25 August 2016

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PROJECTS
CAMBODIA:
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FIJI:
Nabila Gold
Rakiraki Gold
Sabeto Gold-Copper
Vuda Gold-Copper
Cakaudrove Gold-Silver

PAPUA NEW GUINEA:
Woodlark Island Gold

WOODLARK RESOURCES

This announcement is released at the request of the ASX. The purpose of the announcement is to clarify the JORC resources at the Woodlark Gold Project (Woodlark).

The Board of Geopacific Resources Limited (Geopacific) is pleased to provide this announcement on resources at Woodlark. It is noted that the resource is as quoted by Kula Gold Limited (Kula).

Woodlark's resource is a robust 45.1 million tonnes @ 1.50g/t of gold for 2.12 million ounces

Deposit	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Ave grade (g/t gold)	Gold (Oz)
Kulumadau	5.0	4.4	8.6	1.6	910,000
Busai	3.9	10.4	8.8	1.4	1,040,000
Woodlark King	-	3.0	1.0	1.4	175,000
Totals	**8.9**	**17.8**	**18.5**	(for 45.1Mt at) **1.5**	**2,120,000**

On 11 July 2016 Geopacific announced a project-level, earn-in agreement with Kula to acquire an interest in Woodlark. Under the terms of the transaction Geopacific will acquire a 75% interest by spending a maximum of $18.65 million over three tranches. Geopacific can increase its interest to 80% by raising development finance and is the sole manager of the project.

The $15 million in capital raised in the oversubscribed placement last week will see Geopacific well into the third tranche of the transaction and enable significant progress towards developing the project.

Currently in tranche one of the transaction, Geopacific is working on a development plan, which will allow the Company to define a 1.2 million ounce gold reserve. This is an incentive target and achieving it will see Geopacific earn 51% of Woodlark in tranche two of the transaction.

HIGHLIGHTS

- **2.12 Moz of gold in resouce**
- **800Koz of gold in Inferred category**
- **Substantial potential to increase resources surrounding known areas**
- **Numerous exploration targets identified**
- **Experienced team providing refreshed view on exploration and development potential**

Geopacific Managing Director Ron Heeks said:

"Woodlark is an advanced-stage, permitted gold project. It adds significant value to our portfolio of gold and copper-gold projects in the Asia-Pacific region."

"Look at the location – its 'elephant country' – two million ounces is a relatively small deposit. The future holds great potential for Woodlark and we look forward to delivering value to our shareholders."

Location of the Woodlark Gold Project

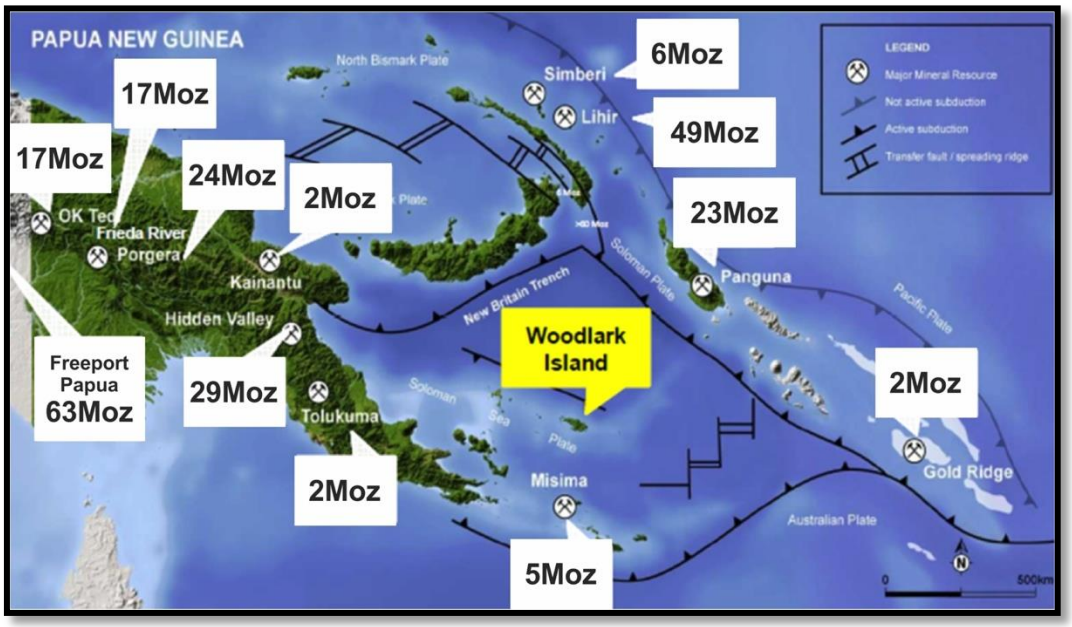

Figure 1: Major mineral resources located around the Woodlark Island Gold Project in Papua New Guinea.

Resources

The resource estimates were carried out by Continental Resource Management Pty Ltd (CRM) of Woodlark Mining Limited's (WML's) Gold Deposits on Woodlark Island, P.N.G. WML is a wholly owned subsidiary of Kula Gold Pty Ltd. Geopacific Limited is currently in tranche one of the three tranche earn-in transaction. On completion of tranche one, when Geopacific formally elects to continue to tranche two, Geopacific will earn and initial 5% of WML.

The resource estimates were updated in 2014 and are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (the JORC Code). CRM was commissioned by WML to provide mineral resource estimates of its Busai and Kulumadau gold deposits using the exploration information available to the end of June 2012. CRM has acted as an independent consulting geologist to the project since 2005.

Resources at Woodlark are located across three main areas: Kulumadau, Busai and Woodlark King.

