

## **RTG ANNOUNCES COMPLETION OF FEASIBILITY STUDY FOR THE MABILO COPPER-GOLD PROJECT**

**Supports Robust New Development Project  
even at current lower Commodity Prices  
33% IRR After Tax**

**Lowest quartile costs with  
US\$0.42/lb Cu Eq and US\$224/oz Au Eq for DSO  
and  
US\$0.80/lb Cu Eq and US\$425/oz Au Eq for Concentrate Production**

**33% Increase in NPV approx.  
with only 10% Lift in Commodity Prices**

**Probable Reserves at  
5.26 g/t Au Equivalent Grade (before recoveries) or  
4.1% Cu Equivalent Grade (before recoveries)**

**18 March 2016**

RTG Mining Inc. ("RTG", the "Company") (TSX Code: RTG, ASX Code: RTG) is pleased to announce the results from an independent Feasibility Study ("FS") for 100% of the high grade Mabilo Copper/Gold Project (the "Project") in southeast Luzon, Philippines. The Feasibility Study demonstrates the potential for Mabilo to outperform, specifically reinforcing the resilience of the Project despite current commodity prices. The Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

“RTG targets high grade, low operating cost gold projects with low technical and project risk,” said Justine Magee, CEO, RTG Mining. “Since investing in the Mabilo Project in June 2014, the Company has added significant value through rapid and successful exploration to delineate a substantial resource (see November 11, 2015 press release), and again in maintaining this accelerated pace through to a full FS in less than 15 months from the maiden resource.

The high quality resource at Mabilo presents RTG with an excellent near term development opportunity that is financially robust, attractive to potential debt providers, and with additional drilling the resource is expected to grow further, which will only enhance the already strong financials. We look forward to first production and to bringing continued value to our shareholders.”

The Mabilo Project is a joint venture between Mt. Labo Exploration and Development Corporation (“Mt. Labo”) and Galeo Equipment Corporation in the Philippines.

#### **MABILO 1.35 Mtpa CASE HIGHLIGHTS\***

##### *A Robust New Development Opportunity*

<b>Probable Mineral Reserves:</b>	7.792Mt @ 2.04 g/t Au, 1.95% Cu, 8.79 g/t Ag, 45.5% Fe  <b><i>Containing 1.3Moz Au equivalent at 5.26 g/t (before recoveries)</i></b> <b><i>Containing 316Kt Cu equivalent at 4.1% (before recoveries)</i></b>
<b>IRR (after tax):</b>	33.4% (US\$5000/t Cu, US\$1200/oz Au and US\$50/t Fe)
<b>Payback for Plant:</b>	2.5 years
<b>DSO Capex:</b>	US\$17.4M
<b>DSO Opex</b>	US\$0.42/lb Cu equivalent US\$224/oz Au equivalent
<b>DSO Production</b>	25,000t of Cu and 39,000oz Au <b><i>34,700t of Cu equivalent</i></b> <b><i>144,000oz of Au equivalent</i></b>
<b>Plant Capex</b>	US\$161.4M (includes US\$14.8M of recoverable VAT)
<b>Plant Pre-strip</b>	US\$24.4M (includes US\$2.6M of recoverable VAT)
<b>Plant Opex:</b>	\$0.80/lb Cu equivalent \$425/oz Au equivalent
<b>Plant Annual Production</b>	<b><i>38,300t Cu equivalent</i></b>
<b>Contained Metal:</b>	<b><i>160,000oz Au equivalent</i></b>

\*The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

## DEVELOPMENT SCHEDULE

### *Optimized Approach to Maximize Returns at Mabilo*

Project implementation is planned to be executed in two key stages. Stage 1 is intended to minimize initial capital requirements through a Direct Shipping Ore (“DSO”) Operation of an exceptionally high grade, near surface oxide portion of the Mabilo Resource. By utilization of existing infrastructure within easy transport of the Project, the joint venture is able to defer the more capital intensive components of primary production. The early cash flow generated by the DSO should then also minimize any possible equity dilution in the financing of the Stage 2 Primary Production Plant.

Stage 1 will mine the oxide ore down to 30 Relative Level (95m below surface). Three main products will be produced from this oxide mining stage.

- Gold cap ore will be crushed on site and trucked to a nearby existing CIL processing plant. The plant is planned to be upgraded to 300,000tpa throughput and will likely be operated by the Mabilo Joint Venture personnel.
- Both oxide skarn and high-grade supergene chalcocite will be crushed on site with a plan to truck to the existing Larup Port, within 40km, for direct shipping.

Stage 2 of the operation involves processing of primary ore through a purpose-built plant on site. The Mabilo process plant is planned to be built in parallel with the oxide mining phase and Stage 2 permitting process. The processing plant will be a simple crush, grind, float plant with low technical risk, producing three concentrates for sale and is estimated to require approximately 15 months for construction.

Both mining stages are financially robust with the **DSO enabling start up and early generation of cash flow within 4-5 months of finalizing the DSO operating permits**. The capital expenditure required for the DSO is relatively nominal at approximately US\$18M and is capable of generating net operating cash flow after tax in the order of US\$ 68M (based on US\$5,000/t Cu, US\$1,200/oz Au and US\$50/t Fe).

Mt. Labo is currently in the final stages of obtaining the necessary operating permits for the first stage of production with timing ultimately dependent on the regulatory processes in the Philippines. The Company is also in discussions with potential debt financiers for the project development.

## MABILO FEASIBILITY ECONOMICS (AFTER-TAX)

### *Highly Sensitive to Both a Growth in Commodity Prices and Resources*

The robust feasibility results provide the foundation to grow the Project while generating early cashflows. Mabilo is highly sensitive to both a growth in commodity prices and resources. The 1.35Mtpa case project IRR escalates from 33% to 43.5%\* with only a 10% increase in commodity price assumptions. The FS, compiled by Lycopodium Minerals Pty Ltd (“Lycopodium”), is based on the inputs from a number of consultants and the Mabilo

Joint Venture (“MJV”) including Lycopodium, CSA Global Pty Ltd, Oreology Consultants Pty Ltd, Orway Mineral Consultants Pty Ltd, Knight Piesold Pty Ltd and Conrad Partners Limited.

	1 Mtpa Case	1.35Mtpa Case	10% Increase in Commodity Prices to 1.35 Mtpa	20% Increase in Commodity Prices to 1.35 Mtpa
<b>Financial Analysis*</b>				
IRR	<b>26.09%</b>	<b>33.45%</b>	<b>43.62%</b>	<b>56.29%</b>
NPV				
0%	<b>US\$197M</b>	<b>US\$223M</b>	<b>US\$285M</b> <b>28% Increase</b>	<b>US\$361M</b> <b>63% Increase</b>
5%	<b>US\$126M</b>	<b>US\$156M</b>	<b>US\$207M</b> <b>33% Increase</b>	<b>US\$269M</b> <b>72% Increase</b>
8%	<b>US\$96M</b>	<b>US\$125M</b>	<b>US\$171M</b> <b>37% Increase</b>	<b>US\$226M</b> <b>81% Increase</b>
Payback for Plant (Years)	<b>2.5</b>	<b>2.5</b>	<b>2.42</b>	<b>2.25</b>

\*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

Separately, there remains significant upside in the Project from both extensions to the North Mineralised Zone and Inferred Resources contained within the pit. 41% of the 3.91Mt Inferred Resource falls within the final design of the pit, representing 1.61Mt at 1.22% Cu and 1.21g/t Au that could provide near term potential to significantly grow the resource. The pit optimization study shows that an increase in shell size by 19% results in a 24% increase in undiscounted cashflows.

## OVERVIEW OF PLANNED OPERATIONS

### *Producing 3 High Quality Concentrates Through the Plant*

The FS on the construction and operation of the plant forms the basis for the life of mine plan, which incorporates both the Stage 1 mining and DSO on the oxide ore and the Stage 2 development of a processing plant for the primary ore. The primary plant will include a simple crush, grind, float facility with thickening and filtration to produce 3 high quality concentrates. The plant produces the following three (3) high-grade products:

- 27% Cu and 21g/t Au concentrate
- 3g/t Au pyrite concentrate
- 65% magnetite concentrate

The FS is based on a treatment rate of 1 Mtpa. A factored case at a treatment rate of 1.35 Mtpa was also considered by applying a factor of 7.3% to the capital costs. Given the planned operating throughput is likely based on the 1.35Mtpa case, sensitivity modeling for the 1.35 Mtpa case is shown below indicating strong operating and economic results:

