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The Board of Directors
Kintore Resources Limited
Level 2, 79 Hay Street
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Dear Directors

**RE: INDEPENDENT GEOLOGIST'S REPORT FOR KINTORE RESOURCES ON EXPLORATION LICENCE 65/2004 SITUATED IN NE TASMANIA.**

The Directors of Kintore Resources ("Kintore") commissioned the author to prepare an Independent Geologist's Report on the EL 65/2004 (the "Tenement") in North East Tasmania.

This Report has been prepared at the request of the Directors for inclusion in a Prospectus ("the Prospectus") of Kintore, an initial public offering ("IPO") to be dated on or about xx September 2008. Through the Prospectus, Kintore intends to raise $5.0 million by issuing 25 million, 20-cent fully paid ordinary shares.

The author has over 24 years experience in the minerals industry and is affiliated with The Australasian Institute of Mining and Metallurgy as a Member since 1990. The author specialises in mineral resource/reserve estimations, advanced project assessment and mine management.

The exploration project of Kintore situated in North East Tasmania contains well established targets principally for tin. There are also opportunities to explore for precious gem stones and industrial minerals within the tenement holding.

Kintore supplied the author with exploration information which Kintore warrants is accurate and complete. The author visited the project area in October 2007.

The author has at his own discretion relied on the observations and interpretations of previous explorers, exploration consultants and Kintore geological staff. Independent checking at other organisations which may have been previously involved in exploration and mining activities in the area of the Tenement was not carried out. Kintore has indemnified the author for liability arising from reliance on information provided or from available information not provided and for any further activities relating to enquiries from

the Australian Stock Exchange and the Australian Securities and Investment Commission ("ASIC") with regard to the Report.

The views and conclusions expressed in this Report are solely those of the author. Generally these views concur with the views of Kintore.

An appraisal of all the abovementioned information forms the basis of this Report.

All references to mineral resources are consistent with the most recent Australasian Code (and Guidelines to the Code) for Reporting of Identified Mineral Resources and Ore Reserves: Reports prepared by the Joint Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia (JORC).

In this Report, the author observes the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The Valmin Code), which is referred to by the Australian Securities Investment Commission (“ASIC”) and as well, ASIC Practice Notes 43 and former National Companies Security Commission Release 149 are observed.

The author observes Section 947B of the Corporations Act 2001. In accordance with Corporations Regulation 7.6.01 (1) (u) and Corporations Amendment Regulations 2003 (No. 7) 2003 No. 202, the independent report is not financial product advice but is intended to provide investors with expert opinion on matters relevant to an investment in Kintore.

The author is not operating under an Australian financial services licence and the advice in the independent report is an opinion on matters other than financial products and does not include advice on a financial product.

## 1. INTRODUCTION

This report is focussed on Exploration Licence 65/2004, the Derby Deep Lead Tin Project, in the north east of Tasmania. The Tenement covers an area with significant past production of alluvial tin in Tertiary leads. The Tenement is centred on the township of Derby, located approximately 110km NE by road from the City of Launceston in Tasmania (Figures 1 and 2).

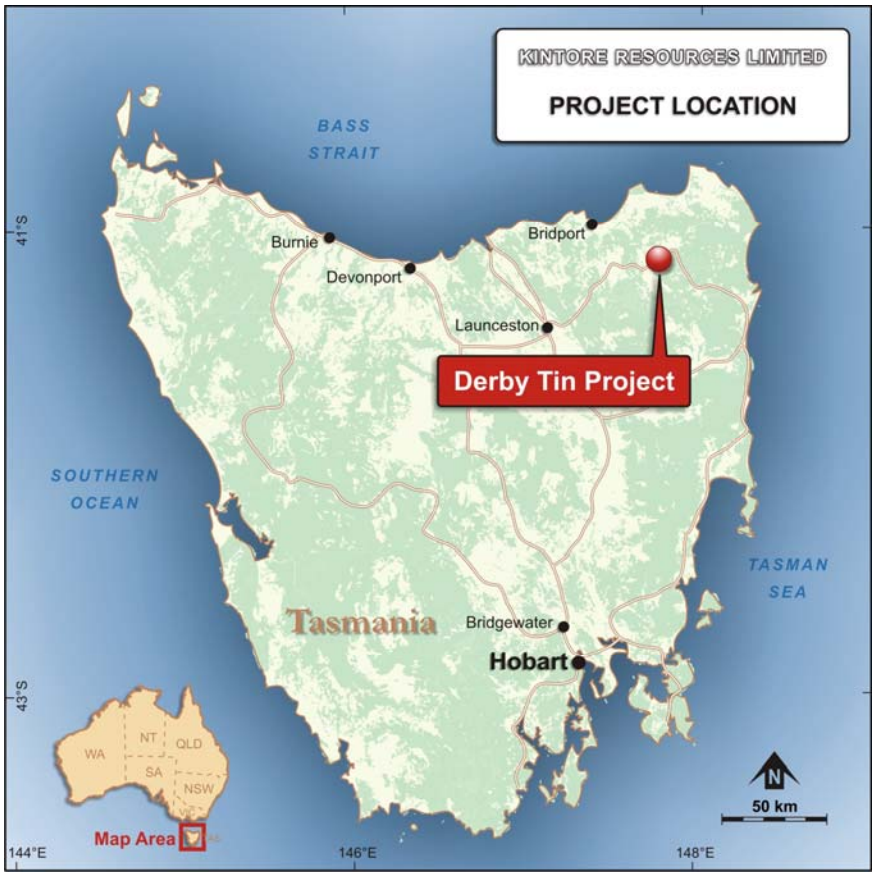


**Figure 1 – Project Location – Derby Tin Project**

The area is well serviced with roads, towns, water, electricity and a local work force. Most of the area is covered by private farming lands. The Tenement lies on the Pioneer, Derby and Ringarooma 1:25 000 geological map sheets.

