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ASX ANNOUNCEMENT
FOR IMMEDIATE RELEASE

23rd June 2015

BURRAGA COPPER PROJECT RESOURCE ESTIMATE

Elysium Resources Limited ("Elysium" or "Company") (ASX:EYM) is pleased to announce the results of the resource estimate for the Burraga Copper Project in NSW carried out by independent consultants Geomodelling Ltd. The estimate incorporates the resource development drilling completed to March of this year.

Highlights

- **Hard-rock JORC Measured and Indicated Resource @ 0.3% Cu cut-off grade:**
  - **990,000t @ 0.8% Cu**
- **Tailings JORC Indicated Resource:**
  - **280,000t @ 1.2% Cu**
- **Slag JORC Indicated Resource:**
  - **90,000t @ 1.3% Cu**

The Company has fulfilled its aim of upgrading slag and tailings to JORC Indicated and the higher grade component of the Lloyds in-situ resource to Indicated or better with the Measured and Indicated resources available for economic evaluation of 1.36Mt @ 0.9% Cu. Further detail is provided in the table and summary below, with the full technical report available on the Company website www.elysiumresources.com.au

Model		tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings (0.3% Cu cutoff)	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps (0.3% Cu cutoff)	Indicated	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 1. Burraga Project Mineral Resources by model and resource category (totals may not appear to sum due to rounding).

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While copper prices have changed since the 2011 PFS, copper prices in Australian dollar terms along with costs have not significantly changed from those used in the study. A higher (than previously used) nominal grade was used in defining the mineralised envelope for resource estimation. The significant increase in additional data allowed for a coherent definition of the Lloyds mineralisation at a nominal 0.2% Cu grade. Estimated cost data to date has led to the decision to use a 0.3% Cu cut-off grade for the resource statement.

The completion of the resource model now allows for pit optimisation and determination of potential mining methodologies going forward. Final metallurgical samples were selected shortly after the completion of drilling and dispatched to the Bureau Veritas laboratory in April; anticipated test-work completion is July. Groundwater monitoring is ongoing and sufficient data has now been collected to produce the initial groundwater model.

SUMMARY

An estimate has been made of copper - gold – silver - zinc mineral resources at the Burraga project for Elysium Resources Ltd (EYM). EYM are currently completing a study into the feasibility of a facility to produce copper concentrates from a combination of in situ mineralisation mined by open pit and from re-processing of tailings and slag heaps from historical production.

The Burraga project comprises four separate resources, an in situ resource at the historically mined Lloyds mine as well as resources in the tailings dam and in two slag heaps.

The in situ mineralisation at the Lloyds mine comprises high grade (1% - 5% Cu), 0.5 m - 3.0 m wide quartz – sulphide (dominantly chalcopyrite) veins in a lower grade (0.1% - 1% Cu) matrix. The mineralisation is hosted in a sequence of Ordovician to Silurian meta-sediment and meta-volcanic rocks. The copper mineralisation strikes east – west and dips moderately to the north. North striking, east dipping post-mineralisation faults have truncated and offset the mineralisation giving rise to an apparent northeast plunge. The mineralisation is typically 5 m to 15 m thick and has been demonstrated by historical mining and drilling to have a strike length of about 200 m. The mineralisation is open down dip.

These resources have been estimated largely from recently completed RC and diamond drilling, but also from historical diamond and open hole percussion drilling at the Lloyds mine and from surface grab samples for the slag heaps.

Lloyds In Situ Resource Estimation

The data was domained using a wireframe interpreted at a nominal 0.2% Cu.

A regularised block model was constructed using blocks of 10 m by 10 m by 2 m (XYZ). This model was in turn coded for proportions of blocks below / inside the topography,

All raw assay samples were composited to 2.0 metres prior to statistical analysis and grade interpolation.

The Lloyds in situ resource was estimated by ordinary kriging of copper grades using a copper domain interpreted at a nominal a 0.2% Cu as a hard boundary.

Other elements (Au, Ag, Pb, Zn and S) were interpolated into blocks using with inverse distance squared weighting also using the 0.2% copper domain as a hard boundary.

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Completely oxidised mineralisation does not occur at Lloyds. A transition zone comprising mixed sulphide, carbonate and oxide copper minerals occurs near surface. The lower surface of this transition zone was interpreted from drill logs and used to create transition and fresh oxidation domain wireframes. These wireframes were used to classify blocks as either transition or fresh.

