Ore Reserve Statement for the Bold Head Orebody

18 May 2010

Prepared for: King Island Scheelite Project

A.D.Fudge
Polberro Consulting
PO Box 130, Wynyard,
TAS, 7325

Executive Summary

The following ore reserve report has been produced to determine the ore reserve that may be estimated for the purpose of underground mining of the Bold Head orebody at the former Peko Wallsend Bold Head Mine.

The reserve has been produced from underground 3D models of the former mine openings that were produced by digitising old survey paper plan data. Fault and ore lens models have been produced by similar means. A digital resource model produced by Tim Callaghan of Resource and Exploration Geology was used as the Resource base for the estimation.

The reserve estimate is based upon the use of “cut and fill” and benching mining methods as previously utilised at the mine with some pillar recovery towards the end of mine life. The majority of the ore will be recovered from development based CAF and non-fill mining 59%, bench stoping 27% and pillar recovery 14%.

With the exception of mineralisation below 860m RL most of the remaining reserves have some form of access and development requirements to access the reserves are minimal.

The lower grade of the Bold Head resource indicates it is improbable that a stand alone underground operation could be viable at Bold Head and thus it does not represent a mining reserve in isolation.

The Bold Head mineralisation however does demonstrate a capacity to add value to a project which includes the Dolphin Orebody by adding revenue base to a project where Mill and Site development costs have been covered by the major production source. Given this *proviso* the Bold Head mineralisation meets the economic criteria to be classified as a reserve.

The ore reserve thus estimated for the Bold Head contains a total of: -

609,000 tonnes at 0.76% WO_3 464,000 mtu’s (Probable)

Table of Contents

1. Introduction

This report presents an estimate of the ore reserve that could be anticipated from an underground mining operation at the former Bold Head Mine on King Island. The mining methods assumed are development based cut and fill and room and pillar mining with some benching and ultimately some pillar recovery.

2. History

A number of mining methods were previously practiced at the Bold Head Mine as follows: -

Mechanised Room and Pillar

Larger span sections of the orebody that were less than 5m in thickness were mined by a simple development based Room and Pillar extraction of the ore body with permanent pillars left to support the remaining back profile. No back cable support was utilised.

Mechanised Cut and Fill

Larger span sections of the orebody that were thicker than 5m were mined by simple cut and fill maintaining post pillars if required to support local backs. No back cable support was utilised.

Airleg –Cavo Cut and Fill

Small steeply dipping high grade ore pods and chimneys were mined utilising airleg mining techniques and an entrapped air operated *Cavo* loader. As each horizontal cut was mined it was filled before mining the next “lift”. Access to the stope was by laddered raise and the ore was collected at the bottom of the stope via an ore pass. No back support was utilised excepting for local spot bolting.

Airleg – Room and Pillar

Flatter dipping sections of the orebody were mined by air leg utilising scrapers through channels and raises to return the mined ore to a gathering position for loading to a truck leaving either local post pillars or elongated rib pillars. No back support was utilised.

The methods were highly selective but, airleg stopes in particular, were associated with lower productivity and most methods incorporated some loss of ore in permanent pillars.

3. Geology

The Bold Head orebody is a shallow dipping skarn deposit (N-S) consisting of three to four repeating layers of skarn mineralisation typically up to 25m thick. The economic component of each skarn unit consisting of relatively thin layers of higher grade material on the upper and lower margins of the unit typically called Upper and Lower contact ore.

The skarns appear as a halo above the granite and consist of two main lenses (B & C) which are repeated through low angle faulting to appear in section as 3 or 4 mineralised units. To the west the orebody terminates on the granite (adamellite) whilst to the east the orebodies terminate at the Boundary Fault. To the East of the Boundary Fault there is an up thrown quartzite sequence in which the mine access decline is sited.

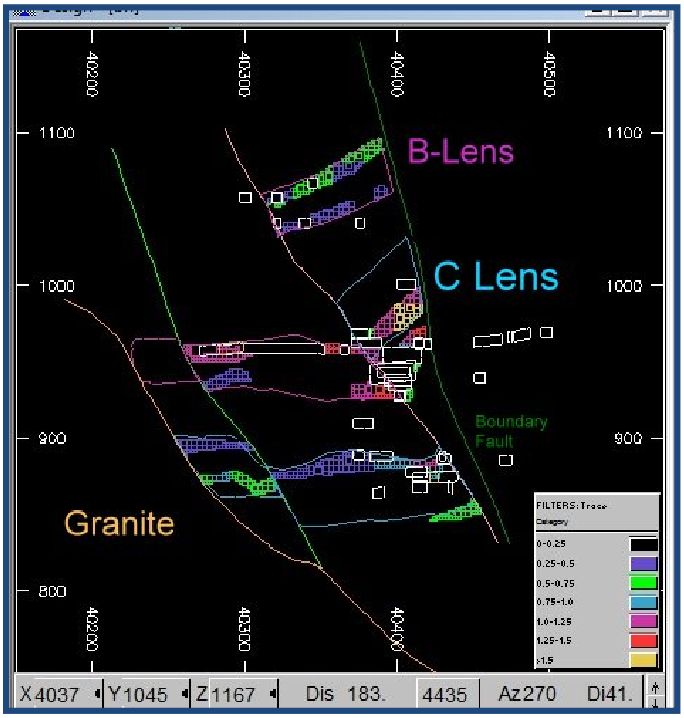

Figure 1: Bold Head West-East Section

Between the Granite and the Boundary Fault the orebody is typically broken into three components by further internal faulting (Western Fault, No 2 Fault). There is some thickening and enrichment of the ore zone adjacent to the No 2 Fault.