The tenement details are:

| Tenement No. | Title | Holder | Area, $km^2$ | Date of grant | Annual exploration Commitment A$ |
|---|---|---|---|---|---|
| EL65/2004 | Derby | Arcadia Resources Limited | 100 | 22 Nov 2005 for 5 years | 50 000 in year three |

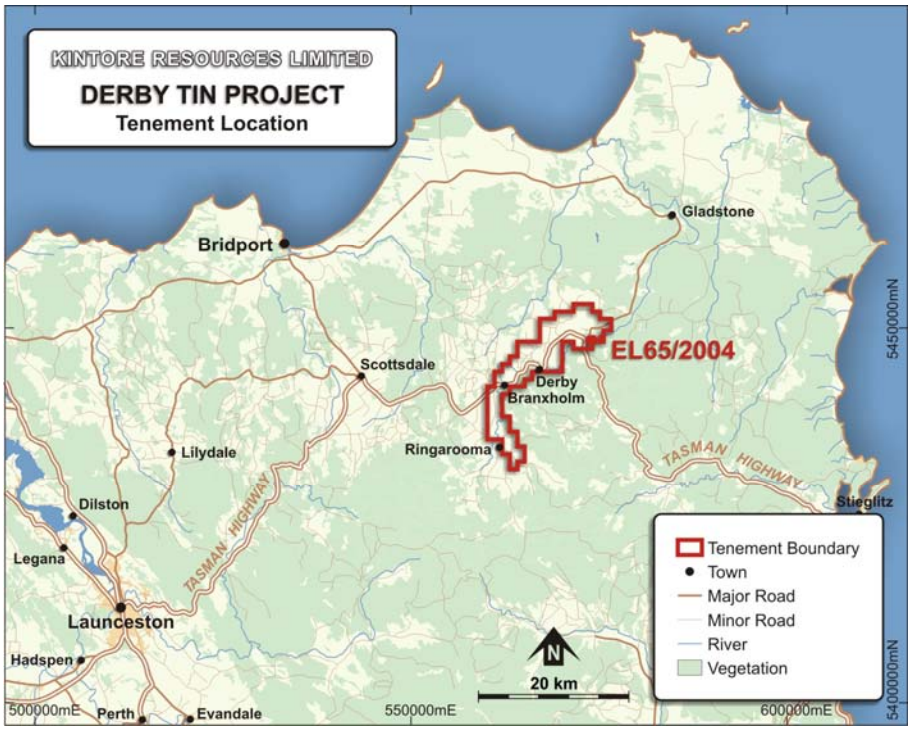


**Figure 2 – Tenement Location – North East Tasmania**

## 2. TIN IN NORTH EASTERN TASMANIA

Tin was discovered in north eastern Tasmania in the 1870's, with finds by Benjamin Brooks near Mount Maurice and George Renison Bell in the Boobyalla River catchment. This led to further prospecting of the region's waterways and the identification of the majority of the exposed major tin deposits, such as the Briseis mine (Cascade Lead) at Derby and the Pioneer Lead.

Development of the mineral fields progressed rapidly with a number of mines operating in the early 1900's, including Briseis (Cascade Lead), Pioneer, Endurance, Valley and Arba. Most mining was by hydraulic sluicing, although some dredges were used. Production peaked in the early to mid 1900's but continued at a reduced level until 1982 when the remaining large mines closed. Recorded production from alluvial deposits in north eastern Tasmania is about 37,300 tonnes of tin metal, with some 23,522 tonnes of this sourced from the Tenement (see Table 1).

Table 1: Alluvial Tin Production – North Eastern Tasmania

| **Lead** | **Main Mine** | **Production Period** | **Tin Metal (tonnes)** | **Length of Lead Extracted (m)** | **Approx tonnes of Tin per 300m Length of Lead** |
|---|---|---|---|---|---|
| *Mt Joseph* | *Ruby Flat* | ca 1875- | ? | | |
| *Branxholm* | *Arba* | -1960 | 2180 | 1200 | 500 |
| *Valley* | *Valley* | -1945 | 370 | 600 | 180 |
| *Cascade* | *Briseis* | 1876-1960 | 20787 | 3000 | 2000 |
| *Main* | *Sarah Anne/ Mutual* | 1882-1918 | ? | | |
| *Weld – Frome* | *Echo* | 1901-1922 | 185 | | |
| *OK* | *Herrick* | 1881- | ? | | |
| Wyniford | Pioneer | -1982 | 9180 | 1900 | 1500 |
| Clifton | Endurance | -1968 | 2630 | 1900 | 400 |
| | Monarch | -1973 | 250 | | |
| Ringarooma River | Dorset | 1944-1971 | 1691 | | |
| **TOTAL** | | | **37273** | | |

Notes: 1. Italicised deposit names are within EL65/2004.
2. The figures come from several different sources.

Assessments of the alluvial tin potential of north eastern Tasmania have been carried out by the Utah Development Company (in the 1960's), Australian Anglo American Ltd, Buka Minerals NL and Triako Mines NL (in the early to mid 1980's), Mineral Holdings Aust. Pty Ltd (in the mid 1980's) and Santos Ltd and Hellyer Mining (in the mid to late 1980's).

In more recent times AIM listed company Van Dieman Mines PLC have been progressing toward the resumption of production at the Scotia and Endurance Deep Lead tin deposits, which are located to the north of the Tenement.

