RAMELIUS RESOURCES

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**9 May 2016**

**ISSUED CAPITAL**

Ordinary Shares: 473M

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**9 May 2016**
**For Immediate Release**

# Maiden 241,000oz Milky Way Resource - Mt Magnet, WA

## Highlights

- Maiden Mineral Resource of **5.99 Mt @ 1.3 g/t Au for 241,000oz**
- Potential for large tonnage open pit operation at Mt Magnet
- Further in-fill and step-out RC drilling underway
- Mining studies to commence immediately

Ramelius Resources Limited (**ASX:RMS**) is pleased to announce its maiden Mineral Resource estimate for the Milky Way gold deposit, 3.6km from the processing plant at Mt Magnet in Western Australia (refer Figures 1 & 2);

- Total Mineral Resource is estimated at 5.99 Mt @ 1.3 g/t Au for 241,000 contained ounces (using a 0.7g/t Au cut-off)

The new resource estimate was independently generated by Resource consultants, Optiro Pty Ltd, following recent drilling programmes conducted by Ramelius in late 2015 and early 2016. Mineral Resource details are shown in Table 1 below.

Initial scoping work suggests a viable open pit operation and more detailed evaluation will now commence, including pit optimisation, metallurgical test work and assessment of statutory approval requirements.

Ramelius Managing Director, Mark Zeptner today said:

"*In what is a great credit to our exploration team, this maiden Milky Way resource has the potential to provide a significant base load ore source and deliver a quantum shift in our overall Mt Magnet life-of-mine plans. It provides further evidence that the potential of the porphyry based deposits at Mt Magnet is significant".*

*"Further depth drill testing, evaluation, design and permitting work on the project together with aggressive forward exploration programs in the area will continue over the next Quarter. We aim to generate an Ore Reserve for Milky Way during this period and delivering additional exploration success in adjacent areas where we have already had some very encouraging drill intersections".*

