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ASX Announcement 3 June 2015

NEAR SURFACE, HIGH-GRADE ZINC-GOLD-SILVER AT MOUNT BONNIE

Highlights:

- **High-grade assay results received from the first three holes drilled at Mount Bonnie:**
  - **17m @ 5.4% Zn, 1.62g/t Au, 61g/t Ag, 0.3% Cu, and 0.5% Pb from 37m in MBRC013**
  - **8m @ 12.3% Zn, 2.41g/t Au, 321g/t Ag, 0.5% Cu, and 2.5% Pb from 89m in MBRC014**
  - **12m @ 8.4% Zn, 2.57g/t Au, 228g/t Ag, 0.7% Cu, and 2.0% Pb from 48m in MBRC015**
- **Mineralisation identified to date is near surface and open in all directions – ground EM supports an untested northerly extension to known mineralisation**
- **Total of twelve drill holes completed at Mount Bonnie, remaining assays due before end of June**

Phoenix Copper Limited (**ASX: PNX**) is pleased to report that assay results from the first three of twelve RC holes drilled at the Mount Bonnie prospect have been received and are excellent, exceeding the Company's expectations based on interpretation of historical information.

The Mount Bonnie prospect is located on granted Mining Leases within the Hayes Creek Project in the Pine Creek region of the Northern Territory and is 100% owned by Phoenix Copper.

Near surface, high-grade zinc, gold and silver sulphide mineralisation

The drill program which was completed in late May comprised twelve RC holes for 1,114m and targeted new mineralised positions and extensions to existing high-grade massive sulphide mineralisation at Mount Bonnie (Figure 1 and Table 1).

MBRC013, MBRC014, and MBRC015 were drilled directly adjacent to, and under the historical open pit (where historic mining ceased when sulphides were encountered) and were designed to test a large gap in information between the base of the pit and the nearest drill holes. All three holes intercepted near surface, high-grade massive sulphide mineralisation (Table 2).

The best intercept in the deposit to date was from MBRC014, which intersected 8m @ 12.3% Zn, 2.41g/t Au, 321g/t Ag, 0.5% Cu, and 2.5% Pb from 89m, individual grades of up to 16.1% Zn, 611g/t Ag and 4.66% Pb were assayed within a 1m interval from 90m demonstrating the high-grade, high-value nature of the deposit. In addition the mineralisation in MBRC014 is thicker and of a higher grade than a nearby historic drill hole and the massive sulphide lens is also open at depth, providing considerable scope for further mineralisation (Figure 2).

Table 1: *Mount Bonnie drill hole details*

Hole ID	Prospect	Drill Type	East	North	RL	Grid	Depth	Azimuth	Dip
MBRC013	Mt Bonnie	RC	776049	8501348	126	MGA94_52	126	122	-60
MBRC014	Mt Bonnie	RC	776031	8501435	122	MGA94_52	132	122	-60
MBRC015	Mt Bonnie	RC	776067	8501366	129	MGA94_52	96	122	-60
MBRC016	Mt Bonnie	RC	776088	8501404	131	MGA94_52	108	122	-60
MBRC017	Mt Bonnie	RC	778083	8501438	124	MGA94_52	60	122	-60
MBRC018	Mt Bonnie	RC	776059	8501479	123	MGA94_52	78	122	-60
MBRC019	Mt Bonnie	RC	776130	8501406	137	MGA94_52	94	122	-60
MBRC020	Mt Bonnie	RC	776230	8501443	149	MGA94_52	72	0	-90
MBRC021	Mt Bonnie	RC	776190	8501409	163	MGA94_52	60	0	-90
MBRC022	Mt Bonnie	RC	776129	8501430	134	MGA94_52	72	122	-60
MBRC023	Mt Bonnie	RC	776116	8501505	124	MGA94_52	114	122	-60
MBRC024	Mt Bonnie	RC	776068	8501377	129	MGA94_52	102	0	-90

