewhere in the world that share certain similarities with these anomalies, see Section 20.0 - Other Relevant Data and Information and Section 21.0 - Interpretations and Conclusions.

Terra Search (2011) has included their geological interpretations in a series of geological cross sections. We have reviewed these cross sections and have selected two that represent the conditions encountered. First, the main magnetite zone is illustrated in Figure 23. The relationship of the zone to the granodiorite is also clear. This represents a classic iron skarn deposit, to be discussed in Section 20.0 - Other Relevant Data and Information, especially 20.3.4 - Biggenden Mine.

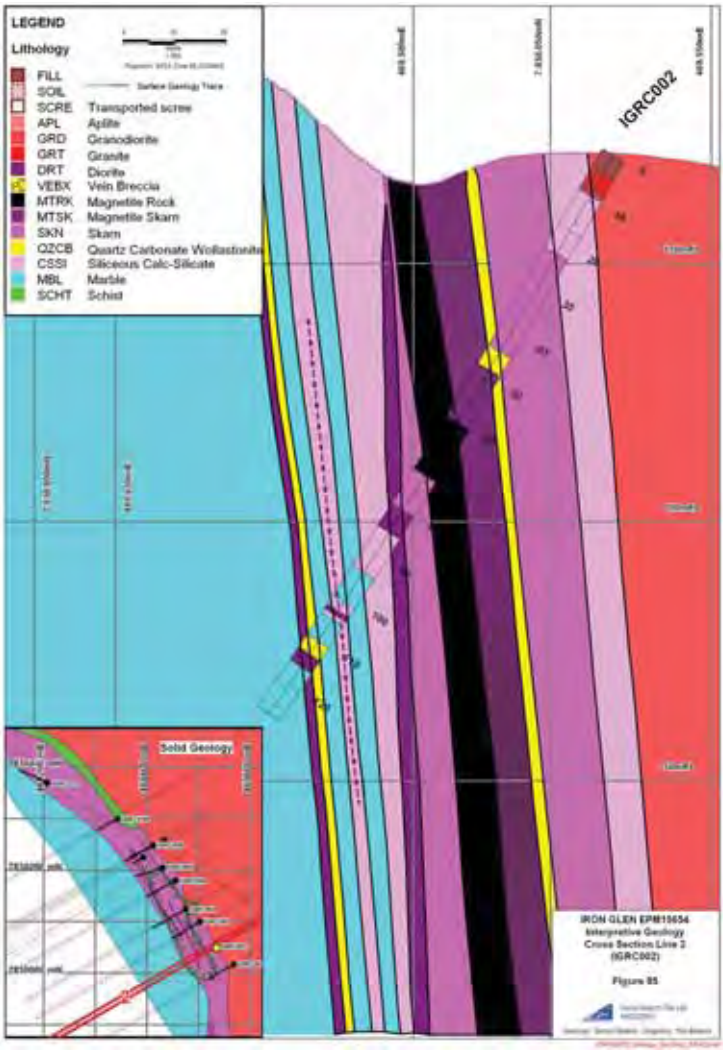


Figure 23 – The Main Magnetite Zone and Skarn Assemblage.
(Data from Hole Logs - Terra Search, 2011)

The other cross section shown in Figure 24 illustrates the lenticular characteristics of the magnetite zone and near the northern extension of the magnetite zone. A vein breccia has intruded most of the other units and is therefore the youngest involved in the section. Note that Hole IGRC009 did not encounter the magnetite zone (see the hole log in Appendix II). Of particular note is the increase in metals in the middle and lower zones of the hole.

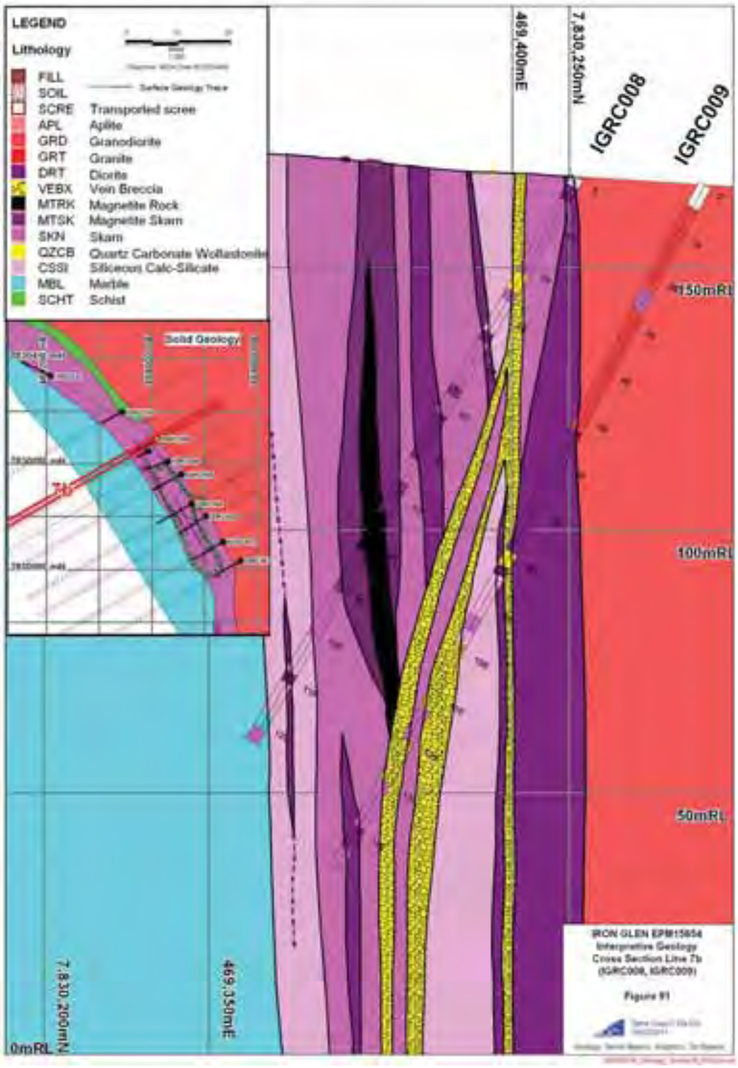


Figure 24 – The Northern Magnetite Lens and Appearance of Vein Breccia
(Data from Hole Logs - Terra Search, 2011)

Terra Search (2011) also prepared a series of hole logs that illustrate the important geophysical and analytical results encountered. In Figure 25, Hole IGRC004 shows the Fe% (left) and Magnetic Susceptibility (right) over the length of the hole. This figure also shows the main magnetite zone and the surface profile and ground magnetic anomaly associated with the drill site (above the hole log). Figure 26 shows Hole IGRC002, located at the southern end of drilling to date. This log-type illustrates the sample results for zinc and copper values down the hole. The square blocking shows maximum values of copper over an extensive interval that includes the main magnetite zone.

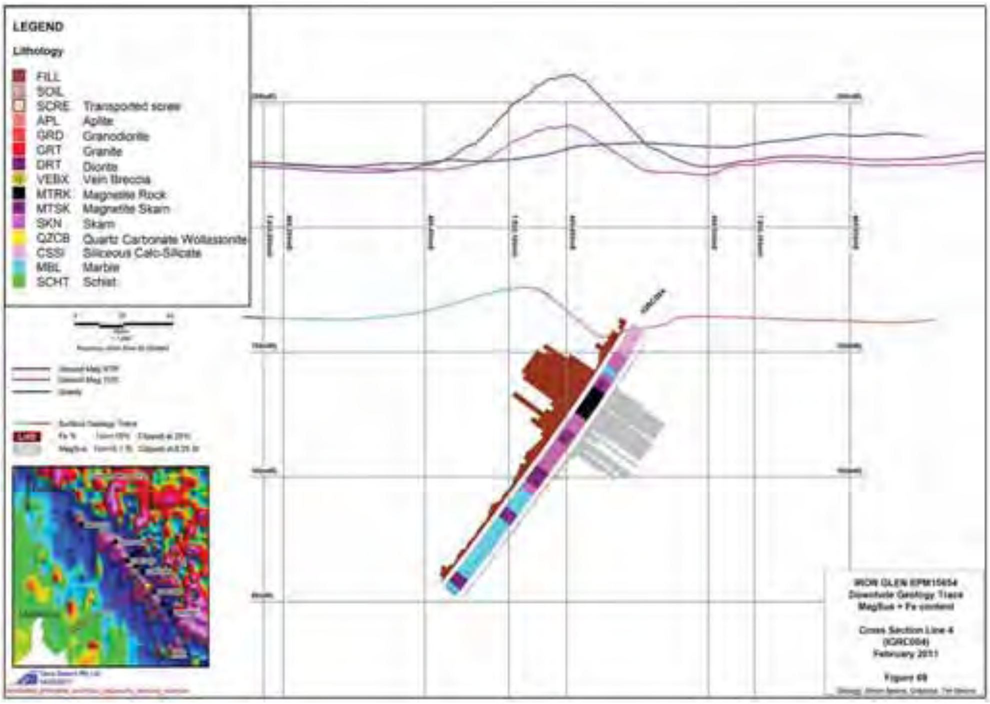


Figure 25 – Hole IGRC004 Showing Log of Fe% (left) and Magnetic Susceptibility (right)
(Data from Hole Logs - Terra Search, 2011)

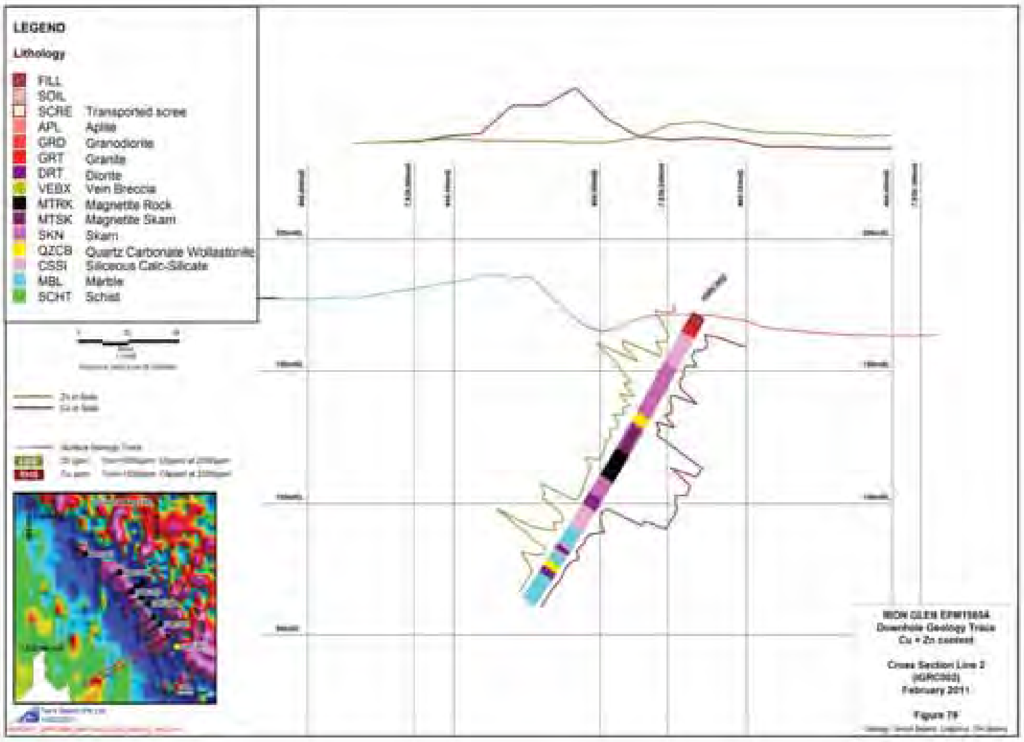


Figure 26 – Hole IGRC002 Showing Log of Zinc (left) and Copper (right)
(Data from Hole Logs - Terra Search, 2011)

Section 14.0 Sampling Method and Approach

14.1 Drilling Method

We have reviewed the information on the all-terrain drilling system employed by Terra Search utilizing a top-drive, reverse-circulation percussion rig for the Iron Glen drilling program. The drill string consisted of 3-meter rods and 3½-inch hammer bits. A high-pressure air flow collected percussion chip samples at the hammer face via a through-the-bit sampling hammer. The sample consists of chips up to 1.5 cm long and crushed powder that was forced by the air flow up the inner tubes within the drill rods. The sample would then flow from the top of the drill string via a high pressure sample hose ("bull hose") into a cyclone – a funnel shaped sample hopper that facilitates mixing of the sample. A seven eighth (7/8): one eighth (1/8) sample splitter sits below the cyclone. Bulk sample is released from the cyclone into the sample splitter at the end of every meter drilled. The 7/8th bulk sample weighs approximately 12 kg and was collected in a large plastic bag, marked with the Hole ID and meter interval.

A reference sample of the crushed sample was then taken from the bulk 1-meter sample by means of a sample spear, made from PVC tubing. This reference sample weighed approximately 1 kg. It was retained for archive purposes and stored in the Terra Search Townsville warehouse. The remainder of the 1-meter bulk sample was stored on the Iron Glen site, until after the geochemical assay results are received. In the case of the Iron Glen samples, high-grade magnetite iron ore was identified as the holes were drilled and the bulk sample from these intervals were transported to the Terra Search Townsville warehouse for dry storage to prevent any sample deterioration or weathering resulting from exposure to the elements.

Analytical samples were collected every 2 m from the 1/8th split, into a Calico bag, labeled with sample number. Sample details, such as Hole ID and "from to" meter, type of sample, were stored with the sample number recorded in a pre-numbered sample logbook. These details were recorded in a spreadsheet. The analytical sample weighed approximately 1.5 kg to 2 kg for the 2-meter intervals.

14.2 Geological Logging

Samples were geologically logged on a meter basis by a Professional Geologist. Clean-washed chips were obtained from the bulk 1-meter bags using a stainless steel kitchen sieve. Quantifiable geology logs were created that concentrated on the most significant information - which attached high levels of reliability, independent of which geologist is logging the sample. Attributes were chosen that are directly relevant to the understanding of the specific mineralization system. Key observations have been incorporated into the quantifiable geology hole logs, as follows:

- Lithology – each distinctive lithology was characterized and recorded.
- Geological Unit Code – recognizable geological units that are sufficiently significant to be mapped out at surface and in section.
- Color – important in relation to lithology changes, alteration, mineralization, and weathering features.
- Key minerals - important in relation to the understanding of the mineralizing system and will provide guides to mineralized zones. These are recorded as volume percentages, logged visually. They included minerals related to alteration and mineralization: magnetite, pyrite, chalcopyrite, pyrrhotite, sphalerite, galena, quartz (and its condition and color), epidote, garnet, chlorite, calcite, wollastonite, biotite, iron oxide, K feldspar, and silicification (fine grained).
- Oxidation status -, i.e., oxidized, partially oxidized, fresh (reduced or un-oxidized).
- Magnetic susceptibility (values in SI units x 10^{-3}) - determinations made using the *Exploranium* KT9 or KT10 instrument. Values recorded range from 0 to >100,000 SI units x 10^{-3} with high values in magnetite zones capped at 20,000.
- Acid Fizz Observation - dilute HCl to determine calcite presence: values recorded as Yes/No or Strong or Weak.

The above geological descriptions were recorded as text in a descriptive field geology logbook. This allowed both the recording of detailed descriptions (Data type = INT) and a brief summary geological and mineralization description (Data type = SUMM). These data were then entered into a project-specific *Explorer 3* database.

Section 15.0 Sample Preparation, Analyses, and Security

Geochemical assaying was carried out on the drilling samples at the Australian Laboratory Service (ALS) commercial mineral assay laboratory in Townsville. ALS is a well-known mineral sample analysis laboratory. The Townsville lab houses modern assay facilities. Some more advanced services were performed at ALS's Perth and Brisbane laboratories.

All drill-hole samples were submitted for routine multi-element analysis. The analytical method is fully documented on the ALS assay lab certificates in Terra Search's *Explorer 3* database assay analysis module contained in their report (Terra Search, 2011). Samples were routinely analyzed for a package of 35 elements by ICP emission spectroscopy (ICP41) utilizing an *aqua regia* acid digest, with gold in all samples by 50-gram fire assay with AAS finish (FA-AA26). Some samples were also analyzed by 50-gram fire assay for Platinum (Pt) and Palladium (Pd). Any elemental determinations that exceeded the range for the ICP AES method (ICM41) were re-analyzed by ore-grade techniques. For the Iron Glen samples, these elements included: copper; zinc - over range at 10,000 ppm; silver - over range at 25 ppm; and Fe - over range at 50%. All over-range iron (Fe) samples, >50 % Fe, were submitted for ALS's iron ore analytical package by XRF analysis, which included major elements (reported as oxides) and important trace elements. In addition, samples from Hole IGRC008 were re-analyzed as a total package for ICP Mass Spectrometry multi-element analysis including Rare Earth Elements (REE).

ALS method ICP-MS61 utilizes a "total digest" involving the four acids – HF, HCl, Nitric and Perchloric, and produces determinations for 48 elements. Silicates were dissolved under this digest, in comparison to the partial digest of silicates obtained utilizing ICP41. Details of the different analytical methods used, the associated detection limits and units were entered into the Iron Glen *Explorer 3* database, see Appendix I.

Section 16.0 Sample Data Verification

The complete drilling and surface geological and geochemical data sets from Iron Glen activities are stored in an *Explorer 3* relational database. The following sections provide the data fields and type of data housed within this database and are shown in Table 7.

A Quality Assurance (QA), Quality Control (QC) procedure was initiated by Terra Search from the outset of the Iron Glen drilling program. Standard 2-meter analytical samples are designated-interval geochemical samples in the database - data type INT for interval sampling. Collection of duplicate samples allowed review of the precision and accuracy of the on-site sampling procedure together with the assay laboratory analytical procedures. Terra Search personnel obtained duplicate samples at intervals of 50 m during drilling. These samples were collected by running 1-meter bulk samples through a 7/8 : 1/8 splitter and collecting the 1/8 sample for the duplicated 2-meter sample in a Calico bag with a different sample number than the original 2-meter analytical sample. These samples were designated for duplicate sampling. The duplicate samples were also linked by a duplicate flag with a key to the original sample number. This provided for an independent cross check of the analyses once produced by the laboratory.

The precision and accuracy of the assay laboratory analytical procedure is checked by submission of known sample standards into the assay batches. At least three known standards were inserted randomly into each laboratory batch. There are four categories of known standards:

- Standard Reference Material (SRM) - these were samples that have been certified by providers of assay analytical standards. They were crushed to powder to ensure representative and repeatable analyses which were carried out by a range of at least 10 commercial assay laboratories. Two standard SRM samples were used with Iron Glen samples at OREAS Labs as: OREAS52Pb - a copper-gold standard, and Rocklabs OXH55 - a gold standard that reports in the 2 g/t gold range.

- Blank samples made up internally by Terra Search of barren gravel which reports low values of gold and base metals designated as Terra Search gravel blanks.

- Known percussion sample materials with a similar magnetite matrix to Iron Glen EPM samples. These samples were previously collected by Terra Search from the Clermont region and designated as QCRC5.

- SRM material was placed into small packets of powder – these samples did not require preparation, so they did not test the assay lab sample preparation procedures. The known analyses have a high level of repeatability and they provide excellent checks on assay labs' accuracy and precision, particularly for gold and base metals.

Table 7
Inventory of the Iron Glen EPM Data Set Available @ January 26, 2011
(Terra Search, 2011)

Item	# Records	Data Type SUM	Data Type Internal	Data Type Duplicates	Data Type Re-assays
Reverse Circulation Holes	11				
M Reverse Circulation	1,258				
Hole Locations (all holes)	11				
Hole Text Details	11				
All Downhole Samples	724		631	24	69
Down hole Surveys	55				
Quantifiable Geology	1,258				
Coded Geology	186	186			
Descriptive Geology	383	186	197		
Hole Size Details	11				
Wholerock	20				
Wholerock Trace	20				
Soil Samples: Data Type = SOIL	112			2	
QA/QC/Standards	38				
Assay Jobs	28				
Assay Templates	14				
Geological Observations	70				
Structures	17				
Total Records	2,958	372	828	26	69

The Terra Search internal standards provided good checks on sample procedures including sample preparation and cross-sample contamination. The blanks were particularly useful in determining contamination or if samples were out of order or if there was an analytical issue in assay lab equipment or preparation procedures. The Terra Search percussion chip internal standard was similar to the magnetite matrix and similar in appearance to the unknown samples for those of Iron Glen. Those samples passed through the same analytical procedure. Even though there is a natural variability when dealing with coarse percussion sample material, the Terra Search Internal standards were an acceptable check on laboratory analytical procedures (including sample preparation) and geochemical results. The Terra Search QA/QC program is documented in the Terra Search report (2011).

One QA/QC area deserving future attention involves the wide variation that was identified with the internal laboratory standards, suggesting that cross-sample contamination has occurred from some other client's mineralized samples that impacted some batches of standard analyses on the order of 100 ppm to 200 ppm zinc, 0.5 ppm silver, 50 ppm lead, and 500 to 1,000 ppm sulphur. This problem illustrates the value of having QA/QC programs built into an exploration program. The problem was identified by Terra Search, announced it in their report, and they are dealing with the laboratory to ensure that issues with their internal standards do not emerge again. Other measures were determined to be acceptable and hence the laboratory data we have evaluated are usable for the purposes at hand, i.e., for use in evaluating an exploration prospect, although not for estimating reserves for metals other than iron.

In reviewing the re-run analyses, we have concluded from trend analysis that the correlations for: silver, arsenic, copper, iron, nickel, lead, and zinc are good (see Table 8 and example cross-check plots in Appendix I). However, the analyses for beryllium and vanadium are marginally acceptable, while the re-run correlations for aluminum, manganese, and tin show considerable scatter.

We also plotted the results of the duplicate re-run samples presented in the Terra Search report (2011). The results are also shown in Table 8 and in Appendix I. Again some are in reasonable agreement while others are not. Iron, copper, arsenic and beryllium analyses are good, while aluminum, manganese, nickel, and tin are in poor agreement with the duplicate analyses.

These issues may be a result of the sampling method where both fine-grained material and chips are recovered during drilling in dense rocks and where some segregation (or losses) would be expected, or it may indicate a problem with the laboratory. This is not an unusual problem because low concentrations of some elements often present analytical challenges, as well as preferential digestion of certain silicate, iron oxide, and other minerals that also can create analytical issues.

We suggest that these issues be further discussed within Terra Search and with the laboratory before the next drilling program.

Table 8 – QA/QC Analyses
(Data from Hole IGRC008 - Terra Search – 2011)

	Trend Analysis				Duplicate/Re-Run Analysis		
Analysis	Good	Fair	Poor		Good	Fair	Poor
Ag	X				X		
Al			X				X
As	X					X	
Be		X			X		
Cu	X				X		
Fe	X				X		
Mn			X				X
Ni	X						X
Pb	X					X	
Sn			X				X
V		X				X	
Zn	X					X	

Section 17.0 Adjacent Properties (Tenements)

On or about January 12, 2011, we reviewed the QDEX tenement database to identify holdings adjacent to or near the Iron Glen EPM 15654 (see Figure 2). To the west, EPM 18909 is in the application stage by Walsh River Mining Pty Ltd., while to the southwest and south, this company also holds EPM 16455 with a granted status, filed by Brian Cleaver, 5 Bowra Court, Leeming, WA 6149. To the south, the company also holds EPM 18911 in an application stage.

Within the eastern boundary of the Iron Glen EPM, ACN Mining Pty Ltd. holds a mining development license (MDL #161) that expires in 2013 (see Figures 6 and 10). ACN also has EPM 18869 (in the application stage) located to the southeast and east of the Iron Glen EPM. Their interest historically has focused on mining limestone for use in making cement for industry.

Section 18.0 Mineral Processing and Metallurgical Testing

18.1 Preliminary Characteristics

As a result of the preliminary drilling discussed above in Section 13.0 - Drilling Activities, some of the metallurgical features of the potential magnetite ore are evident, although more drilling and local mapping will be required to confirm any variability of the mineralization, the reserves available and the range in metallurgy of the minerals to be mined. It is clear that beneficiation will be required to concentrate the magnetic fraction to more than 90% and to a specific particle-size distribution, depending upon the needs of the end-user. The bulk ore would likely contain sulfides intermixed with the magnetite, as illustrated in Figures 12 and 13, and in Figure 21, where sulfides of iron, copper, and zinc appear to be associated with the magnetite mineralization in places.

After passing through a primary crusher, the mined material would typically travel through a magnetic separator to up-grade the mill feed. A second (fine) grinding may be required to liberate the magnetite and other metallic minerals that may be present. This would not only include magnetite but also some of the pyrrhotite present in the mined material. The non-magnetic fraction would be processed via other beneficiation circuits or stock-piled for later processing to recover any other economic constituents, such as copper, zinc, or silver. To achieve a high-grade product, the material may need to be ground to 325-mesh using a wet-process to produce a damp powder. The end product could be bagged or transported in bulk by road and/or rail.

18.2 Desirable Properties for Coal Processing

Magnetite is used as a heavy media in coal-washing plants as well as a source of iron in specialty steel production. Siemon (1971), in describing the magnetite at the Biggenden Mine summarized the coal-washing process and associated factors in producing a final product.

Run-of-mine or raw coal includes a host of constituents other than coal produced during the mining process, such as mineral masses (siderite), shale fragments, machine parts and construction materials. Coal also contains mercury, and when burned, releases mercury to the environment.

Magnetite has also been found to be of use in minimizing mercury in a range of coal types. For example, Choung, *et al*., (2008) evaluated its potential in removing mercury from sub-bituminous coal from Alberta, Canada with good results.

Coal can also have a large variability of moisture and maximum particle size. In coal washing, dense media gravity separation requires a material such as magnetite to form a medium denser than water to assist in separation. A cyclone vessel mixes coal and finely ground magnetite wherein separation takes place. The higher specific gravity fraction being subject to greater centrifugal forces will pull away from the central core of the cyclone vessel and passes out through piping as heavy rejects. The lighter particles are caught in an upward stream and passes out as "clean" coal. In recent designs, coal grinding and processing is a high-speed, multi-product operation.

Savage (1968), as presented in Siemon (1971), defined the following requirements in terms of magnetite's specific gravity, its magnetic susceptibility, and its coercive force. The ideal magnetite has a specific gravity of about 5.2 gm/cc. If it is lower, this may indicate porosity within the mineral's structure, or high concentrations of titanium dioxide, inclusions of other minerals, or may be due to the partial oxidation of the magnetite to other mineral forms of iron, such as hematite, limonite, etc., all of which would decrease the effectiveness of magnetite as a dense media for use in coal washing.

Magnetic susceptibility of the magnetite is a measure of the force that an iron particle will be attracted to a magnet, and is determined by the type and amount of magnetic mineral present and the grain shape. Susceptibility is reduced by the presence of non-magnetic inclusions and by any chemical departure from magnetite's mineral structure of Fe_3O_4. This characteristic is important because it impacts how much magnetite can be recovered from the washing process circuit to be re-used at a later date.

The coercive force within the magnetite is a measure of the relative ease with which magnetite can be de-magnetized. After passing through magnetic separators in a coal-washing circuit, de-magnetization is required to return the magnetite to its original state before re-use in the washing plant. Therefore, the magnetite product produced in any Iron Glen operations for use in coal washing will likely need to meet the following general bulk specifications:

1) Specific Gravity Range: Greater than 4.7 gm/cc
2) Minimum Magnetic Content: Greater than 95%
3) Minimum Susceptibility: Greater than 0.05 emu/gm[1] @ 800 oersteds[1]
4) Coercive Force: Less than 50 oersteds

Note: [1] The older units of magnetization are used above (see Lakeshore Cryotronics in Section 23.0 – References).

Based on what is known to date of the Iron Glen magnetite, it is fine grained and has few impurities. If it is to meet the typical market requirements, the raw material should grind, separated, and segregated from unwanted minerals when being processed by either magnetic or gravity beneficiation methods in order to be considered a good quality magnetite product. Additional sampling will be required over the extent of the magnetite to determine its representative metallurgical properties to assess its marketability.

Section 19.0 Mineral Resource and Mineral Reserve Estimates

The exploration program at the Iron Glen EPM is still at a relatively early stage. Additional drilling will be required before an assessment of the magnetite reserves or other minerals resources can be made. The Iron Glen magnetite is part of an iron skarn, defined as being an iron ore and sulfide deposit that have replaced a limestone. Magnetite skarns have been studied by Cox (1986) for hundreds of deposits around the world. The deposits' tonnages and iron grades have been plotted in the following Figures 27 and 28. As illustrated in the former, 50% of the some 168 Fe skarn deposits studied by Cox contained reserves of about 7.2 million tonnes, while 90% of the deposits offered 330,000 tonnes.

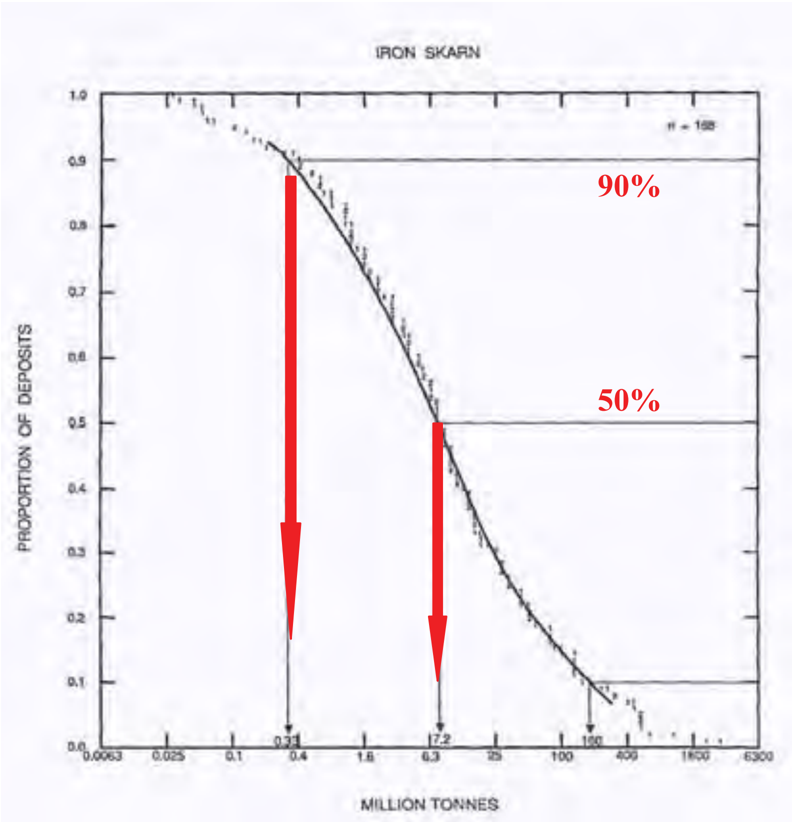


Figure 27 - Tonnages of Fe Skarn Deposits (from Cox, 1986)

(Individual numbers represent number of deposits)

Of these same deposits, the iron grade of about 50% Fe was present in 50% of the deposits, while an iron grade of about 36% Fe was present in 90% of the deposits studied. For the larger deposits, 10% of the deposits had reserves of about 160 million tonnes and iron grades of about 63% Fe were present in 10% of the deposits.

These plots provide an indication of the tonnage-grade characteristics of other iron skarn deposits around the world. Again, it is too early in the Iron Glenn exploration program to estimate the position that the Iron Glen magnetite deposit occupies along these trends. This remains to be established only by future drilling programs.

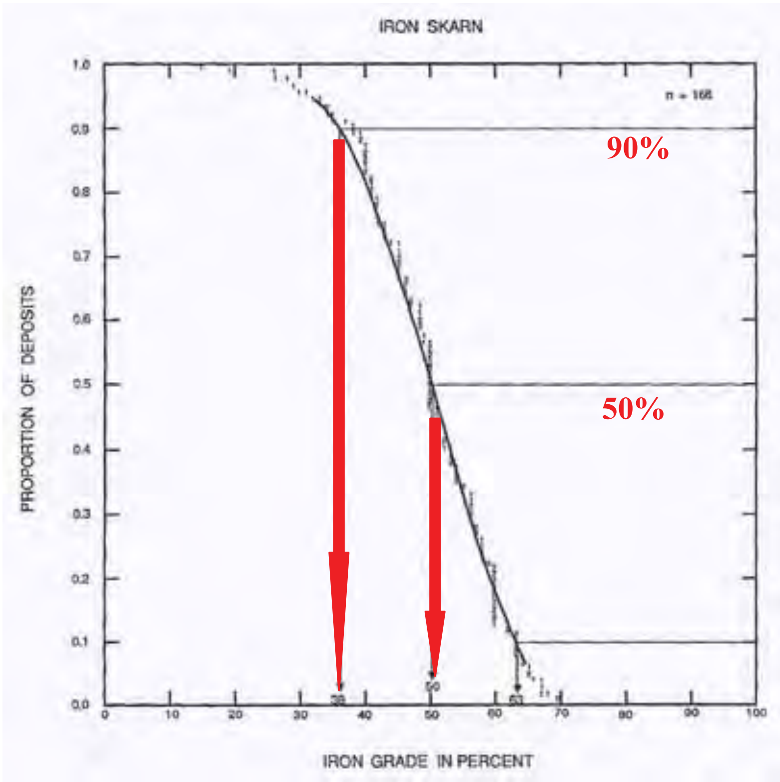


Figure 28 - Iron Grades in Fe Skarn Deposits (from Cox, 1986)

(Individual numbers represent number of deposits)

Section 20.0 Other Relevant Data and Information

20.1 Iron Occurrences in Queensland

Wallis (2008), in an article for the *Queensland Mining Journal,* summarized the relevant features of the magnetite mining industry in Australia, with an emphasis on Queensland. We have emphasized selected sections of his article for the purpose of placing the Iron Glen project in context with other deposits and associated current magnetite-related activities in Queensland.

Wallis indicates that magnetite ore currently constitutes 24% of Australia's economically demonstrated reserves (EDRs). Quality and available tonnage are the main factors affecting the viability of magnetite deposits. Magnetite-quality variation arises because a range of elements can substitute for iron in the magnetite crystal structure, thereby affecting its suitability for various industrial purposes.

Magnetite that is used to produce pig iron by direct reduction is the dominant mineral in low-grade iron ores that are beneficiated by wet-magnetic separation. Several magnetite projects are under development in Western Australia where the ore has to be ground to 50-60 microns before the impurities can be separated. Based on recent international market pressures, magnetite deposits are also likely to form a significant part of any future iron ore industry in Queensland.

As discussed in Section 18.0 - Mineral Processing and Metallurgical Testing, the main use of magnetite in Queensland and elsewhere is to provide a dense medium for coal washing. Coal is washed to improve its quality by removing impurities. The magnetic susceptibility of magnetite enables it to be readily recovered and much of the magnetite is recycled. However, magnetite losses in coal washing are generally of the order of 0.1 to 1 kg/t of raw coal feed. In 2006/2007, Queensland imported some 83,600 tonnes of magnetite through the port of Gladstone.

The demand for magnetite as an iron ore source has risen in the last few years because of the increased demand and price of iron ore; the larger number is undeveloped magnetite deposits as compared to the main source of iron, which are from hematite deposits. The magnetite deposits in Queensland, however, are of a lesser size than the Constance Range ironstone deposits and others in western Queensland.

20.2 Northwest Queensland

Constance Range

The main area of bedded ironstone mineralization in Queensland is in the Constance Range area some 250 kms northwest of Mount Isa in northwest Queensland. Up to ten lenticular beds of iron formation have been located with interbedded shale, siltstone and sandstone, present in the Train Range Ironstone Member of the South Nicholson Group in the South Nicholson Basin. Outcropping ironstones consist of a variable mixture of ochrous red hematite, finely crystalline blue-black hematite, limonite, quartz grains and cement, clay and relict siderite, and vary in appearance from oolitic forms to quartz sandstone with hematite matrix. Below the zone of oxidation, the ironstones consist of oolites of hematite, siderite and/or chamosite and silica grains in a matrix of siderite, hematite, quartz, and carbon.

Broken Hill Proprietary Company Ltd. conducted a preliminary resource estimate in the early 1960s and delineated approximately 250 M tonnes @ 52% iron. Subsequently, the Pilbara iron province in Western Australia was discovered and developed because of the large reserves and high quality of the iron ore and its proximity to ports for shipping the ore.

Interest in the Constance Range has been recently revived by public and private interests although the area lies partly within a Wild Rivers Preservation Area. CBH Resources Ltd is currently earning a 50% interest in the main resource area by completing a bankable feasibility study in joint venture with WRF Securities Ltd for an open-cut mine and beneficiation plant producing at least 5 M tonnes per annum of hematitic iron ore concentrates.

Although Queensland iron ore has been eclipsed for the time being by the deposits in Western Australia, as additional sources of magnetite are brought into production in Queensland, magnetite may become a vital commodity for use in washing plants in Australia, China, and elsewhere, The future importance of magnetite to the Queensland economy has been emphasized in a promotional report just released by the Queensland Government (2011),

Mt. Isa - Cloncurry Area

Although some of the primary iron resources in the Mt. Isa region are suggested to be economically commercial, magnetite resources are widely available, either as a byproduct of mining metals or contained within iron deposits that could be beneficiated to produce a high-quality magnetite product by incorporating new smelting processes using natural gas or coal as reductants, both of which are locally available.

Resources in tailings dams also are known to occur at the Ernest Henry copper-gold mine, 38 kms northeast of Cloncurry, east of Mt. Isa, and at the Osborne underground copper-gold mine located 195 kms southeast of Mt. Isa (Coe and Evans, 2008).

The Ernest Henry Mine ore contains about 20% magnetite and the Osborne Mine ore between 30-55% magnetite. The magnetite is potentially available either from the tailings dams or as a direct by-product of future copper-gold mining. Currently, Osborne, reported by Wallis (2008), has 16 million tonnes of tailings ready for reprocessing to extract the magnetite.

The recent report by the Queensland Government (2011) indicates that the Ernest Henry mine is being converted to an underground mine at a cost of US$542 million, and that the mine is based on a probable ore reserve of 72 Mt at a grade of 1 per cent copper, 0.5 g/t gold and 22 per cent magnetite (measured resource 5 Mt at 1.3 per cent copper, 0.7 g/t gold and 30 per cent magnetite, indicated resource 72 Mt at 1.3 per cent copper, 0.7 g/t gold and 26 per cent magnetite and inferred resource 13 Mt at 1.2 per cent copper, 0.6 g/t gold and 24 per cent magnetite). When considering only the potential magnetite production, the available magnetite is considered in the following ore classifications:

Magnetite Availability at Ernest Henry Mine

Ore Classification	Million Tonnes	Per Cent in Ore
Probable Reserves	15.8	22
Measured Resources	1.7	30
Indicated Resources	18.7	26
Inferred Resources	3.1	24

A separate extraction circuit has been installed to produce the magnetite concentrates. The magnetite processing operation is expected to produce approximately 1.2 Mtpa of magnetite for export to Asia. Commissioning of the magnetite plant was completed in early 2011. The planned mine life is to operate to the year 2024. The final product is a premium grade iron ore concentrate containing around 90-98% magnetite.

The Ernest Henry Mine is moving forward (Xstrata Copper, 2011). Magnetite was recently transported by rail to Xstrata's Port facilities in Townsville and shipped to the markets in Asia.

Other Magnetite Resources

The remote location and lack of current infrastructure in Northwest Queensland of many other deposits in the area calls into question their actual commercial viability, especially railroad facilities to transport the magnetite product to Townsville for shipment to Asia. Undeveloped iron-oxide copper-gold deposits with associated magnetite also occur north and south of Cloncurry, and include the exploration areas held by Exco Resources Ltd and Ivanhoe Cloncurry Mines Pty Ltd. The main project of Exco Resources Ltd is a copper-gold resource at E1 North near the Ernest Henry Mine, while the Monakoff project to the south is rich in magnetite. In a pre-feasibility study, Exco projected a by-product production of about 500,000 tonnes per annum of magnetite. Subsequent studies by Exco reported by Queensland Government (2011) confirm that the project economics have the potential to be improved by the recovery of by–product magnetite.

The Ivanhoe Cloncurry Mines Pty Ltd. holds several prospects located near the abandoned Mount Elliott and Selwyn mines, the largest and most advanced of which is Swan prospect. The magnetite in the tailings dam from the abandoned Selwyn mine is understood to be potentially as high as 33% of the tailings.

There are also numerous zones of magnetite-hematite bearing rocks that outcrop in northwest Queensland, although they do not apparently carry any significant copper-gold mineralization. The most abundant are the banded ironstones that occur throughout the region south of Cloncurry and have yet to be explored for their iron potential. In addition, small, fault zone-hosted magnetite-hematite deposits with surficial enrichment occur elsewhere in northwest Queensland, for example, in the areas of Mount Philipp, Mount Leviathan, and Fort Roger.

Because of the increased demand and because magnetite is produced as a waste product of other mining projects in northwest Queensland, interest has increased in the commercial development of these resources. In these deposits, a considerable proportion of the mining costs are sunk against the copper and gold production and the capital costs associated with the introduction of magnetic-separation processing are relatively low. Transportation and infrastructure costs remain a significant operational expense and are likely to be a key factor in retarding the development of production from some of these remote localities, price notwithstanding, in determining the future viability of these deposits.

20.3 Northeast Queensland

Small deposits of hematite-magnetite manganese quartzite, some with surficial enrichment, also occur in the Iron Range area of Cape York Peninsula. In the remote Tablelands Region and vicinity, deposits include the Whispering Ridge deposit south of Ravenshoe, the Paddy and Mount Ruby deposits near Mount Garnet, and the Mount Lucy deposit near Almaden. The Paddy and Mount Ruby prospects in addition to the Blacks Creek and Jessie prospects have been investigated over the past few years but no results or development plans have been announced to date.

20.3.1 Red Dome Mines

The Red Dome copper-gold deposit is 15 kms west-northwest of Chillagoe, Qld., and 150 kms west of Cairns. The deposit is a type of gold-skarn related to the intrusion of fault/shear-controlled Permian-Carboniferous porphyritic rhyolite dykes within the Silurian-Devonian Chillagoe Formation. The upper parts of the ore body are hosted by breccia. The deposit was discovered in 1978 and mining started in 1986. Mining ceased from open cut in mid-1996, but processing of stockpiles continued for another two years. Total recorded production was 12.2 Mt of ore for 22.716 tonnes of gold, 105.855 tonnes of silver and 36.059 tonnes of copper from an open pit, which was developed to a depth of 350 m. The average grade was 2.7g/tonne gold and 0.4% copper developed to a depth of 350 m. The remaining resource, which was still open at depth, was quoted at 4.7 Mt at 2.1g/tonne gold and 0.6% copper. Theodore, *et al.,* (1990) studied gold-bearing skarns that could be useful in future exploration at the Iron Glen EPM, although gold values are low in the samples analyzed to date and conspicuously present in mineralized intervals encountered during recent drilling.

The relevance of these skarn and epithermal deposits is that strong analogies exist to guide the exploration at the Iron Glen EPM that have not been applied to the area in the past. Their histories of development, especially at Red Dome, also have been relatively long and expensive, but rewarding (Lam, 2010). Torrey, (1986) and Torrey, *et al.*, (1986) provide accounts of the mineralization and its geological context at Red Dome.

