ASX RELEASE 19 August 2014

Mineral Hill Southern Ore Zone Resource Upgrade

- **New Southern Ore Zone Resource Estimate of:**
- **1.98 Mt at 1.2% Cu, 1.8 g/t Au, 19 g/t Ag, 1.4% Pb & 1.1% Zn**
- **Resource less than 300m from surface and remains open along strike and down dip**

KBL Mining Limited ("KBL" or "the Company") is pleased to announce that a successful 5,780m underground drilling program has upgraded and expanded the Resource Estimate at the Mineral Hill Southern Ore Zone ("SOZ") where operations are currently focused. The new SOZ Resource has replaced those Reserves depleted by mining in the first half of 2014.

KBL successfully re-established underground access to SOZ at Mineral Hill, allowing a 5,780m diamond drilling program to commence in late 2013. The drilling program was designed to upgrade and expand known resources to support mining operations.

The initial program concluded in May 2014 with a total of 60 HQ diameter holes successfully drilled to infill and extend the known dimensions of six mineralised breccia zones, or 'Lodes' that occur within a 200m wide steeply west-dipping envelope. A, B & D Lodes are high grade polymetallic (Cu-Pb-Zn-Au-Ag) structures, and C, G & H Lodes host copper-gold mineralisation (Figure 1). All Lodes are currently less than 300m from surface and remain open along strike and down dip.

A new Resource Estimate has been undertaken by H&S Consultants Pty Ltd on the SOZ with the total of all lodes presented in Table 1 below. A breakdown of the Resource into separate Lode domains provides a better understanding of the distribution of ore types and illustrates the varying metal content of each Lode in the SOZ system. This is presented in Table 2.

Table 1. Estimated resources by category at a Copper Equivalent cut-off of 1.5% (Small rounding errors may have occurred in the compilation of this table).

Class	Tonnes Kt	Density (t/m^3)	CuEq %	Cu %	Pb %	Zn %	Au g/t	Ag g/t
Measured	553	2.70	2.3	1.2	0.6	0.5	2.0	12
Indicated	705	2.74	2.2	1.1	1.6	1.3	1.6	22
Inferred	726	2.74	2.4	1.2	1.7	1.4	1.8	21
Total	**1,985**	**2.73**	**2.3**	**1.2**	**1.4**	**1.1**	**1.8**	**19**

The resource has been depleted for material extracted by mining activities undertaken by Triako Resources Ltd and KBL Mining Limited up until 31 May 2014. KBL operations continue to extract material from the B, C and D Lodes. This new resource estimate supersedes previous resource estimates for the SOZ released 1 November 2011, and 'ESOZ', released 13 September 2011.

