Appendix 5

Hera Project Mineral Resource Estimate – July 2011

Prepared by YTC Resources Limited

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(Note: A copy of this Appendix is available on the Project CD)

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HERA PROJECT MINERAL RESOURCE ESTIMATE

for

YTC RESOURCES LIMITED

HERA PROJECT MINERAL RESOURCE ESTIMATE

Prepared by Dean Fredericksen on behalf of:

YTC Resources Limited

Author: Dean Fredericksen Chief Operations Officer MSc (Hons), MAusIMM

Date: 27 July 2011

Copies: YTC Resources Ltd (2)

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1. EXECUTIVE SUMMARY

The Hera Project is located 100km south-east of Cobar and is hosted in Cobar Basin rocks which also host the world-class mineral deposits at CSA, The Peak and Endeavor.

The Hera deposit was discovered by Pasminco in 2001 and advanced to pre-feasibility by Triako Resources in the period 2002 to 2006, before Triako was the subject of a takeover by CBH Resources Limited. YTC acquired the Hera Project from CBH Resources in September 2009.

The Hera deposit represents multiple lenses of sub-vertical gold and base metal mineralisation. The central Main lens represents the bulk of the deposit tonnes and extends for approximately 600m along strike. Significant other mineralised lenses within the deposit include the Far West lens, Hays North and South and the Western Pb lens.

It is considered that exploration upside exists not only in the extension of the existing lenses, but also in the interpretation of Hera to evolve into a more substantial 'Cobar style' gold-base metal system in the style of the world-class CSA or 'the Peak' deposits.

The project has been subject to a number of drill programs from the period 2001 to 2011. YTC Resources have completed a total of 64 drillholes (53 DDH and 11 RC) during the period late 2009 through to April 2011. When combined with the previous drilling the data set comprises 190 drillholes for some 75,000 metres.

YTC completed and Mineral Resource estimate in June 2010 which was used as the basis for developing a mine plan and definitive feasibility study for the project. Late in the drilling program a very strong intercept in the Far West Lens prompted an additional round of drilling to upgrade portions of the Far West Lens from Inferred Resources to Indicate Resources

The estimation has been defined at a "net recoverable ore value per tonne" cut-off. YTC have utilised a cut-off of A$125/tonne to define a Global Resource for the selected lenses of:

Table 1 Hera Mineral Resource Estimate as at 2 June 2011.

Category	Tonnes	NSR (A$)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)
Indicated	2,113,000	243	4.2	17.0	0.2	2.8	3.9	9.2
Inferred	330,000	207	3.5	14	0.1	2.3	3.3	7.5
Total	**2,444,000**	**238**	**4.1**	**16.7**	**0.2**	**2.8**	**3.8**	**8.6**

Tonnage estimates have been rounded to nearest 1,000 tonnes. Metal grades have been rounded to nearest decimal place.

The Resource Estimation has been completed by Mr Dean Fredericksen with assistance from Mr Stuart Jeffrey (BSc (Hons), MSC, MAusIMM, MGSA).

Competent Persons Statement

The Resource Estimation has been completed by Mr Dean Fredericksen of Fredericksen Geological Solutions Pty Ltd under supervision of Mr Rimas Kairaitis. This report has been compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis 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.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

- The Mineral Resource estimate has been calculated over 5 discrete gold and base metal mineralised geological lenses, being:
  - Main Lens North & South
  - Far West Lens
  - Hays Lens North & South

  During the estimate process, additional mineralised lenses have been encountered and will also be modelled and incorporated onto future updates to the Mineral Resource.

- Metal grades have been estimated into 10 x 10 x 2m blocks by ordinary kriging of the grades using independent estimation runs for each element and each estimation domain.
- The estimate is supported by a database of 190 diamond core drill holes and 11 RC drillholes. This drilling comprises mostly HQ core with some NQ sized core
- YTC Resources completed 32 drill holes during the period November 2009 – April 2010 and a further 32 drill holes (11 RC and 21 DDH) during the period May 2010 to April 2011
- All drill holes have been surveyed at collar by registered surveyors and also at regular downhole intervals using magnetic surveying tools. A series of gyroscopic survey checks have been completed to verify the appropriateness of this method.

Table 2 Hera Data set drilling summary by company

Company	Metres (Total)	Number of Holes
CBH	13,255	28
Pasminco	4,263	9
Triako	43,335	100
YTC DDH	26,309	53
YTC RC	2,058	11
Total	**75,581**	**190**

- Drill core has been sampled on nominal 1.0m intervals split in half with a diamond saw and assayed in commercial laboratories. All of the YTC Resources drilling has been assayed for Au, Ag, Pb, Zn and Cu at ALS Orange which has also produced assays for previous tenement owners.
- YTC Resources has maintained a QA/QC system during its sampling and assaying process. Previous owners have also maintained an extensive QA/QC system and YTC Resources has reviewed this data and believes the data is of sufficient quality to support the Mineral Resource and classifications applied.
- Gold assaying by YTC Resources has been completed initially by 30gm fire assay with all assays >0.5g/t Au or within known ore domains subsequently assayed by the screen fire assay (SFA) method. Previous owners have also completed screen fire assays for gold. The database of some 27950 assays contains 2810 individual SFA within mineralised sections of core

- Samples have been composited into 1.0m intervals weighted by density.
- Au grades have been top cut to 90g/t Au outside of a small constrained, very high-grade domain within the Main Lens (a single assay in the northern section of main lens has been cut to 20g/t):
  - A small very high-grade domain within the Main Lens has been estimated using uncut samples and was also informed by composites from the surrounding Main Lens.
  - The remainder of the main lens uses all Top cut composites including top cut values from within the very high-grade domain
- No top cuts have been applied by to the Ag, Pb, Zn or Cu composites
- Specific Gravity has been estimated into the blocks using an established relationship between Pb+Zn+Cu and physical SG measurements made on sections of drill core using the Archimedes method (3630 measurements within mineralised sections)
- Domains have been wireframed based on a nominal 2% Pb+Zn+Cu cutoff. This domain captures almost all of the significant Au mineralisation.
- Since the last Mineral Resource release in June 2010 YTC Resource has undertaken considerable further Metallurgical testwork. This testwork has focussed on recovering as much Gold and Silver as possible to dore and producing a saleable Bulk Lead-Zinc Concentrate.
- Marketing studies for a bulk Pb-Zn concentrate have been undertaken to determine saleability of the product and to provide indicative concentrate terms for use in this study. These terms are shown in Table 3
- The Mineral Resources are reported above a Net Smelter Return (NSR) cutoff – no mining designs have been made and therefore mining recovery has not been applied and no dilution added
- The estimate has been reported on a "Net Smelter Return" cut-off. This is considered the best representation of the gold and base metal nature of the ore deposit. NSR Values are estimated into each block using the following:

  Metal grade x expected recovery (%) x expected payability (%) x Metal price: less concentrate freight and treatment charges and royalites

- It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.

  Au Equivalent calculation formula = (Metal price x metal grade) ÷ (gold price per oz ÷ 31)

The following metal prices, exchange rates and metal recoveries and payabilities were used in the estimation of "net recoverable ore value per tonne" and for the calculation of a gold equivalent.

Table 3 Hera Project Meatl Price assumptions for calculating Block model NSR

Metal	Price	Source

Au	US$1200/oz	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Cu	US$8370/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Pb	US$2420/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Zn	US$2425/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Ag	US$27/oz	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
AUD/USD	0.90	

Table 4 Hera Project Metallurgical assumptions and metal payabilities for a bulk Pb/Zn concentrate for block model NSR calculations

Metal	Recovery	Payability	Source
Au	94%	100%	YTC Metallurgical testwork and Marketing Study
Cu	88%	0	YTC Metallurgical testwork and Marketing Study
Pb	91%	87%	YTC Metallurgical testwork - Payability Calculated based on Study
Zn	90%	78%	YTC Metallurgical testwork - Payability Calculated based on Study
Ag to Dore	47%	100%	YTC Metallurgical testwork and Marketing Study
Ag Bulk Con	46%	0%	YTC Metallurgical testwork and Marketing Study
Treatment Charge	USD 250		YTC Resources Marketing Study
Concentrate Freight	AUD		YTC Resources Marketing Study

2. INTRODUCTION

2.1 Qualifications, Experience and Independence

Dean Fredericksen, MSc Hons, MAusIMM.

Chief Operation Officer, YTC Resources - Principal Author

Dean Fredericksen has 23 years' experience in the base metal and gold mining industry in Australia, New Zealand, USA and China and has been involved in Project evaluations in North and South America. Dean graduated with an MSc (Hons) in Earth Sciences from the University of Waikato NZ.

Dean's experience over the past 20 years has largely been in Geology management positions holding the following positions; Mine Geology Manager, Tritton Copper Mines, Principal Geologist, Newcrest Mining Ltd, Cadia Valley Operations, Group Mine geologist for MPI Mines

Ltd, Chief Geologist at Stawell Gold Mines. From early 2007 – 2011 Dean consulted to the mining industry providing mentoring to mine geological personnel, geological consulting advice and management support to a variety of gold and base metal projects in Australia, New Zealand, China and the Philippines as well as completing several Mineral Resource estimation projects and technical due diligence studies for a growing list of clients. In March 2011 Dean joined YTC Resources as the Chief Operating Officer

His experience includes reporting as competent person (JORC and NI43-101) on Mineral Resource estimates for a variety of geological terrains epithermal gold and silver, porphyry Cu-Au deposits, nickel sulphides and mesothermal gold and base metal systems). Dean has participated in mining project evaluation and planning programs from concept through to feasibility studies for open pit operations, underground caving operations and underground bench stoping operations as well as resource evaluation and technical advice for various exploration and acquisition projects. Dean has had responsibility for geotechnical evaluations and has expertise in mineral resource estimation and worked with mining and metallurgical personnel to optimise metal extraction. Dean has extensive experience in mining geology and the development of and maintenance of grade control systems and work practices for both open pit and underground mining operations. Dean is proficient in the use of Surpac and MineSight mine planning software.

2.2 Project Location

The Hera Project is located 5km south of the small rural township of Nymagee and approximately 100km south east of the town of Cobar, in central NSW.

From the YTC head office in Orange, the project is accessible by sealed road via Cobar or sealed and gravel roads via Condobolin.

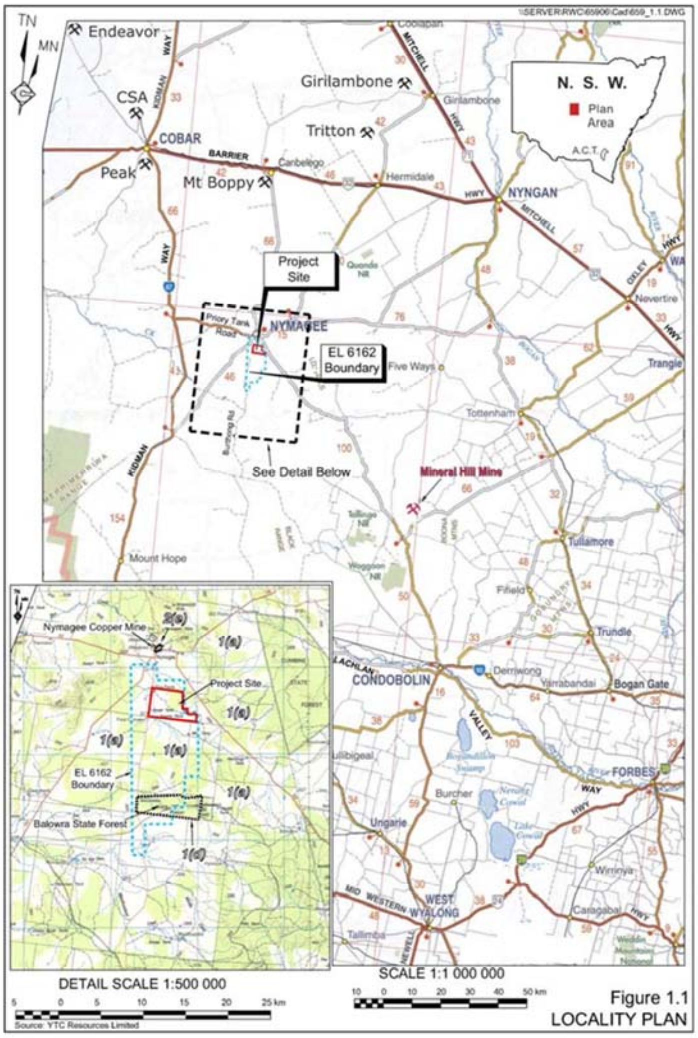

Figure 1 Location plan of the Hera Project and tenements

The Hera Project tenements cover approximately 24 km strike of the Eastern Cobar basin. The eastern margin of the Cobar basin hosts a number of world class mineral systems such as 'CSA' and 'The Peak – New Occidental' mineral systems which have had a semi continuous mining history of more than 100 years.

2.3 Project History

The Hera deposit was discovered by Pasminco in 2001 and advanced to pre-feasibility by Triako Resources in the period 2002 to 2006.

The Hera Project was acquired by CBH in the $70m takeover of Triako Resources in 2006, at which time the Hera Project was Triako's primary asset.

CBH completed additional drilling, resource estimates and internal mining studies at Hera with a view to the Hera ore being mind and trucked to the Endeavor operation for processing. CBH also completed a Part 5 Approval for an exploration decline on the Hera Deposit. This approval remains valid.

On 18 June 2009, YTC announced it had reached agreement to purchase a 100% interest in the Hera Project and an 80% interest in the adjacent Nymagee Joint Venture, from CBH Resources Ltd.

YTC commenced drilling to verify and further define the Mineral Resources at Hera with the aim of completing a definitive feasibility study.

2.4 Scope of Works

The scope of works for the estimate was detailed as follows:

- Compile Data set and complete QA/QC on data
- Establish Density data and validate
- Review existing geological information as supplied to understand controls on mineralisation;
- Compile estimation domain interpretations;
- Wire-framing of estimation domains;
- Drill-hole coding and compositing;
- Domain statistics;
- Variography and neighbourhood analysis;
- Block model estimation for Au, Ag, Pb, Zn, Cu and SG;
- Validation;
- Classification; and
- NSR block calculation for reporting
- Mineral Resource reporting and documentation.

2.6 Geological Dataset

YTC resources have compiled a data set into a "Datashed" SQL data base. This data set has captured historical data as collected and supplied by previous owners of the project and all recent drilling general comprises the following:

- Drill hole information;
  - Collar
  - Survey
  - Assay
  - Lithology
  - Mineralisation
  - Structure – Oriented drillcore
  - Geotechnical data
  - QA/QC data;
- Previous exploration annual reports;
- Consultant geological reports and observations;
- Available specific gravity measurements and details;
- Drill core photographs – all holes are available;
- Drill core logs;
- Interpreted cross sections;
- Previous geological wireframes

The data capture process was overseen by Melanie Butcher from YTC Resources and validated by Stuart Jeffery, Senior Project Geologist YTC Resources. The personnel involved in this process have considerable experience and are comfortable that sufficient checks and balances are in place to ensure the data is of good quality and suitable for the purpose of constructing a JORC compliant Mineral Resource

2.7 Drilling

The Drill database is a combination of drilling by three previous owners of the project and the drilling of 49 diamond drill holes and 11 RC drill holes completed by YTC Resources during the period November 2009 and May 2011.

The majority of the drilling has been completed as HQ triple tube core drilling with a much smaller component of NQ drilling. Whilst there has been a number of RC drillholes completed in the project only a small number of these have been used in the Mineral Resource estimate. A summary of this diamond drilling data by owner is shown in Table 5

Table 5 Hera Drilling database summary

Owner	Hole Type	Total Metres	Number of Holes
Buka	DDH	312	2
CBH	DDH	13,767	28
	RC	832	6
CRA	DDH	799	4
Decline Geotech	DDH	450	7
Pasminco	DDH	3,229	6
	RC	276	2
Triako	DDH	45,111	103
	RC	1,352	7
Water Bores	RC	540	4
YTC	DDH	23,925	49
	RC	2,058	11
YTC Sterilisation Holes	RC	708	3
Grand Total		93,358	232

The diamond drilling program has incorporated methods to orient the drill core during the drilling process. Triako and CBH drilling utilised the Ballmark® process and recent YTC Drilling has used the ACE® electronic method.

2.7.1 Drill hole Surveying

All drillholes have been surveyed at collar by registered surveyors and also at regular downhole intervals using magnetic surveying tools. All YTC Resource drill holes and a number of previous holes have been surveyed using an electronic multishot survey tool on 6.0m and 12.0m intervals.

A series of gyroscopic survey checks have been completed to verify the appropriateness of this method and indicated that the magnetic survey methods were of equally good quality and the spatial locations of the drillholes was was adversely not effected by magnetic interference.

There are a small number of exceptions that have not yet been resolved where some which has required the manual adjustment of some orebody codes as discussed latter in the document

As an audit check on historical drilling YTC Resources re-entered some of the Triako and CBH drill holes to re-surveyed the hole paths. In all cases the re-surveys concluded that the original surveys were of good quality

A Magnetic declination adjustment of 10.3 degrees has been applied to the magnetic surveys to convert them to MGA94_55.

2.7.2 Logging and Sampling

YTC Resources has maintained a set of operating procedures for the logging and sampling of the drillcore collacted during the period November 2009 and May 2011. These procedures are described in detail in Appendix X. YTC Resources is comfortable that similar practices have been employed by previous owners and the data sets are comparable in completeness and quality

Reference Appendices – Procedures for Core Markup, Core Orientation and Core Logging

The basic procedures are as follows

- Drillcore markup – all downhole metre intervals are checked and marked onto the core to verify downhole depths. Lost core where present and identifiable is indicated
- Core orientation lines are established to indicate bottom of hole for structural orientation
- Core is photographed – both wet and dry photographs have been taken
- Core is logged by Project Geologists. A detailed legend has been established and logging is conducted directly into spread sheet based templates. The legend comprises
  - Lithology
  - Alteration
  - Mineralisation
  - Structure
  - Geotechnical Parameters
- A sample interval table is established by the Project Geologists honouring lithology, structure or mineralisation as required and adhering to a nominal 1.0m interval
- Density measurements are conducted on intact sections of core for each of the sampled interval that are deemed to be within or adjacent the main mineralised structures
- Core is cut in half using a diamond saw and sampled as per the sample interval table
- Assay Standards and Blanks are submitted into the sample batches on a nominal 1:25 to 1:40 basis.
- The samples are bagged, weighed and despatched to the assay laboratories for analysis. A site batch number is established to enable tracking
- All data files generated are loaded to the Datashed SQL database in the Orange Office.

2.7.3 Sample Preparation and Assaying

Recent YTC Data has been assayed at ALS Orange. This assay laboratory was also the primary laboratory utilised by previous owners Triako Resources and CBH Resources. This has provided good continuity for the majority of assays in the database and with the QA/QC data has provided confidence in the quality of the data set

Assay methods are;

- Gold assaying by YTC Resources has been completed initially by 25g and 50g fire assay with all assays >0.5g/t subsequently assayed by screen fire assay methods. In cases where mineralised intercepts include internal dilution the complete zone has been assayed using screen fire assay methods
  - YTC Resources has employed a method where the entire sample (sometimes as much as 4.5kg) has been pulverised to 90% passing 75um prior to screening.
  - At the logging and sampling stage YTC Resources has routinely requested Screen Fire Assays for sample intervals prior to completing the initial 25g Fire Assay
  - Previous owners have also completed screen fire assays for gold using a nominal 1.0kg screen fire assays.
  - The database comprising some 28,900 assays contains 2812 individual SFA within mineralised sections of core.
- A Base metal suite (Pb, Zn, Cu, Ag, S, As and Fe) has been assayed using an Aqua Regia digest and finished with ICPAES finish. Ore Grade samples for Pb, Zn, Cu (>1.0%) have been repeated using an ore grade method (ALS Reference ME-0G46).

2.7.4 Screen Fire Assay vrs Fire Assay Analysis

A plot of the screen fire assays versus the original 25g or 50g fire assay are shown in Figure 2. The graph indicates reasonable scatter when directly comparing the results. We would expect this scatter given the coarse nature of the gold and relative sample sizes between a 1.0kg or total screen fire and the 25g or 50g fire assay charge

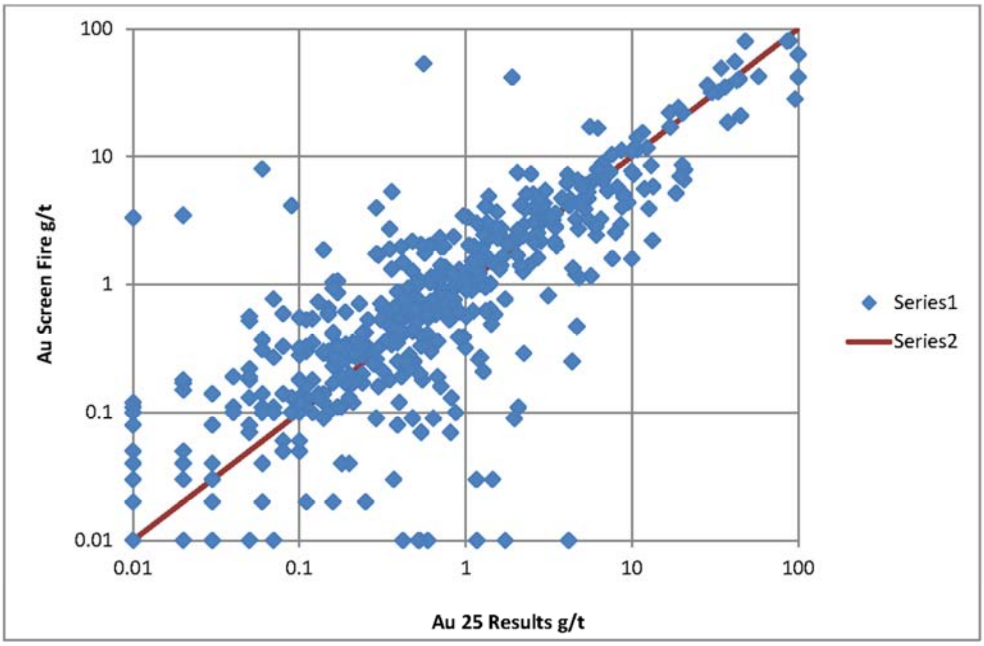

Figure 2 Scatter plot showing the relationship between the original 25g or 50g Fire Assay and subsequent screen fire assays. Note the data set is 494 samples. The majority of the 2812 screen fire assays were requested prior to completion of a normal fire assay and subsequently we do not have pairs for all data.

The data is also present in a QQ plot in Figure 3. This relationship shows that at the very high grades the 25g or 50g assays overstate the assay grade relative to the screen fires by as much as 20% in some grade ranges. In general we would expect that the screen fire assays would find more gold, however this relationship demonstrates the potential for single high grade 25g or 50g assays to bias a dataset. Having a gold dataset dominated by screen fire assays provides for robust estimates using high quality data in that we are not having to deal with the inherent high nugget effect contributed by small assay sizes. A histogram of the two data sets Fire Assay25g and 50g versus Screen Fire Assays are shown in Figure 4

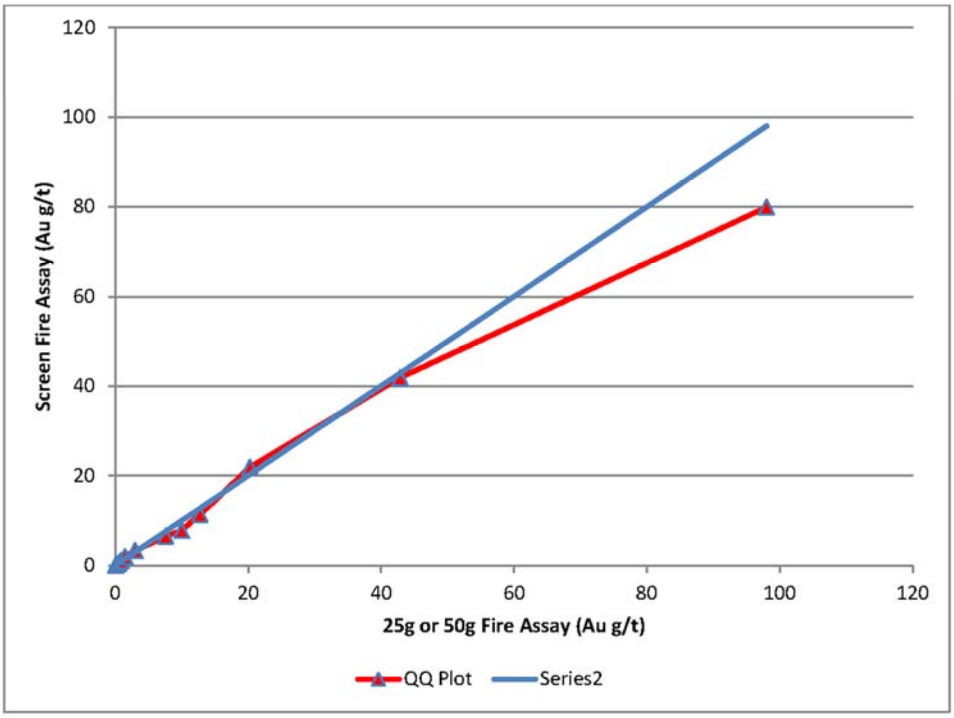

Figure 3 QQ Plot of Au fire assay versus Au screen fire assay for the subset of the Hera Data set where both screen fire and normal fire assays have been completed (494 Assays)

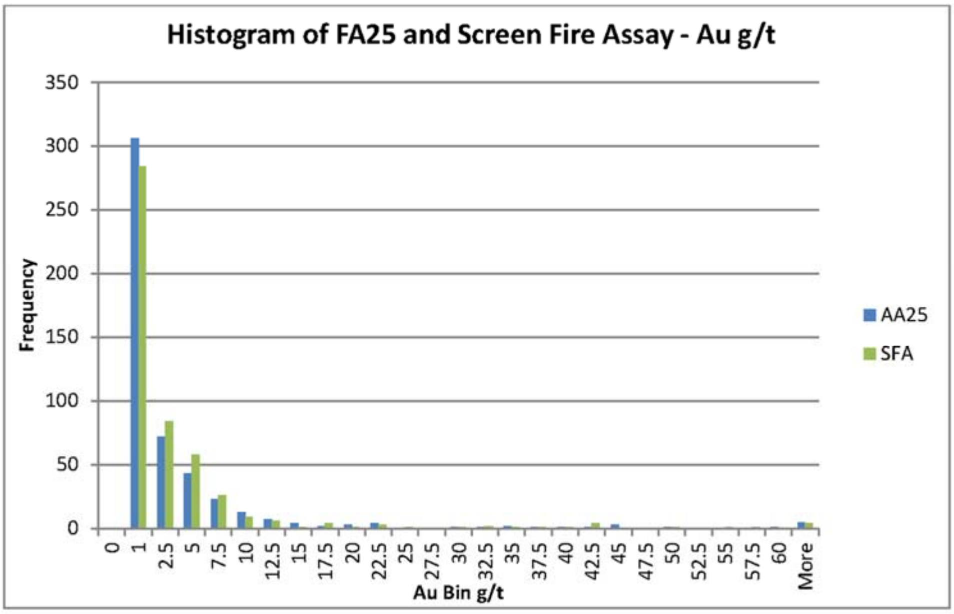

Figure 4 Histograms of 25 and 50g Fire assays and screen Fire Assay.

2.7.5 Density Measurements

During the course of the YTC Resource drilling program a significant number of density measurements were made on core samples. The measurements were made using the Archimedes methods with the samples weighed in air and in water to derive and insitu density.

