
G Lode Underground Sampling Confirms High Grade Gold at Mineral Hill, NSW

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce the results of underground sampling of the G Lode that confirm high grade gold values.

G Lode is an important future source of underground gold/copper production at the Southern Ore Zone, Mineral Hill. As reported in a drilling update released 2 July 2013, the G Lode contains very high-grade intersections of Au–Cu mineralisation, including **26m at 3.6 g/t Au and 0.9% Cu from 59.5m**; and **10m at 60.6 g/t Au and 2.2% Cu from 112m** in underground drill hole **KUSOZ001**.

Presenting the historical results at a cut-off of 3g/t Gold Equivalent gives the following intercepts which better reflect the tenor of the mineralisation in KUSOZ001:

- **5.9m at 4.9g/t Au, 1.1% Cu and 5g/t Ag** from 67.1m;
- **6.5m at 6.7g/t Au, 1.0% Cu and 7g/t Ag** from 79m; and
- **5.6m at 108.5g/t Au, 3.8% Cu and 18g/t Ag** from 113.7

[true widths are less than the reported drill intersections as the hole was drilled at a low angle to the dip of the mineralisation]

KBL commenced development on G Lode in 2015 at the 1025mRL level (approximately 300m below surface) This has provided the first access for underground mapping and sampling of the G Lode mineralisation. Wall sampling of the exposed breccia zones contained highly elevated gold, with individual one metre intervals yielding gold grades up to **81.8g/t** (Figure 1)

The gold mineralisation is associated with a distinctive pyrite-rich quartz breccia near the western margin of G Lode (Photograph 1). The G Lode also hosts a more copper-rich breccia zone along the eastern footwall side. This zone contains several packages of strong Cu–Au mineralisation up to approximately 5m thick over a strike length of approximately 180m.

G Lode breccia intervals with highly elevated gold grades, have been recognised in drilling for about 60m along strike, and over 50m below the current development level (Figure 2). A grade control drilling program is planned to determine the boundaries of potential mining blocks and establish internal grade continuity between the 1025mRL and the 990mRL development levels. There are numerous other historical drill holes which have encountered elevated gold in the near vicinity of the underground sampling (detailed in the Appendix) highlighting the potential of the gold-rich G Lode breccia as a priority resource extension drilling target.



Photograph 1: Gold-bearing pyrite–chalcopyrite–quartz breccia near the western margin of G lode exposed in underground development

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About KBL Mining

KBL Mining is an Australian resource company listed on the ASX (KBL and KBLGA) with a focus on producing precious and base metals. KBL's main assets include the Mineral Hill copper-gold-silver-lead-zinc mine near Condobolin in New South Wales and Sorby Hills lead-silver-zinc project in Western Australia. The Company has been operating the refurbished processing plant at Mineral Hill since October 2011 to produce copper-gold concentrates and in 2013 commenced producing a separate lead-silver concentrate. Sorby Hills (KBL holds 75% with Henan Yuguang Gold & Lead Co. Ltd (HYG&L) holding 25%) is a large near surface undeveloped silver-lead deposit close to port infrastructure and a short distance from Asian markets. A PFS for stage 1 of the project (400,000tpa open cut ore processed) was released on 6 December 2012 Environmental approvals for stage 1 were granted in 2014. A BFS is in progress to be followed by project financing.

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

Competent Persons Statement

The information in this report that relates to drilling results and Mineral Resources is based on information compiled by Owen Thomas, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Thomas has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Thomas consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

JORC Code, 2012 Edition – Table 1 report

Southern Ore Zone Rock Chip Sampling and Diamond Drilling

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<p>Underground Rock Chip Sampling (Walls & Faces)</p> <p>Handheld equipment (geological hammer) is used by the Mine Geologist to obtain grade control face or wall samples over intervals ranging from 0.5m to 1.5m in length. Samples are collected in individually numbered calico bags which are immediately tied at the top. These samples are submitted for base metals analysis using nitric aqua regia digestion and a conventional ICP–AES methodology. A 50g charge is produced for fire assay and AAS analysis for gold.</p> <p>Sample intervals are typically determined by geological mapping and are collected approximately 1.5m from the floor. The manual chip sampling results in a less complete rock sample compared to drill core or percussion chips but is regarded as appropriate for indicative and confirmatory purposes.</p> <p>All possible care is taken to obtain a representative rock chip sample across each metre of an underground wall or face, however, the geotechnical characteristics (e.g. hardness, degree of fracturing) of the exposed rock can impact on the overall quality of the sample. In the case of the results reported here, the mineralisation style and grade range is similar to that seen in nearby diamond drill holes (presented in the significant results table under Drill hole Information in Section 2 below).</p> <p>Diamond Drilling</p> <p>Diamond drilling from surface and underground is used to obtain core from which intervals ranging from approx. 0.2-1.5m in length are submitted for base metals analysis using nitric aqua regia digestion and a conventional ICP–AES methodology. A 50g charge is produced for fire assay and AAS analysis for gold.</p> <p>All diamond drill core drilled by KBL is sampled in intervals based on geological logging. All core is cut, with half core typically sent as the</p>

