RESOURCE STATEMENT

DAPINGZHANG and

DAWAZ COPPER/ZINC PROJECT

September 2007

ABRIDGED October 2007

PREPARED FOR

YUNNAN SIMAO SHANSHUI COPPER COMPANY LIMITED

Perth, Western Australia

Cube Project: 2007_071

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1.0 INTRODUCTION

1.1 COMPETENT PERSON

The estimation of resources was undertaken by Patrick (Rick) Adams BSc MAusIMM MAIG, Director of Geological Resource Services at Cube. Rick has 20 years experience in exploration, mining and evaluation of mineral commodities in Australia and overseas. During his career he has developed a diverse range of resource estimation skills and understands the practical application of geostatistical and classical estimation techniques. He has extensive experience in resource estimation, auditing, due diligence and project evaluation. Rick Adams has sufficient experience relevant to the style of mineralisation, commodity and type of deposit under consideration to qualify as Competent Person defined in the 2004 Edition of the 'AusIMM Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Cube is an Australian owned company providing geological consulting services and software systems to the resources and industrial sectors. The organisation is well resourced with an established office in Perth, Western Australia and has undertaken work for a number of substantial clients. Cube Consulting comprises a team of technical professionals dedicated to providing excellence in their field of expertise.

1.2 LOCATION

The projects to be estimated are located in the Dapingzhang prospect 310km southwest of Kunming, Yunnan Province, Peoples Republic of China. The Dapingzhang prospect area is a joint venture between YSSCC and Regent Pacific Group Limited (RP) and covers an approximate area of 94 square km on the western margin of the Simao-Lanping fold zone and east of Lancangjiang Fault zones.

Figure 1-1 Peoples Republic of China, Provincial Map

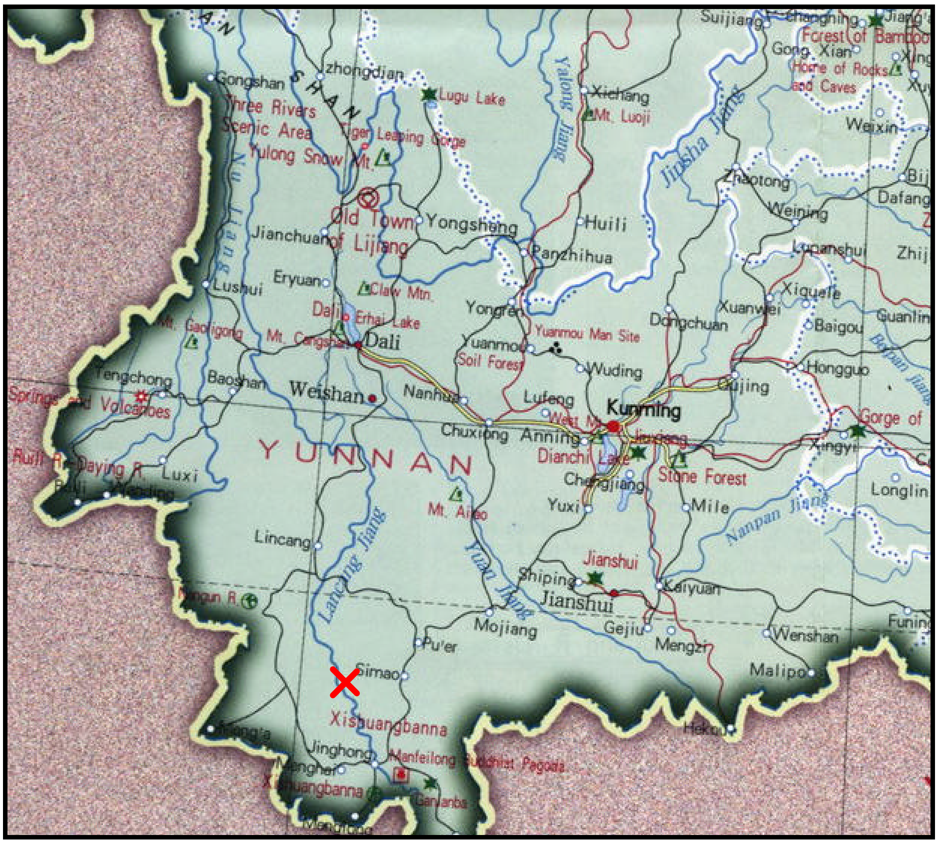


Figure 1-2 Yunnan Province, Dapingzhang Project Location Map

1.3 DATA SUPPLIED

YSSCC provided Cube with the following digital information prior to and during the resource estimation project;

- MS Access drill hole database containing all available collar, geology, survey, assay, measured density and geotechnical data up to 27th August 2007.
- A total of 31,520 measured density samples with corresponding hole id, depth from and depth to for each measurement.
- Quality Assurance and Quality Control data in the form of standards, blanks, duplicates and check assays in Microsoft Excel (xls) format and certificates for standards currently in use.
- Geological interpretation wireframes delineated by drill core logging.
- Resource sectional-interpretation outlines consisting of twenty two (V1) massive domains and four (V2) disseminated domains delineated by geology.
- Report titled 'The Geological Report for Dapingzhang (DPZ) Copper Property in Yunnan Province PRC", Yunnan Provincial Geology Survey Bureau, July 2001.
- Documentation "Manual for logging and data compilation at DPZ Copper-Lead-Zinc Deposit. Diamond drilling project", Fan, Kai. Regent Pacific Group March 2005.

- Mining depletion was implemented using the DTM files mine eom_dpz20070630.dtm and mine_eom_dwz20070630.dtm, supplied by YSSCC. These DTM represents current mining depletion to 30th of June 2007.
- All resource estimation was undertaken in a rotated grid co ordinate system as supplied by YSSCC and documented in *newgridchangeway.doc*.

Other information contributing towards the resource estimation;

- Discussions with YSSCC geological staff regarding geology and geological model.
- Site visits were undertaken on 2nd - 8th August, 2006, 21st – 29th January, 2007 and 10th – 17th August 2007. Rick Adams of Cube undertook all site visits to review drill core, drill sites and existing open pit mine workings.

2.0 GEOLOGY AND MINERALISATION

2.1 MINERALISATION

The current YSSCC interpretation of geology and mineralisation at DPZ is presented below.

The mineralisation associated with the DPZ and DWZ deposits occurs largely in acid volcanogenic units within the Dawazi Formation. A detailed and independent description of the lithologies is available in Jiang, 2005. Mineralisation has been interpreted to be of a Volcanogenic Massive Sulphide Type Deposit, occurring as an undersea eruptive on and within the interpreted sea floor. Mineralised domains can be divided into massive sulphide (V1) and disseminated (V2) stringer veins of massive sulphide. The massive sulphide domains occur immediately below a tuffaceous unit at the interface between overlying dacitic flows and the underlying rhyolitic units and are often associated with the Bisheng Marker Unit. This Bisheng Marker is interpreted to be a calcitic, organic sediment sea floor marker. The massive sulphide mineralisation contains elevated copper, zinc, silver and gold mineralisation. The disseminated domains are located below the massive sulphide domains within the brecciated rhyolitic units. The disseminated domains contain elevated copper and zinc grades but significantly lower gold and silver grades when compared to the interpreted massive domains. Both the massive and the disseminated domains contain anomalous but low lead grades.

The mineralisation is interpreted to be gently folded (fold axes striking grid north) and plunging gently to grid north. Sulphide mineralisation appears to dip steeply to the east and may be the result of folding or local faulting. YSSCC has interpreted the controls on mineralisation as:

1. Massive sulphide domain. Mineralisation delineated by geological logging of massive sulphide in diamond drill core.
2. Disseminated sulphide domain. Mineralisation delineated by geological logging of stringer style mineralisation in core. The presence of logged stringer mineralisation equates to a lower cutoff of approximately 0.3% copper.

2.2 GEOLOGICAL INTERPRETATION AND DOMAINING

YSSCC provided a set of Surpac string files (*orexxx.str*) with all surfaces interpreted in rotated section view.

The mineralisation was interpreted to be faulted on a number of sections. After discussions with the YSSCC geologists, Cube has modified the interpretation to be a consistently folded rather than intermittently faulted model. The physical evidence for the presence of faults is based on two Geological Survey Bureau holes (pre-2001, ZK1007 and ZK1006 on section 1400N, (see

Figure 2-2) and no direct evidence of faulting has been logged in YSSCC's own drilling. Cube excluded these two Geological Survey holes (ZK1007 and ZK1006) when reviewing the supplied interpretations as the collar positions and possibly the logging intervals are considered unreliable.

Based on the information made available and the modifications made, Cube concurs with the interpretation by YSSCC.

