ASX Announcement

10 May 2016

New High Grade Nimbus Silver Core Averaging 968 g/t Ag

- **Revision of the Nimbus resource modelling and estimates have identified a high grade resource within the existing Nimbus resource boundaries.**
- **Underground Lodes 3, 4, 5 & 7 contain a high-grade silver-zinc core of 132,075 tonnes @ 968 g/t silver (Ag) or 31 ounces/tonne (oz/t) & 19% zinc (Zn) for 4.1 million ounces of silver and 25,000 tonnes of zinc.**
- **The underground lodes vary in width from 1 to 4 metres and intercept the wall of the existing Discovery open pit and extend to a depth of 200 metres below the pit.**
- **The high-grade core lies in an overall envelope of a silver-zinc resource for the Nimbus underground project of 255,898 tonnes @ 773 g/t Ag and 13% Zn (using a bottom cut-off grade of 500 g/t Ag). The resource contains an estimated 6.4 million ounces of silver and 33,000 tonnes of zinc.**
- **Trial metallurgical test work achieved silver recoveries of up to 97.18% from zinc concentrate.**

This newly calculated high-grade underground resource is part of the previously reported global resource of 12.1 million tonnes at 52 g/t silver, 0.9% zinc, 0.2 g/t gold containing 20.2 million oz of silver, 78,000 oz of gold and 104,000 tonnes of zinc (please refer to *"ASX Announcement 30 April 2015 - Nimbus Increases Resources"*).

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Nimbus High Grade Resource

Macphersons Resources (ASX:MRP) is pleased to advise that a new high grade silver zinc resource has been estimated from within the global Nimbus resource of 12.1 million tonnes at 52 g/t silver, 0.9% zinc. 0.2 g/t gold containing 20.2 million oz of silver, 78,000 oz of gold and 104,000 tonnes of zinc.

The high grade underground silver zinc resource for the Nimbus project of 255,898 tonnes @ 773 g/t Ag and 13% Zn has been estimated using a higher modelling cut-off grade of 500 g/t Ag and a top cut grade of 2800 g/t Ag was applied.

The high grade resource inventory includes lodes 3, 4, 5 & 7 from the high grade silver zinc resource which total 132,075 tonnes @ 968 g/t Ag & 19.36 % Zn (bottom cut-off grade 500 g/t Ag & top cut grade 2800 g/t Ag). .

The recently increased geological understanding of Nimbus deposit provides MRP with a high level of confidence in the new high grade silver zinc resource however further work is required to bring the resource up to a level required for future Ore Reserve estimations to be completed.

This resource model enables MRP an opportunity to evaluate options of a high grade underground mining scenario for the Nimbus deposit.

Table 1: Nimbus high grade silver zinc resource

Resource	Lode	Volume (m^3)	Tonnes	Ag (ppm)	Zn (%)	Ag (Ozs)	Zn (t)
Indicated	1	15,430	45,235	670.27	8.96	974,799	4,055
	2	9,210	27,077	529.41	8.16	460,875	2,209
	4	27,010	79,409	921.36	19.17	2,352,284	15,220
	8	7,080	18,866	645.62	1.39	391,604	262
Sub Total Indicated		58,730	170,587	762.07	12.75	4,179,569	21,746
Inferred	3	2,840	8,350	893.5	23.35	239,868	1,949
	5	12,770	35,761	992.84	18.58	1,141,510	6,645
	6	10,790	28,559	332.66	0.93	305,446	267
	7	2,910	8,555	1377.17	20.46	378,790	1,751
	10	1,390	4,087	921.88	12.18	121,135	498
Sub Total Inferred		30,700	85,311	797.26	13.02	2,186,733	11,109
Grand Total		**89,430**	**255,898**	**773.80**	**12.84**	**6,366,302**	**32,855**

