

Manager,
Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

(ASX:SAY)

31st March 2010

Dear Sirs,

Tenement Valuation Report

On 1 March 2010 the Company announced it held an option (“Quince Purchase Call Option”) to acquire the 90% of the Quince Iron Ore Project (“Quince”) which it does not already own. It also advised that any exercise of the Option would require shareholder approval under Chapter 10 of the ASX Listing Rules and a new equity issue would be required to fund the exercise and subsequent development costs.

In connection with the structuring of the necessary new equity issue, it has become clear that there first needs to be some understanding in the market of the value of the Company’s tenement holdings, including the value of Quince, assuming the Option is exercised.

Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton”) has been engaged by the Company to provide an Independent Expert’s Report (“IER”) in relation to the Quince acquisition for the purposes of Chapter 10 of the ASX Listing Rules. As the completion of the new equity issue is one of the condition precedents for the completion of the Quince acquisition, Grant Thornton is not in a position to finalise the IER until details of the foreshadowed equity issue become available.

In accordance with the requirements of ASIC Regulatory Guidance 112 “Independence of Experts”, Grant Thornton has commissioned an Independent Technical Report and Valuation of the Company’s tenement holdings including Quince (“Tenement Valuation”) for the exclusive purposes of inclusion in an Independent Expert’s Report to accompany a Notice of Meeting. The Tenement Valuation was not commissioned to support, assist or facilitate a potential new equity issue by the Company.

Grant Thornton has received a final draft of the Tenement Valuation dated 29th March 2010. Grant Thornton has not reviewed or provided comments in relation to the final draft of the Tenement Valuation and accordingly, it may be subject to changes.

The Company after consultation with Grant Thornton and the relevant regulatory authorities has decided to release the final draft of the Tenement Valuation to the market to comply with its continuous disclosure obligations and to allow the potential new issue of equity to be conducted in an informed and efficient market.

A copy of the Independent Technical Report and Valuation Report dated 29th March prepared by Terence Willsted and Associates (TWA) is attached (Attachment 2).

Both Grant Thornton and the Company wish to emphasise that nothing in the Tenement Valuation should be construed as an endorsement of the contents/conclusions of Tenement Valuation by Grant Thornton nor a recommendation from Grant Thornton in relation to the proposed Quince acquisition.

Grant Thornton's opinion in relation to the proposed Quince acquisition will be contained in Grant Thornton's IER which will be release to the market in a timely manner when completed.

Grant Thornton has also advised the Company that the form and conclusions of the Tenement Valuation maybe subject to changes between the date of this announcement and the dispatch of the IER to the non associated shareholders of the Company as a result of a review of the Tenement Valuation by Grant Thornton or material adverse changes in the marketplace.

The Company anticipates that it will be in a position to announce details of the new equity issue in the week commencing 12th April 2010 and assuming that the IER will be available shortly thereafter, that a shareholders meeting to provide the necessary approvals will be convened around end of May 2010.

The summary of the Tenement Valuation has been prepared by Dr Richard Haren of SAY (see attachment 1).

Yours faithfully,



Kenneth Lee
Acting CEO

Attachment 1 Tenement Valuation

After analysis based on the appropriate methodologies for each project TWA provides a Low, High and Most Likely Value for the SAY projects as follows [\$ million]:

Project	Low	High	Most Likely	
Quince	\$US27.0m	\$US45.0m	\$US36.0m	[A\$40 million at US\$0.9 exchange rate]
Putu	\$A7.5m	\$A16.0m	\$A12.0m	
Mauilin	\$A0.2m	\$A0.6m	\$A0.4m	
Aguas Claras	\$A10.0m	\$A15.0m	\$A12.5m	
		Total	\$A 64.9 million	

Quince is a conventional magnetite iron ore project. All other projects are iron sands projects. Valuation methodology includes the range of values which can be estimated for the mineral interests are based on current market prices for equivalent properties, the geological potential of the properties taking into account the possibility of outlining potential resources, and the probability of present value being derived from recognised areas of mineralisation and production. The valuation also takes account of previous and planned expenditure and commitments, and the expenditures and investment made by other parties to earn, acquire or retain their interests. The range of value estimated for each project allows for the sensitivity of the project values to expected variations in commodity prices and exchange rates, and for the changes in property market value with changing investment expectations, and valuations estimated for acquisition and listing for similar projects in the same geological environment.

The valuation of exploration tenements, particularly those without any quantifiable resource, is highly subjective but a number of value indicator methods have been developed and are outlined below. To determine a fair market value for the mineral exploration interests under review, various methods are normally considered including Appraised Value Method, Comparable Transaction Method, Farm-In Commitment Method, and In-situ Mineral Valuation.

The above summary should be read in conjunction with the qualifications expressed in the Independent Technical Report and the qualifications by Grant Thornton referred to above.

Attachment 2

**Independent Technical Report and Valuation Report dated 29th March
prepared by Terence Willstead and Associates**

TERENCE WILLSTEED & ASSOCIATES

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DRAFT

29 March 2010

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent St
SYDNEY NSW 2000

Attention: **Mr Andrea De Cian**

Dear De Cian,

INDEPENDENT TECHNICAL REPORT AND VALUATION OF MINERAL INTERESTS SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED [SAY]

Terence Willstead & Associates [TWA] has been requested to provide an independent technical report [Technical Report] to Grant Thornton Corporate Finance Pty Ltd [Grant Thornton Corporate Finance] **to be finalized** for inclusion in an Independent Expert's Report to accompany a Notice of Meeting in relation to proposed transaction with Hanwell Chile SA [Hanwell], as announced by SAY on 1 March 2010 [the Proposed Transaction].

Grant Thornton has not reviewed or provided comments in relation to this draft of the report and accordingly, it may be subject to changes. TWA also notes that the form and conclusions of this draft report maybe also be subject to changes due to material adverse changes in the marketplace.

The Tenement Valuation was not commissioned to support, assist or facilitate a potential new equity issue by the Company.

Grant Thornton's opinion in relation to the proposed Quince acquisition will be contained in Grant Thornton's Independent Expert's Report which will be release to the market in a timely manner when completed.

The scope of this work is to provide Grant Thornton with an independent valuation of the Quince Iron Ore Project and exploration assets owned by SAY. The valuation does not provide an opinion as to share or corporate value but values the exploration and mine development projects and tenements only.

Details of the assets to be assessed are:

- Aguas Claras Project located in Central Valley of Chile;
- Putu Project located on the west coast of Chile;
- Maullin Project located in Southern Chile; and
- Fierroinca Project located in Ecuador.
- Quince Iron Ore Project;

TWA will provide an independent technical report to Grant Thornton for inclusion in an Independent Expert's Report to shareholders of SAY in relation to the Proposed Transaction.

TWA has also been requested to disclose the following information:

- any roles fulfilled by TWA in connection with the Proposed Transaction;
- any appointments over the past 2 years by any stakeholders or other relevant parties involved in the Proposed Transaction which may be perceived as able to affect the independence of TWA; and
- other information as required by ASIC based on the nature of the Technical Report.

The Independent Review and Valuation of the SAY projects has been prepared by T V Willstead, Consulting Mining Engineer, BE[Min] Hons, BA FAusIMM MSME and Heath Sandercock, Consulting Mining Engineer, BE[Min]Hons FAusIMM MSME, based on the independent technical and economic data provided by SAY. The valuations have been carried out to generally conform to the VALMIN Code of AusIMM and the relevant Regulatory Guidelines issued by Australian Securities & Investment Commission [ASIC].

TWA has prepared a wide range of Independent Expert and Specialist's reports relating to the requirements of the ASX and ASIC. A list of TWA independent reports issued for valuation purposes is available.

To complete the assessment, we been requested from SAY and its advisors:

- The most recent reported results of investigations for the mineral projects.
- Copies of recent independent assessments for the mineral project of resource/reserve statements.
- Details of agreements relating to transactions and the joint venture interests.
- Data and records of transactions for property acquisition of SAY, and for similar properties.
- Current and previous feasibility and economic analyses.
- Records of expenditure on the project areas and by previous tenement holders.
- Data on proposed expenditure commitments and budgets for the project areas.

It is not intended to include a site visit for the assessments but to rely on information supplied by SAY, and on assessments prepared by TWA and other independent consultants of equivalent projects. Reference will be made to SAY's economic analysis database to carry out conceptual cash flow and sensitivity analyses for possible net present value assessment, where possible. **Economic and financial estimates are quoted in Australian dollars, except where other currency denominations are stated.**

SAY has confirmed that:

- All material information currently available has been provided for a proper assessment to be carried out and that the information is complete, accurate and true.
- A status report and tenement schedule is available relating to property title, and to agreements entered into by SAY.
- Information relating to current and future indigenous interests, taxation and royalties, market restrictions, environmental impacts, legal claims and other similar issues of economic importance, as far as they are known to SAY is made available.

To conform with the VALMIN Code, SAY has confirmed that it will indemnify TWA for liability arising from our reliance on the information provided, or for available information not provided by SAY.

This report is prepared in accordance with the relevant requirements and listing rules of the Australian Stock Exchange Limited, the Australian Securities & Investment Commission [ASIC] and the VALMIN Code of the Australasian Institute of Mining & Metallurgy. The VALMIN Code sets out the principles and matters, which should be taken into account in preparation of an expert report concerned with mining assets. ASIC Practice Note 42 provides guidance to ensure that the expert report is independent of the commissioning party and that the assessments contained within the report are at the highest possible level, in accordance with professional standards.

TWA has considered the requirements of Regulatory Guide 112 Independence of Experts' Reports issued by ASIC and confirms that it is not aware of any circumstances, which compromise its independence to undertake this assignment.

