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**ASX : ENR**

Company Announcements Office
Australian Securities Exchange
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# Additional High Grade Copper at BM1

- **RC drilling has confirmed continuity and extended the zone of high grade copper mineralisation at BM1**
- **Assay results include:**
  - **45m @ 1.4% Cu from 12m including 16m @ 3.2% Cu from 26m**
  - **18m @ 3.2% Cu from 32m including 9m @ 6.0% Cu from 37m**
  - **50m @ 1.1% Cu from 12m including 19m @ 2.3% Cu from 31m**
  - **34m @ 1.1% Cu from 28m including 8m @ 2.0% Cu from 46m**
- **Supergene copper mineralisation identified to the south east of the high grade copper oxide zone potentially provides a vector to primary copper mineralisation**
- **Representative samples of the copper mineralisation intersected in this program will be selected for initial leach testing**
- **Six holes have been completed in the diamond drilling program at BM7 with drilling ongoing**

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The directors of Encounter Resources Ltd ("Encounter" or "the Company") are pleased to provide an update on drilling activities at the Yeneena project in Western Australia. Exploration at the BM1 and BM7 prospects is being conducted as part of the Antofagasta earn-in agreement (see ASX announcement 23 April 2013).

"The shallow RC drill program has exceeded our expectations with the near surface, high grade copper zone expanded to the south east and potentially providing a vector to primary copper mineralisation at BM1. This could be a significant step forward in the understanding of the copper mineralisation within the 14km long copper system discovered at BM1-BM7" said Managing Director, Will Robinson.

**RC/Aircore Drill Program**

The first phase of holes in the aircore/RC program were completed within and outside areas of known copper oxide mineralisation at BM1 and BM7. This program was designed to collect representative samples of the various species of oxide mineralisation for sequential copper analysis (an assaying method designed to test copper recoveries utilising various acids).

The program was extended to include a second phase of RC drilling at BM1 following the discovery of high grade copper mineralisation south east of the previously interpreted boundary along the north east trending King Fault (see Figure 1).

Results from the first phase of RC drilling **within** the area of previously defined mineralisation include:

- 18m @ 3.2% Cu from 32m including 9m @ 6.0% Cu from 37m (EPT 2060)
- 25m @ 1.4% Cu from 31m including 6m @ 2.8% Cu from 47m (EPT 2061)
- 34m @ 1.1% Cu from 28m including 8m @ 2.0% Cu from 46m (EPT 2062)

Results from the first phase of RC drilling **outside** the area of previously defined mineralisation include:

- 45m @ 1.4% Cu from 12m including 16m @ 3.2% Cu from 26m (EPT 2063)
- 47m @ 1.0% Cu from 11m including 15m @ 1.5% Cu from 42m (EPT 2066)
- 50m @ 1.1% Cu from 12m including 19m @ 2.3% Cu from 31m (EPT 2072)
- 40m @ 0.9% Cu from 10m including 11m @ 2.0% Cu from 23m (EPT 2073)
- 13m @ 0.6% Cu from 12m including 2m @ 2.5% Cu from 21m (EPT 2074)
- 26m @ 1.1% Cu from 0m including 7m @ 2.0% Cu from 2m (EPT 2075)