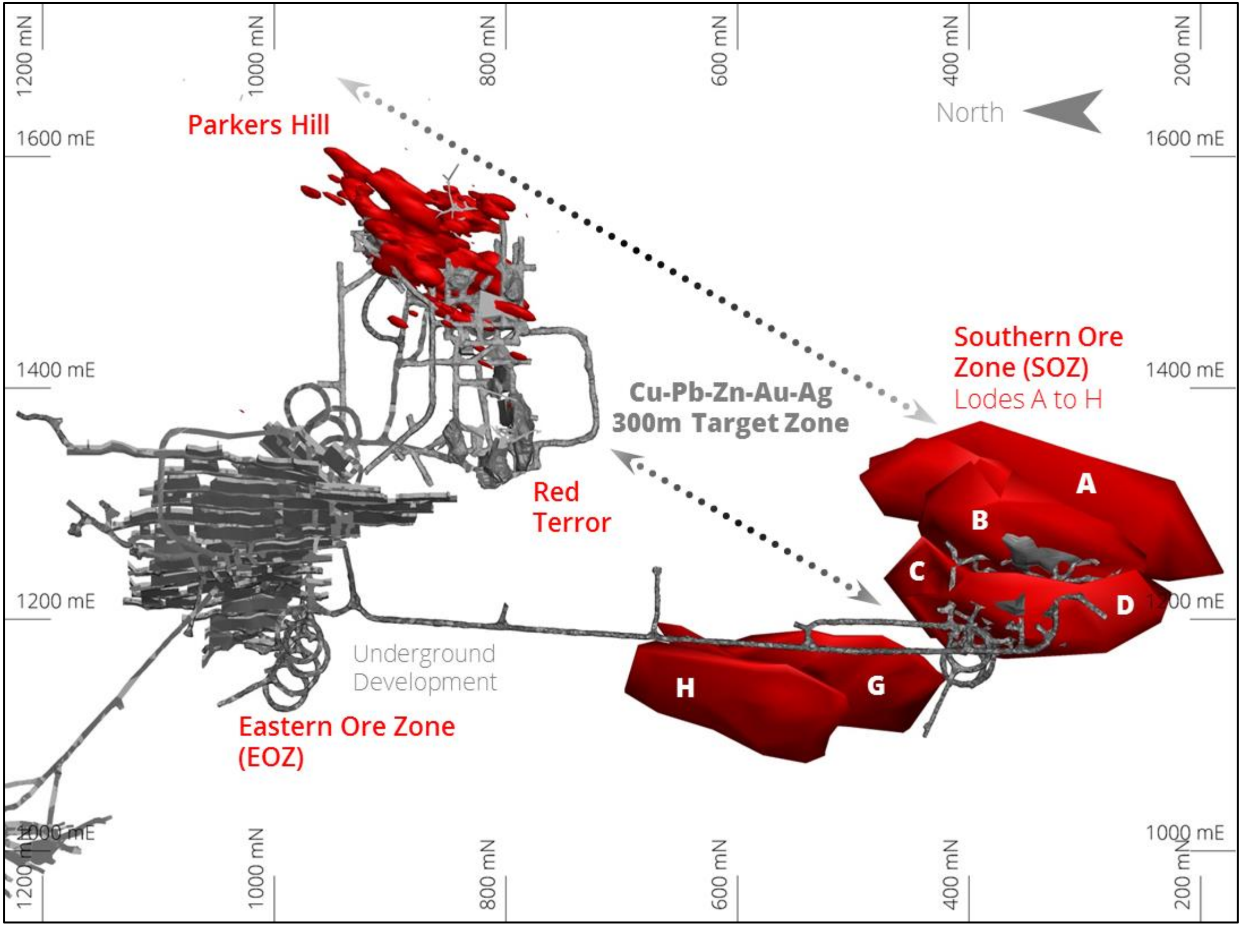

Figure 1. Plan view of the underground development (grey) and resources (red) at Mineral Hill. The discovery of the high grade polymetallic A Lode confirms a target zone of 300^{+}m between the SOZ and Parkers Hill deposits. This target zone is now the focus of exploration activities.

Table 2. Estimated resources broken up by Lode at a Copper Equivalent cut-off of 1.5%. (Small rounding errors may have occurred in the compilation of this table).

Lode	Class	Tonnes Kt	Cu %	Pb %	Zn %	Au g/t	Ag g/t
A	measured	10	0.9	2.9	2.5	0.8	27
	indicated	213	1.0	3.9	3.2	0.9	40
	inferred	300	0.9	3.4	2.9	1.6	35
	TOTAL	**523**	**0.9**	**3.6**	**3.0**	**1.3**	**37**
B	measured	228	1.2	0.6	0.6	2.1	13
	indicated	208	1.2	1.1	0.9	1.9	20
	inferred	124	1.2	0.8	0.7	2.6	16
	TOTAL	**560**	**1.2**	**0.8**	**0.7**	**2.1**	**16**
C	measured	91	1.4	0.3	0.3	1.3	8
	indicated	52	1.2	0.6	0.6	1.9	14
	inferred	51	1.1	0.8	0.7	2.5	12
	TOTAL	**194**	**1.3**	**0.5**	**0.5**	**1.8**	**11**
D	measured	143	1.2	0.9	0.4	1.9	18
	indicated	64	1.3	1.0	0.5	1.5	22
	inferred	58	1.5	1.1	0.6	1.4	26
	TOTAL	**265**	**1.3**	**0.9**	**0.5**	**1.7**	**20**
G	measured	78	0.9	0.03	0.04	2.9	4
	indicated	99	0.8	0.03	0.04	2.4	4
	inferred	161	1.8	0.01	0.02	1.5	4
	TOTAL	**339**	**1.3**	**0.02**	**0.03**	**2.1**	**4**
H	measured	3	1.2	0.04	0.03	2.2	6
	indicated	68	1.0	0.02	0.02	1.9	4
	inferred	33	1.0	0.01	0.01	1.7	3
	TOTAL	**104**	**1.0**	**0.02**	**0.01**	**1.8**	**4**
GRAND TOTAL		**1,985**	**1.2**	**1.4**	**1.1**	**1.8**	**19**

Resource Estimate

The SOZ copper, silver, lead and zinc resources were estimated using Ordinary Kriging, whereas the gold resources were estimated using Multiple Indicator Kriging. The resources are classified dominantly on search criteria with blocks populated in Pass 1 classified as Measured, Pass 2 classified as Indicated and Pass 3 and Pass 4 classified as Inferred (Table 3). Blocks with an average distance to composites greater than 50m are not included in the reported resources.

Table 3. Criteria used for the classification of resource categories.

Axis	Pass 1	Pass 2	Pass 3	Pass 4
Along Strike	25m	50m	50m	75m
Down Dip	25m	50m	50m	75m
Across Strike	5m	10m	10m	15m
Composite Data Requirements				
Minimum Data Points (total)	16	16	12	8
Maximum Points per Sector	8	8	8	12
Sectors	4	4	4	4
Minimum Hole Count	4	4	2	1
Maximum Data per Drill Hole	6	6	6	12

The resources are reported at a cut-off of 1.5% Cu equivalent, reflecting the mining cut-off grade employed at the time of resource estimation.

The SOZ drilling dataset comprises a combination of diamond, reverse circulation and percussion drilling techniques for a total of 202 diamond drill holes, 17 reverse circulation drill holes and three percussion drill holes.

Underground core drilled by KBL is fully sampled (sawn half core) and submitted for assay. All cored sections of KBL surface drill holes are assayed unless the volume of rock is deemed to have been effectively sampled by a pre-existing drill hole, for example in the case of wedging where the wedge hole trajectory is close (typically <5m) from the parent hole.

When sub sampling RC chips a riffle splitter or conical splitter is typically employed directly off the cyclone. In cases when sampling low grade or background intervals after determination with portable XRF, 4m composite intervals are assembled by spearing. If anomalous results are received from the laboratory, the composite intervals are resubmitted from the remaining bulk sample as 1m intervals by riffle splitting.