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***ABOUT RAMELIUS***

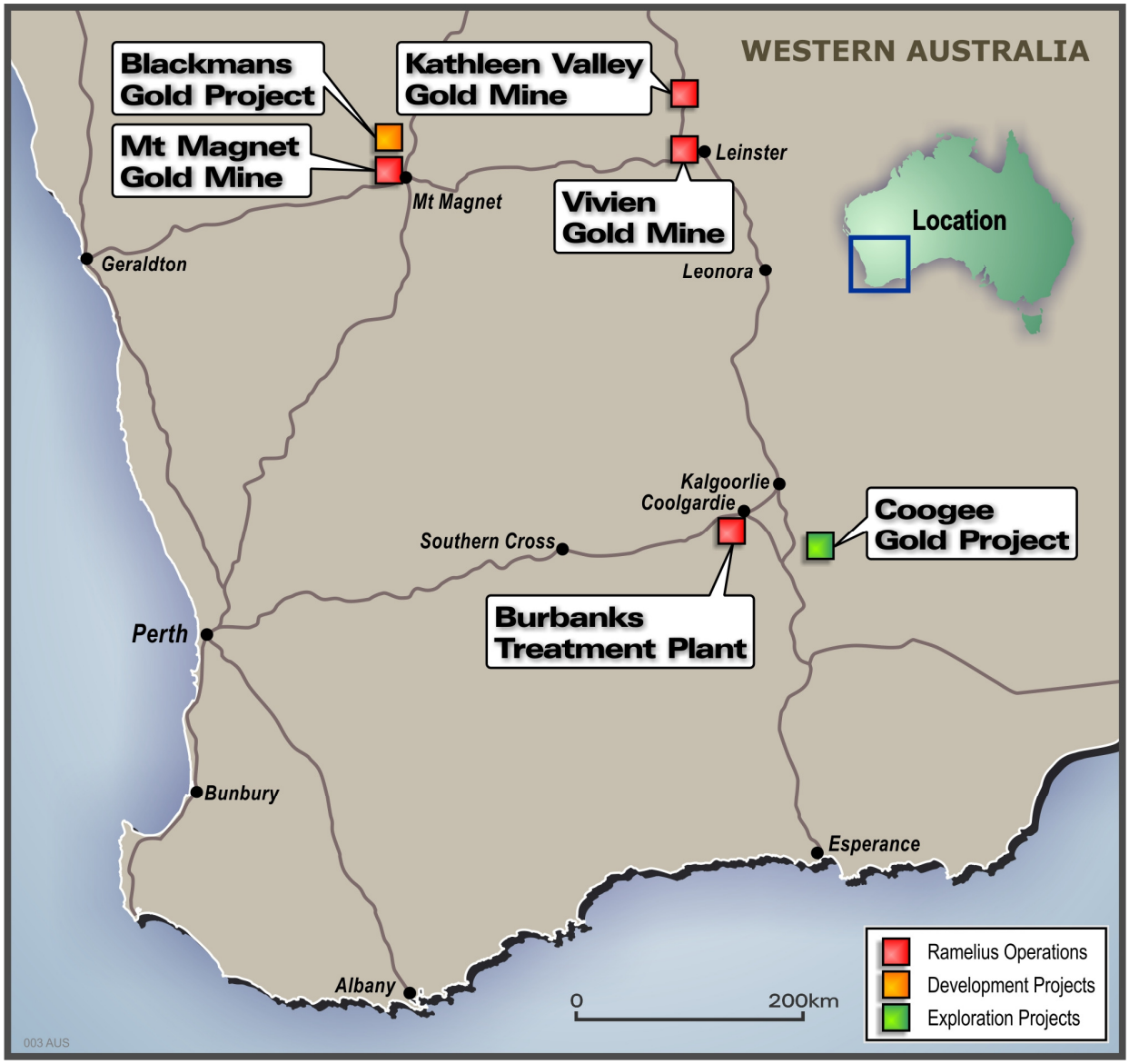


**Figure 1:** Ramelius' Operations & Development Project Locations

Ramelius owns 100% of the Mt Magnet gold mine and associated processing plant in Western Australia. The Company has commenced production from the high grade Vivien and Kathleen Valley gold mines near Leinster, also in Western Australia. The Burbanks Treatment Plant is located approximately 9 kilometres south of Coolgardie and is currently on care and maintenance.

## Milky Way Gold Deposit

Milky Way is located 6km west of Mt Magnet, and 4.8km (by road) from the Company's "Checker" Processing Plant.

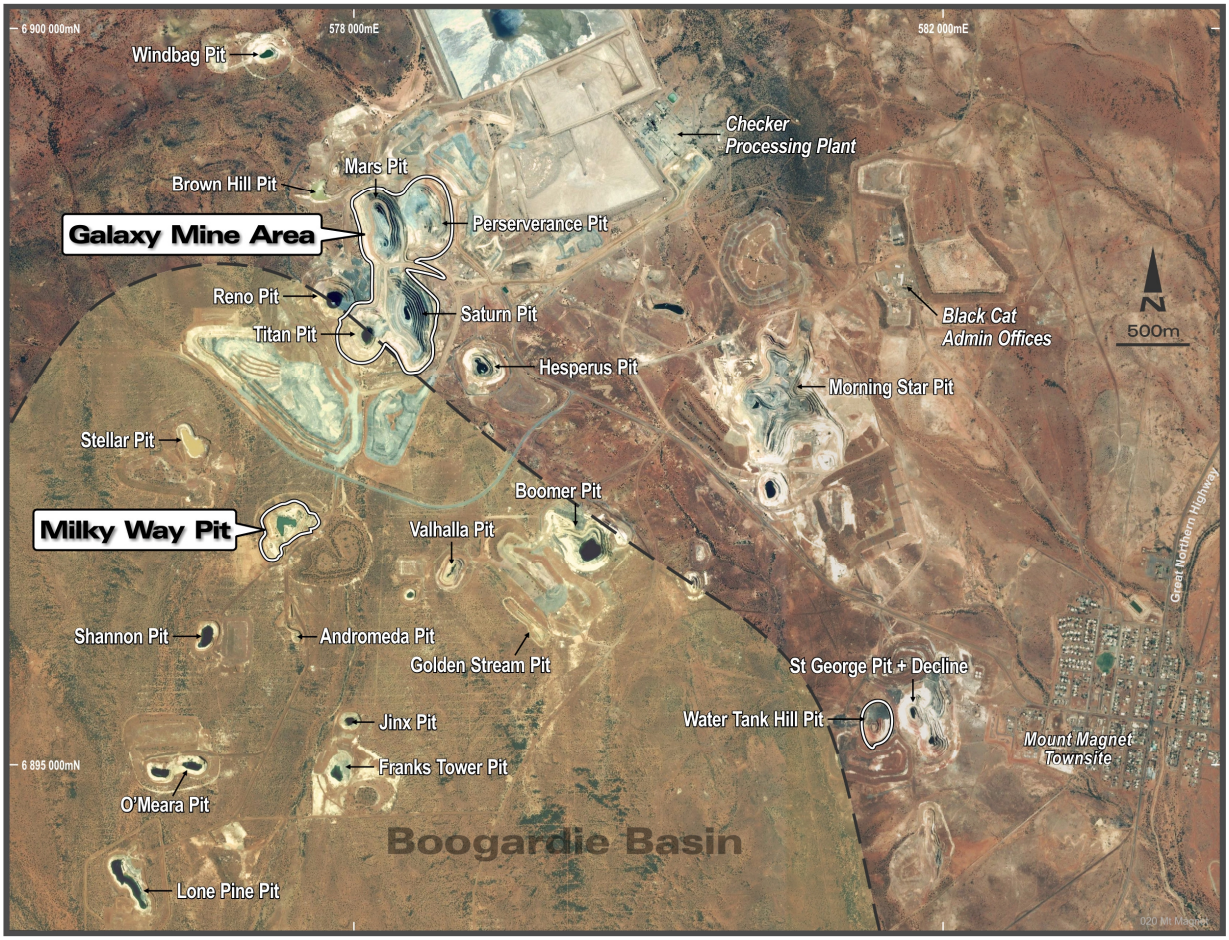


**Figure 2:** Milky Way Location

The deposit is located on the 100% owned Mining lease, M58/136. The existing 67m deep, Milky Way pit was mined in 1999 to 2000 by Mt Magnet Gold (WMC) and produced 626,723 t @ 1.64 g/t for 33,073 oz.

