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ASX / MEDIA ANNOUNCEMENT **27 July 2016**

Indicated Mineral Resources at Mundic Gully tailings dump double to 104,000 gold ounces

Second of four Resource upgrades completed for the Mount Morgan Gold-Copper Project; final two Resource upgrades and DFS to be finished this quarter

Highlights

- **Indicated Mineral Resource at the Mundic Gully tailings dump at the Mount Morgan Gold-Copper Project in Queensland has doubled to 1.70Mt @ 1.91g/t gold for 104,000oz (from previous Indicated Mineral Resource of 0.83Mt @ 1.93g/t gold for 52,000oz)**
- **The majority of the Mundic Gully Resource is now in the Indicated category, which will underpin a significant part of the initial project mine life currently being assessed in the Definitive Feasibility Study**
- **The Mundic Gully tailings dump also contains an estimated:**
  - **340,000t of pyrite (pyrite equivalent based on sulphur and iron)**
  - **2,900t of copper metal**
  - **1,500kg of silver metal**
- **The new combined Indicated and Inferred Mineral Resource for Mundic Gully (105,000oz) is 45% higher (32,000oz) than the previous combined Mineral Resource estimate for Mundic Gully (73,000oz)**
- **The two completed Mineral Resource upgrades for Mundic Gully and No2 Mill now have a combined Indicated Mineral Resource of 4.52Mt @ 1.41g/t gold for 204,000oz**
- **Work on the Shepherds Gully and Red Oxide Resource upgrades continue**

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Carbine Resources Limited (ASX:CRB) is pleased to advise that it is now in the final stages of the Definitive Feasibility Study on its Mount Morgan Gold-Copper Project in Queensland (Figure 1), with the completion of the second of four Mineral Resource updates.

The JORC 2012 Indicated Mineral Resource at Mount Morgan's Mundic Gully tailings dump is 1.70Mt at 1.91g/t gold for 104,000 ounces of gold (above a 0.00 g/t gold cut-off grade). This is an increase of 52,000oz from the previous Indicated Mineral Resource completed in 2009.

This updated Mineral Resources will be incorporated in the Definitive Feasibility Study (DFS) due for completion this quarter.

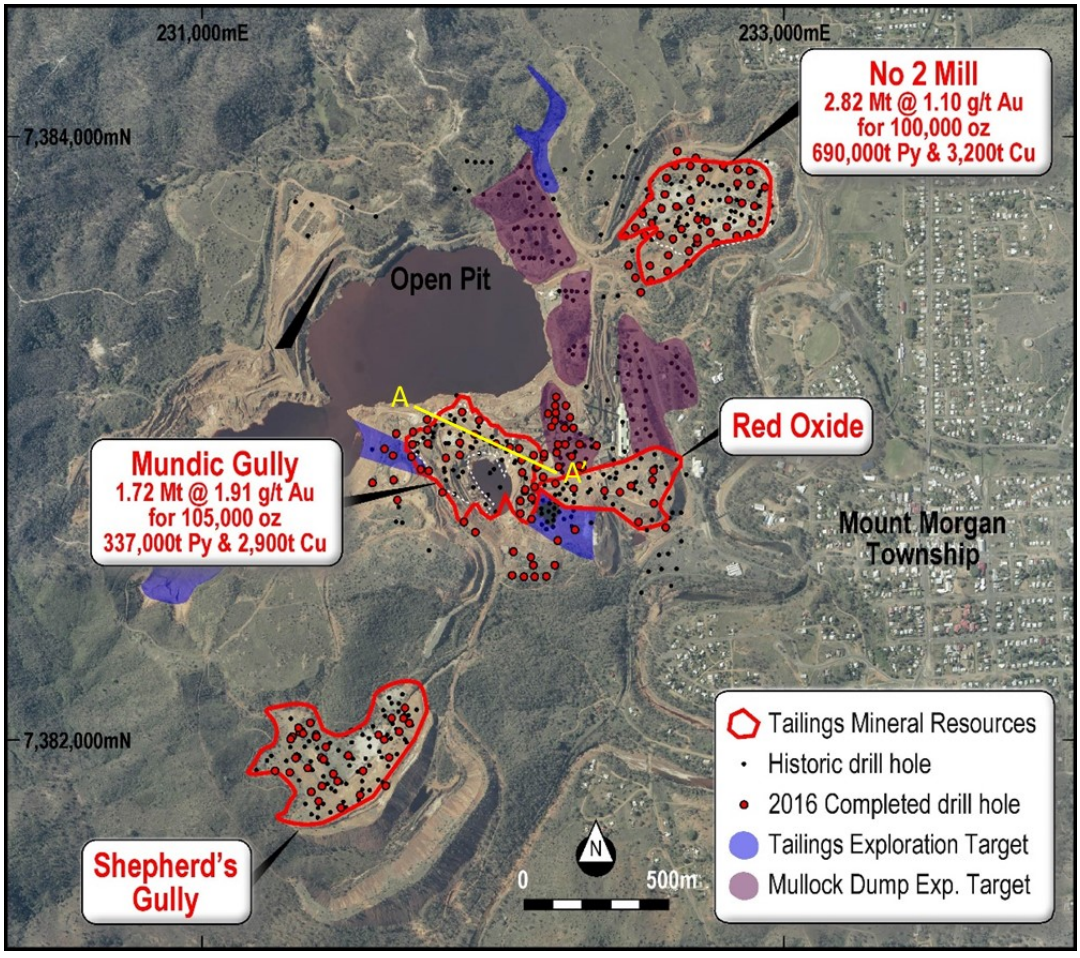

Figure 1. Plan view of the new JORC 2012 Mundic Gully tailings dump Mineral Resource. Previous Mineral Resource represented as white dashed line for comparison. Oblique cross section line A-A' shown. (No 2 Mill tailings dump was announced previously (ASX: 18 July 2016)).

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This is the second of four resource updates on the tailings dumps at Mount Morgan. The first resource update, which was for the No 2 Mill tailings dump, revealed that Indicated Resources there had more than doubled to 100,000oz (ASX: 18 July 2016).

At Mundic Gully, a total of 66 drill holes were completed by Carbine in 2015 and 2016. The drilling was designed to both convert the Inferred Resources to Indicated Resources and to increase the overall resource by testing for potential extensions to the known resource.

At that time, the Mundic Gully tailings dump had a Total Mineral Resource of 1.2Mt at 1.89g/t gold, including 0.8Mt at 1.93g/t gold in the Indicated Resource Category and 0.4Mt at 1.82g/t gold in the Inferred Resource Category (Norton Gold Fields Limited ASX announcement 28 October, 2009).

The new Mineral Resource for Mundic Gully is 1.72Mt at 1.91g/t gold for 105,000 ounces, comprising an Indicated Resource of 1.70Mt at 1.91g/t gold for 104,000 ounces of gold and an Inferred Resource of 0.02Mt at 1.86g/t gold for 1,000 ounces of gold, both reported above a 0.00 g/t gold cut-off grade (Table 1). This new Mineral Resource represents a 100% increase (52,000 ounces) in Indicated Resources and an overall 45% total Mineral Resource increase (32,000 ounces) compared with the previous combined Indicated and Inferred Mineral Resource.

In addition, the Indicated Resource for Mundic Gully contains an estimate of 340,000 tonnes of pyrite, 2,900 tonnes of copper, and 1,500 kilograms of silver.

