ABN 23 101 049 334

Quarterly Report for March 2015

Summary

Despite the recent downturn in the iron ore market the Company continues to seek avenues to commencing development of the Parker Range iron ore project. Discussions with mining contractors has indicated potential for reducing operational costs with a view towards commencing development once the price environment settles. At Parker Range the Company instigated a review of the area's gold potential and several shallow gold resources were defined which have the potential to be mined and toll treated.

The Company has reduced its tenement holdings and is focussing on its key projects. Cost cutting measures have been implemented. The Company also has listed share holdings which are an asset to the Company.

Parker Range Project (CAZ 100%)

Despite the recent downturn in the iron ore market, the Company continues to seek avenues to commence the development of the Parker Range iron ore project. During the quarter Cazaly undertook discussions with various mining contractors on the potential to progress the project by reducing operational costs once the iron ore price settle.

The Parker Range project is the only "mine ready" iron ore deposit in the region not currently in operation. Parker Range has a fully completed definitive feasibility study and all key approvals are in place to commence development. Previously, the WA Transport Minister, Mr Dean Nalder, announced that Yilgarn Esperance Solution (YES) Limited, a consortium headed up by Asciano had been chosen to design, build and operate the new Multi-User Iron Ore Facility (MUIOF) planned for the Port of Esperance. Given the state of the iron ore market during the quarter no progress has been made on the development by Asciano.

During the quarter Cazaly took the opportunity to assess the gold potential of its holdings in the Southern Cross region. This lead to the recognition of a group of small but potentially viable gold prospects situated immediately north of the Mount Caudan iron ore deposit called the *Burbidge Group*. The prospects are located on granted mining leases M77/765 and M77/766 nearby to existing haul roads and associated infrastructure all within 15 kilometres of the 2.5Mtpa Marvel Loch gold mill which was recently recommissioned by Hanking. In-house resource estimates were made on a series of adjacent gold prospects based upon previous drilling after a thorough drill database compilation and validation exercise. The resources estimated are as follows;

BURBIDGE GROUP PROSPECT	RESOURCE CATEGORY	Tonnes	Grade (g/t Au)	Ounces Au
ZEUS	INFERRED	86,100	2.85	7,900
BURBIDGE	INFERRED	121,700	1.64	6,400
ZEUS SOUTH	INFERRED	29,100	1.08	1,000
LITTLE BURBIDGE EAST	INFERRED	129,300	1.59	6,600
BURBIDGE EAST	INFERRED	45,500	1.99	2,900
TOTAL	**INFERRED**	**411,700**	**1.88**	**24,800**