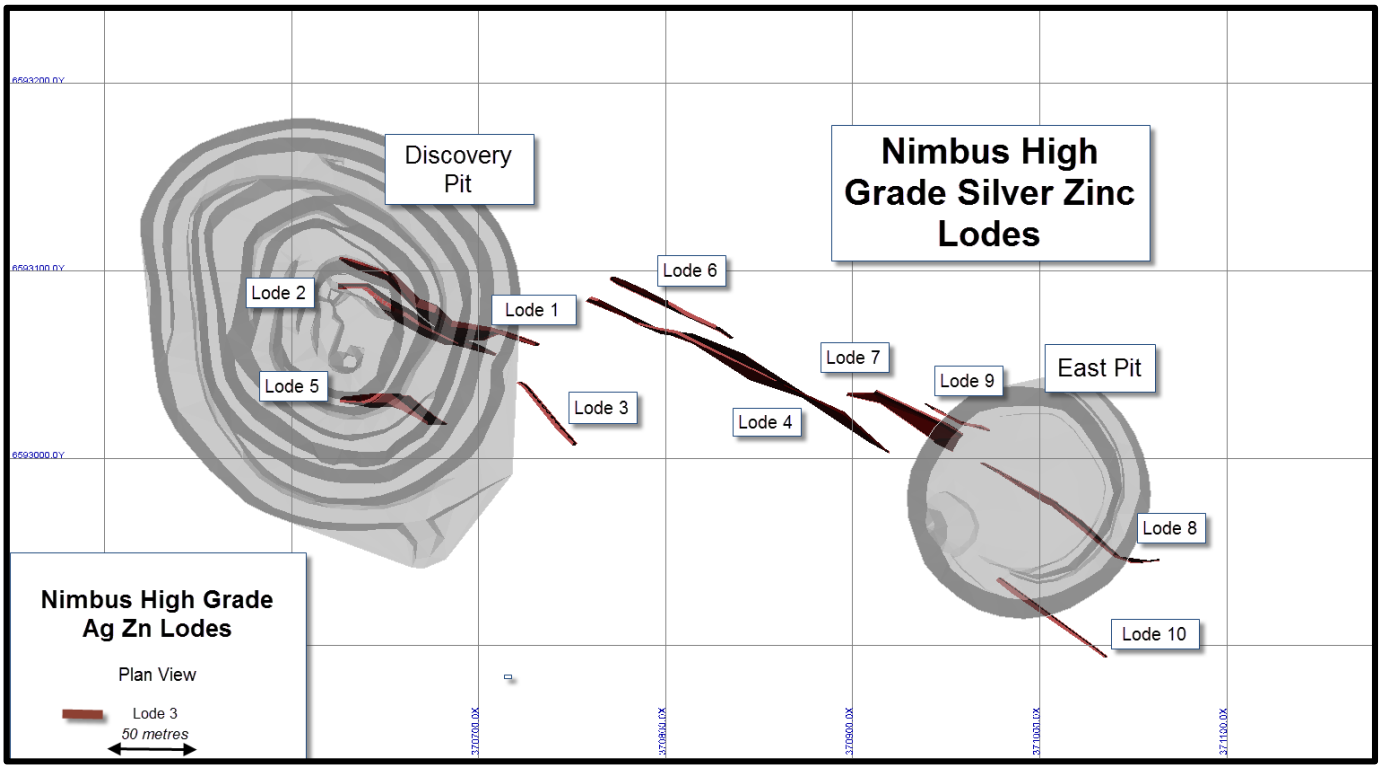

Figure 1: Plan view of the Nimbus high grade silver zinc lodes

Table 2: Nimbus high grade silver lodes 3,4,5,7

Resource Category	Lode	Volume (m^3)	Tonnes	Ag (ppm)	Zn (%)	Ag (Ozs)	Ag (t)
Indicated	4	27,010	79,409	921.36	19.17	2,352,284	15,220
Sub Total Indicated		27,010	79,409	921.36	19.17	2,352,284	15,220
Inferred	3	2,840	8,350	893.50	23.35	239,868	1,949
	5	12,770	35,761	992.84	18.58	1,141,510	6,645
	7	2,910	8,555	1377.17	20.46	378,790	1,751
Sub Total Inferred		18,520	52,666	1039.52	19.64	1,760,167	10,345
Grand Total		**45,530**	**132,075**	**968.48**	**19.36**	**4,112,452**	**25,565**

