Callabonna Resources Limited
ACN 099 247 408

Notice of Extraordinary General Meeting

and

Explanatory Notes

The extraordinary general meeting will be held:

At the offices of Baker & McKenzie

Level 19, 181 William Street, Melbourne Victoria, 3000

On 11 July 2014 at 10.00 am

You can vote by:

Attending and voting at the meeting; or

Appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Callabonna in the manner set out in the proxy form. The proxy form must be received by the Company no later than 10.00am on 9 July 2014

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Callabonna Resources Limited (the "Company") will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne, at 10.00am on Friday 11 July 2014.

Resolution 1: Proposed change to nature or scale of activities

To consider, and if thought fit, pass the following as an ordinary resolution:

> "That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, the shareholders of the Company approve the acquisition by the Company of an interest in the Ansongo Project in Mali on the basis summarised in the Explanatory Notes."

Resolution 2: Approval of proposed issue of securities

To consider and, if thought fit, pass the following as an ordinary resolution:

> "That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company approve the proposed issue of up to 24,000,000 fully paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Notes."

Dated: 5 June 2014

By order of the Board

Ian Hobson
Company Secretary

Voting Exclusions

The Company will disregard any votes cast on the resolution by or on behalf of any person specified below in relation to that resolution and an associate of any such person when determining the result of the resolution except where the vote is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 1: Any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

Resolution 2: Any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder or ordinary securities, if the resolution is passed.

PROXY AND VOTING INSTRUCTIONS

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice of General Meeting.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at PO Box 226 Subiaco WA 6904 or by facsimile +61 8 9388 8256 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act 2001. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form accompanies this Notice of General Meeting.

Corporate Representatives

Any corporation that is a shareholder of the Company may authorise (by a form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman) a natural person to act as its representative at any general meeting.

Voting Entitlement

The Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm (AEST) on 9 July 2014. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Notes

The purpose of these Explanatory Notes (which is included in and forms part of this Notice of Meeting) is to provide shareholders with an explanation of the resolutions to be considered at the shareholder meeting on 11 July 2014.

Resolution 1: Proposed change to nature or scale of activities

On 6 May 2014, the Company announced to ASX that it has entered into a Share Sale and Purchase Agreement ("the Agreement") with Tassiga Limited ("the Vendor") involving the purchase of an interest in Ansongo Ltd, a fully owned subsidiary of the Vendor, and an agreement to manage and develop a manganese exploration project ("the Project") in Mali that is subject to Exploration Permit PE 2011/15 ("the Permit").

Under the Agreement, the Company has now received an initial 2.1% indirect interest in the Project. Conditional on shareholder approval, the Company can earn an additional 10% indirect interest in the Project by spending A$3.5 million on agreed management and exploration items.

Attached to these Explanatory Notes are:

(a) a copy of the ASX Announcement dated 6 May 2014 setting out details of the proposed acquisition (**Annexure A**);

(b) a Geologist's Report by Waverley Resource Consultants Pty Ltd setting out details of the geology in relation to the Ansongo Project (**Annexure B**); and

(c) a translation of a Solicitors Tenement Report by Service d'Appui en Fiscalité in relation to the title to the Ansongo Permit (**Annexure C**).

Shareholder approval for the Agreement is being sought under ASX Listing Rule 11.1.2 which provides that if an entity proposes to make a significant change to the nature or scale of its activities and if ASX requires, the entity must seek shareholder approval to do so.

The Directors of the Company unanimously recommend that shareholders of the Company vote in favour of this resolution.

Resolution 2: Approval of proposed issue of securities

The Company proposes raising further funds from a fully paid ordinary share issue of up to 24,000,000 shares. The new funds raised will be used to fund the management and initial exploration of the Project in accordance with the Agreement as set out above.

This resolution seeks shareholder approval of the proposed issue of securities in the Company for the purposes of Listing Rule 7.1.

The purpose of seeking shareholder approval of the issue of securities in this resolution is to ensure that the proposed issue does not reduce the Company's future placement capacity.

The Company proposes seeking funds from sophisticated or institutional shareholders who will be identified through the directors to whom no prospectus need be issued. The price is intended to be at least 80% of the average market price for shares over the last 5 days on which sales were recorded before the issue is made. The shares will be ordinary fully paid shares. The shares will be issued progressively as funds are raised and in any event no later than 3 months after the date of the meeting.

The directors of the Company unanimously recommend that shareholders of the Company vote in favour of this resolution.

PROXY FORM

APPOINTMENT OF PROXY
CALLABONNA RESOURCES LIMITED
ABN 71 099 247 408

GENERAL MEETING

NAME:.....ADDRESS:.....

No. of shares held.....

I/We being a member(s) of Callabonna Resources Limited (Company) and entitled to attend and vote at the Meeting of the Company to be the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne, at **10.00am** EST on Friday 11 July 2014, hereby appoint:

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy (do not insert your own name). I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting is appointed as my/our proxy and to vote for me/us on my/our behalf at the Meeting and at any adjournment or postponement of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business, as far as permitted.

Voting on Business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Proposed change to nature or scale of activities	☐	☐	☐
Resolution 2 – Approval of proposed issue of securities	☐	☐	☐

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s) **Date: _____**

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: _____ Contact Ph (daytime): _____

Callabonna Resources Limited
ABN 71 099 247 408

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. If a member appoints only one proxy, that proxy may vote on a show of hands. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. If a box is not marked the proxy may vote as they choose. If more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.
   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.
   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
     - (**Foreign Companies**): Foreign Corporations must sign in accordance with the laws of that corporation's place of incorporation.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then:

   - the proxy's authority to speak for that member is suspended while the member is present at the Meeting; and
   - the proxy's authority to vote for the member on any resolution is not suspended while the member is present but is revoked by the member voting in person on that resolution.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   - mail to Callabonna Resources Limited, at PO Box 226, Subiaco WA 6904;
   - email to Ian Hobson (Company Secretary) ianhobson@bigpond.com;
   - facsimile to (08) 9388 8256

   so that it is received no later than 10.00am (EST) on 9 July 2014.

   Proxy forms received later than this time will be invalid.

Annexure A

ASX Announcement dated 6 May 2014

Details of the proposed acquisition.

ASX ANNOUNCEMENT **6 May 2014**

ACQUISITION OF AN INTEREST TO FURTHER DEVELOP HIGHLY PROSPECTIVE MINING LEASE PE2011/15 IN MALI, ANSONGO MANGANESE PROJECT

The Directors of Callabonna Resources Limited ('Callabonna' or 'the Company') are pleased to announce that the Company has entered into a Share Sale and Purchase Agreement with Tassiga Limited ('the Vendor') involving the purchase of an interest in the fully owned subsidiary of the Vendor, Ansongo Ltd, and an agreement to manage exploration and further develop the Ansongo manganese project ('the Agreement').

Ansongo is an exciting, potentially high grade manganese project in Mali ('the Project').

Under the Agreement, Callabonna will receive an initial 2.1% equivalent indirect interest in the Project and, conditional on shareholder approval, Callabonna can earn an additional 10% indirect interest in the Project by spending A$3.5 million on agreed management and exploration items relating to the Project.

The Transaction

In summary

- The Agreement states that Callabonna will acquire a total of 17.2% of the shares in Ansongo Ltd, representing a 12.1% diluted shareholding in its subsidiary, Sahara Manganese Limited. Sahara Manganese Limited owns Mali Manganese SA ('MMSA'), which in turn owns 100% of the Project and is also the holder of Tassiga Mining Permit number PE 2011/15 ('the Mining Lease' or 'Permit'), which governs the Project (subject to the Mining Convention of Mali which provides the State with a 10% entitlement).
- The Agreement separates the Company's acquisition of shares in Ansongo Ltd into two phases. The Company will initially receive 3% of shares in Ansongo Ltd ('Initial Shares') in

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settlement of a refundable deposit relating to a previously terminated transaction to acquire Element Morocco Limited in 2013, expected to complete in May 2014. The Company is entitled to obtain an additional 14.2% of the shares in Ansongo Ltd ('Subsequent Shares') if it successfully spends A$3.5 million on the Project which is expected to occur over a 36 month period.

- The Company can obtain the Subsequent Shares early if it publishes a maiden resource of at least 5 million tonnes at 35% MnO prior to successfully spending the full A$3.5 million in accordance with the Management Agreement. In this case, the Company will still be required to spend the balance of the A$3.5 million that remains unpaid.
- The agreed terms setting out allowable expenditure for the purposes of the A$3.5 million are incorporated into the Agreement in the form of management arrangements under which allowable expenditure will attract a 15% cost plus allowance on expenses incurred by the Company.
- The Agreement provides for a Shareholders Agreement to govern the Company's shareholding in Ansongo Ltd. The Shareholders Agreement allows for the Vendor to deal with Transatlantic Mining Corp. (listed on TSXV), as previously contemplated, free of pre-emptive rights but subject to the Shareholders Agreement.

Approvals

The Subsequent Shares component of the transaction is conditional upon shareholder and regulatory approvals. A notice to shareholders is expected to be issued in May 2014 to seek Company shareholder approval for the purposes of Listing Rule 11.1.2 and will include an independent geologist's report and a solicitor's tenement report.

The Company will raise operational funds in accordance with its annual 15% capital raising allowance or as otherwise permitted by the Listing Rules. The Company will also seek shareholder approval to refresh its 15% allowance at the forthcoming shareholder meeting proposed to be held in June 2014 and from time to time as required.

Objective

The principal objective of the transaction is the immediate restart of exploration and development in compliance with the Mali Mining code. The resource on which the Mining Lease was granted in 2011 requires qualification by further drilling, particularly on the eastern and northern sides of the hills known as Tassiga or Takavasita. The Company proposes to work

closely with the management of MMSA and intends to meet with government officials during the month of May.

Callabonna's Chairman, Mr Phillip Harman, commented:

"This is an exciting development for Callabonna. Ansongo is a project with the potential to produce high grade direct shipping manganese ore, a product highly sort after by the world's steel producers. It has near term production capability with low development costs in a country that has a proud mining history and a renewed commitment to stabilise mining development for the benefit of the Malian people. Callabonna completed some due diligence on Ansongo in 2013 and at that time formed good relationships with experienced local consultants in Mali who will work with us to seek to make this project a success".

The Ansongo Manganese Project

The Project is located in north-east Mali close to the borders with Burkina Fasso and Niger and connected by goods roads to the south-west African coast (Figure 1). Manganese outcrops extensively in the south east part of the mining lease PE 2011/15, district of Ansongo in eight hills known as Tassiga or Takavasita that have been subject of exploration and some mining development. Less well explored areas also show some surficial manganese up to 20 km to the west in hills at Agualla and Tondibi (Figure 2).

The Mining Lease was granted in 2011 based on a feasibility study that included reference to historical resource estimates. Neither these estimates, nor subsequent drilling in 2011, met standards currently expected of resource estimates that comply with the JORC Code and therefore cannot be referred to on the ASX.

2013 Due Diligence findings

The following points are based on the due diligence exercise conducted by the Company in 2013:

- The manganese deposits of the Ansongo region are hosted by Precambrian rocks (*ca 2100Ma*) modified by Tertiary *(ca 20*-60Ma) weathering. They occur in three main areas known as Agualla, Tondibi and Takavasita, and form an arc approximately 20 km long, 5 km north of the Niger River (Figure 2).

- The high grade Tambao manganese deposit in Burkino Faso, some 150km to the south of Ansongo, is in a similar geological and topographic setting. At both deposits, near

surface black manganese oxide ore is developed on steeply dipping manganese carbonate rock.

- In the Takavasita Hills black manganese oxide deposits outcrop as a series of low-lying hills and ridges over some 4 km along a north-west trend. The hills vary in height between 20 and 80 metres above the current land surface. Trenching has confirmed black manganese oxide extends away from the hills along strike under sand cover, and drilling underneath the hills indicated the presence of manganese oxide below the level of the plain.

- Previous drilling was largely focussed on the western side of the largest hill ('hill D' Figures 3 and 4). There has been over 3000 metres of core drilling in 45 holes. All assaying has only been by Niton Analyser XRF on samples systematically chipped from core. This has yielded useful geological information but due to inadequate QA/QC these assays cannot be used in resource evaluation or presented in this announcement. For this reasons only the general hole locations are material to give a sense of scale to the information (Figure 4).

- Check assays by an Independent laboratory is presently limited to three studies. Two of these are from surface sampling of hill D (the first as part of POSCO's due diligence in August 2010 and the second by Coffey for Transatlantic Mining Corp in December 2013). The third by Callabonna which re-assayed Niton pressed powder cups from a hole under a horizontal tunnel ('the western Adit') on hill D (TD028).

- The western Adit extends 87 metres into the side of the hill D. Drilling under the Adit indicates a weighted average grade of 42.6% Mn (55% MnO), 4.1% Fe_2O_3, 10.7% SiO_2, 9.4% Al_2O_3 and 0.18% P_2O_5 in the top 20 metres down hole (TD028). About half the zone, 10 of the 19 samples, were significantly higher grade intensely black coloured oxide assaying between 44-57% Mn. These higher grade intervals also averaged half the silica content and a third less Al_2O_3.

