



South West Kaolin/Aluminous Clay Project



**China Mining Conference, Tianjin
November 2011**

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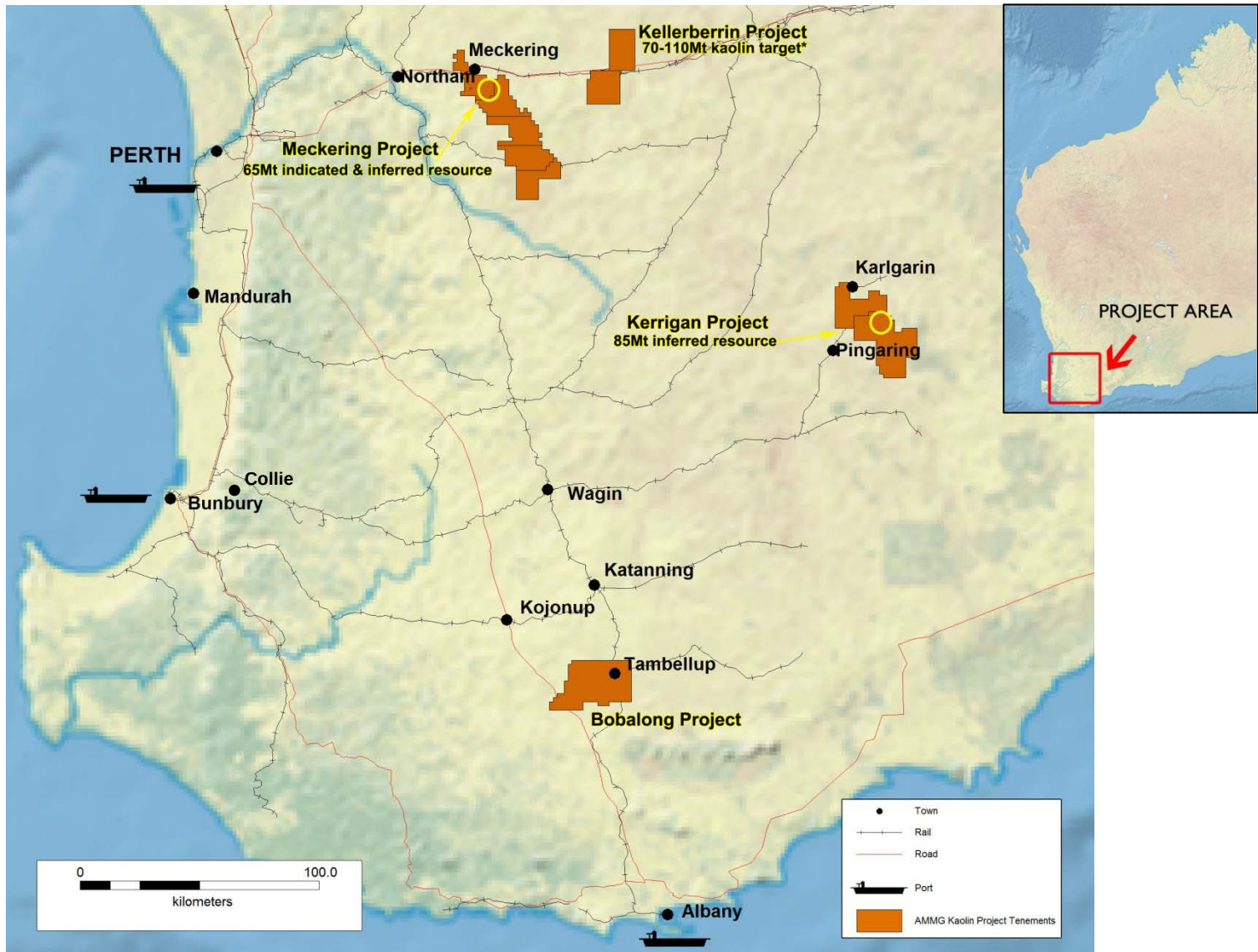
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Competent Person Statement

Technical information in this report is based on information compiled by Mr Ric Dawson, B. App. Sc. (Geol.) EMBA, AMMG Managing Director and a member of the Australasian Institute of Mining and Metallurgy. Mr Dawson has sufficient exploration experience which is relevant to the styles of mineralisation and types 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' ("JORC 2004"). Mr Dawson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

South West Kaolin/Aluminous Clay Project



*The term target should not be misunderstood nor misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the term has not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