The ore horizons lie in a 150m wide West to East zone and dip at 25 degrees from the North (near to the surface) to the South over 600 metres to a depth of 320m below the surface.

4. Mining Method

It is proposed that the following mining methods be utilised under the circumstances described.

Room and Pillar Stoping – The flatter lying sections of the orebody that are 5m or less in thickness would be mined by development based room and pillar mining methods. The recovery for the method varies between 70 and 80% whilst dilution ranges from 20-30%. Dilution consists of waste and low grade mineralised skarn.

Cut and Fill Stoping – Mechanised, development based, Cut and Fill stoping would be practiced where the orebody is greater than 5m in thickness. Pillars would be utilised where spans exceed 8m. The recovery for such methods would vary between 70 and 80% with dilution ranging from 20-30%. Dilution consists of fill, low grade skarn mineralisation and a small amount of waste.

Bench Stoping – Where the orebody geometry permits (either through steepness or thickness) bench stoping would be performed as either of uphole or down hole bench stoping with down hole benching the preferred method. Bench stopes would be filled prior to mining further bench stopes within 15m of the sidewalls of any stope. The recovery for such methods at Bold Head would average 80% with dilution ranging from 20-25% with the dilution composed of fill, low grade mineralisation and unplanned waste dilution.

Pillar Stoping – Many pillars have been left – most particularly in the B Main Lens unit which could be recovered towards the end of mine life. For this reserve estimate it has been assumed that a development based pillar wrecking campaign would be effective in pillar recovery without causing significant ground failure and dilution. Pillar Recovery is estimated at 80% of the areas deemed viable for pillar recovery at dilution levels of 20%. Dilution would consist of the low grade mineralisation and waste required to be extracted effectively extract the pillar.

5. Geological Resource

The Mineralised resource for the Bold Head orebody was prepared by Resource and Exploration Geology IN 2009. The model generated utilised geological domain grade control of the resource by definition of 15 separate domains. The resource was presented at cut off's of 0.25% and 0.5% to reflect the options of open cut and underground mining that were under consideration at the time of generating the following resource estimate.

Table 1: Resource Estimate at 0.25 & 0.5% WO3 cut off (Callaghan 2009)

Classification	**0.50% WO3 cut off**		**0.25% WO3 cut off**	
	Tonnes	WO3 %	Tonnes	WO3 %
Indicated	1,500,000	0.93	2,300,000	0.73
Inferred	140,000	1.22	170,000	1.13
Total	**1,650,000**	**0.96**	**2,470,000**	**0.76**

The digital resource model *bh025bmd* represents the global mineral base from which a minable resource and a mining reserve were estimated in this report.

6. Mining Reserve Estimation

The Bold Head mine reserve estimate was prepared by developing perimeter sets for individual stopes or mining zones at 2.5m intervals on North-South sections.

The perimeter sets were designed to represent realistic mining shapes principally containing mineralisation above 0.7% WO3 within each of the 15 modelled domains.

This method was utilised for the following reasons: -

- To remove isolated units of mineralisation that would otherwise be processed in a global model evaluation.

- To remove mineralisation that could not reasonably be expected to be mined because of its location beneath or immediately adjacent to old filled stopes

- To separate and, include or exclude, mineralisation contained in pillars that may or may not be recoverable.

Failing to address the above could lead to significant reserve overestimation, most particularly in the case of previously mined deposits, if not appropriately considered.

The perimeter sets were processed into wireframes using Datamine Studio 2 software to produce a minable resource of undiluted tonnes within the mining shapes. The data was entered into a spreadsheet format and appropriate recovery and dilution factors were applied to estimate an ore reserve.

The ore categorisation of the mining reserve is “Probable” as the resource model contains principally “Indicated” category resources. The Mining Reserve (see Table in Appendix 1) estimate may be summarised as follows: -

Table 2: Mining Reserve Estimate Bold Head Mine April 2010 (*bh025bmd*)

Item	Tonnes	WO3	Mtu's	Category
Global Resource	2,300,000	0.73	1,679,000	Indicated
Minable resource	618,500	0.95	586,000	Indicated
Mining Reserve	609,000	0.76	464,000	Probable

Minable resource & reserve based on 0.7% WO3 perimeter definition

As a final check the reserve was compared to the previous 1981 estimate to compare outcomes, recovery and dilution factors etc. (Appendix 2 – 1981 Reserve Estimate)

The minable resource estimate presented in Table 3 is significantly less than the global resource because mineralisation in outliers, unrecoverable pillars, immediately adjacent to old filled workings and that sterilised by previous mining practices has been discounted from the global resource.

Former reserve estimation practice was to operate on a global resource that was reduced by a ''minability'' factor before applying recovery and dilution factors – the practice in this estimate of defining the minable component of the digital resource model as a physical shape is a far more accurate procedure both in terms of tonnage and spatial grade definition.

