

**Cloncurry Metals Limited (“the Company”)  
Call Option to Purchase Tenements (the “Agreement”)**

The Company confirms that, the historical estimates in the Companies prospectus, dated 29 August 2007 (**Prospectus**), were prior to JORC standards and therefore do not comply and are not reported in accordance with the JORC Code. These particular estimates will not become JORC compliant even with further exploration. The Company intends preparing and releasing new estimates to the market following completion of the drilling program, which has already commenced. The company confirms that the new estimates will be JORC compliant.

The Company provides the following comments on the reliability of the Historical Estimates set out in the Prospectus:

The Historical Estimates, set out in the prospectus, were carried out by professional companies (being Newmont Mining and Behre Dolbear consultants) and to the highest standards of the time, notwithstanding there was no JORC Code at that time. Both Newmont Mining and Behre Dolbear consultants are well renowned by other consultants and companies in the exploration industry and have a vast amount of experience in this area of work. The Company believes that, insofar as can be determined, the results provide a firm indication of a resource being evident and will, through its own drilling program, aim to confirm and expand upon the indications provided by such Historical Estimates.

The Company has commenced its drilling program, as set out in the Prospectus. The Company is unable to provide any more recent estimates or data. As previously stated, the Company will produce new resource estimates compliant with the JORC Code when they become available.

The Company confirms that it intends to carry out its exploration, including drilling, and to report its findings in accordance with the JORC Code including the matters listed in Table 1 thereof. The Company will also have a competent person take responsibility for the estimates of mineral resources or ore reserves that will be reported as a result of such estimation. The Company expects it will need to complete the entire drill program set out in the Prospectus before being able to publish such results, which infers a timeframe of approximately mid to late 2008.

The Company confirms, Independent Geologist’s Report set out in this Prospectus has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (Valmin Code) and the rules and guidelines relating to Independent Expert Reports set by the ASIC and ASX.

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The Company acknowledges that previous estimates of quantum of mineralisation associated with the Pegmont Option Area were generated prior to the introduction of the JORC Code guidelines for the reporting of identified mineral resources and ore reserves. Due to a lack of original digital data, GeoDiscovery Group is unable to fully determine the consistency of the estimates with the December 2004 JORC Code guidelines. On this basis, Applicants should be aware that the estimates therefore cannot be reported as 'resources' or 'reserves' under the JORC Code guidelines. Whilst GeoDiscovery Group considers that the estimates of previous mineralisation generated within the Pegmont Option Area provide a reasonable reflection of the quantum and grade of mineralisation, there is no guarantee that the re-classification will occur in the short term or at all. Please refer to the Independent Geologist's Report by GeoDiscovery Group for further information.

Yours sincerely

Barry J Casson  
Director and Company Secretary

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