31 January 2018

Marriotts nickel resource reviewed in-line with 2012 Edition of JORC Code

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Australian Mines Limited (**Australian Mines** or "the Company") (AUZ: ASX) advises that following a review of the Company's 100%-owned Marriotts Nickel Project in Western Australia, mining consulting firm CSA Global Pty Ltd has estimated a Mineral Resource for Marriotts of 662,000 tonnes at 1.3% nickel for 8,700 tonnes of contained nickel metal, all within the Inferred Resource category[1].

The Company initiated this review of the Marriotts Project to ensure that its nickel sulphide resource, which is located within trucking distance of existing nickel processing plants, is compliant with the requirements of the 2012 Edition of the JORC Code[2].

The Company believes potential exists to increase the Mineral Resource at Marriotts given the right economic environment.

Australian Mines, however, has no immediate plans to commence further exploration or development activities at this project given the Company's focus on the development of its technology metals portfolio in Australia's eastern states, where the flagship Sconi Cobalt-Nickel-Scandium Project is expected to reach a final investment decision in the June quarter.

For further details on the CSA Global review and estimation of the Marriotts Nickel Project Mineral Resource, please refer to the summary of their report which is attached to this announcement (Appendix 1).

*****ENDS*****

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[1] CSA Report R436.2017 Marriott's Mineral Resource Estimate

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).
The 2012 Edition of the JORC Code represents the current version of the JORC Code, which all ASX-listed resource companies are required to comply with in order to publicly quoted a Mineral Resource

For further information:

Shareholders contact:
Benjamin Bell
Managing Director
Ph: +61 46 777 00 16
E: bbell@australianmines.com.au

Media contact:
Michael Cairnduff
Cannings Purple
Ph: + 61 406 775 241
E: mcairnduff@canningspurple.com.au

Australian Mines' Projects: The Sconi Cobalt-Nickel-Scandium Project located in northern Queensland; the Flemington Cobalt-Scandium-Nickel Project in central New South Wales; the greenfields Thackaringa Cobalt Project in western New South Wales.

Appendix 1: CSA Global – Marriotts Mineral Resource Estimate

MEMORANDUM

CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth, WA 6005
AUSTRALIA

T +61 8 9355 1677
F +61 8 9355 1977
E info@csalobal.com

ABN 67 077 165 532

www.csaglobal.com

SUMMARY OF CSA REPORT R436.2017

MARRIOTT'S MINERAL RESOURCE ESTIMATE

CSA Global Pty Ltd (CSA Global) was engaged by Australian Mines Limited (AUZ) to review a Mineral Resource estimate which was previously prepared for the Marriott's Project (the "Project"), located in Western Australia. The Mineral Resource estimate was publicly reported in accordance with the JORC Code (2004 Edition) in 2008 following work completed by AUZ. CSA Global was required provide a Competent Person and prepare documentation which would allow the Mineral Resource to be reported in accordance with the JORC Code (2012 Edition)[1].

Marriott's is located 70 km southeast of the nickel mining and processing centre of Leinster, and some 10 km from the bitumen highway to Leinster.

The Marriott's deposit lies within a lithologically area of predominately mafic and ultramafic rocks (Figure 1). The nickel sulphide mineralisation is hosted within a central equigranular meta-peridotite unit and sits above the basal contact with meta-gabbro. There are three north-dipping sub-parallel shoots, with the Main Lens or Central Shoot being the most extensive of the three. It is considered that these shoots belong to individual flow units.

The nickel sulphides occur as coarse interstitial blebs, or as fine disseminations, flecks and stringers in the equant olivine peridotite and minor amounts in the underlying skeletal peridotite. The mineralogy of the sulphides is predominantly millerite, godlevskite, heazlewoodite and pentlandite with minor pyrrhotite and pyrite. The mineralised zone within the skeletal peridotite contains native nickel, native copper, trevorite, nickeliferous magnetite, chalcopyrite, and nickel arsenides in addition to godlevskite, millerite and pentlandite.

The Marriott's prospect was named after the prospector who first discovered the gossan in the area. The Mount Clifford area was actively explored by Wester Mining Corporation Exploration Division (WMC) from 1969 to 1971, resulting in the discovery of the three mineralised shoots at the prospect. Diamond drilling was undertaken at Marriott's during this time by WMC on a close spaced 40 m x 40 m drill pattern.