	1.35Mtpa Case*	10% Increase in Commodity Prices*	20% Increase in Commodity Prices*
<b><i>Oxide/DSO</i></b>			
Capex	US\$17.4M		
Cu Produced	25,000 t		
Au Produced	39,000 oz		
<b>CuEq Produced**</b>	<b>34,700 t</b>		
<b>AuEq Produced**</b>	<b>144,000 oz</b>		
Net Operating Cashflow before Tax	US\$95M	US\$110M	US\$125M
Net Operating Cashflow after Tax	US\$68M	US\$78M	US\$88M
Average Costs			
Per Tonne	US\$62		
<b>Per CuEq</b>	<b>US\$0.42/lb</b>		
<b>Per AuEq</b>	<b>US\$224/oz</b>		
<b>Primary/Plant Operation</b>			
Capex	US\$161.37M		
	(includes US\$14.8M of recoverable VAT)		
Pre- strip for Stage 2	US\$24.37		
	(includes US\$2.6M of recoverable VAT)		
Contained Metal in Average Annual Production			
Cu	18,300 t		
Au	67,000 oz		
Fe	347,000 t		
<b>CuEq**</b>	<b>38,300 t</b>		
<b>AuEq**</b>	<b>160,000 oz</b>		
Ave Annual Net Operating Cashflow before Tax	US\$72.9M	US\$84M	US\$97M
Ave Annual Net Operating Cashflow after Tax	US\$51.8M	US\$58M	US\$67M
Average Costs			
Per Tonne	US\$54/t		
<b>Per CuEq</b>	<b>US\$0.80/lb</b>		
<b>Per Au Eq</b>	<b>US\$425/oz</b>		

Production Metrics for Stage 2				
<b>Mining</b>				
Pre-strip	<b>Mt</b>	18		
Average Mining Rate	<b>Tpd</b>	28,400		
Average Mine Production	<b>Mtpa</b>	10.4		
Total Material Mined	<b>Mt</b>	80.4		
Overall Strip Ratio	<b>W:O</b>	10		
<b>Processing</b>				
Daily Mill Throughput	<b>Tpd</b>	3,700		
Annual Mill Throughput	<b>Tpa</b>	1,350,000		
<b>Production</b>				
Average Annual Cu/Au Con Produced	<b>Tpa</b>	64,900		
Average Annual Pyrite Con Produced	<b>Tpa</b>	219,000		
Average Annual Magnetite Con Produced	<b>Tpa</b>	534,000		
<b>Recoveries</b>				
Gold Recoveries in Cu/Au Con	%	55.1		
Gold Recoveries in Pyrite Con	%	29.8		
Copper Recoveries	%	83.7		
Silver Recoveries	%	60.7		
Iron Recoveries	%	60.7		
<b>Payables/NSR - DSO</b>				
Gold Cap Ore	%	100		
Copper in Oxide Skarn	%	30		
Gold in Chalcocite	%	75		
Copper in Chalcocite	%	74		
<b>Payables/NSR - Plant</b>				
Copper in Cu/Au Concentrate	%	87		
Gold in Cu/Au Concentrate	%	91		
Gold in Pyrite Concentrate	%	50		
Silver in Cu/Au Concentrate	%	83		
Iron in Magnetite Concentrate	%	100		

\*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

\*\* The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –  

$$CuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$5000$$

$$AuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$1200$$

## MINERAL RESERVES

### March 2016 Mineral Reserve Estimate

The Probable Reserve represents an **equivalent gold grade for the reserves of 5.26 g/t\*** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%\*** (before recoveries) **containing 316Kt of equivalent copper**.

Probable Mineral Reserve Estimate								
Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
<b>Total Probable Ore</b>		<b>7.792</b>	<b>45.5</b>	<b>2.04</b>	<b>1.95</b>	<b>8.79</b>		

\*The gold equivalent grade is based on the following formula –

$AuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$1,200) / Total\ ore\ tonnes$

The copper equivalent grade is based on the following formula –

$CuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$5,000) / Total\ ore\ tonnes$

The November 2015 resource estimation provided by CSA Global Pty Ltd classified the resource for the Mabilo Project as Indicated and Inferred. Only Indicated Mineral Resources as defined in NI 43-101 were used to establish the Probable Mineral Reserves. No reserves were categorized as Proven.

Application of edge dilution and ore loss to the resource model resulted in a 4% increase in the mining model tonnages and a 5% decrease in gold, copper and silver grades. This mining model was used in all mine planning activities, including pit optimization, mine design and mine scheduling.

Mineral Reserves are quoted within specific pit designs based on indicated resources only and take into consideration the mining, processing, metallurgical, economic and infrastructure modifying factors.

## MINERAL RESOURCE ESTIMATE

CSA Global has completed two resource estimates for the Mabilo Project, the first in November 2014 and the second in November 2015. The November 2015 resource was an update of the November 2014 estimate based on infill drilling and formed the basis of the DFS. All resource estimation technical reports were completed in compliance with NI 43-101, JORC and CIM standards. There has been no additional drilling on the deposit since the release of the last resource.

Mineral Resource Estimate as at November 2015 for the Mabilo Project									
Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.50
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.10
<b>Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.</b>									

## CAPITAL COSTS

### 2-Stage Development: Overall Low Capital Costs

The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant.

The capital costs for the Project will be required in two tranches. The first tranche will be prior to oxide mining commencing. The second tranche is planned to coincide with the development and construction schedule associated with Stage 2 of the Project.

Cost Area	Stage 1 -DSO US\$M
<b>Direct</b>	
Pre-Strip	3.30
Mobilisation	0.66
Site Preparation, Roads and Environment	3.65
Port	0.30
Buildings and Equipment	0.55
Mining Facilities	1.40
Upgrade Apex CIL Plant	0.71
<b>Direct Works Subtotal</b>	<b>10.57</b>
<b>Indirect</b>	
Land Acquisition	5.62
Contingency	1.16
<b>Indirect Subtotal</b>	<b>6.78</b>
<b>TOTAL OXIDE MINING CAPITAL COSTS</b>	<b>17.35</b>

Cost Area	Stage 2 – Primary Plant US\$M
<b>Direct</b>	
Treatment Plant	57.41
Infrastructure, Roads and Port	31.86
Pit Dewatering Bores	1.28
Management Costs	12.67
<b>Direct Works Subtotal</b>	<b>103.22</b>
<b>Indirect</b>	
Project Indirects	11.49
Owners Costs	13.21
Land Acquisition	4.60
Contingency	14.02
Value Added Tax	14.83
<b>Indirect Subtotal</b>	<b>58.16</b>
<b>TOTAL PRIMARY PLANT CAPITAL COSTS</b>	<b>161.37</b>

## OPERATING COSTS

*Mabulo is Open Pit, High Grade & Low Cost*

The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars. The mining costs were derived from IMC's Mabulo Mine Operating Cost Estimate Report, which were then reviewed by Orelogy Consulting. The costs are based on a contract mining operation with bench rates (\$/bcm), ore rehandle rates (\$/t), grade control and dump rehabilitation plus annual fixed mining overheads.

Process plant operating costs for the 1.0Mtpa FS base case were compiled from information sourced by Lycopodium and the MJV:

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory test work results and the mining schedule.
- Modelling by Orway Mineral Consultants for crushing and grinding energy and consumables, based on ore characteristics derived from relevant test work.
- First principle estimates, where required, based on typical operating experience or standard industry practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations.

Processing costs for the 1.35Mtpa upside case were then factored from the FS base case.

The process plant availability has been nominated as 91.3% for milling and downstream operations and 80% for the crushing plant including scheduled and unscheduled maintenance. The product filters will operate in a semi batch mode and a lower operating availability of 75%.

G&A costs were based on current operations in the Philippines and amended to account for the size of the operation and people employed.

	Stage 1 - DSO	Stage 2 – Primary Plant
<b>Average Operating Costs</b>		
<b>Mining US\$/t mined (includes pre-strip costs)</b>	<b>1.57</b>	<b>1.49</b>
Mining US\$/t ore (excludes pre-strip costs)	7.49	14.09
Processing US\$/t ore	41.26	32.14
G&A US\$/t ore	6.89	7.65
<b>Total Operating Cost US\$/t ore</b>	<b>61.91</b>	<b>53.89</b>

## MINING

Mining is planned to be conducted using open pit methods. The ore is to be accessed in a series of stages. The stage designs were generated in order to enhance the scheduling process aiming to defer waste mining as much as practically possible and to bring forward higher-grade ores. Five (5) meter high benches have been used, given the scale of the operation and the equipment planned for the mining operation. A bench height of 5m mined in two 2½m flitches results in acceptable dilution and ore loss projections. A mining contractor is assumed for both pre-production and the ongoing development of the mine.

There are three distinct different loading and hauling situations that require different fleets:

- *Pioneering and Pit Development* - Pioneering and pit development will be undertaken by 100t excavators (Komatsu PC 1250) and 40t articulated 6WD trucks (Caterpillar 745).
- *Ore and Waste Mining* - The main fleet for the ore and waste mining activities consists of 100t excavators and 55t rigid haul trucks (Caterpillar 773).
- *Bulk Waste Mining* - A 200t excavator (Komatsu PC 2000) and a fleet of 90t haul trucks (Caterpillar 777) will be used to undertake waste stripping of the last two cutbacks.

Free digging is expected in all oxide materials while fresh rock materials are broken and loosened with drilling and blasting.