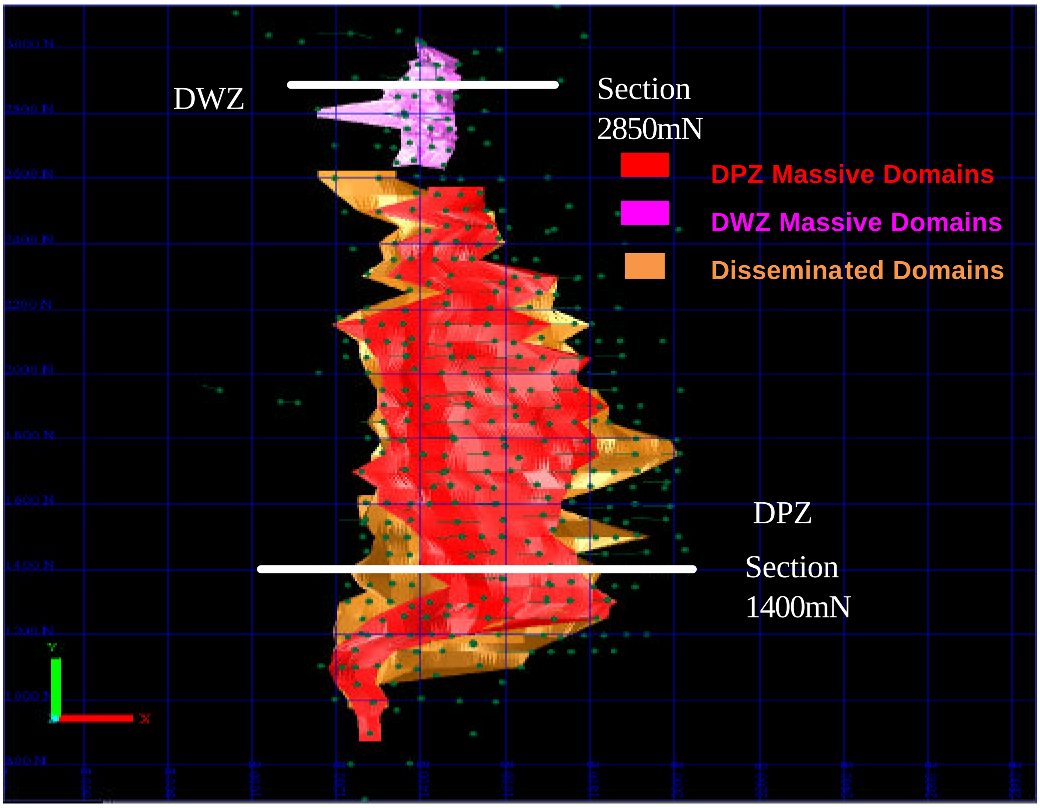


Figure 2-1 DPZ and DWZ Project Plan View

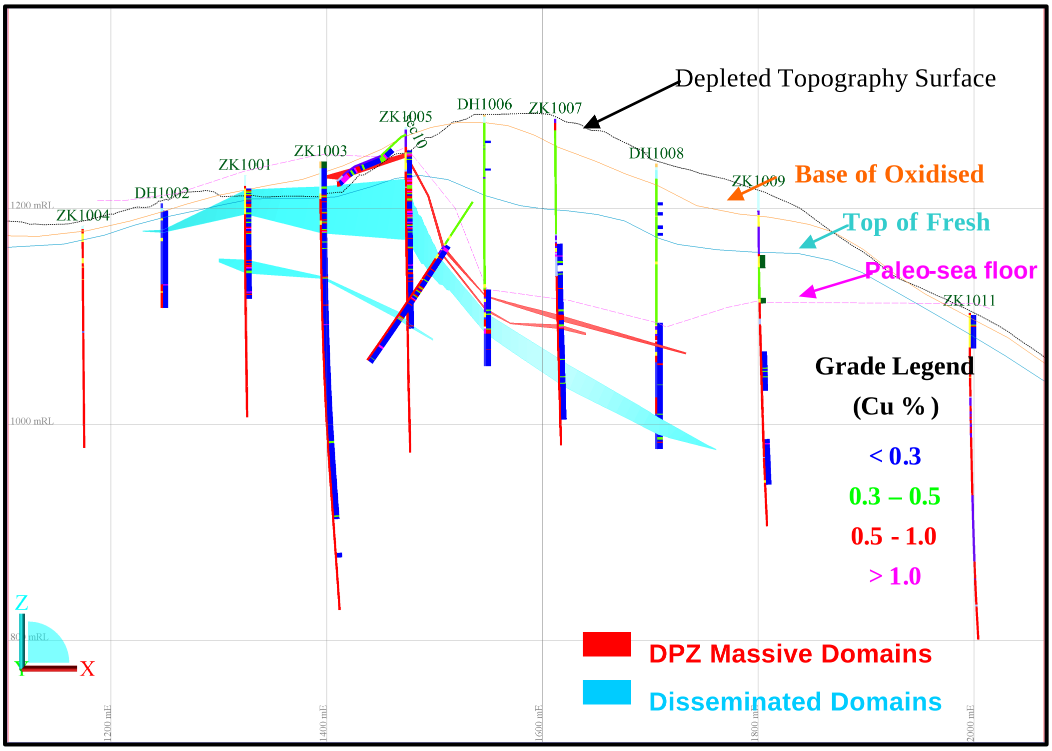


Figure 2-2 DPZ Project Geology Section - 1400mN, Looking North

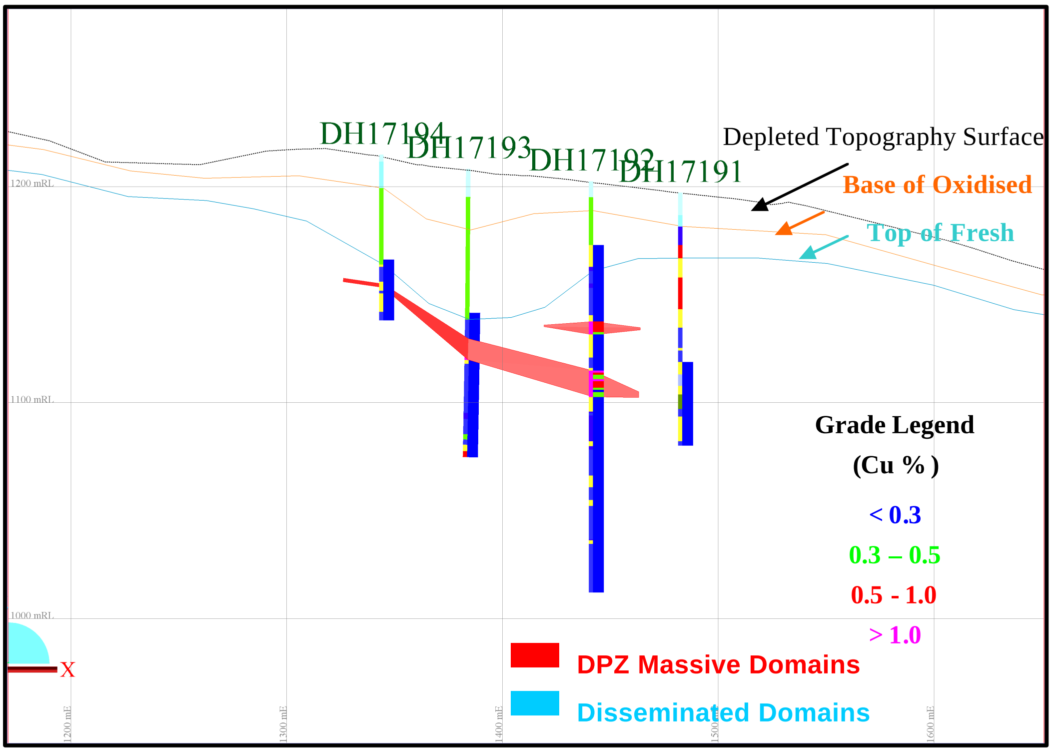


Figure 2-3 DWZ Project Geology Section - 2850mN, Looking North

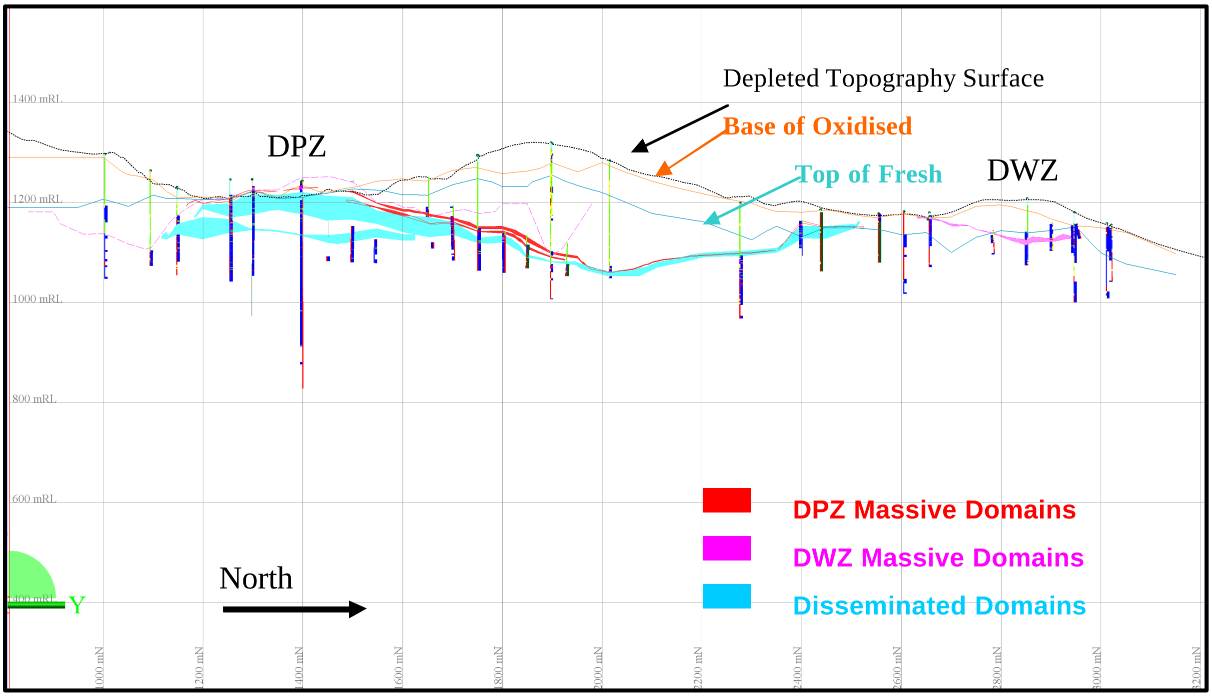


Figure 2-4 Project Geology Long Section - 1400mE, Looking West

The mineralised domain files presented in Table 2-1 interpreted by YSSCC in Surpac string (STR) format were wireframed, validated as solids (3DM's) and reviewed by Cube prior to use in the estimation. Cube concluded they are a consistent and accurate representation of the mineralisation volumes.

Domain number	Deposit	3DM Filename (DTM)	Description
100 to 110	DPZ	dpz_v1_sep07_100 to 110	V1 Massive Sulphide Domains 100 to 110
200	DPZ	dpz_v1_sep07_200	V1 Massive Sulphide Domain 200
300	DPZ	dpz_v1_sep07_300	V1 Massive Sulphide Domain 300
400	DPZ	dpz_v1_sep07_400	V1 Massive Sulphide Domain 400
500 to 501	DPZ	dpz_v1_sep07_500 to 505	V1 Massive Sulphide Domains 500 to 505
600	DWZ	dpz_v1_sep07_600	V1 Massive Sulphide Domain 600
700	DWZ	dpz_v1_sep07_700	V1 Massive Sulphide Domain 700
1000 to 4000	DPZ	dpz_v2_sep07_1000 to 4000	V2 Disseminated Sulphide Domains 1000 to 4000

Table 2-1 Mineralised domain files and descriptions

Other files contributing towards the estimation are summarised below and presented in Table 2-2.

- Weathering surfaces were interpreted by Cube utilising the ‘oxidation’ field within the ‘geology’ database table. Two surfaces were generated to represent the bottom of complete oxidation and top of fresh rock with a transitional weathered zone interpreted between the two surfaces. These weathering surfaces are used during statistical analysis in Chapter 5.2.
- Merged depletion and topography surface. End of month survey surfaces (DTMs) for both the DPZ and DWZ pits to the 30th June 2007 were supplied in addition to an earlier topography surface covering the entire project area. Cube updated the supplied topography file with the recent surveyed surfaces and used this merged surface for depletion in Chapter 11.0.

Type of Domain	Surface Filename (DTM)	Supplied By	Description
Weathering	box_1	CUBE	Bottom of Complete Oxidation. Interpreted using ‘oxidation’ field in ‘geology’ table.
Weathering	tof_1	CUBE	Top of Fresh Rock. Interpreted using ‘oxidation’ field in ‘geology’ table.
Topography	rkdpztopo2000	YSSCC	Surface Topography. Transformed to local grid by Cube
Depletion DPZ	mine eom_dpz20070630	YSSCC	Mined Surface up to 30th June 2007. Local grid.
Depletion DWZ	mine_eom_dwz20070630.dtm	YSSCC	Mined Surface up to 30th June 2007. Local grid.
Merged Topography and Depletion	topo_mined_300607.	CUBE	Updated topography ‘rkdpztopo2000’ with pit survey files of 30th June 2007.

Table 2-2 Domain files and descriptions

3.0 DATABASE

Two access data bases were provided by YSSCC, one current as of 10th August 2007, containing the exploration data (dpz.mdb) and the other (Regent_Pacific_Database.mdb) current as of 17th August 2007, containing the grade control data acquired for the DWZ deposit.

Database (dpz.mdb) details as supplied to Cube are listed in Table 3-1.

Database Table	Number of records
Collar	479
Assay	38357
Survey	2158
Geology	15185
Geotech	65534

Table 3-1 DPZ (dpz.mdb) supplied database tables

Database (Regent_Pacific_Database.mdb) details as supplied to Cube are listed in Table 3-2.

Database Table	Number of records
Collar	213
Assay	2072
Survey	213
Geology	0
Geotech	0

Table 3-2 DWZ (Regent_Pacific_Database.mdb) supplied database tables

A summary of the supplied exploration drillhole data is presented below.

