

JUNEE AND OBERON PROJECTS - STATEMENT OF RESOURCES

Further to our announcement of 3 July 2013, the estimated mineral resources in respect of the Dobroyde deposit (Junee) and the Murphys deposit (Oberon) are set out below.

Statement of Resources

DEPOSIT	Indicated Resource			Inferred Resource			Contained Metal	
	Dry tonnes	Gold (g/t)	Silver (g/t)	Dry tonnes	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)
Dobroyde (Junee)	2,080,000	1.15	-	-	-	-	77,000	-
Murphys (Oberon)	-	-	-	5,300,000	0.89	2.2	150,000	372,000

The Statement of Resources has been prepared by Dr Ian Blayden of Geological & Management Services Pty Ltd on behalf of ARX from internal reports compiled by New South Resources NL reported at a 0.3 g/t gold cut-off.

The Dobroyde and Murphys resources are classified as Indicated and Inferred, respectively, based on the available drilling control and confidence in the geological and mineralisation continuity.

These figures were calculated based largely on historic drilling data that was acquired by previous exploration companies in the respective project areas. Intercepts from the historic drilling are set out below.

The data and methodologies used in these resource estimations were audited and verified by ARX's independent consultant, Dr Ian Blayden, and are reported in the Statement of Resources annexed to this announcement.

Competent Person Statements

The information in this report that relates to exploration results and historic drilling data is based on information compiled by Mr Brad Wake, who is a member of the Australian Institute of Geoscientists. Mr Wake 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 Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Wake is a full time employee of Arc Exploration Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in the Statement of Resources was prepared by Dr Ian Blayden, who is a Member of the Australian Institute of Mining and Metallurgy and is Principal Consultant with Geological and Management Services Pty Ltd. All resource estimate models and reports used in preparing the Statement of Resources pertaining to the Dobroyde (Junee) and Murphys (Oberon) deposits were independently audited and reviewed by Dr Ian Blayden. Dr Blayden has sufficient experience that is relevant that to mineral resource estimations and to the style of deposits under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Blayden consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.'

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JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
DOB11	Getty Oil	1984	RC/Diamond	13	14	1	0.91
				17	18	1	0.3
				25	26	1	0.55
				31	32	1	0.98
				41	42	1	0.36
				47	48	1	0.62
				49	50	1	0.3
				57	58	1	0.36
				59	60	1	0.41
				63	64	1	0.72
				101	102	1	0.3
DOB15A	Getty Oil	1984	Diamond	13	14	1	0.4
				34	35	1	0.43
				42	45	3	0.5
				46	47	1	0.45
				73	74	1	0.38
				96	97	1	0.47
				99	100	1	0.6
				110	112	2	0.56
DOB16	Getty Oil	1984	Diamond	120	121	1	0.56
				129	130	1	0.66
				21	22	1	0.8
				24	28	4	1.02
				29	30	1	4.8
				30	31	1	0.58
				33	34	1	1.15
				45	46	1	0.3
				47	48	1	0.4
				49	50	1	0.39
				57	82	25	6.27
				incl 64	65	1	36.5
				incl 66	67	1	33.2
				incl 67	68	1	17.5
				incl 69	70	1	15.5
DOB17	Getty Oil	1984	Diamond	30	31	1	0.41
D86-018	Little River Resources	1986	RC	44	46	2	0.7
D86-019	Little River Resources	1986	RC	106	107	1	0.49
D86-022	Little River Resources	1986	RC	93	96	3	0.82
D86-036	Little River Resources	1986	RC	10	11	1	0.39
D86-038	Little River Resources	1986	RC	19	20	1	0.41
				30	31	1	0.41
				34	35	1	0.31
				34	36	2	0.34
				41	45	4	0.67
D86-039	Little River Resources	1986	RC	46	53	7	2.17
				18	19	1	0.53
				28	29	1	0.46
D86-040	Little River Resources	1986	RC	33	36	3	0.58
				37	49	12	2.82
				incl 45	46	1	25
				22	23	1	0.38
D86-041	Little River Resources	1986	RC	25	26	1	0.66
				43	44	1	1.22
				45	51	6	5.22
				incl 46	47	1	26.2
				17	18	1	0.42
				31	32	1	0.4
				33	34	1	0.3
D86-042	Little River Resources	1986	RC	35	36	1	0.46
				39	40	1	0.72
				41	46	5	0.84
				61	65	4	0.42
				71	73	2	0.46
				74	78	4	1.26
				79	80	1	0.43
				84	85	1	0.43
				1	3	2	0.47
				41	42	1	0.6
D86-043	Little River Resources	1986	RC	40	42	2	1.38
				62	64	2	0.49
				71	72	1	0.32
D86-044	Little River Resources	1986	RC	29	31	2	0.38
				50	51	1	0.56
D86-045	Little River Resources	1986	RC	16	17	1	0.75
D86-046	Little River Resources	1986	RC	50	51	1	0.32
				61	62	1	0.7
				79	80	1	0.36
				88	89	1	0.3
				90	91	1	0.3
				109	115	6	2.5
				47	48	1	0.5
				50	51	1	0.5
D86-047	Little River Resources	1986	RC	47	48	1	0.5
				50	51	1	0.5

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t	
D86-048	Little River Resources	1986	RC	2	3	1	1.25	
				3	4	1	0.56	
				32	34	2	0.43	
				57	58	1	0.46	
D86-049	Little River Resources	1986	RC	10	14	4	0.37	
				15	17	2	0.39	
				18	21	3	0.52	
D86-050	Little River Resources	1986	RC	2	3	1	2.1	
				10	11	1	0.52	
				12	13	1	0.3	
				16	18	2	0.52	
				20	21	1	0.45	
				27	28	1	0.33	
				28	29	1	0.34	
				30	31	1	0.63	
				32	33	1	0.38	
				37	41	4	0.86	
				42	46	4	0.67	
				48	52	4	0.97	
				57	61	4	0.65	
				64	65	1	0.32	
				69	7-0	1	0.33	
				87	93	6	1.21	
95	96	1	0.59					
98	101	3	0.55					
D86-051	Little River Resources	1986	RC	21	25	4	1.4	
				26	33	7	0.72	
				38	39	1	0.3	
				44	57	13	1.8	
				58	69	11	1.67	
				70	74	4	0.76	
				79	84	5	1.19	
				85	95	10	1.69	
				96	101	5	1.34	
				102	103	1	0.42	
				105	107	2	1.37	
				109	120	11	1.03	
				D86-052A	Little River Resources	1986	RC/Diamond	3
12	16	4	1.27					
50	51	1	0.4					
54	57	3	0.7					
58	71	13	1.33					
72	73	1	0.4					
74	77	3	0.87					
78	85	7	2.46					
86	88	2	0.35					
90	91	1	0.45					
92	114	22	37.3					
incl	98	99	1					26.2
100	101	1	57					
101	102	1	115					
102	103	1	530					
103	104	1	34.5					
D86-053	Little River Resources	1986	RC	27	29	2	0.46	
				34	36	2	0.38	
				40	41	1	0.35	
				47	48	1	0.3	
				incl	49	54	5	6.45
				50	51	1	26.3	
				60	62	2	2.19	
				75	76	1	0.34	
				77	80	3	2.03	
				81	83	2	1.01	
				87	89	2	2.93	
				95	96	1	0.33	
97	102	5	3.23					
106	115	9	2.44					
D86-054	Little River Resources	1986	RC	18	21	3	0.42	
				43	45	2	0.45	
				64	65	1	0.4	
D86-055	Little River Resources	1986	RC	87	89	2	1.86	
				16	17	1	5.5	
D86-056A	Little River Resources	1986	RC/Diamond	34	35	1	0.37	
				37	40	3	1.6	
				42	43	1	0.4	
				29	31	2	4.35	
				36	37	1	0.3	
				47	49	2	2.31	
				50	51	1	0.7	
				80	81	1	0.7	
				88	93	5	0.68	
				94	95	1	0.4	
				96	111	15	1.97	
				123	124	1	0.95	

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
D86-057	Little River Resources	1986	RC	17	18	1	1
				44	45	1	0.3
				71	74	3	1.07
				75	76	1	0.38
				81	87	6	0.8
				90	91	1	0.37
				116	117	1	0.34
D86-058	Little River Resources	1986	RC	24	25	1	0.63
				39	40	1	0.47
				42	44	2	0.48
				46	47	1	0.41
				48	49	1	0.82
D86-059	Little River Resources	1986	RC	21	22	1	12.1
				22	23	1	0.62
				24	25	1	0.38
				36	37	1	0.48
				50	51	1	0.3
				65	66	1	0.49
				67	68	1	0.3
D86-060	Little River Resources	1986	RC	40	41	1	0.38
				56	57	1	0.3
				74	75	1	0.46
D86-061	Little River Resources	1986	RC	6	7	1	0.61
				16	17	1	0.34
				48	49	1	0.57
				69	74	5	0.77
D86-062	Little River Resources	1986	RC	7	8	1	0.4
				8	9	1	12.9
				9	10	1	1.9
D86-063A	Little River Resources	1986	RC/Diamond	31	32	1	0.4
				62	65	3	0.47
				77	82	5	1.1
				83	92	9	0.69
				96	97	1	0.5
				98	99	1	0.5
				100	123	23	2
				124	127	3	0.78
				128	130	1	0.7
				138	142	4	0.34
D86-064A	Little River Resources	1986	RC/Diamond	143	144	1	0.5
				38	40	2	1.16
				41	46	5	3.53
				48	49	1	0.59
				56	57	1	0.42
				59	64	5	0.93
				68	69	1	0.7
				76	87	11	0.75
				95	100	5	0.46
				101	102	1	0.3
D86-066	Little River Resources	1986	RC	102	103	1	0.5
				6	7	1	0.4
				19	20	1	0.39
				21	23	2	0.63
				24	25	1	0.35
				36	37	1	0.6
				38	42	4	0.62
				51	52	1	0.33
				53	54	1	4
				54	55	1	0.41
				57	60	3	1.03
				72	74	2	0.41
				75	76	1	0.46
				77	79	2	0.63
				81	92	11	0.8
				D86-067	Little River Resources	1986	RC
8	11	3	2.2				
29	31	2	0.49				
33	34	1	0.35				
41	43	2	0.52				
50	54	4	0.8				
D86-069	Little River Resources	1986	RC	67	69	2	0.7
				25	26	1	0.46
D86-070	Little River Resources	1986	RC	32	34	2	0.49
				29	31	2	0.57
				39	40	1	0.52
				45	53	8	1.17
				60	61	1	1.4