## METALLURGY AND PROCESSING

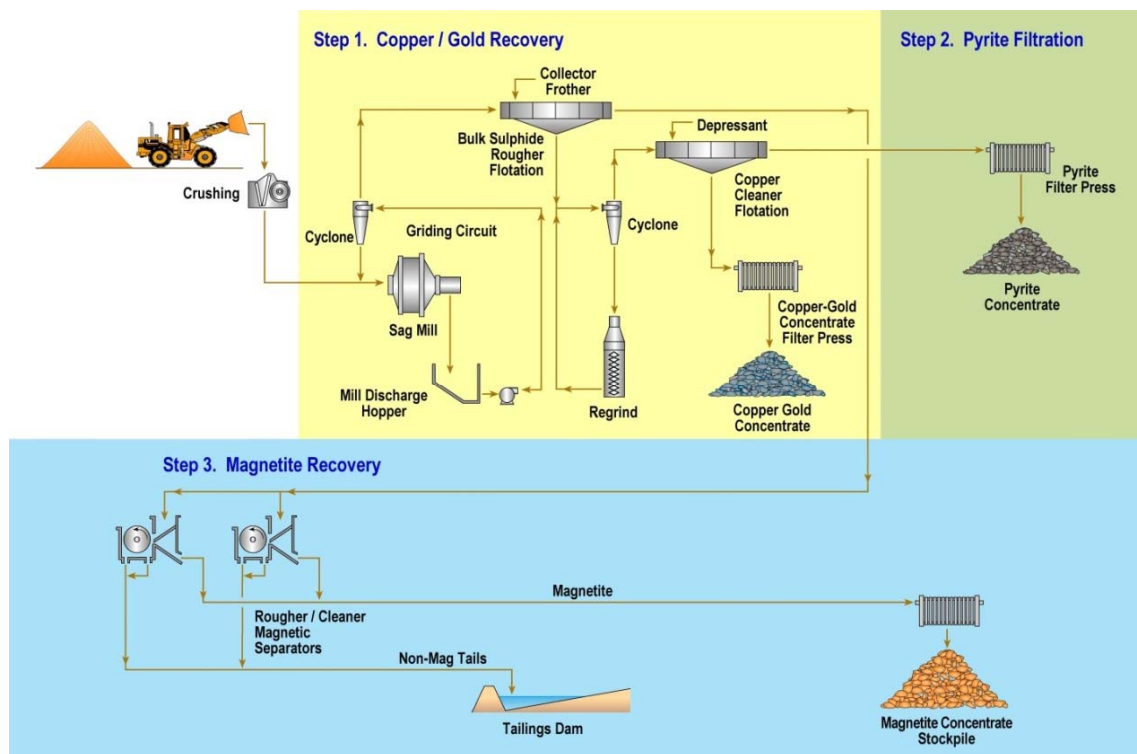
The proposed process plant design for the Mabilo Project is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs, based on an initial 1Mtpa throughput, and then upgraded and optimized for a planned 1.35Mtpa

throughput. The flowsheet is constructed from unit operations that are well proven in industry.

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.
- A crushed ore surge bin with a nominal capacity of 120t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front-end loader ("FEL") to feed the mill during periods when the crushing circuit is off-line.
- Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90  $\mu$ m.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite into a product for sale.
- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and pressure filtration to produce a pyrite concentrate filter cake.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility ("TSF").

A planned flowsheet for the process is shown below.



Ultimately, the ability to develop and progress the plans as considered in the FS are dependent upon many factors including the ability to secure the necessary permits, working successfully with local communities and governments, securing all necessary surface rights and the support of the Philippine regulatory bodies and our partners.

#### **MARKETING AGREEMENT & DEBT FINANCING**

*Underway with Positive Progress to Date*

Mt. Labo has appointed Conrad Partners, based in Hong Kong, as its agent for the marketing of offtake for both Stage 1, the planned DSO and Stage 2, namely the production of three high grade concentrate products. Conrad Partners has completed a full marketing report for the FS, based on discussions with potential offtake parties and has provided the underlying assumptions used in the compilation of the Life of Mine Financial Model based on the FS results.

RTG is in discussions with a number of potential debt financiers for the Project including both traditional bank debt, derivative instruments and notes and offtake linked facilities. The feedback and progress on the financing has been very positive to date and with the completion of the Feasibility Study, the Company will be able to further advance those discussions with a view to finalizing a mandate with a preferred provider.

## **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. Statement regarding interpretation of exploration results, plans for further exploration and 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 2014 filed with the Canadian securities regulatory authorities on the SEDAR website at [sedar.com](http://sedar.com).

## **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.

The information in this release that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr Carel Moormann, who is a Qualified Person and Competent Person. Mr Moormann is a Fellow of the AusIMM and is employed by Orelogy, an independent consulting company. Mr Moormann has sufficient experience that is relevant to the 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 Moormann has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr Moormann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium Minerals Pty Ltd, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process 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"). David Gordon has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. David Gordon consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc, the Company. Mark Turner has sufficient experience that is relevant to the information 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"). Mark Turner has verified the data disclosed in this release. Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p>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.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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 20<sup>th</sup> sample was sawn into two and the two quarter core samples submitted for analysis separately as a duplicate sample.</li> <li>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% &lt;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.</li> </ul>
<b>Drilling techniques</b>	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).	<ul style="list-style-type: none"> <li>Drilling was by PQ, HQ and NQ diameter using triple tube diamond coring. The core was not orientated.</li> </ul>
<b>Drill sample recovery</b>	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ul>

Criteria	JORC Code explanation	Commentary
		significant problem. 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.	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Logging</b>	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.	<ul style="list-style-type: none"> <li>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 semi-quantitative mineral log with percentages of the different copper minerals being recorded. The logging is appropriate for Mineral Resource estimates and mining studies.</li> </ul>
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	<ul style="list-style-type: none"> <li>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.).</li> </ul>
	The total length and percentage of the relevant intersections logged.	<ul style="list-style-type: none"> <li>Photographs are taken of all core (both wet and dry) prior to the core being cut.</li> </ul> <p>All core, including barren overburden is logged in the various logging sheets noted above apart from the semi-quantitative mineralisation log in which only the mineralised intervals sent for geochemical analysis are logged in detail.</p>
<b>Sub-sampling techniques and sample preparation</b>	If core, whether cut or sawn and whether quarter, half or all core taken.	<ul style="list-style-type: none"> <li>All sampling data is from diamond drill core. Samples are of sawn as 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 test work.</li> </ul>
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	<ul style="list-style-type: none"> <li>Not applicable for diamond core drilling</li> </ul>

Criteria	JORC Code explanation	Commentary
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	<ul style="list-style-type: none"> <li>All core samples were dried, crushed to 95% &lt;10 mm and a 1.5 kg sub-sample is separated using a riffle splitter and pulverised to 95% &lt;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.</li> </ul>
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	<ul style="list-style-type: none"> <li>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 20<sup>th</sup> sample.</li> </ul>
	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.	<ul style="list-style-type: none"> <li>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.</li> </ul>
	Whether sample sizes are appropriate to the grain size of the material being sampled.	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total	<ul style="list-style-type: none"> <li>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.</li> </ul>
	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.	<ul style="list-style-type: none"> <li>No geophysical tools were used for any analysis reported herein. Magnetic susceptibility readings are used in magnetic modelling but are not used to estimate magnetite or Fe content.</li> </ul>
	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.	<ul style="list-style-type: none"> <li>Quality control included analysis of standards, blanks, and duplicates. Commercial Certified Reference Materials (CRMs) were inserted into sample batches every 40<sup>th</sup> sample. A blank sample was inserted every 20<sup>th</sup> 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 QA/QC processes, which is reported in the assay sheets. A record of results from all duplicates, blanks and standards is maintained for ongoing QA/QC</li> </ul>

