



# Building Copper Inventory In Mount Isa

Investor Presentation – Noosa Mining and Exploration

15 July 2021

ASX:HMX

# Disclaimer and Competent Persons Statement

## Disclaimer

The Announcement of this presentation on the ASX platform has been authorised by Daniel Thomas, Managing Director, Hammer Metals Limited.

This presentation by its nature contains summarised information. See Hammer's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au) for more information.

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## Competent Persons Statements

Certain exploration drilling results relating to the Mount Isa Project were first disclosed under JORC code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed.

## Resource Estimates

Where the Company refers to Mineral Resource Estimates for the following projects:

- the Kalman Deposit (refer ASX 27 Sept 2016);
- the Overlander North and South Deposit (refer ASX 26 Aug 2015); and
- the Jubilee Deposit (refer ASX 21 December 2018).

It confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the resource estimates with those announcements continue to apply and have not materially changed.

The Minerals Resource Estimates shown for Mt Philp and Elaine were prepared and disclosed by previous owners refer to attached Mineral Resource Estimate Appendices

The information in this presentation that relates to Exploration Results or Mineral Resources is based on information compiled by Mark Whittle who is a fellow of the Australian Institute of Mining and Metallurgy and an employee of Hammer Metals Limited. Mr Whittle has sufficient experience which is relevant to the style of mineralisation under consideration 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" (The JORC Code). Mr Whittle consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Mr Whittle has an interest in Hammer Metals Limited shares and options.

The information in this report that relates to previous exploration results was prepared and first disclosed under a pre-2012 edition of the JORC code.

The data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data is reliable. Nothing has come to the attention of Hammer Metals that causes it to question the accuracy or reliability of the historic exploration results. In the case of the pre-2012 JORC Code exploration results, they have not been updated to comply with 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

# Positioned in Two of the World's Great Metal Provinces

1

Quality copper and gold exploration portfolio

2

Building copper inventory  
~400kt of copper equivalent JORC compliant resources

3

Recent copper discovery at Trafalgar in Queensland

4

Team that have made world class gold discoveries

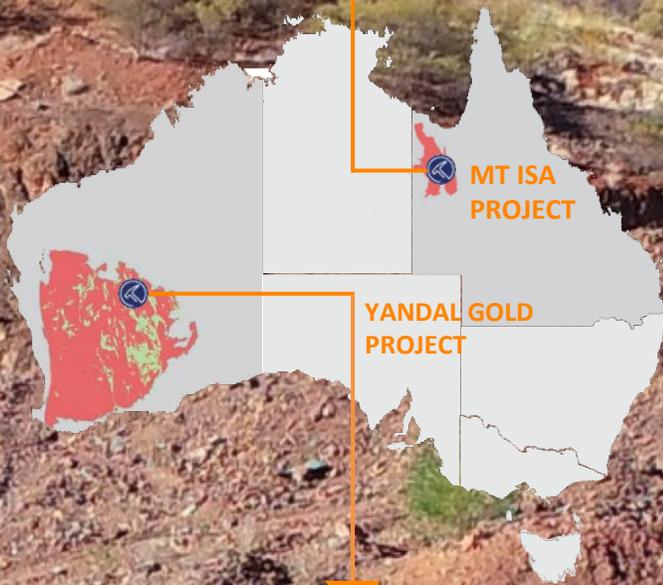
5

Adjacent to globally significant mines in WA and QLD

6

Fully funded for upcoming exploration programs

**MOUNT ISA PROVINCE**  
One of the World's Largest Base Metal Provinces



**YANDAL GOLD PROVINCE**  
24M Oz of Gold Produced



# Corporate Snapshot - ASX:HMX

## BOARD AND MANAGEMENT WITH A TRACK RECORD OF SUCCESS

<b>Russell Davis</b> Chairman BSc (Hons) MBA, MAusIMM, AICD	+30 years resources experience Geologist with exploration and development experience Founding Director and NED of Gold Road Resources
<b>Daniel Thomas</b> Managing Director BSc, MBA	+20 years business development experience Industrial Chemist with corporate development experience Previously Business Development Manager Sandfire Resources
<b>Ziggy Lubieniecki</b> Non-Executive Director BSc, MAIG	+30 years resources experience Geologist with exploration and mine management experience Credited with the discovery of Gruyere Gold Deposit (+6.5Moz) AMEC Prospector of the Year 2015
<b>David Church</b> Non-Executive Director B.Comm, MA, CA	+20 years experience in Mergers and Acquisitions Lawyer with international experience in corporate transactions Consultant providing general counsel and M&A services to Regent Pacific Group
<b>Mark Whittle</b> Chief Operating Officer BSc (Hons), MSc, FAusIMM, AICD	+30 years resources experience Geologist with 10 years experience in the Mount Isa Region Previously Exploration Manager of Syndicated Metals Limited
<b>Mark Pitts</b> Company Secretary B.Bus, FCA, GAICD	+30 years corporate experience Accountant with commercial, corporate finance and public practice experience in Australia and overseas. Partner in corporate advisory firm, Endeavour Corporate

www.hammermetals.com.au

**807M**

**Shares on issue**

ASX: HMX

**\$75.9M**

**Market Cap**

At \$0.094 (14 July 2021)

**\$11.2M**

**Cash**

As at 31 March 2020\*

**Nil**

**Debt**

As at 31 March 2020

**\$64.7M\***

**Enterprise Value**

**26.9 M**

**Unlisted Options**

Av. Ex Price \$0.043; brings in additional \$1.2m

## CAPITAL BREAKDOWN



\* Includes \$6m from recent placement and SPP announced by HMX on 23<sup>rd</sup> April 2021. [www.hammermetals.com.au](http://www.hammermetals.com.au) 19