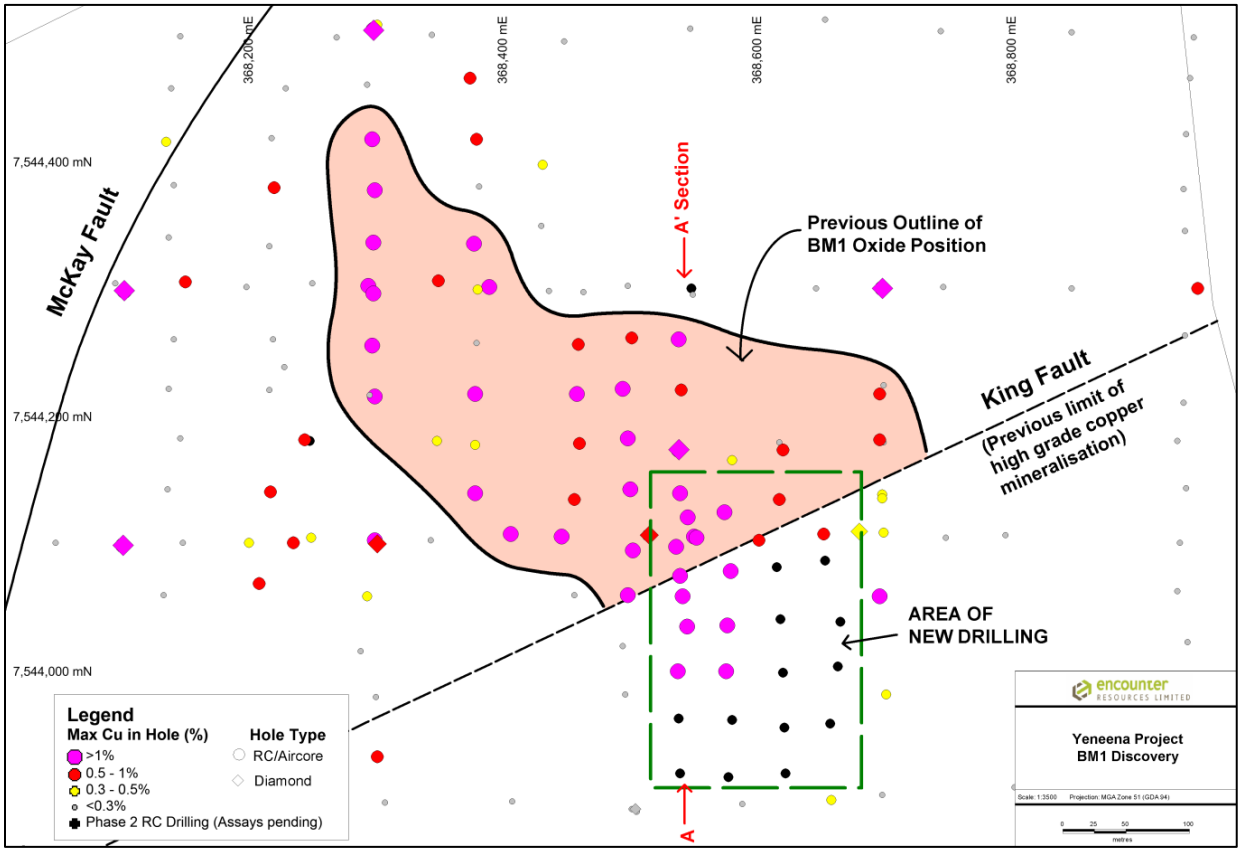

Figure 1 – BM1 Drill Hole Location Map with Max Copper in Hole

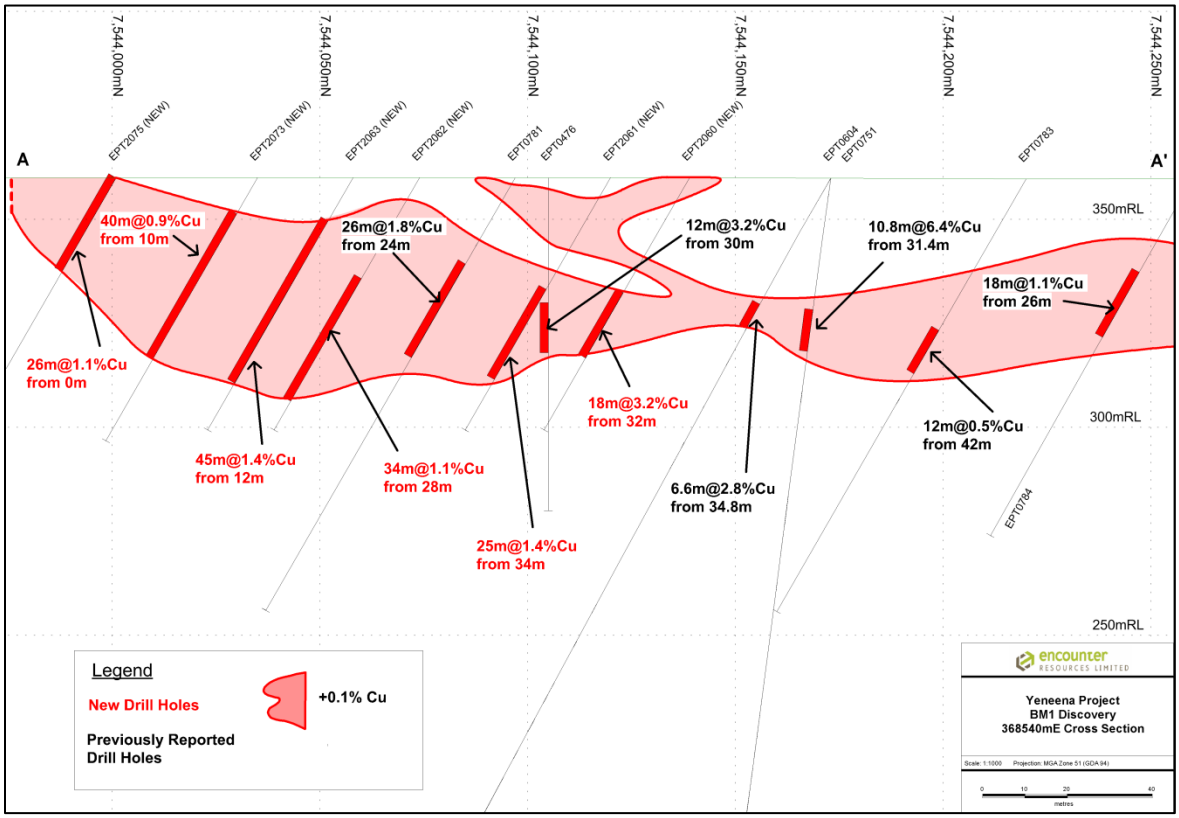

Figure 2 – BM1 Cross Section A-A' 368540mE

Of particular interest is the identification of shale hosted supergene copper mineralisation below the base of oxidation in the south east of the prospect which may provide a vector to primary copper sulphide mineralisation.

A comprehensive assessment of the previous BM1 drilling is currently being completed in light of these latest results and the learnings from the diamond drill program further south at BM7.

The second phase of thirteen RC holes has been completed and these assay results are expected later in the month. Once these assays from the second phase of RC drilling are received a follow up program will be designed together with Antofagasta. The follow up program at BM1 could involve deeper RC or diamond drilling, or both.

**Diamond Drilling Update**

Six of the initial broad spaced framework diamond drill holes have been completed at BM7 at hole spacings from between 400m to 1.6km. The aim of this initial program was to refine the understanding of the 3D geology at BM7 and to provide geochemical and structural vectors to high grade copper sulphide mineralisation.

Observations from the initial framework diamond holes indicate a flat lying, large-scale thrust forms a footwall to the copper system (termed the "Footwall Shear"). The strongest copper sulphide mineralisation occurs just above the Footwall Shear in the west of BM7 where the sedimentary sequence is dominated by sulphidic black shales and carbonate interbeds. The chalcopyrite mineralisation hosted in the units directly above the Footwall Shear appear to be zoned from a pyrite association in the south to a carbonate hosted, vein controlled assemblage and finally to pervasive, shale hosted chalcopyrite in the north of BM7. This sulphide zonation indicates a prospectivity vector to the north of the BM7 system.