CHILEAN IRON SANDS

INTRODUCTION

SUMMARY

The SAY controls Chilean iron sands projects which are held by Chilean registered limited liability partnerships, wholly controlled entities of SAY, which have concessions to explore in the areas Aguas Claras, Putu and Maullin in central and southern Chile, and currently also has the rights arising from petitions for concessions to explore.

SAY has undertaken field reconnaissance, drill sampling and metallurgical analyses of samples from specific concession and petition areas. Exploration activities are in progress to confirm the existence of economic mineral resources.

TENEMENTS

Aguas Claras Project:

Inversiones Arenas Claras Limitada [IACL], which is owned by the SAY Clearwater Resources Pty Ltd, is the current owner of the following concessions to explore in the commune of Rio Clara Resource of Talea, Region del Mare:

Claras 1 to 33: This group comprises 31 concessions to explore in the commune of Rio Claro, Province of Talca, covering a total area of 8200 hectares [ha], which expire in October 2010.

Additional concessions to explore [Astillero 1 to 18 of 5100 ha] were applied for in February 2009.

Putu Project:

Inversiones Aconcagua Limitada [IAL] is the current owner of the following concession to explore and concessions to exploit in progress:

In the commune of Constitucion, the project comprises 15 concessions to explore, Province of Talca, covering a total area of 14504 ha, and 15 exploitation concessions in process of 13200 ha, which expire in March 2010. An area of 18844 ha has been approved by granting of concessions to exploit in January 2010.

In the commune of Curepto, Province Province of Talca, the project comprises 12 concessions to explore of 3100 ha, which expired in August 2009. Exploitation concessions covering 7000 ha are currently under survey.

Mauillin Project:

Inversiones Arenas Mauillin Limitada [IAML] was the holder of the following concessions to explore in Southern Chile, which are currently subject to renewal.

Carel 1 to 7: This group comprises 7 concessions to explore in process] in the commune of Mauillin, Province of Puerto Montt, Region of Los Lagos covering a total area of 800 ha, which expired in May 2009.

Corona 1 to 4: This group comprises 4 concessions to explore in the commune of Ancud, Province of Chiloe Region of Alsen, covering an area of 700 ha, which expired in October 2009.

Huequi 1 to 55: This group comprises 11 mining in the commune of Palena, Province of Chaitén, covering an area of 2600 ha, which expired in October 2009.

Mauillin 1 to 5, 10, 7 to 9: This group comprises 9 mining concessions to explore in the commune of Mauillin, Province of Llanquihue, covering an area of 2400 ha, which expired in October 2009.

Rio 4 to 6: comprising 3 concessions to explore covering 800 ha, which expired in October 2009.

LEGAL TENURE

Chilean legislation provides for two kinds of concessions: the exploration concession and the exploitation concession. The mining concession grants the holder power to explore the concessionable mineral substances within a tenement in the case of the mining exploration concession, or to explore and exploit minerals in the case of the mining exploitation concession. A mining concession is transferable and transmissible. A mining exploitation concession has indefinite duration, and a mining exploration concession remains in effect for 2 years and may be extended for another 2 years period, provided at least half the area is surrendered. Any Chilean or foreign person may establish and acquire mining concessions.

The registered application for a concession to explore and a concession to exploit are real, immovable, transferable and conveyable rights subject to the same rules applicable to other real estate.

AGUAS CLARAS PROJECT

INTRODUCTION

The IACL concession areas comprise sandy alluvial flats bounding the Andean foothills located 25 kilometres [km] south of Curico in the Central Valley of Chile. The project area is adjacent to the regional Pan American Highway that provides access to Santiago and passes through the local centres of Curico and Talca. There is a rail connection to the major port of Concepcion.

Shoreline Minerals Pty Ltd [Shoreline] has entered into an agreement with SAY's subsidiary, Clearwater Resources, to acquire its interests in the Aguas Claras Project Tenements from SAY, subject to conditions and to the completion of a Bankable Feasibility Study. The conditions have not been met at this stage.

The Claras mineral sands cover a fan-shaped lobe of approximately 60 square kilometers [sq km], with gravel at the upstream edge, which abuts the andesitic lavas of the Andean front. The south-eastern half of the lease area has a number of trenches, channels and water wells, so that the characteristics of the deposit are well documented to depths of 10 metres [m] or more. Less information is available for the north-western sector, apart from channel cuts revealing a minimum of 6m heavy-mineral potential.

PROJECT OVERVIEW

The claims cover an area with unconsolidated Quaternary sands occupying a broad depression reaching a maximum thickness toward the centre of at least 30m. Recent tectonic movement along a northwest-southwest trending reverse fault may have affected the course of the Rio Clara and created a topographic low to the south of Rio Clara within which the ore-bearing sands accumulated. Topsoil thickness is about 1.5m, below which the subsurface information comes from water bores, pits, stream cuts and trenches. Cliffs are described as extending to bedrock at a depth of 22m.

The Rio Clara is thought to follow a major reverse fault which, to the north of the river, has brought an older conglomerate unit to the surface. The mineral sands comprise placer concentrations in unconsolidated sand and gravel outwash flanking the eroding volcanic-rich Andean [Cordilleran] mountain front. These sediments of Quaternary age [<1.6 m.y.] rest on a floor of older volcanic rocks, with Cenozoic pumice bedrock.

SOURCE OF THE PLACER MINERALS

The origin of the placer sands has been ascribed to erosion of nearby Descabezado Grande volcano in the Andean foothills. Petrographic studies show, that in addition to the presence of volcanic lavas and airfall tuffs, the sediments were derived from a very significant calc-alkaline igneous province that included an intrusive suite of diorite, norite, granophyre and gabbro. Sediments of the project area appear to have been derived from the unroofed Andean core of older differentiated intrusive rocks and younger volcanics, some of which were contemporaneous with deposition of the sediments.

Sediments eroded from volcanic lavaflores and proclastics as well as an older intrusive complex of the exposed Andean core were deposited as coarse sediment aprons and alluvial fans along the mountain front. At the same time, airborne volcanic ash mantled the depositional plain, so that ash-fall tuffs are interlayered with stream-deposited sand and gravel.

Gravitational mass flow and high-discharge traction currents down narrow canyons carried coarse sediment that was deposited as gradient and current strength declined on the alluvial floodplains of the Central Valley. There is very little mud in the river system, with only 2% clay-size particles in the analyses samples from the project area. Multiple river channels were shallow, broad and unstable, constantly switching position to form a complex braided pattern that deposited sheet-like sands over broadly lobate areas, commonly referred to as braid plains or braided alluvial fans. The broad expanses of sand were shallowly inundated during river flood but dry and exposed to wind reworking during low water levels.

The sand and gravel bars comprise a mixture of low-density minerals such as plagioclase and potassium feldspars, quartz and pyroxene along with smaller fractions of denser minerals such as magnetite and ilmenite, and oxidation products such as limonite.

The deposit is well-sorted fine- to coarse-grained sand with very little silt and clay [texturally classified as 22% fine, 36% medium, 35% fine sand and 7% very fine sand, silt and clay]. The heavy mineral fraction, primarily magnetite and ilmenite, ranges from a trace to + 14% weight.

MINERALISATION

Enrichment in the heavy-mineral fraction at the Claras project is believed to have resulted from selective winnowing and removal of the lighter particles and mechanical concentration of dense placer mineral layers, primarily magnetite and ilmenite. Wind deflation at low river stage selectively entrains lighter mineral grains of sand size, leaving a residue of heavy minerals, which would have been covered by the next flood, accounting for the distinct bands of magnetite and ilmenite separated by relatively barren sands. Some wave reworking and heavy-mineral concentration may have occurred along the shores of lakes, such as those occupying the Central Valley of southern Chile. These lakes may have extended farther north during late-Holocene humid episodes such as are thought to have occurred 2000 to 3000 years ago.

Preliminary tests conducted on selected sand samples by SAY by gravity and magnetic separation indicate the following XRF assays of concentrations of heavy minerals. Eleven samples were analysed, each made up of an 800 g composite. These results have previously been used by IACL to estimate mineral resources as follows:

	Sand %	Gravity Concentrate %	Magnetic Concentrate %
Volume	100	11.0	9.0
Fe₂O₃	8.5	59.0	62.9
TiO₂	1.4	15.0	15.0

LAS CLARAS RESOURCES

Data Quality	Tonnage [million t]
Measured	1472.9
Indicated	315.3
Inferred	202.4
Total Resources	1909.6

Resource areas located below vineyard and valuable orchard areas have not been included, nor resource extensions below 10.89m because of drilling problems below this depth. An electromagnetic transient geophysical study has projected mineralisation to basement depth of 150m.

In relation to the staged sale of SAY to Shoreline Minerals Limited [Shoreline], 115 auger holes have been drilled to an average depth of 10.8m and a further 6 holes to an average depth of 27.3m. Drilling totalled 1402m and was conducted over an area comprising approximately 65% of the concessions. Laboratory studies by Titanatek Pty Ltd on Aguas Claras samples yielded valuable heavy metal [VHM] concentrate grades averaging 4.96%. Grades achieved by Titanatek were 53.94% Fe, 18.17% TiO₂, 0.42% V₂O₅ and 1.64% SiO₂. with similar results from bulk sample testwork by Outotec reporting 5.2% HMC and 56.1% Fe, 10.3% TiO₂, 0.36 V₂O₅ using gravity and low intensity magnetic separation.

An electrical resistivity survey was conducted by Geodatos Chile S.A., with the purpose of providing a better indication of sand thicknesses, and especially the location of any deep paleochannels in the basement.