Gold mineralisation occurs as stockwork style of sericite-silica-pyrite veining and alteration within a thick altered felsic porphyry unit intruded into ultramafic flow sequences. Mineralisation forms high grade zones within a broader low grade stockwork. Higher grade gold mineralisation tends to occur along the eastern margin of the felsic (trending 015° to 030°), adjacent to the ultramafic contact along the trace of the vertical dipping Milky Way Fault, oblique to the overall dip of the porphyry at around 65° to 75°. Within the HW ultramafic a number of narrow felsic units are intercalated and are frequently mineralised.

## Mineral Resource

The Mineral Resource was generated in April 2016 and is summarised below:

**Table 1:** Milky Way Mineral Resource (>0.7g/t)

| Resource Category | Tonnes | Grade | Au (oz) |
|---|---|---|---|
| Indicated | 4,096,000 | 1.3 | 165,000 |
| Inferred | 1,898,000 | 1.2 | 76,000 |
| **Total** | 5,994,000 | 1.3 | 241,000 |

Note: Figures rounded to nearest 1,000 tonnes, 0.1g/t and 1,000 ounces. Rounding errors may occur.

## Mineral Resource Commentary

Interpretation and estimation was carried out using all available drilling data. Historic drilling included 409 surface exploration RC holes and 2,450 grade control RC holes. Three hundred and fifty two (352) RAB & Aircore holes were included in the dataset, however these are largely outside the immediate pit, above the mined pit surface or relatively shallow and generally do not influence the resource significantly. Eight historic diamond holes were included. The majority of this drilling was carried out by WMC in the mid to late 1990's or during mining of the previous Milky Way pit in 1999-2000.

Ramelius drilled a further 61 RC holes (10,296m) and one diamond hole (202m) in late 2015 and early 2016. Drill spacing ranges from high density grade control (8m x 5m), within and immediately below the base of the mined pit, to nominal 25m by 25m in upper areas, to 50m by 50m spacing at depth. New holes were accompanied by appropriate QAQC measures and often form a check of earlier drilling data. All RC holes were logged and sampled on 1m intervals. RC samples were assayed by fire assay at a commercial Perth laboratory. Hole collars were surveyed by DGPS, with downhole surveys by gyro and magnetic tools.

Ramelius engaged recognised industry resource consultants, Optiro Pty Ltd, to assist with the geological modelling and grade estimation. Geological modelling was carried out using Leapfrog software to interpret the main felsic host unit and the complex hangingwall felsic/ultramafic interfingering. The grade domain was further subdivided by weathering. The resultant domains were composited to 1m intervals and topcut to 20 g/t Au. A 5m x 10m x 5m parent block size was used.

Resources are reported above a 0.7 g/t Au lower cut-off, which is near the current estimated economic cut-off for the minesite. Resources have been generated for evaluation by open-pit mining methods. Indicated resources are reported to a maximum depth of 150m and Inferred to 200m. Density values are based on established Mt Magnet values and measurements from the diamond drill core. Initial basic metallurgical tests (bottle rolls) have been conducted and return typical Mt Magnet recovery values. Grade–tonnage figures for various grade cut-offs are shown in Table 2 below;

**Table 2:** Grade – Tonnage Figures

| lower cutoff | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | t | g/t | oz | t | g/t | oz | t | g/t | oz |
| >0.5g/t | 5,897,000 | 1.1 | 200,000 | 2,830,000 | 1.0 | 94,000 | 8,727,000 | 1.0 | 294,000 |
| **>0.7g/t** | **4,096,000** | **1.3** | **165,000** | **1,898,000** | **1.2** | **76,000** | **5,994,000** | **1.3** | **241,000** |
| >0.9g/t | 2,636,000 | 1.5 | 128,000 | 1,277,000 | 1.5 | 60,000 | 3,913,000 | 1.5 | 188,000 |

Detailed Resource information is given in the JORC Table 1 attachment below.

