GROUP TECHNICAL REPORT
GR159-13_2015

MLN 2-3, MLN 951-953 & MLN 956-961
For the Period
1 July 2014 to 30 June 2015

August 2015

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CONTENTS

1. INTRODUCTION

The Groote Eylandt Mining Company Pty Limited (GEMCO) is a joint venture between [redacted] (60%) and Anglo-American (40%). GEMCO has been mining manganese since 1964 in accordance with mining leases granted by the Commonwealth Government and traditional Aboriginal owners. The deposit is located in the Gulf of Carpentaria in the Northern Territory of Australia. GEMCO previously operated under BHP Billiton Pty Ltd (BHP), but now operates under South32 Pty Ltd (South32) after BHP demerged a number of its assets in May 2015.

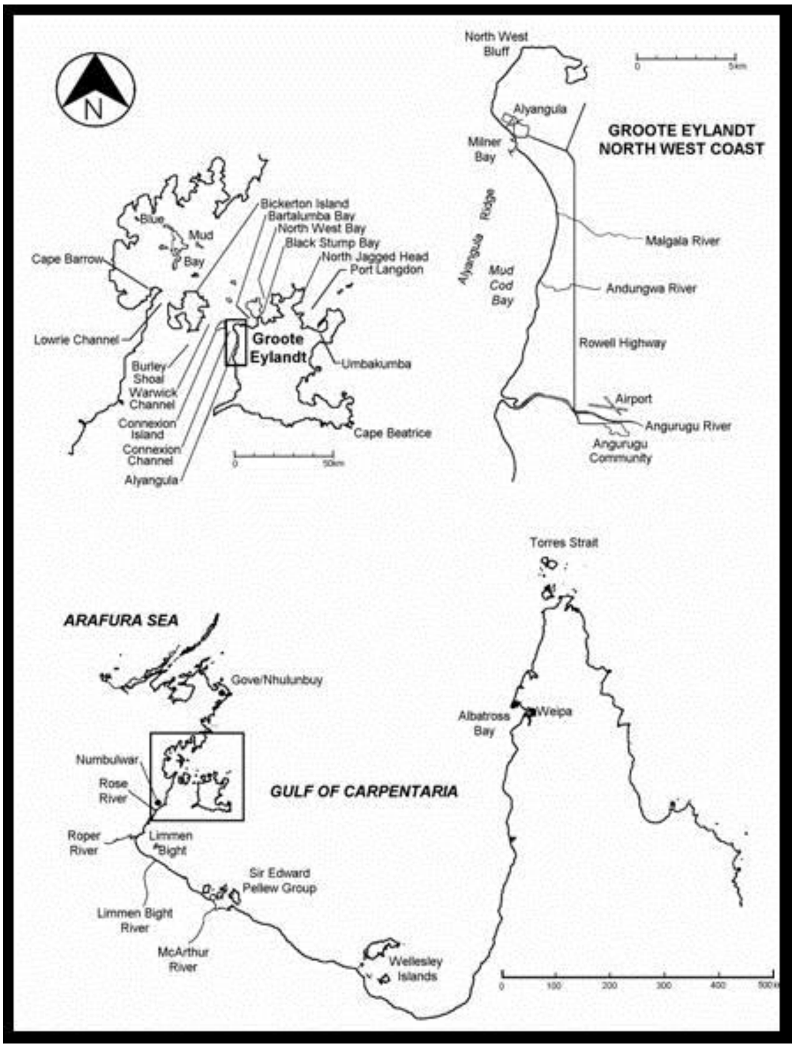

Figure 1. *Location*

1.1 Mine Description

Groote Eylandt is located on the western side of the Gulf of Carpentaria approximately 50 kilometres offshore forming the eastern border of Arnhem Land. GEMCO mines manganese from leases extending over an area of approximately 50 square kilometres on the western side of the island.

