

## JORC Reserve Statement

Crescent Head Low Grade Ilmenite Stockpile						
	Proven Reserves		Probable Reserves		Total Reserves	
	Tonnes	Grade (% TiO <sub>2</sub> )	Tonnes	Grade (% TiO <sub>2</sub> )	Tonnes	Grade (% TiO <sub>2</sub> )
<b>Northern Stockpile</b>	-	-	58,329	42.6	58,329	42.6
<b>Southern Stockpile</b>	-	-	47,400	27.6	47,400	27.6
<b>Total</b>	-	-	105,729	35.9	105,729	35.9

**I, Robert Mencil, confirm that I am the Competent Person for the Report and:**

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.
- I am a Director of China Australia Mining (Trading as Greencoast Environmental Rehabilitation).

Signed:

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Robert Mencil

## JORC Code, 2012 Edition – Table 1 Crescent Head Low Grade Ilmenite Stockpile

### Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<ul style="list-style-type: none"> <li>• <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i></li> <li>• <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Ore Reserve is based upon a Measured Mineral Resource Estimate.</li> <li>• The ore reserve is inclusive of the total mineral resource.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Site visits were made by the competent person, in addition to those made by specialized technical and environmental consultants.</li> <li>• Technical reports covering Water Management, Flora and Fauna, Traffic, Indigenous Cultural Heritage, Noise and Air Quality reports have been prepared to support the Reserve Estimates.</li> </ul>
<i>Study status</i>	<ul style="list-style-type: none"> <li>• <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></li> <li>• <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Mineral Resource model has been subject to a Feasibility Study level technical, economic and social assessment.</li> </ul>
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <li>• <i>The basis of the cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Due to the geological resource model being an above ground stockpile of previously processed material (Homogenous in nature), no cut-off parameters have been. The Reserve is a full resource extraction model.</li> </ul>
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <li>• <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li> <li>• <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li> <li>• <i>The assumptions made regarding geotechnical parameters (eg pit</i></li> </ul>	<ul style="list-style-type: none"> <li>• Due to the geological resource model being an above ground stockpile (Homogenous in nature) of processed material, no cut-off parameters have been. The Reserve is a full resource extraction model.</li> <li>• The proposed mining method is using a conventional small front-end loader or back hoe excavator to load on road semi-trailers trucks.</li> <li>• No permanent Infrastructure is required.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>slopes, stope sizes, etc), grade control and pre-production drilling.</i></p> <ul style="list-style-type: none"> <li>• <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li> <li>• <i>The mining dilution factors used.</i></li> <li>• <i>The mining recovery factors used.</i></li> <li>• <i>Any minimum mining widths used.</i></li> <li>• <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li>• <i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <li>• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li>• <i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li>• <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></li> <li>• <i>Any assumptions or allowances made for deleterious elements.</i></li> <li>• <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></li> <li>• <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></li> </ul>	<ul style="list-style-type: none"> <li>• The processing of Ilmenite for various end uses is well understood and well established.</li> <li>• Samples have been sent to prospective customers. These samples have been the subject of customer specific metallurgical test work to confirm the materials suitability for the customer's own metallurgical process and end use.</li> <li>• All prospective customers have confirmed the ores suitability of their particular process and end use.</li> </ul>
<i>Environment</i>	<ul style="list-style-type: none"> <li>• <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>• An environmental assessment and rehabilitation plan has been completed for the proposed operation.</li> <li>• No stockpiles or waste dumps remain at the end of project.</li> </ul>
<i>Infrastructure</i>	<ul style="list-style-type: none"> <li>• <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk</i></li> </ul>	<ul style="list-style-type: none"> <li>• No permanent Infrastructure is required.</li> </ul>