20.3.2 Mount Garnet Area

Walles (2008) reported on a Mount Garnet prospect in northern Queensland that contains substantial iron mineralization, mostly magnetite, at the so-called Paddy Lease. This prospect is located approximately 125 kms west of Innisfail, Qld., and is covered by Mining License #3945 and EPM 15481. Some sampling has been undertaken and metallurgical testing of approximately 400 kg of iron from the Paddy Mining Lease indicated that the iron grade ranged between 65.2 to 66.3% Fe. He indicated that the interpreted zone of iron mineralization is in the Chilligoe Formation (Silurian) and is about 1 km long and 0.5 km wide. A 300 kg bulk sample submitted for metallurgical testing of a sample of Paddy magnetite ore indicated good recoveries at a coarse grind size, high grades (65.46 to 66.29% Fe) and extremely low levels of impurities (<0.01% phosphorous). Drilling on the Paddy prospect produced intersections of 45 m of continuous iron mineralization, including 19 m @ 51.28% Fe from a depth of 19 m and 5 m @ 48.48% Fe from a depth of 34 m below the surface.

Also in the general area, the Queensland Government (2011) recently reported that Consolidated Tin Mines Limited is developing the Mount Garnet tin project, which is focused on the Gillian, Pinnacles and Deadmans Gully/Windermere tin and fluorine-bearing magnetite skarns. A bankable feasibility study was to be completed by late 2010. The aim is to develop an open-pit mining operation with a throughput of 700,000 tonnes of tin ore per year over an initial life of seven and a half years. This is expected to produce about 3,000 tonnes of tin metal in concentrate and 236,000 tonnes of magnetite concentrate grading greater than 65 per cent iron per year. The area apparently has substantial additional magnetite resources in the Mt. Garnet area.

20.3.3 Mount Moss Mine

Located south of the deposits discussed above, the skarn-related Mount Moss deposit is claimed to be the largest known magnetite deposit in Queensland to date. It is located 105 kms west-northwest of Townsville. The deposit is held by Curtain Bros (Qld) Pty Ltd., and the company has conducted a feasibility study for a mine exporting one million tonnes/year of high-grade iron ore through the Townsville Port.

The recent Queensland Government report (2011) indicated that the company outlined a JORC (Joint Ore Reserves Committee)-compliant mineral resource in February 2009 of 20 Mt at 41 per cent iron, 0.35 per cent copper and 0.35 per cent zinc. Mining commenced in 2007 and by the end of 2008 two stages of open-pit mining had been completed.

Around 1.2 Mt of predominantly oxidized magnetite ore was stockpiled on site with processing trials proceeding during the second half of 2008. By early 2009 small tonnages of commercial grade magnetite powder were being produced through a trial mill and processing plant. A plant upgrade capable of producing 80,000 tpa of coal washing magnetite powder was commissioned in December 2009.

An additional crushing, screening and processing plant capable of producing 500,000 tpa of export-quality oxidized magnetite lump product was constructed and commissioned in mid-2009. During the calendar year 2010, a total of 90,000 tonnes of export quality lump iron ore was shipped to China from Townsville (Raggatt, 2010: Figure 29). This is important because no magnetite has previously been produced in Queensland for export for more than 100 years. Also, 10,000 tonnes of magnetite were sold to coal washeries in the Bowen Basin.

The company was awarded a Queensland Government collaborative drilling grant to investigate the nearby Mount Podge deposit that is also known to be an iron-rich deposit.

Figure 29 - Mining Magnetite at Mount Moss, 2010 (from Raggatt, 2010)

20.3.4 Mount Biggenden

In south-central Queensland, west of Maryborough and northwest of Brisbane, magnetite was produced from the Biggenden Mine for coal washing and small amounts have been produced in the past for use as a flux in smelting operations and for cement manufacture. Mount Biggenden reportedly produced 741,000 tonnes of magnetite from 1942 to 1969. Siemon (1971) published a review of the geology, mining, and beneficiation conducted at the Biggenden Mine.

The geology of the Mount Biggenden Mine is similar to the general features of the Iron Glen mineralization as is presently known (Siemon, 1971 and Clarke, 1969). Although this mine produced bismuth and other minerals of value for many years, magnetite was not mined until a market developed in the coal-processing industry years after production of these mineral products ceased. In Figure 30, the relationship of magnetite to a marble and to the faulting nearby and its overall context may be a guide to exploration at the Iron Glen EPM, although every ore body has unique characteristics.

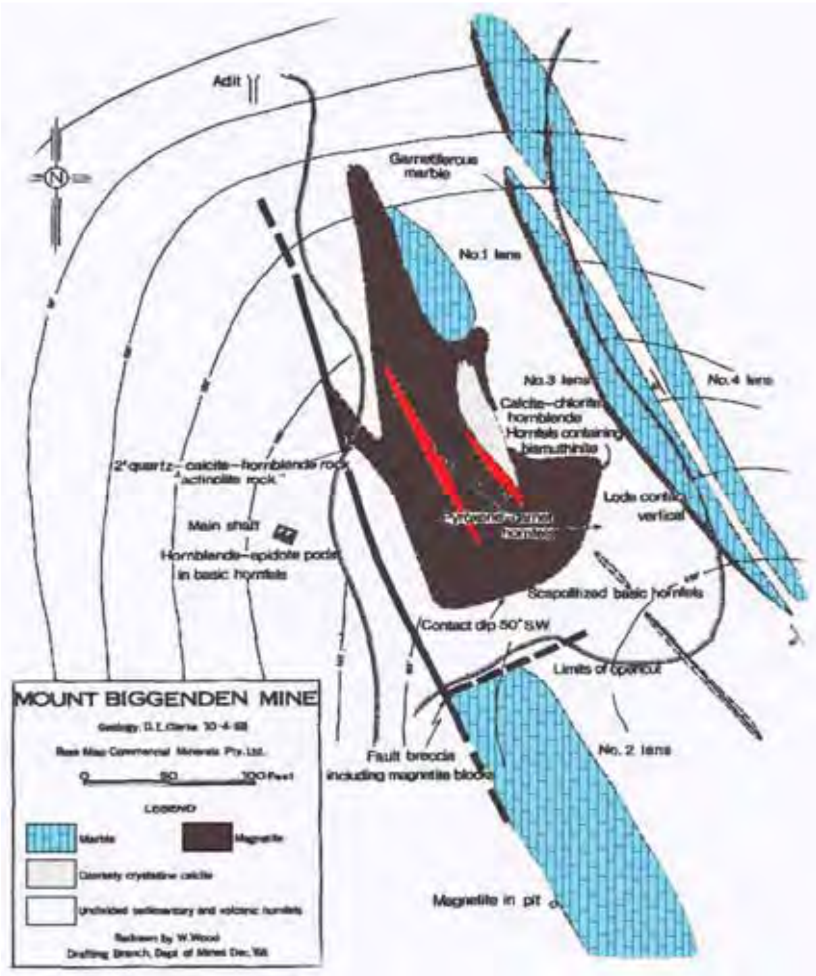


Figure 30 - General Geology Mount Biggenden Mine (After Siemon, 1971)

The paragenetic relationships in mineral formation are important in developing the detailed geologic history of mineralization and the sequence of mineral formation. This aids exploration in determining the proximal and distal parts of the mineral zoning in a hydrothermal system(s) and therefore provides a guide in selecting drill sites.

The minerals involved in such skarn systems are stable only in certain temperatures ranges, above or below which other minerals are formed. In the Mount Biggenden ore body, magnetite is formed in the early history of skarn formation and is generally found in proximity to the intrusive body, such as granodiorites or granites, the hotter parts of the mineralizing event (see Figure 31). Other metals have been introduced later and are found at some distance away from the magnetite, although faulting can bring the two zones together.

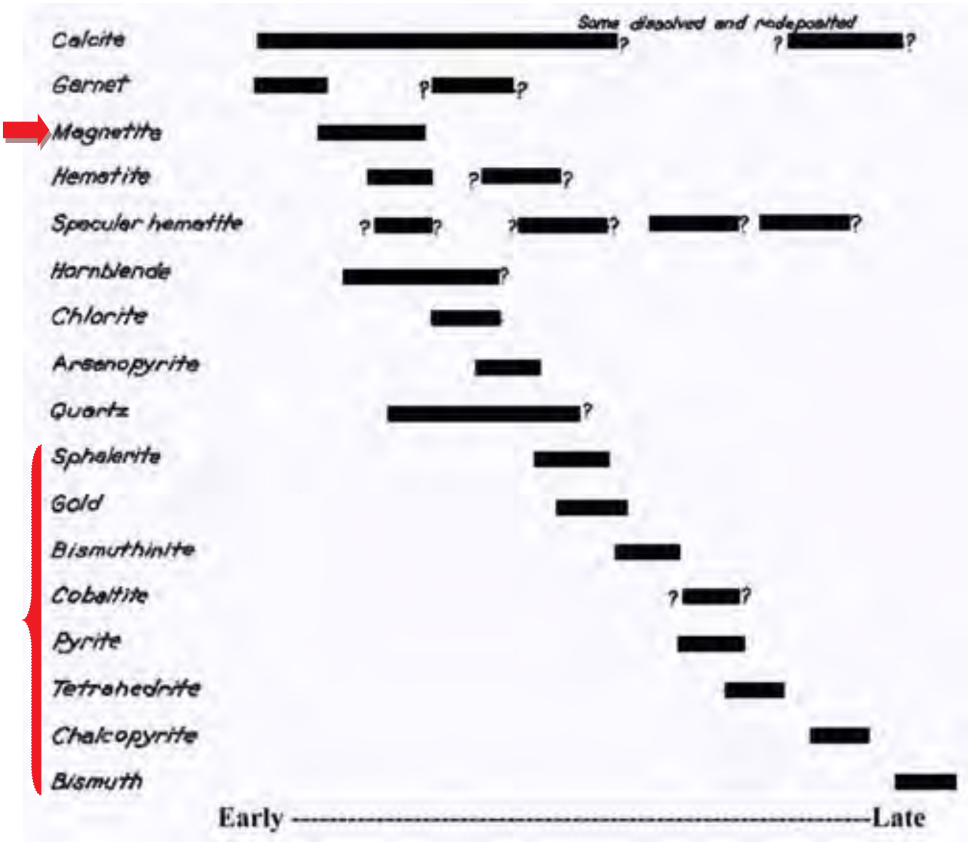


Figure 31 - Mineral Paragenesis at Biggenden Mine (after Clarke, 1969)

The paragenic sequence (or timing of mineralization) is worked out through detailed microscopic studies in polished ore mineral sections, petrologic thin sections, and fluid-inclusion studies, as well as in mapping field relations to resolve any dislocation or truncations of target mineralization and to predict where it may be located. Price (2010) has prepared a preliminary petrographic analyses of surface samples of various rock types and of samples obtained during the recent Iron Glen drilling program, which represents the beginning of the process to determine the characteristics of the mineralization and the boundaries and possible extensions of both the magnetite and the metal sulfides that are also present within the mineralized system at Iron Glen. The other mines mentioned above also appear to have similarities that may also be present in the Iron Glen tenement.

Section 21.0 Interpretations and Conclusions

21.1 Interpretations by Analogy

Based on the available historical information and on the ground magnetic and geochemical surveys conducted over the past few years by Terra Search, and on the preliminary results from the recent drilling, two types of mineralization are now targets at the Iron Glen EPM. The magnetite encountered is of sufficient thickness and quality to be of potential interest commercially. The available tonnage remains to be evaluated by additional drilling. Because of the high-angle dip of the magnetite zone and because of the faulting in the area, drilling will be challenging and will require effective geological oversight and planning for further evaluations of the magnetite zones as well as the associated types of mineralization involving other metals.

Other metals, such as copper, zinc, and silver have been reported from the 2010 Terra Search drilling program and are not uncommon in the skarn-type or metasomatic mineralization present at the Iron Glen EPM. The metal values reported are sufficiently anomalous to justify additional investigations, both drilling and coring, and field work to coordinate the development of a 3-dimensional view of the mineralizing zones at Iron Glen. In Figure 32, Price (2010) has tentatively identified the mineral carrollite, in association with pyrrhotite, chalcopyrite and tennantite-teterahedrite.

Carrollite is one of the minerals that provides insight into the temperature regimes of the mineralizing fluids that once operated within a hydrothermal system at depth. Craig, *et al.,* (1979) indicates that with deceasing temperature, at about 880°C, a solid-solution solution develops between carrollite and linnaeite, a copper-cobalt sulfide [Cu(Co, Ni)S], with nickel also substituting for cobalt.

With further cooling, copper becomes enriched until about 500°C, whereupon the mineral covellite, a more oxidized form of copper sulfide, is formed and becomes stable in a sulphur-rich environment with other copper minerals.

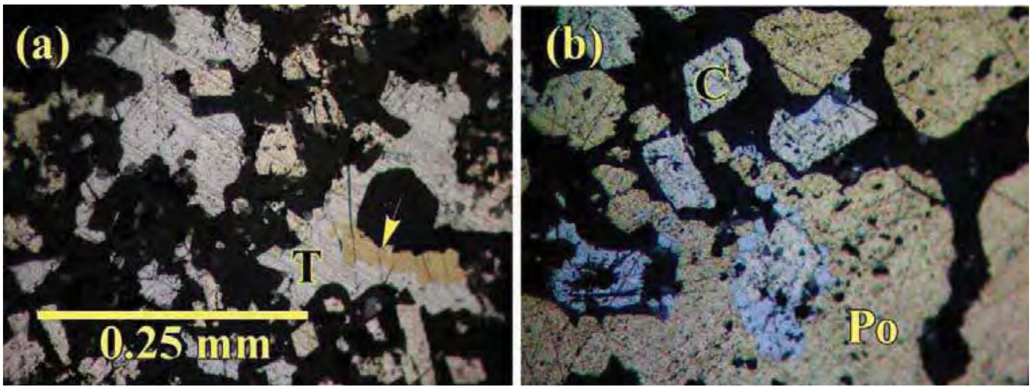


Figure 32 - Sample IGRC002 at 60-61 m depth (black areas are non-opaque minerals):
a) Chalcopyrite (arrow) with tennantite-tetrahedrite and carrollite (?)
b) Pyrrhotite (Po) with carrollite (C) (From Price, 2010)

Other associated minerals such as chalcopyrite and pyrrhotite indicate that the temperatures were near the lower end of the stable zone of carrollite. This assemblage of minerals are known to occur in a variety geological settings, ranging from "epithermal" vein deposits such as those in Norway to the possible "sygenetic" copper ores of Zaire and Zambia. Clark (1974) also includes deposits in the Atacama Desert of Chile containing the carrollite-linnaeite sulfides as analogies.

The presence of carrollite at Iron Glen needs to be confirmed by x-ray analyses and other work. If confirmed, this suggests that mineralization involving copper, zinc, and silver may be located further away from the high-temperature zones near the magnetite and nearby granodiorite at the Iron Glen EPM. This is also suggested in the paragenesis of the Biggenden mineralization; see Figure 31 (e.g., magnetite is formed early and metals late).

Meinert, (1992), however, indicates that magnetite is present in many types of skarns, especially copper skarns where they are associated with I-type calc-alkaline porphyritic plutons with a magnetite series and co-genetic volcanic units exhibiting stockwork, veining, brittle fracturing and brecciation, and intense hydrothermal alteration. Meinert also suggests that copper skarn mineralogy is dominated by andraditic garnet with other phases including diopsidic pyroxene, idocrase, wollastonite, actinolite, and epidote, most of which have been reported in Iron Glen samples.

Atkinson and Einaudi (1978) first noted that in most skarns there is a general zonation pattern of proximal garnet, distal pyroxene, and idocrase (or a pyroxenoid such as wollastonite, bustamite, or rhodonite) at the contact between skarn and marble. In addition, individual skarn minerals may display systematic color or compositional variations within the larger zonation pattern. For example, proximal garnet is commonly dark red-brown, becoming lighter brown and finally pale green near the marble front (e.g., the change in pyroxene color is less pronounced but typically reflects a progressive increase in iron and/or manganese towards the marble front (according to Harris and Einaudi, (1982)).

Einaudi (1982 and 1987) further confirmed that copper skarns commonly are zoned with massive garnetite near the pluton and increasing pyroxene with idocrase and/or wollastonite near the marble contact. In addition, garnet may be color-zoned from proximal dark reddish-brown to distal green and yellow varieties. Sulfide mineralogy and metal ratios may also be systematically zoned relative to the source pluton. In general, pyrite and chalcopyrite are most abundant near the pluton with increasing chalcopyrite, and finally bornite, in wollastonite zones near the marble contact.

In some zinc skarn deposits, the pyroxene:garnet ratio and the manganese content of pyroxene increase systematically along the fluid flow path (Meinert, 1987). This feature has been used to identify proximal and distal skarns and proximal and distal zones within individual skarn deposits. A typical zonation sequence from proximal to distal is: altered skarn near pluton, and the presence of garnet, pyroxene, pyroxenoid, and sulfide/oxide replacement bodies. This approach should be applied in the exploration at Iron Glen EPM.

The occurrence of zinc skarns in distal portions of major magmatic/hydrothermal systems may make even small deposits potentially useful as exploration guides in poorly exposed districts. Thus, reports of manganese-rich mineral occurrences may provide clues to districts that have not yet received significant exploration activity (Meinert, 1987).

For some skarn systems, these zonation patterns can be "stretched out" over a distance of several kilometers and can provide a significant exploration guide (e.g., Meinert, 1987). Details of skarn mineralogy and zonation can be used to construct deposit-specific exploration models as well as more general models useful in developing grass-roots exploration programs. Reasonably detailed zonation models are available for copper, gold, and zinc skarns. Other models can be constructed from individual deposits which have been well studied such as the Hedley gold skarn (Ettlinger, *et al*., 1992 and Ray, *et al.,* 1994) or the Groundhog zinc skarn (Meinert, 1987).

As implied above, anomalies of 10s to 100s of ppms for individual metals can extend for more than 1,000 m beyond proximal skarn zones. Comparison of geochemical signatures among different skarn classes suggests that each has a characteristic suite of anomalous elements and that background levels for a particular element in one skarn type may be highly anomalous in other skarns. For example, gold, tellurium, bismuth, and arsenic values of 1, 10, 100, and 500 ppm, respectively, are not unusual for gold skarns but are rare to absent for other skarn types (e.g., Myers, 1985 and Meinert, 1990).

In terms of the geological framework, Fe-Copper skarn deposits are virtually the only skarn type found in oceanic island-arc terrains. Many of these skarns are also enriched in cobalt, nickel, chromium, and gold. In addition, some economic gold skarns appear to have formed in back arc basins associated with oceanic volcanic arcs (Ray, *et al*., 1988).

Some of the key features that set these skarns apart from those associated with more evolved magmas and crust are their association with gabbroic and dioritic plutons, abundant endoskarn, widespread sodium metasomatism, and the absence of tin and lead. Collectively, these features reflect the primitive, oceanic nature of the crust, wall rocks, and plutons.

The vast majority of skarn deposits are associated with magmatic arcs related to subduction beneath continental crust. Plutons range in composition from diorite to granite although differences among the main base metal skarn types appear to reflect the local geologic environment (e.g., depth of formation, structural and fluid pathways) more than fundamental differences of petrogenesis (Nakano, *et al*., 1990). These interpretations provide a context for exploration on the Iron Glen tenement and should be incorporated in future activities.

21.2 Iron Glen Interpretations

As indicated above, the recent work by Price (December, 2010) has begun the detailed work of identifying the minerals present in the zones and their implications in determining if economic concentrations of the metals exist in the area at depth.

The two targets may be found in proximity to the new granite (the quartz megacrystic granite reported last year by Terra Search) or to the local granodiorite, or to targets that may occur at some distance away. This is illustrated in Figure 33, wherein both iron and metals are plotted against sulphur, showing that they are of separate regimes or are of proximal zones without much of a metamorphic aureole of metals decreasing away from their source.

Also of interest is the slope of the copper data with respect to the zinc data, and to the arsenic data in general. Although the data set needs to be much larger before any firm conclusions can be reached, the copper seems to be part of a different system than that of zinc and other metals. This suggests that copper-skarn models may be more appropriate to apply in the local exploration than other models. We recommend that this be considered before follow-up drilling is undertaken in the Iron Glen project.

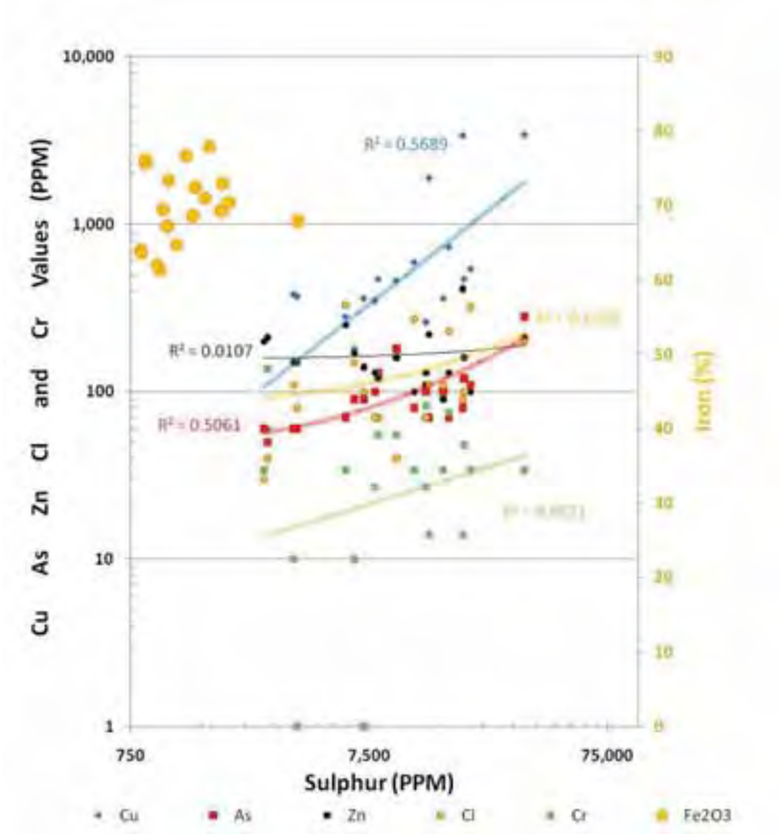


Figure 33 - Iron Distribution and Selected Elements Plotted Against Sulphur in the Mineralized Zones

21.3 Conclusions

Based on a review of the relevant historical and project documents, and of the technical literature, and on the basis of the discussions held with Iron Glen representatives, on discussions with the Queensland government personnel, and on discussions with Terra Search personnel, we conclude that:

1) The 2010 drilling program produced encouraging results, meriting additional work, both in the field and in technical considerations, followed up by additional drilling and coring.

2) Terra Search, the principal consultants to Iron Glen Holdings Limited, have conducted a comprehensive program in terms of managing of the project, handling the contractors, obtaining the drilling samples, conducting the appropriate QC/QA programs with regard to the handling of the laboratory and its reliability and security, and in presenting reports of the appropriate professional caliber.

3) Additional drilling will be required before an appropriate basis can be established to estimate either resources or reserves. The Iron Glen project is in an early stage of identifying and characterizing the magnetite zone encountered to date. If the follow-up drilling continues to encounter the magnetite zone with a sufficient number of intercepts, and possible extensions, the resource/reserve base will need to be estimated at that time.

4) If an appropriate reserve based can be established, the prospective mining project is located in a favorable geographic position to function under optimum mining operating conditions. This is based on the project's proximity to Townsville, and its location to the required infrastructure (electrical power, water, rail/roadways, and operational support provided by outlying towns to supply logistical support). Furthermore, any equipment needed during exploration and development of this project would be available in Townsville, a center of the mining industry in Queensland.

5) Based on the recent drilling program, the Iron Glen project now has two exploration targets: a) the magnetite zone, and 2) the copper, zinc, and silver zone(s). Each requires a slightly different exploration approach. The first target is apparent, the second is not, as of yet. Both the former and the latter will require further geologic assessment and drilling.

Section 22.0 Recommendations

22.1 Exploration Strategy

Based on the results to date, we recommend a detailed geological mapping and sampling program be conducted on the Iron Glen EPM <u>before</u> the follow-up stage drilling and coring is undertaken. There are sufficient outcrops at or just below the shallow soil to assemble a detailed interpretation of the surface geology. Together with the information gained from the recent drilling and sampling program, this new information will allow a more informed background for establishing the local faulting history of events, followed by determining the paragenetic relationships involved in the mineralization encountered to date. Together, this information will be useful in selecting drill sites for the next stage of drilling.

We recommend 20 reverse-circulation holes in the immediate area of the preliminary drilling conducted in October, 2010, plus five (5) holes along the main contact zone laterally well beyond the principal ground magnetic anomaly, both north and south of the Iron Glen Pit, and two (2) vertical and one (1) angled diamond core holes to depths of 300 m drilled to intercept the magnetite zone (2 diamond core holes) and to test the contact zone of the granodiorite (one diamond core hole), see Figure 34. Terra Search (2011) has recommended a similar drilling/diamond coring program.

We have concluded that the recommended field investigations and literature evaluations of other skarn deposits should be completed before drilling/diamond coring are initiated. Although the hole locations indicated in Figure 34 may be valid site selections, we encourage Terra Search to re-assess their selections after the field work and skarn study have been completed. Furthermore, we recommend three exploratory holes be drilled in the area between the main zone and the western area, especially since the western area rocks have been significantly altered and may contain mineralized skarn in the shallow subsurface.

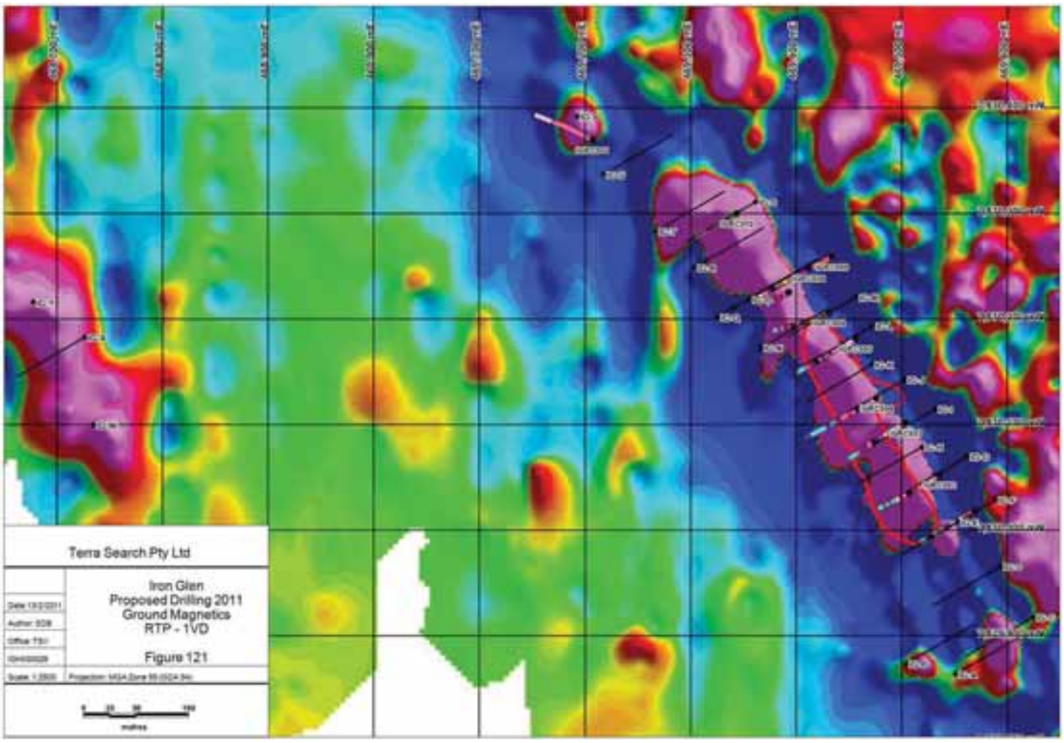


Figure 34 – Proposed Drilling Sites: Main Zone and the Western Area (Terra Search, 2011)

22.2 Development Strategy

We recommend that in the event favorable results are reported from the follow-up drilling and diamond coring program, the reserve base of available magnetite should be calculated. If sufficient tonnage is available, and the quality remains as indicated in the preliminary drilling program (i.e., no deleterious contaminants become obvious), the next step should be to conduct a feasibility study to include a metallurgical investigation using more than one bulk sample to determine the type of beneficiation system required to meet anticipated product specifications.

We also recommend that given certain estimates of a likely schedule (and assuming the magnetite reserve base allows for a mine life of a minimum of five (5) years for production and sales), magnetite mining operations could begin within the next three (3) to four (4) years, also assuming government permitting and other necessary agreements have been consummated in reasonable time. This does not allow for any unforeseen delays and, of course, any delays resulting from significant changes in the prevailing world economic conditions at the time, especially in Southeast Asia and China.

We have estimated the costs for the follow-up Phase II program (see Table 9). This involves a field-mapping program, plus a significant period to allow for a review of the deposit analogies available in the geoscience literature and to work out the likely geological associations and faulting within the Iron Glen EPM, all before the Phase II drilling and coring program is undertaken (described in Section 22.1 - Exploration Strategy, above). We have also included geological supervision and oversight and a Phase II report of findings in our estimate of Phase II costs.

Table 9
Estimated Phase II Costs: Iron Glen EPM Exploration

Function	Description	Estimated Cost (AUS$)
Stage 1	Geological Mapping & Deposit Analogy Assessment	$60,000.00
Stage 2	Pre-Drilling Planning	35,000.00
Stage 3	Drilling Contractor	300,000.00
	Diamond Coring Contractor	250,000.00
	Laboratory Analyses	200,000.00
	QA/QC Drilling & Lab	25,000.00
	Drilling Supplies	25,000.00

	Geological Sampling-Logging	35,000.00
	Backhoe & Road Repairs	15,000.00
	Geological Supervision	140,000.00
Stage 4	Post-Drilling Data Assessment	150,000.00
	Phase II Report	75,000.00
	Subtotal:	$1,310,000.00
	Contingency @ 10%	131,000.00
	Estimated Phase II:	$1,441,000.00

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Houston Seattle

Section 24.0 Certificates of Competent Persons

Michael D. Campbell, P.G., P.H.
Vice President and Chief Geologist/Hydrogeologist
I2M Associates, LLC

I, Michael D. Campbell, do hereby certify that:

1. I am Vice President and Chief Geologist/Hydrogeologist in the firm of I2M Associates, LLC, based in Seattle, Washington and residing at 1810 Elmen Street, Houston, Texas 77019.

2. I graduated with a Bachelor of Arts in Geology in 1966 from The Ohio State University in Columbus, Ohio, and with a Master of Arts in Geology from Rice University in Houston, Texas in 1976 and have practiced my profession continuously since 1966.

3. I have worked as a geologist and hydrogeologist for my full working career. After graduation, I worked for Continental Oil Company (Australia), Sydney, N.S.W., as Staff Geologist/Hydrogeologist, Minerals and Mining Division (from 1966 to 1969). I was responsible for conducting, coordinating, and implementing prospect evaluations, mapping and sampling programs, well-site operations, and ground-water supply investigations in various parts of Australia, Micronesia (Caroline Islands) and the South Pacific (Coral Sea) for exploration on: phosphate (NW Queensland, west of Mt. Isa, and Northern Territory, phosphate discovery was made in Alroy Station area), potash (Carnarvon Basin), sulfur, coal, base metals, and uranium. Joint-venture programs with Japanese and Korean companies required extensive travel between Australia and Japan and Southeast Asia. I also investigated uranium prospects on the Nullibar Plains of South Australia. I was granted Resident Status in Australia from 1966 to 1969 to work on phosphate and other minerals in Queensland, the Northern Territory and on potash in Western Australia and elsewhere in South East Asia.

   After completing the assignment, Conoco transferred me back to the U.S. to work on Conoco's uranium projects. In 1970, I joined Teton Exploration, Div. of United Nuclear Corporation in Casper, Wyoming and served as District Geologist for uranium exploration. From 1972 to the present I have worked for various engineering and environmental companies involved in natural resource development and mining and on managing and executing environmental projects for industry.

4. I am a licensed Professional Geologist in: Texas, Washington (and as a Professional Hydrogeologist), Alaska, Mississippi, and Wyoming, and I hold national certifications by the American Institute of Professional Geologists and American Institute of Hydrology. I am a member of the Society of Mining Engineers of AIME (1975-

Present), a founding member of the Energy Minerals Division (EMD) of American Association of Petroleum Geologists (AAPG) – currently serving as Chair of the EMD Uranium (Nuclear Minerals) Committee since 2004, and was elected EMD President (Term: 2010-2011). I have been active in numerous other professional associations and societies, as time permitted, such as the National Ground Water Association (AGWSE), and other professional societies. I have produced numerous presentations and publications and was elected a Fellow in the Geological Society of America (see Resume for additional details, Section 26.0 – Appendix III CVs of Authors).

5. I have read the definition of "Competent Person" as defined in the AIM Rules for Companies Guidance Notes for Mining, Oil & Gas Companies, and I certify that by reason of my education, affiliation with a number of relevant professional organizations, and by my past relevant work experience in Australia and elsewhere, I fulfil the requirements to be a "Competent Person" under the AIM Rules for Companies.

6. I made a personal inspection of the Iron Glen Project in Queensland during the week of December 12, 2010 in the company of I2M's Senior Geologists: Tom Sutton, Ph.D., P.G., and M. David Campbell, P.G.

7. I have not had any prior involvement with the Iron Glen Pty Ltd. or Iron Glen Holdings Limited, the company involved in this project. Therefore, I am independent of Iron Glen Holdings Limited and any and all of its predecessors.

8. As of the date of this certificate, to the best of my knowledge, information and understanding, this CPR contains all the scientific and technical information that is required to be disclosed to make this CPR not misleading.

9. I consent to the filing of this CPR with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files or on their websites accessible by the public of this CPR.

Mr. Jeffrey D. King, P.G.
President and Senior Project Manager
I2M Associates, LLC

I, Jeffrey D. King, do hereby certify that:

1. I am President and Senior Program Manager in the firm of I2M Associates, LLC, based in Seattle, Washington, and residing at 8424 E. Meadow Lake Drive, Seattle (Snohomish), WA 98290.

2. I graduated with a Bachelor of Arts in Geology in 1979 from Western Washington University in Bellingham, Washington and have practiced my profession continuously from that time (approximately 30 years).

3. I have worked as a geologist and/or project/operations manager for my full working career. In 1979, I joined Bethlehem Copper (later Cominco) of Vancouver, Canada as a Staff Geologist. I was responsible for conducting, and implementing prospect evaluations, mapping and sampling programs, and well-site operations in the North Cascades of Washington State and central/eastern Nevada. In 1980, I joined the consulting firm of Watts, Griffis and McQuat of Toronto (WGM), Canada as a Senior Exploration Geologist where I was responsible for field operations for WGM's national exploration program searching for rare-earth and other minerals. Also during that time I aided WGM's senior staff on large-scale property evaluations for multiple large clients. In 1982, I was engaged by MolyCorp to work on their regional exploration program for rare-earth minerals and in 1983 I was engaged by Campbell, Foss and Buchanan, Inc. to conduct gold exploration and mine development as well as gold-placer evaluations in the lower states and in Alaska. In 1984, I joined Norse Windfall Mines, Inc. as Mine Manager at a gold/silver mine in east/central Nevada. In 1986, I was promoted to Vice President of Operations. Since 1988, I have been affiliated with M. D. Campbell and Associates, L.P. as Senior Program Manager. In early 2010, I formed I2M Associates, and serve as President and Senior Program Manager. I have completed numerous mine evaluation and environmental projects over more than 25 years.

4. I am a licensed Professional Geologist in Washington State (see Resume for additional details, Section 26.0 – Appendix III CVs of Authors).

5. I have read the definition of "Competent Person" as defined in the AIM Rules for Companies Guidance Notes for Mining, Oil & Gas Companies, and I certify that by reason of my education, affiliation with a number of relevant professional organizations, and by my past relevant work experience in Australia and elsewhere, I fulfil the requirements to be a "Competent Person" under the AIM Rules for Companies.

6. I am involved in the preparation and review of the contents and coverage of this CPR and hence serving as co-author of this CPR.

7. I have not had any prior involvement with the Iron Glen Pty Ltd or Iron Glen Holdings Limited, the company involved in this project. Therefore, I am independent of Iron Glen Holdings Limited and any and all of its predecessors.

8. As of the date of this certificate, to the best of my knowledge, information and understanding, this CPR contains all the scientific and technical information that is required to be disclosed to make this CPR not misleading.

9. I consent to the filing of this CPR with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files or on their websites accessible by the public of the technical report.

Signed in Houston, Texas this 20th day of February, 2011. We reserve the right to revise this CPR in the future as new information becomes available or as we deem appropriate.

Sincerely,

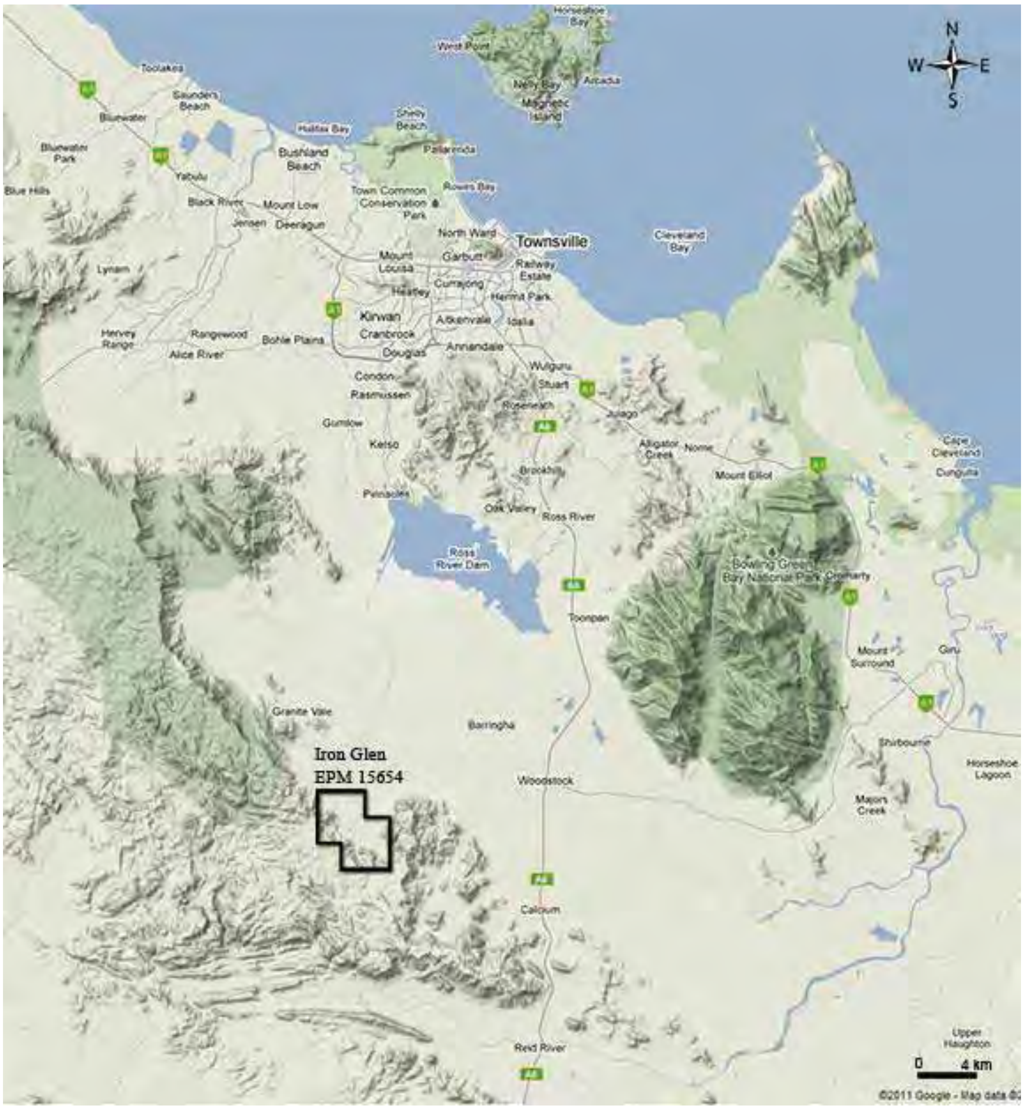
I2M Associates, LLC

Michael D. Campbell, P.G., P.H.	Jeffrey D. King, P.G.
Vice President & Chief Geologist	President and Senior Program

Section 25.0 Illustrations (Expanded Views)

Figure 1

General Location of Iron Glen Tenement



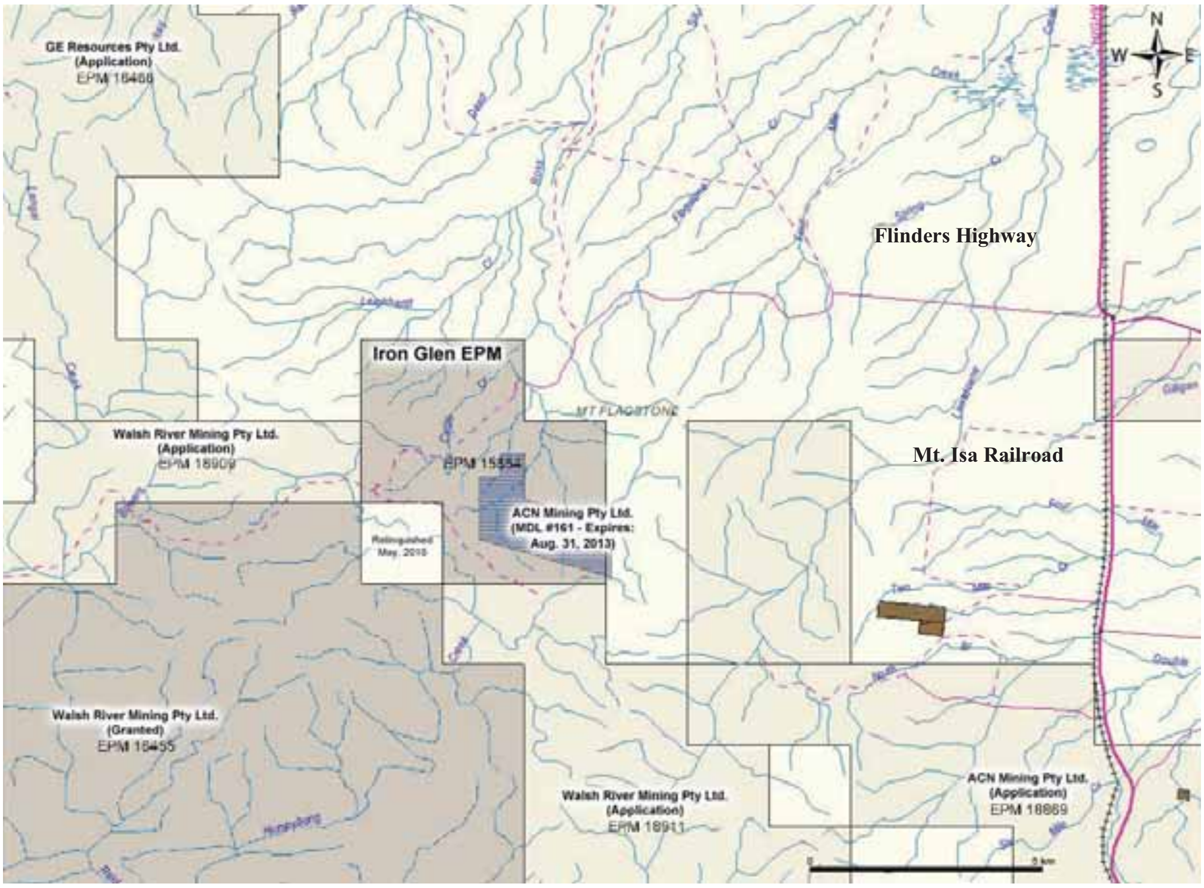


Figure 2 - Iron Glen & Surrounding Tenements (As of January 12, 2011)
Source: QDEX Tenement Database

Figure 3 - Aerial View of Iron Glen Pit within EPM 15654. Looking Southwest
(Photo Taken by M. David Campbell, 2010)

Figure 4 - Site Visit Personnel:
Michael D. Campbell, P.G., P.H., Qualified Person (Center), Kevin Doyle, Iron Glen Representative (Left), and Thomas C. Sutton, Ph.D., I2M Associate (Right), Visited Iron Glen Pit in EPM 15654 during Mid-December, 2010.
Photo Taken by M. David Campbell, P.G., (I2M Associate). Looking Northwest.

