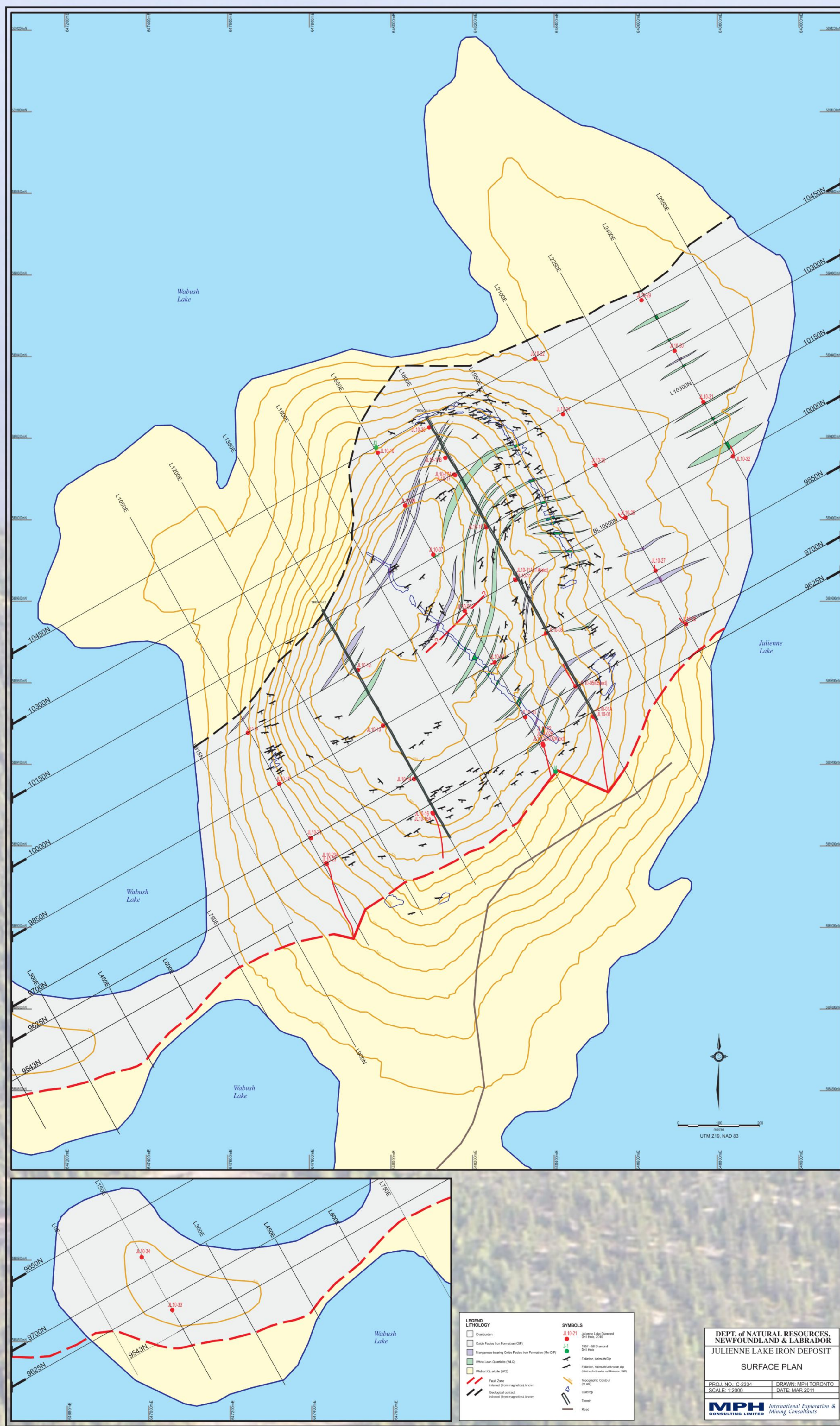