Criteria	JORC Code explanation	Commentary
		assessment. Examination of all the QC sample data indicates satisfactory performance of field sampling protocols and the assay laboratory. A total of 341 pulp split samples were submitted for external laboratory checks, divided up approximately equally between three umpire laboratories. A small upward bias in the primary assay was indicated from the external assay results; however, the CRMs submitted to these external laboratories did not perform well. Analysis of umpire laboratory internal check assays for gold showed an upward bias for the repeat assays. This lead to the conclusion that based on the acceptable performance of all other quality assurance and quality control measures the primary assay results are suitable for use in Mineral Resource estimation
<b>Verification of sampling and assaying</b>	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<ul style="list-style-type: none"> <li>Significant mineralisation intersections were verified by alternative company personnel and by CSA Global personnel.</li> <li>No twinned holes have been drilled.</li> <li>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.</li> <li>No adjustments have been made to assay data.</li> </ul>
<b>Location of data points</b>	<p>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.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<ul style="list-style-type: none"> <li>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 achieving sub-decimetres accuracy in horizontal and vertical position.</li> <li>Drill collars are surveyed in Universal Transverse Mercator (UTM) WGS84 Zone 51N grid.</li> <li>The Mabilo project area is relatively flat with total variation in topography less than 15 m. Topographic control is provided by DGPS surveying.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Data spacing and distribution</b>	<p>Data spacing for reporting of Exploration Results.</p> <p>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.</p> <p>Whether sample compositing has been applied.</p>	<ul style="list-style-type: none"> <li>• Drill holes are planned on a nominal grid with 20 m between drill holes on 40 m spaced lines.</li> <li>• 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.</li> <li>• No compositing of intervals in the field was undertaken.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• No bias attributable to orientation of sampling upgrading of results has been identified.</li> <li>• No bias attributable to orientation of sampling upgrading of results has been identified.</li> </ul>
<b>Sample security or Audits reviews</b>	<p>The measures taken to ensure sample security.</p> <p>The results of any audits or reviews of sampling techniques and data.</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The sampling techniques and QA/QC data are reviewed on an ongoing basis by Company management and independent consultants.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>The Mabilo Project is covered by Exploration Permit EP-014-2013-V and Exploration Permit Application EXPA-000188-V and EXPA 0000 209-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.</li> <li>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. To date, Galeo has earned a 36% interest in the Projects.</li> </ul> <p>Sierra Mining Limited ("Sierra"), a wholly owned subsidiary of RTG, has entered into a 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. The MOU is subject to a number of conditions precedent, including Sierra shareholder approval.</p> <ul style="list-style-type: none"> <li>The tenure over the area currently being explored at Mabilo is a granted Exploration Permit, which is currently being renewed. All documents are in good standing and the renewal process is ongoing. There is no native title or Indigenous ancestral domains claims at Mabilo.</li> </ul>
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none"> <li>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. 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.</li> </ul>
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Drill hole Information</b>	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"> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> </ul>	
	<p>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.</p>	<ul style="list-style-type: none"> <li>• All relevant data has been reported.</li> </ul>
<b>Data aggregation methods</b>	<p>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.</p> <p>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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<ul style="list-style-type: none"> <li>• Not reporting exploration results.</li> <li>• Not reporting exploration results.</li> <li>• Based on metallurgical testwork undertaken , including flotation and magnetic separation, the following assumptions for gold equivalents are:- Gold Price US\$1200/oz    Gold recovery – 84.9% Copper Price US\$5,000t    Copper recovery – 83.7%</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Silver Price US\$14/oz      Silver recovery – 60.7%</p> <p>Iron Price US\$50/t      Iron recovery – 60.7%</p> <p>The calculation for gold equivalent values was based on the following formula:  <math display="block">\text{AuEq} = (((0.849 \times \text{AuOz} \times \\$1,200) + (0.837 \times \text{CuMetal} \times \\$5,000) + (0.607 \times \text{FeMetal} \times \\$50) + (0.607 \times \text{AgOz} \times \\$14)) / \\$1,200) / \text{Total ore tonnes}</math></p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	<ul style="list-style-type: none"> <li>• The Mabilo drill holes 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.</li> <li>• The interpreted orientation of the mineralised bodies is based on drill-hole data. The fact that the intersections are in a dipping body and therefore not true widths has been reported.</li> <li>• No intervals reported can be assumed to be a true width of the mineralisation.</li> </ul>
<b>Diagrams</b>	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.	<ul style="list-style-type: none"> <li>• Refer to figures within the main body of this report.</li> </ul>
<b>Balanced reporting</b>	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.	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<b>Other substantive</b>	Other exploration data, if meaningful and material, should be reported	<ul style="list-style-type: none"> <li>• All meaningful exploration data concerning the Mabilo Project has been reported in previous reports to the ASX.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>exploration data</b>	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.	
<b>Further work</b>	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<ul style="list-style-type: none"> <li>• Drilling is planned 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.</li> <li>• Not applicable to this report.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<p>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.</p> <p>Data validation procedures used.</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Validation of the data import include checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.</li> </ul>
<b>Site visits</b>	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	<ul style="list-style-type: none"> <li>• A representative of the Competent Person (CP) has visited the project on several occasions, most recently in October 2015. Diamond drilling programs were underway at Mabilo during the previous site visit. The CP's representative was able to review drilling and sampling procedures, as well as</li> </ul>

Criteria	JORC Code explanation	Commentary
		examine the mineralisation occurrence and associated geological features. Sample storage facilities and the analytical laboratory in Manila 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.
	If no site visits have been undertaken indicate why this is the case.	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<b>Geological interpretation</b>	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation.</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Drill hole intercept logging, assay results and structural interpretations from drill core, and the results of geophysical modelling of magnetic anomalies have formed the basis for the geological interpretation. For the South Mineralised Zone (SMZ) strike and depth extents have been reasonably well constrained through drilling, except for the south eastern end where the deposit is still open along strike and at depth and assumptions have been made on the depth and strike extent of the mineralisation. In the North Mineralised Zone (NMZ) the strike and depth extents of the mineralisation are not fully constrained by drilling and assumptions have been made on the depth and strike extents of the mineralisation based on the available information including the geophysical modelling and bounding structure interpretations. Some drill collars had not yet been surveyed by DGPS at the time of modelling. The collars had been surveyed by hand held GPS with an estimated horizontal accuracy (based on historical comparisons) of roughly 3m. The elevation of the collar has been corrected to the topographic surface. Mineralisation intercepts from these drill holes were found to correspond well with previously interpreted mineralisation zone extents. Any differences from the true position is not expected to have any material impact on the volumes and grades of the interpreted mineralisation zones</li> <li>• The extent of the modelled zones are generally reasonably well constrained by the geological model interpretation, which is based on the drill logging and geophysical data. Subsequent to the previous mineral resource estimate the NMZ has been significantly re-interpreted based on new drilling data. The results from the re-interpretation show a minor increase in tonnage with grades virtually unchanged. Where geological interpretation has a higher degree of uncertainty it is classified as Inferred regardless of modelling parameters.</li> </ul>
	The use of geology in guiding and controlling Mineral Resource estimation.	<ul style="list-style-type: none"> <li>• 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. Wireframes have been</li> </ul>

Criteria	JORC Code explanation	Commentary
		constructed enclosing sulphur domains, based on the drill assay results, to reflect the widespread and locally intense silica-pyrite overprint of the skarn for the purpose of more accurately defining the sulphur grade for metallurgical purposes.
	The factors affecting continuity both of grade and geology.	<ul style="list-style-type: none"> <li>Continuity of geology and structures can be identified and traced between drill holes by visual, geophysical and geochemical characteristics. Breccia zones interpreted to relate to fault structures have been noted in the drill core and fault structures that offset the mineralised geological units have been modelled.</li> </ul>
<b>Dimensions</b>	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.	<ul style="list-style-type: none"> <li>The South Mineralised Zone (SMZ) is interpreted as having a 500 m strike length, is 20 to 50 m in true width, with vertical depth up to 280 m from roughly 50 m below surface. The North Mineralised Zone (NMZ) has a strike extent of roughly 160 m, true width between 20 m and 50 m and depth extent of 135 m from roughly 40 m below surface. True thickness variation is a function of limestone/marble lithology, magnetite skarn is thicker at higher levels and thinner where it interfingers with marble-limestone.</li> </ul>
<b>Estimation and modelling techniques</b>	<p>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.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p>	<ul style="list-style-type: none"> <li>The mineralisation has been estimated using ordinary kriging (OK) as the primary estimation method with an inverse distance to the power 2 (IDS) check estimate in Datamine Studio 3 software. 41 mineralised lenses have been interpreted and are grouped into 14 mineralised lithological domain zones of Cu-Au-Fe mineralisation, based on lens lithology type and grade. There are 9 of these zones in the SMZ and 5 zones in the NMZ.</li> </ul> <p>The mineralised lithological domain zones were used as hard boundaries to select sample populations for data analysis and grade estimation. In the South Mineralised Zone hard boundaries between individual lenses were used in the grade estimation, while soft boundaries between the lenses within each domain zone were used in the North Mineralised Zone. Statistical analysis was completed on each zone to determine appropriate high-grade cuts to apply to outlier grades of Fe, Au, Cu and Ag where required.</p> <ul style="list-style-type: none"> <li>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 as reported. Comparison with the previously reported estimate shows roughly a 12% increase in tonnage and with a slight decrease in the mean reported grades. Increases of between 3% and 10% of contained metal, as detailed in the relevant section of the Mineral Resource estimate report, is also shown.</li> </ul> <p>No mining has yet taken place at these deposits.</p>

Criteria	JORC Code explanation	Commentary
	The assumptions made regarding recovery of by-products.	<ul style="list-style-type: none"> <li>Ag has been estimated and is assumed to be also recoverable as part of the Cu and Au recovery processes. Fe grade estimated in the MRE is total Fe. Although dominated by magnetite Fe in the magnetite skarn, it does include other Fe-bearing minerals.</li> </ul>
	Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	<ul style="list-style-type: none"> <li>Potentially deleterious As and S have been estimated into the model to assist with future metallurgical work and mining studies. Arsenic (As) has been estimated in the same way as the Au, Cu and Ag. S in the weathered material has been estimated the same as Au, Cu and Ag. A in the unweathered material has been separately estimated into individual mineralisation lenses based on the mineralisation and S domain wireframes for the purposes of assisting with metallurgical understanding of the deposit. Hard boundaries are used between individual mineralisation lenses and the S domains within them for the S grade estimation. Statistical analysis was completed on each S estimation domain to determine appropriate high grade cuts to apply to outlier grades where required.</li> </ul>
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	<ul style="list-style-type: none"> <li>Interpreted domains are built into a sub-celled block model with 10 m E-W by 10 m N-S by 5 m 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.</li> </ul>
	Any assumptions behind modelling of selective mining units.	<ul style="list-style-type: none"> <li>No assumptions have been made. Model minimum sub-cell size is down to 2.5m N-S by 2.5m E-W by 2.5m vertical</li> </ul>
	Any assumptions about correlation between variables.	<ul style="list-style-type: none"> <li>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.</li> </ul>
	Description of how the geological interpretation was used to control the resource estimates.	<ul style="list-style-type: none"> <li>Hard boundaries between each individual lode have been used in the grade estimate for the SMZ. 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 for the NMZ.</li> </ul>