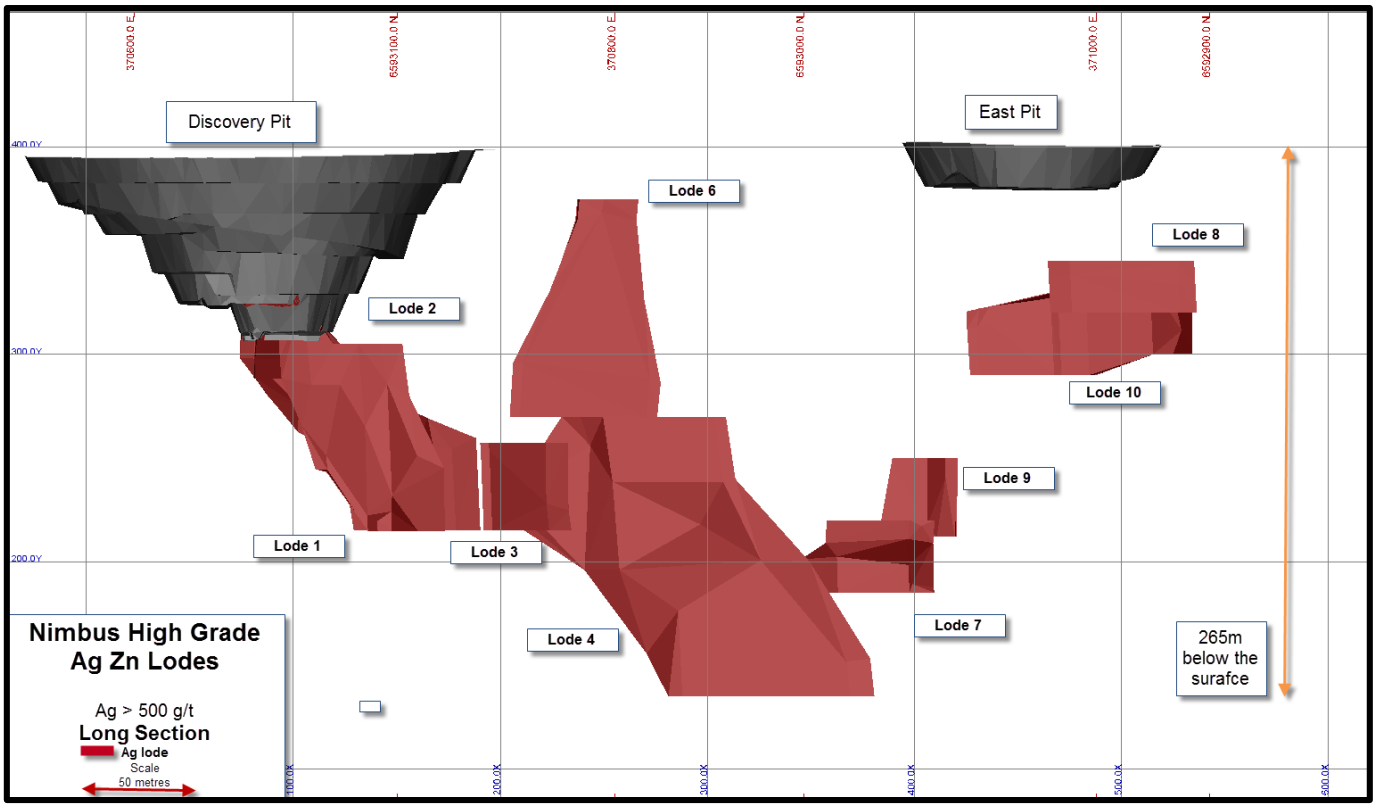

Figure 2: Long section of the Nimbus high grade silver zinc lodes

Nimbus High Grade Resource Geological Review

A geological review of the Nimbus VHMS Ag-Zn deposit has enabled MRP to confidently high grade the existing resource. The geological understanding of the nature of mineralisation at Nimbus has increased significantly recently due to a combination of previous work undertaken by MRP geologists, a joint CSIRO/GSWA study and a recently completed Bachelor of Science Honours thesis titled “Host Rock Succession to the Archaean Nimbus Deposit”.

Work completed by MRP geologists included the relogging of historic diamond core (approx. 18,000 metres) and reverse circulation (RC) chips which enabled consistent rock and alteration naming nomenclature to be applied across the deposit for the first time. This work culminated in the construction of 3D geological models of Nimbus deposit including a lithology model, mineralisation model and structural model.

A joint CSIRO/GSWA research project undertaken by Dr Steven Hollis involved collecting Nimbus drill samples for petrographic and mineralogical determination, whole rock geochemical analysis, pXRF analysis, hyperspectral analysis and U-Pb zircon SHRIMP age dating. The age dating undertaken on the Nimbus dacite host unit resulted in age dates of 2703 ± 5 Ma and 2702 ± 4 Ma.

The CSIRO/GSWA research project has resulted in a clear understanding of the Nimbus mineralogy and host rock succession.