Lying immediately below the Mundic Gully tailings at its eastern margin, newly defined Red Oxide tailings have also been identified. These western extensions to Red Oxide will be included in the new Red Oxide Resource estimate aimed for completion in early August.

Table 1. July 2016 Carbine Resources JORC 2012 Mineral Resource Table for Mundic Gully and No 2 Mill tailings dumps (reported at a 0.00g/t cut-off).

Area	Type	Category	Tonnage (Mt)	Gold (g/t)	Gold (Koz)	Copper (%)	Copper Metal (t)	Silver (g/t)	Silver Metal (kg)	Sulphur (%)	Pyrite Equiv. (wt %)
No 2 Mill	Sulphide	Indicated	2.71	1.11	97	0.12	3,180	1.14	3,080	13.7	25.6
	Oxide	Indicated	0.12	0.80	3	0.05	60	1.80	210	4.0	
Mundic Gully	Sulphide	Indicated	1.70	1.91	104	0.17	2,820	0.90	1,530	10.5	19.6
	Sulphide	Inferred	0.02	1.86	1	0.24	40	1.24	20	10.6	19.9
Total		**Indicated**	**4.52**	**1.41**	**204**	**0.13**	**6,060**	**1.06**	**4,820**	**12.2**	
Total		**Inferred**	**0.02**	**1.86**	**1**	**0.24**	**40**	**1.21**	**20**	**10.6**	

(No 2 Mill – Carbine Resources Limited ASX announcement 18 July, 2016)

In addition to the above resources, Carbine has the Red Oxide and Shepherds Mineral Resources that are currently reported under JORC 2004 guidelines, but will be updated to JORC 2012 in the September quarter.

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Table 2: Mount Morgan Tailings JORC 2004 Gold Mineral Resource Table for Shepherds Gully and Red Oxide

DEPOSIT	CATEGORY	TONNES (kt)	GRADE (g/t)	OUNCES (koz)
Red Oxide	Indicated	390	2.23	28
	Inferred	445	2.15	31
Shepherds	Indicated	-	-	-
	Inferred	3,960	0.86	106

(Norton Gold Fields Limited ASX announcement 28 October, 2009)

Resource Summary

The Mundic Gully tailings dump was built during the historical mining and processing of the 10 million ounce Mount Morgan primary gold-copper orebody. Oxide tailings were first produced in the early 1900's and deposited in the lower reaches of Mundic Gully. The majority of tailings were produced as sulphide tailings and deposited over several time periods between 1932 and 1962. Approximately 2.0Mt of these original Mundic Gully tailings were reprocessed from 1986 to 1989 and deposited back into the Mount Morgan open cut.

Sulphide tailings consist dominantly of quartz and pyrite, with minor amounts (<10%) of sericite, chlorite, feldspar, chalcopyrite and sphalerite. Oxide tailings consist of silica, iron oxides and hydroxides. Tailings are deposited as horizontal layers into the pre-existing topography and varies in thickness from 1m to 31.5m (average 12.3m). Up to 40m of waste material overlies the Mundic Gully tailings dump to the west, with most of the gold mineralisation (tailings) starting from an average depth of ten metres.

The Mundic Gully interpretation is based upon 158 drillholes, including 66 Carbine RC and 92 historic RC and aircore drill holes completed by previous owners.

Carbine Resources collected the entire sample from the RC drill rig cyclone (approximately 15 kg) and transferred it to the sample preparation lab where it was dried, crushed to 2mm and sub-sampled to 3 kg. This 3kg sample was then pulverised to 74 microns and assayed by collecting 50g aliquots for fire-assay of gold (AAS finish), copper, iron, silver and sulphur using ICP-AES. Sample duplicates show excellent repeatability of gold assays (99% correlation). Historic holes have been validated by drilling of twin holes by Carbine Resources.

The detailed topographic surface has been obtained by a 2016 LIDAR airborne survey. The Mundic Gully tailings was constrained by a 3D closed wireframe interpreted from geological logging, adjusted using sulphur and gold grade.

Dry bulk density was measured using the sand replacement method from trenches covering both sulphidic and oxide tailings. A bulk density of 1.76 t/m^3 was calculated for sulphidic tailings and 1.42 t/m^3 for oxide tailings.

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Most of the individual samples are 1m in length, with the average of 796 samples being 1.2m. The samples have been composited to 1m in the resource estimate. A high grade top cut of 4.5 g/t gold was applied to composited samples. No top cut was applied to the other elements.

The tailings mineralisation was estimated as a 3D block model for all five elements, Au, Ag, Cu, Fe and S using Ordinary Kriging. Good spatial continuity of the all studied variables, including gold, was confirmed by robust 3D directional variograms. Pyrite 'pyrite equivalent' was estimated using the stoichiometric chemical composition of pyrite from the sulphur resource estimation.

The Resource was estimated as blocks of dimension 20 x 20 x 2m. A top-flattening unfolding algorithm was applied in order to accurately represent the layered structure of the tailings.

Estimation was made using a narrow horizontally oriented search ellipse at two passes, 1st pass 50 x 50 x 4m (minimum 6 and maximum 32 samples from 16 sectors) and 2nd pass 80 x 80 x 10m (minimum 4 and maximum 32 samples from 16 sectors). Estimation of silver, copper, iron and sulphur required third pass, 240 x 240 x 30m (minimum 4 and maximum 32 samples from 16 sectors). The third pass was estimated using simple kriging with a global mean.

The estimated Resource is reported at a zero cut-off (0.00 g/t Au) to reflect the planned mining and processing of 100% of the tailings.

Classification into Indicated and Inferred categories is based on geostatistically estimated uncertainty using the Sequential Gaussian Conditional Simulation method of the gold grade.

Full details of the JORC Code 2012 reporting criteria and input parameters used to estimate the Resource are provided in Appendix 1.

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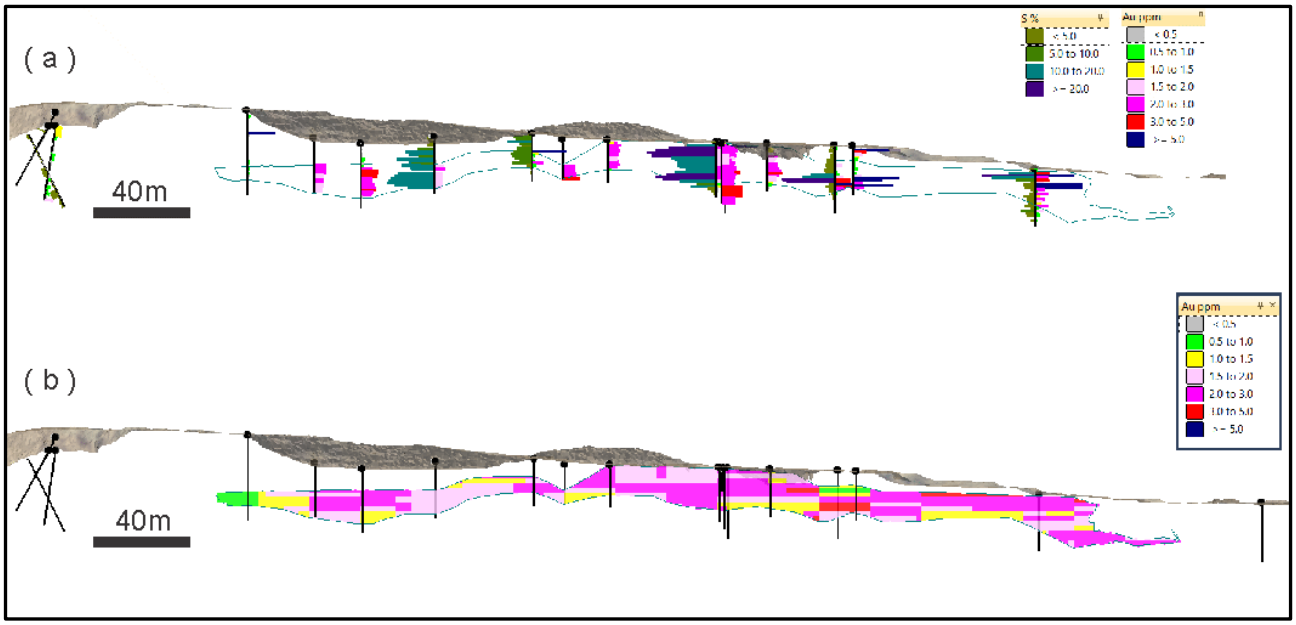