Criteria	JORC Code explanation	Commentary
	Discussion of basis for using or not using grade cutting or capping.	<ul style="list-style-type: none"> <li>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 high grade cuts were applied to remove undue influence of these outlier grades on the grade estimation for each zone.</li> </ul>
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Moisture</b>	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.
<b>Cut-off parameters</b>	The basis of the adopted cut-off grade(s) or quality parameters applied.	For some lithological units nominal lower cut-off grades of 0.3 g/t Au or 0.3 % Cu in concert with the lithological logging were used to define continuous mineralised lenses, in line with recommendations from RTG based on preliminary optimisation studies.
<b>Mining factors or assumptions</b>	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.	<ul style="list-style-type: none"> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Metallurgical factors or assumptions</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>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.</li> </ul> <p>For the unweathered or fresh materials metallurgical testing has shown a less consistent response of the samples tested than was initially expected. The findings indicate a relationship with S:Cu ratios involved in metallurgical response. Composite samples appear to respond better to flotation than the individual components that make up the composites.</p> <p>Based on the results reported to date it is assumed that a significant majority of the modelled unweathered mineralisation can be economically exploited and will be readily upgraded where necessary, using standard gravity, magnetic processes and/or froth flotation concentration techniques as appropriate for the different product streams.</p>
<b>Environmental factors or assumptions</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>The permeability and compressibility of the in situ ground at the TSF and waste dump (WD) is not confirmed. The rate at which earthworks are constructed will need to be carefully controlled to ensure adequate stability is maintained. During later stages of construction of the waste dump, waste rock will be available to provide a drainage layer. A provisional sum has been allowed for in the cost estimate for localised ground improvement to aid consolidation of the TSF and WD during Stage 1 construction.</li> <li>The site is located in an area of high seismic activity. Site investigation indicates that the natural ground is at risk of liquefaction under a seismic event. A preliminary liquefaction assessment indicates that a sacrificial earthworks bund will be constructed around the external perimeter of the structural zone of the TSF to limit deformations.</li> <li>The TSF has been designed to accommodate the co-disposal of both the non-magnetic and pyrite tailings stream. It has been confirmed that a market for the pyrite has been identified and the pyrite will be transported off site.</li> <li>Geochemical assessment of the waste material is currently being undertaken. It is currently assumed that approximately 50% of waste will be potentially acid forming (PAF) or leachable. All waste rock that has the potential to generate acid or metal leachate will require encapsulation by non-acid forming material (NAF). There is considered to be sufficient NAF material to provide suitable encapsulation of the waste material.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Geochemical testing of the tailings indicates that the tailing facility will need a high density polyethylene (HDPE) liner and compacted soil liner subgrade to reduce seepage. The tailings will need to be maintained at saturation to reduce acid generation.</li> </ul>
<b>Bulk density</b>	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>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 1,009 measurements taken, 628 have assay result data, with 216 samples falling within the interpreted mineralised zones. 29 samples fall within the oxide mineralisation and density measurement shows a 73% correlation with Fe grade. 188 measured density samples fall within the fresh mineralisation with an 80% correlation between measured density and Fe grade.</li> <li>Density measurements have been taken on drill samples using wax coated water displacement methods, from all different lithological types. CSA Global has noted the amount of wax used in the coating process was excessive for some samples. Analysis showed this issue generally only affects the oxide waste and overburden zones. This means that waste density assigned to the model could be over stated for the overburden and oxide zones. There is a possibility that void spaces have been partially filled by wax in the mineralisation zones affected by porosity, resulting in a slightly higher density being calculated and assigned to some zones. Any possible effects of this are expected to be within the margins of error reflected by the classification.</li> </ul>
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials	<ul style="list-style-type: none"> <li>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 method of representing the expected variability in bulk density for the grade estimated mineralised blocks. Analysis of the results of application of the regression formulas to the model by individual mineralised lithological domain unit shows that the mean model density compares closely to the mean of the density measurements from within each zone.</li> </ul>
<b>Classification</b>	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>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).</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
	Whether the result appropriately reflects the Competent Person's view of the deposit.	<ul style="list-style-type: none"> <li>The Mineral Resource estimate appropriately reflects the view of the Competent Person.</li> </ul>
<b>Audits or reviews</b>	The results of any audits or reviews of Mineral Resource estimates.	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Discussion of relative accuracy/confidence</b>	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.	<ul style="list-style-type: none"> <li>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.</li> </ul>
	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.	<ul style="list-style-type: none"> <li>The Mineral Resource statement relates to global estimates of in-situ tonnes and grade.</li> </ul>
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	<ul style="list-style-type: none"> <li>The deposit has not, and is not currently being mined.</li> </ul>

#### Section 4 - Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<p>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</p> <p>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</p>	<ul style="list-style-type: none"> <li>The Mineral Resource estimate used as a basis for the conversion to the Ore Reserve was published by RTG Mining Inc. on 5<sup>th</sup> November 2015 with A. Green of CSA Global Pty Ltd as the Competent Person. It reported the following using a 0.3g/t Au cut-off: <ul style="list-style-type: none"> <li>Indicated Resource of 8.86Mt at 1.9% Cu, 2.0g/t Au, 9.8g/t Ag and 45.6% Fe</li> <li>Inferred Resource of 3.91Mt at 1.5% Cu, 1.5g/t Au, 9.1g/t Ag and 29.1% Fe</li> <li>There were no Measured materials.</li> </ul> </li> <li>The Mineral Resources are reported inclusive of Ore Reserves. <p>The Mineral Resources are reported in terms of Measured, Indicated or Inferred materials.</p> <p>The Ore Reserves are reported in terms of Proved or Probable ores.</p></li> </ul>
<b>Site visits</b>	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p>	<ul style="list-style-type: none"> <li>C Moormann of Orelogy Consulting Pty Ltd has visited the Mabilo project site in October 2015. The following observations were made: <ul style="list-style-type: none"> <li>Mabilo has good road site access from Labo or Daet.</li> <li>Existing roads between Mabilo and the port are in good condition but are relatively narrow and busy, with dwellings immediately adjacent to the road. There is potential risk of road accidents using this route for transport of ore and concentrate.</li> <li>The site is a greenfields project on private lands mainly used for growing palm trees and pineapple. Negotiations with land owners and land users have commenced as have applications for initial Mineral Production Sharing Agreement (MPSA) approvals.</li> <li>Current power supply services near the project are insufficient and allowances for additional power are planned.</li> <li>Several creeks, with all year water flows, are located on the project area and there appears to be ample water supply all year round. Pit dewatering requirements are likely to be substantial and drainage is planned for the pit slopes.</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Drill core sections in barren ground showed hardly any continuous drill core sections longer than 0.1m and that these materials quickly deteriorate over time. This is reflected in the pit slope angles and possibly reduced drilling &amp; blasting.</p> <p>Ore in fresh rock is easily distinguishable from waste due to the differences in colour and density and this is reflected in the ore loss and dilution consideration.</p>
<b>Study status</b>	<p>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</p> <p>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</p>	<ul style="list-style-type: none"> <li>• A Feasibility Study (Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards) was undertaken as the basis for the conversion of Resources to Reserves. The study was compiled by Lycopodium Minerals Pty Ltd. The study is due to be published in March 2016.</li> <li>• The Feasibility Study (FS) was underpinned by a mine plan that was based on the Mabilo Indicated Resource materials. Mine planning included pit optimisations, pit designs, mining and processing scheduling, cost estimations and economic analysis to ensure the project is technical achievable and economically viable.</li> </ul> <p>Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport cost estimates, commodity pricing estimates and royalties to generate optimised pit shells, which form the basis for pit designs and the mine plan.</p>
<b>Cut-off parameters</b>	The basis of the adopted cut-off grade(s) or quality parameters applied.	<ul style="list-style-type: none"> <li>• Only Indicated Resource materials, modified for dilution and ore loss, were considered as potential ore in the pit optimisation process. No predetermined cut-offs were applied to the optimisation model.</li> </ul>
<b>Mining factors or assumptions</b>	<p>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</p> <p>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated</p>	<ul style="list-style-type: none"> <li>• A Whittle 4x pit optimisation, including sensitivity analysis, was completed. Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport and sales cost estimates and revenue projections to form the basis for pit designs and subsequent mining and processing schedules.</li> <li>• A conventional open pit mine method was chosen as the basis of the FS. Previous mining studies had indicated that this method is appropriate for the deposit. Only a short pre-strip period will be required.</li> </ul>

