

ACN 092 471 513

1 September 2015

ASX Release

PENNY'S FIND GOLD DEPOSIT NEW RESOURCE ESTIMATION

470,000 tonnes @ 4.42g/t Au for 66,800oz

An inventory of nearly 67,000 ounces of gold at robust grades has been announced by Empire Resources Ltd ('Empire', ASX code: ERL) under a new 2012 JORC compliant resource estimation for the Company's Penny's Find gold deposit, 50 kilometres northeast of Kalgoorlie in Western Australia.

The new reportable mineral resource of **470,000 tonnes @ 4.42g/t Au** (Table 1) is reported at cut-offs of 0.5g/t Au and 1.5g/t Au to reflect those parts of the total resource which have the potential to be economically viable for extraction by open cut and underground mining methods.

The reportable open cut resource has been estimated to a depth of 100m – see criteria in Appendix 1.

The total in situ mineral resource extends to at least 250m below surface and remains open at depth (Figure 1).

Table 1

Reportable In Situ Mineral Resource by location and cut-off						
	Open Cut (0.5g/t)		Underground(1.5g/t)		Combined	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Indicated	218,000	4.64	84,000	4.90	302,000	4.71
Inferred	82,000	1.79	86,000	5.89	168,000	3.89
TOTAL	300,000	3.86	170,000	5.40	470,000	4.42

The higher average grade for the new resource is due mainly to a more tightly constrained wireframe model which more accurately reflects the outline of higher-grade component of the mineralisation.

The new resource estimation was calculated by DataGeo Geological Consultants and incorporates results from recent metallurgical drilling announced to the ASX on the 21 July 2015. The data, interpretation and techniques utilised in the estimate of the mineral resource are summarised in the Appendix.

Empire Resources Ltd holds 60% equity in the Penny's Find gold deposit with Brimstone Resources Ltd holding the remaining 40% equity in the project.

For personal use only

High grade, coarse gold mineralization at Penny's Find is hosted by quartz veins at the contact between shale and basalt.

Preliminary metallurgical test work has shown both oxide and fresh mineralization to be free milling with a high gravity recoverable gold component of >60% and a total gold recovery of >96%.

The Penny's Find gold deposit is situated on granted Mining Lease 27/156.