Criteria	JORC Code explanation	Commentary
		<p>geochemical sample to ALS, Orange The remaining core is stored at the Mineral Hill core yard.</p> <p>An exception is in the case of metallurgical testing where half core is typically sent to the testing laboratory, quarter core to ALS for assay and quarter core retained at site.</p>
<p>Drilling techniques</p>	<ul style="list-style-type: none"> • <i>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).</i> 	<p>Drilling carried out at Mineral Hill has been predominantly reverse-circulation percussion (RC) and diamond core (typically with RC precollars of varying lengths). Core diameters are mostly standard diameter HQ and NQ, with HQ3 and NQ3 (triple-tube) used during recent surface drilling.</p> <p>The Southern Ore Zone (SOZ) dataset contains drill holes collared between 800mE and 1400mE, and south of 775mN (local mine grid), that intersect the Mineral Hill Volcanics host rocks. Numerous holes have failed in overlying unmineralised Devonian sedimentary rocks and are not included.</p> <p>Historical drilling at the SOZ has seen a higher proportion of diamond core holes than is typical at Mineral Hill with 139 diamond holes, 17 RC holes, and three percussion holes in the pre-2013 historical dataset.</p> <p>In addition, 108 underground diamond holes and four surface diamond holes have been drilled by KBL from 2013 onwards for both resource definition and grade control purposes. Diamond drilling using HQ (61.1-63.5mm) core diameter and a standard barrel configuration is most common. Grade control drilling is typically performed with smaller diameter BQ/LTK48 coring.</p> <p>Core from underground drilling has not been routinely orientated. Orientation has been attempted on numerous surface drill holes with mostly good results. Methods used over time have included traditional spear and marker, and modern orientation tools attached to the core barrel.</p> <p>The SOZ sampling dataset also includes assays from over 5800 metres of underground sampling performed by Triako from faces and walls, as well as sludge sampling from underground probe and blast percussion holes.</p>
<p>Drill sample</p>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<p>Triple-tube core barrels are used where possible in diamond drilling to</p>

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recovery	<ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<p>maximise sample recovery and quality.</p> <p>Core recovery is measured for the complete hole based on the driller's mark-up, checked during core mark-up in 1m intervals by the geologist.</p> <p>Drill core is measured (actual measured core recovered vs. drilled intervals) to accurately quantify sample recovery.</p> <p>Good core recovery is typically achieved during drilling at Mineral Hill. Where recovery is insufficient to produce a meaningful sample the interval is assigned a zero grade when reporting drilling results. Average HQ core recovery to date for the current drilling program is 98%.</p> <p>There is no known relationship between sample recovery and grade. The lowest recoveries are typically associated with fault and shear zones which may or may not be mineralised.</p> <p>When RC drilling, intervals of poor recovery are noted on geologists' logs but RC sample bags are not routinely weighed for quantification of sample recovery.</p>
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>A qualified geoscientist logs the geology of all holes in their entirety (including geotechnical features). Drill core is geologically and routinely geotechnically logged to a level of detail considered to accurately support Mineral Resource estimation. The parameters logged include lithology with particular reference to veining, mineralogy, alteration, and grain size. Magnetic susceptibility measurements are available for some recent drill holes.</p> <p>Some core holes have down-hole core orientation and these holes are subject to detailed structural logging. Routine structural logging is carried out on all core holes recording bedding, schistosity and fault angles to core.</p> <p>All core and RC chip trays are photographed in both wet and dry states. Recent digital photos and scans of film photography are stored electronically.</p> <p>All of the holes with results mentioned in the release have been logged in their entirety.</p> <p>Underground development (walls & backs) is routinely mapped and photographed dependent on access as affected by mining operations. The parameters recorded by mapping include lithology, veining,</p>