Of the 45.1 million tonnes in the resource, 18.5 million tonnes are in the Inferred category. This means that over 40% of the resource is available to be moved into Measured and Indicated categories with infill drilling.

This is significant because Geopacific's incentive target is based on achieving a 1.2 million ounce gold reserve and only mineralisation in Measured and Indicated categories can be included in the calculation of a reserve.

Geopacific is currently assessing which areas hold the best potential to upgrade mineralisation with selective drilling, this will form a part of the development plan.

The majority of resource drilling at Woodlark was conducted prior to Kula listing in 2010. Little exploration has taken place since then, with mineralisation open to depth and along strike in most cases.

High-grade zones of mineralisation have been discovered at all deposits.

Kulumadau: 18Mt at 1.6g/t for 910,000 ounces of gold

With 8.6 million tonnes or 48% of the mineralisation in the Inferred category, Kulumadau holds significant potential for Geopacific to upgrade the resource category. It's worth noting "The estimated grade of the Kulumadau West Zone mineralisation is considered by CRM to be a minimum grade, as it is considered likely that the diamond core drilling used to provide samples for the estimation did not recover all of the gold present in the clayey lodes."

Busai: 23.1Mt at 1.4g/t for 1,040,000 ounces of gold

With 8.8 million tonnes or 38% of the mineralisation in the Inferred category, Busai also holds significant potential for Geopacific to upgrade the resource category.

Woodlark King : 4Mt at 1.4g/t for 175,000 ounces of gold

Woodlark King is the smallest deposit at Woodlark and as such is a lower priority.

Location of resources on Woodlark Island

The topographic map of the island (below) indicates the relatively flat nature of the topography.

The areas of the current reserves clearly stand out as topographic highs and mineralisation was outcropping. The fact that these areas were exposed enabled exploration targeting, resulting in the current resources being located at these areas.

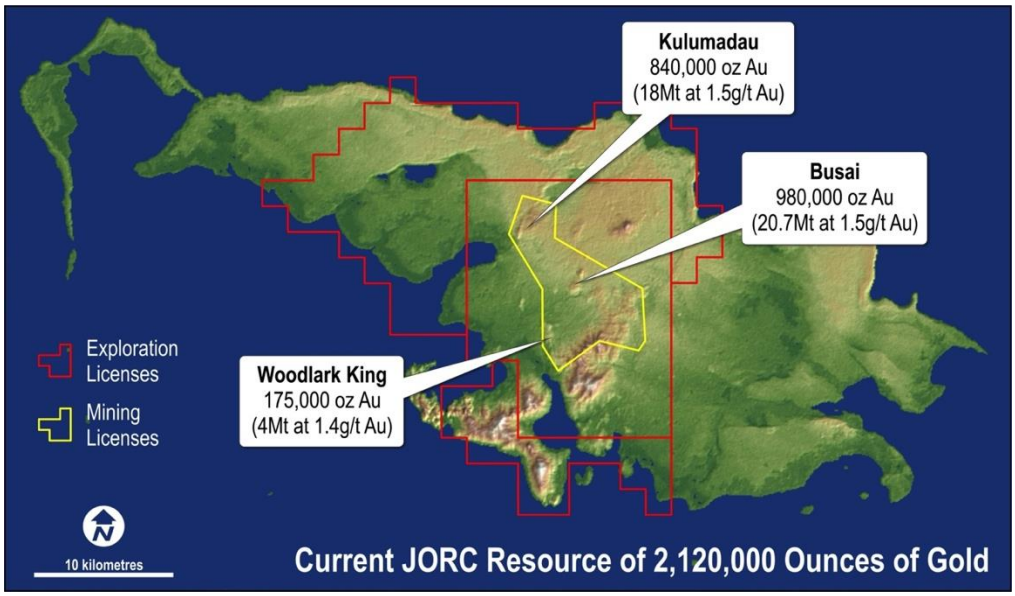

Figure 2: Topographic map of Woodlark Island showing the resources at the Woodlark Gold Project

Detailed resource table

Deposit	Category	Resource (Mt)	Grade – cut (g/t gold)	Gold – cut (Oz)
Kulumadau	Measured	5.0	1.78	285,000
	Indicated	4.4	1.75	245,000
	Inferred	8.6	1.4	375,000
	Totals	**18.0**	**1.6**	**910,000**
Busai	Measured	3.9	1.54	190,000
	Indicated	10.4	1.4	480,000
	Inferred	8.8	1.3	370,000
	Totals	**23.1**	**1.4**	**1,040,000**
Woodlark King	Indicated	3.0	1.2	115,000
	Inferred	1.0	1.8	60,000
	Totals	**4.0**	**1.4**	**175,000**
All	Measured	8.9	1.67	480,000
	Indicated	17.8	1.5	840,000
	Inferred	18.5	1.4	800,000
Totals	**All**	**45.1**	**1.5**	**2,120,000**

Note: totals may appear incorrect due to rounding

Next Steps

Geopacific's focus is to maximise the development potential of Woodlark in the shortest possible timeframe, alongside this work Geopacific will establish which areas hold the greatest potential to add substantially to the resources.

Geopacific will complete the development plan and announce its intention to proceed to tranche two before the end of 2016, thus concluding tranche one of the earn-in transaction to earn 5% of Woodlark.