These have been added to measurements made by previous owners to give a total data set comprising 3605 measurements.

Results have been correlated against a number of assay variables in order to establish a relationship to calculate a derived SG value for all assay intervals. This will enable us to estimate this variable and also to composite using the SG weighting. The best relationship is established with S% assays; however we do not have a complete assay set for sulphur and cannot use this. A very strong relationship exists between measure SG and Cu+Pb+Zn and this has been utilised to calculate an SG variable for all assay intervals. This relationship is shown in the Figure X. The regression formula for the best fit line has been applied to the data set as a calculated field to enable SG to be directly estimated into the blocks based on the SG calculated field.

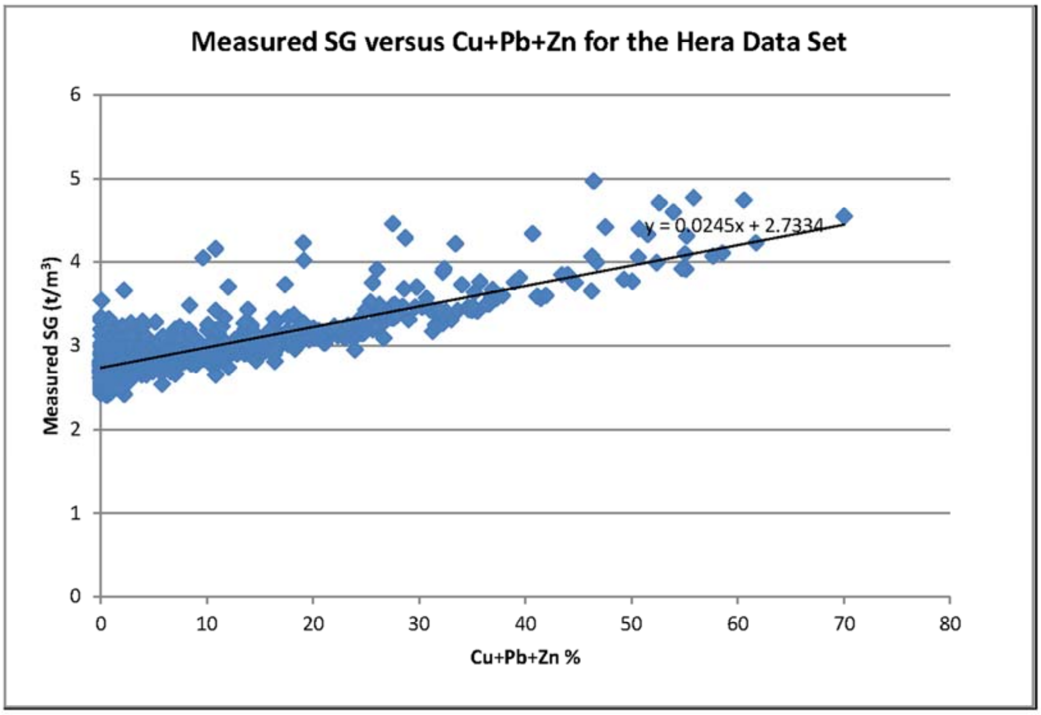

Figure 5 Hera SG measurements plotted against the combined Pb+Zn+Cu assays.

2.8 QA/QC Section

The data set for Hera comprises data collected over a period of +7 years. YTC has incorporated all of the QA/QC data for previous owners and collated into suitable tables to demonstrate a good level of compliance for laboratory analysis over this time. This section is broken into pre-YTC Resources and YTC Resources analysis.

An additional exercise was completed where selected pulverised rejects from Triako and YTC Resources data were sent to Genalysis in Perth for re-assay for base metals and silver.

2.8.1 *Pre YTC Resources QA/QC – Standards*

Previous operators of the project have submitted standards with the samples sent for assay. The standards utilised are summarised in Table 6. All of these standards were sourced from Gannett Holding Pty Ltd in Perth Western Australia

The standards are not certified for all elements and only the certified values are shown with appropriate standard deviations as determined by Gannett. In addition to these a number of blanks and Silica flushes were submitted as control samples. A complete analysis of these is not included in the report; suffice to say there were no material issues identified in the analysis.

It is apparent when reviewing the data set that there are a number of errors in the labelling of the standards in the data sheet versus what should be the correct label. For example a set of values are entered from the laboratory that do not correspond to the expected values. Where it is obvious that they match another of the known standards these have been adjusted accordingly and plotted into the revised standard control charts that are shown in this document.

In total there are some 26 clearly incorrectly labelled samples out of a data set of 1623 QA/QC samples. There are a number of other suspect samples which on further analysis may prove to be the same.

Table 6 Pre YTC Resources Standard Reference Material summary

Values	BM142	BM194	BM274	BM330	BM62	BM69	GG1711
AU Expected g/t	6.04	3.64	6.27	7.6	0.405	1.05	2.27
Au 1SD g/t	0.3	0.24	0.31	0.41			
Cu Expected ppm	14320	5288	1028	22721	23483	22559	3927
Cu 1SD ppm	666	335	57	915	1456	1436	256
Pb Expected ppm				728	37900	2885	5811
Pb 1SD ppm				56	2785	285	300
Zn Expected ppm				718	110334	32333	86150
Zn 1SD ppm				72	6018	1706	4347
Ag Expected g/t					125	44	54.5
Ag 1SD g/t					10.4	4	4.6

Control Charts for the above standards are shown in the following figures. Note the upper and lower limits are ±2SD. Despite there being some outlier samples YTC Resources is comfortable that the charts indicate good compliance overall for all elements and indicate the data utilised for the estimate is of good quality. Unfortunately we do not have a data base indicating what corrective actions were initiated when non-compliance was monitored.