- Mineral Corporation conducted due diligence for POSCO Canada in 2010 prior to POSCO's investment in the Project. The twenty chemical assays of samples from trenches cut across hill D averaged 50.88% MnO from a range of 28% to 71.90%, 4.45% Fe_2O_3, 14.97% SiO_2, 10.17% Al_2O_3 and 0.27% P_2O_5.

- In December 2013 Transatlantic Mining Corp. also reported surface sampling by independent consultants Coffey on the on the Toronto Stock Exchange (TSX) relating

to Transatlantic's proposed investment in the Project. Twenty samples, (18) on hill D and (2) at Agaula averaged 45.9% MnO from a range of 18% to 51%, 4.2% Fe2O3, 17.02% SiO2, 11.1% Al2O3 and 0.11% P. The highest grade 14 samples averaged 41.2% Mn, and about half the silica and a third less Al2O3.

- The trend to lower SiO2 and Al2O3 content with higher manganese grade is encouraging and is comparable to results noted by Callabonna under the western Adit. It suggests that some combination of selective mining and processing can make a readily marketable product.

- The project requires additional drilling and assays conducted by an independent laboratory to confirm resources.

Effect of the Transaction on the Company

The following table sets out the effect of the Transaction on the Company based on the assumption the full A$3.5m is raised and expended on exploration over the next three years:

A	B	C	D
Particulars	**Before transaction**	**Increase due to transaction**	**After transaction**
Method of Calculation	**From latest audit reviewed figures as at 31 December 2013**	***Actual Increase/Decrease due to transaction***	B +/- C
Total Consolidated Assets	$763,540 (1)	$3,500,000	$4,263,540
Total Equity Interests	$698,706 (2)	$3,500,000	$4,198,706

Notes:

1. Total assets as at 31 December 2013 were $463,540 after the auditor's requirements to impair $300,000 worth of receivables. That receivable is now recoverable and therefore total assets have increased to $763,540.
2. Total equity as at 31 December 2013 was $398,706 after impairing $300,000 worth of receivables. As that amount is now recoverable, the total equity interests have increased to $698,706.
   No CUU shares will be issued as consideration for the proposed transaction.
   $3,500,000 is to be raised to fund exploration over three years.

There will be no changes to the Board or senior management.

Proposed timetable

Date	Description
May 2014	Raise capital inside the 15% capacity for operations including due diligence
Late May 2014	Issue notice of meeting to shareholders to approve transaction
Late June 2014	Shareholder meeting to approve the transaction and refresh 15% capacity
June – July 2014	Capital raising to fund initial exploration Commence exploration

Contact details

For further information please, contact Michael Raetz or Ian Hobson on the numbers listed below.

Michael Raetz +61 3 9618 2590 Ian Hobson +61 8 9388 8290

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Michael Raetz, an employee and Director of the Company. Mr Raetz is a member of Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Raetz as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Raetz consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

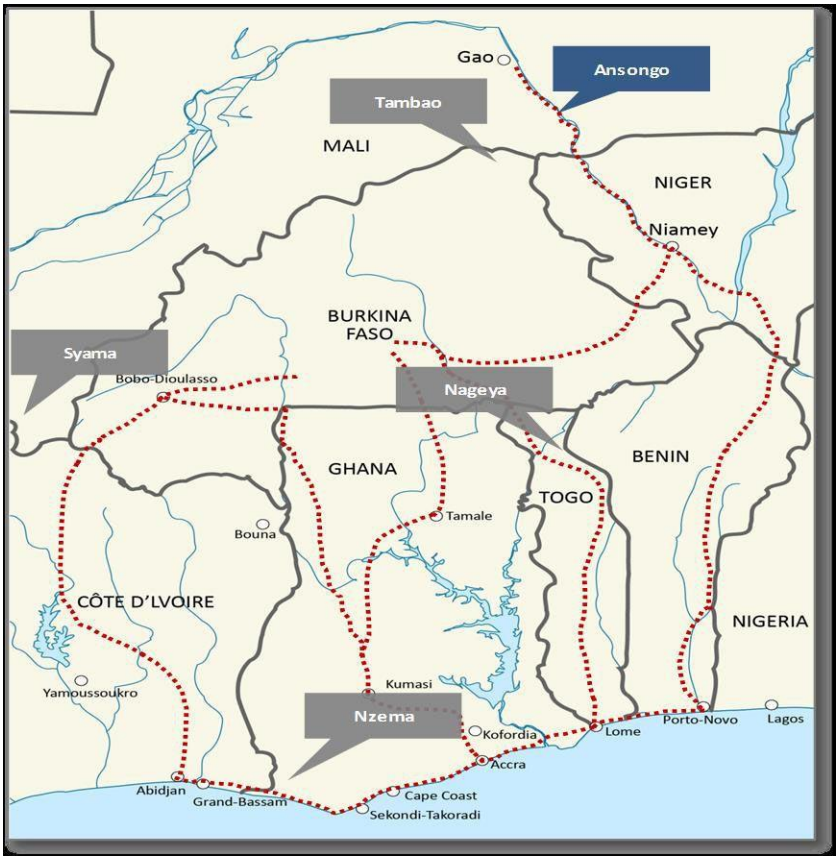

Figure 1: Location of the Ansongo Project. The red dotted lines are transport routes to the coast. (Source: Transatlantic Mining Corp.).

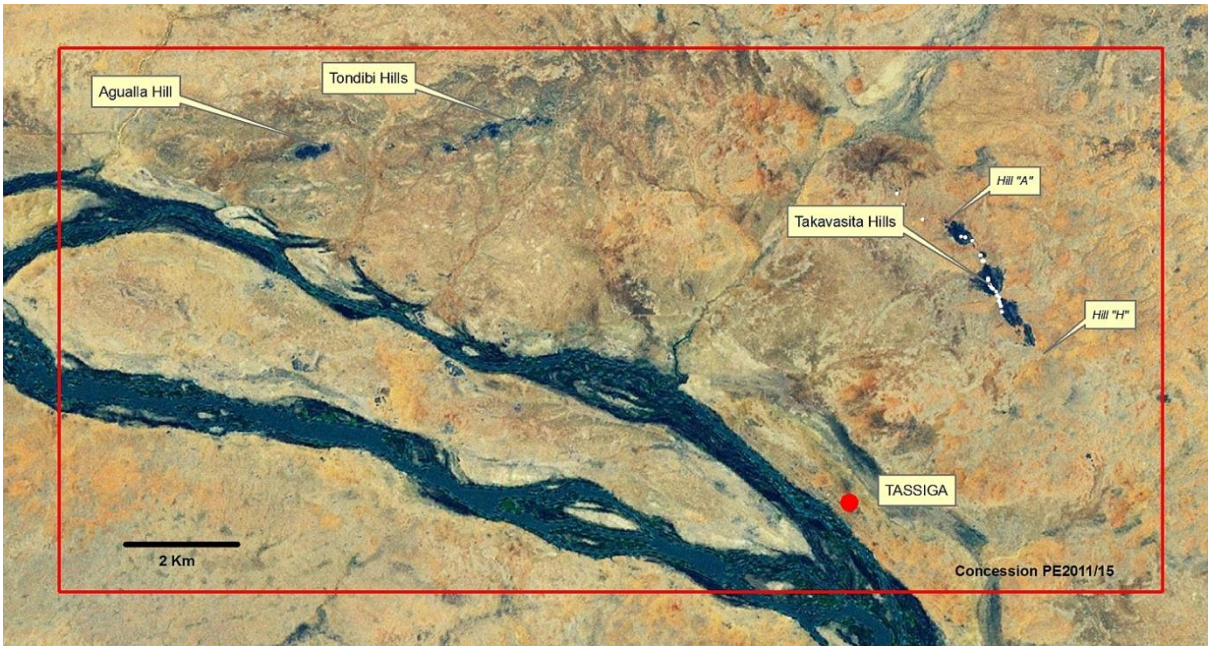

Figure 2: Mining Lease PE2011/15 located on satellite image showing the Takavasita, Tondibi and Agualla Hills and existing drill holes in white.

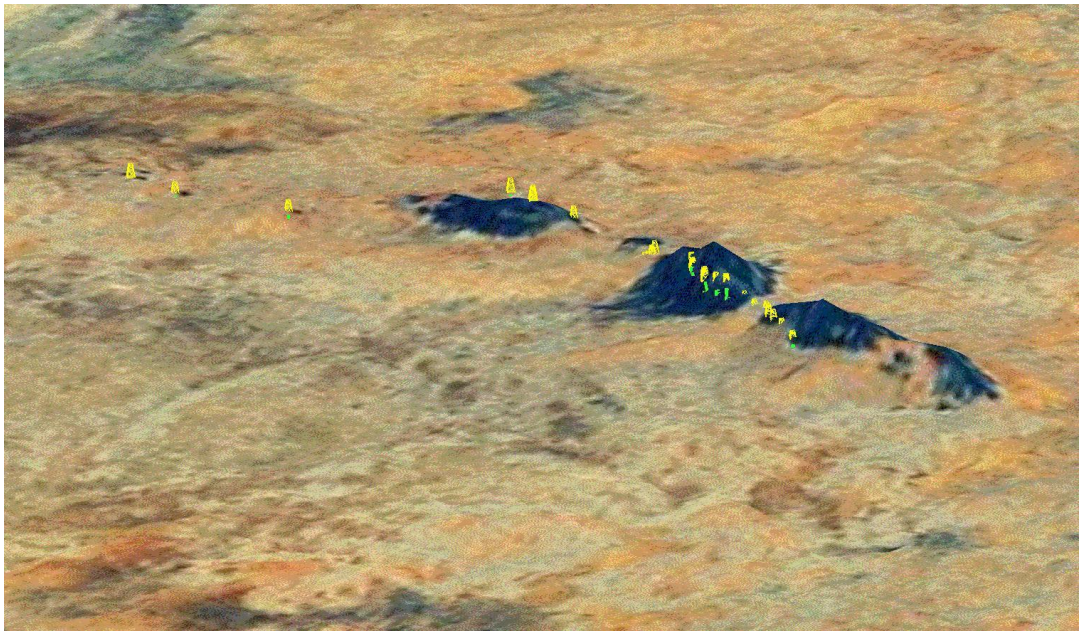

Figure 3: Satellite view of the Takavasita Hills looking north.