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

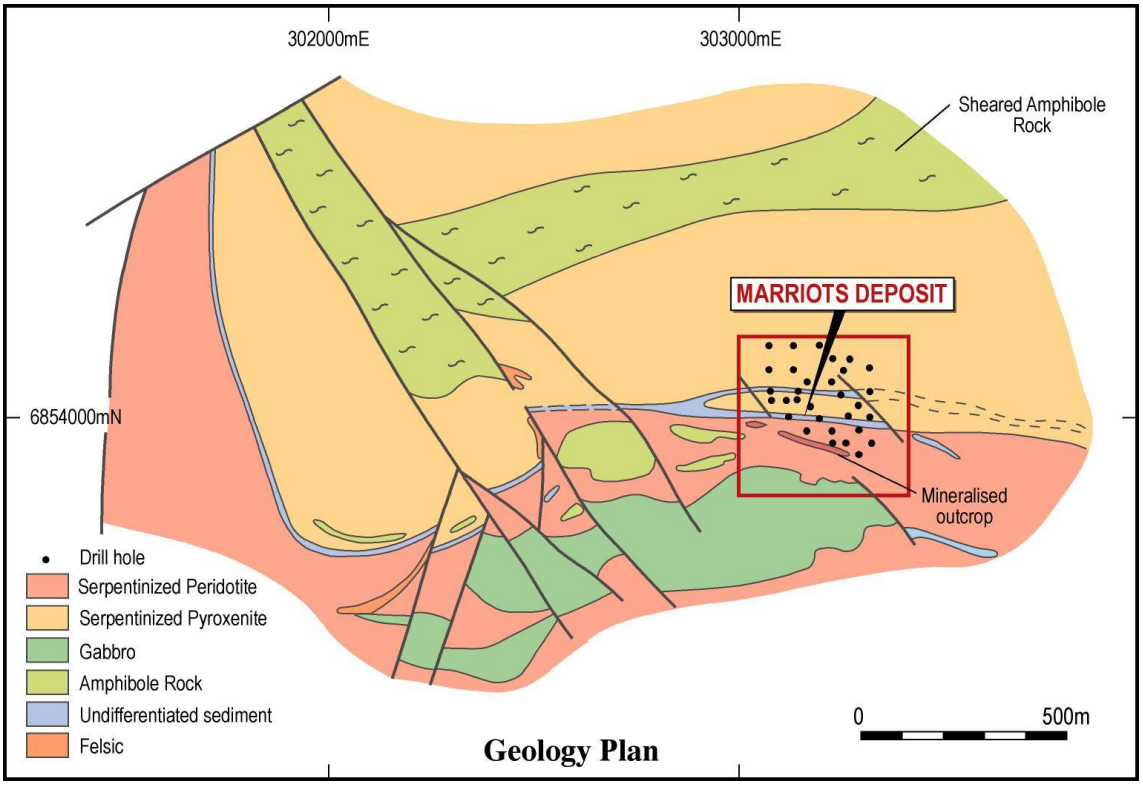

Figure 1. Local geology of the Marriott's area

Australian Mines Exploration

AUZ drilled 38 diamond holes from 2006 to 2007 and analysed 1 m samples from potentially mineralised intervals. Samples were analysed by ICP-OES for bulk and trace chemistry and sulphide nickel assay, 529 density determinations were made, and standard QA/QC protocols were applied.

MINERAL RESOURCE ESTIMATION

Mineral Resource estimation was originally carried out by AUZ in 2008 using Surpac software. CSA Global was supplied with all key data files for the review and validation of the model, including modelled mineralisation wireframes, the drillhole database with analytical results for both historical (WMC) and AUZ drilling, and the block model which was used for reporting. CSA Global imported all the provided files into Micromine™ software and carried out independent checks and validation.

AUZ supplied CSA Global with the deposit database in Microsoft Access and Surpac formats. The database included all the exploration results for all exploration stages including WMC and AUZ drilling. The data is summarised in *Table 1*.

Table 1. Summary of supplied analytical data

Category	WMC holes	AUZ holes	Total
Drillholes	41	38	**79**
Metres drilled	6,730	4,876	**11,606**
Survey records	41	717	**758**
Assay records	3,888	4,192	**8,080**
Ni assays	3,880	4,190	**8,070**

Following data validation and classical statistical analysis, CSA Global reviewed the mineralised lenses interpreted by AUZ, concluding that the interpretation was completed in a competent manner. The interpreted strings were used to generate six closed mineralisation wireframe models (*Figure 2*). Validation of all wireframe models by CSA Global did not reveal any material concerns.

