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Duralie Extension

As noted in the Quarterly Production Report released on 27 January 2011, the Company received environmental and planning approvals for the Duralie Extension Project in December 2010, followed by Mining Lease ML1646 in January 2011.

An objector has commenced a merit appeal challenge in the NSW Land and Environment Court against the NSW Planning Minister's grant of the environmental approvals for the Duralie Extension.

The Company considers that the measures it has committed to and implemented as part of its environmental obligations under the approvals that it has received should position it well to successfully defend the challenge.

During the currency of the merit appeal challenge, the Company is entitled to continue to rely on the environmental approval to carry out its operations in the Duralie Extension area.