## 3. REGIONAL GEOLOGY AND MINERALISATION

The geology of the region in the immediate area of the Tenement is dominated by Devonian to Carboniferous granites of the Blue Tier Batholith to the east and the Ordovician to Devonian Mathinna Bed sediments to the west. The granites and sediments are variably overlain by basalts, with two periods of basaltic volcanism occurring; one in the Middle Eocene and the other in the Middle Miocene. Cainozoic sediments occur in the central Ringarooma Valley area, variably overlain by basalts of the Middle Miocene volcanism period. The Cainozoic sediments have a maximum thickness of 123m while the Middle Miocene basalts attain a maximum thickness of about 100m.

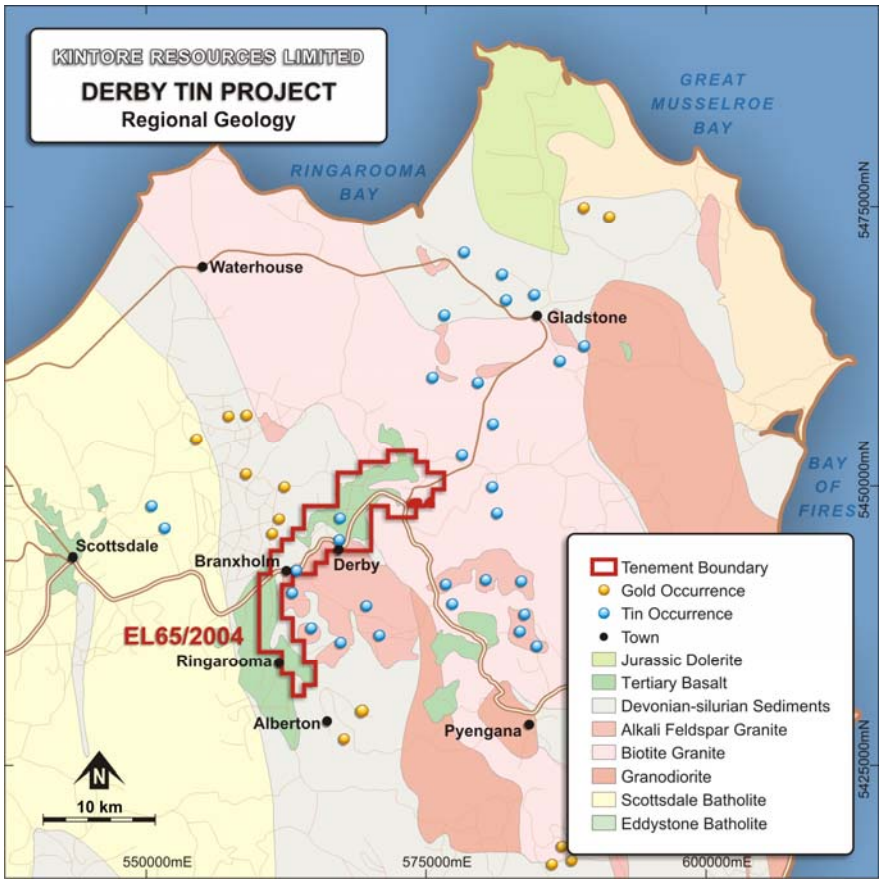


**Figure 3 – Regional Geology – North East Tasmania**

Tin occurs as cassiterite within placer deposits associated with deeply buried high-energy alluvial channels (deep leads) in the Cainozoic sediments stretching from near Branxholm in the south to Ringarooma Bay. The tin was sourced from the repeated erosion and "unroofing" of the tin bearing granites of the Blue Tier Batholith, with the heavy mineral (cassiterite) concentrations formed through episodic reworking dating back to at least the Permian.

During this period the drainages from the Blue Tier Batholith, including Black Creek, Cascade River, Main Creek, Weld River and the Wyniford River, were generally north west flowing and carried large amounts of tin bearing alluvium. The ancestral Ringarooma River, which captured these drainages, formed as a result of the Middle Eocene basaltic volcanism filling existing drainages and forcing the river system southwards.

The second period of basaltic volcanism in the Middle Miocene is believed to have filled many of the existing drainage channels, including the ancestral Ringarooma River, causing the diversion of the river to its current position. The pre-existing alluvial deposits were buried and represent deep leads under this younger basalt, as seen at the Briseis mine (Cascade Lead). The current Ringarooma River valley has exposed some of the deep leads under the basalt and Recent alluvial sediments, such as the Arba, Valley and Briseis mines.

Deep lead (heavy mineral) deposits in north eastern Tasmania have also been known to contain accessory minerals with the cassiterite, with potentially viable economic quantities when mined as a by product. The main accessory minerals identified are:

a) **Sapphire** has regularly been reported as a component of the tin bearing alluvial gravels in north east Tasmania and was often recovered from tin shed concentrates at such operations as the Briseis, Pioneer, and Endurance Mines. Recent broad based testing indicates that ore grade tin bearing gravels usually contain sapphire grades of 1 to 3 g/bcm (grams/bank cubic metre), of which about 20% are of gem quality.

b) **Zircon** has been recognised in the alluvial deposits, with fine zircon grains (<5 mm) commonly observed in the cassiterite concentrates. In addition two generations of coarse zircon (ranges from 1 mm to >10 mm) have been observed, with colour ranging from pale red to bright foxy red.

c) **Rutile** occurs in most of the alluvial deposits, rarely greater than 1 mm in size and reportedly at grades between 4 and 140 g/bcm.

d) **Ilmenite** is the most abundant of the titanium bearing minerals, based on field observations, however most of the ilmenite has traditionally been lost to tailings.

e) **Gold** has traditionally been recovered as a by-product of all the alluvial tin operations and is a regular component of the heavy mineral suite. Gold grades have been reported to average around 30 mg/bcm.

f) **Topaz** has regularly been recovered throughout the project area and is of gem quality, some of considerable size and excellent blue colour.

g) **Sand/Gravel** there is also a potential market for clean sand and gravel which would be a by product of the mining of tin.