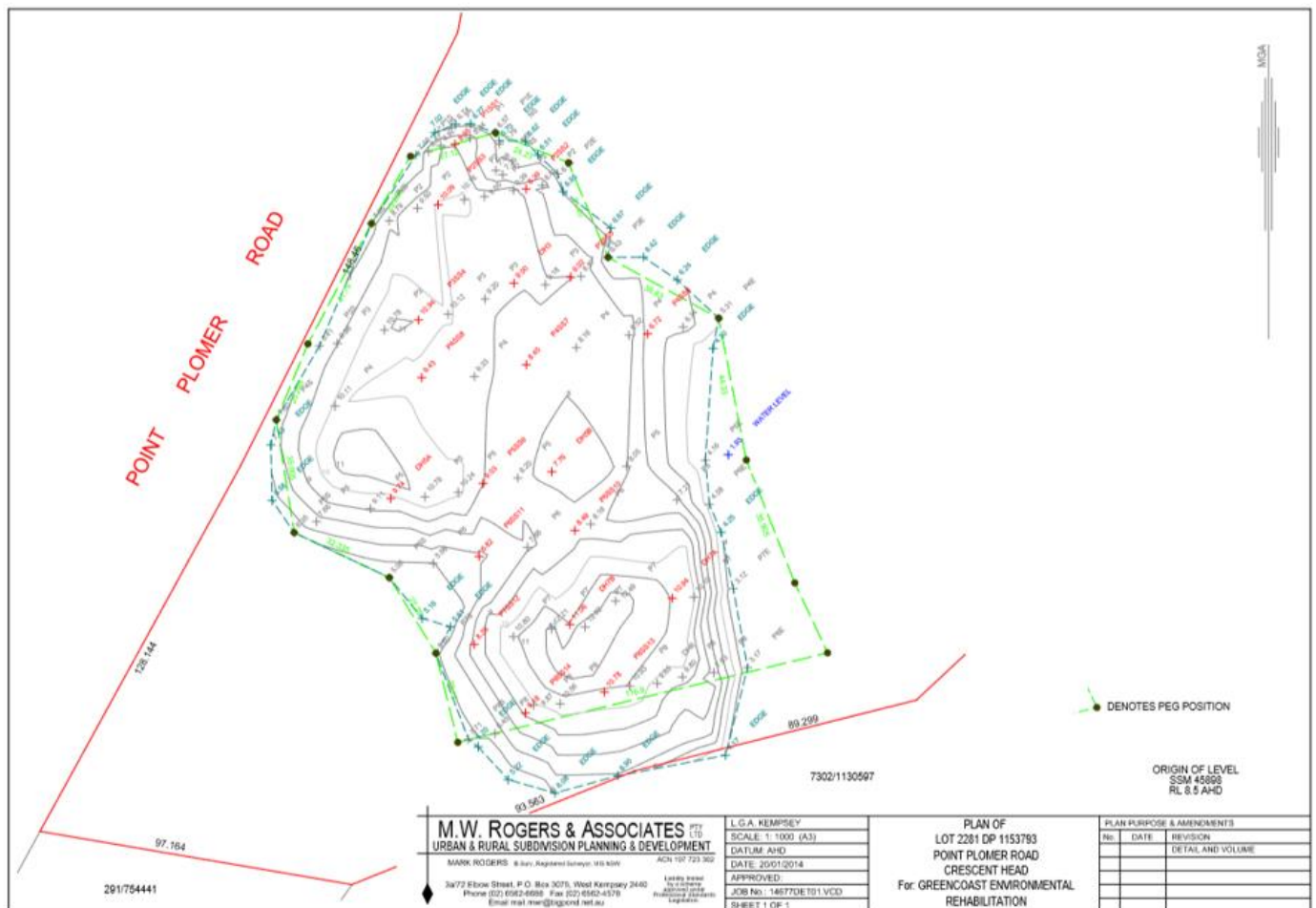
Criteria	JORC Code explanation	Commentary
	<i>commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.</i>	
Costs	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li>• <i>The methodology used to estimate operating costs.</i></li> <li>• <i>Allowances made for the content of deleterious elements.</i></li> <li>• <i>The source of exchange rates used in the study.</i></li> <li>• <i>Derivation of transportation charges.</i></li> <li>• <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> <li>• <i>The allowances made for royalties payable, both Government and private.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No capital required.</li> <li>• Operating costs based upon industry supplied quotes.</li> <li>• Exchange rates used (USD \$0.78 : AUD \$1.00)</li> <li>• Royalty payment as per the NSW government schedule.</li> </ul>
Revenue factors	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></li> <li>• <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Revenue pricing per tonne derived from monthly published industry reports for low grade ilmenite CIF pricing delivered into China.</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>• <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></li> <li>• <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></li> <li>• <i>Price and volume forecasts and the basis for these forecasts.</i></li> <li>• <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable. Total project life less than 1 year.</li> <li>• Project supply represents insignificant additional market supply.</li> <li>• Industry published market survey supports current demand and pricing for a minimum of 12 months.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable. Total project life less than 1 year.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></li> </ul>	
<i>Social</i>	<ul style="list-style-type: none"> <li>• <i>The status of agreements with key stakeholders and matters leading to social license to operate.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Discussion with land owner (NSW Crown Land), traditional owners and the NSW Mines department are well advanced. All outstanding permissions are expected within a 6-month period.</li> </ul>