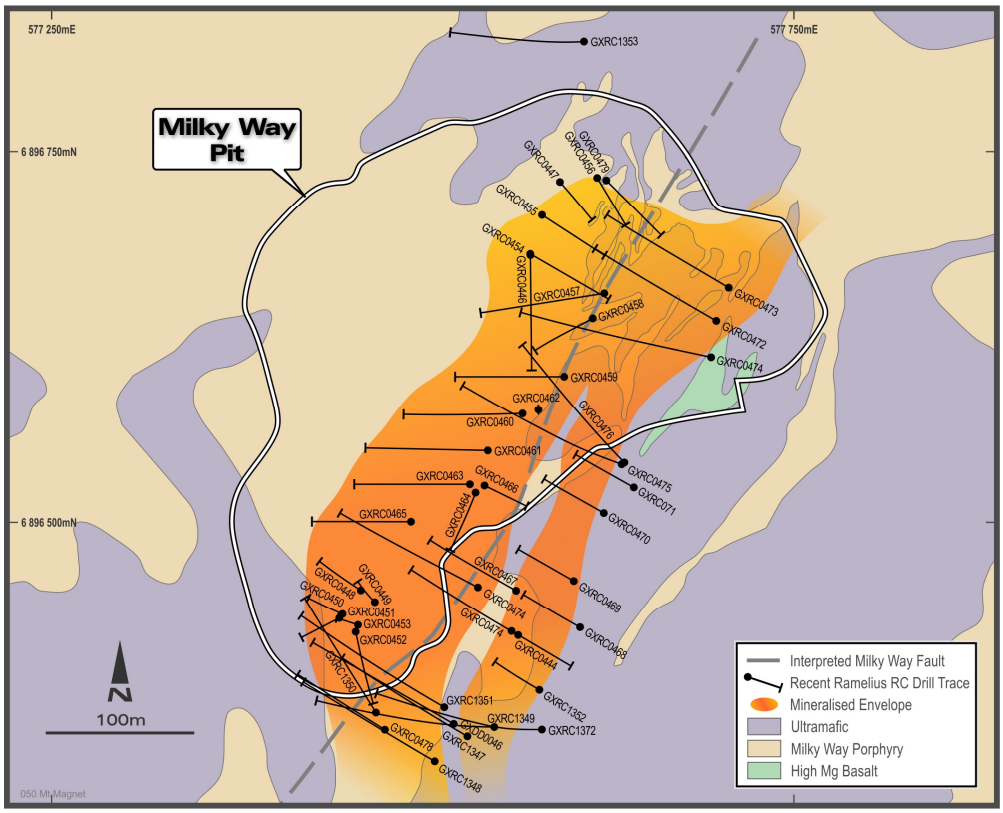


**Figure 3:** Plan view showing new RMS drillholes & geology

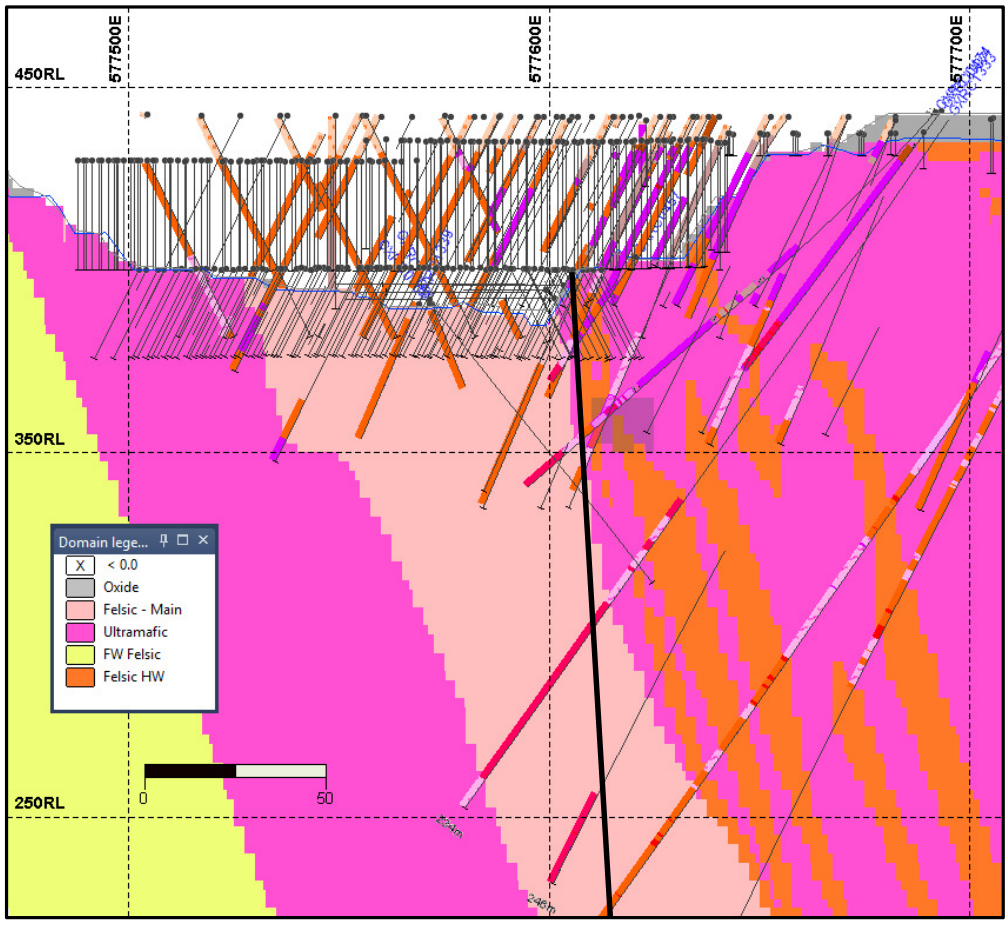


**Figure 4:** Oblique cross section 300° north pit – drilling & geology model. High grade gold mineralisation is shown to lie along the trace of the Milky Way Fault (vertical black line in Figures 4,5 and 6) and will the focus of deeper drilling over the next Quarter.