All drilling samples are currently assayed at Australian Laboratory Services (ALS) in Orange, NSW. ALS is a NATA Accredited Laboratory and qualifies for JAS/ANZ ISO 9001:2008 quality systems.

During the Triako era drilling at SOZ (2001–2005):

- Sampling was based on geological logging whereby only core regarded as significantly mineralised was cut in half for subsequent assay.
- Samples were analysed for copper, lead, zinc, silver and gold using ALS Method IC581. All gold values >5 g/t were then repeated with method AA26. All pulps returning >1%Cu, >1%Pb, >1% Zn, and/or >25g/t Ag were repeated with method OG46/AA46 (mixed acid digest, flame AAS).

KBL have routinely assayed for copper, lead, zinc, silver, arsenic, antimony, and bismuth using ALS Method ME-ICP41, with pulps returning over 10,000ppm for Cu, Pb, Zn or 100ppm for Ag, reanalysed with the ore-grade method ME-OG46. The aqua regia ME–ICP41 and ME-OG46 methods are regarded as a total digestion technique for the ore minerals present at SOZ. Gold is analysed with the 50g fire-assay–AAS finish method Au-AA26.

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About KBL Mining

KBL Mining is an Australian resource company listed on the ASX (KBL and KBLGA) with a focus on producing precious and base metals. KBL's main assets include the Mineral Hill copper-gold-silver-lead-zinc mine near Condobolin in New South Wales and Sorby Hills lead-silver-zinc project in Western Australia. The Company has been operating the refurbished processing plant at Mineral Hill since October 2011 to produce copper concentrates. Sorby Hills (KBL holds 75% with Henan Yuguang Gold & Lead Co. Ltd (HYG&L) holding 25%) is one of the world's largest near surface undeveloped silver-lead deposits, close to port infrastructure and a short distance from Asian markets. The Project received environmental approval on 2 April 2014 and the Joint Venturers are now progressing the Project to development.

More information can be found on KBL's website at www.kblmining.com.au.

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets, and the data used for estimating Mineral Resources based on information compiled by Anthony Johnston, MSc (Hons), who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Anthony Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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.' Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

The information in this report that relates to the estimation of Mineral Resources for the Southern Ore Zone deposit is based on information compiled by Rupert Osborn, who is a Member of the Australian Institute of Geoscientists and a Consulting Geologist at H&S Consultants Pty Ltd. Mr. Osborn has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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' (JORC Code). Mr. Osborn consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Use of Copper Equivalent in Reporting the Mineral Resource Estimate

The SOZ deposit is polymetallic in nature and has complex internal metal zonation. As a result, a copper equivalent (CuEq) was used to determine a meaningful cut-off grade with which to report the resource.

$$\mathbf{CuEq = Cu\ (\%) + 0.136 \times Pb\ (\%) + 0.008 \times Ag\ (g/t) + 0.467 \times Au\ (g/t)}$$

The copper equivalency formula accounts for actual treatment charges, refining costs, transport costs and incorporates individual metal factors (reflecting metal prices at the time of estimation) and recoveries from the sequential flotation pathway at Mineral Hill. The following assumptions were used to derive the equivalency formula.

Commodity	Price	Recovered in Copper Flotation	Recovered in Lead Flotation	Payability (Cu concentrate|Pb concentrate)
Copper	$US6600/tonne	79%	No credits	95.5%| NA
Gold	$US1300/oz	43.90%	11.60%	93%|50%
Lead	$US2000/tonne	No credits	50.1	NA |95%
Silver	$US20/oz	36.10%	29%	90%|80%

JORC Code, 2012 Edition – Table 1 report

Southern Ore Zone Diamond Drilling

Section 1 Sampling Techniques and Data

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.*	**Diamond Drilling** Diamond drilling from surface and underground is used to obtain core from which intervals ranging from approx. 0.2-1.5m in length are submitted for base metals analysis using nitric aqua regia digestion and a conventional ICP–AES methodology. A 50g charge is produced for fire assay and AAS analysis for gold. All diamond drill core drilled by KBL is sampled in intervals based on geological logging. All core is cut, with half core typically sent as the geochemical sample to ALS, Orange The remaining core is stored at the Mineral Hill core yard. An exception is in the case of metallurgical testing where half core is typically sent to the testing laboratory, quarter core to ALS for assay and quarter core retained at site. **Reverse Circulation Drilling** Historically (Triako era), rock chip samples from RC drilling were first collected and assayed as four metre composites. Composite samples returning significant assay results were then resampled in1m intervals using a riffle splitter and re-assayed. Subsequently (CBH and KBL era), samples were either submitted in one metre intervals, split off the cyclone; or a portable XRF analyser was used to determine the sampling intervals. In the latter case, samples with XRF readings regarded as anomalous were submitted for assay as one metre intervals with at least two metres either side also collected as one metre samples. The remainder of samples were submitted for assay in 4m composites collected by spearing or riffle splitting. Any four metre composites returning anomalous laboratory assays were re-submitted for assay as one metre samples. Representative chip samples for each metre of RC drilling at Mineral Hill are collected in trays and stored at site.
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,*	Drilling carried out at Mineral Hill has been predominantly reverse-circulation percussion (RC) and diamond core (typically with RC precollars of varying lengths). Core diameters are mostly standard

	depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	diameter HQ and NQ, with HQ3 and NQ3 (triple-tube) used during recent surface drilling. The Southern Ore Zone (SOZ) dataset contains drill holes collared between 800mE and 1400mE, and south of 775mN (local mine grid), that intersect the Mineral Hill Volcanics host rocks. Numerous holes have failed in overlying unmineralised Devonian sedimentary rocks and are not included. Historical drilling at the SOZ has seen a higher proportion of diamond core holes than is typical at Mineral Hill with 139 diamond holes, 17 RC holes, and three percussion holes in the pre-2013 historical dataset. In addition, 65 underground diamond holes and four surface diamond holes have been drilled by KBL from 2013 onwards. Diamond drilling using HQ (61.1-63.5mm) core diameter and a standard barrel configuration is most common. Of these, the results of 61 underground diamond holes and two surface holes were available for incorporation into the updated resource estimate calculated in May 2014. Core from underground drilling is not routinely orientated. Orientation has been attempted on numerous surface drill holes with mostly good results. Methods used over time have included traditional spear and marker, and modern orientation tools attached to the core barrel. The SOZ sampling dataset also Includes assays from over 5800 metres of underground sampling performed by Triako from faces and walls, and sludge sampling from underground probe and blast percussion holes. This sampling dataset was not used in the mineral resource estimate but helps to confirm the location and approximate grades of the mineralisation in many places.
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.*	Triple-tube core barrels are used where possible in diamond drilling to maximise sample recovery and quality. Core recovery is measured for the complete hole based on the driller's mark-up, checked during core mark-up in 1m intervals by the geologist. Drill core is measured (actual measured core recovered vs drilled intervals) to accurately quantify sample recovery. Good core recovery is typically achieved during drilling at Mineral Hill. Where recovery is insufficient to produce a meaningful sample the interval is assigned a zero grade when reporting drilling results.. Average HQ core recovery to date for the current drilling program is 98%. There is no known relationship between sample recovery and grade. The lowest recoveries are typically associated with fault and shear zones which may or may not be mineralised. When RC drilling, intervals of poor recovery are noted on geologists' logs but RC sample bags are not routinely weighed for quantification of sample recovery.

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.*	A qualified geoscientist logs the geology of all holes in their entirety including geotechnical features. Drill core is geologically and routinely geotechnically logged to a level of detail considered to accurately support Mineral Resource estimation. The parameters logged include lithology with particular reference to veining, mineralogy, alteration, and grain size. Magnetic susceptibility measurements are available for some recent drill holes. Some core holes have down-hole core orientation and these holes are subject to detailed structural logging. Routine structural logging is carried out on all core holes recording bedding, schistosity and fault angles to core. All core and RC chip trays are photographed in both wet and dry states. Recent digital photos and scans of film photography are stored electronically. All of the holes with results mentioned in the release have been logged in their entirety. Out of the total of 44,652 metres of drilling that formed the basis of the resource estimation, lithological logs for 38,770 m (87%) were available.
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.*	The SOZ core sampling of Triako (2001–2005) was based on the geological logging, such that only core regarded as significantly mineralised was cut in half for subsequent assay. This approach has the potential to miss finely disseminated gold mineralisation, and in some cases low grade Cu, high Pb–Zn mineralisation was regarded as uneconomic and ignored. Underground core drilled by KBL is fully sampled (sawn half core) and submitted for assay. All cored sections of KBL surface drill holes are assayed unless the volume of rock is deemed to have been effectively sampled by a pre-existing drill hole, for example in the case of wedging where the wedge hole trajectory is close (typically <5m) from the parent hole. There is no standard procedure regarding the line of cutting with any veins and structural fabrics. However, an attempt is made to obtain an equivalent sample of mineralised material in both halves of the core. Poorly mineralised core is typically cut perpendicular to any dominant fabric. Water used in the core cutting is unprocessed and hence unlikely to introduce contamination to the core samples. When sub sampling RC chips a riffle splitter or conical splitter is typically employed directly off the cyclone. In cases when sampling low grade or background intervals after determination with portable XRF, 4m composite intervals are assembled by spearing. If anomalous results are received from the Lab, the composite intervals are resubmitted from the remaining bulk sample as 1m intervals by riffle splitting. Dry sampling is ensured by use of a booster air compressor when significant groundwater is encountered in RC drilling.

		Field duplicates were periodically assayed by Triako and CBH, but KBL has not routinely submitted duplicates for analysis. The HQ and HQ3 diameter core is deemed by KBL to provide a representative sample of the SOZ sulfide mineralisation which generally comprises a fine- to medium-grained (1–5mm) intergrowth of crystalline sulfide phases such as chalcopyrite, pyrite, galena and sphalerite; with quartz–mica–carbonate gangue. A typical 1m half core sample weighs approximately 3.5-4.5 kg. The 4 ½ " diameter bit, used as standard in RC drilling, collects a typical bulk sample weighing up to 30kg per metre drilled, from which a split 1/10 sub-sample typically weighing between 1.5 and 2.5 kg is submitted for assay. The split sub-sample is deemed representative of the entire metre sampled.
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.*	All drilling samples are currently assayed at Australian Laboratory Services (ALS) in Orange, NSW. ALS is a NATA Accredited Laboratory and qualifies for JAS/ANZ ISO 9001:2008 quality systems. ALS maintains robust internal QA/QC procedures (including the analysis of standards, repeats and blanks) which are monitored with the analytical data by KBL geologists through the Webtrieve™ online system. During the Triako era drilling at SOZ (2001–2005), samples were analysed for copper, lead, zinc, silver and gold using ALS Method IC581. All gold values >5 g/t were then repeated with method AA26. All pulps returning >1%Cu, >1%Pb, >1% Zn, and/or >25g/t Ag were repeated with method OG46/AA46 (mixed acid digest, flame AAS). KBL have routinely assayed for copper, lead, zinc, silver, arsenic, antimony, and bismuth using ALS Method ME-ICP41, with pulps returning over 10000ppm for Cu, Pb, Zn or 100ppm for Ag, reanalysed with the ore-grade method ME-OG46. The aqua regia ME–ICP41 and ME-OG46 methods are regarded as a total digestion technique for the ore minerals present at SOZ. Gold is analysed with the 50g fire-assay–AAS finish method Au-AA26. In the recent KBL drilling program two standards were inserted every 30 samples in the sample stream. The standards comprise Certified Ore Grade base and precious metal Reference Material provided by Geostats Pty Ltd. The analysis of standards is checked upon receipt of batch results—all base metal standards analysed with the KBL core samples have ore elements within two standard deviations (SD) of the provided mean standard grade with 53% of these having all ore element concentrations within one SD. 95% of gold standards analysed during the current drilling program