Table 2: *Mount Bonnie significant intersections*

Hold ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	Au_Eq (g/t)
MBRC013	37	54	17	1.62	61	5.41	0.45	0.25	4.90
incl.	40	42	2	2.24	169	15.91	1.96	0.31	11.72
incl.	46	50	4	3.09	42	10.59	0.22	0.61	8.33
MBRC014	87	101	14	1.53	211	7.85	1.66	0.32	8.39
incl.	89	97	8	2.41	321	12.30	2.50	0.48	12.96
	107	109	2	1.97	1	0.18	0.01	0.01	1.86
MBRC015	16	23	7	0.07	76	0.23	0.01	0.05	1.26
	48	60	12*	2.57	228	8.37	1.97	0.67	10.29

Notes: Significant Intersections reported in the above table are gold equivalent (AuEq) > 0.7 g/t and >1m thickness, High-grade significant intersections are AuEq >= 6 g/t. Metallurgical recoveries and metal prices have been applied in calculating gold equivalent grades. See JORC Code, 2012 Edition – Table 1, section 2 at the back of this release for further details.

* *interval 60-61m no sample recovered in hole MBRC015.*

These assay results from the first three holes drilled at Mount Bonnie are very encouraging as mineralisation has been intercepted beyond the boundaries defined by historic drilling. The overall grades and style of mineralisation, which typically occurs as sphalerite-galena-pyrrhotite rich massive sulphides within a thicker unit of disseminated sulphides, are very similar to those observed at the Iron Blow resource (Table 3), which lies less than 3km to the north-west (Figure 3). This initial drill program at Mount Bonnie will therefore add significant value and prospectivity to the broader Hayes Creek Project.

Results pending

Assay results are pending from nine of the twelve holes drilled during the program (Figure 1). These holes tested for extensions to the north of the existing open pit, and the gold-silver oxide potential along strike from the pit itself. Of the remaining holes, four intercepted massive sulphides, four were drilled into the oxide alteration zone, and one did not reach target depth due to excess water. Assays from these holes are due before the end of June, and will be a key component of an initial resource estimate at Mount Bonnie to be developed later in the year.