Bulk density was assigned by oxidation domain. Analysis of the bulk density data showed no significant difference in density between mineralised and un-mineralised material. There is currently insufficient density data to allow interpolation of density.

The proportion of each block depleted by historical mining was coded from a wireframe digitised from historical mining plans and block volumes adjusted accordingly.

The block model was classified in accordance with the JORC (2012) code largely taking into account geological continuity and data (drillhole) spacing, but also modified for data sample quality and statistical measures of grade estimation uncertainty. Measured, indicated and inferred resources have been reported. Resources were only reported from within the 0.2% copper domain.

The block model was validated visually and using several statistical methods.

Tailings Resource Estimation

Most of the historically mined ore was processed through a flotation plant. The tailings from this plant were deposited in a dam to the west of the mine. These tailings are generally sand sized particles.

The tailings resource was estimated into a separate block model also with 10 m by 10 m by 2 m (XYZ) blocks.

A wireframe of the tailings was created from surface DGPS surveys at a 10 m by 10 m grid and from an IP inversion model surface of the base of tailings. This wireframe excludes higher grade tailings sludge mapped as part of the surface survey.

The tailings dam was drilled using a power auger on a nominal 10 m by 20 m grid, with samples collected at 1.0m intervals downhole.

All grades (Cu, Au, Ag, Pb, Zn and S) were interpolated into blocks using inverse distance squared weighting using the topographic surface as 'un-folding' surface. 'Un-folding' was used to replicate the probable deposition of the tailings in layers parallel to topography. The tailings wireframe was used as a hard boundary for grade interpolation.

A bulk density of 1.8 t/m^3 was assigned to all blocks in the tailings wireframe. No density data exists for the tailings, so this value was calculated assuming the tails comprise a combination of 95% quartz sand at 1.6 t/m^3 and 5% chalcopyrite at 4.2 t/m^3 for a total bulk density of 1.8 t/m^3.

All of the tailings were classified as indicated because there is very little geological uncertainty, grades have low statistical and spatial variability, the material has been sampled at an appropriate spacing and because the grade and tonnage can be validated with a high degree of confidence from the historical production records.

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Slag Heap Resource Estimation

Two slag heaps; the north heap and the south heap have been identified. These heaps comprise accumulations of very coarse crucible waste (porous glass similar to vesicular obsidian). Most of the particles are about 0.7m across, however some breakage occurred during dumping resulting in the formation of smaller particles which have infilled some of the pore space between the larger crucible particles.

It is not possible to reliably drill the slag heaps due to the highly friable nature of the slag heaps. Therefore the slag heaps were sampled by grab sampling on a nominal 10 m by 10 m grid.