		were within two SD of the standard mean with 67% within one SD. Based on the results of standard analysis, in addition to the internal QA/QC standards, repeats and blanks run by the laboratory, the laboratory is deemed to provide an acceptable level of accuracy and precision. For historical drilling from 2001–2005, standards were inserted at the start and end of each batch of samples sent to ALS. The laboratory was requested to repeat any high grade standards which returned values > 10% from the quoted mean, and >20% for the low grade standards.
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.*	Significant intersections are checked by the Senior Mine Geologist, Senior Exploration Geologist, and Chief Geologist. No holes have been deliberately twinned during SOZ drilling. Original laboratory documents exist of primary data, along with laboratory verification procedures. The Mineral Hill drilling database exists in electronic form as a Microsoft Access database. The assay data are imported directly into the database from digital results tables sent by the laboratory. The Senior Mine Geologist and Chief Geologist manage the drill hole assay database. 3D validation of drilling data occurs whenever new data is imported for visualisation and modelling by KBL geologists in Micromine™ software. No adjustment has been made to assay data received from the laboratory.
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.*	The collar positions of holes drilled by Triako have been surveyed by mine surveyors and are consistent with surveyed underground workings. The holes were surveyed in Mineral Hill mine grid and also the national grid. The CBH drill hole collars have been established by GPS using the national grid and converted to mine grid using the conversion established by Triako. KBL Mining Ltd holes were either surveyed by qualified mine surveyors or by real-time differential GPS (DGPS) in areas at surface distant from reliable survey stations. Coordinates are recorded in a local Mine Grid (MHG) established by Triako in which Grid North has a bearing of 315 relative to True North (MGA Zone 55). The local grid origin has MGA55 coordinates of 498581.680 mE, 6394154.095 mN. Topographic control is good with elevation surveyed in detail over the mine site area and numerous survey control points recorded.
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*	Historical surface drilling at SOZ, like most of the Mineral Hill field, was mainly designed on an east-west grid (relative to Mine Grid). Surface holes were drilled from drill pads arranged on a grid of approximately 50 × 50m, typically with two to five separate holes drilled from each pad.

	Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	Underground drilling at SOZ has also occurred from numerous sites, most commonly in the hanging wall of the mineralisation, and drill holes have a greater range of orientations. As a whole, the drilling has typically intersected the A, B, C, & D lodes at a spacing 25m × 25m between 160RL and 0RL (between 147m and 307 metres depth from surface) with closer drill spacing in many areas. Drilling has intersected the mineralisation at an average spacing of approximately 50 × 50m between 0RL and -100RL (307m to 407m depth from surface). Below -100RL, only sporadic drilling has been carried out. Historical drilling into the G & H lodes was mostly from underground sites at the northern and southern ends of the deposit. Drilling has intersected the mineralised envelope with a spacing of approximately 25–30 m at G Lode and 30–50m at H Lode. The majority of drill holes have been selectively sampled. Only intervals that showed signs of mineralisation have been assayed. H&SC consider the data spacing to be sufficient to classify the resources at SOZ as Measured, Indicated and Inferred. Historically (Triako era), rock chip samples from RC drilling at SOZ were first composited into four metre intervals for assay by riffle splitting the individual metre bulk samples and combining. Composite intervals returning assay results of economic significance were then resampled in 1m intervals from the bulk samples using a riffle splitter and re-assayed. No sample compositing has been applied by KBL during drilling at SOZ.
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.*	Mineralisation at Mineral Hill occurs around discrete structures in a series of en echelon dilational zones within a NNW/SSE[1] trending corridor up to 1.5km wide. There is a variety of mineralisation styles present within this zone, reflecting multiple phases of mineralisation element. Most drilling occurs with an east-dipping orientation and -60 to -80 degrees dip to best intersect the mineralisation. Surface drill hole designs at SOZ mostly dip between 60 and 75 degrees to the to the east, intersecting the interpreted steeply west-dipping lodes at a favourable angle. In the central part of the G & H Lode domain, most of the drill holes are oriented at a non-ideal angle either down-dip or along strike relative to the interpretation of mineralisation. This is being corrected by the current drilling program, with holes designed from a recently completed drill drive in the hanging wall of the mineralisation. The angle of existing drilling to interpreted mineralisation is more favourable in the northern and southern parts of the G & H Lodes. Due to limited underground drill sites, KUSOZ065 (presented in this release) is not ideally orientated; being along strike relative to the interpretation of mineralisation. Estimated true