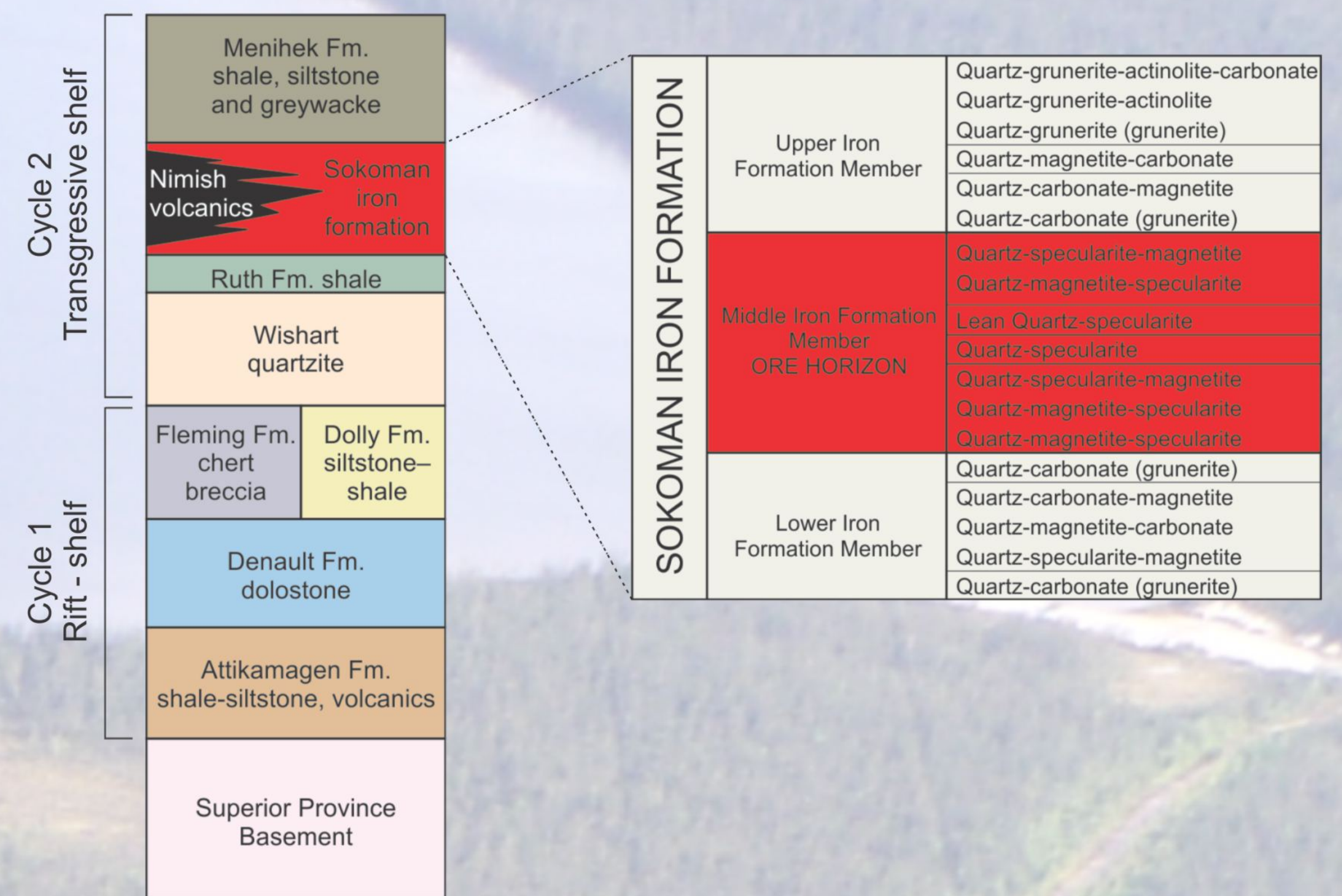