"*Primary sulphide resources occur as a series of stacked plunging lenses, overlying mined supergene and oxide mineralisation. In the primary sulphide zone, early well-developed massive pyrite is underlain by 1) semi-massive, stringer and breccia-type Ag-Zn±Pb(Cu-Au) sulphides (including: pyrite, low - and high-iron sphalerite, galena, pyrargyrite, marrite, boulangerite, arsenopyrite, chalcopyrite, Ag-bearing tetrahedrite) associated with the autoclastic facies of thick units of dacite; and 2) stringer and disseminated sulphides (dominated by pyrite and sphalerite) in coherent pseudo-brecciated dacite at depth. Hydrothermal alteration is characterized by intense and pervasive quartz-sericite-carbonate±Cr-V mica, with chlorite predominantly associated with mafic units*" (Hollis 2016).

Deep diamond drill hole NBDH 010 (921.1m) that was drilled through a wide section of the stratigraphic sequence at Nimbus from east to west that was funded via the Royalty for Regions Exploration Incentive Scheme has made an important contribution to the understanding of the Nimbus deposit.

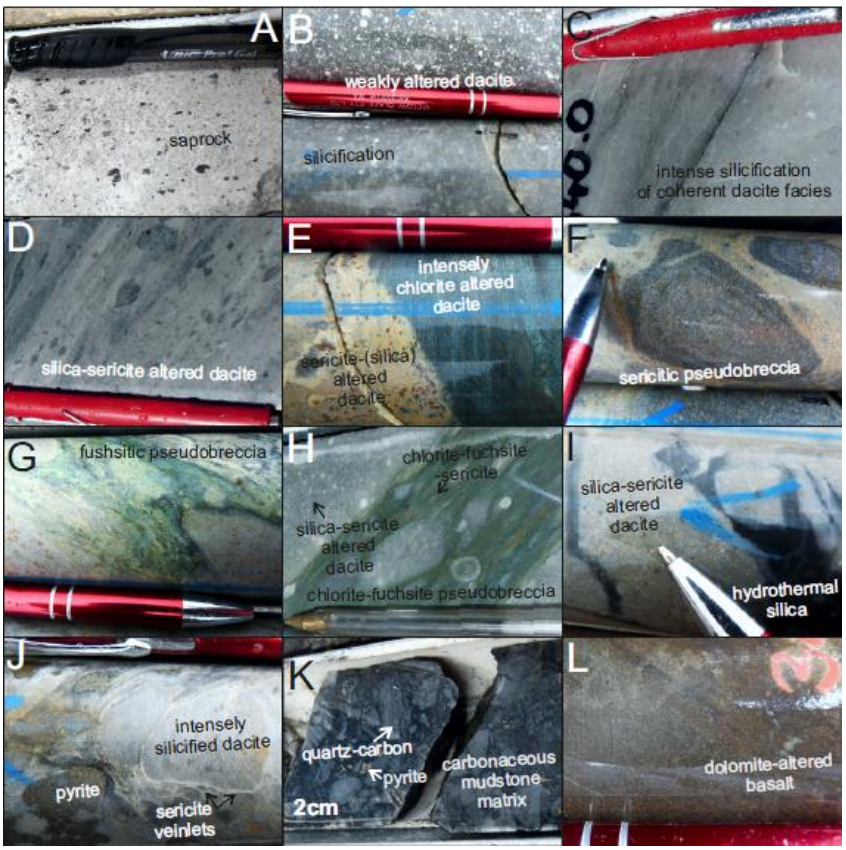

Figure 3: Examples of Nimbus lithologies and alteration in drill core

Nimbus Metallurgical Update

The Company's recent metallurgical test silver recoveries of up to 97.18% from a Nimbus silver zinc concentrate successfully completing the first phase of its processing study for the Nimbus Silver-Zinc Project, assessing flotation models to produce a saleable zinc concentrate followed by a Merrill-Crowe silver leach.

This testwork has examined options to leach silver from the zinc concentrate to potentially produce higher value, separate silver dore, and zinc concentrate product streams.

The metallurgical test work on concentrate samples involved a caustic boil after concentrate re-grind to P80-10 microns with silver leaching under low cyanide and very high cyanide conditions with high pH conditions. Silver recoveries varied depending upon cyanide conditions with best recoveries from leaching under very high cyanide conditions (1000 kg/t NaCN). The best recovery from this testwork was 97.18%. These levels of recovery are laboratory based using very high cyanide conditions and provides MRP with encouragement that commercial recoveries are achievable.

