

## Brooklyn Iron Project: Drilling Results including: 136m @ 61.4% Calcined Fe+Mn (\*CaFe+Mn)

### Highlights

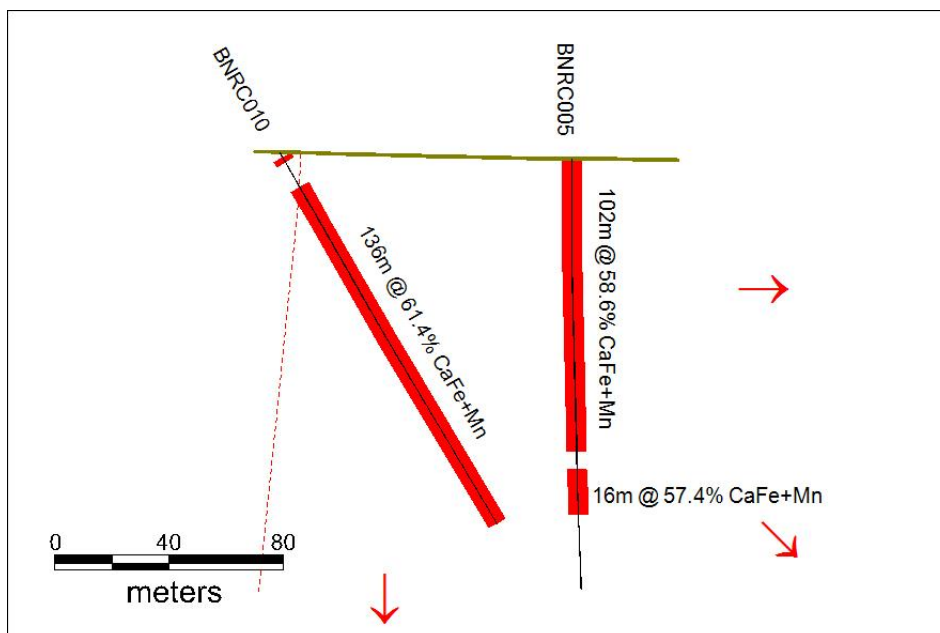
- 136m @ 61.4% CaFe+Mn from 14m
- 72m @ 62.1% CaFe+Mn from surface
- 70m @ 62.6% CaFe+Mn from 10m

Exalt Resources Ltd (ASX: ERD) is pleased to announce results from drilling in December 2013 at the Brooklyn Iron Project.

Results have been received for 1,012m of RC drilling completed in December last year following up previously reported intersections of iron mineralisation of 96m @ 59.5% CaFe+Mn, 102m @ 58.6% CaFe+Mn and 86m @ 56.0% CaFe+Mn.

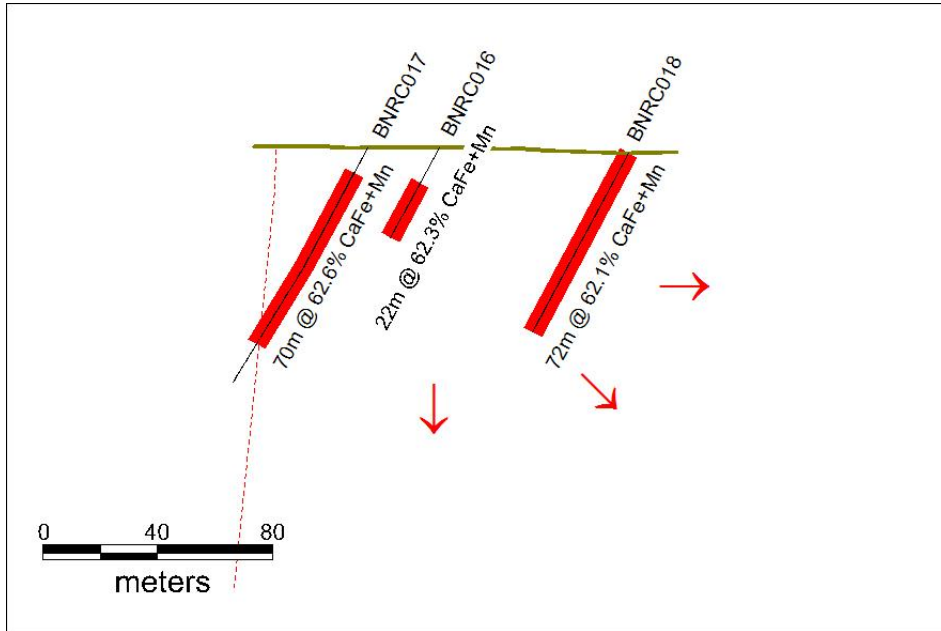
Eleven (11) holes were drilled, nine (9) holes returned consistently high iron grades. The new drilling has confirmed that the iron mineralisation extends for at least 140m by 100m and is between 88 and 127m deep; the deposit is open to the east and south.