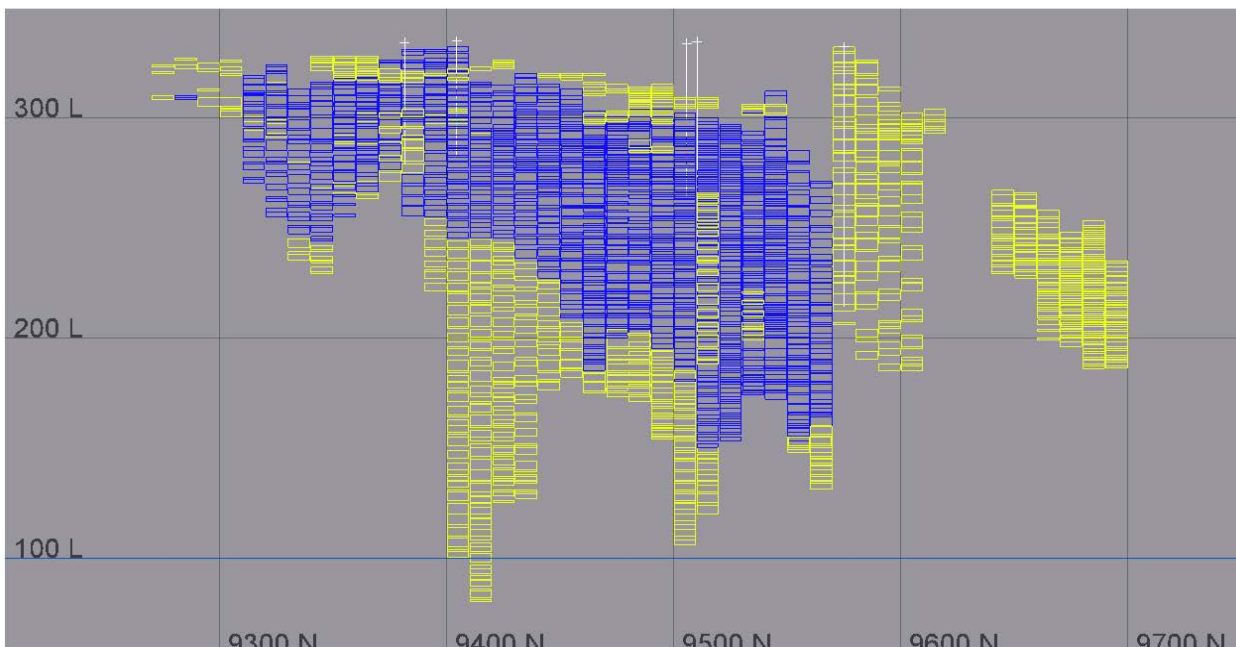


Figure 1: Long Section (looking west) showing all blocks by classification. Blue – Indicated, Yellow – Inferred