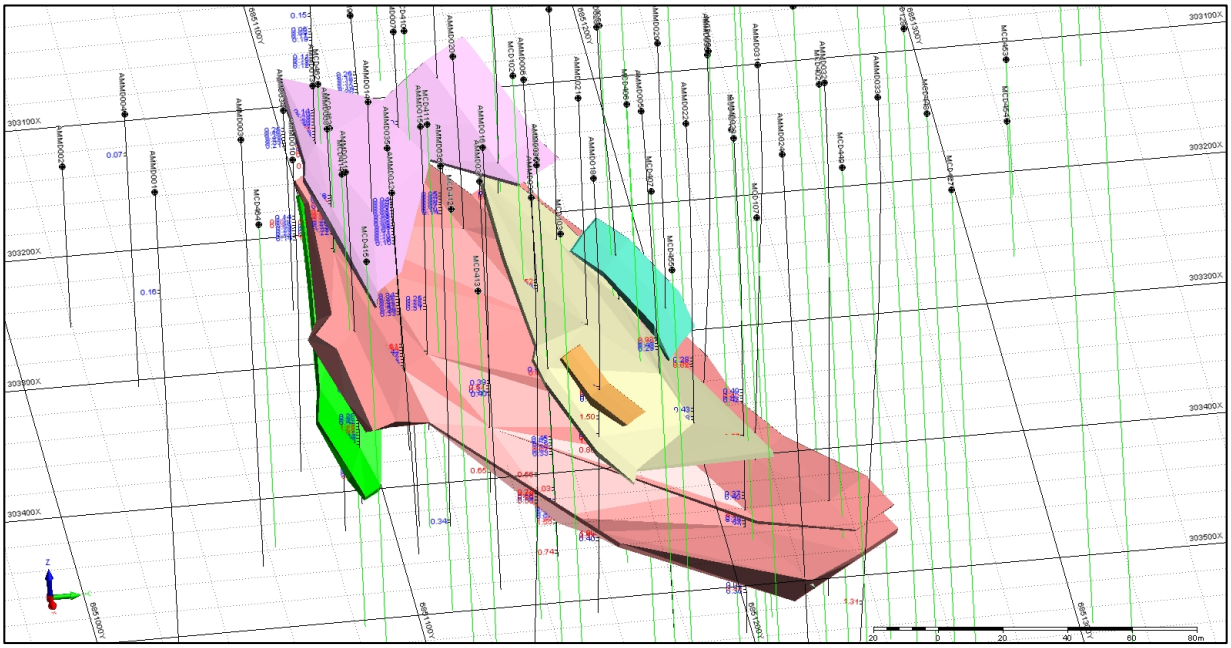

Figure 2. Modelled mineralisation wireframes

Nickel grades were interpolated to the block model by AUZ using ordinary kriging. The reports provided did not contain any details of the interpolation parameters, so CSA Global was not able to review and to comment on the appropriateness of the applied interpolation strategy.

The block model was imported into Micromine™ and reviewed. CSA Global noted that the block model fits into the modelled wireframes correctly.

When the block model was reviewed visually, it was found that each mineralised lens was estimated individually; however, nickel grades did not show much variability in the model. It appears that nickel grades were interpolated using a very large search ellipse with too many samples which resulted in a very smoothed estimate, with no local grade variability.

Model Classification

Previous Mineral Resource reports contained Indicated and Inferred material. However, the supplied reports did not contain sufficient information to support Mineral Resource classification above the Inferred category.

The Mineral Resource has been classified in accordance with guidelines contained in the JORC Code (2012 Edition). The classification applied reflects the author's view of the uncertainty that should be assigned to the Mineral Resources reported herein. Key criteria that have been considered when classifying the Mineral Resource are detailed in JORC Table 1 which is contained in Attachment 1. After considering model and data quality, data distribution, and the geological and grade continuity at the project, the Marriott's deposit was classified as Inferred.

MINERAL RESOURCE STATEMENT

The review of the block model resulted in the conclusion that the modelled nickel grades were oversmoothed. Therefore, the generated model is not suitable for application of cut-offs, but it is appropriate for reporting of global nickel average grades. CSA Global re-reported the 2008 Mineral Resource block model without applying any cut-offs. The Mineral Resource estimate is shown in *Table 2*.