MINERALISED RESOURCE ESTIMATES

Resource estimates have been based on geological data and Fe and Ti XRF assays supplied by Shoreline, and reviewed for inconsistencies. The validated database includes 1235 samples from 115 drillholes averaging 10.8m in depth.

A 30x30x2 m block model was constructed. Fe and Ti block grades were estimated using the Inverse Distance Squared method. A density of 1.56 t/m³, supplied by Shoreline, was used for tonnage estimation.

Based on geological data from drillhole logs, the sand and sediment units were defined.

The resources were separated in three domains, according to their data quality:

- Measured [actual data]: Resources located in the vicinity of the drillhole lines.
- Indicated [Interpolated data]: Resources located between lines area not drilled
- Inferred data [Extrapolated]: Resources located extended from the area drilled.

Resource areas located below vineyard and valuable orchard areas have not been included.

PROJECT DEVELOPMENT POTENTIAL

Because they are near surface and unconsolidated, mineral sands deposits can be mined by wet or dry methods.

The Claras Project contains a large scale placer mineral deposit comprising iron oxide [magnetite and hematite] and titanium in the form of ilmenite and possibly titanomagnetite. Laboratory studies of a composite sample shows that 27% of material has a specific gravity higher than 2.85. Magnetic fractionation of this heavy mineral fraction shows that more than 99% of the grains are magnetically susceptible. Extraction and processing costs are expected to be low, and the lease area is well located with respect to rail transport, port facilities and infrastructure.

The heavy-mineral fraction is present as discrete grains and transported rock fragments comprising heavy minerals and silicates. Further tests are underway to determine the mineral compositions of crushed samples in which the heavy minerals will be disaggregated from the lighter silicates.

The whole of the deposit is located generally under agricultural land. All the mined out land will be rehabilitated and returned to agriculture. As the proposed mining method will use hydraulic mining there would not be any chemical contamination or environmental impacts that could prevent a positive environmental qualification of the Project.

The infrastructure support for the project includes the Pan-American Highway as well as the national electrical grid and railroad line, and two main cities [Curico and Talca] with first class infrastructure, etc. There is available underground water through the deposit [at 10m depth]. The port of Concepcion is linked to the project area by rail [200 km]. Further south, [200 km] is located the main Chilean iron company CAP [Pacific Steel Company].

PUTU PROJECT

INTRODUCTION

Heavy minerals are concentrated on the foreshore and in beach dunes northeast of Constitucion, carried there from the mouth of Rio Maule by wave swell from the south which generates northward-flowing currents. The youngest beach and dune sands contain the highest proportion of heavy minerals such as magnetite. The surface sand layer averages 10m, below which is a coarse gravel layer, beneath which are additional mineral sands of unknown thickness.

Applications have been filed in to convert all of the Putu concessions from exploration to exploitation status, a process that requires an environmental impact statement, currently in preparation. The four major prospect areas are:

Plano Prospect, which was targeted as a shallow prospect suited to auger drilling and sampling to depths of around 12m. The topography is flat with a predominance of subsistence agriculture, resulting in multiple small holdings, complicating access over some parts,

Trinchera Prospect, which is a low plateau with cliffs along the seaward margin. The prospective iron sands are thick, locally in excess of 100m. Agricultural landholdings are large, with 3 to 4 families controlling much of the area. Physical access is excellent.

Katy Prospect, with thick and locally very high quality iron sands, but in geologically and logistically complex situations. The area is mainly under timber and is controlled by one company. Physical access is difficult because of steep gradients and very few roads or logging tracks.

Modern Dunes, with apparently large quantities of iron and titanium. But these deposits are mineralogically complex and potentially more difficult to beneficiate. There are also environmental constraints here.

Work so far has focused on Plano and Trinchera because of their geological and logistical advantages. Once all of the concessions have been converted to exploitation status there will be a greater focus on the richer sections of Katy Prospect. The modern dunes may be exploited in due course in selected, non-sensitive areas with high mineral values based on initial sampling.

GEOLOGY AND EXPLORATION

Holocene [modern] dunes

Four dune types are present in the Holocene sediments representing an evolutionary series. These deposits average more than 10m in thickness over an area of 16 square kilometres [sq km] and at least 5m over perhaps 20 sq km.

Metallurgical analysis indicated that the economic potential of the modern dunes is limited, possibly because the fresh grains of transported volcanic origin are composites of silicates, magnetite and other particles. Weathering, which has taken place in the Pleistocene paleodunes, releases the magnetite particles so that which will make them more amenable to process recovery.

Paleodunes

Older reddish sands accumulated as coastal dunes during the Pleistocene period during which sea level rose and fell by a hundred metres or more corresponding with global temperature changes.

During the last interglacial high sea-level stand about 6m to 7m above the present, the sea transgressed to cliffs cut in basement metamorphics of the Coastal Range, with the sands heaped vertically against the cliffs, rather than spread out laterally over several kilometres, as was the case with the Holocene, presumably because of clay matrix produced by weathering. However, their fresh appearance would suggest that there will be very little oxidative breakdown of magnetite.

Plano

Apart from 2 to 4m high arcuate sand ridges, the terrain is flat and widely cultivated, except over wetland depressions. Sand surfaces are bare or locally fixed by vegetation. The wetlands have been partially drained and planted, but remain off limits for drilling where water is still present at surface or where wetland vegetation persists, particularly in the north. The water table is generally 1.5 to 3m below the surface, but near the eastern margin can be as deep as 7m.

Drilling lines were arranged approximately 1000m apart, access permitting, and the holes were spaced as near as possible to 400m. The holes were cased below the water table, and continuous samples were taken of each metre.

Samples comprise predominantly fine to medium-grained sand with a secondary clay matrix and very few pebble bands. Megascopic examination showed an abundance of lithic grains, both reddish andesite fragments and dark grey basalt, as well as metamorphic rock fragments identical to the exposures in old sea cliffs to the east, plus quartz, chert, and abundant black magnetic opaques.

An attraction of Plano is that it would probably be quick and efficient to extract the sand using jet pumps and, following beneficiation, could readily be restored to its original condition. The environmental footprint would therefore be minimal. Water, electric power and labour are all available locally.

Plano samples analyses are as follows:

Number of Samples	Fe Percent	Ti Percent
41	6.54	0.89
23	5.90	0.70
12	5.60	0.83

Following the drilling, an electrical resistivity traverse at Plano has been conducted. The preliminary results shown in cross-section interpretation indicate that several deeper holes need to be drilled to sample the underlying section at Plano below the depths augered.

Trinchera

Trinchera area comprises thick sands which attain 70m or more in exposures along the cliffed western margin, where the sands are seen to rest on an undulating surface of metamorphic rocks. An auger drilling program conducted in 2007 confirmed the presence of iron-rich sands in the uppermost 10m, but provided no information concerning the deeper section. An electrical resistivity survey was designed as the first stage in assessing the thickness and potential volumes of the iron sands at Trinchera. The results, together with the additional four survey lines, indicate maximum thicknesses of the prospective sand section of over 100m

Katy

With landowner negotiations yet to be finalized, field work at Katy has been along public roads and tracks. As a result, the geological relationships of the different sand units are better understood. Being a particularly large and complex prospect, future drilling and development are likely to target the richest and most accessible sections of the younger paleodune sands. These deposits are close to Plano and associated infrastructure, and could conceivably be developed in parallel with Plano.

MINERALISATION

Magnetic concentrates from Putu beach range from 20% to 50% by volume in hand samples, and 17.7% to 29.5% in laboratory analyses. The magnetic fraction is magnetite and ilmenite, which is readily separable from the light fraction made up of feldspar and ferro magnesium minerals. Atomic adsorption results for six magnetic concentrates from modern Putu beach sand indicate an average Fe content of 40.5%, with 8.5% TiO₂. Analyses of total sand ["as is"] samples show an average Fe₂O₃ content of 17.8% for the paleodunes and 13.1% for the modern dune.

MINERAL RESOURCE ESTIMATES

A preliminary estimate of the in-place mineralisation volume has been projected from the youngest section of the Putu Beach sands, extending to the Mataquito River, some 36 km north of the Maule River at Constitucion.

Drilling was conducted over an area of 2502 ha. A measured resource was calculated over the area indicated. The remaining areas of Plano were either off limits for environmental reasons, or because access had not yet been granted by major landholders.

Auger drilling of 41 holes on Plano Prospect to an average depth of 11m has been completed. The 433 samples were prepared and analysed in the Company's laboratory. A hand-held XRF instrument was used to measure metal content directly. Analytical results, obtained using the Innov-X Alpha 6000 Portable XRF Analyser, were previously checked against laboratory analyses. The data obtained from these three sources show close correspondence, but the XRF readings are consistently 1-2% lower than the laboratory results. The iron content presented here may therefore understate the true grades by up to 2%.

All of the Putú concessions, including Plano, are in the process of conversion from exploration to exploitation status, which will entitle SAY to gain access to the remaining lands covered by the concessions over the Plano Prospect.

RESOURCE	TONNAGE [million t]	Fe (%)	Ti (%)
Measured	473.7	6.03	0.84
Indicated	183.7	6.00	0.8
Inferred	245	6.00	0.8
Total	903.2		

The above estimates of Fe and Ti are for the pure metal, not as oxides Fe_2O_3 , Fe_3O_4 or TiO_2 as commonly expressed in the industry. The Fe grades equates to approximately 9% Fe_2O_3 . The iron sands are amenable to low cost beneficiation using gravitational spirals and magnetic drums, which will take the Fe content to above 50%.