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t				
D86-071	Little River Resources	1986	RC/Diamond	11	12	1	0.35				
				13	14	1	0.35				
				15	17	2	0.83				
				20	21	1	0.7				
				23	24	1	0.35				
				28	29	1	0.7				
				39	40	1	0.6				
				43	44	1	4.7				
				44	45	1	0.85				
				46	52	6	1.42				
				53	54	1	0.35				
				55	56	1	0.3				
				D86-072	Little River Resources	1986	RC	9	12	3	0.95
								15	21	6	0.53
22	23	1	0.65								
D86-073	Little River Resources	1986	RC	27	28	1	0.45				
				34	35	1	0.8				
				38	42	4	0.99				
				45	50	5	0.46				
				52	58	6	0.57				
D86-074	Little River Resources	1986	RC/Diamond	76	77	1	0.55				
				81	82	1	0.42				
				38	39	1	0.3				
				47	48	1	0.37				
				50	51	1	0.3				
				54	55	1	2.85				
D86-075	Little River Resources	1986	RC	55	56	1	0.42				
				78	86	8	1.19				
				8	9	1	0.37				
				13	14	1	0.54				
				37	39	2	0.38				
				40	41	1	0.35				
				49	50	1	0.35				
				52	55	3	0.38				
				53	55	2	0.7				
				60	61	1	0.36				
D86-077	Little River Resources	1986	RC/Diamond	65	66	1	0.31				
				67	68	1	0.45				
				69	70	1	0.32				
				71	72	1	0.35				
				74	75	1	0.37				
				77	90	13	1.34				
				44	45	1	1.5				
				57	58	1	0.45				
				68	69	1	0.3				
				75	94	19	1.23				
D86-078	Little River Resources	1986	RC/Diamond	95	115	20	1.81				
				116	119	3	1.65				
				126	127	1	0.45				
				61.9	63	1.1	2.8				
				63	67	4	0.55				
				69	70	1	0.35				
				71	72	1	0.65				
				72	73	1	1.2				
				74	85	11	0.5				
				75	76	1	0.7				
				76	82	6	18.21				
				incl	76	77	1	95			
				82	83	1	0.5				
				83	84	1	0.6				
84	85	5	0.6								
87	103	16	2.86								
106	118	12	1.36								
141	142	1	0.45								
D86-079	Little River Resources	1986	RC/Diamond	94	98	4	1.4				
				102	104	2	0.65				
				106	120	14	1.43				
				121	149	28	3.54				
				incl	128	129	1	52.5			
D86-080	Little River Resources	1986	RC/Diamond	158	159	1	0.3				
				27	32	5	0.58				
				34	40	6	2.35				
				41	47	6	1.81				
				53	54	1	0.4				
				57	58	1	0.5				
				60	62	2	0.3				
				65	90	25	1.73				
				91	95	4	3.16				
				incl	96	130	34	3.66			
				incl	117	118	1	29.5			
132	134	2	0.65								
135	137	2	0.35								

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t	
D86-081	Little River Resources	1986	RC/Diamond	35	37	2	0.4	
				42	43	1	0.88	
				51	52	1	0.5	
				54	59	5	0.44	
				60	62	2	1.02	
				63	76	13	5.47	
				incl	69	70	1	25.5
				incl	71	72	1	19
				80	82	2	0.52	
				82	83	1	29.5	
				83	84	1	1.5	
				85	111	26	1.5	
				112	113	1	0.35	
				119	121	2	1.13	
D87-103	Little River Resources	1987	RC/Diamond	42	43	1	0.3	
				44	50	6	0.65	
				59	66	7	1.07	
				73	90	17	1.02	
				91	93	2	0.51	
				94	95	1	0.58	
				96	98	2	0.64	
				101	105	4	0.9	
D87-104	Little River Resources	1987	RC/Diamond	67	68	1	0.58	
				69	70	1	0.4	
				71	95	24	3.23	
				incl	76	77	1	13.2
				incl	77	78	1	34.1
				98	100	2	0.47	
				113	122	9	0.91	
				75	77	2	0.33	
D87-105	Little River Resources	1987	RC/Diamond	24	28	4	0.6	
				116	117	1	0.32	
D87-106	Little River Resources	1987	RC/Diamond	127	128	1	0.63	
				135	138	3	0.56	
				139	141	2	0.54	
				143	145	2	0.76	
				146	153	7	1.49	
				154	166	12	2.15	
				167	172	5	1.96	
				174	177	3	3.49	
				134	137	3	0.41	
				158	159	1	0.49	
				D87-107	Little River Resources	1987	RC/Diamond	124
133	134	1	0.8					
146	147	1	0.34					
D87-108	Little River Resources	1987	RC/Diamond	44	46	2	0.57	
				47	61	14	1.27	
				62	68	6	2.68	
				69	82	13	2.82	
				incl	76	77	1	21.3
				84	92	8	2.15	
				95	112	17	1.43	
				129	131	2	0.44	
				132	136	4	0.7	
				136	137	1	0.42	
				139	140	1	0.39	
D87-109	Little River Resources	1987	RC/Diamond	67	70	3	0.35	
				80	83	3	0.51	
				85	88	3	1.63	
				100	101	1	0.43	
				103	104	1	0.39	
				incl	105	121	16	10.54
				incl	116	117	1	29.9
				incl	117	118	1	124
				124	136	12	2.48	
				137	139	2	0.4	
				150	151	1	0.35	
D87-110	Little River Resources	1987	RC/Diamond	156	157	1	0.38	
				60	63.7	3.7	0.4	
				63.7	65	1.3	0.59	
				65	70	5	0.65	
				71	76	5	0.46	
				82	83	1	0.37	
				87	88	1	1.68	
				92	94	2	0.3	
				95	111	16	2.56	
				112	118	6	4.04	
				120	125	5	1.24	
D87-112	Little River Resources	1987	RC/Diamond	128	129	1	0.4	
				130	132	2	0.43	

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
D87-113	Little River Resources	1987	RC/Diamond	52	56	4	0.45
				56	60	4	0.36
				87	88	1	0.49
				96	103	7	0.9
				105	132	27	2.98
				133	142	9	2.09
				154	155	1	0.3
				159	160	1	0.37
D87-116	Little River Resources	1987	RC/Diamond	56	60	4	0.85
				152	170	18	0.58
				172	177	5	0.7
				180	182	2	0.6
				183	184	1	0.75
				199	200	1	0.33
D87-117	Little River Resources	1987	RC/Diamond	201	202	1	0.64
				160	161	1	0.33
D87-118	Little River Resources	1987	RC/Diamond	169	170	1	0.37
				171	189	18	1.46
D87-119	Little River Resources	1987	RC/Diamond	134	135	1	1.21
				168	169	1	0.33
				170	172	2	0.46
				173	174	1	0.32
				187	189	2	0.59
				190	197	7	0.69
				198	200	2	0.47
				201	204	3	0.32
				207	213	6	0.94
				168	170	2	0.57
D87-120	Little River Resources	1987	RC/Diamond	192	193	1	0.43
				197	199	2	1.17
				200	203	3	0.34
				207	209	2	0.4
				211	215	4	0.46
				80	84	4	0.5
D87-121	Little River Resources	1987	RC/Diamond	110	111	1	0.82
				159	161	2	1.12
				163	167	4	3.14
				168	169	1	0.6
				169	175	6	0.68
				177	180	3	0.38
				181	182	1	0.63
				56	60	4	0.88
				88	90	2	0.32
				114	115	1	0.42
D87-122	Little River Resources	1987	RC/Diamond	117	118	1	0.56
				120	123	3	0.81
				125	126	1	0.33
				132	133	1	0.37
				137	138	1	0.38
				140	153	13	1.07
				154	162	8	8.1
				incl 157	158	1	39.5
				170	171	1	0.36
				43	44	1	0.35
D87-123	Little River Resources	1987	RC/Diamond	45	52	7	0.51
				53	65	12	2.4
				69	86	17	5.02
				incl 73	74	1	22.4
				90	109	19	2.42
				111	112	1	0.31
D87-124	Little River Resources	1987	RC/Diamond	130	136	6	0.44
				187	192	5	0.54
				194	195	1	0.38
				196	198	2	0.54
				201	202	1	0.82
				202	203	1	0.32
D87-125	Little River Resources	1987	RC	20	21	1	0.38
				33	34	1	0.8
				35	36	1	0.57
				41	45	4	0.46
				48	50	2	0.35
D87-126	Little River Resources	1987	RC	21	25	4	0.48
				26	28	2	0.43
				34	36	2	0.45
				42	43	1	0.34
				44	45	1	0.3
D87-127	Little River Resources	1987	RC	52	55	3	1.01
				28	30	2	1.52
				32	33	1	0.66
				34	35	1	0.3
				37	38	1	0.82
				44	45	1	0.47
				47	48	1	0.3
				49	54	5	1
				61	63	2	0.8

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t				
D87-130	Little River Resources	1987	RC	14	15	1	0.33				
				16	17	1	0.44				
				20	21	1	0.4				
D87-139 D87-084	Little River Resources	1987	Diamond	32	33	1	0.35				
				RC/Diamond	42	67	25	1.76			
					68	69	1	2.4			
					70	78	8	2.31			
					82	84	2	0.4			
					89	90	1	0.6			
					93	96	3	1.63			
					98	100	2	0.43			
					123	124	1	0.5			
					133	135	2	0.43			
					D87-086	Little River Resources	1987	RC/Diamond	92	94	1
105	106	1	0.3								
122	123	1	1								
169	170	1	0.35								
174	175	1	0.4								
D87-087 D87-088	Little River Resources	1987	RC/Diamond	90	93	3	0.34				
				RC/Diamond	66	67	1	0.4			
					90	91	1	0.35			
					95	97	2	2			
					98	104	6	1.26			
					105	107	2	0.4			
					112	113	1	1.35			
					119	120	1	0.4			
					132	135	3	0.5			
					D87-089	Little River Resources	1987	RC/Diamond	14	16	2
16	18	2	8.7								
60	62	2	0.74								
62	64	2	0.61								
101	139	38	1.71								
157	160	3	0.55								
166	167	1	0.6								
168	170	2	0.5								
D87-090	Little River Resources	1987	RC/Diamond	105					106	1	0.4
				123					124	1	0.4
				D87-092	Little River Resources	1987	RC/Diamond	16	18	2	2.4
103	104	1	0.5								
105	106	1	0.4								
108	114	6	3.99								
115	116	1	0.3								
116	117	1	5.05								
118	124	6	1.94								
126	127	1	0.4								
128	144	16	3.22								
145	146	1	0.6								
146	147	1	0.6								
148	149	1	0.35								
151	152	1	0.85								
D87-094	Little River Resources	1987	RC/Diamond	78	79	1	0.4				
				99	100	1	0.3				
				132	133	1	0.4				
				134	135	1	0.4				
				144	146	2	0.6				
D87-095	Little River Resources	1987	RC/Diamond	127	128	1	0.65				
				133	135	2	0.48				
				143	144	1	0.34				
				184	185	1	0.3				
D87-096	Little River Resources	1987	RC/Diamond	110.2	111	0.8	0.65				
				111	114	3	0.8				
				131	134	3	1.15				
				139	140	1	0.4				
				141	143	2	0.42				
				145	146	1	0.3				
				148	154	6	7.23				
				158	159	1	0.3				
				D87-097	Little River Resources	1987	RC/Diamond	90.4	91	0.6	0.55
								92	94	2	0.42
101	102	1	0.3								
118	119	1	0.5								
137	138	1	2								
138	139	1	1.55								
139	140	1	0.4								
140	141	1	0.45								
142	144	2	0.42								
145	151	6	0.62								
161	163	2	0.5								
164	166	2	0.63								
174	176	2	2								
D87-098	Little River Resources	1987	RC/Diamond	126	127	1	0.3				
				129	134	5	0.58				
				136	158	22	3.84				
				166	167	1	0.35				
				182	183	1	0.36				