Figure 2. Oblique cross-section through the Mundic Gully tailings showing comparison between (a) drill hole grade of sulphur (left) and gold (right); and (b) block model grade of gold. Location of the cross-section is shown as A-A' in Figure 1.

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Competent Person Statements

The information in this report that relates to the JORC 2012 Mundic Gully and No 2 Mill Mineral Resources is based on information compiled by Dr M. Abzalov, who is a Competent Person according to the JORC 2012 Code. Dr M. Abzalov is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience in estimation of resources of gold mineralisation, and has a strong expertise in the all aspects of the data collection, interpretation and geostatistical analysis to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Dr M. Abzalov is an independent consultant, contracted to Carbine Resources for providing the technical guidelines for resource definition drilling at the Mount Morgan tailings project and in estimating the Mineral Resources. Dr M. Abzalov consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information for No 2 Mill was prepared and first disclosed under the JORC Code 2012 in the ASX announcement 18 July, 2016 and the Company confirms that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed since it was last reported.

The information in this report that relates to the JORC 2004 Shepherds Gully and Red Oxide Mineral Resources was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM") and has a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation, and report preparation. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004 on 28 October 2009. It has not been updated since to comply with the JORC Code 2012 on the basis that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since it was last reported.

The information in this report that relates to the Exploration Results is based upon information compiled by Mr Chris Newman, who is a fulltime employee of the Company and is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Newman has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Newman consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Results initially reported to the ASX on 9 May 2016, 1 June 2016, 29 June 2016, 11 July 2016 and 25 July 2016 have not materially changed.

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Reporting criteria presented in the Section 1 of the JORC Table 1

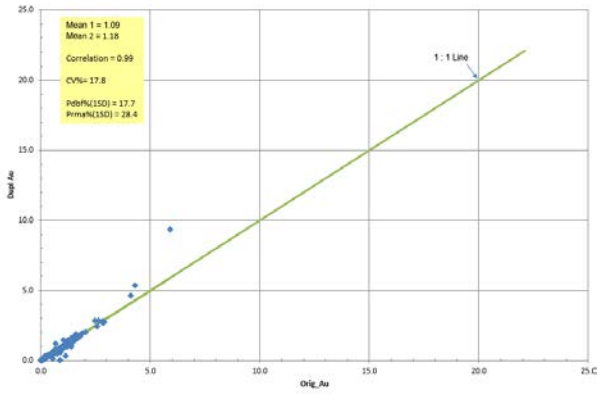
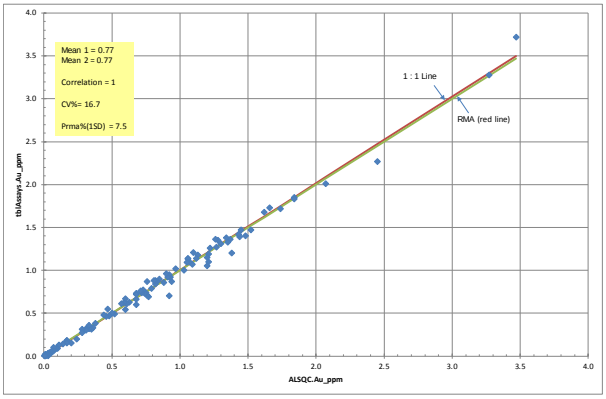
(Sampling techniques and data)

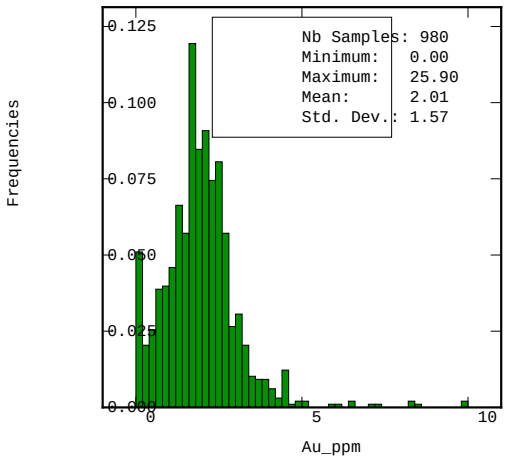
Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
(1.1.) Sampling techniques	☐*Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The main data used for the resource estimation of tailings were RC samples. The resource database contains 79 drill holes with 796 samples obtained from them. Carbine drilling completed at Mundic (and western edge of Red Oxide) was completed by a Universal RC/Diamond drill rig (UDR650) equipped to collect the full sample through the cyclone or alternatively by PQ triple tube coring. Hole diameter 4.75 inches in the case of RC and PQTT (83mm). Samples are collected regularly, at 1m intervals. Drilling completed over the bulk of Red Oxide utilised a custom built J&S Drilling rig with capacity to drill overburden and precollar with TUBEX or ROBIT gear of varying diameter bit/casing configuration to allow telescoping down (TUBEX 190mm comprising pilot bit at 190mm and excentric reamer to 237mm then TUBEX-115mm or TUBEX 190MM/ROBIT 168.3mm gear with casing shoe to 127.5mm) with capacity to continue sampling tailings with this gear or with aircore at <115mm bit diameter. Historical holes were mostly RC, with some aircore drilling.
	☐*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	All drilling is vertical, which is optimal for flat lying tailings, dump, and slag mineralization. 1m samples are well suited for estimation of resources for the mineralised tailings
	☐ *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*	Carbine drilling and sampling procedures were performed using above industry standard techniques and equipment. 1m samples were collected in total with average sample size around 15-20kg and transported in its entirety to

	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.	Preplab at Rockhampton. The split of the sample was obtained in the initial sample preparation stage following drying of entire sample, crushing to 2mm and rotary splitting to 2 x 3kg splits and duplicate. Entire subsample (3kg) is pulverised to 74 microns using LM5 pulveriser requiring manual feeding. Sampling protocol is based on sampling nomogram constructed using theoretically deduced fundamental sampling error. Previous historical holes back to 2008 were re-assayed using the same process. Sampling protocol prior to this timeframe is unknown.
Drilling techniques (1.2.)	☐ *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).*	Carbine drilling completed at Mundic (and western edge of Red Oxide) was completed by a Universal RC/Diamond drill rig (UDR650) equipped to collect the full sample through the cyclone or alternatively by PQ triple tube coring. Hole diameter 4.75 inches in the case of RC and PQTT (83mm). Samples are collected regularly, at 1m intervals. Drilling completed over the bulk of Red Oxide utilised a custom built J&S Drilling rig with capacity to drill overburden and precollar with TUBEX or ROBIT gear of varying diameter bit/casing configuration to allow telescoping down (TUBEX 190mm comprising pilot bit at 190mm and excentric reamer to 237mm then TUBEX-115mm or TUBEX 190MM/ROBIT 168.3mm gear with casing shoe to 127.5mm) with capacity to continue sampling tailings with this gear or with aircore at <115mm bit diameter. The majority of historical holes are RC with minor aircore drilling.
Drill sample recovery (1.3.)	☐*Method of recording and assessing core and chip sample recoveries and results assessed.*	Obtained samples were weighed in the preparation laboratory in Rockhampton which was used as a non-direct control for possible sample loss.
	☐*Measures taken to maximise sample recovery and ensure representative nature of the samples.*	This was based on adjusting the drilling parameters to obtain the best recovery by collection and processing of the entire sample.