## 4. PAST PRODUCTION AND EXPLORATION – DERBY DEEP LEAD TIN PROJECT

Recorded production from alluvial deposits within the Tenement is about 23,522 tonnes of tin metal, which is equivalent to 63% of tin production from alluvial deposits in north eastern Tasmania. The largest single contributor was the Briseis mine (Cascade Lead) with production of some 20,787 tonnes of tin metal.

### The Briseis Mine, Cascade Lead

Tin was discovered in the Cascade Lead in 1875 and the deposit was worked until 1960 producing some 20,787 tonnes of tin, with two main production periods being 1876 to 1929 (17,216 tonnes of tin) and 1937 to 1947 (2,782 tonnes of tin). Based on historic production records the average grade of the alluvium mined has been estimated as about 1.7 lb/cu yd (approx. 1.0 kg/$m^3$) of cassiterite (i.e. 70% tin). A large fall of overburden occurred in 1946 which curtailed further development along the Lead, with subsequent production coming from shallow alluvium along the old river bed.

The Lead is contained within alluvium that is up to 300 ft (approx. 90m) thick and is covered by basalt of up to 150 ft (approx. 45m) in thickness. Historical records show that 50% of the cassiterite occurs within 30 ft (approx. 9m) of the bottom of the Lead and reportedly includes bonanza grades of up to 78 lb/cu yd (approx. 46 kg/$m^3$) over 5 ft (1.5m) of the basal interval. The base of the Lead is up to 150 ft (approx. 45m) below the present Ringarooma River.

The north western extension of the Cascade Lead was drilled over a 500m strike length (6 lines about 100m apart) in the period 1939 – 1941, with holes drilled at approximately 30m intervals along the lines. This drilling has identified tin mineralised alluvium over a 300m strike length from the final working face (Lines 4 to 7), with better results of 54m at 2.28 kg/$m^3$ from 50m down hole (Line 4 – Hole No 9) and 56m at 1.29 kg/$m^3$ from 53m down hole (Line 6 – Hole No 9). A summary of results is shown in Table 2.

Table 2: Briseis Mine, Cascade Lead

| | Hole No | Interval (m) | Grade (kg/$m^3$) | Depth From (m) |
|---|---|---|---|---|
| Line 4 | 7 | 46 | 0.57 | 13 |
| | 8 | 55 | 0.88 | 27 |
| | 9 | 54 | 2.28 | 50 |
| | 10 | 54 | 1.60 | 51 |
| | 11 | 54.5 | 0.94 | 58 |
| | 12 | 50 | 0.66 | 59 |
| Line 5 | 5 | 51 | 0.17 | 14 |
| | 6 | 52 | 0.24 | 27 |
| | 7 | 37 | 1.28 | 62 |
| | 8 | 42 | 1.02 | 65 |
| | 9 | 39 | 0.63 | 72 |
| | 10 | 57 | 0.61 | 61 |
| | 11 | 23 | 1.54 | 98 |
| Line 6 | 6 | 50 | 0.19 | 12 |
| | 7 | 46 | 0.81 | 37 |
| | 8 | 52 | 0.34 | 49 |
| | 9 | 56 | 1.29 | 53 |
| | 10 | 48 | 0.42 | 67 |
| | 11 | 53 | 0.56 | 66 |
| Line 7 | 9 | 54 | 0.18 | 67 |
| | 10 | 54 | 0.46 | 73 |
| | 11 | 55 | 0.30 | 75 |
| | 12 | 81 | 0.05 | 51 |

N.B intersection widths, down hole depths and grades converted to metric. Results for cassiterite content, i.e. of 70% tin.

As shown in Figure 4 the drilling has not closed off the Lead on the eastern flank or to the north, although the northern most drill line (Line 7) has shown a general decrease in grade and an apparent narrowing of the Lead. No known drilling has occurred to the north of Line 7.