The iron mineralisation is interpreted to be goethite replacement of a limestone possibly representing a previously unrecognised deposit style. The Company is doing further work to evaluate the mineralisation to determine if a potential niche DSO goethite iron plus manganese product could be economically mined and sold. Brooklyn is 63km by public road (52km of road train route) to the Transcontinental Railway at Condobolin.



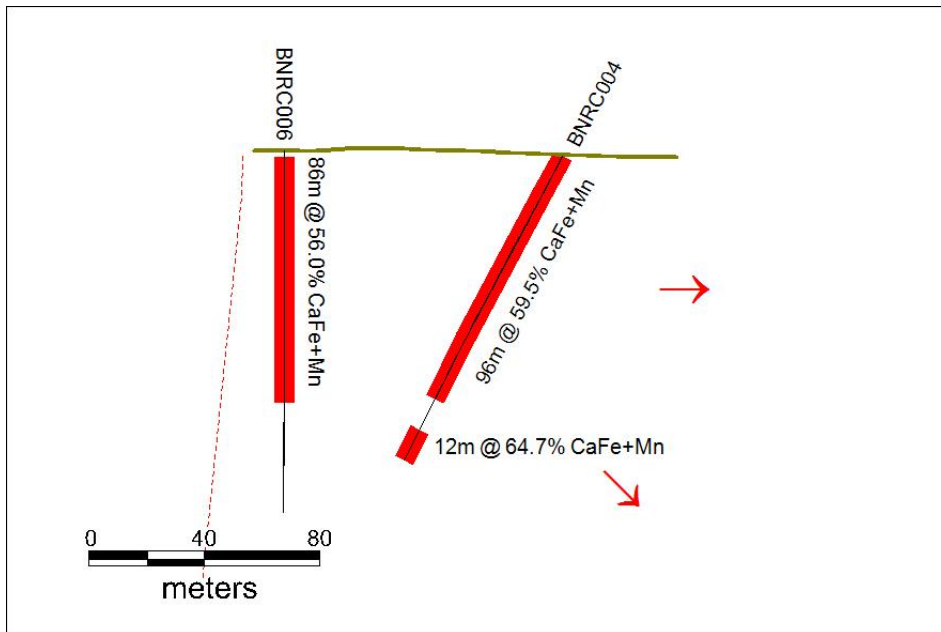
Section 1 –6,384,630mN. BNR005 reported previously. Note: iron mineralisation is open to the east and depth

\*CaFe+Mn is calcined iron+ manganese calculated using the following formula  $(Fe\%+Mn\%/(100-LOI\%)) \times 100$



Section 2 – 6,384,580mN.