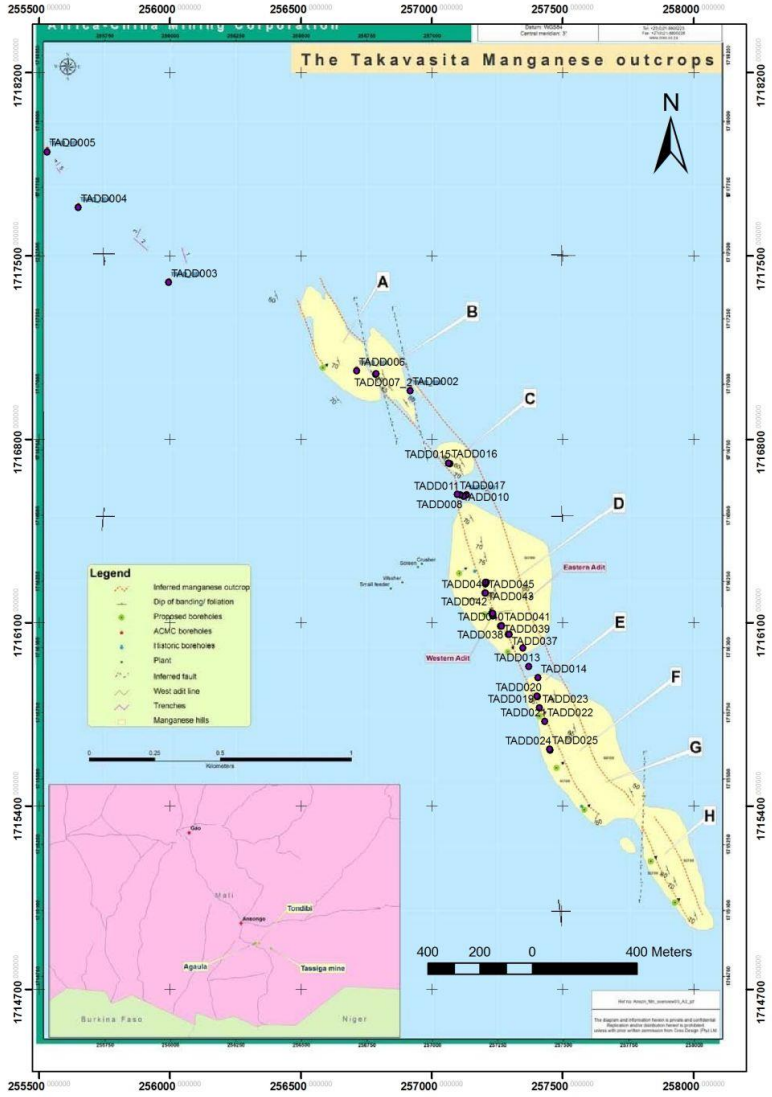

Figure 4: Existing drill hole locations

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The POSCO sampling reported herein was from 20 stockpiles of samples cut from trenches across Hill D. The reference is Mineral Corporation Technical Bulletin 2010-503, August 2010. Sample locations are depicted in Figure 1 of that report. "Grab samples of approximately 3kg in mass were taken from a series of stockpiles that had been formed by the activities of two Liebherr 944 back - hoe excavators scraping material from the upper slopes of the outcrop. The stockpiles were approximately 2m high by 2m wide and spaced approximately 20m apart longitudinally along the northeast-southwest orientation of the deposit. The stockpiled material had been gathered with a view to transportation, after processing, to the overseas market." • The Transatlantic sampling reported herein included 18 samples from Hill D collected over an area of about 500x100m by Mr Paul Mazzoni who has the relevant qualifications and experience to be considered a Qualified Person as defined in NI43-101. The results appeared in a filing on the TSX in March 2014.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All drilling on the Project discussed was diamond drilling core size HQ or NQ.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• There is no information on the sample logs regarding recovery. • No additional information is available to the Company.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• There are currently no geological drill logs available for the project. These may have been lost, if not in government reports. • The Company arranged each pressed powder pot that could be recovered to be photographed and that gives an excellent colour log only. • The geology of the deposit is known mainly from reports written in 2011 by the consultant geologist who worked for Mali Manganese. These have been reviewed and contain synthesis style summaries only.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was not cut and sampling was limited to the description below, typically used on all 45 holes drilled in 2010 by Mali Manganese. • The sampling of hole TD028 reported herein was from pressed powder cups recovered from the Mali Manganese store. Based on reports and interviews with Mali Manganese operations personnel, small samples were taken from each 10cm interval of core and combined over each metre. The combined sample was then crushed and a split fraction pulverised in a Tema mill and packed into a pellet cup for analysis with a frame mounted Niton analyser.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The assays reported from hole TD028 were from ALS Global report BK13137624 on pulps about 20 gm each. Digestion was total, 4 acid. Method ME- XRF 26s. Duplicates every 15 samples. • The assay details in the due diligence report for POSCO are not given in the report by Mineral Corporation Technical Bulletin 2010-503, August 2010. External QA/QC not known. • The assays reported by Coffey for Transatlantic Mining Corp. were from ALS Global report 14017497 Method ICP06. Digestion and sample preparation is not currently known. External QA/QC is also currently not known.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification holes have been drilled.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• GPS location UTM zone 31N, datum WGS 84.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Previous hole spacing is insufficient to determine continuity of grade and mineralogy. • In the Takavasita Hills Mali Manganese SA, during 2011, drilled forty five (45) diamond core holes of both HQ and NQ diameter (63-47mm) for a total of 3471m. Drill hole spacing varied along strike from less than 100m to 800m. Of the 45 holes, 20 were drilled to depths of over 100m. Nineteen (19) holes were vertical and the remainder declined at angles of -45, -60 and -70 degrees. All holes, with the exception of one, were drilled on an easterly azimuth. • No sample compositing has been applied to results reported herein.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The foliation is mapped as 75 to the south-west. The bedding of the sequence is assumed to parallel the foliation. Drilling has been close to easterly. In the absence of other information this is reasonable and would not introduce a material sampling bias.
Sample security	• *The measures taken to ensure sample security.*	Results of samples reported herein are believed to be from samples that were stored and managed securely. However all core was left on site and has been lost.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no audits, other than the re-assay of pulps from hole TD028 reported herein.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploitation Permit of Tassiga (Cercle d'Ansongo) numbe : PE 2011/15. Official Coordinates (as per the mining convention): Point A: Intersection du parallèle 15°33'07" N et du méridien 0°34'34" E. Du point A au point B suivant le parallèle 15°33'07" N; Point B: Intersection du parallèle 15°33'07" N et du méridien 0°46'00" E. Du point B au point C suivant le méridien 0°46'00" E; Point C: Intersection du parallèle 15°27'29" N et du méridien 0°46'00" E.Du. point C au point D suivant le parallèle 15°27'29" N; Point D: Intersection du parallèle 15°27'29" N et du méridien 0°34'34" E. Du point D au point A suivant le méridien 0°34'34" E. • On the information made avalable to the Company, Mali Manganese SA regularly owns the exploitation and research permit for manganese and other mineral substances Group 2 in the TASSIGA area not encumbered by any mortgage or security pledge in favour of any bank or other lender or any third party ; with the exception of the State of Mali which shall hold a minority share up to 10% entirely free of charge and considered as preferred stock.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• This has already been discussed in the Announcement.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• This has already been discussed in the Announcement.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• There is no material benefit in tabulating all the previous drilling for which only Niton results are available but are not able to be reported because of insufficient QA/QC calibration at this time. • Hole TD028 (the only hole where there are reportable assays) was at RL 290 (about 20m above the plain), Azmuth 85, 257233E, 1716135N, TD 51.15m.

Criteria	JORC Code explanation	Commentary
	○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• For the assays averaged in hole TD028 a weighted average calculation was used. No cut off was used and no internal waste is included. • For the averages quoted for the surface sampling for POSCO and Transatlantic Mining Corp. a simple numerical average calculation was used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The true width, structure, depth extent (particularly of the high grade black oxide) and the continuity of grade and mineralogy is presently not known reliably. • The upper 20m of manganese oxide reported down hole TD028 would extend close to the level of the plain with an estimated true width of around 15-18m based on the available data. The underlying MnO grade is lower. The bottom 10 metres from 41-51m averaged 31% MnO based on only 6 samples assayed. Coulor changes suggest a transition into carbonate.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The diagrams used are adequate for the context of the results reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be*	• The reporting of results are adequate to give a balanced view. .

Criteria	JORC Code explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There are some preliminary bulk sample results from a recent 250 tonne shipment of stockpile on which the Company awaits the assay certification. These present no material concern, and if confirmed are encouraging with respect to a marketable product.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work proposed includes drilling of a grid 80 x 40 metres within the area of the Takavasita hills to create a JORC compliant resource.

Annexure B

Geologist's Report by Waverley Resource Consultants Pty Ltd

Setting out details of the geology in relation to the Ansongo Project

WAVERLEY RESOURCE CONSULTANTS PTY LTD
371 Waverley Rd, Malvern East, Victoria, Australia 3145
ACN 110 793 578
(03) 9872 3717
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Independent Geologist's Report

Monday, 15 May 2014

The Directors
Callabonna Resources Limited
Level 17, 530 Collins Street
Melbourne VIC 3000

Dear Sirs

Independent Geologist's Report

Waverley Resource Consultants Pty Ltd (WRC) was commissioned by Callabonna Resources Limited (Callabonna) to provide an Independent Geologist's Report (the Report) on the Ansongo manganese occurrence in Mali, West Africa in which Callabonna has, or has the rights to, an interest.

WRC has based this review of Callabonna's mineral property interests on information provided by Callabonna, technical reports and data provided by the vendor's consultants and other relevant published and unpublished data. A reference list of the principal sources of information is included.

WRC has not been requested to provide an Independent Valuation, nor asked to comment on the Fairness or Reasonableness of any vendor considerations, and has therefore not offered any opinion on these matters.

The legal status of the Ansongo mineral property and agreements associated with its tenure is the subject of a separate report on tenements, and these matters have not been independently verified by the author. Reference to tenements in this Report is based on information provided by Callabonna.

The Report has been prepared in accordance with the Code and Guidelines for Assessment and Technical Valuation of Mineral and Petroleum Assets and Mineral Securities for Independent Expert Reports ("The VALMIN Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM).

The mineral property in which Callabonna has an interest represents an Exploration Area as defined in the VALMIN Code, and is therefore inherently speculative in nature. The property is nevertheless considered to be sufficiently prospective, subject to varying degrees of technical and exploration risk, to justify further investigation of its economic potential.

This Independent Geologist's Report was compiled by Neil Clifford, Director and Principal Consultant with WRC, who is a geologist with more than 40 years experience in international exploration and evaluation of mineral properties, and who has experience in West Africa, including Mali. The region in which the Ansongo mineral property lies has been one of instability following the displacement of the Malian President by a coup in 2012. While the situation is reportedly improving, a visit to site was deemed to be impracticable on security grounds, and no site visit has been made prior to the

preparation of this report. However as the assessment of potential is based largely on several independent reports on work completed, and there is no field activity currently in progress, it is considered that the lack of a visit has not been a significant impediment to this assessment.

Neil Clifford is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the qualifications, experience, competence and independence relevant to the style of mineralisation and type of deposit described in the report, to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

The Independent Geologist's Report has been prepared from information available up to and including May 9, 2014.

WRC and Neil Clifford have given consent for the inclusion of the Report in Callabonna's notices to shareholders in the form and context in which it appears and have not withdrawn that consent.

All information conveyed to the author by Callabonna was warranted to be complete, accurate and true, to the best of its knowledge and understanding; and WRC claims indemnity from Callabonna against any liability which arises from reliance on information provided by Callabonna or due to Callabonna not providing material information or otherwise. This indemnity will cover any damages, losses and liabilities related to or arising out of our engagement, including any consequential extension of workload through queries, or public hearings arising from the report, other than those arising from bad faith, negligence or unlawful acts on the part of WRC. The author has no previous or present interest in Callabonna's mineral properties mentioned in this report or in Callabonna itself. The author's relationship with Callabonna is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent upon the content of the report.

Yours faithfully

.....
Neil Clifford B.Sc (Hons), M.Sc (London), DIC, MAusIMM.

for

Waverley Resource Consultants Pty Ltd.

Summary

Callabonna Resources Limited (Callabonna) has entered into an agreement, subject to shareholder approval, with Tassiga Limited (a private company incorporated in Seychelles) providing Callabonna with an interest in a Mining Permit at a locality known as Ansongo in eastern Mali. The Permit contains a number of occurrences of manganese minerals. The agreement provides Callabonna with an effective 2.113% interest in the Permit and additionally provides Callabonna with the right (but not the obligation) to earn a further 10% interest (taking Callabonna's effective interest in the Permit to 12.113%) by spending A$3.5 million on exploration and evaluation activities on the Permit which it will aim to do within 3 years.

The Ansongo Permit is held under an Exploitation Permit granted for 30 years from July 2011. The Malian Government has the right to a 10% interest. This right has not as yet been exercised.

The project is located approx. 1300 km by sealed road from the nearest port facilities at Lomé in the country of Togo.

The agreement provides that Callabonna will be the project manager.

The manganese occurrences at Ansongo have been subjected to several phases of exploration and evaluation by different interested parties for over 100 years. Reports on much of this work, and details of the programmes prior to 2010, are largely unavailable. Several of these studies included tonnage and manganese grade estimates but there is insufficient information on the procedures for deriving these estimates for them to be reported as compliant resource estimates or as exploration targets.

In 2010 evaluation activities were commenced by parties associated with the current Permit holder. This work included:

- Sampling of surface manganiferous rocks
- Sampling of an 87 metre long adit
- Excavation of 5 trenches to test for extensions under sand cover to the north.
- Completion of 46 diamond drillholes.

The sampling, assaying, and reporting procedures relating to this work were not of a standard that would enable the results to be included in a compliant resource estimate. However, limited confirmatory work done has been sufficient to indicate that the Ansongo permit has potential to host substantial quantities of manganese mineralisation, some of it high grade.

The drilling and adit sampling programmes suggest that high grade manganese grades are not confined to a thin near surface carapace. The adit sampling indicated high grade manganese

mineralisation in two thick zones totalling 55 metres horizontally (47 metres true width), one zone being 31 metres and the other 16 metres true width.

Drilling has indicated that high manganese grades may not extend far below the level of the plains. However the top half of the largest hill (Hill D), where most of the work to date has been conducted, remains completely untested by drilling.

The Malian government was toppled by a coup in March 2012. The post-coup chaos led to rebels expelling the Malian military from the northern regions of the country, including the Ansongo area. An international military intervention led by France to retake the three northern regions began in January 2013 and within a month most of the north had been retaken. In a democratic presidential election conducted in July and August of 2013, Ibrahim Boubacar KEITA was elected and remains as president.

Mali has a long history of mining, a modern Mining Act, and a well developed mining industry. Many international resources companies were active in mineral exploration in the country until the rebellion in 2012 when much of the activity temporarily ceased. Activity has been slowly increasing with the improving security situation over the past 12 months.

An exploration and evaluation programme aimed at confirming previous work and delineating the extent and quality of the high-grade manganese zones is justified.

Manganiferous hills at Takavasita Prospect, Ansongo Permit.

Contents

Background

Callabonna has entered into an agreement with Tassiga Limited (a private company incorporated in Seychelles) providing Callabonna with an interest in a Mining Permit (PE 2011/15) in Mali. The Permit covers 212 km^2 and contains a number of occurrences of manganese minerals which have been the subject of several independent studies and reviews. The agreement provides Callabonna with a 2.113% interest in the Permit and additionally provides Callabonna with the right (but not the obligation) to earn a further 10% interest (taking Callabonna's interest in the Permit to 12.113%) by spending A$3.5 million on exploration and evaluation activities on the Permit which Callabonna will aim to spend within 3 years.

Callabonna's interest will be held via a shareholding in Ansongo Limited, as illustrated in Figure 1. The agreement provides that Callabonna will be the project manager.

