

25 October 2013

Company Update

New Projects

As previously announced, the Company has allocated part of its working capital budget to the identification and evaluation of new mineral resource opportunities in Australia and overseas. In this regard the Company is actively reviewing a number of projects across a range of commodities and countries and is confident of securing a project in the near term that will add significant shareholder value.

The Company considers that its combination of corporate and technical expertise, significant financial backing and cash reserves at a premium to its current market capitalisation makes it ideally placed to grow through investment and acquisition, particularly at a time when asset values have come back so sharply giving rise to a large number of attractively priced opportunities.

Commencement of Work Program on Beyondie Iron Ore Project

The Company has spent considerable exploration effort since 2007 at the Beyondie Iron Ore Project resulting in an Inferred Mineral Resource estimate of **561 Mt at 27.5% Fe**. Potential exists to expand the resource base at Beyondie with respect to both Magnetite and Hematite mineralisation.

As previously announced, the Company has been conducting a review of its substantial Beyondie database. Following on from this review it has commenced a work program in preparation to updating the Mineral Resource at Beyondie.

An additional fifteen (15) drill holes for 2,473m were drilled subsequent to the above stated resource estimate (Figure 1). A total of eight (8) RC holes for 1,590m and seven (7) DD holes for 883m were completed. This additional drilling was designed to increase confidence where there are gaps between previously drilled holes, and at depth, within the extents of the current resource area. The holes have closed the spacing of drilling to 400m in areas west of the resource in a bid to elevate additional mineralisation into Inferred Resource category. The drilling results will be used to update sectional interpretations and data files in preparation for the updated resource estimation.

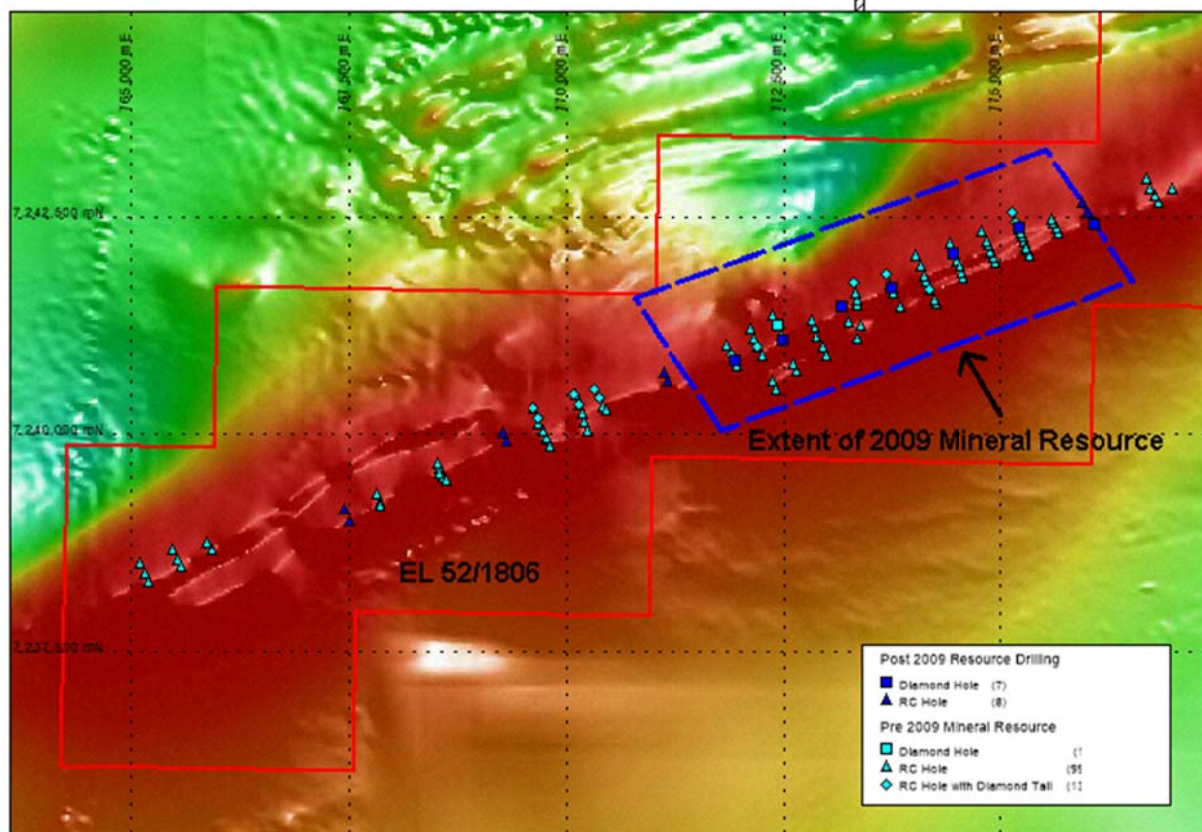


Figure 1 Shows the Area of the 2009 Mineral Resource Estimate outlined in the blue rectangle overlaid on a Total Magnetic Intensity (TMI) image backdrop. Subsequent drilling is highlighted in dark blue and the Emergent EL52/1806 Boundary is indicated in red.

Competent Persons Statement

The information in this report which relates to Exploration Results and Mineral Resources is based on information compiled by Dr Andrew Tunks, a Director, who is a Member of the Australian Institute of Geoscientists. Dr Tunks has sufficient experience which is relevant to the style of mineralisation and 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' (The JORC Code). Dr Tunks consents to the inclusion in this announcement of the statements based on this information in the form and context in which it appears.

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