

27 January 2016

Quarterly Report December 2015

Ilgarari Copper Project

The Ilgarari project contains a copper oxide resource (JORC 2004) estimated to be 1,100,000 tonnes averaging 1.9% Cu (Refer ASX announcement 20 Nov 2012). The resource is located over the historic Ilgarari copper mine workings.

Over seven kilometres of the Ilgarari fault remains untested by modern exploration techniques.

During the quarter work focused on completing a detailed geophysical interpretation of the low level aeromag data over Ilgarari Fault and related structures within Ilgarari tenement with the aim of outlining priority exploration targets outside of the historic copper workings.

The interpretation has identified two principal faults, with a further five smaller faults identified. The major faults are the Ilgarari Fault, host to the existing mineralisation, and the Ilgarari NW Fault.

To constrain the type of surface sampling used, a regolith interpretation was completed, based principally on the radiometric data. The interpretation suggests Ilgarari is located in a window of residual soils, surrounded by either a preserved lateritic profile, including residual duricrust, ferruginous soil units and saprolite, or transported colluvial material. The bulk of the Ilgarari fault extensions are located under relatively shallow laterite or transported material.

The magnetic interpretation suggests better mineralisation is developed where:

- Firstly, existing mineralisation is developed in the hanging wall of the Ilgarari Fault where it cuts a remanently magnetised sill, and drilling to the west, in the footwall of the sill, is poorly mineralised;
- Stronger mineralisation is developed towards the NE end of each segment, where the segment starts to bend into its termination, that is, in a fault “jog”; and
- Locally the drill hole data suggests stockwork mineralisation may be developed between parallel lodes, when they are close together.

Using the interpreted fault extensions, and combining these with overlying regolith types, 12 target areas are defined, 8 targets along strike from Ilgarari (refer figure1), including three priority targets showing potentially stacked faults, linking structures and or bends in the structure. One of these is located above a magnetic sill. Four targets are identified on the Ilgarari NW Fault, but, while containing high priority prospective geological indicators, are considered lower priority targets until some mineralisation is identified. Given this, only targets in residual soils or lateritic material have been defined along the Ilgarari NW fault.

Three areas are considered suitable for soil sampling, seven areas are covered by lateritic material, or material derived from the lateritic profile, and two targets, considered priority targets along the Ilgarari Fault, are developed under and colluvium, and are recommended for drill testing.

In light of the number of targets generated from the latest interpretation, the Company is reviewing its exploration strategy for the project that will consider a wider reconnaissance approach to future on ground work.