	☐ *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.*	No bias is expected as tails mineralization is relatively uniform in grainsize and nature.
Logging (1.4.)	☐ *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.*	The drill hole samples have been geologically logged to a level of detail to support appropriate Mineral Resource estimation. Geological logging concentrated on the diagnostic of tailing materials. Tails had to be logged separate from the surficial material, which was classified as either 'mixed', mullock waste rock, subsurface gravels, metallurgical slag or basement rocks. Oxidised or Sulphidised tailings were identified separately. Documentation also includes description of mineralogy, moisture and weathering.
	☐ *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Qualitative logging, primarily focused on the diagnostic of tailing materials.
	☐ *The total length and percentage of the relevant intersections logged.*	100% of intersections were logged
Sub-sampling techniques and sample preparation (1.5.)	☐ *If core, whether cut or sawn and whether quarter, half or all core taken*	Where applicable, Full PQ core samples were collected, after being photographed after extraction.
	☐ *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	All samples were collected in entirety to be subsequently dried in the Lab, then crushed and split by rotary splitting into 3kg sub-samples for assay.
	☐ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Sampling and sample preparation protocols were optimised by construction of the sampling nomogram minimising the Fundamental Sampling Error. Initial sample preparation involving drying, crushing and rotary splitting was undertaken by Preplab of Rockhampton. 3kg splits were freighted to ALS Townsville for remaining preparation following the standard post-crushing preparation technique. Samples (3kg) are pulverised using LM5 pulveriser requiring manual feeding. Aliquots are dissolved using 4 acid digest (near complete dissolution) and peroxide fusion (complete dissolution). Results are compared one digest against the other.

		The preparation approach, is standard and commonly used for medium grade gold mineralisation
	☐*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	For all subsampling stages, duplicate samples are collected and analysed. Namely, these coarse field duplicates (5-7%) after first splitting make a 2mm size fraction, and pulp duplicates (>3%) after entire collected subsample is pulverized. QA/QC procedures also include using standard samples and blanks.
	☐*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.*	Field duplicates and twin holes have been incorporated into the entire drill program.
	☐ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample size is 15-20kg. Further subsampling is made strictly following optimal sampling protocols. According to estimates, this will achieve precision error less than 10% which is considered excellent for gold mineralisation.
Quality of assay data and laboratory tests (1.6.)	☐ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were assayed at the ALS laboratory in Townsville. Gold was assayed using conventional fire-assay method with AAS finish. Reported detection limit is 0.01 g/t Au. Cu, Ag, Fe and S have been analysed by ICP-AES by ALS Townsville by method ME-ICP41 (post aqua regia digestion) to determine levels of chalcopyrite and pyrite. Detection limits are Ag-0.2ppm; Cu-1ppm; Fe- 0.01% and S- 0.01%. Sulphur results >10%S have lower accuracy and precision. Total sulphur and sulphide-sulphur by LECO analysis was conducted on several holes to validate the ICP sulphur results.
	☐ *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading*	Not applicable

	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.*	Quality control procedures include: • Twin holes  • Field duplicate samples. Correlation (rho) 0.99  • Pulp (lab) duplicates. Correlation (rho) 1.00 Duplicate samples analysis has shown an excellent repeatability of the gold assays. Correlation coefficients are 0.99 for field (coarse) duplicates and 1.0 for lab (pulp) duplicates. Coefficients of variations (CV) of the data pairs are 17.8% and 16.7%. These results are excellent for the gold mineralisation.

		Standards and blanks are incorporated into batches at greater than one standard or blank per 10 samples. No significant issues were identified.
Verification of sampling and assaying (1.7.)	☐ *The verification of significant intersections by either independent or alternative company personnel.*	Verification of all results was undertaken after a site visit by the Geology Manager – Carbine.  Gold grade of the Mundic tailings is relatively uniform, with several high grade samples scattered in the tailings. Representative intersections of the high grade mineralization has been verified by the twin holes drilled by Carbine Resources.  Intersection by drillhole PR121: 13m @ 2.77 g/t Au Confirmed by drillhole MTC012 drilled by Carbine: 11m @ 2.19 g/t Au
	☐*The use of twinned holes.*	Several twin holes were drilled to confirm the validity of the historic data. Acceptable repeatability is observed.

	☐ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Field documentation was made on the paper log-sheets and then entered into electronic files. Assays are obtained from the ALS laboratory in electronic form and stored in a special folder created on the Carbine Resources Server.
	☐ *Discuss any adjustment to assay data.*	No adjustments were needed. Assay results are reported as obtained from the lab.
Location of data points (1.8.)	☐ *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.*	Hole collars were surveyed in MGA94 Zone 56 grid by certified surveyors using differential GPS. Historical holes (pre-2008) were identified to be out by a small set distance in northing (<10m) at Mundic Gully due to a historical mine grid transformation issue. These holes were corrected after historical hole collar locations were validated by certified surveyors using differential GPS.
	☐ *Specification of the grid system used.*	All coordinates are recorded as MGA (GDA94) zone 56 (south).
	☐ *Quality and adequacy of topographic control.*	Pre-mining topographic surface was prepared from detailed ground and mine surveys completed historically. Current topographic surface was prepared from 2016 airborne LIDAR survey.
Data spacing and distribution (1.9.)	☐ *Data spacing for reporting of Exploration Results.*	Not applicable
	☐ *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.*	Drill holes are distributed as approximately 40x40m grid, considered adequate for Indicated Resource classification.
	☐ *Whether sample compositing has been applied.*	No physical compositing of the samples has been applied in the field. Most of the samples represent 1m down-the-hole intervals. To assure the statistical representivity of the resource estimation data, the original samples were composited to 1m composites in the resource estimate.

Orientation of data in relation to geological structure (1.10.)	☐*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	All drill holes were drilled vertically which provides the best possible intersection to the flat lying mineralised tailings, dumps and slag.
	☐ *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.*	Not applicable. Drill hole intersects the tailings at 90 degrees.
Sample security (1.11.)	☐ *The measures taken to ensure sample security*	Sample bags were collected by the Carbine Resources representative and delivered to the lab. The samples were not left unattended on site. The pulps are kept in a secure place in the laboratories as per internal security procedures of the ALS.
Audits or reviews (1.12.)	☐*The results of any audits or reviews of sampling techniques and data.*	The historic data were reviewed in 2008 by Coffey Mining specialists who found them acceptable for resource estimation. Site visits and review were undertaken by Carbine personnel at both the Rockhampton sample preparation lab and Townsville ALS laboratory and deemed acceptable.