Some of the old reserve data indicated elevated dilution rates compared to those initially considered for this reserve estimate – in those instances an elevated dilution rate was used on the assumption that ground conditions may have played a role in the former estimation.

7. Statement of capability

This review has been undertaken by Alan Fudge, of Polberro Consulting. Alan Fudge is a qualified mining and geotechnical engineer with over 30 years experience of mining projects principally in Australia, UK and Zambia. He has extensive experience in the areas of reserve estimation, mining method selection, providing of mining and geotechnical technical support (for underground and surface mining operations), scheduling, mine design and project feasibility. He has been involved in all stages of mine development from feasibility to closure and has worked at both open-pit and underground mines including both Dolphin and Bold Head.

Alan Fudge is a Member of the AUSIMM and has prepared reserve statements as a competent person as defined by the 2004 Edition of the JORC code. He has worked on and produced reserve statements for tin, copper, nickel, zinc, lead, tungsten, magnetite, gold and uranium.

Limitations and consent

This report is provided to the King Island Scheelite Pty Ltd in the context of an Ore Reserve Statement conducted on behalf of KIS for the Bold Head Mine in conjunction with a viable Dolphin Mining project based upon the Dolphin Ore Reserve statement April 2010 and should not be used or relied upon for any other purpose.

The report has been prepared using information available to the author at the time of writing. The opinions stated herein are given in good faith and with the belief that the basic assumptions are factual and correct and the interpretations reasonable.

This report is not intended for use as a public document nor, in whole or in part, in a public document without written consent to the form and context in which it appears.

Statement of independence

Alan Fudge has no material interest or entitlement in the securities or assets of King Island Scheelite Pty Ltd or any associated companies.

8. References/Software

The following documents and data were referenced and form the principal basis for inferences drawn and recommendations made in this report. Only documents that could be studied and commented on within the time frame of this review are included and areas not covered by these reports and references have not been considered in this review.

1. Resource and Exploration Geology – Resource Estimate Addendum, July 2009
2. Resource and Exploration Geology – Digital Block Models *bh025bmd.dm, bh050bmd.dm*
3. Polberro Consulting - Independent review of Underground Mining at the Bold Head Mine on King Island April 2010
4. Processed using Datamine Studio 2
5. Bold Head Ore Reserve calculation sheets – S G Brown 1981, Internal Mine document