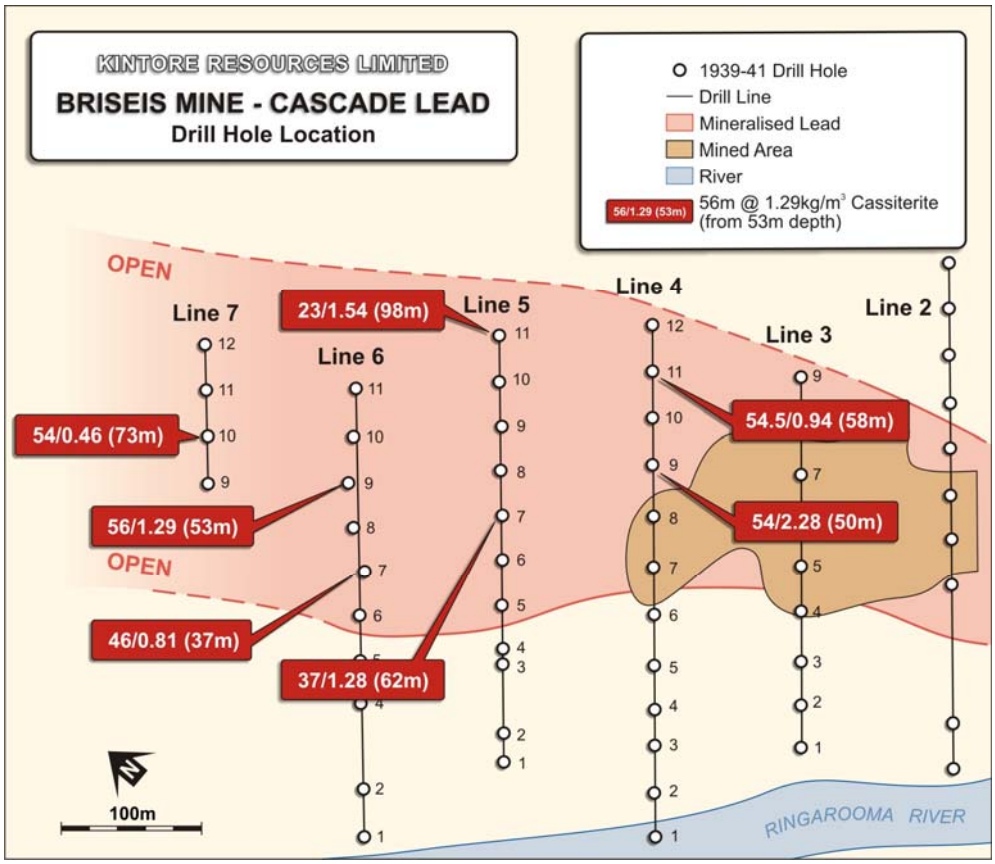


**Figure 4 – Briseis Mine – Cascade Lead – Drill Hole Location Plan**

**The Arba Mine, Branxholm Lead**

The Branxholm Lead was discovered in 1876 and the deposit was mined until 1920, with only minor works carried out by tributors after that time. Historic records indicate production of some 1,380 tonnes of tin up until 1923, although records prior to 1903 are limited and it is believed that production may have been higher than that recorded for this period. No production figures are available from tributors operations post 1923. The reported average grade of the alluvium mined from 1903 was about 0.93 lb/cu yd (approx. 0.55 kg/m$^3$) of cassiterite (i.e. 70% tin).

Mining ceased when the Lead extended beneath Arba Hill and the height of the working face became unmanageable. The Lead is contained within alluvium that is up to 147 ft (approx. 45m) thick and the thickness of basalt overburden at the working face is about 50 ft (approx. 15m). It is reported that the lower 30 ft (approx. 9m) of the Lead was not mined in the area adjacent to the final working face due to insufficient capacity of the mining plant. The majority of production was sourced from the southern side of Arba Hill, with only minor production from the northern side.

Limited drilling to test the Lead adjacent to the working face and ahead of the Lead, i.e. from the hill above the Lead, was completed in the late 1930's. Records of this drilling are limited to average grade for the length of each hole with no account taken of depth or grade of barren material above the mineralised Lead. Available results are detailed in Table 3, with hole locations shown on Figure 5.

Table 3: Arba Mine, Briseis Lead

| Hole No | Interval (m) | Grade (kg/m$^3$) |
|---|---|---|
| 1 | 22 | 0.45 |
| 2 | 38 | 0.33 |
| 3 | 30 | 0.36 |
| 4 | 22 | 0.25 |
| 5 | 21 | 0.33 |
| 6 | 21 | 0.17 |
| 7 | 9 | 0.14 |
| 8 | 9 | 0.26 |
| 9 | 32 | 0.48 |
| 10 | 18 | 0.32 |
| 11 | 20 | 0.18 |
| 12 | 36 | 1.09 |
| 23 | 73 | 0.26 |
| 24 | 73 | 0.27 |
| 25 | 75 | 0.27 |
| 26 | 64 | 0.15 |

N.B hole depths and grades converted to metric. Results for cassiterite content, i.e. of 70% tin.
Hole 13 abandoned. No results available for holes 14 – 22.