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		<p>mineralogy, alteration and grain size.</p> <p>All of the underground walls, from which sample results presented in this release have been derived, have been logged in their entirety.</p>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Underground Rock Chip Sampling (Walls & Faces)</p> <p>Handheld equipment (geological hammer) is used to obtain a dry sample over intervals ranging from approx. 0.5-1.5m in length. This typically results in individual samples weighing between 1kg and 3.5kg and is considered appropriate for the SOZ sulphide mineralisation (as described below).</p> <p>Dry chip samples are typically collected approximately 1.5m from the floor of the underground wall or face in a horizontal continuous line. The geotechnical characteristics of the in situ material (e.g. hardness, degree of fracturing) can affect sample collection and resulting sample weight and representivity.</p> <p>No field duplicates were collected during sampling.</p> <p>Diamond Drilling</p> <p>The SOZ core sampling of Triako (2001–2005) was based on the geological logging, such that only core regarded as significantly mineralised was cut in half for subsequent assay. This approach has the potential to miss finely disseminated gold mineralisation, and in some cases low grade Cu, high Pb–Zn mineralisation was regarded as uneconomic and ignored.</p> <p>Underground core drilled by KBL is fully sampled (sawn half core) and submitted for assay. All cored sections of KBL surface drill holes are assayed unless the volume of rock is deemed to have been effectively sampled by a pre-existing drill hole, for example in the case of wedging where the wedge hole trajectory is close (typically <5m) from the parent hole.</p> <p>There is no standard procedure regarding the line of cutting with any veins and structural fabrics. However, an attempt is made to obtain an equivalent sample of mineralised material in both halves of the core. Poorly mineralised core is typically cut perpendicular to any dominant fabric.</p> <p>Water used in the core cutting is unprocessed and hence unlikely to</p>

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		<p>introduce contamination to the core samples.</p> <p>The HQ and HQ3 diameter core is deemed by KBL to provide a representative sample of the SOZ sulphide mineralisation which generally comprises a fine- to medium-grained (1–5mm) intergrowth of crystalline sulphide phases such as chalcopyrite, pyrite, galena and sphalerite; with quartz–mica–carbonate gangue. A typical 1m half core sample weighs approximately 3.5-4.5 kg.</p>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<p>All drilling and underground rock chip samples are currently assayed at Australian Laboratory Services (ALS) in Orange, NSW. ALS is a NATA Accredited Laboratory and qualifies for JAS/ANZ ISO 9001:2008 quality systems. ALS maintains robust internal QA/QC procedures (including the analysis of standards, repeats and blanks) which are monitored with the analytical data by KBL geologists through the Webtrieve™ online system.</p> <p>During the Triako era drilling at SOZ (2001–2005), samples were analysed for copper, lead, zinc, silver and gold using ALS Method IC581. All gold values >5 g/t were then repeated with method AA26. All pulps returning >1%Cu, >1%Pb, >1% Zn, and/or >25g/t Ag were repeated with method OG46/AA46 (mixed acid digest, flame AAS).</p> <p>KBL have routinely assayed for copper, lead, zinc, silver, arsenic, antimony, and bismuth using ALS Method ME-ICP41, with pulps returning over 10000ppm for Cu, Pb, Zn or 100ppm for Ag, reanalysed with the ore-grade method ME-OG46. The aqua regia ME-ICP41 and ME-OG46 methods are regarded as a total digestion technique for the ore minerals present at SOZ. Gold is analysed with the 50g fire-assay–AAS finish method Au-AA26.</p> <p>Underground Rock Chip Sampling (Walls & Faces)</p> <p>Independent standards were not submitted for analysis with the underground rock chip samples. All internal QA/QC standards, repeats and blanks run by the laboratory returned an acceptable level of accuracy and precision.</p> <p>Diamond Drilling</p> <p>Two standards are inserted every 30 samples in the sample stream. The standards comprise Certified Ore Grade base and precious metal Reference Material provided by Geostats Pty Ltd. The analysis of</p>