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Reporting criteria presented in the Section 2 of the JORC Table 1

(Reporting of Exploration Results)

Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
Mineral tenement and land tenure status (2.1)	☐*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 *Mount Morgan* project has been secured by *Mining Leases: ML 5589, ML 5602, ML 5608 – ML 5069, ML 5612 – ML 5628, ML 5633 – ML 5635, ML 5648, ML 5649, ML 5658 – ML 5660, ML 6692 issued to* Norton Gold Fields Limited. Carbine Resources entered an initial JV agreement with Norton Gold Fields Limited. There is no known native title related restrictions nor known environmental or social obstructions. Some areas of the site are currently listed on the Queensland Heritage Register.
	☐ *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.*	*All MLs expire on the 31/08/2025*
Exploration done by other parties (2.2)	☐ *Acknowledgment and appraisal of exploration by other parties.*	The tailings have been deposited from over a hundred years of mining and processing. In-pit tailings have been historically processed in the 1980's. Several parties have explored and tested the remaining untreated tails over the last twenty years. Most recently (2009) Norton Gold Fields Limited completed preliminary due diligence of treating the tails mineralization, however the tailings were only partially drill tested and the economic significance was not fully assessed.
Geology (2.3)	☐*Deposit type, geological setting and style of mineralisation.*	The historic tailings from the processing of primary and oxide gold-copper-pyrite ores from the Mount Morgan mine. Shape of the tailings dams represents the actual contacts of the mineralisation.

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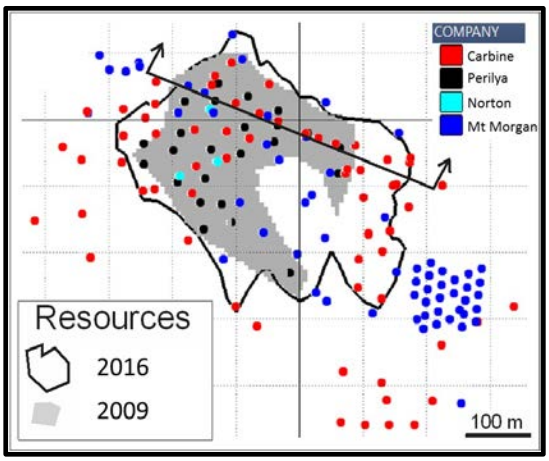
Drill hole Information (2.4)	☐ *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	Not applicable. Mineralised Mundic tailings are estimated and reported as Indicated and Inferred Resources.
	☐*Easting and Northing of the drill hole collar.*	 In total, 79 drillholes are used for estimation, distributed as approximately 40 x 40m random-stratified grid.
	☐*Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*	RL of the collars varies from 245 to 292m, average 272m
	☐dip and azimuth of the hole.	All holes drilled vertically down (Dip -90 degrees)
	☐ *down hole length and interception depth*	Interception length matches the tailings thickness which varies in the range of 1m to 31.5m (average 12.3m).
	☐*hole length.*	Average length of the drillholes is 28.5m.
	☐ *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.*	Not applicable.

CARBINE RESOURCES
LIMITED

Data aggregation methods (2.5)	☐*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.*	Not applicable
	☐ *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.*	Not applicable
	☐ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths (2.6)	☐ *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.*	Mineralisation is distributed as a flat lying bed in the tailings dam. All drill holes are vertical and intersect the mineralisation approximately orthogonally providing a good estimate of the true thickness of mineralisation
	☐*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').*	Not applicable
Diagrams (2.7)	☐*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.*	See Figures within the ASX announcement.

CARBINE RESOURCES
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Balanced reporting (2.8)	☐ *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.*	Mineralisation distributed at the "Mundic Gully" tailings dump is estimated and reported as a Mineral Resource.
Other substantive exploration data (2.9)	☐ *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.*	Metallurgical recovery of the tailings has been extensively carried out by Carbine over several phases from 2014 to 2015. The phase 3 testwork for the pre-feasibility study provided the generation of three products from sulphidic tails – gold bullion, copper sulphate and a premium grade pyrite concentrate. 76% gold recovery, 90% pyrite recovery and 68% copper recovery (ASX: 23rd July, 2015). Red oxide tailings are blended with testwork suggesting a 74% gold recovery and 51% copper recovery. Deleterious elements are considered very low in the Mt Morgan deposit. Mining and processing of the tailings will improve the environmental legacy held by the Queensland Government for the Mt Morgan site
Further work (2.10)	☐ *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	No additional drilling is required. This data will be a basis for the project's definitive feasibility study.
	☐ *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Potential extensions to the Mundic Resource are identified as 'exploration targets' in Figure 1.

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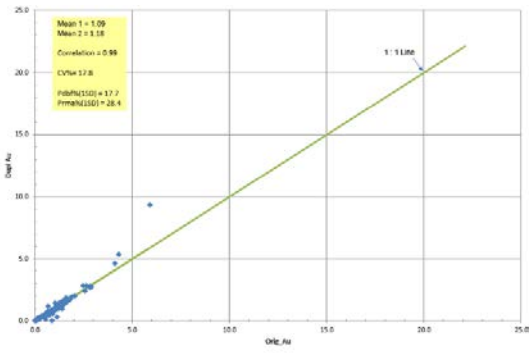
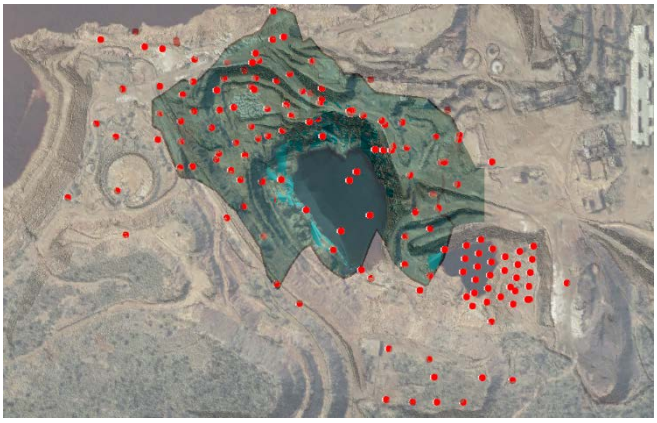
Reporting criteria presented in the Section 3 of the JORC Table 1 (Estimation and Reporting of Mineral Resources)

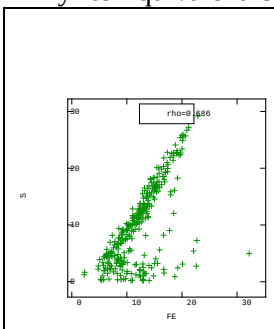
Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Reference to the Current Report Comments / Findings
Database integrity (3.1)	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	Drill hole samples was collected by experienced personnel. Sample numbers have been recorded on the sample bags and sample tickets. The Supervising Geologist undertook cross-checking of the list of samples and the sample numbers and based on these, the list of the samples in the batch was prepared to accompany the samples. Lab personnel, after receiving the samples, have checked the sample numbers versus the list of the samples reported in the assay request form. All further transfers of the assay results were made electronically and supported by the paper copies for ensuring that data has not been corrupted by electronic data transfer.
	• *Data validation procedures used.*	Obtained assays are reviewed and authorised by the Geology Manager before transfer to the database. After the data is entered into the database, it gets subsequently reviewed by the database administrator. The database is located on the company server which is regularly (daily) backed up. Individual data was verified by comparing field duplicates  Correlation of the gold grades between the field duplicates is rho=0.99, which is excellent for gold mineralization.