The Fe metal content of the measured resource equates to 28.5 million tonnes [million t], with a further 11 and 14.7 million t respectively for the indicated and inferred resources. Corresponding numbers for Ti metal are approximately 4 million t in the measured category and 1.5 and 2 million t for the indicated and inferred. Future analyses will also focus on vanadium, which has been identified in potentially significant amounts [0.4 to 0.5%] in nearby deposits.

Recent bulk testing has been completed with significantly less processing difficulty compared to some previous samples, which required a light grind to breakdown composite siliceous particles. The standard processing method developed for SAY resulted in a mass yield to final concentrate Valuable Heavy Mineral [VHM] of 7.6%. The concentrate assayed 58.3% Fe, 11.2 % TiO_2 , 0.53% V_2O_5 and 2.46% SiO_2 .

Recent airborne geophysical survey data define zones of strong magnetic response along the western margin of the Plano Project area a little over 1 km northwest, west and southwest of the township of Putu. As well another zone of strong magnetic response is seen approximately 1 km southeast of the township of Putu, this is situated along the eastern margin of Plano and the western margin of Katie South. The zones of increased magnetic response are both more than 2 km long with width of over 1.5 km.

It is expected that within these regions the concentration of iron [Fe] in the sands will be enhanced thus providing a higher grade zone to be tested for inclusion in the initial mining plan. There are numerous other regions within the broader Putu Project area that are seen to exhibit anomalous increased magnetic response. Areas that are found to exhibit superior Fe grade [defined from the magnetic and radiometric responses] are planned to be tested to facilitate measured resource status which will enable the Company to initiate subsequent feasibility study.

The SAY believes that Plano is suited to jet-pump extraction of the sands, and low-cost production of concentrate. Various options presently under consideration for export of concentrate include a finger jetty or slurry line.

Infrastructure development of Plano will be conducted in parallel with the planned off-take of concentrate from Claras Project, to which SAY will retain the rights after full transfer to Shoreline Minerals, as well as concentrate output from Trinchera and Katy.

MAULLIN PROJECT

SUMMARY

Mineral sands on and around Chiloe Island have been known since the Spanish worked gold-bearing gravels there until 1896. Since that time, numerous small-scale ventures have been conducted for gold, but platinum and other metals have received less attention. SAY has refocused on this area, conducting a programme of sampling, analysis and lease acquisition. Initial results confirm the presence of minerals such as ilmenite and iron oxide. These deposits are near to infrastructure and the port facilities at Puerto Montt. The Maullin sector near the major tourist and salmon farming centre of Puerto Montt covers a part of Chiloe Island and the adjoining mainland to the north of Chacao channel.

GEOMORPHOLOGY

Chiloe Island is currently cut off from direct sediment supply from the mainland, although it probably was directly connected to the major river systems during the Pleistocene period, when sea levels have fluctuated. Apart from modern-day processes of heavy mineral concentration by wave action as observed on these beaches, somewhat older "paleodune" sands have the hallmarks of deposition by wind. Large dune systems such as these are not observed at the present day in this vicinity, but are typical of the more arid glacial stages, the most recent of which ended during the past 20,000 years. Modern beaches separated by rocky headlands are backed by marshes and outcrops of older formations. Field reconnaissance showed that the underlying and adjacent bedrock includes older sedimentary rock containing magnetic heavy mineral layers.

POTENTIAL MINERALISATION

The bedrock exposures examined by SAY are rich in minerals, and erosion of these outcrops is releasing the iron-rich sands characteristic of many of the Maullin beaches. This appears to be the major process of mineral sand enrichment at the present day. Petrographic analysis shows that the sediment was derived from a more diverse Andean terrain that included both igneous and metamorphic material, hence the precious metal component exists along with the more typical iron and titanium oxides. Some of these minerals have been recycled from older rocks in this vicinity. Small amounts of gold platinum and palladium occur along with the more abundant iron and titanium mineralisation.

ECUADORIAN MINERAL SANDS

FIERROINCA PROJECT

The SAY Ecuadorian black sands iron ore deposits which are of economic interest are located in the provinces of Esmeraldas and Manabi. They included principally the Quaternary and recent deposits of the La Tola, Rio Verde and Mompiche sectors in the province of Esmeraldas, and Cojimies in the province of Manabi. The focus has been on two prospective areas:

- The Northern Area, a sand-rich coastal plain
- The Southern Area characterised by barrier and strand-plain complexes.

Erosion and transport of sediment from the mountainous interior provides a mix of economically important mineral species to the coast, primarily iron and titanium, but with high-value trace minerals locally.

Iron sands were deposited along the advancing shoreline as the sea rose from its last glacial lowstand. These deposits are augmented by deposition of sand eroded from the modern beach during storms. In this dynamic marine environment, any extraction of the sea floor would be followed by natural replenishment of sand by shelf currents.

A Mining Mandate was issued by the government of Ecuador in April, 2008 as an initiative to hold the status quo until a New Mining Law was passed.

A New Mining Law was passed in January 2009. However, the Mining Mandate still continues in effect, Regulations are implemented under the New Mining Law and this controls the grant of concessions to the SAY exploration and development areas of the Mining Mandate pursuant to that mining law included the following:

- Termination, without economic compensation was declared for all mining concessions without any investment in project development having been made in their exploration stage by 31 December 2007, or without their environment impact study having been submitted or without a prior reference process having been conducted, including those pending an administrative resolution.\
- A moratorium was declared on the grant of new concessions until the new constitutional and legal framework is effected. Consequently, the National Government ordered closing the files on legal processes pending a resolution with respect to applications for new mining areas. The Finance Ministry was ordered to transfer the funds necessary for returning applicants the amounts they paid as processing files.

It appears that all mining companies in Ecuador may no longer hold most of their mining concessions in the country subject to the publication of the Mining Regulations pertaining to the New Mining Law.

SAY retains only two concessions in Ecuador and the company is of the opinion that remaining concessions, on their own, are not economically viable, and because of this the Fierroinca Project is not included in the current valuation.

QUINCE IRON ORE PROJECT

INTRODUCTION

SAY currently has a 10% interest in the Quince Iron Ore Project [Quince Project] concessions held by Hanwell Chile SA [Hanwell], which has been exploring potential economic iron deposits in the Chañaral Province of Region III in Chile. In March SAY announced it has acquired a call option to purchase the remaining 90% of Quince. The agreement with Hanwell to grant the option means that Quince will be 100% owned by SAY once the call option is exercised.

The Quince Project is located in rolling terrain at an elevation of 800m. approximately 35 km due east of the deep sea port of Chañaral and 115 km due north of the city of Copiapó. The ore body itself is covered by recent, unconsolidated gravels with depths of up to 100m.

The deposit is easily accessible, being approximately 40 km by all weather gravel and sealed roads from Chañaral. The available infrastructure is excellent with major highways, utilities, and labour sources in towns and villages located within 20 km of the property. The mining town of El Salado, where Empresa Nacional de Minería [Enami] currently operates a small SXEW copper plant, is some 15 km south of Quince.

Chañaral has a population of approximately 10,000; it has a small airport, hotel accommodation, food, fuel and minor services as well as a small port with a single bulk loading facility capable of handling a single large ship with a 15m draft.

The most important logistical centre in the region is the capital of Region III, Copiapó, which is 115 km due south, approximately two hours drive, of the Quince Project. It has a population of approximately 150,000, an airport with scheduled daily flights to Santiago and Antofagasta, and numerous businesses offering services to mining and exploration companies.

The Quince Project is located in the Atacama Desert, one of the driest regions on earth. The climate is arid and weather is generally clear and warm in all seasons and poses no limitations on field activities. The closest weather station where temperature and precipitation measurements have been recorded for some time is the copper mining city of El Salvador, 65 km to the east and in the foothills of the Andes. The mean daytime high and low temperatures there are, respectively, 12.9°C and 4.9°C for July and 18.4°C and 9.8°C for January. The highest average recorded precipitation is in May at 14.8 millimetres [mm] and the lowest is in December at 0 mm. El Salvador is over 2,300m above sea level [MASL], while the Quince Project is at 800 MASL. In all probability, the climate there is drier and the mean temperature slightly higher

Vegetation is very sparse. In the valley bottoms, plant life consists of small widely spaced bushes a few tens of centimetres in height. Hillsides and peaks are generally devoid of any vegetation. In spite of the dry conditions, hills of gentle to moderate relief have been cut by deep gullies and flanked with gravel-filled valleys and alluvial fans - evidence of water movement preserved since conditions were less arid.

TENEMENTS

According to Hanwell's legal advisor, Cruzat, Ortuzar & Mackenna, Baker & McKenzie, the Quince Project is covered by the following concessions:

Applications filed on 22 November 2006 and registered in the name of Hanwell:

- Carman 1 to 60
- Elisa 1 to 60
- Luz 1 to 60
- Stephanie 1 to 60
- Valentina 1 to 60
-

Fully granted Mining Claims covering a total of 1,164 ha which are owned by Hanwell and registered in folio 45 of number 28 of 2006:

- Sefora 1 to 60
- Miriam 1 to 60
- Jocabed 1 to 60
- Debora 1 to 60

Legal advisors confirm that, as of March 16 2009, the:

- Mining Applications were still proceeding and not subject to any mortgage or other encumbrance, and
- Mining Licences fees are due to be paid between March and June each year.

It is noted that there is a separate claim identified as "San Francisco 1/5 Cesar Formaso" which lies in the northern half of the Debora Mining Claim and which effectively encompasses the South Target identified in the Asarco exploration. As yet TWA is unaware what arrangements Hanwell or SAY have taken to secure this concession.