Mining operations at GEMCO involves the removal of manganese ore by open-cut strip mining. The mining sequence is a continuous cycle; areas where the ore mining void is backfilled with overburden from the subsequent mining strip. This method results in the mining site moving across the orebody disturbing only a small section of land surface at any given time. The recovered manganese ore is then beneficiated to specified qualities at the mine site before transportation 16 kilometres north to the ship loading facilities at Milner Bay in Alyangula.

1.2 Historical Background

Between 1963 and 1967, BHP undertook an extensive exploration program on Groote Eylandt. The Groote Eylandt Mining Company Pty Ltd was subsequently formed in December 1964 with special mining leases granted. In March 1966, the first shipment of manganese product was shipped to the Tasmanian Electro Metallurgical Company (TEMCO). TEMCO produces ferro-alloys and manganese sinter.

In September 1966, the first export shipment was made to Japan. Two years later the beneficiation plant was constructed. This was designed to produce one million tonnes of lump ore per annum. During the mid-1980's the concentrator was further upgraded to handle up to 2.3 MTPA. The burgeoning export market eventually saw annual shipments climb to at 2.19 million tonnes by 1990. Two recently completed Groote Eylandt Expansion Projects (GEEP1 and GEEP2) have increased the concentrator capacity and ship loading capability to 4.8 million dry product tonnes of sales per annum.

1.3 Historical Mineral Resource Estimation

The history of resource estimation is long and complex with various attempts and models been completed over the years. Previous estimations are summarised in the following table.
The variability of the estimates over the years can be attributed to several factors. These include:

- Depletion by mining production
- Additional drill hole information
- Evolution of the reporting code (the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC CODE, 2012) and its application
- Advances in software technology
- Improvements in estimation methods and techniques.

An update to the resource model is currently being undertaken using the 2014 drilling results and will be the basis of the next reporting cycle.

2. LOCATION AND TENURE

Groote Eylandt is Aboriginal land as granted under the Aboriginal Land Rights (NT) Act 1976 (ALRA). GEMCO's obligations are chiefly embodied in various lease documents including Mineral Leases and Special Purpose Leases, a Letter of Understanding dated 13 May 1965 and an Agreement dated 16 September 2006. These documents cover mining operations, the township, welfare of the Traditional Owners, the Eastern Areas and other aspects ancillary to the Company's operations.

Tenement details are shown in ***Error! Reference source not found.*** below.

Lease Number	Area (Ha)	Purpose	Expiry Date
MLN 2	1.38	Infrastructure (Power Line)	29/09/1989*
MLN 3	1.65	Infrastructure (Haul Bridge)	24/07/1985*
MLN 951	1,155	Mining & Associated Activities	20/07/2031
MLN 952	666	Mining & Associated Activities	20/07/2031
MLN 953	1,464	Mining & Associated Activities	20/07/2031
MLN 956	1,180	Mining & Associated Activities	16/09/2031
MLN 957	176	Mining & Associated Activities	29/09/2031
MLN 958	686	Mining & Associated Activities	29/09/2031
MLN 959	2,114	Mining & Associated Activities	29/09/2031
MLN 960	567	Mining & Associated Activities	29/09/2031
MLN 961	335	Mining & Associated Activities	29/09/2031

Table 1. *Tenement details*

*A Section 19(3) Land Use Agreement under the ALRA was executed by GEMCO and the Anindilyakwa Land Council (ALC) on the 22nd of September 2009 for the exact area of MLN 2 & 3. Until such time the Department of Mines and Energy (DME) accepts or refuses the renewal applications for these tenements, they remain current without an expiry date.

