

**SUMMARY REPORT
BY
INDEPENDENT QUALIFIED PERSON**

**BARBROOK GOLD MINE LIMITED,
MPUMALANGA PROVINCE, SOUTH AFRICA**

**Prepared by Applied Geology Services cc
on behalf of
Caledonia Mining Corporation
31st March 2005**

**The complete Independent Qualified Person's Report (dated May 2004)
may be viewed on this company's website.**

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SUMMARY

Barbrook Mines Ltd holds title to a Mining Authorization covering 2,286 hectare in extent in the Barberton District of South Africa. The Mining Authorization area hosts numerous small gold deposits collectively known as the Barbrook Mine. Mining activities started in the area in 1885 and have continued intermittently since then, culminating in the consolidation of the Barbrook mines in 1975.

For a brief period Maid O' the Mist operated the mine before Caledonia Mining Corporation acquired control in 1995. Operations continued until 1997 when low head grades caused by the mass mining methods forced the mine to close pending a re-assessment of the reserves and resources. The mineral resources were re-evaluated in 2001-2 and following a recommendation to commence with trial mining, Caledonia re-started operations in 2002. For the period to December 2004, Barbrook milled 44,175 tonnes at a milled head grade of 4.5 g/t.

Barbrook ore bodies are typical Archean gold deposits occurring as near vertical shoots in the Barberton Greenstone Belt which is host to a number of significant gold mines, viz. Sheba, Fairview and Consort mines. The mineralized shoots tend to be vertically continuous in this environment and Barbrook is considered to have potential resources down to 1,000 m below existing levels. Some 60 mineralized structures have been defined by exploration, mainly on-reef development. While many of these are currently uneconomic, a number of large bodies along the Barbrook and Zwartkoppie lines contain substantial mineral resources. French Bob, Victory, Daylight and Taylors are the main bodies of economic interest.

The ores are refractory on account of the fine dissemination of gold in sulphides as well as the associated organic carbon. Overall metallurgical gold recoveries were reported to have been generally less than 50% during 2004 and are largely attributed to mechanical breakdowns, the complex refractory ore and preg-robbing free carbon. This is reported to have necessitated a substantial re-engineering of the plant during 2004 and early 2005.

Mineral Reserve and Resource estimates have been updated to reflect the situation as at 31 December 2004 based largely on exposures made during the course of the year. Proven and Probable Reserves amount to 236,000 tonnes at 6.0 g/t while Measured and Indicated Resources are estimated at 1,704,000 tonnes at an in situ grade of 4.7 g/t. Relative to the 2003 estimate, Reserves and Resources declined by approximately 3% owing to various factors including depletion, downgrading of certain blocks and loss of old pillars due to dangerous mining conditions. Proven Reserves, however, increased in 2004 as a result of improved definition of mineralized areas exposed by development. Barbrook's reserves are sufficient to last the mine 24 months at the planned mill throughput rate of 10,000 tonnes per month, during which time ongoing exploration is expected to convert part of the above Resources to Reserves as new zones are exposed.

Key mining and exploration activities planned for 2005 include the sinking of an incline shaft at French Bob and Taylors to access the next 150 m vertical section of the ore body. The mine plan is to expand the current production of 6,000 tpm to 10,000 tpm by July 2005 while keeping the target head grade at 5.5 g/t.

4. INTRODUCTION AND TERMS OF REFERENCE

4.1 Scope of the Report

Applied Geology Services cc (AG) has been commissioned by Caledonia Mining Corporation (Caledonia) to prepare a Summary Report for 2004 to update the Independent Qualified Persons Report on the Barbrook Gold Mine submitted for 2003. This report is prepared to comply with disclosure and reporting requirements set forth in Canadian National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1.

The report complies with Canadian National Instrument 43-101, for the 'Standards of Disclosure for Mineral Projects' of February 2001 (the Instrument). This report has also been prepared in accordance with the 'Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports' of 1998 (the Valmin Code) as accepted by the South African Institute of Mining and Metallurgy (SAIMM). In case of conflict, Instrument 43-101 applies.

4.2 Principal Sources of Information

In addition to site visits undertaken to the Barbrook Gold Mine in 2004 the author of this report has relied extensively on information provided by Barbrook Mine including technical reports, press releases and stock exchange announcements. This information is complimented by discussions with Barbrook management.