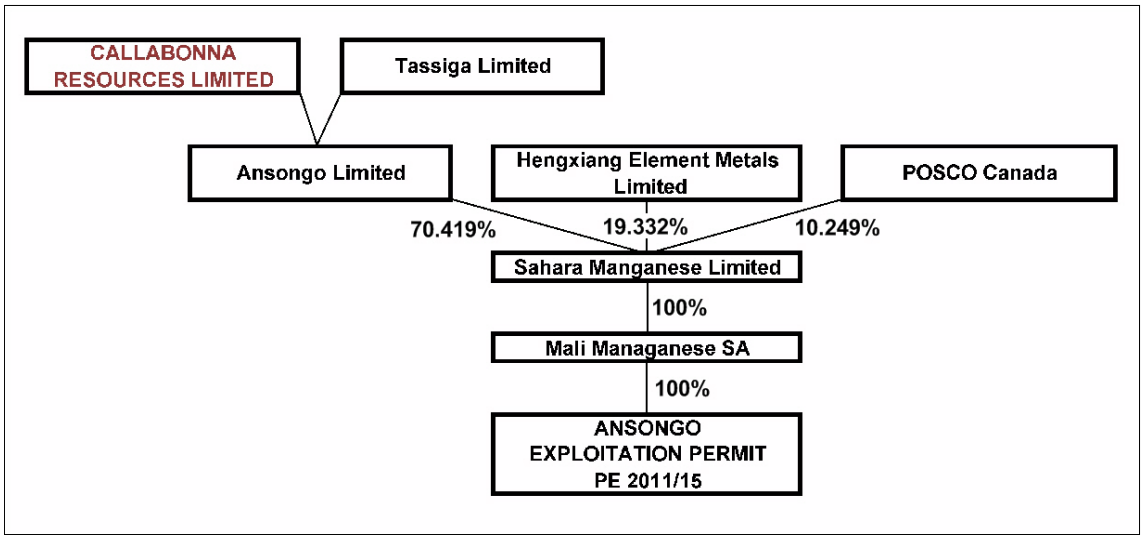


Figure 1

The purpose of this Independent Geologist's Report is to provide an independent overview and assessment of the asset in question.

Project Review

Project History.

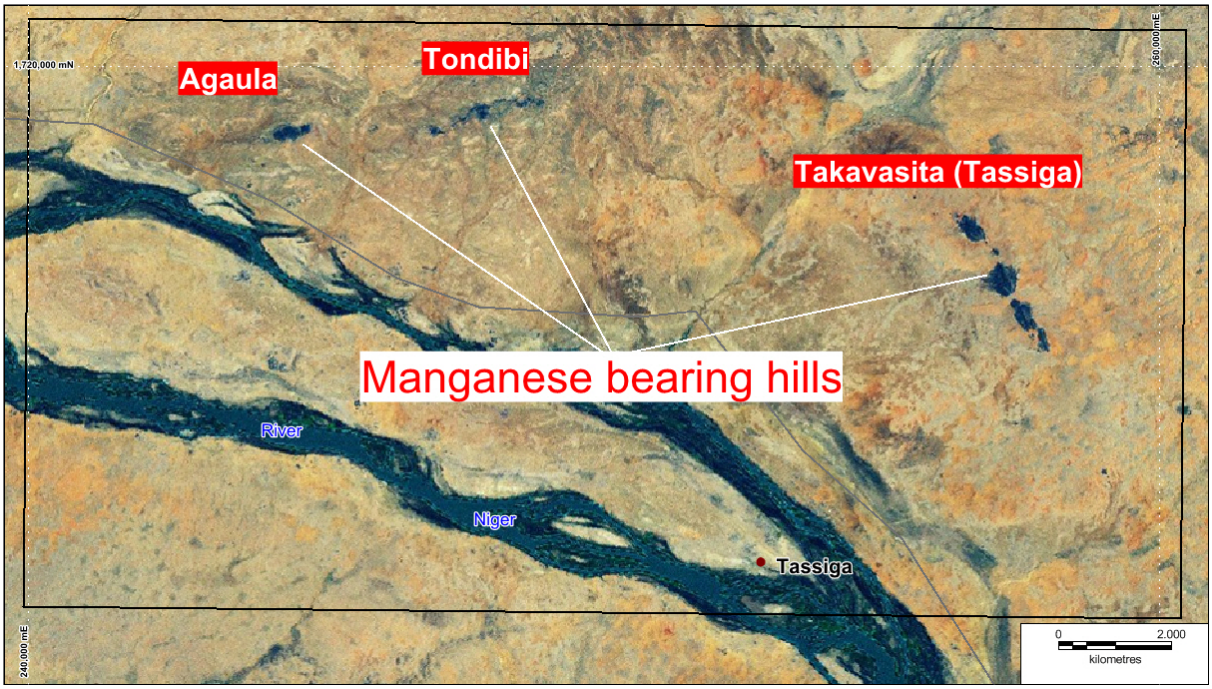


Figure 2: The Ansongo Permit showing location of the 3 clusters of black manganiferous hills.

The existence of manganese at Ansongo has long been known. The Mineral Corporation (TMC) (2010) reports that the mineralisation was first reported in 1907, with further reconnaissance work carried out in 1925, 1927 and 1932, although details of this work are not available.

More detailed work was carried out during the 1950s with the l'Oliver Iron Mining Company in 1951 reviewing geology and mineralisation and providing a tonnage estimate.

In 1952 and 1954 a programme of trenching and the excavation of numerous adits spaced about 100m apart and 50m in length along the strike length of the Takavasita deposit was carried out. It is reported that 3 diamond drillholes were drilled, but no records or signs of the drilling remain. A programme of re-sampling of the adits was reportedly carried out in 1959, but results of this are not available.

In 1977 and 1978 BRGM (French Geological Survey) carried out field work and provided tonnage estimates of manganese at Ansongo.

In 2010 a bulk sample was excavated by back-hoe and sent for analysis. Details of sampling & assaying procedures have not been made available.

In 2010, a field inspection was made and a detailed report prepared by The Mineral Corporation (TMC), a South African consultancy, at the request of the Pohang Iron and Steel Company (POSCO), a large Korean industrial company. TMC reported the collection of 22 samples from stockpiles of bulk samples from trenches on Hill D in the Permit area, and reported high manganese grades, but no details of location, laboratory, sample or assay procedures are available. POSCO subsequently acquired an interest in the project and currently holds an effective interest of 10.249% in the Permit.

Mali Manganese S.A. (MMSA) commenced evaluation activities in 2010 under the supervision of UK based geological consultant M Allen. This work comprised:

- Grab sampling of surface manganiferous rocks
- Rock chip sampling of an 87 metre long adit into the Takavasita prospect
- Mechanical excavation of 5 trenches to test for extension of the Takavasita mineralisation under sand cover to the north.
- Completion of 46 diamond drillholes into Takavasita.

Callabonna Resources Limited commenced the evaluation of data relating to the project in 2013.

In 2014 Coffey Mining Limited conducted a brief programme of validation surface rock sampling on the Takavasita and Agaula occurrences within the Permit.

Location

The Ansongo Permit is located 1000 km eastnortheast of the Malian capital of Bamako, about 800 km by road from Ouagadougou, the capital of Burkina Faso, and 300 km by road from Niamey, the capital of Niger. Refer Figure 4 for location.

The area is 120 km southeast of the regional capital of Gao and 35 km to the east of the town of Ansongo.

The project area is readily accessible by paved roads. There is no local power grid. The closest port facility is located approximately 1,300 km by paved road at the port of Lomé in Togo.

The climate is typical sub-Saharan with a long, hot dry season and a rainy season from July to September. Annual rainfall is 250 to 350 mm. The terrain is flat to gently undulating and vegetation sparse.

Figure 4: Regional location

Tenure

The Ansongo Permit, the subject of this report, was initially granted in 2008 as an exploration permit to Metal Mass Pty Ltd.

By government decree 2011/441 dated July 15, 2011 an Exploitation Permit for manganese and other Group 2 minerals (defined under the Mali Mining Act as covering all minerals except precious

metals and quarry minerals) over the same area was granted to Metal Mass Pty Ltd, current for 30 years.

On December 20, 2012 the Permit was transferred to Mali Manganese S.A.

Following a military coup in Mali in March 2012, regular field activities on the permit were suspended due to uncertainties concerning personnel security, and a notice advising Force Majeure and destruction of on-site equipment was delivered by the Permit holder to the Mali Government. The Force Majeure notice remains current at the date of this report.

Under the Malian Mining Act, the Malian Government has the right to a 10% interest. This right has not as yet been exercised. If the government exercises this right Callabonna's effective interest will reduce proportionately.

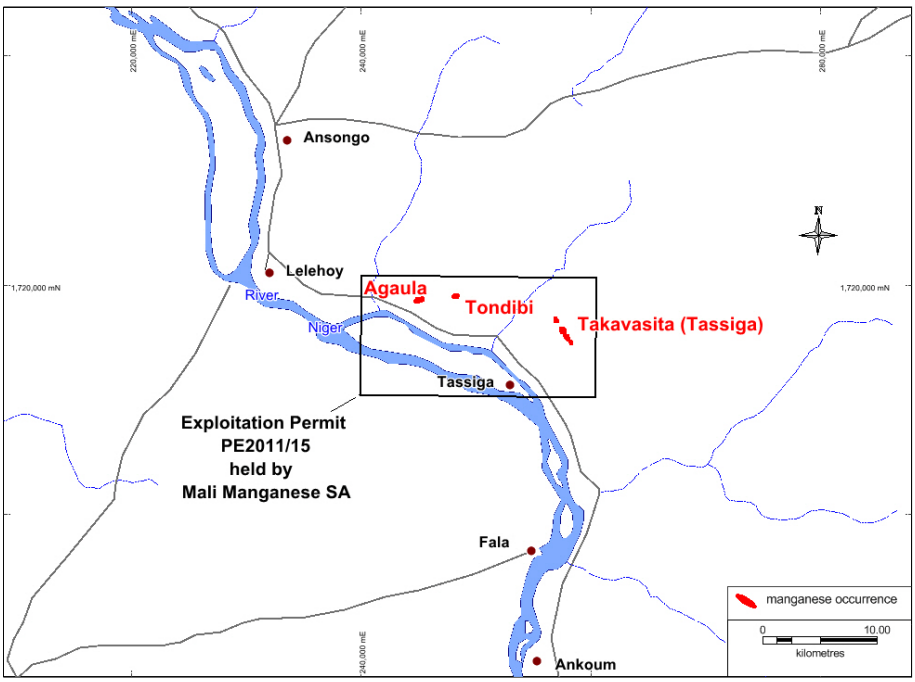


Figure 5: Ansongo Permit setting

Geological Setting

Ansongo is located within Birrimian (Lower Proterozoic) age rocks on the northeastern margin of the West African Man Shield.

Within the Ansongo Permit a number of lensoidal ridges crop out with a relief of approximately 100m above the desert plain. These hills have a black shiny manganiferous surface cover, clearly evident in satellite imagery.

The manganiferous hills occur in 3 clusters known as Takavasita (or Tassiga in some reports), Tondibi, and Agaula. See Figure 2. Almost all the historic work has focussed on Takavasita.

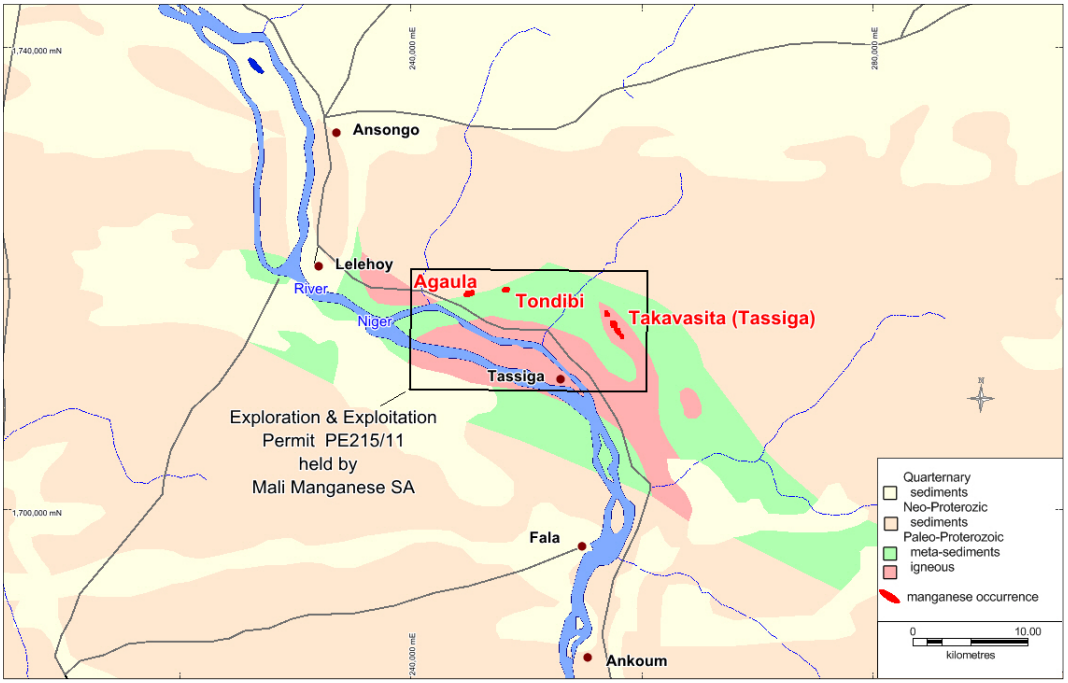


Figure 6: Local geology. (Modified from BRGM SigAfrique)

TMC (2010) describes the Takavasita deposit as consisting of a series of eight lenses, ranging from 50 to 125m in relief, oriented approximately NW-SE along a strike length of about 3.2 km. Beneath the shiny black surface covering is well foliated manganiferous schist with marked foliation dipping sub-vertically at 75° to 80° to the SW.