Criteria	JORC Code explanation	Commentary
	design issues such as pre-strip, access, etc.	<p>A small-scale mining fleet, utilising 100t excavators matched with 40t articulated dump trucks, was selected to accommodate initial access and development of mining areas. Larger 55t and 90t rigid body dump trucks are subsequently utilised to enhance mining efficiency during the initial years of the project.</p> <p>Mine design criteria include: minimum mining width, ramp width and gradient, pit exit location and slope design parameters.</p>
	<p>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</p> <p>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</p> <p>The mining dilution factors used.</p> <p>The mining recovery factors used.</p>	<ul style="list-style-type: none"> <li>Geotechnical design parameter guidance was provided by George, Orr &amp; Associates and applied to pit optimisations and pit designs.</li> </ul> <p>An allowance for grade control was included in the pit optimisation in accordance with recommendations and costs provided by IMC Mining Pty Ltd. The timing of grade control drilling was determined from the mining schedule and its cost included in the cost/cashflow estimates.</p> <p>Scheduling has identified that a pre stripping period of 4 months is required to achieve sustainable ore supplies at the required capacities.</p> <ul style="list-style-type: none"> <li>Only Indicated Resource materials, modified for dilution and ore loss, were considered as potential ore in the pit optimisation process. No predetermined cut-offs were applied to the optimisation model.</li> </ul> <p>Slope design criteria, mining dilution, ore loss and processing recoveries were applied in the pit optimisation process together with mining, processing, transport cost estimates, commodity pricing estimates and royalties to generate revenue projections based on oxide ore production levels of 0.5Mtpa and fresh ore at a level of 1.0Mtpa and 1.35Mtpa.</p> <ul style="list-style-type: none"> <li>Mining dilution and ore loss were determined together in a 2 step process.</li> </ul> <p>Step 1 accounted for the ore loss and dilution effects along the ore-waste boundary. Step 2 accounted for the internal mixing of ore types due to ore boundary accuracy limitations and blasting movement.</p> <p>These steps increased the Indicated material tonnage by 2% while the Cu, Au, and Ag and Fe grades are reduced by 3%. For the style of mineralisation and selected mining method, these changes are considered appropriate as a combination of dilution and recovery.</p> <ul style="list-style-type: none"> <li>As described above for mining dilution.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>Any minimum mining widths used.</p> <p>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</p> <p>The infrastructure requirements of the selected mining methods.</p>	<ul style="list-style-type: none"> <li>• Designs and cutbacks have been designed to suit 100t excavators, 40t 6WD articulated dump trucks, 55t and 90t rigid dump trucks.</li> </ul> <p>A minimum mining width of 20m at pinch points.</p> <p>Two way ramp systems widths of 25m.</p> <p>One way ramp systems widths of 14m</p> <p>Ramp gradient of 10%.</p> <ul style="list-style-type: none"> <li>• No Inferred Mineral Resources have been included in the Reserves.</li> </ul> <p>An optimisation sensitivity including Inferred materials was undertaken only to identify future resource definition / extension opportunities and/or sterilisation requirements.</p> <ul style="list-style-type: none"> <li>• As the operating entity, the MJ V will provide all supporting infrastructure for the planned contract mining operation. This includes offices, lunchroom, ablutions, workshops, stores, fuel &amp; oil storage and dispensing, washbay, explosives magazines, and bulk explosive storage facility.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<p>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</p>	<ul style="list-style-type: none"> <li>• The deposit has three oxide ore types (oxide gold ore, supergene copper ore &amp; oxide skarn ore) and one fresh ore type (magnetite skarn) which constitutes the bulk of the ore tonnage. The magnetite skarn is characterised by a variable level of pyrite overprinting. The pyrite overprinting affects the ability to produce clean copper concentrate.</li> </ul> <p>Oxide gold ore is planned to be transported to a nearby existing gold treatment plant. Supergene copper ore is planned to be transported to port facilities and sold without processing.</p> <p>At the time of open pit optimisation, the Oxide skarn ore had no identified saleable value and was therefore stockpiled for potential future processing. However, subsequent marketing studies determined a DSO value for this material and therefore any of this material captured inside the pit designs above the economic cut-off grade was considered as revenue generating ore for the purposes of the ore reserve. This outcome increased the value of the designed pits.</p> <p>Fresh skarn ore is planned to be processed on site delivering both a copper/gold sulphide concentrate and a pyrite/gold concentrate from a conventional flotation circuit. The tailings stream from the copper flotation process will be treated to produce a magnetite concentrate using magnetic separation.</p>

Criteria	JORC Code explanation	Commentary
		<p>As with the Oxide Skarn, subsequent to the open pit optimisation a market for the gold bearing pyrite concentrate from the fresh material was identified and this product was included in the revenue stream for the final project financials.</p> <p>The concentrating process selection was based on metallurgical test work completed at ALS Metallurgy in 2014 and 2015 under the supervision of Lycopodium Minerals Pty Ltd. The process plant was designed and costed by Lycopodium.</p>
	Whether the metallurgical process is well-tested technology or novel in nature.	<ul style="list-style-type: none"> <li>The flotation and magnetic concentrating processes are conventional practices based on well tested technology utilised throughout the industry.</li> </ul>
	The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.	<ul style="list-style-type: none"> <li>Metallurgical test work on the gold ore was limited to grind leach testing on a single composite sample. Gold leach extraction was 89.6% accounting for soluble loss with a cyanide consumption of 3.45 kg/t after 24hours.</li> </ul> <p>A detailed metallurgical testwork programme was conducted on a representative composite sample of the fresh skarn ore to determine comminution and physical characteristics of the ore types and process products and optimised processing conditions. Variability samples were tested following the optimised processing route and greater than expected recovery variability was encountered such that further testing of additional samples was recommended</p> <p>Metallurgical domains were evident based on the degree of pyrite overprinting in the skarn ore. The S:Cu ratio was modelled in the resource and used to define the copper recovery algorithm, but the additional testing recommended is required to better link the metallurgical domains with the resource model</p> <p>Recovery factors for the various ore type used in the optimisation process are presented below</p> <p>For the Oxide gold ore type, the recovery used was 92% Au.</p> <p>The Supergene ore type and the Oxide Skarn are Direct Shipping Ores and 100% recovery was used for Cu &amp; Au.</p> <p>Regressions were used to estimate the metal recoveries to the fresh rock copper concentrate. The resulting global averages for the copper/gold concentrate were 83.7% Cu, 55.1% Au and 60.7% Ag. The global average for the pyrite concentrate was 29.8% Au.</p>

Criteria	JORC Code explanation	Commentary
		The magnetite Fe recovery averaged 60.7% of total Fe.
	Any assumptions or allowances made for deleterious elements.	<ul style="list-style-type: none"> <li>Sulphur has been observed and modelled.</li> </ul>
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole	<p>Mercury and arsenic present in the copper concentrate will be addressed in the smelter terms although test work indicates these elements will generally be below penalty concentrations. Arsenic in the pyrite will be sold off site with the pyrite concentrate.</p> <ul style="list-style-type: none"> <li>No bulk sample or pilot scale testing was conducted. Lycopodium do not consider this necessary for this orebody and proposed flowsheet</li> </ul>
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet specifications?	<ul style="list-style-type: none"> <li>The copper and magnetite products will need to meet a specification once defined by the marketing contract. Mineralogy and assay data has been determined to demonstrate product qualities that will be achieved.</li> </ul>
<b>Environmental</b>	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	<ul style="list-style-type: none"> <li>Base line environmental studies along with a full environmental impact analysis was carried out by GAIA South independent consultants.</li> </ul> <p>The rainfall at the site is high and sediment loads will naturally be high within the stream courses. Environmental control dams (ECDs) are provided where surface water leaves the site and the catchments include runoff from operational areas. The environmental control dams have limited ability to reduce sediment loads and the primary means of sediment control will be to limit sediment runoff at source (from localised areas).</p> <p>Climate data for the site is based on climate stations located at lower elevation and closer to the coast. Site specific climate data is presently of insufficient duration to use in the climatology model. Site rainfall may be higher than the coastal stations.</p> <p>Flow data from the site's streams is insufficient to develop specific runoff characteristics which may indicate higher or lower levels of runoff than those assumed.</p> <p>The site water model currently assumes that in pit dewatering will be treated through a wetland system and perimeter pit dewatering discharged directly to the site streams. The quality and quantity of pit water is to be confirmed.</p>