Applied Geology Services cc has made all reasonable enquiries to establish the completeness and authenticity of the information provided and identified, and a final draft of this report was provided to Caledonia, along with a written request to identify any material errors or omissions, prior to lodgement.

4.3 Qualifications and Experience

The primary author of this report is Mr David Grant, who is a professional geologist with 28 years experience in the mining and exploration industries including exploration and evaluation of mineral properties. He is registered as a Professional Earth Scientist with the South African Council of Natural Science, a Fellow of the Geological Society of South Africa, a Fellow of the Geological Society of London and verified by this institution as a Chartered Geologist. The author is the Principal of AG, and has the appropriate relevant qualifications, experience and independence to be considered a Qualified Person as defined in Canadian National Instrument 43-101.

4.4 Independence

Neither Applied Geology Services cc, nor the author of this report, have or have had previously any material interest in Barbrook Gold Mine or related entities. My relationship with Barbrook is solely one of professional association between client and independent consultant. This report is prepared in return for fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results expressed in this report.

5. DISCLAIMER

This document contains certain statements that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

Assessment of these aspects has relied on information provided by Barbrook Gold Mine and Caledonia Mining Corporation and has not been independently verified by Applied Geology Services cc.

No warranty or guarantee, be it express or implied, is made by Applied Geology Services cc with respect to the completeness or accuracy of the legal aspects of this document. Applied Geology Services cc does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of these parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

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Thursday, 31 March 2005

This serves to confirm that the Independent Qualified Persons Report for Barbrook Mines Limited, Mpumalanga Province, South Africa for 2004 and dated 31 March 2005 was prepared by me, with the assistance of Dr Trevor Pearton.



David Grant
Member

BSc(Spec Hons) MSc(Min Ex) Pr. Sci. Nat. FGS CGeol

6. PROPERTY DESCRIPTION AND LOCATION

The Mining Authorization held by Barbrook Mines Limited is situated in the Magisterial District of Barberton, Mpumalanga Province, South Africa and is located 25° 43' S latitude and 31° 17' E longitude (Figure 6.1).

The Mining Authorization area covers 2286 hectares in extent comprising portions of the farms Covington 345 JU, Colombo 365 JU, Lot 173 Section A Kaap Block, Lancaster