		thicknesses of reported intersections are presented in the body of the release. [1] Bearings in this document are given relative to the Mineral Hill Mine Grid (MHG) in which north is oriented towards a bearing of 315 degrees (NW) relative to MGA Grid north.
Sample security	• *The measures taken to ensure sample security.*	For diamond drilling, half core is collected in calico sample bags marked with a unique sample number which are tied at the top. Samples are couriered by independent contractors from the mine site to the ALS Laboratory, Orange, NSW. Specific records of historical sample security measures are not recorded, however the methods were regarded as normal industry practice during an external audit of Triako's historical data base, quality control procedures, survey, sampling and logging methods in 2005. For RC drilling, representative samples from the rig are deposited into individually numbered calico bags which are then tied at the top Samples are couriered by independent contractors from the mine site to the ALS Laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	The historical data base, quality control procedures, survey, sampling and logging methods were reviewed by Barret, Fuller and Partners (BFP) in June 2005 on behalf of Triako Resources Ltd. The BFP report was authored by C.E. Gee and T.G. Summons and concluded that the Triako database and procedures were of "normal industry practice". CBH Resources, and subsequently KBL Mining Ltd have maintained the Triako drilling and sampling procedures, with numerous improvements outlined in this document.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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.*	The resource estimates and drilling results are from drilling within Mining Leases ML337, ML5499 and ML6365 located in central NSW and which are due to expire on 14 March 2033.
Exploration	• *Acknowledgment and appraisal of exploration by*	The SOZ lodes were discovered by Triako Resources Ltd. The majority of drilling at SOZ to date was

Criteria	JORC Code explanation	Commentary
done by other parties	*other parties.*	carried out by Triako between 2001 and 2005.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The SOZ at Mineral Hill is an epithermal polymetallic (Cu–Au to Cu–Pb–Zn–Ag–Au) vein and breccia system hosted by the Late Silurian to Early Devonian Mineral Hill Volcanics, a pile of proximal rhyolitic volcaniclastic rocks with minor reworked volcaniclastic sedimentary rocks. The mineralisation is structurally controlled and comprises lodes centred on hydrothermal breccia zones within and adjacent to numerous faults, surrounded by a halo of quartz–sulfide vein stockwork mineralisation. Mineralisation at A Lode is mostly in the form of breccia, composed of volcanic wall rock and older quartz-sulphide vein fragments set in a silica and sulphide matrix and locally comprising massive sulphide. This Lode is the easternmost of the parallel to en-echelon west-dipping breccia zones which make up the SOZ.
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.*	All relevant historical drill holes are enclosed by the volume covered by the resource estimate. No new drilling results are presented in the release.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation*	Drill hole intercept grades are reported as down-hole length-weighted averages with any non-recovered core within the reported intervals treated as no grade. The cut-off used for selecting significant intersections is typically 1% copper or equivalent (see below) for copper-rich mineralisation and 2×Cu% + Pb% + Zn% ≥ 2 for polymetallic mineralisation . No top cuts have been applied when calculating average grades. The copper equivalent equation was derived by applying measured and assumed copper, lead, silver,

Criteria	JORC Code explanation	Commentary
	should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	and gold metal recoveries through flotation using the current Mineral Hill plant configuration. These data were combined with known transport costs, smelter charges, and payability for these commodities in concentrate form. When aggregating assay intervals the incorporation of more than two consecutive metres of low grade material or internal waste is avoided. High grade intersections within the main aggregated intervals are also reported in the results table in the body of the release. Although used for intercept aggregation, no metal equivalent values are reported in the release.
Relationship between mineralisatio n 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 (eg 'down hole length, true width not known').*	The context of the reported intercepts relative to the interpretation of the mineralisation is presented in figures in the release. Angles of intersection with the interpreted mineralisation are depicted n figures in the release. Down-hole widths and estimated true widths of mineralisation are reported. True widths for intercepts of breccia-style mineralisation are estimated by assigning a general Lode orientation with a dip of 75 degrees towards a bearing of 270 (mine grid) and applying a standard trigonometric equation determine the true thickness.
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 plans and section views are presented in the release.
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.*	Only mineralised intersections regarded as highly anomalous, and therefore of economic interest, have been included in the results tables. Low grade mineralisation at SOZ is characterised by intervals containing only thin intercepts of economic grades. Such intervals (down to 0.4m thickness) are reported in the results table. The proportion of each hole represented by the reported intervals can be ascertained from the sum of the reported intervals divided by the hole depth.
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*	Historical production records at SOZ indicate that 215,548 tonnes of ore (predominantly from the upper B and D Lodes) was treated between 2003 and 2005 — average recoveries were 86.6% for copper by flotation and 81.9% for gold using a combination of flotation and CIL, producing an average 22.8% copper grade in concentrate.

Criteria	JORC Code explanation	Commentary
	contaminating substances.	
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.*	The scope of planned future drilling is described in the release. The areas of possible extensions which are currently being tested are depicted by a figure in the release.