CONTACT

For further information on this update or the Company generally, please visit our website at www.geopacific.com.au or contact:

Mr Ron Heeks

Managing Director

Competent Person's Statement

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Ron Heeks, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Managing Director of Geopacific. Mr Heeks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity 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 Heeks consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Mineral Resource estimates for Kulumadau, Busai and Woodlark King is based on information compiled by Mr. John Doepel, Principal Geologist for Continental Resource Management Pty Limited (Resource Report, Woodlark Island). CRM has acted as independent consulting geologist to WML since 2005 and has undertaken several visits to the island and to the sample preparation facilities. Mr. Doepel is a Member of The Australasian Institute of Mining and Metallurgy 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 Doepel consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Geopacific Resources Limited are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Geopacific Resources Ltd that could cause Geopacific Resources Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Geopacific Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Geopacific Resources Ltd does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. Woodlark is fully permitted fully by the PNG Government, subject to meeting the conditions of the licence.

Appendix 1 - JORC 2012 Checklist of Assessment and Reporting Criteria

Table 1: Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	EXPLANATION	COMMENTARY
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure samples are representative 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	*In-line with the nature of the mineralisation, the nature and quality of the RC (reverse circulation) and DD (diamond drilling) sampling was deemed by to be representative and of sufficient standard for use in subsequent detailed studies and ultimately resource estimation.* *Sampling protocols were adequate and maintained throughout the drilling campaigns.* *For RC drilling, historical sampling by BHP was over 2m or 4m intervals and by Auridium and Woodlark Mining Limited (WML or The Client) over 1m intervals.* *For diamond drilling by BHP, Auridium, & WML diamond core was sampled over 1m intervals and by Highlands over 2m intervals. All companies submitted half core for analysis.* *Portions of the core obtained by the WML drilling were clay rich, soft, and liable to fragmentation and sample loss during core cutting. Consequently such core was bound in plastic tape before cutting, to preserve both the integrity of the analytical sample and of the retained half core.*
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	*Across the entire Woodlark Island Project, drilling was by Reverse Circulation (RC) and diamond (DD) drilling representing 86% and 14% of the total database respectively.* *The WML Reverse Circulation (RC) holes were drilled using a face sampling hammer to a maximum depth of 171m, although most were drilled to 150m* *The Diamond Drilling (DD) technique was used to obtain varying size core (between HQ3 to NQ2 sized core) samples. DD drilling achieved a maximum depth of 350m in drill-hole 08WBSD008.* *WML Diamond (DD) drill core samples were oriented & marked up using ORI tool marks generated during the drilling process.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*To assess RC sample recovery, individual samples were weighed and recorded in the field. The data indicated some inadequacies in sample recovery were primarily due to poor ground conditions, however consistently high recoveries were obtained by WML, which in most cases obtained dry samples.* *All diamond core (DD) was measured and recovery data recorded for all holes. Predominantly satisfactory sample recovery occurred, however periodic poorer recovery was encountered during the intersection of clay rich sheared and fractured zones at Kulumadau West, which resulted in the likelihood of the potential loss of some sulphides and gold in clayey shear zones during core drilling. At Kulumadau West some smearing in pre-WML RC drilling gave potential overestimation of the width of mineralised zones. Assays from these holes were not used for resource estimation..*
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.*	*It has been noted by KG representatives that a geologist was on site at all times when the rig is operational.* *A handful of material for logging was taken from the 3/4 split bag (this was usually done before weighing due to the need to keep pace with the drilling). The sample was then wet sieved into a panning dish using a 1 or 2mm sieve. Oversize rock chips were geologically logged using the appropriate log form.* *After logging, rock chips were placed into appropriately labelled plastic chip storage trays. A photographic record was later made of the chip trays laid out in an ordered arrangement to reflect the progressive changes down the drill-hole. All core was photographed.* *The sieved -1mm material was then panned down to a concentrate and notes made on the presence of sulphides, magnetite, visible gold and other heavy minerals. Logging was undertaken on a sample interval basis keeping pace with the progress of the drill-hole where possible.* *CRM viewed all core and chip trays from the Busai Deposit in the field and the photos of all chip trays and core from the other deposits*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*The WML RC samples were collected into an open weave (polyweave) plastic sack, numbered with the drill-hole number & sample interval. The sack is fixed to the throat of the cyclone. The filled sack was transported to the splitting station in a barrow. This procedure reduced the chances of spillage and injury caused by lifting heavy wet samples.* *Holes made with fencing wire were applied to the top of the sample bag when the sample is wet to allow excess water to dissipate. WML protocol was that the cyclone should be checked and cleaned at every interval when the recovered sample is damp or wet.* *A riffle splitter capable of handling up to 35kg of dry cuttings was be used to obtain a 4-5kg split of the cuttings for despatch to the Sample Preparation Laboratory. This usually represents 20 to 25% of the sample collected, dependent on the drill-hole size.* *The laboratory sample is placed into a plastic bag labelled with the sample number and an aluminium permatag with sample number inserted before sealing the bag with staples. The bags is weighed then laid out in order of sampling for checking prior to transhipment to the lab. Sample weights are determined for each sample interval whilst at the drill site. Suspension scales accurate to 0.5kg are recommended for the 3/4 split residue and a set of top balance scales accurate to 0.1kg is recommended for the lab sample.* *For core drilling the samples are transported from the field, four trays at a time in a utility, once in the core yard core blocks are recorded and core recoveries are calculated.* *The core is photographed and then marked up in individual metres. Core is then geologically and geotechnically logged and sample numbers are assigned for cutting and sampling.* *Core is then sawn in half (if the core is not coherent it is first taped up) and the half core is sampled according to the assigned sampling regime (usually by 1m intervals). Core is packaged into plastic and then combined into calico and a polyweave sack, the quantity is contingent upon weight.* *The sample sizes are considered adequate to capture and adequately represent the prevailing mineralisation style / gold variability over the project area.*