Figure 2 – Location Penny's Find deposit

For personal use only

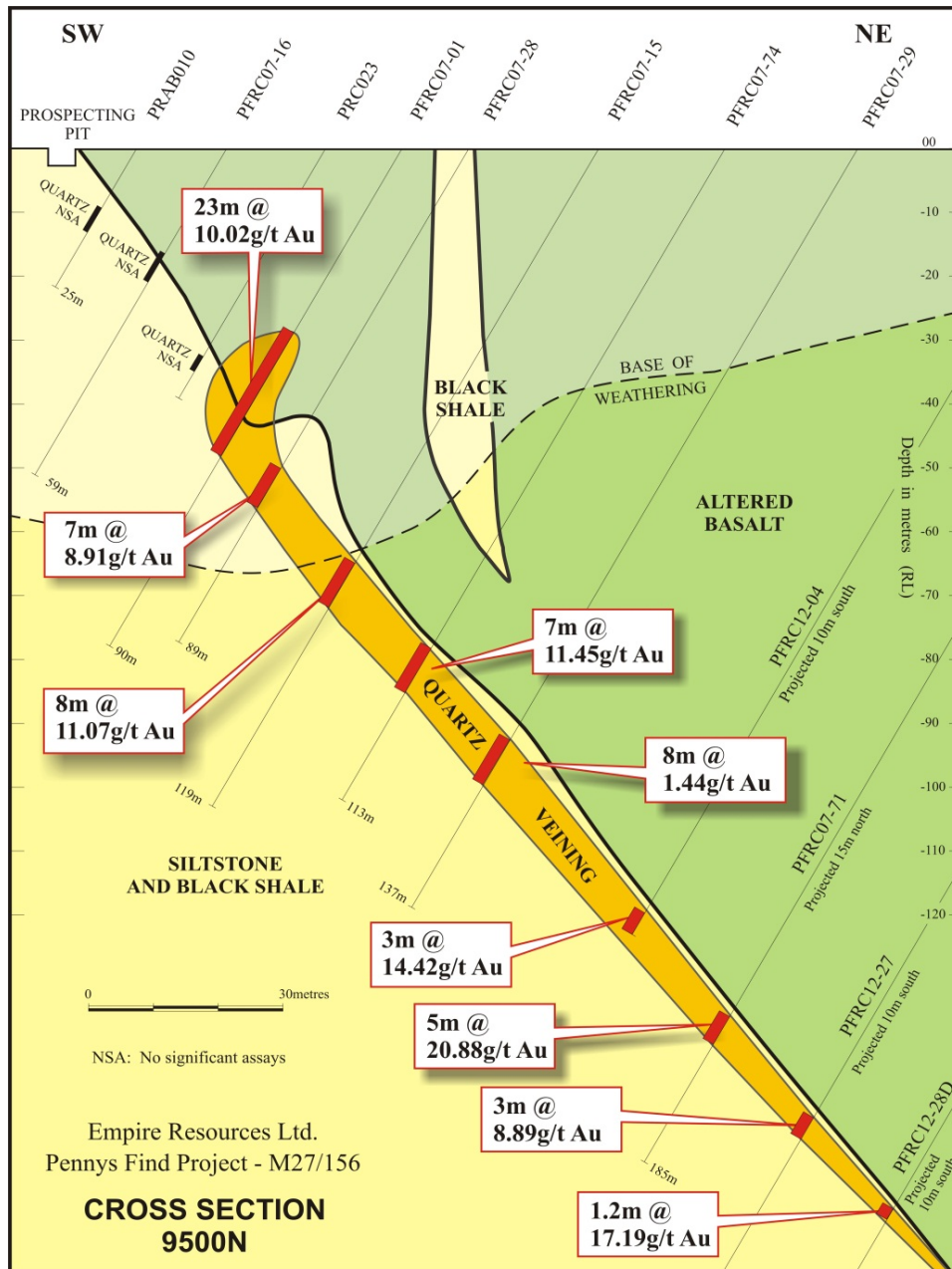


Figure 3

**DAVID SARGEANT
MANAGING DIRECTOR**

For further information on the Company, visit www.resourcesempire.com.au

David Sargeant – Managing Director
Adrian Jessup – Executive Director

Phone: +61 8 9361 3100
Phone: +61 8 9361 3100

Mineral Resource Estimate

The information in this release concerning the Mineral Resources for the Penny's Find Deposit have been estimated by Mr Peter Ball B.Sc who is a director of DataGeo Geological Consultants and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Ball has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ball consents to the inclusion in this public release of the matters based on his information in the form and context in which it appears.

APPENDIX 1 JORC Code 2012 - Table 1

Section 1 : Sampling Techniques and Data		
Criteria	Explanation	Comments
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> 	<p>The deposit has been drilled and sampled by diamond coring, reverse circulation and rotary air blast methods with holes on variable spacings over a 500m strike length, the closest being a 20mE x 10m N grid. The total metres of the 109 RC and diamond holes used in mineral resource estimation is 11,754m. The holes are drilled mostly to the west to intersect the relatively steeply east dipping north-south orientated mineralisation.</p>
	<ul style="list-style-type: none"> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> 	<p>Initial RAB and shallow RC drilling targeted the areas of old workings and identified near surface mineralisation. This was supplemented by deeper drilling to highlight the mineralisation within the Shear zone. The RC samples are collected from the cyclone of the rig with some split to smaller samples using a rotary or cone splitter attached to the cyclone or spear sampled from the large sample. Sample representivity was governed by sample recovery which can be erratic in wet conditions. Diamond core was collected into core trays with acceptable recovery.</p>
	<ul style="list-style-type: none"> <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<p>The diamond core was HQ sized near surface and NQ sized in the mineralised zones. Core was halved and 1/2 sent for sample preparation by crushing, pulverising and splitting to produce either a 30gm or 40gm charged size dependent on the Laboratory. RC drilling collected samples at 1m intervals down hole. These 1m samples were either composited to 4m intervals by spear sampling or submitted as 1m samples each of approximately 2.5 to 4Kg. These samples were dried, crushed and pulverised and either a 30gm, 40gm or 50gm sub-sample (dependent on laboratory) selected for FA assay.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>Diamond drilling (4 surface collared holes and 2 tails to RC holes) is mostly NQ sized through the mineralised zone, the surface holes totalled 1,259m and the two tails 198m. The core was not orientated. The RC holes were all 135mm diameter and drilled with a face sampling bit, the total number of holes is 105 and total metres is 10,296.</p>

For personal use only

Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	The core recovery recorded is length recovered per run, the recovery is in excess of 95%. The RC sample recovery is recorded descriptively as good, medium or poor and that work by weighing samples indicated that good recovery was in excess of 75% and poor recovery was usually less than 25%, this occurred mostly in wet ground.
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	For RC drilling the collar was sealed and air pressure was used to maximise return. The cyclone was cleaned between samples.
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	No assessment has been made of grade v RC sample recovery but based on the descriptive assessment the majority of mineralisation was returned dry and thus usually with good recovery. The competency of the core demonstrates that there should be minimal potential for sampling bias.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	Core and chips have been geologically logged recording lithology, mineralisation, veining, alteration, weathering and some geotechnical features (core only) like RQD. The geological logging is appropriate to the style of the Deposit.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography 	geological logging is both in summary (comments) and detailed by interval for the information listed above.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	the entire length of all diamond and RC holes, apart from surface casing, has been logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	all core to be sampled was 1/2ed using a mechanical saw. It is not known if the core was consistently taken from one side of the stick.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	RC samples are collected from the cyclone into a plastic bucket and then transferred to a sample bag. In addition a smaller sample is split using a rotary or cone splitter attached to the cyclone. The cyclone was cleaned with air and any loose material scrapped off between samples. Sub-samples of the larger samples are taken with a spear.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	All samples (approx. 2.5 to 4Kg for the RC samples and 1/2 NQ core up to 1m long) are provided to a commercial accredited laboratory facility for the preparation of samples using industry standard practises of drying, crushing and pulverising to allow sub-sampling by riffle