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		<p>standards is checked upon receipt of batch results—all base metal standards analysed with samples during the previous 5780m underground drilling campaign at SOZ had ore elements within two standard deviations (SD) of the provided mean standard grade with 53% of these having all ore element concentrations within one SD. 95% of gold standards analysed during the current drilling program were within two SD of the standard mean with 67% within one SD. Similar analysis of standards is continuing in the current drilling program.</p> <p>Based on the results of standard analysis, in addition to the internal QA/QC standards, repeats and blanks run by the laboratory, the laboratory is deemed to provide an acceptable level of accuracy and precision.</p> <p>For historical drilling from 2001–2005, standards were inserted at the start and end of each batch of samples sent to ALS. The laboratory was requested to repeat any high grade standards which returned values > 10% from the quoted mean, and >20% for the low grade standards.</p>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>Significant intersections are checked by the Senior Mine Geologist, Senior Exploration Geologist, and Chief Geologist.</p> <p>No holes have been deliberately twinned during SOZ drilling.</p> <p>Original laboratory documents exist of primary data, along with laboratory verification procedures.</p> <p>The Mineral Hill drilling database exists in electronic form as a Microsoft Access database. The assay data are imported directly into the database from digital results tables sent by the laboratory. The Senior Mine Geologist and Chief Geologist manage the drill hole assay database.</p> <p>3D validation of drilling data and underground sampling occurs whenever new data is imported for visualisation and modelling by KBL geologists in Micromine™ software.</p> <p>No adjustment has been made to assay data received from the laboratory.</p>
<p>Location of data points</p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> 	<p>The collar positions of holes drilled by Triako have been surveyed by mine surveyors and are consistent with surveyed underground workings. The holes were surveyed in Mineral Hill mine grid and also the national grid. The CBH drill hole collars have been established by GPS using the national grid and converted to mine grid using the conversion established</p>

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	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<p>by Triako.</p> <p>KBL Mining Ltd drill hole locations were either surveyed by qualified mine surveyors or by real-time differential GPS (DGPS) in areas at surface distant from reliable survey stations.</p> <p>Underground sample locations are determined by measuring a distance relative to the nearest surveyed wall station (typically located within 50m of a sample site).</p> <p>Coordinates are recorded in a local Mine Grid (MHG) established by Triako in which Grid North has a bearing of 315 relative to True North (MGA Zone 55). The local grid origin has MGA55 coordinates of 498581.680 mE, 6394154.095 mN.</p> <p>Topographic control is good with elevation surveyed in detail over the mine site area and numerous survey control points recorded.</p>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<p>Historical surface drilling at SOZ, like most of the Mineral Hill field, was mainly designed on an east-west grid (relative to Mine Grid). Surface holes were drilled from drill pads arranged on a grid of approximately 50 x 50m, typically with two to five separate holes drilled from each pad.</p> <p>Underground drilling at SOZ has also occurred from numerous sites, most commonly in the hanging wall of the mineralisation, and drill holes have a greater range of orientations.</p> <p>As a whole, the drilling has typically intersected the A, B, C, & D lodes at a spacing 25m x 25m between 160RL and 0RL (between 147m and 307 metres depth from surface) with closer drill spacing in many areas. Drilling has intersected the mineralisation at an average spacing of approximately 50 x 50m between 0RL and -100RL (307m to 407m depth from surface). Below -100RL, only sporadic drilling has been carried out.</p> <p>Historical drilling into the G & H lodes was mostly from underground sites at the northern and southern ends of the deposit. Drilling has intersected the mineralised envelope with a spacing of approximately 25–30 m at G Lode and 30–50m at H Lode.</p> <p>The majority of drill holes have been selectively sampled. Only intervals that showed signs of mineralisation have been assayed.</p> <p>No sample compositing has been applied to the drill holes reported in the release.</p>