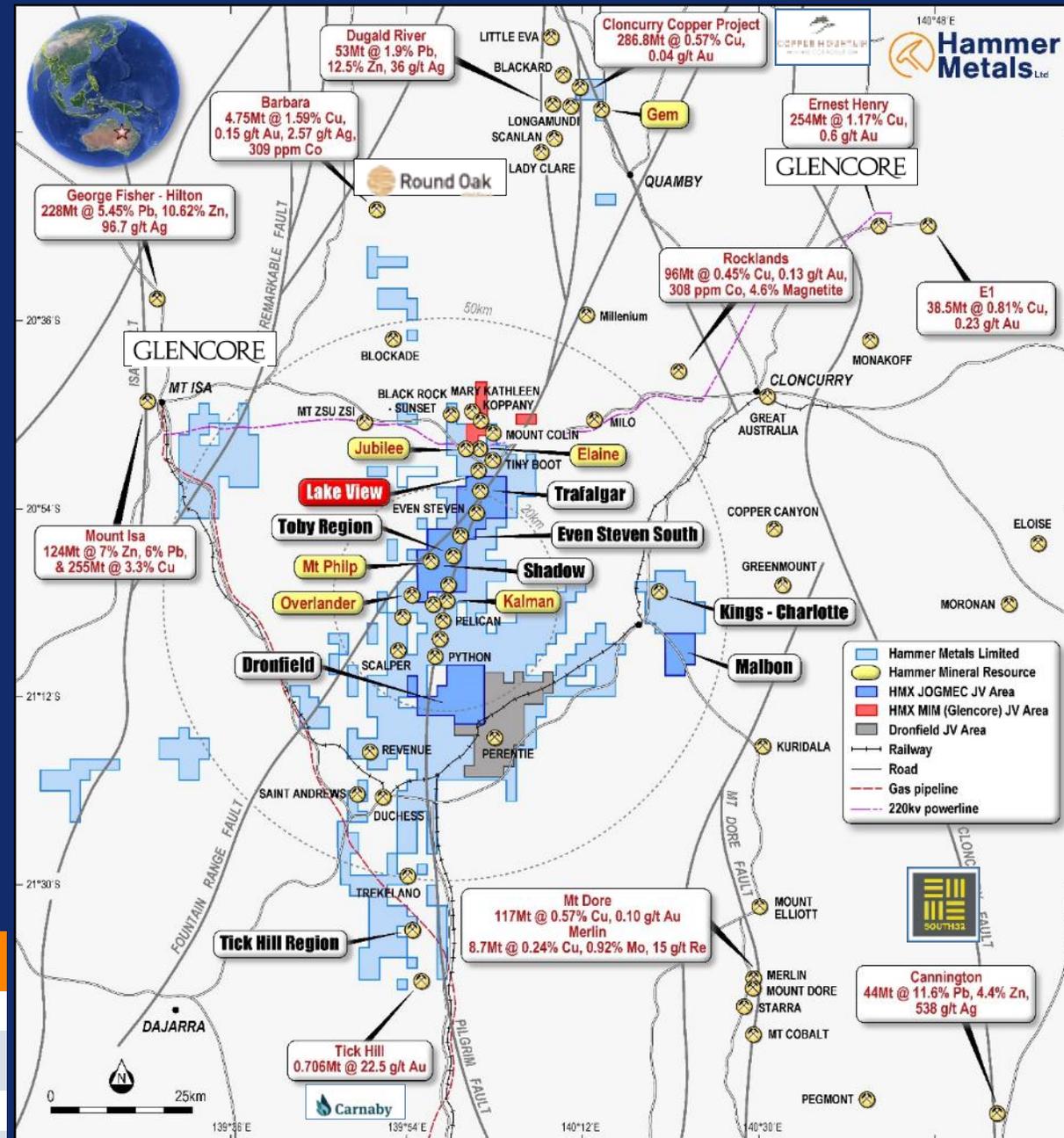
# Mt Isa Projects

## Queensland

### Advancing Copper Portfolio – building critical mass of copper inventory to move HMX from Explorer to Developer

- Multiple existing JORC 2012 Resources containing >400kt Cu equivalent metal, including the Kalman Project - 20Mt @ 1.8% Cu Eq
- Active exploration with advanced stage IOCG targets
- Highly prospective 2,100km<sup>2</sup> tenement holding in the largest base metal province in the world
- Broad copper and gold intercepts confirm discovery at Trafalgar
- Joint Venture with JOGMEC over ~290km<sup>2</sup> area (\$6m expenditure to earn 60%)
  - Excludes Hammer's existing Copper/Gold JORC Resources
- Numerous Trafalgar look-alike targets on HMX's 100% owned ground
- Ongoing drilling program testing compelling copper gold targets

Deposit	Tonnes Mt	CuEq %	Cu %	Au g/t	Co %	Mo %	Re g/t	Fe %	Comment
Kalman	20.0	1.80	0.61	0.34	-	0.14	3.7	-	0.75% Cu Eq cut-off
Jubilee (51% HMX)	1.4	-	1.41	0.62	-	-	-	-	0.5% Cu cut-off
Elaine	9.3	0.95	0.82	0.19	-	-	-	-	0.7% Cu Eq cut-off
Overlander	1.8	-	1.20	-	0.05	-	-	-	0.7% Cu cut-off
Mount Philp	30.5	-	-	-	-	-	-	39	



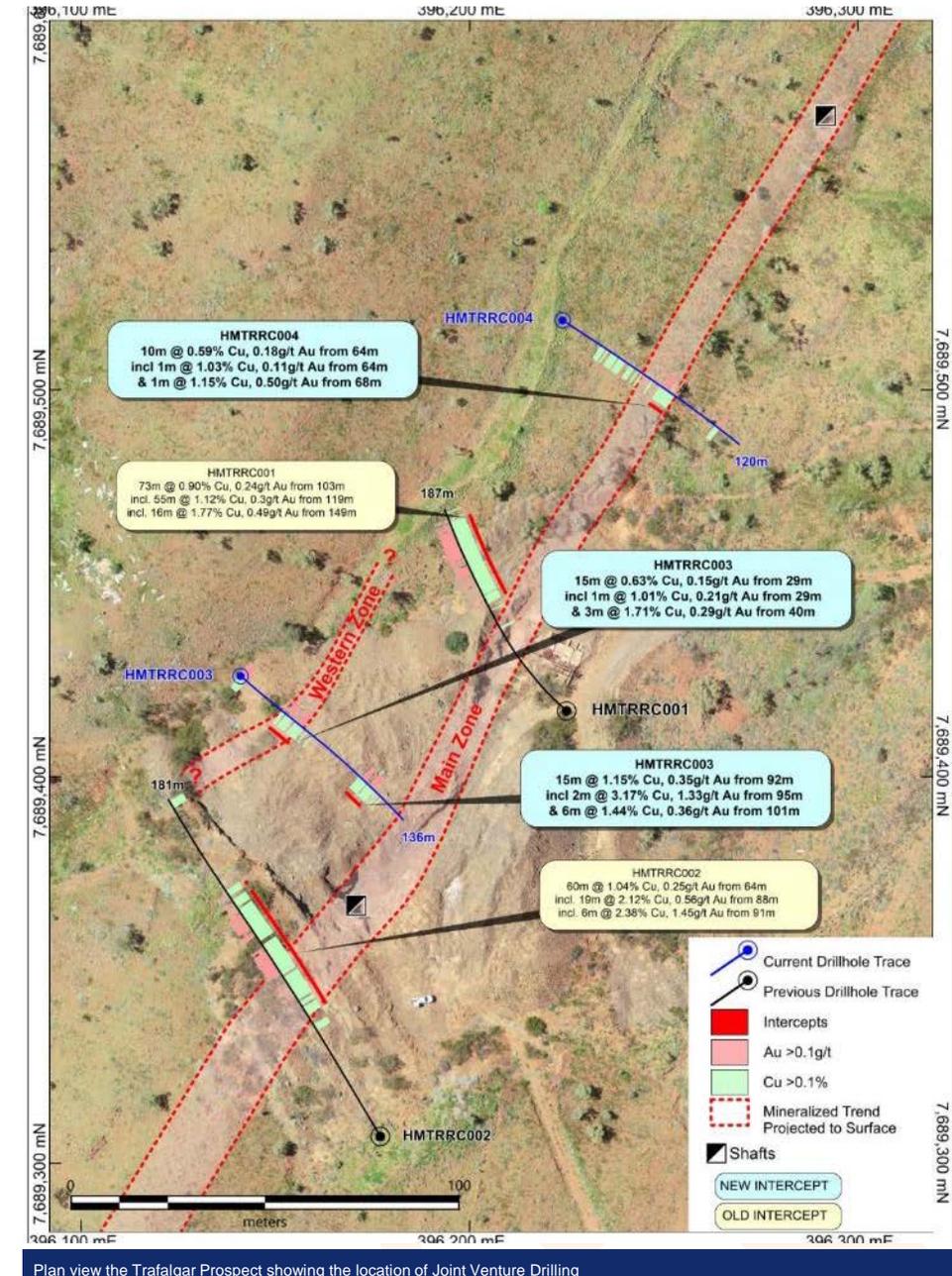
# Trafalgar Discovery

## Copper Gold Discovery | JOGMEC JV

- **Four holes drilled all intersecting significant copper and gold mineralisation:**
  - 55m at 1.12% Cu and 0.30g/t Au from 119m including;
    - 16m at 1.77% Cu and 0.49g/t Au from 149m<sup>1</sup>; and
  - 60m at 1.04% Cu and 0.25g/t Au from 64m including;
    - 6m at 2.38% Cu and 1.45g/t Au from 91m<sup>2</sup>
  - 15m at 1.15% Cu and 0.35g/t Au from 92m including;
    - 2m at 3.17% Cu and 1.33g/t Au from 95m<sup>3</sup>; and
  
- **Deposit remains open in all directions** with drilling identifying a newly interpreted zone of mineralisation to the west
- **Drilling confirms strike extents over 250m**
- **Historical workings including multiple pits and shafts over a 3km zone** corresponding with anomalous soils and magnetics
- Follow up drilling now completed - testing for extensions – **awaiting assays**