World Class Resources

South West Kaolin & Aluminous Clay

Project	Indicated (Mt)	Inferred (Mt)	Exploration Target* (Mt)	Land Holding Grant/App (km ²)
Meckering	16.77	48.28	75-130	966
Kerrigan	-	85	140-190	459
Kellerberrin	-	-	70-110	408
Bobalong	-	-	-	600
TOTAL	16.77	133.28	285-430	2,433

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Kerrigan Project showing kaolin at surface



Ric Dawson, Managing Director of AMMG, and Anhui Lianghuai Resources' executive team at the Meckering project test pit

Meckering/Kerrigan Kaolin & Aluminous Clay Projects

Project	Resource	Tonnage	% -45 micron ¹	Brightness ²
Meckering	Indicated resource	16,770,000	42.3%	83.2%
Meckering	Inferred resource	48,280,000	41.8%	83.5%
Kerrigan	Inferred Resource	85,000,000	52%	85.1%
	Total resource base	150,050,000	-	-
	Exploration Target*	285-430m	-	-

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JORC: Joint Ore Reserves Committee, common reference to the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, 2004

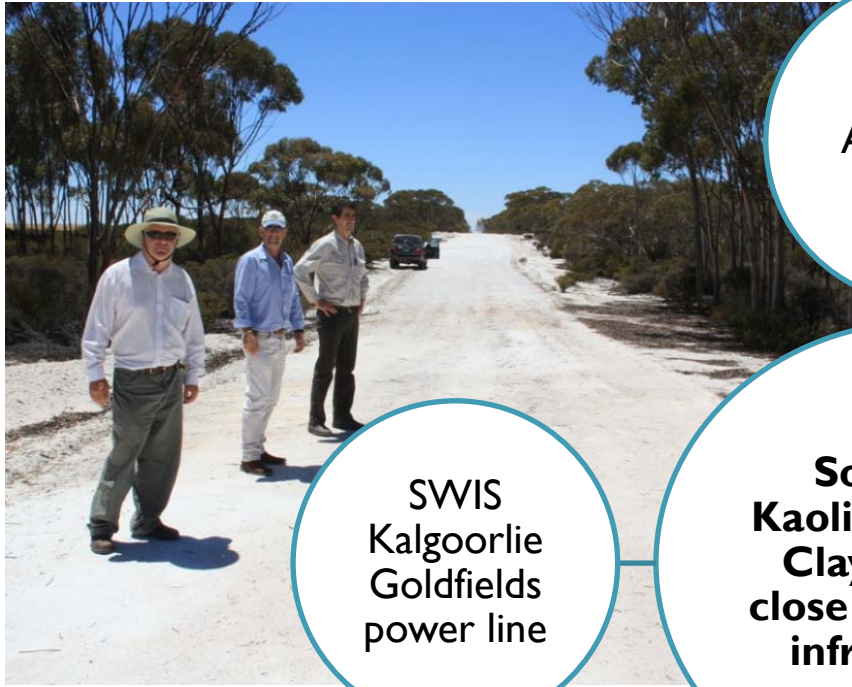
Mineral Analysis

- 38% alumina (Al_2O_3)
- Low impurity, iron (Fe_2O_3), titanium (TiO_2)

PROJECT	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	SO ₃ %	Na ₂ O %	K ₂ O %	MnO %	P ₂ O ₅ %	Ig. loss %	Total
Meckering -45µm	45.86	38.32	0.43	0.56	0.05	0.17	-	0.45	0.27	0.00	0.05	13.83	100.00
Kerrigan -2µm	46.0	38.3	0.3	0.1	-	0.1	0.1	0.4	0.7	-	0.3	13.6	100.00
Kerrigan calcined grade	53.3	44.4	0.3	0.1	-	0.1	0.1	0.5	0.8	-	0.3	-	100.00