		or rotary splitter to a 30 to 50gm charge size.
	<ul style="list-style-type: none"> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> 	Empire did not include Standards or Blanks for the 2007 drill program with their routine samples submitted to the Laboratory but used an Umpire Laboratory and SFA v FA comparisons to provide control on quality. Brimstone included Standards and Blanks at rates of approximately 1 QAQC sample to 12 Routine samples or better. Whilst there was some evidence of bias of the lower grade Standard (1.3g/t) the majority of results can be considered acceptable. Empire included Standards and Blanks in their 2015 drilling campaign at a similar rate to Brimstone.
	<ul style="list-style-type: none"> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> 	Duplicate RC sampling was conducted in 2012 and the results were supportive of the original results. No 1/2nd half core duplicate assay results have been observed.
	<ul style="list-style-type: none"> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	Whilst there is coarse gold in the system the outlier grades returned are not excessive as such the sampling appears to be representative and thus the global grade is being fairly represented.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	The assay techniques applied for the measurement of gold content is appropriate for the determination of the level of gold in the sample. Comparison between SFA and FA methods are reasonable this indicating that the analytical methods adopted report total gold content.
	<ul style="list-style-type: none"> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> 	none applied
	<ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	Standards and Blanks were included at approximately 1 in 12 and 1 in 10 of the number of samples submitted for the recent (2012 and 2015) holes. The results were mixed with the lower grade Standards showing a potential high grade bias (2012 program). Umpire laboratory checking provided support for the original results.

Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	mineralisation intercepts have been determined by previous and current company personnel and appear correct
	<ul style="list-style-type: none"> The use of twinned holes. 	No specific twinning program has been conducted.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols 	primary data was recorded directly onto electronic spread sheets and validated against expected codes. Assay information in electronic form from the laboratories was merged with sample interval data on sample number
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	non applied
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	The collar positions were surveyed by contractors after the completion of the 2012 drilling using an RTKGPS on the GDA 94 Zone 51 Datum and the AHD. This survey included some of the 2007 drill collars which confirmed the location of these holes in the 2007 data set. The orientation and dip at the start of the hole was recorded for all holes. Down hole information was recorded by single shot camera that measured dip only for most RC holes with the exception of later part of the 2007 RC program where azimuth was also measured. The diamond tails were measured for dip and azimuth using a gyroscopic inclinometer. The 2015 drill hole collars were not surveyed post drilling and no down orientation was undertaken due to the holes relatively short length!
	<ul style="list-style-type: none"> Specification of the grid system used. 	The regional grid is GDA94 Zone 51 and the Deposit is laid out on a local grid for a central control point with a 40° rotation.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	Topographic control is taken from contouring the drill hole collar information and applying observations of the site to assist in control.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	Drill spacing varies with position in the deposit from 10mN x 20mE to in excess of 50m.

For personal use only

	<ul style="list-style-type: none"> • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. 	Successive drilling programs have in filled and extended (at depth) the previous drilling and on the majority of occasions drilling has returned mineralisation in the expected locations. This provides a high degree of confidence in the geological continuity. Close spaced drilling provides good support for positioning of the mineralisation by zone.
	<ul style="list-style-type: none"> • Whether sample compositing has been applied. 	The sampling reflects the geological conditions. For mineral resource estimation a 1m composite length was chosen given that this is the dominant sample length.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	The drilling is oriented as best as possible to perpendicular to the structure/geology containing or controlling the mineralisation.
	<ul style="list-style-type: none"> • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	No sampling bias is considered to have been introduced.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	The chain of custody adopted by operators of the project appears appropriate and is based on responsibility and documentation.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	A brief audit of assay records revealed no data errors.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	Explanation	Comments
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. 	<p>There is no data storage system in place. Data from logging, sample submission and the assay laboratory is combined in many spreadsheets. Previously (2014) key holes utilised in the mineral resource assessment had their sample submission and assay laboratory data re-entered and compared to the data within the supplied spreadsheet and no errors were found. Similarly the data from the 2015 was reviewed and found to reflect the field and laboratory data. There has been no exhaustive review just sufficient to give confidence that the data to be utilised is accurate with respect to the supporting information.</p>
	<ul style="list-style-type: none"> Data validation procedures used. 	<p>Data is validated when combined from the various sources described above. The "audits" described above provided sufficient confidence in the data contents to state that it most likely accurately represents the drill information.</p>
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. 	<p>DataGeo visited the site on March 26th 2014 and was able to establish that the drill holes were correctly positioned, the old workings and position of the shear was appropriate; the topography was generally flat with fall to the east and a rise existed at the southern central end of the area. Also RC chips, chip trays and diamond core was reviewed to establish the support for the mineralisation. No site visit to inspect the recent drilling program was felt necessary</p>
	<ul style="list-style-type: none"> If no site visits have been undertaken indicate why this is the case. 	<p>not applicable</p>
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. 	<p>The confidence in the geological interpretation is considered good as it is supported by surface mapping and corroboration of the surface positions with the close spaced drilling. The Penny's Find Shear is a major outcropping feature and the quartz associated gold mineralisation within it (as modelled) appears consistent with the feature.</p>
	<ul style="list-style-type: none"> Nature of the data used and of any assumptions made. 	<p>Only physical data obtained in the field was utilised.</p>
	<ul style="list-style-type: none"> The effect, if any, of alternative interpretations on Mineral Resource estimation. 	<p>The application of hard boundaries to reflect the position of the zones which host the mineralisation is supported by the field and drilling observations. This interpretation is thought to be appropriate to the style of mineralisation be it the entire shear (2014) or</p>