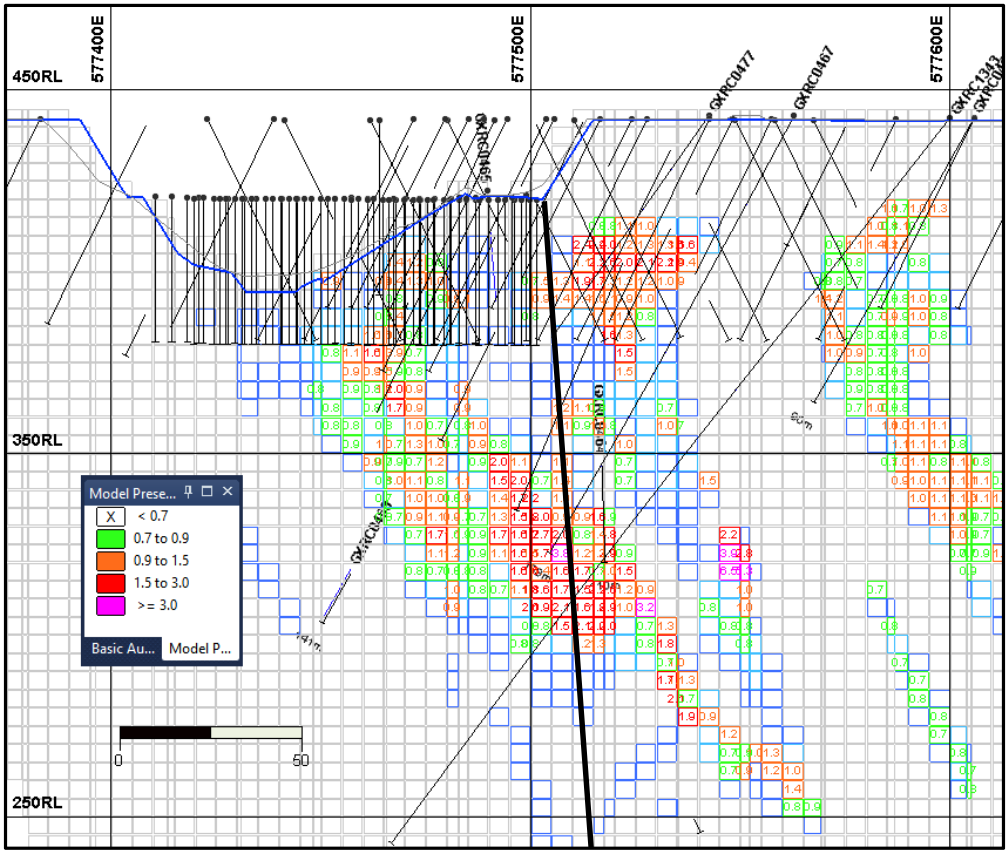


**Figure 5:** Oblique cross section 300° mid pit – grade model & drilling (RMS holes labelled). Deeper drilling is required to extend the known high grade gold mineralisation down dip along the Milky Way Fault (vertical black line).