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.*	Limited validation was conducted by H&S Consultants (H&SC) to ensure drill hole database is internally consistent. Validation included checking that no assays, density measurements or geological logs occur beyond the end of hole and that all drilled intervals have been geologically logged. The minimum and maximum values of assays and density measurements were checked to ensure values are within expected ranges. H&SC has not performed detailed database validation and KBL personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources.
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.*	Regular site visits have been carried out by Trangie Johnston, the KBL CEO, who acts as the Competent Person with responsibility for reporting exploration results and the integrity and validity of the database on which resource estimates were conducted. Rupert Osborn of H&SC, Competent Person for the reporting of the resource, visited site in May 2014 for three days immediately preceding the resource estimation..
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.*	The lithological interpretation of the SOZ deposit is reasonably well constrained with the aid of underground developments, drilling and knowledge accumulated during previous mining activities. Mineralisation at SOZ is structurally controlled with lodes centred on hydrothermal breccia zones within and adjacent to numerous mineralised faults, surrounded by a halo of quartz–sulfide vein stockwork mineralisation. The original rock type does not appear to strongly influence grade distribution. H&SC created six wireframes outlining zones of anomalous mineralisation that are based on the ten wireframes of brecciation provided by KBL that form the core of the mineralised lodes. The strike and dip of these zones vary slightly but predominately strike north-south in the local mine grid and dip around 60˚ to the west. Where no drill data exists along strike the wireframes were extended ten

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		metres north and south of last drill hole intercept. Faulting cross-cutting mineralisation is present but displacements appear to be minor and do not obviously off-set mineralisation. The upper and western edge of mineralisation in the all lodes is truncated by a shear structure, the location of which is well constrained by drilling. The exact position of the shear in the northern half of the deposit, affecting the G, H and I zones, is poorly constrained though this does not affect the resources at the elected cut-off grade. H&SC is aware that alternative interpretations of the mineralised zones and shear structure are possible but consider the wireframes to adequately approximate the locations of the mineralised zones for the purposes of resource estimation. Alternative interpretations may impact the resource estimate.
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 resources at a cut-off of 1.5% Cu Equivalent span a length of around 545 m in a NNW direction, consisting of several en echelon north-south striking bodies that dip to the west on the local mine grid. The plan width of the resource varies from 25 m to 290 m and contains significant lenses of material below cut-off. The upper limit of the mineralisation occurs at 120 m below the surface and the lower limit of the resource extends to a depth of 445 m below the surface.
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 (e.g. 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.*	The copper, silver, lead and zinc resources at SOZ were estimated using Ordinary Kriging whereas the gold resources were estimated using Multiple Indicator Kriging (MIK). The MIK used 14 bins based on probability thresholds for each of the mineralised zones and the waste. One metre composites were used for estimation in the Micromine software. H&SC considers Ordinary Kriging to be an appropriate estimation technique for the type of copper, silver, lead and zinc mineralisation and extent of data available at SOZ. The estimation of Au is considered to be better suited to MIK due to the highly skewed grade distribution H&SC created six wireframes that outline zones of anomalous mineralisation broadly equating to a Cu Equivalent grade of greater than 0.2%. The wireframes were treated as hard boundaries i.e. blocks within the wireframes were estimated using composites from within that wireframe. The surrounding low grade material was estimated using only composites outside the wireframes. The lead and zinc grades of each zone and the silver grades for one zone (ABC zone) were top-cut to the 99.5^{th} percentile for the corresponding zone as this corresponds approximately to a distinct break in the grade populations. No top-cutting was applied to copper grades or the silver grades in the other zones as this was considered unnecessary. Top-cutting the gold grades was avoided by using MIK although for the top indicator bin the median value for each zone was applied rather than the mean due to the highly skewed distribution. The estimation procedure was reviewed as part of an internal H&SC peer review. No check models by a different operator were conducted in this round of estimation as resources are in line with the resources estimated in November 2013. In the November 2013 estimate an unconstrained check model was created by a Director of H&SC using Surpac. The tonnage, grade and classification of the check estimate agreed well with the primary resource estimate. Hellman &Schofield, the predecessor to H&SC estimated the resources of the ABC and D lodes in

Criteria	JORC Code explanation	Commentary
	• *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.*	October 2011 using unconstrained Ordinary Kriging. H&SC reran the resource estimates using updated knowledge of the mineralisation and new drilling data in November 2013. The current resource estimate is based on additional assay data from 51 new drill holes and significantly more density data. Mining has commenced at SOZ and an updated mine developments and stopes were used to remove resources that have already been mined. An updated copper equivalent is used to report the resources using current metal prices and plant efficiencies and also now includes lead resources as KBL have added a circuit to produce lead concentrate. The current estimation is more strongly influenced by the interpreted zones of brecciation. A detailed comparison of the two resource estimates has not been completed although estimated grades and tonnages of the current model appear to be in line with those estimated previously. No assumptions were made regarding the recovery of by-products. The resources are reported here at a cut-off based on a copper equivalent calculated from gold, copper, silver and concentrations. The copper equivalent does not take account of lead or zinc mineralisation, some of which is reasonably high grade. H&SC are informed that KBL's current smelter contracts do not include zinc as a payable commodity. Block dimensions are 2.5x5x5m (E, N, RL respectively). The north and vertical dimensions were chosen as they are nominally a third of the distance between drill hole intersections. The east-west dimension was chosen to reflect the sample spacing and anisotropy of mineralisation. Each element was estimated separately by Ordinary Kriging or MIK for gold. Four search passes were employed with progressively larger radii or decreasing search criteria. The first pass used radii of 25x25x5m, the second and third used 50x50x10m and the fourth used 75x75x15m (along strike, down dip and across mineralisation respectively). The first three passes used a four sector search and a maximum of 32 composites with a maximum number of composites per drill hole set at six. Passes one and two required a minimum of 16 composites from at least four drill holes and pass three a minimum of 12 composites from at least two drill holes. Pass four used a four sector search and a maximum of 48 composites with a maximum number of composites per drill hole set at 12. A minimum of eight composites was necessary to estimate a block in pass four. Estimates of blocks where the average distance to composites was over 50m were deleted to avoid resources being estimated too far. Each of the six mineralised wireframes was treated as a hard boundary so that only composites from within each wireframe were used to estimate the blocks in the respective wireframe. Blocks outside the wireframes were estimated using only composites from outside the wireframes. Estimates from the J zone are not reported here as the confidence in the continuity of mineralisation did not meet the standards to qualify as part of a JORC resource. The H&SC block model was reviewed visually by H&SC and KBL geologists and it was concluded that the block model fairly represents the grades observed in the drill holes. H&SC also validated the block model statistically using a variety of histograms, boxplots, swathe plots, contact plots and summary statistics.