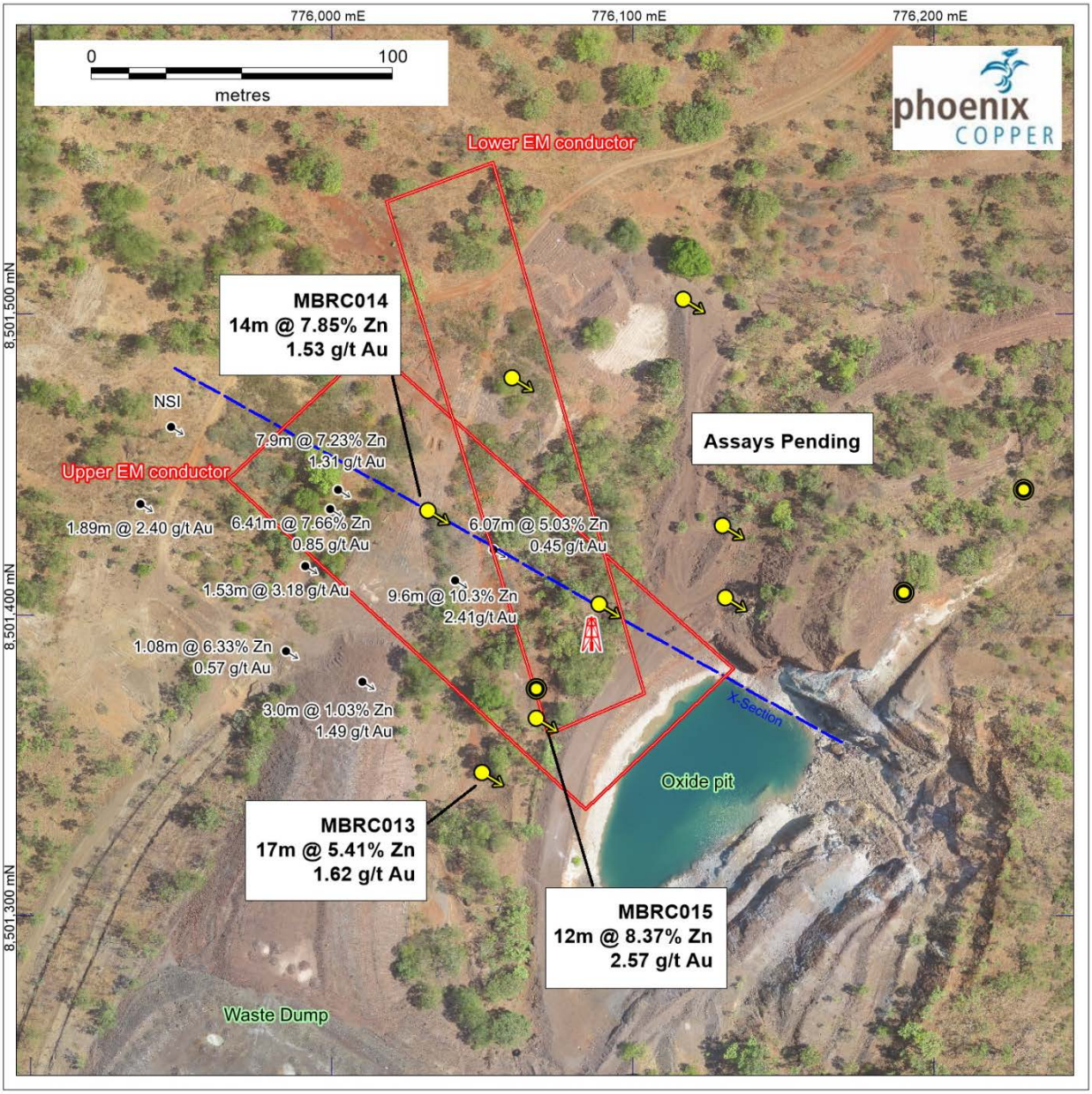

***Figure 1**: Mount Bonnie - only zinc and gold assays are shown (see Table 2). Yellow holes drilled by Phoenix Copper, black holes are historic. Red 'wireframes' represent conductive bodies and blue dashed line indicates location of X-section depicted in Figure 2 below.*

Surface and Downhole geophysics

Recently completed fixed loop and downhole electromagnetic (EM) surveys, which are capable of detecting the host massive sulphide rocks, have been modelled and provide good evidence to suggest that mineralisation continues further north than previously envisaged (Figure 1). The models predict two zones of massive sulpides, one of which (the upper, near surface conductor) corresponds to known mineralisation and the other (the lower, deeper conductor) potentially represents new and untested mineralisation. This concept has not been tested by any drilling (including during the May 2015 program) and therefore provides further opportunities to extend the mineralised area, which the Company will aim to undertake later in the year.

Phoenix Copper believes that significant potential exists to continue to grow the resource base within the Hayes Creek project area and to discover new VMS deposits. Target stratigraphy can be traced on the surface for at least 10km with numerous additional areas identified within the broader Burnside project to be followed up. A regional exploration program will soon commence to map and sample the prospective horizon, and to ground truth new areas prospective for VMS and gold deposits.