Appendix One

Ore Reserve Tabulation for
Bold Head Mine

Underground Ore Reserve Estimate
May 2010

Bold Head Ore Reserve Calculation Sheet - May 2010

																				Total		
																			608,940	0.76	463,703	
Orebody/Lens		Resource Base for Estimate						Location and Dimension							Reserve Estimation							
O/B	Lens	Vol	SG	Tonnes	WO3	mtu	Class	South	North	Lower	Upper	Dip	Height	PROP	Type	Rec	Dil	risk	Tonnes	Grade	mtu	Comments
Banded FW Beds(South)																						
BFB2579S	1	9992	3.354	33,513	0.767	25,705	1.83	10250	10340	795	820	90	25	1	PP	0.7	0.3	L	30,497	0.59	17,993	
Banded Fw Beds (Fault Block)																						
BFB4292S	2	2805	3.311	9,287	1.074	9,975	2.47	10420	10490	950	975	70	25	1	PP	0.7	0.3	L	8,451	0.83	6,982	
BFB5195S	2	1727	3.393	5,860	1.140	6,680	2.96	10515	10550	950	970	35	20	1	PP	0.7	0.3	L	5,332	0.88	4,676	
BFB6290S	2	3043	3.336	10,151	0.911	9,248	2.62	10620	10650	900	920	30	20	1	PP	0.7	0.3	L	9,238	0.70	6,474	
Boundary Fault Ore																						
BFT6003E	3	482	3.273	1,578	1.794	2,830	1.49	10600	10635	1030	1050	35	20	1	PP	0.8	0.25	L	1,578	1.44	2,264	
BFT5604S	3	7122	3.284	23,389	1.559	36,463	1.54	10560	10640	1040	1080	80	40	1	PP	0.8	0.25	L	23,389	1.25	29,170	
BFT6007W	3	219	3.367	737	3.760	2,773	1.85	10605	10625	1075	1085	20	10	1	PP	0.8	0.25	L	737	3.01	2,218	
B-Lens Fault Block																						
BLFB5005E	5	1573	3.068	4,826	0.946	4,565	2.52	10500	10540	1050	1070	40	20	1	PP	0.8	0.2	L	4,633	0.79	3,652	
BLFB4703S	5	2481	3.041	7,545	0.760	5,734	2.12	10470	10530	1030	1055	60	25	1	UHB	0.8	0.2	L	7,243	0.63	4,587	
BLFB5305W	5	1853	3.082	5,711	1.541	8,801	2.73	10530	10560	1055	1080	30	25	1	PP	0.8	0.2	L	5,483	1.28	7,040	
C-Lens Fault Block																						
CLFB3190S	6	548	3.304	1,811	0.884	1,601	2.43	10310	10330	890	900	20	10	1	PP	0.8	0.25	L	1,811	0.71	1,280	
CLFB3491S	6	1926	3.367	6,485	0.931	6,037	2.81	10340	10360	910	920	20	10	1	UHB	0.8	0.25	L	6,485	0.74	4,830	
CLFB3086S	6	4904	3.334	16,350	0.793	12,965	2.61	10300	10330	860	880	30	20	1	UHB	0.8	0.25	L	16,350	0.63	10,372	
CLFB3592S	6	1802	3.330	6,001	0.758	4,549	2.58	10350	10390	925	955	40	30	1	UHB	0.8	0.25	L	6,001	0.61	3,639	
CLFB3693E	6	5389	3.302	17,794	0.708	12,598	2.41	10360	10420	935	980	60	45	1	PP	0.8	0.25	L	17,794	0.57	10,079	
CLFB3893W	6	3600	3.351	12,064	1.082	13,053	2.72	10380	10430	930	965	50	35	1	UHB	0.8	0.25	L	12,064	0.87	10,442	
CLFB4999W	6	2001	3.356	6,715	0.899	6,037	2.74	10490	10510	995	1015	20	20	1	PP	0.8	0.25	L	6,715	0.72	4,830	
CLFB3996S	6	25067	3.372	84,526	0.975	82,413	2.83	10390	10550	960	990	160	30	1	UHB	0.8	0.25	L	84,526	0.78	65,930	
CLFB4798S	6	10355	3.369	34,886	1.008	35,165	2.81	10475	10560	985	1020	85	35	1	UHB	0.8	0.25	L	34,886	0.81	28,132	
B-Lens Main (Lower)																						
BML3288S	7	4446	3.073	13,663	1.078	14,728	2.59	10325	10400	885	925	75	40	1	PP	0.8	0.25	L	13,663	0.86	11,783	
BML4493S	7	2603	3.075	8,004	0.856	6,852	2.61	10440	10480	930	945	40	15	1	PP	0.8	0.25	L	8,004	0.68	5,481	
BML5396S	7	798	3.080	2,458	0.880	2,163	2.57	10530	10555	960	970	25	10	1	PP	0.8	0.25	L	2,458	0.70	1,730	
B-Lens Main (Upper)																						