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
D88-157	Little River Resources	1988	RC	117	118	1	0.4
D88-158	Little River Resources	1988	RC	76	77	1	0.64
D88-159	Little River Resources	1988	RC	73	76	3	5.9
				86	88	2	0.34
				107	108	1	13.4
				108	109	1	0.8
D88-160	Little River Resources	1988	RC	5	9	4	0.87
				11	12	1	0.52
				35	36	1	0.8
				61	62	1	0.41
D88-161	Little River Resources	1988	RC	28	30	2	0.35
D88-163	Little River Resources	1988	RC	8	12	4	0.99
				93	94	1	1.12
D88-164	Little River Resources	1988	RC	67	68	1	0.43
				94	95	1	0.58
D88-165	Little River Resources	1988	RC	43	44	1	0.36
				45	46	1	0.41
				46	47	1	0.32
D88-166	Little River Resources	1988	RC	75	76	1	0.86
D88-167	Little River Resources	1988	RC	79	80	1	0.52
				107	108	1	0.32
D88-175	Little River Resources	1988	RC	58	59	1	1.14
				65	66	1	1.12
				68	69	1	2.2
				83	84	1	0.6
				94	95	1	30
				95	97	2	0.48
D88-176	Little River Resources	1988	RC	53	55	2	0.81
				56	62	6	0.44
				63	66	3	0.87
				79	80	1	0.6
				82	113	31	2.18
				116	122	6	0.62
				124	125	1	0.43
D88-177	Little River Resources	1988	RC	42	43	1	0.7
				46	47	1	0.32
				48	49	1	0.48
				51	52	1	0.74
				53	68	15	1.31
				70	98	28	1.15
				99	106	7	0.93
D88-179	Little River Resources	1988	RC	10	11	1	0.33
				12	16	4	1.96
				17	19	2	0.65
				21	22	1	0.31
				23	26	3	0.56
				29	30	1	0.7
				31	32	1	1.34
				49	51	2	1.49
				57	58	1	0.58
D88-180	Little River Resources	1988	RC	11	19	8	0.74
				21	25	4	0.67
				26	28	2	0.82
				29	30	1	0.56
				33	36	3	0.7
				37	38	1	0.35
				39	40	1	1.1
				40	41	1	0.64
				42	43	1	0.45
				48	49	1	0.78
				52	53	1	0.41
				57	58	1	0.31
				60	63	3	0.88
				72	74	2	0.45
				78	79	1	0.41
D88-181	Little River Resources	1988	RC	17	21	4	0.37
				22	24	2	0.41
				25	28	3	0.57
				48	59	11	0.84
				62	65	3	0.83
				66	73	7	0.85
				75	76	1	0.7
				79	81	2	0.46
				82	83	1	0.52
				84	85	1	0.42
				88	90	2	1.35
				107	108	1	2.8
D88-182	Little River Resources	1988	RC	45	51	6	1.2
				53	54	1	0.58
				56	57	1	0.3
				58	59	1	0.52
				59	66	7	0.71
D88-184	Little River Resources	1988	RC	9	14	5	1.86
				15	16	1	0.4

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t	
D88-185	Little River Resources	1988	RC	11	12	1	17.8	
				12	13	1	0.58	
				20	21	1	1	
				22	23	1	0.34	
				24	25	1	1.16	
				25	26	1	0.56	
				27	28	1	0.38	
				29	30	1	0.38	
				30	32	2	0.41	
				34	35	1	0.35	
				36	38	2	0.44	
				48	49	1	0.33	
				64	65	1	0.54	
				71	72	1	0.88	
				D88-186	Little River Resources	1988	RC	24
37	38	1	0.39					
39	40	1	0.31					
40	41	1	0.46					
41	42	1	0.49					
43	44	1	0.32					
45	46	1	0.33					
48	54	6	12					
incl	50	51	1					68
55	57	2	0.55					
58	59	1	0.32					
64	65	1	0.3					
66	67	1	0.43					
69	70	1	0.34					
70	71	1	0.39					
D88-187	Little River Resources	1988	RC	73	76	3	0.86	
				79	84	5	0.81	
				77	78	1	0.8	
				84	85	1	0.47	
				89	92	3	0.56	
				97	131	34	2.62	
				incl	119	120	1	24
				incl	120	121	1	30
D88-189	Little River Resources	1988	RC	132	133	1	0.46	
				16	17	1	0.49	
D88-190	Little River Resources	1988	RC	16	17	1	0.42	
				32	33	1	0.3	
				34	41	7	1.21	
				51	57	6	1.02	
				58	59	1	0.66	
				59	60	1	0.38	
				61	74	13	1.14	
				81	82	1	0.58	
D88-191	Little River Resources	1988	RC	34	35	1	1.06	
				35	36	1	0.88	
				36	37	1	0.3	
				38	41	3	0.74	
				42	50	8	1.08	
				51	53	2	1.09	
				55	62	7	0.63	
				68	69	1	0.6	
D88-192	Little River Resources	1988	RC	15	17	2	1.1	
				19	21	2	0.31	
				22	23	1	0.37	
				25	34	9	0.62	
				36	39	3	0.88	
				40	41	1	1.2	
				43	45	2	1.03	
				50	51	1	0.33	
				52	54	2	0.41	
				55	56	1	0.33	
				98	102	4	0.74	
D88-193	Little River Resources	1988	RC	35	36	1	0.36	
				37	39	2	0.33	
D88-196	Little River Resources	1988	RC	18	19	1	2	
				52	53	1	1.16	
D88-198	Little River Resources	1988	RC	19	21	2	0.6	
				28	30	2	1.08	
				38	39	1	0.6	
				43	46	3	0.4	
				53	54	1	0.44	
				59	60	1	0.48	
D88-200	Little River Resources	1988	RC	57	61	4	0.66	
				12	16	4	0.4	
D90-207	Paragon Resources	1990	RC	44	48	4	0.31	
				59	64	5	0.64	
				78	80	2	0.47	
				84	88	4	3.16	
				81	107.3	26.3	1.51	
D90-208	Paragon Resources	1990	RC	81	107.3	26.3	1.51	

JUNEE PROJECT - DOBROYDE GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
D90-209	Paragon Resources	1990	RC	84	88	4	1.63
				92	92.6	0.6	1
				93	128.8	35.8	3.7
				incl 115.8	116.8	1	66
				incl 119.3	119.8	0.5	21.3
D90-210	Paragon Resources	1990	RC	incl 120.1	120.6	0.5	18.6
				60	64	4	0.6
				102.1	103.0	0.9	0.49
				104.6	105.6	1	0.32
				105.6	106.7	1.1	0.35
				106.7	108.6	1.91	0.38
				118	120	2	0.5
				128	130	2	0.45
				140.5	157.5	17	2.61
				NDR006	New South Resources	2007	RC
NDR007	New South Resources	2007	RC	115	116	1	0.51
NDR009	New South Resources	2007	RC	4	6	2	1.82
NDR012	New South Resources	2007	RC	7	8	1	0.3
				109	111	2	0.41
				99	102	3	0.41

OBERON PROJECT - MURPHYS GOLD DEPOSIT
Table of Historic Mineralised Drill Intercepts (>0.3 g/t Au)

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
MYP1	Sipa Exploration	1995	RC	8	29	21	0.32
MYP2	Sipa Exploration	1995	RC	0	10	10	0.44
MYP3	Sipa Exploration	1995	RC	0	16	16	0.64
MYP4	Sipa Exploration	1995	RC	0	41	41	0.49
MYP5	Sipa Exploration	1995	RC	0	9	9	0.33
MYP6	Sipa Exploration	1995	RC	13	51	38	0.45
MRC3	New South Resources	2009	RC	52	77	25	0.65
MRC7	New South Resources	2009	RC	22	38	16	0.51
				49	60	11	0.32
MRC8	New South Resources	2009	RC	0	49	49	0.75
				incl 20	37	17	1.11
				49	80	31	0.3
MRC9	New South Resources	2009	RC	9	16	7	0.71
				38	54	16	0.42
				105	128	23	1.05
MRC10	New South Resources	2009	RC	23	34	11	0.37
MRC11	New South Resources	2009	RC	0	34	34	0.62
				incl 1	12	11	1.23
				74	85	11	0.69
				incl			
MRC12	New South Resources	2009	RC	72	77	5	0.26
				81	83	2	0.33
MRC14	New South Resources	2009	RC	10	58	48	0.35
				74	76	2	1.36
				105	121	16	0.32



STATEMENT OF RESOURCES

MURPHYS AND DOBROYDE GOLD DEPOSITS

For

Arc Exploration Limited

By

I.D. BLAYDEN

Job no 1213 May 2013

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SUMMARY

Statement of Resources

The Inferred Resource at the Murphys Gold Deposit, EL 6525 (Oberon Project) at a 0.3 g/t cut-off is estimated to be:

Inferred Resources					
Volume ('000 m ³)	Dry Tonnes (M)	Avg. Gold Grade (g/t Au)	Avg. Silver Grade (g/t Au)	Gold ('000 Ounces)	Silver ('000 Ounces)
1,959	5.3	0.89	2.20	150	372

The Indicated Resources at the Dobroyde Gold Deposit, EL 6516 (Junee Project) at 0.3 g/t cut-off are estimated to be:

Indicated Resources					
Ore Type	Cut-off (g/t Au)	Volume ('000 m ³)	Dry Tonnes (M)	Avg. Gold Grade (g/t Au)	Contained Gold ('000 Ounces)
OXIDE	>= 0.30	101.10	0.24	0.56	4
FRESH	>= 0.30	697.10	1.84	1.23	73
ALL	>= 0.30	798.20	2.08	1.15	77

Risk Assessment

Murphys

Sampling and Analyses – No significant risks identified in data acquisition.

Density Determination – Adequate for the current level of assessment.

Database – No major issues identified in relation to compilation of the database but a full audit yet to be carried out.

Borehole Spacing – Borehole spacing irregular and relatively widely spaced; this could impact on the overall accuracy of the resource estimate.

Survey and Topography – Survey control is good for topography and no major issues identified for use of downhole data.

Modelling – Modelling process acceptable.

Resources – Classified as Inferred which is acceptable given the relatively wide and variable distribution of the control points.

Dobroyde

Sampling and Analyses – No significant risks identified in data acquisition.

Density Determination – Adequate for the current level of assessment.

Database – No major issues identified in relation to compilation of the database but a full audit yet to be carried out.

Borehole Spacing – Borehole spacing is regular and relatively closely spaced.

Survey and Topography – Survey control is good for topography and no major issues identified for use of downhole data.

Modelling – Modelling process acceptable.

Resources – Classified as **Indicated** which is acceptable given the closer drill hole spacing and more regular distribution of control points.