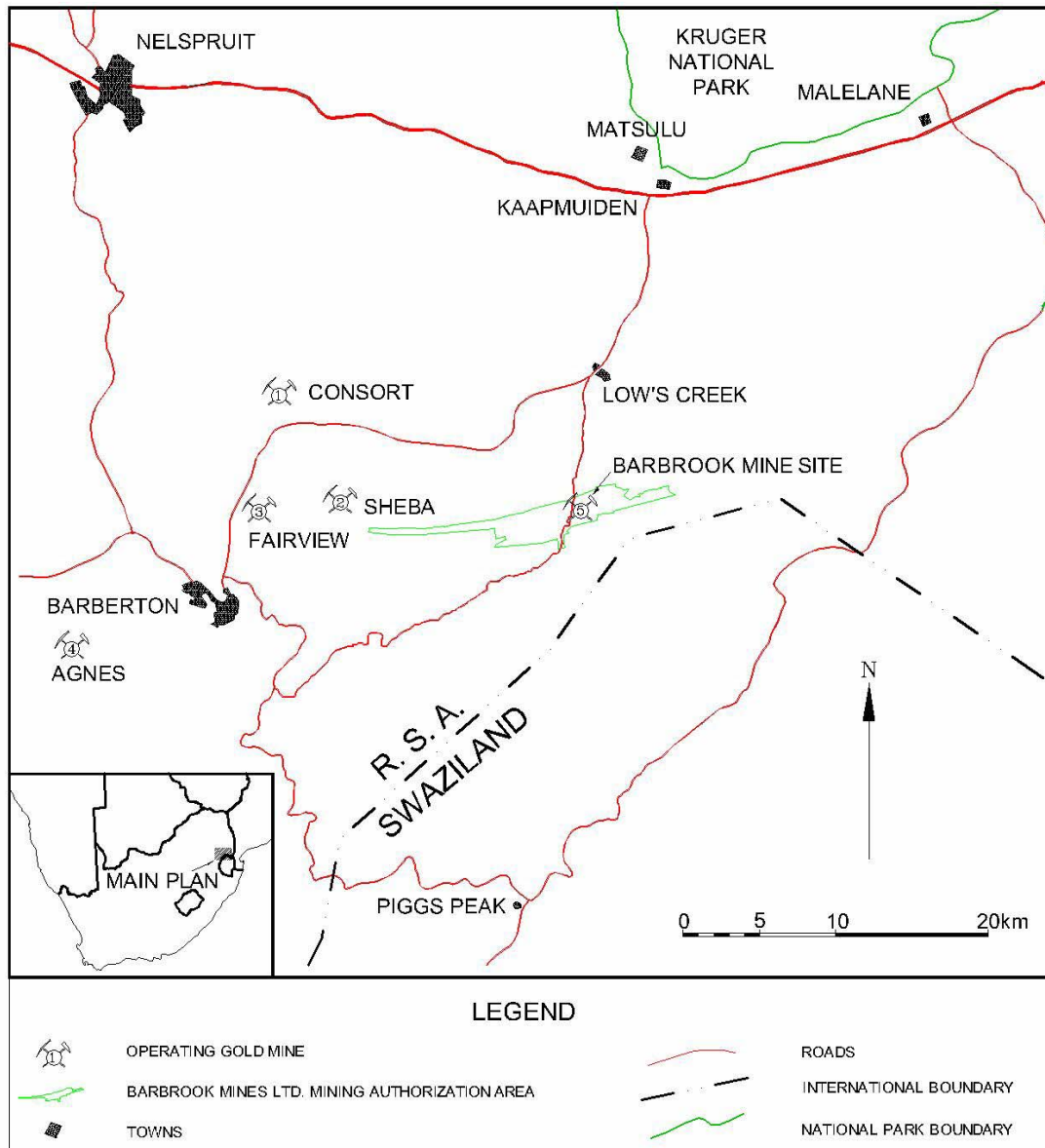


Figure 6.2 Locality Map of Barbrook Mine

359 JU, Lots 193, 194, 195, 196, 197, 198 Section A Kaap Block, Dagbreek 327 JU, Oorsprong 326 JU, Waaibevel 360 JU and Mistlands 329 JU (see Figure 6.2).

7. MINERALIZATION

Of the more than 60 ore shoots of varying dimensions and extent known to exist in the Mining Lease area, current activities are focussed on a group of centrally situated ore shoots believed to host the bulk of the gold mineralization in the area.

The Barbrook Line is a sheared, banded iron formation unit in which ore shoots occur along shear zones that have been silicified and contain sulphide minerals. The main bodies are Taylors Central, French Bobs, Thwalas Splay and Crescent Structure.

Mineralization characteristics of the Zwartkoppie Line differ from the above in that the gold bearing shears are not silicified and contain abundant free carbon. The main ore shoots here are Daylight and Victory reefs.

8. EXPLORATION

All exploration activities were confined to underground sections of Barbrook Mines. This strategy is employed to follow the down dip extensions of known mineralised steeply-dipping structures that have already been exploited near to surface.

Exploration development was started in January 2004 and continues to expose new mineralised areas. A total of 1,936 metres were developed during 2004 with the aim of reaching and exposing extensions of known ore zones as well as new ore zones. This program has enabled the mine to add new ore reserves in the Taylors ore zone while the shoots in the Victory and Crescent sections are still being accessed on the 10 level elevation.

9. DRILLING

The mine continues to employ diamond drilling aimed at improving the definition of current mining areas and examining additional mineralised zones in the sidewalls. The core size is 32mm diameter (AQ) and the holes seldom exceed 50 m in length. This core is sampled according to lithology with particular attention being paid to sulphide bearing shear zones. Sample lengths vary between 20 cm and 50 cm but are mostly in the order of 30 cm. Whole core is sent for assay and only core logs are kept as a record of the holes. This drilling forms part of the evaluation program of mining areas and hence is not reported on as a separate activity. This drilling program is carried out by Barbrook employees.

A deep drilling program was commenced in 2004 to define the main French Bob mineralised zone between 50 m and 200 m below the lowest level of development. An independent contractor was employed to drill 5 BQ (48 mm diameter) holes. This programme is still being evaluated and will be reported on separately once completed.

10. SAMPLE PREPARATION, ANALYSIS and SECURITY

An assay laboratory on the mine has in the past been responsible for all routine mine assays. This laboratory is a Barbrook department and staffed by Barbrook personnel. Difficulties have been experienced in terms of both turnaround time and assay costs and therefore the mine is currently contracting this service out to Super Laboratory Services (SLS) on a trial basis. SLS is an independent analytical laboratory with a local office.