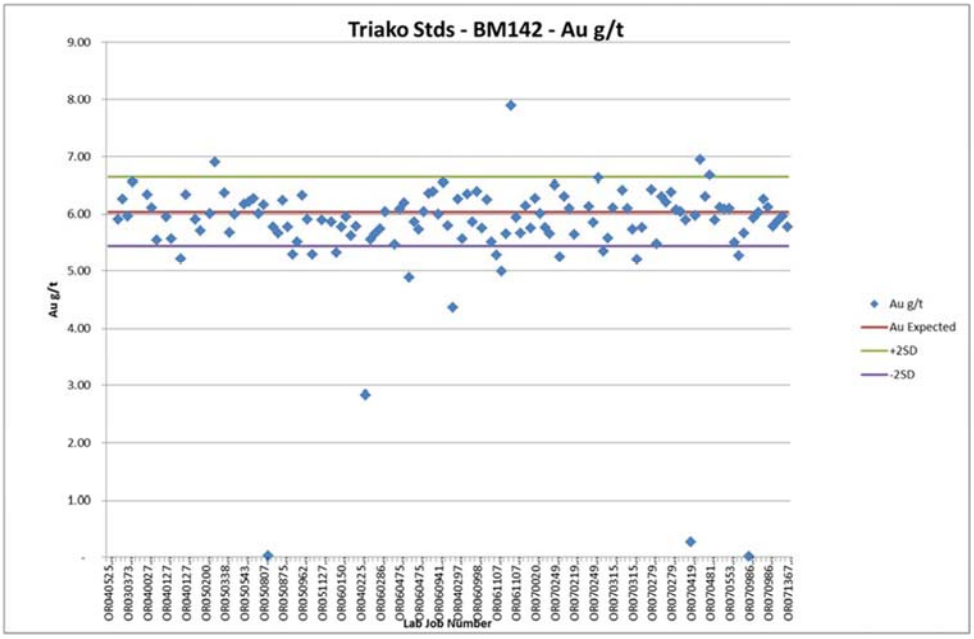

Figure 6 Control chart BM142 Au g/t

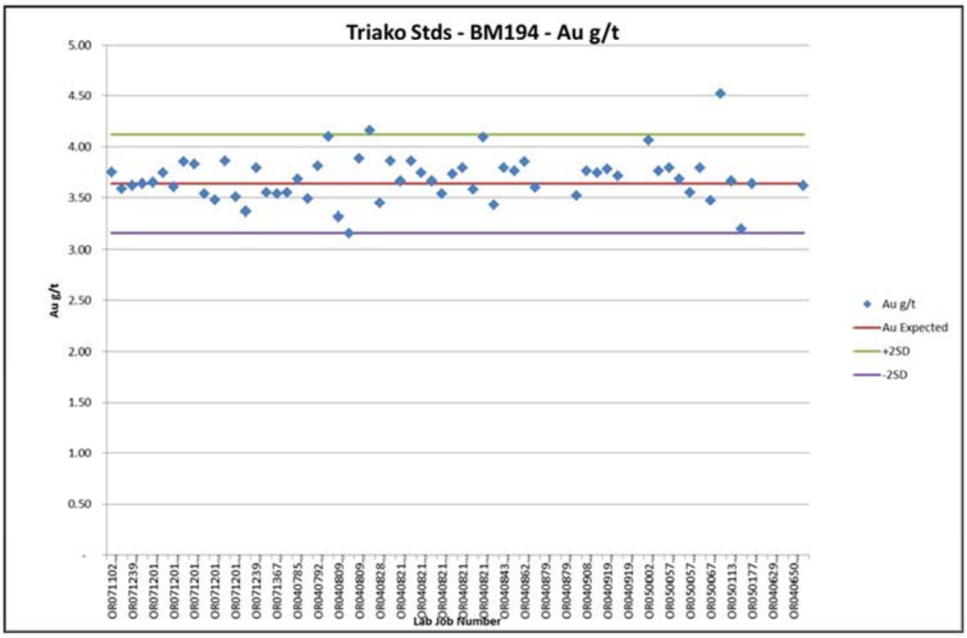

Figure 7 Control chart BM194 Au g/t

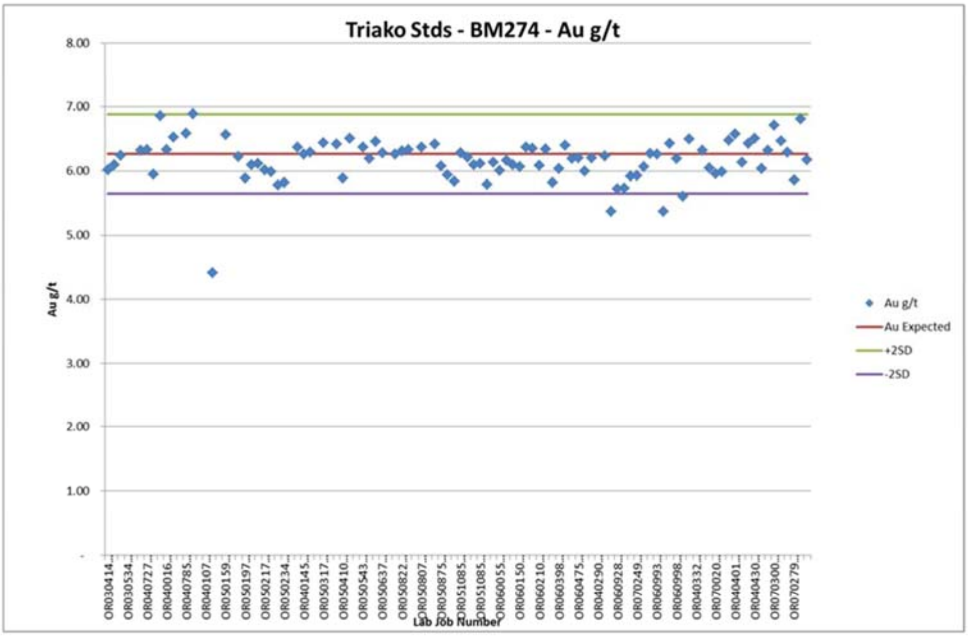

Figure 8 Control chart BM274 Au g/t

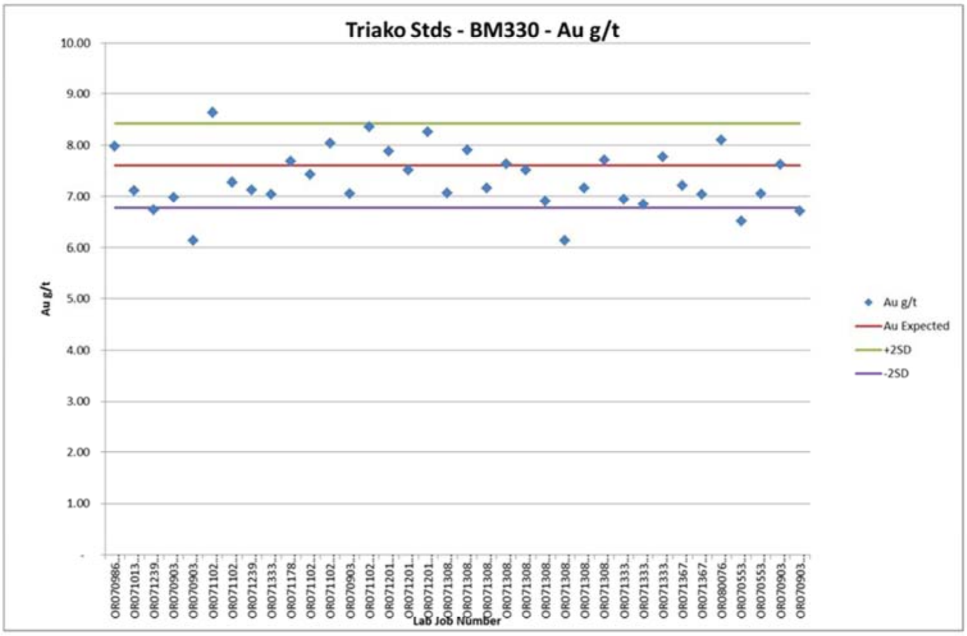

Figure 9 Control chart BM330 Au g/t

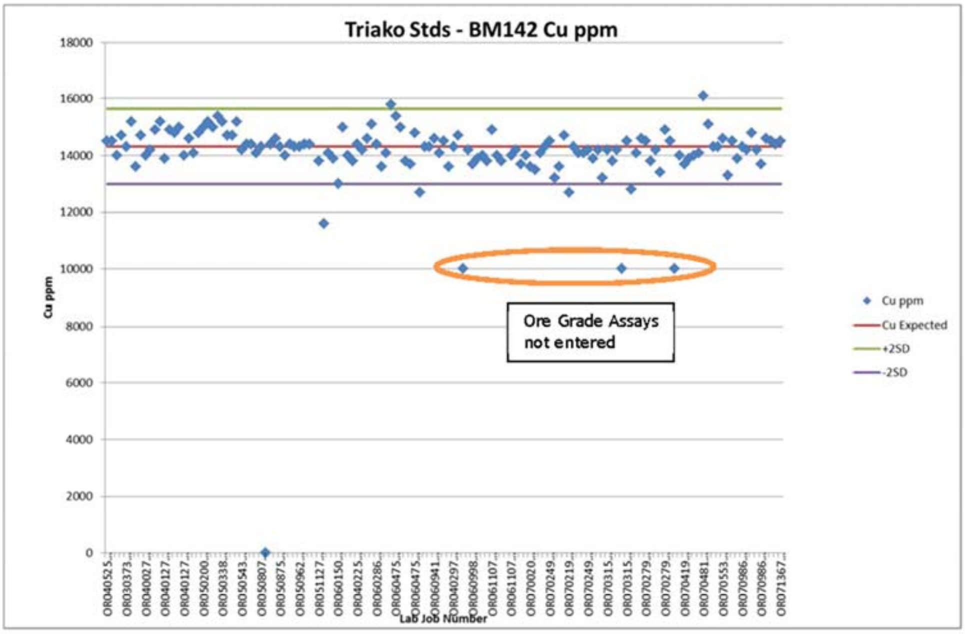

Figure 10 Control chart BM142 Cu ppm

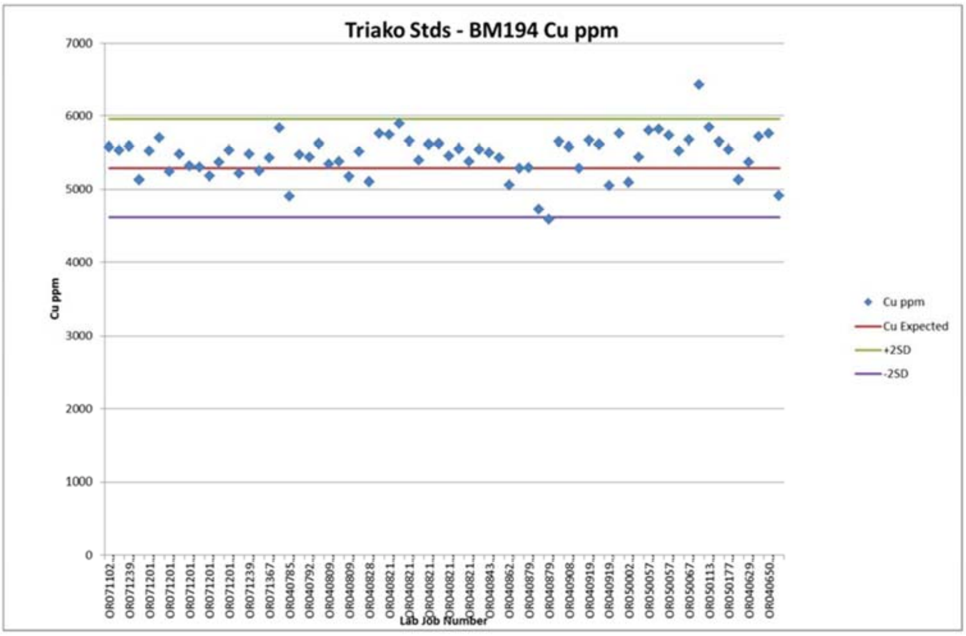

Figure 11 Control chart BM194 Cu ppm

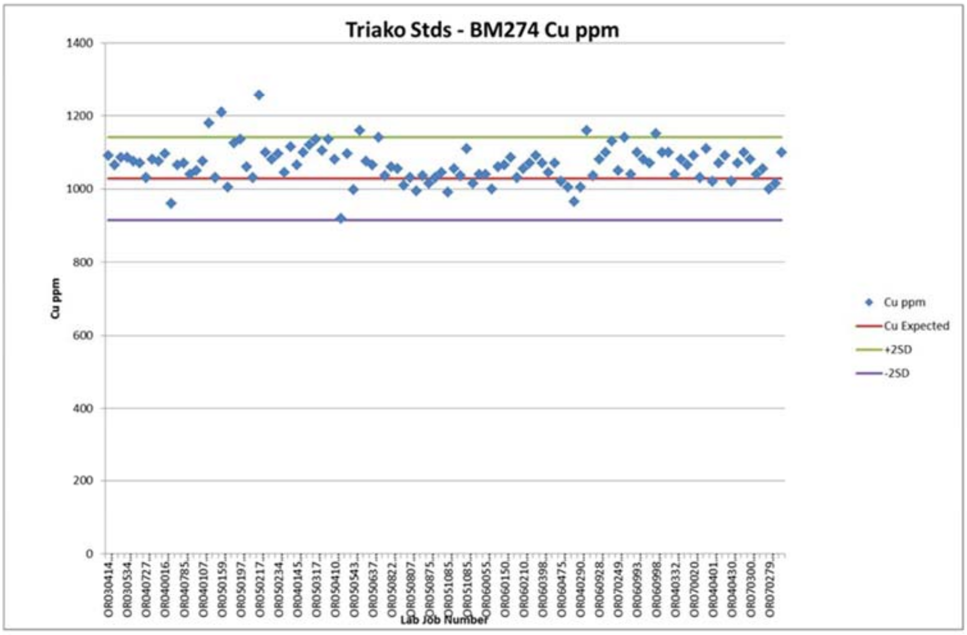

Figure 12 Control chart BM274 Cu ppm

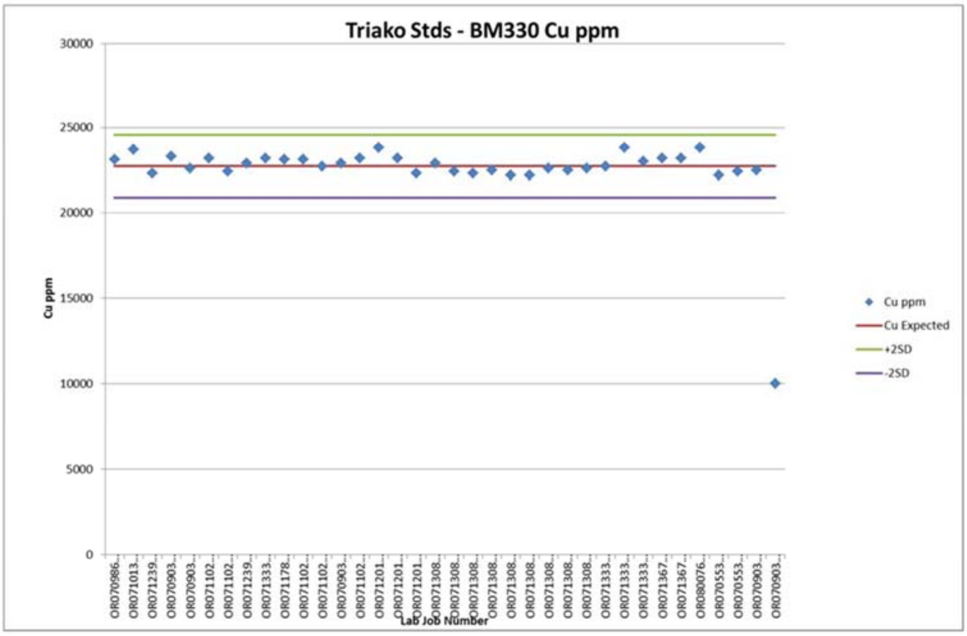

Figure 13 Control chart BM330 Cu ppm

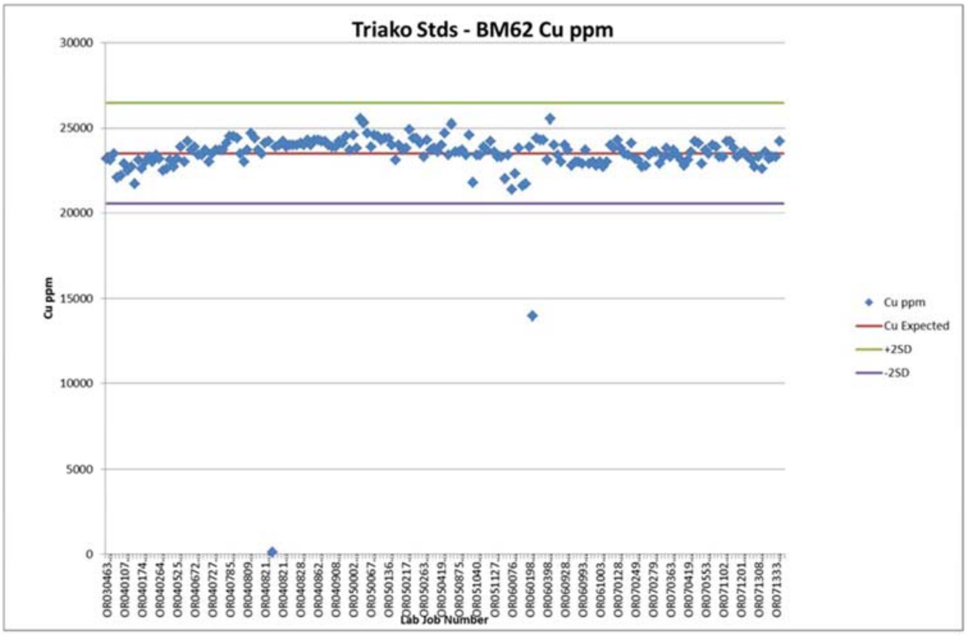

Figure 14 Control chart BM62 Cu ppm

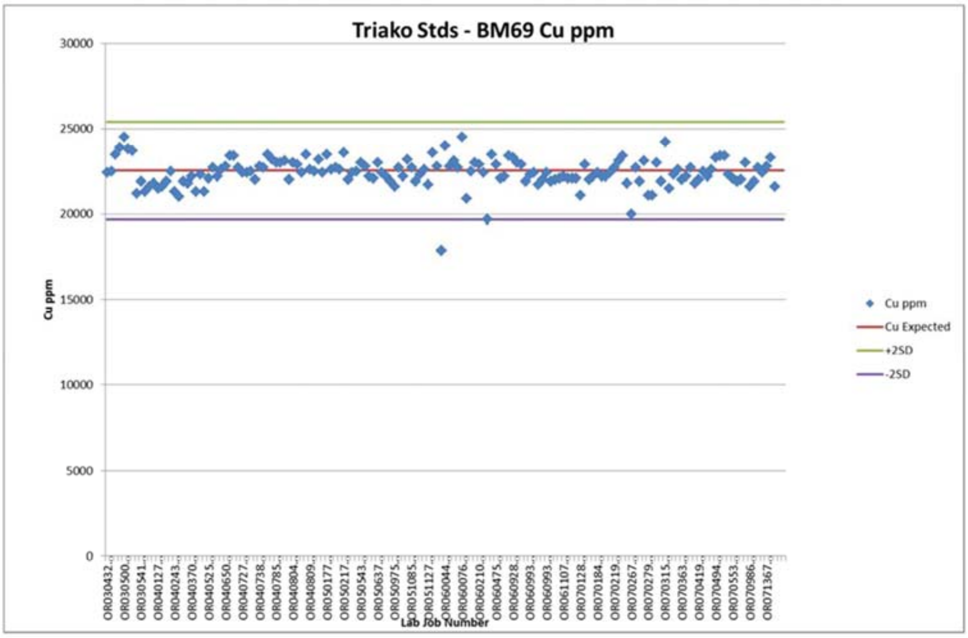

Figure 15 Control chart BM62 Cu ppm

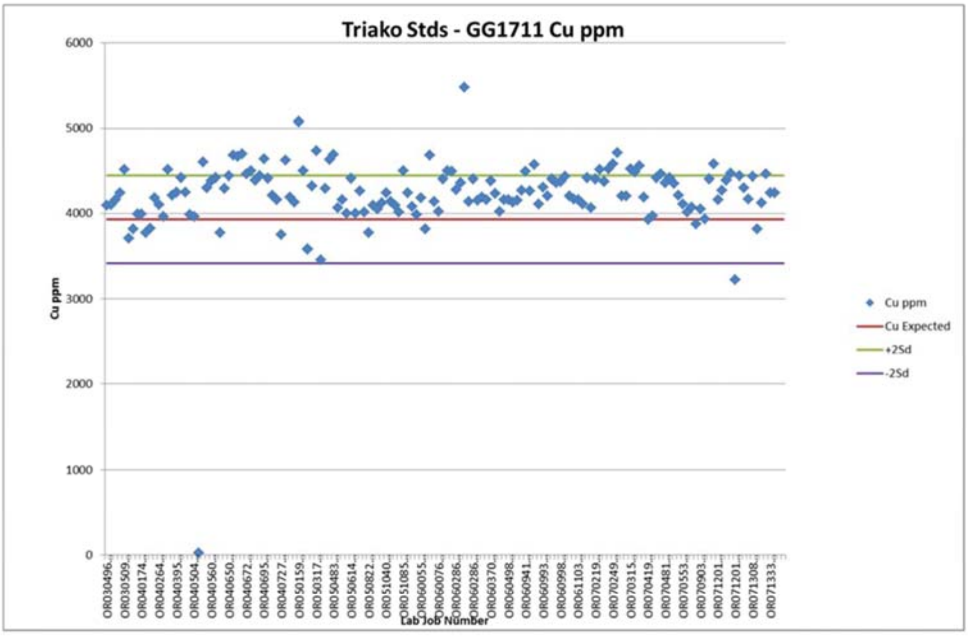

Figure 16 Control chart GG1711 Cu ppm

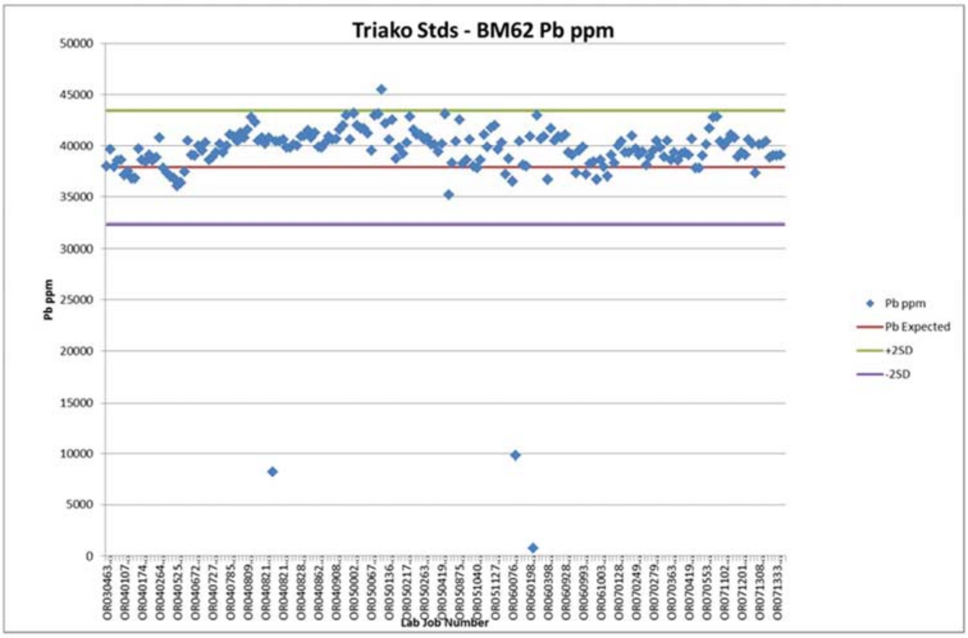

Figure 17 Control chart BM62 Pb ppm

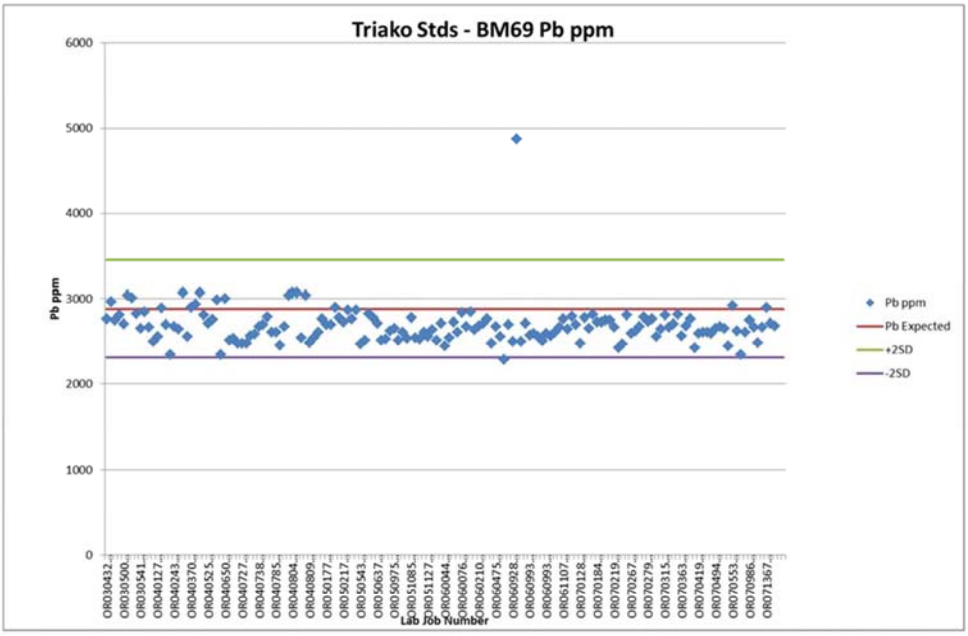

Figure 18 Control chart BM69 Pb ppm

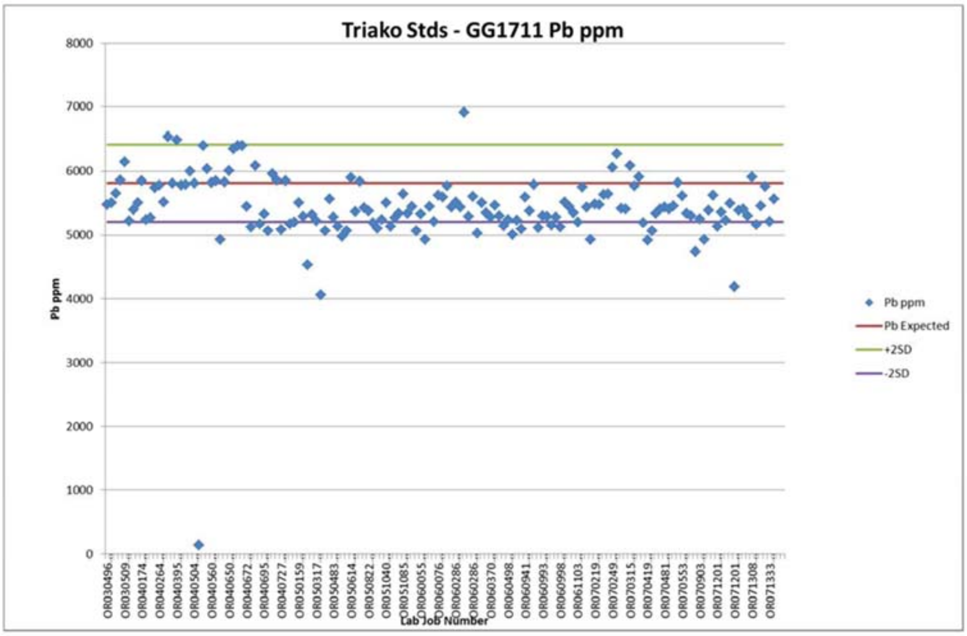

Figure 19 Control chart GG1711 Pb ppm

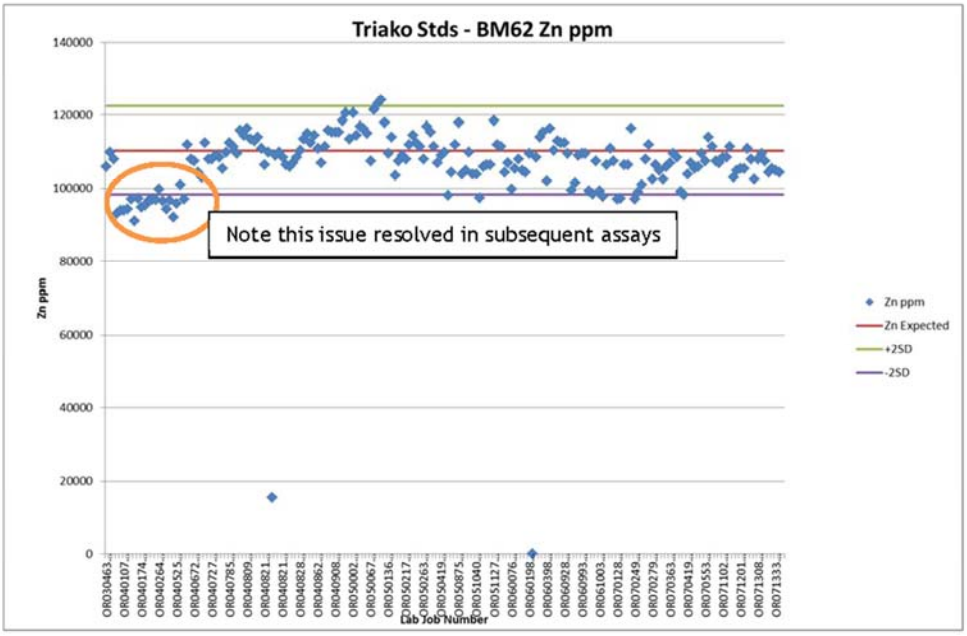

Figure 20 Control chart BM62 Zn ppm

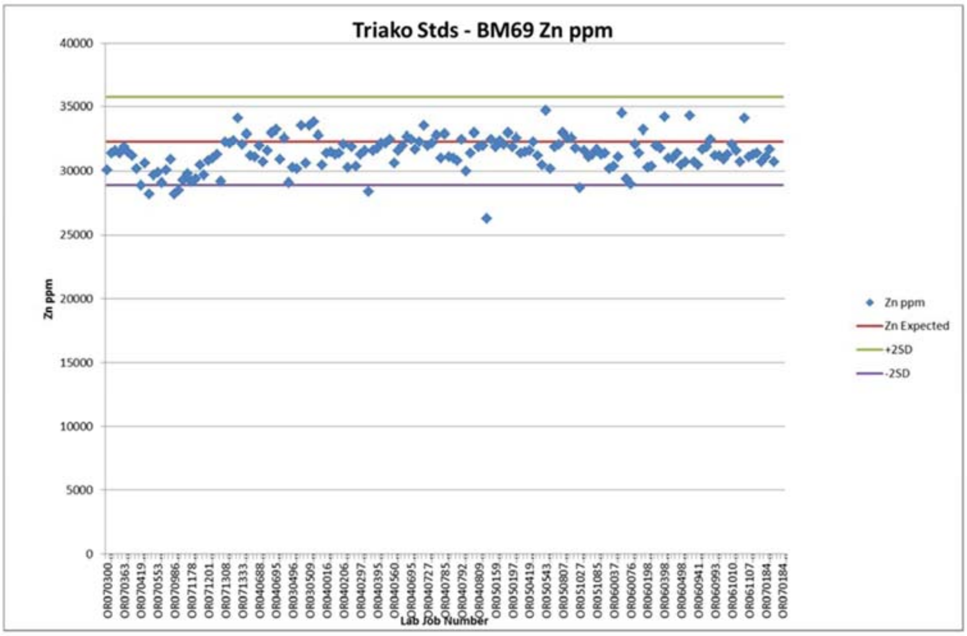

Figure 21 Control chart BM69 Zn ppm

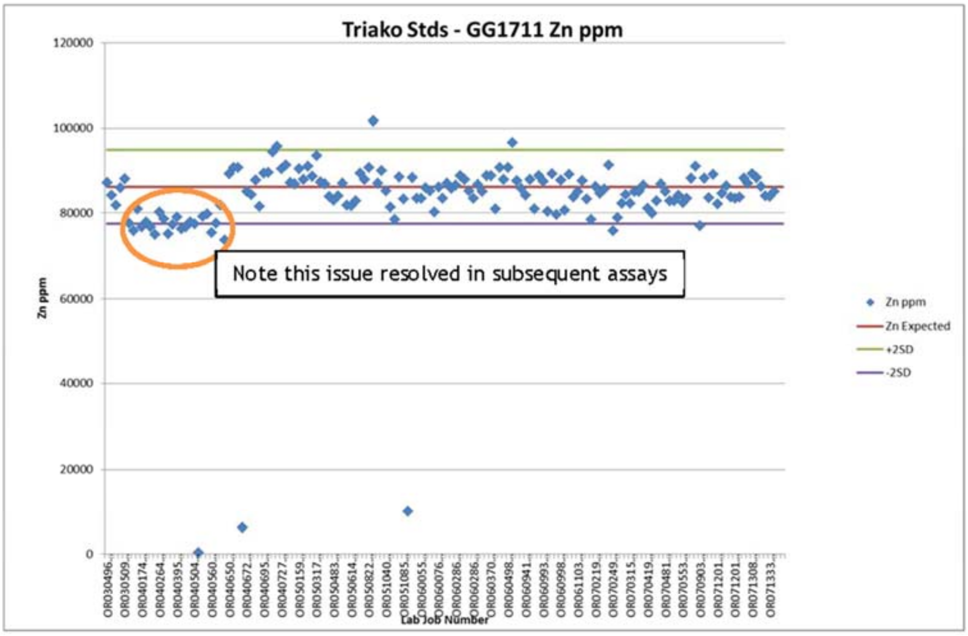

Figure 22 Control chart GG1711 Zn ppm

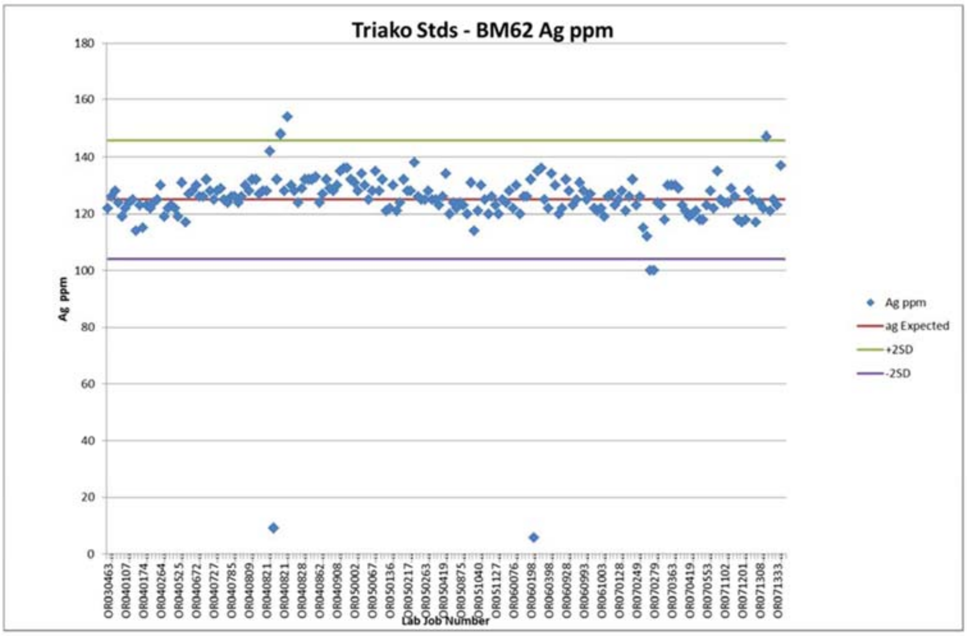

Figure 23 Control chart BM62 Ag ppm

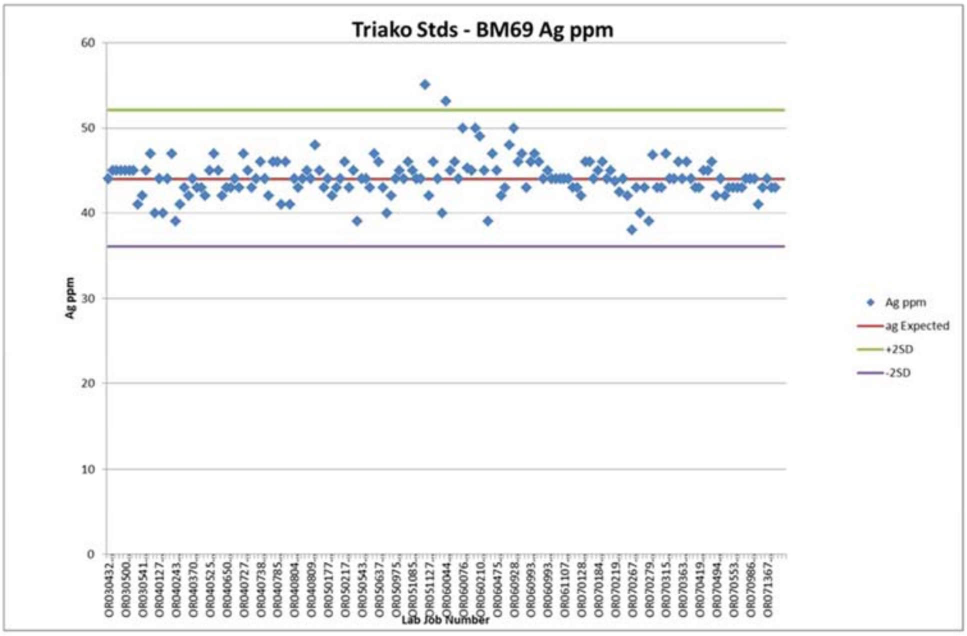

Figure 24 Control chart BM69 Ag ppm

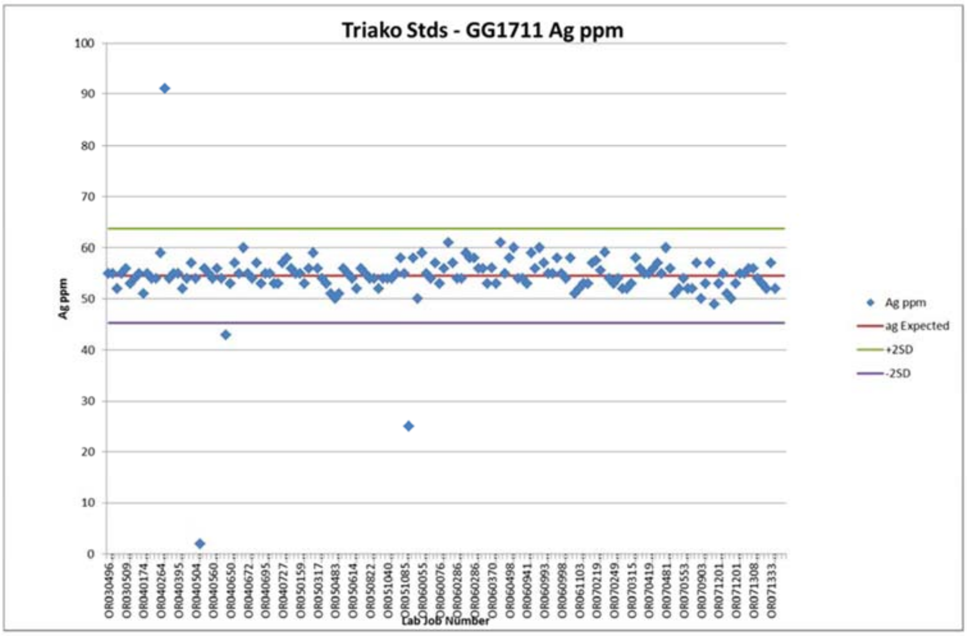

Figure 25 Control chart GG1711 Ag ppm

2.8.2 YTC Resources QA/QC Data

YTC Resources have submitted standards with the samples sent for assay. The standards utilised are summarised in table. These standards were sourced from Gannett Holding Pty Ltd in Perth Western Australia, GEOSTATS, Western Australia and ORES from Victoria. The material form which these have been made are as much as possible similar to the Hera Mineralisation styles.

The standards are not certified for all elements and only the certified values are shown with appropriate standard deviations as determined by Gannett. In addition to these a number of blanks and Silica flushes were submitted as control samples. A complete analysis of these is not included in the report.

Table 7 YTC Resources Standard Reference Materials used

Values	STD BM330	STD BM465	STD BM71	GBM901-8	GBM908-14	OREAS50c	OREAS52Pb
AU Expected	7.6		0.167	2.415	5.175	0.836	0.307
Au 1SD	0.41		Not Certified	Not Certified	Not Certified	0.028	0.017
Cu Expected	22721	130	264	837	23715	7420	3338
Cu 1SD	921.5	10	23	51	704	160	76
Pb Expected		90000	25920	1657	32955		
Pb 1SD		1800	1914	108	1185		
Zn Expected		181000	124310	272	42716		
Zn 1SD		3500	8386	20	1503		
Ag Expected		62	52	2.2	303.7		
Ag 1SD		2	4	0.4	21.9		

YTC Resources has returned out of specification batches for re-assay on several occasions to ensure the best possible data is collated. These returns have not identified and significant issues with the batch results

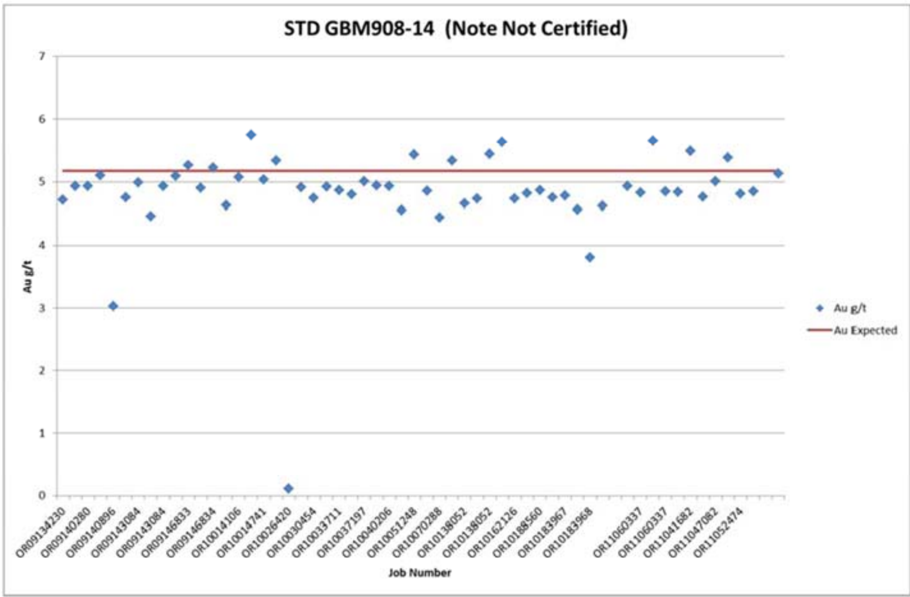

Figure 26 Control Chart GBM908-14 Au g/t. Note this standard is not certified by the supplied but as it was a base metal standard YTC Resources has maintained its use in the QA/QC process

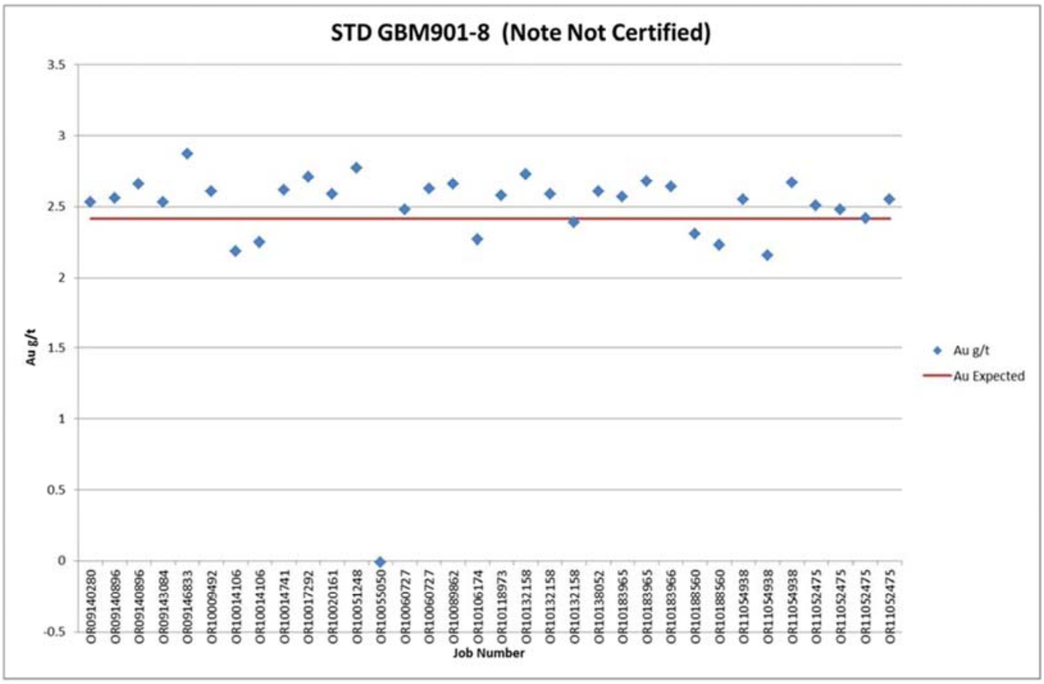

Figure 27 Control Chart GBM901-8 Au g/t. Note this standard is not certified by the supplied but as it was a base metal standard YTC Resources has maintained its use in the QA/QC process

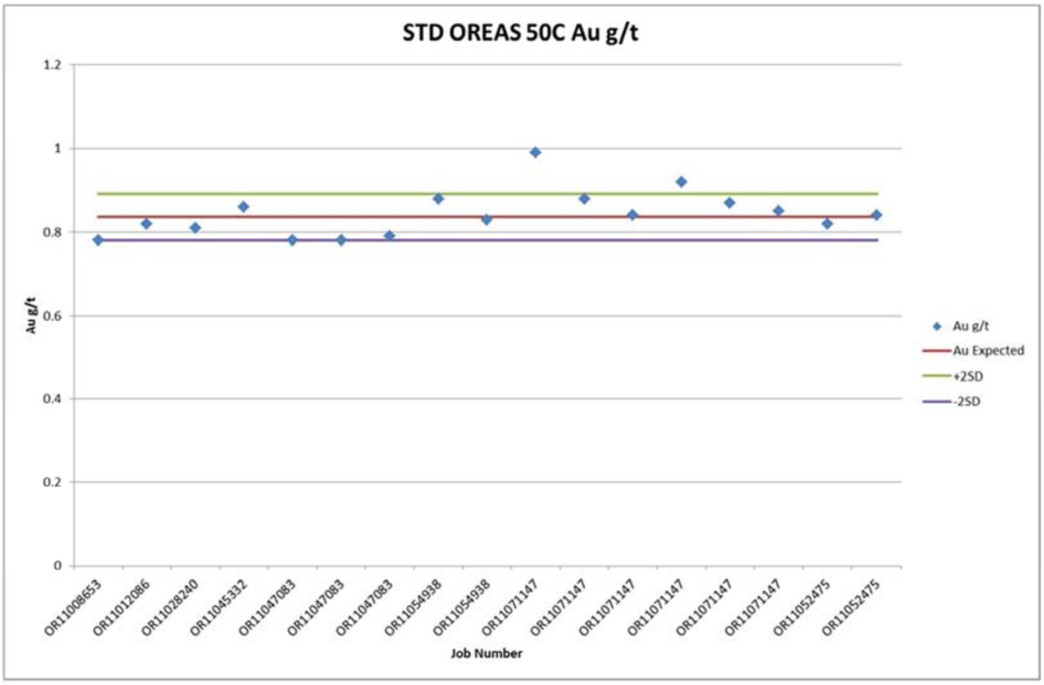

Figure 28 Control Chart GBM901-8 Au g/t.