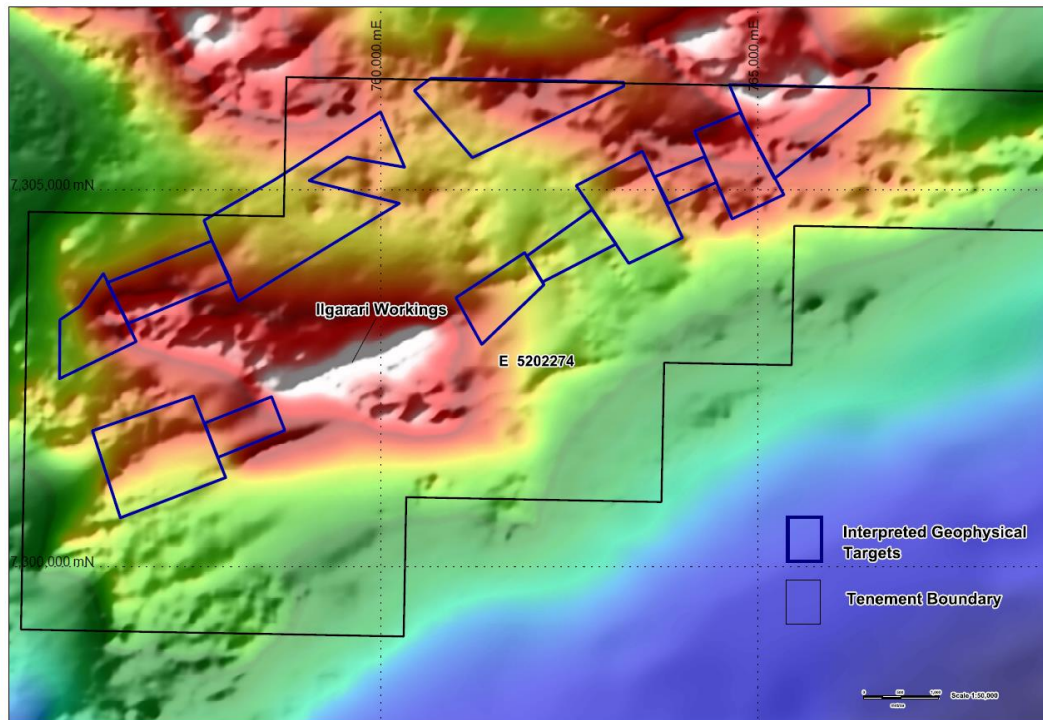


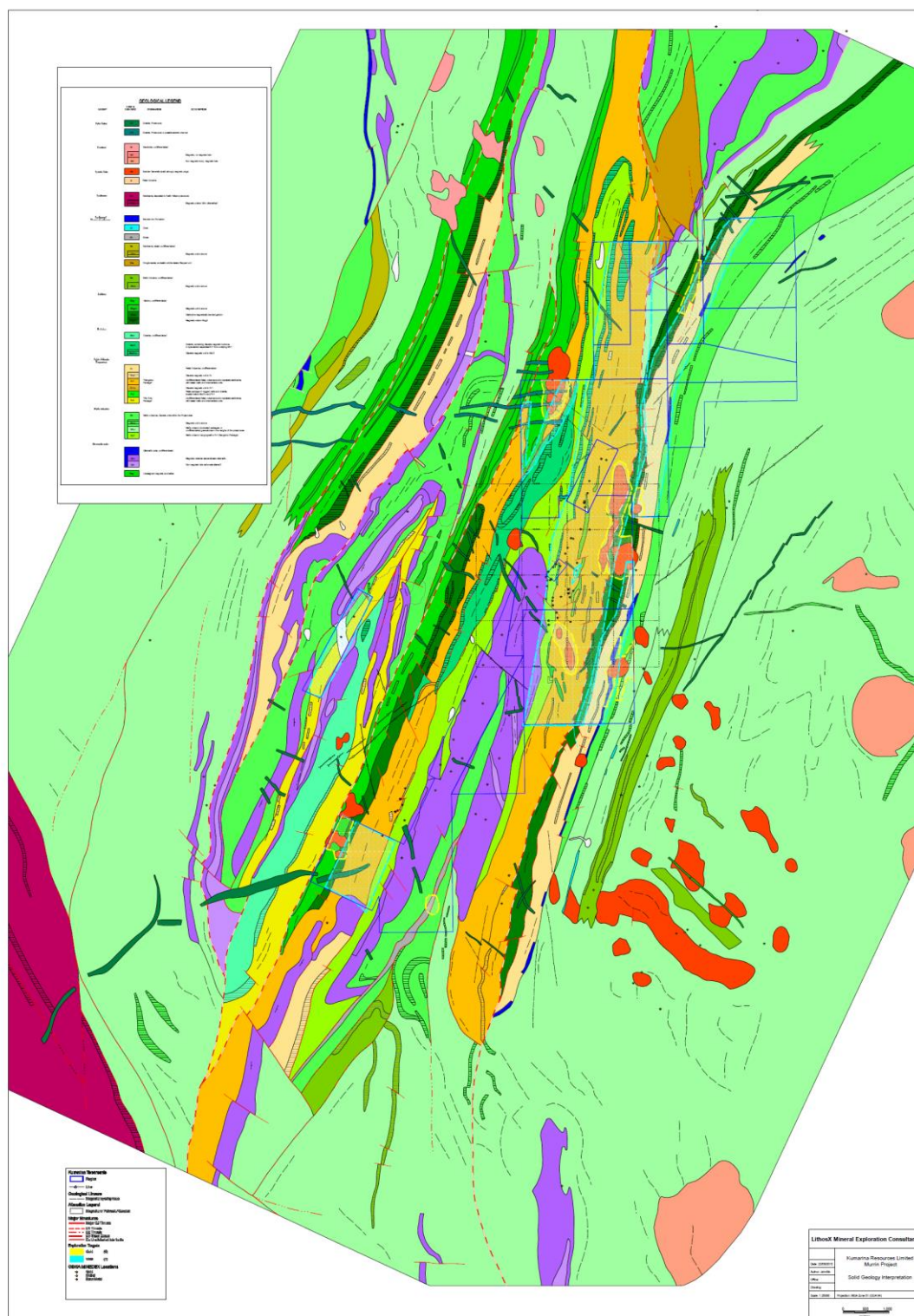
Figure 1. Ilgarari Project – Geophysical target blocks generated from details interpretation of low level air magnetics.

Murrin Murrin Gold Copper Project

During the reporting period a detailed interpreted geological map (i.e. 1:25,000 scale) was generated using high density aerial magnetic data over the Murrin Murrin project (refer figure2).

This detailed geophysical interpretation contributes to a more comprehensive and ongoing base metal & gold mineralisation target generation exercise for the Project. This target generation exercise will utilise all available remote sensed data as well as detailed compilations of historical ground geophysics, surface geochemistry, drilling data and geological mapping over the project area.