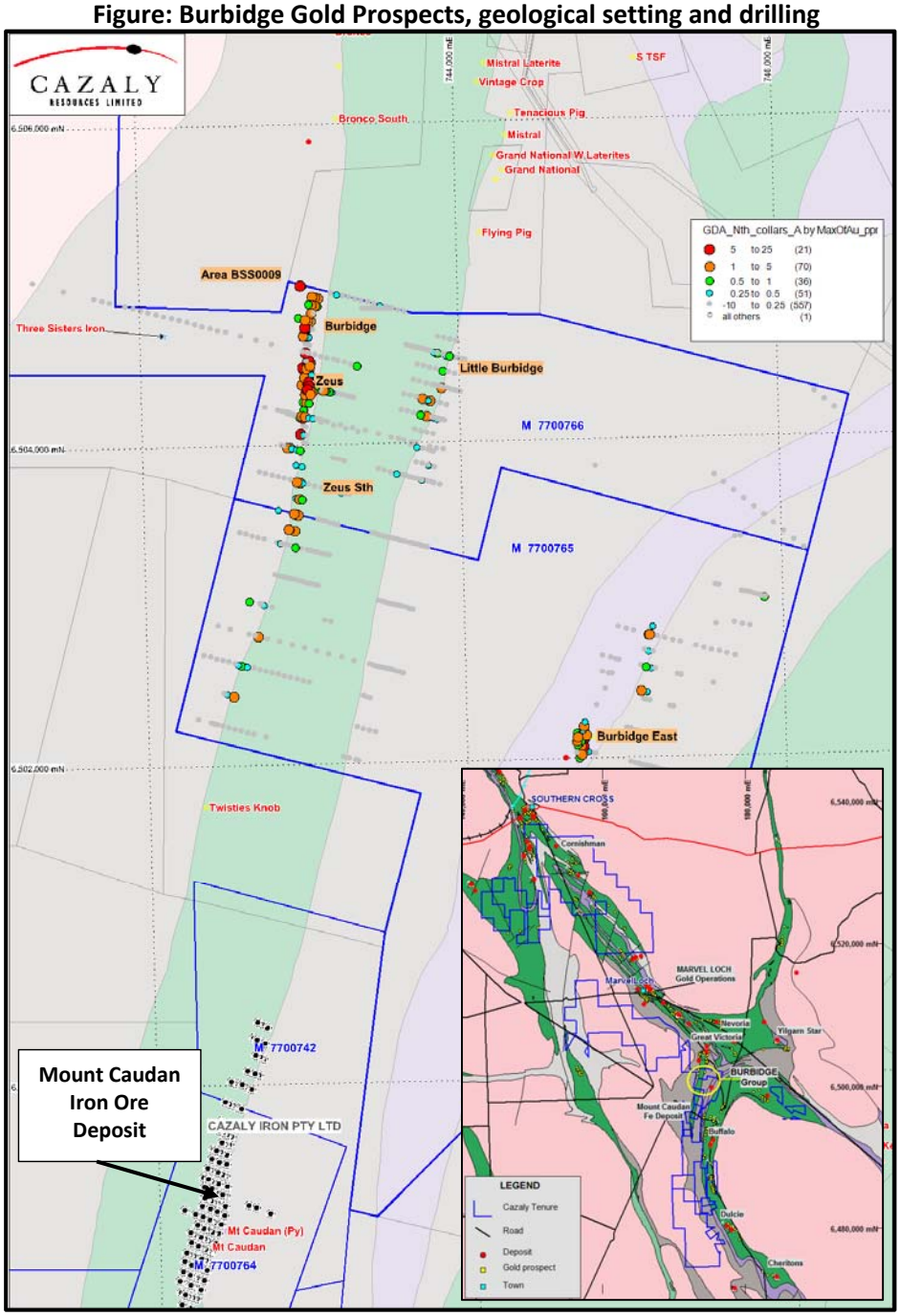
All Resources reported at a lower cut-off grade of 1.0 g/t gold. No upper grade cuts have been applied.

Assay results are from reverse circulation (RC) and diamond drilling (DDH). See Appendix A for further information.

Regionally, sheared lithological contacts are the primary control on the distribution of gold mineralisation with the majority of the belt's production being derived from shear-hosted deposits (Marvel Loch, Yilgarn Star and Frasers) and to a lesser extent fold hinge deposits, usually in Banded Iron Formation - BIF (Copperhead, Golden Pig and Bounty). Shear zone-hosted deposits occur near or along lithological contacts within broad, ductile shear zones and typically comprise single or multi-sheeted lodes parallel to stratigraphy and generally plunge commonly to the south. The prospects subjected to detailed review by Cazaly are typical of these shear zone hosted deposits. Mineralisation is associated with quartz-sulphide lodes in shear zones and within sheared contacts with varying degrees of gold mineralisation in the altered wall rocks.

Gold mineralisation at the *Zeus* prospect was identified in the late 1980's, south of the Bronco and Great Victoria open cut gold mines. Drilling along the geological contact intersected gold mineralisation in a vertical structure, above an oxidised massive sulphide unit on a contact between metasediments and mafic volcanics. Previous tenement holders Gondwana Resources Limited followed up high grade gold intersects and conducted three rounds of RC in-fill drilling at *Zeus, Burbidge* and *Burbidge East* prospects.