BMU3793P	8	1437	3.068	4,409	0.836	3,686	2.52	10375	10405	930	945	30	15	1	PILL	0.8	0.2	L	4,232	0.70	2,949	
BMU4294P	8	332	3.071	1,020	0.878	895	2.56	10420	10430	940	950	10	10	1	PILL	0.8	0.2	L	979	0.73	716	
BMU4495P	8	749	3.059	2,291	1.034	2,369	2.39	10440	10455	950	960	15	10	1	PILL	0.8	0.2	L	2,200	0.86	1,895	
BMU3893P	8	4512	3.075	13,874	0.760	10,545	2.62	10380	10435	930	945	55	15	1	PILL	0.8	0.2	L	13,319	0.63	8,436	
BMU4294W	8	9503	3.057	29,051	0.893	25,942	2.36	10420	10480	940	965	60	25	1	PILL	0.8	0.2	L	27,889	0.74	20,754	
BMU4696P	8	5710	3.079	17,581	0.952	16,737	2.65	10465	10510	960	975	45	15	1	PILL	0.8	0.2	L	16,878	0.79	13,390	
BMU5498P	8	3193	3.081	9,838	0.964	9,483	2.71	10540	10580	980	995	40	15	1	PILL	0.8	0.2	L	9,444	0.80	7,587	
BMU5999P	8	351	3.077	1,080	0.919	993	2.66	10590	10615	990	1000	25	10	1	PILL	0.8	0.2	L	1,037	0.77	794	
BMU6100P	8	1411	3.072	4,335	0.995	4,313	2.57	10615	10650	1000	1015	35	15	1	PILL	0.8	0.2	L	4,161	0.83	3,450	
BMU6500P	8	1503	3.080	4,629	1.113	5,152	2.70	10650	10685	1005	1025	35	20	1	PILL	0.8	0.2	L	4,444	0.93	4,122	
BMU7303P	8	676	3.059	2,068	0.912	1,886	2.38	10730	10760	1035	1055	30	20	1	PILL	0.8	0.2	L	1,985	0.76	1,509	
C-Lens Main (Lower)																						
CLL3083E	9	7144	3.373	24,097	0.768	18,506	2.84	10300	10360	830	860	60	30	1	PP	0.8	0.25	L	24,097	0.61	14,805	
CLL3183M	9	2619	3.338	8,742	0.829	7,247	2.63	10315	10335	830	845	20	15	1	PP	0.8	0.25	L	8,742	0.66	5,798	
CLL3183W	9	1355	3.355	4,546	0.899	4,087	2.73	10315	10335	830	840	20	10	1	PP	0.8	0.25	L	4,546	0.72	3,270	
CLL4487S	9	3907	3.300	12,893	0.608	7,839	2.40	10440	10500	870	900	60	30	1	PP	0.8	0.25	L	12,893	0.49	6,271	
CLL5590S	9	2763	3.321	9,176	0.723	6,634	2.53	10550	10580	900	915	30	15	1	PP	0.8	0.25	L	9,176	0.58	5,307	
CLL5291S	9	11199	3.369	37,729	1.063	40,106	2.82	10525	10625	910	940	100	30	1	PP	0.8	0.25	L	37,729	0.85	32,085	
CLL6493R	9	505	3.372	1,703	0.833	1,418	2.83	10640	10660	930	940	20	10	1	PP	0.8	0.25	L	1,703	0.67	1,135	
CLL6694S	9	1387	3.320	4,605	1.121	5,162	2.52	10660	10685	945	965	25	20	1	PP	0.8	0.25	L	4,605	0.90	4,130	
C-Lens Main (Upper)																						
CLU4590E	10	4553	3.302	15,034	0.988	14,854	2.41	10450	10490	900	920	40	20	1	PP	0.8	0.25	L	15,034	0.79	11,883	
CLU4691W	10	461	3.344	1,542	0.892	1,375	2.66	10460	10490	910	920	30	10	1	PP	0.8	0.25	L	1,542	0.71	1,100	
CLU5191S	10	1146	3.344	3,832	0.774	2,966	2.66	10515	10555	910	940	40	30	1	PP	0.8	0.25	L	3,832	0.62	2,373	
CLU5693S	10	9815	3.357	32,949	0.907	29,885	2.74	10560	10600	935	955	40	20	1	PP	0.8	0.25	L	32,949	0.73	23,908	
CLU6396S	10	1441	3.332	4,801	0.753	3,615	2.59	10635	10665	960	970	30	10	1	PP	0.8	0.25	L	4,801	0.60	2,892	
B-Lens West (Lower)																						
BWL4694S	11	1464	3.078	4,506	0.766	3,452	3.08	10465	10510	945	965	45	20	1	PP	0.8	0.25	L	4,506	0.61	2,761	
C-Lens West (Lower)																						
CWL3784S	13	12108	3.312	40,102	0.952	38,177	2.47	10370	10440	845	880	70	35	1	PP	0.8	0.25	L	40,102	0.76	30,541	
CWL5493S	13	2636	3.330	8,778	0.891	7,821	2.58	10540	10580	930	950	40	20	1	PP	0.8	0.25	L	8,778	0.71	6,257	
Total				**618,563**	**0.947**	**586,080**													**608,940**	**0.76**	**463,703**	