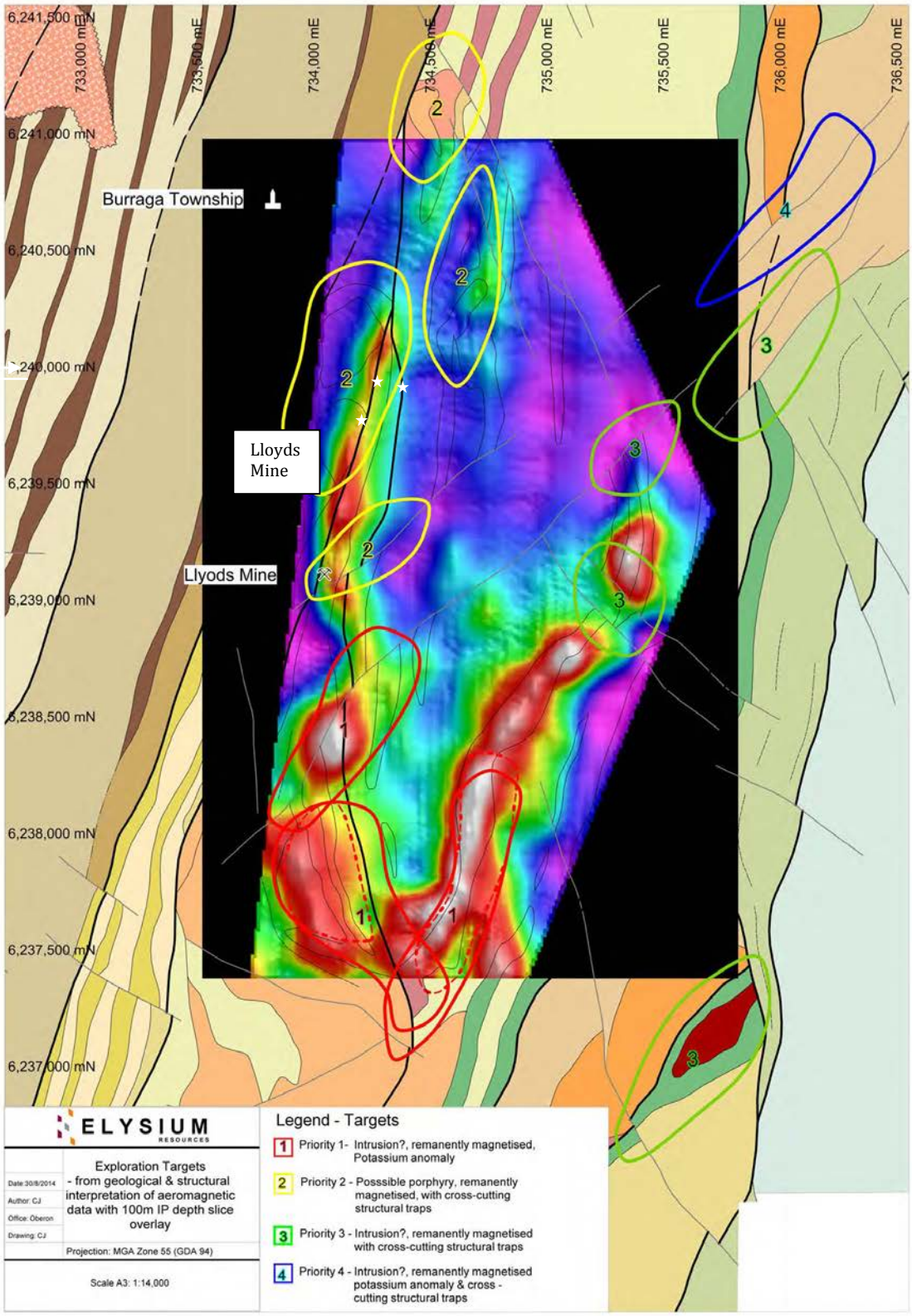
A block model covering both slag heaps was created with 10 m by 10 m by 2 m (XYZ) blocks.

Average de-clustered (nearest neighbour) grades were assigned to all blocks for Cu, Au, Ag, Pb, Zn and S. Grade interpolation was not used because no spatial correlation was expected due to the way the slag was dumped, therefore local grade estimation was not considered possible.

A Dry Bulk Density (DBD) of 2.0 t/m^3 was assigned based on the range of reported gravel densities (Berkman, 1995). The higher end of the range was used because of the high metal content of the slag likely resulting in higher particle density compared to most gravels.