Figure: Burbidge Gold Prospects, geological setting and drilling



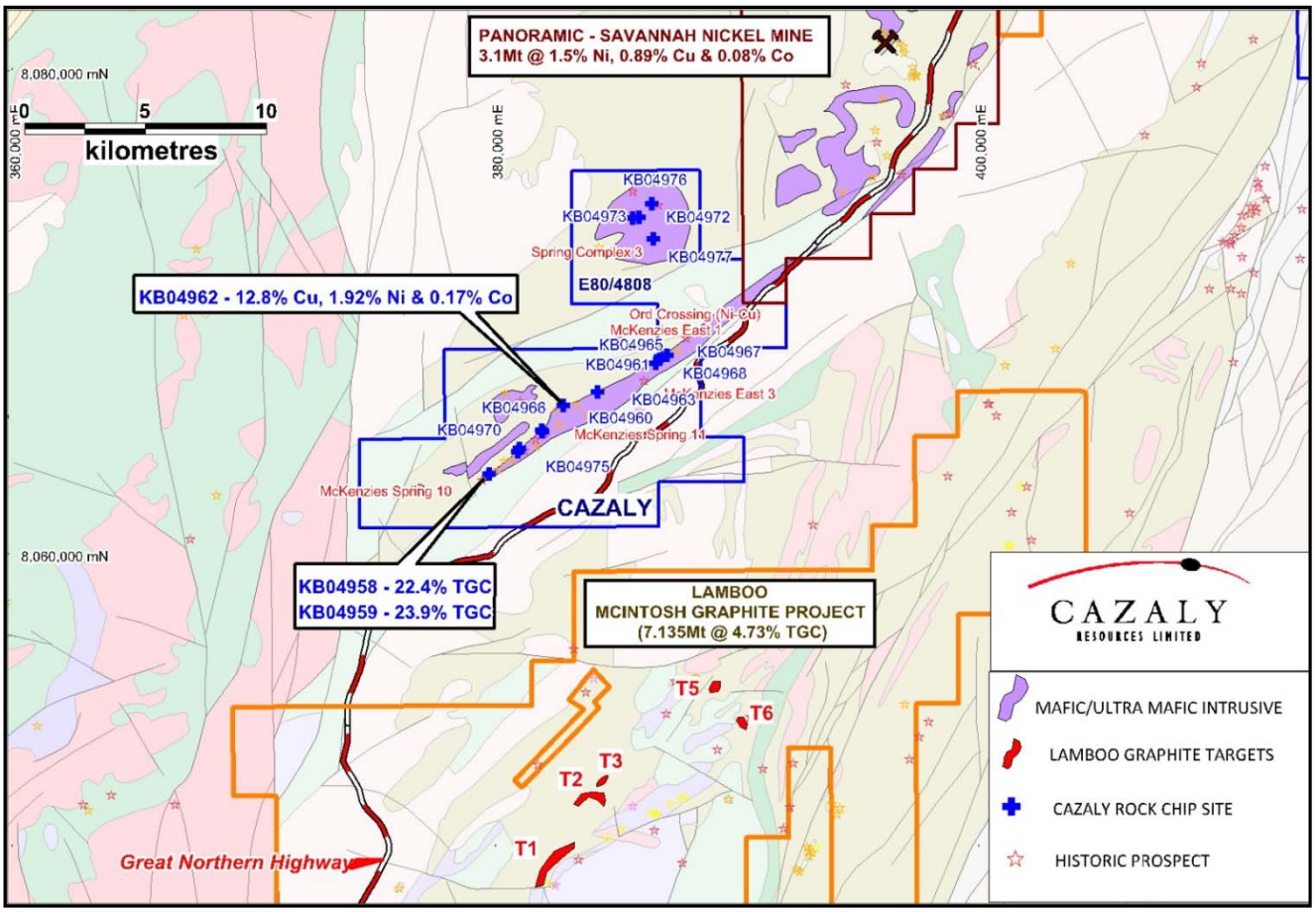
Kimberley Projects

McKENZIE SPRINGS GRAPHITE (CAZ 100%)

The Company conducted reconnaissance work at McKenzie Springs, during the previous quarter following up on an outcrop of graphitic schist. Research of historic data also identified further evidence of graphite bearing units associated with high grade metamorphic rocks of the Tickalara Metamorphic suite which trend throughout the tenement for ~15 kilometres. This is the same unit hosting Lamboo Resources Limited's neighbouring *Macintosh Graphite Project*. Of particular note is that the graphite has been identified as high grade flake graphite with the potential to be chemically converted into graphene.