HISTORY

The Chañaral Province has a long history of mining where mining for copper, gold, and iron has been ongoing since early in the 19th century. Small mines in the region supplied copper ore to smelters in both Chañaral and Pan de Azucar. Independent copper mines have been in operation on what is now the Manto Verde deposit since the late 1800s, but significant production in this area started in 1906. Between 1906 and 1935, a reported total of 400,000 t grading in excess of 3% Cu was mined from the Manto Verde fault zone.

The Quince mining concessions were originally established by Asarco Exploration Company-Chile and were taken up during the 1990s as a result of a systematic search along the Atacama fault in the Salado District for iron ore copper-gold (IOCG) deposits. Asarco relinquished the claims after preliminary exploration indicated iron rather than copper potential. The Quince Project is the northernmost iron deposit in the prolific Chilean Iron Belt (CIB).

REGIONAL GEOLOGY

The dominant geological feature of the CIB is the north-south Atacama fault zone, a complex sinistral strike-slip and dip-slip fault system that is sub-parallel to the coast of northern Chile for over 1,200 km. The CIB is a segment of the Atacama fault zone roughly 630 km by 40 km that hosts numerous IOCG-type deposits.

The Atacama fault zone is interpreted as wide zone of structural deformation with three main branches: the eastern, central, and western faults. There are many prominent north-south structures apparent on both sides of this complex Atacama fault zone, and it is clear that the actual zone of deformation is much wider. Volcanic rocks have been cut by numerous phases of north-south elongated granitic to dioritic intrusions. These are interpreted to be syntectonic emplacements along the Atacama fault complex.

Geology in the area, therefore, is typified by generally north-south elongated, fault and intrusion bounded blocks of volcanic rocks within a multiphase intrusive complex. Plutonic rocks occur as dykes, plugs, stocks, and batholiths, ranging in size from a few metres to a few tens of kilometres.

The iron-rich end members of the IOCG mineral occurrences in the CIB are Kiruna-type magnetite-apatite deposits with associated actinolite-albite-quartz-tourmaline alteration. Host rocks are typically brecciated volcanic materials, or brecciated intrusions thought to be genetically related to the formation of the deposits. The majority of these iron deposits are spatially related to pyroxene diorites. Some examples of the larger Kiruna-type deposits in the CIB include: Romeral, Los Colorados, Boquerón Chañar, Algarrobo, Cerro Iman, and Rodados Negros. These magnetite-rich deposits have been mined for iron since the early 1800s - Los Colorados mine south of Copiapó is still in production.

The El Salado and Manto Verde deposits, located 15 km and 25 km SSW of the Quince Project, are copper-bearing members of the IOCG deposit class in the CIB. The Manto Verde deposit occurs along a north-northwest trending riedel shear that connects two major north-south strands of the Atacama fault system. Alteration around the deposit consists primarily of quartz-sericite-carbonate mineral assemblages.

EXPLORATION

Asarco

The Quince claims were registered by Asarco as part of a broad reconnaissance programme along the Atacama fault in the late 1990s. These particular claims were staked over a number of small copper showings but generally covered an alluvial filled valley. Asarco undertook the following exploration programmes in 1999.

Asarco Aeromagnetic Survey

An airborne magnetic survey indicated a rather strong anomaly prompting a drill program targeting a possible "Candelaria" type copper mineralization.

Asarco Gravity Survey

Asarco completed a gravity survey with 200m line spacing and 100m gravity stations. The prime purpose of the survey was to see if any mineral zoning was obvious from the combined magnetic and simple Bouguer Gravity data set. In some mineralized districts the copper seems to be associated more with hematite rather than the magnetite. Gravity high with more magnetic response would be a good copper target. The results showed coincident anomalies for both data sets.

The 1999 gravity survey clearly defined a strong massive anomaly which is the primary target for the Quince Project. An expected tonnage of 280,000,000 t at 45% magnetite calculated [by others in 2007] using the 2.0 milligal contour with an average thickness of 300m. This target has an inferred plunge to the southeast and additional tonnage can be anticipated at depth.

Drilling Programme

Six holes, one vertical and five inclined, and totalling 1586m, were drilled based on the aeromagnetic and gravity surveys.

The results of the drill programme were negative for copper and all interest in the project was lost, and the claims were abandoned in 2000. It should be noted that the drill sites were not chosen to evaluate the iron potential.

It was later noted that the bottom 50m of the first drill hole assayed approximately 40% Fe which is of economic interest in the CIB. In fact, the average grade for all assayed intercepts from this drilling programme which were greater than 20% Fe is about 30%.

Seven samples ranging from 40-67% Fe were assayed for deleterious contaminants returning an average of: Cu 89ppm, Co 107 parts per million [ppm], S 461 ppm, P 263 ppm and Ti 3522 ppm.

The drilling also encountered water at the 40m depth, which would be an asset for mine operation.

Chanaral Resources

The volume of projected iron mineralisation contained in the Chanaral mineralised zone, based on previous drilling and geophysical investigations, is estimated to be in excess of 350 million t.

Ground Magnetic Survey

Chanaral Resources contracted Quantec Geoscience Chile Ltda in April 2007 to complete a ground magnetic survey covering the Primary, Central and South Anomalies identified in the 1999 Asarco exploration.

Condor Consulting then completed a 2.5D Inversion using the ground magnetic data acquired in 2007; this showed the Primary target area to be a tabular body with calculated susceptibilities higher than 0.20 cgs unit. This range of susceptibilities is permissive of grades exceeding 45% magnetite.

Further modelling with contemporary software was then used to generate a proposed drilling programme for further exploration of the anomalies.

It was also proposed that additional gravity survey work and further drilling be conducted as part of the 2007 work programme however this was not undertaken. The aim of the program was to delineate a significant inferred mineral resource at the combined targets exceeding 500 million t at a grade of greater than 45% magnetite.

It is noted that there is a separate claim identified as "San Francisco 1/5 Cesar Formaso" which lies in the northern half of the Debora Mining Claim and which effectively encompasses the South Target identified in the Asarco exploration.

VALUATION OF PROJECTS

VALUATION METHODOLOGY

The range of values which can be estimated for the mineral interests are based on current market prices for equivalent properties, the geological potential of the properties taking into account the possibility of outlining potential resources, and the probability of present value being derived from recognised areas of mineralisation and production. The valuation also takes account of previous and planned expenditure and commitments, and the expenditures and investment made by other parties to earn, acquire or retain their interests. The range of value estimated for each project allows for the sensitivity of the project values to expected variations in commodity prices and exchange rates, and for the changes in property market value with changing investment expectations, and valuations estimated for acquisition and listing for similar projects in the same geological environment.

Where production is in progress or planned based on quantified reserves and resources, financial analyses derive the net present value for the projects. The valuation of exploration tenements, particularly those without any quantifiable resource, is highly subjective but a number of value indicator methods have been developed and are outlined below. To determine a fair market value for the mineral exploration interests under review, various methods are normally considered including Appraised Value Method, Comparable Transaction Method, Farm-In Commitment Method, and In-situ Mineral Valuation.

Appraised Value Method

The Appraised Value Method is considered one of the methods most applicable to appraising the value of exploration properties, which have neither viable ore reserves nor any commercial production possibilities on which to establish a value. Accordingly, the real value of an exploration property is its potential for the existence of an economically viable ore body. An objective way to value a property's exploration potential is to equate it to the cost of exploration work that is warranted to assess that potential.

Appraising an exploration property with this method assumes that a direct relationship exists between the amount of exploration work performed on the property and the value of that property and that an exploration programme will either enhance or diminish the value of the property.

Past and future expenditures on a property of merit will produce a current dollar value for that property that is at least equal to the total amount expended. Any expenditure considered as contributing to the value of the property are those, which are judged to be relevant, prudent, and which were incurred in accordance with normally accepted industry practices.

Evaluating the results of an exploration programme and their relevance to the appraisal process involves assessing such parameters as, the geological environment of the property and its exploration potential, the exploration procedures utilised and their applicability to the style of mineralisation being sought or expected, the overall scope of the work performed or planned, the effectiveness of the work conducted, and the depth and experience of the management team involved in area selection and exploration programme planning and implementation.

As a result of this evaluation process, the valuer must decide as to what degree the exploration efforts have enhanced or diminished the value of the property. Only those expenditures deemed relevant to the overall value of the property are retained and used in the valuation process. In cases where inconclusive results are obtained, a subjective judgement may be made by the appraiser either on the basis of his own experience or in consultation with other technical experts. It is important to consider the intention of the owners regarding their exploration plans for the property and in this regard any funds committed to exploration work in the future budget period must be taken into account when arriving at an appraised value.

The expenditure on a project considered to be effective in terms of advancing the prospectivity of the areas is used, in conjunction with a subjective prospectivity enhancement multiplier, to derive a value of the project, which takes into account the valuer's judgment of prospectivity and the value of the database. Future planned committed expenditure is also considered as a measure of the estimated investment value of the property, to which a future exploration multiplier can be applied. In this review, we take into account expenditure of previous explorers and their joint venture partners and also past and current expenditure on the Project.

Comparable Transaction Method

One of the better methods in determining property value is by conducting a comparable transaction analysis with other recent transactions on equivalent properties, preferably within similar geographic and geological environments, with the same exploration potential and style of mineralisation, and at the same stage of development. Such a transaction should be between parties dealing at arms length. The date of the comparable transactions should be as close as possible to the property's valuation date as the time-related factors can affect the value. These transactions can be through a direct cash payment, a farm-in or option agreement or a combination of the above. Similar transactions can be compared and expressed in a number of ways, for instance, dollars per unit area, price paid per unit of mineral commodity in the ground, or on expenditure commitments.