Diamond drilling conducted by Mali Manganese SA in 2011 demonstrated that the black manganiferous material changes at depth to a white quartz carbonate breccia typically containing 20% to 30% manganese as manganese carbonate. The black manganese deposits are therefore believed to have been derived by near surface weathering processes from an original manganese carbonate rich rock unit.

Approximately 100 kilometres to the southwest of the Ansongo Permit is the high grade manganese deposit of Tambao, recently awarded by the government of Burkina Faso to Pan African Minerals for development

Previous Work

Records of work done on the project prior to 2010 are very incomplete and details of sampling and assaying procedures are largely unknown.

The field exploration work of Mali Manganese S.A. from 2010 to 2011 is documented in reports by consulting geologist M Allen (2011, 2012a, 2012b) who supervised the work. The following description is based on these reports and on personal communications with M Allen.

Work commenced in 2010 with a grab sampling program on the 3 main manganiferous zones: Takavasita, Agaula and Tondibi. Results of this work led to the decision to concentrate evaluation

activities on the Takavasita zone, although details of this sampling programme have not been sighted.

The Takavasita zone consists of eight prominent dark hills (designated A to H – see figure 8) ranging in elevation from 30 to 80 metres above the surrounding desert plain and extending over a strike length of 3 kilometres. The manganiferous hill at Agaula extends over a strike length of about 700 metres with relief up to 80 metres above the desert plain, and the string of manganiferous hills at Tondibi extend over about 2 kilometres with relief of about 15 metres. The manganese occurrence at Agaula is described by TMC (2010) as being very different from the other two prospects in that it contains abundant quartz veining.

Mali Manganese S.A. in 2010 commissioned a Malian survey company to produce an accurate topographical map by differential GPS surveying of the Takavasita prospect. Then an historic 87 metre long adit, known as the Western Adit, was sampled by continuous chip sampling. A programme of diamond drilling comprising 46 holes, carried out in two phases in 2011, was completed at Takavasita.

Adit sampling:

The Western Adit extends 87 metres into Hill D at Takavasita, slightly obliquely to the strike of the hills, and for a true width (at right angles to the strike) of approximately 75 metres. The adit was sampled by Mali Manganese S.A. along its entire length by continuous chip sampling along one wall at a height of 30 cm above the adit floor. Samples from each metre were separately bagged and transported to Ouagadougou to be assayed by portable Niton XRF, as described under Sampling and Assaying Procedures below.

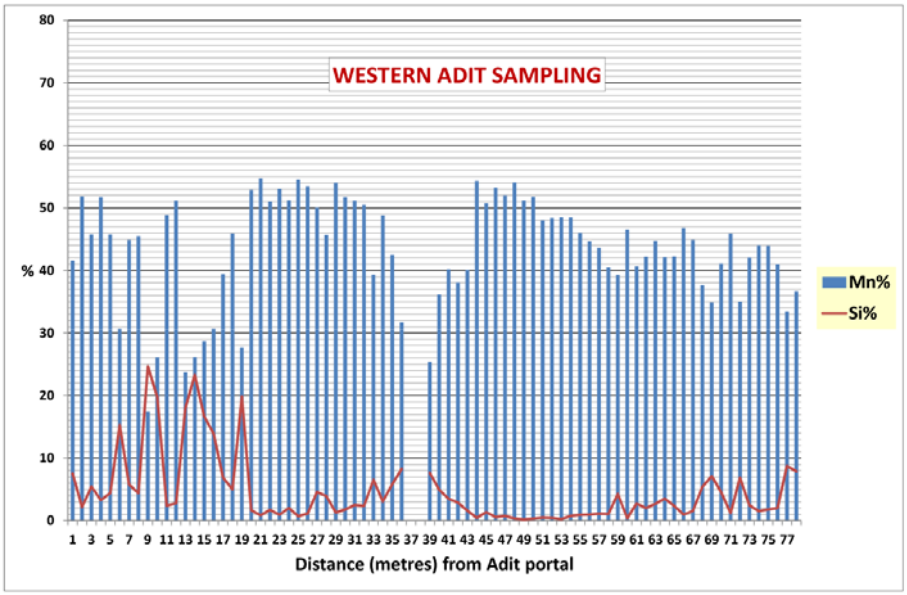


Figure 7: Manganese & silicon levels in the Western Adit (determined by Niton portable XRF)

The reported average percentage values for manganese, iron, silicon, phosphorous and aluminium, respectively, over the full 87 metre length of the adit, were 42.9% manganese, 3.1% iron, 5.0% silicon, 0.16% phosphorous and 5.7% aluminium (Allen 2011). Included within this are two high grade zones:

- 19 metres averaging 48.8% manganese from 23 to 42 metres from the adit entrance (true width 16 metres)
- 36 metres averaging 45.0% manganese from 46 to 85 metres (true width 31 metres).

Drilling Programme:

In total 3,471 metres of diamond drilling was completed in 46 holes. Hole length varied up to 157 metres, and averaged 75 metres. Twenty-two of the holes were drilled in 5 fan patterns into Hill D. At each of four of these sites (Fans 2, 3, 4, 5) 4 holes were drilled from approximately the same collar location at inclinations of 90°, 75°, 60°, and 45°. At Fan 1 holes were drilled at inclinations of 90° and 60°. (For locations see Figure 8).

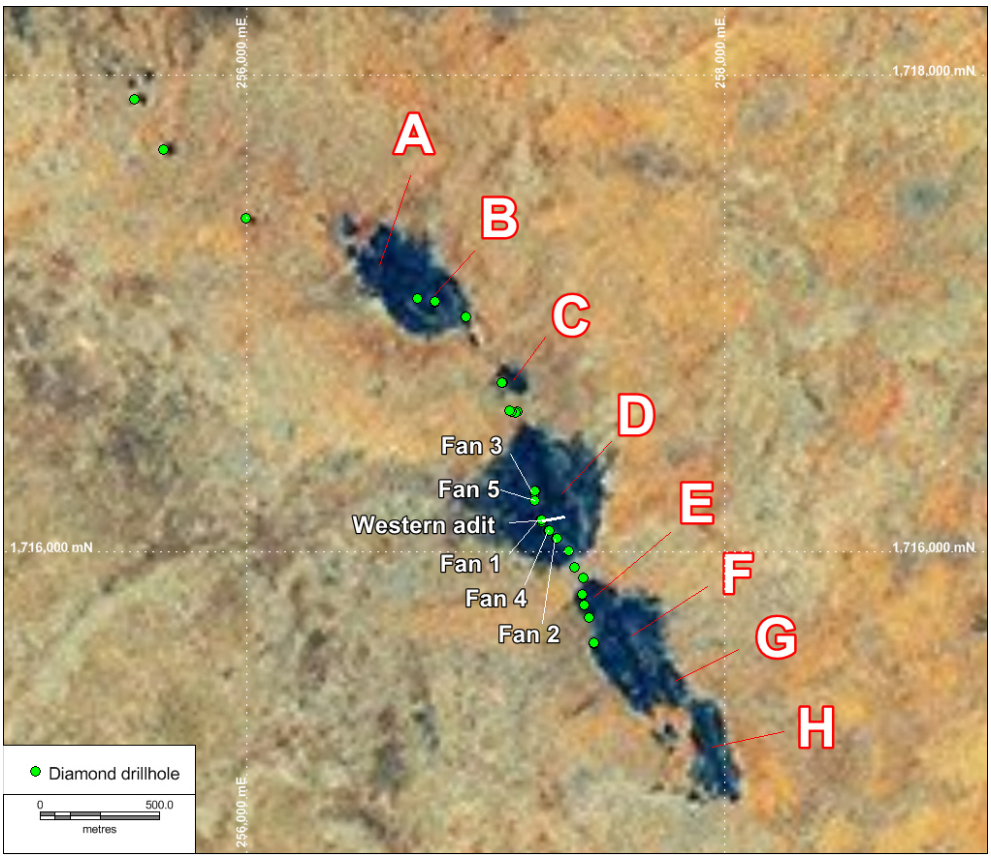
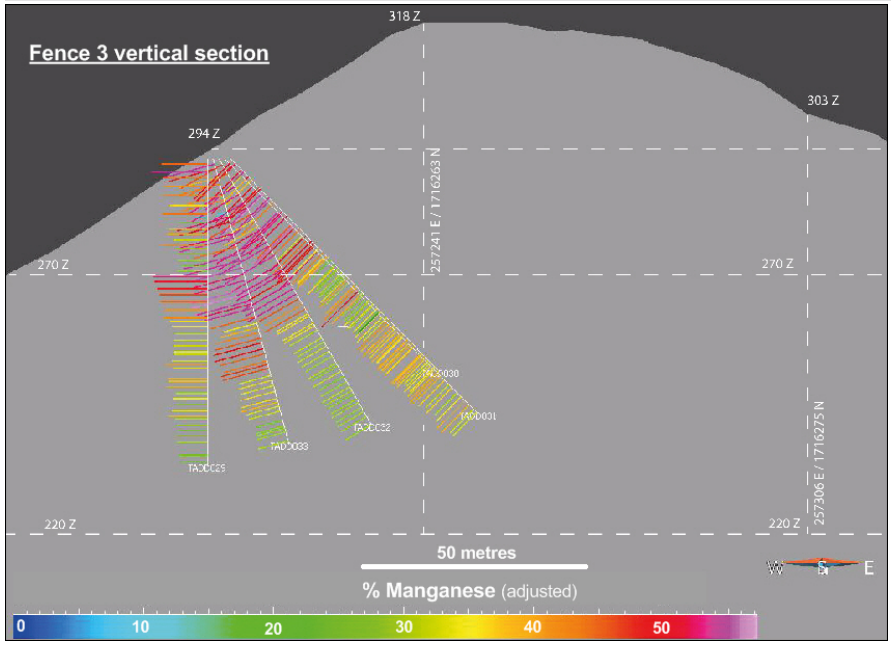


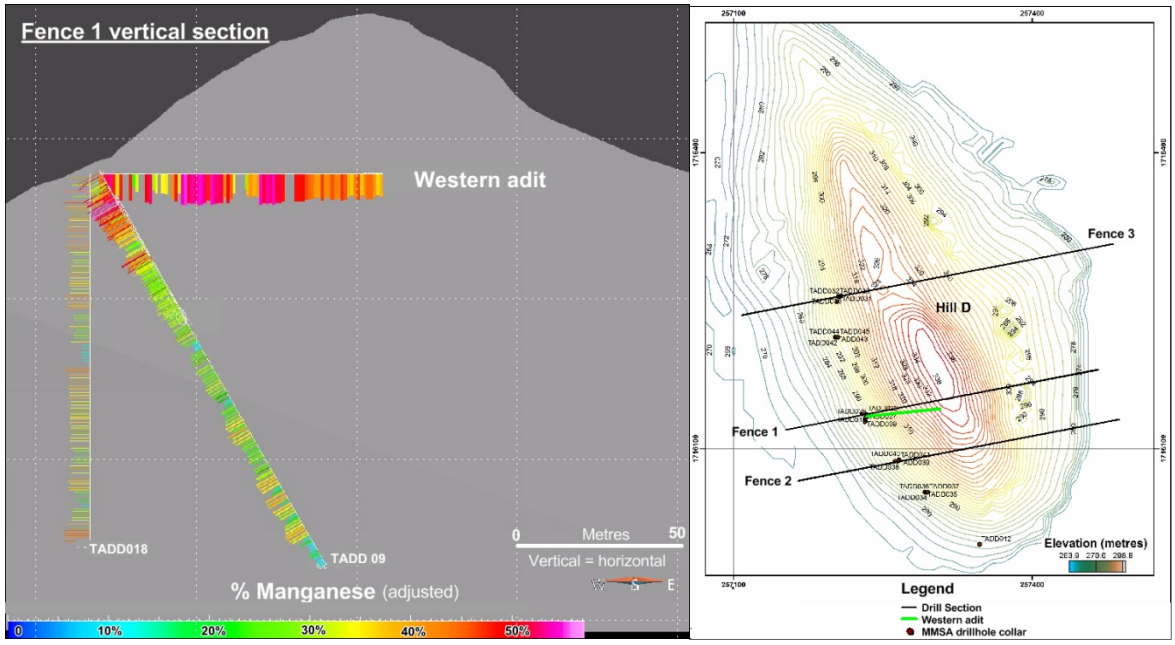
Figure 8: Location of diamond drill holes as Takavasita Prospect.