The trial period will run to the end of June 2005, during which time Barbrook Mines Ltd will submit its own standards and recycled duplicates to monitor the accuracy and repeatability of the SLS fire assay procedure. Barbrook monitors these control samples at its own laboratory and will also submit a full set to SGS Lakefield for an independent control. Regular visits (3 to 4 weekly) are carried out by Barbrook representatives, without prior consultation, in order to assess the adherence to stated procedures.

Only production samples, i.e. underground development and stope chip samples and metallurgical plant samples, will be sent to SLS. Samples generated by exploration activities or critical metallurgical research tests will continue to be submitted to SGS Lakefield for assay.

11. MINERAL PROCESSING and METALLURGICAL TESTING

Barbrook ores are refractory and the gold is very finely distributed within the sulphide minerals. Consequently, a very fine grind is required to liberate the gold for cyanidation. Metallurgical tests have shown that the most economical gold extraction on Barbrook ores can be achieved by direct cyanidation of a float concentrate milled to 80% minus 38 µm.

Metallurgical difficulties experienced during the course the year, viz.

- mechanical breakdowns in the plant;
- preg-robbing of the gold by free carbon;
- complex refractory nature of the ore,

have resulted in the plant not reaching equilibrium operating conditions. Consequently, it is difficult to provide any authoritative comment as to the general operating conditions of the reduction works during 2004.

The current mining plan is based on a metallurgical recovery of 65%. In view of the fact that the impact of the above changes are still being evaluated, we believe that a quantitative comment regarding the final metallurgical recovery is premature and beyond the mandate (terms of reference) of this report.

12. MINERAL RESOURCE and MINERAL RESERVE ESTIMATES

This section has been estimated by David Grant BSc(Hons) , C Geol, FGS, Pr. Sci. Nat. assisted by Trevor N. Pearton BSc(Eng) Mining Geol., PhD, FGSA Director, Barbrook Mines Limited.

12.1 Key Assumptions, Methods and Parameters

12.1.1 Geological

Greenstone gold deposits are known from the Archean terranes of Canada, Australia, Southern and Northern Africa and India. These deposits have broadly similar characteristics and were formed in essentially the same manner. Consequently, the principles governing their valuation are generally applicable to deposits of this type.

In assessing the potential of an undeveloped mineralised zone, careful consideration is given to the nature of gold occurrences in nearby mines with similar lithological associations especially the behaviour of gold mineralization with depth.

12.1.2 Economic Factors

Reserves and Resource estimates have been estimated based on current information as at 31 December 2004. The gold price prevailing at the time was US\$ 430 per ounce and the Rand/US\$ exchange rate 6.0, thus equating to a Rand gold price of approximately R82,000 per kilogram.

12.1.3 Mining Factors

Dilution:

Reserve tonnages are expressed inclusive of internal waste and diluting materials. In the case of the broad ore bodies that are mined by underhand methods, tight controls are exercised over sidewall stability and dilution. A combination of roof bolting and tight grade control has contained dilution to a minimum. For reserve estimation purposes, a dilution of 6% at the average residual grade of the block model has been used in the calculations.

Shrinkage mining has been practiced in the past and will be used again for the narrow ore bodies. Production data over the period of one year has shown that dilution contributes 12% on average to these tonnages. For the purposes of reserve calculation, a higher than normal dilution of 20% at zero grade has been applied to this reserve estimate in order to cater for the narrow width of the orebody.

Specific Gravity:

The banded iron formation rock type which hosts the mineralization is essentially a combination of two minerals, siderite (SG 3.9) and quartz (SG 2.65) in roughly equal proportions. The high iron content of the ore leads to the formation of large amounts of sulphide minerals that also have a high specific gravity. As a result the sulphide ores are more dense than the country rock. A weighted average of the various ore types encountered gives an average SG for the ore of between 2.9 and 3.0. A value of 2.9 has therefore been used in all mineral resource and reserve calculations.

