Jervois MINING LIMITED
ABN 52 007 626 575

Date: 3 September 2014 **ASX Code: JRV**

Update to Announcement dated August 20, 2014
EXTRA SECTIONS AND UPDATED JORC TABLE, EL 7805 SYERSTON (FLEMINGTON) SCANDIUM RESOURCE

Highlights

- Jervois Mining Limited announces an Indicated Resource for the known mineralisation of the metal scandium at EL 7805. This Indicated Resource is located near 'Syerston' on the edge of, and contiguous with, the old Black Range Minerals nickel/cobalt laterite deposit (the latter is now owned by IvanPlats Syerston).
- Main resource horizon: 981,640 tonnes @513g/t Sc. (504 tonnes of scandium metal)
- The scandium grades encountered are very high for this type of resource and almost 30% higher than anything else reported from laterites in NSW. Platinum is pervasive in the laterites but its refractory nature degrades any perceived value. Cobalt and nickel are potential by-products and in any event will have to be recovered from any commercial metallurgical circuit.
- This is exciting news for Jervois shareholders and coincides with intensifying interest in this metal from the Asian and USA markets.
- The Company will look to a pilot plant operation as soon as possible, targeting production of up to 5 tonnes per annum of scandium oxide.

EL 7805 Syerston Scandium Project Resource Calculation

A Mineral Resource Calculation for Jervois Mining Limited Syerston/Flemington Scandium Project (EL 7805) was recently undertaken by Rangott Mineral Exploration Pty. Ltd. of Orange, NSW.

The calculation was based on data from 24 vertical air core drill holes and two diamond drill holes, which were part of a larger group of exploration holes drilled during the 2013 and 2014 drilling campaigns. The locations of these holes are shown on Figure 1.

The drilling intersected four broad lithotypes - (top to bottom) hematitic laterite, limonitic laterite, transitional laterite and saprolite. Only the hematitic (part), limonitic and transitional materials were included in the resource calculations.

The 1m samples were analysed for scandium by ALS in Brisbane, using a fusion ICPAES method (technique Sc-ICP06).

Two vertical PQ (diamond) core holes, JSD-001 and JSD-002, were drilled 5m away from the collars of aircore holes SY-37 and SY-35 respectively, reaching several metres in to saprolitic bedrock. The objective of drilling these holes was to obtain solid samples to determine the bulk densities (SGs) and moisture content of the various laterite types, and to use them in metallurgical test work.

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The resource was calculated by a sectional method involving calculation of areas and weighted mean grades on 5 east-west oriented sections (see example section, Figures 2-6), with tight constraints on projection distances beyond those sections. A lower cutoff grade of 200ppm Sc was adopted. The volumes of the lithotypes and weighted mean grades between pairs of sections were calculated and average SG values were applied for each lithotype to calculate tonnes and weighted mean grades.

The resulting calculations gave the following resource figures:

Hematitic Laterite
313,775 tonnes @ 316 ppm Sc (for 99.2 tonnes of contained Sc)

Limonitic Laterite
981,640 tonnes @ 513 ppm Sc (for 503.6 tonnes of contained Sc)

Transitional Laterite
321,373 tonnes @ 335 ppm Sc (for 107.7 tonnes of contained Sc).

The overall resource comprises 1,617,000 tonnes at a weighted mean grade of 439 ppm Sc, containing approximately 710.5 tonnes of Scandium metal, which equates to 1089 tonnes of scandium oxide (Sc_2O_3).

This confirms that the resource can sustain a mining operation that would last +40 years, assuming a production rate of 20 tonnes of Sc_2O_3 per year, the present estimated world consumption.
The present market value of scandium oxide varies from US$2 million/tonne to US$4+ million/tonne AUD depending on the purity.

Due to undulations in the lithotype boundaries and the present uncertainty regarding the boundaries of the palaetopography, the resource is classified as an Indicated Mineral Resource. Shareholders are advised that the known Indicated Resource should be upgraded to a Measured Mineral Resource by carrying out a program of infill drilling. This will result in better definition of the boundaries of the palaeotopographic features.

INAA Assay Results

Re-analysis of 10% of the samples from the 2013-2014 EL 7805 Syerston drilling programs was undertaken in Canada using split sample pulps retrieved from ALS Brisbane. The method used was Instrumental Neutron Activation Analysis (INAA). A selection of samples from both high and low grade intervals and all three laterite types were submitted for analysis. Forty four one gram samples were assayed.