Figure 5 - Section of Topographic Sheet (100,000 topographic sheet (#8258)), showing Iron Glen Tenement and Infrastructure (roads, railroad, power line, creeks, and the Mingela State Forest)

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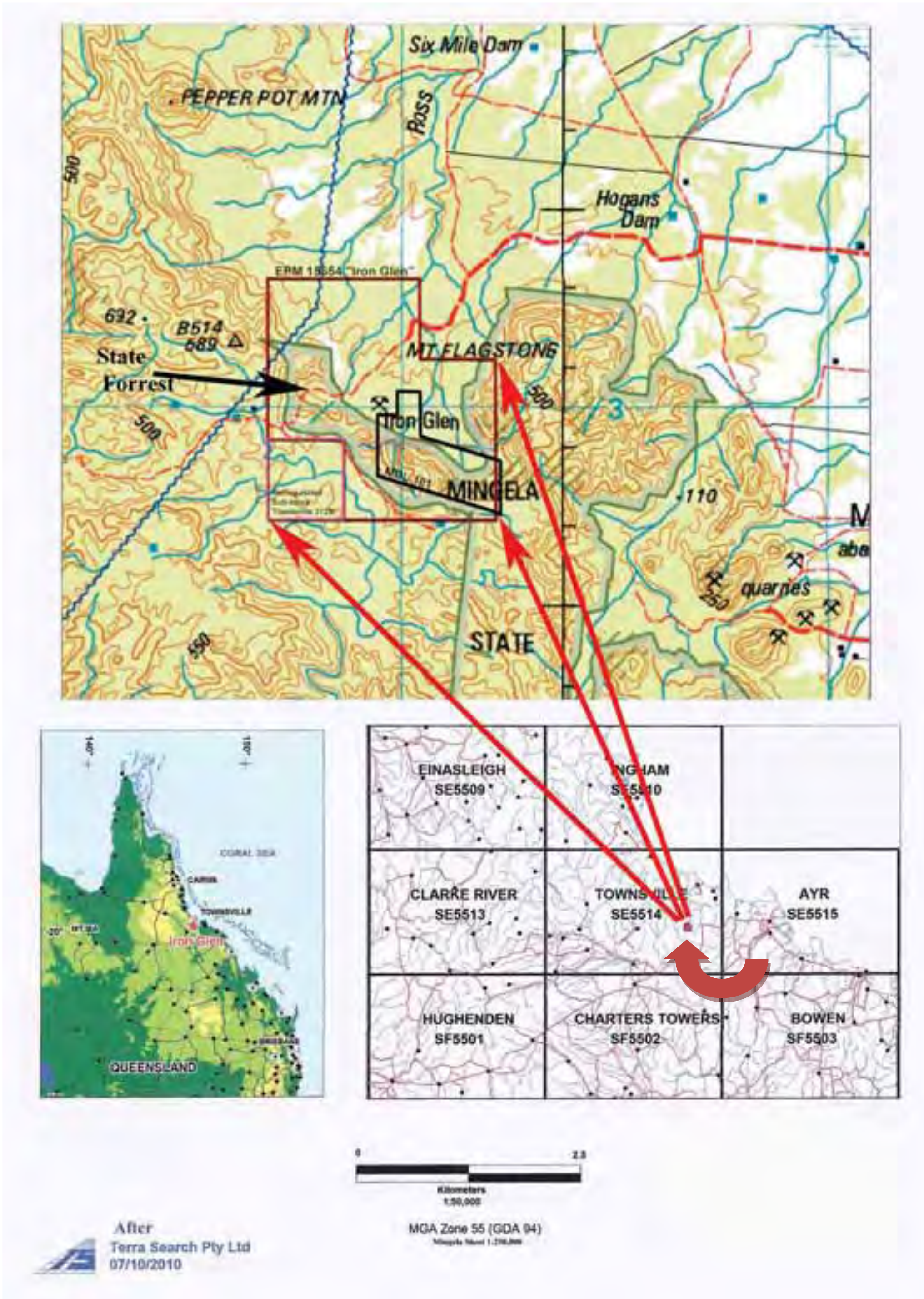

Figure 6 - Topography and Elevation, State Forest Boundaries, and Current Mining Development Lease in the Iron Glen EPM.

103

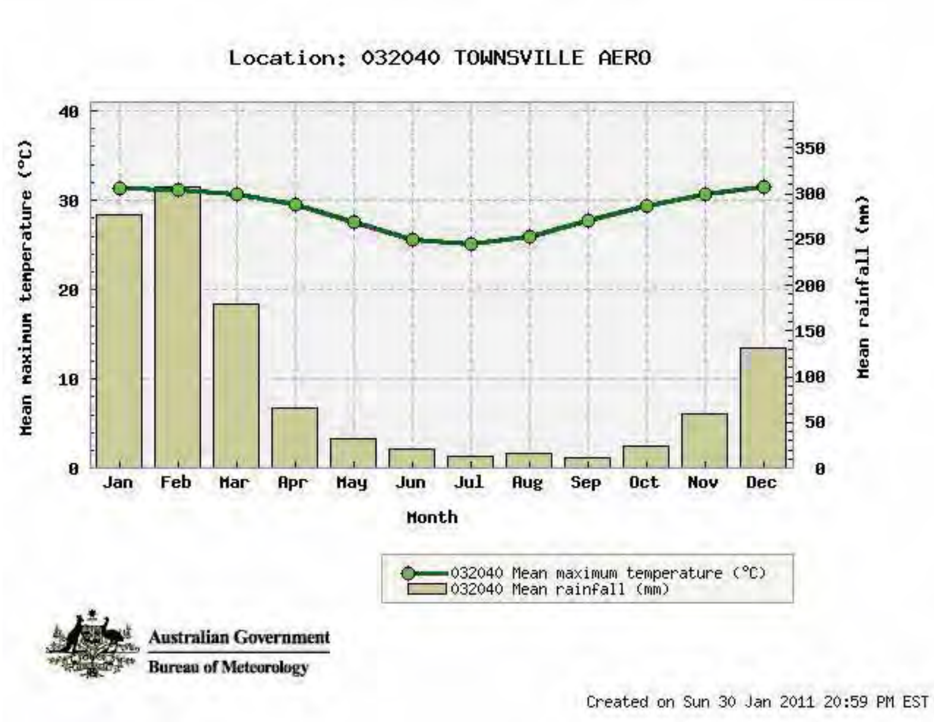

Figure 7 - Mean Maximum Monthly Temperatures and Rainfall

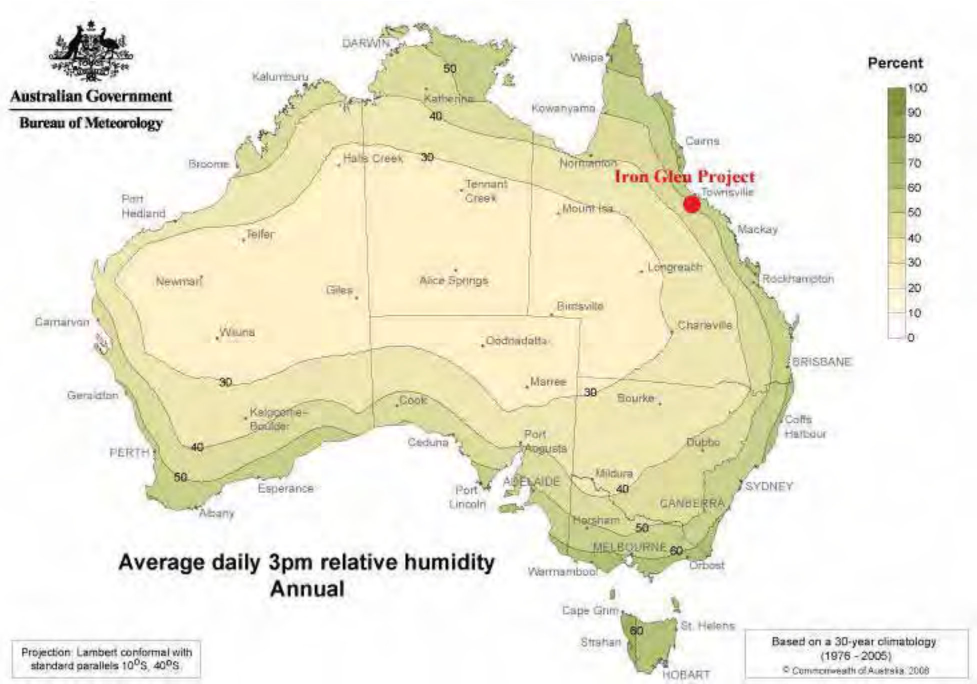

Figure 8 - Average Daily Relative Humidity (@ 3:00 PM)

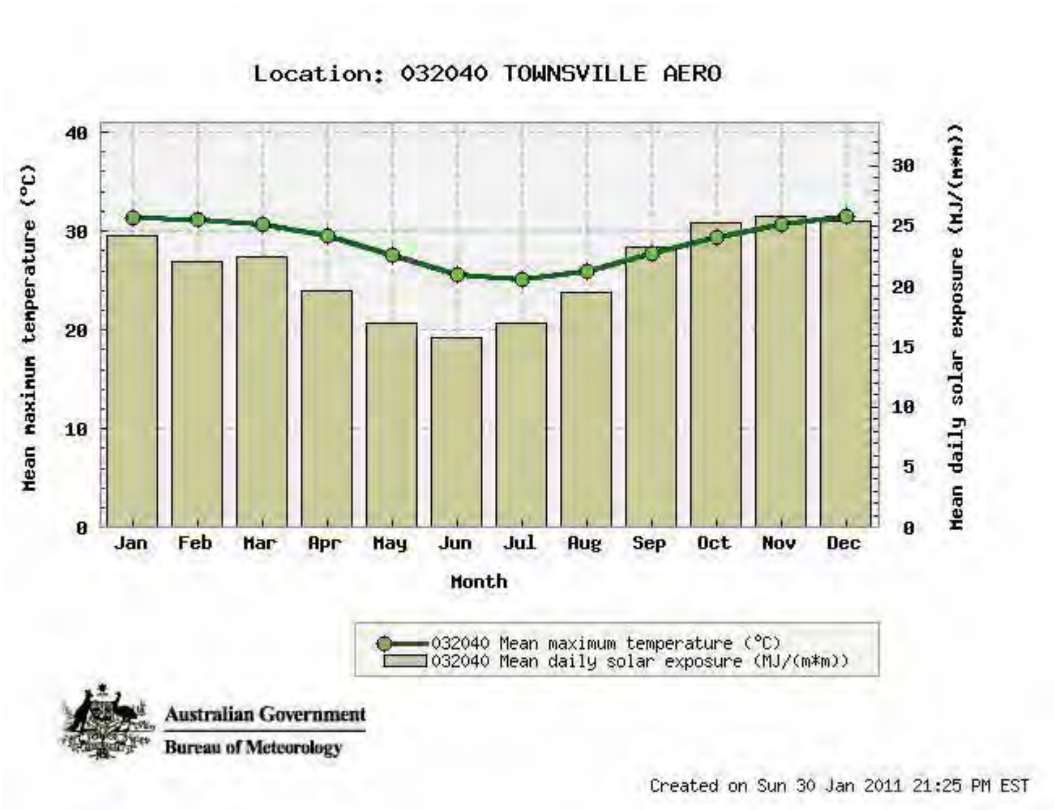

Figure 9 - Mean Monthly Wind Speed (@ 3:00 PM) and Mean Daily Solar Exposure

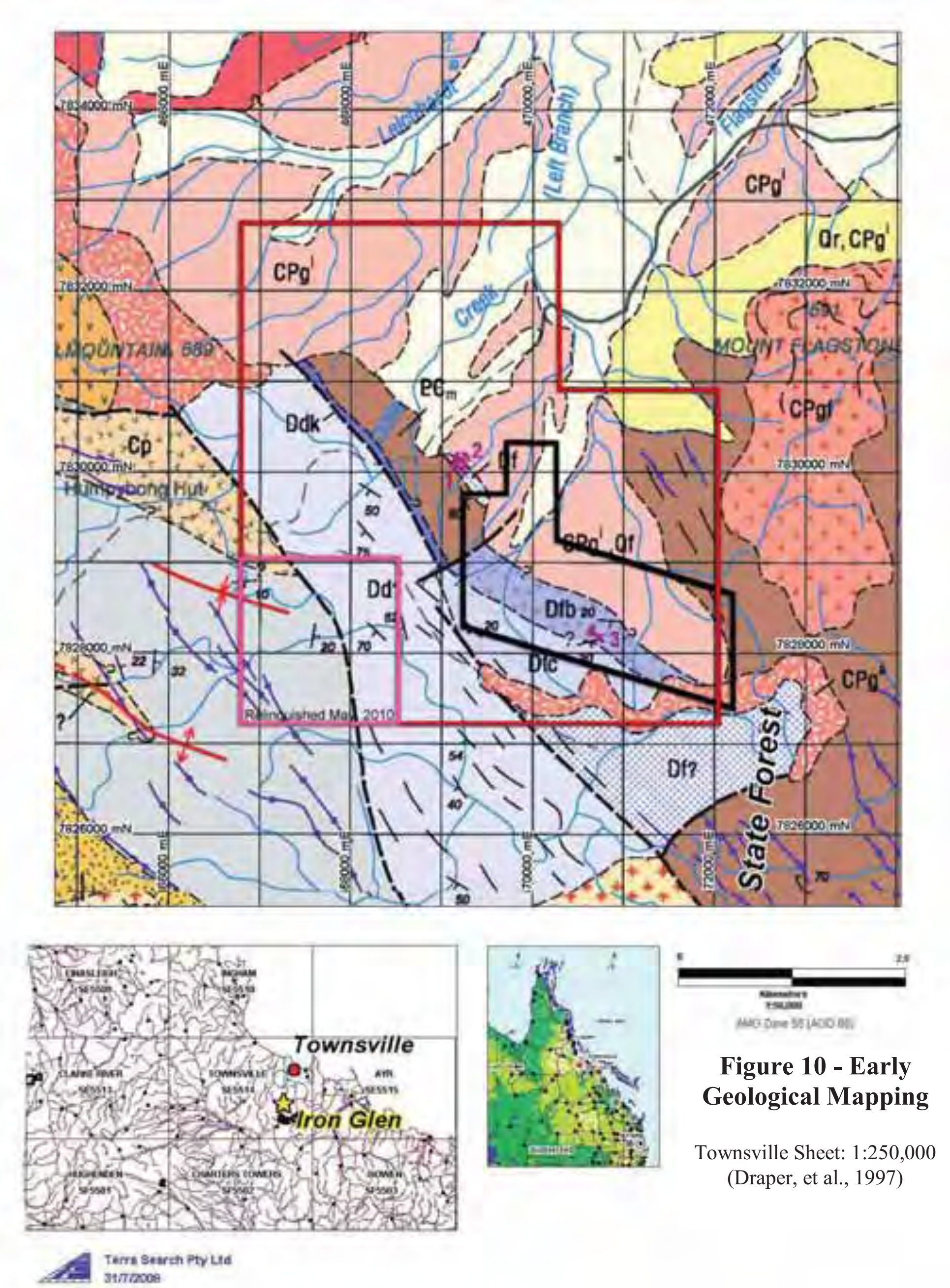

Figure 10 - Early Geological Mapping

Townsville Sheet: 1:250,000
(Draper, et al., 1997)

Figure 11
Interpretative Geology by Terra Search (2010)

Figure 12A – Original

Figure 12B – W/ PS Vibrance +75

Figure 13A – Original

Figure 13B – w/ PS Vibrance +75

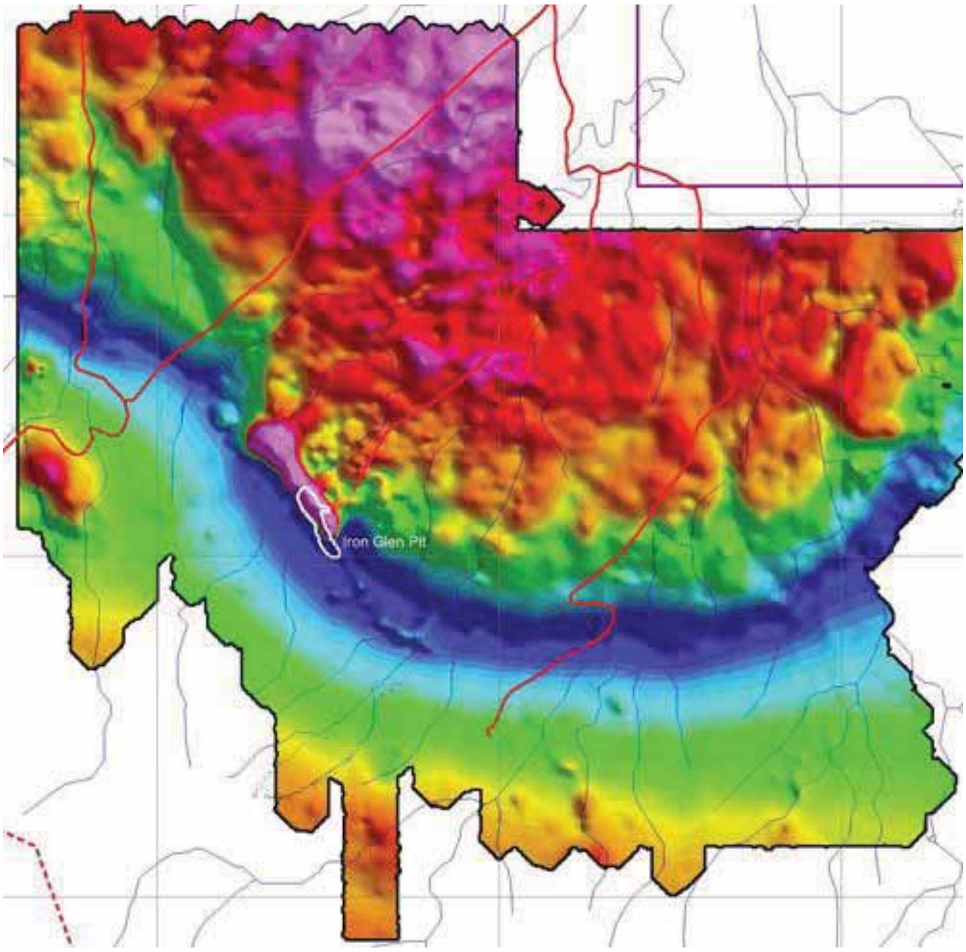

Figure 14
A Reduced-to-Pole (RTP) Image of the Combined Ground Magnetic Surveys
(Terra Search, 2010)

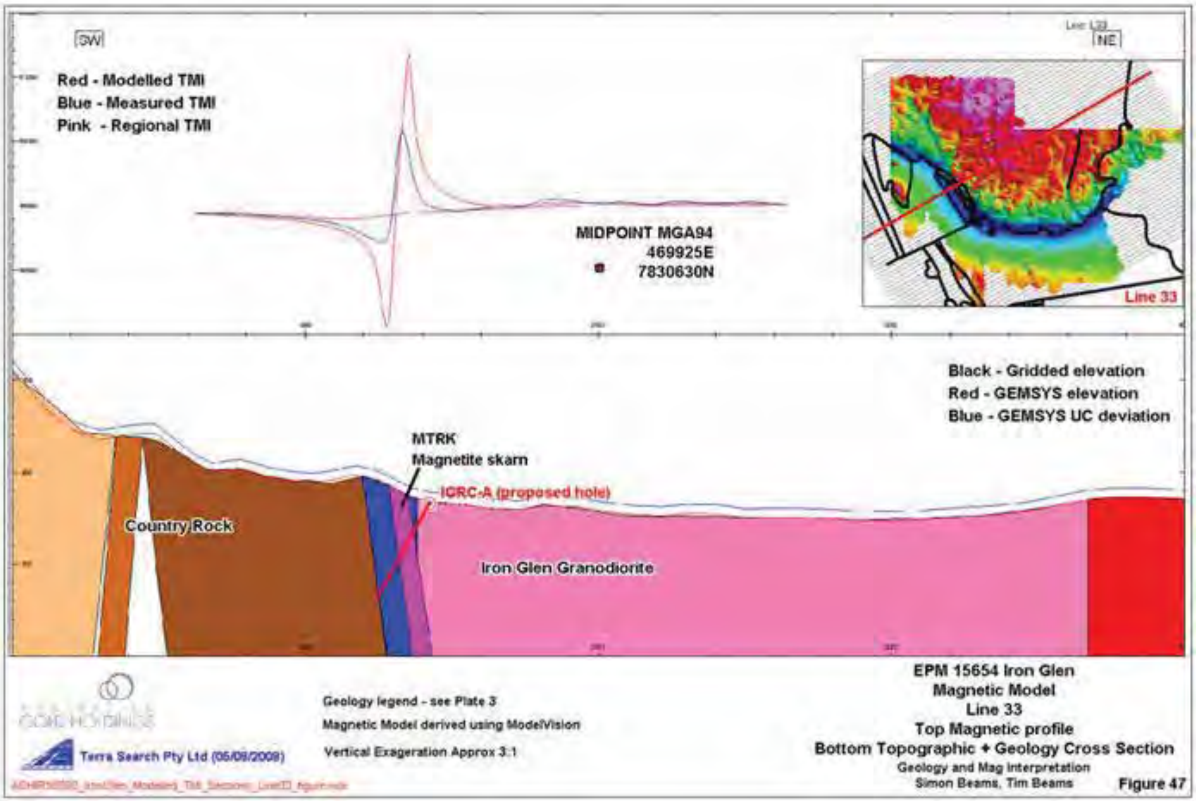

Figure 15 - Example Modeled Cross Section (Terra Search, 2010)

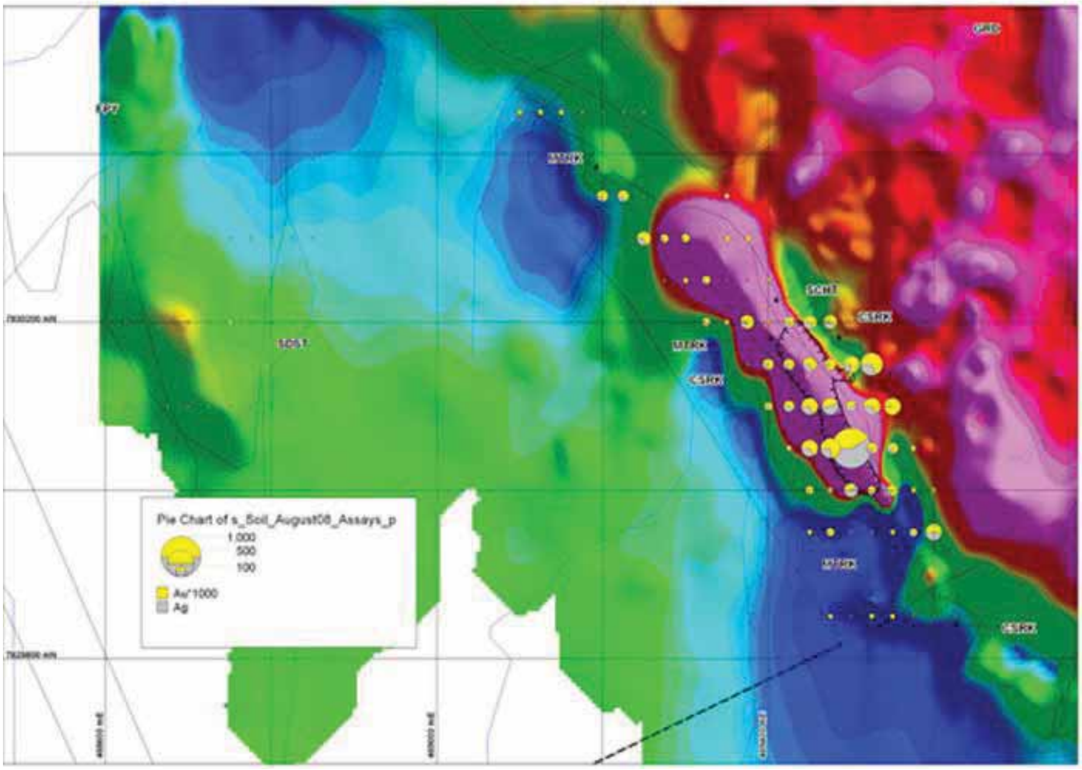

Figure 16 - Gold and Silver Soil Values (Terra Search, 2010)

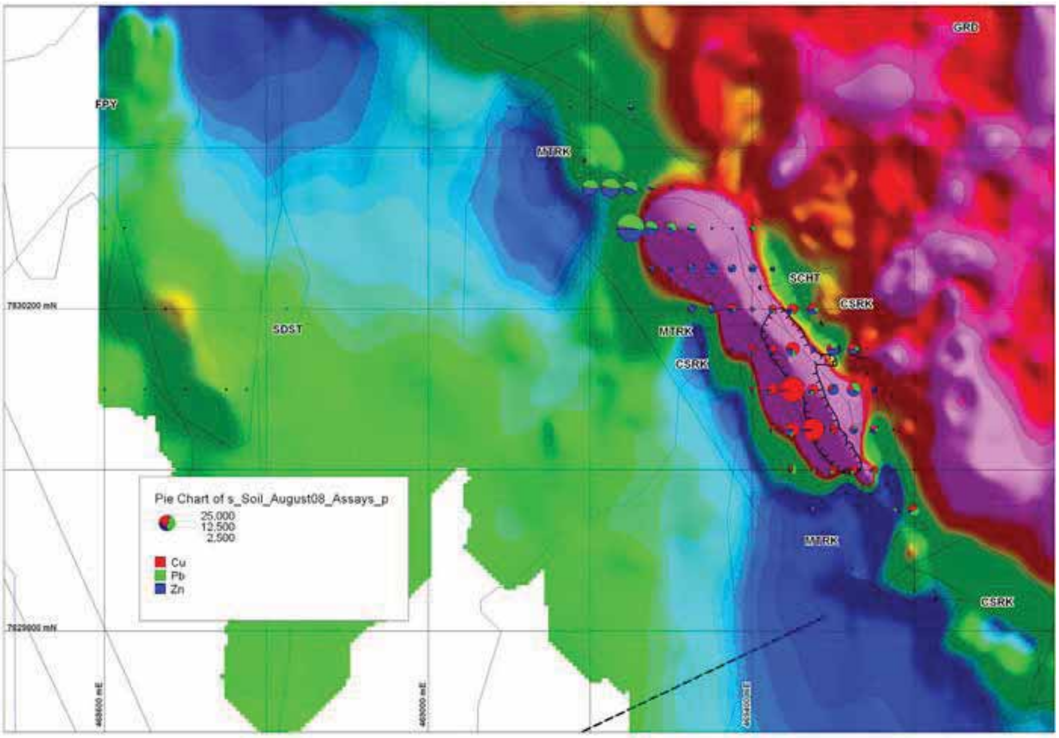

Figure 17 - Copper, Lead, and Zinc Values (Terra Search, 2010)

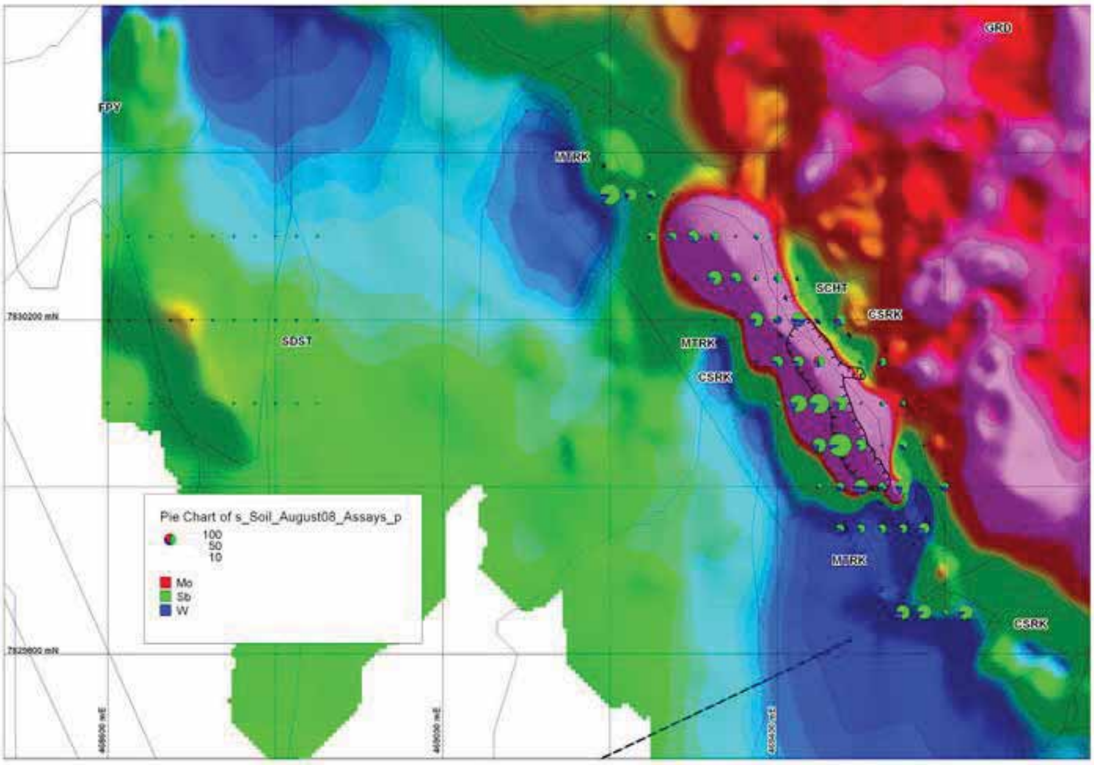

Figure 18 - Molybdenum, Antimony, and Tungsten Values (Terra Search, 2010)

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Figure 19 - Drill rig on site of IGRC002, looking south. Cyclone and sample splitter in left of photo (Terra Search, 2011)

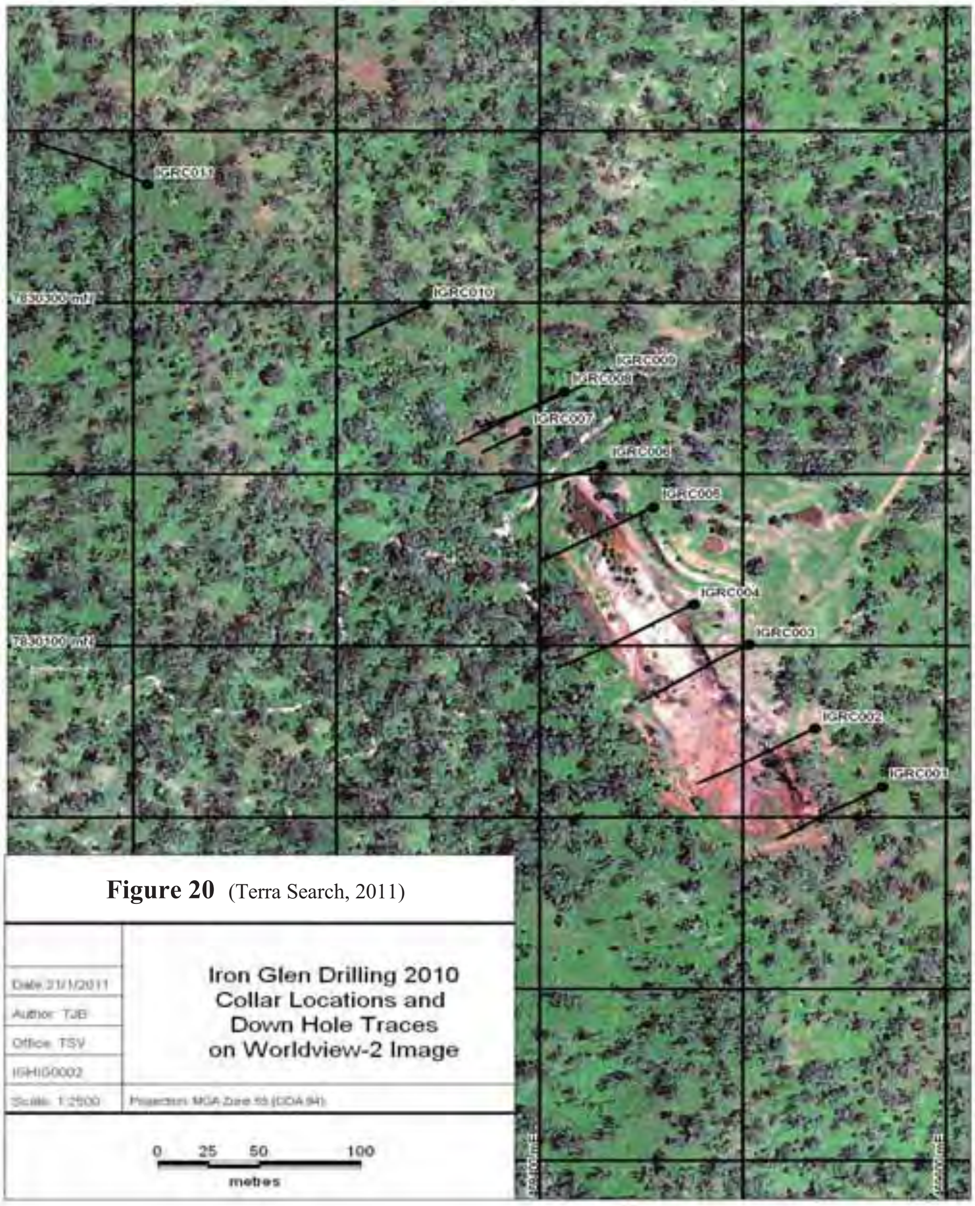

Figure 20 (Terra Search, 2011)

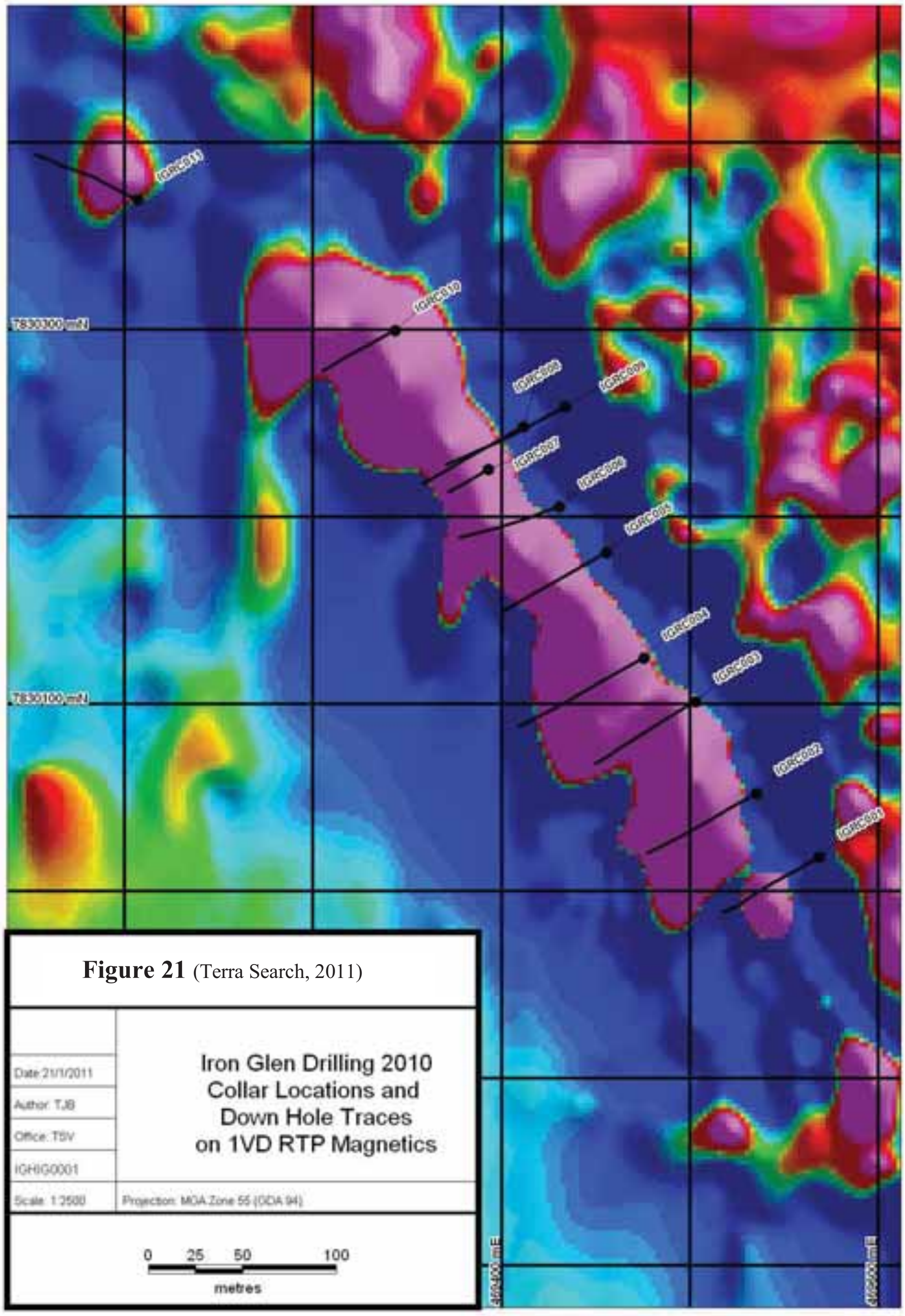

Figure 21 (Terra Search, 2011)

Figure 22 A, B, and C (See Appendix II)

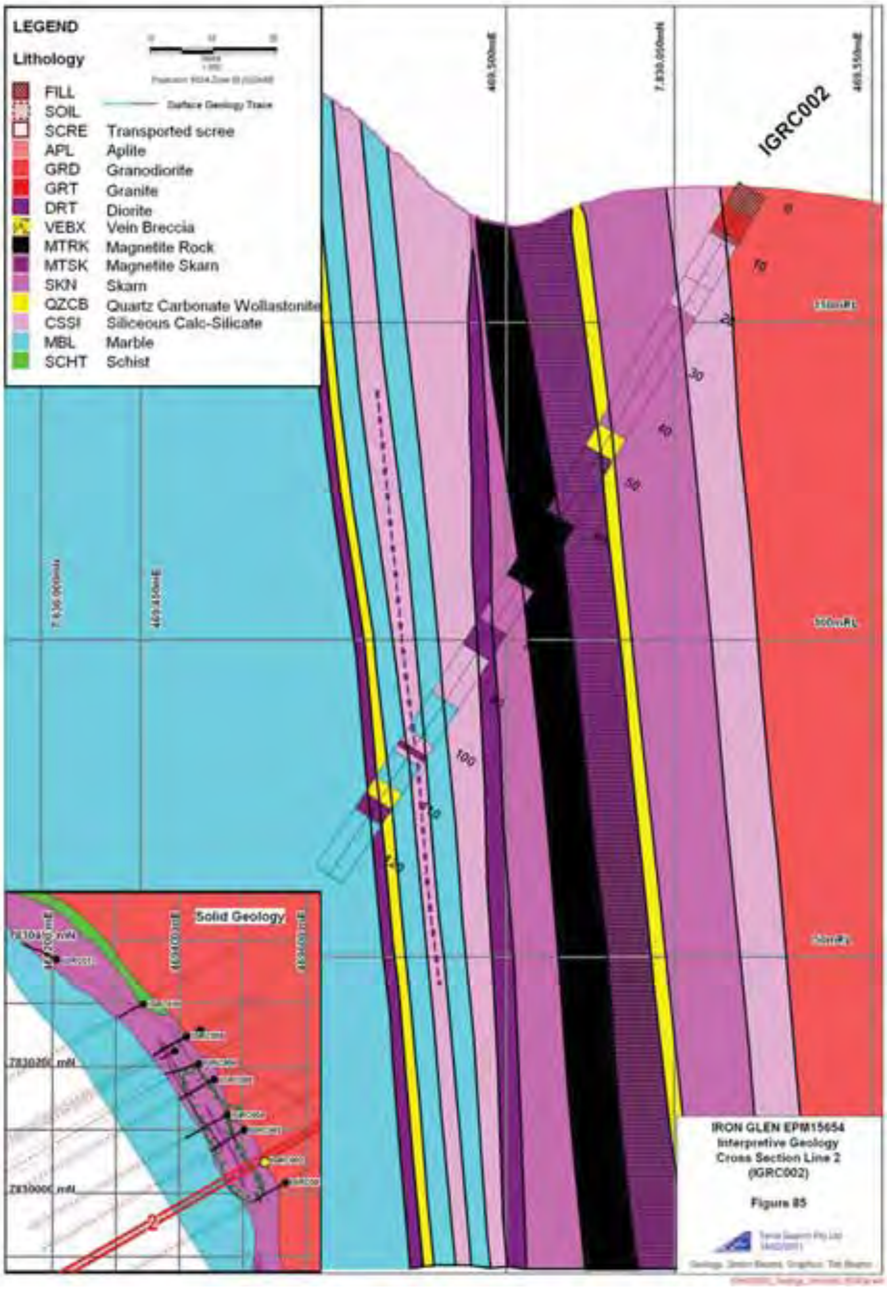

Figure 23 – The Main Magnetite Zone and Skarn Assemblage.
(Data from Hole Logs - Terra Search, 2011)