Criteria	JORC Code explanation	Commentary
		<p>Geochemical assessment of the waste material is currently being undertaken. It is currently assumed that approximately 50% of waste will be potentially acid forming (PAF) or leachable. All waste rock that has the potential to generate acid or metal leachate will require encapsulation by non-acid forming material (NAF). There is considered to be sufficient NAF material to provide suitable encapsulation.</p> <p>Geochemical testing of the tailings indicates that the tailing facility will need a high density polyethylene (HDPE) liner and compacted soil liner subgrade to reduce seepage. The tailings will need to be maintained at saturation to reduce acid generation.</p>
<b>Infrastructure</b>	<p>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</p>	<ul style="list-style-type: none"> <li>• The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines; the required project infrastructure is readily available.</li> </ul> <p>Paved roads provide access to the Area of Interest and planned facilities. The last 2kms into the project area has a gravel road.</p> <p>High-voltage power is available within 2Km of the project area. There remains questions on the capacity of the line to support the project and as such a site power station has been provided for in the feasibility scope.</p> <p>Potable water supply for offices and bathhouse facilities is available from local potable water bores. A containerised water treatment plant and UV sterilisation facility will be used.</p> <p>Water needed for processing will come from surface water management. Three existing creeks run through the tenement.</p> <p>Larap Port site is approximately 40kms from the process plant and will be used for the shipping of products. The feasibility has a capital allowance to upgrade the facility. Some upgrade work to existing roads will be required for the supply of consumables and delivery of concentrate products. Allowance in the feasibility has been made for this work.</p> <p>A permanent accommodation camp for key staff has been allowed for in the feasibility.</p> <p>The Camarines Norte province of the Philippines is an established mining region. The majority of workers are readily available from nearby existing communities. Where special skills are required, they will be sourced from other areas of the Philippines or through an Expatriate workforce.</p>

Criteria	JORC Code explanation	Commentary
<b>Costs</b>	The derivation of, or assumptions made, regarding projected capital costs in the study.	<ul style="list-style-type: none"> <li>The process plant was broken down into unit operation areas with quantity take-offs benchmarked against similar facilities from previous projects to provide the additional scope and level of confidence needed to confirm that the accuracy level of the estimate was achieved.</li> </ul> <p>The overall plant layout and equipment sizing was prepared with sufficient detail to permit an assessment of the engineering quantities for the majority of the facilities for earthworks, concrete, steelwork, and mechanical items. The layouts enabled preliminary estimates of quantities to be taken for all areas and for interconnecting items such as piperacks.</p> <p>Unit rates for labour and materials were derived from responses to Budget Quotation Requests (BQRs) sent to fabricators and contractors experienced in the scale and type of work in the region.</p> <p>Budget pricing for equipment was obtained from reputable suppliers with the exception of low value items which were costed from Lycopodium's database of recent project costs.</p> <p>For the accommodation camp, offices and other architectural buildings, quoted pricing was supplied by MJV from GXD (China).</p> <p>For the tailings storage facility and surface water management structures bills of quantities and pricing estimates were provided by Knight Piésold based on their preliminary designs.</p> <p>A number of items were costed by outside consultants under the control of the MJV. These included the port, external access roads, water transmission and environmental / social costs.</p> <p>The MJV provided costs for Owners team and other related expenses.</p> <p>Contingency has been applied to all parts of the estimate.</p> <p>Mining capital costs include expenses for mining infrastructure as outlined above. The contract mining operation has no mining fleet capital expenditure as these costs are incorporated in the contract mining costs. Pre-production mining costs have been categorised as capital expenditure.</p>
	The methodology used to estimate operating costs.	<ul style="list-style-type: none"> <li>Process plant Operating costs were compiled from information sourced by Lycopodium and the MJV</li> </ul> <p>Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.</p> <p>Consumable prices from supplier budget quotations and the Lycopodium database.</p>

Criteria	JORC Code explanation	Commentary
		<p>Flotation reagent consumption and metal / concentrate recoveries based on laboratory testwork results and the mining schedule.</p> <p>Modelling by Orway Mineral Consultants (OMC) for crushing and grinding energy and consumables, based on ore characteristics derived from relevant testwork.</p> <p>First principle estimates where required based on typical operating experience or standard industrial practice.</p> <p>Benchmarking within the Philippines and comparison with costs at other similar operations.</p> <p>Mining operating expenditure was estimated based on mining volumes and other physicals provided by the production schedule for each of the mining activities. Personnel and equipment resource levels to undertake the mining activities were determined based on equipment productivities, available equipment hours, equipment operating costs and the manpower requirements of the Joint Venture and contractor parties for technical support, supervision and management. 2015 prices for equipment, consumables (fuel, explosives, etc.) and labour were applied to derive mining operating costs varying with time.</p> <p>Rehabilitation and closure costs were allowed for and estimated at USD0.10/tonne mined.</p>
	<p>Allowances made for the content of deleterious elements.</p> <p>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.</p> <p>Derivation of transportation charges.</p> <p>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</p>	<ul style="list-style-type: none"> <li>As no deleterious elements have been identified, no allowances were made.</li> <li> <p>The base metal prices used for the pit optimisation study are Copper \$5,200/t, Gold \$1,125/oz, Silver \$15/oz and Iron \$65/t, all US dollars.</p> <p>The base metal prices used in the financial model are Copper \$5,000/t, Gold \$1,200/oz. Silver \$14/oz and Iron \$50/t, all US Dollars.</p> <p>These prices were provided by the Joint Venture and were based on the spot prices at the time</p> </li> <li> <p>Ore and concentrate transport costs of \$0.25 per tonne per km have been used.</p> <p>This cost was provided by the Joint Venture and is based on standard industry prices currently available in the Philippines.</p> </li> <li> <p>The refining charges for copper concentrate are:</p> <p>\$0.10/lb Cu + \$5/oz Au + \$0.4/oz Ag.</p> </li> </ul>

Criteria	JORC Code explanation	Commentary
		This cost was provided by the Joint Venture and is based on a marketing study conducted by Conrad Partners.
	The allowances made for royalties payable, both Government and private.	<ul style="list-style-type: none"> <li>A 2% government excise tax was applied.</li> </ul>
<b>Revenue factors</b>	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.	<ul style="list-style-type: none"> <li>Gold ore revenue factors: <ul style="list-style-type: none"> <li>The resource grades adjusted for dilution</li> <li>The processing recoveries detailed above</li> <li>Gold price detailed above</li> <li>Refining charge \$5/oz au</li> <li>Excise tax 2%</li> </ul> </li> <li>Copper supergene ore revenue factors: <ul style="list-style-type: none"> <li>The resource grades adjusted for dilution</li> <li>Treatment charge \$130/t ore</li> <li>Refining charge \$13/t ore</li> <li>Metal prices detailed above</li> <li>Pay-ability deductions: 1% cu metal, \$6/oz au</li> <li>Pay-ability rates: 99% of cu, 90% of au, 0% of ag</li> <li>Refinement charge</li> <li>Excise tax</li> </ul> </li> <li>Copper concentrate revenue factors: <ul style="list-style-type: none"> <li>The Resource grades adjusted for dilution</li> <li>The processing recoveries detailed above</li> <li>Copper and gold prices detailed above</li> <li>Copper concentrate treatment charge:\$100/t</li> <li>Refining charge on payable cu &amp; au: \$0.10/lb cu + \$5/oz au</li> <li>Excise tax</li> </ul> </li> <li>Magnetite concentrate revenue factors: <ul style="list-style-type: none"> <li>The resource grades adjusted for dilution</li> <li>The processing recoveries detailed above</li> <li>Iron ore price detailed above</li> <li>Excise tax</li> </ul> </li> </ul>

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		<ul style="list-style-type: none"> <li>Processing costs and recoveries were provided by Lycopodium</li> <li>Transport costs were provided by the MJV.</li> <li>Concentrate treatment charges were provided by Conrad Partners who conducted a marketing study</li> <li>Refining charges were provided by Conrad Partners who conducted a marketing study.</li> <li>Shipping charges were provided by Conrad Partners.</li> <li>Net Smelter Returns and payabilities were provided by Conrad Partners as part of their marketing study.</li> </ul>
	The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	<ul style="list-style-type: none"> <li>Based on Spot Prices at the time.</li> </ul>
<b>Market assessment</b>	<p>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</p> <p>A customer and competitor analysis along with the identification of likely market windows for the product.</p> <p>Price and volume forecasts and the basis for these forecasts.</p>	<ul style="list-style-type: none"> <li> <p>The supply and demand forecasts for copper were based on the International Copper Study Group Monthly Report, October 2015. Price forecasts for copper and magnetite were referenced from the World Bank Commodity Price Forecast October 2015, with magnetite adjusted based on predicted quality</p> <p>Ocean freight market terms were derived from the November 2015 outlook of Braemar ACM Shipbroking, and the commercial terms for the Mabilo products, including treatment and refining charges, were based on long term data compiled by Conrad Partners Ltd, attained from custom market surveys and prevailing sales agreements on comparable material.</p> </li> <li> <p>The Mt Labo project is well positioned to ship products from the Larap Port for delivery to the large Asian Pacific markets, specifically to China, Japan and Korea. The project can deliver products to each of these destinations using well established ocean freight routes. The combined Asian copper smelting capacity, not including India exceeds 7mtpa. The project can also consider the delivery of copper concentrates to Philippines domestic smelting capacity</p> </li> <li> <p>The assumed prices are: copper \$5,000/t, gold \$1,200/oz, silver \$14/oz and iron \$50/t, all US dollars.</p> </li> </ul>