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<p>Mineralisation at Mineral Hill occurs around discrete structures in a series of en echelon dilational zones within a NNW/SSE¹ trending corridor up to 1.5km wide. There is a variety of mineralisation styles present within this zone, reflecting multiple phases of mineralisation element. Most drilling occurs with an east-dipping orientation and -60 to -80 degrees dip to best intersect the mineralisation.</p> <p>Surface drill hole designs at SOZ mostly dip between 60 and 75 degrees to the to the east, intersecting the interpreted steeply west-dipping lodes at a favourable angle.</p> <p>Due to the dip and strike of mineralisation, the underground wall samples presented in this release are not ideally orientated. Estimated true thicknesses of reported intersections are presented in the body of the release.</p> <p>¹ Bearings in this document are given relative to the Mineral Hill Mine Grid (MHG) in which north is oriented towards a bearing of 315 degrees (NW) relative to MGA Grid north.</p>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>For diamond drilling, half core is collected in calico sample bags marked with a unique sample number which are tied at the top. Samples are couriered by independent contractors from the mine site to the ALS Laboratory, Orange, NSW.</p> <p>Specific records of historical sample security measures are not recorded, however the methods were regarded as normal industry practice during an external audit of Triako's historical data base, quality control procedures, survey, sampling and logging methods in 2005.</p> <p>For underground rock chip sampling, samples are collected in calico sample bags marked with a unique sample number which are tied at the top at the time of sampling. Samples are couriered by independent contractors from the mine site to the ALS Laboratory, Orange, NSW.</p>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>The historical data base, quality control procedures, survey, sampling and logging methods were reviewed by Barret, Fuller and Partners (BFP) in June 2005 on behalf of Triako Resources Ltd. The BFP report was authored by C.E. Gee and T.G. Summons and concluded that the Triako database and procedures were of "normal industry practice".</p> <p>CBH Resources, and subsequently KBL Mining Ltd have maintained the</p>

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		Triako drilling and sampling procedures, with numerous improvements such as those outlined in this document.

Section 2 Reporting of Exploration Results

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

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Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	The rock chip assay and drilling results are from drilling within Mining Leases ML337, ML5499 and ML6365 located in central NSW and which are due to expire on 14 March 2033.																					
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	The SOZ deposit was discovered by Triako Resources Ltd. The majority of drilling at SOZ to date was carried out by Triako between 2001 and 2005.																					
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The SOZ at Mineral Hill is an epithermal to mesothermal polymetallic (Cu–Au to Cu–Pb–Zn–Ag–Au) vein and breccia system hosted by the Late Silurian to Early Devonian Mineral Hill Volcanics, a pile of proximal rhyolitic volcanoclastic rocks with minor reworked volcanoclastic sedimentary rocks. The mineralisation is structurally controlled and comprises lodes centred on hydrothermal breccia zones within and adjacent to numerous faults, surrounded by a halo of quartz–sulphide vein stockwork mineralisation.</p> <p>Mineralisation at G Lode is mostly in the form of breccia, composed of volcanic wall rock and older quartz-sulphide vein fragments set in a silica and pyrite–chalcopyrite matrix. This Lode is near the western margin of the known extent of SOZ (H Lode occurs further to the west).</p>																					
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does 	<p>Locations, orientations and significant results of nearby diamond drill holes supporting the interpretation of G Lode mineralisation around 1025RL (the level of the underground sampling) are tabulated below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Hole</th> <th rowspan="2">Type</th> <th rowspan="2">Max Depth (m)</th> <th colspan="3">Collar Coordinates</th> <th colspan="2">Hole Orientation (at collar)</th> </tr> <tr> <th>East</th> <th>North</th> <th>RL</th> <th>Azimuth</th> <th>Dip</th> </tr> </thead> <tbody> <tr> <td>KMHDD012</td> <td>DD</td> <td>343.9</td> <td>1038.766</td> <td>497.182</td> <td>1311.525</td> <td>090</td> <td>-66</td> </tr> </tbody> </table>	Hole	Type	Max Depth (m)	Collar Coordinates			Hole Orientation (at collar)		East	North	RL	Azimuth	Dip	KMHDD012	DD	343.9	1038.766	497.182	1311.525	090	-66
Hole	Type	Max Depth (m)				Collar Coordinates			Hole Orientation (at collar)														
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KMHDD012	DD	343.9	1038.766	497.182	1311.525	090	-66																

Criteria	JORC Code explanation	Commentary							
	<i>not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>			00					
		KUSOZ001	DD	150	1172	500	1094.1	290	-69
		KUSOZ015	DD	110.3	1102.721	547.526	1094.795	123.6	-16.2
		KUSOZ017	DD	110.5	1102.193	549.566	1093.973	088	-48
		KUSOZ020	DD	107	1102.341	550.379	1094.119	074	-41
		KUSOZ024	DD	134.8	1101.219	548.332	1094.138	127	-71
		TMH254	DD	408	1092.062	435.7	1306.81	050	-73
		USOZ026	DD	309	1251.901	364.192	1100.369	324	-21
		USOZ045	DD	274.6	1262.4	419.03	1078.5	318	-24
		USOZ048	DD	264	1262.4	419.03	1078.5	320	-20
		USOZ052	DD	195	1110	437	1065.6	53	-51
		USOZ066	DD	70	1109.715	437.760	1066.051	60	-42
		USOZ067	DD	85	1109.502	437.652	1065.956	60	-52
		USOZ068	DD	114	1109.308	438.004	1066.011	040	-43
		USOZ071	DD	98.6	1109.391	438.104	1066.244	040	-33
		USOZ080	DD	211.2	1247.788	425.194	1060.795	319	-11
		USOZ081	DD	220	1247.788	425.194	1060.795	325	-10
		USOZ082	DD	196.3	1247.8	425.129	1060.411	377	-19
		USOZ083	DD	172.1	1247.800	425.129	1060.411	307	-21.5