Due to the highly friable/'soft' nature of the host graphitic schist it is rarely seen in outcrop although the prospective stratigraphy could be accurately traced using airborne and ground electromagnetic (EM) geophysical methods. The two samples returned Total Graphitic Carbon (TGC) grades of 22.4 and 23.9% TGC.

During the quarter Cazaly planned an airborne EM survey to test the extensive, essentially un-explored, defined stratigraphic horizon unit to more accurately define targets for drill testing.



HALLS CREEK COPPER PROJECT (CAZ earning 75%)

The Company has an agreement with 3D Resources Limited to earn up to a 75% interest in the Halls Creek Copper Project, located in the Kimberley region of Western Australia. The Halls Creek Project comprises a large package of six tenements covering an area of approximately 298 km², near the township of Halls Creek covering part of the Halls Creek Mobile Zone which is highly prospective for a range of commodities including base metals, gold, diamonds and nickel. Initial work has concentrated on copper mineralisation previously discovered at the *Mt Angelo North* Cu-Ag-Zn and the *Mt Angelo Porphyry* prospects.

No significant work was undertaken on the joint venture during the quarter.

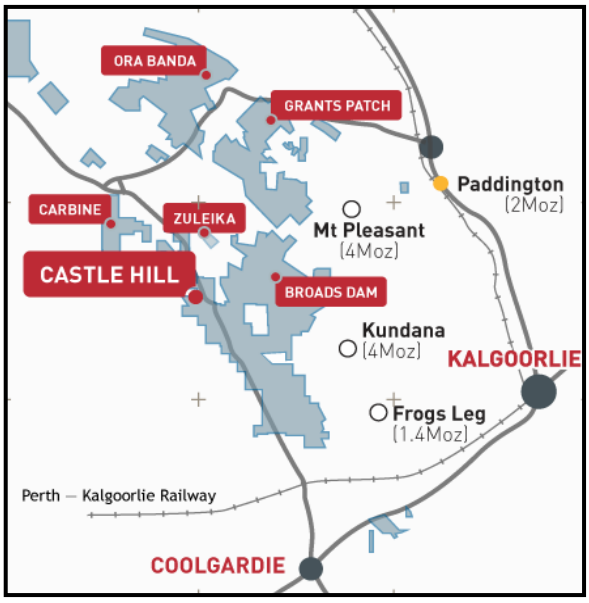
Hamersley Iron Ore Project

(Cazaly 30% / Winmar Resources Ltd 70%)

No significant work was reported during the quarter. As reported to the ASX by Winmar Resources Ltd on 6 February 2015, Winmar Resources Ltd increased their share in the project to 70%.

Corporate

During the Quarter the Company provided an update on the potential flow of revenues from royalties it holds over its interests in the Kalgoorlie Gold project. Phoenix Gold Limited (ASX: PXG), ("Phoenix") entered into two agreements to purchase the assets from Cazaly prior to listing on the ASX in 2010. Cazaly's interests in the Kalgoorlie Gold project encompasses over 350 square kilometres of tenure in the immediate Kalgoorlie region.



Phoenix recently announced a potential JV covering ore from the Castle Hill area (see map), with Norton Goldfields which will be processed at Norton's nearby Paddington mill. The Castle Hill area, which includes the Mick Adams and Wadi deposits and is subject to a royalty agreement with Cazaly, has a stated resource (Mill Feed) of 24.48Mt at 1.5 g/t for 1,168,000 ozs of gold (ref; "Phoenix mineral resources grow beyond 4 million ounces", PXG ASX announcements dated 14 & 19 January, 2015).

Phoenix also intends to conduct a large scale heap leach operation on lower grade ore as it is mined from the Castle Hill deposits. They have also recently entered into an agreement to purchase the 2.3mtpa St Ives heap leach processing plant which is located near Kambalda in the goldfields to process this ore.