The re-analysis was done to verify the assay grades and compare them to the grades obtained from the ME-ICP61 and Sc-ICP06 (fusion) results previously reported.

Comparison of the INAA and Fusion methods showed an average difference of only 4.0%. The Board is satisfied that any discrepancies are not material as they are considered to be within the range of sampling and analytical errors.

In brief, the INAA results confirmed the unusually high grades of JRV's Syerston resource and also verified the validity of the use of the fusion method (which gave the highest value of 968ppm Sc from drill hole Sy 53, 14-15m (INAA 980ppm) as a practical method for assaying for scandium.

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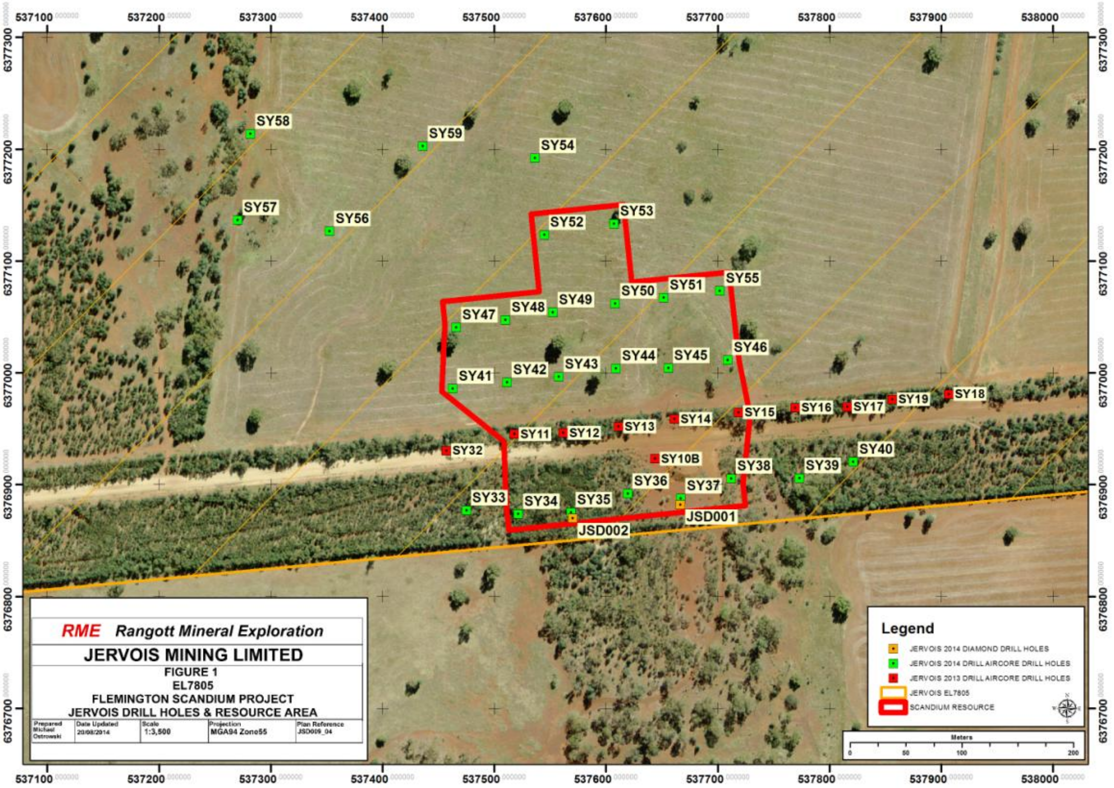

Figure 1. Location of the 24 drill holes that constitute the area of the Mineral Resource Calculation, 2013 and 2014 Drilling Programs