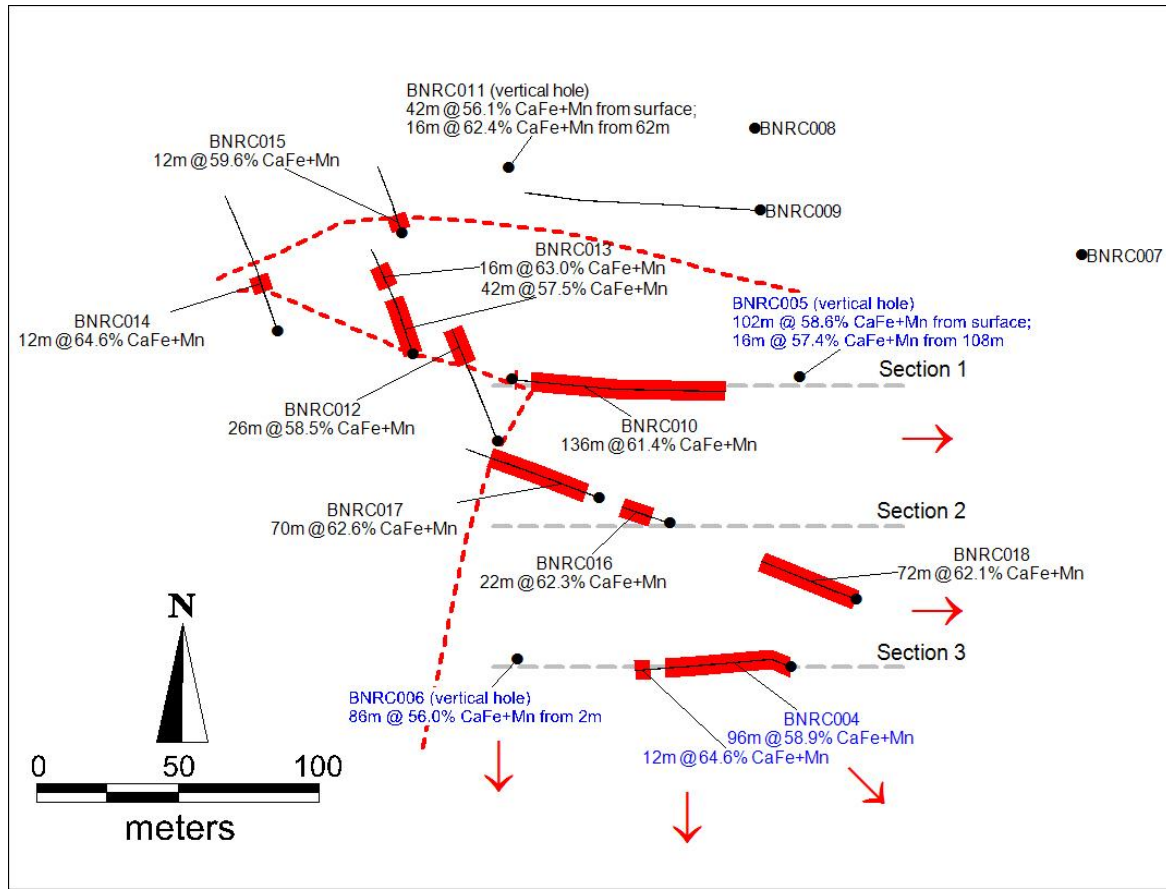
Note: iron mineralisation is open to the east and at depth



Section 3 – 6,384,530mN. Holes reported previously.

Note: iron mineralisation is open to the east and at depth

Note: CaFe+Mn is calcined iron+ manganese calculated using the following formula  $(Fe\%+Mn\%/(100-LOI\%)) \times 100$



Plan – Intersections >50% CaFe+Mn as red traces. Holes reported previously labelled in blue  
Open to the east and south