JORC Checklist

Table i - Sampling Techniques and Data Acquisition Checklist - Murphys

Sampling Type	Sample Technique	Data Collection
Drilling	All drilling by RC methods.	All lithological data encoded into electronic format
Logging	Cuttings logged and preserved in chip trays	
Sample Recovery	Cuttings only, sufficient sample recovered for representative sample	
Sample Management	Cuttings samples collected and riffle split sample collected for analysis at 1 m intervals	
Quality of Assay data and Laboratory Results	Gold analysis by fire assay and AAS in NATA registered laboratories.	
Verification of Analyses	One in seven of all NSR samples duplicated. No data for earlier drilling	
Survey	Some minor issues with historic holes but all NSR holes carefully surveyed. Downhole surveys carried out on all NSR holes DTM is derived from an aerial survey using FALCON Airborne technology	
Data spacing and distribution	Drillhole spacings irregular due to accessibility to sites. .	
Data Orientation	Drillhole spacing varies from 100m to < 20 m. all drillholes orient perpendicular to the strike of the orebody	
Sample security	Sample security in line with requirements	
Data Audits	Full audit of data yet to be carried out.	

Table ii - Estimation and Reporting Checklist - Murphys

Criteria	Status
Database Integrity	Data input from lab reports and other text files. Little room for error although full data audit yet to be undertaken.
Site Visits	Author has visited site briefly on one occasion
Geological Interpretation	Geological interpretation of the orebody is acceptable.
Dimensions	See geological report
Modelling Parameters and Resource Estimate	<ul style="list-style-type: none"> <input type="checkbox"/> Utilise Minesight Mine Planning software from Mintec <input type="checkbox"/> Generate a block model within the 0.25 g/t cut-off resource envelope <input type="checkbox"/> Populate the blocks with grade estimate using Inverse Distance Interpolation <input type="checkbox"/> Calculated volumes for range of minimum grade limits <input type="checkbox"/> Applied global density value of 2.69 <input type="checkbox"/> Generate resource estimate (Table 6) Resources Classified as Inferred on basis of data distribution
Cut-off parameters	0.25 g/t cut-off determined background limit of gold grade
Bulk Density	Global density of 2.69 as determined by laboratory determinations of average value on 16 cutting samples.

Table iii - Sampling Techniques and Data Acquisition Checklist - Dobroyde

Sampling Type	Sample Techniques and Data Acquisition
Drilling	A number of different drilling methods used but only RC and core data included in resource estimate
Logging	Cuttings logged and preserved in chip trays. Logs of cored holes not reviewed
Sample Recovery	Sample recovery was generally good for RC holes. Recovery data for cored holes is good with some problems were identified by John Elliot.
Sample Management	Sample cuttings collected and riffle split for analysis, generally at 1 m intervals. Core cut in half and generally sampled at 1 m intervals
Quality of Assay data and Laboratory Results	Gold analysis by fire assay and AAS mostly in NATA registered laboratories although laboratory rating for Paragon samples not certain.
Verification of Analyses	Sample verification process not assessed
Survey	Locations of all holes in the database well established. No major issues with downhole surveys. Those holes without surveys have dip and azimuth data and it is believed there was little hole deviation during drilling.
Data spacing and distribution	Drill hole spacings generally between 12.5 and 25 m apart along drill lines also between 12.5 m and 25m apart.
Data Orientation	Drill lines aligned across the general trend of the orebody
Sample security	Sample security in line with requirements
Data Audits	Assessment of data validity carried out by John Elliot prior to modelling in August 2009. Audit of individual values yet to be carried out.

Table IV - Estimation and Reporting of Resources Checklist - Dobroyde

Criteria	Status
Database Integrity	Thorough audit of data collection processes carried out and found to be generally of acceptable standard. Audit of individual values yet to be carried out.
Site Visits	No sit visit carried out
Geological Interpretation	Grade variation and mineralogical association typical of epithermal mineralisation which is the prevailing interpretation.
Dimensions	See geological report
Estimation and Modelling Techniques	Modeling process essentially same as for Murphys except grade cut-off established at 0.3 g/t.
Cut-off Parameters	0.3 g/t cut/off determined background limit of gold grade.
Bulk Density	Separate global bulk density figures applied for oxidised and fresh rock from laboratory analyses. Assumed value for oxide rock is 2.38 and laboratory derived value for fresh rock was 2.64. Both values are acceptable.

Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Dr Ian Blayden, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (AusIMM).

Dr Blayden is Principal Consultant with Geological and Management Services Pty Ltd (GMS) and was commissioned by Arc Exploration Limited to undertake a review of the Gold Resource of the Murphys Gold Deposit within EL 6525 near Oberon and Dobroyde Gold Deposit in El 6516 near Junee, both held by New South Resources Ltd.

Neither Ian Blayden, nor GMS has any material interest or entitlement, direct or indirect, in the securities of Arc Exploration Limited or New South Resources Ltd. Fees, for the preparation of this report, are on a time and materials basis.

Ian Blayden has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Blayden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report was completed on the understanding that it is to be used as follows:

- a) Support a proposal for a Joint Venture on the projects with NSR.
- b) Announce the resources for public disclosure on the ASX

Competent Person:

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Dated 13 May 2013

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I.D. Blayden

Principal Consultant

STATEMENT OF RESOURCES

MURPHYS AND DOBROYDE GOLD DEPOSITS

1 Introduction

Mr Brad Wake, Exploration Manager for Arc Exploration Limited (“ARX”) has requested Geological and Management Services Pty Ltd (GMS) to prepare a Statement of Resources for the Murphys Gold Deposit (Oberon Project) in EL 6525 located near Oberon NSW (Figure 1), and the Dobroyde Gold Deposit (June Project) in EL 6516 near June, NSW (Figure 2).

Both areas are held by New South Resources Ltd (NSR) and ARX requires the statement to:

- a) Support a proposal for a Joint Venture on the projects with NSR.
- b) Announce the resources for public disclosure on the ASX

Table 1. Exploration Licenses Held by NSR

Project	Exploration Licence #	Date Granted	Renewal Date	Area	
				Sub-blocks	km ²
Murphys	EL 6525	7 March, 2006	6 May 2014	89	254
Dobroyd	EL 6516	7 March, 2006	6 March, 2014	6	17

2 Methodology

Resource estimates are available for both the Murphys and the Dobroyde gold deposits and detailed reports have been prepared to accompany these estimates. This statement comprises a detailed review of both reports in terms of the following:

- a) Methodology of data collection and sampling
- b) Validity of analyses
- c) Distribution of control points
- d) Database compilation
- e) Modeling Software
- f) Resource estimation process
- g) Resource classification
- h) Risk analysis

3 Murphys Gold Deposit

3.1 Permit

The Murphys Gold Deposit is contained within EL 6525 comprising 89 sub-blocks which cover an area of 254 km². The permit is in force until 6 May 2014 (Table 1)

3.2 Location and Access (Figure 1)

The Murphys Gold deposit is in the north western corner of EL 6525 and is located approximately 28 km south east of Bathurst and 10 km northwest of Oberon. The topography is hilly and the area is largely cleared although the western portion retains the natural eucalypt forest vegetation. O’Connell Road, the main road between Bathurst and Oberon, passes adjacent to the deposit.

3.3 Geological Setting

3.3.1 Regional Geology (Figure 3)

EL 6525 covers a portion of the northerly trending Capertee Zone of the Lachlan Fold Belt (LFB). The Capertee Zone is a belt of essentially Ordovician and Silurian sediments and volcanics extending to the northeast and southeast of Bathurst. Rocks of Devonian age are locally infolded with these strata. Subsequent to episodes of faulting and folding the strata have been intruded by major batholiths of Carboniferous age.

3.3.2 Prospect Geology

Lithologies within the Murphys Gold Deposit comprise felsic volcanics and volcanoclastics of the Late Silurian Vale Creek Volcanics. The predominant felsic rock type is a fine grained silica-sericite-chlorite-biotite metamorphosed volcanoclastic. Metamorphism grades from Schist to Phyllite. Minor lithologies within the Murphys Gold Deposit include the coarse grained felsic volcanoclastic within which the Jasons Mine is located. Fine grained massive porphyritic and non porphyritic flows are developed to the east of Murphys. Mapping and RC drilling has confirmed that gold mineralisation at Murphys may be associated with sulphides (pyrite and base metal sulphides) disseminated in quartz stockworks. There is strong silica or silica-sericite-chlorite-biotite alteration associated with shear zones

3.4 Exploration (Figure 4)

3.4.1 Previous Exploration

Systematic exploration of the general area commenced in 1958 when New Consolidated Gold Fields (Australasia) undertook a mapping programme of the Wisemans area to the east of Murphys Gold Deposit. Since that time numerous companies have explored the area with the primary focus being on particular prospects. The work has usually included mapping and rock chip sampling as well as stream sediment sampling, gridded geochemical sampling and some drilling.

Prior to NSR acquiring EL 6525 there were two exploration programmes which focussed on the Murphys Gold Deposit Area. The first of these was Newmont in the early 1980's and the second was Sipa in 1995.

In 1982-83 Newmont carried out a programme of 3 percussion holes using a small trailer-mounted Jacro RC percussion drill rig (Table 1). This rig was used as access to the sites was difficult. One hole plus a redrill were targeted beneath old workings at the northern end of Murphys (holes MYPWC 1 and MYPWC 1A) and a second (MYPWC 2) adjacent to minor working to the south. The holes were inclined at 45⁰ to the east.

MYPWC-1 hole traversed highly altered quartz eye tuff with the entire length of the hole (0 to 25.5 m) assaying 0.55 grams of Au/tonne. Within this zone 14 to 15 m assayed 2.8 grams of Au/tonne and 19 to 21 m assayed 2.05 grams of Au/tonne

In 1995 Sipa drilled six percussion holes in the area (MYP 1-6) (Table 2) to a maximum depth of 72 m on three sections nominally spaced 40 m apart. The holes were inclined to the east at 60⁰ using a Warman Universal 1000 drill rig. All six holes intersected significant gold mineralisation. For the most part these graded in the 0.3 g/t to 1.0 g/t range over varying intervals of up to 50m. Several of the one metre samples within these broad mineralised zones exceeded 1 g/t

Table 2. Murphys Gold Deposit - Summary of Early Drilling

Hole ID	Date	Company	Type	Depth (m)	Dip	Mag-Azim	Drill Rig	Analyses
MYPWC-1	22/12/1982	Newmont	RC	25.5	45 ⁰	70 ⁰	Jacro	Au, Ag, Cu, Pb, Zn, As
MYPWC-1A	02/05/1983	Newmont	RC	46	45 ⁰	70 ⁰		
MYPWC-2	20/12/1982	Newmont	RC	49	45 ⁰	250 ⁰		
MYP 1	28/04/1995	Sipa	RC	72	60 ⁰	70 ⁰	UDR 1000	Au, Ag, Cu, Pb, Zn, As, Sb
MYP 2	29/04/1995	Sipa	RC	48	90 ⁰	0 ⁰		
MYP 3	29/04/1995	Sipa	RC	72	60 ⁰	70 ⁰		
MYP 4	30/04/1995	Sipa	RC	60	60 ⁰	76.5 ⁰		
MYP 5	30/04/1995	Sipa	RC	60	60 ⁰	70 ⁰		
MYP 6	01/05/1995	Sipa	RC	60	60 ⁰	70 ⁰		

3.4.1.1 Sampling and Analyses

There are no data on the sample splitting and assay procedures for the percussion drilling by Newmont and no downhole surveys were run.

For the Sipa drilling samples were collected every metre and the sample split to obtain a 500 g sample for compositing into 4 m intervals. The remaining sample of the 1 m interval was retained.