One test was undertaken without the caustic boil under very high cyanide conditions, (fine grind of P80-10 micron) high pH and achieved a recovery of 98.22%. Although this is only one sample this test result gives MRP confidence that high silver recoveries may be achieved without the need for the caustic boil step.

Future Nimbus Metallurgical Testwork

Future Nimbus metallurgical testwork will focus on maximising the silver recovery whilst reducing the cyanide requirement of the silver leach and examining opportunity to increase the grind size. This work will also examine opportunities of how laboratory scale silver zinc recoveries can be converted to a potentially commercially economic process plant flow sheet. This next step in the Nimbus metallurgical test program is expected to take 6 months.

About MacPhersons

MacPhersons Resources Ltd (MRP) is a Western Australian resource company with a number of advanced gold, silver and zinc projects.

The company's long term objective is the development of its existing assets and unlocking the full potential of its 100% owned highly prospective Boorara/Nimbus and Coolgardie projects.

For more information on MacPhersons Resources Limited and to subscribe for regular updates, please visit our website at: www.mrpresources.com.au or contact our Kalgoorlie office on info@mrpresources.com.au or - 08 9068 1300.

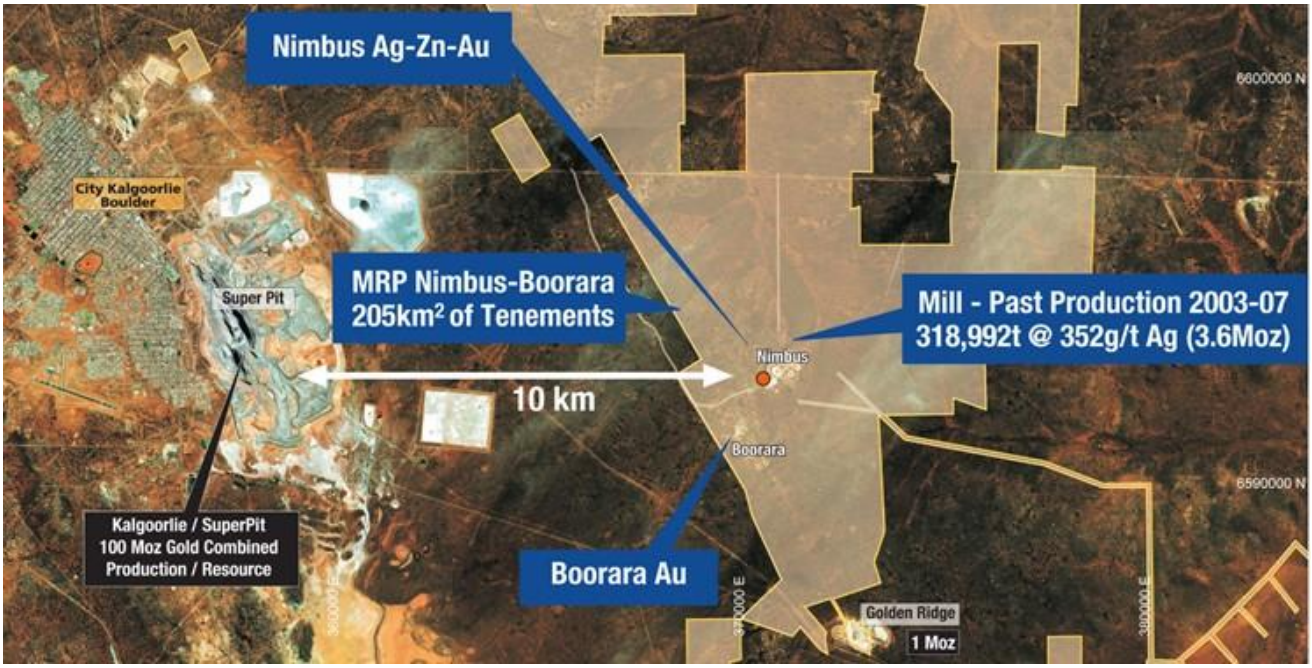

Figure 5: Location of the Boorara-Nimbus projects area, 10km east of the Kalgoorlie Super Pit, showing the Nimbus Mill Site and the Boorara gold project with 1km of Nimbus.