HoleID	from	to	Interval (m)	Fe%	Mn%	SiO2%	Al2O3%	P%	S%	TiO2%	LOI%	CaFe%	CaFe+Mn%
BNRC010	2	4	2	46.5	1.4	12.85	5.58	0.11	0.02	0.14	11.6	52.5	54.1
BNRC010	14	150	136	50.0	4.3	6.81	2.84	0.13	0.01	0.07	11.5	56.5	61.4
BNRC011	0	42	42	46.9	3.0	10.36	5.22	0.15	0.01	0.19	11.1	52.8	56.1
BNRC011	62	78	16	51.6	3.7	4.97	2.79	0.18	0.02	0.13	11.5	58.3	62.4
BNRC012	58	84	26	45.9	5.9	8.22	4.49	0.18	0.03	0.14	11.5	51.8	58.5
BNRC013	0	42	42	47.2	4.0	10.52	4.09	0.09	0.00	0.10	11.1	53.1	57.5
BNRC013	50	66	16	51.3	4.2	4.51	2.79	0.19	0.01	0.05	12.0	58.2	63.0
BNRC013	72	74	2	39.0	6.4	16.70	5.28	0.23	0.00	0.24	10.0	43.4	50.5
BNRC014	30	42	12	53.8	3.4	4.19	1.84	0.12	0.00	0.07	11.4	60.8	64.6
BNRC015	2	14	12	49.1	3.8	7.50	3.95	0.11	0.01	0.11	11.3	55.3	59.6
BNRC016	14	36	22	49.9	4.9	5.38	3.52	0.10	0.01	0.05	11.9	56.7	62.3
BNRC017	10	80	70	50.1	4.9	4.64	3.37	0.15	0.01	0.11	12.0	57.0	62.6
BNRC018	0	72	72	52.1	2.7	5.91	3.19	0.10	0.01	0.03	11.9	59.1	62.1

Table 1 – Significant Intersections

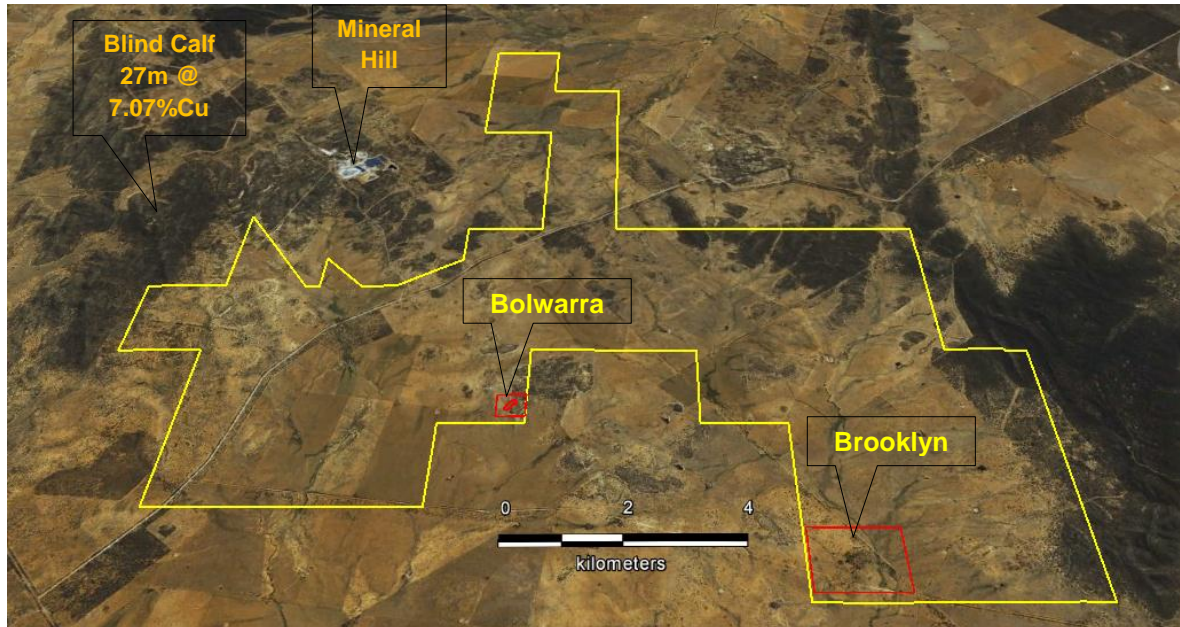
Intersections are calculated using a Maximum internal dilution of 2x sample interval and a 50% CaFe+Mn cutoff.