Example of sulphide mineralisation at Trafalgar

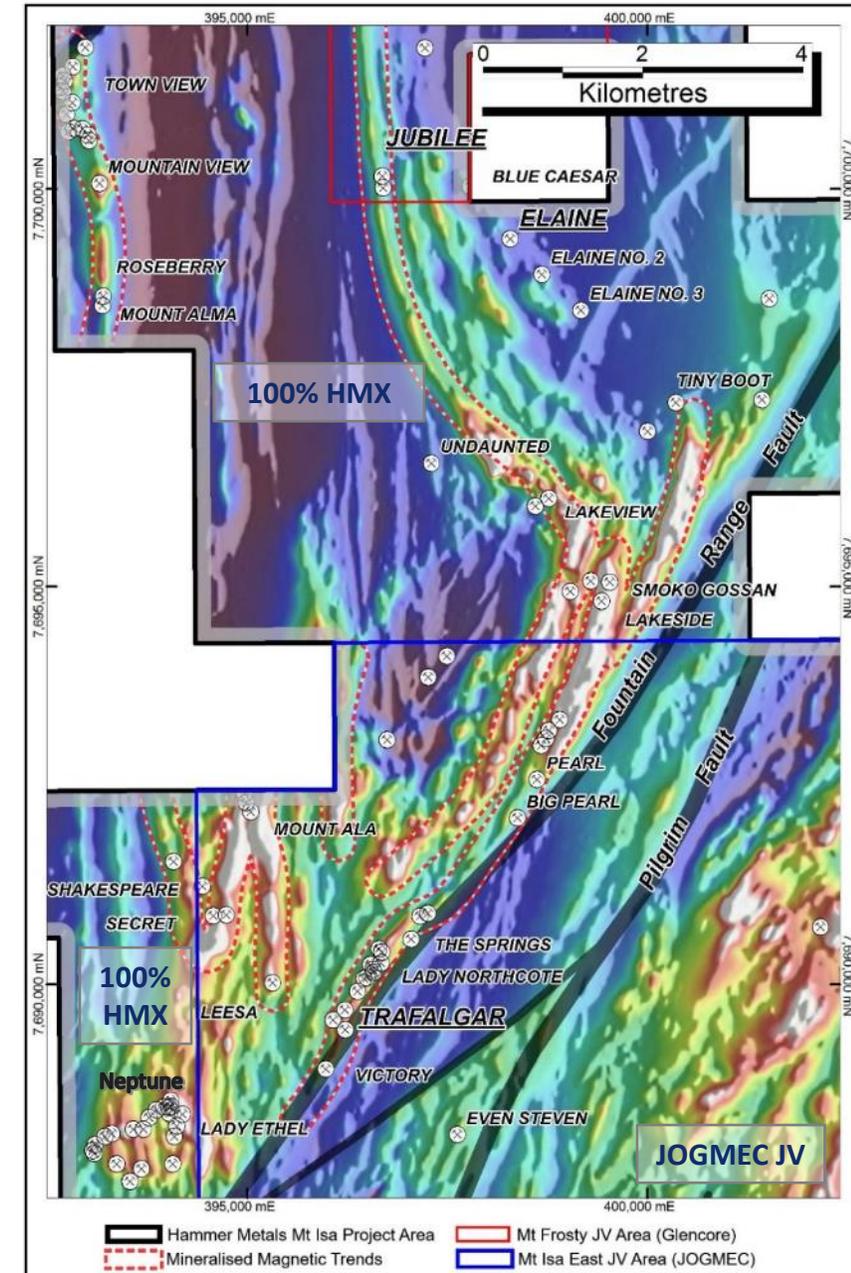
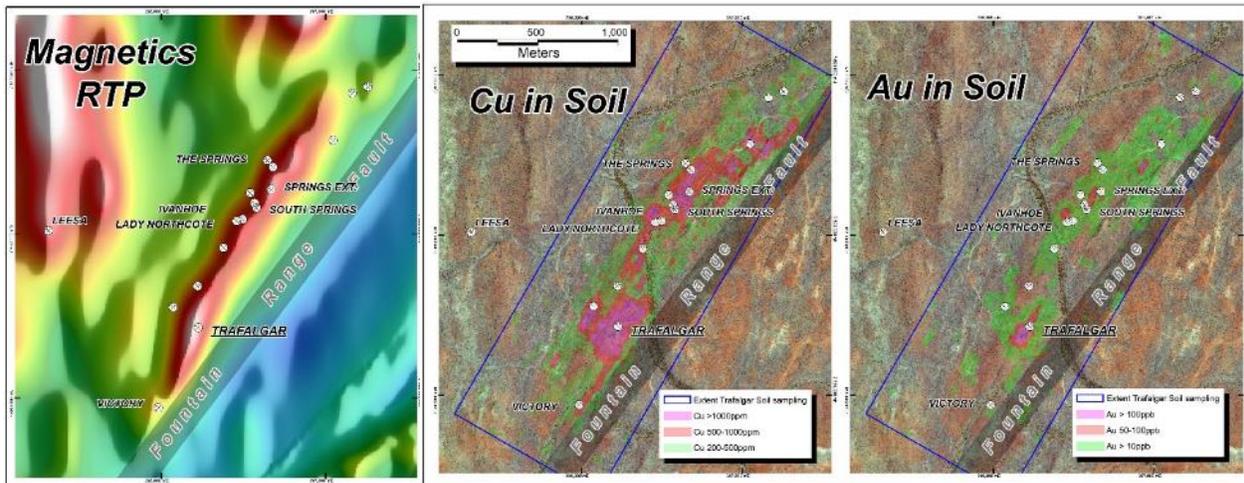


Plan view the Trafalgar Prospect showing the location of Joint Venture Drilling

# Trafalgar Trend

## Trafalgar Trend | JOGMEC JV and 100% HMX

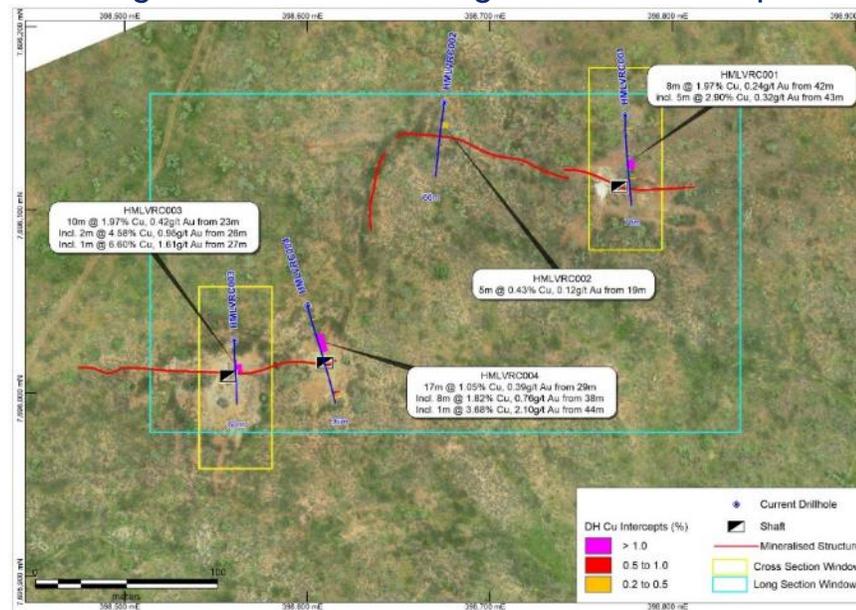
- Defined by extensive copper-gold soil anomalism, a strong magnetic ridge and multiple historic workings over a strike length in excess of 3.5km
  - The trend has had very little systematic exploration completed
- Several kilometres further north adjacent to the Fountain Range Fault, this trend continues with historical workings at Lakeview, Lakeside and Smoko Gossan
  - These prospects are located outside the JOGMEC Joint Venture in Hammer's 100% owned tenements**
- Hammer has commenced an active exploration program reviewing this trend, and recently completing **drilling at Lakeview, Neptune and the Trafalgar copper gold discovery (JOGMEC JV)** with results pending



# Lakeview – Shallow Copper and Gold Intercepts

## New Copper Gold Discovery | 100% HMX

- Four holes drilled all intersecting copper and gold mineralisation:
  - 8m at 1.97% Cu and 0.42g/t Au from 42m including 5m at 2.9% Cu from 43m in HMLVRC001;
  - 10m at 1.97% Cu and 0.24g/t Au from 23m including 2m at 4.58% Cu from 26m in HMLVRC003; and
  - 17m at 1.05% Cu and 0.39g/t Au from 29m including 8m at 1.82% Cu from 38m in HMLVRC004.
- Follow up drilling program commenced testing for extensions along strike and at depth