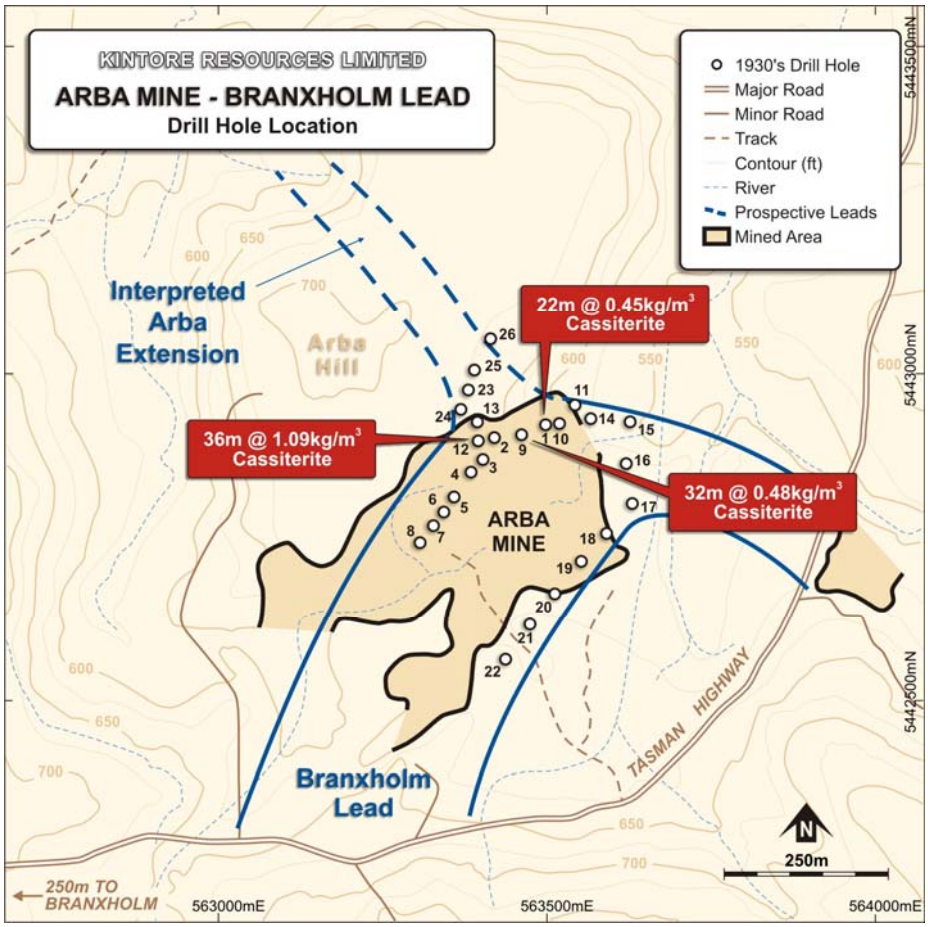


**Figure 5 – Arba Mine – Briseis Lead – Drill Hole Location Plan**

There have also been a number of phases of drilling to the north of Arba Hill on the river flats south of the present Ringarooma River testing the downstream extension of the Branxholm Lead. These drilling phases consisted of:

- two phases of shallow drilling in the 1930's by the Tasmanian Department of Mines,
- one program by Briseis Consolidated N.L. in 1938,
- a limited program in 1965 by the Utah Development Company, and
- follow up drilling in the early 1980's by Australian Anglo American Limited.

This drilling has not definitively identified the Lead to the north of Arba Hill although it did return a number of anomalous zones related to both basal zones within the alluvium and shallow shingle layers.

**The Briseis Central Mine, Valley Lead**

The Valley Lead was discovered in the early 1880's and was worked intermittently until 1962, with the majority of production occurring between 1904 and 1910. Recorded production is estimated to be some 370 tonnes of tin at an average mined grade of 1.20 lb/cu yd (approx. 0.71 kg/$m^3$) of cassiterite (i.e. 70% tin). The Lead ranges from being exposed in the south east to a depth of over 30m toward the north west, although the maximum mining depth was only about 15m.

Drilling within the mine environs and to test the immediate north west extension of the Lead took place in the early 1900's. More recent exploration activity focused on the north west extension of the Lead on the northern side of the present Ringarooma River, with Amdex Mining Limited completing two holes in 1979. These holes failed to intersect any significant concentrations of tin mineralisation.

**Sarah Ann / Mutual Hill Mines, Main Lead**

A number of modest mines were developed on the Main Lead in the 1880's, the larger being Sarah Ann and Mutual Hill located along the banks of the Main Creek on the south east side of the present Ringarooma River, which were mined until 1918. Smaller mines were developed on the western side of the present Ringarooma River on the north western extension of the Main Lead. No reliable production records have been located for this series of deposits.

There is no record of exploration activities completed along the interpreted north western extension of the Main Lead.

**Echo Mine, Echo Lead / Weld River Lead**

Mining activity commenced on the Echo Lead in the late 1870's and progressed to the combined Echo and Weld River Leads in 1901, with both being mined up until 1922. Production for this period has been estimated to be some 185 tonnes of tin. Mining reportedly ceased due to increasing depths of overburden. The Leads are located on the northern side of the present Ringarooma River and are interpreted to extend to the north west.

In 1930 the Tasmanian Department of Mines completed 13 holes immediately to the north of the final mining face of the Echo Mine. This drilling indicated that previous mining had exploited a "perched" mineralised zone and defined a new basal mineralised zone, albeit at generally low tin grades. Australian Anglo American Limited conducted a

drilling program in 1981 along the line of Davids Creek, located about 2.0km north of the Echo Mine, aimed at identifying the interpreted extension of the Echo Lead in an area of shallower overburden. Drilling complexities limited the effectiveness of this program, with only 9 of 18 planned holes completed and of these only one hole reached basement.

## 5. **EXPLORATION MODEL AND TARGETS**

Previous explorers have interpreted the position of the extensions of mineralised palaeochannels based on the position, extent and trend of known deposits using all available information, but without the benefit of modern exploration tools. The project vendors, Askins and Stewart, have used Landsat imagery and digital elevation models (DEM) in conjunction with detailed review of past literature and previous explorers work to develop a revised interpretation of the history of drainages, palaeochannels and leads for the project area. This interpretation is very important in defining and prioritising exploration targets.

The DEM images provide a good overview of the dominant fracture pattern controlling the drainages, highlighting that the drainages coming from the Blue Tier Batholith, which source the alluvial cassiterite, have a pronounced west north west trend. When projected under the basalt these trends give a better indication of where to expect the course of leads than were used in the past.

The revised interpretation has similarities and important differences to some past reconstructions; however the overall pattern of drainages is similar to that proposed by Nye in 1925. This pattern of drainages has several leads draining west from the Batholith towards an ancestral Ringarooma River beneath the dominant basalt terrain (younger Miocene basalt).

One of the compelling reasons there must have been a drainage system trending that way is that there needs to be a source of the alluvial tin at Boobyalla, Banca and at other known occurrences well away from known or credible bedrock sources. That ancient drainage has been interpreted to be pre Middle Eocene, so the basalts in that area must be older basalt.

North and north east of the Tenement the drainage history is even more complicated, with the combined effects of river capture and marine incursions. The overall drainage system is designed to honour where old valleys must have occurred based on the position of mapped basalts and Tertiary sub-basaltic (interpreted) sediments.