Previous work on the aeromag data has highlighted a number of potential extensions of the volcano-sedimentary packages hosting the VMS mineralisation at the Nangeroo Cu- Zn workings and an additional five potential base metals targets. The review has also generated eight untested gold targets across the Murrin Murrin project. (Refer figure 3.)



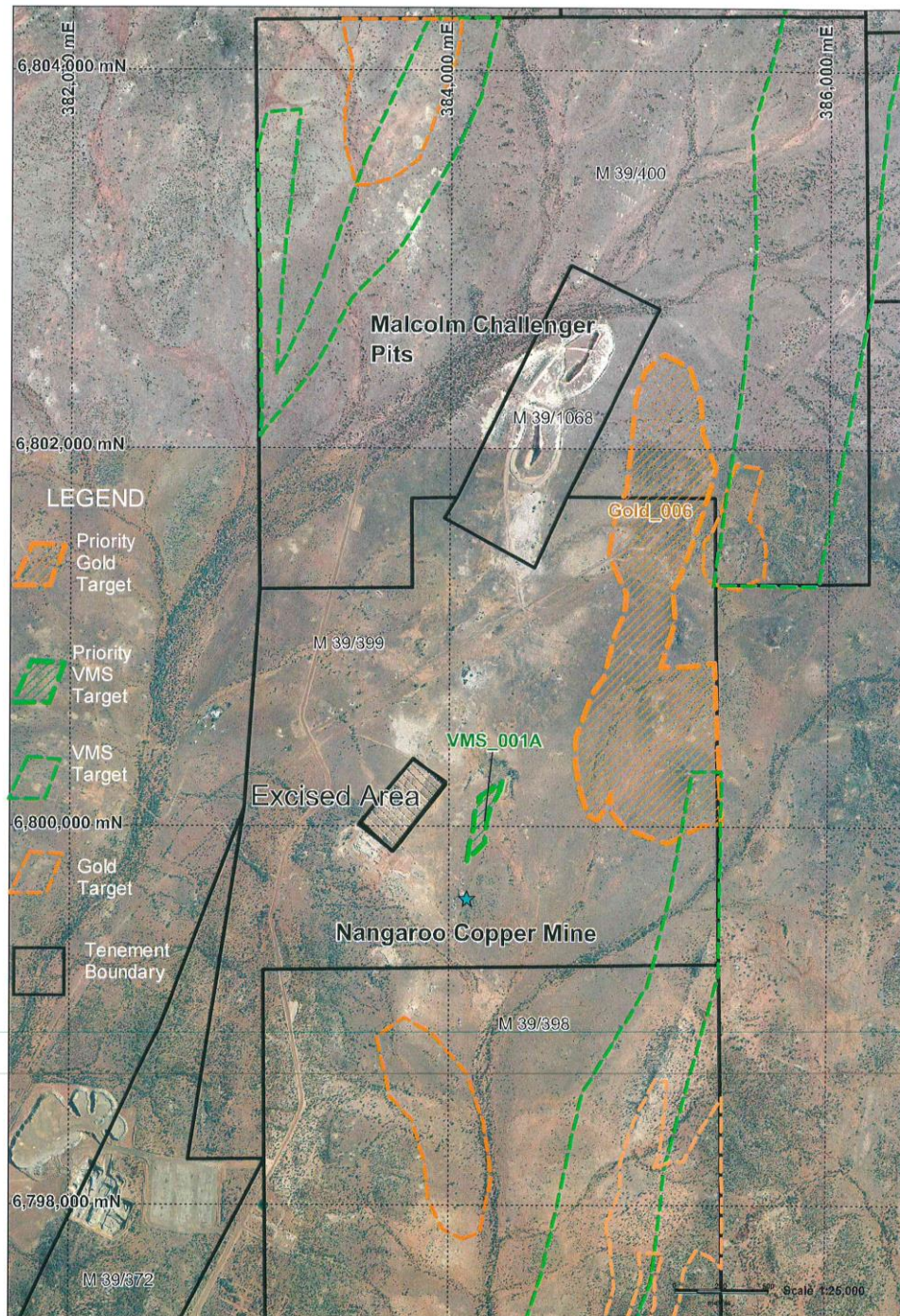
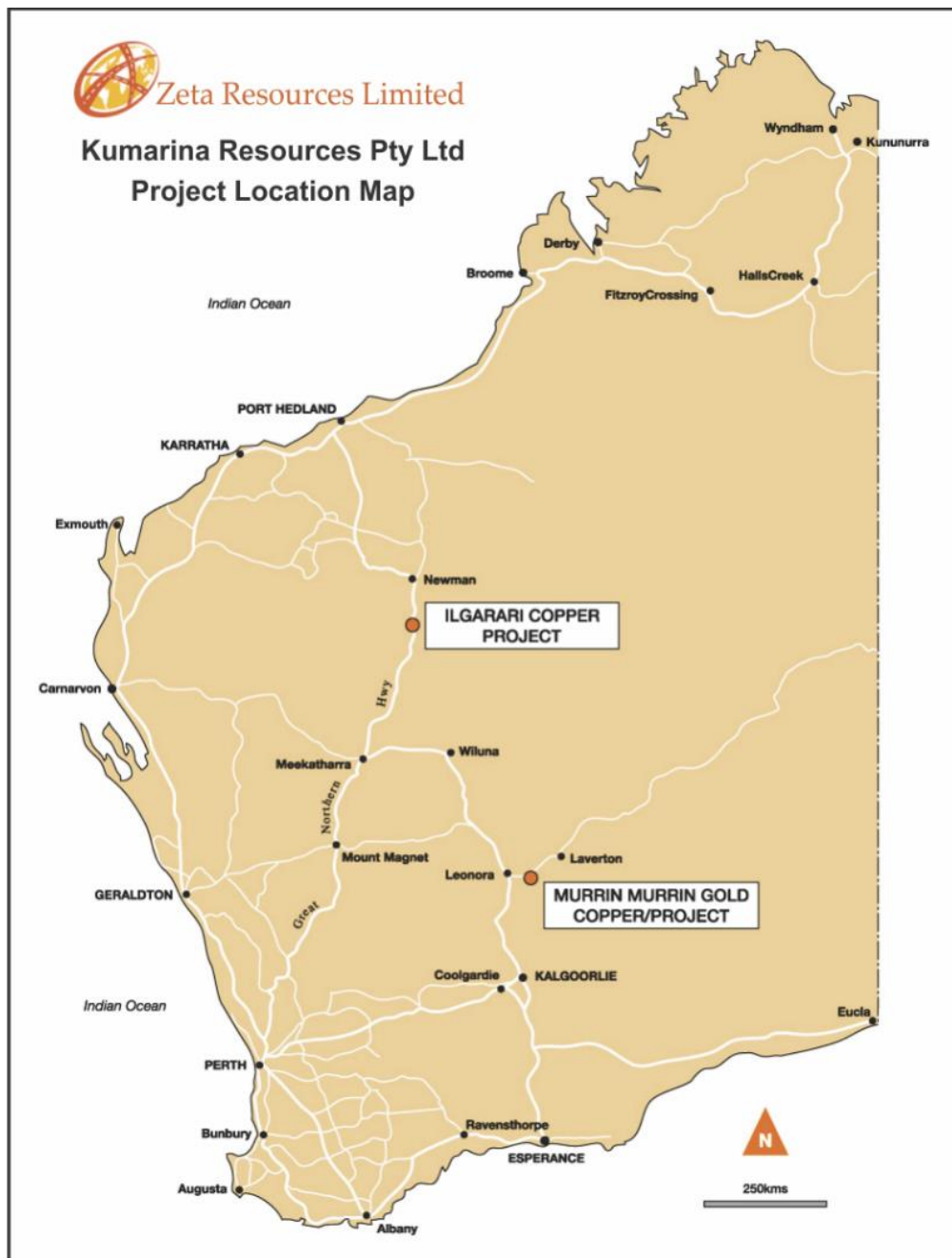