Mine and processing studies are currently underway and heap leach pads are being re-designed to integrate with this new circuit. The current resource for Castle Hill (Mick Adams/Wadi) heap leach project is 32.52Mt at 0.6g/t for 598,000 ozs of gold (ref;

"Phoenix mineral resources grow beyond 4 million ounces", PXG ASX announcements dated 14 & 19 January, 2015).

As a result of the agreements Phoenix has already made payments to Cazaly including royalty payments on production of 13,086 ozs of gold produced in 2013. Broadly, the key payments which remain outstanding are as follows;

A) A Royalty of $40 per ounce on the next 61,914 ozs of gold produced

B) A 2% Royalty on production after the Royalty in A) above has been fulfilled

C) Final $3M cash payment following the recovery of 140,000ozs (13,086 ozs recovered to date)

The royalties referred to above are subject to specific and differing tenements within the project. Should production from the Castle Hill deposits proceed, then the Royalty in A) will recommence realising potential cash flow to the Company in excess of $2M over a period of approximately 18-24 months upon commencement of mining.

Furthermore, the Company will retain further exposure to future cash flows from the second royalty and the final bullet payment of $3M once 140,000 ozs of gold production has been achieved from the relevant royalty tenements.

Nathan McMahon

Joint Managing Director

Clive Jones

Joint Managing Director

The information that relates to exploration targets, exploration results, resource reporting and drilling data of Cazaly operated projects is based on information compiled by Mr Clive Jones and Mr Don Horn who are Members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and are employees of the Company. Mr Jones and Mr Horn have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones and Mr Horn consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.

APPENDIX A – RESOURCE ESTIMATION DETAILS

Database Validation

A comprehensive search and reconstruction of historical data sets was undertaken to build a drill database for the Parker Range North Project. This included collating drill data from company files as well as databases inherited with the acquisition of M77/765 and M77/766.

Original datasets were verified where available. The primary sources of drill data where from Sons of Gwalia open file reports and digital reports and Access drill databases from previous tenement holders Gondwana Resources Limited. Laboratory check samples, re-splits and other sample quality control data were available for a portion of infill RC drilling on the Zeus Prospect. All relevant drill hole data was reviewed. No significant discrepancies were found between duplicate data where available. A Micromine validation routine was run on the drill data and no data issues were flagged.

Downhole survey as well as RTK GPS positional collar data for the majority of the drill database is included. All collar surveys are based on GDA94, Zone 50 coordinate system with RL based on the Australian Height Datum. Site visits were made by company geologists to all prospects.

It is the opinion of the Competent Person that the data set is of sufficient veracity and quality to use for resource estimation purposes to an “Inferred” level under JORC 2012 guidelines

Resource Estimation

The Mineral Resource Estimate for the Zeus and Burbidge Prospects is based on reverse circulation and diamond drill hole data completed by previous explorers Sons of Gwalia and Gondwana Resources Limited up until 2011. Drill hole spacing varies from 25 x 25m to 25 x 100m. There are a total of 260 drill holes for 14,428m and 10,140 analyses contained within the database. All rotary air blast, air core and auger drill data were removed for the purposes of the resource estimation.

The mineral resources have been reported from within mineralised envelopes based on geological parameters, such as lithology and structural information, constrained within 0.5 g/t gold envelopes in similar geological settings. These envelopes were used to construct wireframes or 3D solids used to defined and interpolate block models. Separate interpreted domains were produced for the flat oxide blanket and lodes of each prospect where present. These were modelled separately to ensure grade interpolations were not affected by neighboring geological domains.

No bulk density data was available. The specific gravity data used for the estimations was based on data from surrounding projects for similar lithologies. These figures were 1.8 for Oxide and 2.5 for transitional material. Block Dimensions of 5 x 2.5 x 2.5 metres were used for resource estimation based on the drill spacing and the continuity and confidence in the geological interpretations. The grade estimation used Inverse Distance Power (2) weighting to the block size of 5 m by 2.5 m by 2.5 m and ellipsoid search parameters were used to define sample weighting.