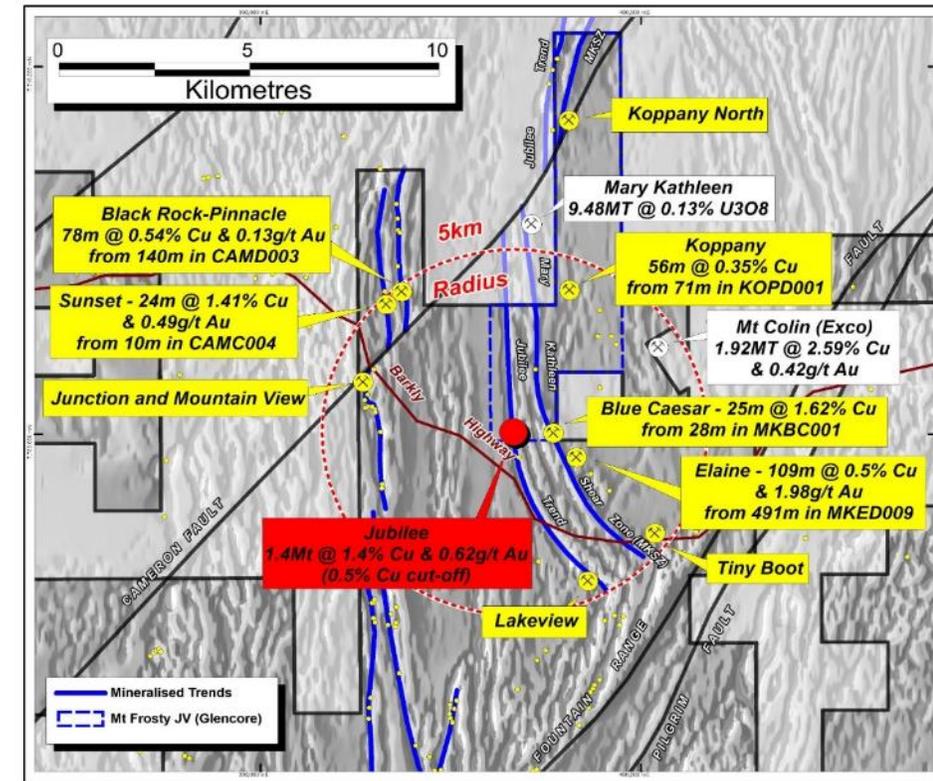


# Nearfields Trafalgar Exploration

## Elaine, Jubilee, Black Rock, Sunset and Neptune

### Building a critical mass of Copper and Gold resources within 15km radius of Trafalgar

- **Jubilee** (51% in JV with Glencore) – Inferred Mineral Resources of **1.41Mt @ 1.41% Cu & 0.62 g/t Au for 20kt Cu & 28koz Au\***
- **Elaine** (100%) – Inferred Mineral Resources of **9.3Mt at 0.82% Cu and 0.19g/t Au**
- **Advanced prospects at Black Rock and Sunset** with historical drilling defining zones of copper and gold mineralisation. Potential to delineate JORC compliant resources at both target areas
- High ranking prospects at **Neptune**, ~2km to the Southwest of Trafalgar. Last drilling at the prospect has not been followed up and intersected:
  - **15m at 2.0% Cu and 0.34g/t Au from 17m (oxide) including 2m at 11% Cu and 1.85g/t Au at the Lady Kate prospect<sup>1</sup>**
  - **28m at 0.70% Copper and 0.14g/t Au from 72m (sulphide) including 6m at 1.5% Cu and 0.28g/t Au from 90m at the Lady Rose prospect<sup>2</sup>**



• Refer ASX Announcement 21 December 2018  
1. in LKTPDM001 2. in LMTPD005

# Aggressive Copper Focused Programs

**Drilling campaign extended in Mount Isa with ongoing results imminent:**

**Numerous prospective targets at 100% HMX projects**

**The drilling program will test targets at:**

**Results Released and Drilling Underway** Lakeview, located ~7km along trend from Trafalgar - historical artisanal mining shafts and outcropping copper/gold mineralisation;

**Results Pending** The Lady Rose Prospect located within the Neptune area is initially being tested to determine the tenor and strike continuity of mineralisation observed at surface;

**Results Pending** Kalman West where drilling will test a magneto telluric target which is overlain by anomalous Au, Cu, Pb and Zn in soil sampling;

**Results Pending** The Overlander North IOCG target will be tested on its southern margin beneath a zone of strong iron oxide alteration which contains abundant gossanous scree;

**Results Pending** Serendipity (south of Kalman) situated in a similar structural position to Hammer's Kalman deposit; and

**Results Pending** Kings and Charlotte, surface copper and gold anomalism with key structural targets defined through mapping, located at Malbon



Copper Outcropping along Trafalgar Trend

Oxide Copper Stockpiles at Trafalgar



Old Workings at Lakeview

# Mt Isa

## What's Next in 2021?

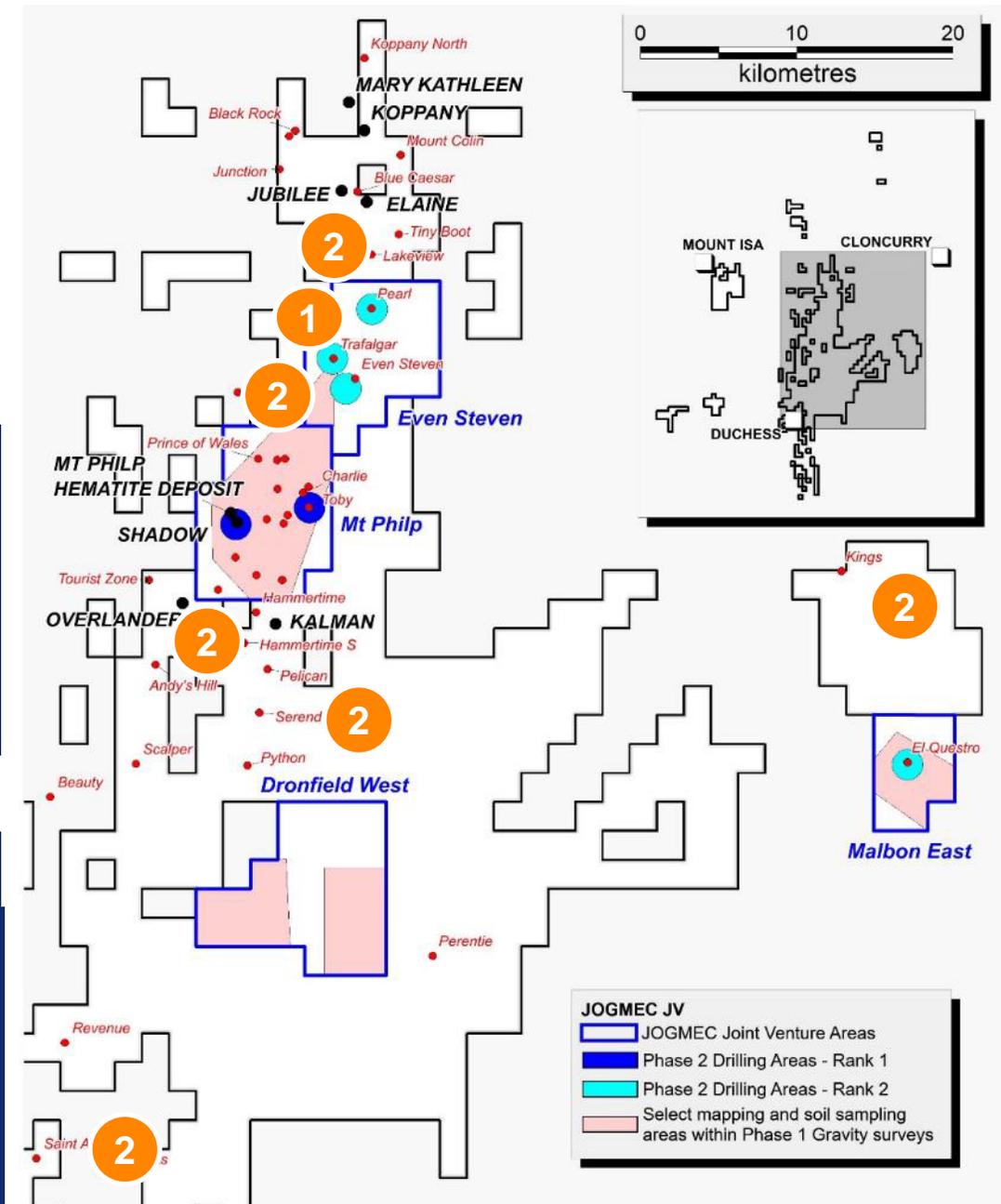
Multiple exploration programs to continue throughout the second half of the year

### 1 JOGMEC Joint Venture: Phase 3B

- Follow up RC drilling at Trafalgar now completed – awaiting assays
- JOGMEC received unsolicited approaches to acquire their interest in the JV. Japanese natural resource focussed companies have an opportunity to acquire JOGMEC's interest with a view to accelerating exploration and development of the Trafalgar trend. Tender process nearing completion
- Numerous follow up opportunities along and near the Trafalgar trend are being examined through further field work with a view to drill testing in the 2<sup>nd</sup> half of this year

### 2 Hammer's 100% Owned Mount Isa Activities

- Hammer has extended its current drilling program to test for extensions to mineralisation identified at Lakeview
- New drilling campaign being planned to follow up targets at Neptune and the prospective Trafalgar to Jubilee corridor including targets at Tiny Boot, Smoko Gossan
- Potential to define JORC compliant resources at Black Rock and Sunset as part of new drilling campaign
- Geophysical surveys planned on recent Tick Hill soil anomalies identified