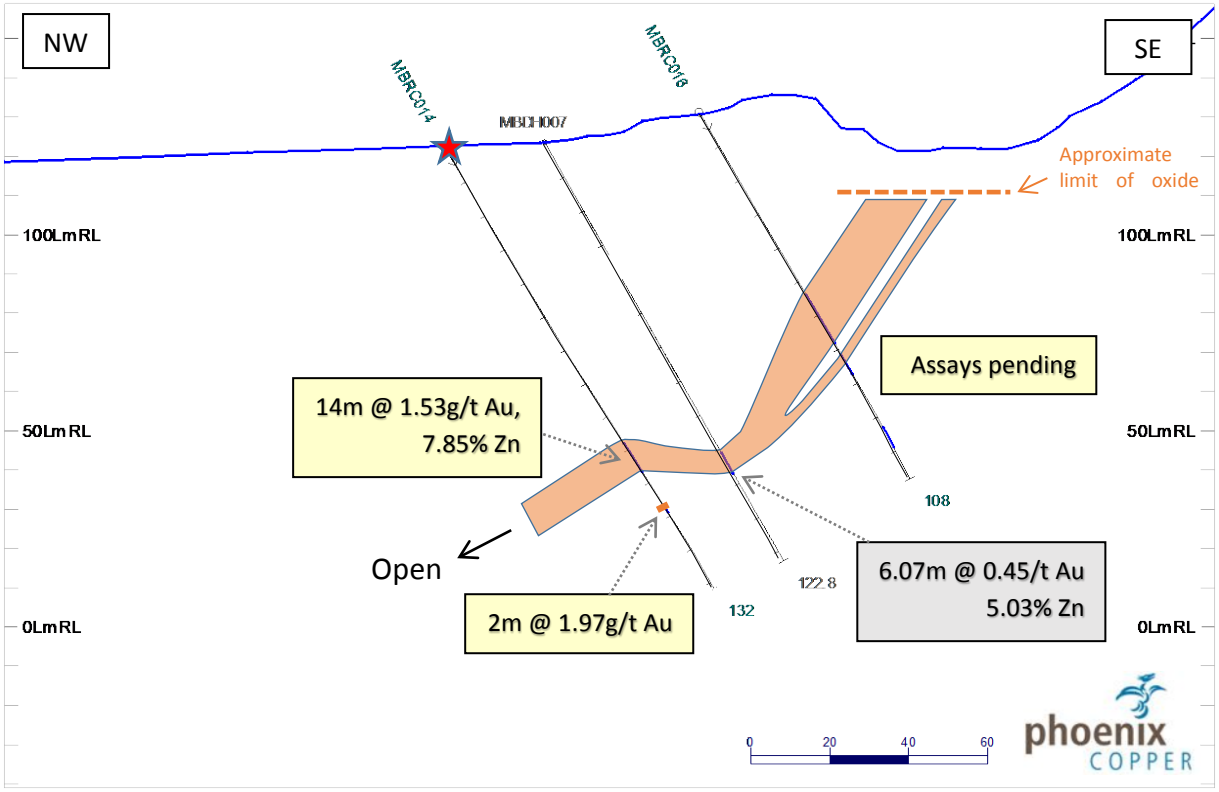

Figure 2: *NW-SE cross section through MBRC014 showing possible interpretation of massive sulphide lens dipping moderately to the northwest.*

About the Hayes Creek Project

The Iron Blow and Mount Bonnie deposits form part of Phoenix Copper's Hayes Creek Project within the Pine Creek region of the Northern Territory, 180km south of Darwin (Figure 4). The deposits are situated on granted Mining Leases and are located close to infrastructure, including rail, road, high voltage powerlines and water.

The Iron Blow deposit was upgraded to a JORC (2012) compliant inferred mineral resource estimate by Phoenix Copper in late 2014 (Table 3), and contains approximately 200,000oz of gold, 10.7M oz of silver and 125,000t of zinc at potentially mineable grades (see ASX release 3 November 2014).

During 2015 the Company aims to define sufficient resources at the Hayes Creek project to provide inputs to complete a Scoping Study. The Study, which would be completed mid-April 2016, will be used to demonstrate the potential viability of the project.

Table 3: *Iron Blow Inferred Mineral Resource Estimate as at 8th October 2014**

Depth	AuEq cut-off (g/t)	Tonnes	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	ZnEq %
> -90 mRL	0.7	2.2Mt	6.7	2.4	140	0.3	1.0	4.9	11.8
< -90 mRL	3.0	0.4Mt	5.6	2.7	71	0.4	0.4	4.1	10.0
Total Inferred Mineral Resource		2.6Mt	6.5	2.4	130	0.3	0.9	4.8	11.5
Total Contained Metal			**543,000 oz**	203,000 oz	10,700,000 oz	7,000 t	23,000 t	125,000 t	**300,000 t**

