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LYCOPODIUM AND KNIGHT PIESOLD AWARDED MAJOR FEASIBILITY STUDY WORK AT THE MABILO PROJECT

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

25 MARCH 2015

The Board of RTG Mining Inc. ("RTG", "the Company") (**TSX Code: RTG, ASX Code: RTG**) is pleased to provide an update on the significant progress at the Mabilo Project in the Philippines. RTG acquired control of Sierra Mining Limited ("Sierra") in June 2014. The Mabilo Project was an exploration interest with only 60 holes drilled. Within 9 months of taking control of Sierra the project is now a planned near term development opportunity with a number of unique and attractive attributes that differentiate the project from most new development opportunities. These include:

- **High grade open cut development opportunity** with an indicated and inferred **resource of 2.1Moz gold equivalent ounces*** at an average grade of **5.7g/t***;
- Inground value of **contained metal of US$2.4 billion***;
- **Near term development opportunity** as Stage 1 of the project involves a direct shipping project for the oxide resource, with startup only subject to final permitting;
- **Inground value** of the copper and gold in **two key oxide products** is in excess of **US$200M*** (and includes 100,000t of 24% Cu ore);
- Stage 1 only involves nominal capital requirements which allows for near term start up and internal generation of cashflows to fund the majority of proposed plant development capital for Stage 2;
- Stage 2 produces two high grade clean concentrate products with current metwork results suggesting a **copper gold concentrate of approximately 33% Cu and 20g/t Au** and a magnetite concentrate of up to 68% Fe;

- Based on the current estimated plant throughput of 1.35Mt per annum and the results of Phase 1 of the metwork, **average annual production is estimated at around 20,000 t of contained Cu and just under 70,000 oz of contained gold** in the copper/gold concentrate and 400,000 t of contained Fe; and

- Current minimum **estimated life of mine of 10 years** based on the current resource which we would expect to see increase with time.

Resource Statement

A **maiden resource** was announced in November 2014 delivering on the high end of management expectations. A summary of the key components are set out below. Please refer to the announcement dated 24 November 2014 for the underlying assumptions and basis for the resource computation.

Mt	**Cu**	**Au**	**Fe**	**Au Equivalent* (Before Recoveries)**	**In Ground Value (Before Recoveries)**
Indicated and Inferred Resource					
11.4	**1.8%**	**2.0g/t**	**44.2%**	**2.1 Moz at 5.7g/t**	**US$2.4 billion**
Contained Metal	205,000 t	716,000 oz	5.04 Mt		
Near Surface Oxide Resource					
0.86	4.2%	2.8 g/t	9.7 g/t	**263,000 oz at 10 g/t**	**US$329 million**
Contained Metal	35,000 t	72,000 oz	324,000 t		
Indicated Resource - 2 Key Oxide Projects					
Gold Cap 0.34 Mt	0.2%	3.2g/t		***Contained Metal*** ***35,000 oz Au***	**US$205 million**
Supergene Copper 0.1 Mt	24%	2.3g/t		***Contained Metal*** ***26,000t Cu and 7,400 oz Au***	

* Gold Equivalent ounces, grades and in ground values have been calculated based on a Cu price of US$5,900/t and an Au price of US$1200.

Feasibility Update

Significant progress continues to be made in a number of key areas of the Bankable Feasibility Study:

- Lycopodium Limited has been awarded the Phase 2 metallurgy work which includes variability testing, reagent optimization, grind size optimization and thickening and filtering testing, which will enable project implementation to commence upon completion;
- Knight Piesold Pty Ltd has been awarded the study work associated with water balance and management, tailings storage facility options and seismic and geotechnical design considerations for process plant components; and
- Infill drilling continues to successfully upgrade previously defined Inferred mineralization with an upgrade to the resource scheduled for the end of the second quarter of this calendar year.