For personal use only

		just the higher-grade zones within the shear (2015).
	<ul style="list-style-type: none"> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> 	The position of the shear provides the overall geological control with some allowance for interpreted fault, this combined with presence of gold is used to constrain the interpretation.
	<ul style="list-style-type: none"> <i>The factors affecting continuity both of grade and geology.</i> 	The higher-grade gold zones occur mostly within the overall Shear appearing to be sub-parallel to Shear. To the east of the Shear and within the weathered profile there is interpreted to be flat lying supergene style mineralisation. The position and style of mineralisation impacts the grade continuity.
Dimensions	<ul style="list-style-type: none"> <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i> 	The main mineralisation within the Deposit occurs over a 450m strike length and extends some 250m down dip and varies between 2 and 10m in width. The deposit remains open at depth although thinning.
Estimation	<ul style="list-style-type: none"> <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> 	The largest high-grade zone contained in excess of 440 composites and provided a reasonable continuity model which supported the use of ordinary kriging. The composites were top-cut and search restricted. Zones with fewer composites (insufficient data to perform a continuity assessment) had grade estimated using inverse distance to the power of 3 to reflect the relatively high nugget within the Deposit. If there were < 10 composites the grade was assigned as the average of the composites. In all cases if appropriate composites were top-cut. Grade estimation was carried out in Vulcan™ application. Density was assigned based on, for fresh rock, representative measurements made from what core was available. For oxidised and partially oxidised material specific gravity was assigned based on results from similar deposits within the general area. 1m composites were created within each zone and input to the grade estimation (or assigning) was restricted to those composites which were within the zone being assessed. Estimated blocks were informed in a three step strategy with orientation set to the orientation of the zone being estimated. The initial (primary) search was 30m x 20m x 5m in strike, dip and across dip-strike plane. This search range was expanded by double the length for blocks were not informed in the primary search and again in the final search strategy. This strategy

		informed on average 94% of the blocks within the zones to be estimated in the primary and secondary search.
and modelling techniques	<ul style="list-style-type: none"> The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. 	There is no mining history. The previous model was significantly larger in tonnes with lower grade above cut-off due to the modelling of the entire shear zone. Check estimates for the largest zone using inverse distance provided a similar result.
	<ul style="list-style-type: none"> The assumptions made regarding recovery of by-products. 	No assumptions made.
	<ul style="list-style-type: none"> Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). 	No assessment of deleterious elements has been made.
	<ul style="list-style-type: none"> In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. 	The block model was constructed using blocks which were 5mE x 20mN x 5mRL with sub-celling to 2.5mE x 10mN x 1mRL the block size in each direction adopted to ensure accurate volume representation of the various surface and zones. Grade estimation was to the parent block size.
	<ul style="list-style-type: none"> Any assumptions behind modelling of selective mining units. 	none undertaken
Estimation	<ul style="list-style-type: none"> Any assumptions about correlation between variables. 	no assessment undertaken
and modelling techniques (continued)	<ul style="list-style-type: none"> Description of how the geological interpretation was used to control the resource estimates. 	Hard boundaries were applied to the Zones. Grade was estimated within these boundaries.
	<ul style="list-style-type: none"> Discussion of basis for using or not using grade cutting or capping. 	Statistical analysis indicated that some zones in particular the largest ones had elevated coefficients of variation and thus to minimise the influence of outlier grades top-cuts were applied, high-grade influence was restricted in some circumstances
	<ul style="list-style-type: none"> The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	Volume validation was carried out by comparison of the solids representing the mineralisation to the block model. Grade validation was carried by both global comparison of the average estimated grade to the average input grade and spatially by comparison of the estimated grades to the input grades by position for the largest zone. Also visual comparison was used.