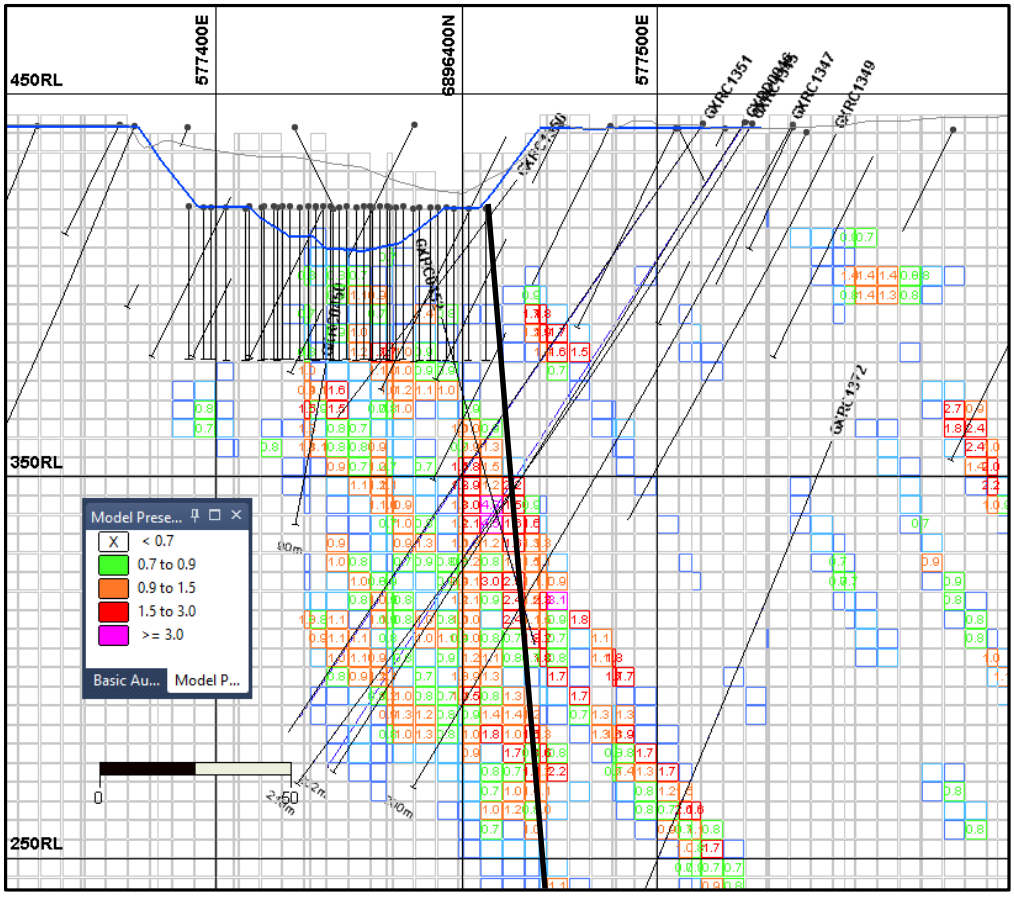


**Figure 6:** Oblique cross section 300° south end of pit – grade model & drilling (RMS holes labelled)

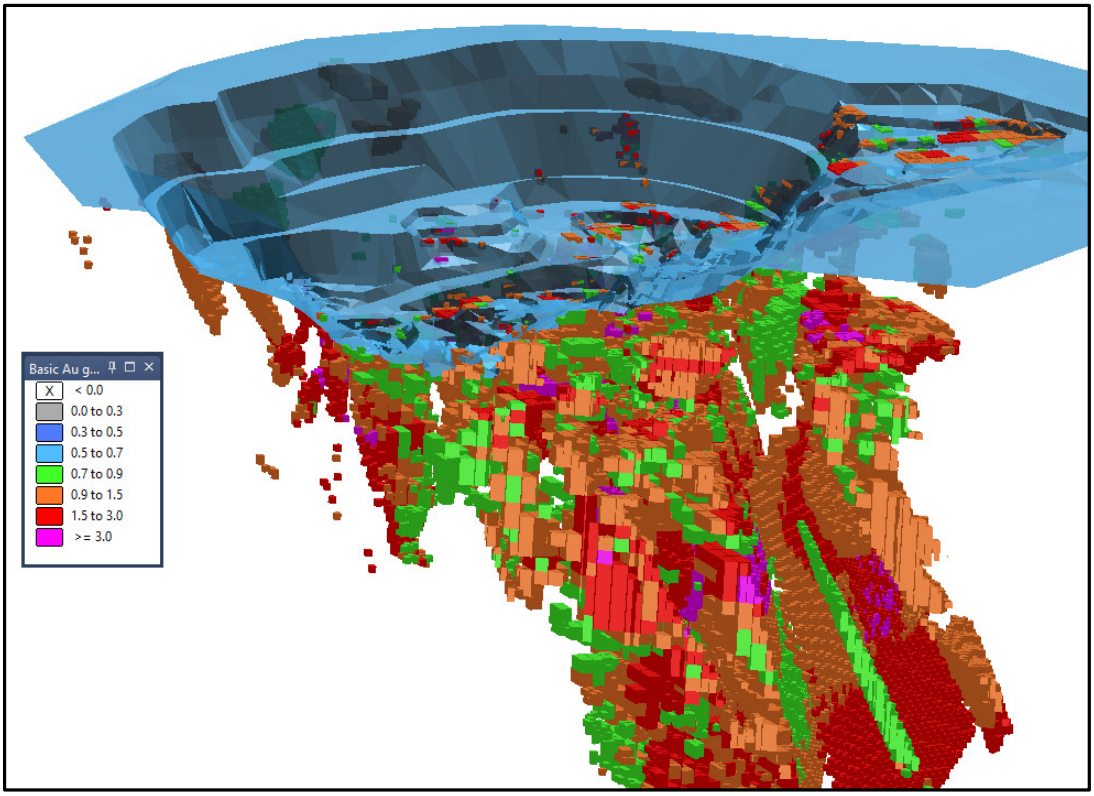


**Figure 7:** 3D sliced view to North – Resource model, Au > 0.8g/t

## Competent Person

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hutchison, a Member of the Australasian Institute of Mining and Metallurgy. Rob Hutchison has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Rob Hutchison is a full-time employee of the company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Forward Looking Statements

This report contains forward looking statements. The forward looking statements are based on current expectations, estimates, assumptions, forecasts and projections and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The forward looking statements relate to future matters and are subject to various inherent risks and uncertainties. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward looking statements. Such factors include, among others, changes in market conditions, future prices of gold and exchange rate movements, the actual results of production, development and/or exploration activities, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Neither Ramelius, its related bodies corporate nor any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

# Appendix A – JORC Table 1 Criteria Milky Way Gold Deposit

## Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (e.g. 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.* | • Sampled by RC drilling with samples collected as 1m samples and sub-sampled using a riffle or cone splitter to produce ≈3kg sub-samples. Drillhole locations were designed to cover the spatial extents of the interpreted mineralisation.<br>• Drill hole locations were designed to allow for spatial spread across the interpreted mineralised zone.<br>• Standard fire assaying was employed using a 50gm charge with an AAS finish. Trace element determination was undertaken using a multi (4) acid digest and ICP- AES finish.<br>• A significant proportion of sampling data comes from historical information generated by Mt Magnet Gold (a WMC subsidiary) in the late 1990's, prior to open pit mining of the existing Milky Way pit. Detailed methodology and QAQC information is generally lacking for this data, however it appears to meet industry standards of the period and new drilling in 2014/15 by Ramelius (RMS) comprising of 61 RC holes for 10,296m shows good agreement with previous information. |
| ***Drilling techniques*** | • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).* | • RC Drilling was completed using best practice 5 ¾" face sampling RC drilling hammers for all drill programmes.<br>• Historical RAB & Aircore drilling was completed within the upper laterite and saprolite zones.<br>• A small number of Diamond Core drillholes were completed. One new NQ hole was completed by Ramelius (RMS) in 2016. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Bulk RC drill holes samples were visually inspected by the supervising geologist to ensure adequate clean sample recoveries were achieved. Any wet, contaminated or poor sample returns are flagged and recorded in the database to ensure no sampling bias is introduced.<br>• Zones of poor sample return are recorded in the database and cross checked once assay results are received from the laboratory to ensure no misrepresentation of sampling intervals has occurred. Excellent RC drill recovery is reported from all RC holes.<br>• No indication of sample bias is evident or has been established |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically* | • All RC drill samples are geologically logged on site by RMS geologists. Details on the host |