The current phase of diamond drilling is focused on testing the region between the BM7 and BM1 prospects on 800m spaced sections to test the mineralisation vector defined in the early framework drilling.

The initial holes were drilled to complete a broad, 3km wide section across the BM7 and BM7 East copper system on the section that contains the best primary copper mineralisation intersected to date. This was 5.3m at 2.5% Cu in EPT1719 (see ASX announcement 22 October 2013), drilled at the end of the 2013 drill campaign. A single diamond drill hole has also been completed on each of the sections 400m, 800m and 1600m south of EPT1719. Although assay results received from these holes are not complete, the findings from the initial drilling are considered significant in directing our future drilling. Visual inspection of the drill core indicates that although most holes intersected visible copper mineralisation, the drilling did not intersect additional zones of high grade copper sulphide mineralisation similar to EPT1719. A tabulation of assays will be provided when full assays are received for each hole.

A program of 2500m of diamond drilling has been planned for the September 2014 quarter under the Antofagasta earn-in. This drilling will primarily focus on testing for shale hosted copper mineralisation directly above the Footwall Shear, as that mineralisation appears to be strengthening as we extend north towards the copper oxide position at BM1.

**Current & Upcoming Activity**

Two drill rigs are currently operating on site with aircore / RC drilling progressing at BM9 and BM10 and the diamond rig drilling at the northern part of BM7.

This activity is part of a $1.5 million exploration program of diamond, RC and aircore drilling under the Antofagasta earn-in during the September 2014 quarter.

| Hole ID | Northing (m) | Easting (m) | RL (m) | EOH (m) | Dip | Azi |
|---|---|---|---|---|---|---|
| **EPT2060** | 7544139 | 368541 | 360 | 70 | -60 | 180 |
| **EPT2061** | 7544120 | 368547 | 360 | 70 | -60 | 180 |
| **EPT2062** | 7544074 | 368541 | 360 | 70 | -60 | 180 |
| **EPT2063** | 7544058 | 368543 | 360 | 70 | -60 | 180 |
| **EPT2064** | 7544165 | 368582 | 360 | 73 | -60 | 180 |
| **EPT2065** | 7544124 | 368576 | 360 | 70 | -60 | 180 |
| **EPT2066** | 7544078 | 368581 | 360 | 85 | -60 | 180 |
| **EPT2072** | 7544035 | 368578 | 360 | 74 | -60 | 180 |
| **EPT2073** | 7544035 | 368546 | 360 | 73 | -60 | 180 |
| **EPT2074** | 7543999 | 368577 | 360 | 73 | -60 | 180 |
| **EPT2075** | 7544001 | 368539 | 360 | 73 | -60 | 180 |
| **EPT2078** | 7544081 | 368617 | 360 | 79 | -60 | 180 |
| **EPT2079** | 7544086 | 368655 | 360 | 80 | -60 | 180 |
| **EPT2080** | 7544040 | 368620 | 360 | 93 | -60 | 180 |
| **EPT2081** | 7544038 | 368667 | 360 | 80 | -60 | 180 |
| **EPT2082** | 7543998 | 368622 | 360 | 85 | -60 | 180 |
| **EPT2083** | 7544003 | 368665 | 360 | 85 | -60 | 180 |
| **EPT2084** | 7543962 | 368540 | 360 | 78 | -60 | 180 |
| **EPT2085** | 7543961 | 368582 | 360 | 80 | -60 | 180 |
| **EPT2086** | 7543955 | 368623 | 360 | 80 | -60 | 180 |
| **EPT2087** | 7543958 | 368659 | 360 | 73 | -60 | 180 |
| **EPT2088** | 7543919 | 368541 | 360 | 73 | -60 | 180 |
| **EPT2089** | 7543916 | 368579 | 360 | 61 | -60 | 180 |
| **EPT2090** | 7543919 | 368624 | 360 | 80 | -60 | 180 |