Significant Exploration Upside

Exploration activity at the project is ongoing with the current resource open down dip, down plunge and along strike. Recent results have also **identified a new shallow high grade garnet skarn** mineralized zone with **MDH-095 intercepting 25.8m at 2.32% Cu and 1.63 g/t Au**. (See announcement dated 26 February 2015)

Philippines Update

President Benigno Aquino III recently outlined a number of significant achievements in the Philippines at the Euromoney Investment Forum, further strengthening the attractiveness of the Philippines for foreign investment. President Aquino noted the record net foreign direct investment of $6.2 billion in 2014 (up 65.9% from the previous year), an average GDP growth rate of 6.3%, and an upgrade of the Philippines to investment grade in 2013. The President added that the Government will seek to maximize every opportunity available, including increasing infrastructure spending in 2016 to 5% of GDP. A recent survey by Bloomberg, is forecasting that the Philippines economy will be the 2nd fastest growing economy in the world in 2015.

Near Term Outlook

The **Bankable Feasibility Study** on the project is progressing well and remains on track **to be finalised in the third quarter of 2015**.

The results of the Phase 1 metwork were released in January this year and provide sufficient information for more **detailed discussion and negotiations with offtake parties**. These discussions have already commenced and are progressing well.

An updated resource is expected mid year, which will focus on the conversion of current inferred resources to indicated classification. The updated resource will be used in the Bankable Feasibility Study.

The permitting process is in line with expectations and proceeding well through the various review processes.

QUALIFIED PERSON AND COMPETENT PERSON STATEMENT

The information in this release that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt Labo Exploration and Development Company, a Philippine mining company, an associate company of RTG Mining Limited. Mr Ayres has sufficient experience that is 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" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Ayres has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr. Ayres consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

The information in this release that relates to Mineral Resources is based on information prepared by or under the supervision of Mr Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience that 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" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Green has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr Green consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

ABOUT RTG MINING INC

RTG Mining Inc. is a mining and exploration company listed on the main board of the Toronto Stock Exchange and Australian Securities Exchange Limited. RTG is focused on developing the high grade copper/gold/magnetite Mabilo Project and advancing exploration on the highly prospective Bunawan Project, both in the Philippines, while also identifying major new projects which will allow the company to move quickly and safely to production.

RTG has an experienced management team (previously responsible for the development of the Masbate Gold Mine in the Philippines through CGA Mining Limited), and has B2Gold as one of its major shareholders in the Company. B2Gold is a member of both the S&P/TSX Global Gold and Global Mining Indices.

ENQUIRIES

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This announcement includes certain “forward-looking statements” within the meaning of Canadian securities legislation. Accuracy of mineral resource and mineral reserve estimates and related assumptions and inherent operating risks, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from RTG’s expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of RTG’s mineral projects; the need to obtain additional financing to develop RTG’s mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for RTG’s mineral projects and other risks and uncertainties disclosed under the heading “Risk Factors” in RTG’s Annual Information Form for the year ended 31 December 2013 filed with the Canadian securities regulatory authorities on the SEDAR website at sedar.com.

Appendix 1: JORC Code 2012 Edition Table 1
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• The assay data reported herein is based on sampling of diamond drill core of PQ, HQ and NQ diameter which was cut with a diamond core saw. Samples are generally of 1 m length, although occasionally slightly longer or shorter where changes in lithology, core size or core recovery required adjustments; samples are not more than 2 m length.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• The length of each drill run is recorded and the recovery for each run calculated on site and checked again at the core shed. Certified reference standards and blank samples were submitted to assess the accuracy and precision of the results and every 20th sample was sawn into two and the two quarter core samples submitted for analysis separately as a duplicate sample.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Half core samples were cut and sent for analysis by an independent ISO-certified laboratory (Intertek McPhar Laboratory) in Manila. Samples were crushed and pulverised (95% <75 µm). Gold was analysed by 50 g fire assay and the other elements including copper and iron by ICP-MS (Inductively Coupled Plasma Mass Spectrometry) or ICP-OES (Inductively Coupled Plasma Optical Emission Spectrometry) following a four-acid digest.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was by PQ, HQ and NQ diameter, triple tube diamond coring. The core was not orientated.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Core recovery is initially measured on site by trained technicians and by the supervising geologist. Any core loss is measured, the percentage is calculated and both are recorded in the geotechnical log for reference when assessing assay results.
	• *Measures taken to maximise sample recovery*	