CRITERIA	EXPLANATION	COMMENTARY
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	*WML sample preparation was carried out by Intertek personnel on Woodlark during 2004. For the 2005 programme a new preparation facility was established and run by Intertek at Alotau. In 2008 the preparation laboratory was moved to WML's Woodlark camp. CRM visited both facilities and was of the opinion that all necessary equipment was available and fully serviceable and that all procedures and documentation were carried out to highest standards.* *The Sample Preparation Laboratory submitted a second pulp sample at the ratio of one sample in fifteen.* *Sample submission forms are completed at the sample preparation facility and the pulp samples are transported to Intertek in Jakarta by air.* *Gold analyses are conducted using Fire Assay with AAS finish on a 50g sample (Intertek method Code FA50).* *Routine base metal analyses are to be conducted using acid (aqua regia) digest with AAS finish (Intertek method Code GA02).* *As a standard practice, Intertek Analytical Laboratory in Jakarta routinely re-assays the pulps at a ratio of approximately 1 in 9, including all samples returning greater than 10 g/t Au. Any variation greater than 15% between first and second analyses triggers further repeats.* *Many of the drill-holes completed by WML in 2004 contained zones with visible gold. It is accepted that this has potential to contribute to a lack of homogeneity in both crushed and pulverised sample material due to "nugget effect". Screen fires have been used by past explorers on Woodlark and have confirmed that nugget effect is a common occurrence.* *As part of their own internal quality assurance program, Intertek run reference standards with every batch of samples supplied by Woodlark Mining. Each batch of fifty samples fired includes one blank, two gold reference standards and two randomly selected replicate samples. This is in addition to the one-in fifteen second splits used for monitoring reproducibility.*

CRITERIA	EXPLANATION	COMMENTARY
		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.* *CRM supervised the collection of duplicate core, coarse crush, and pulp samples from both WML's 2004 and 2005 Kulumadau diamond drill programmes. These samples were analysed for Au by Genalysis Laboratory Services Pty Ltd, Maddington, Western Australia (Genalysis) using a 50g charge fire assay with an AAS finish. The check core samples confirmed the presence of high grade gold mineralisation and the check pulp samples the validity of Intertek's assay procedures.* *From mid-2008 WML included a series of gold reference standards and blanks (obtained from an independent Australian supplier) with each batch of samples submitted for analysis. These were included on a one-in-fifty basis as part of the normal sequence of sample numbers not revealed to the Analytical Laboratory.* *WML procedures have provided acceptable levels of accuracy and precision.*
Verification of sampling and assaying.	*The verification of significant intersections by either independent or alternative company personnel.*	*When the site is accessible, Kula Gold Pty Ltd has a policy of permitting visits to its operational sites by interested investors or authorities with concern for quality assurance purposes.* *Data verification is undertaken by Kula Gold representatives.* *CRM had, to late 2005, obtained copies of all historical logs in WML's library and in their Woodlark office; obtained copies of all historical original laboratory assay sheets in WML's library and in their Woodlark office; verified all assays in the database against the original assay sheet if available, or in default against the original log sheets if available, or in default against BHP's typed drill assay summaries; Obtained a selection of original laboratory assay sheets for the 2004 WML drilling and verified the digital assay filet supplied by WML against these; obtained original laboratory assay files and faxed assay reports from Intertek for the 2005 WML drilling; cross-checked drill-hole collar data against survey files and entries on original logs; verified down-hole surveys by viewing a selection of down-hole camera discs from WML's 2004 drilling.*

CRITERIA	EXPLANATION	COMMENTARY
		Since 2005 CRM has received copies of all drill logs, drilling details, and assay results. It has checked assay sheets and collar coordinates against the WML database and has generated 3D down-hole assay locations using Micromine software, which simultaneously carries out check validation of data. *Over the duration of the exploration of the project a number of twinned drill-holes have been drilled. It was observed that overall results were broadly in agreement with the recognition of periodic down-hole contamination in some RC drill-holes within the Kulumadau Deposit. The correlation of data downhole between historical and current drilling assists with verification of data repeatability.* *Laboratory data is supplied electronically to the WML office for automated import into database.* *All data is stored on the WML Office server and is said to be backed up weekly by the Client.* *There was no adjustment to the assay data provided from the laboratory.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*Prior to 2010, WML and its predecessors employed the UTM projection AGD66 Zone 56 datum. They also used a local grid system that was derived from it by the removal of the first number from the easting and the first two numbers from the northing.* *In early 2010 WML upgraded from a UTM projection using the AGD66 Zone 56 datum to a UTM projection WGS84 Zone 56 datum for all work undertaken on the island. All historical data was transformed from AGD66 to WGS84* *A Geodetic survey was completed on the Island in September 2010 by Quickclose Pty Ltd, whose principal; Mr Richard Stanaway is a Registered Surveyor in Australia, specializing in establishing geodetic datum surveys by differential GPS techniques.* *The survey tied all KG survey data in the kinematic WGS84 datum to the Papua New Guinea legal standard static datum PNG94. Orthometric heights were adjusted to Local mean sea level.* *All data has been supplied to CRM by KG (Kula Gold or "The Client") in the PNG94 datum. The LIDAR survey was flown in early 2011 using the PNG94 datum. The elevation data produced is tied to Local Mean Sea Level and all the collar data received after September 2010 is in PNG94 all historical elevation data prior to then have been reduced to the LIDAR surface which is in PNG94.* *CRM has checked down-hole survey information for WML diamond drill holes. Post 2008 Kula Gold used Reflex EZ Shot electronic survey equipment for down-hole surveying.*
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.*	*Drilling over the Woodlark project areas was designed to intersect the mineralisation at approximately 26 to 30m along strike and approximately 20 to 25m across strike.* *Toward the extremities of the main project areas the drilling becomes broader to as much as 45 to 50m across strike and 43 to 52m along strike to define regional mineralised trends.* *. CRM used 1m composites for the Kulumadau West modelling, and variable length composites for the Kulumadau Adelaide and Kulumadau East modelling in order to de-cluster data from drill-holes with varying azimuths and dips.* *The data spacing is considered adequate by CRM to enable local short scale continuity in geology and the known mineralised trends and is sufficient for use in Resource estimation.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*Where possible the drill-holes were designed to perpendicularly intersect the mineralisation to achieve unbiased sampling and reflect as close to true width possible given the geometry of the mineralisation.* *No sample biases have been considered by CRM to have been introduced during drilling other than those stated earlier in sampling technique section in relation to down hole smearing in a number of RC drill-holes and to preferential fine fraction core loss in Kulumadau West diamond drilling.*
Sample security	*The measures taken to ensure sample security.*	*Sample chain of custody was maintained for this project.* *WML samples despatched by chartered boat to the Alotau preparation facility during 2005 were accompanied by a WML employee to ensure that no tampering occurred. The samples were securely and obviously sealed prior to transport and received by a senior WML staff member in Alotau. From 2008 sealed sample packages transported by charter plane to Port Morseby and thence by DHL courier air freight to Jakarta.*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*CRM supervised the collection of duplicate core, coarse crush, and pulp samples from both WML's 2004 and 2005 Kulumadau diamond drill programmes. These samples were analysed for Au by Genalysis Laboratory Services Pty Ltd, Maddington, Western Australia (Genalysis) using a 50g charge fire assay with an AAS finish. The check core samples confirmed the presence of high grade gold mineralisation and the check pulp samples the validity of Intertek's assay procedures.* *CRM has reviewed all QAQC data and is of the opinion that the reported grades adequately and accurately reflect the grades of the mineralisation*