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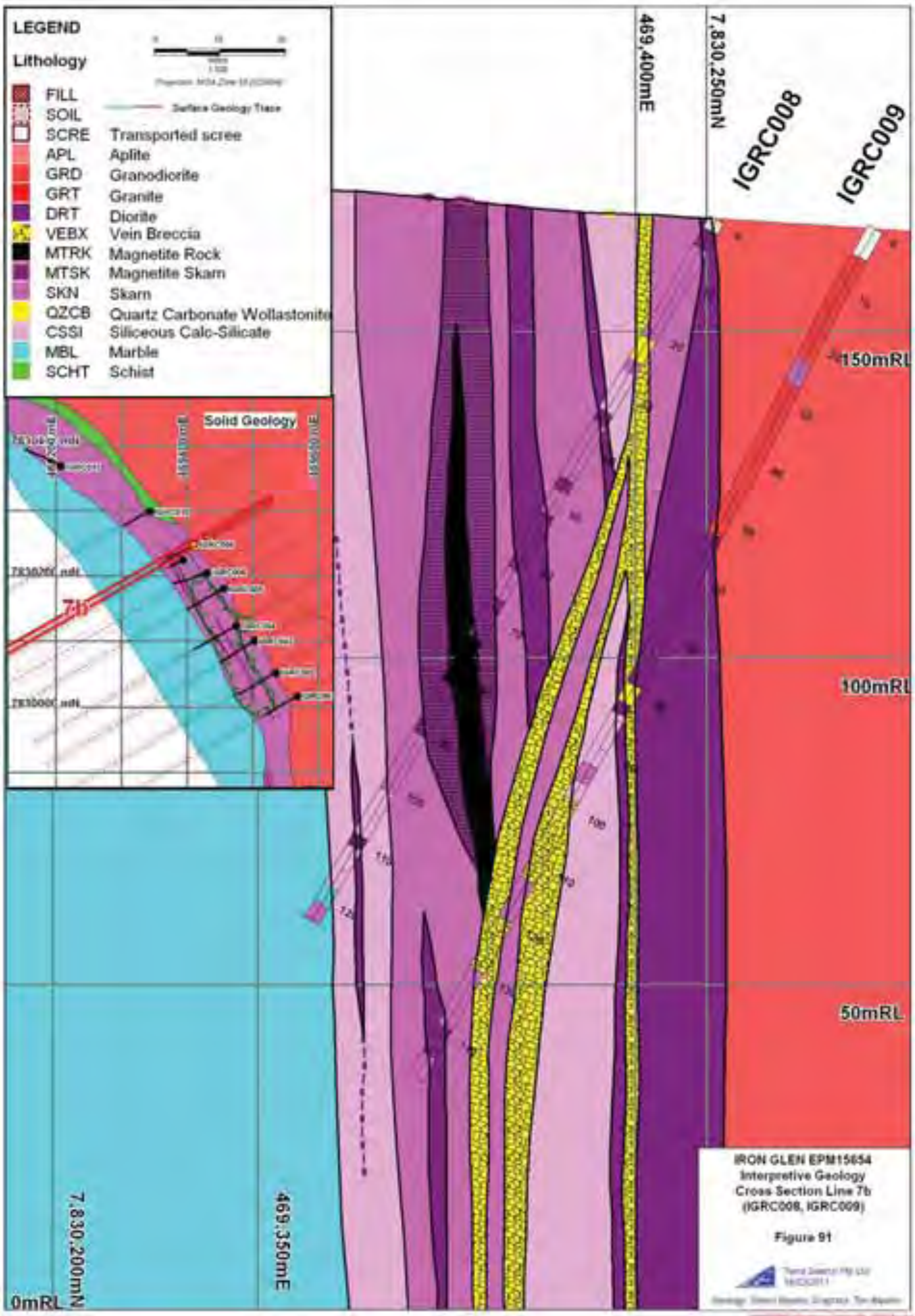

Figure 24 – The Northern Magnetite Lens and Appearance of Vein Breccia
(Data from Hole Logs - Terra Search, 2011)

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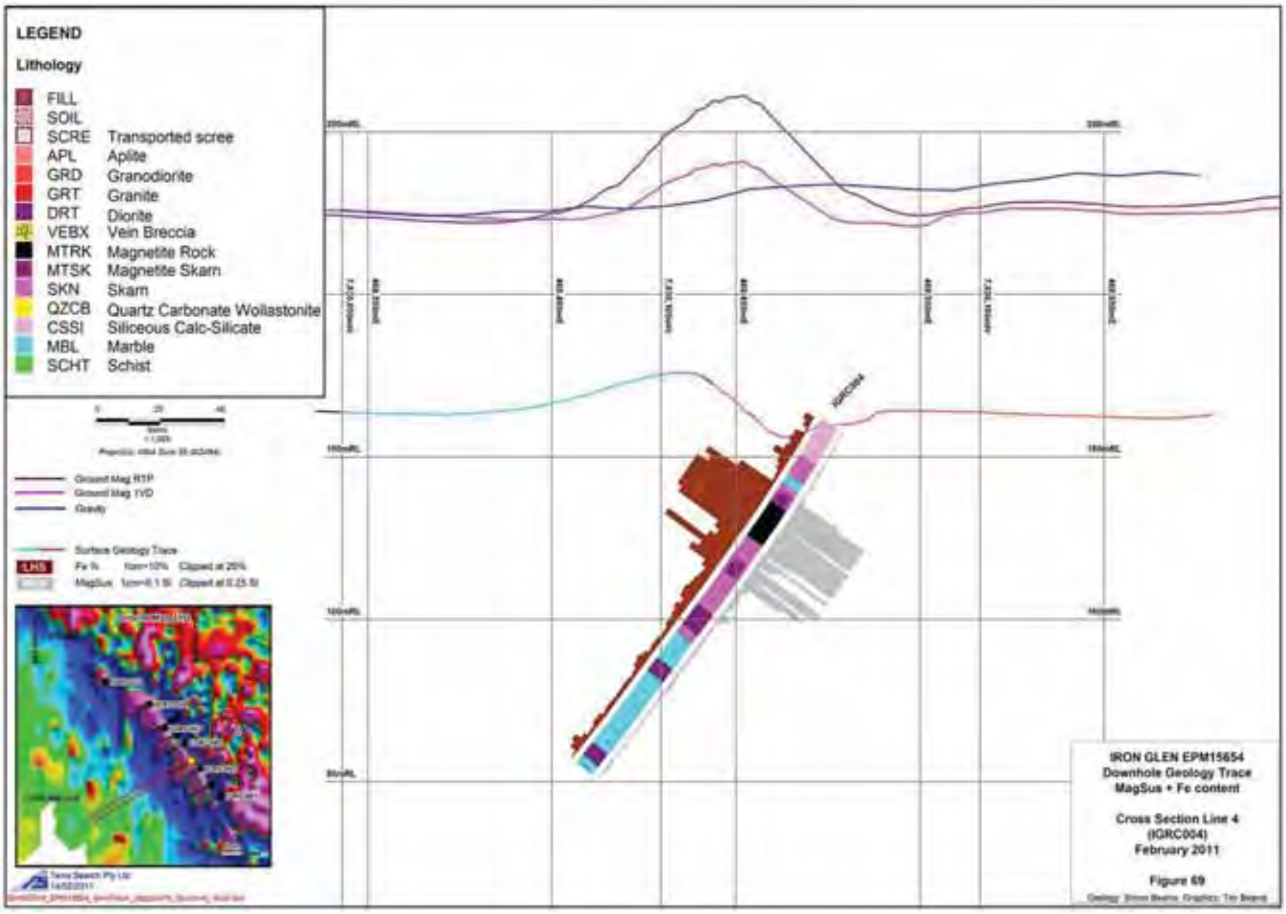


Figure 25 – Hole IGRC004 Showing Log of Fe% (left) and Magnetic Susceptibility (right)
(Data from Hole Logs - Terra Search, 2011)

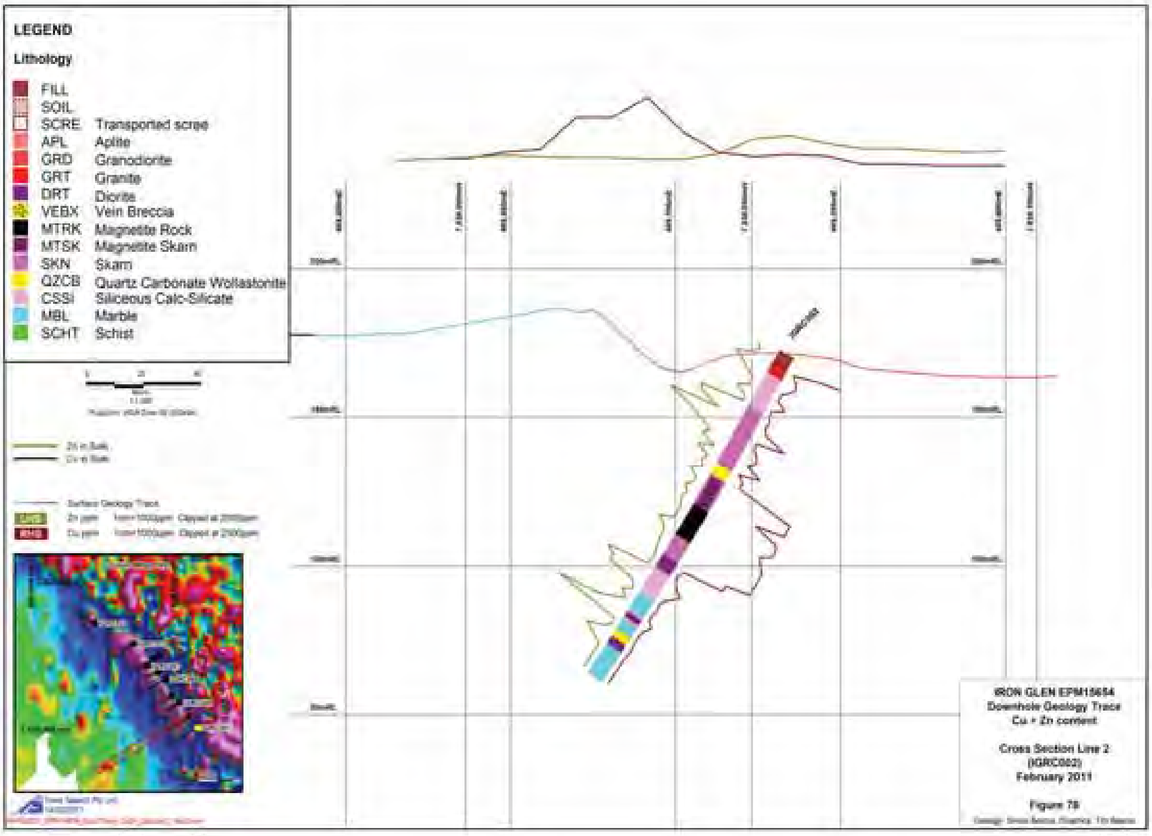


Figure 26 – Hole IGRC002 Showing Log of Zinc (left) and Copper (right)
(Data from Hole Logs - Terra Search, 2011)

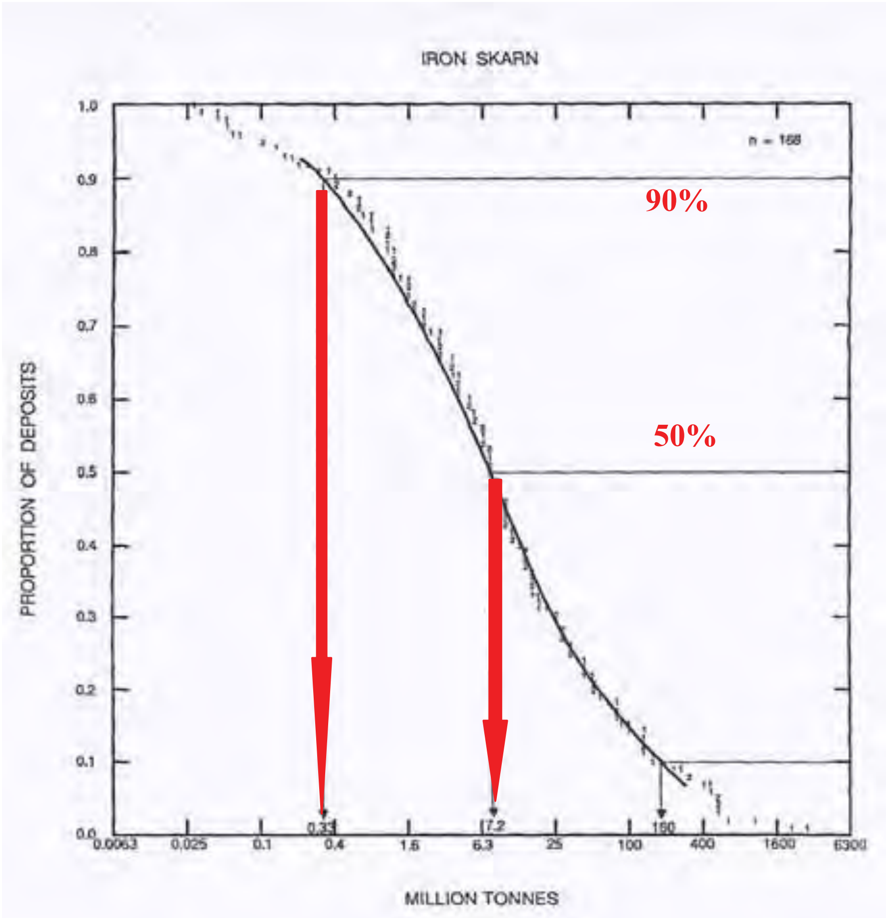


Figure 27 - Tonnages of Fe Skarn Deposits (from Cox, 1986)

(Individual numbers represent number of deposits)

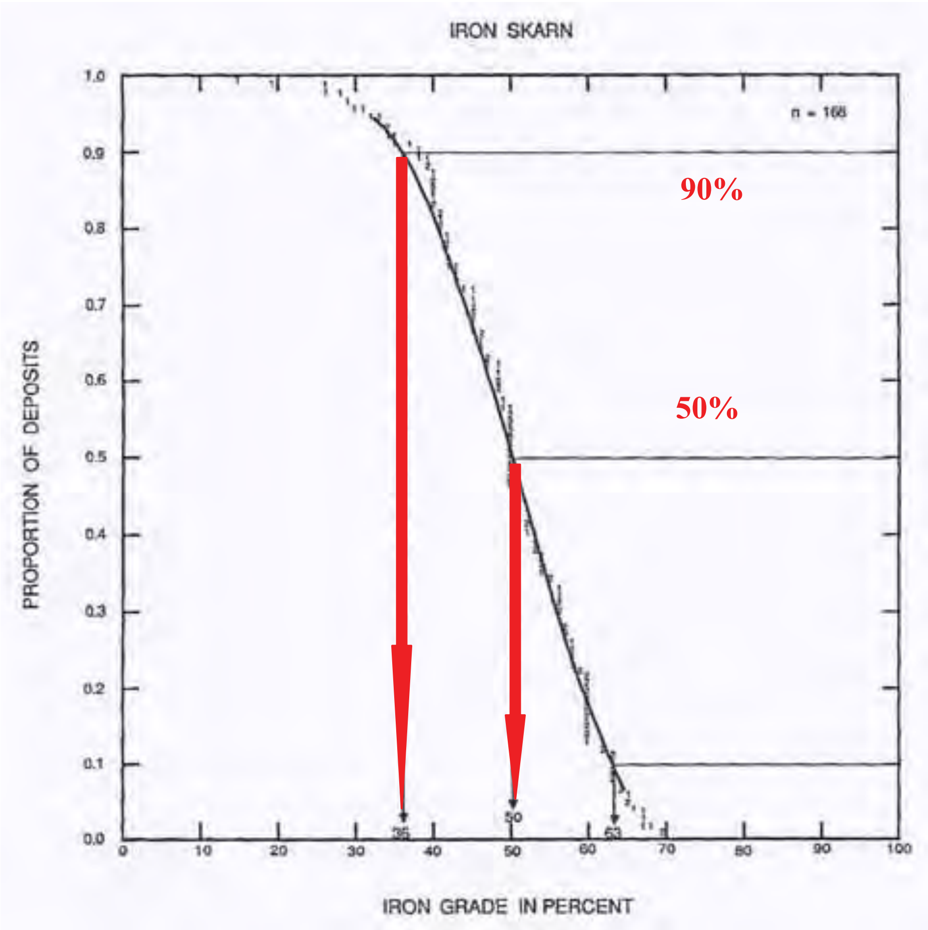


Figure 28 - Iron Grades in Fe Skarn Deposits (from Cox, 1986)

(Individual numbers represent number of deposits)

Figure 29 - Mining Magnetite at Mount Moss, 2010 (from Raggatt, 2010)

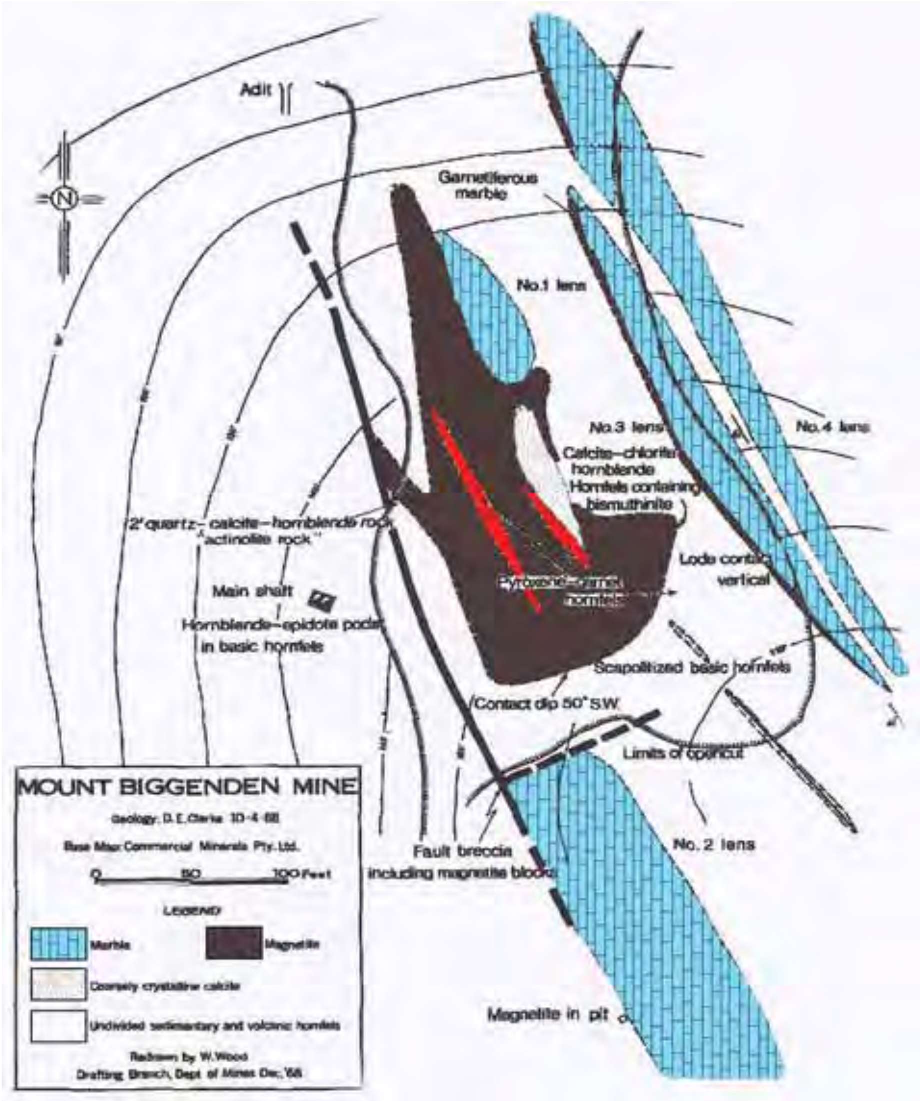


Figure 30 - General Geology Mount Biggenden Mine (After Siemon, 1971)

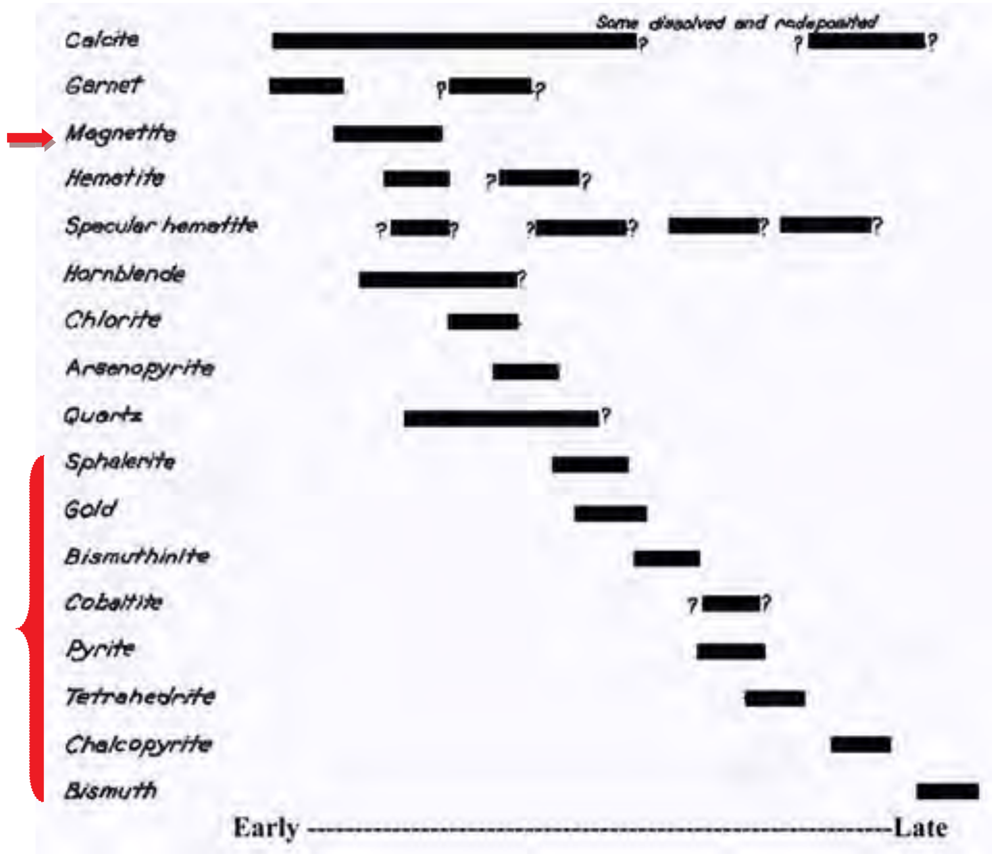


Figure 31 - Mineral Paragenesis at Biggenden Mine (after Clarke, 1969)

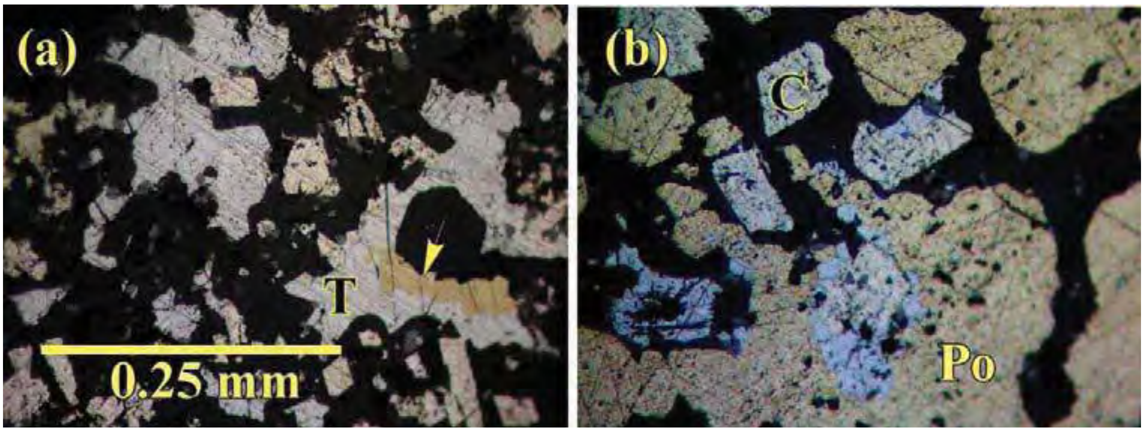


Figure 32 - Sample IGRC002 at 60-61 m depth (black areas are non-opaque minerals):
a) Chalcopyrite (arrow) with tennantite-tetrahedrite and carrollite (?)
b) Pyrrhotite (Po) with carrollite (C) (From Price, 2010)

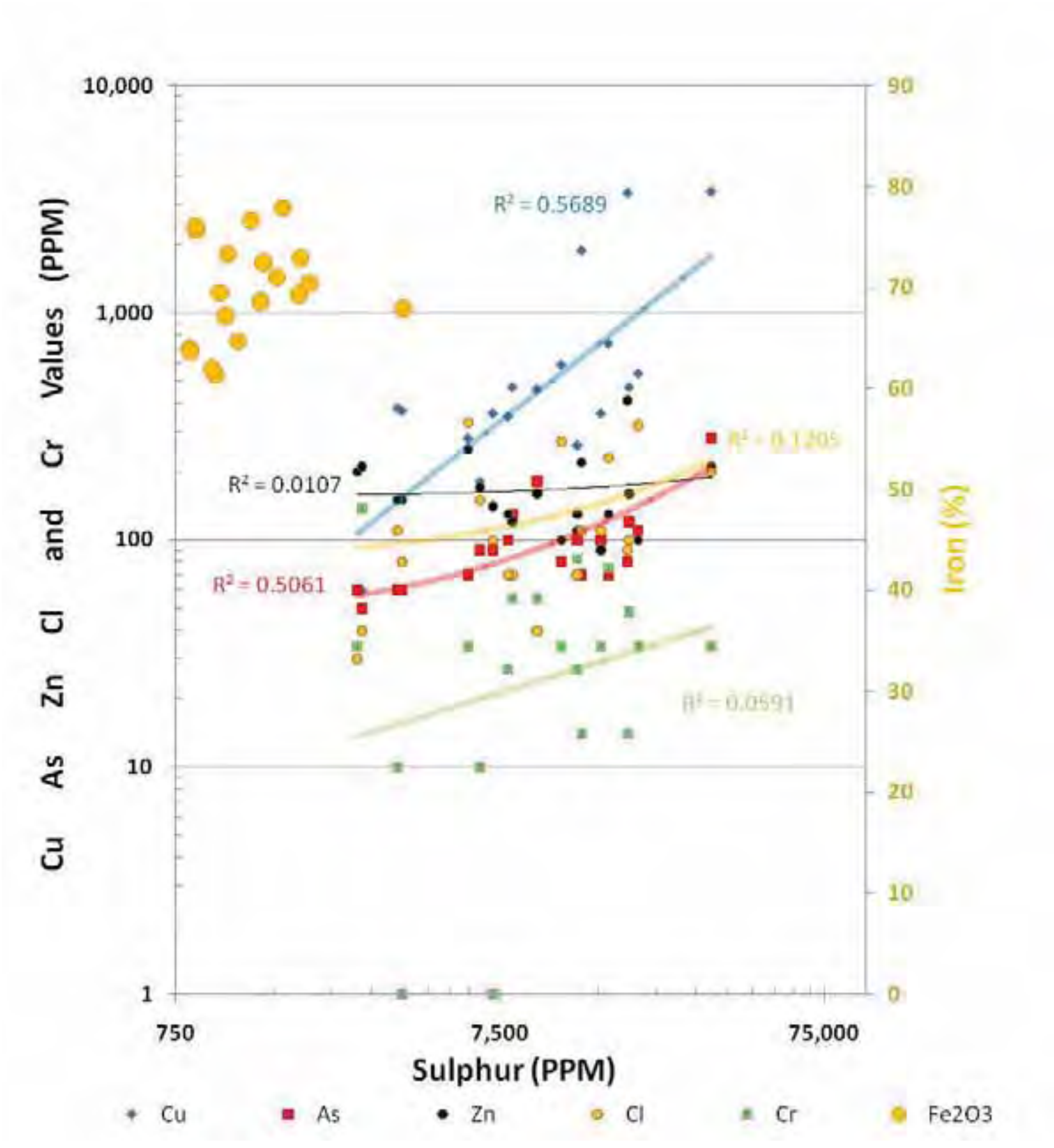


Figure 33 - Iron Distribution and Selected Elements Plotted Against Sulphur in the Mineralized Zones

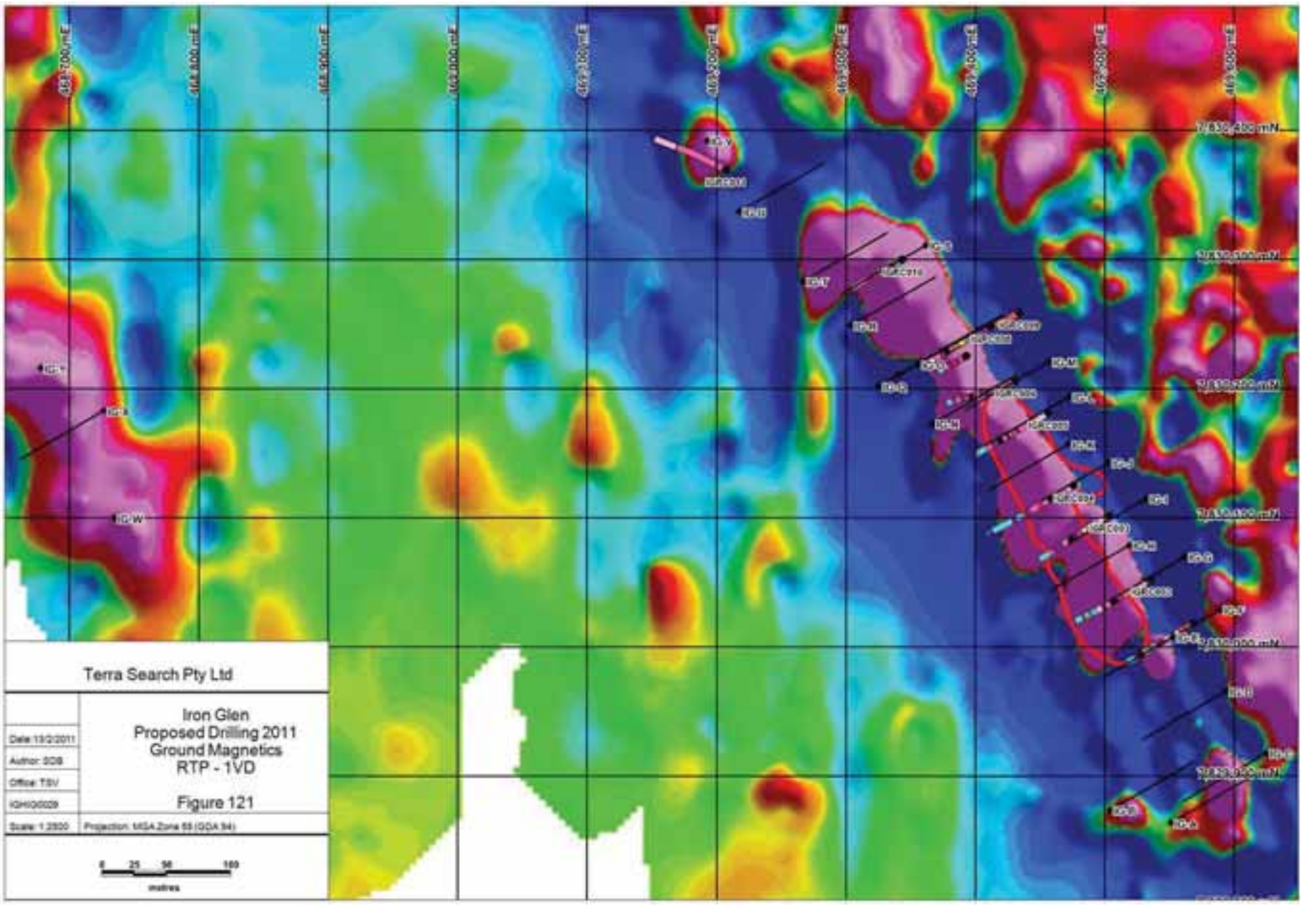


Figure 34 – Proposed Drilling Sites: Main Zone and the Western Area (Terra Search, 2011)

Section 26.0 Appendices

Appendix I – Laboratory Data

Houston Seattle

Elements Analyzed, Analytical Methods, and Detection Limits
Iron Glen Drilling Program, October, 2010

ICP AES 41

Element	Unit	Method	DL
Au	ppm	Au-AA26	0.01
Ag	ppm	ME-ICP41	0.2
Al	ppm	ME-ICP41	100
As	ppm	ME-ICP41	2
B	ppm	ME-ICP41	10
Ba	ppm	ME-ICP41	10
Be	ppm	ME-ICP41	0.5
Bi	ppm	ME-ICP41	2
Ca	ppm	ME-ICP41	100
Cd	ppm	ME-ICP41	0.5
Co	ppm	ME-ICP41	1
Cr	ppm	ME-ICP41	1
Cu	ppm	ME-ICP41	1
Fe	%	ME-ICP41	0.01
Ga	ppm	ME-ICP41	10
Hg	ppm	ME-ICP41	1
K	ppm	ME-ICP41	100
La	ppm	ME-ICP41	10
Mg	ppm	ME-ICP41	100
Mn	ppm	ME-ICP41	5
Mo	ppm	ME-ICP41	1
Na	ppm	ME-ICP41	100
Ni	ppm	ME-ICP41	1
P	ppm	ME-ICP41	10
Pb	ppm	ME-ICP41	2
S	ppm	ME-ICP41	100
Sb	ppm	ME-ICP41	2
Sc	ppm	ME-ICP41	1
Sr	ppm	ME-ICP41	1
Ti	ppm	ME-ICP41	100
Tl	ppm	ME-ICP41	10
U	ppm	ME-ICP41	10
V	ppm	ME-ICP41	1
W	ppm	ME-ICP41	10
Zn	ppm	ME-ICP41	2
Ag	ppm	Ag-OG46	1
Cu	ppm	Cu-OG46	10
Zn	ppm	Zn-OG46	10
Au	ppm	PGM-ICP24	0.00 1
Pt	ppm	PGM-ICP24	0.00 5

ICP MS 61

Element	Unit	Method	DL
Ag	ppm	ME-MS61r	0.01
Al	ppm	ME-MS61r	100
As	ppm	ME-MS61r	0.2
Ba	ppm	ME-MS61r	10
Be	ppm	ME-MS61r	0.05
Bi	ppm	ME-MS61r	0.01
Ca	ppm	ME-MS61r	100
Cd	ppm	ME-MS61r	0.02
Ce	ppm	ME-MS61r	0.01
Co	ppm	ME-MS61r	0.1
Cr	ppm	ME-MS61r	1
Cs	ppm	ME-MS61r	0.05
Cu	ppm	ME-MS61r	0.2
Fe	%	ME-MS61r	0.01
Ga	ppm	ME-MS61r	0.05
Ge	ppm	ME-MS61r	0.05
Hf	ppm	ME-MS61r	0.1
In	ppm	ME-MS61r	0.00 5
K	ppm	ME-MS61r	100
La	ppm	ME-MS61r	0.5
Li	ppm	ME-MS61r	0.2
Mg	ppm	ME-MS61r	100
Mn	ppm	ME-MS61r	5
Mo	ppm	ME-MS61r	0.05
Na	ppm	ME-MS61r	100
Nb	ppm	ME-MS61r	0.1
Ni	ppm	ME-MS61r	0.2
P	ppm	ME-MS61r	10
Pb	ppm	ME-MS61r	0.5
Rb	ppm	ME-MS61r	0.1
Re	ppm	ME-MS61r	0.00 2
S	ppm	ME-MS61r	100
Sb	ppm	ME-MS61r	0.05
Sc	ppm	ME-MS61r	0.1
Se	ppm	ME-MS61r	1
Sn	ppm	ME-MS61r	0.2
Sr	ppm	ME-MS61r	0.2
Ta	ppm	ME-MS61r	0.05
Te	ppm	ME-MS61r	0.05
Th	ppm	ME-MS61r	0.2

Wholerock XRF

Element	Unit	Method	DL
Al2O3	%	ME-XRF11b	0.01
As	ppm	ME-XRF11b	10
Ba	ppm	ME-XRF11b	10
CaO	%	ME-XRF11b	0.01
Cl	ppm	ME-XRF11b	10
Co	ppm	ME-XRF11b	10
Cr2O3	ppm	ME-XRF11b	10
Cr	ppm	ME-XRF11b	10
Cu	ppm	ME-XRF11b	10
Fe	%	ME-XRF11b	0.01
Fe2O3	%	ME-XRF11b	0.01
K2O	%	ME-XRF11b	0.01
MgO	%	ME-XRF11b	0.01
MnO	%	ME-XRF11b	0.001
Mn	ppm	ME-XRF11b	10
Na2O	%	ME-XRF11b	0.001
Ni	ppm	ME-XRF11b	10
P	ppm	ME-XRF11b	10
Pb	ppm	ME-XRF11b	10
S	ppm	ME-XRF11b	10
SiO2	%	ME-XRF11b	0.01
Sn	ppm	ME-XRF11b	10
Sr	ppm	ME-XRF11b	10
TiO2	%	ME-XRF11b	0.01
V	ppm	ME-XRF11b	10
Zn	ppm	ME-XRF11b	10
Zr	ppm	ME-XRF11b	10
Total %			
LOI %			

Houston Seattle

Pd	ppm	PGM-ICP24	0.00 1

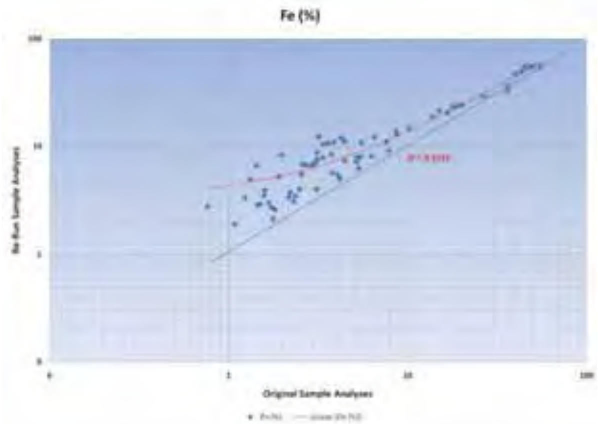
Ti	ppm	ME-MS61r	50
Tl	ppm	ME-MS61r	0.02
U	ppm	ME-MS61r	0.1
V	ppm	ME-MS61r	1
W	ppm	ME-MS61r	0.1
Y	ppm	ME-MS61r	0.1
Zn	ppm	ME-MS61r	2
Zr	ppm	ME-MS61r	0.5
Dy	ppm	ME-MS61r	0.05
Er	ppm	ME-MS61r	0.03
Eu	ppm	ME-MS61r	0.03
Gd	ppm	ME-MS61r	0.05
Ho	ppm	ME-MS61r	0.01
Lu	ppm	ME-MS61r	0.01
Nd	ppm	ME-MS61r	0.1
Pr	ppm	ME-MS61r	0.03
Sm	ppm	ME-MS61r	0.03
Tb	ppm	ME-MS61r	0.01
Tm	ppm	ME-MS61r	0.01
Yb	ppm	ME-MS61r	0.03
Zn	ppm	Zn-OG62	10

Cross-Plots for Fe, Silver, Zinc, and Manganese

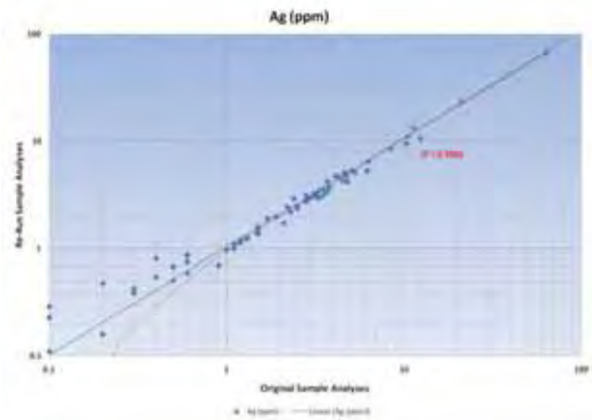
(Original Analyses vs. Re-Run Analyses)

Hole IGRC008

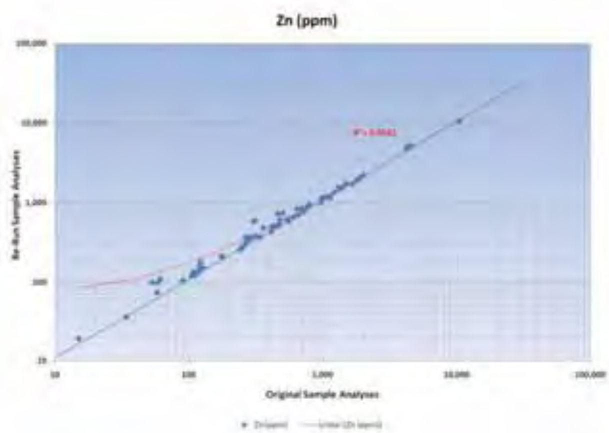
(Click to Enlarge)



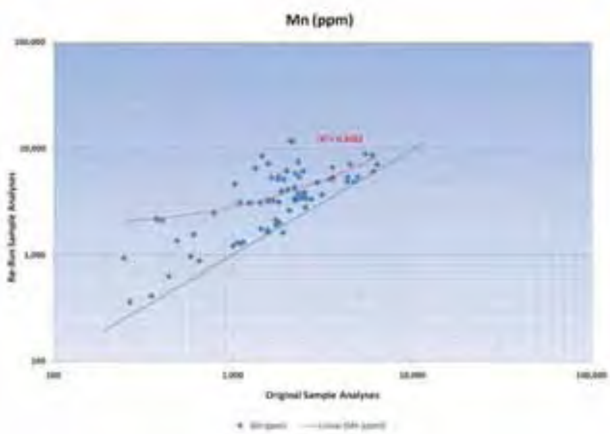
Click (Here)



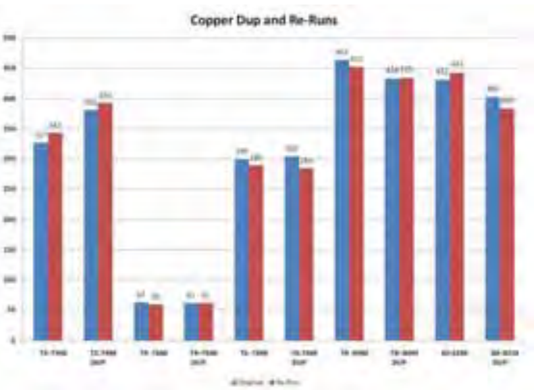
Click (Here)



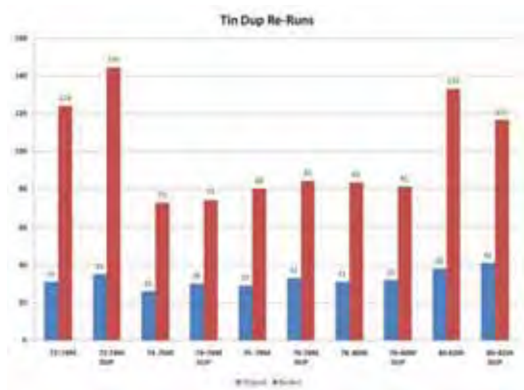
Click (Here)



Click (Here)



Click (Here)



Click (Here)