Criteria	JORC Code explanation	Commentary
	and ensure representative nature of the samples.	• All care is taken to ensure maximum recovery of diamond core and drillers are informed of the importance of core recovery. Any areas of poor core recovery are sampled separately thus assay results can be directly related to core recovery. The majority of the mineralisation is in fresh rock where recoveries are greater than 90%. Most mineralisation occurs in wide intersections of massive magnetite skarn with relatively uniform copper and gold grades. Core loss occurs in fracture zones but is usually not a significant problem i.e. the core lost in fracture zones is unlikely to have been significantly higher or lower grade than the surrounding material. In the weathered hematitic oxidised zones some core loss is unavoidable, but overall recovery is generally >90% and the core loss is volumetrically minor in the mineralised zones. In areas of poor recovery, the sample intervals are arranged to coincide with drill runs, thus areas of different core loss percentage are specific to individual samples which can be assessed when interpreting analytical results and modelled in future resource estimation studies. Where an area of 100% core loss is identified the sample intervals are marked to each side of the zone and the zone is designated "No core" and assigned zero value in the various log sheets and geochemical database.
	• *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.*	• There is no discernible relationship between core recovery and grade. The skarn bodies are relatively uniform over significant lengths and the copper and gold grades are not related to clay and fracture zones which are the main causes of core loss.
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.*	• Diamond drill core for each entire drill hole was logged in significant detail in a number of logging sheets including a geological log, a structural log, a geotechnical log and a magnetic susceptibility log for the entire drill hole. Mineralised and sampled intervals are logged individually in a separate quantitative mineral log with percentages of the different copper minerals being recorded. The logging is appropriate for mineral resource estimates and mining studies.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	• Most of the geological logging is a mixture of qualitative (descriptions of the various geological features) and quantitative (numbers and angles of veins and fracture zones, mineral percentages etc.). The quantitative mineralisation log and the magnetic susceptibility log are quantitative. Photographs are taken of all core (both wet and dry) prior to the core being cut.
		• All core, including barren overburden is logged in the various logging sheets noted

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	above apart from the quantitative mineralisation log in which only the mineralised intervals sent for geochemical analysis are logged in greater detail.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• All sampling data is from diamond drill core. Samples are of sawn half core except for duplicate samples which are quarter core. Half core is bagged and sent to an ISO-certified independent laboratory for analysis. The other half retained for reference and/or further testwork.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not applicable for diamond core drilling.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• All core samples were dried, crushed to 95% <10 mm and a 1.5 kg sub-sample is separated using a riffle splitter and pulverised to 95% <75 µm. A 50 g sub-sample is utilised as a fire-assay charge for gold analysis. The sample preparation technique and sub-sampling is appropriate for the mineralisation.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Blank samples and duplicate samples are submitted routinely to monitor the sampling and analytical process and to ensure that samples are representative of in situ material. One in every 20 samples of half core is sawn again to produce two quarter core duplicate samples which are submitted to the laboratory separately with different sample numbers. A blank sample was inserted into sample batches at every 20th sample.
	• *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.*	• The magnetite skarn mineralisation occurs in extensive zones of magnetite skarn with disseminated chalcopyrite, containing gold. The sample size of approximately 1 m core length is suitable in respect to the grain size of the mineralisation.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample size is considered appropriate for the material sampled. It is believed that grain size has no bearing on the grade of the sampled material.
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.*	• All core samples were analysed at an ISO-certified independent laboratory. Gold was analysed by 50 g fire assay and the other elements including copper and iron were analysed by ICP-MS or ICP-OES following a four acid digest. The sample preparation and assay techniques are of international industry standard and can be considered total.
	• *For geophysical tools, spectrometers, handheld*	• No geophysical tools were used for any analysis reported herein. Magnetic