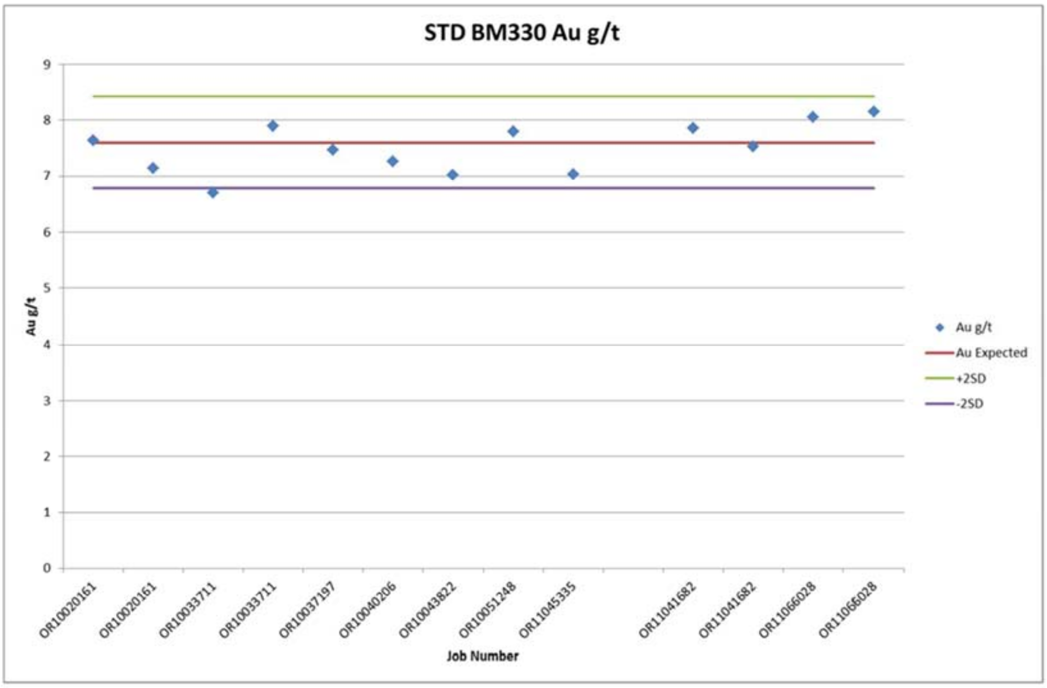

Figure 29 Control chart BM330 Au g/t

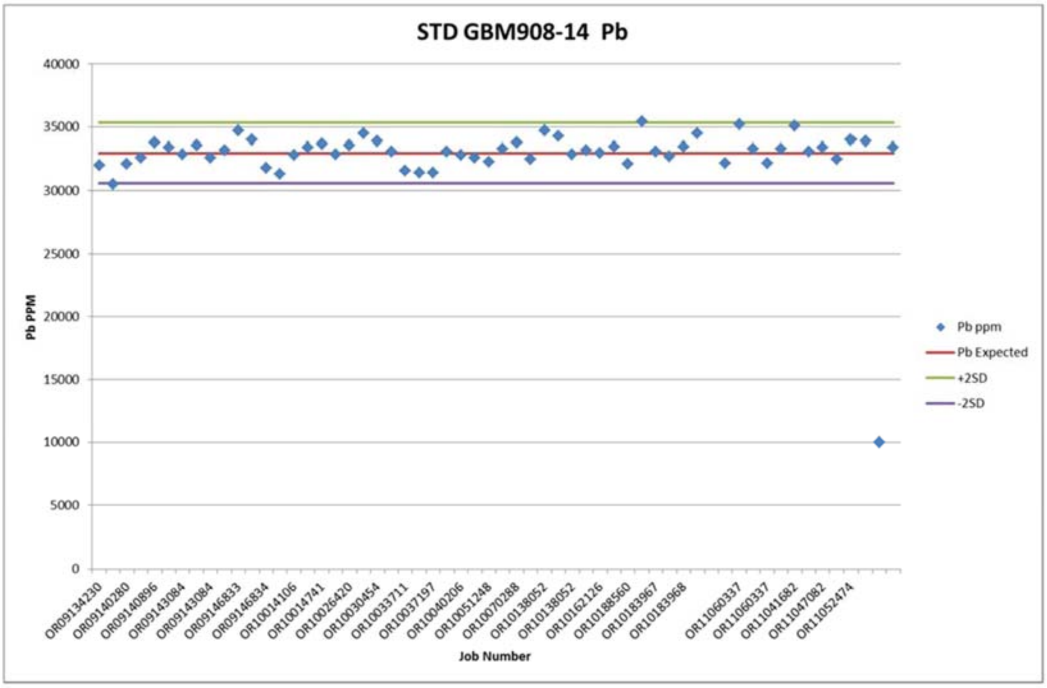

Figure 30 Control Chart GBM 908-14 Pb ppm

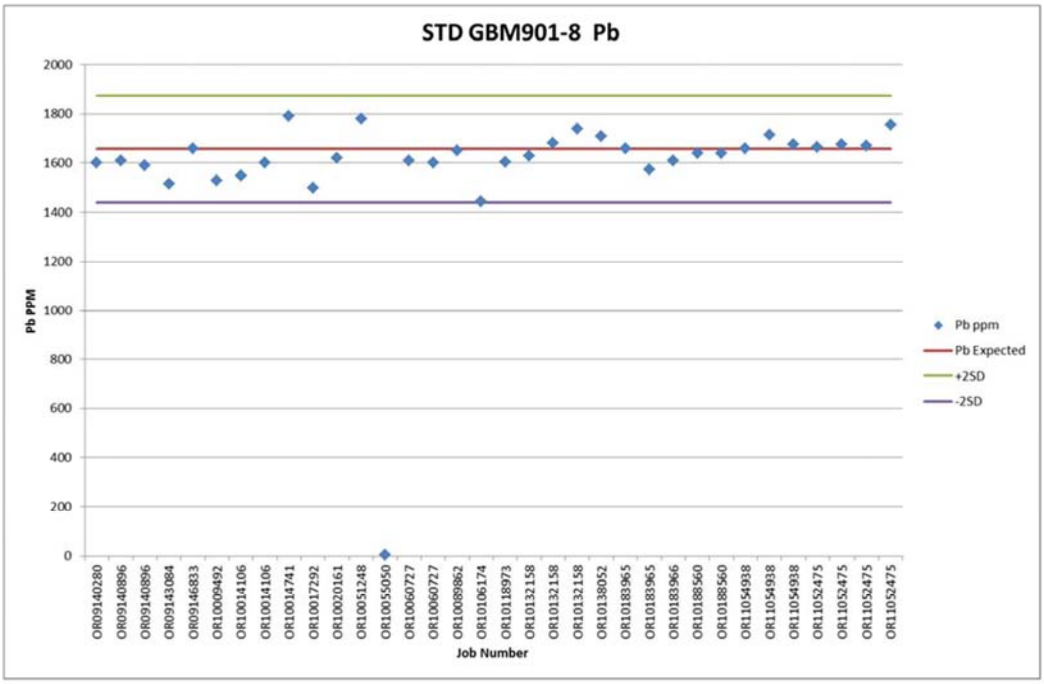

Figure 31 Control chart GBM901-8 Pb ppm

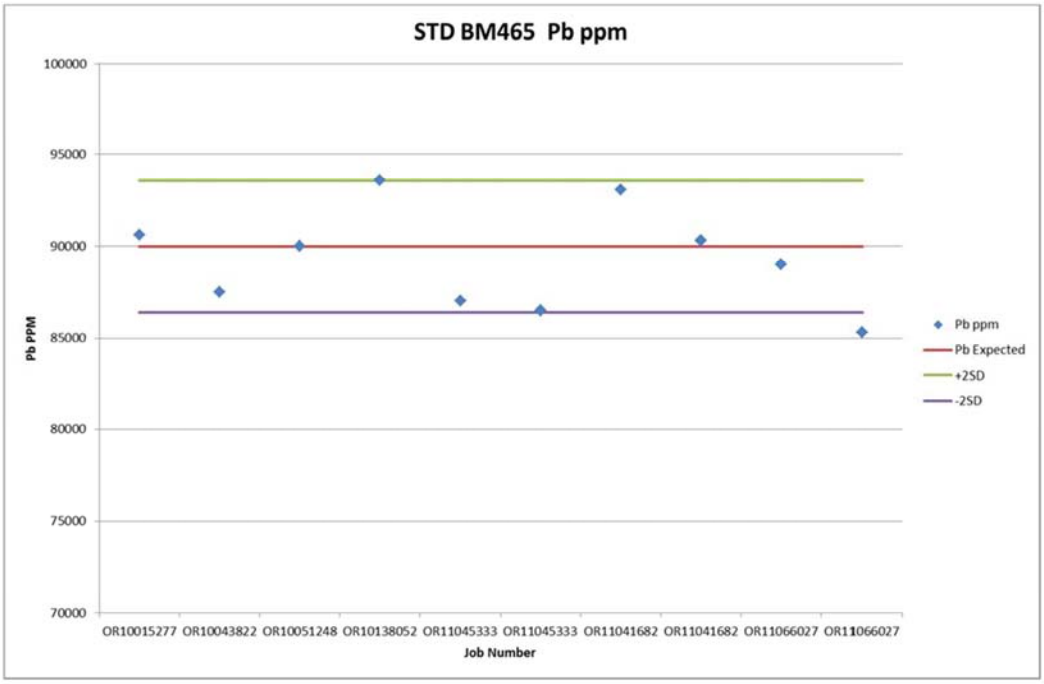

Figure 32 Control chart BM465 Pb ppm

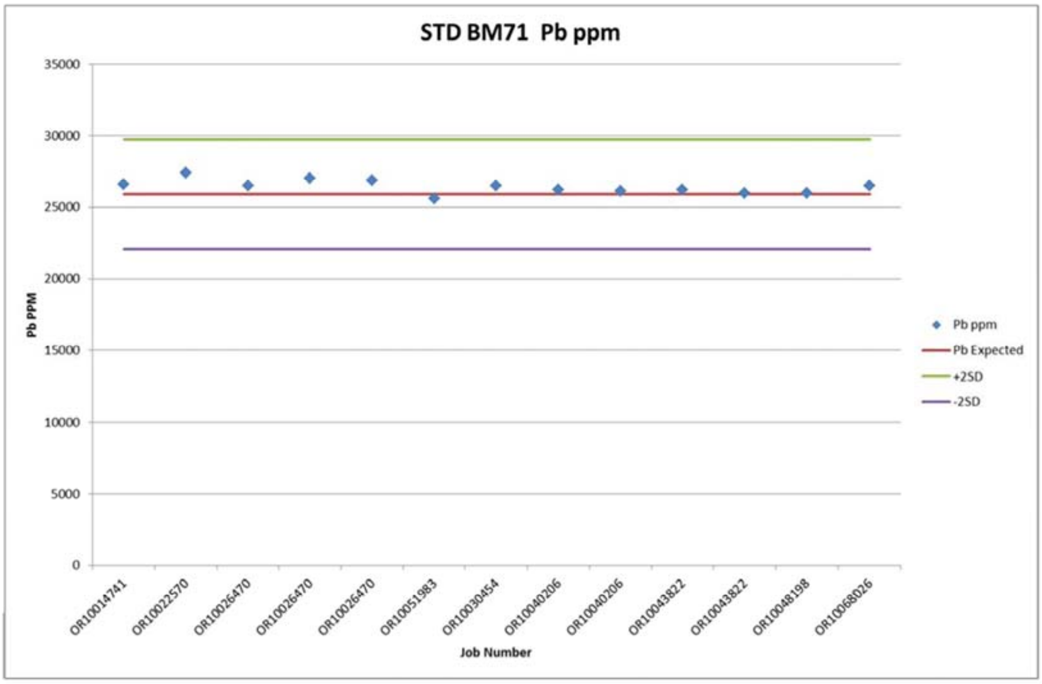

Figure 33 Control chart BM71 Pb ppm

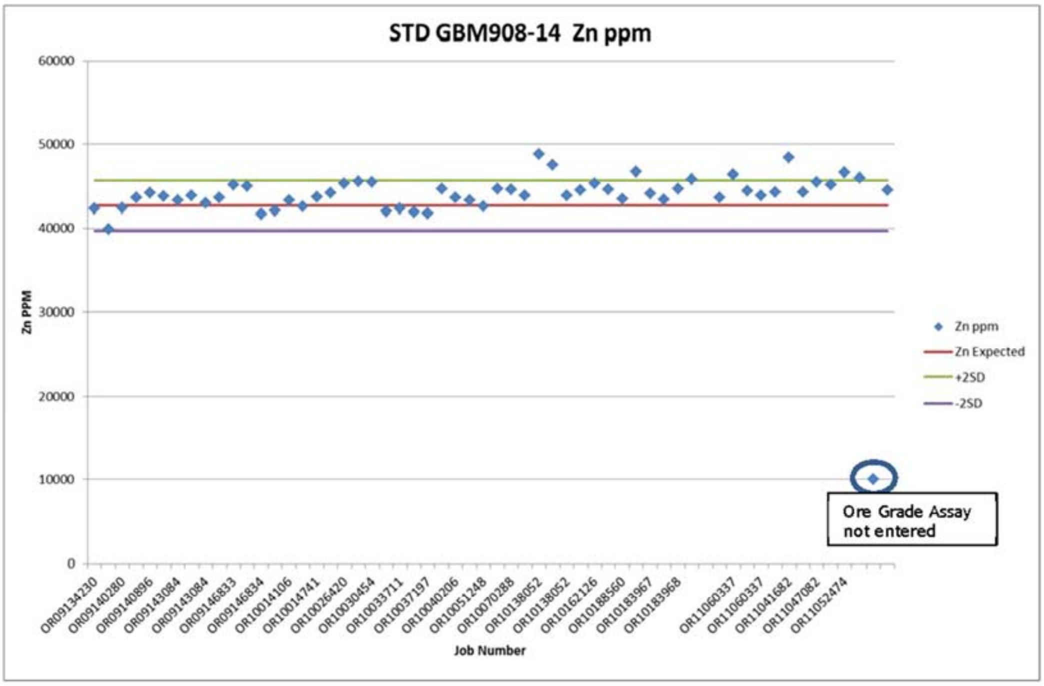

Figure 34 Control Chart GBM908-14 Zn ppm

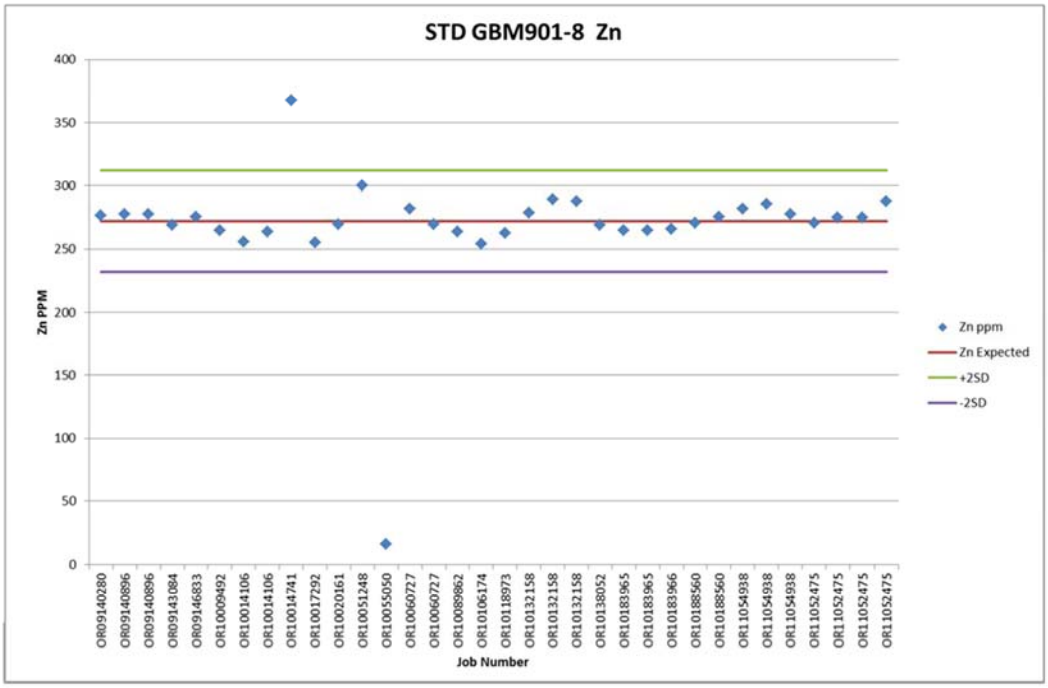

Figure 35 Control Chart GBM901-8 Zn ppm

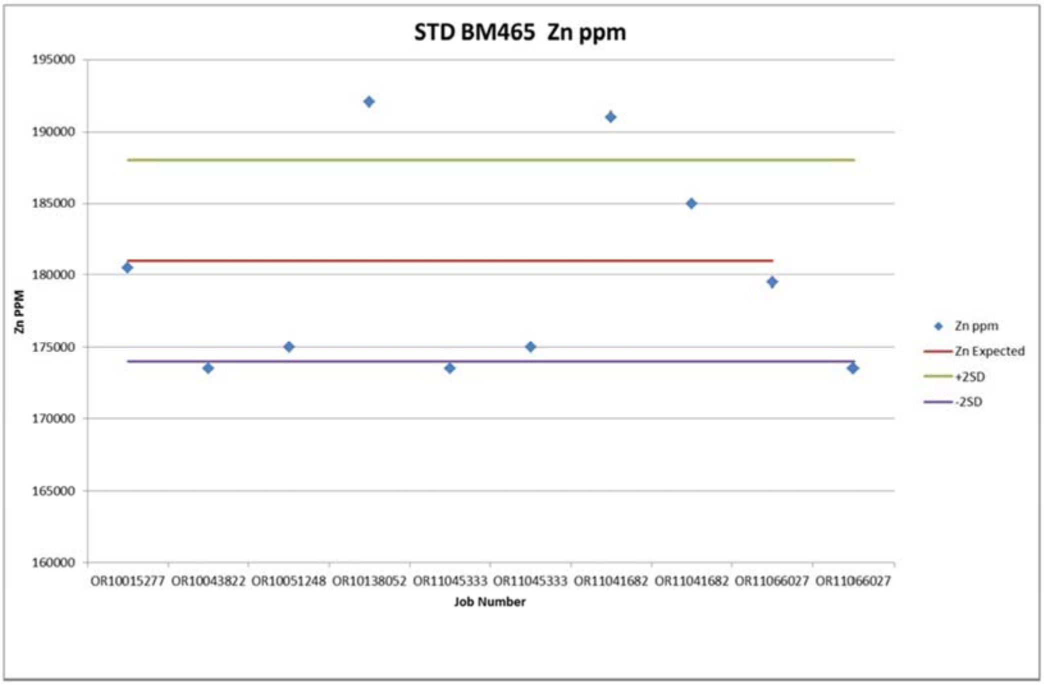

Figure 36 Control Chart BM465 Zn ppm

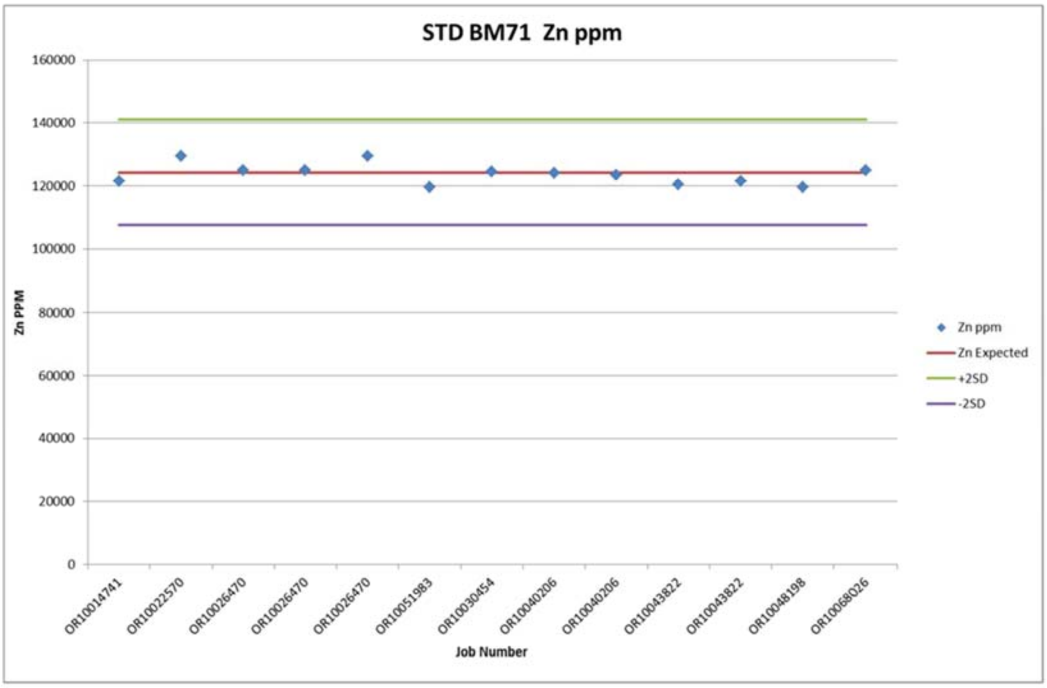

Figure 37 Control Chart BM71 Zn ppm

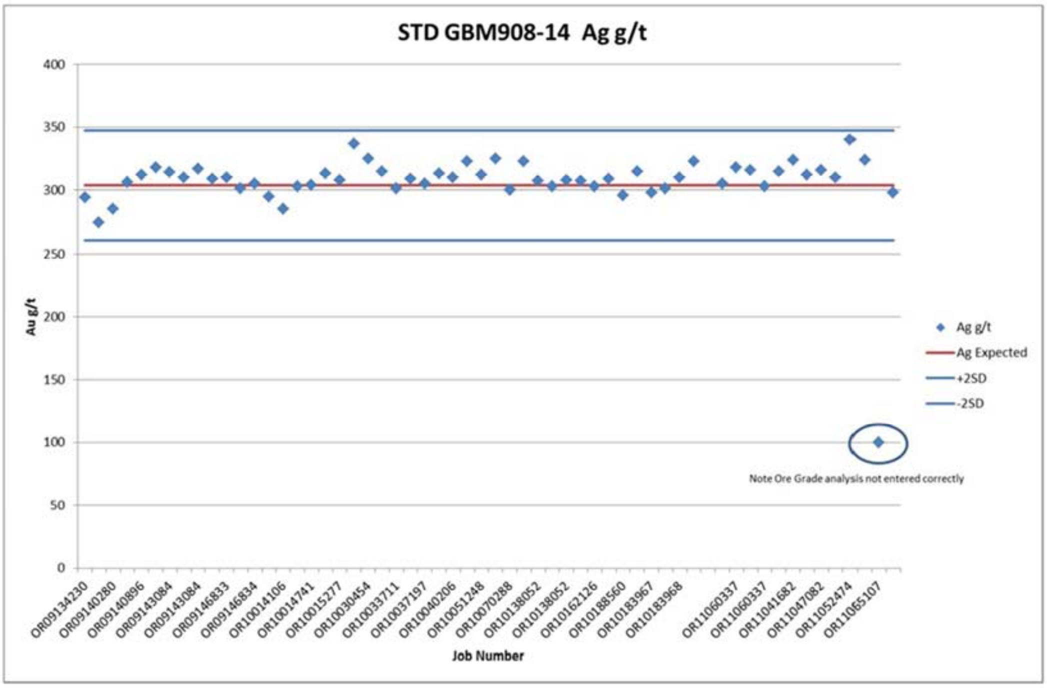

Figure 38 Control Chart GBM 908-14 Ag g/t

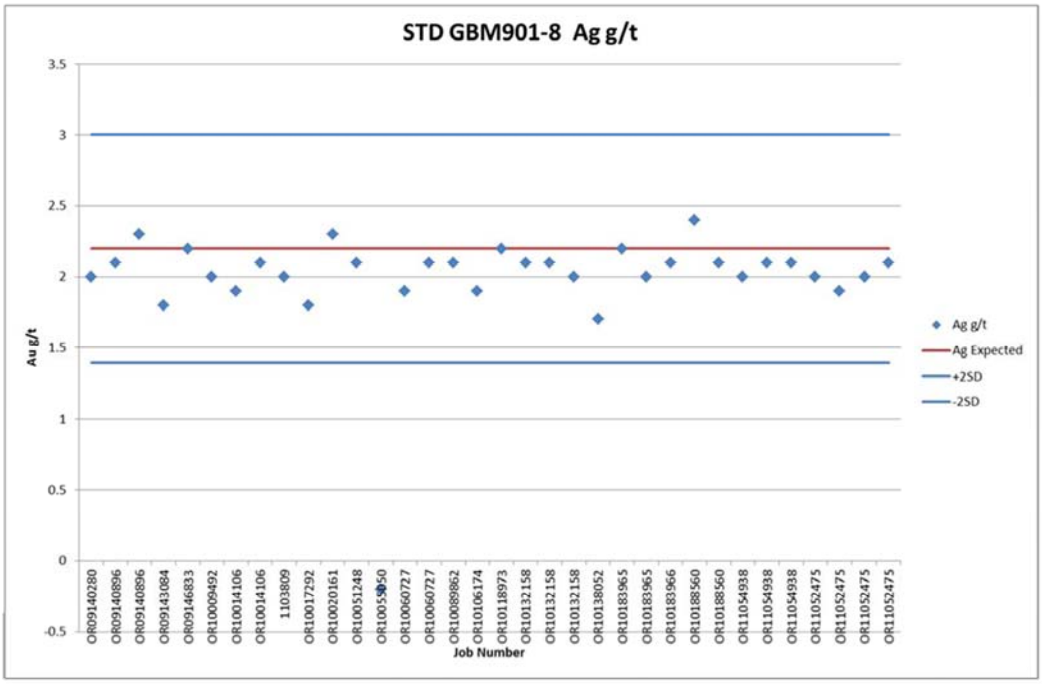

Figure 39 Control Chart GBM 901-8 Ag g/t

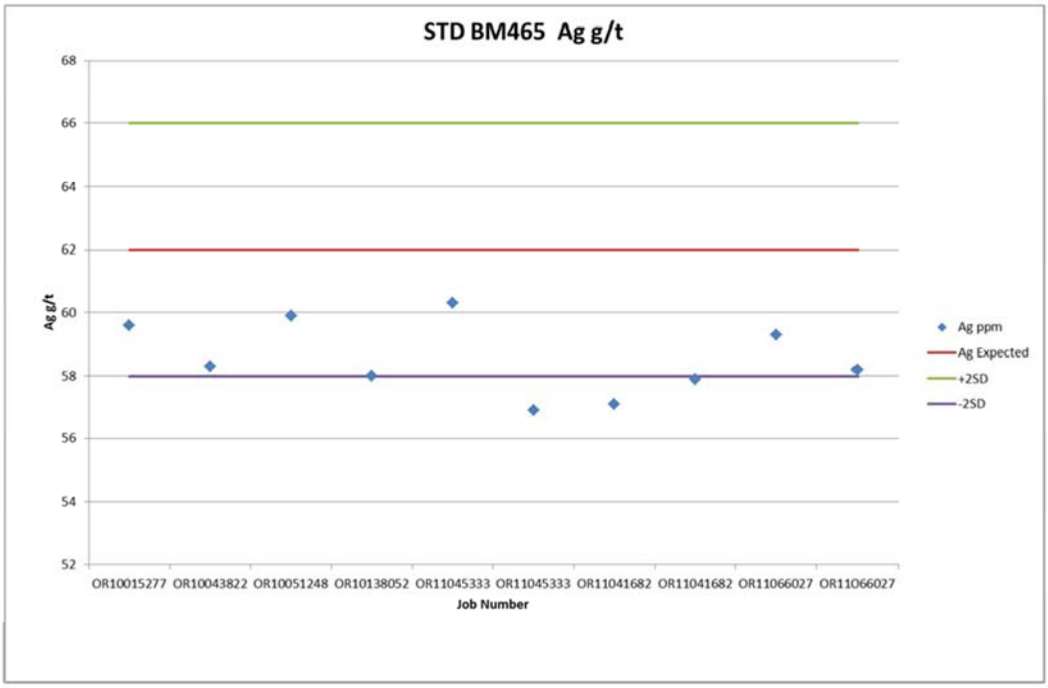

Figure 40 Control Chart BM465 Ag g/t

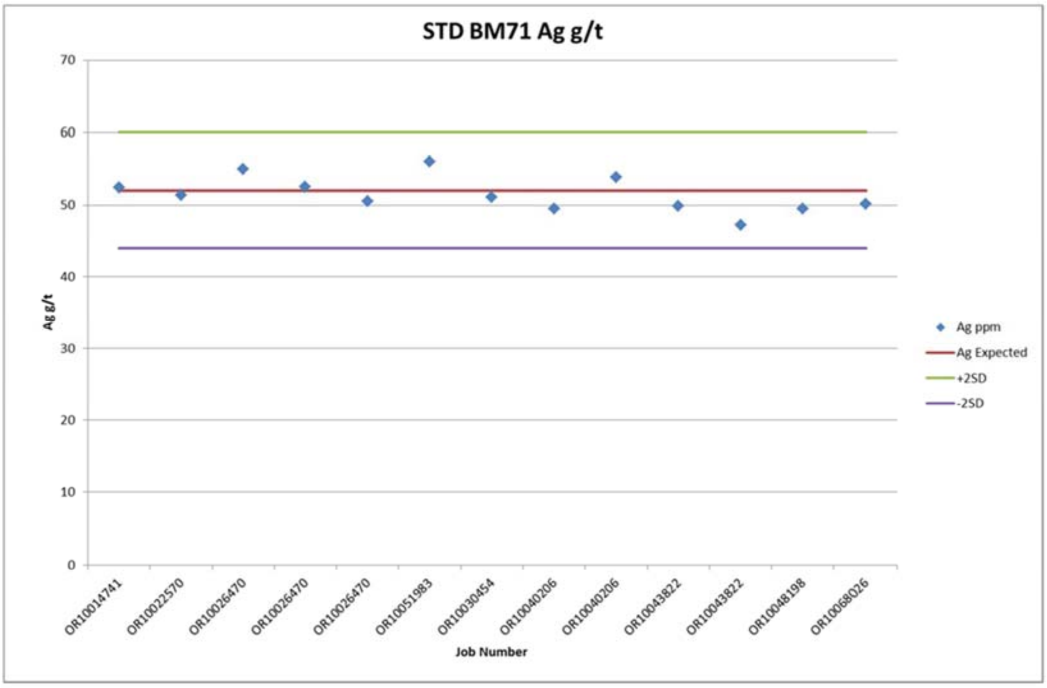

Figure 41 Control Chart BM71 Ag g/t

2.9 Inter-laboratory Repeats - Genalysis

In early 2010 YTC Resources sent a series of retained pulps from the drill core to Genalysis in Perth as inter-laboratory checks on the data. Whilst there was no reason to suspect any issues with the data set this was completed for audit purposes.