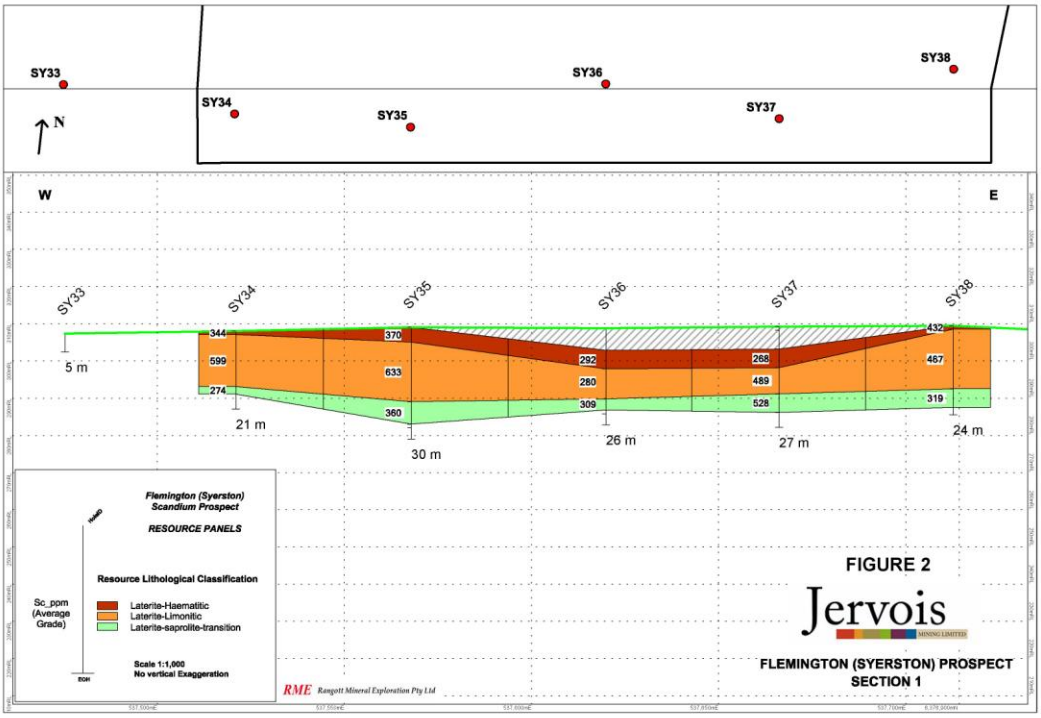

Figure 2. Cross Section of drill holes Sy33 to 38

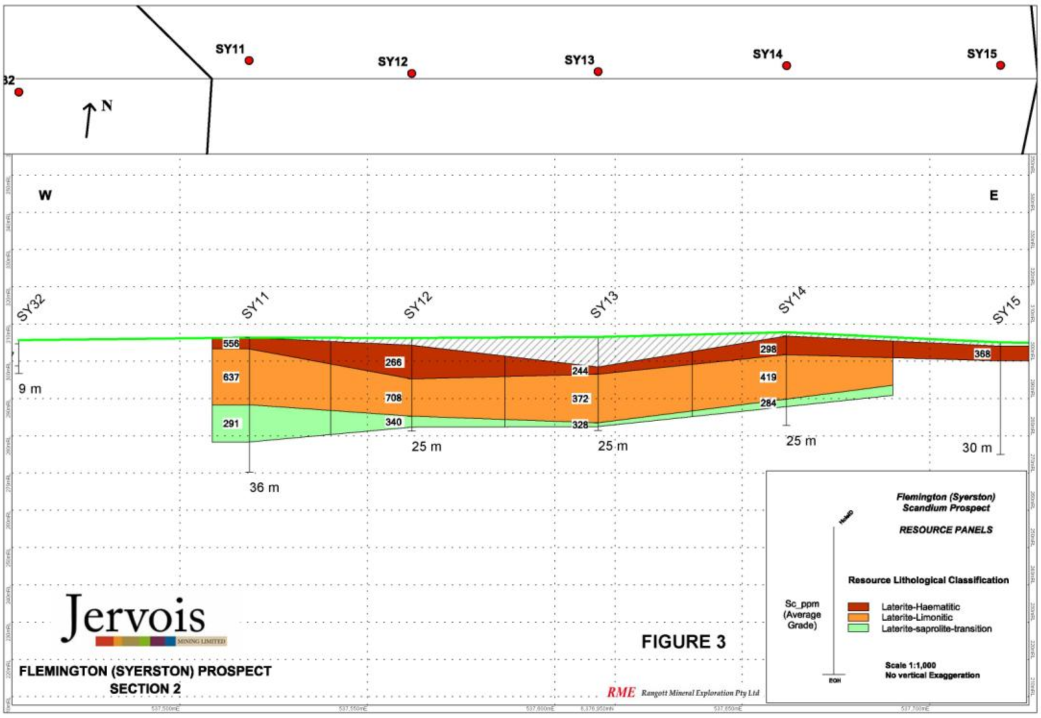

Figure 3. Cross Section of drill holes Sy32 and Sy11 to 15

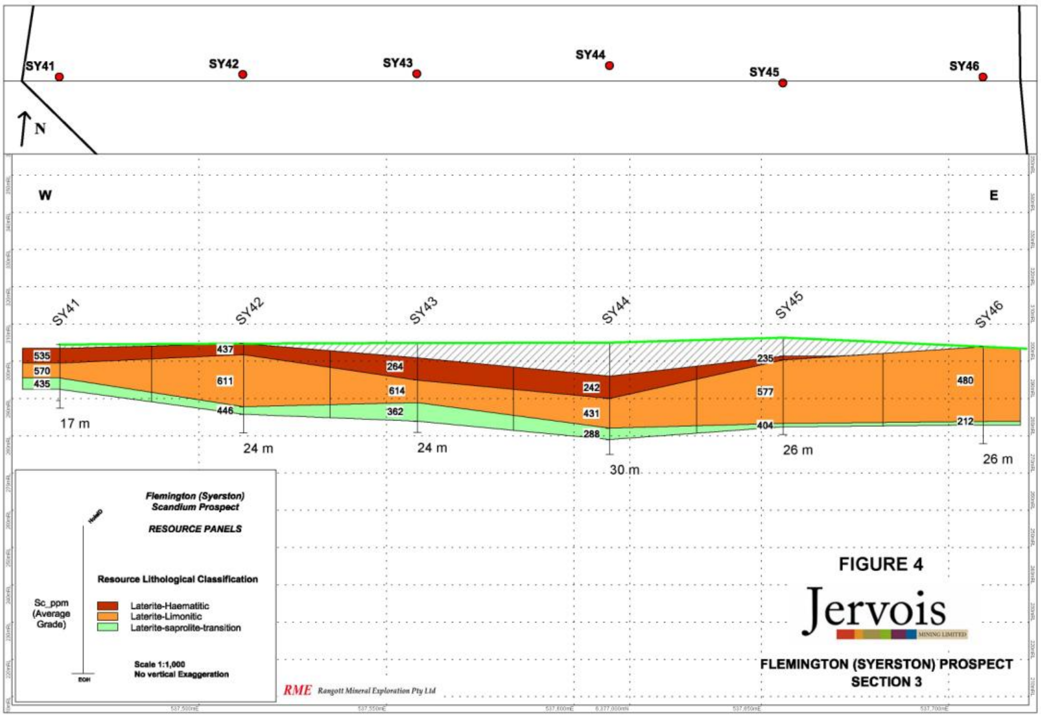

Figure 4. Cross Section of drill holes Sy41 to 46 showing that the east and west flanks of the scandium resource are exposed at the surface. The laterite layer (white) above the hematitic (red) laterite layer contains on average about 140-150 g/t scandium