CaFe% is calcined iron calculated using the following formula  $(Fe\% / (100 - LOI\%)) * 100$

CaFe+Mn% is calcined iron+ manganese calculated using the following formula  $(Fe\% + Mn\% / (100 - LOI\%)) * 100$

Hole ID	East	North	RL	Depth	Dip	Azimuth
BNRC004	508709	6384530	257.815	120	-60	283
BNRC005	508712	6384633	258.034	150	-90	0
BNRC006	508612	6384533	259.565	126	-90	0
BNRC007	508812	6384676	258.077	60	-90	0
BNRC008	508696	6384721	258.395	48	-90	0
BNRC009	508698	6384692	258.291	162	-60	263
BNRC010	508610	6384632	260.529	150	-60	263
BNRC011	508609	6384707	263.14	78	-90	0
BNRC012	508605	6384610	260.259	84	-60	339
BNRC013	508575	6384641	261.511	78	-60	341
BNRC014	508527	6384649	261.886	100	-60	341
BNRC015	508571	6384684	262.925	48	-60	342
BNRC016	508666	6384581	259.593	36	-60	299
BNRC017	508641	6384590	259.652	96	-60	291
BNRC018	508732	6384554	257.848	72	-60	292

Table 2 –Drill Collars



*Prospect Locations within EL7945 Mineral Hill South*

### **Competent Person's Statement**

The information in this report that relates to Exploration Results is based on information provided by Mr D Ward, Member of Australasian Institute of Mining and Metallurgy and a Consultant to Exalt Resources Limited. Mr Ward has sufficient experience that 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 Ward, consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information contact

**Shane Hartwig**  
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+61 8651 7804

## JORC Code, 2012 Edition – Table 1 Brooklyn Iron Project RC Drilling

### Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The report refers to reverse circulation (RC) drilling at the Brooklyn Iron Project.</li> <li>1:40 field duplicates were collected to determine the representivity of the sampling procedures, Fe analysis difference between the original and field duplicates was less than 1.5%.</li> <li>RC drilling was used to obtain 1m samples from which a 3.0kg composite spear sample (1.5kg per sample) was taken from every two meters, the 3kg sample is oven dried and pulverized to 85% passing 75 micron and analysed using XRF.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse Circulation drilling using a 13.5cm face sampling bit</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of</li> </ul>	<ul style="list-style-type: none"> <li>All bulk samples were weighed individually, dry samples returned expected volumes. Recovered sample weights below the water table (between 50-60m vertically) where wet samples were occasionally returned which were approximately 20-30% lower than expected volumes.</li> <li>There is no observable correlation between sample recovery and grade and no bias</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>fine/coarse material.</i>	observed relative to the recovery.
Logging	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Chip samples have been geologically logged to a level of detail to support Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Logging is qualitative. All samples were wet sieved and stored in chip trays for future reference.</li> <li>• All recovered material was logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• No core was collected</li> <li>• Sub-sampling was conducted using a PVC spear and sampled dry. A small number of wet samples were grab sampled where spear sampling was not appropriate.</li> <li>• Samples were prepared in the ALS Lab in Orange. The samples were dried and pulverized in an LM5 to 85% passing 75 micron (an industry standard).</li> <li>• Ore Research &amp; Exploration Certified Reference Standards were included 1:40 with the sample batches, the results obtained from the standards were with acceptable limits.</li> <li>• Field sample duplicates were collected 1:40, the difference between the original and field duplicates for Fe% was less than 1.5%.</li> <li>• Sample sizes are considered appropriate for the grain size of the material sampled, this is supported by the good results obtained from the field duplicates</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• All assays were conducted by ALS using the Fused Disk XRF (Iron Ore Package) which is an industry standard and considered a appropriate assaying technique for this material.</li> <li>• No geophysical tools used.</li> <li>• Field Duplicates and certified reference materials were inserted at a rate of 1:40.</li> <li>• At the lab regular, assay repeats, duplicate and standards and blacks were analysed. The results of the QAQC protocols were check and no contamination or sample bias was observed.</li> </ul>
Verification of	<ul style="list-style-type: none"> <li>• The verification of significant</li> </ul>	<ul style="list-style-type: none"> <li>• Significant results were checked by the</li> </ul>