Competent Person's Statement

The information is this report that relates to exploration results is based on information compiled by Andrew Pumphrey who is a Member of the Australian Institute of Geoscientists. Andrew Pumphrey is a full time employee of Macphersons Resources Ltd 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 to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pumphrey has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information is this report that relates to mineral resources is based on information compiled by Mark Rigby who is a Member of the Australasian Institute of Mining and Metallurgy. Mark Rigby is an employee of Macphersons Resources Ltd 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 to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rigby has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	• *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.* • *Data validation procedures used.*	• MRP and pre-MRP data has been checked and validated to an acceptable standard, by MacPherson's staff and by independent geological consultancy group CSA Global. • Validation methods would include review of drill logs and other hardcopy data and a review of drillholes in 3D graphics to highlight any obvious errors. • Randomly selected data files from the database (collars, surveys and assays) were cross checked against the original laboratory or survey certificates. • Database scripts were run to check for missing data, abrupt down hole azimuth changes, sample depths greater than recorded hole depth, overlapping intervals.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person worked on the Nimbus Project in 2014 - 15 and is familiar with the general layout, topographic expression of the deposit and some historical and recent diamond core. The Competent Person was involved in RC and diamond core drilling, logging and sampling and resource modelling and estimation activities. The Competent Person was satisfied that the procedures being followed by MacPhersons and contract staff provided data that was of sufficient quality to be used in support of the Mineral Resource estimate.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• A lot of work has been completed on building a 3D geological model of the Nimbus Project, with a review of the geological interpretations supporting recent Mineral Resource estimates following a review of the structural measurements derived from diamond core. There is a high degree of confidence in the geological and drilling data. • Drill hole intercept logging and assay results, and structural interpretations from drill core have formed the basis for the geological interpretation. • Historical Mineral Resource estimates used alternative interpretations, from which the current Mineral Resource has developed. Using higher grade cut-offs has resulted in a decrease in Mineral Resource tonnage and

Criteria	JORC Code explanation	Commentary
		an increase in grade due to the nature of this high grade option being assessed. • The Nimbus Project is hosted within a package of bimodal volcanic rocks dominated by quartz – feldspar dacite with lesser basalt and volcaniclastic rocks. Mineralisation is hosted within the felsic volcanics.
Dimensions	• *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.*	• This mineralized Ag-Zn envelope extends for a strike length of nearly 600 m and with a vertical extent of 300 m. It varies in width from 1.5 -5m. This more constrained high grade model becomes more discontinuous extending between 150 – 200m in length down plunge and are narrow in comparison to other models with a maximum true thickness of 5m.
Estimation and modelling techniques	• *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.* • *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 assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.*	• The mineralisation and geological domains and weathering surfaces were constructed in Surpac by MRP staff. The model parameters were used to construct the final mineralisation model in Surpac from which 1m composite sample data was extracted to be used for geostatistical analyses of data and for estimation. The Ag-Zn domains were modelled based upon a 500 ppm lower cut-off and a 10% Zn cut-off. The wireframe model consisted of 10 individual shapes. Domains were extrapolated along strike or down plunge to half a section spacing or if a barren drill hole cut the plunge extension before this limit. • The downfall of raising the cut-off grade is that there is a lot less data to work with when analysing the lodes statistically and geostatistically. This lowering of data reduces the confidence level in the estimation. • Three weathering domains (oxide, transitional and fresh) were interpreted. Zn is not estimated in the oxide horizon as it is typically depleted in the oxide material. • Mercury (Hg) was estimated as it occurs with the high grade silver and zinc and could potentially be recovered in any processing method as a by-product. • Top cuts were used to constrain extreme grade values if it was determined that the extreme high grades would potentially over-estimate local block estimates, either due to limited sample numbers, or if the individual assay result was considered too high compared to the rest of the domain's population. Diamond core and RC drill hole data were utilised in the grade interpolation;