Table 2: Marriott's Project global Mineral Resource estimate

JORC classification	Tonnage (kt)	Ni (%)	Contained Ni metal (t)
Inferred	662	1.3	8,700

** The density values in the model vary between 2.47 t/m^3 and 3.26 t/m^3. The density values were interpolated to the model. The average density value was 2.76 t/m^3.*

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources is based on information compiled by Mr Dmitry Pertel. Mr Pertel is a full-time employee of CSA Global Pty Ltd and is a Member of the Australian Institute of Geoscientists. Mr Pertel has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Pertel consents to the disclosure of the information in this report in the form and context in which it appears.

Attachment 1: JORC Code Table 1

JORC Code Table 1 Section 1 – Key Classification Criteria

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.*	Samples used in the Mineral Resource estimate were obtained through diamond drilling methods.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Diamond core was sampled. Half-core samples were generally taken at 1 m intervals using a core saw.
	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. ''RC 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.	1 m samples were submitted to the laboratory and industry standard sample preparation protocols were used. Analytical methods included: • AT digestion with inductively couple plasma/optical emission spectroscopy (ICP/OES) finish (AT/ICP-OES) was used for total nickel at Ultratrace Analytical Laboratories in Perth and Genalysis Laboratory Services in Perth. • PA2 digestion and Atomic Absorption Spectrometry (AAS) finish (PA2 / AAS) was used for sulphide nickel by Genalysis Laboratory services in Perth. Additional information on the analytical techniques is included in the memorandum.
Drilling techniques	*Drill type (e.g. core, RC, 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.).*	Diamond drilling (NQ2 size, 50 mm diameter) was completed to support the preparation of the Mineral Resource estimate. Drilling was completed in 2007 when the tenements were owned by Australian Mines Limited (AUZ). 38 diamond holes (AMM001 to AMMD038) for 4,876 m were drilled in 2007. 277 assays for 269.4 m were included into the modelled mineralised envelopes.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Industry standard techniques were used to record and assess core recovery. Marked core blocks at the end of each run were used to determine the drill interval and the total material recovered was then measured and divided by the total length.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Diamond core drilling was used to maximise sample recovery and ensure representative sampling.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship between grade and recovery has been identified.

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.*	The available geology file contains 13 lithological group codes and 3-4-character descriptive rock codes for each metre. The logging quality is considered adequately detailed to support Mineral Resource estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging is qualitative in nature although detailed. Core photographs were not presented.
	The total length and percentage of the relevant intersections logged.	Logging exists for all the drillholes.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was sawn and half core taken.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All drilling was completed with diamond rigs.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation technique is industry standard for this type of material.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	Subsampling is performed during the preparation stage according to the assay laboratories' internal protocol.
	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 duplicate sampling was not completed.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to the grain size of the material being 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.*	AT/ICP-OES was used for total nickel at Ultratrace Analytical Laboratories in Perth and Genalysis Laboratory Services in Perth. PA2/AAS was used for sulphide nickel assays by Genalysis Laboratory services in Perth. The methods chosen are considered appropriate for the style of mineralisation under consideration.
	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.	No geophysical tools have been used in the preparation of this Mineral Resource estimate.
	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.	Pulp duplicate samples were taken by AUZ to monitor sample precision. 203 certified reference materials (CRMs) were inserted (which represents an insertion rate of 4.5%) by AUZ, and blanks were submitted 57 times (which represents an insertion rate of just over 1%). No significant bias or carry-over contamination was noted. Given all available quality control results, CSA Global considers that a reasonable level of confidence can be placed in the

Criteria	JORC Code explanation	Commentary
		accuracy and precision of the analytical data used in the preparation of this Mineral Resource estimate for the AUZ samples.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Not known, although considerable discussion is seen in the data regarding comparison of intersections using different analytical techniques.
	The use of twinned holes.	Some twinning has occurred by AUZ holes drilled close to WMC holes but only for confirmation.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Logging was carried out for all historical and AUZ holes. The data within the database appeared to be clean, however, it could not be properly reviewed by CSA Global without a legend.
	Discuss any adjustment to assay data.	No adjustment was made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All collars were accurately surveyed after drilling. All AUZ holes were downhole surveyed using Gyroscope by BMGS Kalgoorlie
	Specification of the grid system used.	The adopted grid system is MGA94.
	Quality and adequacy of topographic control.	The method used to create topography file is unknown, however the topography file matches the drillhole collar coordinates, hence the Competent Person considers that it is likely to be relatively accurate.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill spacing is approximately 20 m x 40 m.
	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.	The Competent Person believes the mineralised domains have sufficient geological and grade continuity to support the classification applied to the Mineral Resources given the current drill pattern.
	Whether sample compositing has been applied.	Samples 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.*	Most holes are close to vertical. The average dip of mineralised bodies is 50°. The holes generally intersect the mineralisation at a high angle.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Core was transported to AUZ's Blair Nickel Mine near Kalgoorlie by the AUZ geologist or ACM supervisor. After logging and sampling, bagged samples were delivered by the AUZ geologist to the laboratory yard in Kalgoorlie. Remaining core was stacked inside the fenced off core yard at Blair Nickel Mine
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of sampling techniques and data have been carried out.