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| | *logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | lithologies, deformation, dominant minerals including sulphide species and alteration minerals plus veining are recorded relationally (separately).<br>• Drillhole logging of RC chips is qualitative on visual recordings of rock forming minerals and estimates of mineral abundance.<br>• The entire length of drillholes are geologically logged |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Duplicate samples are collected every 25$^{th}$ sample from the RC chips.<br>• Dry RC 1m samples are riffle split to 3-4kg as drilled and dispatched to the laboratory. Any wet samples are recorded in the database as such and allowed to dry before splitting and dispatching to the laboratory.<br>• All samples are pulverised prior to splitting in the laboratory to ensure homogenous samples with 85% passing 75um. 200gm is extracted by spatula that is used for the 50gm charge on standard fire assays.<br>• RC samples submitted to the laboratory are sorted and reconciled against the submission documents. In addition to duplicates a high grade or low grade standard is included every 25$^{th}$ sample, a controlled blank is inserted every 100$^{th}$ sample. The laboratory uses their own internal standards and duplicates to ensure quality control is maintained.<br>• The sample size is considered appropriate for the type, style, thickness and consistency of mineralisation. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • The fire assay method is designed to measure the total gold in the sample. The technique involves standard fire assays using a 50gm sample charge with a lead flux (decomposed in the furnace). The prill is totally digested by HCl and $HNO_3$ acids before measurement of the gold content by AAS.<br>• No field analyses of gold grades are completed. Quantitative analysis of the gold content and trace elements is undertaken in a controlled laboratory environment.<br>• Industry best practice is employed with the inclusion of duplicates and standards as discussed above, and used by Ramelius as well as the laboratory. All Ramelius standards and blanks are interrogated to ensure they lie within acceptable tolerances. Additionally, sample size, grind size and field duplicates are examined to ensure no bias to gold grades exists. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Alternative Ramelius personnel have inspected the RC chips in the field to verify the correlation of mineralised zones between assay results and lithology, alteration and mineralisation.<br>• All holes are digitally logged in the field and all primary data is forwarded to Ramelius' Database Administrator (DBA) in Perth where it is imported into Datashed. Assay data is electronically merged when received from the |

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| | | laboratory. The responsible project geologist reviews the data in the database to ensure that it is correct and has merged properly and that all the drill data collected in the field has been captured and entered into the database correctly.<br>• The responsible geologist makes the DBA aware of any errors and/or omissions to the database and the corrections (if required) are applied in the database immediately.<br>• No adjustments or calibrations are made to any of the assay data recorded in the database. |
| ***Location of data points*** | • *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Hole collars are picked up using accurate DGPS survey control. All downhole surveys are collected using downhole Gyro or digital magnetic surveying techniques provided by the drilling contractors.<br>• All holes are picked up in MGA94 – Zone 50 grid coordinates.<br>• Topographic control is of high quality and adequate accuracy. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drillholes were planned on a nominal 25 - 50m x 50m spacing to adequately cover the core mineralised zones. Drill locations however are partly restricted by the existing pit. Locations and drill orientations vary considerably to optimise coverage.<br>• This spacing is considered adequate to define the geological and grade continuity of mineralisation although actual spacings do vary<br>• No sampling compositing has been applied within key mineralised intervals. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • The drilling is generally drilled orthogonal to the interpreted strike of the target horizon. However a number of holes have varied directions.<br>• No drilling orientation and/or sampling bias is evident |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • All bagged RC samples are delivered from the field to the assay laboratory in Perth, whereupon the laboratory checks the physically received samples against Ramelius' sample submission/dispatch notes and confirmations sent |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • Sampling techniques and procedures are reviewed prior to the commencement of new work programmes to ensure adequate procedures are in place to maximise the sample collection and sample quality on new projects. No external audits have been completed to date. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The results presented in this report are on granted Mining Lease (ML) 58/136 (Mount Magnet – Milky Way) owned 100% by Ramelius Resources Limited. The tenement is located on pastoral/grazing leases.<br>• At this time all the tenements are in good standing. There are no known impediments to obtaining a licence to operate in the area. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Exploration by other parties has been reviewed and is used as a guide to Ramelius' exploration activities. Previous parties have completed shallow RAB, Aircore, RC drilling and shallow open pit mining at Milky Way plus geophysical data collection and interpretation. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The mineralisation at Milky Way is typical of porphyry hosted orogenic structurally controlled Archaean gold lode systems. The mineralisation is controlled by anastomosing shear zones passing through competent rock units, brittle fracture and stockwork mineralisation is common in the competent porphyry rock. The bedrock Milky Way mineralisation currently extends over several hundred metre strike length and dips steeply eastwards along the eastern flank of the NE striking Milky Way Porphyry. The plunge of the system is yet to be determined. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • All the drill holes reported in recent releases have been included the following information.<br>• All drillholes reported, including those with no significant results.<br>• Easting and northing in MGA94 coordinates<br>• RL is AHD<br>• Dip is the inclination of the hole from the horizontal. Azimuth is reported in magnetic degrees as the direction the hole is drilled. MGA94 and magnetic degrees vary by ≈1˚ in the project area<br>• Down hole length is the distance measured along the drill hole trace. Intersection length is the thickness of an anomalous gold intersection measured along the drill hole trace.<br>• Hole length is the measured distance along the drill hole trace.<br>• No information is excluded |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Weighted average techniques are applied to determine the grade of the anomalous interval when geological intervals less than 1m have been sampled.<br>• Gold intersections are nominally reported above 0.5g/t, but may include up to 4m of internal 0.1 - 0.5g/t dilution which is still considered significant within the broader mineralised felsic porphyry<br>• No metal equivalent reporting is used or required. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • The intersection length is measured down the length of the hole and is not usually the true width<br>• True widths are variable given the varied drill angles. For the majority of intercepts true widths are around 60-80% of reported intervals. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Representative maps and sections are shown attached |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • All drillhole intercepts completed by RMS were reported in previous ASX releases in 2015 and 2016 |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • No other exploration data that has been collected is considered meaningful and material to this report |
| ***Further work*** | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling* | • Future exploration includes further step out drilling below and along strike of the reported intersections at Milky Way to better define the extent of the mineralisation discovered to date |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *areas, provided this information is not commercially sensitive.* | |