** See ASX release 3 November 2014, 'High Grade Mineral Resource Estimate for Iron Blow Deposit', where further details are provided. Note there has been no material change in the Mineral Resource Estimate since it was first reported. Results of drilling by Phoenix Copper since October 2014 have not been included in the estimate.*

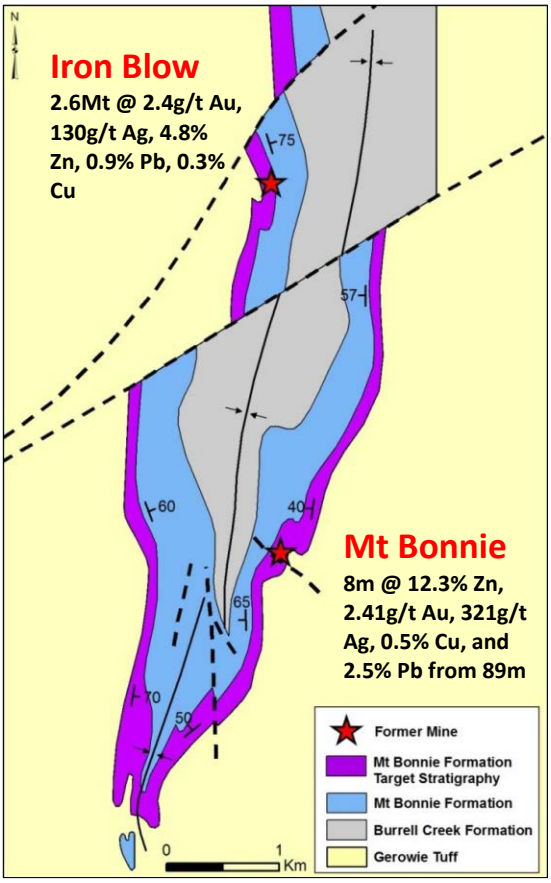

***Figure 3**: Iron Blow and Mount Bonnie at the Hayes Creek Project*

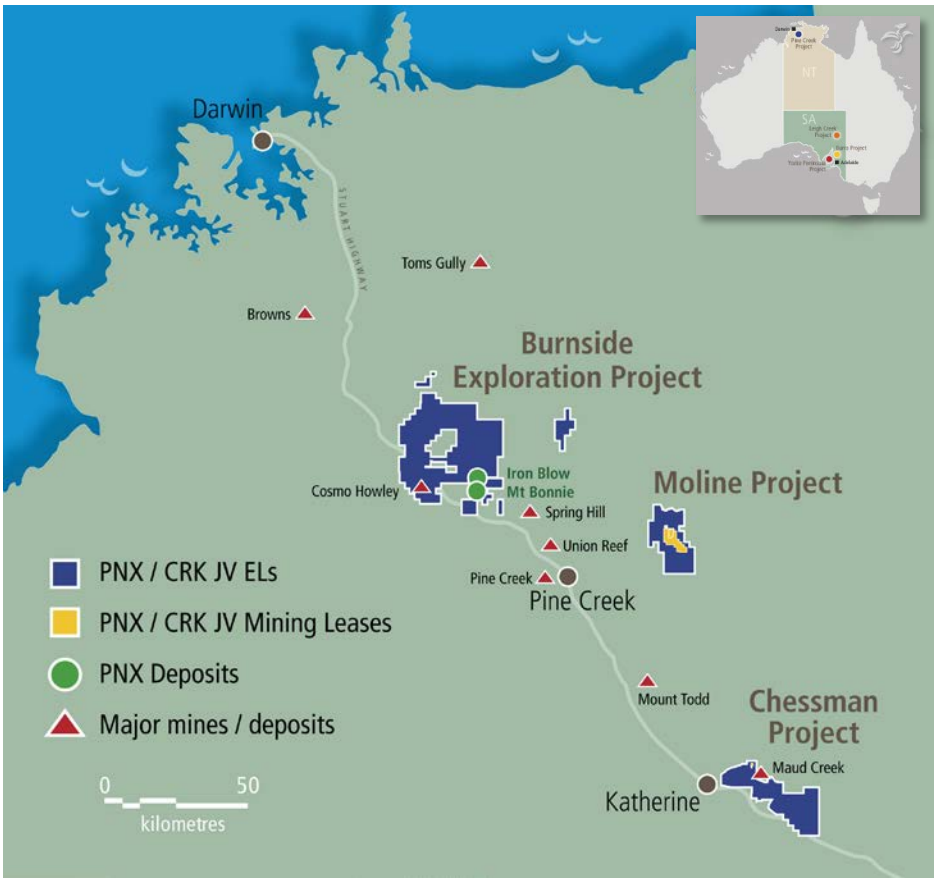

***Figure 4:** Hayes Creek Project and the Burnside, Moline and Chessman Exploration Projects*

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bennett has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bennett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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JORC Code, 2012 Edition – Table 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 specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (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.*	• All samples are reverse circulation (RC) chips • All samples were split using riffle splitter mounted to the bottom of the cyclone to obtain a representative sample for analysis • Sample intervals were 1m • Sample weights were typically 2-3kg • Magnetic susceptibility measurements were taken using a Fugro GSM-2 instrument • Field portable XRF measurements taken for 32 elements (Ca, Ti, V, Cr, Mn, Fe, Co, Ni, Cu, Zn, As, Rb, Sr, Zr, Mo, Ag, Cd, Sn, Sb, W, Hg, Pb, Bi, Th, U, P, S, Cl, K, Se, Y and Au) using an Olympus-InnovX "DELTA Premium DP4000C" with a Ta/Au anode. The instrument conducts a self-calibration prior to each use and is also checked against standard reference samples • Mineralised intercepts have been verified using the field portable XRF instrument which gives a qualitative measure of the relevant elemental abundances
Drilling techniques	• *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).*	• All drilling was RC drilling from surface with 4.5" rods with a face sampling hammer. Drilling was carried out by May Drilling of Humpty Doo, Northern Territory using a truck mounted EDM2000 drilling rig • A Reflex Easy Track single-shot survey tool was used by May Drilling at regular intervals (approximately every 30m downhole) as instructed by Phoenix Copper's on-site geologist to monitor the downhole position