Geology and Resource Estimate



Surface Plan



- The Julienne Lake iron ore deposit is hosted in the Sokoman Formation, a 30–170m thick sequence of cherty iron-rich sedimentary rocks which are continuous throughout the Labrador Trough.

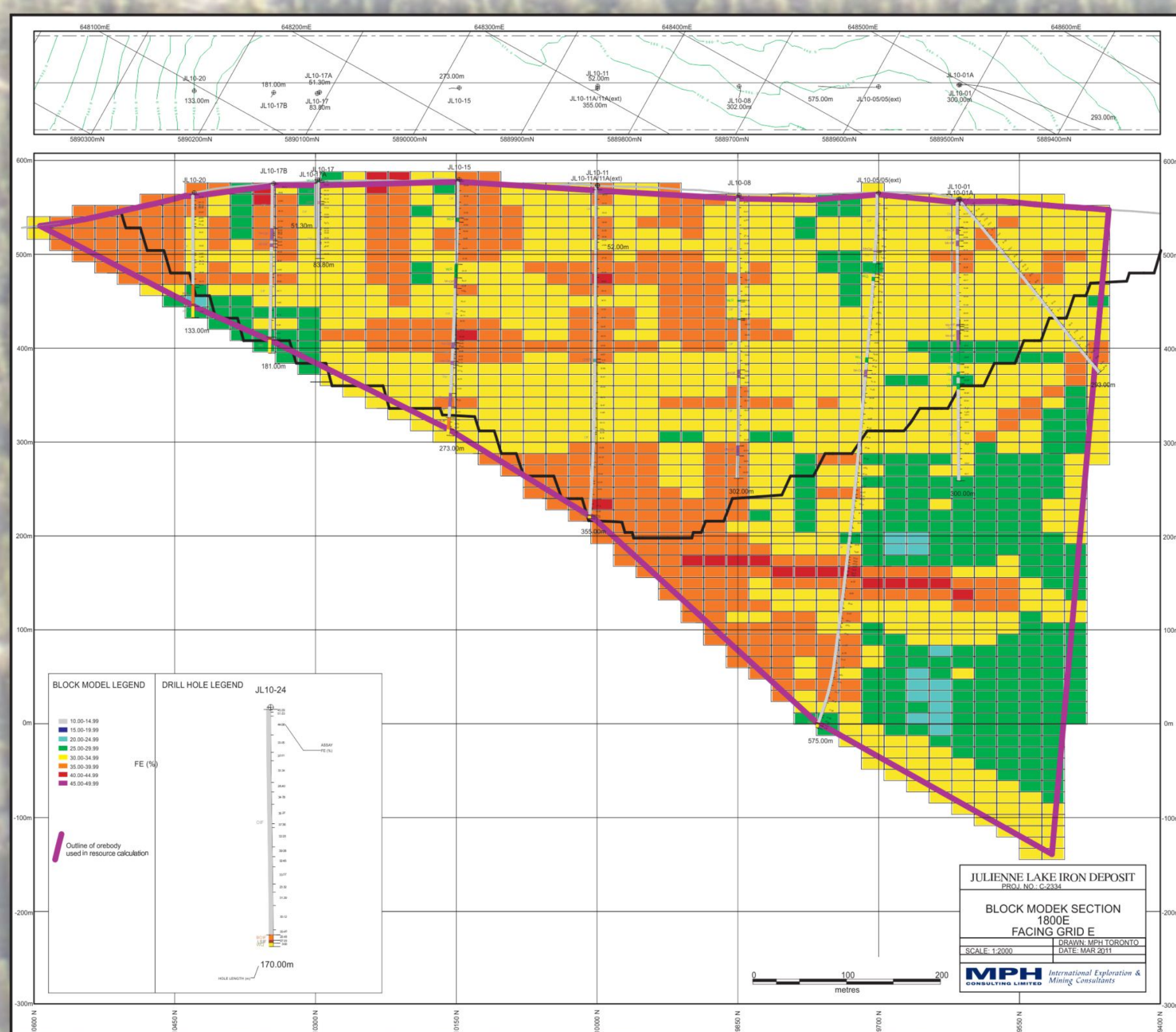
- The Sokoman Formation has been divided into three Members:

- Lower Iron Formation comprised of carbonate-silicate facies with minor magnetite
- Middle Iron Formation with abundant coarse grained hematite ± magnetite and sugary textured quartz
- Upper Iron Formation comprised of carbonate-silicate facies with minor oxides

