



## Resource Assessment

A reassessment of Resources has been carried out based on drilling results to the end of the March quarter, incorporating 34 diamond drill holes totaling 15,351m and with a drilling pattern of roughly 100m x 100m. Wireframe models have been created for the various interpreted horizons; block modeling applied at 20m N-S, 1m E-W & 4m vertical with sub-cells also utilized. Samples have been composited at even metres, a nominal 5% Zn equivalent cut-off grade applied where 1% Pb = 0.5% Zn (Ag not considered), density values applied from laboratory determinations and no top-cut applied to assay values. Interpolation method is inverse distance cubed.

Indicated Resources have been allocated to blocks in the wireframes less than 50m from an intercept while blocks greater than 50m but less than 150m have been classified as Inferred Resources.

The resources are summarized as follows:

### Combined Indicated and Inferred Resources

**6.5Mt @ 11.3% Zn, 6.1% Pb or Zn\_equiv 14.4%;**

Indicated Resources 4.6Mt @ 11.6% Zn, 6.2% Pb or Zn equivalent 14.7%;

Inferred resources 1.9Mt @ 10.6% Zn, 5.9% Pb or Zn equivalent 13.6%.

Thus both Combined and Indicated Resources have been **increased by about 50% tonnes and 10% grade** compared to the previous (June, 2006) assessment. This is largely as a result of the thicker, higher grade material encountered in the down-plunge in the Upper Zone M2 horizon where the greater part of resources occur (see attached longitudinal section). The down plunge part will be targeted for the remainder of the year with the northern, up-plunge parts following.

The Resources are tabulated below:

Table 1: Lae Jehe Interim Mineral Resources at 5% Zinc Equivalent Cut Off

**Combined Indicated and Inferred Resources**

Zone	Horizon	Tonnes 000's	Zinc %	Lead %	Silver ppm	Zinc_Equiv %
Upper	1	1,180	11.3	6.7	7	14.7
	2	4,100	12.4	6.5	3	15.8
	3	750	8.1	4.3	3	10.2
Basal	5	170	5.4	3.0	17	6.9
	6	300	6.8	4.8	21	9.2
<b>Total</b>		<b>6,500</b>	<b>11.3</b>	<b>6.1</b>	<b>5</b>	<b>14.4</b>

**Indicated Resources**

Zone	Horizon	Tonnes 000's	Zinc %	Lead %	Silver ppm	Zinc_Equiv %
Upper	1	840	11.4	6.8	7	14.8
	2	2,910	12.7	6.6	3	16.1
	3	590	8.4	4.4	4	10.6
Basal	5	100	5.9	3.2	18	7.5
	6	160	7.3	5.2	23	9.9
<b>Total</b>		<b>4,600</b>	<b>11.6</b>	<b>6.2</b>	<b>5</b>	<b>14.7</b>

**Inferred Resources**

Zone	Horizon	Tonnes 000's	Zinc %	Lead %	Silver ppm	Zinc_Equiv %
Upper	1	340	11.3	6.6	6	14.5
	2	1,190	11.7	6.4	3	15.0
	3	160	6.8	3.8	3	8.7
Basal	5	70	4.8	2.6	15	6.1
	6	140	6.3	4.3	18	8.4
<b>Total</b>		<b>1,900</b>	<b>10.6</b>	<b>5.9</b>	<b>5</b>	<b>13.6</b>