Criteria	JORC Code explanation	Commentary
	XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	susceptibility readings are used in magnetic modelling but are not used to estimate magnetite or Fe content.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Quality control completed by RTG included analysis of standards, blanks, and duplicates. Commercial Certified Reference Materials were inserted into sample batches every 40th sample. A blank sample was inserted every 20th sample; the blank sample material has been sourced and prepared from a local quarry. One in every 20 core samples is cut into 2 quarter core samples which were submitted independently with their own sample numbers. In addition, Intertek conducted their own extensive check sampling as part of their own internal QAQC processes which is reported in the assay sheets. A record of results from all duplicates, blanks and standards is maintained for ongoing QA/QC assessment. Examination of all the QAQC sample data indicates satisfactory performance of field sampling protocols and the assay laboratory.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Significant mineralisation intersections were verified by alternative company personnel.
	• *The use of twinned holes.*	• No twinned holes have been drilled.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data documentation, verification and storage is conducted in accordance with RTG's Standard Operating Procedures Manual for the Mabilo Project. The diamond drill core is manually logged in significant detail in a number of separate Excel template logging sheets. Logging is recorded manually on logging sheets and transcribed into protected Excel spreadsheet templates or entered directly into the Excel templates. The data are validated by both the Project Geologist and the company Database Manager and uploaded to the dedicated project database where they are merged with assay results reported digitally by the laboratory. Hard copies of all logging sheets are kept at the Project office in Daet.
	• *Discuss any adjustment to assay data.*	• No adjustments have been made to assay data.
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*	• Drill-hole collars are initially surveyed with a hand-held GPS with an accuracy of approximately +/- 5 m. Completed holes are surveyed by an independent qualified surveyor on a periodic basis using standard differential GPS (DGPS) equipment

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation.	achieving sub-decimetre accuracy in horizontal and vertical position.
	• *Specification of the grid system used.*	• Drill collars are surveyed in UTM WGS84 Zone 51N grid.
	• *Quality and adequacy of topographic control.*	• The Mabilo project area is relatively flat with total variation in topography less than 15 m. Topographic control is provided by DGPS surveying.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Drill holes are planned on a nominal grid with 20 m between drill holes on 40 m spaced lines.
	• *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 drill hole spacing was designed to determine the continuity and extent of the mineralised skarn zones. Based on statistical assessment of drill results to date, the nominal 40 x 20 m drill hole spacing is sufficient to support Mineral Resource estimation.
	• *Whether sample compositing has been applied.*	• No compositing of intervals in the field was undertaken.
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.*	• No bias attributable to orientation of sampling upgrading of results has been identified.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No bias attributable to orientation of sampling upgrading of results has been identified.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by RTG employees. Samples were stored in secure storage from the time of drilling, through gathering and splitting. Remaining core is kept in a secure compound at the Company regional office in Daet town and guarded at night. Samples are sent directly from the core shed to the laboratory packed in secured and sealed plastic drums using either Company vehicles or a local transport company. A standard Chain of Custody form is signed by the driver responsible for transporting the samples upon receipt of samples at the core yard and is signed by an employee of the laboratory on receipt of the samples at the laboratory. Completed forms are returned to the Company for filing.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques and QA/QC data are reviewed on an ongoing basis by Company management and independent consultants.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The Mabilo Project is covered by Exploration Permit EP-014-2013-V and Exploration Permit Application EXPA-000188-V. EP-014-2013-V was issued to Mt Labo Exploration and Development Corporation ("Mt Labo"), an associated entity of RTG Mining Inc. There is a 1% royalty payable on net mining revenue received by Mt Labo in relation to EP-014-2013-V. Mt Labo has entered into a joint venture agreement with Galeo Equipment and Mining Company, Inc. ("Galeo") to partner in exploring and developing the Mabilo and Nalesbitan Projects. Galeo can earn up to a 36% interest in the Projects, down to 200 m below surface, by contributing approximately US$4,250,000 of exploration drilling and management services for the Projects over a 2 year period. In November 2013, Sierra Mining Limited ("Sierra"), a wholly owned subsidiary of RTG, and Galeo signed a Memorandum of Understanding ("MOU") setting out proposed changes to the joint venture agreement to remove the depth limit of 200 m from the agreement and provide for additional drilling of 5,000 m below 200 m. The MOU also provides for Galeo to be granted its 36% interest up front with the ability for RTG to claw-back any interest deemed not earned at the end of the claw-back period. The amendments to the JV Agreement are subject to Sierra shareholder approval. Sierra has also entered a second MOU with Galeo whereby Galeo can earn an additional 6% interest in the joint venture by mining the initial 1.5 Mt of waste at Mabilo or Nalesbitan and other requirements including assistance with permitting. The MOU is subject to a number of conditions precedent, including Sierra shareholder approval.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The tenure over the area currently being explored at Mabilo is a granted Exploration Permit which is considered secure. There is no native title or Indigenous ancestral domains claims at Mabilo.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The only significant previous exploration over the Mabilo project area was a drilling program at another site within the tenement and a ground magnetic survey. RTG (or its predecessor Sierra) has reported this data in previous reports to the ASX and used the ground magnetic survey as a basis for initial drill siting.