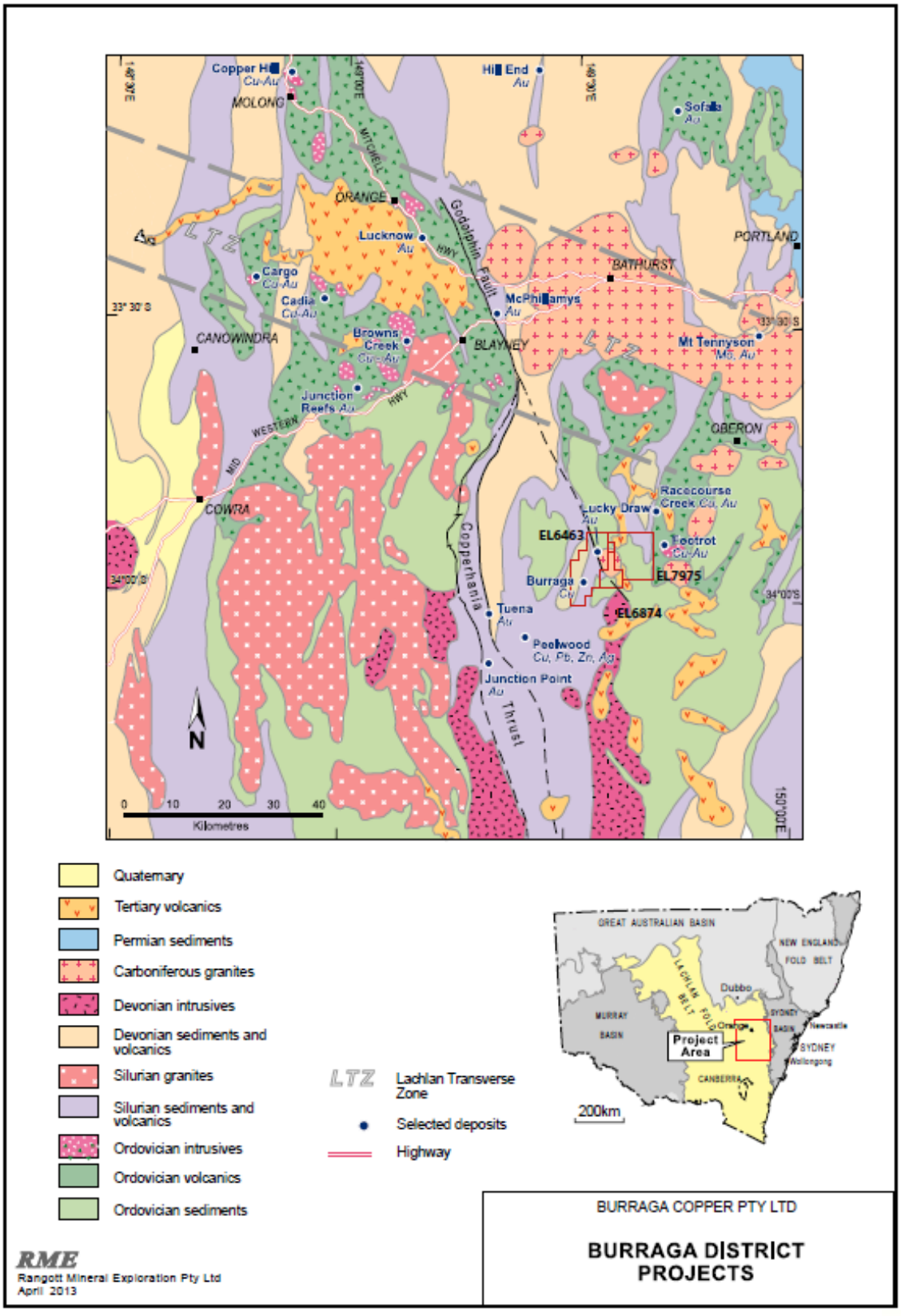
All of the slag was classified as indicated because very little geological uncertainty, grades have low statistical variability and because the grade can be validated with a high degree of confidence from the historical production records.

Figure 1. Historic Lloyds Mine with prospective targets.



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Figure 2. Location of the Company's Burraga Projects and Regional Geology.



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About the Burraga Copper Project

As announced on 9th April 2014, the Company engaged Endure Environmental to carry out an Environmental Impact Study ("EIS"), pivotal to gaining the necessary permits to commence production at the historical Lloyds Mine near the township of Burraga in NSW. The decision to progress towards production is based on the findings of the 2011 prefeasibility study ("PFS") which is available for reading on the Company's website. The findings suggested an economically viable operation was plausible within a relatively short period and at a relatively low upfront capital investment. Based on the PFS, the operation is anticipated to yield a cash-flow to allow Elysium to explore the attractive upside potential across its entire tenement holding (refer Figure 1 "priority targets" showing prospective areas near Lloyds Mine).

The Lloyds Copper Mine produced 19,443 tons of Copper from 469,626 tons of ore implying a recovered grade of 4.14% Cu, between 1880 and 1920, then intermittently up to 1961. As a result of mining at the Lloyds Mine, and to a lesser extent at nearby mines, there now exists a tailings dump and two slag dumps of up to 350 Kt. The PFS tailings resource contained a drill proven 234Kt@ 1.2% Cu (see Company website for detail). Metallurgical testing of the tailings confirms a greater than 70% recovery rate from re-processing of the tailings and greater than 50% from re-processing the slag can be expected. The PFS assesses the commercial potential of reprocessing the tailings, slag and hard rock resources from the surface of Lloyds Mine, and concludes that such a project, subject to further testing and financial investigation, is financially and commercially viable with start-up capital expenditure estimated at $10.8 million, generating a net profit of $75 million over 4.4 years of operation.