JORC Code 2012 Table 1 Section 2 – Key Classification Criteria

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 Mineral Resources lies within Western Australian Mining Lease M36/97, 100% owned by AUZ.
	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 Mineral Resource lies within a granted Mining Lease.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No exploration completed by other parties is relevant for the Mineral Resource estimates reported herein. All historical WMC holes were used to support the interpretation of mineralised lenses, but they were excluded from grade interpolation.
Geology	*Deposit type, geological setting and style of mineralisation.*	The nickel sulphide mineralisation is hosted within the central equant grained meta-peridotite unit and sits above the basal contact with the meta-gabbro. There are three sub-parallel shoots with the Main Lens or Central Shoot being the most extensive of the three. It is considered that these shoots belong to individual flow units. The Main Lens has a dip of 25° to 32° towards 020° magnetic. Significant mineralisation also occurs at the ultramafic-gabbro contact in drillhole MCD 401 (303,165 mE). The three main shoots are attenuated towards the west and grade into narrow sub-grade zones of weakly disseminated mineralisation. The shoots have distinct and abrupt boundaries on their northern and eastern margins. The nickel sulphides occur as coarse interstitial blebs, or as fine disseminations, flecks and stringers in the equant olivine peridotite and minor amounts in the underlying skeletal peridotite. The mineralogy of the sulphides has been outlined as being predominantly millerite, godlevskite, heazlewoodite and pentlandite with minor pyrrhotite and pyrite. The mineralised zone within the skeletal peridotite contains native nickel, native copper, trevorite, nickeliferous magnetite, chalcopyrite, and nickel arsenides in addition to godlevskite, millerite and pentlandite. Given the mode of formation, mineralisation displays excellent geological and grade continuity.
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *Easting and northing of the drillhole collar*	Exploration results are not being reported.

Criteria	JORC Code explanation	Commentary
	• *Elevation or RL (Reduced Level – Elevation above sea level in metres) of the drillhole collar* • *Dip and azimuth of the hole* • *Downhole 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.	Exploration results are not being reported.
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.*	Exploration results are not being reported.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Exploration results are not being reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Exploration results are not being reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Exploration results are not being reported.
	If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.	The drillholes generally intersect the mineralisation at high angles.
	If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. ''downhole length, true width not known'').	Exploration results are not being reported.
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 drillhole collar locations and appropriate sectional views.*	A significant discovery is not being reported.
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*	Exploration results are not being reported.

Criteria	JORC Code explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other substantial exploration data has been used in the preparation of this Mineral Resource estimate.
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).*	No planned future work is not known at this stage.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Diagrams have been included in the body of this report showing the dimensions of the modelled Mineral Resource, however no additional drilling is planned in the near future.

JORC Code 2012 Table 1 Section 3 – Key Classification Criteria

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.*	Detail is not specified in the information made available to CSA Global. Logging and data entry into AUZ database were carried out under the supervision of the AUZ project manager.
	Data validation procedures used.	Numerous checks were completed by CSA Global on the data. Downhole survey depths were checked to make sure they did not exceed the hole depth, hole dips were checked that they fell between 0 and –90, sample intervals were checked to ensure they did not extend beyond the hole depth defined in the collar table, and assay and survey information were checked for duplicate records. No material validation errors were detected. All holes were visually reviewed in Micromine to ensure hole paths were sensible.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	No site visit was undertaken.
	If no site visits have been undertaken indicate why this is the case.	The Competent Person has not completed a site visit given that no drilling is currently taking place and limited knowledge would have been gained.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	A high confidence is placed in the interpretation of the mineral deposit.
	Nature of the data used and of any assumptions made.	All interpretations were based on drillholes.