Minable Resource | **Mining Reserve**

DILUTION IS WASTE ROCK, LOW GRADE ORE AND SANDFILL (WHERE PRESENT)
NOTE: MOST DILUTION WILL BE ORE

RISK IS TO RESOURCES FROM EXCESS DILUTION
RISK IS MITIGATED BY RECOVERIES USED

		R	D
RECOVERY	PP	0.8	0.25
AND	PILL	0.8	0.2
DILUTION	UHB	0.8	0.25

Risk Factors		Type
L	LOW	PP Post Pillar
M	MEDIUM	UHB Uphole Bench
H	HIGH	DHB Downhole bench
E	EXTREME	REM Remnant Stoping
		PILL Pillar Ore

Appendix Two

Bold Head 1981 Ore Reserve Calculation Sheets

16[illegible]0[illegible]1
93-3470

KING ISLAND SCHEELITE Pty. Ltd.
UNDERGROUND TECHNICAL SERVICES

ORE RESOURCE AND MINING RESERVE TABLE - BOLD HEAD OREBODY
31-07-81

LENS	SUBDIVISION	PROVEN				PROBABLE				POSSIBLE	TOTAL PROVEN PLUS PROBABLE				
		RESOURCE		RESERVE		RESOURCE		RESERVE		RESOURCE	RESOURCE		RESERVE		
A LENS	A LENS NORTH	75 000	0·92	50 500	0·80	NIL		NIL		NIL	75 000	0·92	50 500	0·80	
	A LENS WEST	MINED OUT		NIL		NIL		NIL		NIL	NIL		NIL		
	A LENS SOUTH	NIL		NIL		173 900	0·67	76 700	0·48	31 000	173 900	0·67	76 700	0·48	
	SUB-TOTAL:	75 000	0·92	50 500	0·80	173 900	0·67	76 700	0·48	31 000	248 900	0·75	127 200	0·61	A
B LENS MAIN	10 725 - 10 800 N	10 800	1·21	7 100	1·10	11 500	1·28	4 500	1·07	NIL	22 300	1·25	11,600	1·09	
	10 625 - 10 725 N	47 500	0·74	31 100	0·67	NIL		NIL		NIL	47 500	0·74	31 100	0·67	
	10 525 - 10 625 N	35 000	0·64	21 900	0·58	NIL		NIL		NIL	35 000	0·64	21 900	0·58	
	10 425 - 10 525 N	55 700	1·07	31 200	0·97	NIL		NIL		NIL	55 700	1·07	31 200	0·97	
	10 325 - 10 425 N	30 700	1·36	20 600	0·97	14 200	1·11	8 500	0·79	7 000	44 900	1·28	29 100	0·92	
	10 200 - 10 325 N	NIL		NIL		NIL		NIL		17 000	NIL		NIL		
	SUB-TOTAL:	179 700	0·96	111,900	0·82	25 700	1·19	13 000	0·89	24 000	205 400	0·98	124 900	0·83	B
B LENS WEST		6 200	0·71	NIL		55 500	0·82	26 400	0·68	NIL	61 700	0·81	26 400	0·68	B1
B LENS WEST LOWER		NIL		NIL		8 100	0·78	NIL		NIL	8 100	0·78	NIL		
B LENS EAST		13 100	1·06	NIL		1 900	1·17	NIL		NIL	15 000	1·07	NIL		
BOUNDARY ORE		5 100	0·92	4 000	0·84	10 200	0·83	7 300	0·75	NIL	15 300	0·86	11 300	0·78	C
FAULT BLOCK	B FAULT I	253 100	0·98	222 700	0·85	52 600	0·92	20 500	0·77	3 000	305 700	0·97	243,200	0·84	
	B FAULT II	168 400	0·82	141 700	0·75	10 600	0·74	3 400	0·62	NIL	179 000	0·81	145 100	0·75	
	SUB-TOTAL:	421 500	0·92	364 400	0·81	63 200	0·89	23 900	0·75	3 000	484 700	0·92	388,300	0·81	D
C_1 LENS	10 425 - 10 700 N	188 200	0·74	194 400	0·63	NIL		NIL		205 700	188 200	0·74	194 400	0·63	
	10 200 - 10 425 N	47 600	0·78	41 900	0·68	2 600	1·22	2 100	1·06	32 900	50 200	0·80	44 000	0·70	
	SUB-TOTAL:	235 800	0·75	236 300	0·64	2 600	1·22	2 100	1·06	238 600	238 400	0·75	238 400	0·64	E
C_2 LENS	10 525 - 10 700 N	106 700	1·08	88 700	0·94	NIL		NIL		NIL	106 700	1·08	88 700	0·94	
	10 200 - 10 525 N	20 000	1·00	16 300	0·83	184 200	0·84	125 300	0·70	78 900	204 200	0·86	141 600	0·71	
	SUB-TOTAL:	126 700	1·07	105 000	0·92	184 200	0·84	125 300	0·70	78 900	310 900	0·93	230 300	0·80	F
C LENS WEST		102 200	0·66	79 900	0·57	11 500	1·15	8 100	1·00	NIL	113 700	0·71	88 000	0·61	G
D LENS	D NORTH	36 100	0·93	33 900	0·72	5 200	0·99	3 200	0·76	NIL	41 300	0·94	37 100	0·72	
	D SOUTH	NIL		NIL		11 800	1·20	7 200	0·92	8 000	11 800	1·20	7 200	0·92	
	SUB-TOTAL:	36 100	0·93	33 900	0·72	17 000	1·14	10 400	0·87	8 000	53 100	1·00	44 300	0·76	H
BOLD HEAD TOTAL		1 201 400	0·89	985 900	0·76	553 800	0·82	293 200	0·67	383 500	1 755 200	0·87	1 279 100	0·74	

METHOD OF GRADE CALCULATION:
Polygonal method of weighted arithmetic means from plans - B Lens Main B Lens West, C_1 Lens, C_2 Lens and C West.
Modified polygonal method of weighted arithmetic means from sections for the remainder.

METHOD OF TONNES CALCULATION
Truncated cone formula using 1:250 sections for BF_1, BF_2 and B Lens East.
Truncated cone formula using 1:500 sections for the remainder.

COMPILED BY: S.G.B./P.B.
DRAWN BY: R.F.
CHECKED BY: W.G./S.G.B.
DATE: SEPT, 1981

Sheet 1 of 4

MINE BOLD HEAD

Type of Resource / Reserve PROVEN

162005

Date 1-8-81

OREBODY	MINING METHOD	FACTORS PILLAR %	FACTORS MINEABILITY %	FACTORS RECOVER %	FACTORS DILUTION %	OVERALL RESERVE FACTOR	GEOLOGICAL RESOURCE TONNES	GEOLOGICAL RESOURCE GRADE % WO_3	RESOURCE IN MAJOR PILLARS TONNES	RESOURCE IN MAJOR PILLARS GRADE % WO_3	RESOURCE TONNES	RESOURCE GRADE % WO_3	RESERVE TONNES	RESERVE GRADE % WO_3	RESERVE M.T.U.	REMARKS
A LENS																
NORTH	Cavo C/F		65	90	15	0.6728					75,000	0.92	50,500	0.80	40,400	All factors as in Feb. 1981.
WEST	Cavo C/F										Mined out					
SOUTH	?										Nil					
SUB-TOTAL											75,000	0.92	50,500	0.80	40,400	
B LENS MAIN																
10 725 – 10 800N	Cavo C/F		70	85	10	0.6545	✓				10,800	1.21	7,100	1.10	7,800	All factors as in Feb. 1981.
10 625 – 10 725N	Pillar Recovery		70	85	10	0.6545	✓				47,500	0.74	31,100	0.67	20,800	
10 525 – 10 625N	" "		60	95	10	0.6270					35,000	0.64	21,900	0.58	12,700	No change in resource
10 [illegible]25 – 10 525N	" "		60	85	10	0.5610					55,700	1.07	31,200	0.97	30,300	since Feb. 1981
10 325 – 10 425N	Pillar Recov. + Slot.		60	80	40	0.6720					30,700	1.36	20,600	0.97	20,000	- Resource grade down by 0.[illegible]
10 200 – 10 325N											NIL	NIL	NIL	NIL	NIL	
SUB-TOTAL											179,700	0.96	111,900	0.82	91,600	
B LENS WEST											6,200	0.71	NIL	NIL		Written off, October, 1978.
B LENS WEST LOWER											NIL	NIL	NIL	NIL		No reserve
B LENS EAST											13,100	1.06	NIL	NIL		Written off, October, 197[illegible]
BOUNDARY ORE	Cavo C/F		80	90	10	0.7920					5,100	0.92	4,000	0.84	3,400	
FAULT BLOCKS																
FAULT I	Mech C/F	15	85	90	15	0.8798					253,100	0.98	222,700	0.85	189,300	Resource grade down 0.02
FAULT II	" "	15	85	90	10	0.8415					168,400	0.82	141,700	0.75	106,300	Resource grade up 0.01
SUB-TOTAL											421,500	0.92	364,400	0.81	295,600	
C LENS																
10 425 – 10 700N	Mech C/F	15	85	90	35	1.0328					188,200	0.74	194,400	0.63	122,500	Dilution of 35% consist of dil. of 5% at zero gra[de]
10 200 – 10 425N	Mech C/F + Slot	15	85	90	15	0.8798					47,600	0.78	41,900	0.68	28,500	and 30% at 0.35% grad[e]
SUB-TOTAL											235,800	0.75	236,300	0.64	151,000	