12.1.4 Sources of information

Barbrook mine has been operated since 1989, during which period much drilling and development has been accomplished. These exposures have provided ample opportunity for the previous operators of the mine to define zones of mineralization. Subsequent mining of selected “ore zones” further increased the amount of information available for assessment of the mineralised zones. In the preparation of the mineral resource estimate, use has been made of the information obtained by previous operators of the mine, viz. mining widths, stretch lengths, and grades. While in many instances it has not been possible to verify the information on account of the inaccessibility of the workings, a review of the procedures followed by the previous operators, particularly with regard to re-sampling of the old workings confirms the validity of this information. These data are captured on plans stored on the mine. As far as the following estimates are concerned, historical information of this type has been used only in the estimation of Resource categories especially those classified as indicated and inferred.

12.1.5 Data Processing

All reserve estimations have as their basis a simulated model of the mineralised body using a proprietary computer software package (Surpac Vision). What follows is a general case treatment of data used in the estimation of reserves.

Assay data is captured for both drill holes and sample channels as continuous cores which suit the calculation methodology of Surpac Vision. Subsequent to the validation of the data, gold assay data was normalised to 0.50 m intervals (input sample lengths range essentially between 0.3 and 0.5 m). The data were not cut or modified in any way other than the above normalization. A block model was configured around the French Bob mineralised zone, extending from an elevation of 540m above sea level to 830m a.m.s.l., including the full vertical extent of detailed sampling information of the body. Block grade estimation was performed using the inverse distance square method. The maximum block size for this exercise was 2 m along strike by 5 m down plunge by 1 m across strike, i.e. a volume of 10 cubic metres with a mass of 29 tonnes. The software has the facility for sub blocking down to two levels, i.e. a minimum sub block of 1.25 x 0.5 x .25 m with a mass of 0.45 tonne. The dimensions and orientation of the block unit was designed to approximate the orientation of the mineralised shoots and provide a realistic search ellipsoid in the estimation of the gold grade of the individual blocks.

The normalised gold assay data was then displayed on the screen at various lower cut off limits, thereby enabling the viewer to link the mineralised zones by viewing the model in three-dimensional space. For each level of information that included borehole and channel samples, the **zone of mineralization** defined by contiguous high grades was

outlined with a perimeter defined by a Surpac string file. A strict minimum grade cut off was not applied in order to preserve the continuity through weakly mineralised zones. The “perimeters” were then connected vertically to form a “solid” simulating the shape of the best-mineralised sections of the French Bob shoots. This “solid” was situated within the block model and is therefore fully defined by the blocks of the model. Since this defined mineralised zone normally has a grade lower than the economic grade for the mine, it can only be considered as a Measured Resource.

In order to define a Proven Reserve, a more detailed analysis of the mineralised zone was undertaken. Based on the distribution of grades in the block model, a high-grade zone continuous from level to level was defined. This high-grade zone was delineated in such a manner as to simulate practical mining of the zone and was inclusive of all waste and low-grade material. The test for Proven Reserve status was that the contained material would have an overall grade of 5.83g/t excluding dilution of 6%. Those blocks that satisfied this constraint were included in the Proven Reserve category while those sections not qualifying remained in the Measured Resource category.

12.2 Mineral Resources

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The resource base of Barbrook mine is an estimate of the total amount of gold bearing rock that has the potential to be recovered under circumstances of economic recovery from all known occurrences over a realistic life of the mine. No account has been taken of potential additional sources that may arise as a result of current or planned exploration programmes.

Inferred Mineral Resource

An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Inferred Mineral Resources are the broadest category of resource. In determining the extent of the material to be included in this class, consideration is given to the depth extent of economic mineralization at the neighbouring mines in similar geological environments. At both the Consort and Sheba complexes, mineralised zones have continued to depths in excess of 1500 m below surface where mining is currently taking place. On this basis it has been assumed that the established mineralised zones at Barbrook could also continue to similar depths. A depth of 1000 m below 10 Level adit elevation has been used in the past as the limit for inferred mineral resource estimates at Barbrook mine. BML carried out a preliminary test for vertical continuity in 1984. Two deep holes, one each at Crown and Maid of the Mist, were drilled to test the reef zone at 600 m below surface. The holes intersected 16.09 g/t over 110 cm and 5.77 g/t over 303

cm respectively, confirming that deep mineralization does exist. In view of the above findings and experience in this terrain, 1000 m below 10 Level is used as the limit for the estimation of Inferred Resources.

Materials included are the individual shoots defined by “stretches” of values above 3 g/t as defined by sampled underground development. Isolated zones exceeding 3g/t that have been indicated by diamond drilling alone have not been included.

