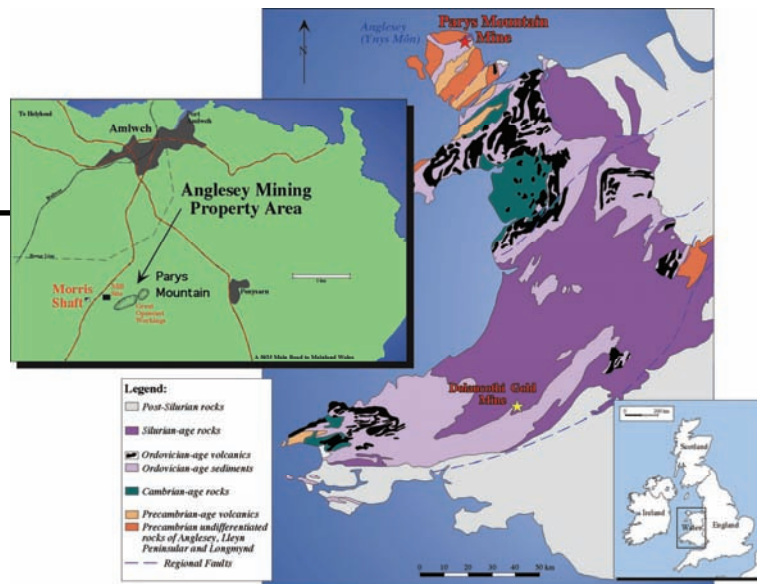


# Parys Mountain

## Highlights:

- New phased development plan, initially mining White Rock area from a decline
- Long term planning permission in place
- Ownership of relevant minerals and surface land
- Low political risk
- Local infrastructure in place
- Enthusiasm of local people and government support
- Significant upside in the exploration potential



In 1991 inferred and indicated resources were estimated at 6.5 mt at over 10% combined metal content (not a JORC-compliant resource). There is already a 300 metre deep production shaft in place, together with 1,000 metres of underground development. The project's planning permission remains in good standing and there is strong local support for the proposed mine and mill development. There are no restoration commitments in respect of previous mining and no special environmental issues or causes threatening the development.

Life of mine revenues would be derived chiefly from copper and zinc, each providing about 40 per cent of the total, with lead, silver and gold making up the other 20 per cent. In the early years of production zinc would provide a higher proportion of the revenues. All of the mining would be underground so surface disturbance would be minimal. When in full production at 350,000 tonnes per year the mine is expected to produce about 20,000 tonnes of zinc, 8,000 tonnes of copper and 7,000 tonnes of lead metal in concentrates each year.

The headframe, the most obvious symbol of the operation, has been in place on top of Parys Mountain

since 1989. The group owns the freehold of the mining area. Infrastructure around the proposed mine is excellent and relatively high unemployment means the establishment of the project, in an area famous for its mining activities, is favourably viewed by the local authority and by the Welsh Assembly Government which would provide grants towards capital costs.

Extensive geological studies over the period from 1996 to date have greatly increased the level of understanding of the relatively complex, chiefly volcanic hosted, massive sulphide deposits.

The phased production plans and the JORC-compliant White Rock area resources bring Parys Mountain closer to production yet still there are large unexplored and prospective areas close to the proposed mining operation. The plans are characterised by the security of a significant cash flow together with the excitement of blue-sky exploration. The company has always considered the potential for discovery of additional mineral resources in the untested areas of Parys Mountain to be very significant.

## White Rock Resources

As estimated by Micon - January 2007

|                              | Million tonnes | Cu % | Pb % | Zn % | Ag g/t | Au g/t |
|------------------------------|----------------|------|------|------|--------|--------|
| <b>Above 280 metre level</b> |                |      |      |      |        |        |
| Indicated                    | 1.18           | 0.38 | 2.47 | 4.68 | 41     | 0.38   |
| Inferred                     | 0.23           | 0.30 | 1.55 | 3.54 | 45     | 0.30   |
| Total                        | 1.41           | 0.37 | 2.32 | 4.49 | 42     | 0.37   |
| <b>Below 280 metre level</b> |                |      |      |      |        |        |
| Indicated                    | 0.57           | 0.33 | 1.71 | 3.42 | 35     | 0.54   |
| Inferred                     | 0.17           | 0.34 | 1.74 | 3.53 | 44     | 0.49   |
| Total                        | 0.74           | 0.33 | 1.72 | 3.45 | 37     | 0.53   |
| <b>Total White Rock</b>      |                |      |      |      |        |        |
| Indicated                    | 1.75           | 0.36 | 2.22 | 4.27 | 39     | 0.43   |
| Inferred                     | 0.40           | 0.32 | 1.63 | 3.54 | 45     | 0.38   |
| Total                        | 2.15           | 0.36 | 2.11 | 4.13 | 40     | 0.42   |