Ig.loss: removal of chemically bound water

South West Kaolin/Aluminous Clay Project



Trans-Australian railway

SWIS Kalgoorlie Goldfields power line

South West Kaolin/Aluminous Clay Project in close proximity to infrastructure

Great Eastern Highway

Kalgoorlie goldfields water pipeline

Electricity

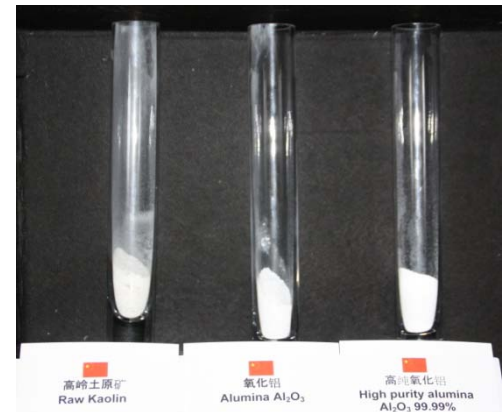
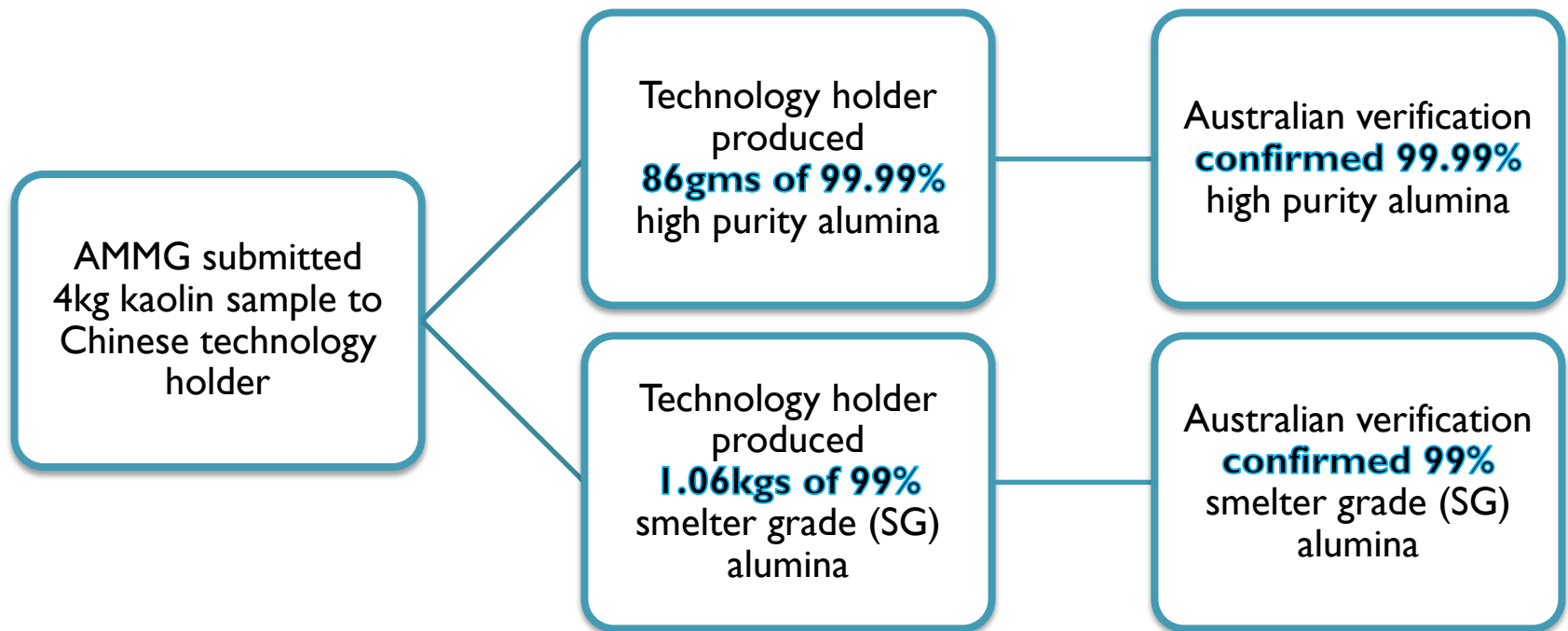
Water