Table 1: Section 2 Reporting of Exploration Results

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

CRITERIA	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 Woodlark Gold Project comprises a granted Mining Lease (ML508) and three contiguous granted Exploration Licences (EL 1279, EL 1172, and EL1465), covering an aggregate area of about 577km2. The licences are held 100 per cent by Woodlark Mining Limited (WML), a wholly owned subsidiary of Kula Gold Pty Ltd. The ML and the Busai, Woodlark King, and Kulumadau Deposits are within EL1279.* *Woodlark Island is approximately 60km in length and 25km in width. It is situated in the Solomon Sea some 300km east-northeast of the mainland of PNG). It is within PNG's Milne Bay Province.*
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	*Historical exploration on the Woodlark Project is given by Spencer (2009), in summary: Alluvial gold discovered in 1895; Alluvial rush slows in 1898; Rich veins mined at Busai 1896-1915 including Murua United open cut; Kulumadau main lode discovered 1898; Company mining at Kulumadau 1899-1918; Mining of Woodlark King 1911-1939.* *Since 1962 a number of explorers have conducted geological mapping, geophysical and geochemical exploration, and drilling at Busai, Kulumadau, and other prospects. The explorers listed are the Australian Bureau of Mineral Resources (BMR), BHP Minerals Exploration (BHP), Highlands Gold Resources N.L. (Highlands), Auridiam Consolidated Limited (Auridium), Misima Mines Limited (MML), and WML, which was a wholly owned subsidiary of BDI Mining Ltd (BDI) between 2004 and 2007 (since when it has been a wholly owned subsidiary of Kula Gold Pty Ltd).* *WML drilled the Kulumadau Deposit between 2004 and 2006 and during 2011 and 2012; the Busai Deposit from 2008 to 2010, and the Woodlark King Deposit during 2010 and 2011.*

CRITERIA	EXPLANATION	COMMENTARY
Geology	*Deposit type, geological setting and style of mineralisation.*	*The Woodlark Project is consistent with a low sulphidation epithermal system.* *Woodlark Island is part of a Tertiary aged volcanic island arc complex, comprising part of the Woodlark Oceanic Rise, one of a succession of composite east-west trending island arcs in the eastern PNG region.* *Gold mineralisation within the Woodlark Project is principally hosted by andesites and their sub-volcanic equivalents within the Okiduse Volcanics. The mineralisation is variously associated with lodes, quartz veins, stock-work zones, and breccias; developed within proximal phyllic and marginal propylitic alteration envelopes.* *Sulphide mineralogy is dominated by pyrite, which is weakly to moderately disseminated throughout the regional propylitic alteration halo.*
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* *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.*	*No drilling has been carried out within the resource areas since the resource estimations. All prior drilling has been previously reported.* *All drill-holes are located between 468656.567mE to 476261.1769mE and 8986241.592mN to 8996728.262mN (on the (WGS8)4 World Geodectic grid System).* *Using a local height Datum, the relative level (RL) for the drill collars are within 1.09mRL and 163.90mRL.* *The majority of holes were drilled on an azimuth of approximately 090 (with other notable azimuths at 225, 045 and 270);* *Drill-hole inclination varied between -45 to -90 degrees down dip.* *The interception depth downhole varied due to the dip of the mineralisation.* *Maximum total drill-hole length over the Busai, Kulumadau and Woodlark King projects did not exceed 480m.* *No exclusions are applicable at the time of writing this report.*