Conflicts with drainages apparently going over ridges and uphill seem to have forced some previous interpretations to require internal basins and drainage systems going the wrong way. This is because there has been considerable tectonic adjustment during the Tertiary as one would expect with the basaltic activity of the region. Sedimentological studies offshore also support tectonism. Using an assumption that the older basalts occupy old valleys also emphasizes the tectonic adjustments and amount of erosion that have taken place since the Middle Eocene.

The revised interpretation requires that the drainage system from the Tenement exited to the coast via Boobyalla and that the major drainage through the Pioneer Lead (located to the north of the project area) trends west south west into the Tenement, not west north west as previously interpreted.

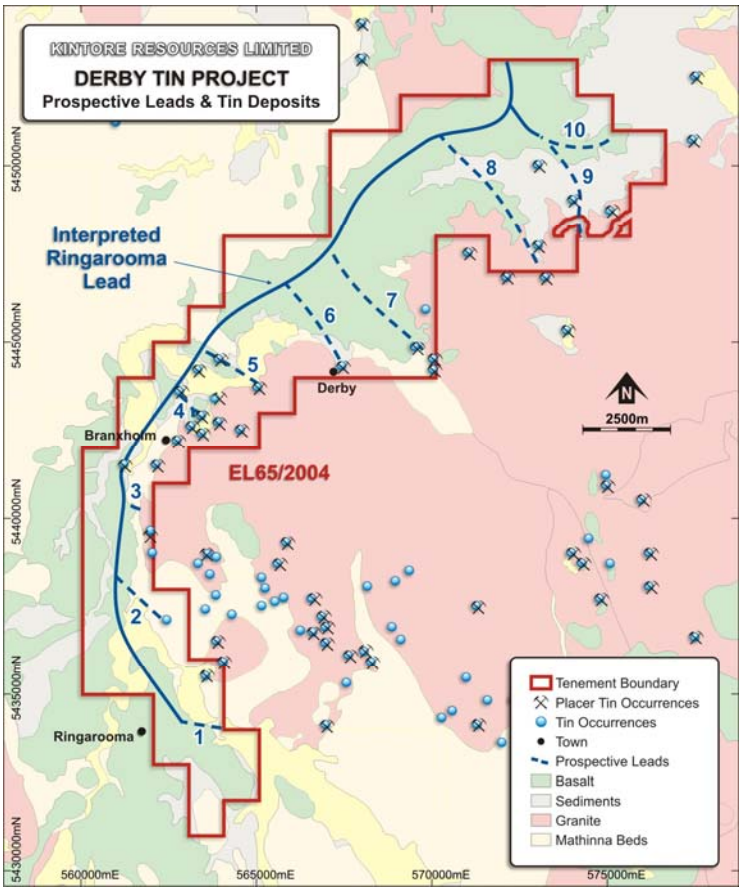


**Figure 6 – Interpreted lead positions (Askins & Stewart, 2007).**

Figure 6 shows the interpreted position of leads within the project area which were tributaries of the ancestral Ringarooma River, believed to have been located to the west of the current Ringarooma River. This position of the ancestral Ringarooma River is supported by the presence of known deep leads that "cross" the path of the current Ringarooma River, such as the Valley and Cascade Leads.

Primary exploration targets within the project area are the upper reaches of the palaeochannels that drain from the Blue Tier Batholith, most of which are defined by historic mining activities. These targets are labelled from 1 to 10 on the above figure:

- Target 1 – Unnamed Lead
- Target 2 – Unnamed Lead
- Target 3 – Mt Joseph Lead
- Target 4 – Branxholm Lead
- Target 5 – Valley Lead
- Target 6 – Cascade Lead
- Target 7 – Main Lead
- Target 8 – Echo / Weld River Lead
- Target 9 – OK Creek Lead
- Target 10 – Unnamed Lead

The author has reviewed the 10 target areas by field checking their locations via GPS and considering their viability as potential palaeochannel sites and more or less agrees with this priority list.

The next level of exploration target is the north west extension of each of these Leads under basalt cover, as interpreted through the updated model, and ultimately the ancestral Ringarooma River. A recent trial of geophysical ground survey techniques within the project area has highlighted electro magnetics (EM) as a viable technique to "map" these palaeochannels beneath the basalt cover. Single EM traverses were completed across some of the target areas, with the technique clearly mapping a palaeochannel beneath the Arba Hill.

## 6. EXPLORATION PROGRAM AND BUDGET

Exploration in the first year is proposed to consist of data compilation across the project area which will lead to ground truthing and field mapping of the identified target areas, with initial focus on areas of previous mining. In conjunction with this field mapping phase it is proposed to complete surface sampling of target areas with exposed lead, such as the Branxholm Lead within the Arba Mine environs and potentially areas of the Main Lead.

In parallel with this field activity it is proposed to complete a heliborne electro magnetic (EM) survey of the entire project area to attempt to "map" the interpreted extensions of palaeochannels and the ancestral Ringarooma River beneath the basalt cover.

Aircore and RC drilling proposed for the second half of the first year will focus on confirming the extension of leads which were defined by the activities of earlier explorers, such as the Cascade Lead at the Briseis Mine and the Branxholm Lead within the Arba Mine environs. A portion of this drilling will also be used to test palaeochannel targets identified through the EM survey.