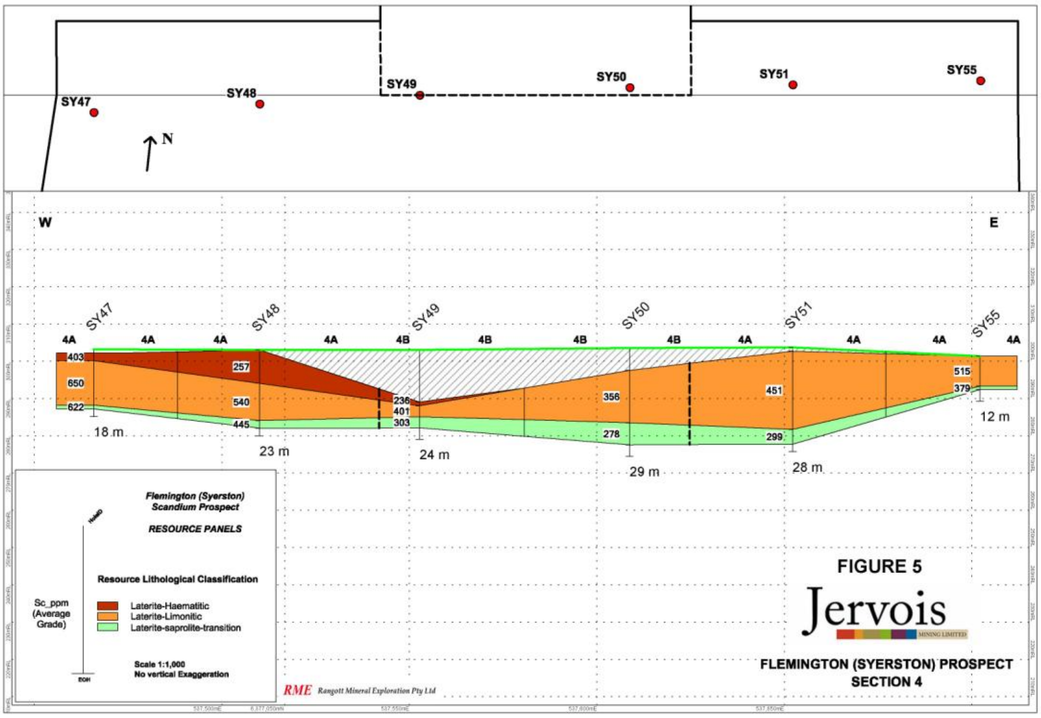

Figure 5. Cross Section of drill holes Sy47 to 51 and Sy55

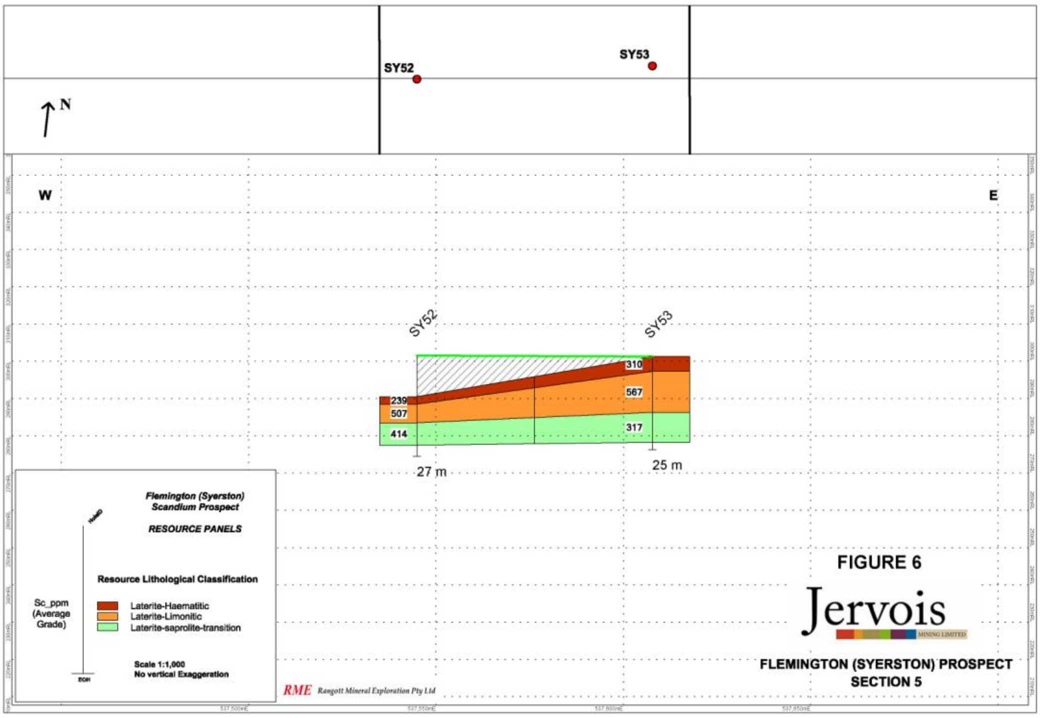

Figure 6. Cross Section of drill holes Sy52 and 53

Future Exploration

Further exploration drilling to the immediate northwest, north and northeast of the known resource boundary will be undertaken this year. There are strong indications from soil sampling and 2013 scout drilling in this area that well mineralized laterite exists beneath the soil cover. Follow up drilling could result in a substantial increase in the size of the total resource. Refer to Table 1 and the Potential Resource Area shown in Figure 7 below. As well as infill drilling across the existing resource area, consideration will be given to carrying out the drilling across the potential resource area at a 25m hole spacing.

Table 1. Scandium assay grades and thickness for 'scout drilling' holes not included in the 2014 Resource Calculation.