Criteria	JORC Code explanation	Commentary
		Subsequently RTG conducted its own ground magnetic survey with closer spaced survey lines and reading intervals which supersedes the historical program. There was no known previous exploration in the area of the reported Mineral Resource.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation at Mabilo can be defined as a magnetite-copper-gold skarn which developed where the magnetite-copper-gold mineralisation replaced calcareous horizons in the Eocene age Tumbaga Formation in the contact zone of a Miocene diorite intrusion.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• All relevant drill hole information has been previously reported to the ASX. No material changes have occurred to this information since it was originally reported.
	• *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 data has been 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.*	• Not reporting exploration results.
	• *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.*	• Not reporting exploration results.
	• *The assumptions used for any reporting of metal*	• Based on preliminary metallurgical testwork undertaken by previous owners, including flotation and magnetic separation, the following assumptions for gold

Criteria	JORC Code explanation	Commentary
	equivalent values should be clearly stated.	equivalents are:- Gold Price US$1,150/oz Gold recovery – 90% Copper Price US$6,700/t Copper recovery – 90% Silver Price US$15.50/oz Silver recovery – 60% Iron Price US$90/t Iron recovery – 70% The calculation for gold equivalent values was based on the following formula: AuEq=((0.9*AuOz*$1,150)+(0.9*CuMetal*$6,700)+(0.7*FeMetal*$90)+ (0.6*AgOz*$15.5)) / $1,150
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• The Mabilo drill have been drilled both vertically and inclined. The orientation of the mineralised bodies is based on interpretation of geology from drill holes supported by magnetic modelling which indicates that much of the mineralisation is dipping to the southwest.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The interpreted orientation of the mineralised bodies is based on magnetic modelling and drill-hole data and is documented in the report. The fact that the intersections are in a dipping body and therefore not true widths has been 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').*	• No intervals reported can be assumed to be a true width of the mineralisation.
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.*	• Refer to figures within the main body of this report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable.
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*	• All meaningful exploration data concerning the Mabilo Project has been reported in previous reports to the ASX.