Reef zones which are known to be discontinuous in a vertical sense, have been discounted by between 20% and 75% depending on the estimator’s confidence in the reef continuity. Those portions of the Mineral Resource that fall into other categories are excluded from the inferred resources.

The inferred resources are scattered throughout the Barbrook mining property.

INFERRED RESOURCES	TONNES	GRADE	IN SITU GOLD	
			kg	k oz
SECTION	metric	g/t		
Oxides (near surface)	840,000	1.85	1,550	50
Above 7 Level	338,300	5.35	1,810	58
7 Level to 10 Level	563,700	6.11	3,444	111
Below 10 Level	7,040,000	6.22	43,790	1,408
TOTAL	8,782,000	5.76	50,600	1,627

Indicated Mineral Resource

An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Indicated Mineral Resources refer to those areas of gold enrichment that lie beyond the areas of current mining, or occur in shoot extensions of areas currently known to be economic. In quantifying these resources, a maximum distance of 100 m down dip of a Proven Reserve or Measured Resource is used in conjunction with the measured parameters of the material in the exposed areas. Typically, in the case of a new mine, Inferred Resources can be an order of magnitude greater than Indicated Resources.

The greater part of this category of resources lies in the Daylight and Victory sections of Barbrook which have been defined by underground development and incomplete drilling. Basic infrastructure remains and there are plans to connect the underground development from Taylors and French Bobs with the underground workings. A mine plan has not yet been established for the Daylight and Victory Sections. Other sources included in this category are those mineralized zones exposed by development in sections of the mine which are not currently open for examination and which do not have installed services to allow for exploitation in the current mining plan.

INDICATED RESOURCES	TONNES	GRADE	IN SITU GOLD	
			SECTION	metric
Oxides (near surface)	383,600	2.95	1,130	36.3
Above 7 Level	421,800	6.62	2,791	89.7
7 Level to 10 Level	234,900	7.48	1,757	56.5
Below 10 Level	200,000	4.84	968	31.1
TOTAL	1,240,300	5.36	6,647	213.7

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Measured Mineral Resources constitute that portion of the resource for which reliable information has been obtained but which has not yet been demonstrated to be economic. As such they are restricted to the lower grade and sub-economic peripheries of Mineral Reserves that are currently being mined or developed. Also included are previously developed lower grade materials that have been quantified but not mined.

Resources in this category occur mostly in areas of intense mining and drilling activity that have defined significant tonnages of mineralization but at grades that are currently subeconomic.

MEASURED RESOURCES	TONNES	GRADE	IN SITU GOLD	
			SECTION	metric
Oxides (near surface)	285,000	2.29	653	21.0
Above 7 Level	20,600	4.24	87	2.8
7 Level to 10 Level	88,400	4.14	366	11.8
Below 10 Level	70,000	3.58	251	8.1
TOTAL	464,000	2.93	1,357	43.6

12.3 Mineral Reserves

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

In keeping with the definitions, the key test for reserves is economic viability. This implies that grade criteria be satisfied as well as ground conditions and accessibility such that there is every likelihood that the material will be economic.

Probable Mineral Reserve

A 'Probable Mineral Reserve' is the economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Probable Mineral Reserves include those resources for which sufficient information is known to be reasonably sure that the material exists as estimated and that it has been demonstrated to be economic under these parameters. Typically, this material forms the extension of Proven Reserves or has been exposed on at least one side and is defined by a cut off grade of 3.5 g/t.

Where reserves are considered below the lowest level of mining, payable shoots are extended 50 m below the lowest level, if supported by drill hole data, and with provision having been made for a 10 m crown pillar (5 m in the case of narrow ore bodies). These reserves lie in the French Bob Section.

PROBABLE RESERVES	TONNES	GRADE	IN SITU GOLD	
SECTION	metric	g/t	kg	oz
Above 7 Level	30,075	5.72	172	5,533
7 Level to 10 Level	4,872	6.00	29	940
Below 10 Level	10,000	8.16	82	2,624
TOTAL	44,947	6.29	283	9,097

Proven Mineral Reserve

A 'Proven Mineral Reserve' is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Proven Mineral Reserves, being that material reported at the highest level of confidence, are restricted to those portions of the ore zones that have been fully investigated and which have been demonstrated to be economically viable. An estimate of grade and

tonnage is made based on all available assay data, both from chip sampling of development ends and from diamond drill core.