Rail

South West Kaolin/Aluminous Clay Project



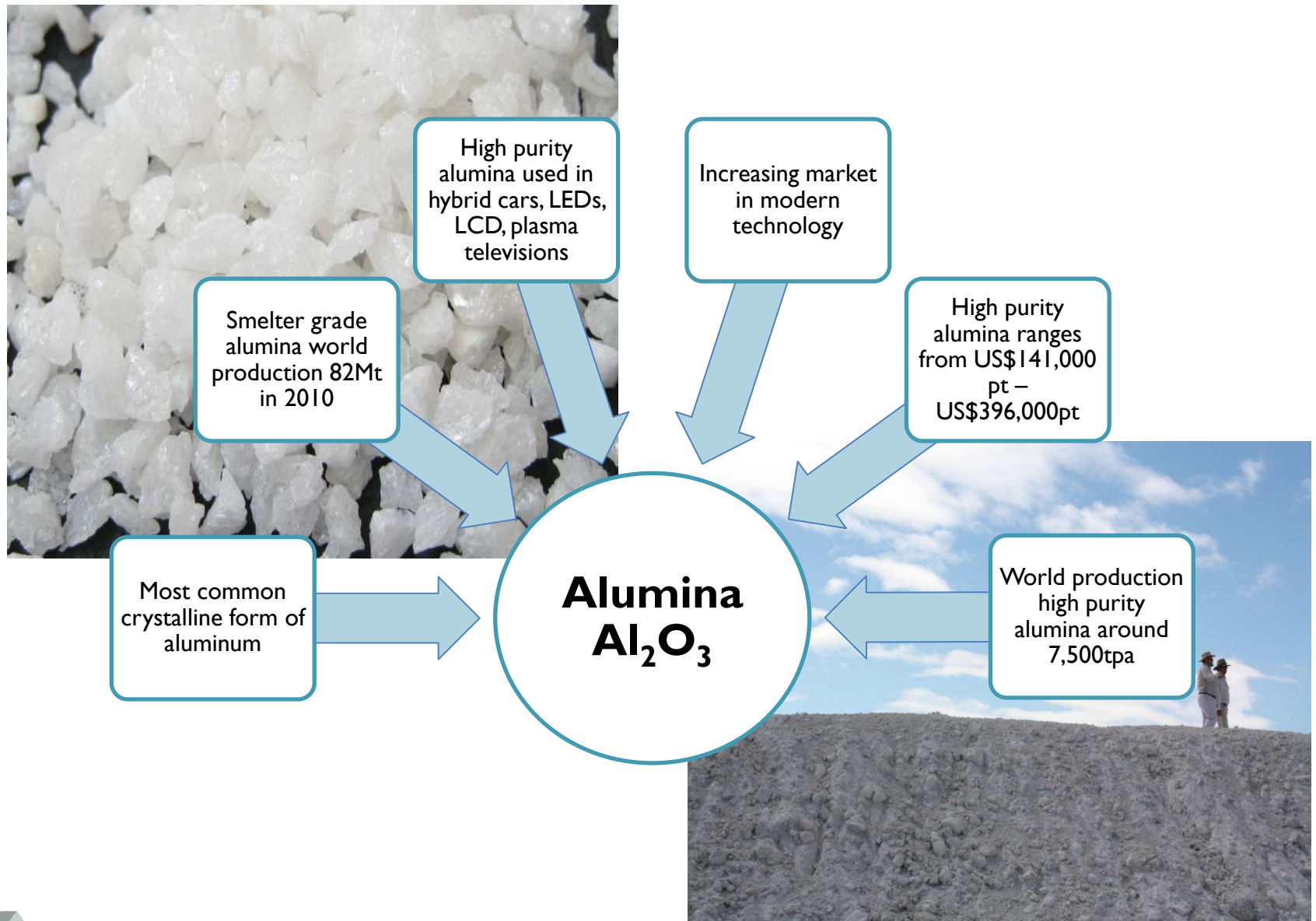
New Processing Technology Alumina Al_2O_3



Meckering Kaolin Sample Test Results

	Smelter Grade Alumina (Al_2O_3)	High purity Alumina (Al_2O_3)
Experimental water	Industrial & decationised water (3 rd grade)	Decationised water (3 rd grade)
Sample Weight	1065g	85g
Ignition loss	<1 wt%	<1 wt%
Purity, Al_2O_3	>99 wt%	>99.99 wt%
Crystal Form (XRD)	Alpha (α)	Alpha (α)
Impurities, Fe_2O_3	<0.02 wt%	<30ppm
Impurities, SiO_2	<0.05 wt%	<45ppm
Impurities, Na_2O	0.02 wt%	<25ppm

Alumina Al_2O_3



Alumina Al_2O_3

- Price of high purity alumina \$396 per kg (depending on grain size and purity)
- Market is expanding for industrial and modern technological applications
- High purity alumina used in:
 - LED lighting
 - LCD and plasma displays
 - Automobiles and electric vehicles
 - Computers
 - Other modern electrics

High Purity Alumina Pricing from Manufacturers

Type	Purity	Particle size	Price
Alumina alpha	99.999%	0.5-10 μm	\$396/kg
Alumina alpha	99.99%	50nm	\$221/kg
Alumina alpha	99.99%	0.3-0.8 μm	\$155/kg
Alumina alpha	99.99%	1.5-3.5 μm	\$142/kg
Alumina alpha	99.99%	3.5-15 μm	\$141/kg

Source: Skyspring Nanomaterials www.ssnano.com/powders

Type	Purity	Particle size	Price
alpha-alumina	99.999%	5 μm	\$176/kg
alpha-alumina	99.99+%	0.5-4 μm	\$79.4/kg
alpha-alumina	99.99%	100nm	\$122/kg

Source: Inframat Advanced Materials www.advancedmaterials.us/matchem.htm

Meckering Kaolin & Aluminous Clay Projects



Meckering kaolin project test pit



Inside the test pit

Meckering Kaolin & Aluminous Clay Projects

