



Quarterly Statement of Exploration and Development – June 2010

Carina Project – YIOP Stage 1 (Central Yilgarn)

Exploration activity involved initial drill testing of new prospects in the Carina Corridor and core and RC drilling at Carina aimed at increasing resource base to augment the projects economics to justify project capital outlay. These programmes will continue into the next quarter.

Access certainty for infrastructure (rail and port) and the mining regulatory approvals process progressed with mining approval expected in September/October.

YIOP Stage 2 (Central Yilgarn)

RC drilling commenced on in the Johnston Range project area – drilling will continue into the next quarter. Further infill drilling being planned. Additional regional mapping completed with new targets identified for drill testing.

Weelumurra Project (Pilbara)

There was no significant exploration activity during the quarter. Heritage clearance planning in progress to enable on-ground activity to commence later in 2010.

Mayfield (Central Yilgarn)

There was no significant exploration activity during the quarter. Metallurgical core drilling planned for the coming quarter.

Other Projects

There was no other significant exploration activity during the quarter.

The information in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr J Lea, an employee of the Company who is a Member of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Lea has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The potential quantity and grade of iron deposits reported is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.