Drilling Type	Number of Holes	Total Meters	Lowest Hole ID	Highest Hole ID
Diamond Drill	470	105,677.8	DH001	DH9116
			DPZ05_38	DPZ05_42
			ZK001	ZK903
Trenching (Drill Type FS WS)	9	302.25	BT001	BT2701
			QJ1201	QJ1618
			PD601	-

			TC3261	-
Total	**479**	**105,980.06**		

Table 3-3 Exploration drillhole database details

The database was renamed 'cube_dpz_aug_2007.mdb' and the following changes were undertaken by Cube in preparation for estimation.

A summary of the supplied grade control drillhole data is presented below.

Drilling Type	Number of Holes	Total Meters	Lowest Hole ID	Highest Hole ID
RC Drilling	213	4,857	W3500053	W3500174
			W5500001	W5500149
Total	**213**	**4,857**		

Table 3-4 Grade control drillhole database details

3.1 DATA VALIDATION

Some data validation was undertaken prior to coding and compositing for estimation. These included a check on end of hole depths for discrepancies between recorded collar, assay, survey and geology. Other validation processes included checking for negative assays, missing assays or assays outside expected range.

All assay data (Cu, Zn, Pb, Au and Ag) in both databases was copied into a new database field prefixed by '*cube_*'. The *cube_* field is the database field used for compositing and estimation. In the *cube_* fields all '0' and '-0.01' values were assumed to represent previously sampled data reporting below detection limits. These occurrences were replaced by a low constant representing half the detection limit for each element, presented in Table 3-5. All unsampled intervals within the grade control assay data (Cu, Zn, Pb, Au and Ag) was assigned as blank.

Element	Assay Table Database Field	Half detection Limit applied to '0' and '-0.01' values
Cu %	Cube_Cu	0.0001%
Zn %	Cube_Zn	0.0001%
Pb %	Cube_Pb	0.0001%
Au ppm	Cube_Au	0.0001 ppm
Ag ppm	Cube_Ag	0.005 ppm

Table 3-5 Replacement Values for 'Cube_' fields

For the purposes of coding, compositing and estimation the following data was excluded due to potentially misleading sampling and surveying methods;

- Abandoned holes were excluded as in most cases another hole had been drilled at the same location and given a '_1' suffix. The _1 holes were used in preference to the abandoned holes.
- Channel and trench sampling and Brigade 5 exploration holes. Presented in Table 3-6.

Hole ID	Description
ZK001 to ZK901	Brigade 5 Exploration
BT001	BT2701
TC3261, PD601	Trench/Channel Sample
QJ1201 to QJ1618	Trench/Channel Sample

Table 3-6 Database records excluded from estimate

Cube has not verified supplied electronic drillhole data with hard copy drillhole logs or assay certificates. Other than routine validation checks discussed above Cube has assumed the supplied data to be acceptable for estimation.

3.2 SPECIFIC GRAVITY REGRESSION ANALYSIS

Measured specific gravity samples totalling 31,520 records or 82% of the assay data, were supplied by YSSCC in the 'SG' database field of the exploration database dpz.mdb. There was no specific gravity data supplied in the grade control database Regent_Pacific_Database.mdb. As specific gravity values are required for all assay intervals during the compositing process, Cube performed SG regression analysis and applied the resulting equations to all assay intervals without a corresponding measured specific gravity.

The '*cube_sg*' database field was firstly populated with all measured specific gravity values (31,520 records). The remaining assay records within mineralised wireframes without measured specific gravity values were then assigned a specific gravity value or had specific gravity calculated according to the following criteria;

1. DPZ Massive V1 Domains 100 to 505

   A non-linear regression was calculated for the massive domains;

   $$cube\_sg = 0.15 \times LN(cube\_Cu) + 3.508$$

2. DPZ Disseminated Domains 1000 to 4000

   A linear regression was calculated for the disseminated domains;

   $$cube\_sg = 0.104 \times (cube\_Cu) + 2.817$$

3. Unmineralised Domains

   The mean of all measured values falling outside of the mineralised domains and below a 0.3% Cu threshold was calculated;

   2.76 g/cm^3

4. DWG V1 Massive Domains 600 and 700 based on 74 measured specific gravity values
5. A non-linear regression was calculated for the V1 massive domains;

6. $cube\_sg = 0.202 \times LN(cube\_Zn) + 3.861$

Regression charts used to derive the regression formula are presented in **Error! Reference source not found.**.

4.0 QUALITY ASSURANCE AND QUALITY CONTROL

YSSCC monitors the performance of the Langfang laboratory through blanks, coarse reject repeats, certified standards and check assays with an external laboratory. Cube graphed and reviewed all supplied Quality Assurance and Quality Control (QAQC) data as supplied by YSSCC in a spreadsheet file qaqc2007_regent.xls.

The following process was undertaken prior to reviewing the data;

- Create graphs for Blanks, Duplicates, Standards and Check Assays for Cu, Zn, Pb, Au and Ag.

All QAQC graphs discussed in this Chapter are tabulated in **Error! Reference source not found.**.

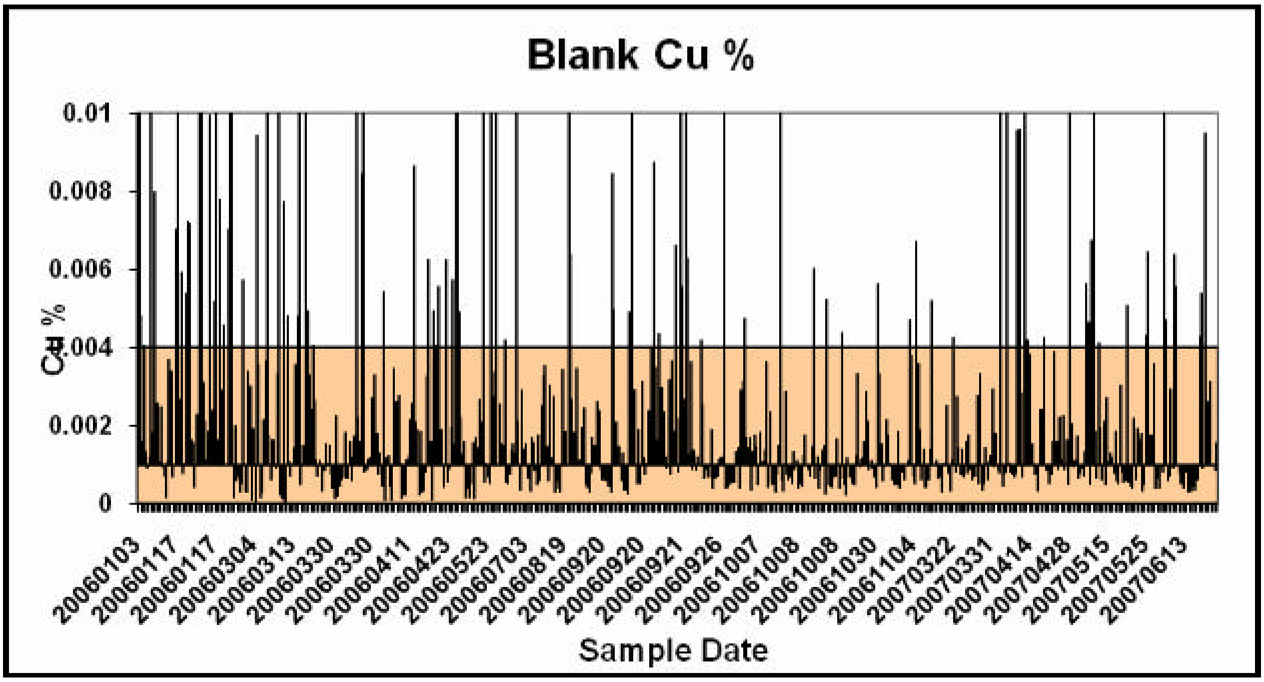
4.1 BLANKS

Blanks were graphed by element with the expected value being equal to the detection limit. Three standard deviations may be considered an acceptable limit to assess the accuracy of the data. Blanks were submitted for sampling between January 2006 and June 2007.

Conclusions from blank analysis were;

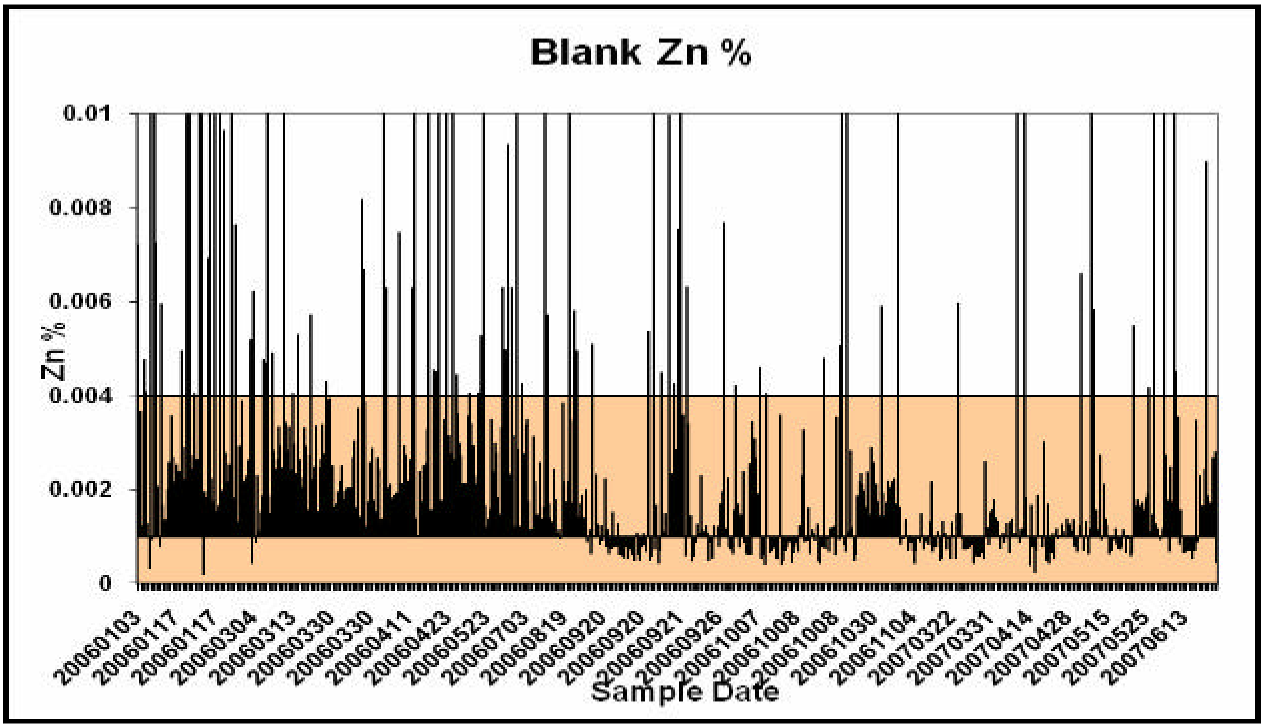
- The blank samples consistently returned non-zero values for Cu, Zn, Pb, Au and Ag. The results indicate that the material used as blanks contain background levels of all elements of interest. The mean grades of the blanks are all well below levels that would be considered material to the resources with a Cu mean of 0.0041% and a Zn mean of 0.0069%.
- Cube recommends the current use of blanks be reviewed and substituted with certified blanks to ensure future blanks do not contain background values of the elements of interest. When blanks can be certified as being below detection for Cu, Zn, Pb, Au and Ag, then the accuracy of the lab in regards to blanks can be accurately assessed.

The blank assay results for Copper and Zinc are presented in Figure 4-1 and Figure 4-2.



