

7.4 Resource Potential:

In addition to the above estimated indicated resources and non-estimated inferred resources, there exists substantial potential to define additional resources.

Potential resources may exist in two principal ways:

- as extensions of the major resources lenses
- as large areas of +3% CaO adjacent to the major resource lenses

Potential extensions to the major resource lenses exist in the following areas:

- north along strike of C-Lens
- down-dip extension of C-Lens north block below 1900 RL
- down-dip extension of D-Lens below 1800 RL
- down-dip extension of E-Lens below 1900 RL
- south along strike of E-Lens
- down-dip extensions of B-Lens below 2000 RL in the south and below 1900 RL in the north

If the grade parameters on which the lenses are defined are relaxed so that magnesite >40% MgO, >3% CaO is included, then there is potential to substantially increase resources.

Most of the indicated resource lenses are grade defined; ie, their margins are not defined by geology but rather by grade. They are typically either flanked or separated by substantial widths of magnesite in the 3-5% CaO range. If this material was included in the resource, either as stope dilution or as additional resources, then the total resources would increase significantly.

Further, the inclusion of such material would permit a range of other stoping options and mining methods to be considered.