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Appendix II – Hole Logs

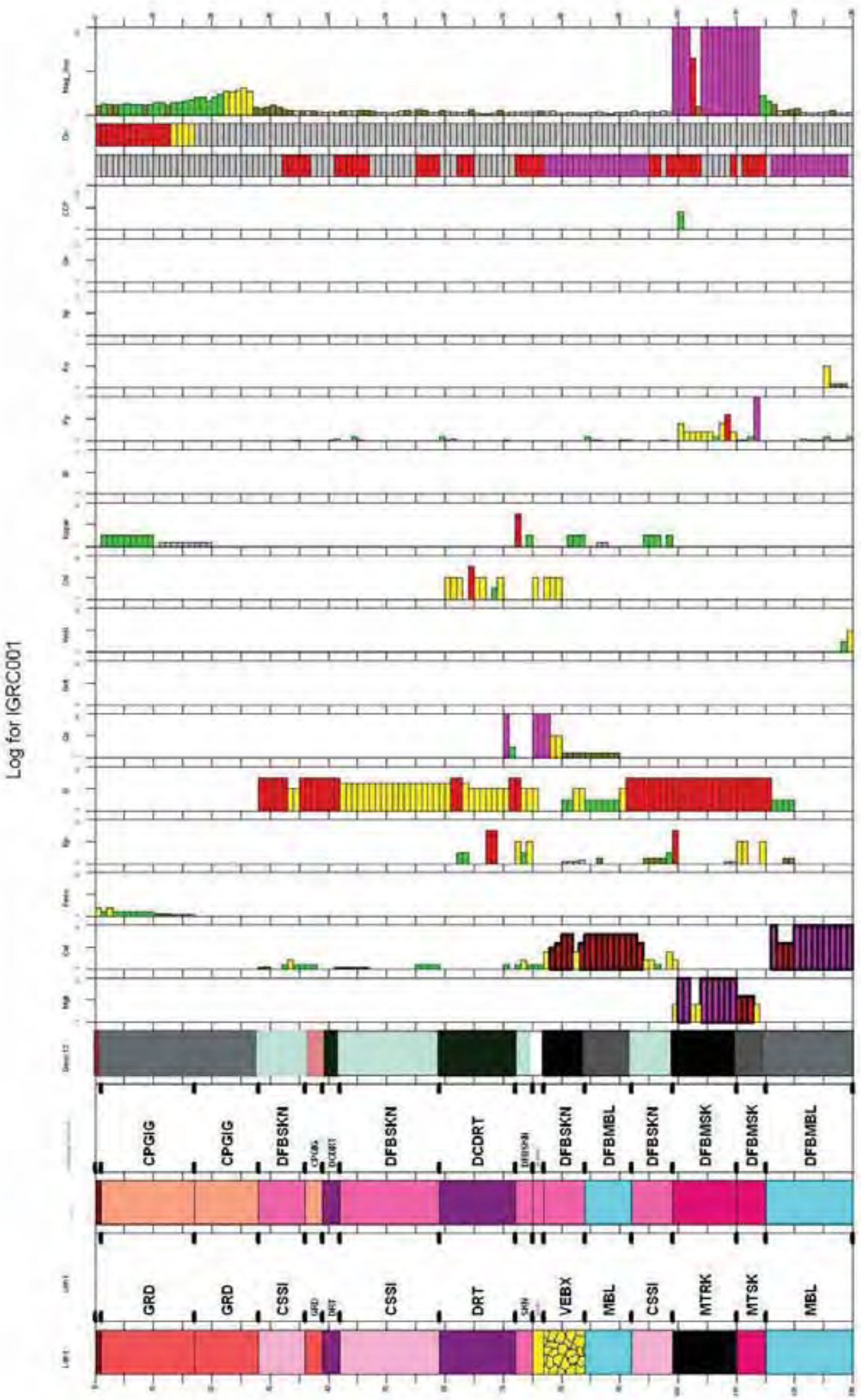
2010 Drilling Program

Hole Logs **Page Numbers**

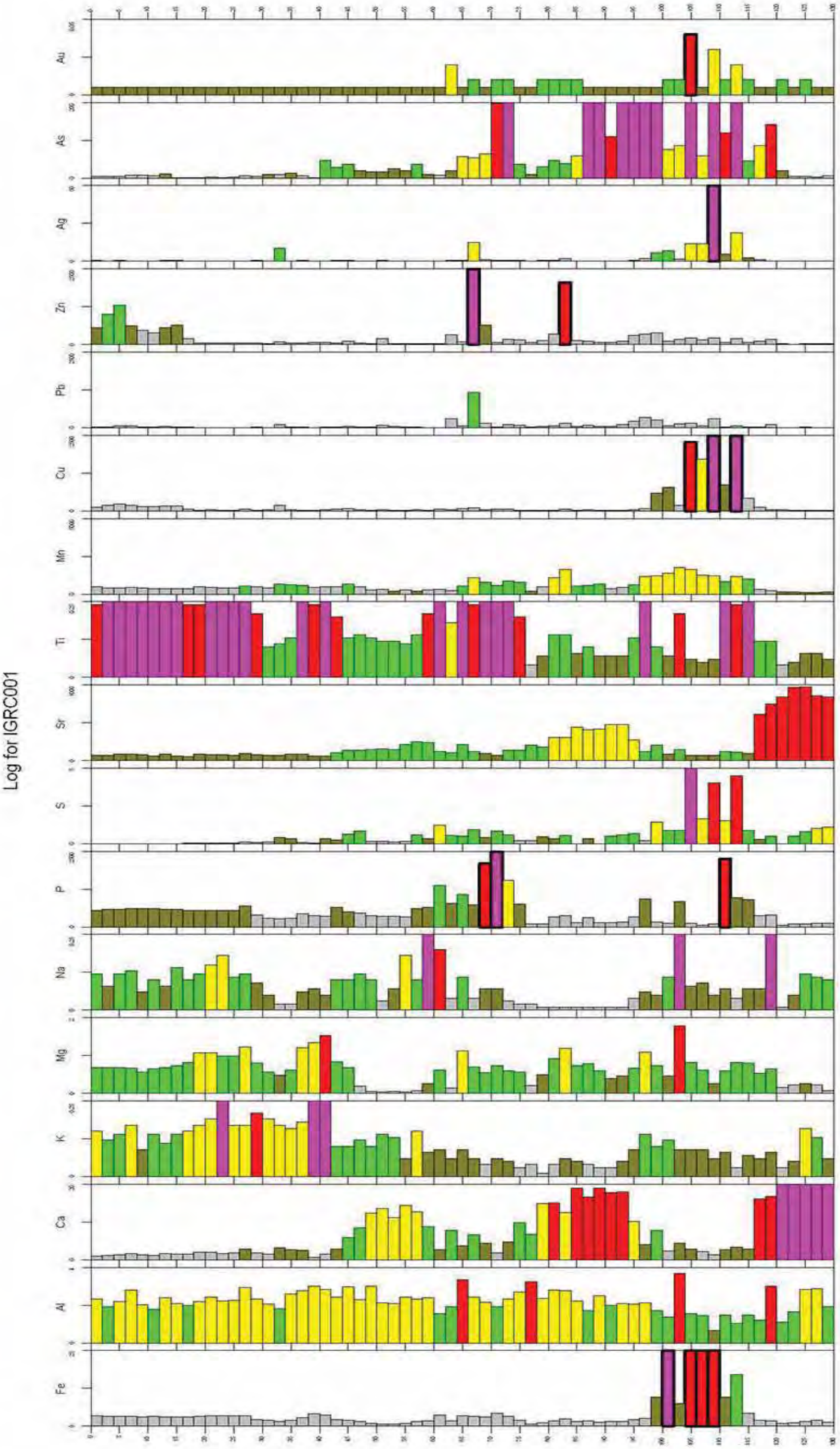
LEGEND

Lithology

FILL	
SOIL	
SCRE	Transported scree
APL	Aplite
GRD	Granodiorite
GRT	Granite
DRT	Diorite
VEBX	Vein Breccia
MTRK	Magnetite Rock
MTSK	Magnetite Skarn
SKN	Skarn
QZCB	Quartz Carbonate Wollastonite
CSSI	Siliceous Calc-Silicate
MBL	Marble
SCHT	Schist

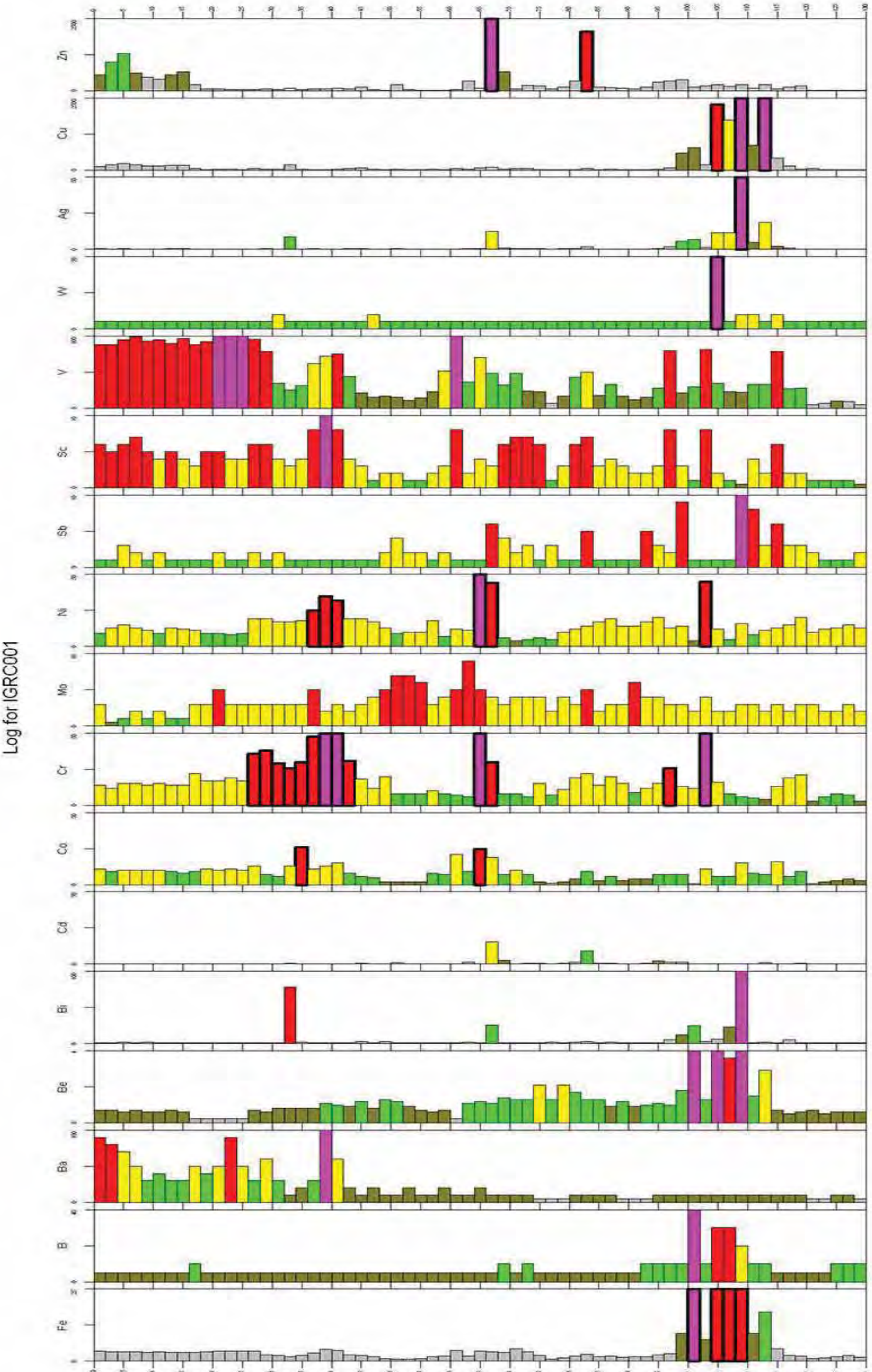

Log for IGRC001
CPGIG
CPGIG
DFBSKN
DFBSKN
DCDRT
DFBSKN
DFBMBL
DFBSKN
DFBMSK
DFBMSK
DFBMBL
GRD
GRD
CSSI
CSSI
DRT
VEBX
MBL
CSSI
MTRK
MTSK
MBL

134

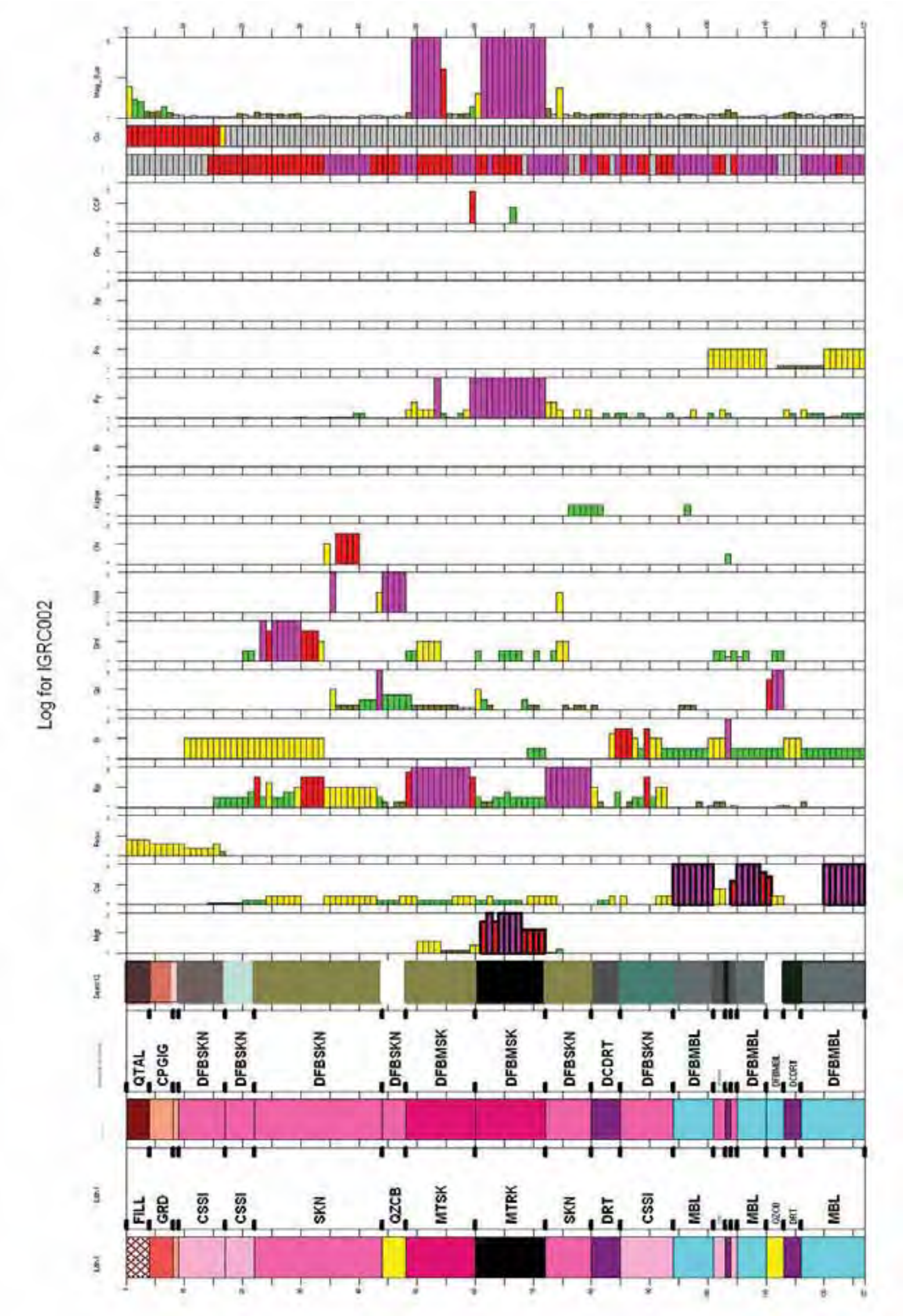


135

Houston Seattle



136


Log for IGRC002
QTAL
CPGIG
DFBSKN
DFBSKN
DFBSKN
DFBSKN
DFBMSK
DFBMSK
DFBSKN
DCDRT
DFBSKN
DFBMBL
DFBMBL
DCDRT
DFBMBL
FILL
GRD
CSSI
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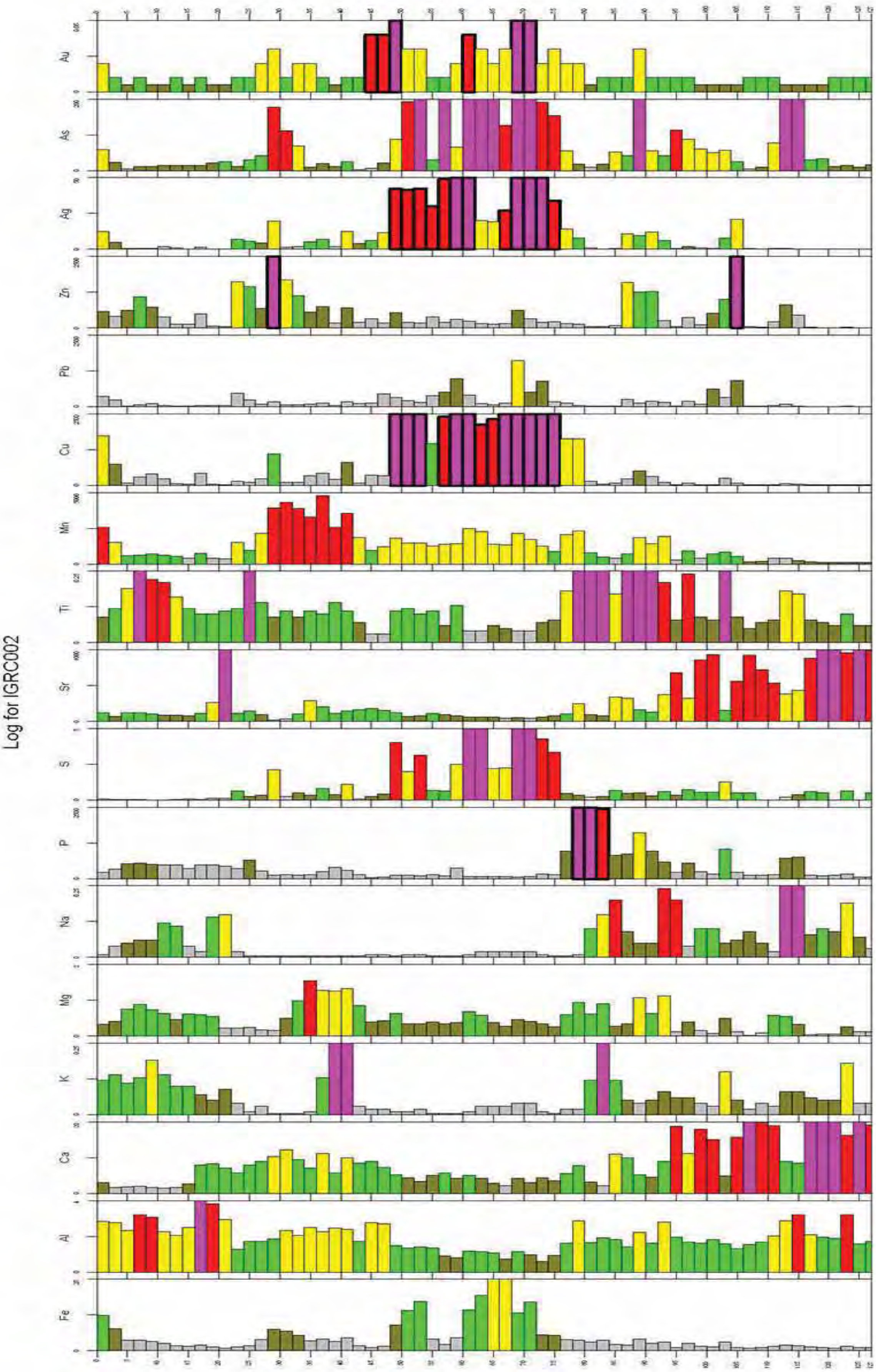
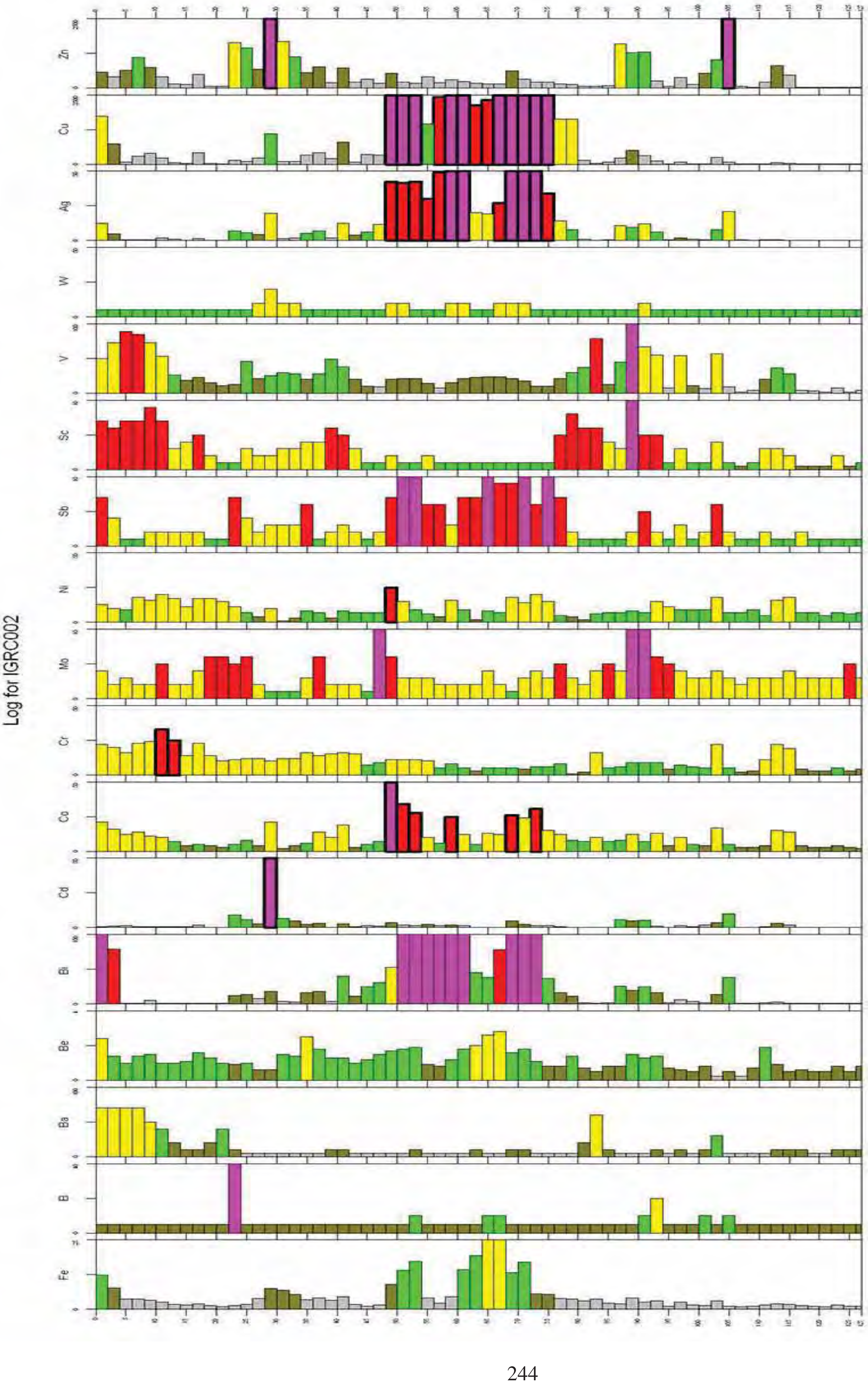
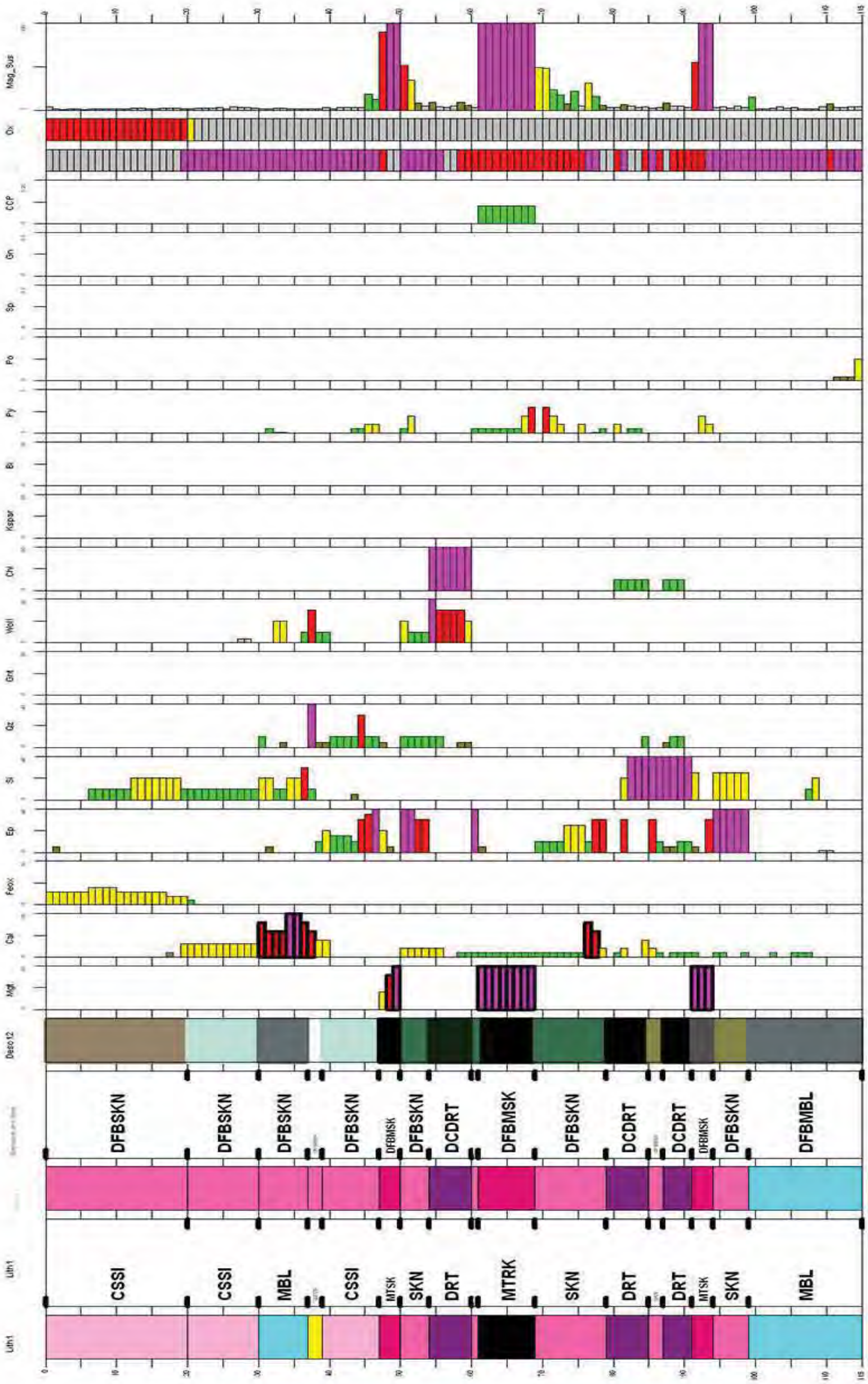
SKN
QZCB
MTSK
MTRK
SKN
DRT
CSSI
MBL
MBL
DRT
MBL



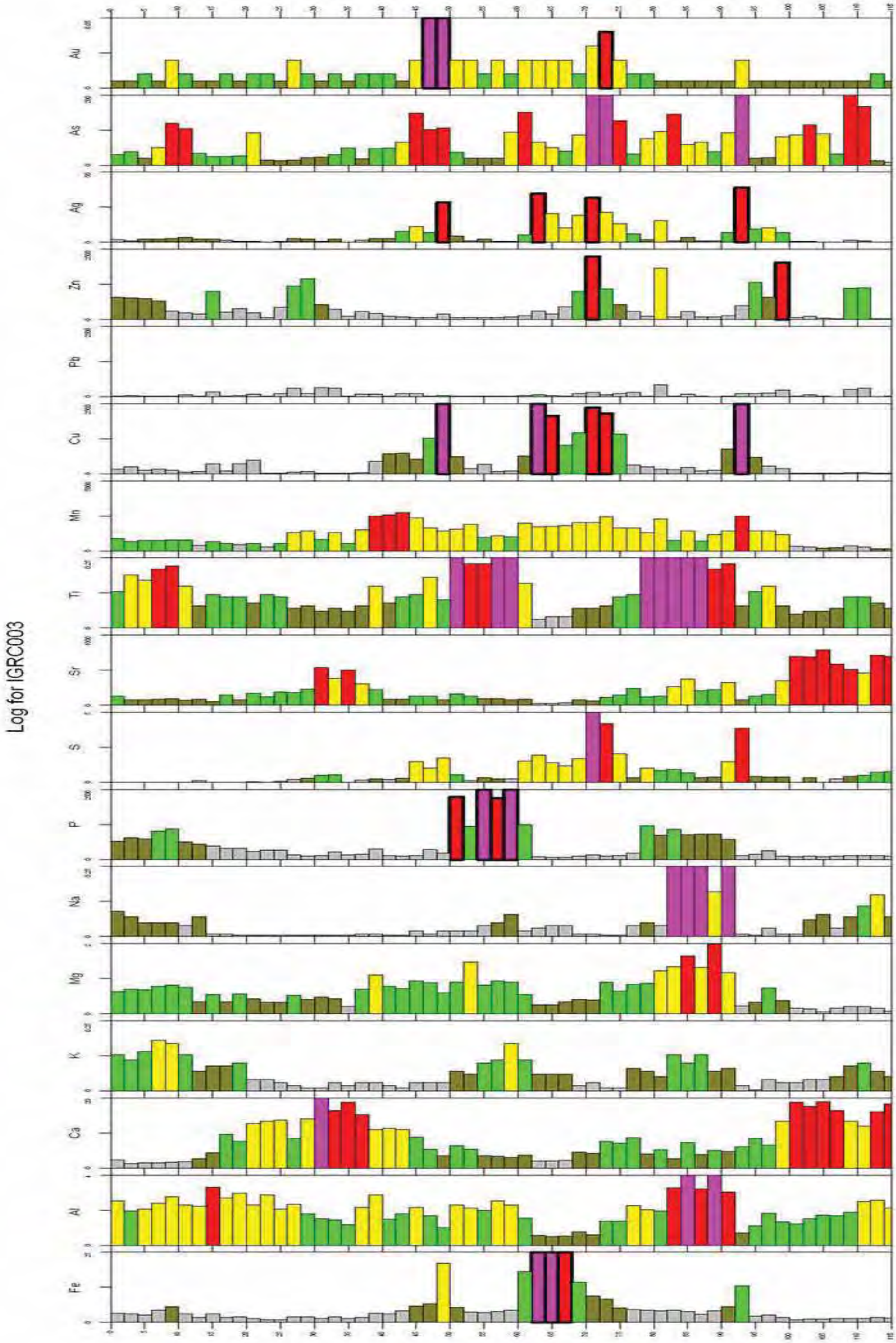
138


Log for IGRC002
Zn
Cu
Ag
W
V
Sc
Sb
Ni
Mo
Cr
Co
Cd
Bi
Be
Ba
B
Fe

Log for IGRC003



140



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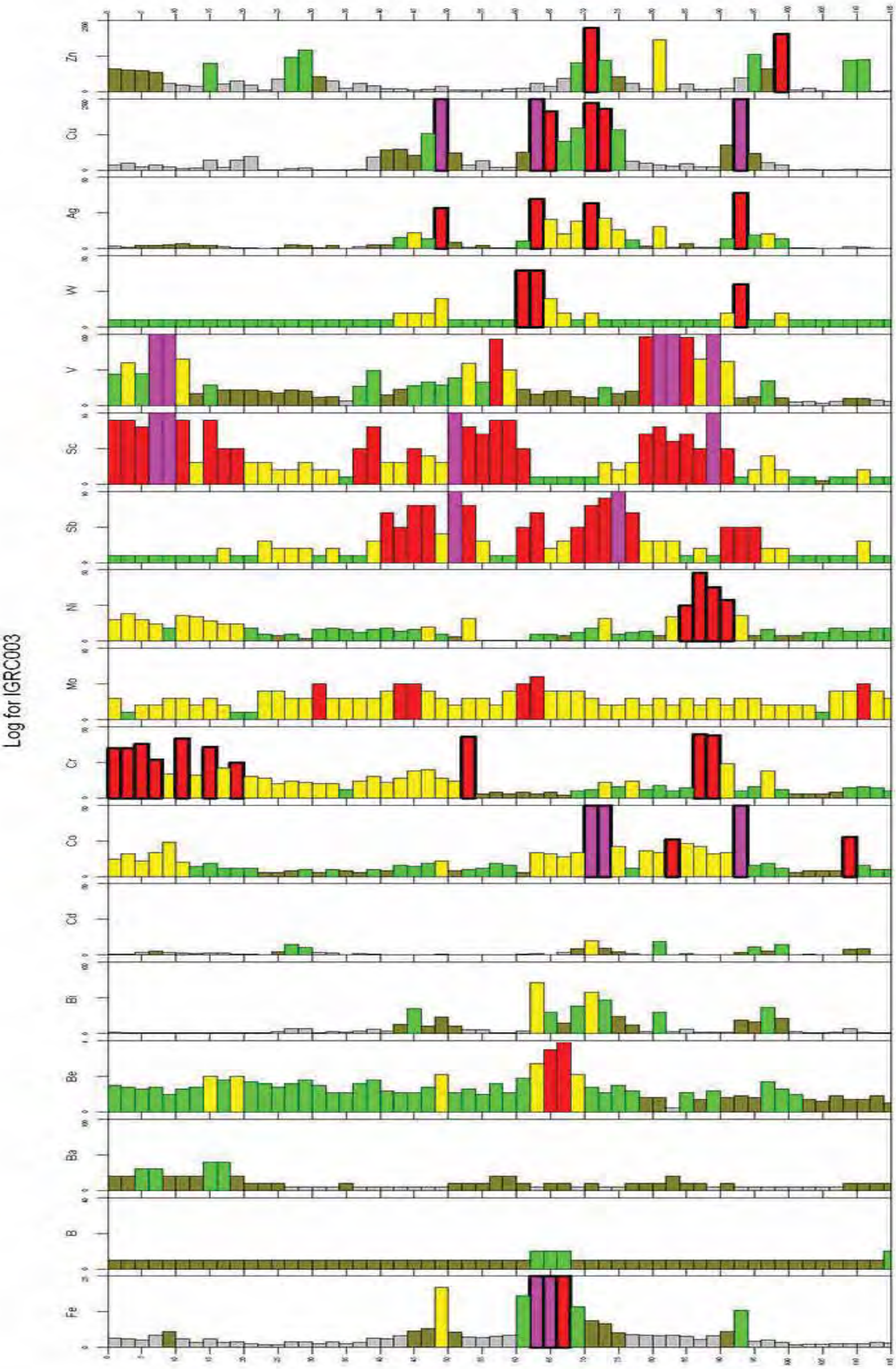
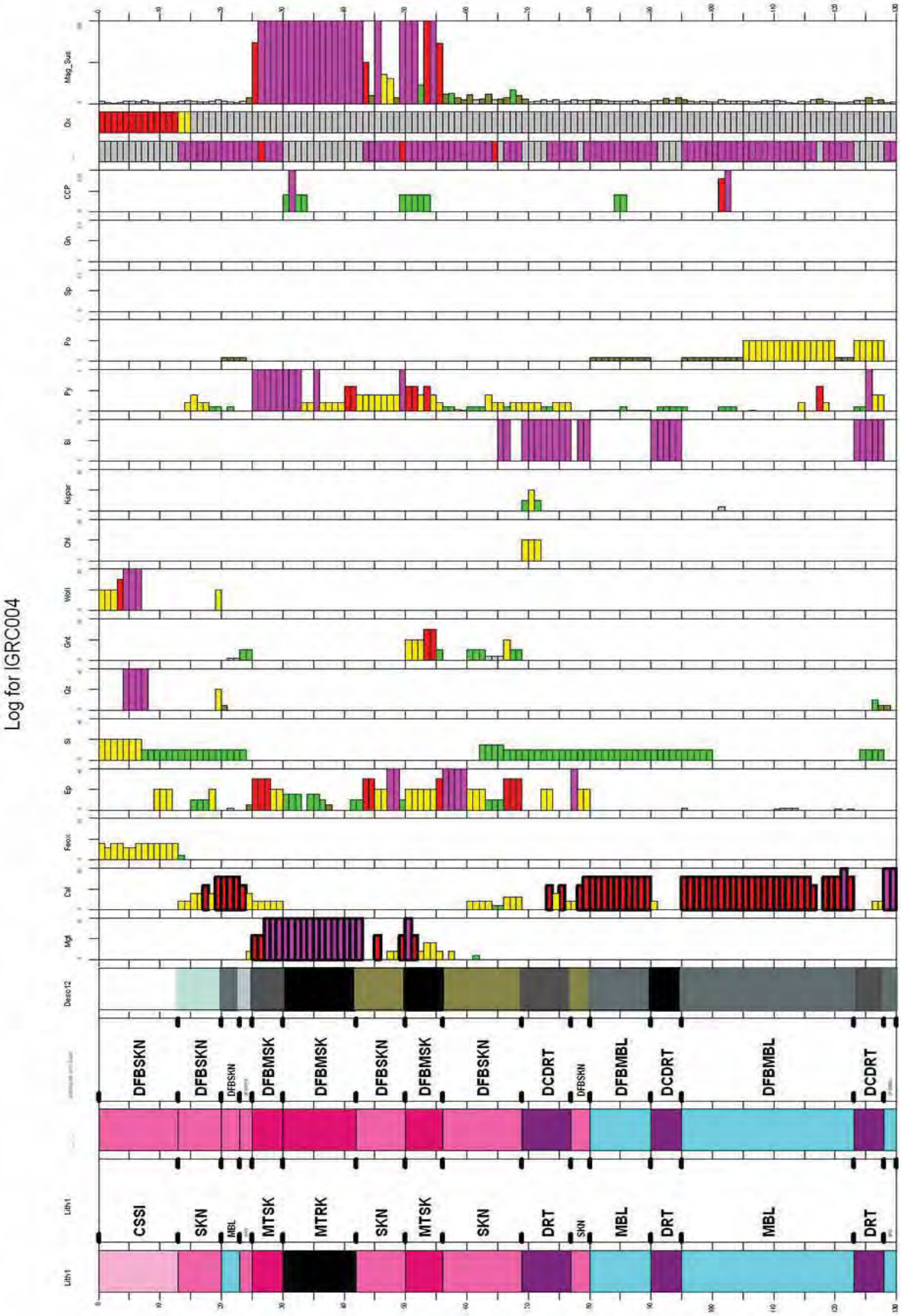


142

Houston Seattle



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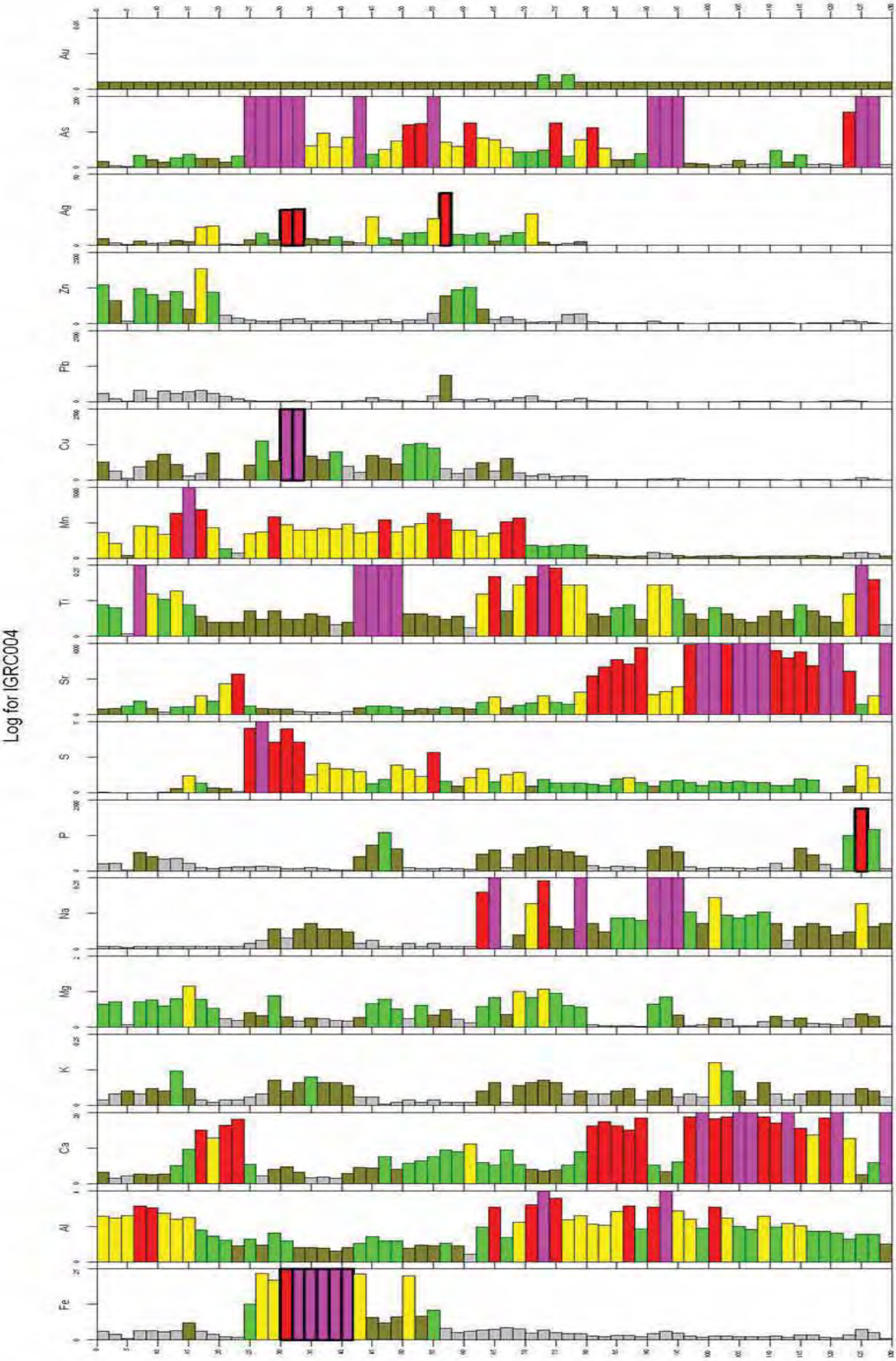