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For and on behalf of the Board of Directors



Mark Ohlsson,
Company Secretary,
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The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore reserves is based on information reviewed or compiled by Neb Zurkic BAppSc (Geol), MSc (Min & Energy Economics), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a Registered Professional Geoscientist with the Australian Institute of Geoscientists. Mr. Zurkic is employed by Zurkic Mining Consultants Pty Ltd. Mr. Zurkic has sufficient experience that is relevant to the styles of mineralisation and types 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 Mineral Resources and Ore Reserves". Mr. Zurkic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Zurkic Mining Consultants Pty Ltd, which is owned and controlled by Mr. Zurkic, owns shares in Elysium Resources.

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1 Appendix One: JORC Table 1.

1.1. Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized 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.*	• Samples are collected using standard industry practice sampling, assay methods and QAQC. • Reverse Circulation (RC) samples weighing approximately 2kg are collected as individual 1m samples through a cyclone which are riffle split (12.5%) for analysis. • Diamond core is cut with a diamond saw to 1.0 m or geological intervals and half sampled. • For the slag heaps, grab samples were taken by collecting handfuls from a 2m radius to a total of about 10kg
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Nominal 1m down the drill-hole samples are taken unless geology intervals dictate otherwise.
	• *Aspects of the determination of mineralization that are Material to the Public Report.*	• Gold by fire assay method and Base metals by 4 acid digest with ICP-AES analysis. • Analytical methods unknown for historical data (14% of data within copper domain)
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized 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 mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Best industry practise used with drill samples crushed to 2mm, split in a riffle splitter to obtain a 250g which was milled to 75 µm. 0.5g of the pulp was analysed for a multi-element suite (4 acid digest, ICP-AES analysis). For gold analysis a nominal 30g sample charge was by analyse by fire assay with AAS finish. • Mineralisation is mostly disseminated with moderate variability and no known sampling difficulties.

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Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• 85% of drilling in copper domain was modern reverse circulation which used a face-sampling bit of 126mm diameter • 14% of drilling in copper domain was historical open hole percussion, no further details recorded • 1% of drilling in copper domain was historical diamond, AX core. • Modern core drilling was HQ3 and NQ3 (triple tube) in order to maximise core recovery
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Visual inspection of the sample volume indicates sample recovery is better than 90%. Any poor sample recovery or condition is noted in the logs. • Diamond core recovery is recorded as run by run • RC sample bags are weighed prior to splitting
	• *Measures taken to maximize sample recovery and ensure representative nature of the samples.*	• RC samples are visually checked for recovery, moisture and contamination. A riffle splitter is used to provide a uniform sample and is routinely cleaned. Air is used at the beginning of each drill rod to remove excess water and maintain dry samples where possible.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Ground conditions are conducive for RC drilling and drilling returned consistent sized samples. RC recoveries are high enough to preclude the potential for sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Logging of RC drilling identifies all aspects of lithology, colour, weathering, texture, alteration and mineralization including percentage estimates of sulphide content. During logging, part of the RC sample was sieved, logged and placed in RC chip trays which is also photographed and included with the logging. The logging includes references to wet samples if present, voids and other information important to the resource estimation process.

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Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging is qualitative. Magnetic susceptibility is quantitative. Chip trays are stored for reference and photos are included in the logs.
	• *The total length and percentage of the relevant intersections logged.*	• All drilling is logged over the full length of the hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Diamond core was sampled as half core, cut by diamond saw.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Sampling was dry off the cyclone / riffle splitter.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation techniques are appropriate to the style, grade and grain size of mineralisation
	• *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.*	• Sub-sampling is done with a riffle splitter in the field and laboratory until the sample has been reduced to a pulp
	• *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.*	• Duplicate samples are inserted at a rate of approximately 1: 20 as a check on the sampling process
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples sizes are to industry standard and considered appropriate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The analytical methods used are appropriate to the mineralogy of the samples and return total results for all elements of economic importance.
	• *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.*	• Geophysical tools not used to determine grade.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• In addition to the internal laboratory checks the Company submits standards on a 1: 30 ratio and one field duplicate for the strongest mineralised interval visualised for every drill hole.