REF. PLAN

GEOLOGY		
SURVEY		
PLANNING		
ROCK MEC.		
GRADE CON.		
DRAFTING		
T.S.S.		

SCALE 1:

KIS KING ISLAND SCHEELITE GRASSY KING ISLAND

6,796
25547
1870

DRAWING NUMBER

MINE BOLD HEAD

Type of Resource / Reserve PROVEN

162006

Sheet 2 of 4

Date 1-8-81

OREBODY	MINING METHOD	FACTORS				OVERALL RESERVE FACTOR	GEOLOGICAL RESOURCE		RESOURCE IN MAJOR PILLARS		RESOURCE		RESERVE		RESERVE M.T.U.	REMARKS
		PILLAR %	MINEABILITY %	RECOVER %	DILUTION %		TONNES	GRADE % WO_3	TONNES	GRADE % WO_3	TONNES	GRADE % WO_3	TONNES	GRADE % WO_3		
C LENS																
10 525 — 10 700N	Mech C/F	15	85	85	15	0.8309					106,700	1.08	88,700	0.94	83,300	Resource grade down 0.04
10 200 — 10 525N	SLOT	15	85	80	20	0.8160					20,000	1.00	16,300	0.83	13,500	
SUB-TOTAL											126,700	1.07	105,000	0.92	96,800	
C LENS WEST	Slot ?	20	80	85	15	0.7820					102,200	0.66	79,900	0.57	45,600	No change in resource + factors as in Feb. 1981.
D LENS												(up 0.05)				
NORTH	C/F	15	85	85	30	0.9393					36,100	0.93	33,900	0.72	24,400	Dilution is high due to nature of orebody which consists of thin bands.
SOUTH											NIL	NIL	NIL			
SUB-TOTAL											36,100	0.93	33,900	0.72	24,400	
PROVEN TOTAL											1,201,400	0.89	985,900	0.76	748,800	

REF. PLAN

GEOLOGY

SURVEY

PLANNING

ROCK MEC.

GRADE CON

DRAFTING

T.S.S

SCALE 1:

KIS KING ISLAND SCHEELITE GRASSY KING ISLAND

DRAWING NUMBER

Sheet 3 of 4

MINE BOLD HEAD

Type of Resource / Reserve PROBABLE

162007

Date 1-8-81.

OREBODY	MINING METHOD	FACTORS PILLAR %	FACTORS MINEABILITY %	FACTORS RECOVER %	FACTORS DILUTION %	OVERALL RESERVE FACTOR	GEOLOGICAL RESOURCE TONNES	GEOLOGICAL RESOURCE GRADE % WO_3	RESOURCE IN MAJOR PILLARS TONNES	RESOURCE IN MAJOR PILLARS GRADE % WO_3	RESOURCE TONNES	RESOURCE GRADE % WO_3	RESERVE TONNES	RESERVE GRADE % WO_3	RESERVE M.T.U.	REMARKS
A-LENS											NIL	NIL	NIL	NIL		
NORTH											NIL	NIL	NIL	NIL		No change in both resource in factors from Feb. 1981.
WEST	slot + C/F?		50	70	40	0.4410					173,900	0.67	76,700	0.48	36,800	
SOUTH																
											173,900	0.67	76,700	0.48	36,800	
SUB-TOTAL																
													(down 0.46)			
B-LENS MAIN											11,500	1.28	4,500	1.07	4,800	Resource up (2,500). Why
10 [illegible]25 – 10 800N	Cavo C/F		40	90	20	0.3888					NIL	NIL	NIL	NIL		
10 625 – 10 725N	Pillar Recov.										NIL	NIL	NIL	NIL		
10 525 – 10 625N	" "										NIL	NIL	NIL	NIL		No change in resource & factors from Feb. 1981.
10 425 – 10 525N	" "										14,200	1.11	8,500	0.79	6,700	
10 325 – 10 425N	(Pill. Recovery + slot.)		50	95	40	0.5985					NIL	NIL	NIL	NIL		
10 200 – 10 325N																
											25,700	1.19	13,000	0.88	11,500	
SUB-TOTAL																
											55,500	0.82	26,400	0.68	17,900	no change in resource & factors from Feb-1981.
B-LENS WEST	slot		55	80	20	0.4752										
											8,100	0.78	NIL	NIL		No reserve in B-Lens west Lower Rd.
B-LENS WEST LOWER																
											1,900	1.17	NIL	NIL		Written off in 1978.
B-LENS EAST																
											10,200	0.83	7,300	0.75	5,500	Resource grade down 0.04
BOUNDARY ORE	Cavo		80	90	10	0.7128										
FAULT BLOCK											52,600	0.92	20,500	0.77	15,700	Resource up 18,800. Why? RE-INTERP
8 FAULT I	Mech C/F		60	60	20	0.3888					10,600	0.74	3,400	0.62	2,100	
8 FAULT II	Mech C/F		60	50	20	0.3240										
											63,200	0.89	23,900	0.74	17,800	
SUB-TOTAL																
C_1-LENS											NIL	NIL	NIL	NIL		
10 425 – 10 700N	Mech C/F										2,600	1.22	2,100	1.06	2,200	No change in resource & factors from Feb 1981.
10 200 – 10 425N	slot + C/F															
											2,600	1.22	2,100	1.06	2,200	
SUB-TOTAL																

