

REVIEW OF OPERATIONS

BURBANKS PROJECT (100% Barra; 50/50 Tribute Mining Agreement established)

The Burbanks Project is located 9 kilometres southeast of Coolgardie and consists of granted tenements totalling 13 square kilometres and covering over 5 kilometres of strike extent of the Burbanks shear.

The Burbanks Mining Centre has produced in excess of 400,000 ounces from predominantly above 150 metres vertical depth from both historical underground mine workings, modern open pits and previous Barra underground production.

Burbanks has a current **Indicated Resource of 250,000 tonnes at 3.43 grams per tonne gold for 27,570 ounces and an Inferred Resource of 141,000 tonnes at 2.92 grams per tonne gold for 13,240 ounces** at a 1.0 grams per tonne lower gold grade cut-off,

compiled in accordance with the JORC guidelines (**Table 4**).

Previous soil sampling and airborne magnetic data has highlighted the potential for several repeat structures which have the potential to host Burbanks look-alike mineralisation along strike to the north and south of the existing mining operations. This will be a focus of the Company's drilling during 2009/2010.

Also at Burbanks, with recent significant rises in the gold price the Company believes Burbanks can still add significant short to medium term value through well executed surface drilling programs targeting potential open pit resources along strike.

Gold Production

The Company recommenced mining operations on 15 June 2009 at the Burbanks gold mine under a new tribute mining and profit-sharing arrangement put

in place by the Company with Mulgabbie. The Company suspended production in August 2007 to allow exhaustive drilling programs and independent engineering studies to be conducted on the current gold resources adjacent to existing mine infrastructure.

The new tribute mining arrangement between Barra and Mulgabbie has the potential to generate Barra between A\$1.0 million and A\$2.5 million in revenue over the next 6 to 12 months. Mulgabbie will undertake development, stoping, transportation and milling of the ore at its own cost with profits shared 50/50 between Barra and Mulgabbie. During the initial stages of production, Mulgabbie will take an 80% share in profits for the first 1,000 tonnes of ore mined and treated. This will reduce the initial economic risk to Mulgabbie whilst ensuring maximum on-going viability and long-term profitability for both Mulgabbie and Barra.

Table 4: Burbanks Gold Resource at Varying Gold Cut-off Grades

Gold Cut-Off g/t	Indicated Resource Category		Inferred Resource Category		Total Resource		
	Tonnage	Ave/G*	Tonnage	Ave/G*	Tonnage	Ave/G*	Ounces
1.0	250,000	3.43	141,000	2.92	391,000	3.24	40,800
1.5	224,000	3.68	126,000	3.12	349,000	3.48	39,100
2.0	184,000	4.10	105,000	3.39	289,000	3.84	35,700
2.5	143,000	4.63	77,000	3.81	219,000	4.34	30,600
3.0	108,000	5.23	51,000	4.34	159,000	4.95	25,400
4.0	66,000	6.38	22,000	5.53	88,000	6.17	17,500
5.0	43,000	7.43	11,000	6.80	53,000	7.31	12,500

Note: *Avg/G denotes the average block gold grade estimate in grams per tonne. Table above show rounded tonnages. This may cause some apparent computational discrepancies.

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Mining will focus on the higher grade components of Burbanks Tailor Shoot, Dahmu Reef, Eastern Reef and Jesson Reef (**Figure 6**), utilising hand held and smaller mechanised mining and stoping methods.

These techniques limit dilution and maximise grade, significantly reducing mining costs. Mulgabbie have estimated mining costs in the order of A\$600 to \$700 per ounce, providing for a potential profit margin in the order of A\$500-\$600

per ounce based on current gold prices of around A\$1,200 per ounce.

The first tribute ore parcel of 2,075 tonnes of Burbanks underground ore was successfully treated at the Ramelius Burbanks mill. From that parcel of ore a total of 323.214 ounces has been sold on the spot market for \$375,755 with profit distribution pending. Tribute mining is continuing with a total of 1,500 tonnes of

high grade ore (estimated at 8 grams per tonne gold) on the surface at present.

Mulgabbie will concentrate its initial mining efforts within the 3 grams per tonne cut-off resource which comprises 108,000 tonnes grading 5.23 grams per tonne in the Indicated category and 51,000 tonnes grading 4.34 grams per tonne in the Inferred category (**Table 4**). Mulgabbie is aiming to produce between 5,000 and 7,000 ounces in the next 6 to 12 months.

Figure 6: Burbanks Long Section Showing Resource Location