<i>Other</i>	<ul style="list-style-type: none"> <li>• <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i></li> <li>• <i>Any identified material naturally occurring risks.</i></li> <li>• <i>The status of material legal agreements and marketing arrangements.</i></li> <li>• <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No material risks identified outside of unknown market conditions beyond 12-month period.</li> </ul>
<i>Classification</i>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> <li>• <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Probable classification due to outstanding approvals, unconfirmed time frame and unknown market conditions beyond a 12-month period.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No external audits completed.</li> </ul>
<i>Discussion of relative accuracy/ confidence</i>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify</i></li> </ul>	<ul style="list-style-type: none"> <li>• The reserves are stated at a high accuracy and confidence level.</li> <li>• The underlying Measured Resources has been generated based upon the results of a close spaced drilling and sampling program.</li> <li>• By its very nature and formation of the stockpile, stockpile of previously processed material, has resulted in a relatively homogenous resource and</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></p> <ul style="list-style-type: none"> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></li> <li>• <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<p>subsequently reserve.</p> <ul style="list-style-type: none"> <li>• The absence of any need for capital expenditure and the use of operating costs based upon industry quotes support a high confidence total cost estimate.</li> <li>• Outstanding approvals, unconfirmed approval time frames and unknown market conditions beyond a 12-month period prevent the reserve being classified as Proven.</li> </ul>