Site visits (3.2)	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	Dr. M. Abzalov (CP of the project) visited the project site in December, 2015 and in April, 2016. He assisted in setting the sampling and logging procedures, safe storage of samples and the shipment procedures to the lab. The procedures of data transfer between sites has been arranged and checked throughout the course of the project.
	• *If no site visits have been undertaken indicate why this is the case.*	Not applicable
Geological interpretation (3.3)	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The current interpretation is based on 79 drillholes distributed as a random-stratified grid of 40 x 40 m. All drillholes were sampled at 1m intervals and geologically logged. The available information, together with the detailed surface topography and the surface mapping of the tailing contacts have provided a sound base for the current geological interpretation.
	• *Nature of the data used and of any assumptions made.*	796 samples from the 79 drill holes intersecting tailings.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	There appears to be a limited scope for alternative interpretations, so their potential impact on the Mundic Gully Tailing's Resource estimate is considered to be minimal
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	Understanding of the tailings deposition procedures has suggested the following interpretations, which were incorporated into the estimation procedures: • Two types of the tailings materials, red oxide and sulphidic tailings are present in the tailings. They have been offloaded to the tailings dam at different times in the history of the project. Therefore they are not intercalated in the tailings, but rather are distributed as separate domains. • Tailings were infilled evenly creating horizontal layering to the mineralization. Therefore narrow and horizontally oriented search ellipses were used in estimating the block model grades

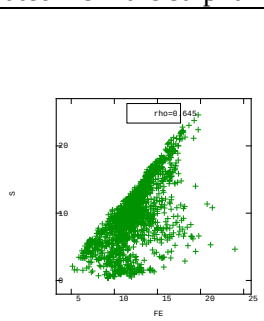
	• *The factors affecting continuity both of grade and geology.*	The horizontal layered nature of the mineralisation is created by the tailing infilling procedures. The grade continuities have been quantified by estimating the variograms of the main metals (Au, S, Fe, Ag, Cu)
Dimensions (3.4)	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	Mundic Gully tailings dump (green shaded area) has a shape of an irregular ellipsoid, with dimensions approximately 500m x 275m. Tailings are deposited as horizontal layers into the pre-existing topography and varies in thickness from 1m to 31.5m (average 12.3m). Up to 40m of waste material overlies the Mundic Gully tailings dump to the west, with most of the gold mineralisation (tailings) starting from an average depth of ten metres.  Red dots – drillholes

Estimation and modelling techniques (3.5)	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• Surface topography was created by wireframing the LIDAR survey data;
		• Mineralisation was constrained as 3D closed wireframe (solid). All wireframing was made using Micromine©
		• Geometry of mineralized tailing was modified by applied top-flattening unfolding algorithm
		• Mineralisation grades (Au, Ag, Cu, Fe, S) were estimated using kriging technique. All geostatistical studies were made using Isatis©
		• Sulphur (S, wt%) grade was converted into the 'pyrite-equivalent' (wt%) using stoichiometry of the pyrite,
		  ➢ formula - FeS_2
		  ➢ chemical composition Fe – 46.6%, S – 53.4% (this corresponds to 100wt% of pyrite in a sample)
		• Validity of this approach is based on a good correlation between S% and Fe% in the drillhole samples and estimated block model grades

- Pyrite has been partially and variably oxidized, therefore Pyrite Equivalent is estimated from the sulphur content



(a)



(b)

S vs Fe (drillhole samples). Correlation (rho) = 0.69
S vs Fe (block model). Correlation (rho) = 0.65

- *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*

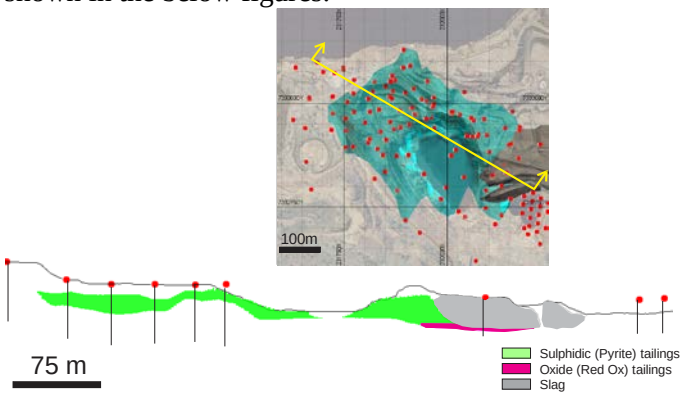
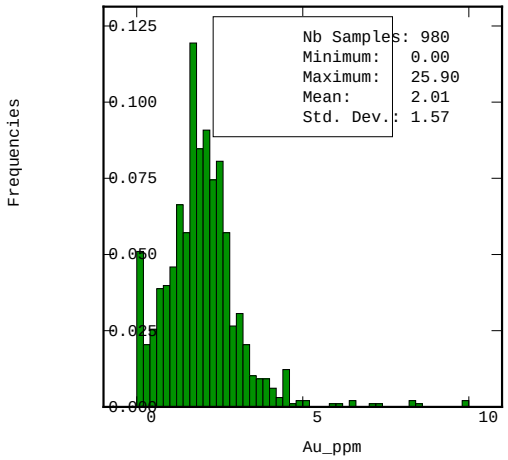
The previous estimate was made by Coffey Mining in 2008 and modified in 2009 by SMG Consulting (Norton Gold Fields Limited ASX announcement 28 October, 2009). The previous resource report included gold only. The results are compared in the table.

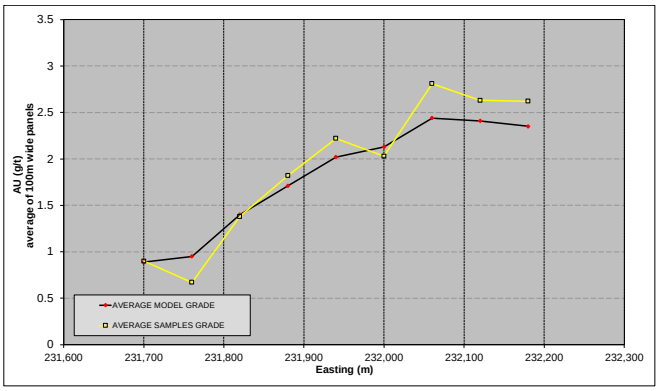
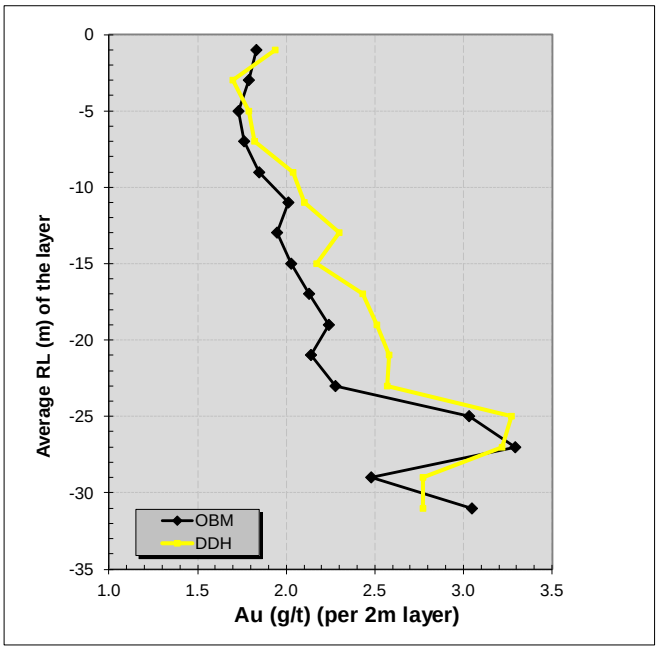
		Tonnage (Mt)	Grade (Au, g/t)	Au Metal (kg)	Au Metal (Koz)
CURRENT ESTIMATE	INDICATED	1.70	1.91	3,249	104
	INFERRED	0.02	1.86	31	1
	TOTAL	1.72	1.91	3,280	105.5
Coffey, 2008	Indicated	0.74	1.93	1,419	46
	Inferred	0.32	1.82	573	18
	TOTAL	1.05	1.9	1,992	64
SMG, 2009	Indicated	0.83	1.93	1,608	52
	Inferred	0.36	1.82	650	21
	TOTAL	1.19	1.90	2,257	73