Previous Resource Estimation

The only reference to previous resource estimations on the Zeus/Burbidge Prospects is made by Sons of Gwalia in their Surrender Report titled “BURBIDGE PROJECT, SURRENDER REPORT FOR C138/2001, 25th June 1992 to 27th June 2003”. This report is on open file under Item #A67104. In this report the company states the following:

“An Indicated Resource of 24,000 tonnes at 2.67g/t gold has been outlined, based on reverse circulation drill results at 25m x 25m spacing.” While this is interpreted by the Competent Person as a non JORC estimation, it is still considered relevant information for the purposes of a comparison with the current estimates.

The figure compares well with the grades of the Zeus estimation. The tonnages difference with the Cazaly estimate is due to further data provided by the extensional and in-fill drilling completed after 2003 by Gondwana Resources Limited.

Further details on the resource estimation are Tabled below:

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The Burbidge Project was sampled based on observed mineralisation, and the intervals determined by geological contacts. The assaying has been completed by Genalysis, Ultratrace and ALS Laboratories
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• 259 Reverse Circulation and 1 diamond drill hole
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.*	• Samples collected off cyclone into bags to maximise recovery • Samples were visually checked for recovery and contamination
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*	• Diamond core and RC recoveries are logged and recorded in the database. No significant sample recovery problems were encountered.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Diamond core has not been sighted • 3-4 m composite samples were collected using sample spear techniques • RC samples riffle split with duplicate samples collected periodically • Sample sizes and measures used to ensure representative are as per conventions within the industry
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.*	• Partial analysis by Aqua Regia or 4 Acid digest was used on composite samples • Total fire assay analysis was used on mineralised intervals utilising 1m sample splits • Quality control data available for RC drilling 2009-11 including standards, blanks and lab checks and establish accuracy and precision
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.*	• Lab checks on selected samples • Original lab reports not sighted. Comparison of drill assay data across two company digital data used to verify and validate. No irregularities identified • No adjustments made to assay data other than the removal of RAB, Auger and air core 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*	• RTK GPS survey used for collars • Down hole single shot Eastman camera used

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Local Grid used, all co-ords picked up in GDA94 Zone 50
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling on 25m x 25m to 100m x 25m spacing • Drill spacing is sufficient given geological continuity and confidence for “Inferred” classification • Downhole compositing to uniform 1m intervals applied
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.*	• Drilling was mostly at 55-60 degrees to grid east. Gold lodes dip approximately 70 degrees to grid west. This orientation is considered appropriate and sampling representative • No orientation based sampling bias has been identified to date
Sample security	• *The measures taken to ensure sample security.*	• Conventional practises were used
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data is considered to be fit to be used for the purposes of a resource estimation after review

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.*	• M77/765, M77/766 100% owned by Sammy Resources Pty Ltd a wholly owned subsidiary of Cazaly Resources Limited • A $1/t ore royalty to Gondwana Resources Limited
Exploration done by other	• *Acknowledgment and appraisal of exploration by other parties.*	• Great Victorian Gold Limited 1986-87 • Sons of Gwalia 1992-2003

Criteria	JORC Code explanation	Commentary
parties		• Gondwana Resources Limited 2008-2011
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Archaean greenstone hosted quartz lode on a lithological sheared contact
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.* • *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.*	• A table is included in the body of this report • Holes excluded from the tabulated data are historic holes which are not mineralised or not considered significant in the context of the report
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 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.*	• Weighted averages were used to calculate grades for significant intercepts • A maximum of one width of waste of 2 metres (less than 0.5ppm gold) was used in any mineralised interval
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• It is interpreted that the downhole interval is approximately 2/3 of the true mineralised width based on geological interpretation. However, until conclusive the true width shall be "unknown" for the purposes of this report
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*	• Maps and diagrams are in the body of this report

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	
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.*	• This report does not relate to 'new discoveries'. All results were released by previous Exploration companies and are available on open file or within previous ASX releases
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 material data is available
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.*	• Further work is planned to upgrade and confirm the initial resource estimations completed

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.*	• Checks of database integrity between separate companies was completed. • Access and Micromine drill data validations were run
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.*	• Site visits have been completed by company geologists. Collar location, weathering, survey and geological data was confirmed
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*	• There is a moderate to high level of confidence in the geological interpretation of historical data for these mineral deposits • High quality historical data has been used in the resource estimate dating from 2002 until 2011. • SG of 1.8 and 2.5 have been assumed for 'oxide' and 'transitional/fresh' material