The results of the analysis are shown in simple scatter charts below. YTC firmly believe that at data generated by ALS is of better quality than that by Genalysis. In Figure 42 and Figure 43 there are a number of analyses for Pb that is obviously not correct, the same applies for the Ag analysis for the same intervals. Visual checks of the core photographs and logs show significant Pb mineralisation in the form of Galena. When we look at the Zn analysis for the same intervals they correspond well to the original ALS data indicating an issue with the Pb and Ag analysis supplied by Genalysis. To date Genalysis have not provided a suitable explanation of the variance in the results and YTC Resources is comfortable to accept that the Original data is of good quality.

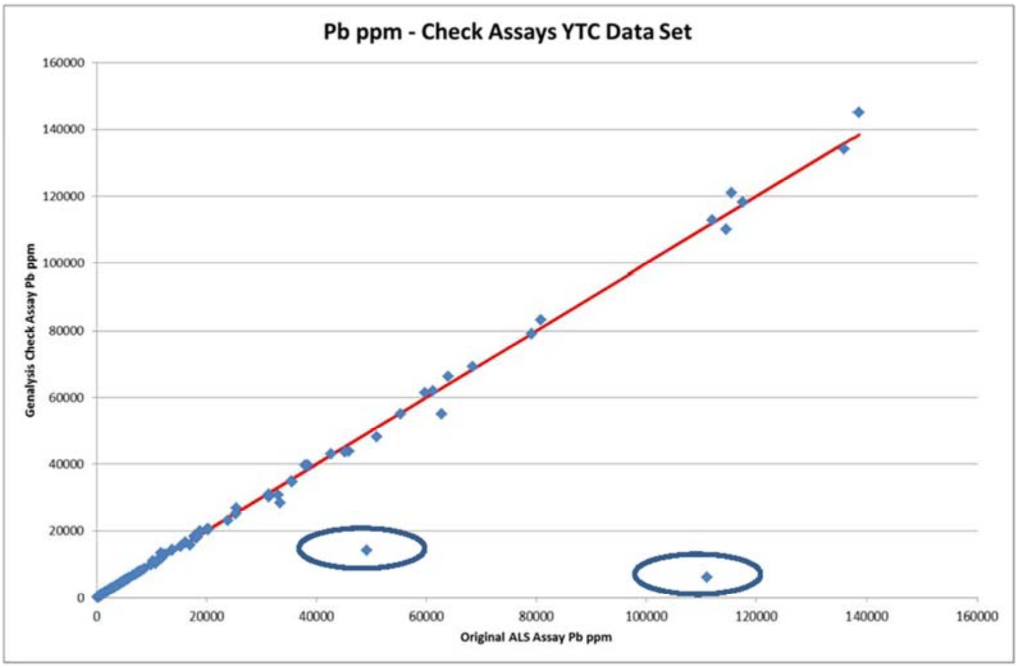

Figure 42 Scatter Plot Pb ppm ALS assays versus Genalysis inter-laboratory repeats for YTC data set

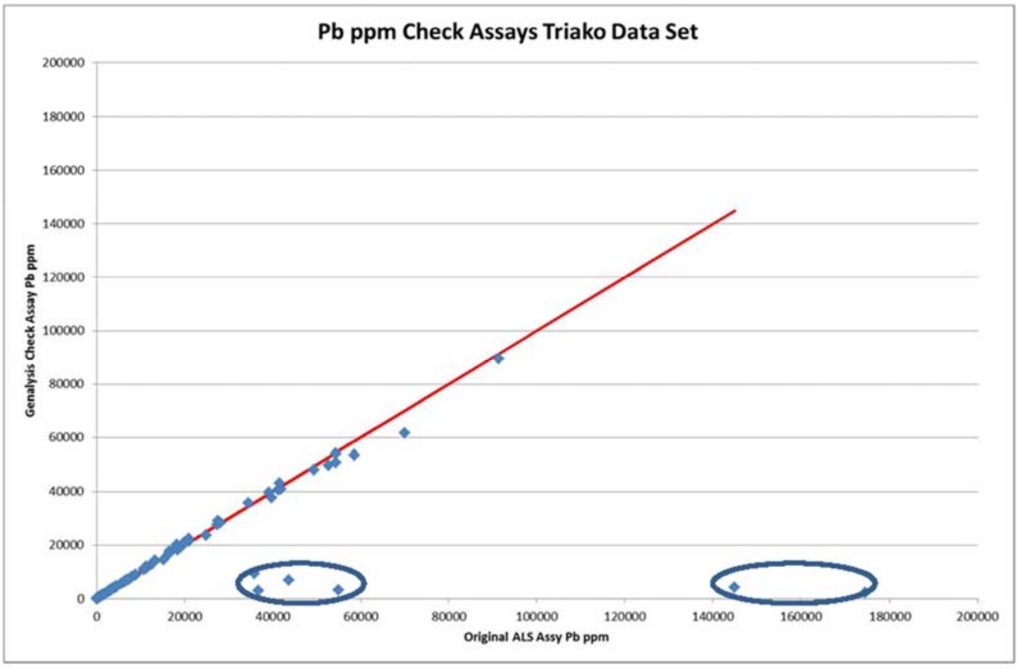

Figure 43 Scatter Plot Pb ppm ALS assays versus Genalysis inter-laboratory repeats for previous owners data set. Note the identified assay intervals have had the core photographs and logs checked and show strong Galena mineralisation indicating clear issues with the Genalysis data. This is yet to be satisfactorily resolved.

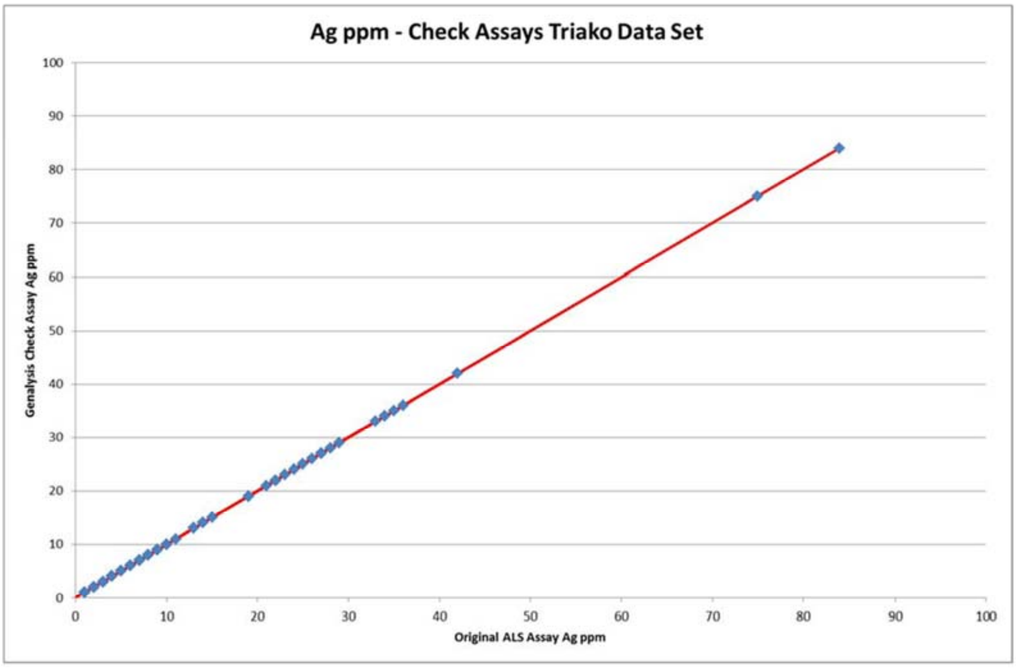

Figure 44 Scatter Plot Ag g/t ALS assays versus Genalysis inter-laboratory repeats for YTC data set

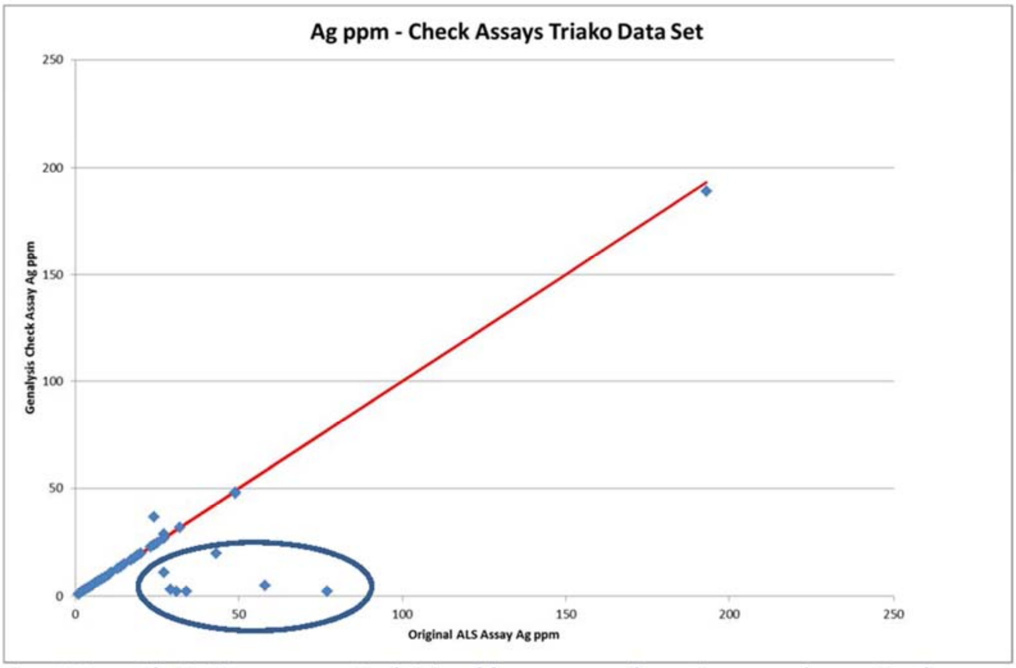

Figure 45 Scatter Plot Ag ALS assays versus Genalysis inter-laboratory repeats for previous owners data set. Note the identified assay intervals have had the core photographs and logs checked and show strong Galena mineralisation. These are same intervals which have issues in Pb analysis.

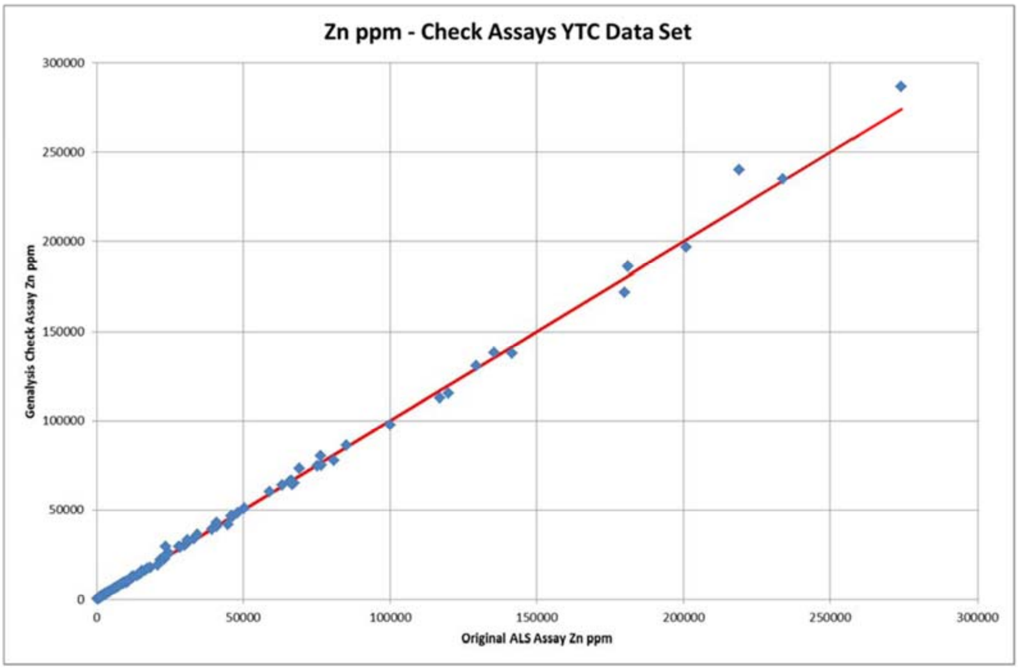

Figure 46 Scatter Plot Zn ppm, ALS assays versus Genalysis inter-laboratory repeats for YTC data set

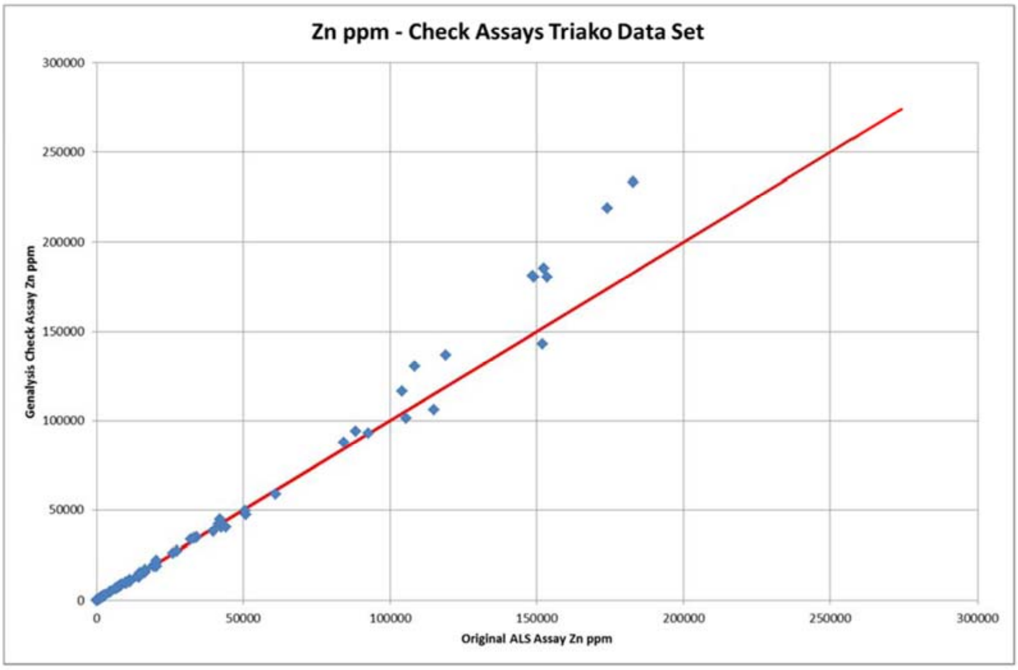

Figure 47 Scatter Plot Zn ppm, ALS assays versus Genalysis inter-laboratory repeats for previous owners data set.

In Figure 47 we see an apparent trend in the data at higher grades where the re-assays are significantly higher than the previous ALS assays. Further analysis of the data shows that these samples were analysed very early in the Triako campaign when there the control charts as shown in Figure 21, Figure 22 and Figure 23 show that the ALS data was bias low for Zinc be a considerable amount. This issue was resolved relatively quickly however there is likely to be a small component of the Hera data set that is biased low for zinc.

2.10 Previous Estimates

Since the original discovery of the Hera deposit a number of Mineral Resource estimations have been completed. These are detailed in *Table 9* and show a significant variation in the quantum of the Resource and in particular the gold grade.

Prior to purchase by YTC Resources the most recent estimate supplied by CBH is as shown in **Error! Reference source not found.**

Table 8 Mineral Resource estimate for Hera as at 30 June 2008 as supplied by CBH Resources

Type and Area	Tonnes (M)	Gold (Au g/t)	Copper (Cu %)	Lead (Pb%)	Zinc (Zn%)	Silver (Ag g/t)	Zn Equivalent (Apr08)
Measured	0	0.0	0.0	0.0	0.0	0.0	0.0
Indicated	1.70	2.81	0.18	2.59	3.26	13.48	16.67
Inferred	1.60	2.52	0.17	2.86	3.45	16.88	16.71
TOTAL	**3.30**	**2.67**	**0.18**	**2.72**	**3.35**	**15.13**	**16.69**

It is clear that the distribution of gold within the Hera deposit has a high degree of variability and how the the high grade assays are treated have a significant impact on the estimated gold grade. The studies outlined in *Table 9* have treated these extreme grades differently with initial studies applying no top cut to the higher gold grades whilst more recent studies have applied top cuts as low as 40 g/t and or significantly reduced the area of influence of the extreme values. More recent studies have kriging methodologies where extreme values are used in restricted search ellipses with very short ranges.

Drill testing of the Hera deposit was largely continuous from the purchase of the deposit by Triako in 2003 through to mid-2006 with the completion of 75 parent drillholes (a number of wedges or daughter holes have also been completed) up to drill hole number TNY075. After the takeover by CBH an additional 19 drillholes (CYDD001 – CYDD019) were completed during the period November 2006 – October 2007.

The more recent estimates completed by CBH are based upon revised mineralisation domains built around a combined Pb%+Zn%+Cu% grade of greater than 0.5% which are considered to be significantly different from the wireframe models developed by Triako Resources.

It is likely that a combination of additional drilling, revised mineralisation domains and the changes in estimation methodologies in particular the treatment of the extreme gold grades has resulted in the changes in Mineral Resource that is apparent in this summary. Given this there is continued risk in the quality of the Mineral Resource and further evaluation is required.

Table 9 Hera Deposit Mineral Resource history

Estimator/date	Holes	Estimate Method	Lenses	Cut off Grade	Total Mineral Resource Results	Contained Au (oz)
J. Oram Aug 2004	Up to TNY014	Polygonal	Main	5.2g/t Au Eq	0.56Mt @ 7.1g/t au, 0.5% Cu, 4.6% pb, 5.1% Zn and 26g/t Ag	130,000
J. Randell Feb 2005	Up to TNY028	Polygonal	Main	5.2g/t Au Eq	1.49Mt @ 9.5g/t au, 0.5% Cu, 4.4% pb, 4.3% Zn and 24g/t Ag	454,000
AMC Consultants Jul 2005	Up to TNY036	Ordinary Kriging	Main, 1530	2.5g/t Au Eq	1.79Mt @ 6.7g/t Au, 0.2% Cu, 2.5% Pb, 2.8% Zn and 14g/t Ag	385,000
J Randell Dec 2005	Up to TNY036	Polygonal	Main, 1530, Far West	2.5g/t Au Eq	1.7Mt @ 8.8g/t Au, 0.2% Cu, 2.5% pb, 2.8% Zn, and 14g/t Ag	482,000
Golder and Associates May 2006	Up to TNY065	Ordinary Kriging	Main, 1530, Far West	2.5g/t Au Eq	1.55Mt @ 3.7g/t Au, 0.2% Cu, 2.4% Pb, 3.0% Zn and 14g/t Ag	184,777
CBH Resources May 2007	Up to CDYDD011?	Ordinary Kriging	13 mineralised lenses	5% Zn Eq	2.20Mt @ 3.35g/t Au, 0.20% Cu, 3.11% Pb, 4.18% Zn and 17.58 g/t Ag	237,741
Cube Consulting Nov 2007	Up to CDYDD017	Ordinary Kriging for Ag & base metals. Indicator Kriging for Au	Main South & Main North	5% Zn Eq	2.06Mt @ 2.5g/t Au, 0.2% Cu, 2.3% Pb, 2.8% Zn and 11.6g/t Ag	165,929
CBH Resources June 2008	Up to CDYDD019	Ordinary Kriging	15 mineralised lenses	7.5% Zn Eq	3.30Mt @ 2.67g/t Au, 0.18% Cu, 2.72% Pb, 3.35% Zn and 15.1 g/t Ag	283,280

2.11 Grids

All data was supplied in MGA 95 geodetic datum zone 55, UTM projection. The modelling work has been conducted in this study has used this grid set and the resulting block model has been rotated to follow the strike of the Main Lens mineralisation

2.12 Topography

The topographic model for the Hera Project and surrounds has been collated from an aerial survey completed by QASCO in 2005.

3. GEOLOGICAL INTERPRETATION AND RESOURCE MODEL

3.1 Geological Setting and Mineralisation

The Hera Project site is part of a broader exploration package (Exploration Licence 6162). The geology of EL6162 has been described by Cooper (2011). This description will focus on the geological components relevant to the Hera Project Area as shown in Figure XX.

Regional Geology Figure

The Hera Deposit lies beneath a thin veneer of recent alluvial and colluvial sediments and tallus slope material locally derived from the exposed stratigraphy. The colluvial layer is generally less than 1.0m thick and overlays variably weathered bedrock. The colluvial slope extends some 300m from a low silicified hill known as The Peak and gives way to a broad erosional plane underlying a thin veneer of residual and colluvial sediments. A series of low hills comprised of slightly - moderately weathered Paloezoic bedrock occur to the east and south of The Peak. These hills are prominent and in most cases appear to represent more silicified zones of the primary Paleozoic stratigraphy. Further west of the Hera Project area significant hills comprise remnant sandstones of the Amphitheatre Group.

The Hera Deposit is located proximal to the eastern margin of the Paleozoic Cobar Basin near the contact between the shelf facies of the Mouramba Group and turbididitc sediments of the Amphithteatre Group. The most dominant structural feature of the eastern margin of the Cobar Basin, the 300km long Rookery Fault is interpreted to pass some 1km to the east of the Hera Project. The sedimentary sequence faces to the west with the main stratigraphic units as follows

Mouramba Group

- Rosset Sandstone (Dor)
  - Cross bedded and parallel-laminated, lithic-quartz medium to fine sandstone interbedded with ripple cross laminated fine to very fine sandstone
- Burthong Formation (Dob)
  - Ripple cross laminated and parallel-laminated fine to very fine quartz lithic sandstone, with lesser laminated, bioturbated siltstone and interlaminated siltstone and fine sandstone

Amphitheatre Group

- Lower Amphitheatre Group (Dal)
  - Massive, parallel – laminated and ripple cross laminated quartz lithic medium to fine sandstone with interbedded siltstone and interlaminated siltstone and sandstone at the base

Interpretation from the recent drilling (2004 – 2011), places the Hera Deposit within the Mouramba Group of sediments, consistent with the Burthong Formation and Rosset Sandstone as described by MacRae (1987). The sediment package dips steeply to the west-north-west. The beds are generally disrupted and boudinaged by a strong cleavage. The Hera mineralisation is contained within the strongly cleaved sequence as part of a high strain zone in the hanging wall of the Rookery Fault.

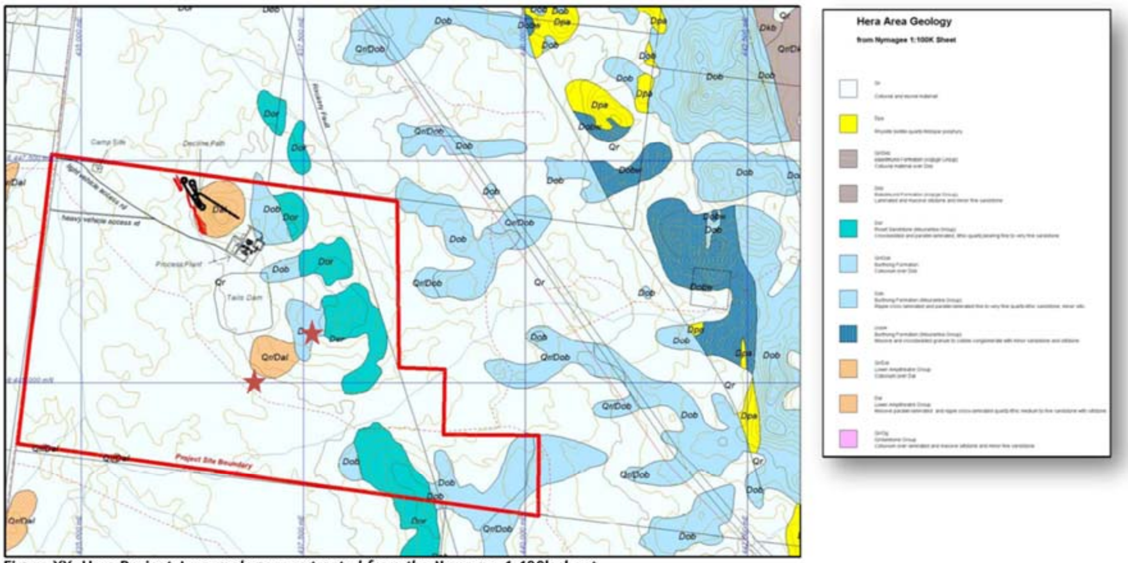

Figure XX. Hera Project Area geology as extracted from the Nymagee 1:100k sheet.

3.1.1 Mineralisation

Mineralisation at the Hera deposit consists of a number of sub-parallel lenses of intensely anastomosing veins and clast-supported to matrix-supported breccias containing pyrrhotite, sphalerite, galena, pyrite, chalcopyrite and gold, with minor to trace cubanite and niccolite. Host sandstones and siltstones are pervasively silicified and sericitised, with varying green chlorite and biotite alteration and commonly contain disseminated, non-magnetic pyrrhotite, typically aligned parallel to cleavage. The zones of silicification commonly extend more than 20m into the hangingwall and footwall. Quartz veining is common and several zones of milky white quartz veins, up to 1m thick, are spatially associated with sulfide mineralisation.