Expected Value:	0.001	Filter Range (# of SD's):	3	# of Samples:	642
Std Dev:	0.001	Filter To:	0.004	Mean Actual:	0.0041
		Filter From:	0.0	Mean Filtered:	0.0013

Figure 4-1 QAQC – Blank Results – Copper



Expected Value:	0.001	Filter Range (# of SD's):	3	# of Samples:	642
Std Dev:	0.001	Filter To:	0.004	Mean Actual:	0.0069
		Filter From:	0.0	Mean Filtered:	0.000

Figure 4-2 QAQC – Blank Results – Zinc

4.2 DUPLICATES

Coarse reject pulp duplicates were routinely submitted by YSSCC and correlated well within expected limits when compared to the original assay results. A total of 3,772 duplicates have been submitted from May 2005 till August 2007.

The relative paired difference for Copper is presented in Figure 4-3 and shows over 90% of duplicates have a RPD of less than 20% and Figure 4-4 shows very similar results for Zinc.

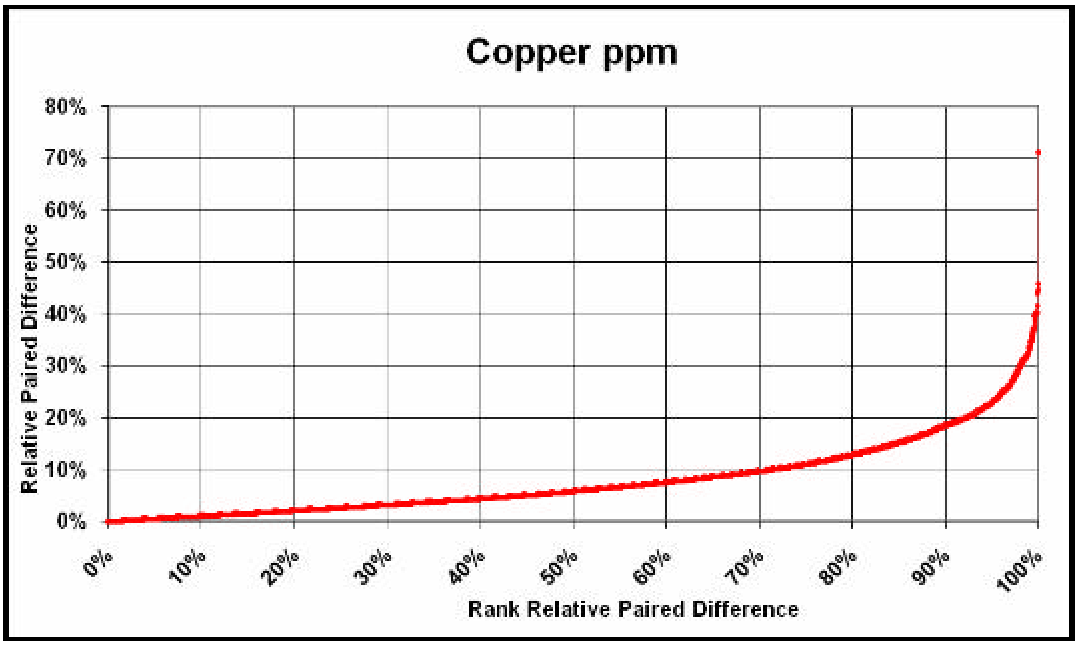


Figure 4-3 QAQC – Duplicates – Relative Paired Difference – Copper ppm

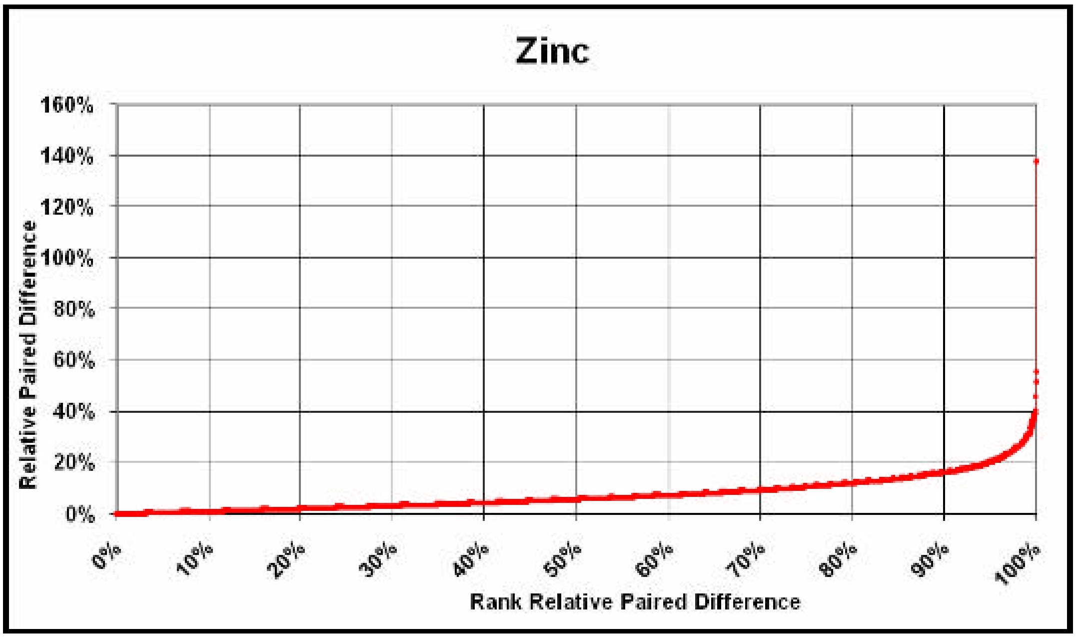


Figure 4-4 QAQC – Duplicates – Relative Paired Difference – Zinc ppm

4.3 STANDARDS

Standards are introduced into the sampling stream every 10 samples. Cube was provided with certificates for both Canadian and Chinese standards. Cube has chosen the eight most commonly used certified standards as presented in Table 4-1.

Laboratory	Certified Standard Name	Certified Elements
CDN Resource Laboratories, Vancouver, Canada	**CDN-CGS-3** **CDN-CGS-5**	Copper Gold Copper Gold
	CDN-FCM-1	Copper Gold Zinc Lead Silver
Geophysical and Geochemical Exploration CAGS Langfang, PRC	**GAU12 GAU13 GAU16**	Gold
	GS01 GS02	Copper Zinc Lead Silver

Table 4-1 Analysis of Certified Standards

Conclusions from standard analysis were;

- CDN-CGS - Gold/Copper standards. Currently the Canadian standards are used only for Copper assaying. CDN-CGS-3 and CDN-CGS-5 were reviewed (373 and 366 records from

May 200 to August 2007) for copper with 16.9% and 34.2% of results falling outside of expected limits respectively.

- CDN-FCM – (340 records from January 2006 to August 2007) Multi Element (Cu, Zn, Pb, Au, Ag) standards. For Cu, Zn, Pb and Ag. The following results were achieved: Cu 7.6%; Zn 5.3%; Pb 12.9% and Ag 4.1% of results falling outside of expected limits. No results are available for Au as this standard is not used in the gold assay stream.
- GAU - Gold standards. 40%-50% of results fall outside of the 2 standard deviation limit. This is a significant variation for a certified standard. To determine whether the poor accuracy in gold 'GAU' assay values is due to a laboratory process or the certification of the standard, Cube recommends the CDN-CGS standards also be submitted for gold assay. A comparison with a certified standard from another laboratory will help determine the quality of the gold standards currently in use.
- GS – Multi Element (Cu, Zn, Pb, Ag) standards. For Zn, Pb and Ag approx 90% of the data fell within two standard deviations. For copper results this reduced to 80% of data within two standard deviations for 1,793 records.
- Over all the standards no material bias was observed in the results for standards.

4.4 CHECK ASSAYS

YSSCC undertakes check assaying in which approximately 5% of Langfang mineralised pulps are sent to the ALS Chemex Laboratory in Vancouver, Canada.

Three batches of approx 100 samples were submitted during 2006 and 2007. The check assays are completed at Langfang, PRC and ALS Chemex, Canada.

Conclusions from Check Assay analysis were;

- A strong correlation (>0.9) evident across all batches and all elements with only one gold batch returning a correlation <0.9 (see below).
- The lowest correlation was from the 1st March 2006 in which Gold correlation was 0.74, due to 3 very low Langfang assay results which ALS assayed above 1 g/t. Due to the precision of all other Check Assays and the low number of data (3) outliers for this particular circumstance, it's likely the values are erroneous in nature.
- Generally, the trend between check assays was linear with a slight bias towards the ALS results for all elements and batches. Ie. ALS assays higher values than Langfang assays.

The results for Copper, Zinc and Gold in the latest batch of Check Assays (1st March 2007) are presented in Figure 4-5, Figure 4-6 and Figure 4-7.