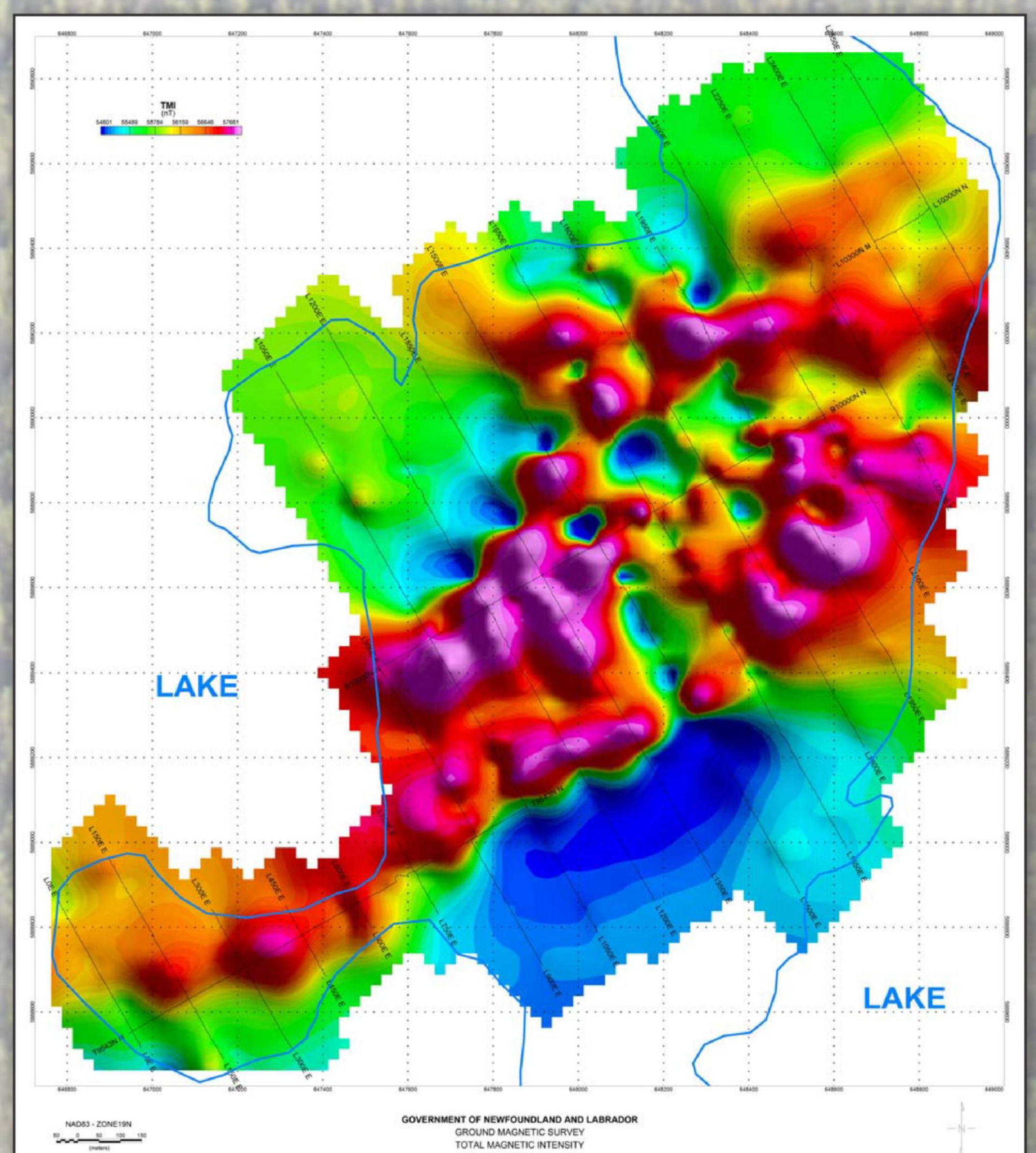
- Government sponsored 9200 metres of diamond drilling, followed by interpretation of the drill results to produce a 3D resource model (completed in May 2011).

Resource Estimate

- 1.166 billion tonnes grading ≈ 33% iron at a cutoff grade of 15%
- Measured Resources
 - 66 Mt grading 34.68 % iron, 0.38% Mn, 0.01% P
- Indicated Resources
 - 801 Mt grading 33.60% iron, 0.20% Mn, 0.01% P
- Inferred Resources
 - 299 Mt grading 34.14% iron, 0.12% Mn, 0.01% P
- Conservative open-pittable resource of 580Mt grading 33% iron.
 - Calculated excluding ore contained within 100m buffer to bounding water bodies.



Section 1800E Block Model (Potential Pit Outline)



Julienne Lake Ground Magnetic Survey - Total Magnetic Intensity

- 23.5 line-km ground magnetometer survey.
- Increase confidence level of interpolation between drill holes.