Criteria	JORC Code explanation	Commentary
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Alternative interpretations could potentially slightly increase resources if all sample intervals >0.5% Ni are captured into the model.
	The use of geology in guiding and controlling Mineral Resource estimation. *The factors affecting continuity both of grade and geology.*	Analytical results have been mostly used for interpretation. It is not known if geological logging was used to support the interpretation, apart from modelling unmineralised dykes and footwall of the deposit.
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 Marriott's deposit covers a strike length of 160 m, horizontal width of 170 m, and down dip length of 225 m to the depth of 160 m from 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.*	Mineralisation lenses were modelled, and hard boundaries were placed between them for estimation (only samples within each domain were used to inform interpolation). No top cuts were applied following statistical analysis given the low variability of the data. It is not known if samples were composited. Variography was completed, but results of the geostatistical analysis were not provided to CSA Global. This has been considered when classifying the Mineral Resource. A 3D block model of the mineralisation was created using Surpac software, and nickel grades were interpolated using ordinary kriging. The search strategy was not provided to CSA Global. This has been considered when classifying the Mineral Resource.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	CSA Global reviewed several block models, and reproduced previously reported results. This Mineral Resource estimate was originally publicly released in accordance with the JORC Code (2004 Edition) in 2011. CSA Global has prepared documentation to enable the Mineral Resource to be reported in accordance with the JORC Code (2012 Edition).
	The assumptions made regarding recovery of by-products.	No assumptions were made.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	No deleterious elements were estimated.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block size chosen represented approximately one quarter of the average drill spacing between the exploration lines and one half along the exploration lines. A parent cell size of 10 mN x 10 mE x 2 mRL was used, with sub-celling to 1.25 mN x 1.25 mE x 0.25 mRL to honour the wireframe boundaries.
	Any assumptions behind modelling of selective mining units.	No assumptions were made regarding selective mining units.
	Any assumptions about correlation between variables	No assumptions have been made regarding correlation between variables.
	Description of how the geological interpretation was used to control the resource estimates.	All interpretations were based on drillhole grades. Geological logging was employed to interpret barren dykes and the footwall of the deposit.

Criteria	JORC Code explanation	Commentary
	Discussion of basis for using or not using grade cutting or capping.	No grade cuts were applied given the low variability of the data.
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	Drillhole grades were initially visually compared with cell model grades. The global comparison showed that modelled average grades are slightly (but not materially) lower than the sample grades within the mineralised bodies. It was also found that the modelled grades are significantly smoothed in the model, thus the model was recognised as appropriate for global reporting without any cut-off applied, as the grades variability at the local scale was not modelled.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis. No moisture values were reviewed.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	No cut-offs were used for reporting the Mineral Resource.
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.*	No assumptions regarding mining method have been made. The large shallow nature of the mineralisation means the deposit lends itself to open pit mining.
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.*	It is assumed that there are no significant metallurgical impediments associated with the deposit. Preliminary metallurgical test work indicated production of a nickel concentrate with a metal recovery of 62% is achievable.
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 considerations have not yet been considered due to the early stage of this project. It is therefore assumed that waste could be disposed in accordance with a site-specific mine and rehabilitation plan.

Criteria	JORC Code explanation	Commentary
	environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
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.*	Bulk density is based on determinations made using the water displacement method. 529 density measurements were taken from drill core in 2008.
	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.	The mineralised material is fresh rock without void spaces.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Bulk density was interpolated into the block model using ordinary kriging.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	The Mineral Resource has been classified as Inferred following due consideration of all criteria contained in Section 1, Section 2 and Section 3 of JORC 2012 Table 1.
	Whether appropriate account has been taken of all relevant factors (i.e. 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).	Appropriate account has been taken of all relevant criteria including data integrity, data quantity, geological continuity, and grade continuity.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate appropriately reflects the Competent Person's views of the deposit.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	The current model has not been audited by an independent third party but has been subject to CSA Global's internal peer review processes.
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 Mineral Resource accuracy is communicated through the classification assigned to this Mineral Resource. The Mineral Resource estimate has been classified in accordance with the JORC Code, 2012 Edition using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this table.

Criteria	JORC Code explanation	Commentary
	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.	The Mineral Resource statement relates to a global tonnage and grade estimate. Grade estimates have been made for each block in the block model.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production has occurred.