Samples were analysed by ALS in Orange with all samples analysed for gold using a mixed acid digestion/AAS finish method. Only the 4 m composite samples were analysed for lead, zinc, silver, and arsenic using the same method. Antimony was also analysed but using a method of low temperature nitric acid digestion and AAS finish. Samples with values >0.25 g/t gold were check analysed using fire assay.

3.4.1.2 Collar Surveys and Downhole Surveys

All the Sipa holes were located using AMG co-ordinates (AGD 66) and these were converted to MGA/GDA94 by NSR.

3.4.2 NSR Exploration

Exploration by NSR has included airborne geophysics, a ground IP survey, surface soil geochemistry and drilling. The drilling comprised 14 percussion holes located on geophysical, geochemical and geological anomalies. The drilling was carried out using a Wirth 1500 or Bor-Mor Landcruiser mounted RC drilling rigs, both operated by Chief Drilling Pty Ltd of Orange, NSW. All the holes were inclined to the west or vertical and were generally to depths of 130 m. The deepest was drilled to a depth of 178 m.

3.4.2.1 NSR Sampling and Analyses

The procedure outlined below was used for all samples obtained in holes MRC 1 to 14:

- a) Drill cuttings collected at 1 m intervals
- b) Samples were passed through an 87.5%:12.5 % riffle splitter.
- c) The 12.5% split is placed directly in a labeled calico bag and transported to the laboratory.
- d) The 87.5% split was retained.
- e) The samples were assayed for gold by fire assay and AAS finish (precision 0.01-100 ppm).

- f) The sample also assayed for silver as well as arsenic, copper, lead, antimony and zinc by Aqua-Regia digest and finished with ICP-AES (precision 1 to 50 ppm).
- g) In the case of wet samples, the entire sample transported to the lab for drying and radial splitting before analyzing as above.

All samples were analysed by SGS West Wyalong with a duplicate analysis carried out for about one sample in seven.

3.4.2.2 NSR Collar Surveys and Downhole Surveys

Downhole surveys along with gamma resistivity, SP neutron and temperature logs were run in holes MRC 1-9 using a Geoscience Associates Multi Survey Tool. An Eastman Kodak single shot camera was used for holes MRC 10 to 14. An HP8200 OMNISTAR GPS system was used to survey in the collars of MRC1 to 14 to a precision of ± 0.1 m in Easting and Northing.

3.4.2.3 Topography

The DTM used in the resource estimation was generated from a combination of laser scan topographic data acquired as part of the Falcon Airborne Gravity/Radiometric Survey carried out by BHPB. The Laser scanner data were combined with phase-smoothed DGPS to give an accurate representation of the terrain elevation below the path of the aircraft. These data were gridded using the Geosoft minimum curvature algorithm to produce a Digital Elevation Model (DEM) with 10 m grid cells. This high resolution DEM was infilled between lines, where required, with the SRTM2 (Shuttle Radar Topography Mission) data to ensure complete coverage of the survey area.

3.5 Data Integrity and Validation

Data integrity was not validated as part of this compilation however as much of the database input was from previously generated company reports and digital laboratory reports. Consequently it is expected there is a low likelihood of significant errors.

3.6 Exploration Database

Minesight Mine Planning Software was used for modelling and data input is via the Acquire Database System. The database contains the historic drilling results along with the data from the fourteen holes drilled by New South Resources. In total there are data from 23 Reverse Circulation (RC) drill holes drilled by New South Resources, Sipa Exploration NL and Newmont Holdings Pty. Ltd. In total there are 1,436 individual analyses largely of samples at 1 m intervals but also including some composite intervals.

The database was populated by importing text files from NSW DPI reports or SGS generated assay files.

3.7 Modelling

The modelling and resource estimate has been carried out by Mr Mac Nichols of NSR. The background grade limit was determined from a log probability plot of gold assays and was established at 0.25 g/t from the point at which there was a change in slope angle. The drillhole data was displayed on a series of cross sections and an interpretation of the mineralized zone was determined using the cut-off grade as the

limit. The zone boundaries were then linked from section to section (wireframed) to form the 0.25 g/t grade envelope.

As defined the envelope was calculated to have a volume of 8.7M m³ being approximately 450 m long (northing), 125 m wide (easting) and 155 m deep. It is important to note that the truncation of mineralisation at depth has been determined by data limitations and not through lack of mineralisation. The actual width is between 100 and 190 m and there is an apparent slight plunge to the south of the mineralised zone. Where occurring at the surface the envelope extends over a strike length of approximately 300 m and there is virtually no cover.

3.8 Bulk Density Determination

Density values were determined on 16 cuttings samples from 9 holes (Table 3) submitted to SGS (Standard PHY11V). The arithmetic average value these data is 2.69 and this is the global value used in the resource estimate.

Table 3. Summary of Density Determinations

Hole No	Sample Depth (m)	Density
MRC 1	138	2.71
MRC 10	030	2.77
MRC 11	075	2.76
MRC 11	028	2.77
MRC 12	074	2.72
MRC 14	117	2.82
MRC 3	056	2.59
MRC 3	075	2.66
MRC 7	031	2.61
MRC 8	004	2.66
MRC 8	015	2.71
MRC 8	078	2.68
MRC 9	015	2.59
MRC 9	123	2.67

Table 4. Summary of Block Parameters

	Minimum	Maximum	Length	Count
Easting	752,600	753,300	10m	90
Northing	6,277,000	6,277,900	10m	70
Elevation	450	950	5	100

3.9 Resource Estimation Process

The resource estimation process was as follows:

- a) Utilise Minesight Mine Planning software from Mintec
- b) Generate a block model within the 0.25 g/t cut-off resource envelope
- c) Populate the blocks with grade estimate using Inverse Distance Interpolation
- d) Calculated volumes for range of minimum grade limits
- e) Applied global density value of 2.69
- f) Generate resource estimate (Table 6)

Table 5. Gold Inverse Distance Parameters

	Inside 0.25 g/t Envelope
Min # composites per block	2
Max # composites per block	7
Min Distance to Nearest Composite	100
<i>If no Composite within 100m do not estimate the block</i>	
Search Type	3D
Max # Per Quadrant/Octant	No limit
Max # per hole	No Limit
Search Major	100
Search Minor	100
Search Vertical	100
RotN/DipN/DipE	0/0/0

3.10 Resources

The estimate of resources is summarised in Table 6 at cut-off grades of between 0.01 g/t and 1.5 g/t. On the basis of a 0.3 g/t cut-off the resources are estimated to be 5.27 Mt at an average grade of 0.89 g/t Au and 2.2 g/t Ag for a total resource of 149.9 kilo-ounces of gold and 371.8 kilo-ounces of silver.

Table 6. Summary of Resource Estimates

Inferred Resource					Contained Metal	
Grade Cut-off (g/t Au)	Volume ('000 m ³)	Dry Tonnes (M)	Avg. Gold Grade (g/t Au)	Avg. Silver Grade (g/t Au)	Gold ('000 Ounces)	Silver ('000 Ounces)
>= 0.01	9,021	24.3	0.28	1.53	218	1,194
>= 0.1	5,767	15.5	0.41	1.94	205	968
>= 0.3	1,959	5.3	0.89	2.20	150	372
>= 0.5	1,150	3.1	1.24	2.35	123	234
>= 0.7	683	1.8	1.69	2.25	100	133
>= 1.0	469	1.3	2.11	1.57	86	64
>= 1.5	375	1.0	2.34	1.17	76	38
Gold and Silver at the 0.3 g/t Au Cut-off					150	372

4 Dobroyde Gold Deposit

4.1 Permit

The Dobroyde Gold Deposit is contained within EL 6516 comprising 6 sub-blocks covering an area of 17 km². The permit is in force until 6 March 2014.

4.2 Location and Access (Figure 2)

The Dobroyde Gold Deposit is located 18 km northeast of Junee and 42 km southwest of Temora. The topography is gently rolling and land use is mainly for grazing and cereal cropping. Access to the deposit is by way of sealed roads from the surrounding townships and by farm tracks to the site.

4.3 Geological Setting

4.3.1 Regional Geology (Figure 5)

The permit is located in the Tumut Synclinal Zone of the Lachlan Fold Belt (LFB) immediately east of the Gilmore Suture. The Gilmore suture is a major thrust fault which marks the boundary between the Western Zone and Western Central Zone in the Lachlan Fold Belt. Rocks of the Tumut Synclinal Zone were strongly deformed by the Bowring / Bindi Orogeny, during the Late Silurian.

The Gilmore Suture is over 700 km in length and extends from Nyngan in the north to Tumut in the south. It is believed to have acted as the source or focus for mineralisation during the Ordovician, possibly controlling the mineralising events in several deposits such as Lake Cowal, Gidginbung, West Wyalong and Adelong as well as Dobroyde.

The principal epithermal gold deposit on the Gilmore Suture in the region is the Gidginbung Deposit located 50 km to the northwest of EL 6516. Some 400,000 oz of gold were produced from this deposit from within the oxide zone. Further resources are contained within the sulphide zone. The Dobroyde Gold Deposit is a similar style of deposit.

4.3.2 Local Geology

EL 6516 is largely underlain by Late Ordovician Junawarra Volcanics comprising andesitic tuffs and lavas, latites, volcanoclastic sedimentary rocks, agglomerates, and minor dacite. The Dobroyde Gold Deposit occurs in a zone of epithermal alteration in the Junawarra Volcanics developed in association with a dilation zone along a near vertical, north-northwest striking fault zone. The deposit is approximately 350 m long and 10 to 40 m wide, plunging 20-25 degrees northward.

Economic gold grades are found in association with barite, quartz, chalcedony and hydrothermal, silicified breccias containing an advanced argillic suite of minerals (pyrophyllite, alunite, sericite and disseminated to massive pyrite). Original volcanic textures are usually obliterated in favour of chaotic, phreatic breccias, which are silicified and clay-altered. Gold tellurides and the luzonite-tennantite copper suite of minerals, characteristic of high sulphidation gold deposits are present, but only in trace amounts.

4.4 Exploration (Figure 6)

4.4.1 Previous Exploration

Initial discovery of Dobroyde was made by Getty Oil Development Company who held the area under EL 1994 issued in February 1983. Exploration was focussed on high-sulphidation disseminated gold deposits following the discovery of the Gidginbung deposit. It was during a programme of initial regional mapping and sampling that outcrops of high-sulphidation gold mineralisation were located at Dobroyde Hill. EL 1994 was subsequently retained for a period of 18 years and changed hands a number of times until a further renewal was refused by the Department of Mineral Resources on 27 February, 2000.

In addition to the work carried out by Getty other companies who undertook exploration of the Dobroyde Gold Deposit were Little River Goldfields (LRG), Paragon and Newcrest, as summarised in Table 7.