Comparison of recent transactions of equivalent properties provides one of the better yardsticks to measure the value of the property because it relates the price to that which an informed investor would be willing to pay to obtain a similar property. In those cases where the transactions were not directly comparable, either a premium or a discount to the value is made as deemed appropriate.

Farm-In Commitment Analysis

An exploration property may have significant untested geological potential requiring a large exploration expenditure that the owner of the property cannot meet and as such will seek a joint venture partner to help with the exploration financing. It also may happen that an initial low budget exploration programme results in a significant discovery that requires the owner to seek a joint venture partner that can provide the financing necessary to develop it fully. In cases such as these, the Appraised Value Method tends to undervalue the property because of the low level of past exploration expenditures relative to the overall potential of the property.

A more appropriate approach in these instances is to consider the terms of an arm's length transaction for a farm-in option or agreement by a third party to earn an equity interest in the property. Such agreements can be used to calculate a value for the property. The terms of these agreements usually consist of a series of optional expenditure commitments over a number of years. The farm-in participants usually earn an equity interest in the project by paying all of the exploration expenditures during the earn-in period. Normally all expenditure commitments must be met in order to earn the equity. However, such farm-in commitments are not absolutely binding as usually there are rights to withdraw or in some cases there may be staged expenditure requirements earning an escalating equity interest.

A review of the terms of the agreement, as well as the geological potential of the property must be made in order to determine the value of a farm-in commitment and to assess the probabilities that some or all of the expenditure commitments will be met, particularly in a staged earn-in situation. In these cases a discount factor reflecting the estimated probabilities can be applied to the expenditure commitments.

In-situ Mineral Valuation

This method consists of valuing the commodity content of a tenement before it is mined. It is subjective, and therefore it is important that the valuation is based on considerable experience. The current market price of the commodity is discounted for factors such as mining losses, complexity of mineralogy, mining conditions, political risk, regional infrastructure support, etc.

ESTIMATION RISKS

Estimation risks are to be taken into account in assessing mineral projects, the principal risks being summarised as follows:

Mining and Exploration Risks

The successful exploitation of mineral exploration resources and the design and construction of efficient mining facilities has inherent risks which can be hampered by force majeure circumstances, cost over-runs, inconsistent grades and other unforeseen events. The technical risks attached to resource project development and production is unknown until economic resources are outlined.

General Economic Conditions

Production from mineral resources is subject to international market conditions, exchange rates and normal cost inflation. These matters would be considered if economic resources are outlined.

Environmental Impact Constraints

Exploration and development of any resources will be dependent on the projects meeting environmental guidelines. Development permits are to be approved subject to compliance with the environmental management programme.

Indigenous Title and Heritage Site

The effect of various legislation is that mining tenement and exploration permit applications and any existing mining tenements or exploration permit renewal application may be affected by native title negotiation processes. There are no such title issues recorded for the SAY projects.

Land Access

A mining company may be required to seek consent of landholders to obtain access to resources and for exploration. Legislation could restrict access to tenements. Some restrictions are foreseen at this stage, allowing for the fact that the Company plans to acquire all agricultural areas affected by the operations.

VALUATION CRITERIA

For use in the valuation of the SAY projects, the following valuation criteria have been summarised from the recorded data bases relating to the Projects and for acquisition agreements, and for a range of valuation for projects which are similar to the SAY projects. Financial estimates are given in Australian dollars unless quoted in other currency units.

APPRAISED EXPENDITURE

An analysis of previous expenditure on the SAY project areas has been carried out to indicate an attributable value of the current data base and established facilities which would support proposed exploration and development programmes. The summary of the recorded expenditure is estimated where possible for project area, with an estimate of its current value.

Claras Project

It is estimated that IACL and previous explorers have spent \$1.7 million exploring and developing the Project areas since 1999, and \$250,000 has been spent by Shoreline.

Investigation expenditure by Shoreline was planned to progress the project to bankable feasibility at which stage they can acquire a total interest in the project. Immediate project expenditure of \$1.4 million was planned and an addition to \$4.0 million is possible to reach BFS status.

Putu Project

IACL has spent \$600,000 on exploring the project area. Planned investigation expenditure is estimated to be \$8 million to progress the project to the bankable feasibility stage.

Mullin Project

IACL has spent \$125,000 on exploring the project areas.

COMPARABLE VALUE

The Aguas Claras project is unusual in terms of its large magnetite and titanium iron sand resource in an inland setting. Most major other mineral-sand projects are in coastal or formerly coastal environments, where the mineralisation is primarily ilmenite, zircon and rutile. The Putu project is in a coastal environment with similar mineralisation to Aguas Claras. Magnetite tends to be a common but minor constituent in most coastal sands, unlike SAY projects where magnetite is dominant.

New Zealand is known to have major coastal sand deposits comprising titanomagnetite, which are somewhat similar to SAY projects in the close association of titanium and magnetite, but differ in the larger proportion of separate mineral species of magnetite and ilmenite in the Chile leases. Resources at Waikato North Head total more than 1 billion t averaging 20% iron, with proven reserves of 70 million t grading 33.8% titanomagnetite. This would provide 19 million t of concentrate containing 59% iron. Sand is extracted by bucketwheel excavators and conveyed to gravity circuits and magnetic separators, which provide titanomagnetite concentrates, which is then pumped 18 km as a slurry to Glenbrook mill for processing to steel products by Bluescope Limited. Resources at Taharoa total 625 million t averaging 30% titanomagnetite, with proven reserves of around 10 million t grading 55% titanomagnetite. This would yield about 5 million t of concentrate containing 57.5% iron and 8% titanium dioxide. Taharoa titanomagnetite has been exported directly to the Asian market and was reported NZ\$53 million revenue for the year to 30 June 2008. An acquisition offer of NZ\$258 million for the Taharoa iron sands operation has previously been withdrawn.

A number of transaction valuations and economic assessments of Australian projects have been recorded in recent years that provide a market based assessment of heavy mineral projects. These are not directly comparable to the Chilean deposition and mineralisation, but are an indication of industry values.

- Valuation of RGC's Murray Basin assets

Resources	3.0% HM cut-off 32.2 million t at 18.2% HM including 30% ilmenite, 17.5% rutile, 9.6% zircon and 42.5% other.
Valuation	\$45 million to \$65 million.
Unit value	\$1.69/t resource and \$9.3/t HM.

- Acquisition of RZM Project interests

Resources	135.2 million t at 3.2% HM including 44.6% ilmenite, 11.3% rutile, 11.3% zircon, 0.8% leucoxene of which Inferred Resource was 115 million t.
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- Valuation

Valuation	\$30 million
Unit value	\$0.22/t resource and \$6.93/t HM.

- Value BeMaX October 2000

Resources	1.0% HM cutoff 252 million t at 2.8% HM including 15% rutile, 11% zircon, 8% leucoxene, 56% ilmenite.
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- Valuation

Valuation	\$43.4 million
Unit value	\$0.17/t resource and \$6.1/t HM.

In addition, Iluka offered \$1 per share for the outstanding shares of Consolidated Rutile Ltd which it did not already hold, valuing Consolidated Rutile at \$173 million based on the shares on issue at the time of the offer [mid 2000]. The resources available were all located in the North Stradbroke Island deposits, containing 10.34 million t of Measured and Indicated Resources. The projects are operating at good profits, producing 310,000 tonnes per annum [tpa] HM. It is possible to assume of value of about \$12/t HM for the resources and good will, net of the balance sheet items. In April 2009, Unimin offered up to 45 cents per share to acquire the Ihika interest and other outstanding shares in CRL, indicating a currently reduced value for the HM content.

Indo Mines Limited, has earned a 30% interest in the Kulon Progo iron sands deposit at Yogyakarta, Indonesia by the expenditure of \$4 million and the issue of shares at a nominal value of \$1 million, based on the confirmation of a global resource estimate of 605 million t at 10.8% Fe, containing 273 million t at 14.2% Fe of measured, indicated and inferred resources. Scoping and feasibility study activity to 30 June 2008 have increased the Indo Mines interest to 70% and cost an additional \$18 million.

IN-SITU MINERAL VALUATION

A range of in-situ values have been deduced from the above comparative analysis where project values have been estimated per tonne of resource and per tonne of HM. The deductions for the assessment has to be balanced to provide for varying HM grade and mineral contents, cut-off grade, mining and quality factors.

The following broad unit values are assessed:

Resources	1.0% cut-off	\$0.17 to \$0.22/t
HM Pre-production		\$6/t HM
at Production		\$12/t HM.

Other comparative acquisitions of interest relating to the SAY projects have been reported including:

- Gondawanda Resources acquisition of exploration areas in Madagascar of \$2.3 million in cash and shares including mineral sands areas.

- Titanium Resources Ltd acquisition of mineral sands project in Sierra Leone for US \$120,000 with rutile/ilmenite resources.

- Murchison Metals Ltd acquired two Rocklea iron exploration licence areas in the Pilbara for \$8.25 million, with confirmed resources.

- Cardero Resources Corp entered an agreement to sell its interest in the Pampa de Pongo iron ore deposit in Peru for US\$200 million.

FARM-IN/PURCHASE COMMITMENT VALUE

In April 2008, Shoreline agreed to purchase 60% of Clearwater Resources which wholly owns IACL, which holds the Aguas Claras project tenements.