Criteria	JORC Code explanation	Commentary
	estimation. • *The factors affecting continuity both of grade and geology.*	• Geological data has been used to define ore envelopes. The data indicates moderate to high levels of continuity and consistency across the drilling both down dip and along strike
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 Zeus, Burbidge and Zeus South form a semi continuous zone of mineralisation over 900m strike. Lodes are typically between 2 and 10m wide and extend to at least 120m 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 availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• No upper cut was applied due to the absence of extreme grades and after statistical analysis. • An IDW squared process was considered appropriate for the style of mineralisation to calculate block grades using search elipses aligned with the various lodes • Separate domains were partitioned for “oxide blanket” and “lode” mineralisation. These were modelled separately to avoid any grade smearing. • A 3D wireframe of mineralisation was constructed for accurate estimation of blocks and interpolation of grade • Block sizes of 5 x 2.5 x 2.5m were used. Search elipses were 20m, 50m and 100m were used with orientation matching lodes • Sectional plots and RL slicing was used on screen to check all block grade interpolation against drill data
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 on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A lower cut of 1g/t gold was used for reporting
Mining factors	• *Assumptions made regarding possible mining methods, minimum*	• A minimum mineralised interval of 2m down hole was used in the

Criteria	JORC Code explanation	Commentary
or assumptions	*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.*	interpretation
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.*	• No metallurgical information is available.
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 environmental aspects have been considered for the purposes of this resource estimation
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.*	• Assumptions of 1.8 for ‘oxide’ and 2.5 for ‘transitional/fresh’ material was used based on comparisons with other data on neighbouring projects. These numbers are considered to be consistent with the weathered material at the Zeus and Burbidge Prospects

Criteria	JORC Code explanation	Commentary
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.*	• Only "Inferred" classification has been used for the initial resource estimation based on all the data available
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits have been completed on this resource estimate. A comparison with historic estimates has been carried out
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 studies have been completed to determine the relative accuracy or the confidence in the mineral resource estimate

APPENDIX B – TENEMENTS HELD AT 30 MARCH 2015

TID	PROJECT	ENTITY	% INT
Managed			
E15/0915	7 MILE HILL	SAMR	100
E24/0188	GIDJI	CAZR	100
E25/0500	MADOONIA DOWNS	CAZR	100
E26/0167	GIDJI	SAMR	100
E80/4772	ALICE DOWNS	CAZR	100
E80/4774	HALLS CREEK	CAZR	100
E80/3370	MT ANGELO	CAZR	20
E80/3496	MT ANGELO	CAZR	20
E80/3517	MT ANGELO	CAZR	20
E80/3938	MT ANGELO	CAZR	20
M80/0247	MT ANGELO	CAZR	20
E47/1561	MT WALKINS	CAZI	100
E47/2012	MT. STUART	BAFE	100
E47/2027	MT. STUART	BAFE	100
E47/2042	MARILLANA	BAFE	100
E47/2043	MT. STUART	BAFE	100
E51/1558	RUBY WELL	SAMR	100
E51/1567	MT PADBURY	SAMR	100
E52/2861	FORTNUM	SAMR	100
E52/3020	ROBINSON RANGES	CAZR	100
E69/3056	JUNCTION	SAMR	100
E77/1101	PARKER RANGE	CAZI	100
E77/1235	PARKER RANGE	CAZR	100
E77/1403	PARKER RANGE	CAZI	100
E77/1788	PARKER RANGE	CAZI	100
E77/2135	PARKER RANGE	CAZI	100
L77/0220	PARKER RANGE	CAZI	100
L77/0228	PARKER RANGE	CAZI	100
L77/0229	PARKER RANGE	CAZI	100
M77/0741	PARKER RANGE	CAZI	100
M77/0742	PARKER RANGE	CAZI	100
M77/0764	PARKER RANGE	CAZI	100
M77/0765	PARKER RANGE	SAMR	100
M77/0766	PARKER RANGE	SAMR	100
P26/3893	KALGOORLIE	SAMR	100
P26/3896	KALGOORLIE	SAMR	100
P26/3898	KALGOORLIE	SAMR	100
P26/3899	KALGOORLIE	SAMR	100
P26/3900	KALGOORLIE	SAMR	100
P26/3901	KALGOORLIE	SAMR	100
P26/3911	KALGOORLIE	SAMR	100
P26/3912	KALGOORLIE	SAMR	100
P26/3913	KALGOORLIE	SAMR	100
P26/3934	HORANS SMALL DAM	CAZR	100
P26/3935	HORANS SMALL DAM	CAZR	100
P26/3939	HORANS SMALL DAM	CAZR	100
P26/3936	HORANS SMALL DAM	CAZR	100
P26/3937	HORANS SMALL DAM	CAZR	100
P26/3938	HORANS SMALL DAM	CAZR	100
P26/3940	HORANS SMALL DAM	CAZR	100
E63/1689	LEAKE	CAZR	100