In addition

- three shallow holes were drilled into small manganiferous outcrops north of Hill A to a maximum depth of 26 metres, with the objective of establishing the horizontal extent of mineralisation to the north
- three holes were drilled into Hill B to a maximum vertical depth of 157 metres, with the object of determining the vertical extent of high grade manganese
- two holes were drilled adjacent to Hill C, to a depth of 108 metres,
- five holes were drilled between Hills C and D to a depth of 109 metres
- 11 holes were drilled on and between hills D, E and F as shown in Figure 8.

All holes were commenced with HQ (63.5mm) diameter core, and reduced to NQ (47.6mm) diameter if necessary due to loss of drilling fluid circulation.





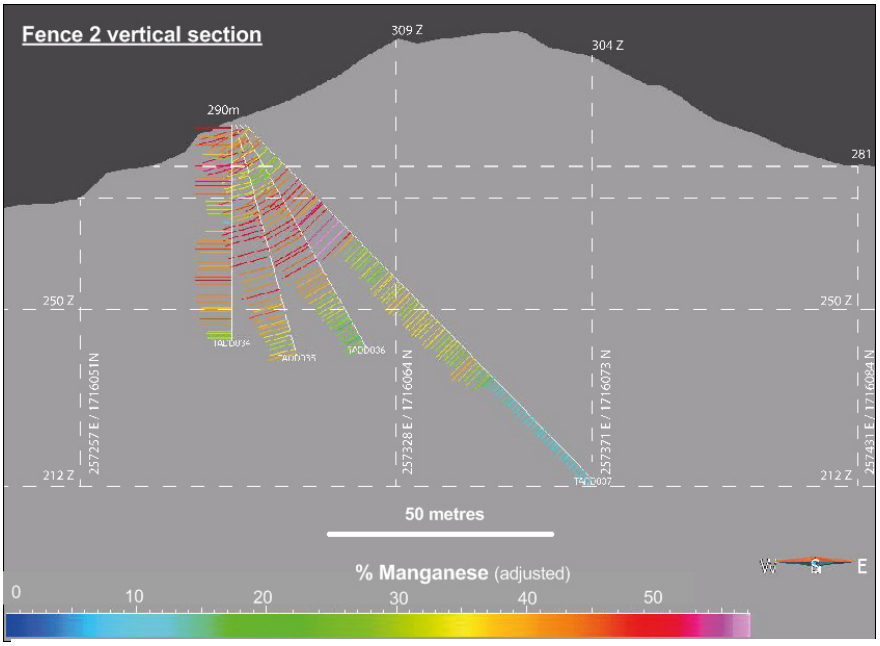


Figure 9: Drill Fences (Fans) 1 2 & 3

Sampling and assaying procedures.

Due to difficulties in obtaining core cutting equipment, the drill-core was sampled in an unconventional manner. An approx. 1.5 cm length piece of core was selected every 10 cm for each 1 to 1.5 metre length of core along the entire length of each hole. Each sample representing 1 to 1.5 metres was transported to Mali Manganese S.A.'s in-house laboratory in Ouagadougou (Burkina Faso), crushed by hand and pulverised by electrical ring mill to a fine powder, and reduced to a 50 gram assay sample. The assay sample was pressed by hydraulic press into a 2 cm proprietary Niton sample pot to form pressed pellets for assay.

Assaying was carried out by Mali Manganese S.A. using a portable X-Ray Fluorescence analyser (Niton model XL3t) mounted in a frame supplied by Niton. Reported QA/QC procedures involved standard Niton calibration each morning, assaying NIST (National Institute of Standards & Technology) standard reference material morning and night, and assaying chemical grade potassium permanganate periodically through the day to check for drift. The results of these QA/QC procedures have not been sighted.

Callabonna in 2013 performed umpire analyses on one drillhole, TADD 28, involving 30 samples. Thirty of the Mali Manganese S.A. pressed assay pellets were sent for analysis to ALS Laboratories in Bamako where 60 elements were analysed; the major elements, including manganese, by XRF and the minor elements by ICP. The comparative results for MnO (manganese oxide) are presented in Figure 10. If one outlier clearly in error is removed, the remaining 29 determinations correlate very well between the commercial laboratory determination and the Niton portable XRF analyser, but have a significant bias, fortunately most pronounced at lower manganese grades. In this small data set, for MnO levels above 40% in the Niton readings, the Niton determinations average 3.4% higher than the laboratory determinations. However for MnO values below 40%, the Niton values overstate the grade on average by 22% relative to the laboratory determinations.

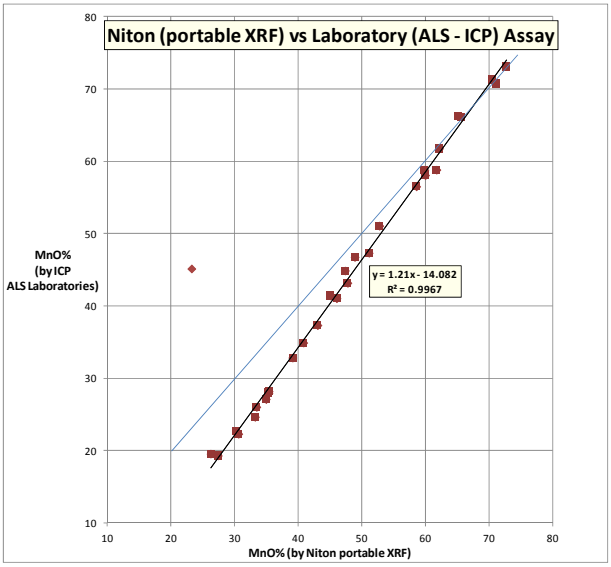


Figure 10: Comparison Niton XRF Analyser against ALS Laboratories determination

While the data set is small, it is concluded from this that the Niton XRF readings are useful in providing manganese values at a semi-quantitative level, particularly at high manganese grades.

The umpire assaying by ALS for Callabonna is a check only on the accuracy and precision of the analytical technique. It has not addressed the reliability of the sampling procedure which would require re-sampling from the drill core. However the drill core has unfortunately been destroyed. The core sampling procedure employed by Mali Manganese S.A. of sampling one piece every 10 cm

has resulted in only about 15% of the drill core being subjected to assay. Subjecting 50% to assay is usual. In addition, the manual sampling procedure is subject to the possibility of bias in sample selection.

It is concluded that the Niton assay results of Mali Manganese S.A. are therefore commensurate in terms of precision and accuracy with the semi-quantitative sampling procedures employed in preparing the samples.

The 30 samples sent for umpire analysis were analysed for a suite of elements. Table 1 shows key elements present in all samples returning greater than 30% manganese. The results demonstrate that, relative to commercial manganese ores, in these samples iron content is low, alumina is moderate to high, silica is moderate to high but low in the higher grade manganese samples, phosphorous levels are generally low, while base metal levels, particularly nickel are high.

Analysis: Sample	Mn %	Fe %	Al2O3 %	SiO2 %	P %	Cu ppm	Ni ppm	Zn ppm
MC007	56.6	1.27	3.4	1.44	0.19	131	398	160
MC008	55.2	1.71	4.0	0.83	0.11	53	772	230
MC002	54.8	0.98	2.8	1.55	0.07	68	1330	400
MC001	51.3	1.39	4.7	6.53	0.06	121	1060	270
MC010	51.2	3.23	5.9	2.78	0.06			
MC017	47.9	2.30	7.8	4.2	0.06	43	721	220
MC011	45.6	3.51	8.9	5.6	0.06	123	1700	540
MC019	45.6	2.14	6.2	11.86	0.04	96	1240	220
MC013	45.0	3.70	7.9	5.55	0.07	161	1930	130
MC012	43.8	3.74	9.1	6.91	0.06	133	2160	340
MC006	39.6	3.44	14.3	7.67	0.13	171	410	210
MC015	36.7	4.00	12.4	16.53	0.04	156	514	130
MC018	36.2	2.62	4.2	29.24	0.04	62	647	260
MC027	35.0	3.40	11.8	24.02	0.21	301	740	240
MC005	34.8	3.30	13.8	15.41	0.08	106	452	110
MC016	33.5	3.59	15.1	20	0.04	157	575	180
MC004	32.1	3.98	13.0	19.79	0.07	208	655	220
MC009	31.8	2.90	17.2	16.41	0.05	91	333	100

Table 1: Key element determinations on high manganese samples from Drillhole TADD 28 determined by ALS Laboratories. Major elements by XRF, trace elements by ICP.

Trenching.

Five trenches (measuring 58 metres, 60 metres, 34 metres, 25 metres, and 24 metres, respectively) were reported (Allen, 2011) to have been excavated by Mali Manganese S.A. at right angles to the strike in the area to the northwest of Hill A at Takavasita by mechanical excavator. The objective was to determine whether manganese mineralisation continues under sand cover to the north of the northernmost outcrop. The trenching was reported to expose black manganese oxides at depths of between one to two metres below the surface. (Allen 2011).

No assay or precise location information on the trenching has been reported by Mali Manganese S.A., and little weight can be attached to the reported results of the trenching other than to infer that there appears to be potential for manganese material extending to the northwest from Takavasita. However it is not clear whether the manganese material reported is in situ or transported scree from the nearby Takavasita hills.

Surface Validation Sampling Programme 2014

Coffey Mining Pty Ltd was engaged in January 2014 by Transatlantic Mining Corp to carry out a short surface sampling programme at Ansongo. The stated primary purpose was to confirm historically reported manganese grades and to confirm deleterious and trace element contents of the manganese mineralisation. Randomly selected grab samples (18) were collected over Hill D (for sample location refer Figure 11) and two samples collected from the western hill at Agaula. Samples of 0.15 to 0.3kg weight were broken by rock pick from random single point outcrop sampling. (Mazzoni 2014). The samples were dispatched to the ALS Laboratory in Bamako for whole rock analysis of major elements (by ICP-AES) and analysis of 51 trace elements following aqua regia digestion (by ICP-MS).

Almost half of the samples (nine) contained greater than 40% manganese and averaged 44.5 % Mn, 2.4 % Fe, 6.0 % SiO_2, 7.9% Al_2O_3 and 0.14% P.

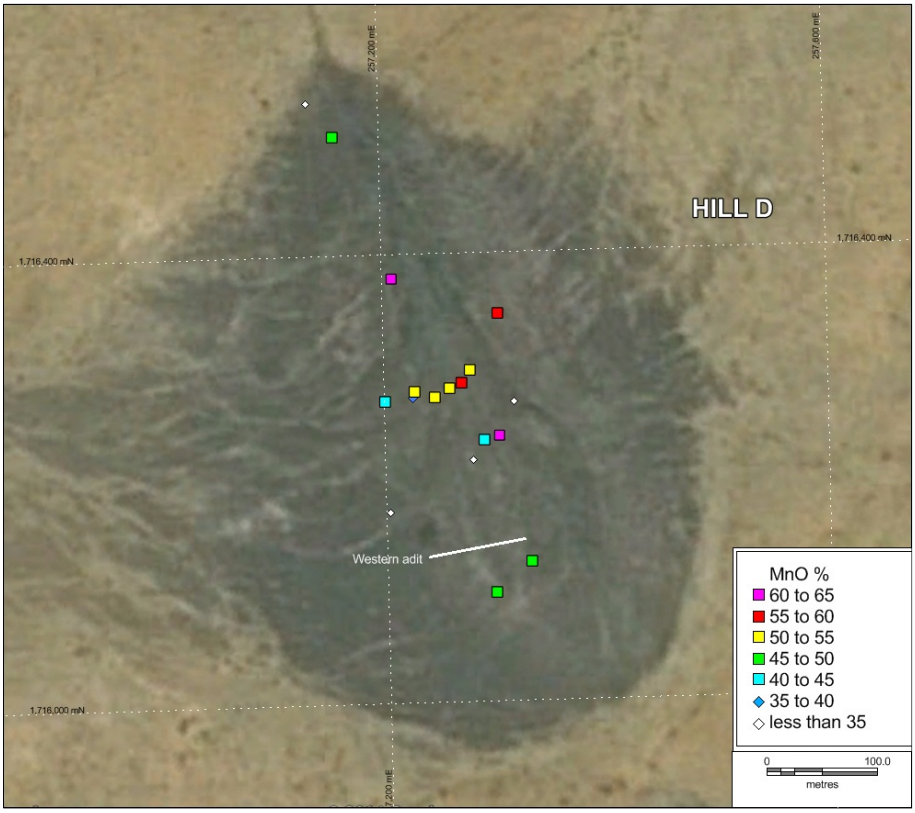


Figure 11: Location and grade range of surface samples collected by Coffey Mining 2014

It was concluded that the grab sampling completed by Coffey Mining confirmed the historical recognition of high grade manganese oxide mineralisation within the Ansongo permit. The results also confirm historical observations that the mineralisation contains elevated levels of P (phosphorous), SiO_2 (silica) and Al_2O_3 (alumina). The results also demonstrated that while sulphides have been noted in unoxidised lithologies, the sulphur content of the manganese oxide mineralisation is low.