Hole	Interval (m)	Cu %	Ag g/t	Au g/t	From (m)	Estimated True Thickness (m)
KMHDD012	6.3	2.3	7	3.8	298.05	4.2
KUSOZ001	5.9	1.1	5	4.9	67.1	NA
	6.5	1	7	6.7	79	NA
	5.6	3.8	18	108.5	113.7	NA
KUSOZ015	7.35	1.4	4	2.8	87.00	6.7
KUSOZ017	15	1.8	5	0.4	82	12.4

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		<table border="1"> <tr> <td>KUSOZ020</td> <td>3.2</td> <td>1.4</td> <td>4</td> <td>0.5</td> <td>93.8</td> <td>2.5</td> </tr> <tr> <td rowspan="2">KUSOZ024</td> <td>1</td> <td>1.2</td> <td>5</td> <td>1.5</td> <td>92.4</td> <td>0.6</td> </tr> <tr> <td>5.4</td> <td>0.4</td> <td>2</td> <td>2.5</td> <td>101.8</td> <td>3.3</td> </tr> <tr> <td>TMH254</td> <td>1.93</td> <td>2.1</td> <td>6.1</td> <td>0.7</td> <td>284.9</td> <td>0.9</td> </tr> <tr> <td rowspan="2">USOZ026</td> <td>8</td> <td>1.8</td> <td>5</td> <td>2.8</td> <td>168</td> <td>5.4</td> </tr> <tr> <td>2.5</td> <td>1.2</td> <td>8.8</td> <td>38.8</td> <td>185</td> <td>1.7</td> </tr> <tr> <td>USOZ045</td> <td>7.45</td> <td>1.9</td> <td>3.8</td> <td>0.1</td> <td>161.2</td> <td>5.5</td> </tr> <tr> <td rowspan="2">USOZ048</td> <td>1</td> <td>2.6</td> <td>6</td> <td>15.3</td> <td>171</td> <td>0.8</td> </tr> <tr> <td>1.13</td> <td>0.9</td> <td>12.9</td> <td>37.5</td> <td>179.87</td> <td>0.8</td> </tr> <tr> <td>USOZ052</td> <td>3.4</td> <td>1.7</td> <td>12.5</td> <td>21.1</td> <td>68</td> <td>2.0</td> </tr> <tr> <td rowspan="2">USOZ061</td> <td>4</td> <td>0.9</td> <td>3</td> <td>3.7</td> <td>147.00</td> <td>2.6</td> </tr> <tr> <td>9.2</td> <td>0.5</td> <td>2</td> <td>5.8</td> <td>155.00</td> <td>5.9</td> </tr> <tr> <td>USOZ066</td> <td>1.8</td> <td>1.5</td> <td>4.7</td> <td>6.9</td> <td>61.2</td> <td>1.2</td> </tr> <tr> <td>USOZ067</td> <td>7.3</td> <td>0.6</td> <td>3</td> <td>16</td> <td>63</td> <td>4.5</td> </tr> <tr> <td>USOZ068</td> <td>3.1</td> <td>2</td> <td>6.6</td> <td>4.3</td> <td>75.9</td> <td>1.5</td> </tr> <tr> <td>USOZ071</td> <td>2</td> <td>0.5</td> <td>3</td> <td>3.6</td> <td>69</td> <td>1.6</td> </tr> <tr> <td rowspan="2">USOZ080</td> <td>5.3</td> <td>2.3</td> <td>6.4</td> <td>0.8</td> <td>129.3</td> <td>4.2</td> </tr> <tr> <td>4.1</td> <td>1.2</td> <td>4.3</td> <td>1.4</td> <td>140</td> <td>3.2</td> </tr> <tr> <td>USOZ081</td> <td>3.5</td> <td>1.4</td> <td>6</td> <td>1.3</td> <td>165.2</td> <td>2.7</td> </tr> <tr> <td rowspan="2">USOZ082</td> <td>5.9</td> <td>0.4</td> <td>2.3</td> <td>8.9</td> <td>140.3</td> <td>4.7</td> </tr> <tr> <td>4.55</td> <td>1.1</td> <td>4.6</td> <td>2.9</td> <td>170.45</td> <td>3.7</td> </tr> <tr> <td rowspan="2">USOZ083</td> <td>4.2</td> <td>0.6</td> <td>2</td> <td>3.7</td> <td>144.30</td> <td>2.8</td> </tr> <tr> <td>2</td> <td>0.7</td> <td>3</td> <td>5</td> <td>152.00</td> <td>1.4</td> </tr> </table>	KUSOZ020	3.2	1.4	4	0.5	93.8	2.5	KUSOZ024	1	1.2	5	1.5	92.4	0.6	5.4	0.4	2	2.5	101.8	3.3	TMH254	1.93	2.1	6.1	0.7	284.9	0.9	USOZ026	8	1.8	5	2.8	168	5.4	2.5	1.2	8.8	38.8	185	1.7	USOZ045	7.45	1.9	3.8	0.1	161.2	5.5	USOZ048	1	2.6	6	15.3	171	0.8	1.13	0.9	12.9	37.5	179.87	0.8	USOZ052	3.4	1.7	12.5	21.1	68	2.0	USOZ061	4	0.9	3	3.7	147.00	2.6	9.2	0.5	2	5.8	155.00	5.9	USOZ066	1.8	1.5	4.7	6.9	61.2	1.2	USOZ067	7.3	0.6	3	16	63	4.5	USOZ068	3.1	2	6.6	4.3	75.9	1.5	USOZ071	2	0.5	3	3.6	69	1.6	USOZ080	5.3	2.3	6.4	0.8	129.3	4.2	4.1	1.2	4.3	1.4	140	3.2	USOZ081	3.5	1.4	6	1.3	165.2	2.7	USOZ082	5.9	0.4	2.3	8.9	140.3	4.7	4.55	1.1	4.6	2.9	170.45	3.7	USOZ083	4.2	0.6	2	3.7	144.30	2.8	2	0.7	3	5	152.00	1.4
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Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal</i> 	<p>Drill hole intercept grades are reported as down-hole length-weighted averages with any non-recovered core within the reported intervals treated as no grade. The cut-off used for selecting significant intersections is typically 1% copper or equivalent (see text in release) for copper-rich mineralisation and $2 \times \text{Cu}\% + \text{Pb}\% + \text{Zn}\% \geq 2$ for polymetallic mineralisation . No top cuts have been applied when calculating average grades.</p> <p>The copper equivalent and gold equivalent equations were derived by applying measured and assumed copper, silver, and gold metal recoveries through flotation and CIL using the current Mineral Hill plant configuration. These data were combined with known transport costs, smelter charges, and payability for these</p>																																																																																																																																																										