The sulphide lenses strike around 346° true and dip steeply to the west (>80º). Based on drilling, the top of the sulphide package occurs approximately 100m below surface and appears to plunge moderately to the south at approximately 45°, extending along strike for at least 550m.

Drilling to date has outlined some 10+ lenses of sulphide and sometimes gold mineralisation. Of these the Main Lens (North and South), Hays South, Hays North and Far West Lens have been identified to host economic mineralisation and are the current subject of a mining study. (Figure 6).

Mineralisation within the other structures which are all immediately adjacent to the Main Lens has some potential to be economic however current drill densities are insufficient to enable complete interpretation of the structures and thus determination of the economic potential. Further drilling and interpretation will be conducted at a later date.

An East-West striking fault (The Offset Fault) has been interpreted to off-set the Main Lens mineralisation in a sinistral sense by approximately 25m. The Offset Fault has not always evident in drill core, possibly due to its orientation which is sub-parallel to the trend of drilling and also due to re-healing of the faults structure with quartz fill. A fault of this orientation has, however, been mapped at surface and has its locus at the Kershaw North shaft in the Peak (Figure 6).

In summary, mineralisation associated with the Hera deposit may be classified as follows (Figure 6).

- General narrow lenses with quite variable economic widths within the lens along strike. Main Lens contains the majority of resources with additional mineralisation hosted by Hays South, Hays North and Far West Lenses..
- Sub-vertical dip for both Main Lens and Far West Lens.
- Strike - approximately 340º true.
- Strike length - 600m with potential for extensions along strike.
- Depth - 160m to 470m below surface, with potential for deeper extensions.
- Host rock - Generally homogeneous dacitic volcanoclastics and siltstone/ sandstone. Bedding dips to west at 60º to 70º and strikes 340º to 350º true.
- Minor jointing and significant cleavage development.
- Significant gold grades are not always associated with base metal mineralisation but can be associated with quartz veining outside the main base metal mineralised zone.
- All modelled economic intersections below level of oxidation

3.1.2 Oxidation

The Hera mineralisation is only marginally effected by oxidation. The oxide profile is locally quite close to the surface in particular on the Eastern side of the deposit where fresh rock has been encountered in drilling at depths of 30 – 40 metres

Over the main lens the depth of oxidation extends down to 70 - 90 metres which is well above the economic or modelled limits of the deposit. As such significant time modelling the oxide profile has not been undertaken for this estimate.

3.2 Mineral Resource Modelling Approach

The approach to modelling used in this study of the Hera Project deposit is based on estimating grades for Au, Ag, Pb, An and Cu by ordinary kriging. In order to complete the estimate the primary exercise was to define the key geological estimation domains for Main Lens North and South, Far West Lens, Hays North and Hays South. In addition the Off Set fault was also modelled and used as an interface boundary for the Main Lens North and South. The modelled estimation domains are shown in Figure 48

The Metal association in the Main Lens are strongly Pb, Zn and Ag with Au and Cu. Gold is the most variable of the metals with a number of extreme values within the Main Lens in three holes immediately North of the OffSet Fault. It is considered these values are "real" as they are well repeated in the drilling and geological associations with high grade base metal sulphides

The key tasks undertaken in this study were:

- Load and Validate the raw data;
- Composite assay information;
- Review data in cross sections, plan and in 3D;
- Define and wireframe Estimation domains based on a combined nominal Pb + Zn + Cu cutoff > 2.0%, This cut-off takes into account the geological continuity of the combined base metal associations and is not strictly adhered to in order to honour the mineralisation envelopes
- Define a dilution envelope outside the key mineralised structures for Mine Planning purposes
- Establish and appropriate SG model via the relationship between measured SG and
- Complete statistical analysis for defined estimation domains;
- Construct and model variograms for each estimation domain and elements;
- Initialise and Code and Estimate the block model;
- Validate the estimation; and
- Classify and report the estimate.

3.3 Definition and Construction of Mineralisation Domains

3.3.1 Estimation Domain wireframes

The estimation domain wireframes were created by Site Geologist, Stuart Jeffery and the Author with input from the other geologists involved in the project. A series of structures were modelled using a combination of the alteration (quartz +- sericite) envelope and based metal sulphides +- 0.5% combined Pb + Zn + Cu. These were used as a primary guided to establishing a high grade > Pb + Zn +

Cu 2.0% mineralisation envelope. In general some 95% of the gold mineralisation is contained within this modelled envelope.

For Main Lens construction of this is relatively straightforward as indicated by the minor modifications that have been required with respect to previously constructed domains. Recent YTC Resources drilling intercepted the mineralised structure very close to the previously interpreted structures in all cases.

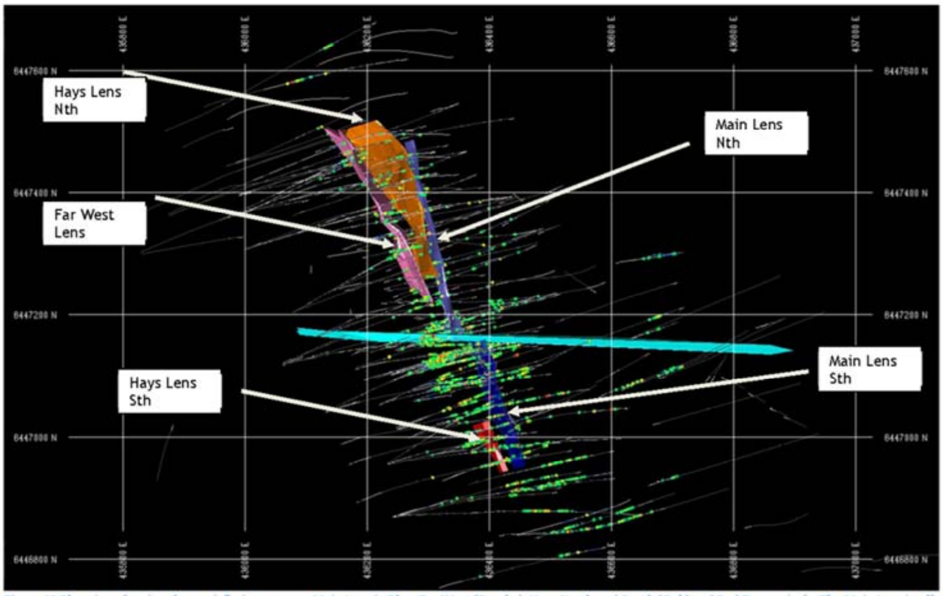

Figure 48 Plan view showing the modelled structures, Main Lens in Blue, Far West (Purple), Hays North and South (Gold and Red Respectively. The Main Lens is offset by the "Offset Fault"

The Main Lens was modelled as two separate models – North and South with each abutting and cut by the Offset Fault

The Main Lens North Structure has been separated into two main domains – A very high grade gold domain which is limited to 25m of strike and 60m up and down dip and includes two holes, CNYDD017 and PNDD02. These two holes contain the most extreme values assayed for the deposit and as such enable us to treat these separately in the estimate. The Main Lens domains are shown in cross section in Figure 49 indicating the very high grade Au assays.

Three other main domains were modelled for this estimate. There were the Hays North and Hays South structures and the Far West Lens.

The Hays North structure was previously recognised as a dominantly base metal lens with some low grade gold. Recent drilling of holes HRD014, HRD020 and TNY005W1 enabled this domain to be successfully interpreted and indicate good potential for zones of economic mineralisation.

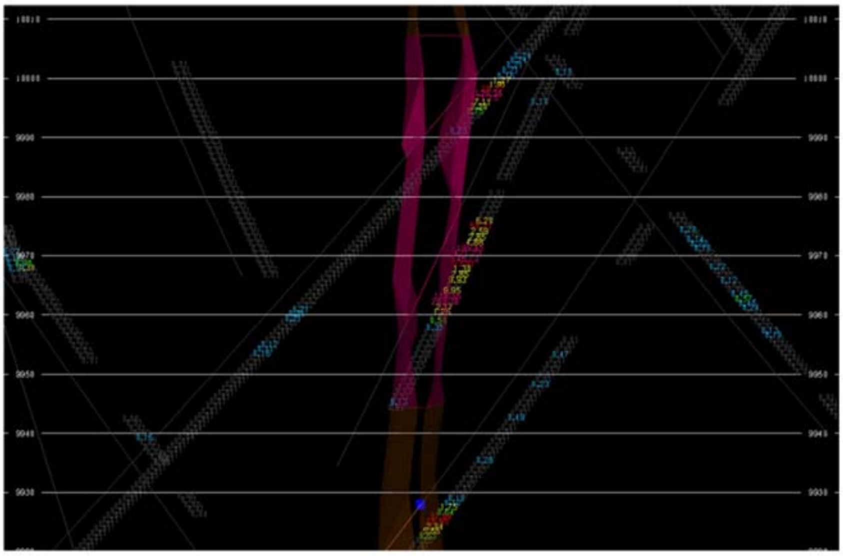

Figure 49 Cross Section on 3050m north showing the relationship of the Very High grade gold domain (Red Outline) and the remainder of the Main Lens North Mineralisation (Brown Outline)

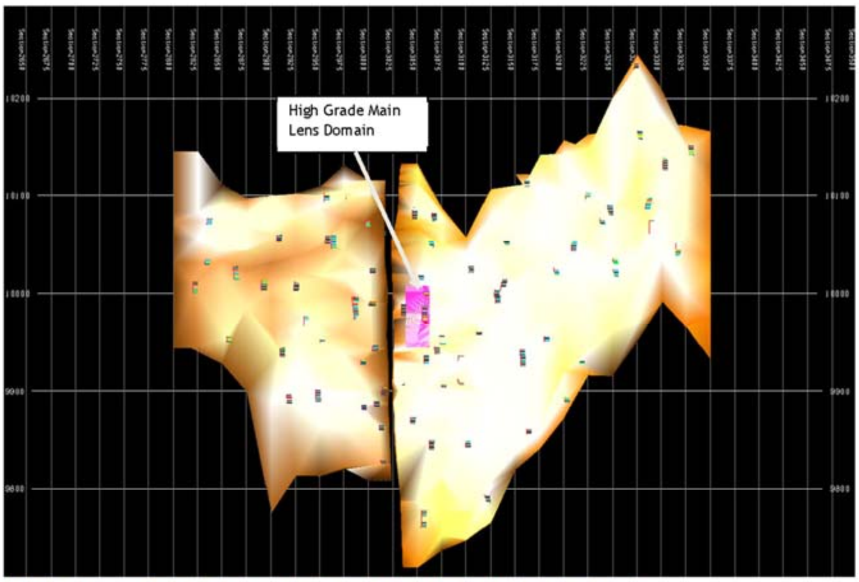

Figure 50 *Long Projection of Main Lens – North and South showing the limits of the Very High Grade gold domain*

Table 10 Estimation Domain Codes	
Domain	**Composite and Model GEOL Code**
Main Lens North	100
Very High Grade Main Lens Domain	102
Main Lens South	104
Hays North	200
Far West Lens	201
Hays South	205

3.4 Drill Hole Data Set, Coding and Compositing

3.4.1 Drillhole Coding

Following construction of the estimation wireframes the assay data set were coded with the estimation domain codes shown in *Table 10* to identify those intervals that would be composited and used in the Mineral Resource Estimation.

The "correctness" of the coding was checked visually on screen section by section. Some minor manual adjustments have been made to some composite intervals based on visualisation against the estimation domain wireframes. The most significant of these is shown in Figure 51

In particular there is one hole that plots outside of the best reasonable interpreted mineralisation envelope. In this case the drilling intercepts were coded manually as reviews of the drillcore photographs indicate that the assayed intervals should be included in the mineralised domains.

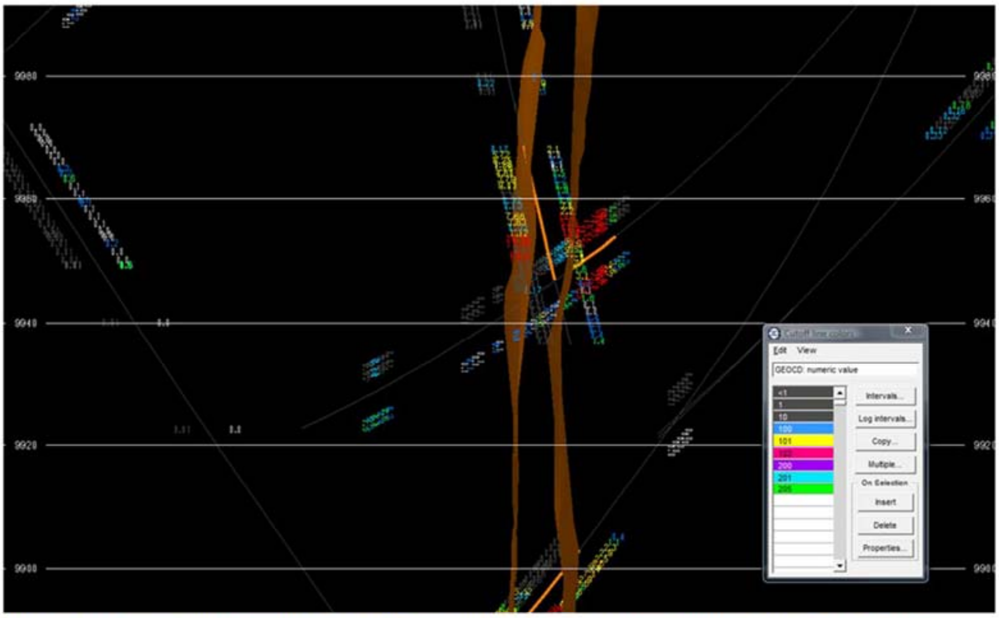

Figure 51 Cross section 3075 showing an example of remaining hole trace issue and adjusted manual codes. Assays shown are Au g/t to the right of the hole trace and Pb+Zn+Cu % to the left of the hole trace

3.4.1.1. Compositing and Coding

Prior to selecting a suitable composite interval for the data a check of the raw assay sample interval lengths was completed. The statistics shown in *Table 11* apply to assay intervals of the data set within the coded data set.

Table 11 Raw Assay Sample Interval Statistics			
Cut-off –Assay Interval- metres	**# Above Cut-off**	**% Above Cut-off**	**Mean (m) Above Cut-off**
0	1542	100	0.94
0.25	1533	99.4163	0.945
0.5	1459	94.6174	0.976
0.75	1318	85.4734	1.017
1	1139	73.8651	1.044
1.25	83	5.3826	1.527
1.5	35	2.2698	1.926
1.75	11	0.7134	2.818
2	10	0.6485	2.93

The sample interval of 1.0m contains the most significant number of samples although there are a also large number of samples between 1.0 and 1.25m in length in the data set. It was decided to composite to 1.0m lengths.

Compositing was completed after coding of the raw assay intervals with the estimation domains using a standard MineSight down-hole compositing routine. Where intervals shorter than 1.0m in length are created on the margins of the estimation domains those intervals less than 0.5m are added to the previous interval and stored up to a maximum of 1.5m. This results in a very small number of unequal composites on the margins of the deposit but means that all of the data has been utilised in the estimate.

Grades Au, Ag, Pb, Zn and Cu have been weighted by the SG of the interval. This was deemed to be a better approach as the variation in SG within the lens is reasonable and thus honours the data set more appropriately

3.5 Domain Statistics and Grade Top Cuts

The Raw domain statistics are shown for all elements in *Table 12*. The coefficient of variation of the raw statistics is often used as a measure of homogeneity or stationarity of the domains and thus suitability for estimation using geostatistical methods. We can see from the data that the CV gold for all domains apart from the very high grade domain (102) is high indicating significant variability in the data. This is influenced largely by the very few high grade values and indicates that top cutting of some of these values may be prudent.

The CV's for the other elements are in general quite low – all being close to or less than 2.0. This indicates reasonable assumptions on stationarity and the potential to provide reasonable estimates based on the uncut composites.

Scatter plots of various elements against each other were established also. Of these the only strong relationship existed between Pb and Ag. This is not unexpected and common in this style of deposit.

Table 12 Estimation Domain Statistics Calculated on 1.0m Composite Intervals							
Domain	**Zone Code**	**# of Comps**	**Raw Au g/t Min, Max, Mean**			**CV**	**AU CUT Mean g/t**
Main Zone North	100,101	467	0.01	171.60	2.54	3.73	2.16
Main Zone North VHG	102	34	0.01	421.25	45.70	1.99	45.70
Main Zone South	105	406	0.01	107.90	3.89	2.78	3.85
Hays North	200	319	0.01	22.80	0.59	3.82	0.59
Hays South	205	126	0.01	59.13	1.62	6.34	1.62
Far West	201	464	0.01	425.00	3.66	6.20	2.68
Domain	**Zone Code**	**# of Comps**	**Raw Ag g/t Min, Max, Mean**			**CV**	
Main Zone North	100,101	467	0.10	313.0	15.18	1.56	
Main Zone North VHG	102	34	1.57	189.9	37.60	1.22	
Main Zone South	105	406	0.10	383.5	13.40	2.40	
Hays North	200	319	0.10	143.9	6.07	1.96	
Hays South	205	126	0.10	71.4	6.52	1.72	
Far West	201	464	0.10	244.0	16.10	1.48	
Domain	**Zone Code**	**# of Comps**	**Raw Pb% Min, Max, Mean**			**CV**	
Main Zone North	100,101	467	0.001	23.09	2.60	1.38	
Main Zone North VHG	102	34	0.135	31.37	7.20	1.19	
Main Zone South	105	406	0.007	34.64	2.45	1.97	
Hays North	200	319	0.002	24.40	1.20	2.10	
Hays South	205	126	0.006	13.80	1.38	1.69	
Far West	201	464	0.003	30.10	2.21	1.408	
Domain	**Zone Code**	**# of Comps**	**Raw Zn% Min, Max, Mean**			**CV**	
Main Zone North	100,101	467	0.010	31.80	3.76	1.36	
Main Zone North VHG	102	34	0.047	35.47	7.55	1.25	
Main Zone South	105	406	0.011	40.91	2.65	1.72	
Hays North	200	319	0.005	22.36	1.57	1.76	
Hays South	205	126	0.015	20.39	2.10	1.66	
Far West	201	464	0.010	27.40	3.30	1.37	
Domain	**Zone Code**	**# of Comps**	**Raw Cu% Min, Max, Mean**			**CV**	
Main Zone North	100,101	467			0.18		
Main Zone North VHG	102	34			0.78		
Main Zone South	103	406			0.12		
Hays North	200	319			0.06		
Hays South	205	126			0.03		
Far West	201	464			0.16		

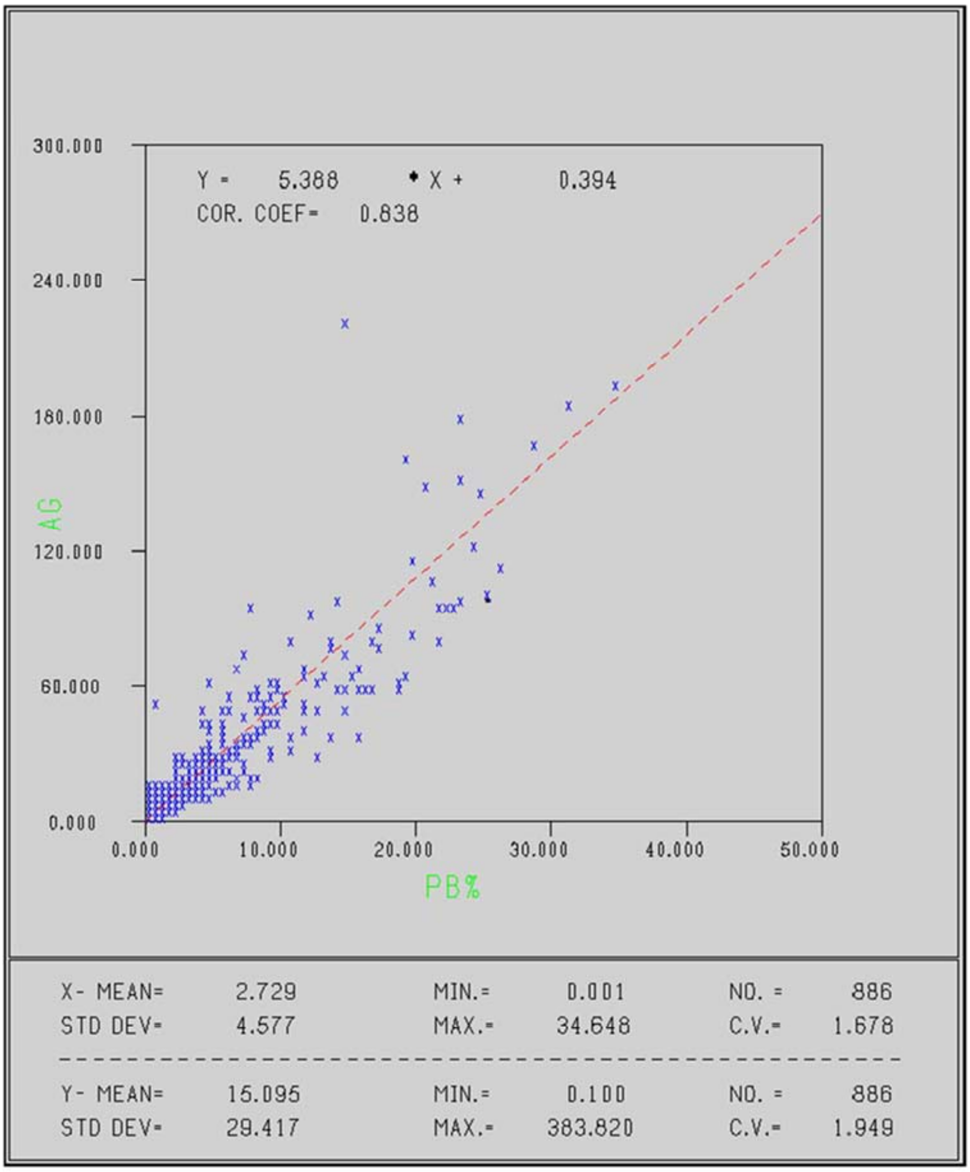

Figure 52 Scatter plot of Pb% (X axis) versus Ag g/t (Y Axis)

3.6 Top Cuts - Au

We have discussed previously the potential requirement to top-cut. It has also been discussed that the Au assays for this dataset are largely based on Screen Fire Assays on 1.0kg and up to 4.0kg samples. It is clear that this assay method has to some degree smoothed the top end of the distribution and thus reduces the need to top cut so severely. Despite these assumption the method to determine top cuts has been based on the use of Log Probability plots were utilised to determine appropriate levels to apply Top Cuts.

In particular the occurrence of some very high grade gold composites necessitates the need to apply Top Cuts to the data set. Invariably the topic of Top Cutting grades causes much debate about the levels at which these are applied

A top cut for gold of 90 g/t was chosen within the Main Lens. Thus all composites were top cut to 90 g/t Au and the cut data set used to estimate the remainder of the Main Lens North and South.

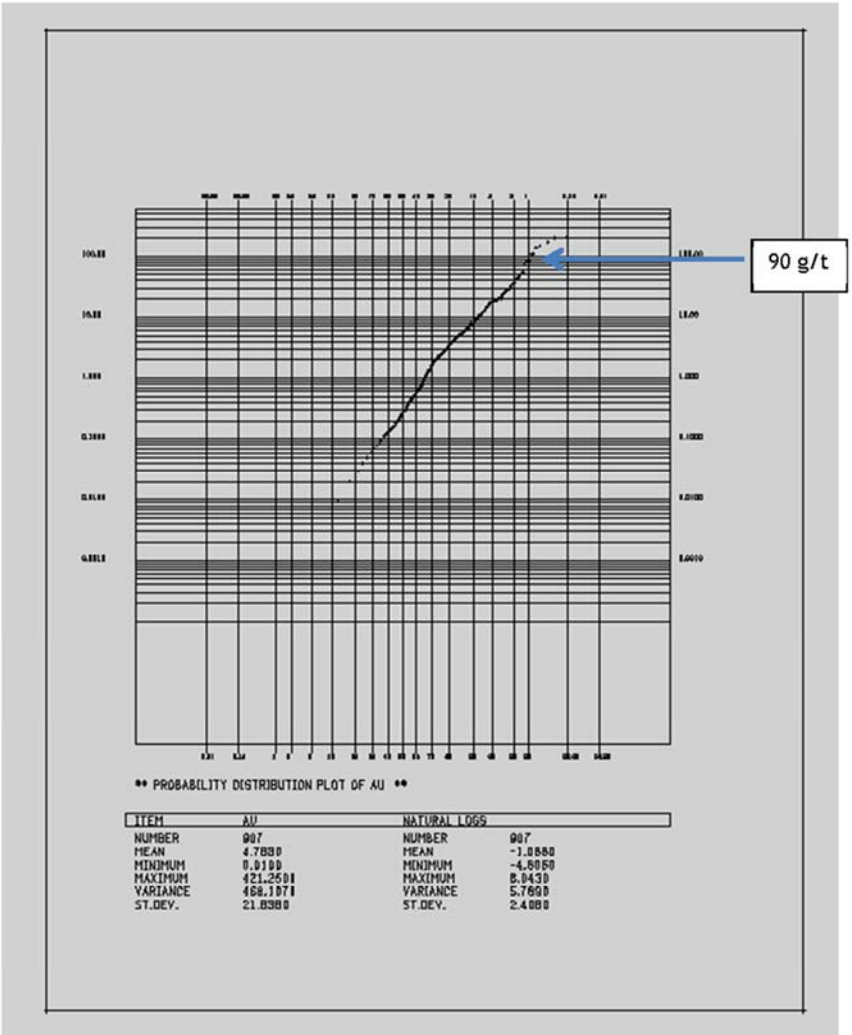

Figure 53 Log probability plot of Au for Main Lens – All Data

The 90 g/t top cut is at the 99th percentile of the All Data. This is considered a reasonable level for grade cutting for Gold in the Hera Deposit. This top cut has a significant impact on the mean grade of the data set combined dataset with the mean topcut grades also shown in *Table 12*.

It was for this reason the very high grade gold domain was created to constrain these extreme values to a smaller volume for estimation as the combination of two holes in close proximity to each other indicate there is a reasonable probability that these grades are quite real however have limited continuity. In this domain – GEOCD = 102 no top cut was applied. The domain block Au grades were estimated using all surrounding composites and is not simply using the composites that fall inside it.