Included in the Proven category is material, which although well defined, is immediately unavailable for mining because of its strategic location, e.g. slusher and crown pillars. This material will, however, be mined in future when its current function is no longer required. Only those portions which can be safely mined in this way have been included in the Proven category.

PROVEN RESERVES SECTION	TONNES metric	GRADE g/t	IN SITU GOLD	
			kg	oz
Above 7 Level	32,000	5.20	166	5,350
7 Level to 10 Level	101,400	5.70	578	18,593
Below 10 Level	57,800	6.53	377	12,135
TOTAL	191,200	5.87	1,122	36,078

12.4 Discussion

Overall Reserves declined marginally year-on-year (-3.6%) owing mainly to the fall in probable reserves following the transfer of some of the bodies to the resource category and the discounting of others based on exploration results. Proven Ore Reserves, however, increased slightly as new ore reserves defined in the French Bobs and Taylors sections outweighed the tonnage stopped during the year. Of the 44,000 tonnes milled, about 31,000 tonnes was derived from stoping sources, of which some 9,000 tonnes was sourced from NIR blocks. The remaining 13,000 tonnes was derived from reef development ends, which accounts in part for the lower than planned milled grade.

RESERVE SUMMARY	TONNES	GRADE	IN SITU GOLD	
Category	metric	g/t	kg	k oz
Proven Reserve 2003	188,000	5.84	1,098	35.3
Proven Reserve 2004	191,200	5.87	1,122	36.1
YoY change	+3,200		+24	+0.8
Probable Reserve 2003	55,200	6.35	351	11.3
Probable Reserve 2004	45,000	6.29	283	9.1
YoY change	-10,200		-67	-2.2
Reserve Change	-7,000		-43	-1.4

Resources (both Measured and Indicated) decreased relative to 2003. Overall, the decline was about 3% and follows the write down of ore pillars made inaccessible by the collapse of old workings, as well as the downgrading of some mineralised zones in the Indicated category.

RESOURCE SUMMARY	TONNES	GRADE	IN SITU GOLD	
Category	metric	g/t	kg	k oz
Measured Resource 2003	474,000	2.94	1,394	44.8
Measured Resource 2004	464,000	2.93	1,360	43.7
YoY change	-10,000		-34	-1.1
Indicated Resource 2003	1,285,000	5.58	7,170	230.5
Indicated Resource 2004	1,241,000	5.36	6,652	213.9
YoY change	-44,000		-519	-16.7
Resource Change	-54,000		-553	-17.8

13. CONCLUSIONS

In the order of 60 different bodies of gold mineralization have been recognised in the Barbrook Mines Limited Mining Authorisation. Many of these are small with negligible economic significance while others may be the same body that has been structurally dismembered. Other bodies are larger with good economic potential and these have attracted the attention of both early and current exploration and mining.

The larger bodies of mineralization including Taylors section, French Bob, Thwalas splay, and the Crescent Structure on the Barbrook line, and Daylight and Victory reefs on the Zwartkoppie Line are the areas being actively explored at present.

Surface and underground drilling as well as mapping and sampling underground mining and exploration development have delineated reserve and resource blocks in the French Bob ore body, as well as resource blocks in and around the other major deposits. Proven and probable reserves amount to 236,000 tonnes at 6.0 g/t and measured and indicated resources amount to 1,704,000 tonnes at 4.7 g/t. Measured resources consist mostly of blocks that are peripheral to the reserve blocks but with sub economic grades whereas indicated resources include higher grade blocks in deposits other than French Bob and for which no mining plan exists. Inferred resources depend mostly on projections of existing mineralization to a depth of 1,000 m below 10 Level supported by two deep boreholes drilled prior to 1993, and the depths reached by neighbouring mines.

Barbrook Mine consists of a plant and operational underground workings accessible via adits on 7 and 10 levels. There are approximately 40 km of underground workings servicing the various deposits within the mine with a further 12.5 km of development on 10 level including a cross-cut from the Barbrook line to the Daylight ore bodies on the Zwartkoppie Line. The elevation of 10 Level is essentially the same as that of the plant and all ore is hauled to the plant on this level. The plant has a capacity of 12,000 tpm but is currently processing ore at the current mining rate of 6,000 tpm. At full plant capacity, currently defined reserves will last for 24 months. Currently, ore is mined by underhand stoping methods but other techniques may be applied where appropriate in the future.

14. DATE

The effective date of this report is 31st December 2004. It was prepared by 31st March 2005.