# Yandal Gold Projects

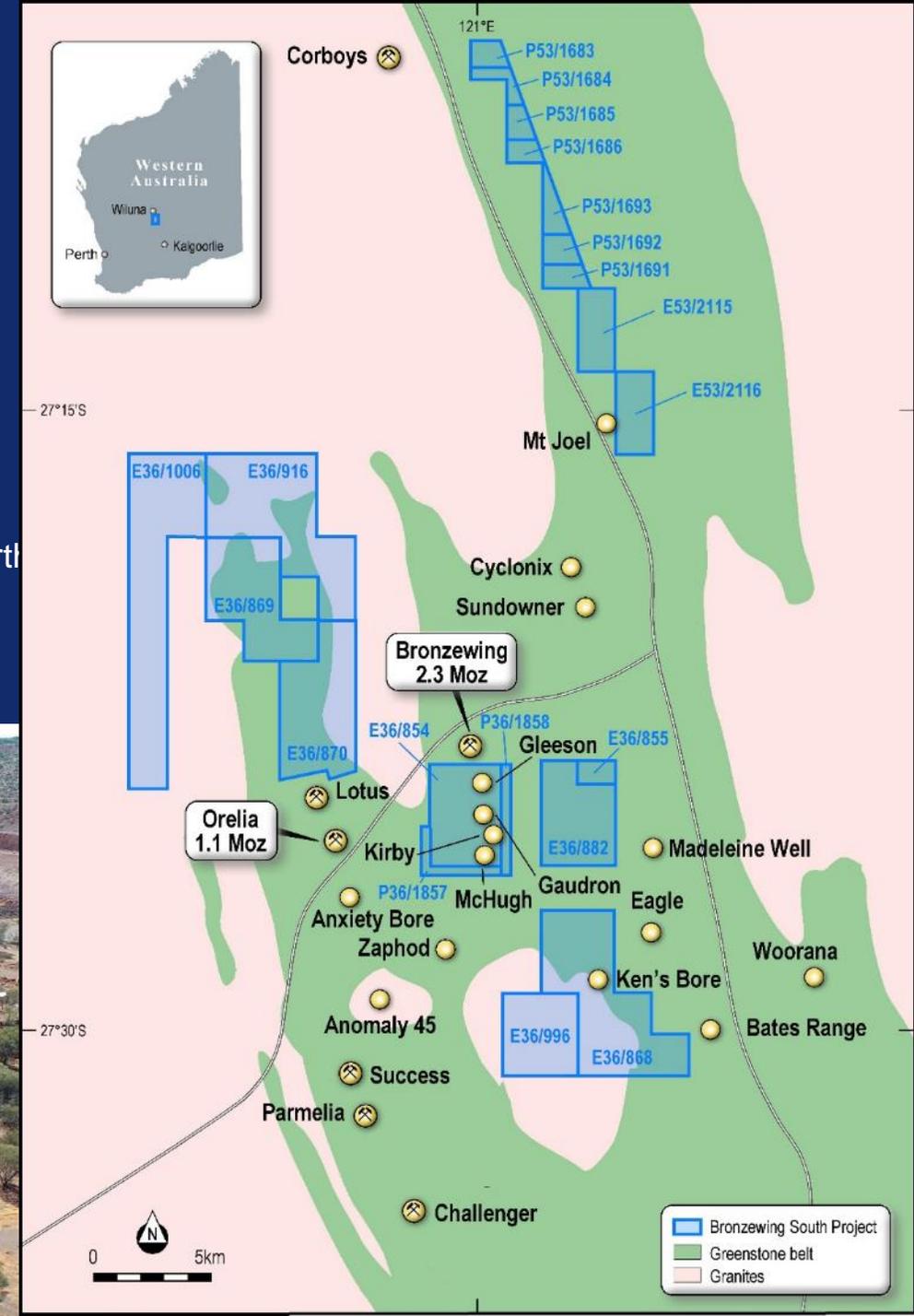
## Western Australia

### Highly prospective, underexplored, land package in the heart of the Yandal

- 260km<sup>2</sup> tenement position in the highly prospective Yandal Gold Belt
- Proximal to existing multi-million-ounce resources including the 4Moz Bronzewing<sup>1</sup> gold mine & 1.1Moz Orelia gold deposits
- Limited exploration due to historical legal dispute (now resolved)
- Numerous zones of highly anomalous gold identified at both Bronzewing South and North Orelia in drilling to date
- Drilling program being designed to test high priority targets at Bronzewing South



1. Includes previously mined resources



# Aggressive Exploration | Ongoing and Results Driven

## News & Milestones

Parallel workstreams to provide consistent newsflow

### Mt Isa (QLD)

JOGMEC JV Program Phase 3 (Trafalgar Follow Up Drilling, Continued work programs across JV area)

RC Drilling 100% HMX Properties (Lakeside, Kalman West, Overlander, Lady Rose, Serendipity, Kings and Charlotte)

RC Drilling Phase 2 100% Hammer (Possibly including Neptune, Black Rock, Sunset, Smoko Gossan, Tiny Boot)

Mapping, Geophysical, Geochemical Surveys to further define drill targets

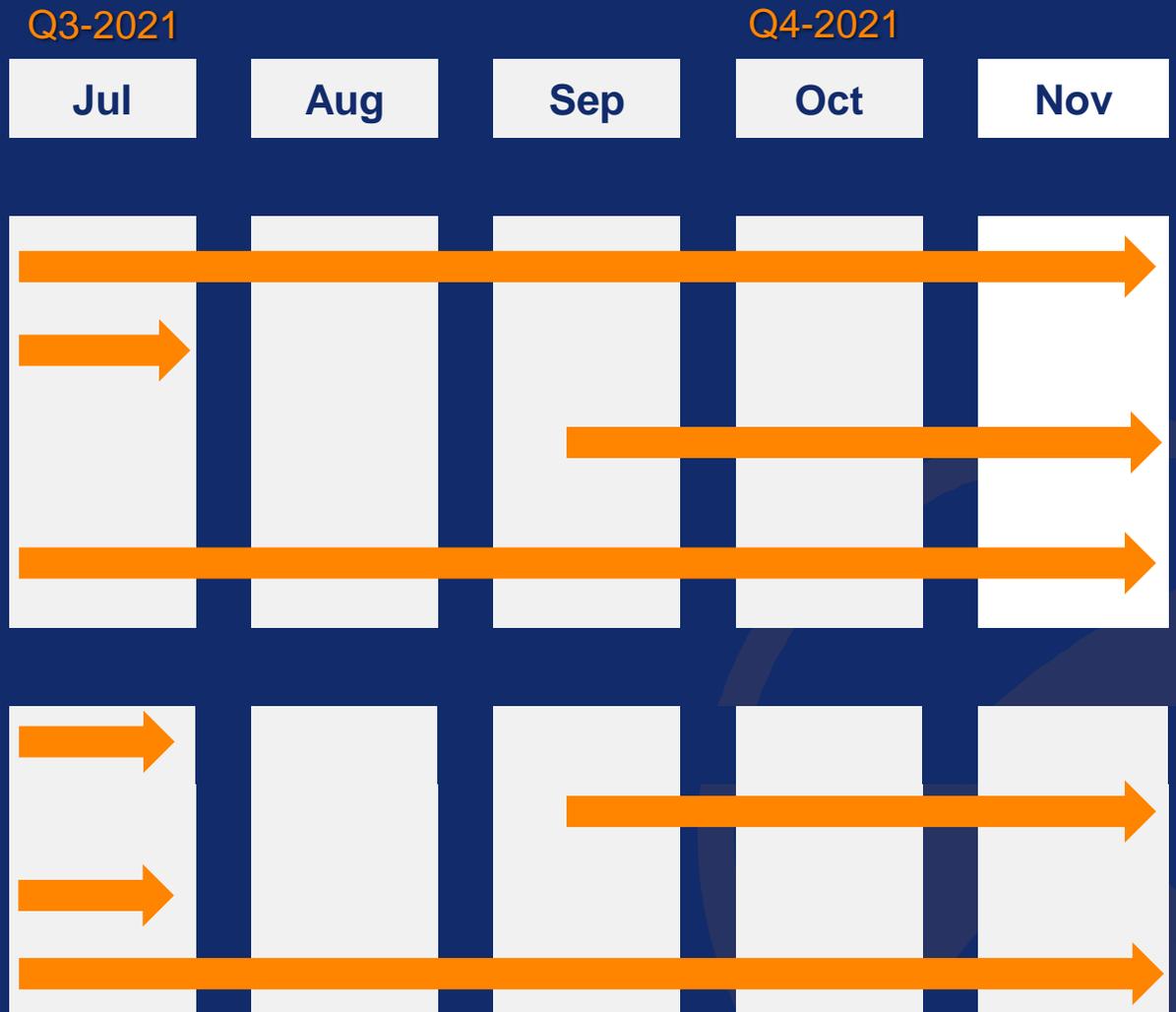
### Yandal (WA)