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was estimated visually by inspecting the size of the sample collected, and recorded in the geological log at 1m intervals • No relationship has yet been established between sample recovery and grade. When samples became wet, there was unavoidable loss of fines (typically 5-10% of the sample weight). This has the possibility of introducing a sample bias in deeper parts of some holes. Geological logs include the wet or dry nature of the sample

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC chips have been geologically logged by the onsite geologist at 1m intervals and chip trays have been retained and photographed • Log fields include lithology, colour, grainsize, texture, veining, sulphide mineralisation, alteration, strength, recovery and sample moisture • Logs have been aided by the use of magnetic susceptibility and portable XRF measurements on each metre sample
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Riffle splitting at the drill rig provides a 1/8 fraction of the total drilled portion for assay • All samples were riffle split. The splitter was blown with compressor air and cleaned at the end of each rod (6m) to reduce sample contamination • All mineralised intercepts and their surrounding ~10m are submitted for assay. Intervals submitted for assay are based on visual and portable XRF readings • Duplicate field samples were taken each 25th sample by using a second portable riffle splitter to check representivity of samples • Individual samples are placed in individual sample bags and clearly identified prior to submission to the laboratory for assay • The sample sizes are appropriate for the grain size of the material being sampled
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were submitted to Northern Australian Laboratories (NAL) in Pine Creek, Northern Territory • After crushing and pulverizing to – 100 microns, each sample is roll mixed on a rubber mat after pulverizing, a barren flush is pulverized between each sample, the samples are subjected to a four acid digest (considered a total digest for the elements of interest) and read using ICP-MS and OES for a suite of elements (lab methods G400 and G340 for ore grade samples). A sub-sample of the pulverized sample is also submitted for conventional fire assay for gold (FA50) • Phoenix Copper submitted certified reference materials every 25th sample and also submitted blank quartz material to check laboratory analytical and sample preparation quality • NAL have internal QAQC procedures, including certified reference materials, duplicates and blanks, results of which are reviewed by NAL prior to reporting to Phoenix Copper • Visual assessment of the standards, blanks and duplicates shows that a high degree of confidence can be placed in the accuracy and