The terms of this agreement indicated, a valuation range of \$6.3 million for the Aguas Claras project based on a 60% acquisition at the resource stage, up to \$15 million after completion of the BFS, discounting for time to completion of the final payment. The Agreement has been cancelled and is replaced by an agreement of March 2010 which states:

- Payment of A\$500,000 to SAIS by 14 May 2010;
- Issue to SAIS by 14 May 2010 of 5.12 million options to subscribe for shares in Shoreline at \$0.25 each expiring 30 June 2013;
- Payment of A\$1,000,000 to SAIS from the proceeds of an Initial Public Offer and listing on Australian Securities Exchange [or other recognised international stock Exchange] by 30 April 2011; and
- Issue to SAIS within 7 days of the listing of a maximum 3.175 million shares and 3.175 million 30 June 2013 options exercisable at the IPO issue price.

OTHER VALUATION CRITERIA

For the valuations the following factors are considered:

- All tenements are granted or close to grant. The minimum commitment expenditures and working conditions are subject to the terms of title.
- Prospectivity and exploration progress on the SAY projects are summarised in this report.
- Estimates of previous attributable expenditure on the tenement areas, based on the accumulated information available from past exploration programmes and proposed future expenditure, are considered, as well as the terms of farm-in agreements entered into with joint venture partners.
- Equivalent farm-in expenditures are discounted for the normal time periods of expenditure.
- Comparable project expenditure are assessed in the light of the equivalence to the project under review.
- The grouping of tenements and contiguous tenure over the SAY projects areas provides additional advantage for a substantial exploration programme.
- The sensitivity of the valuation, particularly relating to the risk factors listed above, is allowed for by estimating a range of valuation for each sector of the project.
- An long-term exchange rate of US\$0.75 to the Australian dollars is projected.

VALUATION OF CHILEAN PROJECTS

Because they are near surface and unconsolidated, minerals sands deposits can be simply mined by wet or dry methods.

Dredging is the most commonly used wet mining method in current practice in the Industry. The sand is pumped to the wet concentrator where primary processing of the sands occurs. Dry mining methods such as front-end-loaders, scrapers, excavators and trucks are used when dredging is unsuitable. Dry mining can also be less disruptive to the environment. The ore is trucked to the wet concentrator.

In the wet concentrator the heavy mineral fraction is recovered by screening and gravity separation. Typically concentrates with between 75% and 99% heavy minerals are produced and the quartz, clay and 'trash' components are rejected and returned to the mined out pond or pit or other environmentally suitable form of disposal.

This concentrate is then sent to a 'dry plant' which separates the individual mineral species typically magnetite rutile, zircon and ilmenite using various combinations of magnetic and electrostatic techniques. This plant is typically located remote from the mining operation with the wet concentrator in a pre planned central location. The dry plant will produce separate concentrates of the individual mineral components of the orebody and products and quantities will vary mainly dependent upon the original mineralogical proportions of the individual orebody and wet and dry plant efficiencies in recovery of individual species. Production from the dry plant can also vary in grade depending upon market requirements.

The SAY projects contain large scale placer mineral deposits comprising iron oxide (magnetite and hematite) and titanium in the form of ilmenite and possibly titanomagnetite. Laboratory studies of a composite sample shows that 27% of material has a specific gravity higher than 2.85. Magnetic fractionation of this heavy mineral fraction shows that more than 99% of the grains are magnetically susceptible. Extraction and processing costs are expected to be low, and the lease area is well located with respect to rail transport, port facilities and infrastructure.

The heavy-mineral fraction is present as discrete grains and transported rock fragments comprising heavy minerals and silicates. Further tests are underway to determine the mineral compositions of crushed samples in which the heavy minerals will be disaggregated from the lighter silicates.

Some of the deposits are located under agricultural land. It may be necessary to buy land to secure access with mining. All the mined out land will be rehabilitated and returned to agriculture. As the proposed mining methods will use hydraulic mining or dry excavation there would not be any chemical contamination or environmental impacts that could prevent a positive environmental qualification of the projects.

The infrastructure support for the project includes the Pan-American Highway as well as the main electrical grid, railroad line, and larger cities Curico, Talca and Constitucion with first class infrastructure, etc. There is available underground water through the deposit. The port of Constitution is linked to the project area by rail [50 km]. Further south, [200 km] is located the main Chilean iron company CAP [Pacific Steel Company].

CASH FLOW ANALYSIS

A conceptual financial analysis has been carried out for comparative purposes applicable to both the Putu and Aguas Claras projects but is not completed to indicative cash flow analysis standards because the heavy mineral content is not estimated to ore reserve standards and the assessments of economic mineral products, separation processes and marketability have not been completed.

Initial investigations suggests the following preliminary financial estimation bases:

Production rate	20 million tpa sand 1.8 million tpa HM magnetic concentrate 60% Fe ₂ O ₃ 15% TiO ₂
Revenue	US\$40/lb FOB concentrate
Costs:	\$US
Mining and concentration	\$1.5/t sand
Dry processing	\$12/t concentrate
Port handling, marketing and transport	\$4/t concentrate
Annual operating surplus	US\$14 million.
Capital Expenditure:	\$US million
Pre-production/infrastructure	15
Land acquisition	20
Mining plant	6
Wet plant	20
Dry plant	5
Port and handling	5
Total	US\$71 million

The cost estimates are based on recent sand mining project developments, modified to provide for the simpler magnetite-ilmenite production scenario. The revenue estimate is based on an assumed average FOB price of US\$50/t for a magnetite [Fe₃O₄]-ilmenite [FeOTiO₂] product sold either in separate and/or mixed components, as concentrates.

A conceptual financial range of US\$10 million to US\$15 million is suggested for each project, at this stage of their development, from a cash flow analysis at high discount rates [15% to 20%], which allow for the resource status of the database, over a project life of 10 to 20 years.

VALUATION CRITERIA

The following valuation criteria are suggested for the SAY Projects:

AGUAS CLARAS PROJECT

Tenement	31 Exploration Concessions	8200 ha
Expenditure:		
Previous Attributable	\$1 95 million	
Feasibility Investment	\$3.4 million.	
Appraised Value	-	The Shoreline Sale Agreement provides for a total acquisition price of A\$1.5 million plus 3.175 million Shoreline shares after IPO, plus options to subscribe for Shoreline shares of 5.12 million at \$0.25 and 3.175 million at IPO issue price, all expiring at 30 June 2013.
Comparative Values:		\$10 million to \$15 million discounted to allow for the early stage of Aguas Claras project.
In situ value:		\$7.5 million to \$10 million allowing for the status of the resources.
Financial Analysis:		US\$10 million to \$15 million at 15% to 20% discount rates with median estimate of US\$12.5 million [A\$15 million].

Based on the above parameters, the following value range is estimated for the Aguas Claras tenement areas:

Low:	\$10 million based on the middle range of the comparative, in situ attributable investment and appraised values.
High:	\$15 million based on the middle range of the project financial estimate.
Most Likely:	\$12.5 million.

PUTU PROJECT

Tenement	Exploitation Concessions	250000 ha
Expenditure:		
Previous Attributable	\$750,000	
Feasibility Investment	\$8 million.	
Comparative Values		\$5 million to \$10 million discounted to allow for the early stage of the project.
Financial Analysis		US\$10 million to \$15 million at 15% to 20% discount rates with median estimate of US\$12.5 million [A\$16 million].

Based on the above parameters, the following value range is estimated for the Putu Project:

Low	\$7.5 million based on the middle range of the comparative and attributable investment.
High	\$16 million based on the middle range of the project financial estimate and projected acquisition value.
Most Likely	\$12 million.

MAULLIN PROJECT

Tenement	34 Exploration Concessions	7300 ha
Expenditure:		
Previous Attributable	\$125,000	
Comparative Values	\$150,000 to \$1.2 million	

Based on the above parameters, the following value range is estimated for the Maullin Project:

Low	\$200,000 million based on the attributable investment allowing for enhancement value.
High	\$600,000 million based on the middle range of the comparative value.
Most Likely	\$400,000.

VALUATION QUINCE IRON ORE PROJECT

VALUATION CRITERIA

Appraised Value

TWA have previously estimated exploration expenditure at US\$500,000 and also estimated that a pre-feasibility study costing in the order of US\$4.0 million would be required.

Comparable Transaction Method

The Quince Project is not unusual in most respects, however there have been few transactions that could be used to draw a value comparison with the Quince Project. One such transaction involves Aurox Resources Limited's (Aurox) Balla Balla titanomagnetite deposit in the Pilbara Region of WA.

Atlas Iron Ltd (Atlas) and Aurox have agreed to a merger whereby Aurox shareholders have been offered one Atlas share for every three Aurox shares – this effectively values Aurox at \$153 million against the pre-offer value of \$52 million – a \$90 million premium.

Aurox's main asset is the Balla Balla magnetite deposit which lies adjacent to Atlas' Ridley iron ore deposit. The Balla Balla deposit contains resources of 455 million t at 44.7%Fe, 0.66% V₂O₅, 13.8% TiO₂, reserves of 238 million t at 44.7% Fe, 0.66% V₂O₅, 13.7% TiO₂. The plan is to mine and process at a 100 micron particle size, produce 6 million tpa concentrate (58% Fe, 1% V₂O₅ & containing titanium), and pump the concentrate ~ 100 km to the port. Aurox claim to have expended \$90 million on exploration and development of Balla Balla. This project is therefore similar in many regards to the Quince Project. The projected Balla Balla capital expenditure is projected at \$1.8 - 2 billion, and operating cost is estimated at A\$36/t.

The effective premium paid by Atlas was based on the fact that Aurox had pre-purchased port access for some 6 million tpa (expanding to 15 million tpa in later years) export which Atlas did not have. Atlas bought 187Mt direct shipping hematite ore to the merger.