Figure 3. Priority targets identified from solid geology reinterpretation. VMS001A to the north of Nangaroo indicates a potential offset of the Nangaroo lode, as indicated in ground TEM data. Gold Target 006 comprises syenite body emplaced into mafic intrusives (gabbro) along a major thrust.



Competent Persons Statement

The information in this report as it relates to exploration results and geology has been compiled by Dr Bryan Smith (Member Australasian Institute of Mining and Metallurgy) who is a self-employed consultant. Dr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Smith consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

The resource estimate in this document has been made by Simon Coxhell (Member Australasian Institute of Mining and Metallurgy) who is a consultant employed by Cox Rocks Pty Ltd. Mr Coxhell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Coxhell consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Kumarina Tenement Schedule

Project	Number	Ownership
Ilgarari	E52/2274	100%
Eulaminna	M39/0371	Gold & Base Rights
Eulaminna	M39/0372	Gold & Base Rights
Murrin Murrin	M39/0397	100%
Murrin Murrin	M39/0398	100%
Murrin Murrin	M39/0399	100%
Murrin Murrin	M39/0400	100%
Murrin Murrin	M39/1068	100%
Murrin Murrin	P39/5230	100%
Murrin Murrin	P39/5231	100%
Murrin Murrin	P39/5232	100%
Murrin Murrin	P39/5233	100%
Murrin Murrin	P39/5234	100%
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Murrin Murrin	P39/5237	100%
Murrin Murrin	P39/5238	100%