

7.2 Indicated Resources:

7.2.1 C1-Lens:

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|--------------------------|---|
| Resource Estimate | 3,730,000 tonnes |
| | 44.76 MgO |
| | 2.53 CaO |
| | 0.82 SiO₂ |
| | 0.59 Fe₂O₃ |

C1-Lens is interpreted as the stratigraphically lowest high-grade magnesite lens, lying close to the footwall of the Carbonate Sequence.

The resource falls into two blocks between Sections 1260 N and 1800 N, and between 2100-1800 RL.

The two blocks are stratigraphically connected by similar quality magnesite which is interpreted as not meeting the minimum 10 m horizontal width criteria. However, in a mining operation they would probably be mined as one, thereby increasing the resource tonnage available.

The lens also stratigraphically continues south of the south block, but drilling to date suggests the CaO content is generally 3-5% CaO with only patches <3% CaO; eg, A-Lens.

The south block of Lens C1 is defined by MC 30, 51, 44 and influenced by MC 34, 48A, 38 and 52.

In MC 30, three adjacent high grade units have been combined by including intervening magnesite which was >40% MgO >3% CaO. This was done because in a practical mining sense it **may** not be possible to exclude such material. The resultant bulked intersection was <3% CaO.

Similarly, in MC 44 two high grade lenses were bulked by including intervening >3% CaO magnesite.

The northern block of Lens C1 is defined by MC 31, 46, 47, 49. In MC 46, 47, 49 there is an additional lens of high grade magnesite of similar size and grade to C1 lying in the immediate FW of C1. This lens is shown on drawings as **Lens C and has not been included in the resource estimate.**