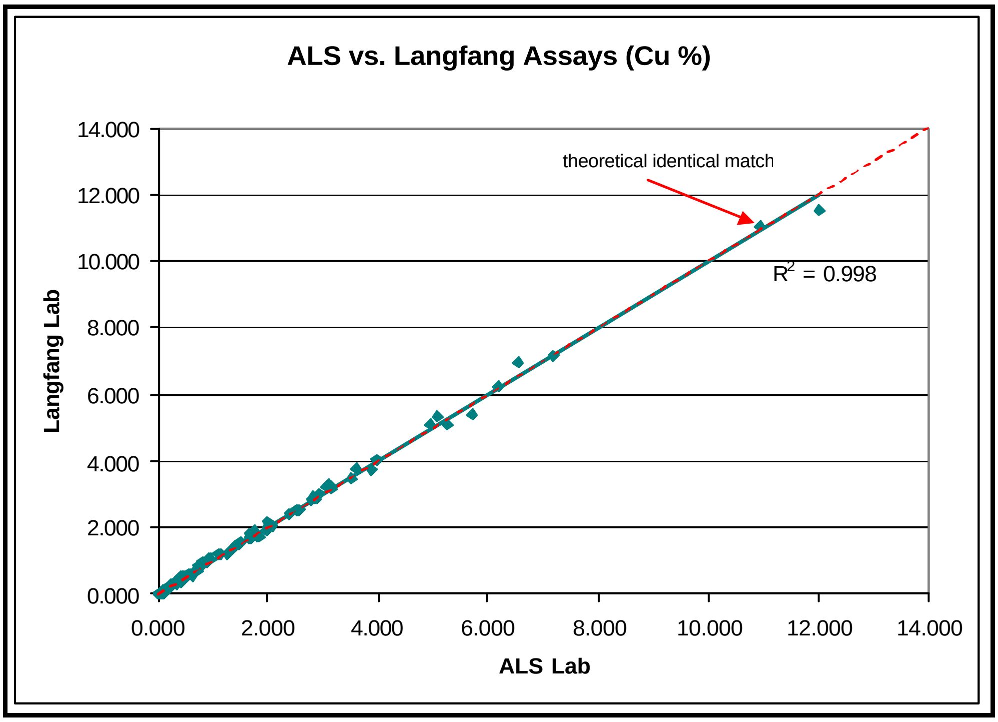


Figure 4-5 Check Assays – March 2007 – Copper

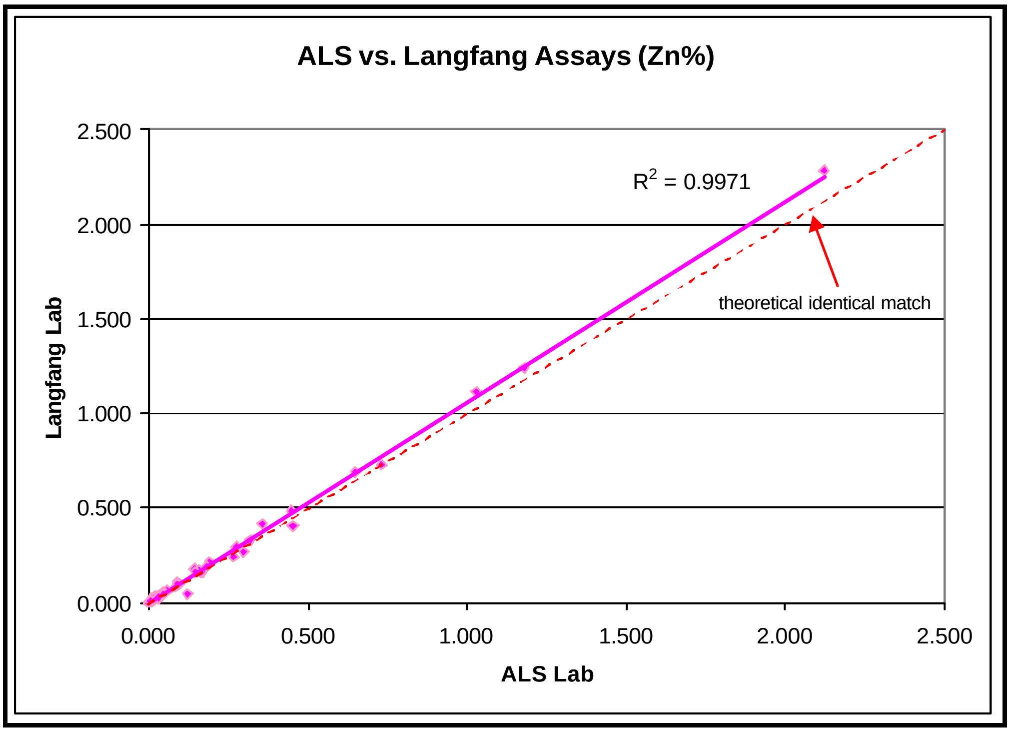


Figure 4-6 Check Assays – March 2007 – Zinc

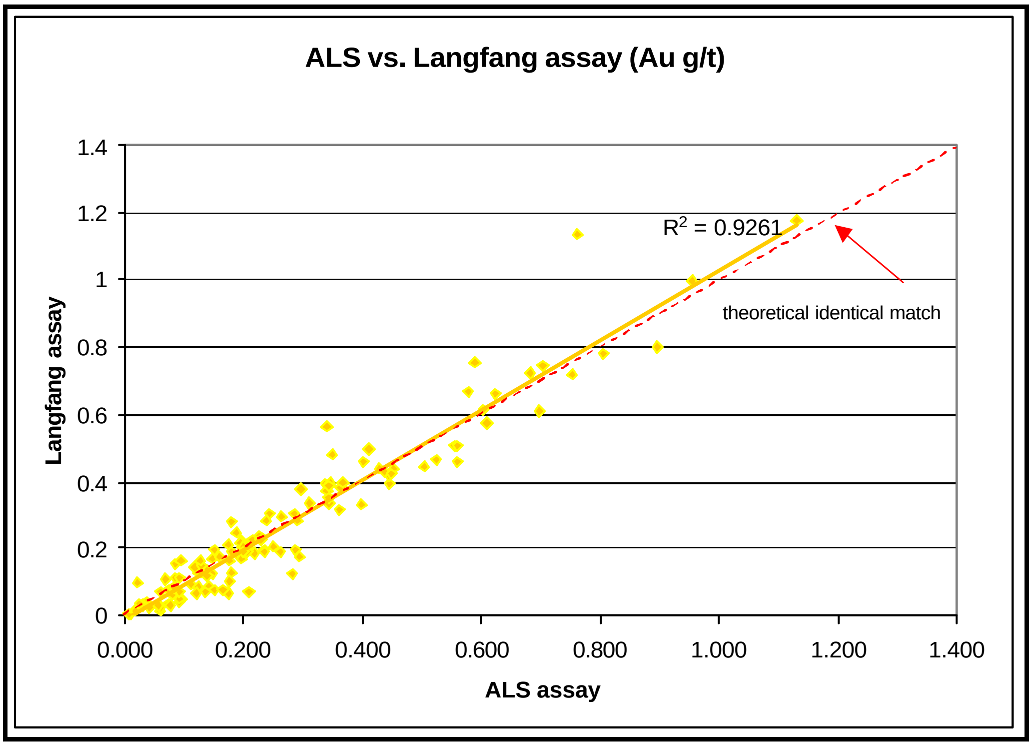


Figure 4-7 Check Assays – March 2007 – Gold

5.0 STATISTICAL ANALYSIS

The drillhole information used from the exploration database for the project consisted of diamond drilling with limited RC grade control data in the DWZ pit.

Sampling within the diamond cored mineralised domains was predominantly at 1 metre intervals (60% of 6838 samples), with approximately 28% of samples less than 1 metre (minimum 0.1) and 24% longer than 1 metre (maximum 1.8 metres).

Sampling within the RC drilled mineralised domains (1125 samples) was at 1 metre intervals.

Diamond and RC drilling intervals within V1 and V2 domains were flagged with a unique code corresponding to the wireframe domain in which they were located, see Table 2-1. These codes were stored the database table '*zonecode*'. Only YSSCC diamond and RC drillholes were utilised for coding and compositing the data.

There are intervals that are assayed for copper content with no corresponding analyses for zinc, gold, silver or lead in both databases. These incompletely sampled intervals are summarised in Table 5-1 below.

Domain		Cu	Zn	Au	Ag	Pb
V1 (100 to 700)	Number of Samples	3214	3157	2080	3035	3156
	% Unsampled	0	1.8	35.3	5.6	1.8
V2 (1000 to 4000)	Number of Samples	4294	3960	4119	3960	3960
	% Unsampled	0	7.8	4.1	7.8	7.8

Table 5-1 Sampled Intervals by Domain

The lack of assay data for gold is predominantly in the DWZ grade control data where a gold determination was missing from all 1125 samples. As Cube used regressions to account for intervals missing a specific gravity measurement, all sampled intervals that have a copper assay also contain a specific gravity determination.

Cube undertook several statistical analyses of the data within the mineralised domains to identify any sub-domains requiring individual interpolation parameters. All statistical analysis was undertaken on copper, zinc, gold, silver, lead and specific gravity composite data.

All statistical data and plots discussed during this Chapter are tabulated in **Error! Reference source not found.**.

5.1 COMPOSITING ANALYSIS

The following compositing analyses were undertaken;

- Statistics performed on samples according to mineralisation domain (i.e. V1 or V2) and were analysed to decide on an appropriate composite size.
- Statistics performed on interval composite data within the individual V1 domains (100 - 700) to decide on an appropriate composite size for further analysis and to guide the selection of estimation method.
- Statistics performed on 2.5 metre downhole composite data was generated to characterise the data populations within each individual domain and to identify outlier grades that required high cutting.

The analysis of interval composites within the massive domain gives some indication of the average thickness of the domains. This can be used to guide the optimal composite size and the optimal estimation method. The V1 domains were analysed as they represent the principal source of metal in the resource and due to their limited vertical dimension, are most affected by composite size and estimation method choices. Interval statistics calculated for V1 domains (361 intervals) indicate that the average downhole thickness is 5 metres, while V2 domains (332 intervals) have an average thickness of 12 metres.

On the basis of these averages, Cube believes that some consideration should be given to the use of an accumulation modelling technique in the V1 mineralisation domains. The massive mineralisation is unlikely to be mined selectively, has a strong visual definition, the copper grade is moderately correlated with specific gravity and is based on a relatively low number of drill hole intervals. An accumulation method is ideally suited to this style of mineralised occurrence and in Cube's experience results in a robust estimate of metal content that reconciles well with mine production. However, after discussions with YSSCC Geologists a three dimensional block model approach was selected, for this estimate. Cube recommends a comparison study utilising both methods be undertaken particularly if reconciliation studies of DPZ pit production indicate any problems with the resource estimated grades. .

The use of a three dimensional block model approach requires all data to be used in an estimate is of equal support. For this reason the appropriate composite size based on sample statistics and mining selectivity was 2.5 metres downhole. A vertical dimension of 2.5 metres was also chosen for the block model.

5.2 WEATHERING ANALYSIS

Based on the studies undertaken in Irvin, February 2007, no domaining of data on the basis of weathering has been used in this estimate.

5.3 HIGH CUT ANALYSIS

Statistical analysis within each of the interpolation domains was used to identify the requirement for any high-grade cutting and the appropriate level to apply the cut. Cube uses histograms, log-transformed probability plots, and percentile analysis to identify population outliers.

After examination of the spatial location of these outliers within the 3D data, appropriate high-grade cuts were applied. Table 5-2 and Table 5-3 summarise the applied high cuts for each element.

Element	Domain	Composite Uncut Mean	Applied High Cut	Composite Cut Mean	Number of composites Cut	Total number of composites
Copper %	100	1.56	7	1.54	2	508
	300	1.29	3.5	1.17	1	37
	400	2.64	8	2.62	1	26
	501	1.77	3.5	1.62	1	6
	502	3.33	12.5	3.27	4	75
	600	0.41	4	0.41	3	512
	700	0.35	1	0.34	1	39
	3000	0.92	6	0.90	1	132

Table 5-2 Applied High Cuts, Copper

Element	Domain	Composite Uncut Mean	Applied High Cut	Composite Cut Mean	Number of composites Cut	Total number of composites
Zinc%	300	0.39	2	0.23	2	36
	600	3.93	30	3.90	4	512
	700	5.97	15	5.74	3	39
	1000	0.04	0.8	0.03	3	1151
	2000	0.04	0.7	0.03	1	268
Lead %	300	0.05	0.008	0.005	1	35
	600	0.54	6	0.54	3	512
	700	0.79	2	0.63	3	39
Gold g/t	100	0.64	3.5	0.59	6	507
	300	0.45	1.1	0.38	3	37
	600	0.27	1	0.25	3	65
Silver g/t	100	24.2	250	24.3	2	485
	300	10.7	35	9.5	2	37
	400	7.3	17.5	7.1	2	26
	502	8.1	25	8.0	1	75
	503	17.1	25	10.2	2	15
	600	29.9	300	29.1	4	65
	700	27.5	75	24.6	3	39
	2000	3.2	35	3.1	1	270
SG	No SG High Cuts					

Table 5-3 Applied High Cuts - Zinc, Lead, Gold, Silver and SG

All statistical data and plots discussed during this Chapter are tabulated in **Error! Reference source not found.**.

6.0 VARIOGRAPHY AND SEARCH STRATEGY

Variography and evaluation of suitable estimation parameters based on the final variogram models were undertaken using Surpac V5.2E software.

The variogram modelling process followed by Cube involved the following steps;

- Evaluate the raw grade variogram for individual domains.
- Group like domains together to increase the stability of models.
- Calculate and model the omni-directional or average variogram to characterise the Nugget Effect.
- Calculate a fan of variograms within the horizontal and vertical plane to identify the axis of greatest continuity. Model the variogram in the direction of maximum continuity and the orthogonal directions.
- During directional variography, techniques such as modelling the relative and transformed variograms (Pairwise and Gaussian) and the exclusion of the highest one or two data was used to improve the clarity of raw variograms when models were difficult to fit.

Using the above approach, variograms were calculated for each element including specific gravity in the chosen domains.