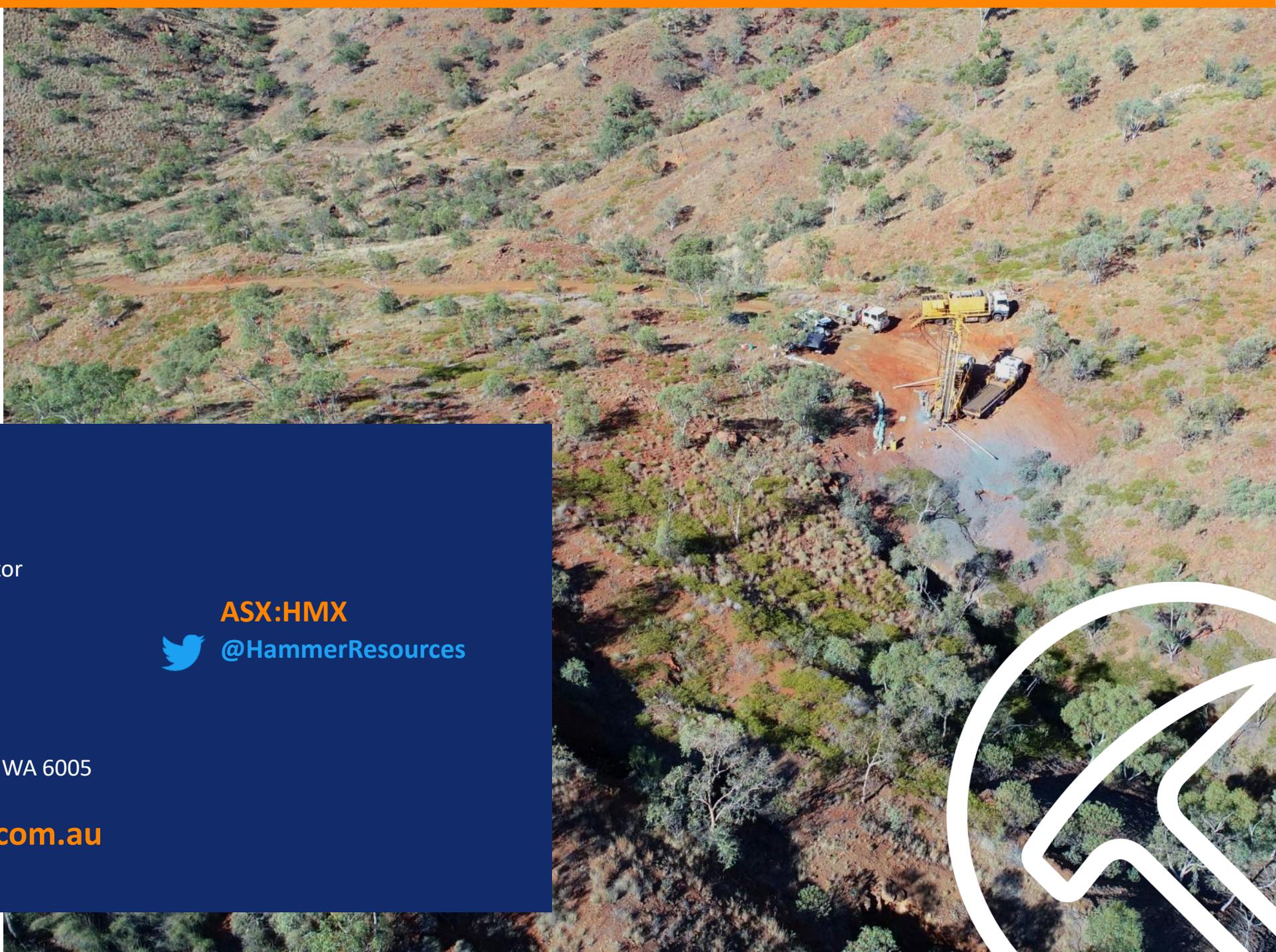
AC drilling – Assays Awaited (Orelia),

RC and/or Diamond Drilling (Bronzewing South)

Gravity Survey Results (Bronzewing South)

Target Generation





## Contact

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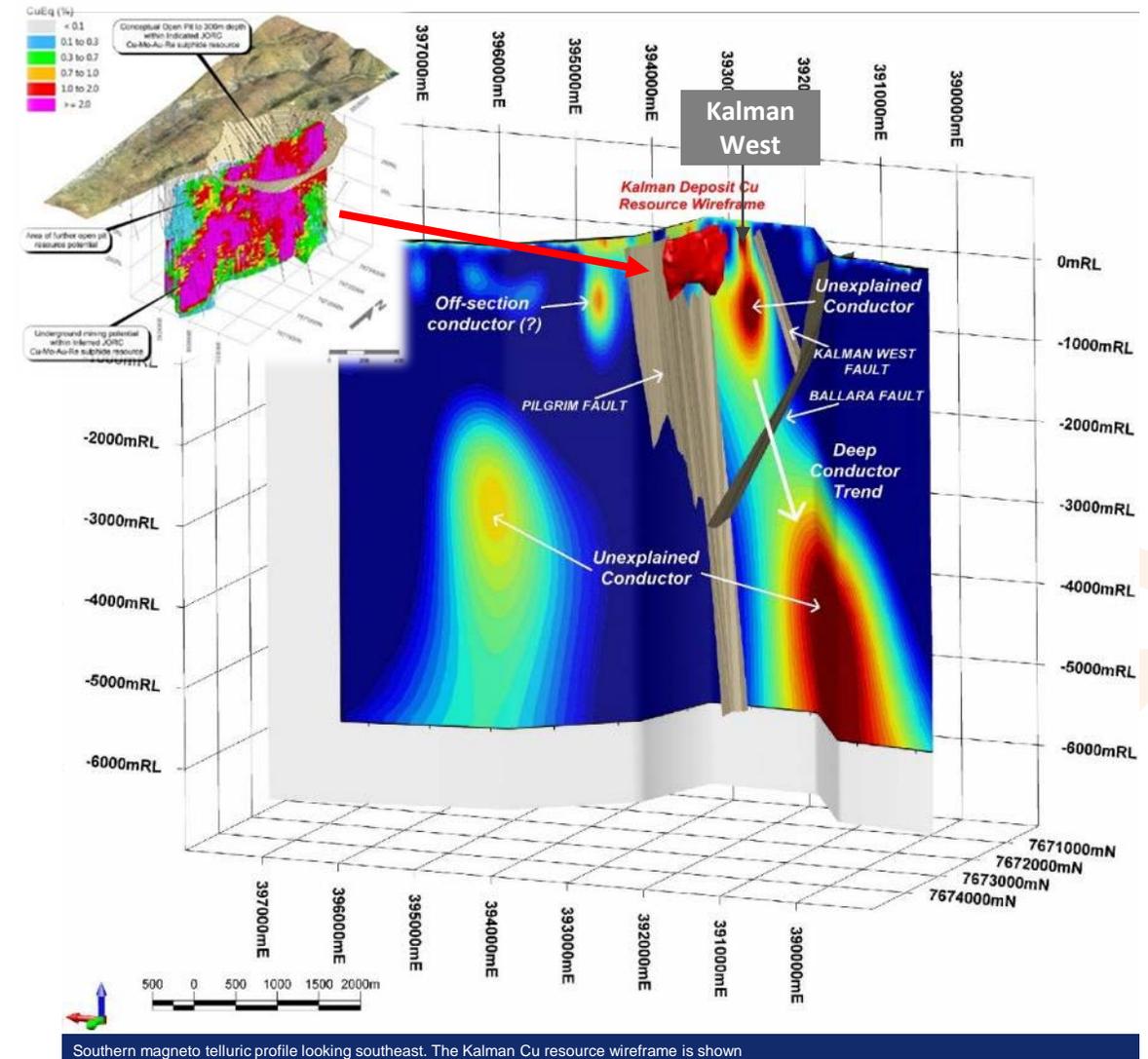
# Appendix: Trafalgar Trend



# Kalman Deposit: Copper-Gold-Molybdenum-Rhenium

## 100% HMX - 360kt of Copper Equivalent Metal

- Indicated and Inferred Mineral Resource Estimate of 20Mt @ 0.61% Cu, 0.34g/t Au, 0.14% Mo, 3.7g/t Re
- Open pit and underground potential; the deposit remains open at depth and along strike
- High-grade mineralisation is evident within the Kalman deposit, highlighted by drill intercepts including:
  - 7.7m @ 23.4% Cu & 0.5g/t Au from 582m<sup>1</sup>
  - 53m @ 2.1% Cu & 0.5g/t Au from 695m<sup>2</sup>
  - 31m @ 1.0% Cu & 1.1g/t Au from 221m<sup>3</sup>
  - 7m @ 0.3% Cu, 3.4% Mo & 57.3g/t Re, within;
    - 62m @ 0.65% Mo & 11g/t Re
- Imagery indicates that the MT method identifies the Kalman Deposit along with a number of unexplained conductive anomalies - potential Kalman lookalike targets
- MT survey anomaly at Kalman West coincident with a broad lead and zinc soil anomaly. Further review being completed with potential drill targets to be tested in the second quarter of 2021.