# Supporting Documentation

## Site Survey Plan Showing Sample Hole Locations

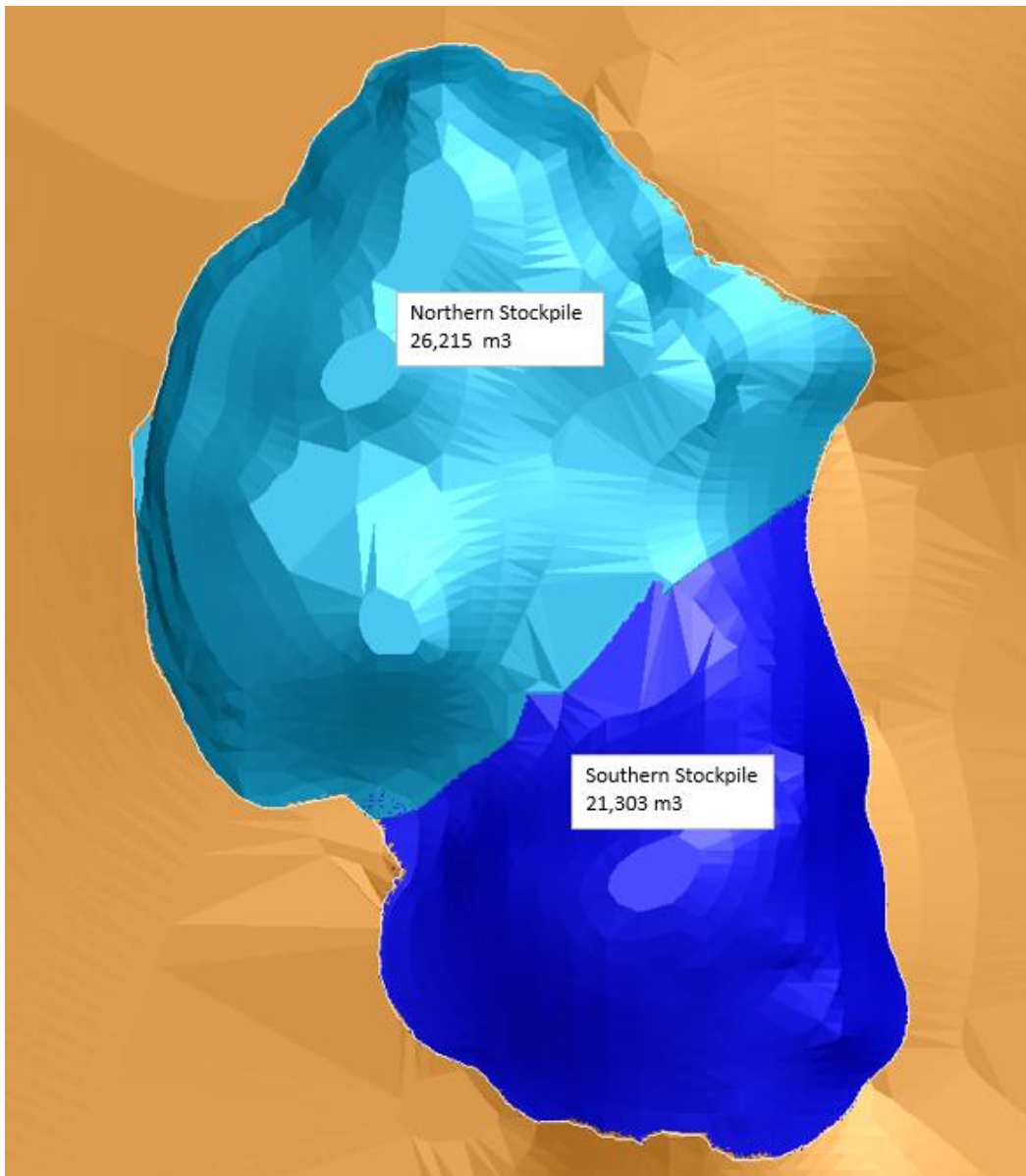


## Volume Calculations

Total Volumes By Elevation													
From	To	Cut Vol	Avg. Cut	Fill Vol	Avg. Fill	Nett Vol	Nett Tonnage	Common	Cum Cut V	Cum Fill V	Cum Nett	Cum Nett	Tonnage
1	2	0	0	0	0	0	0	0	0	0	0	0	0
2	3	0	0	0	0	0	0	0	0	0	0	0	0
3	4	0	0	0	0	0	0	0	0	0	0	0	0
4	5	569.497	569.497	0	0	-569.497	-569.497	0	569.497	0	-569.497	-569.497	
5	6	5454.515	5454.515	0	0	-5454.515	-5454.515	0	6024.012	0	-6024.01	-6024.01	
6	7	14059.2	14059.2	0	0	-14059.2	-14059.2	0	20083.21	0	-20083.2	-20083.2	
7	8	15489.713	15489.71	0	0	-15489.71	-15489.713	0	35572.93	0	-35572.9	-35572.9	
8	9	10873.024	10873.02	0	0	-10873.02	-10873.024	0	46445.95	0	-46445.9	-46445.9	
9	10	6250.898	6250.898	0	0	-6250.898	-6250.898	0	52696.85	0	-52696.8	-52696.8	
10	11	2128.767	2128.767	0	0	-2128.767	-2128.767	0	54825.61	0	-54825.6	-54825.6	
11	12	914.514	914.514	0	0	-914.514	-914.514	0	55740.13	0	-55740.1	-55740.1	
12	13	168.443	168.443	0	0	-168.443	-168.443	0	55908.57	0	-55908.6	-55908.6	
13	14	0	0	0	0	0	0	0	55908.57	0	-55908.6	-55908.6	
Total Volume		55,909		0		-55,908.57	-55,908.57						
Total tonnes		124,397											
Lost tonnes on surface		12,470											
Lost tonnes at base		6,197											
Recoverable Vol		47,519											
Recoverable Tonnes		105,729											