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages of the Mineral Resource are estimated on a dry weight basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The resources are reported at a cut-off of 1.5% Cu equivalent. This value was requested by KBL and is based on the mining cut-off grade employed at the time of resource estimation.
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 SOZ resources were estimated on the assumption that the material will continue to be mined by open stoping. Minimum mining dimensions are envisioned to be around 2.5x5x5m (E, N, RL respectively). The resource estimation includes internal mining dilution.
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.*	The mineralisation at SOZ has been successfully mined and processed by Triako between 2001 and 2005, and KBL from 2013 to 2014 and therefore the metallurgical amenability is well constrained.
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*	The SOZ mineralised zones are typically low in pyrite and are minimally susceptible to acid mine drainage Mining at Mineral Hill has occurred in the past and the infrastructure to deal with environmental impacts from waste-rock storage and tailings is already in place. The cut-off grade was selected with a good understanding of the costs involved regarding the treatment of potentially environmentally harmful by-products.

Criteria	JORC Code explanation	Commentary
	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.	
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.*	The dry bulk density was measured for a total of 292 diamond drill core samples using the Archimedean method. Core from drill holes containing a variety of mineralised and unmineralised lithologies was selected. The density of a one metre half core sample (typically 1.5–2.5 kg) from every five metres of core was systematically measured. The density of the tested samples at SOZ is strongly influenced by the amount of sulphide mineralisation present. KBL compared the measured density of the samples against a dry bulk density derived from a normative mineralogical calculation based on the assays. This calculation used the Cu, Pb and Zn assays to estimate the amount of chalcopyrite, galena and sphalerite respectively. The remaining mass was attributed to gangue with a density of 2.65 t/m^3. The measured and calculated densities correlated reasonably well H&SC therefore applied the dry bulk density calculation to the block model using the estimated Cu, Pb and Zn grades. The amount of sulphides not containing Cu, Pb or Zn was not included in the density calculation as few drill hole intervals at SOZ contain sulphur or iron assays. The presence of sulphides such as pyrite, which is common at SOZ, would consequently result in a higher density than that calculated and the density estimates are therefore considered to be conservative. This approach also assumes that all Cu is found in chalcopyrite and not in other Cu bearing minerals such as bornite.
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 resources are classified dominantly on search criteria with blocks populated in Pass 1 classified as Measured, Pass 2 classified as Indicated and Pass 3 and Pass 4 classified as Inferred. Blocks with an average distance to composites greater than 50m are not included in the reported resources. Material within the expanded stope wireframes provided by KBL, which represented around an extra 20% of the stope width close to the interpreted stope boundary, is downgraded to Inferred because the edges are poorly defined as the stopes have not been surveyed and may have been subject to caving. The feasibility of extracting this material is unknown at this stage. Estimates also include material bordering existing stopes that have not yet been surveyed. H&SC believes the confidence in tonnage and grade estimates, the continuity of geology and grade, and the distribution of the data reflect the Measured, Indicated and Inferred categorisation. H&SC has not assessed the reliability of input data and KBL personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources. The estimates appropriately reflect the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	The estimation procedure was reviewed as part of an internal H&S Consultants peer review and the block model was reviewed visually by KBL geologists. No audits of the Mineral Resource estimates have been completed.

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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.* • *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 or geostatistical procedures were used to quantify the relative accuracy of the resource. The Mineral Resource estimate of the SOZ deposit is sensitive to the cut-off grade applied and is considered to be a local estimate. The density for each block is estimated using a normative mineralogical calculation based on the estimated Cu, Pb and Zn grades. One omission of this approach is that, due to the fact that sulphur and iron were not consistently assayed, the amount of sulphides not containing Cu, Pb or Zn was not estimated. The presence of sulphides such as pyrite would consequently result in a higher density than that calculated and the density estimates are therefore considered to be conservative. The vast majority of drill holes have only been sampled where signs of mineralisation occurred. Unassayed intervals were assigned low detection limit values for the purposes of resource estimation. H&SC has been informed that some unsampled intervals may contain significant grades especially for Au. The approach of assigning low grades to unsampled intervals is therefore likely to be conservative. KBL inform H&SC that the unsampled intervals are currently being cut and assayed. Production data for the volume mined between 2001 and 2005 is available however due to time constraints and inaccurately surveyed stope boundaries.