# Appendix:

## Elaine Deposit - Copper-Gold

100% HMX owned and located 5km east from Hammer's 51% controlled Jubilee project

Inferred Mineral Resource Estimate of 9.3Mt @ 0.82% Cu & 0.19g/t Au

Drilling has identified broad copper mineralisation, highlighted by up to 206m @ 0.53% Cu & 159m @ 0.50% Cu from 503m

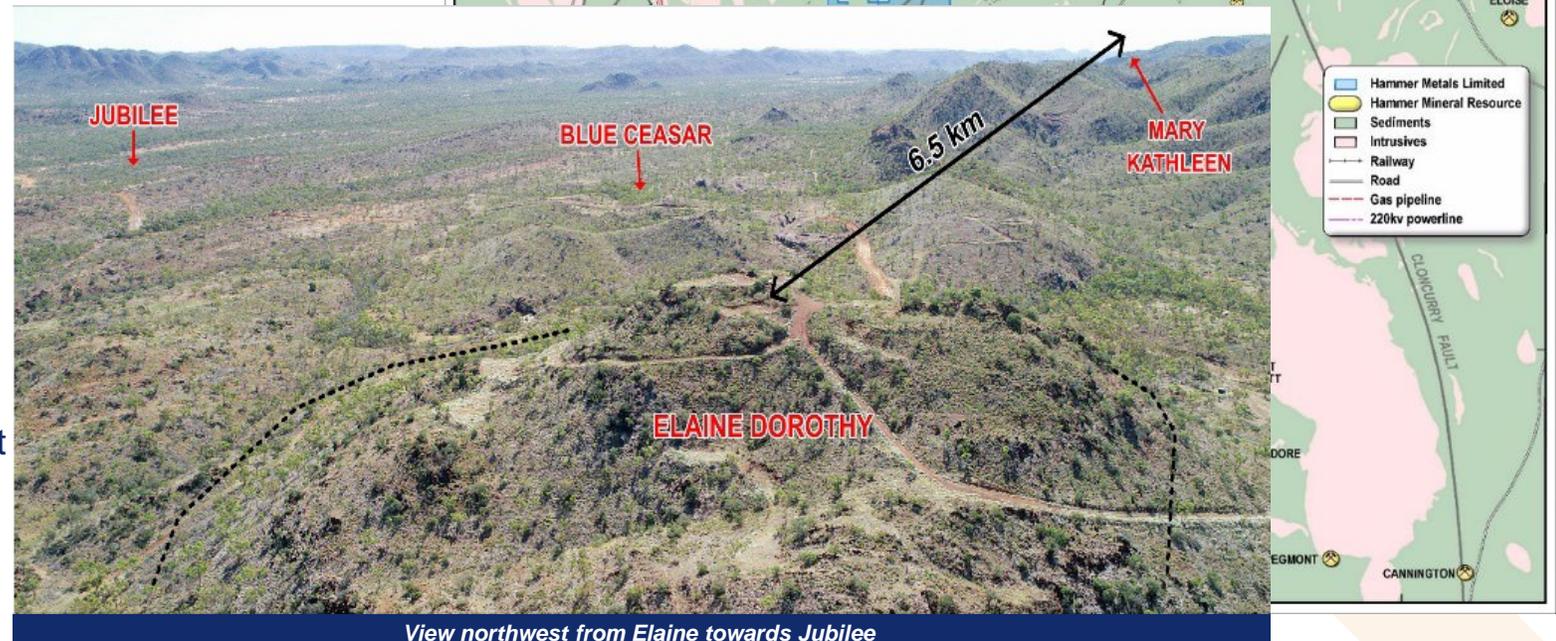
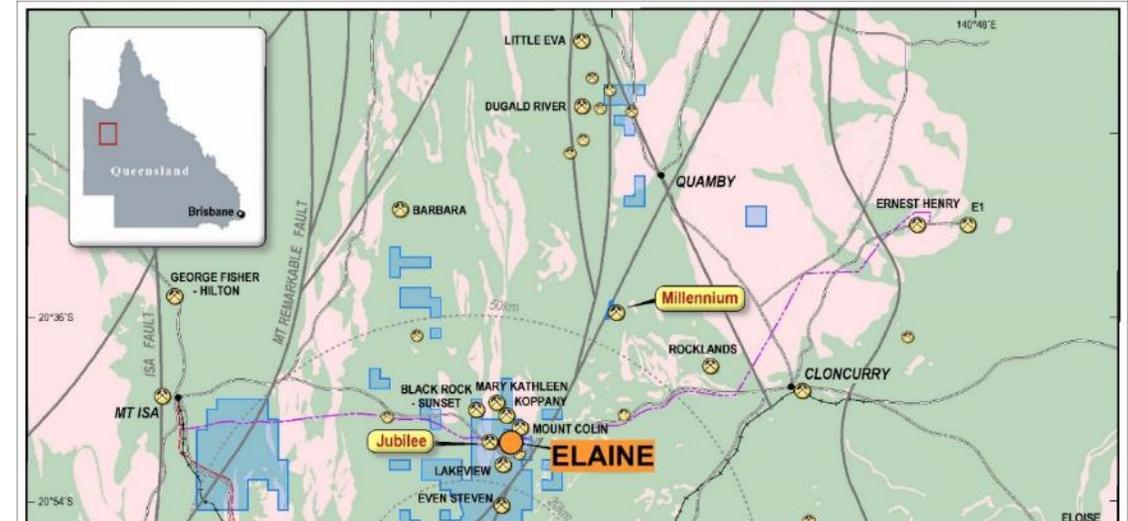
High-grade gold mineralisation is evident within the broader Elaine deposit, with drilling intersecting up to 30m @ 6.73g/t Au from 508m & 26m @ 1.7g/t Au from 160m\*

Preliminary metallurgical results of 90% copper recovery to cleaner concentrate\*\*

Multiple targets identified along strike from the current resource – Elaine 2, Elaine 3 & Blue Caesar

\* Refer ASX HMX Announcement 15 December 2016, ASX AKN Announcements dated 7 November 2011 and 13 June 2012 and the Competent Persons Statement

\*\* Refer ASX AKN Announcement 23 July 2013 and the Competent Persons Statement



View northwest from Elaine towards Jubilee

# Kalman Resource Estimate & Notes on Copper Equivalence Calculation and Metallurgical Recoveries

The Kalman Mineral Resource Estimate was updated in August 2016 in accordance with the JORC Code (2012 Edition). (Refer to the ASX Release dated 27th September 2016 for full details of the Resource Estimate.) The company is not aware of any new information or data that materially affects the information in the HMX ASX announcement dated September 27<sup>th</sup>, 2016. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

## Kalman Deposit Mineral Resource Estimate

(Reported at 0.75% CuEq cut-off above 100m RL and 1.4% CuEq cut-off below 100m RL)

Classification	Mining Method	CuEq Cut-Off	Mt	Cu Eq %	Cu %	Mo %	Au g/t	Ag g/t	Re g/t
Indicated	Open Pit	0.75%	7.1	1.5	0.48	0.12	0.27	1.4	2.9
Inferred	Open Pit	0.75%	6.2	1.6	0.44	0.15	0.24	1.5	3.9
Inferred	Underground	1.40%	7.0	2.4	0.89	0.16	0.5	2.9	4.5
<b>Total</b>			<b>20.0</b>	<b>1.8</b>	<b>0.61</b>	<b>0.14</b>	<b>0.34</b>	<b>1.9</b>	<b>3.7</b>

•Note: (1) Numbers rounded to two significant figures  
 •Note: (2) Totals may differ due to rounding  
 •Note: (3)  $CuEq = Cu + (0.864268 * Au) + (0.011063 * Ag) + (4.741128 * Mo) + (0.064516 * Re)$

Copper equivalent (CuEq) grades were calculated using estimated block grades for Cu, Au, Ag, Mo and Re.

The CuEq calculation is based on commodity prices and metallurgical recovery assumptions as detailed in this release. Prices agreed to by Hammer were a reflection of the market as at 14/02/2014 and forward looking forecasts provided by consensus analysis. Metal prices provided are:

The CuEq calculation is based solely on commodity prices without assumptions about recovery or payability of the different metals. Prices agreed to by Hammer were a reflection of the market as at 14/02/2014 and forward looking forecasts provided by consensus analysis. Metal prices provided are: Cu: US\$7,165/t, Au: US\$1,324.80/oz, Ag: US\$22.40/oz, Mo: US\$16.10/lb

The forward looking price for Rhenium was estimated using available historical and current prices - Re: US\$5,329/kg

The CuEq equation is  $CuEq = Cu + 0.594464Au + 0.010051Ag + 4.953866Mo + 0.074375Re$  and was applied to the respective elements estimated within the resource block model.

## Assumed Metallurgical Recoveries

Based on the testing completed and the current understanding of the material characteristics it has been assumed that the Kalman material can be processed using a “typical” concentrator process flowsheet. The mass balance and stage metallurgical recovery of the four major elements were based on the metallurgical test results from the molybdenum zone sample and benchmarks. The final overall recovery (Table 3) was established from the mass balance and benchmarked against other operations and projects.