Table 7. Summary of Previous Dobroyde Gold Deposit Exploration

Company	Period	Exploration
EL 1994		
Getty	1984	11 percussion hole and some RAB holes 7 cored holes with limited dip and azimuth downhole data Drill core sawn in half and half analysed at Comlabs Services Pty Ltd (NATA Lab)
LRG	1986	34 RC holes with 5m (later 4 m) composites for analysis One diamond core hole sampled at 1 m intervals sawn in half for analysis. Analysis at Comlabs or Amdel mostly by fire assay. Down hole surveys of all holes including some deepened Getty holes Aerial photography in 1987
Paragon	1990	Six diamond holes with RC pre- collars. Pre-collars composited over 4 m for analyses. Core sawn in half and analysed. Laboratory for analyses not established, may have been at the Gidginbung Mine Lab or Comlabs in Temora. Analytical method not recorded. SG measurements on 19 unoxidised core samples Downhole surveys on all holes
EL 5848		
Newcrest	2000-2005	11 air-core holes on aeromagnetic anomaly near Dobroyde Gold Deposit. No significant mineralisation identified.

In all exploration of the Dobroyde Gold Deposit and surrounding areas has included some 31,000 metres of drilling along with an early Scoping Study, two Prefeasibility Studies, aero- and ground geophysics (including aero-magnetics and aero-radiometrics, ground IP and ground magnetics). A number of preliminary metallurgical studies, extensive soils assaying along with detailed and reconnaissance geological mapping were also carried out. Total expenditure amounted to around \$3.5 million.

4.4.2 NSR Exploration

Along with a number of geophysical surveys a total of 17 holes have been drilled by NSR comprising one core hole and 16 RC holes. The RC holes were sampled at 1 m intervals and a portion selected for analysis. The core was cut in half for analysis.

Samples were analysed either at ALS Orange or SGS West Wyalong.

4.5 Data Integrity and Validation

In August 2009 Consulting geologist John Elliot of Anzeco Pty Ltd carried out a detailed review of all drilling data acquired for the Dobroyde Gold Deposit with the aim of determining which could be considered to be of sufficient integrity for inclusion into a database for modelling purposes. The principal conclusions are summarised in Table 8.

Table 8. Drillhole Data Validity

Drilling	<ol style="list-style-type: none"> 1) RAB holes not considered suitable for inclusion in the database 2) Getty open hole percussion holes considered valid but not used in resource estimation 3) Lines of drilling vary from 25m to 12.5 m apart with drill holes spaced from 25m to 12.5 m apart on these lines. 4) The closer-spaced drilling is in the centre of the deposit covering an area about 150 m E-W and N-S.
Collars and down hole surveys	<ol style="list-style-type: none"> 1) Full listing of holes total 272 but excluding RAB holes 2) All downhole surveys reviewed and those considered valid included in database 3) Some holes with limited dip and azimuth data considered valid and included in the database as there is little evidence of significant hole deviation from fully surveyed holes
Sample Recovery	<ol style="list-style-type: none"> 1) No RC sample recovery data available but intervals of no recovery are recorded 2) Average recovery values estimated for intervals with associated core loss in Getty and Paragon coreholes 3) Core loss interval noted in NSR corehole.
Drill logs	<ol style="list-style-type: none"> 1) Data checked and depth of oxidation noted in all holes.
Specific Gravity	<ol style="list-style-type: none"> 1) Value of 2.64 accepted from LRG Amdel data @2.06 g/t grade for fresh ore 2) Believe data from 19 Paragon samples unreliable 3) Believe the assumed value 2.38 by NSR for oxidized rock to be reasonable
Assays	<ol style="list-style-type: none"> 1) Has not varied out audit of individual assay values but did validate 25 of the highest values 2) Bulk of assays determined by fire assay in NATA registered labs and considers the results to be reliable

In general John Elliot concluded that the data derived from the drilling and sampling of drilling is of sufficiently high quality to enable a resource to be calculated which satisfies JORC standards for a resource estimate to Indicated Status.

All data considered valid by him was compiled into a series of files and these data formed the basis for a subsequent resource assessment by NSR.

4.6 Exploration Database

The exploration database used in the modelling was that reviewed and edited by John Elliot and transferred in Acquire.

4.7 Modelling

A geological model and resource estimate of the Dobroyde Gold Deposit was undertaken by Mr Mac Nichols of New South Resources Ltd in August 2009. The modelling process was essentially similar to that outlined for the Murphys. In this case however the resource envelope cut-off grade was established at 0.3 g/t). The envelope was then generated on a section by section basis and a wireframe developed. Resource blocks at 5m x 5m x 2m were then generated in the envelope as summarised in Table 9.

Table 9. Summary of Block Parameters (Local Grid)

	Minimum	Maximum	Length	Count
Easting	9600	10250	5	130
Northing	10,000	10,750	5	150
Elevation	860	1140	2	140

Table 10. Gold Inverse Distance Parameters

	Inside 0.30 g/t Envelope
Min # composites per block	5
Max # composites per block	25
Min Distance to Nearest Composite	30
<i>If no Composite within 100m do not estimate the block</i>	
Search Type	Octant
Max # Per Quadrant/Octant	5
Max # per hole	5
Search Major	90
Search Minor	90
Search Vertical	90
RotN/DipN/DipE	345/-30/0

Table 11. Dobroyde Resource Estimate

Indicated Resource					Contained Gold (‘000 Ounces)
Ore Type	Cut-off (g/t Au)	Volume (‘000 m ³)	Dry Tonnes (M)	Avg. Gold Grade (g/t Au)	
OXIDE	>= 0.01	234.30	0.56	0.33	6
	>= 0.30	101.10	0.24	0.56	4
	>= 0.50	50.20	0.12	0.73	3
	>= 1.00	6.70	0.02	1.32	1
FRESH	>= 0.01	956.50	2.53	0.94	76
	>= 0.30	697.10	1.84	1.23	73
	>= 0.50	524.00	1.38	1.51	67
	>= 1.00	280.90	0.74	2.19	52
	>= 2.00	78.40	0.21	4.29	29
	>= 3.00	28.50	0.08	7.63	18
	>= 4.00	18.90	0.05	9.81	16
ALL	>= 0.01	1190.80	3.08	0.83	82
	>= 0.30	798.20	2.08	1.15	77
	>= 0.50	574.10	1.50	1.45	70
	>= 1.00	287.60	0.76	2.17	53
	>= 2.00	78.70	0.21	4.29	29
	>= 3.00	28.60	0.08	7.62	19
	>= 4.00	18.90	0.05	9.81	16
Gold at the 0.3 g/t Au Cut-off					77

4.8 Resources

A resource estimate has been calculated incorporating all drill hole data within the mineralised envelope (Table 11). At a cut-off grade of 0.3 g/t the deposit is estimated to contain a total resource of 2.0 Mt averaging 1.15 g/t of which 0.24 Mt is an Oxide resource (0.56 g/t grade) and 1.84 Mt is contained within fresh rock (1.23 g/t grade). The contained gold totals 77,000 Ounces On the basis of the available drilling control the resources are classified as Indicated.

5 Summary and Conclusions

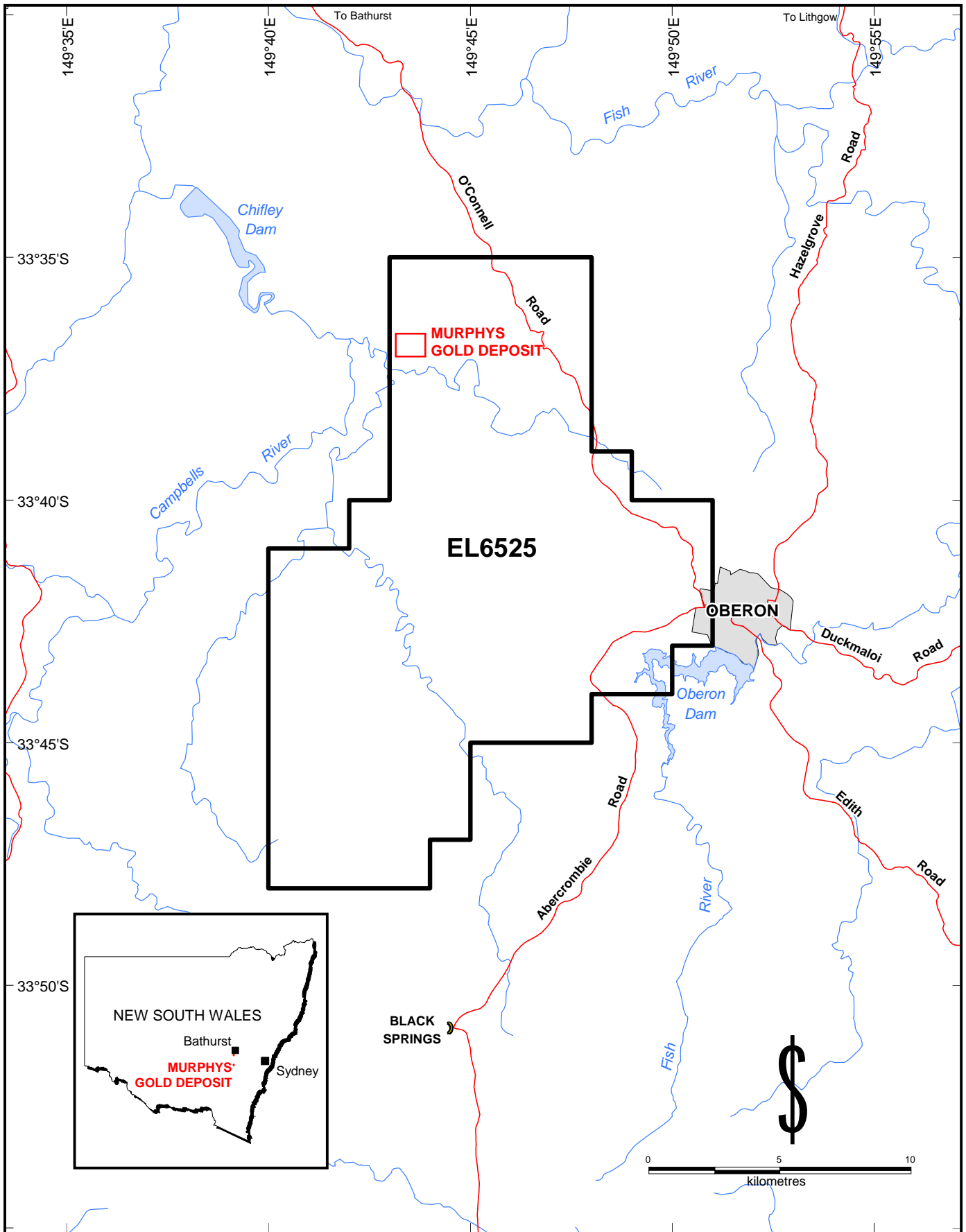
Dr Ian Blayden has reviewed the assumptions and methodology utilised in the compilation of the gold resources at the Murphys Gold Deposit and Dobroyde Gold Deposit and is of the opinion that the methodology, resource quantities and resource classifications as presented are in accordance with the requirements of the 2012 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code, 2012).