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• None undertaken as this was not considered material
	• *The use of twinned holes.*	• A proportion of the RC program reported here was in part intended to verify historical significant grade widths. While not close enough to be considered "twins" due to the access issues, the holes trace closely to the historical holes which are now considered appropriate for inclusion into future resource estimates.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data is stored both as a hard copy and entered into a database.
	• *Discuss any adjustment to assay data.*	• No adjustments were made to the data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar locations are determined by DGPS. • Down-hole surveys are electronically recorded magnetic compass and inclinometer readings obtained at 6m and every 30m intervals thereafter except for vertical holes where fewer readings are taken.
	• *Specification of the grid system used.*	• GDA94 (Zone 55)
	• *Quality and adequacy of topographic control.*	• Topographic surface in areas of likely development is from closely spaced (<10m) DGPS traverses in a grid pattern and on ridges and gullies. Elsewhere a DTM obtained from airborne geophysical surveys was used.
Data spacing and distribution	• *`Data spacing for reporting of Exploration Results.*	• Scout drilling into anomalous areas defined by geochemistry and geophysics does not consider drill spacing. • Drilling into Lloyds for resource estimation purposes targets a 25 x 25m lateral spacing for the highest confidence. Due to terrain, drilling is carried out from common pads in a "fan" which generally harnesses the highest variance grade reasonably well given the relatively flat nature of the mineralised shoot.

Criteria	JORC Code explanation	Commentary
	• *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.*	• The resource development drilling is targeting a spacing of between 25-50m, is considered sufficient to harness the geological and grade continuity for Mineral Resource and subsequent Ore Reserve estimation.
	• *Whether sample compositing has been applied.*	• No sample compositing is carried out.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Drilling is oriented as close to perpendicular to the interpreted mineralised shoot as practically possible (and therefore, across the direction of greatest variance).
	• *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• As per above. No bias suspected.
Sample security	• *The measures taken to ensure sample security.*	• All samples prior to submission are under the supervision of the Project Geologist. • Following submission to the laboratory (by Company personnel), reference material are stored at the Company's warehouse in Oberon.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits completed on current drill program.

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1.2. Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• EL6463 • ~60km South of Oberon in NSW. • EYM through a subsidiary holds 100%
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Tenement is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Various operators have held tenure over the area; the following companies have recorded work in the area to varying capacities: • CRA Ltd • General Resources Ltd • Pacific Copper Ltd • Southern Ventures Ltd • Telminex N.L. • Michelago Resources • Marlborough Resources • Getty Oil • Dominion Mining • Republic Gold N.L. The final three in the list have carried out the majority of the most recent work and upon which EYM has based its exploration programs.

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Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralization.*	• At Lloyds mine copper mineralisation occurs as quartz – sulphide veins, and as a halo of disseminated mineralisation in the wall rocks. The predominant sulphide mineral is chalcopyrite with sphalerite on the vein walls and pyrrhotite disseminated in the wall rocks. Galena and tetrahedrite have also reported, but not at economically important levels. The mineralisation varied in width from 0.3m to 12 m, striking roughly east - west and dipping moderately north. The mineralisation has a typical strike extent of 180m, terminating in faults at both ends. The intersection of the terminating faults with the mineralisation results in the ore plunging to the northeast.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Refer to the body of the text of this report and Appendix 2.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No exclusions of information have occurred.

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Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Not material as exploration results are not reported.
	• *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.*	• Not used / applied.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents reported.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• Not material as exploration results are not reported.
	• *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.*	• Close to perpendicular.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Close to true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• To the extent relevant, maps are included in the main body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not material as exploration results are not reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not material as exploration results are not reported.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Geotechnical diamond core drilling • Metallurgical diamond core drilling • Resource estimate • Scout exploration / sterilization drilling • Resource definition drilling of new areas
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The full extent of the planned drill programs have been previously reported through announcements or Company presentations.