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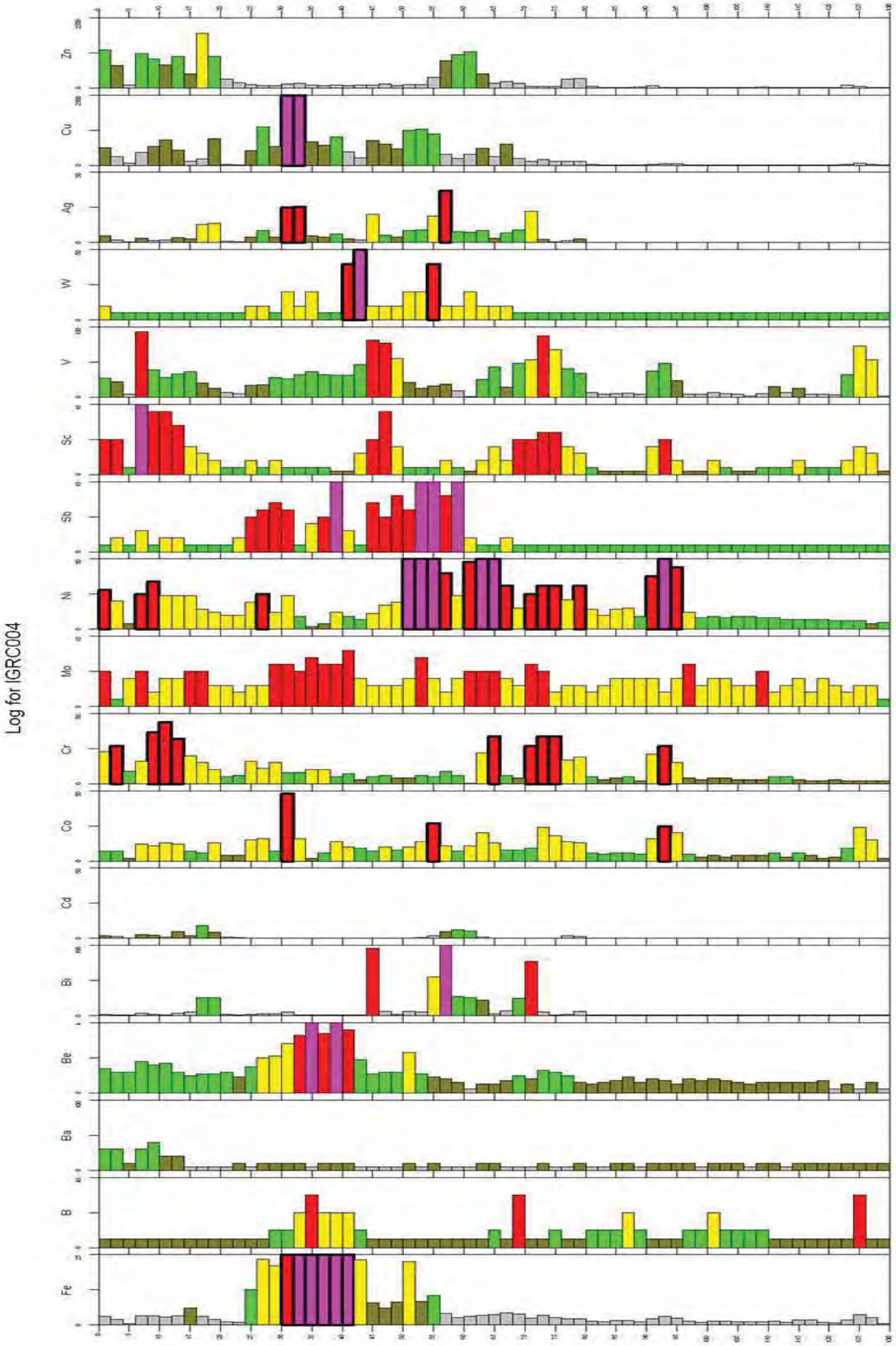
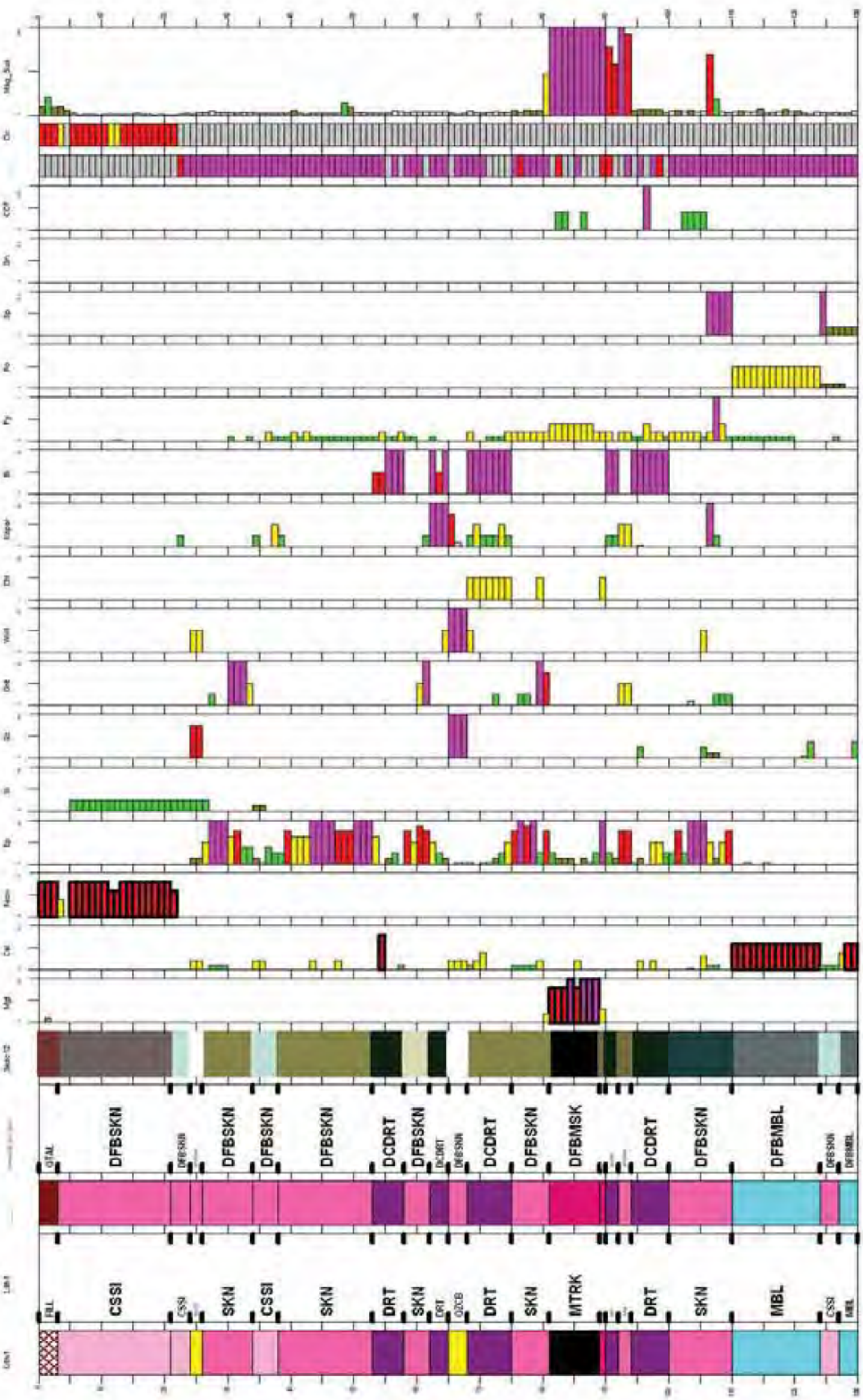


145

Log for IGRC005



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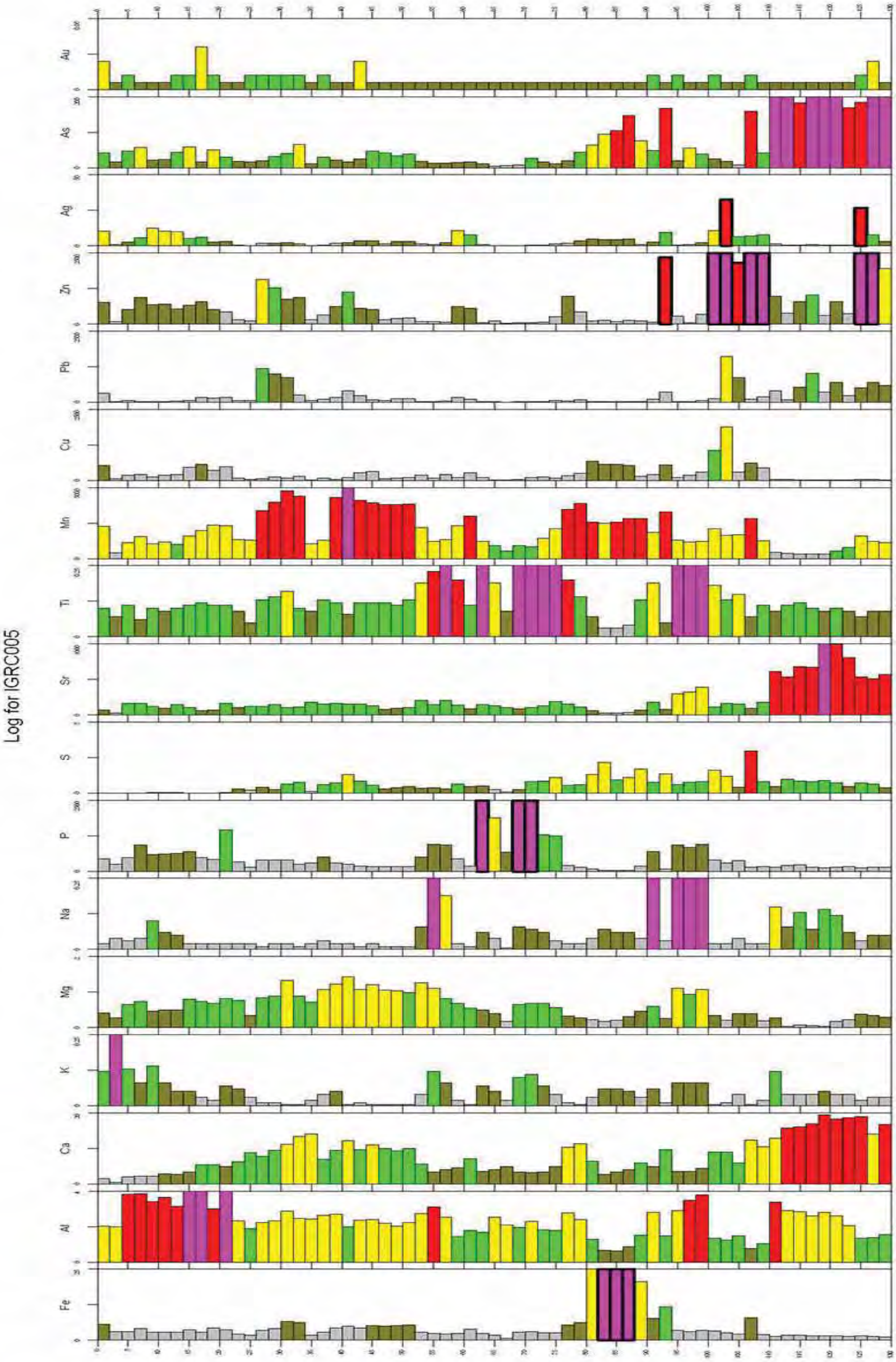
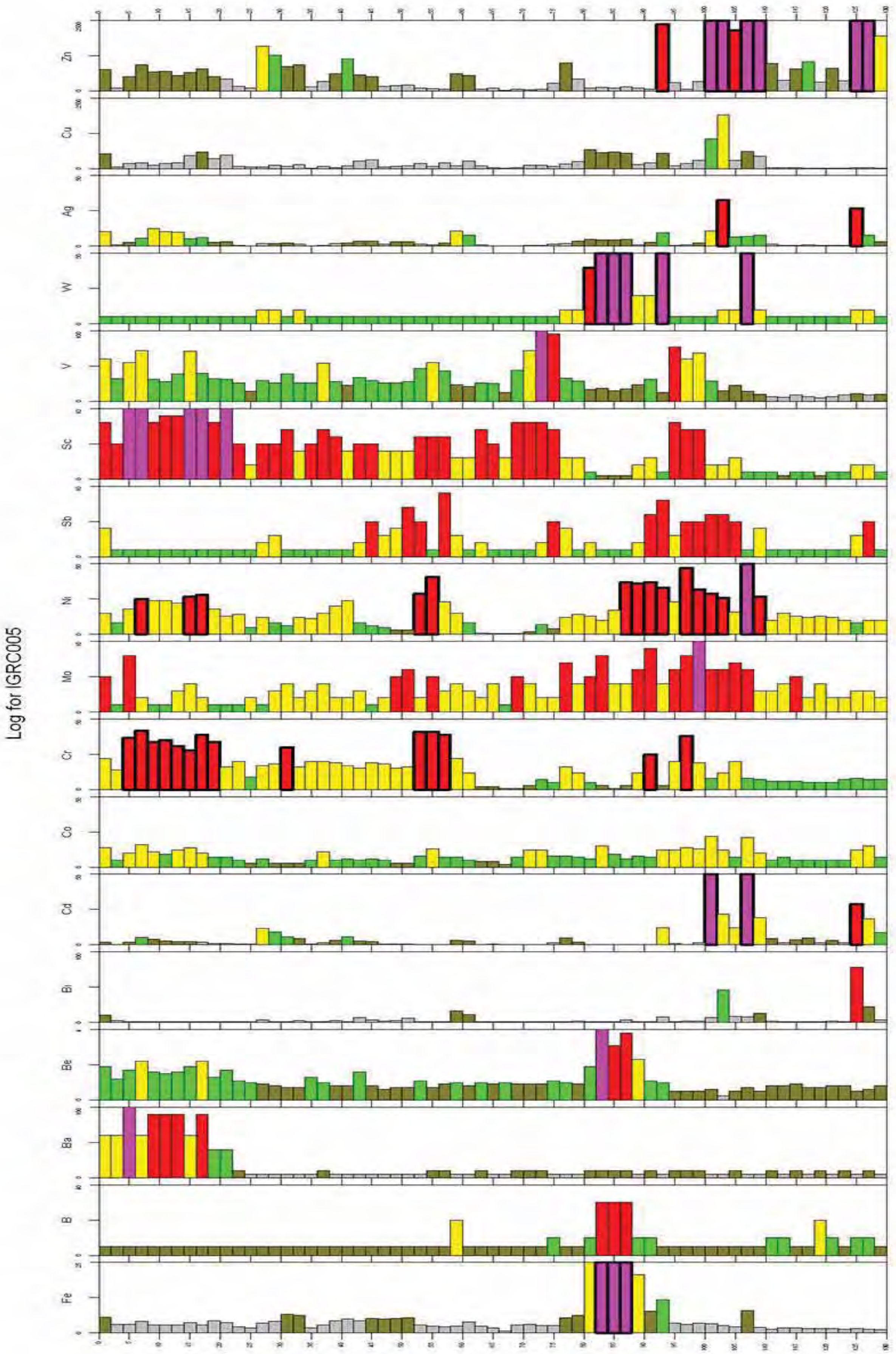


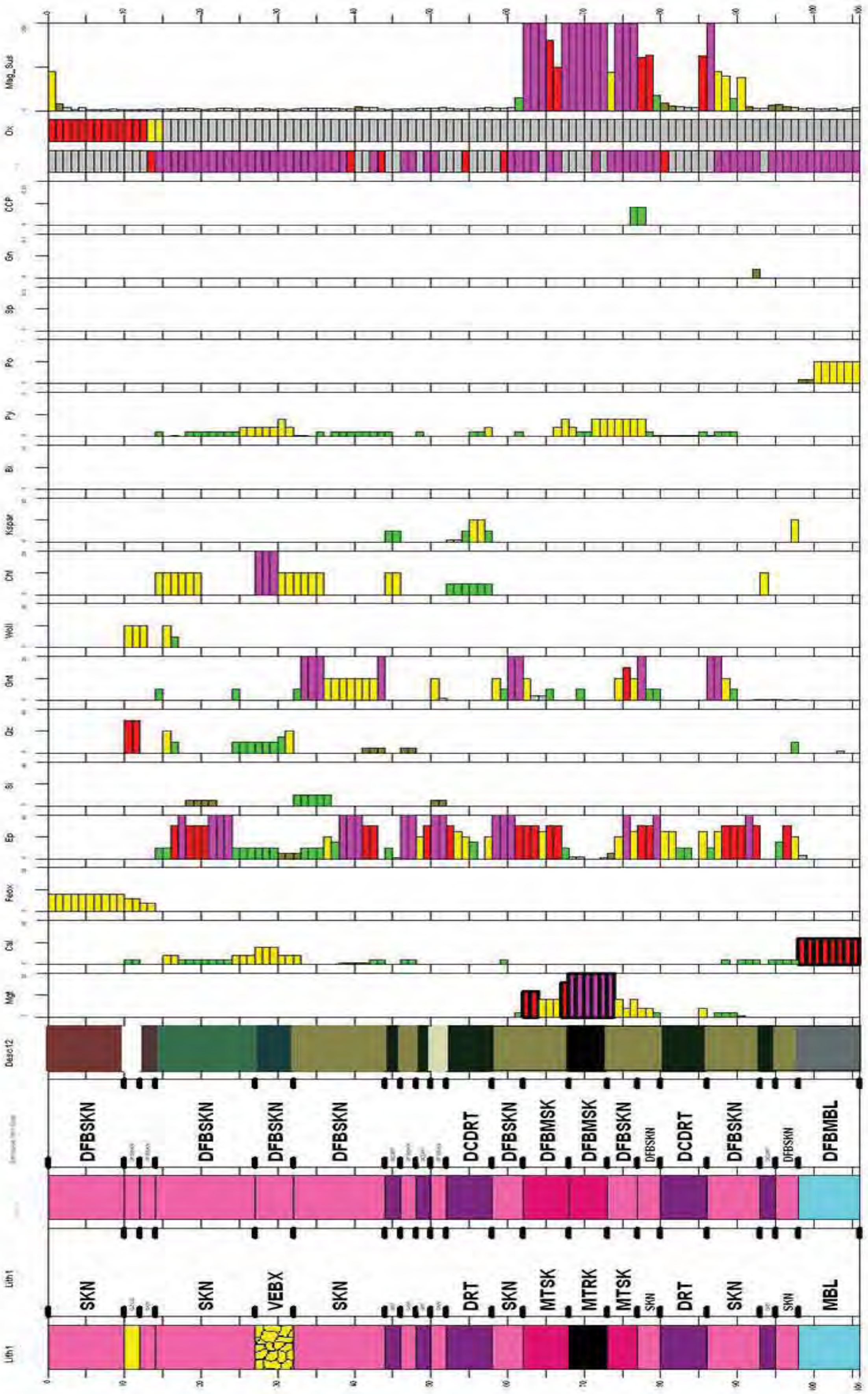
147



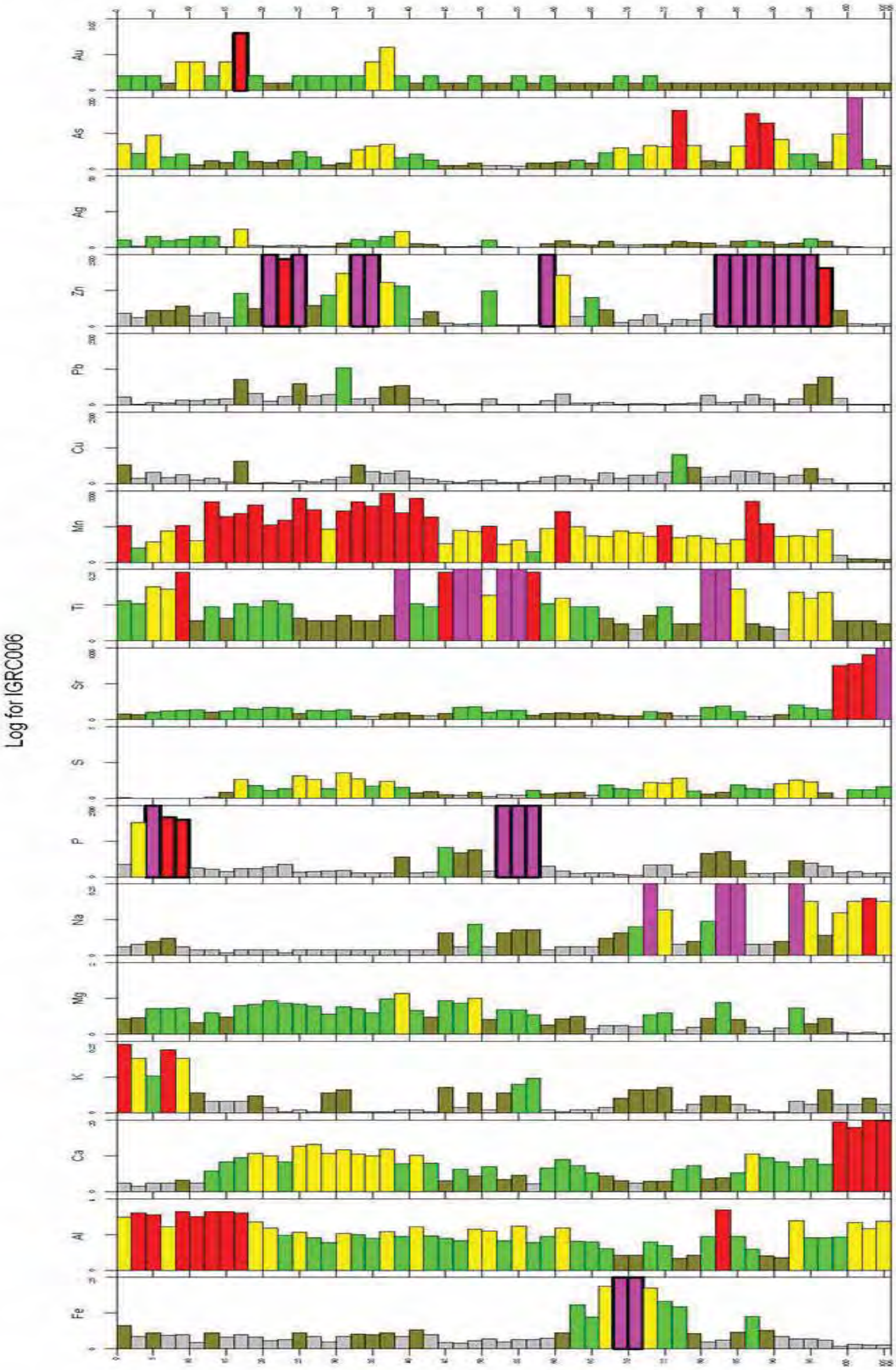
148

Houston Seattle

Log for IGRC006



149



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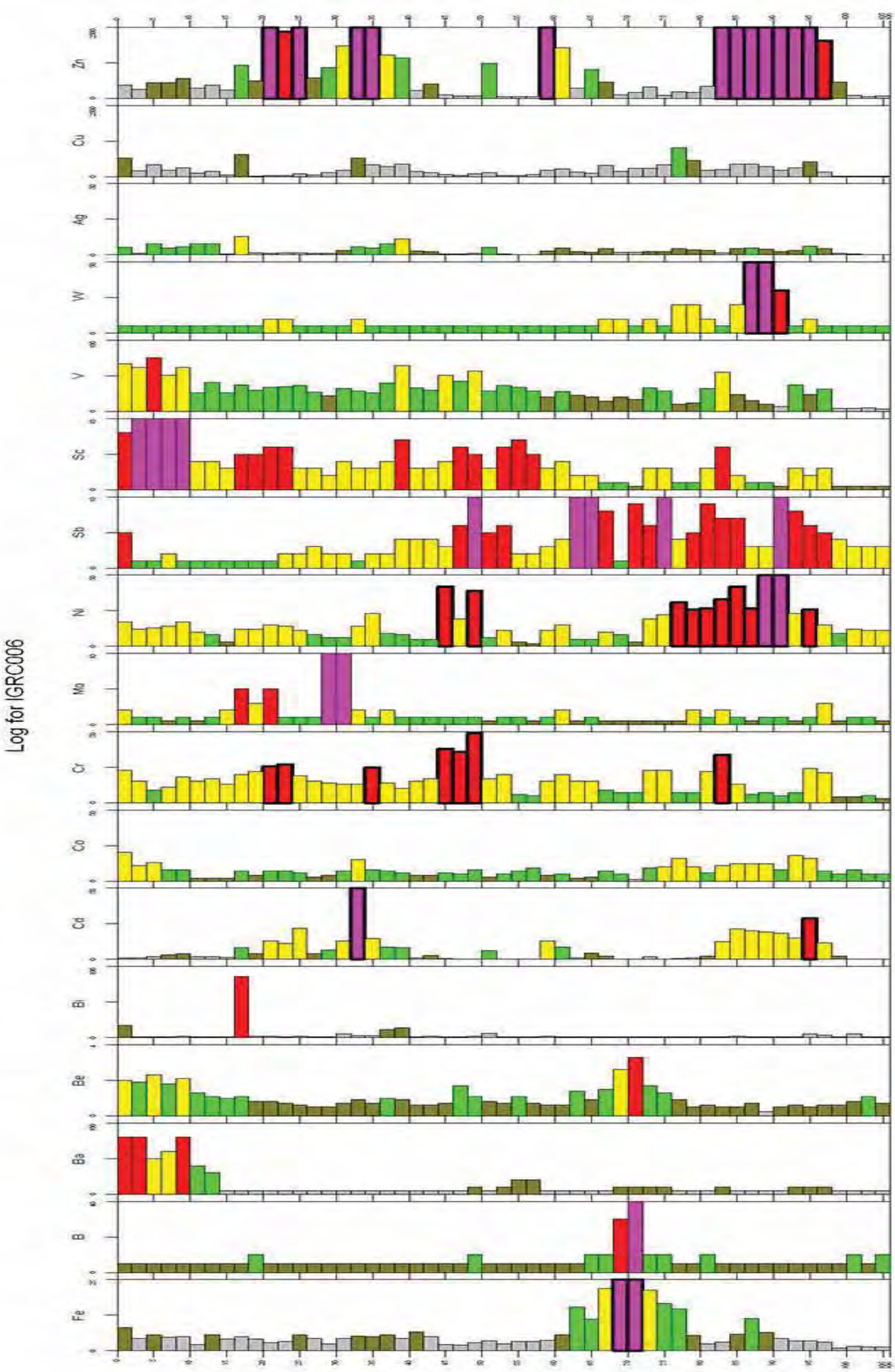
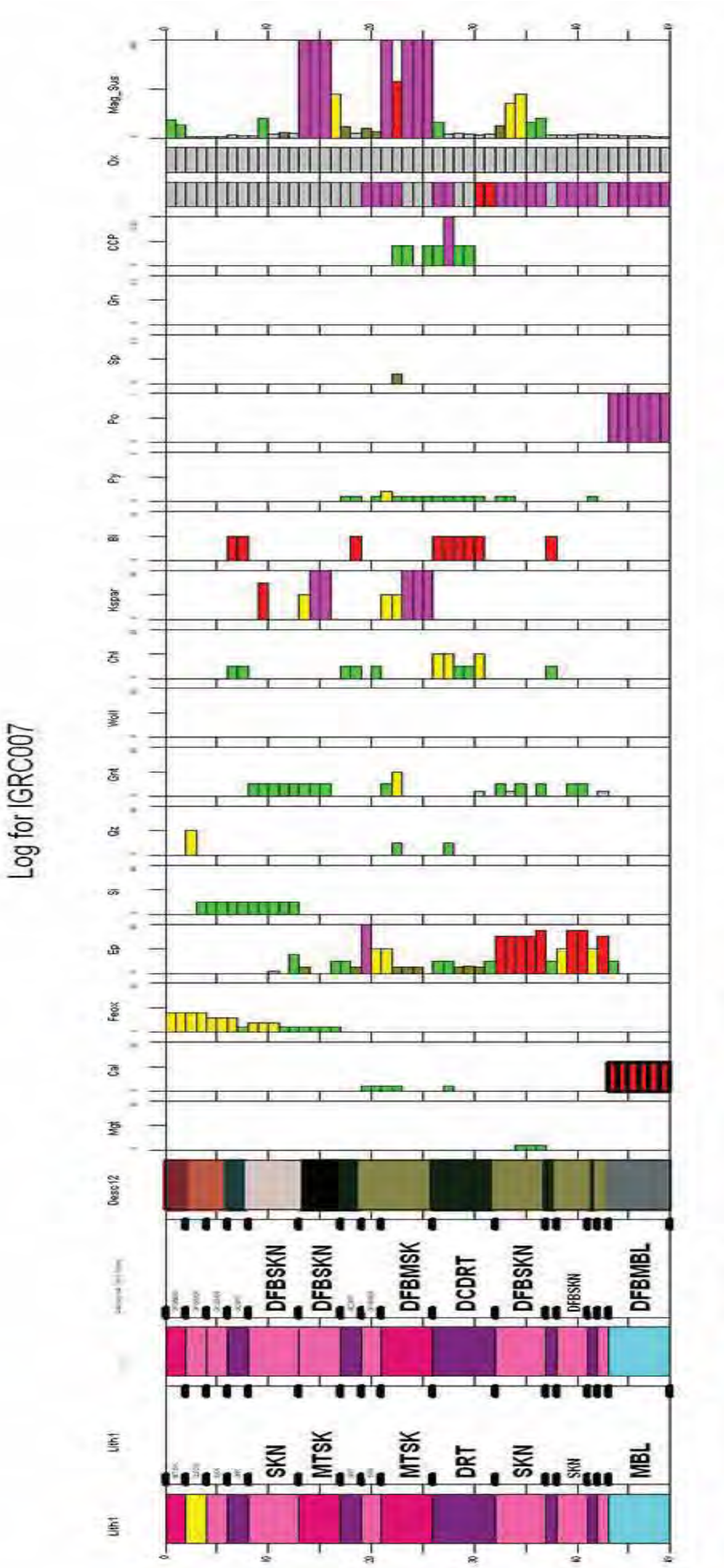
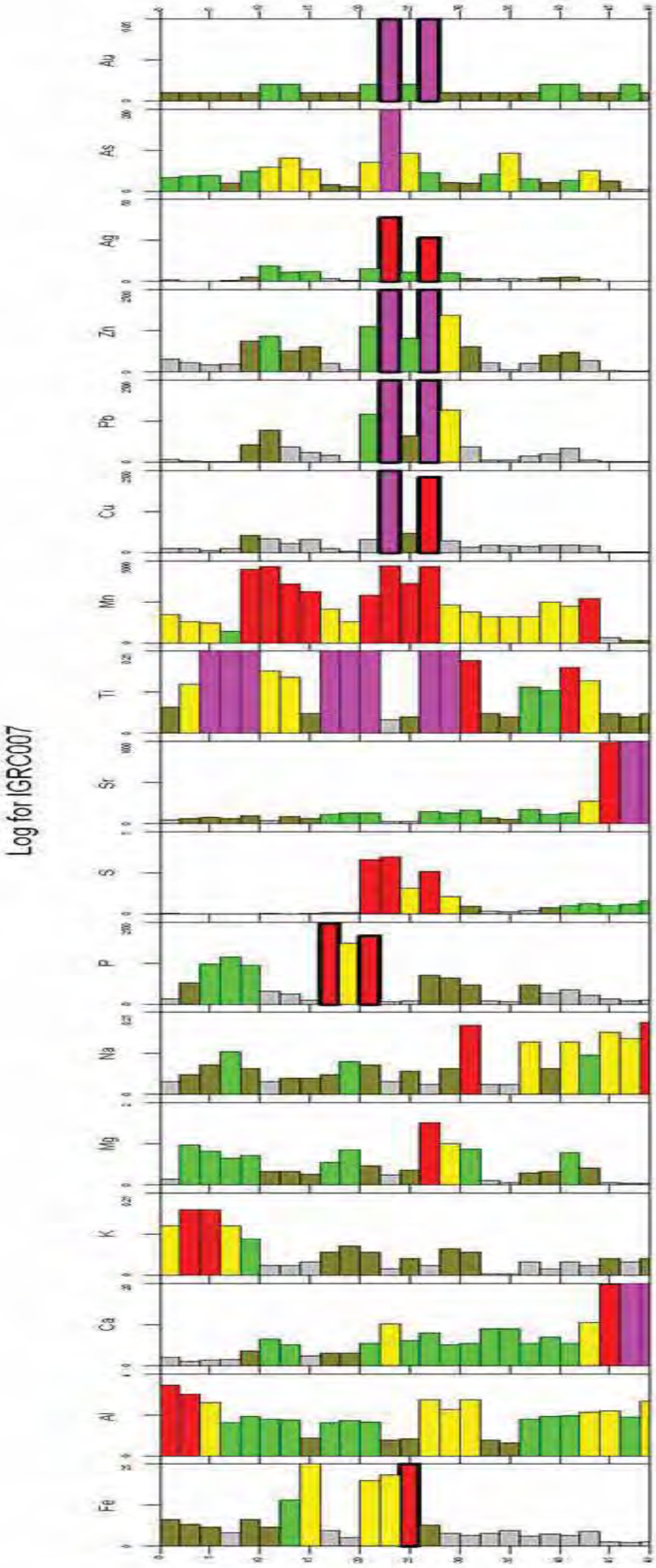
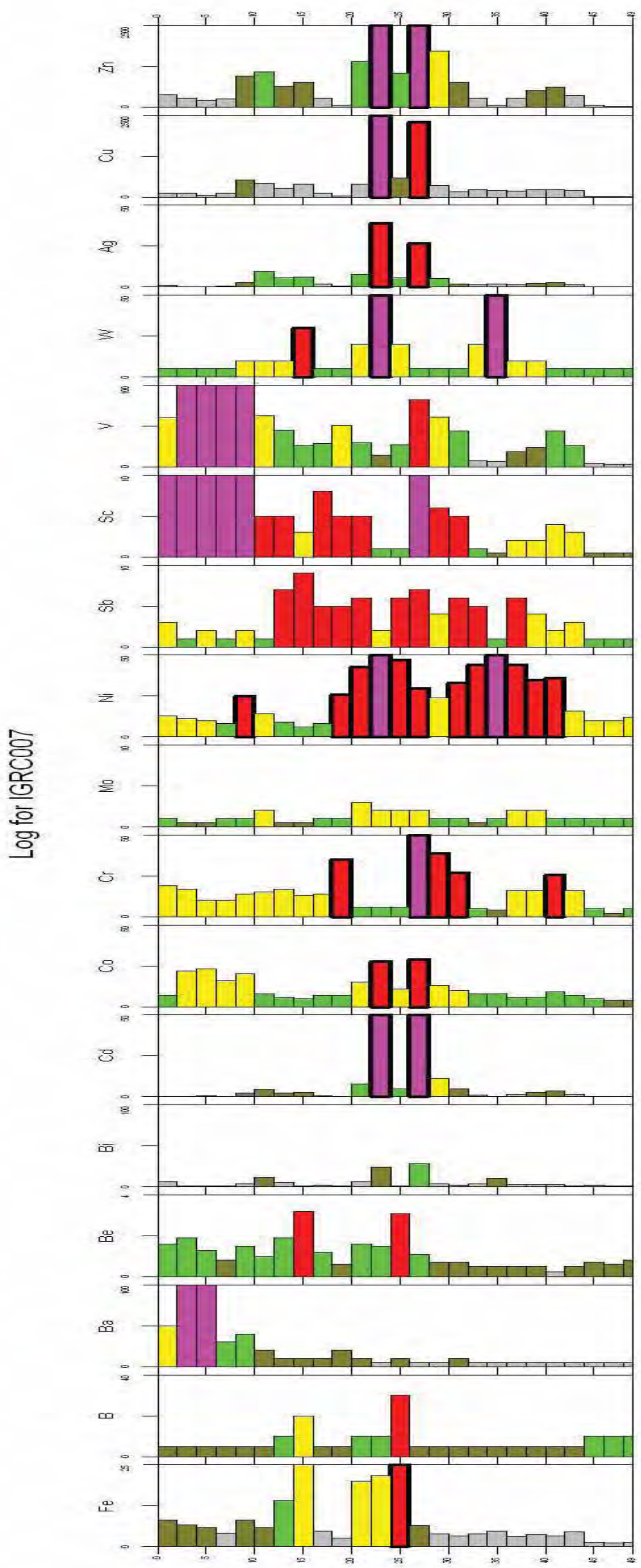