**Table 1: BM1 RC Drill hole information**

*Drill hole coordinates GDA94 zone 51 datum. Collars located via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth.*

| Hole ID | Depth from (m) | Depth to (m) | Interval (m) | Copper (%) |
|---|---|---|---|---|
| **EPT2060** | 0 | 7 | 7 | 0.15 |
| and | 16 | 18 | 2 | 0.1 |
| and | 22 | 25 | 3 | 0.14 |
| and | **32** | **50** | **18** | **3.17** |
| incl. | 37 | 46 | 9 | 5.95 |
| **EPT2061** | 3 | 20 | 17 | 0.18 |
| and | **31** | **56** | **25** | **1.38** |
| incl. | 31 | 39 | 8 | 1.62 |
| and | 47 | 55 | 8 | 2.44 |
| incl. | 48 | 50 | 2 | 5.26 |
| **EPT2062** | 6 | 22 | 16 | 0.21 |
| and | **28** | **62** | **34** | **1.05** |
| incl. | 31 | 36 | 5 | 1.83 |
| and | 46 | 54 | 8 | 1.99 |
| **EPT2063** | **12** | **57** | **45** | **1.38** |
| incl. | 28 | 42 | 14 | 3.55 |
| and | 35 | 36 | 1 | 17.0 |
| **EPT2064** | 7 | 27 | 20 | 0.12 |
| and | 50 | 68 | 18 | 0.22 |
| **EPT2065** | 19 | 55 | 36 | 0.29 |
| incl. | 42 | 44 | 2 | 1.88 |
| **EPT2066** | **30** | **77** | **47** | **0.96** |
| incl. | 42 | 57 | 15 | 1.54 |
| **EPT2072** | **12** | **62** | **50** | **1.08** |
| incl. | 31 | 50 | 19 | 2.30 |
| **EPT2073** | **10** | **50** | **40** | **0.86** |
| incl. | 23 | 34 | 11 | 2.02 |
| and | 26 | 29 | 3 | 3.07 |
| **EPT2074** | 12 | 25 | 13 | 0.57 |
| incl. | 21 | 23 | 2 | 2.52 |
| incl. | 22 | 23 | 1 | 3.42 |
| and | 29 | 31 | 2 | 0.13 |
| and | 45 | 54 | 9 | 0.17 |
| and | 57 | 59 | 2 | 0.18 |
| and | 62 | 64 | 2 | 0.12 |
| **EPT2075** | **0** | **26** | **26** | **1.14** |
| incl. | 2 | 9 | 7 | 1.96 |
| and | 13 | 18 | 5 | 2.12 |
| incl. | 17 | 18 | 1 | 5.30 |
| **EPT2078 to EPT2090** | | | | pending |

**Table 2: BM1 RC Drill Hole Assay Summary**

*Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations. EOH = End of hole depth * denotes EOH interval*

**Project Background & Location Plan**

The Yeneena Project covers 1,850km$^2$ of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km SW of the Telfer gold/copper deposit (Figure 3). The targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The targets are hosted within sediments of the Broadhurst Formation in a similar geological setting to the Nifty copper deposit (total resource of 148.3mt @ 1.3% Cu – Straits Resources Ltd, 2001).

During 2012 and 2013 Encounter strategically added to its ground position along the prospective corridor adjacent to the Yeneena Project by completing earn-in agreements with St Barbara Limited, Independence Group NL and Hammer Metals Limited.

In April 2013, the Company completed an earn-in agreement with a wholly owned subsidiary of Antofagasta plc, one of the world's largest copper producers, whereby it may earn a 51% interest in two tenements within the Yeneena Project by incurring expenditures of US$20 million over a five year period.