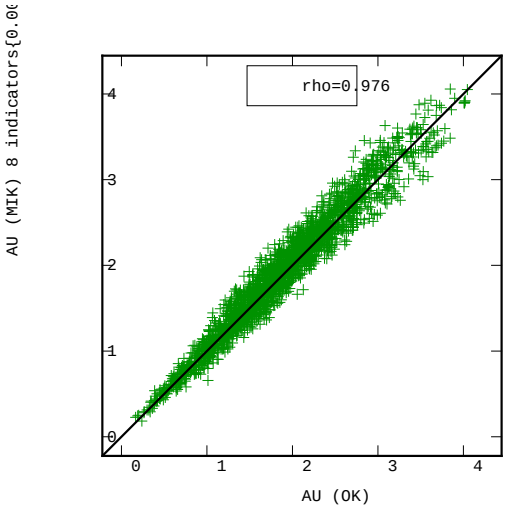
Oxide tailings (Red Oxide) were produced pre-1927 from processing of oxidized ore from the Mt Morgan deposit. Between 1932 and 1964 several generations of Mt Morgan sulphidic tailings were produced and deposited in Mundic Gully. Reprocessing of the Mundic Gully sulphidic tailings commenced in 1986 until 1989 where it is estimated that approximately 2.0Mt was reclaimed. The new resource figures are in close agreement to that predicted by historical records.

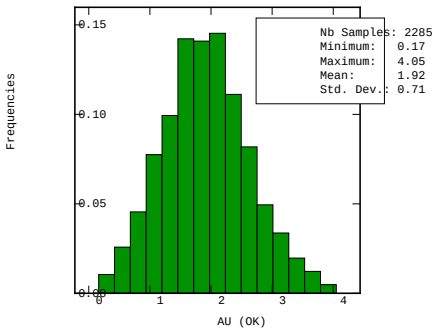
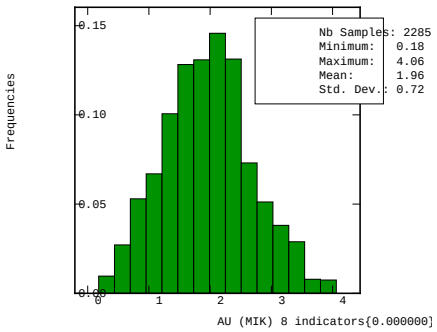
No production figures for oxide tailings have been located.

	• *The assumptions made regarding recovery of by-products.*	Three products from sulphide tailings – gold bullion, copper sulphate and a premium grade pyrite concentrate are generated. 76% gold recovery, 90% pyrite recovery and 68% copper recovery (ASX: 23rd July, 2015). Silver is also a minor byproduct. Two products from oxide tailings - gold bullion and copper sulphate
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	All samples have been assayed for Au, Ag, Cu, Fe and S. Contents of other potentially deleterious components (arsenic, antimony) is negligible in the primary Mt Morgan deposit and were not systematically assayed in this tailings drilling. All sulphidic tailings are being mined and processed. A pyrite concentrate is produced and then taken to the Port of Gladstone hence removing the current environmental liability.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	Drillholes are distributed approximately as 40 x 40m grid and they were sampled at 1m intervals. Blocks (parent cells) are 20 x 20 x 2m, which is sufficient to obtained accurate estimate using Ordinary Kriging technique applied to the data distributed as 40 x 40m grid. Third pass of estimate for Ag, Cu, Fe and S was made using Simple Kriging (SK) method with a global mean.
	• *Any assumptions behind modelling of selective mining units.*	It is assumed that tailings will be mined by 4m benches, which locally can be split into 2m flitches. Thus, the mining selectivity is likely to be in the range of 10x10x2m to 20 x 20 x 4m. The block model parameters used in the current estimate are in a good accordance with the envisaged mining selectivity. It is also noted that previous estimates made by Coffey in 2008 used similar block model parameters. Their parent blocks were 25x25x2m.
	• *Any assumptions about correlation between variables.*	Sulphur and Iron exhibit strong correlation (rho =0.68). Copper, Gold and Silver show little correlation with Sulphur

	• *Description of how the geological interpretation was used to control the resource estimates.*	Understanding of the tailing geology and infilling procedures has been incorporated into the estimation procedures: • Two types of the tailings materials, oxidized and sulphidic (pyritic), are present in the Mundic tailings. A surface separating these materials has been created. • Current estimate is reporting the sulphidic tailings only, because these are the Mundic tailings material. The oxidized material is an extended part of the 'Red Oxide' tailings and it will be reported separately. • Mundic tailings are overlain in the eastern part by slag as shown in the below figures.  • Tailings were infilled evenly creating horizontal layering of the mineralisation, therefore narrow and horizontally oriented search ellipses were used in estimating the block model grades
	• *Discussion of basis for using or not using grade cutting or capping.*	High grade cut-off was applied to composited gold samples, which were cut to 4.5 g/t Au.  No high-grade cutting was required on other metals (Ag, Cu, Fe) and Sulphur.

	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Block grades were compared with the drill holes. All data were grouped into 60m-wide north-south panels drawn across the tailings. The average grades of the panels from drilling were compared against the resource block grades.  The same procedure was repeated in the vertical direction when block and sample grades were grouped by 2m horizontal layers (benches) drawn across the entire tailings.  Results presented on the diagrams show that average grades of the block model are similar to the average grade of the samples from drilling.

		The tests convincingly validates the current estimate confirming its level of accuracy.
		The gold grade was also estimated using Multiple Indicator kriging. The block grades estimated by the two methods are compared on the scatter diagram below, and the global estimates are compared by the histograms of the block grades. The global mean of the OK estimated blocks is 1.92 g/t, compared to that estimated by MIK of 1.96 g/t. Correlation of the Au block grades estimated by OK and MIK techniques is 0.98, confirming the validity of the current estimate. 