Criteria	JORC Code explanation	Commentary
		precision of the assay data
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The results in this report have no directly comparable diamond core to determine if sample bias is a possibility in RC drilling. When all results are received, a statistical comparison between RC samples and diamond core will be undertaken • External laboratory assays are routinely carried out prior to resource estimation • All logging has been carried out using standardised logging codes to professional standards. All geological, geotechnical and sampling information has been entered into a digital database which has been validated for sample overlaps and missing data • All hard copies of information are stored in a secure compound at site. Digital copies are held on site and at Phoenix Copper's Adelaide office on a backed-up server • No adjustments to assays have been made. Where gold assay data has been repeated by the lab, the average value has been reported
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Downhole surveys have been collected by a Reflex single shot camera at intervals of 30m. Where magnetic ground was encountered, alternative depths were surveyed • The drill collars were located using a Garmin GPS Map 60 hand-held GPS unit and verified using a second unit. The drill hole locations are considered accurate to within 7 m and this is sufficient for the nature of the drilling. All coordinates are quoted using the GDA94 datum and projected to MGA zone 52 • Topography has been accurately measured using a drone survey over the area in 2014
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill spacing is irregular, due to the irregular topography and historical mining activities; however the overall drill spacing within the mineralised zone is approximately 15 x 40m, which will be sufficient to establish the grade continuity. A few scout holes occur at irregular spacings to the north of known mineralisation, but there is no drilling at all to the south of known mineralisation • Consistent 1 metre downhole intervals are sampled, which is appropriate for RC drilling and for the thickness of the known mineralisation • No sample compositing has been carried out
Orientation of	• *Whether the orientation of sampling achieves unbiased sampling of*	• The drill holes are oriented to intersect mineralisation close to

Criteria	JORC Code explanation	Commentary
data in relation to geological structure	*possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	perpendicular to the interpreted orientation of the main zone of mineralisation. Some holes were drilled vertically where space was limited. The mineralisation may be folded in some areas, which could result in the possibility of drill holes being not optimally orientated • Any biasing effect is yet to be determined
Sample security	• *The measures taken to ensure sample security.*	• Logging and sampling has been carried out by Phoenix Copper personnel on site and samples submitted to the laboratory by the same people • No third parties have been allowed access to the samples
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been carried out at this point • A visual comparison of the assay results with the field portable XRF shows an acceptable correlation between the two

Section 2 Reporting of Exploration Results

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

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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Mount Bonnie deposit is located within MLNs1033, 1039, 342 and 405 • The deposit and drilling is situated within Pastoral Lease No. 903, Douglas, held by Tovehead Pty Ltd • The Mineral Leases are in good standing and no known impediments exist • A 'Sale and Purchase Agreement and Heads of Agreement for Farm In and Joint Venture Agreement' (Agreement) between Phoenix Copper Ltd and Crocodile Gold Australia Pty Ltd was signed on 15 August 2014, the Agreement includes the 100% acquisition of the mineral leases containing Iron Blow and Mount Bonnie. Crocodile Gold retains a 2% royalty on any silver and gold production from those deposits
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration at Iron Blow and Mount Bonnie has consisted of oxide mining, geological mapping, surface geochemical sampling and diamond drilling • Crocodile Gold carried out some drilling at both deposits in 2011,

