



7<sup>th</sup> March 2008

## ASX ANNOUNCEMENT

### Upgraded Resource Estimate, Catho Well Channel Iron Deposit – 79.5Mt @ 55.34% Fe

The West Pilbara - Mt Stuart Joint Venture (Australian Premium Iron Joint Venture (API), 70% and Managers, and Cullen Resources Limited, 30%) is pleased to announce an increase of the Resource Estimate for its Catho Well Channel Iron Deposit (CID) from 68Mt to **79.5Mt @ 55.34% Fe** – see Table. The revised Catho Well resource estimate has been compiled by API staff and Golder Associates in accordance with the guidelines of the Australasian Code for reporting of Identified Mineral Resources and Ore Reserves (JORC, 2004), and includes all additional RC drilling completed in calendar 2007. This increase in resource tonnes is primarily attributable to the evaluation of the northern strike extension of the Catho Well channel iron deposit.

**Cullen's attributable share of the Catho Well deposit is 23.85 Mt @ 55.34% Fe.**

**Table: Catho Well CID – Cullen 30% (cut-off grade >52% Fe, S.G. - 2.7)**

Resource Classification	Tonnage (Mt)	Average Grade							
		Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%	Mn%	MgO%	LOI%
Indicated	55.1	55.40	6.67	3.00	0.037	0.016	0.080	0.170	10.32
Inferred	24.4	55.20	7.06	3.18	0.036	0.016	0.080	0.170	9.99
<b>Total</b>	<b>79.5</b>	<b>55.34</b>	<b>6.79</b>	<b>3.06</b>	<b>0.037</b>	<b>0.016</b>	<b>0.080</b>	<b>0.170</b>	<b>10.22</b>

The average phosphorous levels at Catho Well (0.037%) and the average alumina levels (3.06%) are favourable characteristics of this material and there may be the opportunity to blend this resource with other resources in the area in order to manage potential product specifications.

In terms of Mine Planning for Catho Well, API has completed the first phase of environmental surveying, with the second phase due to be completed in the first half of 2008. A programme of groundwater exploration will also extend through this period, with metallurgical testing of diamond core samples on-going and plans for bulk sampling to provide further samples for metallurgical test work.

**Dr. Chris Ringrose**  
**Managing Director**

For further information, please contact Chris Ringrose on: +61 (8) 9474 5511

**Competent Person Statement** - The information in this announcement that relates to Mineral Resources is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is a full-time employee of Australian Premium Iron. Dr Khosrowshahi and Mr Kalla are employees of Golder Associates Pty Ltd. Messrs Tuckey, Khosrowshahi and Kalla have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey, Dr Khosrowshahi and Mr Kalla consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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## Annexure A

### Estimation Process

#### **Geological Interpretation**

API completed three-dimensional geological interpretation and modelling for all deposits. The interpreted geological boundaries are based on drill hole data, surface mapping and constraining topography.

Summary of total drilling by deposit.

<b>Deposit</b>	<b>Number of Drill Holes</b>	<b>Metres Drilled</b>
Catho Well	231	6282

Mineralised envelopes were defined by geological / assay boundaries at notional +52% Fe cut off for the pisolitic channel iron deposits.

The mineralised zones were used to define spatial regions for statistical and geostatistical analysis.

For statistical data analysis, exploration data was composited to 2m downhole lengths. Analysis was based on eight assay variables: Fe, P, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, S, Mn, MgO and LOI (LOI 1000°C) all expressed as percentages. The 2m composites were flagged to the geological interpretations and statistical analysis performed by the domain.

An appropriate QA/QC programme incorporating inclusion of Standard and Duplicate samples within sample sequence has been routinely undertaken. Directional grade variography was completed for all domains in all the deposits, to provide parameters for the Ordinary Kriging method used for resource estimation.

For grade estimation of the CID's a minimum of three passes of increasing search distances was employed to interpolate all the blocks within the ore and waste domains. Larger search passes were used, when required, to fill blocks located in model extremities.

#### **Block Model**

Geological block models were constructed for each deposit using a parent block size of 25m x 25m x 2m and sub-block cell size of 5m x 5m x 2m. Geological domains were used to constrain the block model.

#### **Density**

Varying densities were applied to respective deposits based of specific gravity determinations, weathering intensity, ore types and the variability between deposit mineralogy.

<b>Deposit</b>	<b>Density</b>
Catho Well	2.7

#### **Classification**

Classification of the resource estimates was completed by Golder Associates based principally on the confidence in the geological interpretation and the density of data. Measured, Indicated and Inferred categories have been defined.

#### **Cut-off Grades**

The Catho Well resource estimate has been reported at a greater than 52% iron cut-off. The cut-off has been determined from grade tonnage curves. No deleterious element cuts (namely alumina) have been applied.

## **Reporting**

This resource estimate has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). The resource statement will be signed off by Mr Stuart Tuckey, as an employee of API, and Mr Jani Kalla and Mr Sia Khosrowshahi of Golder Associates. All are members of the Australasian Institute of Mining and Metallurgy and have the appropriate experience in the evaluation of such deposits.