A single Au composite from the Northern sector of the Main Lens was cut to 20g/t. A single 200 g/t sample was composited over 2 individual 1.0m composites. These composites were only slightly effected by the 90 g/t top-cut and it was clear on looking at the resulting estimates that this individual sample were having too much influence on the estimated grades in that particular area. The location is shown in Figure

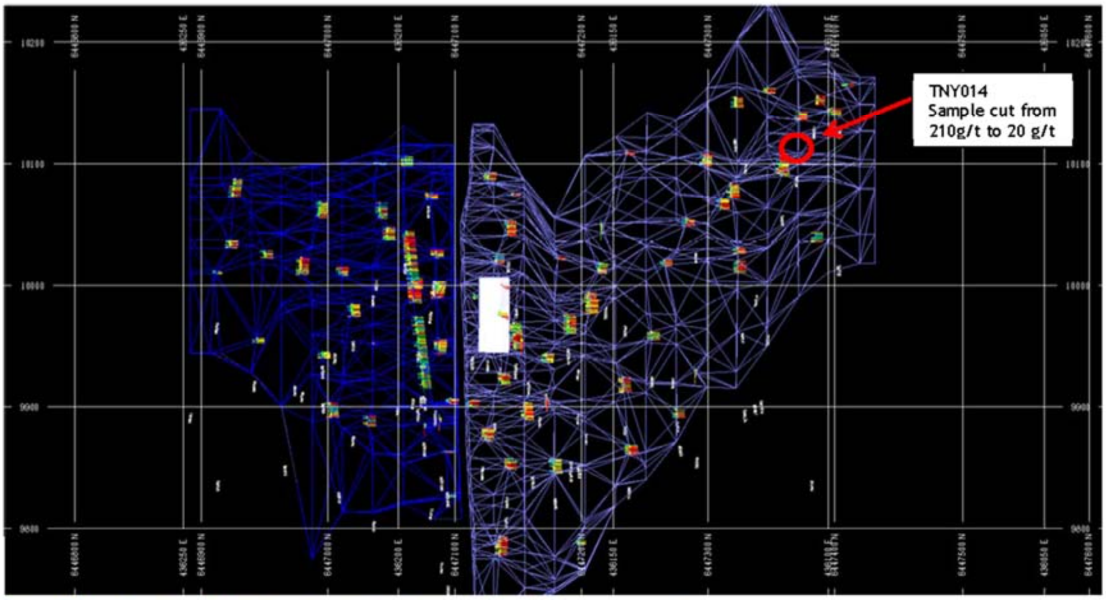

Figure 54 Long Section of Main Lens showing the location of Au - 20g/t top cut sample

3.7 Top Cuts – Base Metals

No top cuts were deemed to be necessary to the base metal grades and Silver. The Log Probability Plots for these elements are shown in the following figures

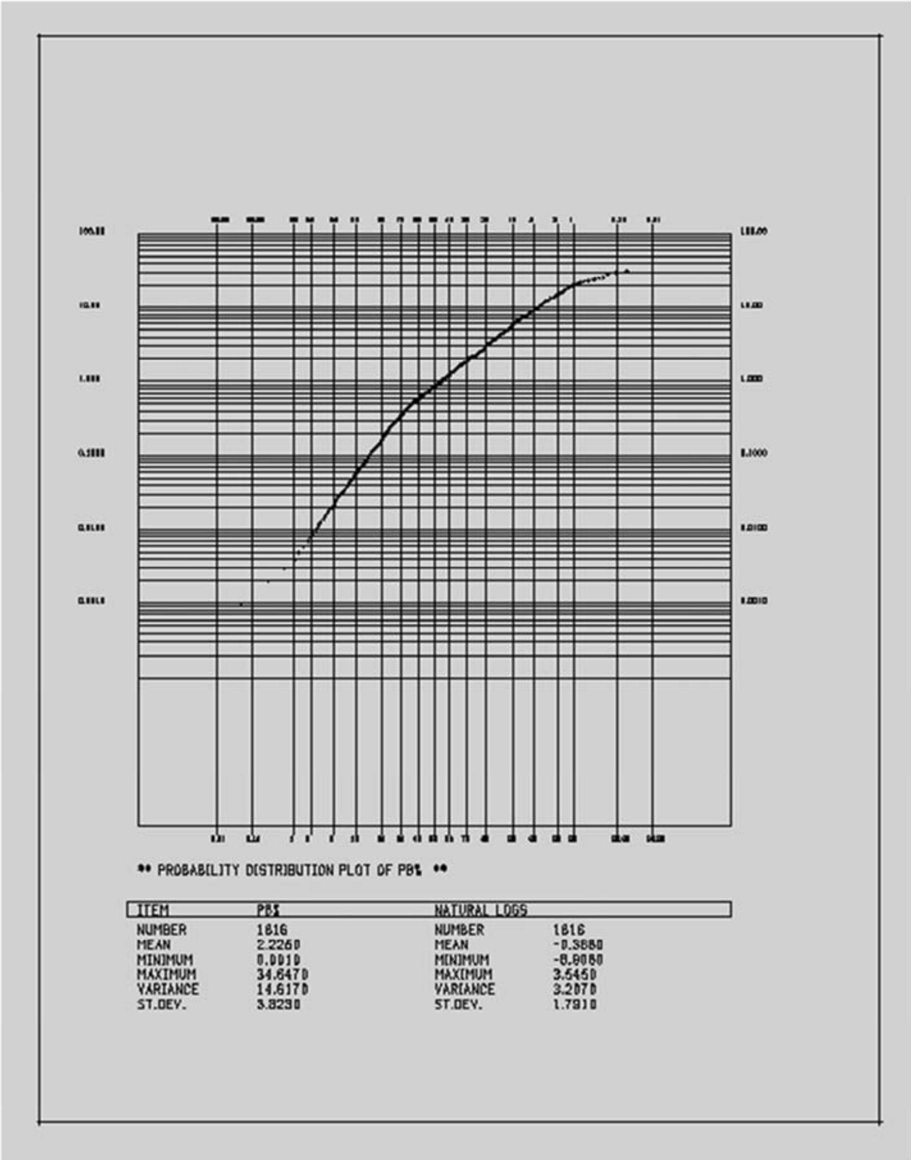

Figure 55 Log Probability Plot for Pb% – All Data

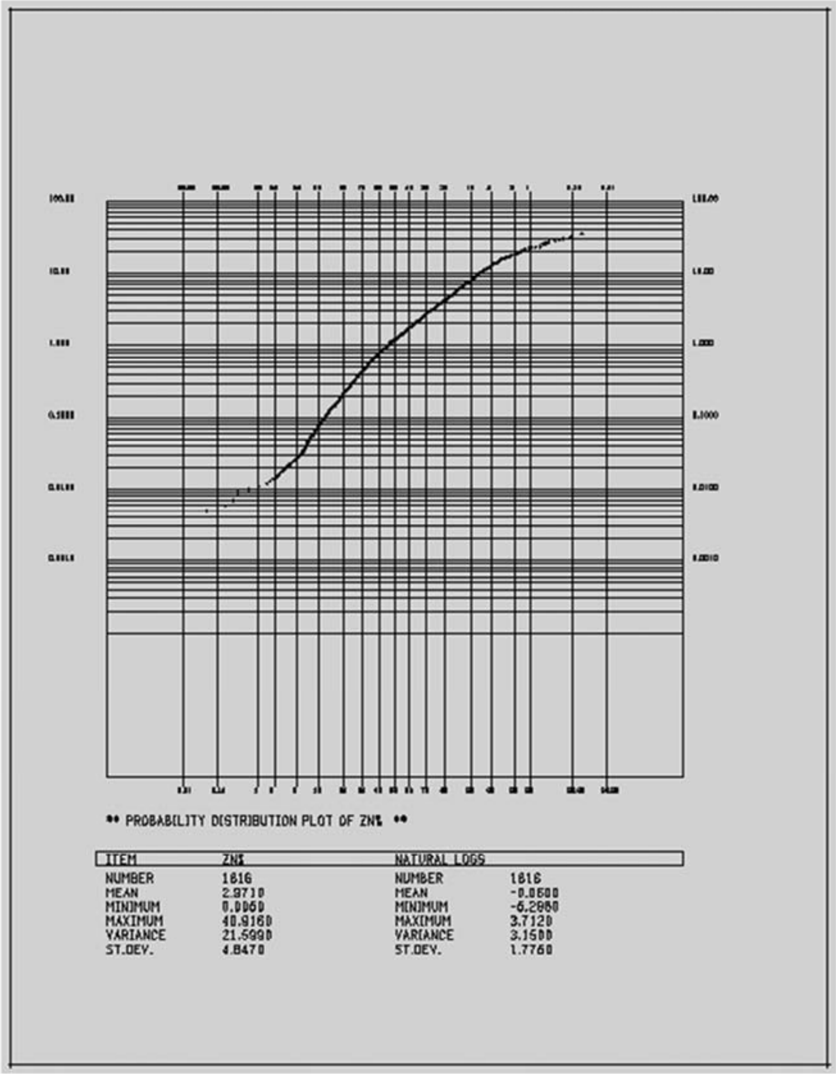

Figure 56 Log Probability Plot for Zn% – All Main Lens data

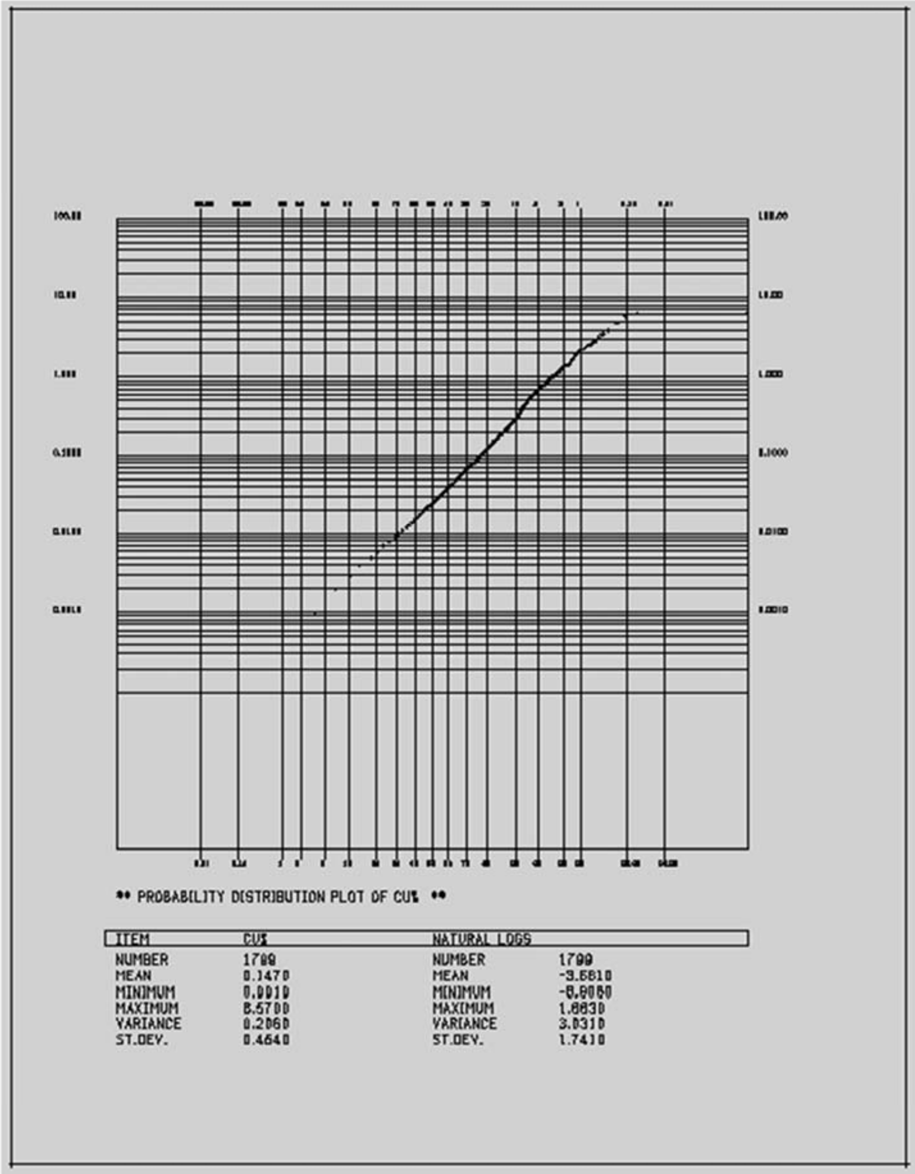

Figure 57 Log Probability Plot for Zn% – All Main Lens data

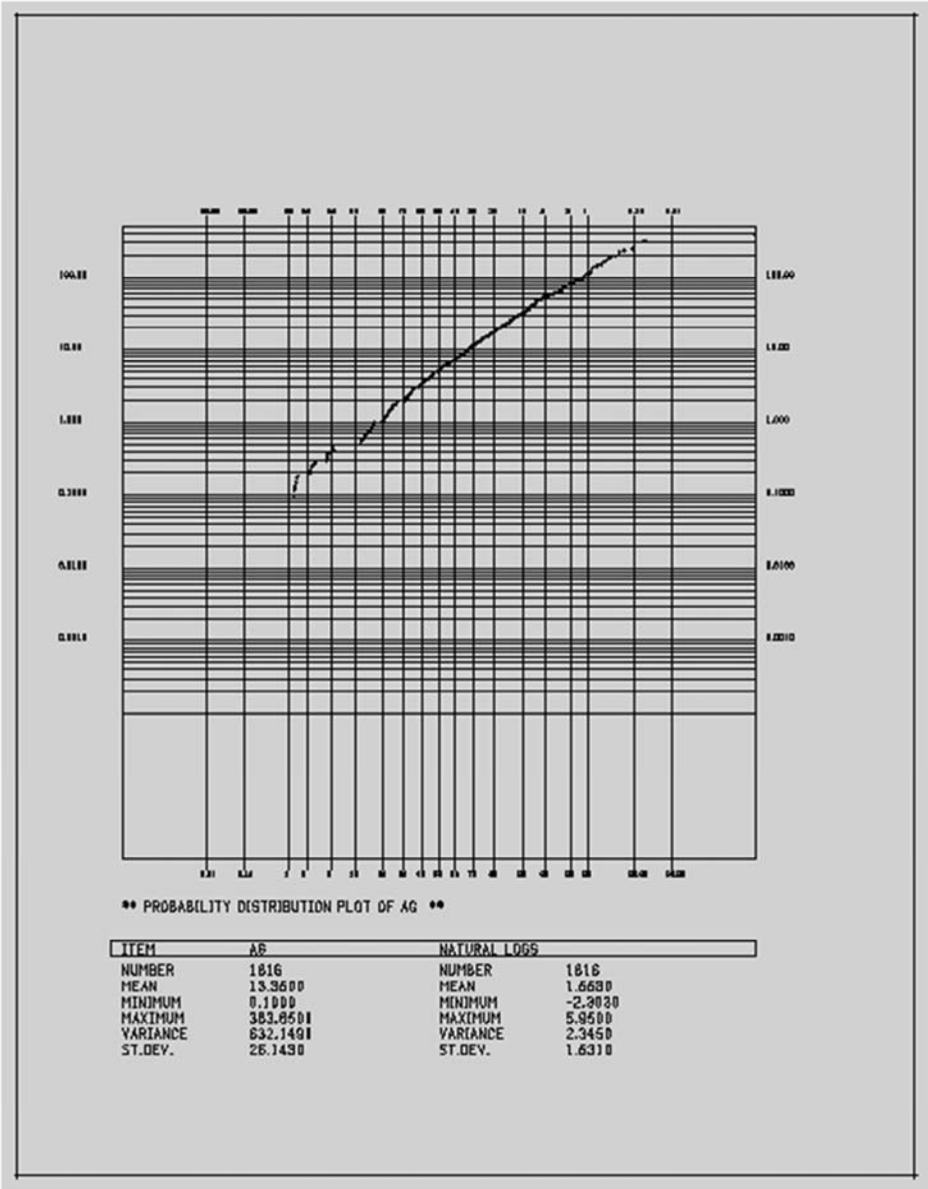

Figure 58 Log Probability Plot for Ag g/t – All Main Lens data

3.8 Variography and Neighbourhood Analysis

A number of different methods were used to estimate suitable variogram models to control the estimation. All of this work was completed within the Minesight suite of programs on 1.0m composites flagged with the estimation domains in which they fall.

3.8.1 Down hole variogram models

The experimental down hole variograms were calculated and modelled for each domain on the untransformed composites (Au, Pb, Zn, SG – Ag was not estimated as the very strong correlation between Pb and Ag indicates the two elements can be co kriged) using the MineSight down hole variogram tools. Thus the estimation of the Nugget (C_0) and relative sills for the estimate ranges can be estimated directly without the requirement for back transformations. The experimental downhole variograms are shown in figures 11 – 14 .

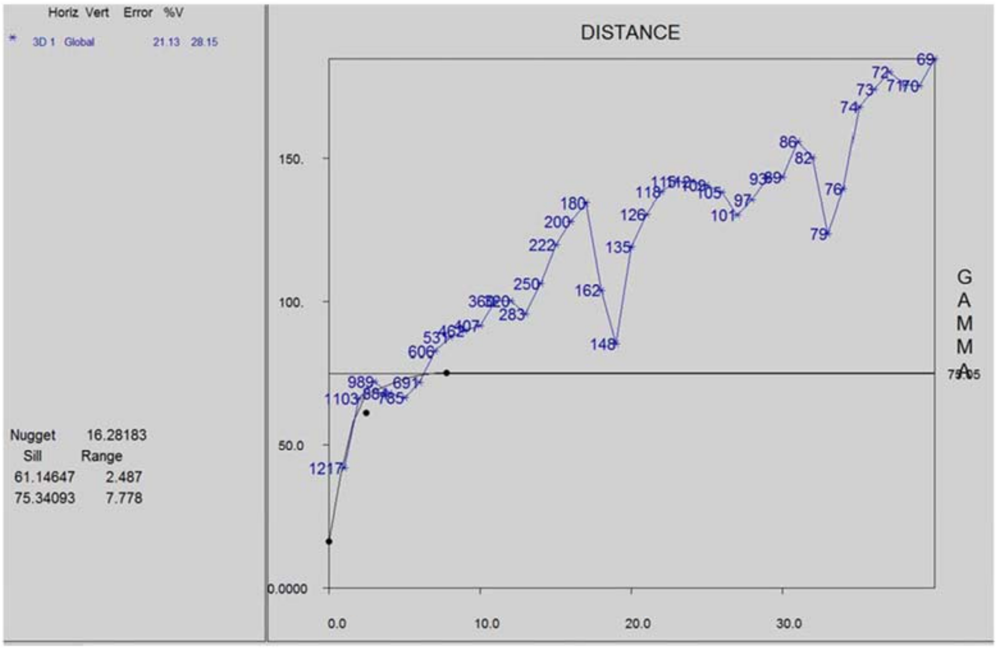

Figure 59 Down Hole Experimental Variogram Au - Cut for 1.0m composites for all Main Lens Domains (GEOCD=100,101,102,105)

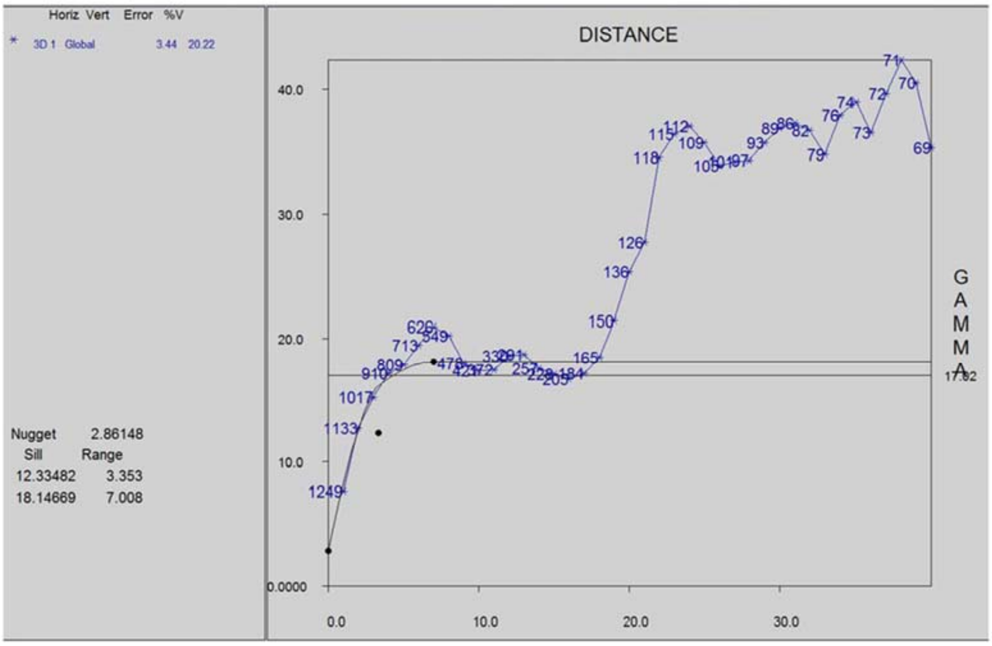

Figure 60 *Down Hole Experimental Variogram Pb% for 1.0m composites for all Main Lens* **Domains (GEOCD=100,101,102,105)**

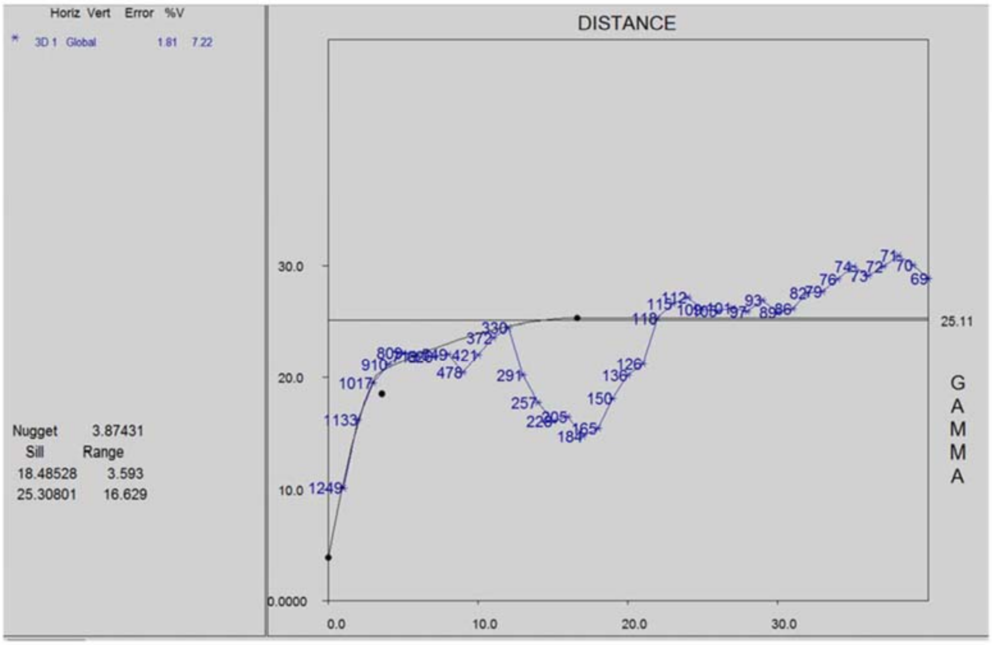

Figure 61 Down Hole Experimental Variogram Zn% for 1.0m composites for all Main Lens Domains (GEOCD=100,101,102,105)

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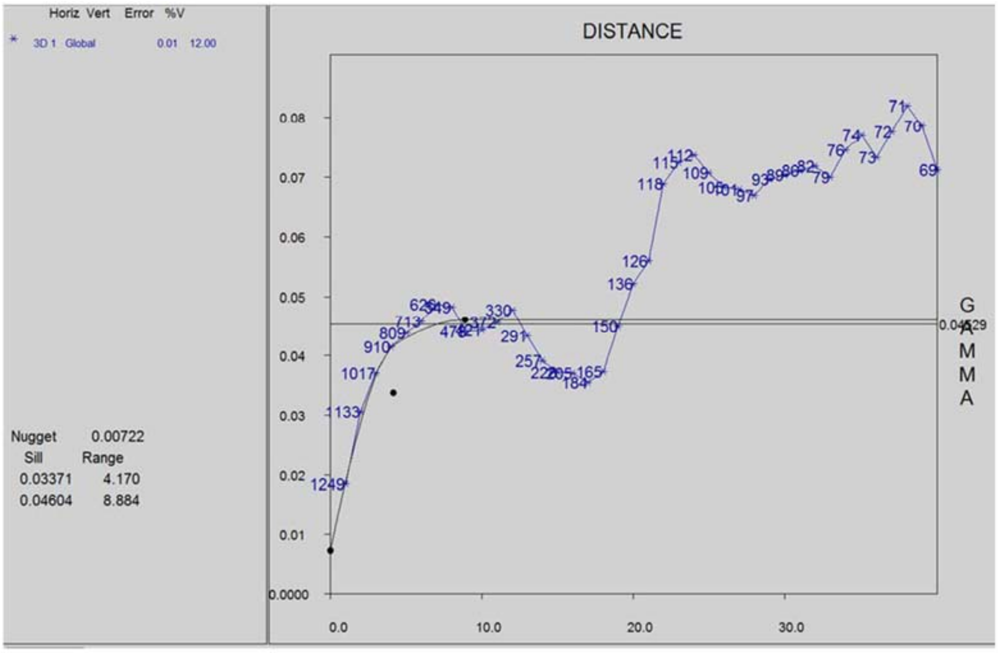


Figure 62 Down Hole Experimental Variogram Cu% for 1.0m composites for all Main Lens Domains (GEOCD=100,101,102,105)

3.8.2 Directional Variograms

The directional variography study for all elements and estimation domains was also completed using the MineSight suite of programs. The directional experimental variogram models to be applied in the kriging are detailed in *Table 13*

The directional variograms were modelled using either correlogram models or Pairwise relative variogram models with the relative nugget and sills as estimated from the Normal downhole variogram. The key experimental variograms as modelled are shown in Appendix

Table 13 MEDS Rotation Angles and Variogram Models for Estimation Domains

				Ranges		
Domain				**Major**	**Minor**	**Vertical**
Au GEOCD = 100	C0	16				
RotN/DipN/DipE	C1	45	Range 1	31	2.6	31
345/0/-3	C2	14	Range 2	93	7.8	93
Au GEOCD = 102	C0	16				
RotN/DipN/DipE	C1	45	Range 1	31	2.6	31
345/0/-4	C2	14	Range 2	93	7.8	93
Au GEOCD = 105	C0	16				
RotN/DipN/DipE	C1	45	Range 1	31	2.6	31
340/0/-4	C2	14	Range 2	93	7.8	93
Pb/Ag GEOCD = 100,102	C0	0.15				
RotN/DipN/DipE	C1	0.52	Range 1	33	3.5	33
345/0/-3	C2	0.33	Range 2	168	8.0	168
Pb/Ag GEOCD = 105	C0	0.15				
RotN/DipN/DipE	C1	0.52	Range 1	33	3.5	33
340/0/-5		0.33	Range 2	168	8.0	168
Zn GEOCD = 100,102	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	53	3.6	53
345/0/-3		0.27	Range 2	126	16.6	126
Zn GEOCD = 105	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	53	3.6	53
340/0/-5		0.27	Range 2	126	16.6	126
Cu% GEOCD = 100,102	C0	0.13				
RotN/DipN/DipE	C1	0.26	Range 1	7.7	4.3	7.7
345/0/-3		0.17	Range 2	46.0	16.7	46.0
Cu% GEOCD = 105	C0	0.13				
RotN/DipN/DipE	C1	0.26	Range 1	7.7	4.3	7.7
345/0/-5		0.17	Range 2	46.0	16.7	46.0
SG GEOCD = 100,102	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	57	4.2	57
345/0/-3	C2	1.0	Range 2	200	8.9	200
SG GEOCD = 105	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	57	4.2	57
345/-0/-5	C2	1.0	Range 2	200	8.9	200