## Section 3 Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Database integrity*** | • *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.*<br>• *Data validation procedures used.* | • Data has been sourced from the RMS Drillhole Database using the Datashed system<br>• Validation checks were conducted for overlapping intervals, duplicate assays, EOH depth and negative or zero assay values |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • The Competent Person has visited the site and confirmed observations available in drill cuttings and surface features. |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • Confidence in the geological interpretation is high. The geometry and nature of mineralisation is similar to neighbouring deposits in the region<br>• Data used includes drilling assays & logging from broader spaced exploration/resource drilling and high density grade control drilling<br>• No alternate interpretation envisaged<br>• Geology forms a significant component in the Mineral Resource modelling & estimation<br>• Continuity is affected by the location and geometry of the felsic porphyry host units and drilling density |
| ***Dimensions*** | • *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.* | • The main Milky Way felsic unit extends for around 450m in strike (trend 015°- 030°), is around 150m wide in the core and narrower toward strike ends. The unit dips SE at around 65-75°.<br>• The felsic unit is variably mineralised with most economic material occurring in 5-50m wide, east dipping zones, adjacent to the eastern margin of the unit. |
| ***Estimation and modelling techniques*** | • *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.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes* | • A categorical +0.2 g/t indicator was kriged within felsic units to generate a mineralised grade domain<br>• Grade within the domain was then estimated by geological software using ordinary kriging methods within hard bounded oxidation domains.<br>• Grade tonnage figures exist for previous models. These are difficult to compare except on a global basis.<br>• Only gold is estimated<br>• No deleterious elements present<br>• Parent cell of 10mN x 5mE x 5mRL with sub-cells to minimum of 2.5mN x 2.5mE x 2.5mRL ratio. Parent cell estimation only. |

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| | *appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • The parent cell is assumed to match a selective mining unit.<br>• Domains were geostatistically analysed and assigned appropriate search directions, top-cuts and estimation parameters. Note: higher grade indicators do not show good continuity and parameters have been adopted from the global mineralised population.<br>• Separate grade interpretation for flat lying transported and oxidised domains<br>• Samples were composited within ore domains to 1m lengths<br>• Top cuts were applied to domains after review of grade population characteristics. A cut of 20g/t was applied to the main felsic fresh domain<br>• Validation included visual comparison against drillhole grades |
| ***Moisture*** | • *Whether t e tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages are estimated on a dry basis |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • A 0.7 g/t grade cut-off has been used for resource reporting |
| ***Mining factors or assumptions*** | • *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.* | • Resources are reported on the assumption of mining by conventional open pit grade control and mining methods. Block size and estimation methodology were selected to generate a model appropriate for current open pit mining practices at Mt Magnet. |
| ***Metallurgical factors or assumptions*** | • *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* | • A number of RC ore samples were composited and tested in bottle roll leach tests. Results are similar to other Mt Magnet deposits with a recovery of 92% used for all material.<br>• Further external testwork is underway |

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| | *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.* | |
| ***Environmental factors or assumptions*** | • *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.* | • The existing pit is located in the current Mt Magnet mining field where mining disturbance is significant.<br>• Specific Mining Approvals are yet to be sought.<br>• No significant environmental impacts or delays are anticipated<br>• Treatment and tailings generation would occur at the Mt Magnet Checker mill. |
| ***Bulk density*** | • *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.*<br>• *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.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Densities used are assumed based on those used in Mt Magnet deposits 30km to the south and are assigned by weathering and material type<br>• Density measurements are planned to be completed when diamond core holes are drilled |
| ***Classification*** | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *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).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • The resource has been classified as Indicated or Inferred category's based on geological continuity, drillhole spacing, search pass and kriging variance.<br>• The resource classification accounts for all relevant factors<br>• The classification reflects the Competent Person's view |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | • An external review of the Resource has not been undertaken |

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| ***Discussion of relative accuracy/ confidence*** | • *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.*<br>• *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.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • Confidence in the relative accuracy of the estimates is reflected by the classifications assigned<br>• The estimate is a global estimate<br>• Some comparison to historic grade control data and global production figures was made. The existing Milky Way pit mined in 1999/2000 is recorded as producing 626,723 t @ 1.64 g/t for 33,073 oz. |