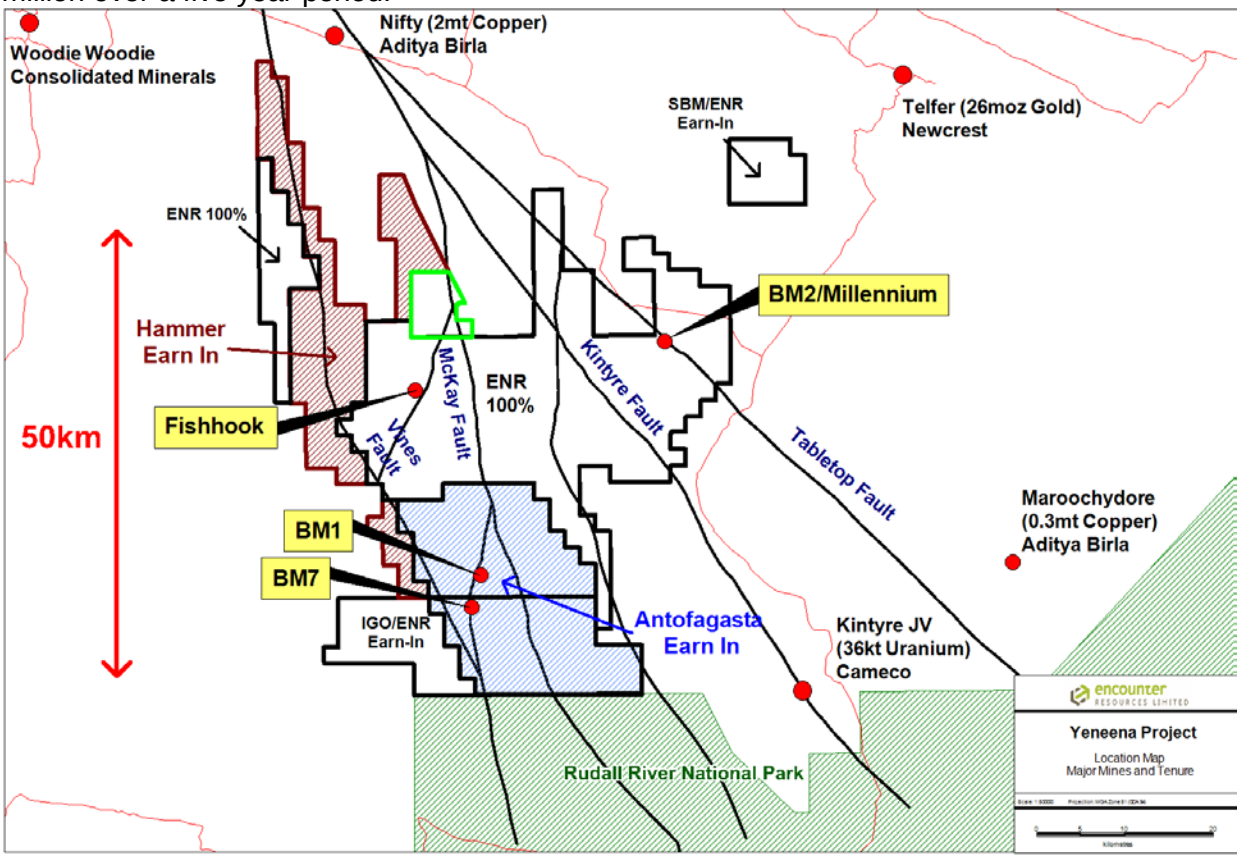


**Figure 4. Yeneena Project leasing and targets areas**

*Certain exploration drilling results for BM1 are first disclosed under JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed.*

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick is a holder of shares and options in, and is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.*

*The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.*

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick is a holder of shares and options in, and is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.*

