

Memorandum

6 August 2008

To: Ali Obaid, Manasia Mining and Metals Ltd
From: David O'Connor

Re. Meeting with Kate Godber of Mitre Geophysics Pty Ltd

I met with Ms Kate Godber of Mitre Geophysics Pty Ltd at the DMR library Hobart on 15 July and briefed her on Manasia's Vale River and Whyte River ELs. I presently have by e-mail her Draft report with accompanying colour figures and have requested that she provides you with a hard copy of the final version (signed off by her as is normal industry practice) which includes colour prints of the accompanying figures.

Ms Godber is approx 28 years old and not as experienced as I had hoped, however, my enquiries at the DMR had indicated Mitre Geophysics to be the only exploration geophysical consultants resident and available for work in the State. She was recommended to me by Dr John Bishop (formerly head of Mitre Geophysics and now Managing Director of listed Icon Resources Limited) who said he informally supervises her, although I did not see any involvement by him in Ms Godber's report preparation where it would have been beneficial.

Ms Godber's involvement was especially useful in her having loaded on a laptop the software package MapInfo that incorporates EL outlines (apparently updatable), geology, mineral prospects and occurrences, magnetics and gravity. It is from this that the colour figures of her report are produced.

Follow my comments on our discussion and her report on the ELs.

EL 33/2005 (Vale River)

The MapInfo package produced an excellent copy of the broad geology with respect to the EL outline (Figure 5) which with some added identifying details (a title and geological key) should be acceptable for inclusion in a prospectus.

Figure 6 showing Total Magnetic Intensity is a good guide to magnetically responsive geological units and trends.

The EL can be treated in three sectors: north of the Cradle link road taking in Mariner 5 and 7 anomalies, central sector (Back Peak) south of the Cradle link road to Mt Remus taking in Speeler Creek-Carter's-Heap of Rocks prospects, and southern sector on the Block Sheet which includes some low order geophysical anomalies to the west and north-west of Mt Romulus.

My earlier suggestion of considering a relatively simple and straightforward seismic survey to investigate the thickness of basalt concealing a possible source for Mariner 5 geochemical anomaly was not thought feasible because of the known refractive behaviour of fractured basalt elsewhere. On raising the alternative of attempting induced polarisation surveying irrespective Godber pointed out that the technique was considerably more powerful and penetrative than was the case when some incomplete surveying was done over 20 years ago. In view of this improvement I am of the opinion that IP surveying to delineate granite-related Sn-W (and/or possibly Pb-Zn) target(s) for drill testing would be a worthwhile approach.

At Mariner 7 the previously unresolved Dighem II anomaly 220B in a favourable geological setting continues to have interest and it is considered that resurveying using a modern airborne EM system such as VLF-EM time domain with exact GPS control is warranted. The target mineralisation here would be a massive sulphide Cu-Pb-Zn deposit.

An alternative to the fill-in IP lines at Carter's and Heap of Rocks of the central sector I recommended in my report of 9 January, 2006 would be to fly modern EM extending from the Cradle link road south to the Mt Remus – Cradle National Park boundary, a distance of 10 km. Such a survey would conveniently take in the favourable Cambrian volcanoclastics as well as the Bond Range Porphyry on the western side. It is considered that with a contractor engaged to resurvey Mariner 7 it would be convenient for the publicly listed and funded Manasia to carry out this airborne survey in the same campaign. The previous exploration results represent a valuable data set for interpreting a new survey. It may be possible to drill test anomalies after only a little ground geophysics (IP not required?) and geochemical follow-up.

The southern sector of the EL does not look to be nearly as encouraging as the northern sectors. There is no good rationale for extending the aerial survey through this area since the Bonds Range Porphyry is not underlain by volcanoclastics and the BRP itself is not considered to be sufficiently prospective in its own right to warrant the survey.

EL 9/2006 (Whyte River)

The EL is in two portions: an eastern portion which includes the Whyte River iron occurrence and the small Godkin – Discoverer – Bell's Reward lead-zinc deposits; and a western portion which has the Mt Youngbuck scheelite prospect practically on its western boundary. These have been described by Simon Tear in his notes on ERA 655 (I don't have a date) and his detailed remarks are not duplicated here.

The MapInfo software package is very valuable in showing magnetics response over the EL (Figures 7 & 8) including the northern half of the western portion for which no mapping is available (the Savage River 1:25,000 geology sheet has not yet been produced, however the Corinna 1:50,000 sheet does show geology 4 km further north than does the Meredith 1:25,000 sheet). However, I am unclear whether it incorporates the helimag 50m line spacing exploration survey results referred to in the ERA 655 notes or represents only the results of the regional 200m line spacing airborne survey (Godbers's original brief was to investigate the area covered by the 50m line spacing survey and to identify discrete anomalies).

The Whyte River iron occurrence adjacent to the Meredith Granite is mapped as a skarn deposit and Godber recommends some ground magnetometry to delineate its extent. I recommend it first be ground mapped and sampled/analysed for a range of metals including Fe, Sn and W. I consider the Pb-Zn zone from Godkin to Bell's Reward to be only a low priority at this time since the mineralisation style and small scale of the known lodes are limiting factors.

The magnetic signature of the basic/ultrabasic sequence north of the Pb-Zn prospects (Fig 7) is quite different from the Heazlewood complex to the north-west in Bass Metals ground and it is not thought to rate as highly for Avebury-style nickel at this time although it presumably cannot be discounted for platinum group possibilities.

On the western boundary of the western portion of the EL the Mt Youngbuck scheelite prospect in Precambrian dolomite apparently continues into Manasia's ground on a SSE trend although the magnetics indicates only to a limited extent. A detailed appraisal needs to be

made of Aberfoyle's exploration results, although testing by two drillholes of what looks to be a prospect of limited size would perhaps have been rather comprehensive.

The mapped dunite-harzburgite ultrabasic embayment within the northern margin of the Meredith Granite is the source of platinum in the Ramsays alluvial workings and so has interest for hard rock PGE possibilities. The magnetic expression is dissimilar to the ultramafics to the north however the petrology and close proximity to the granite suggest it could host remobilised sulphide mineralisation.

In the northern sector of the western EL portion for which mapping is not available there are some distinctive magnetics along a north-western extension from the ultramafic embayment (Figs 7 & 8). It is recommended that reconnaissance geological mapping be carried out on several traverses in order to relate the ground geology to the magnetics responses, followed by soil geochemical sampling based on the mapping control. In the far north there are two discrete and isolated magnetic anomalies closely adjacent to the Waratah – Savage River road. These appear to be quite interesting although there needs to be checking done at Hobart for any past exploration having been carried out on them.

I will put a couple of sketch plans in the mail which illustrate some of these points better.

Signed:

David O'Connor