NOTE: PROBABILITY FACTOR OF 90% HAS BEEN APPLIED TO EACH CALCULATION.

REF PLAN

GEOLOGY
SURVEY
PLANNING
ROCK MEC.
GRADE CON
DRAFTING
T.G.G

SCALE 1:

DRAWING NUMBER

KIS KING ISLAND SCHEELITE GRASSY KING ISLAND

MINE BOLD HEAD

Type of Resource / Reserve PROBABLE

162008

Sheet 4 of 4

Date 1-8-81.

OREBODY	MINING METHOD	FACTORS				OVERALL RESERVE FACTOR	GEOLOGICAL RESOURCE		RESOURCE IN MAJOR PILLARS		RESOURCE		RESERVE		RESERVE M.T.U.	REMARKS
		PILLAR %	MINEA-BILITY %	RECOVER %	DILUTION %		TONNES	GRADE % WO_3	TONNES	GRADE % WO_3	TONNES	GRADE % WO_3	TONNES	GRADE % WO_3		
C2-LENS																
10 525 – 10 700N											NIL	NIL	NIL	NIL		
10 200 – 10 525N	slot + C/F		70	90	20	0.6804					184,200	0.84	125,300	0.70	89,700	) why ? mining
SUB-TOTAL											184,200	0.84	125,300	0.70	87,700	
C-LENS WEST	slot ?		80	85	15	0.7038					11,500	1.15	8,100	1.005	8,100	No change in resource and factors from Feb. 1981
D-LENS												(up 0.16)				
NORTH	C/F		70	75	30	0.6143					5,200	0.99	3,200	0.76	2,400	Resource up 2,700
SOUTH	C/F ?		70	75	30	0.6143					11,800	1.20	7,200	0.92	6,700	No change in resource & factors from Feb. 1981.
SUB-TOTAL											17,000	1.14	10,400	0.88	9,100	CALC Change in Reserve
PROBABLE TOTAL											553,800	0.82	293,200	0.67	196,600	
BOLD HEAD TOTAL											1,755,200	0.87	1,279,100	0.74	945,400	

NOTE: PROBABILITY FACTOR OF 90% HAS BEEN APPLIED ON EACH CALCULATION.

REF PLAN

GEOLOGY

SURVEY

PLANNING

ROCK MEC.

GRADE CON

DRAFTING

TSS

SCALE 1:

KIS KING ISLAND SCHEELITE GRASSY KING ISLAND

DRAWING NUMBER

Appendix Three

Competent Person Statement

Competent Person's Consent Statement
Pursuant to the requirements of ASX listing rule 5.6 and clause 8 of 2004 JORC code
("Consent statement")

Report name: **Ore Reserve Statement for Bold Head Orebody - May2010**

Dated: **18th May 2010**

I, **Alan Douglas Fudge** confirm that:

I have read and understood the requirements of the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("2004 JORC Code").

I am a competent person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralization and type of deposit described in the report, and to the activity for which I am accepting responsibility.

I am a member or fellow of the *Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a *'Recognised Overseas Professional Organisation'* ('ROPO') included in a list promulgated by the ASX from time to time.

I have reviewed the report to which this consent statement applies.

I am a full time employee of …………………………………………………………
OR I am a consultant working for ……………………………**Polberro Consulting**
and have been engaged by …………………………………. **King Island Scheelite JVP**
to prepare the report for………………………………………**King Island, Bold Head Orebody**
for the period ended……………………………………………**30th May 2010**

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears the information in my supporting documentation relating to Ore Resources and Ore Reserves.

I consent to the release of the report and this consent statement by the directors of: King Island Scheelite Joint Venture Partners.

Signature of Competent Person

Date:

18th May 2010

Professional Membership:

Membership Number:

Australian Institute of Mining and Metallurgy

209297

…………………………………...
Signature of Witness:

…………………………………….
Print witness name and residence (Town/Suburb)

………………………………………………

C.S Fudge, Table Cape, 7325, TAS
……………………………………………