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		<p>1 Mtpa forecast annual production estimated by MJV for copper is 13,600 tonnes, gold 49,900oz and iron is 257,000t.</p> <p>1.35Mtpa forecast annual production estimated by MJV for copper is 18,300t, gold is 67,000oz and Iron is 347000t.</p>																																									
Economic	<p>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</p>	<ul style="list-style-type: none"><li>The economic analysis is based on cash flows driven by the production schedule. The cashflow projections include:<ul style="list-style-type: none"><li>initial and sustaining capital expenditure estimates</li><li>mining, processing, transport and concentrate treatment operating cost estimates</li><li>revenue estimates based on metal prices and adjusted for fees, charges, pay-ability estimates and excise tax.</li><li>closure cost</li><li>company tax estimates</li></ul></li></ul>																																									
	<p>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</p>	<ul style="list-style-type: none"><li>The sensitivity shows the NPV for the 1.35 Mtpa at the 8-percent discount rate when capital costs, gold price, copper price, variable mining cost and processing costs are increased and decreased in increments of 5 percent within a +/- 10 percent range.</li></ul> <table><tr><th rowspan="2"></th><th colspan="5">NPV Sensitivity (US\$M)</th></tr><tr><th>-10%</th><th>-5%</th><th>Base</th><th>5%</th><th>10%</th></tr><tr><td>Processing Plant Capital Cost</td><td>137.3</td><td>131.2</td><td>125.0</td><td>118.6</td><td>112.2</td></tr><tr><td>Gold Price</td><td>105.0</td><td>115.0</td><td>125.0</td><td>135.3</td><td>145.2</td></tr><tr><td>Copper Price</td><td>95.1</td><td>110.1</td><td>125.0</td><td>139.9</td><td>154.7</td></tr><tr><td>Variable Mining Cost</td><td>131.2</td><td>128.1</td><td>125.0</td><td>121.9</td><td>118.7</td></tr><tr><td>Processing Cost</td><td>137.5</td><td>131.2</td><td>125.0</td><td>118.9</td><td>112.8</td></tr></table>		NPV Sensitivity (US\$M)					-10%	-5%	Base	5%	10%	Processing Plant Capital Cost	137.3	131.2	125.0	118.6	112.2	Gold Price	105.0	115.0	125.0	135.3	145.2	Copper Price	95.1	110.1	125.0	139.9	154.7	Variable Mining Cost	131.2	128.1	125.0	121.9	118.7	Processing Cost	137.5	131.2	125.0	118.9	112.8
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Social	<p>The status of agreements with key stakeholders and matters leading to social licence to operate.</p>	<ul style="list-style-type: none"><li>Stakeholder support has been strong during property acquisition and through the permitting process.</li></ul>																																									

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		<p>The Company has submitted a Social Development Management Plan (SDMP) to support the proposed Mabilo Mining Project and this is subject to review by the Mines and Geosciences Bureau (MGB) Region V. In the interim MGB Region V has approved the Community Development Plan for implementation.</p> <p>The application for Environmental Compliance Certificate (ECC) is well advanced.</p>
<b>Other</b>	<p>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves.</p> <p>Any identified material naturally occurring risks.</p>	<ul style="list-style-type: none"> <li>• The risk of large scale pit wall failure occurring is low if the pit slopes are excavated as per design and with the pre-split drilling and blasting activities allowed for in the mine plan are adhered to. The consequences of such an unlikely event will result in extra mining costs and delays but won't prevent extraction of the scheduled ore.</li> </ul> <p>There is a risk of large scale pit flooding impacting on the performance of the project if the project area is hit with cyclonic rainfall. Production and cash flow delays may be incurred.</p> <p>Geotechnical investigation for mine infrastructure comprised a broad assessment of the typical ground conditions present at the site. The core recovery during borehole drilling was low and the boreholes did not confirm the depth of rock head. No boreholes were drilled at the waste dump or tailings storage facility (TSF) and the ground conditions have been inferred from boreholes drilled elsewhere.</p> <p>The feasibility stage site investigation comprised a broad assessment of the typical ground conditions present at the site. In the next phase of work, ground investigation is required that is specifically focussed on the site layout and comprises drilling techniques that return higher quality core.</p> <p>The permeability and compressibility of the in situ ground at the TSF and waste dump (WD) is not confirmed. The rate at which earthworks are constructed will need to be carefully controlled to ensure adequate stability is maintained. During later stages of construction of the waste dump, waste rock will be available to provide a drainage layer. A provisional sum has been allowed for in the cost estimate for localised ground improvement to aid consolidation of the TSF and WD during Stage 1 construction.</p>

Criteria	JORC Code explanation	Commentary
		<p>The site is located in an area of high seismic activity. Site investigation indicates that the natural ground is at risk of liquefaction under a seismic event. A preliminary liquefaction assessment indicates that a sacrificial earthworks bund will be constructed around the external perimeter of the structural zone of the TSF to limit deformations.</p> <p>The TSF has been designed to accommodate the co-disposal of both the non-magnetic and pyrite tailings stream. It has been confirmed that a market for the pyrite has been identified and the pyrite will be transported off site.</p> <p>A water balance model indicated that the TSF has a positive water balance over the life of mine. A water treatment plant for the treatment of supernatant water is expected to be operating up to 6 months of the year under average conditions to treat supernatant water and up to 12 months of the year under a 1 in 100 year ARI wet sequence.</p> <p>Site investigation of the plant site indicates that the ground is at risk of high settlement under static loading and seismically induced liquefaction. Key structures are considered to require piling which has been included in the capital costs. Bedrock was not encountered during the investigation and it is expected to be present at considerable depth.</p>
	<p>The status of material legal agreements and marketing arrangements.</p> <p>The status of government agreements and approvals critical to the viability of the project, such as mineral tenement status and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or</p>	<ul style="list-style-type: none"> <li>• Negotiations with land owners and land occupiers are in progress in order to secure land access. However environmental approval for the project and rights to undertake mining and processing activities still need to be obtained.</li> <li>• Service contracts for mining, ore and concentrate transport, port services and ship loading, security and operating of accommodation facilities are yet to be done.</li> <li>• Preliminary marketing negotiations have taken place. More definitive agreements will be put in place once the project implementation schedule has been finalised.</li> <li>• Exploration Permit EP-014-2013-V, covering the Mabilo Project, is currently in the renewal process.</li> <li>• Approval needs to be obtained via a Mineral Production Sharing Agreement ("MPSA"). This is the mechanism to secure the Mabilo "Contract Area" which is a term comparable to a mining lease in other jurisdictions.</li> <li>• MPSA approval for the oxide mining phase (no processing) has been applied for but this has not been granted yet. During this phase ore and waste are mined and all ore is transported away without onsite treatment.</li> </ul>

Criteria	JORC Code explanation	Commentary
	Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third part on which extraction of the reserve is contingent.	<p>MPSA approval application for the phase after the oxide mining has yet to be submitted. This second phase includes both mining and processing activities and the scale of the operation will be bigger.</p> <p>During this phase mining excavations will extend beyond the “Contract Area” southern boundary into a block which contains a watershed. Because of the watershed this block cannot be part of a “Contract Area”. However because only waste (no ore) needs to be mined south of the boundary and because the pit design does not intersect the water shed, approval to establish this cut may be obtained from the Mines and Geosciences Bureau via Sections 75 and 76 of the Mining Act.</p>
<b>Classification</b>	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person’s view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	<ul style="list-style-type: none"> <li>• Probable Ore Reserves were determined from Indicated resource materials as per guidelines.</li> </ul>
<b>Audits or reviews</b>	The results of any audits or reviews of Ore Reserve estimates.	<ul style="list-style-type: none"> <li>• Ore Reserve estimate has been reviewed internally by Oreology.</li> </ul> <p>No external reviews or audits have been undertaken on the Ore Reserve estimate.</p>
<b>Discussion of relative accuracy/ confidence</b>	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.	<ul style="list-style-type: none"> <li>• The Ore Reserve estimate is the outcome of the Feasibility Study with geological, metallurgical, geotechnical, engineering and mining engineering considerations. It has a nominal accuracy of <math>\pm 15\%</math>.</li> </ul> <p>The project has a high NPV and is robust in terms of costs variations. It is sensitive to copper and gold price variations and to the ability to mine waste south of the “Contract Area” boundary (in order to access ore within that boundary).</p> <p>There is no guarantee that the study price assumption will be achieved as commodity prices can vary significantly more than a <math>\pm 25\%</math> band width. This, and not having secured the required MPSA with an additional approval to mine waste south of the “Contract Area” boundary, are the main project uncertainties.</p>

Criteria	JORC Code explanation	Commentary
	<p>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.</p>	<ul style="list-style-type: none"> <li>Global estimates have been used.</li> </ul>
	<p>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</p> <p>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	<ul style="list-style-type: none"> <li> <p>There are no undisclosed known areas of uncertainty.</p> <p>Not having secured an MPSA with an approval to mine waste south of the “Contract Area” boundary is a main uncertainty for the project as outlined in this study. If these approvals cannot be obtained the project needs to be reviewed and the Reserves be restated.</p> <p>The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant.</p> <p>The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario.</p> </li> <li>There has been no production to date, so no comparison to production or reconciliation data can be made.</li> </ul>