CRITERIA	EXPLANATION	COMMENTARY
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *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.*	*No metal equivalent values have been used during estimation.by CRM.*
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 (e.g. 'down hole length, true width not known').*	*The drill-hole orientation intersects the mineralisation at a various angles in-line with the variability of the mineralised trends.* *In general the dominant drill hole orientation is -60o towards the predominant dip of the mineralisation, which results in a propensity to intersect the mineralisation at as close to perpendicular as possible.* *As a result of the drilling and variability of the mineralisation, the mineralised intercepts are exaggerated thickness and not true widths.*
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.*	*There are no exploration results reported for the immediate Busai or Kulumadau Deposit areas that have not been reported previously.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*There are no exploration results reported for the immediate Busai or Kulumadau Deposit areas that have not been reported previously*
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.*	*Highlands carried out SG determinations on 81 core samples from Busai and 5 from Kulumadau Adelaide. It also carried out a bulk SG on the Adelaide mineralisation.* *CRM commissioned SG determinations on 88 RC chip samples and 10 Busai core samples* *CRM and WML commissioned SG determinations on 10 Kulumadau core samples* *CRM is not aware of any further substantive exploration data.*
Further work	*The nature and scale of planned further work (e.g. 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.*	*The company has not defined any exploration programme or budget at this stage for further exploration work within the areas of the deposits.* *The company's Quarterly Report for the period ending 30 June 2014 described a helimag survey over the central part of Woodlark Island and a contract for follow-up drilling.*

Table 1: 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	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.*	*Database is maintained by WML representatives and management. The aforementioned individuals compiled all data from the Busai, Kulumadau and Woodlark King projects and it was this data which was supplied to CRM.* *CRM had, to late 2005, obtained copies of all historical logs in WML's library and in their Woodlark office; obtained copies of all historical original laboratory assay sheets in WML's library and in their Woodlark office; verified all assays in the database against the original assay sheet if available, or in default against the original log sheets if available, or in default against BHP's typed drill assay summaries; Obtained a selection of original laboratory assay sheets for the 2004 WML drilling and verified the digital assay filet supplied by WML against these; obtained original laboratory assay files and faxed assay reports from Intertek for the 2005 WML drilling; cross-checked drill-hole collar data against survey files and entries on original logs; verified down-hole surveys by viewing a selection of down-hole camera discs from WML's 2004 drilling.* *Since 2005 CRM has received copies of all drill logs, drilling details, and assay results. It has checked assay sheets and collar coordinates against the WML database and has generated 3D down-hole assay locations using Micromine software, which simultaneously carries out check validation of data.*
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 for the resource estimation visited the Busai, Woodlark King, and Kulumadau Deposits during WML's drilling programmes into them, during 2005, 2008, and 2010.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*Confidence in the geological model is good.* *Lithological boundaries defined from geological logging were used to define the geological model and weathering / oxidation surfaces.* *The geological interpretation is considered robust & alternative interpretations are considered not to have a material effect on the Mineral Resource. No alternate interpretations are proposed as geological confidence in the model is high.* *Mineralisation tenor is very closely associated with the host geology and assisted the interpretation of the mineralisation model.* *The factors affecting continuity both of grade and geology are most likely to be associated with structural controls and local complexity, the knowledge of which is moderate to well advanced with the current spacing of information. The approach to the mineralisation modelling is an attempt to model an unbiased interpretation based on the best available data provided to CRM..*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*The Busai mineralisation strikes NNW and has a moderate westerly dip, with higher grade mineralisation within steeper dipping narrow lodes. The mineralisation defined to date outcrops sporadically throughout the project area and is spread over a width of about 500m and has been intersected to a maximum intersected depth of approximately 328m below surface.* *The Kulumadau West mineralisation strikes NNE over a length of at least 500m. It dips steeply east. Multiple lodes are spread over a width of about 200m and extend to a maximum intersected depth of approximately 250m below surface.* *The Kulumadau Adelaide Zone mineralisation strikes WNW over a length of at least 225m. It dips at about 70o SSW. The high-grade domain has a width of about 40m and has been intersected to a depth of about 175m below surface.* *The Kulumadau East mineralisation , which consists of multiple lodes, strikes NNW over a length of about 450m and a total width of at least 400m. The high-grade domain has a length of about 330m, a width of about 70m, and has been intersected to a depth of about 150m beneath surface. It dips at about 55o to the east.*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*Busai Deposits – IDS modelling* *CRM modelled the Busai Deposits using Inverse Distance Squared (IDS) methodology within the Micromine software estimation module. IDS methodology is considered appropriate for shear-hosted moderate-to high grade gold deposits.* *The mineralisation was modelled within prismatic bounding wireframes. The limits of the wireframes followed geological boundaries and were also constrained by a DTM of the surface.* *An upper cut of 100g/t Au was applied to the volcanic-hosted composite assays and of 25g/t to those of the Kiriwina alluvial mineralisation.* *CRM used 1m composites for the modelling.* *Variography was carried out in three directions on the composite assays within each wireframe,e in order to ascertain interpolation parameters* *The interpolation radii for the volcanic-hosted mineralisation were:* *100m in azimuth direction, 50m in dip direction, and 1m across;* *Each of the 10 structurally separate domains had different azimuth directions and dips;* *The interpolation parameters for the alluvial mineralisation were: 60m to 360o, 60m to 90 (0 o dip); 1m vertical,* *Block sizes were:* *Volcanic-hosted mineralisation : 10m EW, 10m NS, 10m vertical,* *Alluvial mineralisation : 10m EW, 10m NS, 10m vertical,* *No assumptions were made with regard to selective mining units* *No assumptions were made with respect to correlation between variables (only Au grade was modelled)* *Grade cutting was applied according to interpretation of log-probability plots* *OBM grade validation was carried out by visual on-screen verification of assay grades against nearby OBM grade ranges. CRM is of the opinion that the block grades reflect the sample grades.* *Previous resource estimates of the Busai volcanic-hosted mineralisation were from significantly fewer drill-holes.* *No by products are assumed; and no estimation of deleterious elements was carried out.* ~~*No estimation of deleterious elements was carried out.*~~