## 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.* | The BM1 project was sampled by Encounter Resources (ENRL) using Reverse Circulation (RC) drilling. A total of 11 RC holes were drilled in the first phase or drilling for a total of 801m, with all holes drilled at -60 to 180. The RC program was drilled on nominal 40m spaced north-south sections with 20m to 40m spacing between drill holes.<br><br>Onsite handheld Niton XRF instruments were used to systematically analyse RC samples, with a single reading taken for each 1m sample or 2m composite sample produced during drilling. These results are only used for onsite interpretation and the XRF results are not reported. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* | Drill hole collar locations were recorded by handheld GPS, which has an estimated accuracy of +/- 5m. |
| | *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 (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* | Reverse circulation drilling was used to obtain 3-4 kg samples every 1m downhole via the onboard splitter. These samples were sent to Bureau Veritas Minerals Pty Ltd Laboratories in Perth, where they were dried, crushed, pulverised and split to produce a sub – sample for ICP – OES and ICP – MS analysis. |
| **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 accounts for 100% of the program. Holes were drilled using 3 1/2" diameter face sampling hammer. |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed* | RC sample recoveries were estimated as a percentage and recorded by ENRL field staff. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples* | Driller's used appropriate measures to maximise RC sample recovery and minimise down-hole and/or cross – hole contamination. |
| | *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.* | To date, no detailed analysis to determine the relationship between sample recovery and/or and grade has been undertaken for this RC drill program. |

| 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.* | Geological logging is currently being completed on chip samples from RC drilling, with lithology, alteration, mineralisation and veining recorded. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, veining and other features of the samples. |
| | *The total length and percentage of the relevant intersections logged* | All drill holes were logged in full by ENRL geologists. |
| **Sub-sampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | No core samples |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | RC samples were collected on the rig using a splitter. Samples were recorded as being dry, moist or wet by ENRL field staff. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | Sample preparation was completed at Bureau Veritas Minerals Pty Ltd Laboratories in Perth. Samples were dried, crushed, pulverised (90% passing at a ≤75µM size fraction) and split into a sub – sample that was analysed using a 4 acid digest with an ICP – OES and ICP – MS finish. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | Field QC procedures involve the use of commercial certified reference materials (CRMs) and in house blanks. The insertion rate of these averaged 1:33. |
| | *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.* | Field duplicates were taken during RC drilling and were collected on the rig via a splitter at a rate of 1:50.<br><br>The results from these duplicates are assessed on a periodical basis. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The sample sizes were considered appropriate to give an accurate indication of base metal anomalism and mineralisation at BM1. |
| **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.* | The samples were digested and refluxed with hydrofluoric, nitric, hydrochloric and perchloric acids (four acid digest). This digest is considered to approach a total digest for many elements, although some refractory minerals are not completely attacked. Analytical methods used were ICP – OES (Al, Ca, Cu, Fe, Mg, Mn, Ni, P, S, Zn and Ti) and ICP – MS (Ag, As, Bi, Mo, Pb, U and Co). |
| | *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.* | Two handheld XRF instruments were used to systematically analyse RC samples onsite. The principal instrument used was a Thermo Scientific XL3t 950 GOLDD+. A Thermo Scientific XL3t 500 GOLDD+ was also used infrequently. Reading times ranged from 20 – 25 seconds. The instruments are serviced and calibrated at least once a year. |
| | *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.* | Laboratory QAQC involved the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. ENRL also submitted an independent suite of CRMs, blanks and field duplicates (see above). A formal review of this data is completed on an annual basis. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.* | Both the Exploration Director and Senior Exploration Geologist have verified significant intersections from this program of RC drilling. |
| | *The use of twinned holes.* | No twinned holes were drilled at BM1 during this RC program. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Primary data was collected for the BM1 project on hand held printed forms and on toughbook computers using Excel templates and Maxwell Geoservice's LogChief software. Data collected was sent offsite to ENRL's Database (Datashed software), which is backed up daily. |
| | *Discuss any adjustment to assay data.* | No adjustments or calibrations were made to any assay data collected at BM1. |
| **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.* | Drill hole collar locations are determined using a handheld GPS.<br><br>No down hole surveys were completed during the RC program. |
| | *Specification of the grid system used.* | The grid system used is MGA_GDA94, zone 51. |
| | *Quality and adequacy of topographic control.* | Estimated RLs were assigned during drilling and are to be corrected at a later stage using a DTM created during the VTEM AEM survey. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.* | The RC program was initially drilled on nominal 40m spaced north – south sections with 20m to 40m spacing between drill holes. |
| | *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.* | Although the mineralisation at BM1 has demonstrated both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s), as yet no formal resource calculation has been complete. |
| | *Whether sample compositing has been applied.* | RC samples from this program were not composited |
| **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.* | The orientation of key structures and any relationship to mineralisation at BM1 has yet to be identified. |
| | *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.* | Due to the interpreted flat lying nature of the mineralisation at BM1 no sampling bias has been introduced by the orientation of drilling at BM1. |
| **Sample security** | *The measures taken to ensure sample security.* | The chain of custody is managed by ENRL. Samples are delivered by ENRL personnel to Newcrest's Telfer Mine site and transported to the assay laboratory via McMahon's Haulage. Tracking protocols have been emplaced to monitor the progress of all samples batches. |
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on BM1. |