TID	PROJECT	ENTITY	% INT
Managed			
P77/3700	PARKER RANGE	CAZI	100
P77/3702	PARKER RANGE	CAZI	100
P77/4046	PARKER RANGE	CAZI	100
P77/4047	PARKER RANGE	CAZI	100
P77/4162	PARKER RANGE	SAMR	100
P77/4163	PARKER RANGE	SAMR	100
P77/4164	PARKER RANGE	SAMR	100
P24/4786	BARDOC	CAZR	100
E77/2176	PARKER RANGE	SAMR	100
E80/4811	LAMBOO	SAMR	100
E80/4773	HALLS CREEK	SAMR	100
E80/4808	MABEL DOWNS	SAMR	100
P52/1442	PLUTONIC	SAMR	100
P52/1443	PLUTONIC	SAMR	100
P52/1444	PLUTONIC	SAMR	100
P52/1445	PLUTONIC	SAMR	100
P52/1446	PLUTONIC	SAMR	100
P52/1447	PLUTONIC	SAMR	100
P52/1453	PLUTONIC	SAMR	100
P52/1454	PLUTONIC	SAMR	100
P52/1455	PLUTONIC	SAMR	100
E52/2871	PLUTONIC	SAMR	100
E52/2873	PLUTONIC	SAMR	100
E52/2902	PLUTONIC	SAMR	100
E47/2774	MT FARQUHAR	CAZR	100
E47/2884	GREGORY	CAZR	100
Not Managed			
E31/1019	CAROSUE	CAZR	10
E31/1020	CAROSUE	CAZR	10
E36/0733	YEELIRRIE	SAMR	100
E36/0735	YEELIRRIE	SAMR	100
E37/1037	TEUTONIC BORE	SAMR	100
E38/1540	JUTSON ROCKS	CAZR	30
E47/1617	HAMERSLEY	LOFE	49
E51/1290	RUBY WELL	SAMR	100
E53/1247	HINKLER WELL	SAMR	100
E69/2230	NEBO	SAMR	100
E69/2362	RAWLINSON RANGE	SAMR	100
EL 25643	MT ISABEL (NT)	SAMR	20
EL 25653	ACACIA BORE (NT)	SAMR	20
M31/0427	CAROSUE	CAZR	10
P26/3369	TEN MILE HILL	CAZR	10
P27/1682	TEN MILE HILL	CAZR	10
P27/1688	TEN MILE WELL	CAZR	10
P46/1360	QUARTZ CIRCLE	CAZR	20
P46/1361	QUARTZ CIRCLE	CAZR	20
P46/1362	QUARTZ CIRCLE	CAZR	20
P46/1363	QUARTZ CIRCLE	CAZR	20
P46/1364	QUARTZ CIRCLE	CAZR	20
P46/1365	QUARTZ CIRCLE	CAZR	20
P46/1366	QUARTZ CIRCLE	CAZR	20
E38/1541	JUTSON ROCKS	CAZR	30

Any changes in mining tenement interests during the quarter are covered in Section 6 of the Appendix 5B for March'15