As the composite populations were variable with relatively low numbers in some domains (Table 5-2), variography analysis was undertaken in combined DPZ V1 (100 to 505), combined DWZ V1 (600 and 700) and combined DPZ V2 (1000 to 4000) domains. Relative Variograms were then used to undertake the individual domain estimations.

Table 6-1 summarises relative variogram parameters for all interpolated domains.

Element	Domains	Relative Nugget	Structure	Sill	Range (m)	Orientation (Brg, Plunge, Dip)	Maj/Semi Maj	Maj/Min
Copper %	DPZ V1	14%	Structure 1	86%	165	000/0/-20	1	2.5
	DPZ V2	31%	Structure 1	69%	96	000/0/-30	1	2.5
	DWZ V1	27%	Structure 1	73%	70	000/0/0	1	2.5
Zinc %	DPZ V1	32%	Structure 1	68%	120	000/0/-20	1	2.5
	DPZ V2	45%	Structure 1	55%	190	000/0/-30	1	10
	DWZ V1	12%	Structure 1	44%	17	000/0/0	1	2.5
			Structure 2	44%	50	000/0/0	1	2.5
Lead %	DPZ V1	14%	Structure 1	86%	160	000/0/-20	1	2.5
	DPZ V2	50%	Structure 1	50%	100	000/0/-30	1	10
	DWZ V1	14%	Structure 1	86%	55	000/0/0	1	2.5
Gold g/t	DPZ V1	11%	Structure 1	89%	210	000/0/-20	1	2.5
	DPZ V2	21%	Structure 1	79%	100	000/0/-30	1	4.2
	DWZ V1	11%	Structure 1	89%	75	000/0/0	1	2.5
Silver g/t	DPZ V1	16%	Structure 1	84%	126	000/0/-20	1	2.5
	DPZ V2	55%	Structure 1	45%	143	000/0/-30	1	2.4
	DWZ V1	40%	Structure 1	60%	59	000/0/0	1	2.5
Specific Gravity g/cm^3	DPZ V1	17%	Structure 1	83%	110	000/0/-20	1	2.5
	DPZ V2	44%	Structure 1	56%	202	000/0/-30	1	1.8
	DWZ V1	39%	Structure 1	61%	125	000/0/0	1	2.5

Table 6-1 Variogram parameters by element and domain.

6.1 SEARCH NEIGHBOURHOOD ANALYSIS

Search ellipse orientations for interpolation reflect the direction of maximum continuity derived from directional variography (Chapter 6.0) for each element and mineralised domain.

Search neighbourhoods used for this round of estimations were adapted from the work undertaken by Irvin in 2007. The variogram models developed with the latest data do not differ materially from those of February 2007 in the common domains, and therefore the search strategies are appropriate to the updated data.

The selected optimal search neighbourhoods and the minimum/maximum number of composites required for interpolation of all elements and domains, presented in Table 6-2.

Element	Domain	Min Comp	Max Comp	Range (m)	Orientation (Brg, Plunge, Dip)	Maj/Semi Maj	Maj/Min
Copper %	DPZ V1	6	36	100	000/0/-20	1	1
	DPZ V2	6	36	240	000/0/-30	1	2.5
	DWZ V1	6	36	70	000/0/0	1	1
Zinc %	DPZ V1	3	36	100	000/0/-20	1	1
	DPZ V2	6	30	190	000/0/-30	1	2.5
	DWZ V1	6	30	50	000/0/0	1	1
Lead %	DPZ V1	3	36	100	000/0/-20	1	1
	DPZ V2	6	30	100	000/0/-30	1	2.5
	DWZ V1	6	30	50	000/0/0	1	1
Gold g/t	DPZ V1	3	36	150	000/0/-20	1	1
	DPZ V2	6	30	100	000/0/-30	1	2.5
	DWZ V1	6	30	50	000/0/0	1	1
Silver g/t	DPZ V1	3	36	100	000/0/-20	1	1
	DPZ V2	6	30	140	000/0/-30	1	2.5
	DWZ V1	6	30	50	000/0/0	1	1
Specific Gravity g/cm^3	DPZ V1	3	36	100	000/0/-20	1	1
	DPZ V2	6	30	200	000/0/-30	1	2.5
	DWZ V1	6	30	100	000/0/0	1	1

Table 6-2 Search Neighbourhood Parameters by element and domain

Cube's Interpolator program was used to optimise the search strategy and manage all the input modelling parameters required for the grade interpolation process. Interpolator output reports are presented in **Error! Reference source not found.**.

7.0 MODELLING TECHNIQUE

Cube utilised Ordinary Block Kriging to estimate all elements as well as specific gravity for the mineralised domains.

All block estimates were based on interpolation into 50m N x 40m E x 2.5m RL parent cells, sub-celling to 12.5m N x 10m E x 2.5m RL. Data spacing and volume fill were the primary considerations taken into account when selecting an appropriate estimation block size. Block descretisation points were set to 4(Y) x 4(X) x 2(Z) points.

All block model attributes and descriptions are tabulated in Table 7-1.

Attribute Name	Background	Description
cut_cu_ok	-1	Ordinary Kriged Estimated copper grade percent.
cut_zn_ok	-1	Ordinary Kriged Estimated zinc grade percent.
cut_pb_ok	-1	Ordinary Kriged Estimated lead grade percent.
cut_au_ok	-1	Ordinary Kriged Estimated gold grade g/t.
cut_ag_ok	-1	Ordinary Kriged Estimated silver grade g/t.
density	2.76	Ordinary Kriged Estimated insitu bulk density.
classification	4	JORC Resource Classification 1 = measured, 2 = indicated, 3 = inferred, 4 = unclassified
wx_code	1	Weathering Code 0 = Air, 1 = Fresh, 2 = Moderately Oxidised, 3 = Completely Oxidised
mined	1	Depletion Code. 0 = Mined, 1 = Insitu
zncu_ratio	-	Calculated attribute = Cut_zn_ok/Cut_cu_ok
cuzn_ratio	-	Calculated attribute = Cut_cu_ok/Cut_zn_ok
zonecode_c	BKGR	Mineralised Wireframe Domain Code (Character format)
zonecode_n	-1	Mineralised Wireframe Domain Code (Integer format)
avs	-1	Average distance to composite data used in block estimate
dns	-1	Distance to nearest composite

ns	-1	Number of composites used in block estimate
kv	-1	Block estimate kriging variance

Table 7-1 Block model attributes (dpz_dwz_sep07.mdl)

7.1 APPROACH TO UNESTIMATED MATERIAL

DPZ V1 domains 103, 104, 105, 106, 107, 108 and 110 contain too few composite data to be estimated using the optimal search strategies. These domains were assigned the domain cut composite statistical mean grades and sg value as tabulated in Table 7-2. These assigned domains were all subsequently assigned an Inferred Resource Classification.

Domain	Cu%	Zn%	Pb%	Au ppm	Ag ppm	SG
103	1.55	0.14	0.03	0.43	14	3.5
104	1.46	0.74	0.02	0.32	10	3.5
105	1.24	0.13	0.02	0.12	7	3.2
106	0.28	5.5	1.33	0.16	19	3.3
107	0.75	0.11	0.01	0.08	11	3.1
108	0.97	0.02	0.02	0.55	13	3.8
110	0.88	2.7	0.06	0.09	8	3.2

Table 7-2 Unestimated domains - Assigned composite mean values

Approximately 0.36% of the mineralised wireframe block volumes fell outside of the search neighbourhood parameters required for a robust estimate, and were not estimated. These blocks were spatially located on the periphery of the resource wireframes and represent a very low proportion of the interpreted mineralisation. Unestimated material by domain is presented in Table 7-3.

Domain	Unestimated (bcm)	% of domain volume unestimated
100	6,563	0.25%
102	8,750	63.64%
200	937	0.71%
501	625	2.38%

504	1,875	2.19%
600	10,313	3.55%
1000	24,688	0.31%

Table 7-3 Unestimated Volume by Domain

Domain 102 represents a very small, poorly sampled domain with a concentration of sampling at one end of its volume.

Intervals that are assayed for copper content with no corresponding analysis for zinc, gold, silver or lead (Table 5-1) resulted in blocks containing a copper estimate that may or may not contain estimates for Zn, Pb, Au or Ag. This affected a low proportion of blocks however, as copper is the main focus for reporting and classification purposes, all estimated copper blocks ideally should contain a corresponding value for Zn, Pb, Au and Ag.

Therefore for blocks where copper is estimated but another element remains unestimated background values were assigned. The assigned volumes by domain, element and the value assigned are presented in Table 7-4.

Domain	Element	Unestimated within Copper estimate (bcm)	% of domain assigned a value	Assigned Value
100	Zn% , Pb%	10,312	0.4%	0.01%
	Ag ppm	10,312	0.4%	0.01ppm
109	Pb%	2,188	2.88%	0.01%
200	Zn% , Pb%	3,750	2.83%	0.01%
	Ag ppm	3,750	2.83%	0.01ppm
300	Pb%	3,125	1.92%	0.01%
600	Zn%, Pb%	14,375	4.95%	0.01%
	Au ppm	127,187	43.81%	0.01ppm
	Ag ppm	22,187	7.64%	0.01ppm
700	Au ppm	20,938	100%	0.01ppm
1000	Zn%	10,000	0.13%	0.01%
	Pb%	212,187	2.69%	0.01%
	Au ppm	170,937	2.17%	0.01ppm
	Ag ppm	34,062	0.43%	0.01ppm
2000	Pb%	75,313	0.95%	0.01%
	Au ppm	54,375	2.64%	0.01ppm
	Ag ppm	938	0.05%	0,01ppm
3000	Pb%	3,750	0.61%	0.01%
	Au ppm	3,438	0.56%	0.01ppm
4000	Pb %	2,813	3.64%	0.01%
	Au ppm	2,500	3.24%	0.01ppm

Table 7-4 Assigned Values within copper estimate by Domain and Element

7.2 VALIDATION OF BLOCK MODEL

7.2.1 Tabulation of Kriged Estimate against Cut Mean Composites

Cube conducts numerous steps during the validation of the kriged estimation. One process involves plotting and tabulating kriged estimates and mean composite grades by individual domain. Although these two items (kriged values and mean values) are not strictly comparable due to data clustering and volume influences they provide a useful validation tool in detecting any major biases. Table 7-5 presents this validation process for Cu with no significant errors or bias detected.

Domain	Number Composites	Uncut Composite (Cu%)	Cut Composite (Cu%)	Ordinary Kriged Estimate	Cut Comp v's Kriged
100	506	1.55	1.54	1.56	1%
101	7	1.521	1.521	1.6	5%
102	5	1.259	1.259	0.93	-26%
103	3	1.55	1.55	1.55	0%
104	2	1.464	1.464	1.464	0%
105	2	1.24	1.24	1.24	0%
106	2	0.285	0.285	0.28	-2%
107	2	0.749	0.749	0.75	0%
108	2	0.969	0.969	0.97	0%
109	7	0.667	0.667	0.66	-1%
110	3	0.88	0.879	0.88	0%
200	24	0.8	0.797	0.76	-5%
300	37	1.29	1.168	1.25	7%
400	26	2.62	2.616	3.01	15%
500	7	1.52	1.52	1.51	-1%
501	6	1.77	1.626	1.62	0%
502	75	3.33	3.27	2.69	-18%
503	15	1.48	1.48	1.58	7%
504	19	0.93	0.93	0.95	2%
505	5	1.69	1.69	1.54	-9%

600	512	0.41	0.408	0.45	10%
700	39	0.35	0.342	0.38	11%
1000	1272	0.52	0.52	0.52	0%
2000	299	0.51	0.51	0.53	4%
3000	132	0.92	0.90	0.85	-6%
4000	17	1.21	1.208	1.43	18%

Table 7-5 Copper - Kriged Estimate and Composite Mean Comparison

The model was visually interrogated and compared with composite data for the remaining elements as well as specific gravity with no significant errors or bias detected.