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	samples from RAB and other drill hole types were excluded as were some vertical holes drilled into vertical lodes. A Quality Assurance study of the historical drilling coupled with a due diligence twin drilling programme confirmed the historical drill hole database could be used as part of the grade interpolation. • A block model with parent cell sizes 10 m x 2 m x 2 m (Easting, Northing, RL) was constructed which was based on drill spacing and width of lodes. • No suitable variogram models were able to be modelled due to low levels of sample data in the lodes. Previous variogram models cannot be applied to this model due to the differences in sample population • Grade estimation was by Inverse Distance Squared (ID^2) estimation. A minimum of 4 and maximum of 12 composited (1m) samples were used in any one block estimate for Ag and Zn mineralisation zones, with 2 to 8 samples used for the second pass grade interpolation. Grade interpolation was run within the individual mineralisation domains, acting as hard boundaries. • Average bulk density values were assigned based on data retrieved from MRP drill core samples and the weathering profile (oxide, transition and fresh). • The current Mineral Resource was checked against the previously reported Mineral Resource (April 2015) and represents a decrease in tonnages, and an increase in grade for Zn and Ag. Note that the previous model used a different geological interpretation and associated cut-off grades, for both domain interpretation and reporting of Mineral Resources and no meaningful comparisons can be made between the two. • The Mineral Resource was depleted by the volume of the two open pits present in the area, Discovery and East which have been incorporated into the topographic DTM. • No selective mining units were assumed in this model. • The grade model was validated by 1) creating slices of the model and comparing to drill holes on the same slice visually and 2) comparing wireframe volume with estimated block volume
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The MRE was reported for all blocks that were estimated within the mineralisation model.
Mining factors or assumptions	• *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.*	• It is assumed the project will be developed as an underground mining project.
Metallurgical factors or assumptions	• *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.*	• Metallurgical process route for the oxide portion is proven with previous recovery via the Merrill Crowe process during production period from 2003 to 2007. Testwork is nearing completion for the primary mineralisation with good silver and zinc recoveries in flotation concentration and leaching of the sulphide concentrates to date.
Environmental factors or assumptions	• *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.*	• The Nimbus Project is located in a mature mining district within 15 km of Kalgoorlie-Boulder. There are no major water courses in the project area, although ephemeral streams do cut across the project. There are no known endangered flora or fauna populations. • Previous Mineral Resource studies interpolated sulphur into the waste rock, and this information has been used to model waste rock land form parameters. This work confirms the net acid generating waste material can be contained without adverse environmental effects or operating cost. Appropriate management of mineralised waste which could be treated at a later date would be considered and factored into any future mining studies and proposals.
Bulk density	• *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.*	• In 2012 an independent study was completed by CSA Global, the study determined that ~68% of the density determinations were unreliable due to the use of an inappropriate determination method. The result was that 629 values were validated and used for the density determination in the previous

Criteria	JORC Code explanation	Commentary
	• *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.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	estimate. The recent 2014 drilling has generated an additional 292 density determinations. Prior to estimating the final density, all determinations were analysed to look for obviously erroneous values, a total of 35 values or 4% of the population were excluded by this process. The CP is confident the densities assigned to the block model are appropriate for the rock type and associated intensity of weathering. • The samples selected for density work are described geologically with some estimations of porosity and moisture made. Sub-domaining on alteration zones has not been undertaken and so the densities selected are regarded as suitable for a global estimation based on host rock type and weathering type only. More density work may be undertaken if possible to determine the effects of alteration types.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. 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).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Classification of the Mineral Resource estimate was carried out taking into account the geological understanding of the deposit, QAQC of the samples, density data and drill hole spacing. • The Mineral Resource is classified as a combination of Indicated and Inferred, with geological evidence sufficient to confirm geological and grade continuity for the Indicated Mineral Resource. This is a change from Measured Resource previously reported due to the low amount of samples now being used to estimate the more constrained lodes. • All available data was assessed and the Competent Persons' relative confidence in the data was used to assist in the classification of the Mineral Resource. • The current classification assignment appropriately reflects the Competent Person's view of this model rather than the entire deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits have been undertaken on the current Mineral Resource, although previous Mineral Resource models were reviewed by an independent consultancy group who found no material issues or fatal flaws in the modelling process. The current Mineral Resource broadly follows the modelling methodology used for the audited Mineral Resource models. The current Mineral Resource was reviewed internally by MacPhersons and CSA Global.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *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.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No other estimation method or geostatistical analysis has been performed. • The Mineral Resource is a global estimate, whereby the global Mineral Resource is reported, with the tonnages and grade above the reporting cut-off grade appropriately reported. • Relevant tonnages and grade above nominated cut-off grades for Ag and Zn are provided in the introduction and body of this report. Tonnages were calculated by filtering all blocks above the cut-off grades and sub-setting the resultant data into bins by weathering domain. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages. The contained metal for each block were calculated by multiplying the block grade by the block tonnage. • No production data is available to reconcile results with.