Criteria	JORC Code explanation	Commentary
	contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Drilling is ongoing at the Mabilo Project which will systematically test magnetic bodies and step-out targets along strike and between the North Mineralised Zone and the South Mineralised Zone as well as down-dip from these zones. • Refer to figures within the main body of this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data used in the Mineral Resource estimate is sourced from a data base export. Relevant tables from the data base are exported to MS Excel format and converted to csv format for import into Datamine Studio 3 software for use in the Mineral Resource estimate. • Validation of the data import include checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.
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.*	• A representative of the Competent Person (CP) has visited the project on several occasions, most recently in July 2014. Diamond drilling programs were underway at Mabilo during the most recent site visit. The CP's representative was able to review drilling and sampling procedures, as well as examine the mineralisation occurrence and associated geological features. Sample storage facilities and the analytical laboratory in Manilla have also been inspected. There were no negative outcomes from any of the above inspections, and all samples and geological data were deemed fit for use in the Mineral Resource estimate. • Not applicable.
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*	• The geology and mineral distribution of the system is reasonably complex, and is being constantly refined as more drilling is undertaken. As such the CP has taken a conservative approach to Mineral Resource classification. • Drill hole intercept logging, assay results and structural interpretations from drill

Criteria	JORC Code explanation	Commentary
	made.	core have formed the basis for the geological interpretation. Assumptions have been made on the depth and strike extents of the skarn mineralisation interpreted at depth based on limited drilling and geophysical information.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The extents of the modelled zones are generally reasonably well constrained by the geological model interpretation which is based on the drill logging and geophysical data. Different interpretations of the mineralisation have been undertaken to assess the influence on Mineral Resource estimation and hence project economics. Where geological interpretation has a high degree of uncertainty it is classified as Inferred regardless of modelling parameters.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• Geology has been the primary influence in controlling the Mineral Resource estimation. Wireframes have been constructed for the various lithological zones based on style of mineralisation, host rock and oxidation state as determined by the core logging and assaying.
	• *The factors affecting continuity both of grade and geology.*	• Continuity of geology and structures can be identified and traced between drillholes by visual, geophysical and geochemical characteristics. Breccia zones interpreted to relate to fault structures have been noted in the drill core and have been modelled.
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 South Mineralised Zone (SMZ) is interpreted as having a 400 m strike length, is 20 to 40 m in true width, with vertical depth up to 240 m from roughly 50 m below surface. The North Mineralised Zone (NMZ) has a strike extent of roughly 100 m, true width between 20 m and 60 m and depth extent of 135 m from roughly 40 m below 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 mineralisation has been estimated using ordinary kriging (OK) and inverse distance to the power 2 (IDS) techniques in Datamine Studio 3 software. 30 mineralised lenses have been interpreted and are grouped into 15 mineralised lithological domain zones of Cu-Au-Fe mineralisation, based on lens lithology type and grade. There are 8 of these zones in the SMZ and 7 zones in the NMZ. The mineralised lithological domain zones were used as hard boundaries to select sample populations for data analysis and grade estimation. Soft boundaries between the grouped lodes within the mineralised lithological domain zones and hard boundaries between mineralised lithological domain zones have been used in the grade estimation. Statistical analysis was completed on each zone to determine appropriate top-cuts to apply to outlier grades of Fe, Au, Cu and Ag where required.