Error! Reference source not found. contains kriged and mean composite validation tables for Cu, Zn, Pb, Au, Ag and SG.

7.2.2 Graphical Validation by Northing

Plots showing the estimated tonnes, estimated grade, number of composites and mean cut composite grade (tabulated by northing) were created for all elements in the domains for V1 and V2 mineralisation.

The limitations of this comparison should be kept in mind when drawing conclusions. Composite statistics have not been de-clustered and are not represented spatially thus may exhibit some instability in a comparison such as this. Clustered composites can unduly bias the mean grade compared to estimated mean grade which is declustered and spatially weighted.

Figure 7-1 and Figure 7-2 present the validation plots for Copper within V1 and V2 domains respectively.

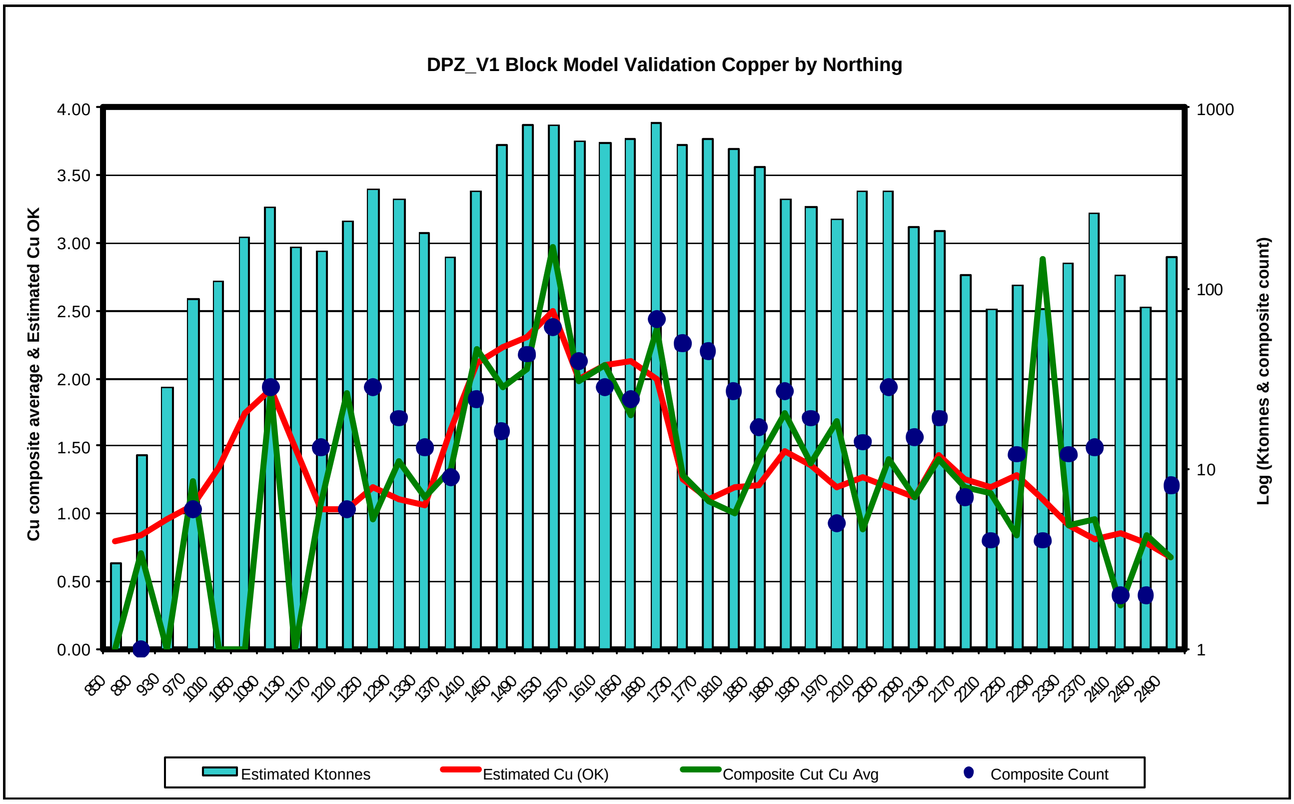


Figure 7-1 V1 Domains, Copper Element - Northing Validation

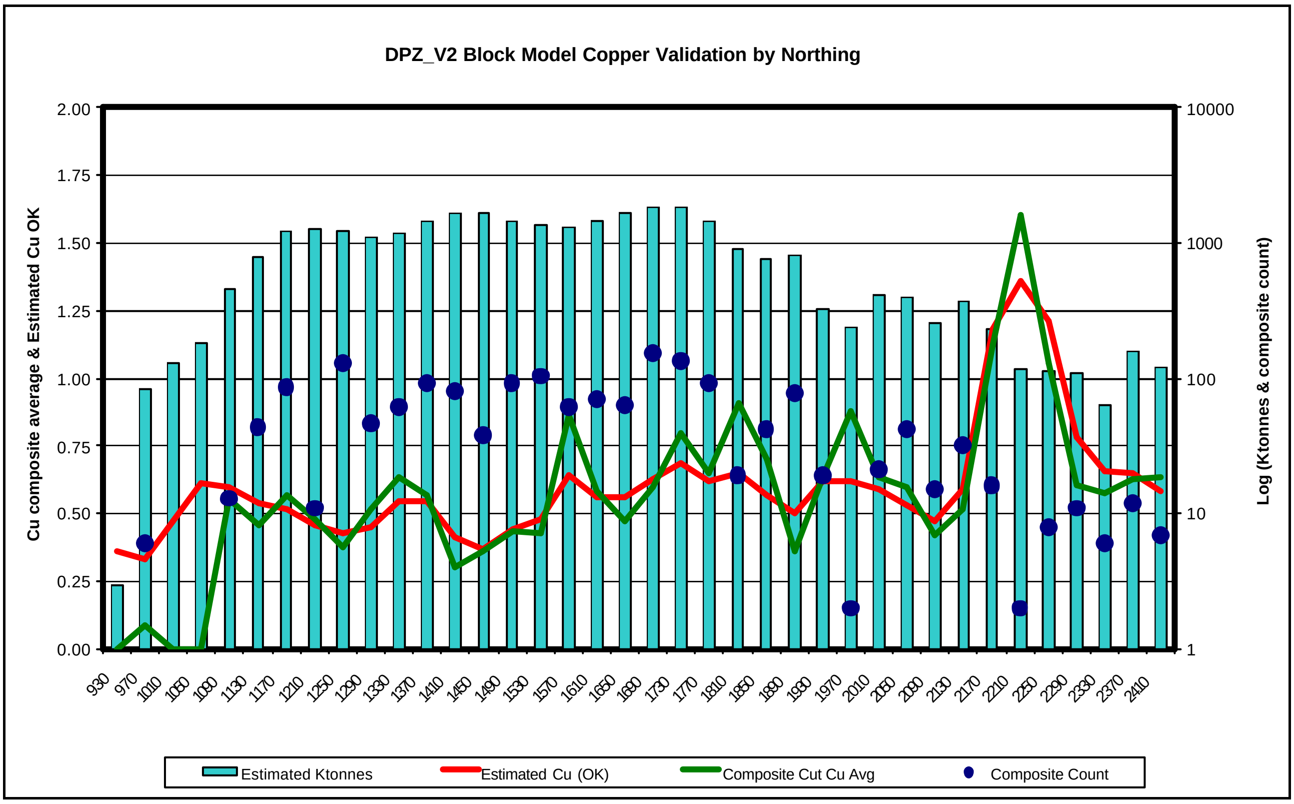


Figure 7-2 V2 Domains, Copper Element - Northing Validation

Error! Reference source not found. contains validation plots for Domains V1 and V2 by element (Cu, Zn, Pb, Au, Ag and SG).

8.0 WEATHERING

Weathering codes were assigned within the block model attribute '*wx_code*' according to the following constraints.

Weathering	wx_domain	Constraint	File
Air	0	Above	topo_mined_300607.dtm
Fresh	1	Below	Tof_1.dtm
Moderately Oxidised	2	Above Below	Tof_1.dtm Box_1.dtm
Completely Oxidised	3	Above	Box_1.dtm

Table 8-1 Assigning Weathering Domains

9.0 GEOLOGICAL DOMAINS

Geological domain codes were assigned within the block model attributes *‘zonecode_c’* and *‘zonecode_n’* according to the following constraints.

Domain	Constraint	File
100 to 110	Inside	dpz_v1_sep07_100 to 110.dtm
200	Inside	dpz_v1_sep07_200.dtm
300	Inside	dpz_v1_sep07_300.dtm
400	Inside	dpz_v1_sep07_400.dtm
500 to 505	Inside	dpz_v1_sep07_500 to 505.dtm
600	Inside	dpz_v1_sep07_600.dtm
700	Inside	dpz_v1_sep07_700.dtm
1000	Inside	dpz_v2_sep07_1000.dtm
2000	Inside	dpz_v2_sep07_2000.dtm
3000	Inside	dpz_v2_sep07_3000.dtm
4000	Inside	dpz_v2_sep07_4000.dtm

Table 9-1 Assigning Geology (Zonecode) Domains

10.0 BULK DENSITY

The bulk density for mineralised domains was interpolated with Ordinary Kriging (Table 6-1 and Table 6-2). This was based on measured and regressed composite data, within the interpreted mineralisation wireframes. Table 10-1 tabulates the estimated bulk density values (prior to depletion) by mineralised domain.

Mineralised Domain	Estimated Density (g/cm^3)
100	3.47
101	3.70
102	3.25
103	3.50
104	3.50
105	3.20
106	3.30
107	3.10
108	3.80
109	2.94
110	3.20
200	2.83
300	3.37
400	3.53
500	3.40
501	3.60
502	3.40
503	3.30
504	3.26
505	3.41
600	3.81
700	4.04
1000	2.87
2000	2.81
3000	2.98
4000	2.97

Table 10-1 Estimated bulk density

11.0 MINING DEPLETION

Mining depletion was assigned within the block model attribute '*mined*' whereby a value of '*0*' was assigned to all blocks above the depletion/topography surface *topo_mined_300607.dtm*. All blocks below this surface remained at the background value for Insitu of '*1*'.

The depletion/topography surface represents mined surface as of 30th June 2007 (See Table 2-2).

12.0 RESOURCE CLASSIFICATION

Cube in collaboration with YSSCC have classified and reported the DPZ resources in accordance with The 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

Cube has not undertaken any independent assaying of material from the DPZ Project and has based this classification on information provided during site visits undertaken by Mr Patrick Adams of Cube during August 2006, January 2007 and August 2007. The site visit included inspection of the DPZ mine site, geological facilities, prepared and completed drilling locations and the Langfang laboratory, Hebei Province.

12.1 INFORMATION MATERIAL TO CLASSIFICATION

12.1.1 Assay and Sample Quality

Cube has reviewed the documented logging and sampling procedures used by the DPZ geological staff. The documented procedures were detailed and clearly set out and Cube considers them to be industry standard practice. While onsite, no logging or sampling was observed due to the drilling schedule, but Cube observed diamond drilling using a Boart Longyear LF90. Cube considers this machinery to be suited to the drilling required at DPZ. The drill hole locations are sited using a GPS, providing sufficient precision at the pre-drilling stage. The final locations are surveyed by mine surveyors on a regular basis and down-hole deviation surveying is routinely carried out at 50 metre intervals using an Eastman Single Shot Down Hole Survey Camera.