CRITERIA	EXPLANATION	COMMENTARY
Estimation and modelling techniques (continued)	*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 process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	***Busai Deposits – OK modelling*** *Widenbar and Assoc. carried out an Ordinary Kriged estimate of the Busai volcanic-hosted mineralisation;* *The mineralisation was modelled within the same prismatic wireframes that were used for the IDS estimate* *Different top-cuts were applied to each of the ten structural domains. They varied from 10g/t Au to 60g/t Au.* *Separate variography was carried out on the 1m composite data for each of the domains;* *Different search directions were applied within each domain;* *Block dimensions were 5m EW, 10m NS, and 5m vertical* *The search ellipsoids had dimensions of 75m along strike, 4m across structure, and 60m down plunge;* *The block model was validated against drill hole data on section, by comparison with average input data grades, and by comparison against the IDS model.*

CRITERIA	EXPLANATION	COMMENTARY
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).*	***Kulumadau Deposits*** *CRM modelled the Kulumadau Deposits using Inverse Distance Squared (IDS) methodology within the Micromine software estimation module. IDS methodology is considered appropriate for shear-hosted moderate-to high grade gold deposits.* *The mineralisation was modelled within prismatic bounding wireframes. The limits of the wireframes followed geological boundaries and were also constrained by a DTM of the surface. The Kulumadau East mineralisation was divided on grade criteria into high and low-grade domains.* *An upper cut of 75g/t Au was applied to the Kulumadau West composite assays and of 25g/t to those of the Adelaide Deposit. No upper-cuts were applied to the Kulumadau East Deposit assays.* *CRM used 1m composites for the Kulumadau West modelling, and variable length composites for the Kulumadau Adelaide and Kulumadau East modelling in order to de-cluster data from drill-holes with varying azimuths and dips.* *Variography was carried out in three directions on the composite assays within each wireframe in order to ascertain interpolation parameters* *The interpolation parameters were:* *Kulumadau West (western OBM): 60m to 025o, 75m down dip (75o E); 3m across strike,* *Kulumadau West (eastern OBM): 75m to 010o, 75m down dip (60o NE); 2.5m across strike* *Adelaide: 55m to 297.5o, 50m down dip (85o E); 2.5m across strike* *Kulumadau East High Grade: 50m to 345o, 35m down dip (55o E); 1.5m across strike* *Kulumadau East Low Grade: 70m to 350o, 90m down dip (25o E); 1.5m across strike,* *The main Kulumadau West Lode was historically mined with a recorded production of 77,000oz from 150,000 milled tonnes (a head grade of at least 16g/t)* *Previous resource estimates of Kulumadau West and Adelaide were from significantly fewer drill-holes (and over a shorter strike length for Kulumadau West).* *No by products are assumed.* *No estimation of deleterious elements was carried out.*

CRITERIA	EXPLANATION	COMMENTARY
	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 process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available*	*Block sizes were:* *Kulumadau West : 5m EW, 10m NS, 5m vertical,* *Adelaide: 5m EW, 5m NS, 5m vertical* *Kulumadau East: 5m EW, 10m NS, 5m vertical* *These sizes took into account the various orientations of the mineralisation and the general north-south line spacing* *No assumptions were made with regard to selective mining units* *No assumptions were made with respect to correlation between variables (only Au grade was modelled)* *Mineralised material was confined to non-heamatitic altered volcanics* *Grade cutting was applied according to interpretation of log-probability plots* *OBM grade validation was carried out by visual on-screen verification of assay grades against nearby OBM grade ranges. CRM is of the opinion that the block grades reflect the sample grades.*
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	*As reported by the Client, the sample is weighed wet then placed in a drying dish and put into an oven overnight at 100oC. Samples are then re-weighed and the difference noted by WML.* *The moisture content of the fresh core is calculated based on the difference in weight from field (insitu) and dry prior to crushing.* *Tonnages were estimated on a dry basis.*
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	*The Busai Deposit was reported at lower block-cut off grades of 0.5, 0.8, and 1.0g/t;* *The Kulumadau West Deposit was reported at lower block-cut off grades of 0.5, 0.86, and 1.0g/t* *The Adelaide Deposit was reported at lower block-cut off grades of 0.5, 1.0, and 1.15g/t Au;* *The Kulumadau East Deposit was reported at lower block-cut off grades of 0.5, 1.0, and 1.18g/t*

CRITERIA	EXPLANATION	COMMENTARY
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.*	*WML has completed a "Woodlark Island Gold Project Feasibility Study". The study determined that the project was both technically and financially viable based on the assumptions used. On the basis of this report CRM is of the opinion that there are reasonable prospects for eventual economic extraction.* *LJ Putland and Associates has produced an Ore Reserve Estimate as at 16th July 2014 and reported it in accordance with the 2012 JORC Code.* *Ore Reserves are assumed to be recovered from open pit mining at the Busai, Kulumadau, and Kulumadau East Deposits. .*
		For the Busai Deposit a separate MIK resource model produced by Helman and Schofield Pty ltd has been used for pit optimisation. *At Kulumadau West, based on pit configuration and style of mineralisation, an expected dilution quantity of 10% of in-situ tonnes at an average grade of 0.22g/t Au has been adopted. A mining recovery of 95% has been assumed for the Kulumadau West pit.* *At Kulumadau Adelaide, based on pit configuration and style of mineralisation, an expected dilution quantity 10% of in-situ tonnes at an average grade of 0g/t Au has been adopted. A mining recovery of 95% has been assumed for the Kulumadau Adelaide pit.* *At Kulumadau East, based on pit configuration, style of mineralisation, the lower level of geotechnical investigations and the lack of hydrological investigations and an expected dilution quantity of 15% of in-situ tonnes at an average grade of 0g/t Au has been adopted. A mining recovery of 90% has been assumed for the Kulumadau East pit.*