Criteria	JORC Code explanation	Commentary
<p>sampling and assaying</p>	<p>intersections by either independent or alternative company personnel.</p> <ul style="list-style-type: none"> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>Senior Exploration Consultant and the company CFO.</p> <ul style="list-style-type: none"> <li>No twinned holes were used.</li> <li>Primary data is received by email and imported into a SQL database and validated by the Senior Exploration Geologist. The database is stored on a mirrored NAS drive server and regularly backed up to an offsite location.</li> <li>No adjustment to assay data has occurred.</li> </ul>
<p>Location of data points</p>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>RC collar locations were determined using a hand-held GPS with an accuracy of 5m in northing and easting. Downhole surveys were completed at 50m downhole using a digital multi-shot camera inside a stainless steel bottom rod.</li> <li>The grid used is MGA94 Zone 55</li> <li>Elevation was determined using a DTM created from traverses using a differential GPS and have an accuracy of 5m vertically.</li> </ul>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>RC drilling was carried out in a nominal 50m x 50m grid and some more 'reconnaissance' drilling as required for the purposes of intersect the margins of the mineralisation.</li> <li>No Resource or Reserve estimations have been applied.</li> <li>1m samples were composited to 2m.</li> </ul>
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Four (4) different drilling orientations were used in the drilling program ensuring that there is no sampling bias on particular stratigraphic or structural controls.</li> <li>There is no observed relationship between the orientation of any structures and the drilling orientation that would introduce a sampling bias.</li> </ul>
<p>Sample security</p>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Pre-numbered calico sample bags were collected in polyweave bags and zip tied. These bags were delivered to ALS Orange in person by the Senior Field Hand.</li> </ul>
<p>Audits or reviews</p>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Review of field duplicates, certified standard material, lab duplicate and standards were been reviewed and are all within acceptable limits.</li> </ul>



## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling was undertaken on New South Wales Exploration License, Mineral Hill South/EL7945. The Exploration License is owned 100% by Exalt Resources Limited. The drilling was conducted on freehold land under an agreement between the landowner and Exalt Resources Limited.</li> <li>• The tenement is in good standing.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No previous explorers have evaluated Brooklyn as an iron project and consequently have not analysed for iron.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The project lies on the south-eastern end of an anticline of predominantly rhyolitic Silurian Mineral Hill Volcanics. The project is interpreted to be goethite replacement of a limestone based on some relict fossil evidence, but the entire project to date is made up of massive goethite and saprolite (interpreted to be after fine grained sediments and shallow rhyolite intrusives). The Brooklyn Iron Project may represent a new deposit style previously unrecognised.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to Table 1 and 2 in the body of text</li> </ul>
<i>Data</i>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results,</i></li> </ul>	<ul style="list-style-type: none"> <li>• Intersections are calculated using a</li> </ul>

Criteria	JORC Code explanation	Commentary
aggregation methods	<p>weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <ul style="list-style-type: none"> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>Maximum internal dilution of 2x sample interval and a 50% CaFe+Mn cutoff.</p> <ul style="list-style-type: none"> <li>CaFe% is calcined iron calculated using the following formula <math>(Fe\% / (100 - LOI\%)) * 100</math></li> <li>CaFe+Mn% is calcined iron+ manganese calculated using the following formula <math>(Fe\% + Mn\% / (100 - LOI\%)) * 100</math></li> <li>No metal equivalent values are quoted</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The geometry of the mineralisation is unknown. At this stage the mineralisation is interpreted to be restricted to a massive block of goethite replaced limestone and the downhole depths are interpreted to be the true width.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Sections 1-3 and Plan figure in the body of the text.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All results above 50% CaFe+Mn have been reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All relevant drillhole data for the project to date is presented in the plan and sections in the text. The &gt;50% CaFe+Mn intersections accurately represent the massive goethite and the remainder is predominantly saprolite.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-</li> </ul>	<ul style="list-style-type: none"> <li>Possible extensions are represented in the sections and plans in the text.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>out drilling).</i></p> <ul style="list-style-type: none"><li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li></ul>	