In addition to diamond drilling, YSSCC are beginning to gather RC drill data in the form of grade control drilling. A limited and incomplete program was available for the DWZ resource estimate. While no logging is undertaken at present the data does provide valuable close spaced data for estimation purposes.

A review of available geological logging undertaken by YSSCC Geological staff indicates that the quality is consistently of industry standard. A review of geotechnical data supplied in the database indicates recoveries are satisfactory, with 90% of core achieving above 90% recovery.

The Langfang laboratory is a modern, well equipped establishment operating under industry standard procedures and analytical methodology. Details of the sample preparation and determination methods used by the laboratory have been made available to Cube. It is Cube's opinion that these conform to industry best practice.

YSSCC monitors the performance of the Langfang laboratory through blanks, coarse reject repeats, certified standards and check assays with an external laboratory. The certificates for both Canadian and Chinese standards were provided to Cube. YSSCC undertakes check assaying in which approximately 5% of Langfang mineralised pulps are sent to the ALS Chemex Laboratory in Vancouver, Canada. While no sample nomograms have been calculated, the routine submission of sawn half core for assaying could be expected to be a sufficient sample size for this style of mineralisation.

Cube reviewed all QAQC blanks, duplicates, standards and check assays (Chapter 4.0) with the following recommendations suggested to improve the monitoring of assay quality:

- The current blanks in use should be reviewed and round robin programs be considered in order to ensure blanks do not contain anomalous values for elements of interest. When blanks can be certified as below detection for Cu, Zn, Pb, Au and Ag then the accuracy of the lab in regards to blanks can be accurately assessed. At present this is not the case with the blanks probably containing trace amounts of all elements of interest.
- Gold standards 'GAU' should be submitted in conjunction with 'CDN-CGS' gold standards to examine whether the current poor accuracy of 'GAU' standards is due to laboratory practice or quality of the standard. Based on the performance of these standards the accuracy of the gold assaying appears quite poor with almost half the assayed standards outside twice the recommended standard deviation for the standard. Gold credits are a minor consideration in the economic analysis of the resource and so Cube consider the accuracy of gold determinations to be not material at this stage.

Cube has undertaken a small number of random checks on data transcription from assay laboratory returns to database, and has found no errors. Cube believes the quality of the database is adequate for classification under the JORC code.

It is Cube's assessment that the results of the YSSCC quality control measures and ongoing drilling ensure that the drilling information is appropriate and of sufficient quality to allow the classification detailed below.

12.2 CLASSIFICATION APPROACH

12.2.1 Measured Resource

In order to classify a resource as Measured, the nature, quality, amount and distribution of data would have to be such that there is no reasonable doubt that a variation in the estimate would significantly affect the project's economic viability. It is Cube's assessment that such a level of confidence is attained only with drilling centres at spacing close to the final pre-mining grade control spacing. This spacing may be variable but would be close enough to allow the accurate definition of the boundaries of massive mineralisation to within (for example) 5 or 10 metres.

For these reasons the DWZ resource area has been classified as measured. Although not all the grade control data was to hand at the time of this estimate, Cube will not get the opportunity to re-estimate DWZ as it will be mined out by the end of 2007. Cube has utilised all available grade control data for DWZ which is at 12.5 metre centres. Reconciliation between the March 2007 resource and the grade control drilling and mining completed so far, lends considerable confidence to the resource as modelled.

12.2.2 Indicated Resource

The collaborative approach to classification adopted by Cube and YSSCC has been to domain significant areas where geological confidence is high, defined by:

- Strong support from drilling and areas where the drilling is averaging a nominal 50m north x 40m east or closer spacing.
- Areas where the estimation quality is high, delineated by a slope of regression (true to estimated blocks) greater than 0.8. Slope of regression is evaluated using whole model Quantitative Kriging Neighbourhood Analysis.

It is Cubes' assessment that drilling centres at spacings of 50 metres north/south and 40 metres east/west are sufficient to classify the resources as Indicated, given the current standards of drilling, sampling, assaying and geological understanding at DPZ. This classification is one where the level of geological knowledge and data are sufficient to assume the continuity of shape and grade characteristics to a reasonable level of confidence. Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

The areas classified as Indicated include all domains of DPZ with the exception of those with assigned composite average grades.

12.2.3 Inferred Resource

Inferred material was classified on the following criteria;

- Mineralised domains with data support close to or below the minimum number of composites required for estimation. Domains 103, 104, 105, 106, 107, 108 and 110 contained 3 or less composites and as a consequence were classified wholly as inferred domains.

13.0 RESOURCE REPORTING

A global resource represents a reliable estimate of the total contained metal but does not account for any form of mining selectivity. For this reason this estimate may be an unreliable local predictor of grade and may not be optimal for mine planning purposes. The use of a more sophisticated estimation method such as Uniform Conditioning would be recommended by Cube. The application of any non-linear method to multi-variant estimation does not come without some complication and does incur extra costs. At the current stage of mining it may be prudent to gather mine reconciliation data to access the requirement for more sophisticated modelling methodology. It may be the case that a good quality OK estimate provides an estimate that, with refinement by grade control drilling at the mining stage, satisfies the needs of the operation.

All reported resources are depleted to 30th June 2007.

13.1 DAPINGZHANG (DPZ) COPPER RESOURCES

A summary of total DPZ Global Insitu Copper Resources within the geologically defined massive and disseminated domains, above a zero Cu % cut-off as of 30th June 2007, is presented in Table 13-1, Table 13-2 and Table 13-3.

Massive	Volume	Tonnes	Copper %	Metal (kt)
Indicated	3,600,000	12,308,000	1.6	201
Inferred	91,000	300,000	1.0	3
TOTAL	**3,691,000**	**12,608,000**	1.6	204

Table 13-1 DPZ Global V1 Copper Resource.

Disseminated	Volume	Tonnes	Copper %	Metal (kt)
Indicated	10,541,000	30,201,000	0.6	165
TOTAL	**10,541,000**	**30,201,000**	0.6	165

Table 13-2 DPZ Global V2 Copper Resource.

Total	Volume	Tonnes	Copper %	Metal (kt)
Indicated	14,141,000	42,509,000	0.9	366
Inferred	91,000	300,000	1.0	3
TOTAL	14,232,000	42,809,000	0.9	369

Table 13-3 DPZ Global V1 plus V2 Copper Resource

13.2 DAWAZ (DWZ) COPPER/ZINC RESOURCES

A summary of total DPZ Global Insitu Copper and Zinc Resources within the geologically defined massive domains, above a zero Cu % cut-off as of 30th June 2007, is presented in Table 13-4.

Massive	Volume	Tonnes	Copper %	Copper Metal (kt)	Zinc %	Zinc Metal (kt)
Measured	254,000	976,000	0.5	5.0	4.2	41
TOTAL	**254,000**	**976,000**	0.5	5.0	4.2	41

Table 13-4 DWZ Global Massive Copper/Zinc Resource

No disseminated domains were interpreted in the DWZ Copper/Zinc Resource.

13.3 MINERAL RESOURCE STATEMENTS

The mineralisation was defined on the basis of geological logging and the boundary conditions are strongly visual when observed in the current open pit exposures. Because of these qualities the DPZ and DWZ Resources have been reported for Cu%, Zn%, Pb%, Au g/t and Ag g/t above a zero Cu% cut-off.

Table 13-5, Table 13-6 and Table 13-7 detail the Resource Statements for DPZ and DWZ as at 30th June 2007, with the estimated tonnes, grade and metal for all elements modelled.

RESOURCES

MINERAL RESOURCES STATEMENT AS AT 30th June 2007

DAPINGZHANG MINERAL RESOURCES

Within geologically defined mineralised domains
Copper (0.0% cut-off grade)
Zinc (0.0% cut-off grade)
Gold (0.0g/t cut-off grade)
Silver (0.0g/t cut-off grade)
Lead (0.0% cut-off grade)

	Indicated Resource						Inferred Resource						Contained Metal Indicated and Inferred				
	Tonnes (mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Aug/t)	Silver Grade (Agg/t)	Lead Grade (%Pb)	Tonnes (mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Aug/t)	Silver Grade (Agg/t)	Lead Grade (%Pb)	Copper ('000 tonnes)	Zinc ('000 tonnes)	Gold ('000 ounces)	Silver ('000 ounces)	Lead ('000 tonnes)
V1	12.3	1.63	1.67	0.50	20.52	0.24	0.3	1.0	1.6	0.2	9.6	0.1	204	210	201	8211	30
V2	30.2	0.55	0.03	0.10	3.56	0.01	0	0	0	0	0	0	165	8	101	3458	3
Total V1 & V2	**42.5**	**0.86**	**0.50**	**0.22**	**8.47**	**0.08**	**0.3**	**1.0**	**1.6**	**0.2**	**9.6**	**0.1**	**369**	**218**	**302**	**11669**	**33**

Table 13-5 DPZ Global Massive and Disseminated Resource Statement – as at 30th June 2007

RESOURCES

MINERAL RESOURCES STATEMENT AS AT 30th June 2007

DAWAZ MINERAL RESOURCES

Within geologically defined mineralised domains
Copper (0.0% cut-off grade)
Zinc (0.0% cut-off grade)
Gold (0.0g/t cut-off grade)
Silver (0.0g/t cut-off grade)
Lead (0.0% cut-off grade)

	Measured Resource						Indicated Resource						Contained Metal Indicated and Inferred				
	Tonnes (mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au_g/t)	Silver Grade (Ag_g/t)	Lead Grade (%Pb)	Tonnes (mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au_g/t)	Silver Grade (Ag_g/t)	Lead Grade (%Pb)	Copper ('000 tonnes)	Zinc ('000 tonnes)	Gold ('000 ounces)	Silver ('000 ounces)	Lead ('000 tonnes)
V1	0.98	0.47	4.18	0.12	30.02	0.55	0	0	0	0	0	0	5	41	3	942	5
V2	0.0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0
Total V1 & V2	**0.98**	**0.47**	**4.18**	**0.12**	**30.02**	**0.55**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**41**	**3**	**942**	**5**

Table 13-6 DWZ Global Massive Resource Statement – as at 30th June 2007

RESOURCES

DAPINGZHANG and DAWAZ COMBINED MINERAL RESOURCES STATEMENT AS AT 30th June 2007

Within geologically defined mineralised domains
Copper (0.0% cut-off grade)
Zinc (0.0% cut-off grade)
Gold (0.0g/t cut-off grade)
Silver (0.0g/t cut-off grade)
Lead (0.0% cut-off grade)

	Total Resource						Contained Metal Measured				
	Tonnes (mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au_g/t)	Silver Grade (Ag_g/t)	Lead Grade (%Pb)	Copper ('000 tonnes)	Zinc ('000 tonnes)	Gold ('000 ounces)	Silver ('000 ounces)	Lead ('000 tonnes)
V1	13.6	1.54	1.85	0.47	20.96	0.26	209	251	205	9154	36
V2	30.2	0.55	0.03	0.10	3.56	0.01	165	9	102	3458	3
Total V1 & V2	**43.8**	**0.85**	**0.59**	**0.22**	**8.96**	**0.09**	**374**	**260**	**307**	**12612**	**39**

Table 13-7 DWZ Global Total Resource Statement – as at 30th June 2007

14.0 REFERENCES

14.1 PRINT REFERENCES

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