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	<p><i>equivalent values should be clearly stated.</i></p>	<p>commodities in concentrate form and as gold-silver dore.</p> <p>When aggregating drill hole assay intervals the incorporation of more than two consecutive metres of low grade material or internal waste is avoided. High grade intersections within the main aggregated intervals are also reported in the results table in the body of the release.</p> <p>Although used for intercept aggregation, no metal equivalent values are reported in the release.</p>
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<p>The context of the reported intercepts relative to the interpretation of the mineralisation is presented in figures in the release.</p> <p>Down-hole widths and estimated true widths of mineralisation are reported where possible. True widths for intercepts of the breccia-style mineralisation are typically estimated by assigning a general Lode orientation with a dip of 70 degrees towards a bearing of 290 for G Lode</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>Appropriate map views are presented in the release.</p>
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>Only mineralised intersections regarded as highly anomalous, and therefore of economic interest, have been included in the results tables.</p> <p>The proportion of each hole represented by the reported intervals can be ascertained from the sum of the reported intervals divided by the hole depth.</p>
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>Historical production records at SOZ indicate that 215,548 tonnes of ore (predominantly from the upper B and D Lodes) was treated between 2003 and 2005 — average recoveries were 86.6% for copper by flotation and 81.9% for gold using a combination of flotation and CIL, producing an average 22.8% copper grade in concentrate.</p>
<p>Further work</p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible</i> 	<p>The scope of planned future drilling is described in the release.</p>

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	<i>extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	