6 Principal References

- | | | |
|-----------------|------------------|--|
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June - Temora District NSW, Anzeco Pty Ltd. Internal
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| Nichols,
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Resources Ltd |

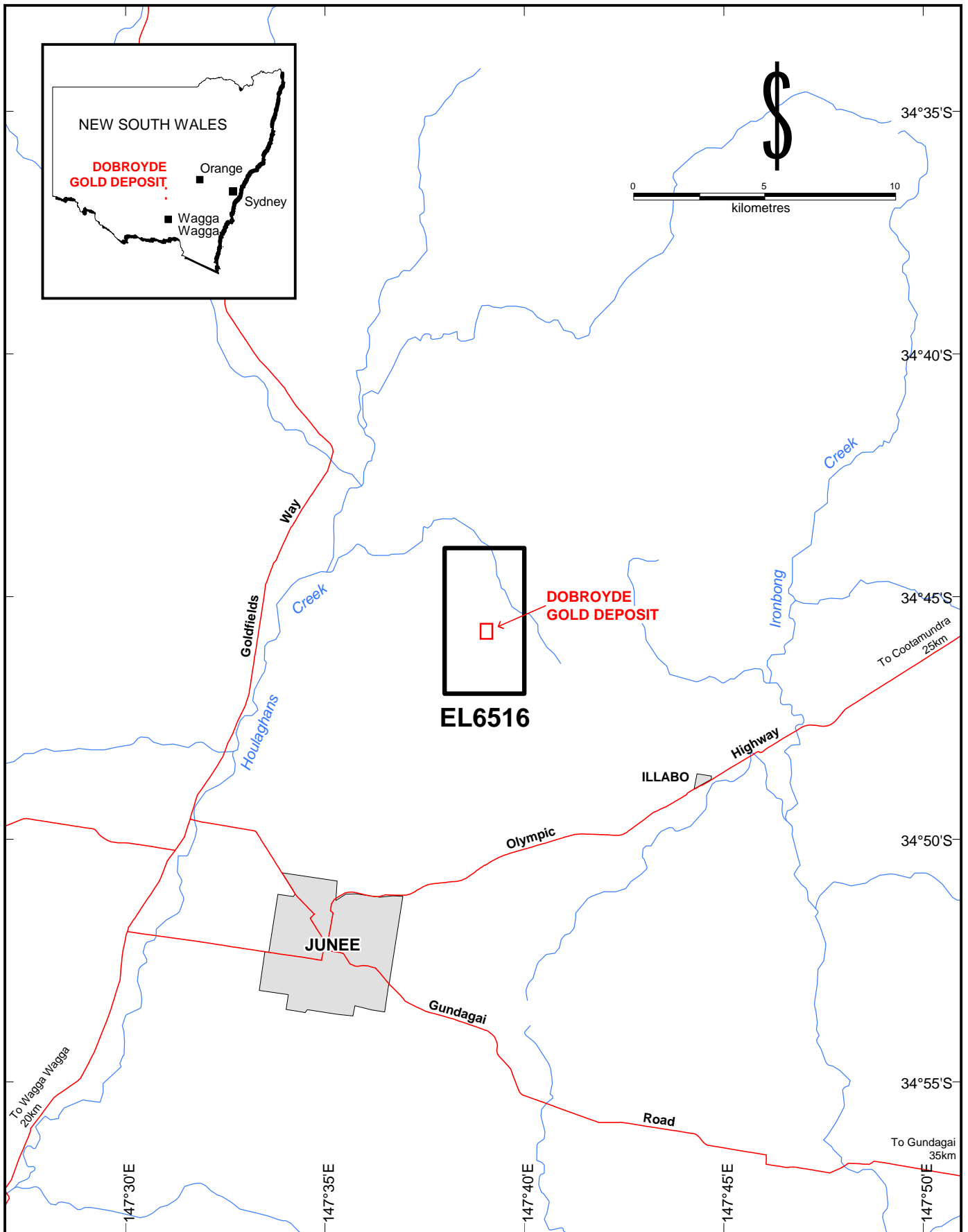
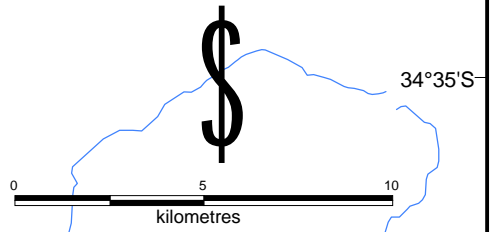
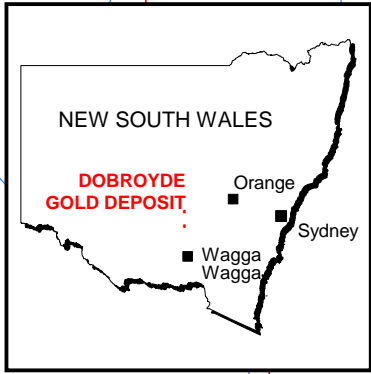


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LEGEND	
	river or creek
	lake
	road
	locality
	town
	EL6525 boundary

NEW SOUTH RESOURCES	
EL6525 MURPHYS GOLD DEPOSIT	
Location Plan	
Scale: 1:200 000	Date: May 2013
Projection: MGA56	Figure 1



LEGEND

- river or creek
- lake
- road
- town
- EL6516 boundary

NEW SOUTH RESOURCES

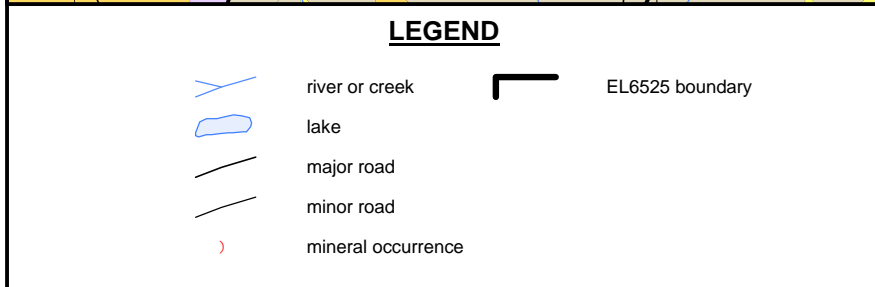
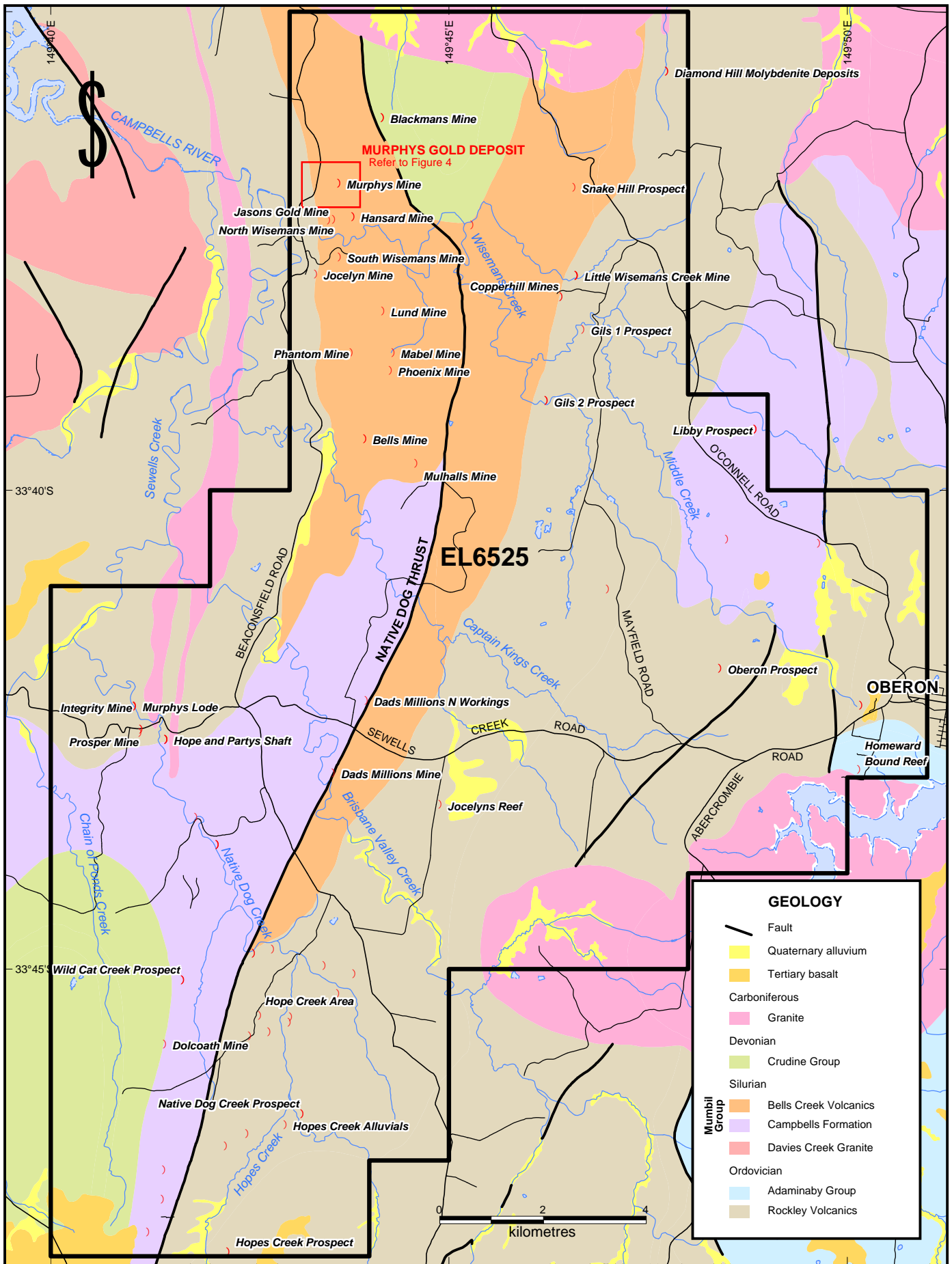
EL6516
DOBROYDE GOLD DEPOSIT
Location Plan