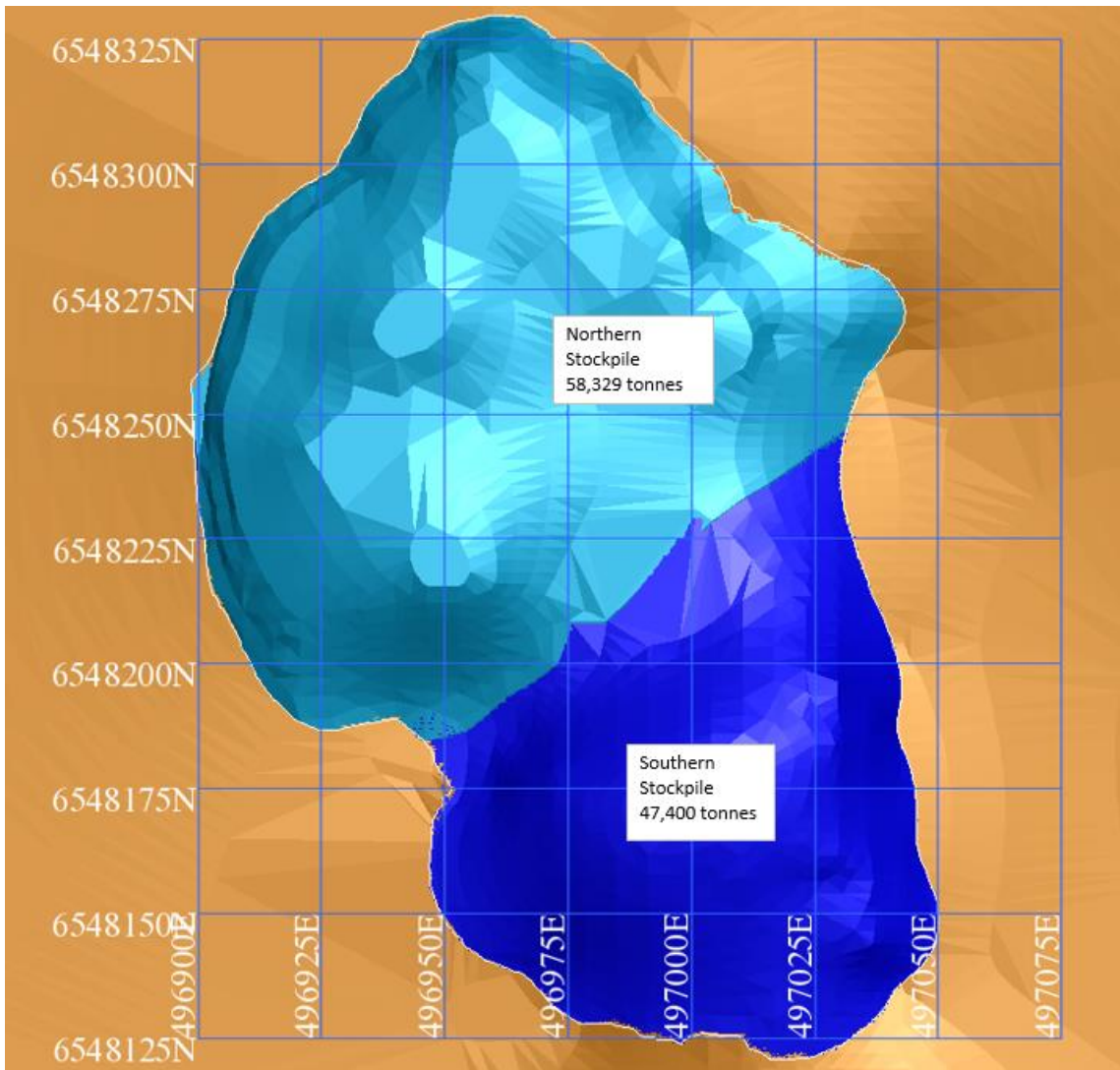


## Stockpile Volumes (Diagram)





## Stockpile Tonnage (Diagram)



## Summary of Lab Assay Reports

	LABORATORY METHOD	ME-XRF31i	OA-GRA09
	SAMPLE TYPE	TiO2	Bulk Density
LOCATION	Unit	%	g/cm3
Northern Stockpile	Average	42.6	2.37
Southern Stockpile	Average	27.6	2.23