Hole Number	MGA_E	MGA_N	From (m)	To (m)	Total (m)	Sc Grade (Sc-ICP06)
Sy 54	537 536	6 377 192	6	29	23	319
Sy 56	537 353	6 377 127	0	19	19	433
Sy 57	537 271	6 377 136	0	12	12	570
Sy 58	537 282	6 377 214	4	17	13	368

200ppm lower cutoff used

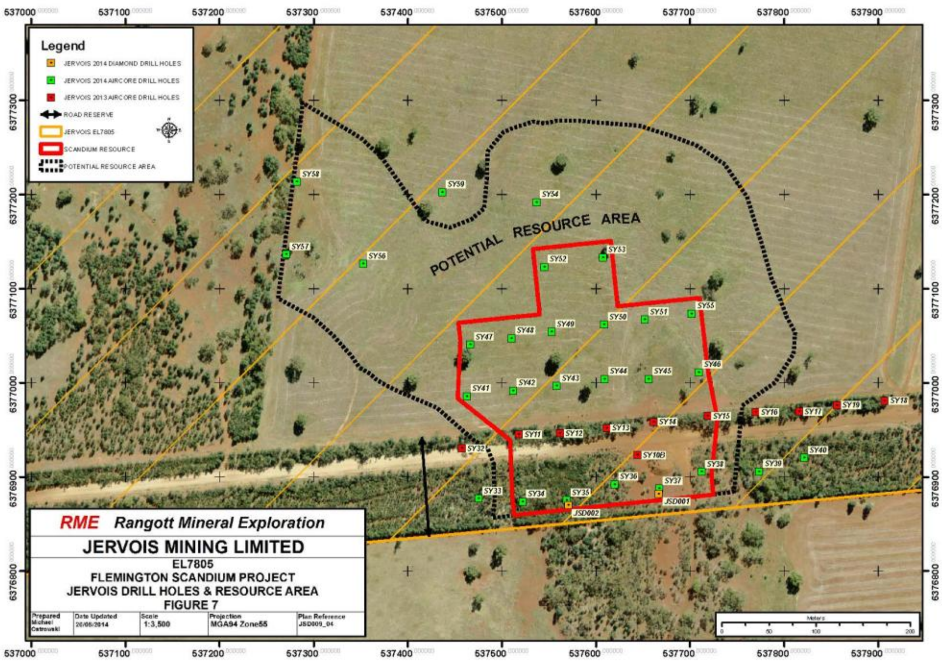

Figure 7. Approximate boundaries for future exploration EL 7805 Syerston

Anomalous Sc mineralisation is believed to extend further to the west, on an adjoining property, and that area may be drilled at a later date.

By order of the Board.

Duncan Pursell.

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Vertical aircore holes were drilled, and sampled over successive 1m intervals via an on-board cyclone. The bulk samples from both drilling programmes were passed through a 3-tier riffle splitter, giving (1/8) 0.75-1.5kg samples for analysis, and (7/8) bulk samples for storage. The sample splits from the 2013 programme were initially analysed by technique ME-ICP61 and the sample pulps were more recently retrieved and split in a small riffle splitter, and one half of each analysed by a fusion technique (Sc-ICP06). The split samples from the 2014 programme were analysed by both the fusion technique and by technique ME-ICP41.
Drilling techniques	• *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).*	• The holes relevant to this statement were drilled by the aircore technique, using a Hydco aircore rig fitted with a 200psi/400cfm compressor. The nominal bit diameter used on this rig is 89mm, but subsequent measurement of the bit showed that wear had reduced it to 80mm diameter, and this figure was used in recovery calculations.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• The bulk and assay samples were weighed, and using bulk density values for different lithotypes, theoretical sample weights were calculated and compared with the actual weights to give recoveries for a limited number of drill holes. Sample recoveries varied from 50% to 97%, with an average of 85% for the key limonitic laterite. • Cuttings were flushed from the hole at the end of each 1 metre interval drilled. • There may be a broad, weak correlation between sample recovery and Sc grade on two holes studied to date. Data from the remainder of the holes will be assessed.

Criteria	JORC Code explanation	Commentary
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The chip samples were logged during drilling by the project geologist who further assessed them during the data compilation phase of the project. Logging of aircore chips was initially largely done on a colour basis. • Logging was qualitative and visual; mainly based on colour, but other factors were taken in to account. Subsequently two PQ core holes were drilled close to two aircore holes; detailed logging of the core showed that the boundaries between the main lithotypes are commonly gradational. • 100% of the samples/holes were logged by the geologist - 895 metres.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples for analysis were 1/8 of the total sample weight. • The samples were riffle-split in the raw (damp) state. • The samples for analysis were prepared by an independent commercial laboratory (ALS in Orange) to accepted industry standards. • See description of sample splitting above. • One 1m duplicate sample was split from each hole during drilling, and the analytical values for the duplicates gave a high level of replication. One blank sample was also included for each hole, and they gave low Sc values. • The laterite materials for the most part present as damp, gritty clay, so 1kg samples are considered to be quite appropriate.