The focus in the second year may be on further drill testing of the palaeochannel targets identified through the EM survey plus RC drilling of the extensions of known Leads and any newly identified mineralised zones. Success in this phase may lead to resource and reserve estimation and subsequent optimisation / pre feasibility studies on defined resources. It is proposed that there may also be infill EM completed in the second year.

| **Derby Deep Lead Tin Project** | **Year 1** | **Year 2** | **TOTAL** |
|---|---|---|---|
| Data Acquisition and Land Management | $45,000 | $25,000 | **$70,000** |
| Geological Mapping | $55,000 | $75,000 | **$130,000** |
| Surface Sampling and Prospecting | $65,000 | $55,000 | **$120,000** |
| Geophysics | $280,000 | $70,000 | **$350,000** |
| RAB/AC Drilling | $80,000 | $165,000 | **$245,000** |
| RC Drilling | $245,000 | $470,000 | **$715,000** |
| Assays | $220,000 | $380,000 | **$600,000** |
| Mining Studies | $30,000 | $345,000 | **$375,000** |
| **TOTAL** | **$1,020,000** | **$1,585,000** | **$2,605,000** |

The table above details the work programs proposed for the Derby Deep Lead Tin Project with a level of expenditure which is considered to be reasonable and warranted based on the prospectivity of the area. These work programs are conceptual in nature and will depend on success to move from one stage to the next. Flexibility in changing the program will be needed as results are received.

In the event that the Company raises the minimum subscription amount it will modify its exploration activities and reduce its expenditure as detailed in the table below. These expenditures are also considered to be reasonable and warranted based on the prospectivity of the area and remain in excess of the statutory expenditure commitments imposed by the Tasmanian Department of Mineral Resources.

| Derby Deep Lead Tin Project | Year 1 | Year 2 | TOTAL |
|---|---|---|---|
| Data Acquisition and Land Management | $30,000 | $20,000 | **$50,000** |
| Geological Mapping | $45,000 | $65,000 | **$110,000** |
| Surface Sampling and Prospecting | $55,000 | $45,000 | **$100,000** |
| Geophysics | $280,000 | $70,000 | **$350,000** |
| RAB/AC Drilling | $80,000 | $145,000 | **$225,000** |
| RC Drilling | $205,000 | $430,000 | **$635,000** |
| Assays | $185,000 | $340,000 | **$525,000** |
| Mining Studies | $30,000 | $345,000 | **$375,000** |
| **TOTAL** | **$910,000** | **$1,460,000** | **$2,370,000** |

## 7. CONCLUSIONS AND OPINION

There seems to be ample historical evidence, coupled with more recent interpretations, to suggest that the tenement area has significant potential for additional resources. The current high tin price and the possible markets for accessory minerals such as sapphires makes the project just as attractive today than at any point in its history since mining began in the region.

With the imminent commencement of new mining operations by Van Dieman Mines immediately to the north of this project area, there will soon be available more recent data which can be compared back to the historical data. From these comparisons, the entire region could theoretically be reassessed as to it's viability for supporting other, independent operations.

## 8. GLOSSARY OF TECHNICAL TERMS

Terms not included in this glossary are used in accordance with their definition in the Concise Oxford Dictionary. The author has selected the following terms as being the most important.

**Alluvial** an accumulation of mud (clay), sand and gravel (boulders) that have been carried and deposited by flowing water courses.
**Batholith** a large emplacement of igneous intrusive rock that forms from cooled magma deep down in the Earth's crust.
**Cambrian** a time period approximately 505 to 540 million years ago.
**Carboniferous** a time period, approximately 360 to 290 million years ago.
**Cassiterite** an oxide of Tin usually found as a brown or black translucent mineral; formula $SnO_2$
**Cretaceous** a time period approximately 140 to 70 million years ago.
**DEM** digital elevation model – a 3D image used for relating topographical features.
**Diamond drilling** rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of rock.
**Dipole-Dipole** a method of completing an IP survey.
**Devonian** the period of time between 360 and 408 million years ago.
**EL** exploration licence i.e. an area granted to a mining company for a number of years for investigation.
**EM survey** an electromagnetic geophysical exploration technique based on measuring magnetic fields from currents usually artificially induced into the ground.
**Induced Polarisation (IP) and resistivity** a geophysical exploration method which measures changes in magnetic and electrical fields induced in the earth by the application of an electrical current to the ground. Resistivity is the inverse of conductivity.
**Intrusion** the process of formation of a rock mass emplaced within surrounding rock
**Intrusive** a rock mass emplaced within surrounding rock, usually a plutonic rock formed by intrusion of molten magma into a high level, below the surface, of the Earth's crust where it cooled and crystallised to form a solid rock.
**Intrusive/intrusion related mineralisation** mineralisation associated with intrusives. In this report a gold dominant style of mineralisation which may or may not be related to porphyry style mineralisation.
**Lead** alluvial miners' name for an alluvial deposit or placer.
**Mesozoic** An era of geologic time, from the end of the Paleozoic to the beginning of the Cenozoic, or from about 225 to about 65 million years ago.
Miocene a period of geological time during the Tertiary period, around 14 million years ago.
**meta** a prefix denoting a metamorphosed rock.
**Ordovician** a time period approximately 433 million to 505 million years ago.
**Permian** a time period, approximately 290 million to 250 million years ago.
**Placer** an alluvial or glacial deposit.
**Terrane** a rock or group of rocks together occurring as a discrete structural block.
**Tertiary** first period of the Cenozoic era covering the time span from 2 to 65 million years ago.
**Triassic** a time period, approximately 250 million to 210 million years ago.

## 9 SOURCES OF INFORMATION

The following literature has been selected from numerous reports and publications and is considered to be the most relevant.


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## 10 Consents

The author hereby consents to the inclusion of his Independent Report in the Prospectus referred to above, in both electronic and paper form, in the form and context in which it appears. As at the date of the Independent Report set out above, the author has not withdrawn its consent.

The author was only commissioned to prepare the report and has only authorised issue of this Independent Report on Kintore's exploration tenement specified in the Independent Report. It has not been involved in the preparation of, or authorised issue of, any other part of the Prospectus in which this Independent Report is included.

**Matthew Francis Stephens**