		  Nb Samples: 2285 Minimum: 0.18 Maximum: 4.06 Mean: 1.96 Std. Dev.: 0.72 Frequencies 0.15 0.10 0.05 0.00 0 1 2 3 4 AU (MIK) 8 indicators{0.000000}
Moisture (3.6)	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Dry bulk density was measured using the sand replacement method, which was applied to the tailings exposed in the specially excavated trenches. In total, 18 measurements were taken, including 14 of the sulphidic tailings and 4 oxide tailings • Mundic (fresh) - 4 measurements • Shepherd's (fresh) - 6 measurements • No 2 Mill (fresh) - 4 measurements • No 2 Mill (oxide) - 2 measurements • Red Oxide (oxide) - 2 measurements Based on this study the DBD values used for estimating resources were as follows: • Pyritic tailings – 1.76 t/m3 • Oxide tailings – 1.42 t/m3

<table>
<tr><td></td><td></td><td>Moisture is determined as the difference between the wet and dry measurements</td></tr>
<tr><td>Cut-off parameters (3.7)</td><td>• The basis of the adopted cut-off grade(s) or quality parameters applied.</td><td>The contacts of the Mundic tailings were determined by logging the drillhole cuttings. This was checked, and if necessary corrected after obtaining the assay data as overburden and basement rocks are commonly lacking in both sulphur and gold grade.

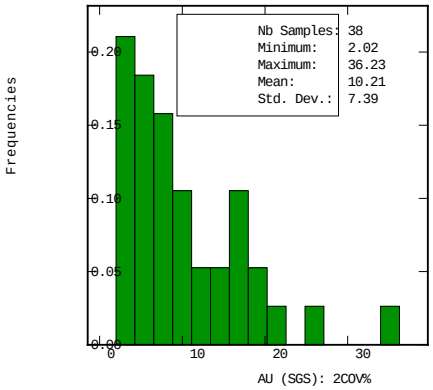
Resources were reported at a zero gold cut-off grade, because the production plan requires extraction and processing of all tailings material for final environmental reclamation. Reporting at a cut-off grade of 0.50g/t results is only a 0.3% reduction in gold metal.

<table>
<tr><th>Cut-off (Au, g/t)</th><th></th><th>Tonnage (Mt)</th><th>Grade (Au, g/t)</th><th>Au Metal (kg)</th><th>Metal (Koz)</th></tr>
<tr><td></td><td>INDICATED</td><td>1.70</td><td>1.91</td><td>3,249</td><td>104</td></tr>
<tr><td>0.00</td><td>INFERRED</td><td>0.02</td><td>1.86</td><td>31</td><td>1</td></tr>
<tr><td></td><td>total</td><td>1.72</td><td>1.91</td><td>3,280</td><td>105.5</td></tr>
<tr><td>0.25</td><td>total</td><td>1.71</td><td>1.91</td><td>3,280</td><td>105.5</td></tr>
<tr><td>0.50</td><td>total</td><td>1.69</td><td>1.93</td><td>3,271</td><td>105.2</td></tr>
<tr><td>0.75</td><td>total</td><td>1.63</td><td>1.98</td><td>3,232</td><td>103.9</td></tr>
<tr><td>1.00</td><td>total</td><td>1.55</td><td>2.04</td><td>3,157</td><td>101.5</td></tr>
</table>
</td></tr>
<tr><td>Mining factors or assumptions (3.8)</td><td>• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</td><td>Tailings have been partially mined in the past, therefore their amenability to open pit mining is well understood and confirmed by past production.</td></tr>
</table>

Metallurgical factors or assumptions (3.9)	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	The project flowsheet incorporates the upfront extraction of copper via resin-in-leach, followed by pyrite flotation to a saleable concentrate, and finally gold extraction by carbon-in-leach. Metallurgical recovery of the tailings has been extensively carried out by Carbine over several phases from 2014 to 2015. The phase 3 testwork for the pre-feasibility study provided the generation of three products – gold bullion, copper sulphate and a premium grade pyrite concentrate. 76% gold recovery, 90% pyrite recovery and 68% copper recovery (ASX: 23rd July, 2015).

Environmental factors or assumptions (3.10)	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Mining license includes all necessary environmental permits for mining and processing of the tailings. A special requirement is the extraction of all tailings material disturbed to eliminate the acid-waste drainage from these tailings. This condition has imposed the necessity to report resources at the zero grade cut-off. Sulphidic waste overburden is assumed to be encapsulated in benign reprocessed tailings.
Bulk density (3.11)	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Dry bulk density was measured using the sand replacement method. The method is certified in Australia (Australian standards - AS1289.5.3.1) for measuring densities of the soft materials. It was applied to the tailings which were exposed in the specially excavated trenches. In total, 18 measurements have been made, including 14 of the pyritic tailings and 4 oxide tailings • Mundic (fresh) - 4 measurements • Shepherd's (fresh) - 6 measurements • No 2 (fresh) - 4 measurements • No 2 (oxide) - 2 measurements • Red Oxide (oxide) - 2 measurements Based on these study the DBD values used for estimating resources were as follows:

		• Pyritic tailings – 1.76 t/m3 • Oxide tailings – 1.42 t/m3
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*	Sand replacement method was applied rigorously following the procedures described in the Australian standards manual (AS1289.5.3.1)
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Average density values have been used in the resource estimation, despite the variations of the measured results. Use of the average values was necessary because the number of measurements was insufficient for estimating the local density. The current density estimate is likely to be conservative due to the more pyrite-rich tailings being located in the middle and lower parts of the tailings and the density of that material is likely to be higher.

Classification (3.12)	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	Classification is based on geostatistically estimated uncertainty of the gold grade. The uncertainty was estimated using Sequential Gaussian Conditional Simulation method applied to the Shepherds Gully tailings. Results shows that using a drilling grid of 40 x 40m will allow estimation of grade for large blocks (350 x 350 x 5m) with an error less than +/-15% (at 0.95 confidence limits). The chosen block size is matching the annual production volumes proposed for the tailings.  Figure: Histogram of the annual production block (350x350x5m) grade uncertainties (at 0.95 confidence limit) This level of uncertainty, applied to the blocks representing the annual production from the tailings is in good accordance with the industry practices for classification endowment as Indicated Resource. Limitation of this approach is that it was applied to the 'Shepherd's' tailings dump and these results were extrapolated to 'No2 Mill', 'Mundic' and 'Red Oxide' tailings

	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	All relevant factors have been reviewed and reported
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Dr. M.Abzalov (the project's CP) is fully satisfied with the results of the estimation, including geometry/volume of the mineralised tailings, density and grade.
Audits or reviews (3.13)	• *The results of any audits or reviews of Mineral Resource estimates.*	Review by the Carbine Resources' Geology Manager has approved the evaluation methodology used by Dr.M.Abzalov and concords with the results.
Discussion of relative accuracy/ confidence (3.14)	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	A Conditional Simulation study undertaken in 2015 using the data from the Shepherd's tailings has shown that using a drilling grid of 40 x 40m will allow estimation of grade of the large blocks (350 x 350 x 5m) with an error less than +/-15% (at 0.95 confidence limits). Actual uncertainty of the grade at the Mundic Gully tailings dump was not tested and it is assumed that results obtained at the 'Shepherd's' tailings are applicable to other tailings at the historic Mount Morgan mine site. A drill density of 40m x 40m is deemed appropriate given the nature of the tailings mineralisation.
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation.*	Gold grade uncertainty was estimated using Conditional Simulation (Sequential Gaussian Simulation) method for the blocks, corresponding to annual (12 months) production volumes.

	Documentation should include assumptions made and the procedures used.	
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Comparisons between historical records of production into and reclamation out of the Mundic Gully tailings and the tonnage and grade of the resource are in line with expectations.