Process Stage		Copper	Molybdenum	Gold	Rhenium	Silver <sup>(1)</sup>
Bulk Rougher	% Rec'y	95	95	82	86	82
Overall	% Rec'y	86	86	74	77	74

(1) No data available for Silver recoveries so they have been assumed similar to Gold Recoveries

It is the company's opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale based on metallurgical recoveries in flotation test work undertaken to date. There are a number of well-established processing routes for copper molybdenum deposits and the sale of resulting copper and molybdenum concentrates.

# Overlander Mineral Resource Estimate

The 100%-owned Overlander Project is situated 60 kilometres to the southeast of the mining centre of Mount Isa in North West Queensland and 6 kilometres to the west of Hammer's Kalman copper-gold-molybdenum-rhenium deposit. It is a high-priority target area for both shear-hosted copper and IOCG copper mineralisation. The Overlander North and South copper Deposits are situated approximately one kilometre apart within a common shear zone.

Drilling in the Overlander North deposit extends to a vertical depth of approximately 430m and the mineralisation was modelled from surface to a depth of approximately 420m below surface. Drilling in the Overlander South deposit extends to a vertical depth of approximately 215m and the mineralisation was modelled from surface to a depth of approximately 180m below surface. The resource estimates are based on good quality RC and diamond drilling data. Drill hole spacing is predominantly on a 40m by 20m spacing with additional drill holes between sections targeted at the higher grade cores of the deposits.

Following additional drilling in 2014 and 2015, The Mineral Resource Estimates for the Overlander North and South shear-hosted copper Deposits were revised by Haren Consulting and reported in accordance with the guidelines of the JORC Code (2012 Edition). They contain combined resources of 1,772,000 tonnes at 1.2% copper in the indicated and inferred categories (Refer to the ASX release dated August 26<sup>th</sup> 2015). The company is not aware of any new information or data that materially affects the information in the HMX ASX announcement. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

## Overlander North and South Mineral Resource Estimate

(Reported at 0.7% Cu cut-off)

Overlander North Resource					
Classification	Tonnes	Cu %	Co (ppm)	Cu t	Co t
Indicated	253,000	1.4	254	3,414	64
Inferred	870,000	1.3	456	11,350	396
<b>Total</b>	<b>1,123,000</b>	<b>1.3</b>	<b>410</b>	<b>14,764</b>	<b>461</b>

Overlander South Resource					
Classification	Tonnes	Cu %	Co (ppm)	Cu t	Co t
Indicated	-	-	-	-	-
Inferred	649,000	1	500	6,352	327
<b>Total</b>	<b>649,000</b>	<b>1</b>	<b>500</b>	<b>6,352</b>	<b>327</b>

Overlander Combined Mineral Resource					
Classification	Tonnes	Cu %	Co (ppm)	Cu t	Co t
Indicated	253,000	1.4	254	3,414	64
Inferred	1,518,000	1.2	476	17,700	723
<b>Total</b>	<b>1,772,000</b>	<b>1.2</b>	<b>445</b>	<b>21,112</b>	<b>788</b>

•Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence

•Note: (1) Totals may differ due to rounding

# Jubilee Mineral Resource Estimate

The 51%-owned Jubilee Deposit is situated 50 kilometres west of Mount Isa in North West Queensland.

It is a high-priority target area for shear-hosted copper mineralisation.

Mineralisation was modelled from surface to a depth of approximately 325m below surface.

The resource estimates are based on good quality RC and diamond drilling data. Drill hole spacing is predominantly on a 50m by 40m spacing with additional drill holes between sections targeted at the higher grade cores of the deposits.

The Mineral Resource Estimate was conducted by H&S consultants Pty Ltd and reported in accordance with the guidelines of the JORC Code (2012 Edition). They contain combined resources of 1.41Mt at 1.41% copper and 0.62g/t Au in the inferred category (Refer to the ASX release dated December 20<sup>th</sup>, 2018). The company is not aware of any new information or data that materially affects the information in the HMX ASX announcement. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

## Jubilee Inferred Mineral Resource Estimate

(Reported at 0.5% Cu cut-offs)

Category	Domain	Mt	Cu %	Cu (t)	Au g/t (Cut)	Au oz (Cut)
Inferred	<i>Mod-Slightly Weathered</i>	0.07	1.51	1,000	0.55	1,200
Inferred	<i>Fresh</i>	1.34	1.41	19,000	0.63	27,100
<b>Inferred</b>	<b>Total</b>	<b>1.41</b>	<b>1.41</b>	<b>20,000</b>	<b>0.62</b>	<b>28,300</b>

•Note: (1) Totals may differ due to rounding

# Elaine Project Mineral Resource Estimate & Notes

## Copper Eqv Calculation & Metallurgical Recoveries

# Mt. Philp Mineral Resource Estimate

The 100%-owned Elaine Cu-Au deposit is situated on granted exploration licence 14022, approximately 50km east of Mount Isa in North West Queensland.

A resource estimate was first completed and reported to ASX by previous owners (Chinalco Yunnan Copper Resources Limited, now AUKing Limited) on 18<sup>th</sup> October 2012. The resource was conducted by Mine Development Associates. The company is not aware of any new information or data that materially affects the information in the AKN ASX announcement. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

A review of the Resource Estimate was completed for the purpose of compiling this statement and the principles and methodology of the resource estimation procedure and the resource classification procedure are considered to comply. The Elaine Project Mineral Resource Estimate is based on approximately 30 holes to a depth of 450 metres below surface. The current resource totals 9.3 million tonnes (Mt) grading 0.82% Cu and 0.19g/t Au and is classified as being all in the Inferred category. The resource is tabulated below at a variety of CuEq % cut-offs.

CuEq cut-off %	Mt	CuEq %	Cu %	Au g/t
0.10	64.34	0.34	0.31	0.05
0.20	32.77	0.54	0.49	0.08
0.25	26.10	0.62	0.56	0.09
0.30	22.81	0.67	0.60	0.10
0.40	17.81	0.76	0.68	0.12
0.50	15.05	0.82	0.73	0.13
0.60	12.47	0.88	0.77	0.15
<b>0.70</b>	<b>9.31</b>	<b>0.95</b>	<b>0.82</b>	<b>0.19</b>
0.80	6.46	1.04	0.87	0.25

### Elaine Inferred Mineral Resource Estimate Metal Equivalent

**Information** - The Copper Equivalent (CuEq) equation has been calculated to reflect current and forecast pricing. CuEq grades were calculated using estimated block grades for Cu and Au. Metal prices used were:  
 • Cu: US\$5,400/t;  
 • Au: US\$1,300/oz;  
 The copper equivalent equation is:  $CuEq \% = Cu \% + (Au \text{ ppm} * 0.70216)$   
 Cut-offs of 0.7% have been applied for reporting Mineral Resources.

Metallurgical test-work indicated that acceptable copper-cobalt sulphide concentrates could be produced via conventional processing methods. Based on the test-work conducted, it is the company's opinion that all metals used in the metal equivalent calculation have a reasonable potential to be recovered.

April 2013 Elaine Metallurgical Testwork					
Test No.	Product	Cu		Au	
		%	% Rec'y	ppm	% Rec'y
Test 11	Final cleaner concentrate	29.9	92.2	2.73	31.7
	Rougher concentrate	8.1	96.0	1.22	54.4
Test 13	Final cleaner concentrate	22.9	77.1	0.88	23.9
	Rougher concentrate	11.6	91.6	0.67	42.3

The Mineral Resource Estimate is based on 48 diamond and reverse circulation (RC) drillholes completed in 2011 for a total of 3,801 metres (m). Drilling comprises fans located on a nominal 100 m pattern along the strike length of the ironstone. The Mineral Resource was estimated and reported in-house by Cerro Resource NL.

The current resource totals 19.1 million tonnes (Mt) grading 41.4% iron and 37.9% silica (Table 1-1) in the Indicated category and 11.4 million tonnes (Mt) grading 33.8% iron and 47.4% silica in the Inferred category. This resource is open at depth.

A resource estimate was first completed and reported to ASX by previous owners on 28<sup>th</sup> September 2012. The company is not aware of any new information or data that materially affects the information in the ASX announcement. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

### Mt Philp Deposit Mineral Resource Estimate

Mt Philp Mineral Resource						
Classification	Mt	Fe %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
Indicated	19.11	41	0.02	38	1.2	0.29
Inferred	11.40	34	0.02	48	2.0	0.31
<b>Total</b>	<b>30.51</b>	<b>39</b>	<b>0.02</b>	<b>42</b>	<b>1.6</b>	<b>0.30</b>

• Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence

• Note: (1) Totals may differ due to rounding