## 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 including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | The BM1 project is located within the tenement E45/2658, which is subject of a Joint Venture between Encounter and a subsidiary of Antofagasta plc. Under the agreement, Antofogasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km$^2$) by incurring expenditures of US$20 million over a five year period.<br>The tenements that host the BM1 prospect, E45/2658, is subject to a 1.5% Net Smelter Royalty to Barrick Gold of Australia.<br>This tenement is contained completely within land where the Martu People have been determined to hold native title rights.<br>No historical or environmentally sensitive sites have been identified in the area of work. |
| **Exploration done by other parties** | *Acknowledgment and appraisal of exploration by other parties.* | Prior to activities undertaken by Encounter, no systematic exploration of the BM1 area had been completed. |
| **Geology** | *Deposit type, geological setting and style of mineralisation* | BM1 is situated in the Proterozoic Paterson Province of Western Australia. A simplified regional stratigraphy of the area comprises the Palaeo-Proterozoic Rudall Complex, unconformably overlain by the Neo-Proterozoic Coolbro Sandstone. On top of this is the Broadhurst Formation, which hosts ENRL's BM1 and BM7 projects. The BM1 project is considered prospective for sediment – hosted copper mineralisation, with the Nifty copper mine (~ 65km north of BM7) providing a basic conceptual model for exploration targeting. |
| **Drill hole information** | A summary of all information material to the understanding of the exploration results including 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 meters) of the drill hole collar<br>• Dip and azimuth of the hole<br>• Down hole length and interception depth<br>• Hole length | Refer to tabulations in the body of this announcement. |
| **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.* | All reported assays have been length weighted, with a nominal 0.1% Cu lower cut-off reported as significant in the context of the geological setting. No upper cuts-offs have been applied and some narrow intervals of less than 0.1%Cu have been included in calculating down hole grade intervals. |
| | *Where aggregated 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.* | High grade intervals that are internal to broader zones of copper mineralisation are reported as included intervals. |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalent values are used for the reporting of exploration results. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Relationship between mineralisation widths and intercept lengths** | *These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 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 geometry of the near surface mineralisation at BM1 is interpreted to be flat and therefore reported widths will be approximately 10-15% greater than the true width. |
| **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 plane view of drill hole collar locations and appropriate sectional views.* | Refer to body of text. |
| **Balanced Reporting** | *Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All significant intervals are reported with a 0.1% Cu lower cut-off. |
| **Other substantive exploration data** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; 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.* | All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed. |
| **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). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | At this stage further extensions to the mineralisation identified during the RC drill program are conceptual. A work program will be designed following the receipt of final assays from the Phase 2 RC program in consultation with JV partners Antofagasta. Further work planned at BM1 will be reported when finalised. |