Moisture	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<p>The tonnages were estimated using specific gravity determined by weight in air measurements for fresh rock. This data was then assigned to the appropriate positions in the block model by rock type. Indicative values were assigned to the weathered profile.</p>
Cut-off parameters	<ul style="list-style-type: none"> • <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<p>The margin of the zones of mineralisation is a combination of lithology and grade. Given the model targeted higher grade anomalous gold is considered to be the 0.5g/t and above. For mineral resource reporting cut-off of 0.5g/t for open cut (to depth of 100m) and 1.5g/t for underground (beneath 100m) returns that part of the resource which, based on grade alone, has the potential to be mined.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> 	<p>Mining scoping studies based on previous models indicated that economic extraction by open cut could occur to 80m below the surface. The details of this assessment are not known to DataGeo but it is assumed that the then mineral resource was optimised using indicative cost structures (2007 to 2009 and 2015) and gold prices. Such studies did not review the potential for underground mining. Post these studies underground mining scenarios have been considered.</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i> 	<p>Some metallurgical test work to determine gold recovery (both by gravity and cyanide leaching) has occurred which indicates that the recovery would be in excess of 95%. This was based on two very high-grade samples (one of oxide, the other of fresh) which are not representative of the likely open cut mining grade that this deposit could support.</p>

<p><i>Environmental factors or assumptions</i></p>	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<p>The Deposit is located on a granted mining license. DataGeo is unaware of any studies relating to environmental impacts of a potential mining and processing operation in the location. These are numerous mining and processing operations within 50Km of the site thus it is considered likely that environmental impacts would be manageable.</p>
<p><i>Bulk density</i></p>	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<p>Density has been assumed based on a limited number of core sample measurements using weight in the air and weight in water technique. The results were applied to the appropriate locations in the model. Assumptions were made as the density of the material in the weathered profile.</p> <p>The rocks do not display significant porosity thus the technique adopted is appropriate.</p> <p>The material is generally fairly uniform as evidenced by the consistency in what specific gravity information is available.</p>
<p><i>Classification</i></p>	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. 	<p>The classification is based on the quality and amount of input data; the spatial arrangement of the drill data and its supported position; the grade continuity for the largest zone and confidence in the geological interpretation which is supported by field observation and drilling. Whilst QAQC information is lacking for the 2007 drilling comprehensive programs for the 2012 and 2015 drilling was mostly supportive. Higher confidence areas have more supporting data, areas of lower geological support reflect a lower classification.</p>

For personal use only

	<ul style="list-style-type: none"> • <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> 	<p>The input data particularly the more recent is consistent and closely spaced enough to support the projection of the geological interpretation at depth which in terms of style of mineralisation is consistent with other deposits within the same or similar geological setting. Later drilling programs have successfully filled earlier programs in mineralised locations predicted by the initial programs - this is particularly the case with the 2015 drilling. The estimated grade correlates reasonably well with the input data given the nature of the mineralisation.</p>
	<ul style="list-style-type: none"> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	<p>The Mineral Resource estimate reflects the Competent Persons understanding of the Deposit.</p>
<p>Audits or reviews.</p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<p>None undertaken</p>
<p>Discussion of relative accuracy/confidence</p>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> 	<p>The mineral resource is volume constrained by the geological interpretation thus in a global sense there is no sensitivity. As would be expected there is sensitivity to the estimated resource grade related to be the top-cut applied with indication that grade could be influenced by 10 to 15% in the main mineralised zone. Whilst DataGeo is comfortable with the top-cut applied (based on what appears to be a distinct change in population statistics) the influence of the higher-grade needs additional review. The confidence in the mineral resource is defined by the classification adopted as per the guidelines of the 2012 JORC code.</p>
	<ul style="list-style-type: none"> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> 	<p>The statement relates to global estimates of tonnes and grade.</p>
	<ul style="list-style-type: none"> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<p>no production information from the old working is available.</p>