151

Houston Seattle



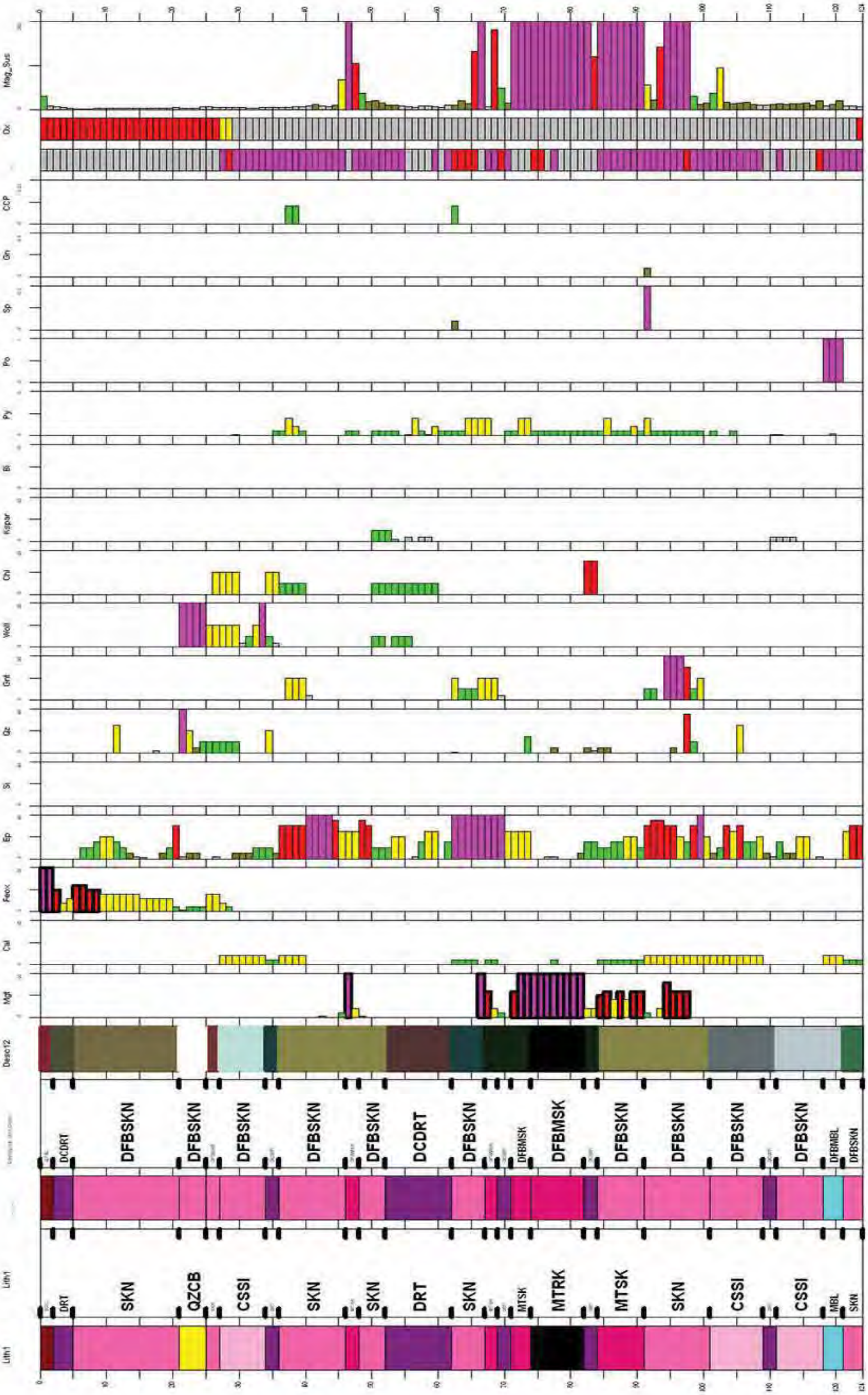

Log for IGRC007
Au
As
Ag
Zn
Pb
Cu
Mn
Ti
Sr
S
P
Na
Mg
K
Ca
Al
Fe



154

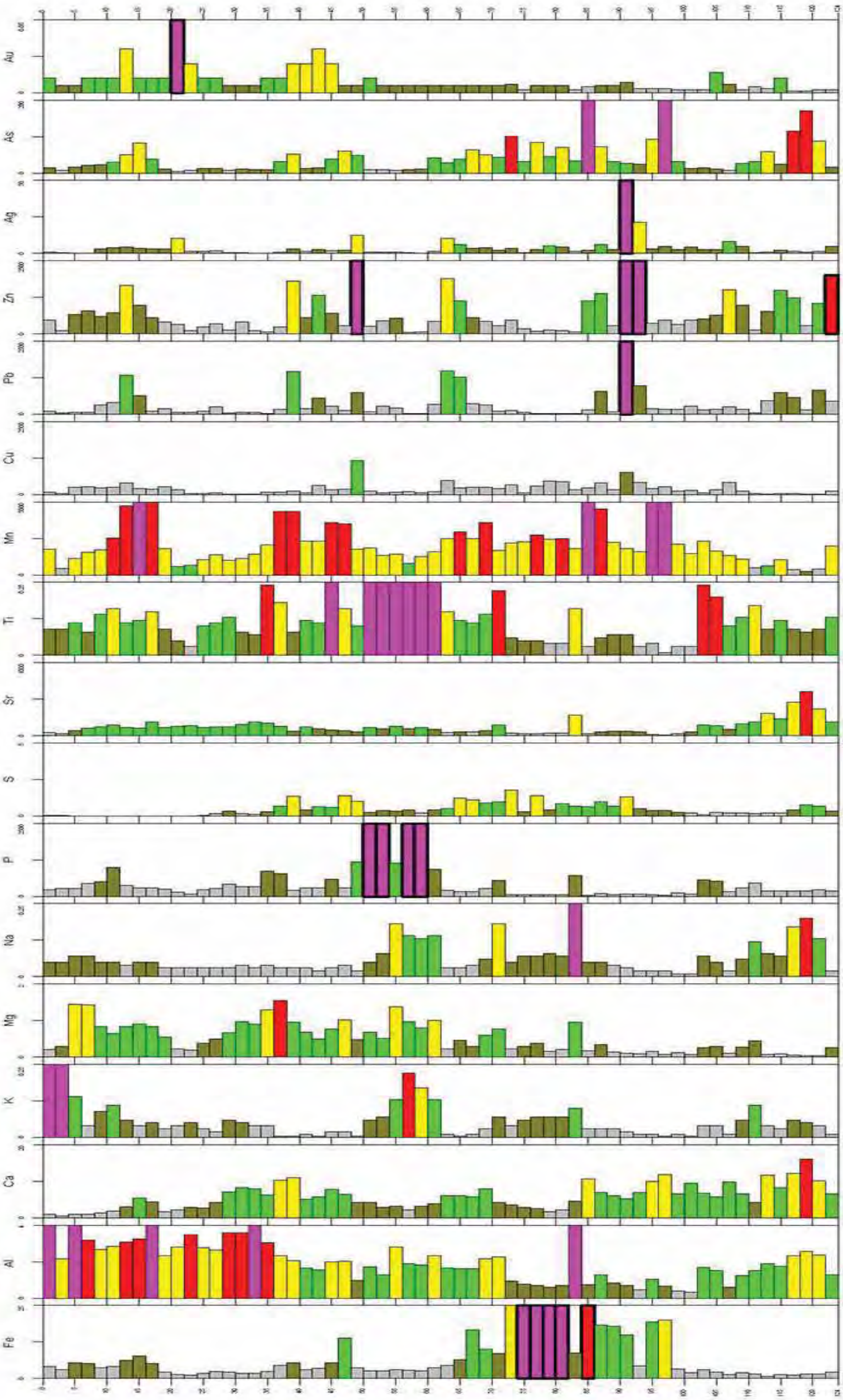
Houston Seattle

Log for IGRC008

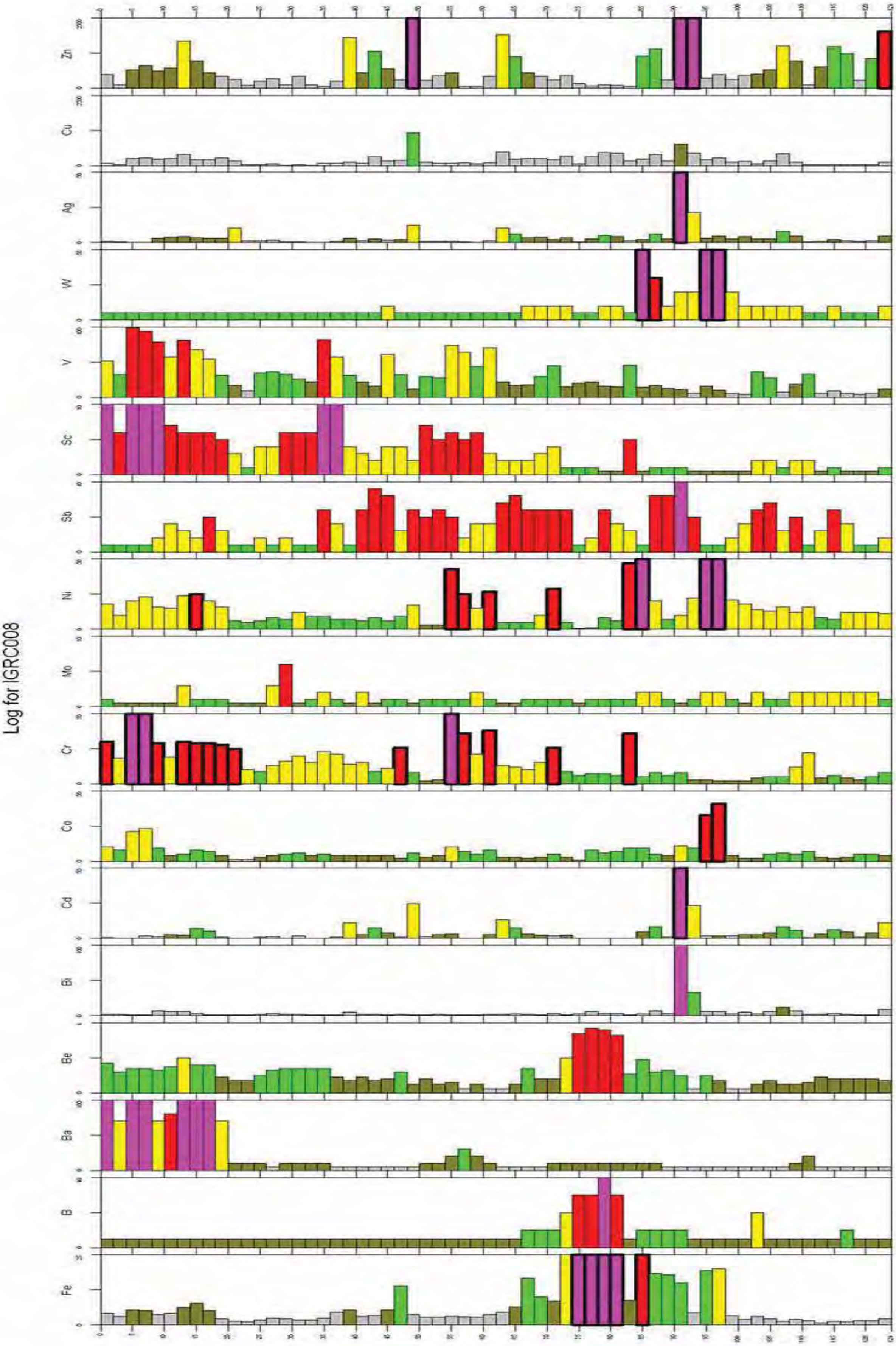


155

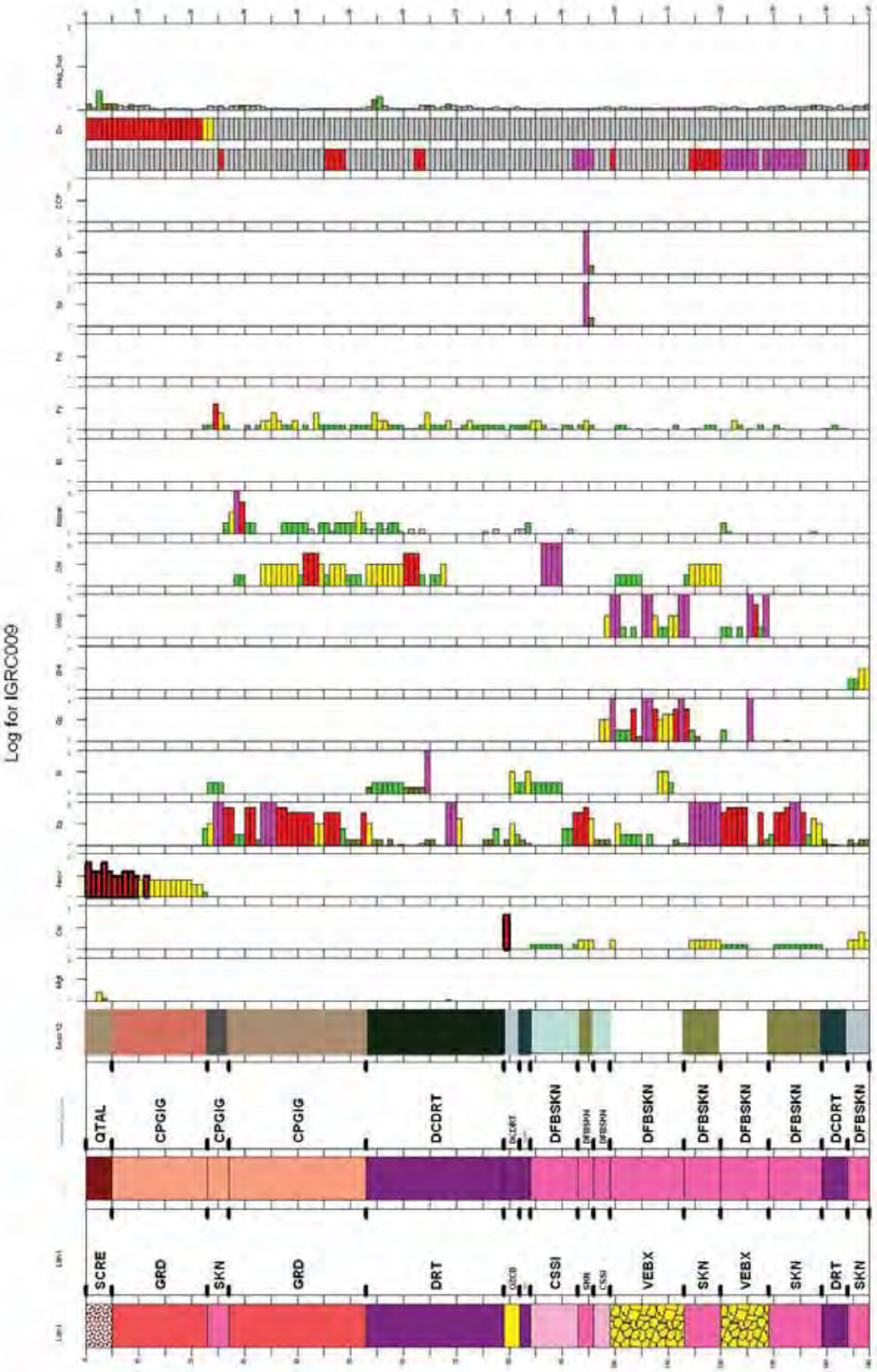
Houston **Seattle**



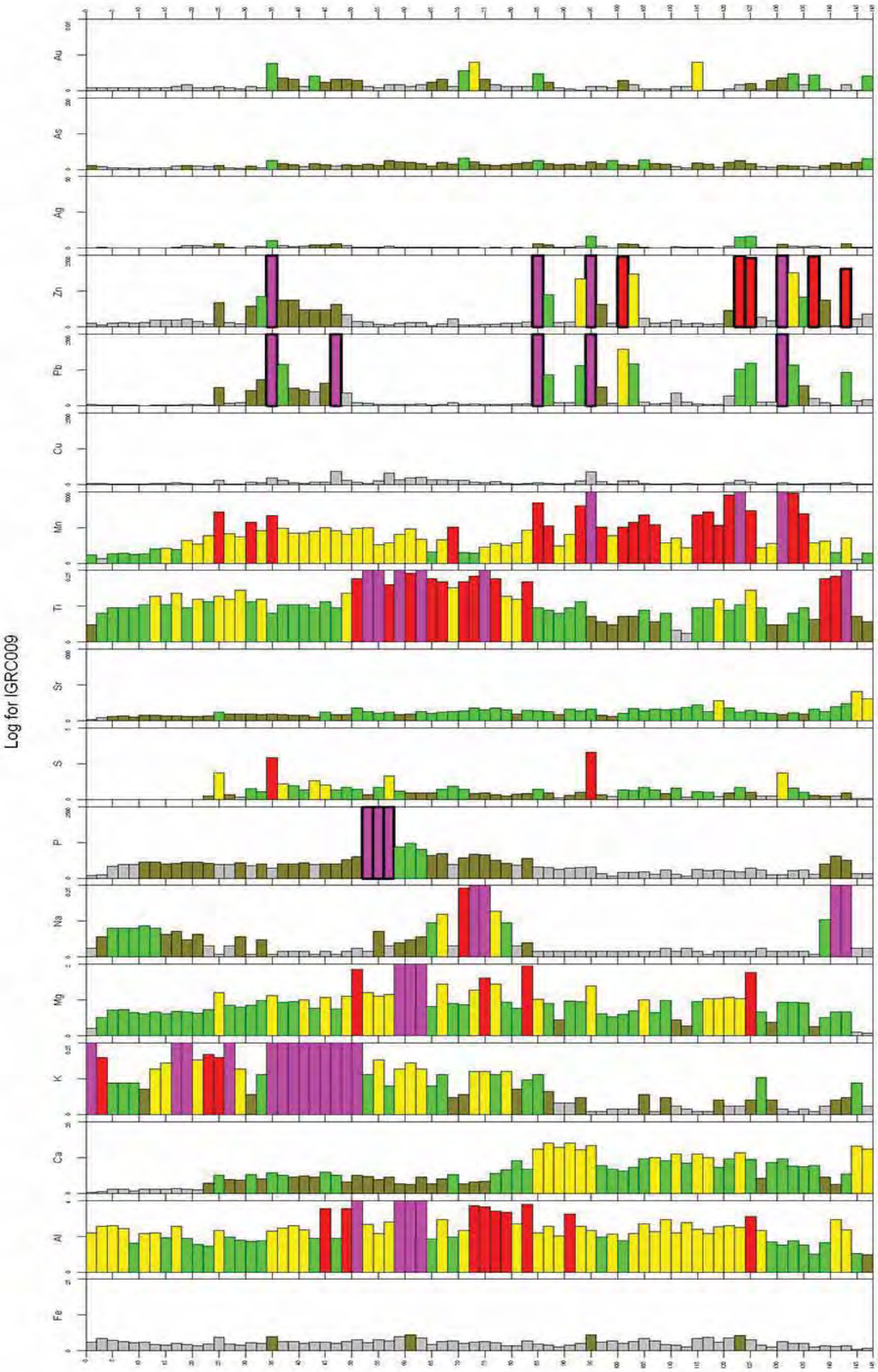
Log for IGRC008

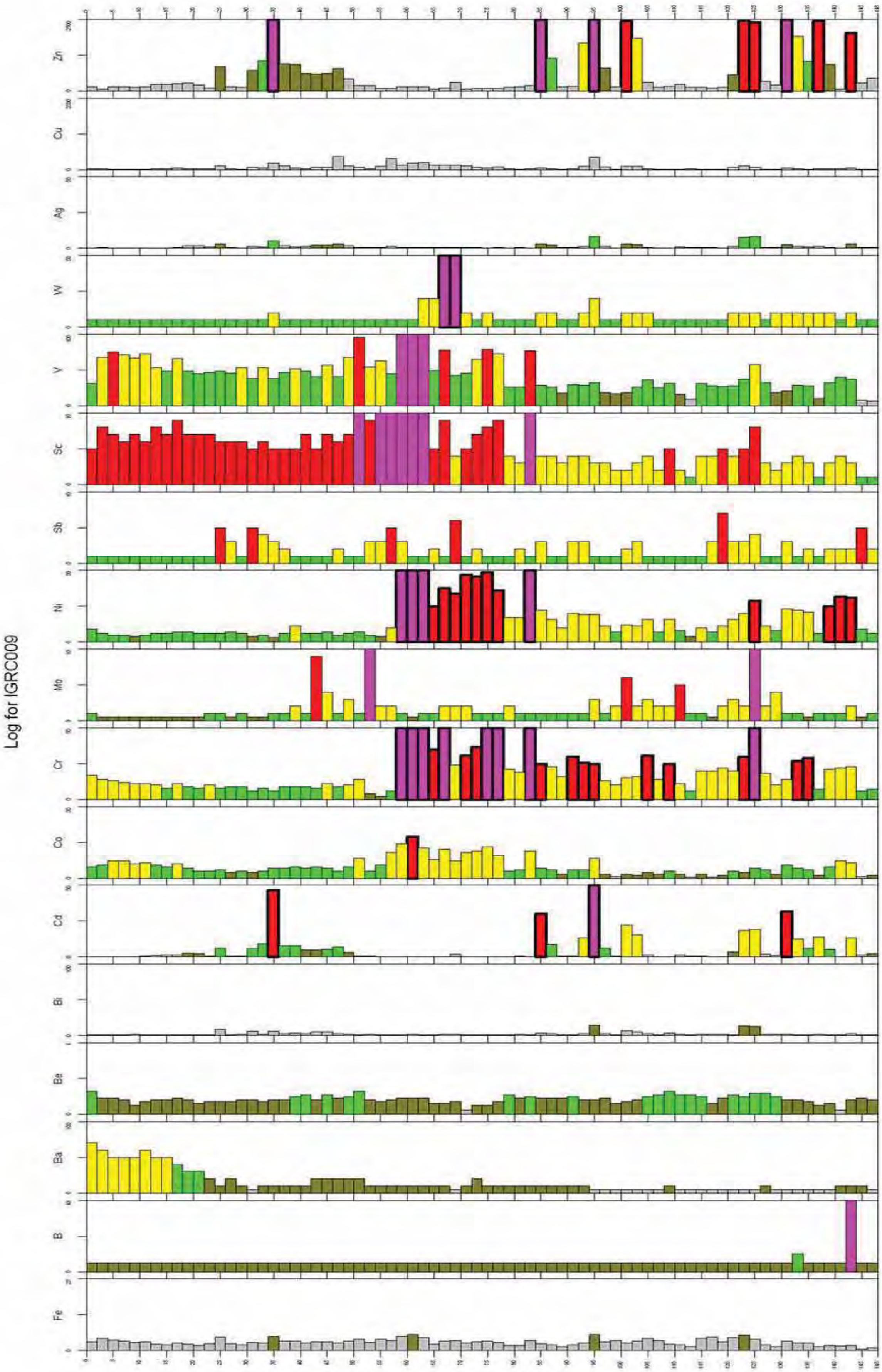


157


Log for IGRC009
QTAL
CPGIG
CPGIG
CPGIG
DCDRT
DFBSKN
DFBSKN
DFBSKN
DFBSKN
DFBSKN
DCDRT
DFBSKN
SCRE
GRD
SKN
GRD
DRT
CSSI
VEBX
SKN
VEBX
SKN
DRT
SKN

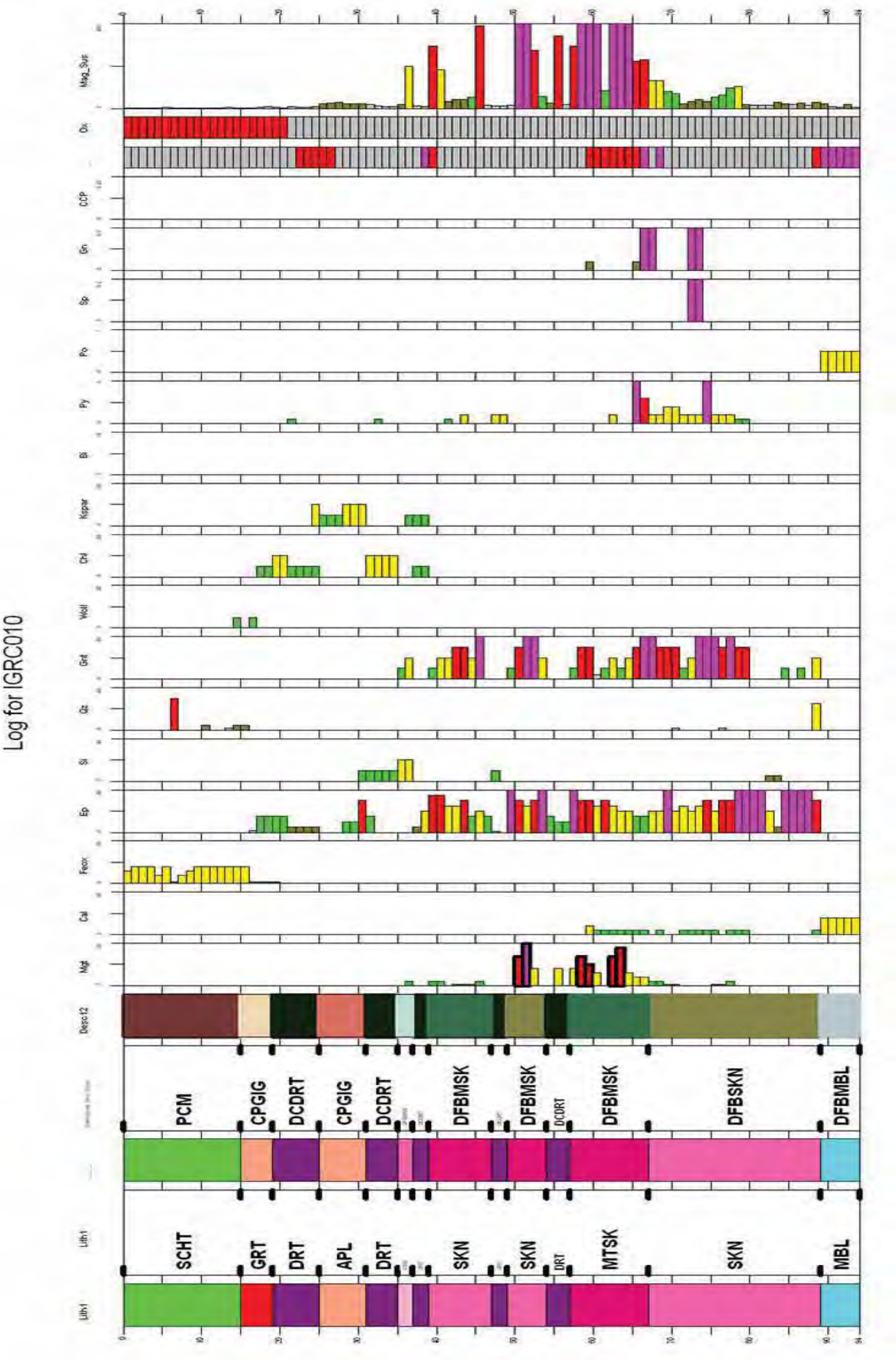
158


Log for IGRC009
Au
As
Ag
Zn
Pb
Cu
Mn
Ti
Sr
S
P
Na
Mg
K
Ca
Al
Fe

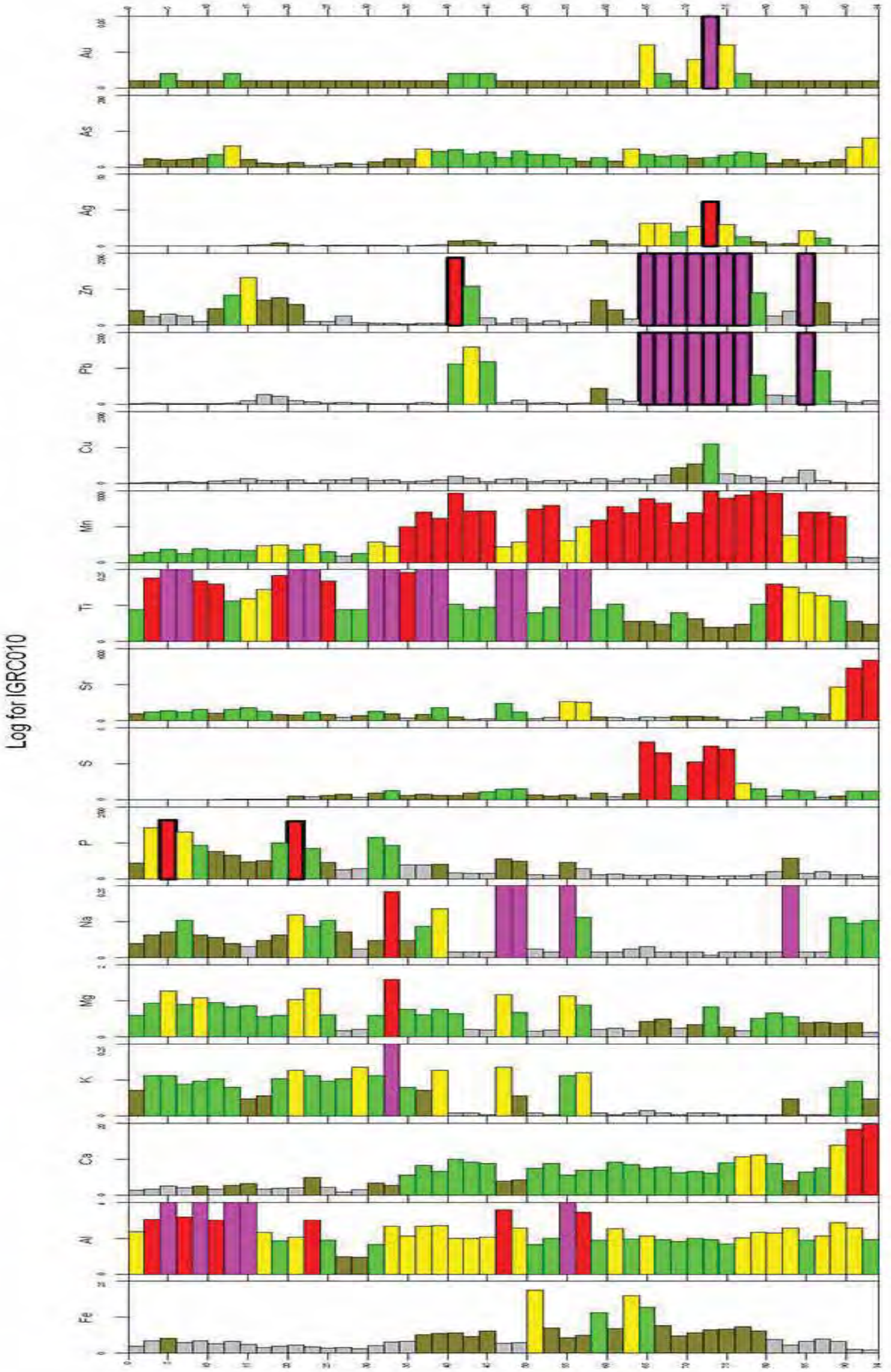


160

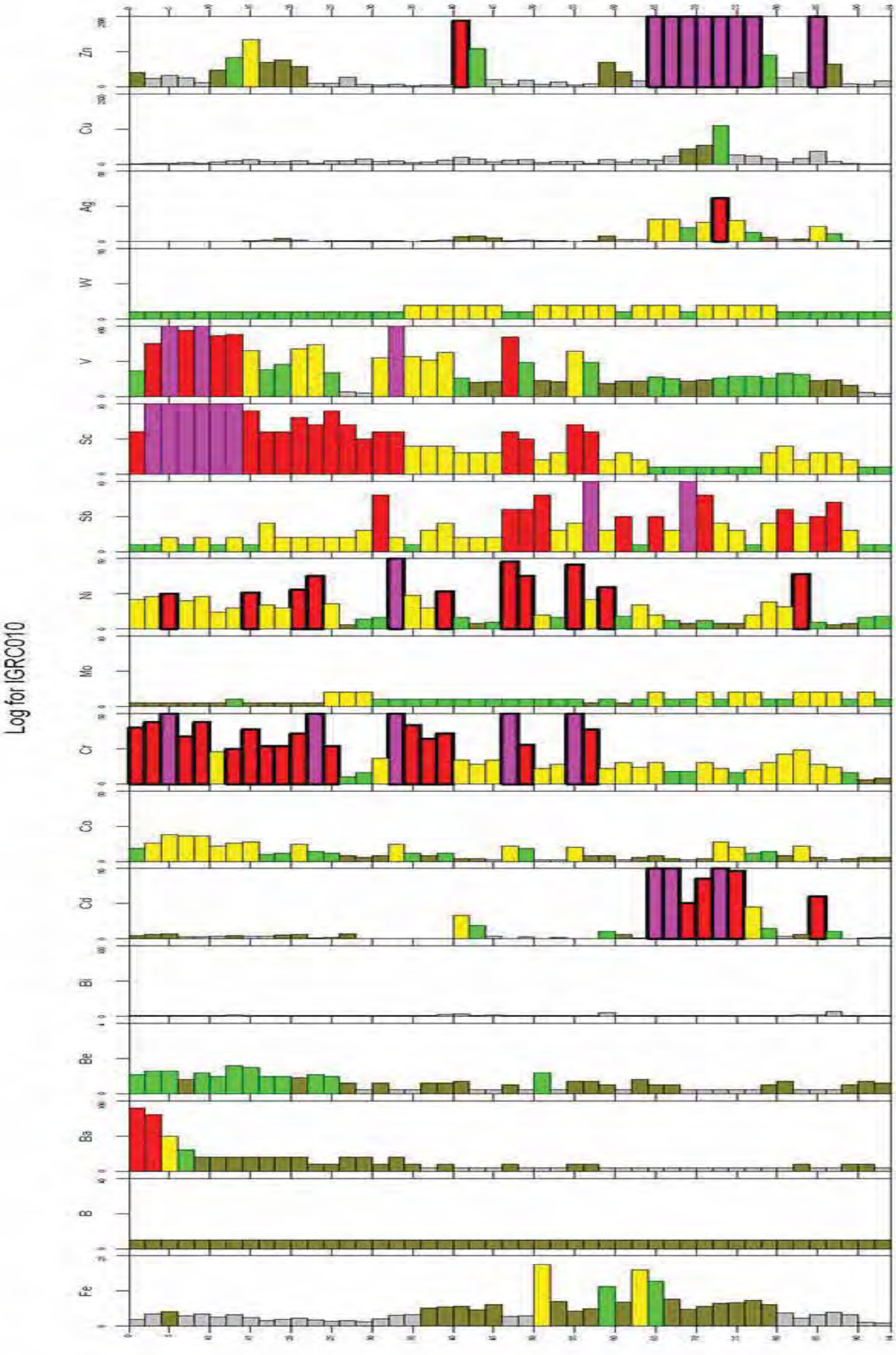
Houston Seattle



161



162



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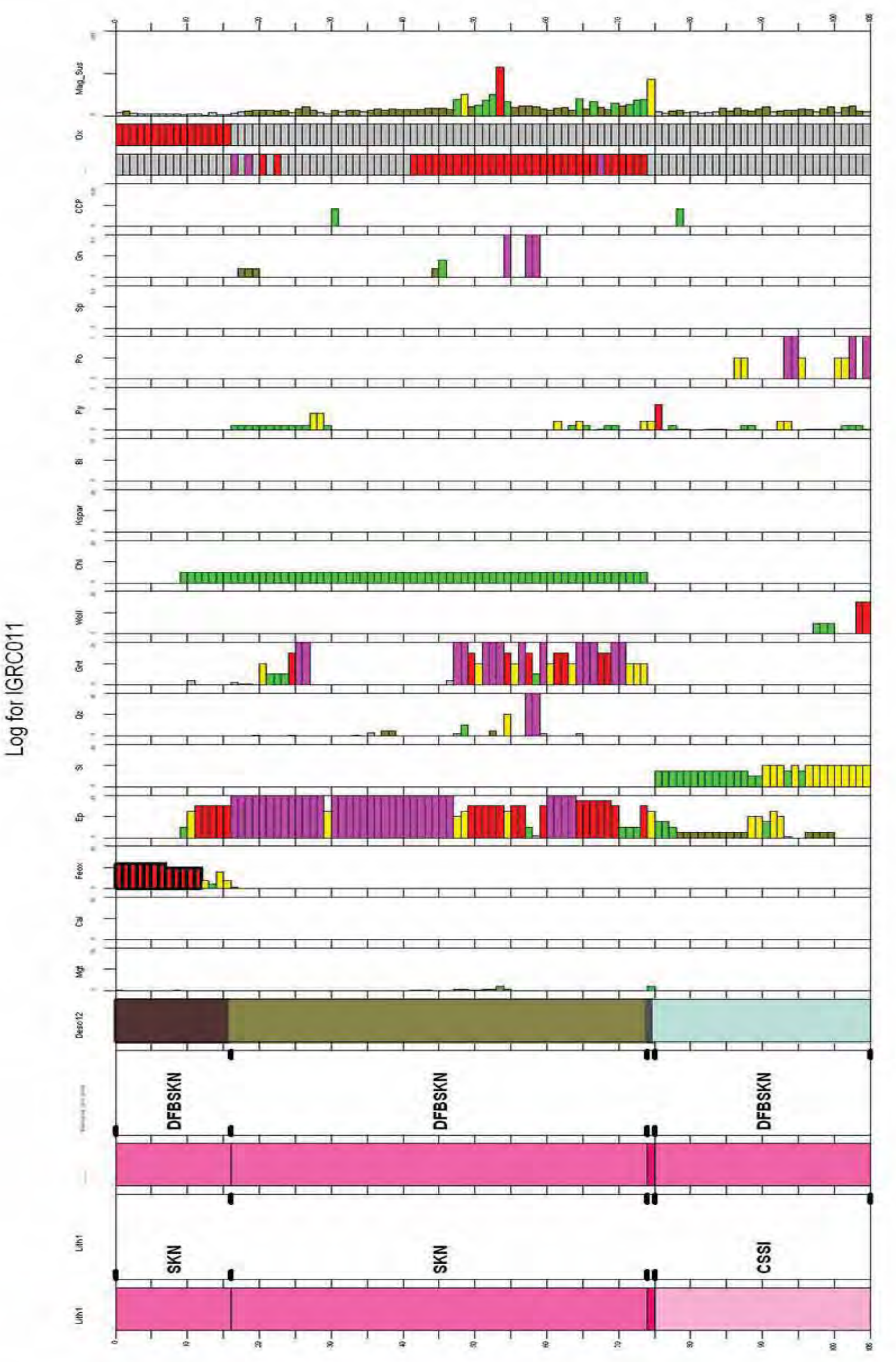
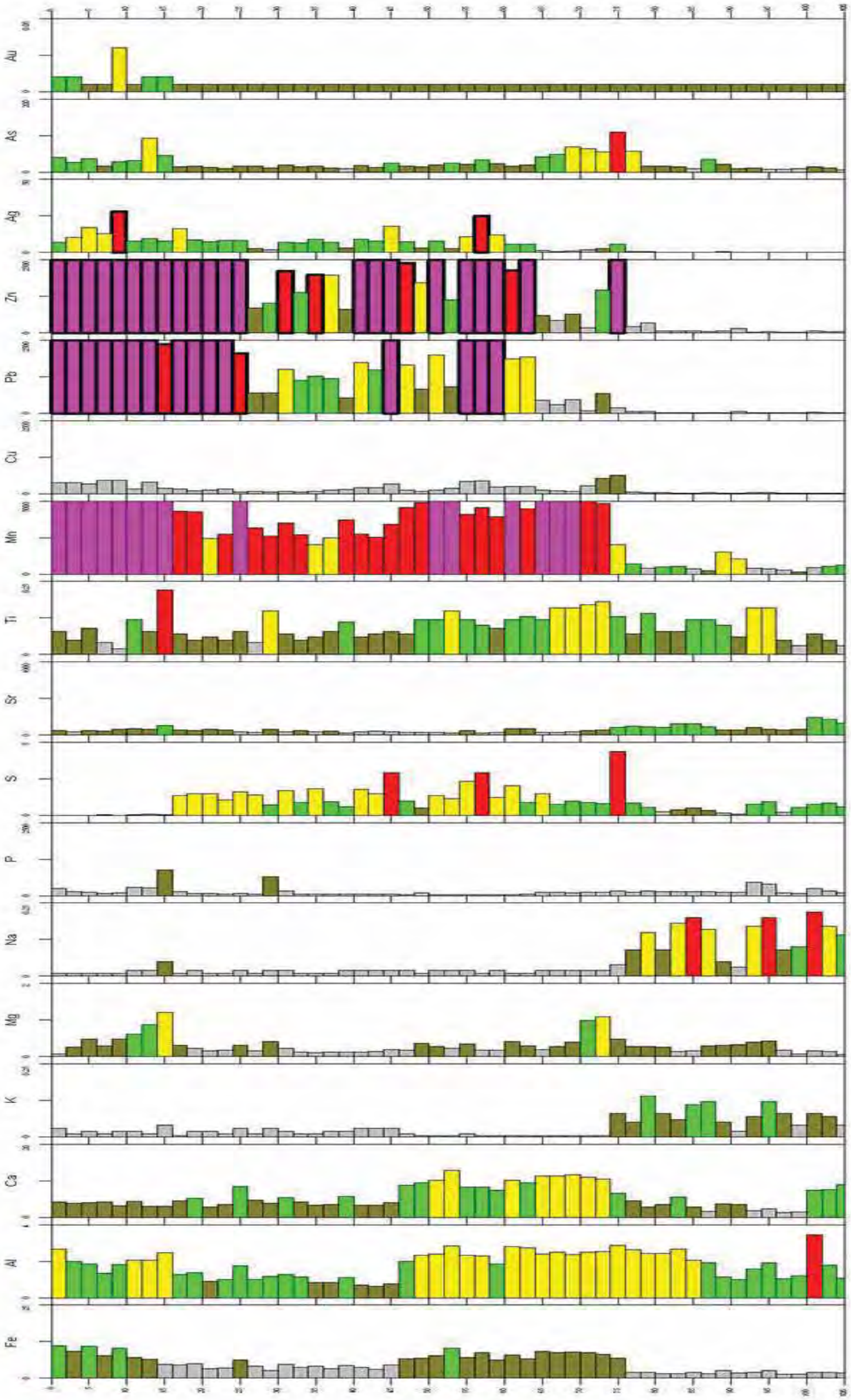
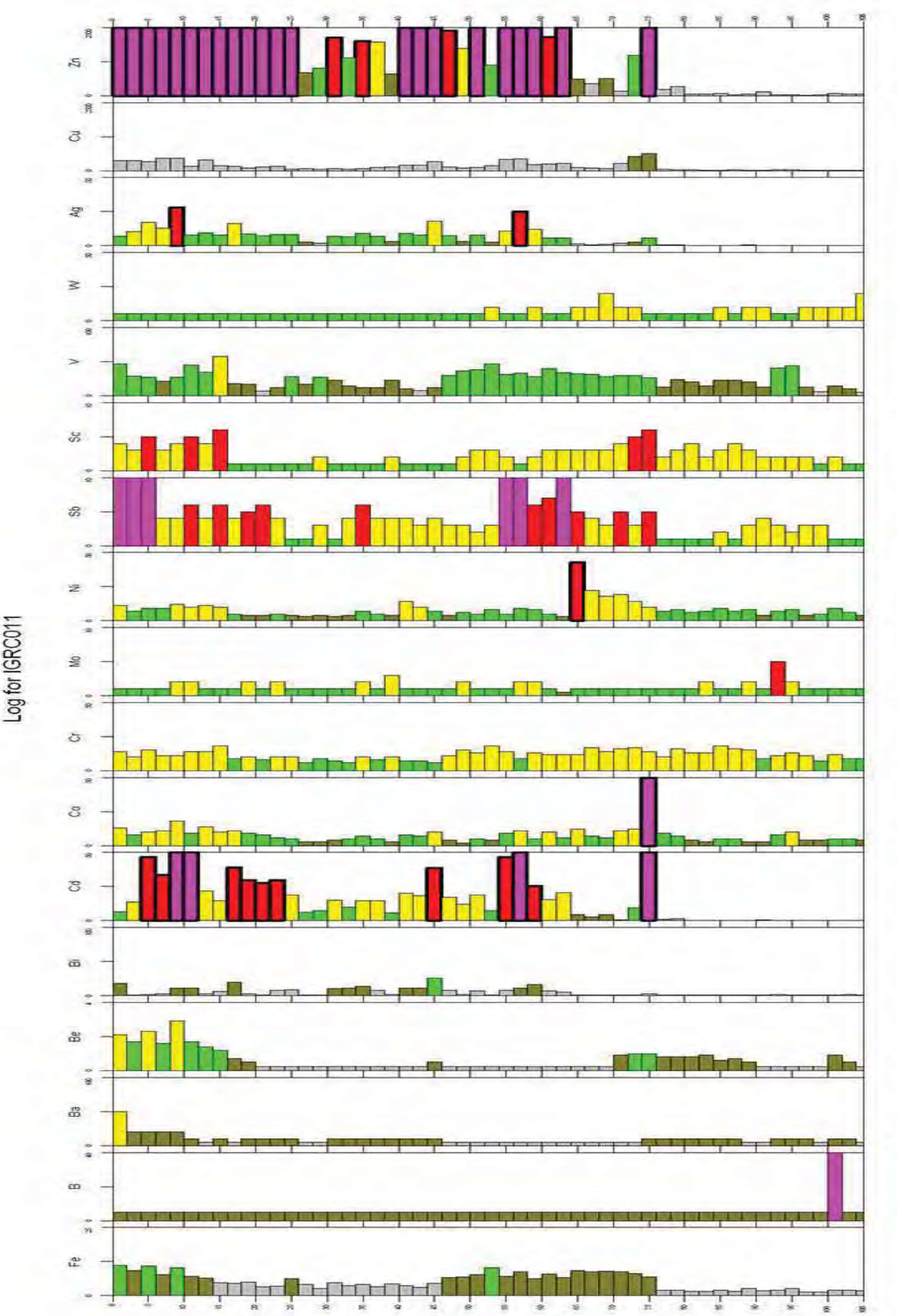

Log for IGRC011
Mag_Sus
Ox
CCP
Gn
Sp
Po
Py
Bi
Kspar
Chl
Woll
Grt
Qz
Sl
Ep
Feox
Cal
Mgt
Desc12
DFBSKN
DFBSKN
DFBSKN
Lith1
SKN
SKN
CSSI
Lith1

Log for IGRC011



165

Houston Seattle



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Appendix III - Curriculum Vitae for:

Michael D. Campbell, P.G., P.H.

and

Jeffrey D. King, P.G.

Curriculum Vitae

Michael D. Campbell, P.G., P.H.,
Vice President and Chief Geologist/Hydrogeologist
I2M Associates, LLC
http://www.I2MAssociates.com

Online: Summary & CV (Here)

PRINCIPAL MINING CONSULTANT
PRINCIPAL HYDROGEOLOGIST
PRINCIPAL ENVIRONMENTAL GEOLOGIST
1810 Elmen Street
Houston, Texas 77019
Telephone: 713-807-0021
Cell Phone: 713-248-1708
Fax: 713-807-0985
Email: mdc@I2MAssociates.com

Education

1976, M.A., in Geology, Rice University under an *Eleanor and Mills Bennett Fellowship in Hydrology* for Research and Seminars in Hydrogeology and Associated Disciplines. 31 Graduate Hours Toward Ph.D., Houston, TX, Thesis: *Paleoenvironmental and Diagenetic Implications of Selected Siderite Zones and Associated Sediments in the Upper Atoka Formation, Arkoma Basin, Oklahoma-Arkansas*, 124 p. (Continuing Research)

1966, B.A., in Geology, The Ohio State University with Courses and Research in Hydrology, Hydrogeology and Associated Environmental Programs. German Secondary Field of Specialty, Columbus, OH. Began college in 1960 in southern California (at San Bernardino Valley College), taking undergraduate courses including: geology, chemistry, engineering drawing, etc. Transferred to OSU in 1962.

Professional Memberships / Affiliations

Association of Ground Water Scientists and Engineers (AGWSE)
American Association of Petroleum Geologists
(Div. of Environmental Geosciences & Energy Minerals - Founding Member, 1977)
American Society of Testing Materials (ASTM)
Society of Economic Geologists (SEG)
Society of Mining, Metallurgy, and Exploration (AIME)
Geological Society of America (GSA-Fellow)

Association of Geoscientists for International Development (AGID)
Houston Geological Society (HGS)
Association of Environmental & Engineering Geologists (AEEG)
International Association Hydrogeologists (AIH)
American Institute of Professional Geologists (AIPG)
International Society of Environmental Forensics (ISEF)
Texas Association Professional Geoscientists (TAPG)

Professional Certification / Registration

Professional Geologist (AIPG-#3330)
Professional Hydrogeologist (AIH-#480) (Recertification-2004)
Professional Geologist (Wyoming-#546)
Professional Geologist (Mississippi-#347)
Professional Hydrogeologist (Washington-#866)
Professional Geologist (Washington-#866)
Professional Geoscientist (Texas-#53)
Professional Geologist (Alaska-#606)

Professional Honors, Awards and Committees

Who's Who in the Southwest (First Listed: 18th Edition - 1982, etc.)
Who's Who in America (First Listed: 49th Edition - 1995, through 58th Edition for 2004)
Who's Who in Technology (1982, etc.) Listing: (CV)
American Men & Women of Science Listing (here) (1st Listed: 14th Ed. -1979, etc.)
Men of Achievement (International) (First Listed: 10th Edition - 1984)
American Institute of Professional Geologists (1975, etc.)
American Institute of Hydrology (1984, etc.)
Ohioana Book Award in Science (1975): by Author, (see online CV); by County (CV)
Citation by Law Engineering as Corporate Hydrogeologist (1990)
Citation by Class of the Institute of Environmental Technology (1992 & 1994)
Public Service Award - Outstanding Contributions, Texas Section, AIPG (1998)
Chairman, Environmental & Mining Sessions, AIPG Annual Mtg, Houston, Tx, Oct., 1997
Chairman, Internet Committee, Texas Section, AIPG (1998-Present)
Chairman, Internet Resources Committee, Texas Section, AEG (2003-Present)
Shlemon Mentor Hall of Fame in Applied Geoscience, GSA Mtg., Texas A&M U., March 16, 2004. Poster at GSA Mtg., Denver
Fellow, Geological Society of America, April, 2004 (Press Release on Induction, see online CV)
Distinguished Alumni Hall of Fame
Mann Mentor in Hydrogeology, GSA South-Central Section Mtg., Trinity U., April 1, 2005
Chairman, Uranium Committee, EMD-AAPG (2004-Present) - Public Web Page (see CV).
President (2010-2011), EMD-AAPG - Public Web Page (see CV).

Continuing Professional Education / Training

Mr. Campbell has attended, presented papers, or served as session chairman in the following technical conferences. He has also maintained the appropriate certifications in health and safety training.