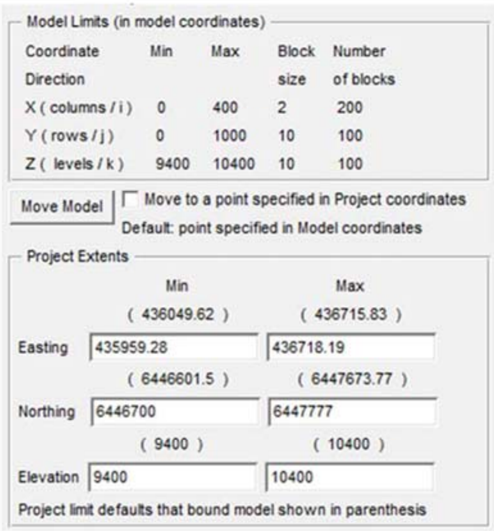
				Ranges		
Domain				**Major**	**Minor**	**Vertical**
Au GEOCD = 200	C0	16				
RotN/DipN/DipE	C1	45	Range 1	24.4	2.6	24.4
329/0/-6	C2	14	Range 2	139.0	7.8	139.0
Au GEOCD = 201	C0	16				
RotN/DipN/DipE	C1	45	Range 1	24.4	2.6	24.4
328/0/-1 and 336/0/-5	C2	14	Range 2	139.0	7.8	139.0
Au GEOCD = 205	C0	16				
RotN/DipN/DipE	C1	45	Range 1	24.4	2.6	24.4
326/0/-9	C2	14	Range 2	139.0	7.8	139.0
Pb/Ag GEOCD = 200	C0	2.86				
RotN/DipN/DipE	C1	11.5	Range 1	32.5	3.5	32.5
329/0/-6	C2	5.80	Range 2	147.7	7.0	147.7
Pb/Ag GEOCD = 201,202	C0	2.86				
RotN/DipN/DipE	C1	11.5	Range 1	32.5	3.5	32.5
328/0/-1 and 336/0/-5		5.80	Range 2	147.7	7.0	147.7
Zn GEOCD = 200	C0	0.013				
RotN/DipN/DipE	C1	0.26	Range 1	7.7	4.3	7.7
326/0/-9		0.17	Range 2	46.0	16.7	46.0
Zn GEOCD = 201/202	C0	0.013				
RotN/DipN/DipE	C1	0.26	Range 1	7.7	4.3	7.7
328/0/-1 and 336/0/-5		0.17	Range 2	46.0	16.7	46.0
Zn GEOCD = 205	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	53	3.6	53
326/0/-9		0.27	Range 2	126	16.6	126
Cu% GEOCD = 200	C0	3.87				
RotN/DipN/DipE	C1	14.6	Range 1	37	3.6	37
329/0/-6		6.82	Range 2	176	16.6	176
Cu% GEOCD = 201/202	C0	3.87				
RotN/DipN/DipE	C1	14.6	Range 1	37	3.6	37
328/0/-1 and 336/0/-5		6.82	Range 2	176	16.6	176
Cu% GEOCD = 205	C0	3.87				
RotN/DipN/DipE	C1	14.6	Range 1	37	3.6	37
326/0/-9		6.82	Range 2	176	16.6	176
SG GEOCD = 200	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	57	4.2	57
329/0/-6	C2	1.0	Range 2	200	8.9	200
SG GEOCD = 201/202	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	57	4.2	57
328/0/-1 and 336/0/-5	C2	1.0	Range 2	200	8.9	200
SG GEOCD = 105	C0	0.15				
RotN/DipN/DipE	C1	0.58	Range 1	57	4.2	57
326/0/-9	C2	1.0	Range 2	200	8.9	200

3.9 Block model estimation

3.9.1 Model Extents

The model extents and cell sizes and rotation parameters are shown in Table 14 and Table 15

Table 14 Hera Project Block Model Extents and Cell Sizes



Model Limits (in model coordinates)

Coordinate Direction	Min	Max	Block size	Number of blocks
X (columns / i)	0	400	2	200
Y (rows / j)	0	1000	10	100
Z (levels / k)	9400	10400	10	100

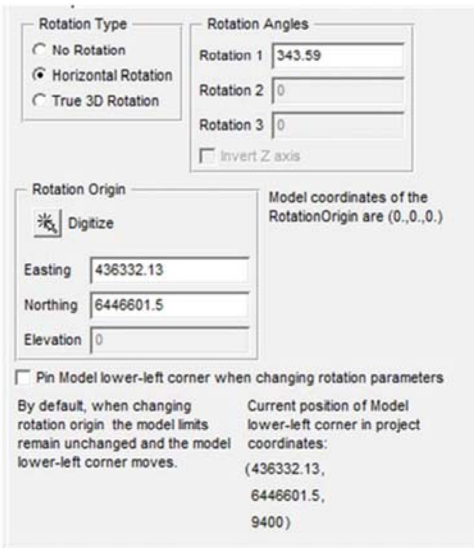
Move Model
Move to a point specified in Project coordinates
Default: point specified in Model coordinates

Project Extents

	Min	Max
	(436049.62)	(436715.83)
Easting	435959.28	436718.19
	(6446601.5)	(6447673.77)
Northing	6446700	6447777
	(9400)	(10400)
Elevation	9400	10400

Project limit defaults that bound model shown in parenthesis

Table 15 Hera Project Block rotation parameters



Rotation Type
No Rotation
Horizontal Rotation
True 3D Rotation

Rotation Angles
Rotation 1 343.59
Rotation 2 0
Rotation 3 0
Invert Z axis

Rotation Origin
Digitize
Easting 436332.13
Northing 6446601.5
Elevation 0

Model coordinates of the RotationOrigin are (0.,0.,0.)

Pin Model lower-left corner when changing rotation parameters

By default, when changing rotation origin the model limits remain unchanged and the model lower-left corner moves.

Current position of Model lower-left corner in project coordinates:
(436332.13,
6446601.5,
9400)

The block model has been rotated to a true rotation of 343.59 degrees about a single point 436332.13mE and 6446601.5mN to align the blocks with the approximate strike of the mineralisation envelopes. This orientation is common to the Hera Mine Grid as used by previous owners of the project. The first row of the model corresponds to HMG Section 2500mN

The chosen block dimensions of 10 m X 20 m X 2 m is thought to be an adequate block size based upon the average drill spacing of 25m – 50m and the style of mineralisation being estimated. Ideally a larger block dimension would have been chosen to fit the drill spacing however the geometry of the mineralised envelopes would not be well suited to this block

A MineSight block model for use in future studies is HERA15.dat

3.9.2 Model Coding

The model was set up to be an ORE% type model such that we store the percentage of the block inside and estimation domain and the majority code for the domains for each block.

Each block has items for Main Lens Ore %, Main Lens grades, Far West Lens Ore %, Far West grades and Hays Lens Ore % and Hays Lens grades.

3.9.3 Estimation Parameters

The estimation method for all elements is ordinary kriging. Individual estimates have been completed for Au, Pb, Ag, Zn, Cu and SG for each of the estimation domains as outlined in Table *10*

The variogram parameters given in *Table 16* were used as part of the primary inputs. To determine the estimation parameters a series of kriging neighbourhood tests were completed for each domain and for each element to identify the optimal search strategies. These were conducted using the MineSight debug routine which outputs the following:

- The number of composites used to krige the block and the distance from the block for each composite used;
- The local kriging weights;
- The slope of regression of the estimate.

Several tests were conducted using various search strategies to define the appropriate kriging parameters. The appropriate search parameters are based upon minimising the number of negative kriging weights and optimising the slope of regression of the estimate (SLOPE) to as close as possible to 1.0 (Vann, 2003). The biggest controlling factor in the value of SLOPE is the distance to the closest composite. As this distance increases there is a marked decrease in the SLOPE. Both of these values are stored within the block model as part of the estimation process and as such assist in determining appropriate Mineral Resource classification.

Following analyses using a variety of the kriging neighbourhoods for a number of blocks in each estimation domain the kriging parameters for Au as shown in Table 16 and Table *17* were chosen. The search neighbourhoods used were adjusted based on visual review of the blocks and form a compromise between optimising the slope of regression of the estimates and tending to "over-smooth" areas in the estimate relative to the in-situ data.

Table 16 Kriging Estimation Parameters by Estimation Domain Main Lens. All directions are in MGA95 Grid

	Au –Main Lens Nth	Au –Main Lens High Grade	Au –Main Lens South	Pb/Ag – Main Lens Nth	Pb/Ag – Main Lens Sth	Zn – Main Lens Nth	Zn – Main Lens Sth	Cu% - Main Lens Nth	Cu% - Main Lens Sth	SG Main Nth	SG Main Sth
Min # Composites	6	6	8	8	6	6	6	6	6	10	10
Max # composites	20	20	20	35	35	35	35	35	35	32	32
Min Distance to Nearest Composite	90	90	75	90	90	90	90	90	90	75	75
Search Type	Quadrant	Quadrant	Quadrant	Quadrant	Quadrant	Quadrant	Quadrant	Quadrant	Quadrant	Octant	Octant
Max # Per Quadrant/Octant	8	8	8	11	11	11	11	11	11	7	7
Max # per hole	6	6	6	8	8	8	8	8	8	7	7
Search Major	120	120	120	120	120	120	120	120	120	120	120
Search Minor	10	10	10	10	10	10	10	10	10	10	10
Search Vertical	120	120	120	120	120	120	120	120	120	120	120
RotN/DipN/DipE	345/0/-3	345/0/-4	340/0/-4	345/0/-3	340/0/-5	345/0/-3	345/0/-5	345/0/-3	345/0/-5	345/0/-3	345/0/-5
Block Discretisation	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4

Table 17 Kriging Estimation Parameters by Estimation Domain Hays North and South and Far West Lens. All directions are in MGA95 Grid

	Au Far West	Au Hays Nth	Au Hays Sth	Pg/Ag Far West	Pb/Ag Hays Nth	Pb/Ag Hays Sth	Zn Far West	Zn Hays Nth	Zn Hays Sth	Cu Far West	Cu Hays Nth	Cu Hays Sth	SG Other Lodes
	201/202	200	205	201/202	200	205	201/202	200	205	201/202	200	205	200,201, 202,205
Min # Composites	10	10	8	10	10	10	10	10	10	10	10	10	10
Max # composites	35	32	32	40	32	32	45	32	32	45	32	32	32
Min Distance to Nearest Composite	75	75	75	90	75	75	75	75	75	75	75	75	75
Search Type	Octant	Octant	Octant	Quad	Octant	Octant	Quad	Octant	Octant	Quad	Octant	Octant	Octant
Max # Per Quadrant/Octant	9	6	6	14	7	7	16	7	7	16	7	7	7
Max # per hole	6	7	6	11	7	7	11	7	7	11	7	7	7
Search Major	160	140	140	150	130	130	180	130	130	180	130	130	150
Search Minor	12	10	10	20	14	14	25	18	18	25	18	18	20
Search Vertical	160	140	140	150	130	130	180	130	130	180	130	130	150
RotN/DipN/DipE	328/0/-1	329/0/-6	326/0/-9	328/0/-1	329/0/-6	326/0/-9	336/0/-5	329/0/-6	326/0/-9	336/0/-5	329/0/-6	326/0/-9	various
Block Discretisation	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4	1/4/4

3.10 Validation

The primary validation tools used were domain statistics as presented in *Table 18*. The mean estimated grades generally compare favourably with the declustered mean grade of the composites for each domain.

In addition "on screen" checks were completed to compare estimated block grades with the 1.0m composite grades for all metals. After this review process the cut grade for Au in two composites at the Northern section of the deposit were adjusted from 90 g/t to 20 g/t

The model appears after this review to be a valid resource estimate based on geological and mineralogical understanding of the deposit and is in line with the data supplied and the methods used.

The main risk with the model is viewed as the gold grade. Given this appropriate assay methods have been utilised and it can be demonstrated that the screen fire assay method has reduced some of the high grade tail normally seen in the deposit. With appropriate top cuts applied the resulting estimates look appropriate with reviewed against the primary data and we would expect appropriate measures have been applied to reduce the risks associated with the coarse gold nature of the deposit.

Table 18 Model Domain Statistics Weighted by block volume and Declustered Cell Statistics

	Cell Size	AuCut	Ag	Pb%	Zn%	SGCal
Main Nth	Raw Data	2.49	16.7	2.91	4.02	2.9
	2 X 10 X 10	3.14	16.3	2.74	3.69	2.88
	4 X 20 X 20	2.88	15.3	2.55	3.55	2.88
	8 X 30 X 30	2.64	14.4	2.4	3.45	2.88
	16 X 50 X 50	2.01	14.3	2.33	3.49	2.87
	Model (Excl High Grade Domain)	**2.49**	**14.45**	**2.41**	**3.4**	**2.88**
Main Sth	Cell Size	AuCut	Ag	Pb%	Zn%	SGCal
	Raw Data	3.85	13.4	2.45	2.65	2.85
	2 X 10 X 10	3.18	12	2.3	2.5	2.85
	4 X 20 X 20	3.16	12.05	2.28	2.38	2.84
	8 X 30 X 30	2.55	9.59	1.88	1.96	2.86
	Model	**3.08**	**10.51**	**2.08**	**2.34**	**2.84**
Far West	Cell Size	AuCut	Ag	Pb%	Zn%	SGCal
	Raw Data	2.68	16.09	2.21	3.3	2.87
	2 X 10 X 10	2.48	15.77	2.15	3.18	2.85
	4 X 20 X 20	2.31	14.8	2.09	3.2	2.84
	8 X 30 X 30	2.41	14.9	2.13	3.26	2.86
	16 X 50 X 50	2	15.38	2.15	3.55	2.86
	Model	**2.28**	**16.3**	**2.19**	**3.33**	**2.88**
Hays Nth	Cell Size	AuCut	Ag	Pb%	Zn%	
	Raw Data	0.59	6.7	1.88	1.57	
	2 X 10 X 10	0.63	6.59	1.25	1.49	
	4 X 20 X 20	0.77	7.11	1.6	1.51	
	8 X 30 X 30	0.7	9.22	1.04	1.85	
	16 X 50 X 50	0.53	6.02	1.2	1.42	
	Model	**0.59**	**6.18**	**1.14**	**1.58**	**2.8**
Hays Sth	Cell Size	AuCut	Ag	Pb%	Zn%	
	Raw Data	1.62	6.52	1.38	2.11	
	2 X 10 X 10	1.35	6.9	1.43	2.27	
	4 X 20 X 20	1.46	6.7	1.36	2.15	
	8 X 30 X 30	1.09	5.45	1.16	1.78	
	16 X 50 X 50	1.33	6.32	1.28	1.77	
	Model	**1.49**	**5.94**	**1.32**	**2.09**	**2.81**

3.11 Mineral Resource Classification

The entire estimated Hera Project deposit has been classified as Indicated and Inferred Mineral Resources as per JORC code.

In making this classification the author has considered the following factors:

Data integrity

- The drilling database has been fully validated and is of reliable quality
- QA/QC data has been routinely collected over the life of the project
- Screen Fire assays for Au have been completed for a large portion of the gold mineralised sections of the deposit
- Inter laboratory repeats have been completed for both the historical and recent data sets
- Collar survey methods and down hole surveys are sufficient for the spatial location of the drillholes
- The quality of data utilised in this estimate is deemed suitable for the classifications as applied

Geological modelling and grade continuity

- The continuity of grades >2.0% Pb+Zn+Cu is very good and in the structures as modelled (Main Lens, Far West and Hays Structures) constrains the mineralisation particularly well
- Infill drilling completed in late 2010 and early 2011 intersected the mineralised and modelled structures very close (within 1.0m) to predicted or interpreted locations. This provides very high confidence in the modelling process
- The estimation domains that have been constructed are appropriate in relation to the currently understood model of formation of the mineralisation.

Consideration for potential mining and processing constraints

- Prior work by Triako Resources has demonstrated potential economic scenarios under which the material modelled would be profitable in a mining operations
- Significant metallurgical test work has demonstrated that saleable products (Gold and Silver Dore and Pb/Zn concentrates) can be produced from the identified mineralisation
- Marketing studies for a bulk Pb-Zn concentrate have been undertaken to determine saleability of the product and to provide indicative concentrate terms for use in this study. These terms are shown in Table 3
- Mining and processing studies provide and economic framework under which this Mineral Resource can be reported. The use of a Net Smelter Return (NSR) is deemed the best method to use
- The chosen cutoff of $125/t takes into account modelled mining and processing costs and plant recoveries consistent with testwork. The NSR value also makes allowance for long term metal price assumptions and offsite processing and treatment charges. It is consistent with best practice methods.

The classification as applied for each of the structures is as shown in Figure 63 to Figure 65

3.12 Mineral Resource Reporting

- The Mineral Resources are reported above a Net Smelter Return (NSR) cutoff – no mining designs have been made and therefore mining recovery has not been applied and no dilution added

- The estimate has been reported on a "Net Smelter Return" cut-off. This is considered the best representation of the gold and base metal nature of the ore deposit. NSR Values are estimated into each block using the following:

Metal grade x expected recovery (%) x expected payability (%) x Metal price: less concentrate freight and treatment charges and royalites

- It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.

Au Equivalent calculation formula = (Metal price x metal grade) ÷ (gold price per oz ÷ 31)

The following metal prices, exchange rates and metal recoveries and payabilities were used in the estimation of "net recoverable ore value per tonne" and for the calculation of a gold equivalent.

Table 19 Hera Project Meatl Price assumptions for calculating Block model NSR

Metal	Price	Source
Au	US$1200/oz	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Cu	US$8370/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Pb	US$2420/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Zn	US$2425/t	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
Ag	US$27/oz	90% of Consensus forecast, to May 2013 *Consensus economics, May2011*
AUD/USD	0.90	

Table 20 Hera Project Metallurgical assumptions and metal payabilities for a bulk Pb/Zn concentrate for block model NSR calculations

Metal	Recovery	Payability	Source
Au	94%	100%	YTC Metallurgical testwork and Marketing Study
Cu	88%	0	YTC Metallurgical testwork and Marketing Study
Pb	91%	87%	YTC Metallurgical testwork - Payability Calculated based on Study
Zn	90%	78%	YTC Metallurgical testwork - Payability Calculated based on Study
Ag to Dore	47%	100%	YTC Metallurgical testwork and Marketing Study
Ag Bulk Con	46%	0%	YTC Metallurgical testwork and Marketing Study
Treatment Charge	USD 250		YTC Resources Marketing Study
Concentrate Freight	AUD		YTC Resources Marketing Study

3.13 Estimate Summary

The estimation has been defined at a "net recoverable ore value per tonne" cut-off. a cut-off of A$125/tonne has been used to define a Global Resource for the selected lenses (Main Lens, Far West Lens and Hays Lens) of:

Table 21 Hera Mineral Resource Estimate as at 2 June 2011.

Category	Tonnes	NSR (A$)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)
Indicated	2,113,000	243	4.2	17.0	0.2	2.8	3.9	9.2
Inferred	330,000	207	3.5	14	0.1	2.3	3.3	7.5
Total	**2,444,000**	**238**	**4.1**	**16.7**	**0.2**	**2.8**	**3.8**	**8.6**

Tonnage estimates have been rounded to nearest 1,000 tonnes. Metal grades have been rounded to nearest decimal place.

The Resource Estimation has been completed by Mr Dean Fredericksen with assistance from Mr Stuart Jeffrey (BSc (Hons), MSC, MAusIMM, MGSA).

Competent Persons Statement

The Resource Estimation has been completed by Mr Dean Fredericksen of Fredericksen Geological Solutions Pty Ltd under supervision of Mr Rimas Kairaitis. This report has been compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis 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.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.
Tonnes have been rounded to nearest 1,000 tonnes
Metal grades have been rounded to nearest decimal place

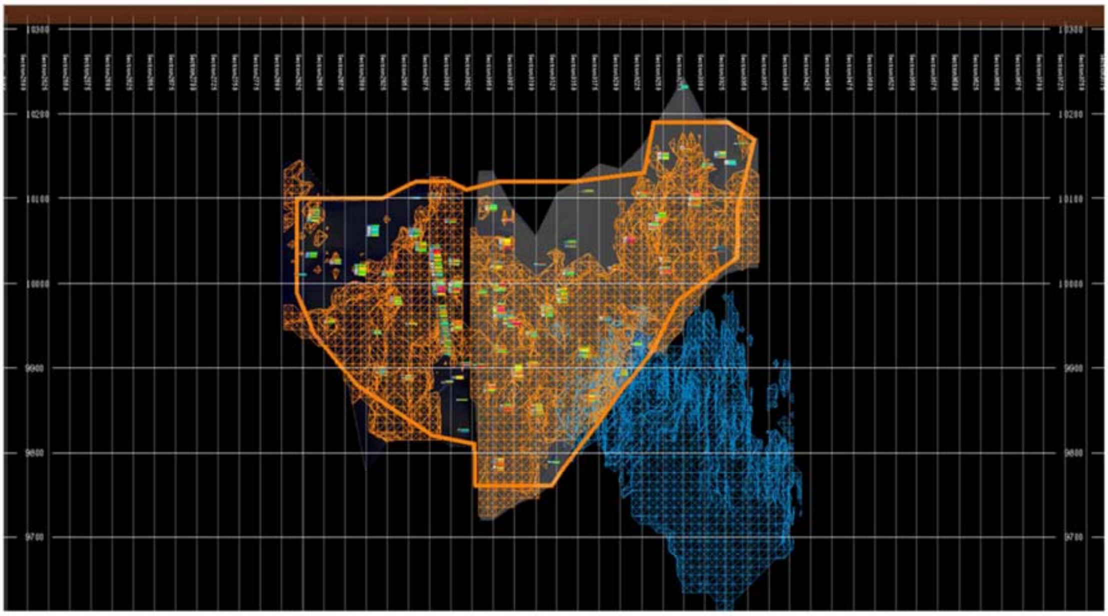


Figure 63 Main Lens Long Projection showing the indicated Mineral Resource outline (Orange), Indicated Mineral Resource Shell at NSR > $125 and composites used in the estimate. The blue outline is the Far West lens NSR >$125 shell.

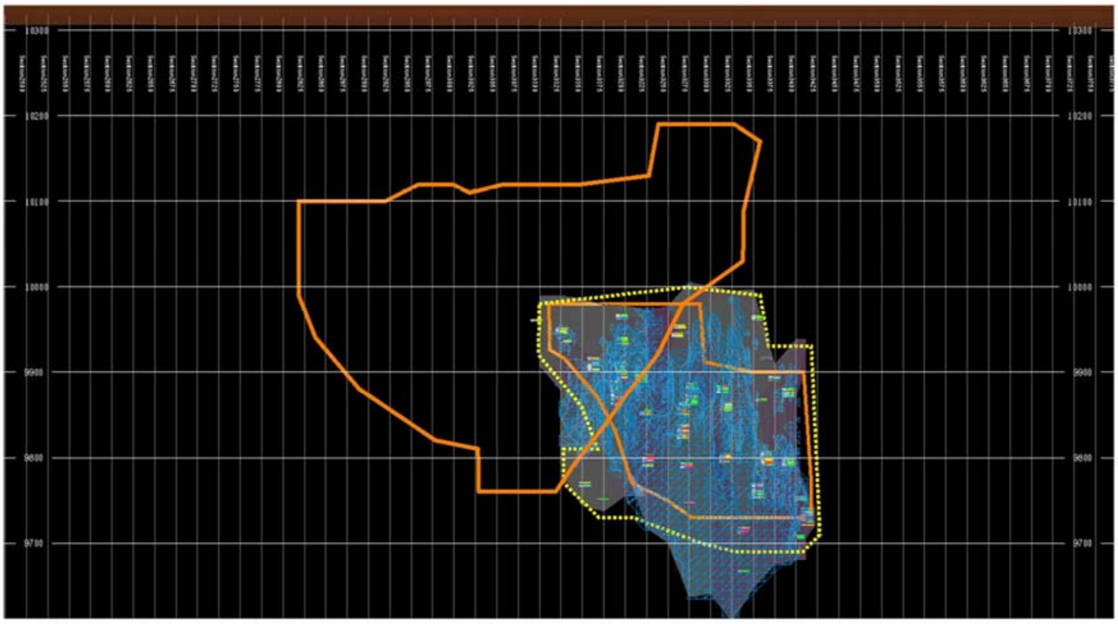


Figure 64 Far West Long Projection showing the indicated Mineral Resource outline (Orange), Inferred Mineral Resource outline (yellow dotted line) and Indicated Mineral Resource Shell at NSR > 125 Dollars Blue Shell and composites used in the estimate. The $125 NSR shell is contained within the estimation domain envelope which is transparent. The other Orange Outline is the Main Lens Indicated Mineral Resource outline.

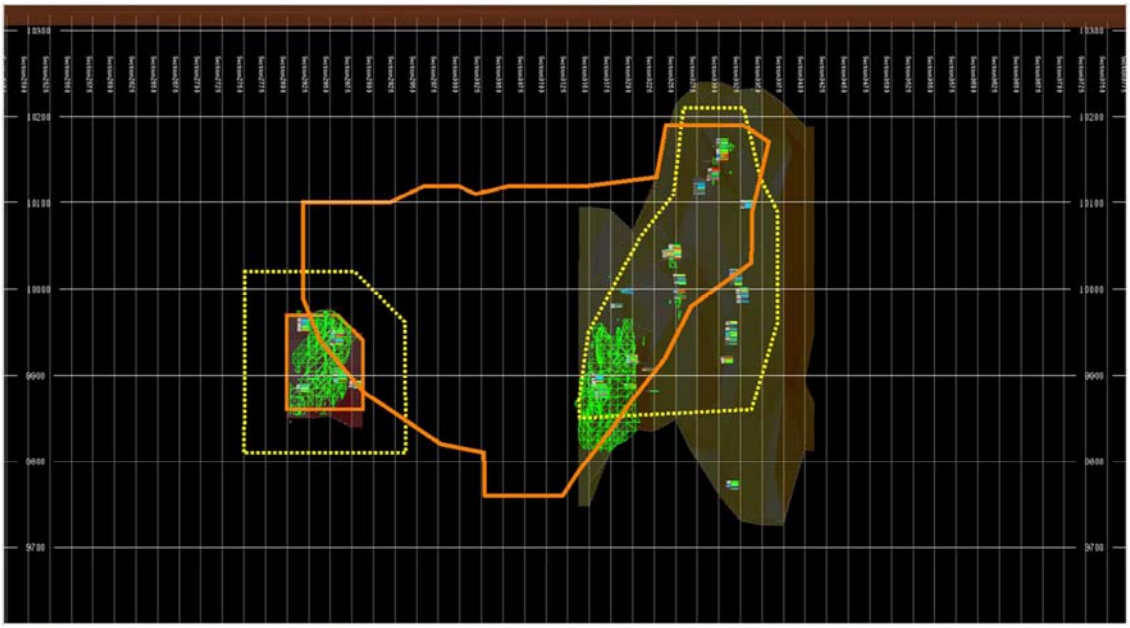


Figure 65 Hay Lens Long Projection showing the indicated Mineral Resource outline (Orange), Inferred Mineral Resource outline (Blue dotted line) Indicated Mineral Resource Shell at NSR > $125 (Green Shell) and composites used in the estimate. The larger Orange Outline is the Main Lens Indicated Mineral Resource outline.

4. REFERENCES

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5. GLOSSARY

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the Earth's crust at or near surface and collected from an aircraft.
aircore	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
Bedrock	Any solid rock underlying unconsolidated material.
Bulk Density	
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO_3. Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the Earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.

foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
ironstone	A rock formed by cemented iron oxides.
joint venture	A business agreement between two or more commercial entities.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lead	A metallic element, the heaviest and softest of the common metals.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
Mt	Million Tonnes.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
outcrops	Surface expression of underlying rocks.
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
regolith	The layer of unconsolidated material which overlies or covers in situ basement rock.

residual	Soil and regolith which has not been transported from its point or origin.
Resources	In situ mineral occurrence from which valuable or useful minerals may be recovered.
Resource Estimate	Methodology of estimation of the volume of tonnages of identified resources - normally summarized and stated according to the guidelines of the JORC (Dec 2004) reporting code.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO_2, usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the Earth's crust.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

APPENDIX A

Minesight estimation run files