In interpreting these results it needs to be borne in mind that the sample weights were very small and therefore no conclusions as to representivity can be made. In addition, the high manganese grades throughout the Ansongo area are the result of the concentration of manganese by near

surface weathering processes from lower levels of manganese in the primary rock, and therefore values of manganese and other elements at surface are not necessarily reflective of values elsewhere in the weathering profile.

Results reported on selected key elements are as follows:

Analysis: Sample	Mn %	Fe %	Al2O3 %	SiO2 %	P %	Ni ppm	Co ppm	Cu ppm	Zn ppm
WPT27	18.1	3.4	15.3	43.9	0.04	455	343	136	41
WPT28	35.0	3.6	12.8	13.0	0.10	1,210	1,190	98	246
WPT29	49.5	1.4	4.9	4.2	0.16	1,000	412	190	238
WPT30	27.6	2.7	10.4	34.5	0.10	392	1,005	190	114
WPT31	40.5	2.3	12.3	7.4	0.12	810	499	202	253
WPT32	40.6	2.6	11.3	8.5	0.12	2,090	248	153	180
WPT33	42.5	2.4	8.9	8.7	0.10	3,040	354	209	234
WPT34	43.2	3.6	8.0	4.9	0.15	1,575	453	182	322
WPT35	39.7	2.7	12.7	9.1	0.12	890	126	64	124
WPT36	43.8	2.8	6.4	5.0	0.16	915	617	286	461
WPT37	24.1	3.7	20.0	22.3	0.06	277	121	125	92
WPT38	51.0	1.5	3.8	2.6	0.16	634	215	125	172
WPT39	31.8	4.3	15.3	14.5	0.10	1,120	239	151	156
WPT40	20.4	3.6	14.4	42.6	0.07	733	101	55	71
WPT41	37.8	2.2	13.0	10.6	0.11	1,250	510	142	173
WPT42	37.3	2.9	11.7	10.3	0.08	1,650	217	101	85
WPT43	25.2	3.7	10.2	39.8	0.07	392	513	176	239
WPT44	49.5	1.8	2.7	3.9	0.17	595	410	251	325
WPT48	34.7	3.4	13.6	12.0	0.10	852	763	269	112
WPT50	19.1	4.9	14.2	42.9	0.04	256	418	189	70

Table 2: Assay results on surface grab samples collected by Coffey Mining in January 2014.

Discussion & Conclusions.

Although exploration and evaluation activities have taken place on the Ansongo manganese occurrences in a number of campaigns over c. 100 years, and several tonnage estimates have been quoted in historical reports, the sampling, assaying and reporting procedures employed are not of a standard that would meet the requirements of the JORC code for the reporting of mineral resources.

However from the results of sampling activities since 2010 it is possible to make some semi-quantitative generalisations of a geological nature.

Diamond drilling has demonstrated that high grades of manganese (+ approx. 40% manganese) occur, perhaps intermittently, over a strike length in excess of 2 kilometres in the Takavasita hills.

Sampling of the Western Adit has demonstrated that high manganese grades occur at a depth of at least 40 metres below the present land surfaces, suggesting that the high manganese values obtained in surface grab samples do not simply reflect a thin surficial manganese enriched carapace. The sampling of the Western Adit, has indicated high grade manganese mineralisation in two thick zones totalling 55 metres horizontally (47 metres true width), one zone being 31 metres and the other 16 metres true width.

Drilling has indicated that high manganese grades appear not to extend significantly below the elevation of the base of the Takavasita hills. However the top half of Hill D, above the level of the adit, remains completely untested by drilling.

It is concluded that a drilling programme to systematically delineate the higher grade manganese zones and to model the distribution of impurities at Ansongo is justified by results of activities to date.

Appendix 1.

Mali Country Information

Recent History:

Mali became independent of France in 1960. Rule by dictatorship was brought to a close in 1991 by a military coup that ushered in a period of democratic rule. Malian returnees from Libya in 2011 exacerbated tensions in northern Mali, and Tuareg ethnic militias started a rebellion in January 2012. Low- and mid-level soldiers, frustrated with the poor handling of the rebellion overthrew democratically elected President Toure on 22 March, 2012. Intensive mediation efforts led by the Economic Community of West African States (ECOWAS) returned power to a civilian administration in April with the appointment of interim President Traore. The post-coup chaos led to rebels expelling the Malian military from the three northern regions of the country and allowed Islamic militants to set up strongholds. An international military intervention led by France to retake the three northern regions began in January 2013 and within a month most of the north had been retaken. In a democratic presidential election conducted in July and August of 2013, Ibrahim Boubacar KEITA was elected president in the second round, and remains as president.

Economy:

Among the 25 poorest countries in the world, Mali is a landlocked country that depends on gold mining and agricultural exports for revenue. Economic activity is largely confined to the riverine area irrigated by the Niger River and about 65% of its land area is desert or semi-desert. About 10% of the population is nomadic and about 80% of the labour force is engaged in farming and fishing. Mali remains dependent on foreign aid. The country's fiscal status fluctuates with gold and agricultural commodity prices and the harvest; cotton and gold exports make up around 80% of export earnings. Mali is developing its iron ore extraction industry to diversify foreign exchange earnings away from gold. Mali experienced economic growth of about 5% per year from 1996 to 2011, but the global recession, a military coup, and terrorist activity in the north of the country caused a decline in output in 2012. Growth resumed at a slow pace in 2013. The main threat to Mali's economy is a return to physical insecurity.

People:

Mali has many tribal groups, the largest being Bambara at 46% of the population.

95% are Muslim, 2% Christian.

The official language is French. However Mali has 13 national languages in addition to its official language.

Mineral Industry:

Mali has a long history of mining based principally on its well established gold mining industry. It is Africa's third ranking gold producer behind South Africa and Ghana. There are nine gold mines currently in production including some of the world's major gold deposits, as at Morilla, Sadiola, Loulo, and Syama. Mali currently produces about 50 tonnes of gold annually, about 1.8% of world production.

Mali has a modern Mining Act introduced in 1999. Many international resources companies were active in mineral exploration in the country, principally for gold and uranium, until the rebellion in 2012, when much of the activity immediately ceased. Activity has been slowly increasing with the improving security situation over the past 12 months.

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APPENDIX 2 - JORC Code (2012) Table 1.

Ansongo Project, Mali

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The nature quality, representivity, & calibration of measurement tools for samples collected by Mali Manganese SA are described under section "Sampling & assaying procedures" in the report text above. • Sampling by Coffey Mining Pty Ltd reported above included 18 samples from Hill D collected over an area of about 500x100m by Mr P Mazzoni who has the relevant qualifications and experience to be considered a Qualified Person as defined in NI43-101. The results appeared in a filing on the TSX in March 2014.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling by Mali Manganese SA was HQ & NQ size diamond core. Downhole surveying was not done and drill core was not oriented.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• There is no information in reported sample logs regarding recovery.
Logging	• *Whether core and chip samples have been geologically and*	• There are currently no geological drill logs available for the project.

	geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Pressed powder pellets were prepared for each 1 to 1.5 metre assay interval. Callabonna has photographed each pressed powder pot that could be recovered and that has provided a useful colour log only. • All core was assayed and colour logs exist for most samples.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was not cut. Sampling procedure, QA/QC, representivity and limitations are described in the report text above.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying of drill core samples by MMSA was by Portable XRF Analyser type Niton model XL3t. • Umpire assaying by Callabonna on hole TD28 was by ALS Laboratories Bamako. Major elements were analysed by XRF by ALS method MEXRF26 using the Niton sample pressed pellet material. Minor elements were determined by ICP by ALS method MS61 after a 4 acid digestion. These techniques are regarded as total or near total determinations. ALS Laboratories reported satisfactory internal QAQC results on SRMs, blanks, and duplicates. • The assays reported by Coffey Mining were by ALS Laboratories Vancouver for major elements by ICP-AES (method ME-ICP06) & minor elements ALS Johannesburg by ICP-MS following aqua regia digestion (method ME-MS41)
ICP06,	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• No verification holes have been drilled.

	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Location of hole collars, surface samples, and adit portal was by hand-held GPS with horizontal accuracy of +/- 5 metres. Sample locations inside adit were by hand-held measuring tape. • Grid system: UTM zone 31N, datum WGS 84. • The topographic control was adequate for the semi-quantitative nature of the sampling and assaying.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Previous hole spacing is insufficient to determine continuity of grade and mineralogy. • In the Takavasita Hills Mali Manganese SA, during 2011, drilled 46 diamond core holes of both HQ and NQ diameter (63-47mm) for a total of 3471m. Drill hole spacing varied along strike from less than 100m to 800m. Of the 46 holes, 20 were drilled to depths of over 100m. Nineteen (19) holes were vertical and the remainder declined at angles of -45, -60 and -70 degrees. All holes, with the exception of one, were drilled on an easterly azimuth. • No sample compositing has been applied to results reported herein.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The foliation is mapped as 75 to the south-west. The bedding of the sequence is assumed to parallel the foliation. Drilling has been close to easterly. In the absence of other information this is reasonable and would not introduce a material sampling bias.
Sample security	• *The measures taken to ensure sample security.*	Unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no audits, other than the re-assay of pulps from hole TD028 reported herein.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The report above relates to Mineral Exploitation Permit PE2011/15. The report above provides details of ownership. • Permit was granted for 30 years from 2011 and is reported to be in good standing although currently subject to Force Majeure arising from the security situation in Mali. However Permit status is the subject of a separate report to accompany this IGR.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous work is described in the body of the report above.
Geology	• Deposit type, geological setting and style of mineralisation.	• Manganese mineralisation is associated with manganese rich Lower Proterozoic sediments which have been enriched by supergene processes.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• *Drill hole information is described in the body of the report and in Section 1 of this JORC Table.* • *Locations of all drill holes are provided in a figure in the report text. Full numeric details of each hole are not provided as the objective of this IGR is to provide an overview of relevant information, and the focus is geological and semi-quantitative.*
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• *No weighting or grade truncation or high grade cutting techniques have been applied to the data reported.* • *No metal equivalents have been reported*

	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• With the possibility of irregular grade distribution associated with supergene mineralisation, true mineralisation widths are not known.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Maps and example sections are provided in the main text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The body of the report has explained the representivity of reported results, and where relevant, the lack thereof
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• All material results for which reliable data exists have been summarized in the body of the report above.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Yet to be finalised.

ADDENUM
FURTHER DISCLOSURE
DRILL HOLE TABLE

Listing Rule 5.7 requires all listed entities reporting exploration results for a material mining project to include a drill-hole survey table for all material drill-holes, if the information is material to understanding the reported exploration results.

The Company believes the inclusion of a hole survey table (of the easting and northing, elevation or RL, dip and azimuth, down hole width and depth and end of hole) is not material to understanding its exploration results in this instance for the following reasons.

Both in the Company's announcement and in the Independent Geologist Report ("IGR") it is clearly explained that the "assay" results (by Niton XRF) of the previous drilling are of a semi quantitative and geological nature, with the single exception of one hole (TD028 where umpire assays have been completed, and survey details are provided). Because the bulk of these "assays" are not reportable in a table of assays in the usual way (under the spirit of the JORC 12 code), a hole survey tabulation becomes immaterial.

The independent geologist report has, in the Companies view, explained in a very fair, balanced and informative way (including in plan and sections, IGR report pages 11-14) all the material facts relating to the previous drilling.

Annexure C

Translation of a Solicitors Tenement Report by

Service d'Appui en Fiscalit

Title to the Ansongo Permit

Céline Cruickshanks, Translator & Interpreter registered with the Hong Kong High Court under no. C-059
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Hong Kong, 22nd May 2014

To whom it may concern

I, the undersigned Céline Cruickshanks, holder of the Hong Kong ID card no. P945484(9), translator accredited by the Hong Kong High Court under the number C-059, hereby declare that:

- I am well acquainted with the French and English languages; and

- To the best of my knowledge, the attached document comprising of four pages is a true, correct and complete English translation of the corresponding four-page document in French attached hereto.

Hong-Kong, le 22 mai 2014

A qui de droit

Je soussignée Céline Cruickshanks, détenteur de la carte d'identité de Hong-Kong n° P945484(9), traductrice assermentée par la Cour Suprême de Hong-Kong sous le numéro C-059, déclare par la présente que:

- J'ai une excellente connaissance des langues française et anglaise; et

- A ma connaissance, le document de quatre pages ci-après constitue une traduction sincère, fidèle et exhaustive en anglais du document de quatre pages en français ci-joint.

Céline Cruickshanks

FRENCH TRANSLATION SERVICES
Celine Cruickshanks
NAATI no. 48863
High Court no. C059

Bamako, 20th May 2014

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Your Ref.: Email
Our Ref.: MT/MC/MALMAN/092/14

Subject: Legal Opinion on the Mali Manganese SA Company and its Exploitation permit for manganese ore and related mineral substances of Group 2.

Dear Sirs,

Based on your e-mail and discussion with a company official, the undersigned Modibo TOURE, Attorney at the Bar in Mali, was consulted on issues regarding to the **MALI MANGANESE SA** Company and its mining permits held in the Republic of Mali.

In order to provide the present legal opinion, we have examined the laws, regulations and records and the documents transmitted. We have also taken into account the related legal issues, and commissioned an investigation that we considered relevant for the purposes herein.