Career Summary

Mr. Campbell is well-known nationally and internationally for his work as a technical leader, program manager, consultant and lecturer in hydrogeology, mining, and associated environmental and geotechnical fields. He has gained a wide range of interdisciplinary experience in business and technical management in the environmental (regulatory, geological and hydrogeological), mining, and financial fields spanning more than 40 years. For a summary of ELA projects, see I2M CV. For a historical summary of selected client projects, see I2M CV.

Mr. Campbell has published widely, most notably: *Water Well Technology* (McGraw-Hill) and *Rural Water Systems Planning and Engineering Guide* (Commission on Rural Water). In the mid to late 1970's, he served on the Editorial Board of the journal: *Ground Water* for eight years and served as cofounder and first Director of Research of the NWWA Research Facility at Rice University. In the late 1970's, he also produced *Geology [and Environmental Considerations] of Alternate Energy Resources* (Houston Geological Society) and many other publications and consulting reports over the years on a variety of applied hydrogeologic, geologic, and injection well and hazardous waste subjects. He maintains an extensive library of more than 300,000 citations on environmental and mining topics covering the U.S. and overseas.

Mr. Campbell interrupted his graduate studies after the master's degree (Ph.D. work at Rice University in 1976) to join a major engineering and environmental consulting company as Director, Alternate Energy, Mining and Environmental Programs. During this period, he also served as an invited technical expert and lecturer for UNESCO-sponsored water-supply projects conducted in many parts of the Earth. Mr. Campbell provided management consulting for a mining project (with revenues/expenses of more than $8 million/year) and as a principal consultant for exploration, mining, processing/refining and environmental activities. Over the past 15 years, Mr. Campbell has provided senior technical guidance, review, training, litigation support and consultation on numerous hydrogeological, water supply, and hazardous waste projects involved in both RCRA and

CERCLA programs for major law firms and consulting engineering and environmental companies as well as industry.

Chronological Professional Experience

2010-Present I2M Associates, LLC, Vice President and Chief Geologist/Hydrogeologist, based in Houston, Texas. For additional details, see: http://associates.com/content/michael-d-campbell-pg-ph-curriculum-vitae.

Mr. Campbell, in cooperation with a number of senior Associates, is employed by a new company in Texas to expand the scale of a number of projects in the U.S. and overseas. With offices in the Seattle, Washington and elsewhere in the U.S., the I2MA team is providing consulting services in uranium, gold and silver, base metals, and other mineral and energy commodities, such as geothermal energy, combined with the associated environmental projects located in the U.S. and overseas.

1993-2010 M. D. Campbell and Associates, L.P., Senior Consulting Geologist/ Hydrogeologist and Principal-in-Charge, Houston, Texas.

Mr. Campbell and a support staff served industry by providing technical consulting on RCRA, CERCLA and related waste management involving a range of contaminants such as BTEX, solvents, brine, etc., risk assessment projects, and water-supply projects in Texas, the US and overseas. Mr. Campbell provided project/document review, and technical and QA/QC training for industry, consulting companies and law firms for RCRA, Superfund, and mining-related projects. He designs, lectures, and produces formal technical short courses and semester-long courses on environmental science, engineering and technology, and has served on the Editorial Board of the *Journal of Applied Ground-Water Protection*, sponsored by the Ground-Water Protection Council, and serveed as Special Editor for the journal: *Ground Water*. Mr. Campbell also served on the Editorial Board of the *International Journal of Environmental Forensics,* for the term 2000 to 2003.

During the summer of 1992, Mr. Campbell developed, managed and served as Principal Instructor for a 220-Hr Evening Semester Course: *Introduction to Environmental Technology*, held on the campus of North Harris Community College for the purpose of cross-training petroleum geologists, engineers, chemists, and others as a prelude to entering or advancing in the environmental field. Mr. Campbell lectured on RCRA and CERCLA and on hydrogeology and project management, and selected and managed all guest lecturers from industry, government and local universities. The course was later hosted by the Houston Engineering and Scientific Society (HESS) and recently by The Institute of Environmental Technology. Almost 400 men and women have graduated from the program to date.

He served as: Principal and Chief Geologist of M. D. Campbell and Associates, L.P., Principal Hydrogeologist of Environmental Litigation Associates, and Principal Instructor for the Institute of Environmental Technology, all located in Houston, Texas.

1991-1993 DuPont Environmental Remediation Services, Houston, Texas - Regional Technical Manager and Chief Hydrogeologist. The firm is a wholly-owned subsidiary of E. I. DuPont de Nemours. Mr. Campbell managed the activities of the Technical Group covering DuPont plants and other plants over a seven-state area. He managed five operating departments: Geology, Environmental Specialties, Deepwell (Injection Wells), Conceptual Engineering, and Engineering /Construction, involving approximately 60 technical personnel. He provided technical and administrative leadership, staff recruitment, training, quality control/assurance, risk assessment on various DuPont projects and represented DuPont on technical committees in Superfund projects in the US.

1991 ENSR Consulting and Engineering, Houston, Texas - Regional Director of Geosciences and Chief Hydrogeologist. The firm is a leading environmental services firm specializing in RCRA and CERCLA projects for industry. Mr. Campbell provided senior technical review, managerial direction, guidance, and leadership to the hydrogeologic and geologic staff throughout the company's 22 offices in the US. He also provided and managed regular technical training sessions and performed quality control, assurance functions and litigation support for hydrogeologic projects (i.e., RCRA, CERCLA: Superfund and UST, and landfill investigations). He also initiated, guided and supported marketing efforts in environmental projects.

1988-1990 Law Engineering, **Inc.,** Houston, Texas - Senior Hydrogeologist and Corporate Hydrogeological Consultant. Firm is a large employee-owned geotechnical and environmental engineering company founded in the early 1940's. Mr. Campbell provided senior technical direction, guidance, leadership and motivation to the hydrogeologic staff for the company's 52 offices in the US and overseas on hazardous waste projects including UST, landfill, water supply, dewatering, and RCRA (Part B Permits) and CERCLA (Property Environmental Assessments:

Stage I and II projects, and Superfund investigations and representations), including litigation support and expert witness testimony. He was responsible for initiating, guiding and supporting marketing efforts in environmental and relevant geotechnical projects.

Mr. Campbell also provided training sessions and managed technology development programs via in-house research groups throughout the company. He served on Senior Review Boards and performed annual quality control audits for the company. Mr. Campbell was cited by Law Engineering's corporate management as the Corporate Consultant in Hydrogeology (Chief Hydrogeologist) for his outstanding contributions to the company (1990).

1983-1988 **Campbell, Foss & Buchanan, Inc**., Houston, Texas - President and Senior Partner. Firm engaged in domestic and international environmental and natural resource management projects involving geological, hydrogeological and engineering programs: environmental investigations and characterizations (Part B Permitting, and Property Transfer Assessments), mine dewatering, project management (RCRA Investigations), natural resource assessment, reserve analysis and acquisitions for industry, mining (Alaska and Utah), financial, and banking communities. Precious metal discovery credited in Nevada. Provided consulting services on an $8-million/year precious metal mining and cyanide heap-leaching project from discovery through development operations and environmental liaison with state and federal regulatory agencies. As part of these services, Mr. Campbell provided guidance and consultation in the daily review and monitoring of the financial and operational activities of the 50-person mining company. In addition, he also served numerous other companies and consulting groups in senior review functions on hazardous waste and RCRA refinery and plant investigations during the period.

1976-1983 **Keplinger and Associates, Inc**., Houston, Texas - Director, Alternate Energy, Minerals and Environmental Division. Formed group and defined marketing objectives in 1976. Responsible for and managed all non-oil & gas projects: alternate energy (coal/lignite, geothermal energy, uranium), minerals (precious and base metals and industrial commodities-phosphate, potash, sand & gravel, and related environmental projects involving property transfer assessments (Pre-CERCLA activities) for joint-venture negotiations, corporate mergers, and buyouts, financial and litigation preparations, hazardous waste investigations (RCRA Part A and Part B Permitting), geotechnical projects (dewatering), and water resource investigations. He also served on the expert's committee of the United Nations' ground water exploration and development program from 1978 to 1983. Mr. Campbell managed a staff of seven geologists, engineers and specialty consultants. He also presented seminars on a range of subjects involving environmental, hydrogeological, and water-supply issues.

1971-1976 NWWA Research Facility, Columbus, Ohio and Houston, Texas - Director of Research. Co-founded in 1971 and served as first Director of Research. Mr. Campbell conceived, formulated, supervised and conducted investigations on: water well technology, ground-water contamination and investigation practices and procedures, well construction standards, injection well systems' operation & maintenance, rural water systems' planning and engineering. Mr. Campbell was responsible for the early research programs funded by the U.S. Office of Water Resources Research (here), and in the development of EPA's early protocol development and characterization of ground-water contamination and remediation practices (Early RCRA and CERCLA).

The NWWA Research Facility and the staff of six were moved to Rice University, Department of Geology and Geophysics, in 1973 and continued through 1976. He also was an invited lecturer for graduate-level seminar courses on hydrogeology and economic geology for two years. Conducted graduate research on paleo-environmental and diagenetic processes under fluvial-deltaic conditions. This project is continuing as new information becomes available. For an interim report on the research, see I2M CV.

1969-1971 Teton Exploration, Div., United Nuclear Corporation, Casper, Wyoming - District Geologist/ Hydrogeologist, Eastern US and Canada, Mr. Campbell was responsible for mineral prospect generation (with emphasis on uranium and other strata-bound mineralization) and for field reconnaissance, mapping, sampling, drilling site operations, recommendations for land acquisition and project budgeting and execution. He also conducted research on the hydrochemistry of the Morton Ranch uranium geochemical cell and nature of mine dewatering and water-supply development in and around the deposit, including the nature of abandoned drill holes plugged with bentonite muds. He advanced the development of hydrochemistry and geochemistry as an aid to frontier uranium exploration and for developing models of mineralization in frontier exploration areas.

1966-1969 Continental Oil Company (Australia), Sydney, Australia - Staff Geologist/ Hydrogeologist, Minerals and Mining Division. Mr. Campbell was responsible for conducting, coordinating, and implementing prospect evaluations, mapping and sampling programs, well-site operations, and ground-water supply programs in various parts of Australia, Micronesia (Caroline Islands) and the South Pacific (Coral Sea) for: phosphate, potash, sulfur, coal, base metals, and uranium. Phosphate discovery credited. Also investigated a new uranium district on the Nullibar Plains of South Australia (see publications list). Joint-venture programs with Japanese and Korean companies required extensive travel between Australia and Japan and Southeast Asia.

Fields of Activities, Major Reports, Publications and Presentations:

1. **Mineral Exploration and Development Projects**
2. **Hydrogeological and Environmental Projects**
3. **Geothermal Exploration and Development Projects**
4. **Coal / Lignite Exploration and Development Projects**
5. **International Projects**
6. **Miscellaneous Projects**

Management of Mineral Exploration Programs

During the mid-to-late 1960's, Mr. Campbell worked for a major American oil and minerals company (Conoco) in Australia and Southeast Asia, successfully conducting/managing field exploration programs, drilling operations, and water-supply investigations for development projects involving industrial and energy minerals, and precious and base metals (discovery credited). In the early 1970's, after returning to the U.S., he served three years as Regional Geologist with a major uranium exploration and mining company in Wyoming (United Nuclear). While there, he conducted research on hydrochemistry associated with roll-front uranium occurrences and successfully applied the results to the company's field program nationwide.

Mr. Campbell subsequently conducted various exploration programs as a consultant in the U.S. for companies such as Texas Eastern Nuclear, General Crude Oil Company and others during the mid-1970's on targets ranging from uranium, rare earth minerals, sulfur, and industrial minerals to base metals and precious metals.

In 1983, Mr. Campbell and two associates formed a consulting firm and conducted many domestic and international geologic, mining, economic, and hydrogeologic investigations including mineral property valuations and exploration programs (discovery credited), mine operational and financial management projects, mineral reserve analyses, preliminary feasibility studies, environmental investigations of various types, and other geotechnical investigations.

Applicable Minerals Publications / Major Reports / Presentations

Campbell, M. D. and H. M. Wise, 2010, “Uranium Recovery Realities in the U.S. - A Review," Invited Presentation for the Dinner Meeting of the Houston Geological Society’s Engineering and Environmental Group, May 18, Houston, Texas, 51 p. (Click here)

Campbell, M. D., J. D. King, H. M. Wise, R. I. Rackley, and B. Handley, 2009 "The Nature and Extent of Uranium Reserves and Resources and Their Environmental Development in the U.S. and Overseas," AAPG – Energy Minerals Division 2008 Report, revised for publishing in AIPG's *The Professional Geologist*, Vol. 46, No. 5, September/October, pp. 42-51 - Peer Reviewed. (Click here)

Campbell, M. D. and J. D. King, 2009, "AusPotash Corporation Project: Adavale Basin, Queensland, Australia, NI 43-101 Report, by M. D. Campbell and Associates, L.P., Houston and Seattle, July 8, 113 p. (Click here).

Campbell, M. D., J. D. King, H.M. Wise, B. Handley, and M. David Campbell, 2009, "The Role of Nuclear Power in Space Exploration and the Associated Environmental Safeguards: An Overview," Report of the Uranium Committee, Energy Minerals Division to the Astrogeology Committee of AAPG. Presented at the Conference of the AAPG-Energy Minerals Division and Astrogeology Committee Sessions, June 8-10, held in Denver, CO. - Peer Reviewed. (Click here).

Campbell, M. D., B. Handley, H. M. Wise, J. D. King, and M. David Campbell, 2009, "Developing Industrial Minerals, Nuclear Minerals and Commodities of Interest via Off-World Exploration and Mining," Paper/Poster at the Conference of the American Association of Petroleum Geologist (AAPG), Energy Minerals Division Sessions, June 9, Denver, CO., 27 p. - Peer Reviewed. (Click here).
Campbell, M. D., 2009, "Uranium," *in Unconventional Energy Resources and Geospatial Information: 2008 Review by the Energy Minerals Division, American Assoc. Petroleum Geologists*, of the Journal of *Natural Resources Research,* Vol. 18., No. 1, January. - Peer Reviewed. (Uranium section in Paper).

Campbell, M. D., H. M. Wise, and J. D. King*, 2008,* "Nuclear Fuel Exploration, In Situ Recovery, and Environmental Issues in context with the National Energy Needs through Year 2040," *Proc. Texas Commission of Environmental Quality Conference and Trade Fair*, Session: "Underground Injection Control," Invited Paper, Austin, Texas, April 30, 2008 (Click here).

Campbell, M. D., J. D. King, H. M. Wise, R. I. Rackley, and B. Handley, 2008 "The Nature and Extent of Uranium Reserves and Resources and Their Environmental Development in the U.S. and Overseas," AAPG – Energy Minerals Division Conference, April 23, 2008, Session: "Uranium Geology and Associated Ground Water Issues", San Antonio, Texas - Peer Reviewed. (Click here).

Campbell, M. D., *et al.,* 2007, "Uranium In-Situ Leach Development and Associated Environmental Issues," Proc. Gulf Coast Geological Societies Conference, Fall, Corpus Christi, Texas, 17 p.

Campbell, M. D., 2007, "Pressure on the Electrical Grid and 3rd Quarter, 2006 Uranium Concentrate Production", in Unconventional Energy Resources and Geospatial Information: 2006 Review by the American Assoc. Petroleum Geologists, Energy Minerals Division, *Natural Resources Research,* Vol. 16., No. 3, September.

Campbell, M. D. and M. David Campbell, 2005, "Uranium Industry Re-Development and Expansion in the Early 21st Century: Supplying Fuel for the Expansion of Nuclear Power in the U.S., The Environment vs. The Paradigm," Rocky Mountain Natural Gas Strategy Conference & Investment Forum, Session 1, Presented by Colorado Oil & Gas Association, August 1-3, Denver, Colorado, 44 p.

Campbell, M. D., et al., 2005, Recent Uranium Industry Developments, Exploration, Mining and Environmental Programs in the U.S. and Overseas, Energy Minerals Division, AAPG, Uranium Committee 2005 Report, March 25.

Campbell, M. D., 2004, Professional Memorial: Ted H. Foss, Ph.D., P.G., Geological Society of America Memorials, Vol. 33, April, pp. 17-22.

Campbell, M. D., 2004, Preliminary Examination of Mineralogical Samples from Rwanda, April 24, 32 p. (Confidential Client from Rwanda).

Campbell, M. D. and K. H. Forster, 1996, Hydrogeology and Mining, a Study Guide for Workshop presented at The National Mining Conference, Knoxville, Tennessee, May 11, 137p.

Campbell, M. D. and K. H. Forster, 1995, Mining Hydrogeology, a study guide for a mini-course presented at the National Symposium on Mining, Hydrology, Sedimentology and Reclamation, Reno, Nevada, December 5-9, 137p.

Campbell, M. D. and K. H. Forster, 1995, Basic Mining Hydrogeology, a study guide for a mini-course presented at the National Symposium on Mining, Hydrology, Sedimentology and Reclamation, Springfield, Ill., December 7-11, 96p.

Forster, K. H. and M. D. Campbell, 1994, "Hydrogeologic Investigations for Designing a Dewatering and Depressurizing System in a Gulf Coast Lignite Mine," Kentucky Coal Mining Symposium, Bowling Green, 10p.

Campbell, M. D. and S. R. Dinkowitz, 1987, "Preliminary Conclusions on the Geology, Mineralogy and Structural Controls of Mineralization at the Lookout Mt. and Hamburg Mines," A Field Trip Lecture at the Norse Windfall Mines, Inc., Eureka, April 11, 1987, *Post-Meeting Field Trip, The Symposium on Bulk Minable Precious Metal Deposits of the Western United States*, Sponsor Geological Society of Nevada, 35 p.

Campbell, M. D. and T. H. Foss, 1987, "The Re-Discovery of Precious Metals in the Eureka Mining District, Nevada," *Proc. The Symposium on Bulk Minable Precious Metal Deposits of the Western United States*, April 6-8, 1987, Geological Society of Nevada, 15p.

Campbell, M. D., T. H. Foss and K. J. Buchanan, 1986, "Report of Investigations on the Preliminary Feasibility of Development of the Eureka Precious Metals Project, Nevada," a Campbell, Foss & Buchanan, Inc. Consulting Report (private distribution), 123 p.

Campbell, M. D., and T. H., 1984, "Report of Investigations on the Geology, Geochemistry and Geophysics of the Eureka Precious Metal Properties, Nevada," a Campbell, Foss and Buchanan Consulting Report (private distribution), approx. 300 p., August.

Campbell, M. D. and T. H. Foss, 1984, "Preliminary Evaluation of Selected Precious Metal Properties in North Carolina," a Campbell, Foss and Buchanan Consulting Report (private distribution), 15 p., July.

Campbell, M. D., 1984, "Preliminary Evaluation of the Minera Guayape, S.A. Precious Metal Project, Honduras, a Campbell, Foss and Buchanan Consulting Report (private distribution), 10 p., May.

Campbell, M. D., 1984, "Preliminary Evaluation of the Agua Fria Precious Metal Project, Honduras," a Campbell, Foss and Buchanan Consulting Report (private distribution), 10 p., May.

Campbell, M. D., 1982, "Report of Investigations on Precious Metal Properties, Rainbow Valley Area, Maricopa County, Arizona," a Keplinger Consulting Report (private distribution), 105 p.

Campbell, M. D., and L. Clark, 1981, "Preliminary Economic Analysis of the Mining Restrictions and Land Takes from the Hartman Farm by the City of Columbus, Ohio, Division of Water," for the BancOhio National Bank, Trustee for the Hartman Trust, by Keplinger and Associates, Inc., Houston, May 15, 15 p.

Campbell, M. D., 1980, "Preliminary Investigations on the Uranium and Other Mineral Potential of Sudan," a United Resources International Consulting Report (private distribution), 19 p. (April).

Campbell, M. D., and D. J. Lynch, 1980, "Preliminary Mining Engineering Evaluation and Economic Analysis of the Sand and Gravel Resources on Selected Properties Near Columbus, Ohio," for the BancOhio National Bank, Trustee for the Hartman Trust, a Keplinger Consulting Report, January 1, 85 p.

Campbell, M. D., and K. T. Biddle, 1978, "Preliminary Evaluation of Quaternary Carbonate Deposit for Use as Raw Material in Domestic Cement Production," a Keplinger Consulting Report (private distribution), 27 p., July.

Campbell, M. D., 1978, "An Evaluation of Certain Tin and Uranium Interests: Prospect Evaluation and Associated Economics," a Keplinger Consulting Report (private distribution), 35 p., June.

Campbell, M. D., 1977, *Geology [and Environmental Impact] of Alternate Energy Resources, Uranium, Lignite, and Geothermal Energy in the South Central States*, Houston Geological Society, 364 p. For Text Summary, (see online I2M CV).

Campbell, M. D. and K. T. Biddle, 1977, "Frontier Uranium Exploration in the South-Central U.S., Chapter 1: Frontier Areas and Exploration Techniques" in *Geology of Alternate Energy Resources in the South-Central United States*, (M. D. Campbell (ed)), Houston Geological Society, pp. 3-44.

Campbell, M. D., and C. C. Wielchowsky, 1977, "Phase II Geological and Mineral Reconnaissance of the Eastern Front of the Stillwater Range from I.X.L. to Cottonwood Canyons: Dixie Valley Area, Churchill County, Nevada," a Keplinger Consulting Report (private distribution), 65 p., October.

Campbell, M. D., 1977, "A Review of the Mineral Potential (Uranium, Fluorspar, Mercury, Geothermal Energy, Coal and Other Minerals) of Certain Land Holdings in the Big Bend, Texas Area," a Keplinger Consulting Report (private distribution), 20 p., May.

Campbell, M. D., 1977, "Preliminary Evaluation of Uranium Ore reserves in the Uravan Mineral Belt and Vicinity," a Keplinger Consulting Report (private distribution), 62 p., April.

Campbell, M. D., 1976, "Mineral Exploration and Development Program in the Republic of Niger, Africa," a Keplinger Consulting Report (private distribution) 22 p., November.

Campbell, M. D., 1974, *Uranium Potential of the United States: Stage I, Frontier Exploration*, United Resources Consulting Report for Pioneer Nuclear, Inc. and Texas Eastern Nuclear, Inc. (copyrighted), 218 p, 21 plates, 46 figs., 7 tabs., 389 refs. (Houston).

Campbell, M. D., 1974, "Potassium-Uranium Systematics: Geologic Implications of Moon-Earth-Meteorite Origins," *Rice University Department of Geology Special Paper*, 74 p.

Campbell, M. D., 1971, "A Preliminary Evaluation for Uranium of the Green River Utah Project," Consulting Report: United Resources (private distribution), 44 p., 20 figs., 10 refs. (unpubl.)

Campbell, M. D., 1970, "Preliminary Recommendation Report on the Uranium and Other Mineral Potential of Pennsylvania," Pa. Report No. 2, Stage II Evaluation, United Nuclear Corporation, 80 p., 19 figs, 3 plates, 2 tabs., 37 refs. (unpubl.).

Campbell, M. D., 1970, "Final Reconnaissance Report on the Uranium Potential of Ohio," Ohio Report No. 2, United Nuclear Corporation, 42 p., 8 figs., 7 tabs., 1 plate (unpubl.)

Campbell, M. D., 1969, "An Evaluation for Uranium of the Pidinga Lakes Area, South Australia," Consulting Report of Minoil, 65 p., 8 refs. (unpubl.)

Campbell, M. D., 1969, "Final Report on Undilla Basin Phosphate, Queensland, Australia, "Continental Oil Company of Australia, Minerals Exploration, 65 p., 1 fig., 5 tabs. 4 plates, 3 appen. (unpubl.) (see online I2M CV)

Campbell, M. D., 1969, "Analysis of Transportation, Water Resources, Multiple Product Recovery and Mining in Australia," Interim Phosphate Report No. 2, Australian Phosphate Project," Continental Oil Company of Australia, Mineral Exploration Division, 25 p., 15 figs., (unpubl.)

Pendry, G., (with technical support provided by Campbell, M. D.), 1969, "Report of Potash Potential, Carnarvon Basin, Western Australia," Continental Oil Company of Australia, Minerals Exploration Division, Sydney, 15 p., 6 figs., 3 tabs. (unpubl.)

Campbell, M. D., 1969, "Report on Preliminary Beneficiation Results: Undilla Basin, Queensland, Australia," Continental Oil Company of Australia, Minerals Exploration Division, 15 p., 6 figs., 3 tabs., see online I2M CV for CONOCO activities in Australia and Final Report.

Campbell, M. D., 1968, "Discovery of New Phosphate Deposits: Interim Phosphate Report No. 1: Northern Territory, Australia," Continental Oil Company of Australia, Minerals Exploration Division, 22 p., 3 tabs., 3 plates (unpubl.).

Mine Management

During the mid-1980's, Mr. Campbell provided technical, operational, financial and environmental management consulting for a heap-leach precious metal mine in Nevada. He served as part of a three-man matrix consulting management team that provided management consulting for operations and management of a multiple mine-central mill project with 35 employees and for the prime mining, crushing, hauling and agglomerating contractor with more than 30 employees.

Mr. Campbell's activities included:

1) management consulting for the start-up mine operations,
2) consulting on operational financial and accounting ($8 million cash flow/year),
3) consulting on company operating and hazardous material safety and bullion security policy development via personnel manual,
4) joint-venture representation with major mining companies,
5) development of economic modeling programs for detailed financial analyses of month-to-month economic conditions,

6) day-to-day monitoring of operational processes and hydrochemical data,

7) consulting on exploration programs and of land-acquisition projects,

8) conducted analyses of unsaturated flow in the heap-leach operations, and monitored solution chemistry, and

9) initiated ground-water monitoring programs and provided guidance in negotiations with BLM and EPA.

Applicable Mine Management Publications / Major Reports

Campbell, M. D. and J. D. King, 1988, Norse Windfall Mines, Inc. Personnel and Corporate Policy Manual, August, Eureka, Nevada, 30p.

Campbell, M. D., T. H. Foss and K. J. Buchanan, 1986, "Report of Investigations on the Preliminary Feasibility of Development of the Eureka Precious Metals Project, Nevada," a Campbell, Foss & Buchanan, Inc. Consulting Report (private distribution), 123p. (See Summary Report).

International Projects

Mr. Campbell spent his early professional years on projects in Australia, South East Asia and Micronesia, making trips to Japan, Hong Kong and Singapore as joint-venture project negotiation needs required. He has returned on occasions to present invited hydrogeological and water supply papers. Mr. Campbell has initiated or been associated with projects on mineral exploration, mining, and water supply and hydrogeological topics in the following countries: Australia, Canada, Chile, France, Honduras, Jordan, Italy (Sardinia), Liberia, Mexico, Niger, Sri Lanka, Sweden, South Africa, Sudan, and Tanzania.

Applicable International Publications / Major Reports

Campbell, M. D., and M. David Campbell, 2004, "Crisis Management: Ground-Water Supplies in the 21st Century," in *EnviroTechnology (Chinese)*, Vol. 1, Summer, pp 78-81.

Swartz, T. E., K. Mentesoglu, M. D. Campbell, and O. Akkol, 1991, "Turkey: Ground-Water Issues in a Country with a Developing Economy" in *Proc. Fifth National Outdoor Action Conference on Aquifer Restoration, Ground Water Monitoring, and Geophysical Methods, AGWSE Conference*, May 13-16, 1991, Las Vegas, Nevada, pp 165-174.

Larsson, I., M. D. Campbell, et al., 1984, *Ground Water in Hard Rocks (Igneous and Metamorphic Rocks*), United Nations (UNESCO) and the Swedish International Development Authority (SIDA), 450 p.

Campbell, M. D., 1984, "Preliminary Evaluation of the Minera Guayape, S.A. Precious Metal project, Honduras, a Campbell, Foss and Buchanan Consulting Report (private distribution), 10 p., May

Campbell, M. D., 1984, "Preliminary Evaluation of the Aqua Fria Precious Metal Project, Honduras," a Campbell, Foss and Buchanan Consulting Report (private distribution), 10 p., May.

Campbell, M. D., 1981, "Fundamentals of Water Well Technology, Well Maintenance and Well Economics as Applied to Ground Water Development in Igneous and Metamorphic Rocks," in *Proceedings UNESCO African Regional Seminar on Ground Water in Hard Rocks*, Arusha, Tanzania, Sept. 14-Oct. 2.

Campbell, M. D., 1980, "Preliminary Investigations on the Uranium and Other Mineral Potential of Sudan," a United Resources International Consulting Report (private distribution), 19 p. (April).

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Campbell, M. D., 1979, "Practical Geological Guides for Drilling and Test Pumping in Igneous and Metamorphic Rocks," *in Proc. Inter-Regional Seminar on Ground Water in Hard Rocks, Coimbatore, India*, November 22-December 20, 1979, UNESCO/SIDA/CGWB/TNAU, 24 p.

Campbell, M. D., 1979, "Preliminary Evaluation of Selected Oil Shale Resources in Jordan, "a Keplinger Consulting Report for the World Bank, 10 p., November.

Campbell, M. D., et al., 1979, *A Review of the United Nations Ground-Water Exploration and Development Programme in Developing Countries, 1962-1977*, United Nations, Natural Resources, Water Series No. 7, ST/ESA/90, New York, 84 p.

Campbell, M. D., 1977, "Water Well Technology for Ground-Water Development and Production in Igneous and Metamorphic Rocks," *Proc. United Nations International Seminar on Ground Water in Hard Rocks, Stockholm-Sardinia*, September 22-October 7, 61 p.

Campbell, M. D., 1976, "Mineral Exploration and Development Program in the Republic of Niger, Africa," a Keplinger Consulting Report (private distribution) 22 p., November.

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Campbell, M. D., 1969, "Final Report on Undilla Basin Phosphate, Queensland, Australia," Continental Oil Company of Australia, Minerals Exploration, 65 p., 1 fig., 5 tabs., 4 plates, 3 appen. (unpubl.) see online I2M CV.

Campbell, M. D., 1969, "Analysis of Transportation, Water Resources, Multiple Product Recovery and Mining in Australia," Interim Phosphate Report No. 2, Australian Phosphate Project, Continental Oil Company of Australia, Mineral Exploration Division, 25 p., 15 figs. (unpubl.)

Pendry, G., (with technical support provided by Campbell, M. D.), 1969, "Report of Potash Potential, Carnarvon Basin, Western Australia," Continental Oil Company of Australia, Minerals Exploration Division, 15 p., 6 figs., 3 tabs. (unpubl.)

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Campbell, M. D., 1968, "Discovery of New Phosphate Deposits: Interim Phosphate Report No. 1: Northern Territory, Australia," Continental Oil Company of Australia, Minerals Exploration Division, 22 p., 3 tabs., 3 plates (unpubl.).

Other Subsurface Investigations

Mr. Campbell also has conducted a number of other scientific, geologic, hydrogeologic and geotechnical investigations involving: growth-fault investigations, remote subsurface data acquisition technology development, technology transfer, human toxicology, moon-earth-meteorite potassium-uranium systematics, paleoenvironmental and diagenetic processes in the subsurface, injection well design and operation, oil shale, sand and gravel-reserve assessment and preliminary development feasibility, geologic assessment of cavern integrity and injection operations at Strategic Petroleum Reserve Sites in Texas, and subsurface structural traps for oil and gas. Mr. Campbell has a strong interest in the industrialization of space for the purpose of development off-world natural resources:

Significant Uranium and Other Discoveries on the Moon May Indicate New Space Race is Afoot (PDF)
Campbell, M. D. and W. A. Ambrose, 2010
Press Release (with Details) April 16

Role of Nuclear Power in Space Exploration (3.85 Mb PDF)
Contributions from the EMD Uranium (Nuclear Minerals) Committee
Michael D. Campbell, P.G., P.H., (Chair) Houston;
Jeffery D. King, P.G. (Associate) Seattle;
Henry M. Wise, P.G. (Member)

Houston; Bruce N. Handley, P.G. (Member) Houston; M. David Campbell, P.G. (Associate)
Houston

Developing Industrial Minerals, Nuclear Minerals and Commodities of Interest via Off-World Exploration and Mining
Campbell, M. D., B. Handley, H. M. Wise, J. D. King, and M. David Campbell, 2009. Paper/Poster at the Conference of the American Association of Petroleum Geologist (AAPG), Energy Minerals Division Sessions, June 9, Denver, CO., 27 p.

Hydrogeological / Environmental Investigations

In the early 1960's, Mr. Campbell was selected as Undergraduate Research Assistant in the Department of Geology, The Ohio State University and subsequently worked on one of the first long-term, systematic ground-water contamination investigations involving oil-field pollution by open brine disposal pits in Ohio and on early modeling of the associated ground-water flow behavior under Dr. Wayne A. Pettyjohn and others.

In 1966, Mr. Campbell joined Continental Oil Company (CONOCO), Minerals & Mining Group in Sydney, Australia working on mineral exploration, mining and associated ground-water supply projects. He served as an Invited Visiting Lecturer, University of Queensland (now James Cook University), lecturing on the principles of hydrogeology. After returning to the U.S., in the early 1970's, Mr. Campbell organized the National Water Well Association's Research Facility becoming its first Director of Research in Ohio and then at Rice University, Houston. Over the period of 1971 to 1976, Mr. Campbell provided technical seminars on hydrogeology for numerous universities and for the US E.P.A. He also served as Technical Consultant to the *Water Well Journal* and as Abstract Editor for the journal: *Ground Water*. During the period, Mr. Campbell managed numerous Association and EPA projects and programs dealing with hydrogeology and shallow drilling, shallow well design, construction, operation and maintenance, injection well, technical education and industrial contamination assessment, providing the early guidance to EPA personnel on ground-water sampling, monitoring well construction protocols and hazardous-waste spill response strategy for subsequent RCRA and CERCLA activities. He also consulted for a number of companies to evaluate gold, silver, and uranium prospects.

In 1975, he received The Ohioana Book Award in Science for the text: *Water Well Technology* (McGraw-Hill). Mr. Campbell was appointed as United Nations Technical Expert to review overseas ground-water programs for the period: 1976 to 1981. While at Rice University, he also conducted graduate fellowship research on a variety of subjects and taught courses in hydrogeology and economic geology. Mr. Campbell and his team provided substantial input for the EPA-sponsored *National Ground Water Information Center Data Base* presently operated by the NWWA. He served as an Editor or as a member of the Editorial Board of the journal: *Ground Water* from 1964 to 1978. During the period, he conducted numerous consulting geotechnical investigations and served as an invited technical expert and lecturer for the United Nations and UNESCO sponsored projects on world-wide ground-water exploration and development in igneous and metamorphic rocks in: Sweden, Italy (Sardinia), India, and Tanzania. Among the hydrogeological consulting projects conducted during the early 1980's, Mr. Campbell completed a series of investigations for a major geotechnical consulting firm on gasoline leaks in and around service stations in Texas.

With Campbell, Foss and Buchanan, Inc. (CF&B), he initiated an evaluation of vadose flow of cyanide solutions of a heap-leach precious metals mining project (see abstract). A long-term monitoring program was established for evaluating flow and hydrochemical behavior, and for providing data for optimizing process control, and for regulatory monitoring purposes. C,F&B conducted numerous projects in the U.S. and overseas. During the period, Mr. Campbell provided senior technical review and consultation for hydrogeological and hazardous waste projects associated with lignite mining (mine dewatering) and chemical plants performed by other geotechnical consulting groups in the south-central and northern United States.

While with Law Engineering, Inc., he was promoted to the company's highest technical position in the discipline as Corporate Hydrogeological Consultant (aka Chief Hydrogeologist), the first such designation in the company's 42-year history. He provided direction and technical support to Law Engineering's 52 offices through the U.S. and overseas. Mr. Campbell served in a similar capacity with ENSR Consulting and Engineering, and in industry, with DuPont Environmental. After leaving Dupont, he spent 17 years as a consultant providing consultation on mineral prospect evaluations, waste management, characterization, remediation, water supply projects, technical training, litigation support and expert witness testimony on hydrogeology, the National Contingency Plan, and related subjects (see Mr. Campbell's litigation summary). In early 2010, he joined I2M Associates, LLC, based in Seattle, with an office in Houston.

Hydrogeological / Environmental Publications
Major Reports, Publications and Presentations
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Management of Geothermal Exploration and Development Projects

In 1976, Mr. Campbell conducted extensive investigations on the potential geothermal value of selected properties in Dixie Valley, Nevada for a series of clients. Based on the available geological, geophysical, and hydrogeological data, Mr. Campbell recommended further investigations and a preliminary drilling and hot-spring sampling program. Results indicated favorable conditions existed in the subsurface complex of Basin-and-Range geologic structures. Additional federal lands were acquired by the client in Dixie Valley and other geothermal companies became interested in the area. Deep exploratory drilling began and significant discoveries of high temperature, liquid-dominated geothermal energy reservoirs were identified. Economic analyses were conducted on behalf of the client to establish land values for possible buyout or merger with other geothermal companies. The client subsequently sold its interests. Dixie Valley geothermally generated power plants went on stream in 1987 and is producing electricity for the Nevada-California power grid on a regular basis.

Mr. Campbell conducted a series of additional geologic, hydrogeologic and economic investigations for a number of geothermal companies in the western US. He continues to monitor industry activities.

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Management of Coal / Lignite Exploration and Development Projects

In the mid-1970's, Mr. Campbell initiated and managed the lignite exploration activities for General Crude Oil Company (Div. International Paper, Inc.) in Arkansas, Texas, Mississippi and Alabama. Subsequent consulting assignments on coal and lignite in the 1970's and 1980's involved: exploration programs, preliminary mining feasibility studies, detailed reserve analyses, property evaluations, and mining operations assessment and evaluation.

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Houston Seattle

Curriculum Vitae

Jeffrey D. King, P.G.
President and Senior Program Manager
I2M Associates, LLC
Seattle Office
Telephone: 713-807-0021
Cell Phone: 713-248-1708
Fax: 713-807-0985
Email: JDKing@I2MAssociates.com

Online: Summary (Here)

Education

1979, B.A. in Geology, Western Washington University, WA

Summary of Experience

Mr. King has over 25 years of technical and managerial experience in the natural resource field. Mr. King has extensive experience in developing successful regulatory- and landowner-negotiation and public-relations programs, has conducted or directly managed all aspects of site permitting, and has been involved in the financial and technical evaluation of mining properties for a major mining company and other projects. He has also founded, developed and operated two successful companies. He is licensed as a Professional Geologist in the State of Washington (#1727).

Mining Experience

Mr. King developed mining process expertise in the late 1970's and early 1980's. During this time he worked for Companies such as Bethlehem Copper, Union Oil (MolyCorp) and the mining consulting firms for Watts, Griffis and McOuat and Campbell, Foss and Buchanan, Inc. including gold mining and gold placer evaluation in the lower states and in Alaska. In 1984, Mr. King was named mine manager of a gold and silver mine in Nevada. He served in that capacity until 1986 when he was named Vice President of Operations.

Selected technical presentations on uranium by Mr. King are cited below:

Campbell, M. D., J. D. King, H. M. Wise, R. I. Rackley, and B. Handley, 2009 "The Nature and Extent of Uranium Reserves and Resources and Their Environmental Development in the U.S. and Overseas," AAPG – Energy Minerals Division 2008 Report, revised for publishing in AIPG's *The Professional Geologist*, Vol. 46, No. 5, September/October, pp. 42-51 - Peer Reviewed. (Click here)

Campbell, M. D. and J. D. King, 2009, "AusPotash Corporation Project: Adavale Basin, Queensland, Australia, NI 43-101 Report, by M. D. Campbell and Associates, L.P., Houston and Seattle, July 8, 113 p. (Click here).

Campbell, M. D., J. D. King, *et al*., 2008, "The Nature and Extent of Uranium Reserves and Resources and their Environmental Development in the U.S. and Overseas", *Proc. Conference of the American Association of Petroleum Geologists (AAPG), Energy Minerals Division,* April 23, San Antonio, Texas, 14 p. (PDF).

Campbell, M. D., H. M. Wise, and J. D. King, 2008, "Nuclear Fuel Exploration, In Situ Recovery, and Environmental Issues in Context with the National Energy Needs through Year 2040", *Proc. Texas Commission on Environmental Quality Conference and Trade Fair*, April 30, An Invited Presentation, Austin, Texas (PDF).

Environmental Experience

Between 1990 and 1998 Mr. King worked for the DuPont Company directing environmental projects in Washington, Oregon, Alaska and British Columbia, Canada. In 1998, Mr. King formed Pacific Environmental and Redevelopment Corporation to focus on large-scale projects involving the redevelopment of formerly contaminated properties. In completing these projects, Mr. King has developed or managed a team of resources and associates with experience ranging from environmental sciences to master-planned community and golf-course construction.

One such environmental project managed by Mr. King involved the environmental clean-up of an industrial site south of Tacoma, Washington. Once the contaminants were removed, Mr. King oversaw the construction of a golf course followed by the construction of quality homes. The golf course was completed in 2006 and has just won the "Top Ten New Courses in the World" Award for 2007, given by *Travel and Leisure Golf Magazine* (See Announcement (CV).

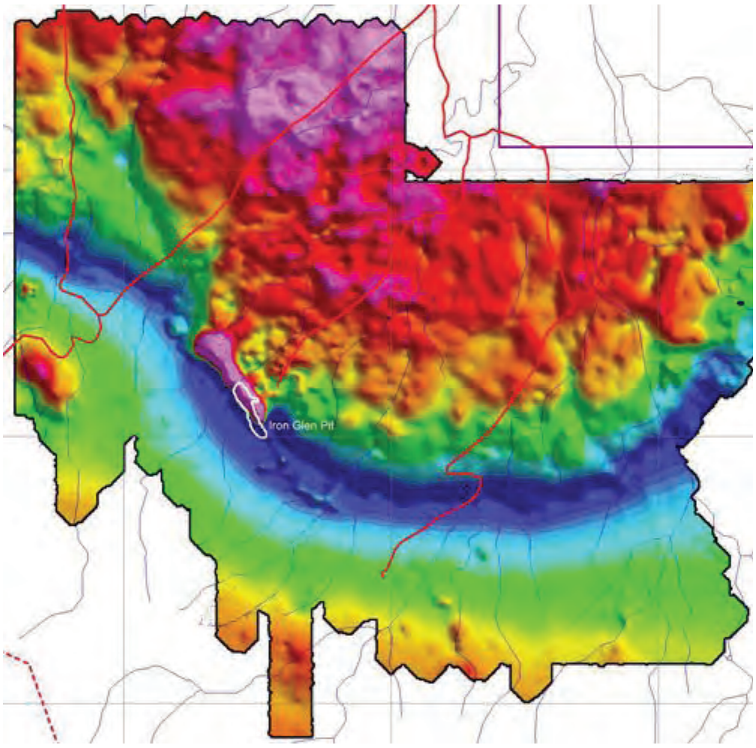
In late 1990, he served with M. D. Campbell and Associates, L.P. as a Senior Program Manager. In 2010, he formed I2M Associates, LLC and presently serves in a management role for the company as President and Senior Project Manager, and in a variety of other management functions, including corporate oversight, project management and assessment, property evaluations, and field investigations of mining and large environmental projects.

xxx

Iron Glen Project:
Northeast Queensland, Australia
Competent Persons Report (CPR)

for:

Allenby Capital Limited
Strategic Minerals plc
London, England



By

Michael D. Campbell, P.G., P.H.
and
Jeffrey D. King, P.G.

I2M Associates, LLC
Houston, Texas and Seattle, Washington

May 2, 2011
Version 1.7