Criteria	JORC Code explanation	Commentary
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.* • *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.* • *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.*	• The technique Sc-ICP06 developed by Australian Laboratory Services Pty Ltd ("ALS") is considered to be a total extraction technique. The following is a brief description of the process, provided by ALS;- "Sc-ICP06 – 0.1 gram of sample is fused in 12:22 flux which is a mixture of 12 parts lithium tetraborate and 22 parts lithium metaborate. The fusion is carried out in a graphite crucible at 1000 degrees C. The resultant glass (solidified from cooling the melt) is dissolved in dilute acid and made up to a volume of 100ml. No visible undissolved sample residue remains after the fusion, although sometimes there is a small amount of graphite powder from the crucible. The solution is read for Sc by ICPAES." The SC values used in the resource calculation were determined by this technique. • Not applicable • See above re performance of duplicates and blanks. One low-grade (93ppm) scandium standard sample was included in the 2014 sample batch (commercial high-grade Sc standards are not available). The analysis gave 92ppm. The laboratory used a range of internal low-grade standards and one high-grade standard, which gave good replication.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The analytical data has been assessed by two RME geologists. • Two PQ core holes were drilled, each located 5m away from recently-drilled aircore holes, primarily to measure the densities of the laterite types. However quarter-core samples were taken from the core and analysed for Sc. The Sc values gave reasonable correlations with those from parts of the 'twin' aircore holes, but major discrepancies were evident between the values from some sections of both twinned holes. The discrepancies may be due to one or a combination of sample recoveries, sample sizes, or varying bedrock lithotypes, and this will be investigated further. • Primary data was entered in Excel files by the project geologist at RME's premises, and stored on a secure server, and later checked by the project geologist, who made minor adjustments. • No adjustments were made to the analytical data.

Criteria	JORC Code explanation	Commentary
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars and relevant cadastral boundaries were picked up using a Trimble GEOEXPLORER 6000 differential GPS meter. • Data was recorded in zone 55 MGA94. • ±10 centimetres in most cases; a few readings were ± 1 metre.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drill hole spacing was nominally 50 metres along traverses spaced 50 to 70 metres apart. • The data spacing and distribution is considered to be adequate for classifying the Mineral Resource as Indicated, for this type of deposit. • The drill samples were not composited prior to assaying.
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.* • *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 orientation of syn- or post-mineralisation faulting, if present, is not known with any certainty but is believed to be generally north-south, and the drill hole distribution is optimal for such an orientation. • Not applicable
Sample security	• *The measures taken to ensure sample security.*	• Assay samples were left overnight in a locked metal locker on the tray of a vehicle during the drilling and then taken to RME's premises in Orange, stored briefly in a secure shed, then submitted to the ALS laboratory in Orange.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

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.* • *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.*	• EL 7805 is 100% held by Jervois Mining Limited (JRV). JRV manages the project. • Tenure of tenement was current at time of drilling.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Laterite formed over ultra basic intrusive Tout Complex (Late Ordovician). The Tout Complex has a core of dunite, with pyroxenite, hornblende quartz monzonite, hornblende pyroxenite, gabbro, olivine pyroxenite and monzodiorite. This intrusive is classified as an Alaskan type ultramafic complex by the GSNSW.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• See Table 2 for hole collar, dip and length details.
		• The mean Sc assays and intervals for each lithotype used in the calculation of the resource are shown on the attached drill sections.

Criteria	JORC Code explanation	Commentary
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.*	• Appropriate map and sections are included in the body of the report.
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 relevant data is included in the Resource Statement.
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.*	• Not applicable
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Both infill aircore drilling and followup aircore drilling (beyond the current resource boundaries) are planned. • See the attached drill sections and Figure 3.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

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.* • *Data validation procedures used.*	• Data was entered by the project geologist and checked at various stages during plotting of drill sections
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person has visited the prospect on several occasions, but not during the drilling program.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Some uncertainty exists over the precise location of lithotype boundaries, at the current density of drilling. • Data was visual, with lithotypes based on colour, texture and integrity, and backed up by analytical data. • No alternative interpretations can be considered with the current density of drilling. • A Mineral Resource was calculated for each of the three interpreted lithotypes, and those were combined. • Possible block faulting may affect continuity but based on current knowledge, this may only have been significant along the eastern and western margins of the deposit. An interpreted palaeochannel passes north-south along the centre of the deposit. The channel fill material is also mineralized but at grades lower than the 200ppm Sc lower cutoff. The precise boundaries of this channel are not clearly defined, and the sectional outline of the channel may change with infill drilling.
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 Resource is defined over a north-south length of 280m and a width varying from 210 to 270m. It is continuously mineralized throughout, and not closed off in any direction, apart from cadastral constraints. Sc grade varies considerably both vertically and laterally within the three lithotypes, however the weighted mean grade of each lithotype is quite consistent from section to section, given the style of mineralisation.