CRITERIA	EXPLANATION	COMMENTARY
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 testwork on samples from the Busai, Kulumadau, and Kulumadau East Deposits indicate that the gold bearing material from each deposit can be treated utilising conventional Gravity and Carbon-In-Leach (CIL) gold processing methodology.* *The following metallurgical recoveries were used in the Ore Reserve Estimation:* ○ *Busai:* ▪ *Murua United (Stage 1) = 92%* ▪ *Zone 40 and Federation (Stage 2 & 3) = 73%* ○ *Kulumadau = 92%* ○ *Kulumadau East = 93.5%*
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.*	*As part of the Feasibility Study an Environmental and Social Impact Assessment (ESIA) and Environmental Impact Statement (EIS) was completed for the project. The purpose of these investigations was to characterise the existing environment in which the project will be situated, identify the potential impacts of the project, determine suitable avoidance, management or mitigation measures for them, and predict the residual impacts of the project after the implementation of these measures.* *Bathymetry and Oceanographic surveys and specific DSTP investigations were completed during the Feasibility Study.* *Waste rock geochemical characteristics assessment and waste dump design studies were completed during the Feasibility Study.*

CRITERIA	EXPLANATION	COMMENTARY
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.* *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.*	*Highlands carried out SG determinations on 81 core samples from Busai and 5 from Kulumadau Adelaide. The determinations were according to ASTM C97-83 and averaged 2.46 at Busai and 2.28 at Adelaide.* *It also carried out a bulk SG on a sample cut from a costean wall in Adelaide mineralisation that returned 2.33.* *CRM commissioned Genalysis to carry out SG determinations on 88 RC chip samples from Busai, sub-set by weathering domain. Mean results for gravimetric water displacement determinations were Fresh 2.64, Weakly weathered 2.49, Strongly weathered 2.43.* *CRM commissioned SGS to carry out SG determinations on 10 wax coated weathered core samples from Busai. Mean results were Saprolitic clay and rock 1.81, Strongly weathered 2.04* *CRM commissioned Genalysis to carry out SG determinations on 6 sealed Kulumadau core samples: the mean result was 2.48.* *CRM used a density value of 2.48 for the Kulumadau West and Adelaide Deposits, as the mineralised rocks were virtually fresh from surface* *CRM assigned SGs to weathering regimes at Kulumadau East as follows: Clay: 1.82, Strong: 2.04, Moderate: 2.20, Weak: 2.35, and Fresh: 2.48.* *CRM assigned SGs to weathering regimes of the volcanic-hosted mineralisation at Busai as follows: Clay: 1.82, Strong: 2.04, Moderate: 2.20, Weak: 2.35, and Fresh: 2.65.* *A nominal SG of 1.9 was assigned to the Busai alluvial mineralisation*

CRITERIA	EXPLANATION	COMMENTARY
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.*	***Busai IDS*** *The volcanic-hosted resources were classified according to the following criteria: Measured Resources - Blocks interpolated from more than 35 points;* *Indicated Resources - Blocks interpolated from 8 to 35 points; and* *Inferred Resources - Blocks interpolated from 2 to 7 points.* *The alluvial resources were classified according to the following criteria:* *Indicated Resources - Blocks interpolated from 8 plus points; and* *Inferred Resources - Blocks interpolated from 2to 7 points.* ***Busai OK*** *The resources were classified according to Kriging Variance as follows:* *Measured Resources - Blocks interpolated with KV of less than 0.3;* *Indicated Resources - Blocks interpolated with KV of 0.3 to 0.85* *Inferred Resources - Blocks interpolated with KV of over 0.85.* ***Kulumadau*** *The Kulumadau West resources were classified according to the following criteria: Measured Resources - Blocks interpolated from more than 35 points;* *Indicated Resources - Blocks interpolated from 21 to 35 points; and* *Inferred Resources - Blocks interpolated from 6 to 20 points.* *The Adelaide Zone resources were classified according to the following criteria: Indicated Resources - Blocks interpolated from 25 plus points; and* *Inferred Resources - Blocks interpolated from 6 to 24 points.* *The Kulumadau East Zone resources were classified according to the following criteria:* *Indicated Resources - Blocks interpolated from 15 plus points IF BOTH north of 8995740N AND within high-grade wireframe; and* *Inferred Resources - Blocks interpolated from 3 to 14 points, OR south of 8995740N, OR NOT within high-grade wireframe.* *The reported Mineral Resource estimates and their classification into the Measured, Indicated and Inferred categories are consistent with the Competent Persons' views of the deposits.*

CRITERIA	EXPLANATION	COMMENTARY
Audits or	*The results of any audits or reviews of Mineral Resource estimates.*	*The resource estimates have been peer reviewed within CRM.*
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.*	*The Mineral Resource Estimates have been reported in accordance with the code and guidelines for the reporting of Mineral Resource Estimates, 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves and reflects the relative accuracy of the Mineral Resources estimate. The Competent Persons deem the process to be in line with industry standards for resource estimation & therefore within acceptable statistical error limits.* *The resource statements relate to global estimates of tonnes and grades.* *The relative accuracy and confidence of the estimates are reflected in the reporting on Measured, Indicated and Inferred resources in-line with the knowledge of geological, structural and mineralisation aspects.*