Criteria	JORC Code explanation	Commentary
		OK was used for the majority of zones with IDS used for 4 zones with low sample numbers.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• For this maiden Mineral Resource OK and IDS estimates are completed concurrently in a number of estimation runs with varying parameters. The results are compared against each other and the drill hole results to ensure a reasonable estimate, that best honours the drill sample data is reported. No mining has yet taken place at these deposits.
	• *The assumptions made regarding recovery of by-products.*	• Ag has been estimated and is assumed to be also recoverable as part of the Au recovery processes.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• Potentially deleterious As and S have been estimated into the model to assist with future metallurgical work and mining studies, but are not reported at this stage.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• Interpreted domains are built into a sub-celled block model with 20m N-S by 20m E-W by 4m vertical parent block size. Parent block size is chosen based on being roughly half the average drill spacing over the majority of the deposit areas. Search ellipsoids for each estimation zone have been orientated based on their geometry and grade continuity. Sample numbers per block estimate and ellipsoid axial search ranges have been tailored to geometry and data density of each zone to ensure the majority of the model is estimated within the first search pass. The search ellipse is doubled for a second search pass and increased 20 fold for a third search pass to ensure all blocks were estimated. Sample numbers required per block estimate have been reduced with each search pass.
	• *Any assumptions behind modelling of selective mining units.*	• No assumptions have been made as no mining studies have been completed.
	• *Any assumptions about correlation between variables.*	• No assumptions have been made with each element separately estimated. Statistical analysis shows a generally good correlation between Au and Cu grades in unweathered zones and poor correlation in weathered zones.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• Soft boundaries between the grouped lodes within the mineralised lithological domain zones and hard boundaries between mineralised lithological domain zones have been used in the grade estimation.

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	• *Discussion of basis for using or not using grade cutting or capping.*	• Statistical analysis to check grade population distributions using histograms, probability plots and summary statistics and the co-efficient of variation, was completed on each zone for the estimated elements. Outlier grades were variously found for most elements in the different mineralised lithological domain zones and appropriate top-cuts where applied to remove undue influence of these outlier grades on the grade estimation for each zone.
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Validation checks included statistical comparison between drill sample grades, the OK and IDS estimate results for each zone. Visual validation of grade trends for each element along the drill sections was completed and trend plots comparing drill sample grades and model grades for northings, eastings and elevation were completed. These checks show reasonable correlation between estimated block grades and drill sample grades. No reconciliation data is available as no mining has taken place.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages have been estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• For some lithological units nominal lower cut-off grades of a combination of 0.3 g/t Au and 0.3 % Cu were used to define continuous mineralised lenses, under the assumption that these grades would be close to a minimum economic breakeven grade.
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.*	• It has been assumed that these deposits will be amenable to open cut mining methods, and are economic to exploit with this methodology at the reported average model grades. No assumptions regarding minimum mining widths and dilution have been made to date.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as*	• No assumptions regarding metallurgical amenability have been made. Metallurgical testwork is currently being undertaken and results from this work will be

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	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.	incorporated into future model updates. The oxide portions of similar deposits in the region are being successfully exploited by other entities, and it is assumed that these zones can be economically exploited at the modelled grades. It is assumed that the un-weathered mineralised material will be readily upgraded where necessary, using standard gravity, magnetic processes and/or froth flotation concentration techniques as appropriate for the different product streams.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions regarding possible waste and process residue disposal options have been made. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions.
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.*	• In-situ dry bulk density values have been applied to the modelled mineralisation based on linear regression formulas for weathered and unweathered material separately. This is based on reasonable correlations having been found between measured bulk density results and Fe. Of the 674 measurements taken, 435 have assay result data, with 177 falling within the interpreted mineralised zones.
	• *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.*	• Density measurements have been taken on drill samples using wax coated water displacement methods, from all different lithological types.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different*	• With the reasonable correlation between Fe grade and bulk density, it is assumed that use of the regression formulas describing this relationship is an appropriate

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	materials.	method of representing the expected variability in bulk density for the grade estimated mineralised blocks.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• Classification of the Mineral Resource estimates was carried out taking into account the level of geological understanding of the deposit, quality of samples, density data and drill hole spacing.
	• *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).*	• The classification reflects areas of lower and higher geological confidence in mineralised lithological domain continuity based the intersecting drill sample data numbers, spacing and orientation. Overall mineralisation trends are reasonably consistent within the various lithotypes over numerous drill sections.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate. No external audits have been undertaken.
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 relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.
	• *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 global estimates of in-situ tonnes and grade.

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	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The deposit has not, and is not currently being mined.