Scale: 1:200 000

Date: May 2013

Projection: MGA55

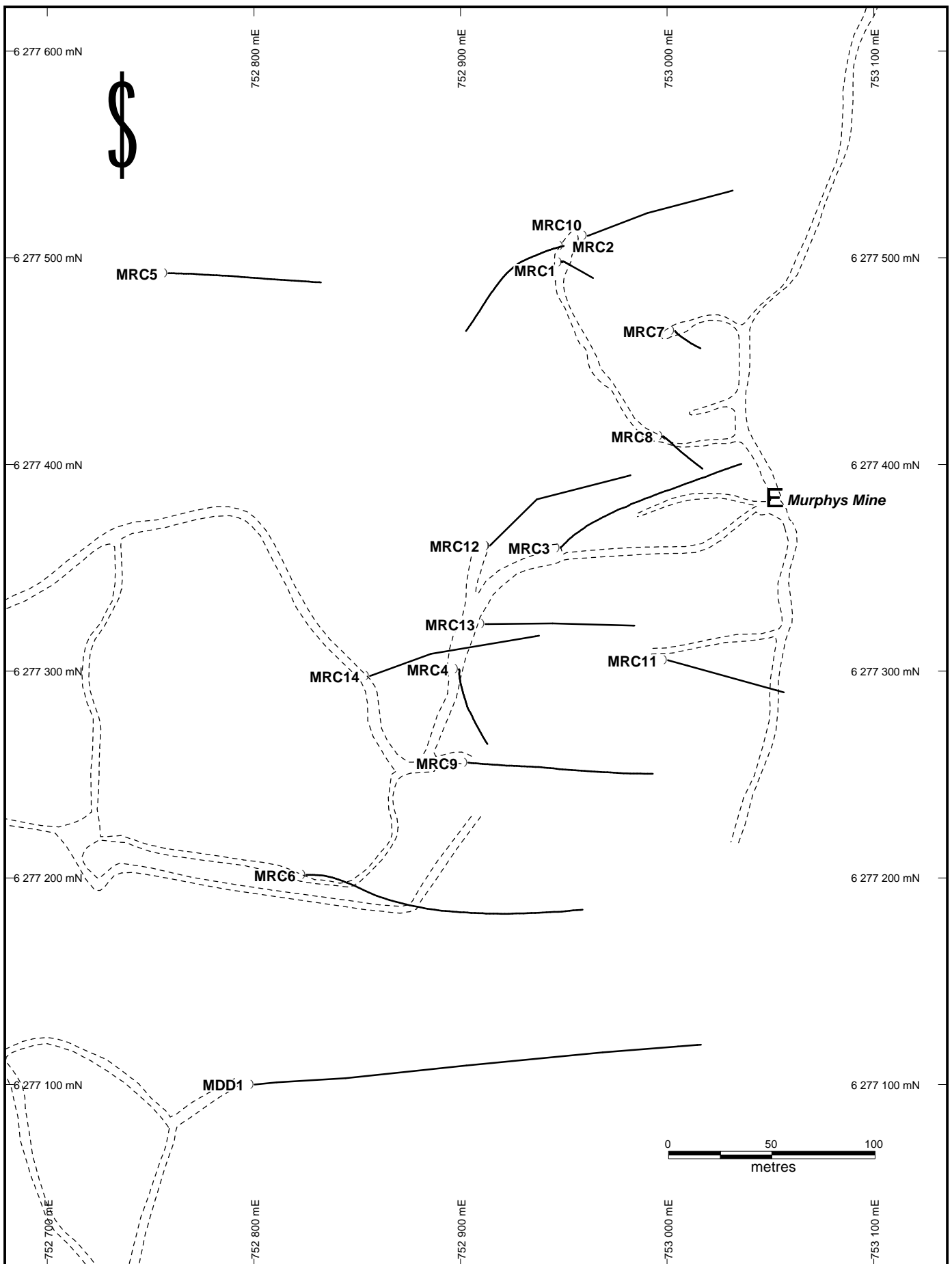
Figure 2



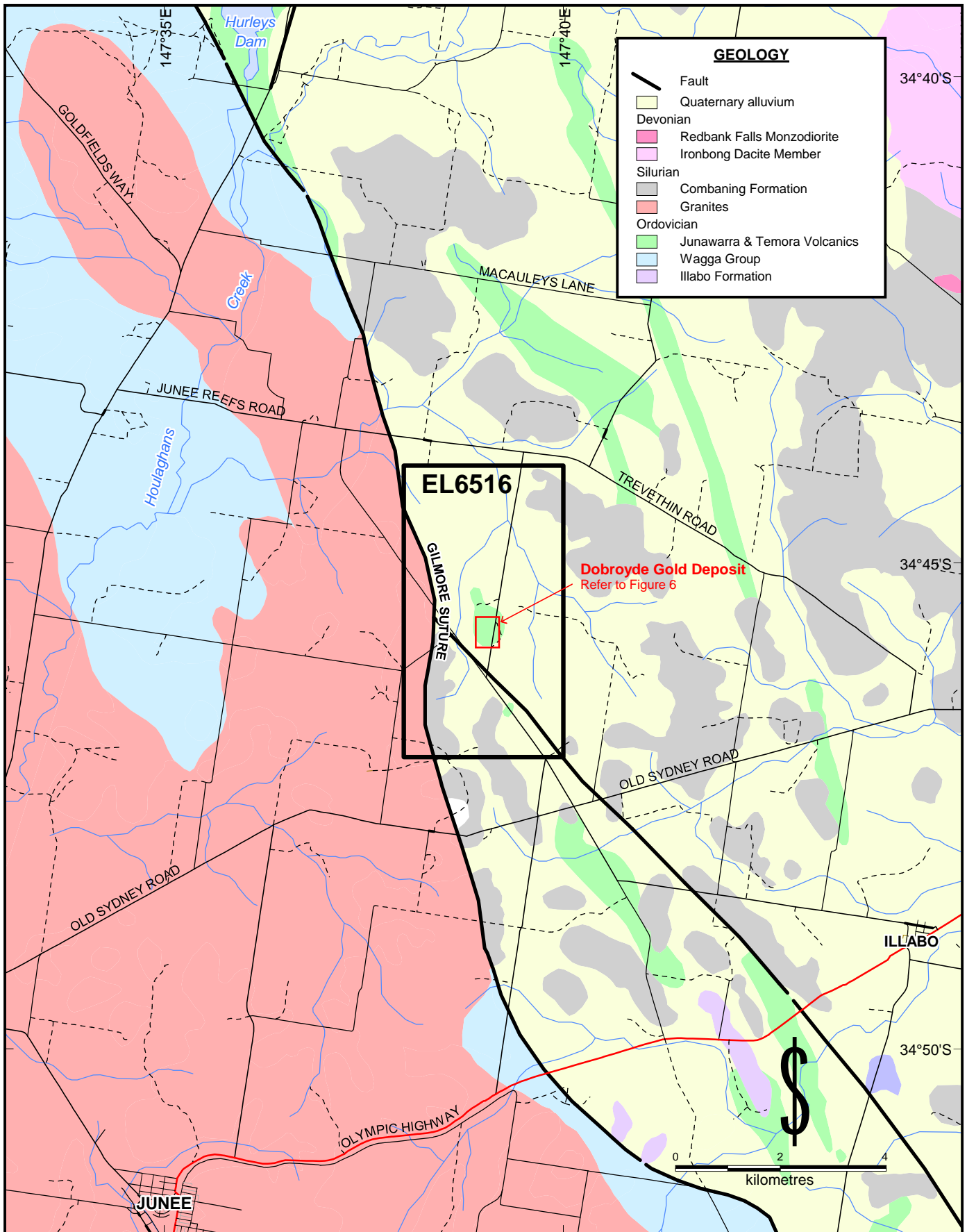
NEW SOUTH RESOURCES

EL6525 MURPHYS GOLD DEPOSIT
Regional Geology Plan

Scale: 1:100 000	Date: May 2013
Projection: MGA55	Figure 3



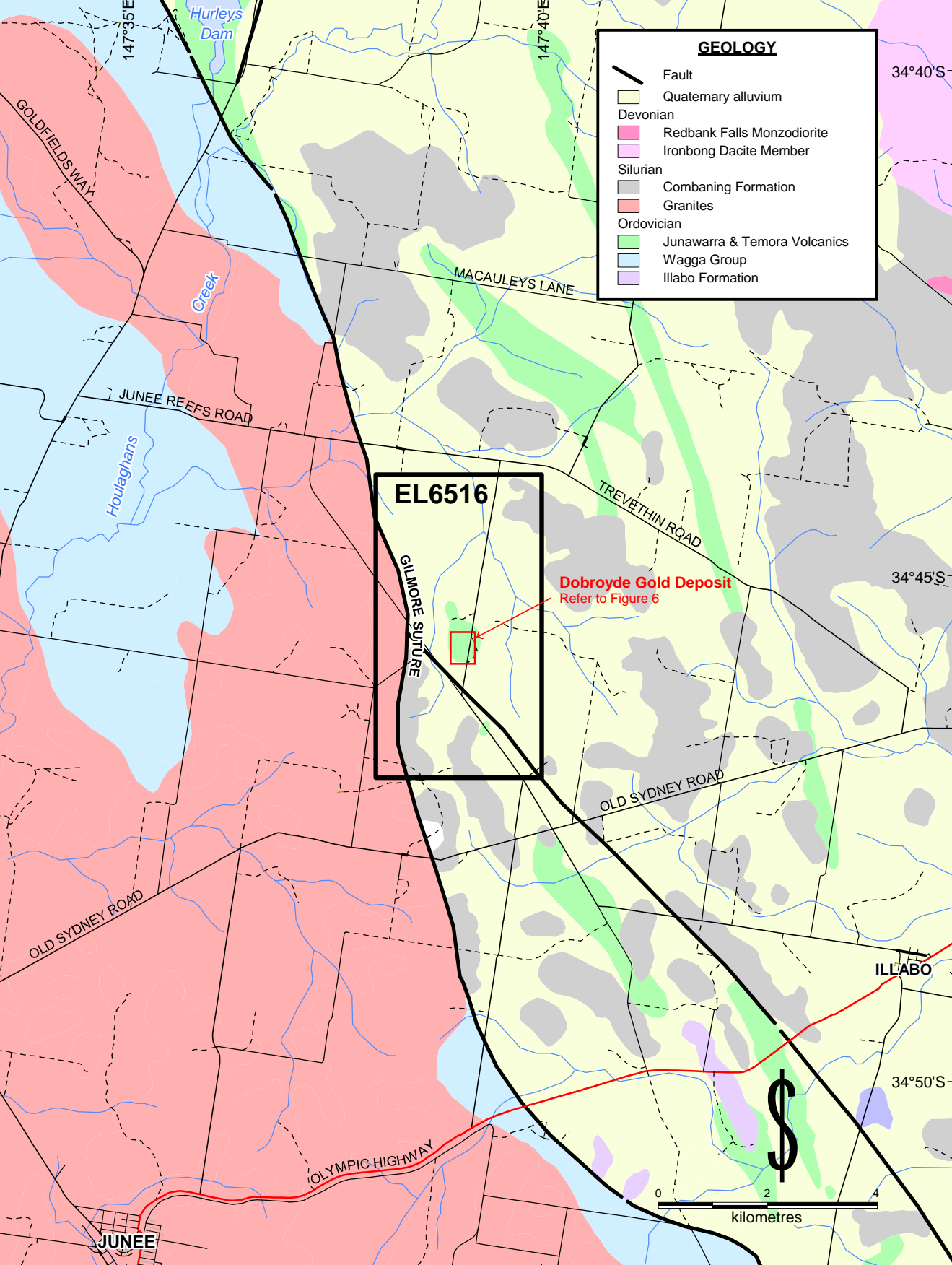
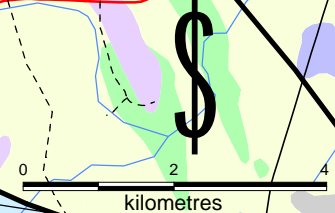
<p>LEGEND</p> <p> track drillhole showing downhole trace historic mine </p>	<p>NEW SOUTH RESOURCES</p>	
	<p>EL6525 MURPHYS GOLD DEPOSIT Drill Hole Location Plan</p>	
Scale: 1:2500	Date: May 2013	
Projection: MGA55	Figure 4	



EL6516

GIMORE SUTURE

Dobroyde Gold Deposit
Refer to Figure 6





LEGEND

- drill hole
- mineralised envelope

NEW SOUTH RESOURCES

**EL6516
DOBROYDE GOLD DEPOSIT**
Drill Hole Location Plan
Showing Mineralised Envelope

Scale: 1:2500

Date: May 2013

Projection: MGA55

Figure 6