Criteria	JORC Code explanation	Commentary
		which has been inspected and verified by Phoenix Copper • Extensive exploration on the broader tenement package by previous explorers has focused on gold exploration. Numerous base metal prospects have been identified in surface geochemical sampling by these explorers that have not been adequately followed up due to the lower gold values • Crocodile Gold completed an airborne EM (VTEM) survey over parts of the tenement package. Numerous conductive rocks prospective for base metals have been identified by Phoenix Copper for further ground truthing and follow-up work
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Iron Blow and Mount Bonnie are stratabound base metal, silver and gold massive sulphide deposits. They are located within the Mount Bonnie Formation of the South Alligator Group, within the Pine Creek Orogen of the Northern Territory. Both deposits appear to be located at similar stratigraphic positions on opposite limbs of the roughly north-south trending Margaret Syncline • Mineralisation is hosted within carbonaceous siltstones and mudstones within the lower portion of the Mount Bonnie Formation. It appears to have formed early in the basin development and has associated footwall alteration consisting of variable proportions of chlorite, amphibole, calcite, silica, and talc with associated vein and disseminated sulphides. The mineralisation appears to be consistent with a volcanic hosted massive sulphide deposit (VHMS) characteristics, or could possibly be related to carbonate replacement style. Further work is required to determine the exact association. • The massive sulphide mineralisation is dominantly massive pyrrhotite with zones of coarse-grained, high-grade sphalerite, arsenopyrite, chalcopyrite, with lesser galena. Significant silver and gold grades are also present in previous drillholes within the massive sulphide and within adjacent quartz-veined and brecciated sediments containing significant disseminated and stringer sulphides, which is possibly the vent zone typical of VHMS deposits • Mineralisation at both Iron Blow and Mount Bonnie is structurally complex and appears to be deformed by the regional deformation events. Structural mapping and logging is continuing to determine the precise nature, timing, and geometry of the mineralized bodies
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information*	• Refer to table and diagram in main announcement for drill summary details

Criteria	JORC Code explanation	Commentary
	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.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, 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.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All samples are of equal length, so no weighted averages are applied • No high cut-off grades have been applied • Reported intersections are reported as significant if they occur at a minimum of 0.7 g/t Au, calculated on an equivalence basis. This is consistent with the minimum cut-off grade reported for the Iron Blow resource (JORC 2012) reported 3 November 2014. Mineralised intersections were observed to be coherent and have sharp grade boundaries, but may include narrow intervals of sub-ore grade mineralisation which would be considered as internal dilution if mined by open pit methods • Higher grade mineralised zones have been reported if coherent downhole intervals >= 6g/t Au (equivalent) is encountered • Metal equivalent grades assumptions are calculated using the following formula: **AuEq g/t** = [(Au grade g/t x (Au price oz/31.1034768) x Au recovery) + (Ag g/t x (Ag price oz/31.1034768) x Ag recovery) + (Cu grade % x (Cu price per t/100) x Cu recovery) + (Pb grade % x (Pb price per t/100) x Pb recovery) + (Zn grade % x (Zn price per t/100) x Zn recovery)] / (Au price per oz/31.1034768). **ZnEq %** = [(Au grade g/t x (Au price oz/31.1034768) x Au recovery) + (Ag g/t x (Ag price oz/31.1034768) x Ag recovery) + (Cu grade % x (Cu price per t/100) x Cu recovery) + (Pb grade % x (Pb price per t/100) x Pb recovery) + (Zn grade % x (Zn price per t/100) x Zn recovery)] / (Zn price per t/100) • Metal prices & recoveries used are consistent with the Iron Blow resource (JORC 2012), reported 3 November 2014. Metal prices: Cu US$7,000t, Pb US2.250/t, Zn US$2,350/t, Ag US$20/oz, Au US$1,300/oz. Recoveries: Cu 70%, Pb 70%, Zn 70%, Ag 90%, Au 90%

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The mineralised intersections quoted in this report are very close to true widths – to be confirmed by wireframing and structural analysis • The geometry of the mineralisation is approximately 45deg NW at Mt Bonnie and most of the drill holes have been drilled towards the SE perpendicular to the mineralisation
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.*	• Refer to main announcement
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.*	• All matters of importance have been included
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.*	• All relevant information has been included
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will be assessed on receipt of all assay results from the current drill program. Further drilling will likely be required to find the extent of mineralisation • Detailed geological interpretations will be done following modelling of the drilling and incorporated with historical data and mapping results