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Criteria	JORC Code explanation	Commentary
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.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Given the nature of the host rock (laterite), its known areal distribution and sheet-like layered geometry, a sectional method of estimation was considered the most appropriate, and facilitated correlation of the lithotypes between holes. The estimation was carried out manually. Extrapolation distances on the east-west oriented sections were approximately 25m between drill holes and 10m beyond the last significantly mineralized holes on each section. Extrapolation distances between the sections varied from 25 to 35 metres, and beyond the southernmost and northernmost sections, 20m. High Scandium values (>800ppm) are supported by nearby values so it was not considered necessary to cut them. • None available. • No by-products considered. • No other elements considered at this stage. • Not applicable. • Not applicable. • Not considered. • The geological logging data was used to determine the interpreted lithotype boundaries. • There is a broad spread of Sc values from 200ppm to 980ppm. • Not carried out at this stage.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages were estimated on a dry weight basis, in line with the analytical data. To determine bulk densities short lengths of whole PQ core were weighed shortly after drilling, then dried in a gas-fired drying cabinet at approximately 70°C for a minimum of 48 hours, then weighed again. From these data, moisture contents were calculated on a wet weight basis (weight loss / wet weight x 100)
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• As very little is known about the economics of mining and extracting Sc from laterites, a 200ppm cut off was chosen to give a robust resource.

Criteria	JORC Code explanation	Commentary
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.*	• The resource could be cheaply mined by a small open cut with low flitches, on a contract campaign basis. It is unlikely that drilling and blasting would be necessary.
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 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.*	• Limited bench testing of small samples for acid leaching potential has been undertaken, and has shown some promise, with good Sc, Ni, Co recoveries achieved over a 24 hour leach period. At this stage, it is not possible to make predictions about a future metallurgical process.
Environmen-tal 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.*	• Due to the near-surface, high grade nature of the deposit, there is likely to be only minimal waste material produced by a mining operation. It is assumed that treated ore residues would be neutralised with locally-sourced limestone, and the (drained) residues stored in parts of the developing open cut, or in old magnesite mines nearby.

Criteria	JORC Code explanation	Commentary
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.* • *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.*	• Two vertical PQ core holes, JSD-001 and JSD-002, were drilled 5m away from the collars of aircore holes SY-37 and SY-35 respectively, down to several metres in to saprolitic bedrock. A piece of coherent core from each 1m interval was weighed then dried and weighed again, then coated and immersed in water and immediately weighed. The three data sets obtained were used to calculate in-situ and dry-weight densities, with the dry weight densities applied in the resource tonnage calculations. The densities ranged from 1.37g/cc to 2.56g/cc, with mean densities of 2.04g/cc for the haematitic laterite, 1.77g/cc for the limonitic laterite, and 1.82g/cc for the transitional laterite. These values have been projected to the resource calculations for each lithotype.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *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).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Competent Person has a high level of confidence in the sample integrity, and assay data, and in the resource calculation technique (which he undertook). However, he considers that there is some risk to the apparent high degree of geological and grade continuity between holes due to : - the spacing of the drillholes along the sections - the interpreted presence of faulting which may change the outlines of lithotype panels, and the poorly-defined boundary of the palaeochannel - Suspected infaulting of various protoliths (suggested in drill chips from one hole) which may have resulted in rapid grade variations. -The discrepancies between analytical data from twinned holes.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews have been carried out.

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Criteria	JORC Code explanation	Commentary
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.* • *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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No statistical work has been carried out. However it is considered that the tonnage and grade estimates are accurate to within ± 10%, for each lithotype. • Not applicable.

The information in this report that relates to Exploration Results is based on information compiled by D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pursell is a full time employee and Managing Director of the Company and Mr Foster is geological consultant to the Company. Both have consented to the inclusion.

The information in this report that relates to Mineral Resources is based on information compiled by Max Rangott (MAusIMM). Mr Rangott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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'. Mr Rangott is a Consultant Geologist and principal of Rangott Mineral Exploration Pty. Ltd. He has consented to the inclusion.