We have a definite expertise in the practice of law applicable in the Republic of Mali and the legal opinions expressed herein are limited to that jurisdiction.

Based on the above we have deliberated such notice which reads as follows:

On the MALI MANGANESE SA Company

The **MALI MANGANESE SA** company was duly constituted as a "Limited Company under the Uniform Act relating to the Uniform Law on commercial companies and economic interest groups of 3 April 2009, adopted under the OHADA Law. The **MALI MANGANESE SA** Company validly exists as a limited company and complies with the regulations in regards to its corporate registrations. It is duly registered at the Commercial Court Registry in Bamako under the number MA BKO 2009 B 3149 to operate its business as required under the laws of the Republic of Mali.

The company has all the necessary powers and authority to own its assets and to operate its business, including its exploitation permit in respect of the property as well as the Convention on Establishment hereto.

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The authorized capital is set at the amount of Ten Million (10,000,000) **CFA francs divided into Ten Thousands (10,000) shares of One Thousand (1,000) CFA francs.**

According to the documents provided, the MALI MANGANESE SA Company was incorporated as a limited company with a sole shareholder namely SAHARA MANGANESE Ltd.

However, according to the provisions of the Convention of establishment, the State of Mali holds a compulsory share in the capital of the operating company. Article 11 of the said Convention has the following wording:

«As soon as the exploitation permit is granted, the holder shall start all the processes towards the incorporation of an operating company in which the State shall hold a minority share up to 10% entirely free of charge and considered as preferred stock.

In the case of an increase in the capital of the operating company decided by any general meeting, 10% of the newly created shares will be allocated to the State under similar conditions as referred to in article 11.1 above in order to allow for keeping the same relative free shareholding. »

The State keeps the option to acquire an additional shareholding of maximum 10% in cash, which will not be taken into account for the calculation of the rate of preferred dividend. »

Under such conditions, the holding of the total share capital of the **MALI MANGANESE SA** Company by a sole shareholder is contrary to the contractual provisions repeated above. However the sole shareholder may rectify such mistake by allocating to the State of Mali the compulsory share of 10% in the capital of **MALI MANGANESE SA**.

Besides, it is worth restating the hereafter indicated provisions of article 37 of the Convention: ***After the incorporation of each operating company provided in the present Convention, the operating company shall sign four (4) original copies of the present Convention, thus accepting through its signature all the obligations pertaining to the company under the present Convention.***

The copy of the Convention provided to us does not bear the signature of the Government of Mali and only an official stamp indicating its actual execution. Furthermore, we have not been able to receive a copy of the shareholders' agreement concluded between the State of Mali and the **MALI MANGANESE SA** Company. However such agreement may be signed at a later date.

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High Court no. C059

Subject to the explanations above, we can determine that the MALI MANGANESE SA Company validly exists as a limited company and complies with the regulations in regards to its corporate registrations under the Uniform Act relating to the Commercial companies and Economic Interest Groups.

However it should be noted that the whole share capital of **MALI MANGANESE SA** is owned by a sole shareholder in contradiction with the mining law and the Convention of establishment.

On the TASSIGA Exploitation Permit

The premises of this exploitation and research permit for manganese and other mineral substances of Group 2 in the TASSIGA area, near Ansongo (Gao Region, Republic of Mali), is recorded in the Books of the DNGM under the number PE 2011/15 – TASSIGA Exploitation License (ANSONGO Area). The surface area covered by the permit is **212 km²**.

The title was awarded by the Decree no. 2011-441/PM-RM, signed on 15th July 2011, to the METAL MASS PTY LTD Company and conferred onto the **MALI MANGANESE S.A** Company pursuant to the Decree no. 2012-718/PM-RM of 20th December 2012.

Pursuant to the provisions of this decree, the **MALI MANGANESE SA** Company owns the rights and is subject to all statutory and regulatory requirements and all the commitments subscribed by the METAL MASS PTY LTD Company, including the Convention of establishment signed between the State of Mali and the METAL MASS Company.

In this respect, it is recalled that all mining titles should be carried by a Convention of establishment defining the rights and obligations of the State and the holder of the mining permit.

Thus the METAL MASS PTY LTD Company is associated with the Government of the Republic of Mali by a Convention of establishment governed by the 1999 Mining Code and duly signed on 6th August 2008 by both parties.

Consequently, the obligations assumed by MASS METAL PTY LTD and the entitlements for the latter under the Convention, have the same legal effect towards the **MALI MANGANESE SA.** Company.

Subject to such observation,

We can conclude that as of today, the company **MALI MANGANESE SA** regularly owns the exploitation and research permit for manganese and other mineral substances of Group 2 in the TASSIGA area.

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High Court no. C059

According to the information made available to us, the mining licence held by the company is not encumbered by any mortgage or security pledge in favour of any bank, any other lender or any other third party.

Change of company name

Currently, the sole owner of the MALI MANGANESE S.A Company is the **SAHARA MANGANESE Ltd** Company who shall remain the owner thereof. In the near future, the **SAHARA MANGANESE Ltd** shall change its company name all the while keeping the same corporate information (same address and identical registration number on the trade register, etc.). These various changes do not in principle affect the situation of MALI MANGANESE S.A from a legal and tax point of view.

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In my opinion, these are my preliminary observations called by your request. I remain at your disposal for any further information.
Yours sincerely,

Modibo TOURE
Docteur *d'État* in Law, University of Burgundy (France)
Master's degree in Tax management, Paris Dauphine University
Barrister

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Celine Cruickshanks
NAATI no. 48863
High Court no. C059

SAFI Service d'Appui en Fiscalité

Bamako, le 20 mai 2014

Callabonna Resources Limited
Level 17, 530 Collins Street
Melbourne, Victoria, Australia 3000

Vos Réf. : Courriel
Nos Réf. : MT/MC/MALMAN/092/14
Objet : **Avis juridique sur la société MALI MANGANESE SA et le titre d'exploitation du manganèse et des substances minérales du Groupe 2 s'y afférant.**

Chers Messieurs

Sur la base de votre courrier électronique et entretien avec un responsable de l'entreprise le soussigné Modibo TOURE, Avocat au Barreau du Mali est consulté relativement à des questions concernant la société **MALI MANGANESE SA** ainsi que les titres miniers détenus par celle-ci en République du Mali.

Afin de rendre le présent avis, nous avons examiné les lois, règlements et registres ainsi que les documents transmis. Par ailleurs, nous avons tenu compte des points de droit, diligenté toute enquête que nous avons jugés pertinents pour les fins des présents.

Nous justifions d'une compétence certaine dans la pratique du droit applicable en République du Mali et les avis exprimés aux présentes se limitent à cette juridiction.

Sur la base de ce qui précède nous avons délibéré l'avis dont la teneur suit :

Sur la société MALI MANGANESE SA

La société **MALI MANGANESE SA** a été dûment constituée en « Société anonyme en vertu de l'Acte Uniforme portant Droit Uniforme des Sociétés Commerciales et du Groupement d'Intérêt Économique du 03 avril 2009, adopté dans le cadre du traité OHADA. La société **MALI MANGANESE SA** existe valablement comme société anonyme et est en règle concernant ses immatriculations corporatives. Elle est dûment immatriculée au greffe du tribunal de commerce de Bamako sous le numéro MA BKO 2009 B 3149 afin d'exploiter ses affaires comme il se doit en vertu des lois de la République de Mali.

La société a tous les pouvoirs nécessaires et est habilitée à détenir ses actifs et à exploiter ses affaires, dont notamment son permis d'exploitation relativement à la propriété ainsi que la Convention d'établissement y afférente.

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E-mail: modibtoure@orangemali.net / safifisc@orangemali.net Bamako République du Mali

Le capital autorisé est fixé à la somme de dix Millions (10,000,000) **de francs CFA divisé en dix Mille (10,000) actions de Mille (1,000) de francs CFA.**

D'après les documents communiqués la société MALI MANGANESE SA est constituée sous la forme de société anonyme avec un actionnaire unique en l'occurrence SAHARA MANGANESE Ltd.

Or, aux termes de la convention d'établissement l'État du Mali détient une participation obligatoire dans le capital de la société d'exploitation. L'article 11 de ladite convention est libellé comme suit :

« Dès l'attribution du permis d'exploitation, le titulaire entamera les démarches en vue de la création d'une société d'exploitation, dans laquelle l'État détiendra une participation à hauteur de 10% totalement gratuite et considérée comme des actions prioritaires.

En cas d'augmentation de capital de la société d'exploitation décidée par toute Assemblée générale, 10 % des actions nouvelles seront attribuées dans les mêmes conditions que celles visées à l'article 11.1 ci-dessus à l'État afin de lui permettre de conserver son pourcentage de participation gratuite. »

Il reste acquis à l'État la possibilité d'acquérir une participation supplémentaire de 10% maximum en numéraire, laquelle ne sera pas prise en compte dans la détermination du taux du dividende prioritaire. »

Dans ces conditions, la détention de la totalité du capital de **MALI MANGANESE SA** par un actionnaire unique, est contraire aux clauses contractuelles rappelées ci-dessus. Mais l'actionnaire unique peut rectifier cette erreur pour attribuer à l'État du Mali le pourcentage obligatoire 10% du capital de **MALI MANGANESE SA.**

Par ailleurs, il importe de rappeler les clauses ci-après de l'article 37 de la convention : ***Dès la constitution de chaque société d'Exploitation prévue par la présente Convention, la société d'Exploitation signera quatre (4) originaux de la présente Convention et acceptera par cette signature les obligations qui lui incombent en vertu de la présente Convention.***

La copie de la convention qui nous a été communiquée ne porte pas la signature du gouvernement Malien mais seulement son tampon officiel qui indique sa réalisation exacte. En outre, nous n'avons pas pu disposer de copie du pacte d'actionnaire conclu entre l'État du Mali et la société **MALI MANGANESE SA**, mais un tel pacte peut être conclu ultérieurement.

Sous le bénéfice de ces observations, nous pouvons conclure que la société **MALI MANGANESE SA** existe valablement comme société anonyme et est en règle

concernant ses immatriculations corporatives au regard de l'Acte Uniforme sur les sociétés commerciales et le Groupement d'Intérêt Économique.

Cependant, nous notons que la totalité du capital de **MALI MANGANESE SA** est détenue par un actionnaire unique en contradiction avec la législation minière et la convention d'établissement.

Sur le permis de TASSIGA

Le périmètre de ce permis de recherche et d'exploitation du manganèse et de substance minérales du groupe 2 dans la zone de TASSIGA cercle d'Ansongo(Région de Gao, République du Mali), est inscrit sur le registre de la DNGM sous le numéro PE 2011/15 Permis d'exploitation de TASSIGA (Cercle d'ANSONGO). La superficie du permis est de **212 km²**.

Le titre est attribué par décret n° 2011-441/PM-RM du 15 juillet 2011 à la société METAL MASS PTY LTD et cédé à la société **MALI MANGANESE S.A** par décret n° 2012-718/PM-RM du 20 décembre 2012.

Aux termes de ce décret la société **MALI MANGANESE S.A** bénéficie des droits et est soumise à toutes les obligations législatives et réglementaires ainsi qu'aux engagements souscrits par la société METAL MASS PTY LTD y inclus la Convention d'établissement entre l'État Malien et la société METAL MASS.

A cet égard, Il est rappelé que les titres miniers sont assortis d'une Convention d'établissement définissant les droits et les obligations de l'État et du titulaire du titre minier.

Ainsi la société METAL MASS PTY LTD est liée au gouvernement de la République du Mali par une Convention d'établissement régie par le code minier de 1999 et dûment signée le 06 aout 2008, par les deux parties.

En conséquence, les obligations assumées par METAL MASS PTY LTD ainsi que les droits ouverts au profit de celle- ci en vertu de la convention d'établissement produisent tous leurs effets juridiques vis-à-vis **MALI MANGANESE S.A.**

Sous le bénéfice de cette observation,

Nous pouvons conclure qu'à la date du présent, la société **MALI MANGANESE S.A** est titulaire régulier du permis de recherche et d'exploitation du manganèse et des substances minérales du groupe 2 dans la zone de TASSIGA. D'après les informations dont nous disposons, aucune hypothèque ou sûretés similaires au

profit d'une banque, d'un autre prêteur ou d'un tiers quelconque ne grève le titre détenu par la société.

Sur les changements de dénomination

A présent, le propriétaire unique de la société MALI MANGANESE S.A. est la société **SAHARA MANGANESE Ltd**, qui doit rester propriétaire. Dans un futur proche, la société **SAHARA MANGANESE Ltd** va changer son nom tout en conservant les mêmes mentions corporatives (même adresse et même numéro de registre du commerce etc.). Ces différents changements sont en principe sans conséquences sur la situation juridique et fiscale de MALI MANGANESE S.A.

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Telles sont les observations liminaires qu'appelle à mon sens votre demande. Je reste bien entendu à votre disposition pour tout renseignement complémentaire. Je vous prie, Monsieur le Directeur, d'agréer, l'assurance de mes très dévoués sentiments.

Modibo TOURE
Docteur d'État en droit Université de Bourgogne (France)
DESS gestion fiscale Université Paris Dauphine
Avocat à la Cour