The value placed on the merger is effectively estimated by considering the transaction without regard to the synergies generated by the merger and disregarding any other value in the Aurox properties; this has the effect of valuing Balla Balla at between \$52 million and \$142 million. It should be noted that the "premium" paid by Atlas is the same as the \$90 million exploration and development expenditure to date.

Farm-in Commitment Value

There have been a number of recent farm-ins to Australian magnetite properties:

Emergent Resources Limited (Emergent) Beyondie Project in the Mid West region of WA:

The Beyondie magnetite deposit has an inferred resource of 561 million t grading 27.5% Fe with an additional exploration target of 480 to 520 million t.

In October 2009, the China Metallurgical Investment Group (CMIC) entered a JV with Emergent to develop the Beyondie magnetite deposit in WA with an initial targeted production of 3 million tpa of magnetite concentrate. The Beyondie Development Joint Venture provides for a 50:50 JV, \$200 million funding by CMIC, and a placement of shares and options to CMIC to raise around \$5 million and give CMIC an approximate 15% holding in Emergent. The \$200 million in funding will be provided by the equity subscription of \$100 million into the JV by CMIC as a sunk investment, and the facilitation of a loan of \$100 million to Emergent (at 3% above Reserve Bank of Australia benchmark interest).

Venus Resources Ltd (Venus) Yalgoo project in the Mid West region of WA:

The Yalgoo project is a 201 square kilometre [sq km] block of tenements covering a substantial part of the Yalgoo greenstone belt. To the south of the Yalgoo project area the belt hosts the Gindalbie Metals Ltd/Ansteel Karara and Mungada iron deposits. The iron deposits are hosted by Banded Iron Formation units. Exploration is at a very early stage and, as yet, no resources have been outlined.

In January 2010, Venus entered a JV and share subscription agreement with HD Mining & Investment Pty Ltd (HD Mining), a subsidiary of the Shandong Provincial Bureau of Geology and Minerals. HD Mining will take a placement of shares worth \$4 million spend \$8 million over two years to earn 50% of the Yalgoo tenements.

Centrex Metals Limited (Centrex) Port Lincoln Iron Ore Projects:

In July 2009, Centrex announced that it had signed an agreement with Wuhan Iron & Steel Group (WISCO) to develop two 5 million tpa magnetite iron ore projects from magnetite deposits north of Port Lincoln in South Australia.

To earn a 60% interest WISCO undertook to:

- Pay Centrex a total of up to \$186 million for 60% equity in the JV (minimum payable \$78 million). \$52 million to be paid within seven days of Government approvals, A\$26 million on the first anniversary, and four staged payments each of \$27 million to Centrex when the joint venture has defined magnetite banded iron JORC Inferred Resources of 1.25 billion tonnes (billion t), 1.5 billion t, 1.75 billion t and 2.0 billion t respectively.
- Sole fund the first \$75 million of exploration and study costs.
- Subscribe for \$10.1 million in Centrex shares.

Centrex Metals Limited (Centrex) Bungalow Iron Ore Project:

In August 2009, Baotou Iron and Steel (Group) Co. Ltd (Baotou), signed a Hematite Sales Agreement to take three million tonnes of iron ore over the next five years from the Wilgerup hematite mine to be commissioned by Centrex in 2010 on South Australia's Eyre Peninsula. In addition to the off-take agreement, Baotou has also formally committed under contracts signed with Centrex, a further \$40 million in staged payments to earn 50% of the Bungalow magnetite iron ore deposits.

The Stage 1 payment of \$8 million will be paid to Centrex to earn 10%, with a further \$8 million earning an additional 10% in Stage 2. The \$16 million will be spent on exploration and development studies. Stage 3 will involve a payment of \$24 million, earning a 30% interest, and this money will be spent on a bankable feasibility study.

The CMIC Emergent deal would imply a valuation of between \$22.5 to \$33 million for 100% Emergent.

Assuming development of the two 5 million tpa magnetite mines, the WISCO-Centrex Port Lincoln projects deal would imply a value of between \$145 million and \$450 for the projects. Centrex's share would nominally be 40% or between \$55 million and \$180 million, however this needs to be heavily discounted by a further 75% as little or no resource has been evaluated; the net worth is therefore between \$15 million and \$45 million.

The Centrex – WISCO Bungalow project deal would imply a value of \$80 million for 100% of the project. Again, with little or no resource evaluation, this value is further discounted to \$20 million.

Apollo Minerals Limited:

Mt Oscar Iron Ore Project located in the Pilbara Region of WA. Evaluated in August 2009 as combined target with adjoining Fox Resources Limited BIF resources, the resource target was 1 billion t based on structural interpretation and aeromagnetic data, containing 30 to 40% Fe insitu magnetite ore, which could produce 60 to 64% Fe concentrate after grinding to 80% minus 25 micron with 2:1 waste ratio.

Conceptual model was based on 14 million tpa concentrate production with 50 million tpa ore. Operating costs were estimated at A\$65/t concentrate and preproduction capex at \$2.5 billion, with project capital payback after 8 years of production, total production life of 20 years and total cash flow of \$4.97 billion.

NPV 10% was estimated at \$161 million with 60% debt funding and IRR of 11.6%, and a negative \$235 million NPV at 20% discount was estimated.

Cash Flow Analysis

A conceptual financial analysis has been carried out but is not completed to indicative cash flow analysis standards because the mineral content is not estimated to ore reserve standards and the assessments of economic mineral products, separation processes and marketability have not been completed. The initial capital costs of the Quince Project would be significantly affected by the requirement for a pre-stripping operation to remove between 60 to 100m of overburden.

The following preliminary financial estimate is based on similar sized operations in South America and Australia, and utilises recent Chilean project US dollar cost estimates:

Ore Production rate:	15 million tpa at 30%Fe ore
Concentrate production:	6 million tpa at 65% Fe
Revenue:	US\$100/t concentrate
Operating cost:	US\$
Mining	7.00/t ore (based on W:O ratio of 2.5:1)
Processing:	6.00/t ore
Administration:	1.50/t ore
Sub-total:	14.50/t ore
Ex- mine costs:	US \$
Pumping to port:	0.25/t con
Dry concentrate:	5.00/t con
Load concentrate:	5.00/t con (includes marketing & superintendence)
Ship to market:	25.00/t con
Sub-total:	35.25/t con
Annual revenue:	US\$600 million
Annual costs:	US\$430 million
Annual surplus:	US\$170 million
Capital expenditure:	US\$ million
Exploration & feasibility study:	15
Mine pre-strip (contractor):	30 (20 million t at US\$1.50/t)
Infrastructure:	50 (roads, tails dam, connection to national power, water supply)
Mining Fleet:	95
Concentrator:	500
Concentrate pipeline:	45
Concentrate dryer/port storage:	15
Additional ship loader:	15
Contingency at 20%:	150
Total	US\$920 million

On an NPV basis, a conceptual range of US\$20 million to US\$60 million, at discount rates of 15% to 20%, allowing for the probable order of accuracy of the estimates, with a median value of US\$45 million, is suggested for the Quince Project taking into account the lack of resource definition, and the early stage of the engineering investigations .

QUINCE VALUATION SUMMARY

Based on the above estimates the following range of values is suggested for the Quince Project:

Low:	US\$27 based on the suggested median range of the comparative and farm-in estimates.
High	US\$45 million based on the median value of the conceptual cash flow range and NPV assessment
Most Likely	US\$36 million.

QUALIFICATIONS

Terence Willsted & Associates is a Mining Engineering Consultancy, which has had considerable experience in the valuation of mining interests and investments, and in advising both prospective purchasers and sellers of such interests and investments. The persons responsible for this report is:

T V Willsted

BE[MIN]HONS, BA, FAusIMM, MSME, MAICD
Consulting Mining Engineer

Mr Willsted is the Principal of Terence Willsted & Associates. He has had extensive experience in the mining industry over 50 years, the last 38 years of which have been as a consultant to the industry. He holds a First Class Mine Managers Certificate of Competency, and has been extensively involved in mineral project evaluation and management.

Heath Sandercock

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Consulting Mining Engineer

Mr Sandercock is the Principal of Sandercock & Associates. He has had over 35 years experience in the mining industry, the last 10 years of which have been as a consultant to the industry. He has been involved in development and management of a range of base metal and precious commodity projects in Australasia, the Pacific, Russia and South America.

DECLARATION

This report has been prepared for inclusion in the Independent Expert's Report. This report is designed to assist shareholders to assess the value of the SAY Projects and was not prepared for any other purpose. The valuation does not provide an opinion as to share or corporate value but values the exploration and mine development projects only.

The statements and opinions contained in this report are given in good faith but, in the preparation of this report, TWA has relied substantially on information provided by the Directors and Management of SAY. We do not have reason to doubt the information so provided.

Neither the whole nor any part of this report, nor any references thereto, may be included in or with or attached to any document, circular, resolution, letter or statement without the prior written consent of TWA.

DISCLAIMER OF INTERESTS

At the date of this report, TWA and Terence Willsted and Heath Sandercock do not have, nor have had any relationship with SAY.

TWA has no relevant interest in, nor any interest in the acquisition or disposal of any securities or assets of SAY. TWA have no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the valuation of the mineral interest of SAY.

Neither TWA nor T V Willsted and Heath Sandercock, has received or may receive any pecuniary or other benefits, whether direct or indirect or in connection with the preparing of this report other than normal consultancy fees based on fee time at normal professional rates plus out-of-pocket expenses.

Yours faithfully,

T V WILLSTEED
Principal

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