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1.3. Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• A portion of the data used was compared to original logging and laboratory certificates • The databases used include checks on holeID between data types • Anomalous element ratios were checked for possible sample number errors
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was made for 10 days during March 2015, allowing inspection of the site, drilling, sampling, logging and data handling methods, Talks were held with key site personnel.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation is of high confidence due to the simple geology, high data density and high quality underground mapping • The Lloyds copper grade domain was interpreted using copper assays, drill logging and historical underground level mapping • The tailings and slag heaps domain wireframes were constructed from surface topography and inverted IP data (base of tailings). The resultant volumes were validated against historical production records • Geological constraints (especially offsetting faults) were used to guide and limit the interpretation of the Lloyds copper grade domain. • Geological and grade continuity are controlled by post-mineralisation faulting
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Lloyds copper mineralisation extends over an east – west strike length of about 200m, is 2m – 30 m thick. The resource extends about 300m down plunge, although historical workings went about 500m down plunge.
Estimation and	• *The nature and appropriateness of*	• Minesight mine planning software

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Criteria	JORC Code explanation	Commentary
modeling techniques	*the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	was used for all data analysis, geostatistics, block modelling and grade interpolation. • In the Lloyds model copper grades were interpolated into a block model (10m x 10m x 2m blocks) by ordinary kriging within a copper grade domain interpreted at a nominal 0.2% Cu. Only the copper grade domain was used as a hard boundary. Each block grade was estimated using a minimum of 5 and a maximum of 15 2.0 metre composites with a maximum of 10 within a quadrant. No extreme copper grades were identified and so no measures taken to deal with such. Other elements (Au, Ag, Zn, Pb % S) were interpolated using the same parameters as copper except that inverse distance squared weighting was used instead of ordinary kriging. The block size was chosen as about half the closest drilling. The vertical block extent reflects the likely open pit mining flitch height. • In the tailings model the grades of all elements were interpolated by inverse distance squared weighting with the topographic surface used as an 'un-folding' surface. • In the slag model average de-clustered grades were assigned to the block model because it was not considered possible to make a local grade estimate due to the way the slag was dumped. • The block models were created assuming that mining would be by open pit methods at a rate of 150kt to 500kt per annum • In the Lloyds model (total) sulphur grades were estimate into all blocks to allow assessment of possible acid rock drainage characteristics of both tailings and waste rock. • No deleterious elements have been estimated. Arsenic averages 100ppm in the Lloyds copper domain and has not been identified by metallurgical

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		testwork as a problematic element. • The Lloyds model was validated by comparison of average de-clustered composite (input) grades to average block grades, by volume checks of wireframes to the block model, by swath plots and by comparison of grade – tonnage curves with alternative interpolation methods. • There is no reconciliation data available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnages are on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The reporting cutoff (0.3% Cu) is based on a 2011 pre-feasibility study factored for subsequent changes in copper price and exchange rate and preliminary capex and opex costs from studies in progress
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Open pit mining at 150kt to 500kt is assumed. This resulted in a minimum copper domain width of 2.0m. Dilution up to a maximum of 4.0 m was included in the copper domain
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the*	• A flowsheet comprising crushing, milling and flotation to produce a copper concentrate with Au, Ag and possibly Zn credits • Metallurgical testwork for the 2011 PFS and the current study show that flotation copper recoveries in excess of 70% should be easily achieved for the tailings and 50% for the slag. • Current studies are suggesting in

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	case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	excess of 95% should be achievable in the fresh hard-rock mineralisation.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is assumed that it will be possible to place all waste rock and tailings produced as a result of any mining project on site. Some sulphur grades in likely waste rock are such that acid rock drainage may occur if not managed appropriately.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density in the Lloyds model was assigned from the average of data collected from 5 diamond holes using the tray method. The tray method takes into account voids but not moisture content. The moisture content of fresh mineralisation is likely very low (<3%), however moisture in the transition mineralisation may be higher. These data show little variation with depth, but are spatially clustered and so may not be representative of the entire Lloyds resource. • The bulk density in the tailings and slag models was assigned from assumed values.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity*	• Resource categorisation of the Lloyds model was mostly influenced by geological continuity and data (drillhole) spacing, but was also modified for data sample quality and statistical measures of grade estimation uncertainty. Wireframes enclosing zones of like confidence were used to apply classification to the blocks. Resources were only

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	and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	reported from within the 0.2% copper domain • The tailings and slag models were both completely categorised as indicated as the level of risk to grade and tonnage was considered to be equal throughout these models.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews of the resource estimation process have been completed
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The accuracy of the resource categories cannot be quantified • The resource categorisation relates to confidence in the local (block scale) estimate for the Lloyds model • The tailings and slag models are categorised globally reflecting the fact that selective mining will not be possible • No production data is available to test the accuracy of these estimates.

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