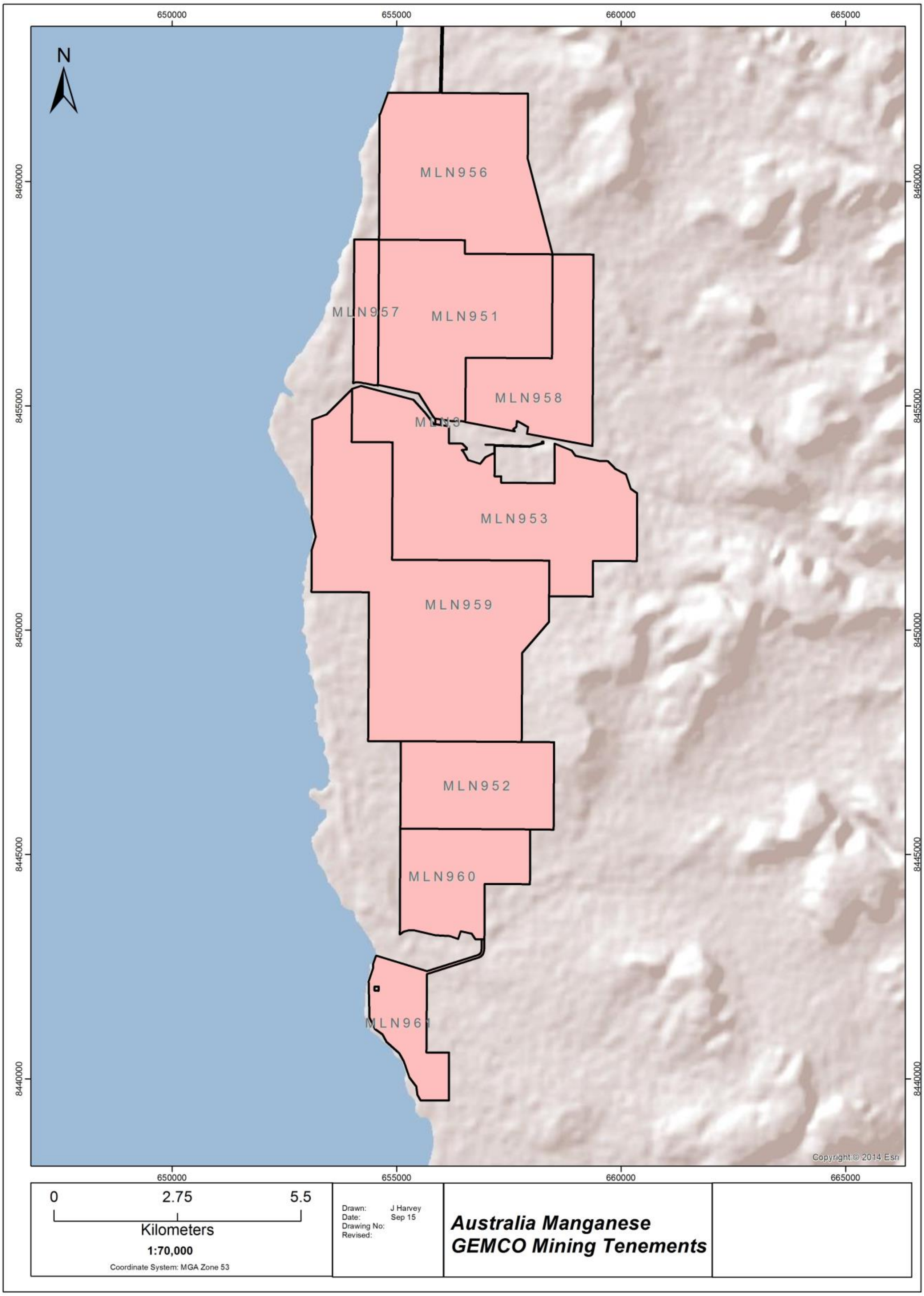

Figure 2. *Tenement Location Map*

3. GEOLOGY

3.1 Geology Overview

The geology and mineralogy of the Groote Eylandt manganese deposits are well documented in the public record. Various sources have been drawn upon to briefly summarise the current knowledge of the Groote Eylandt deposits.

Groote Eylandt is predominantly composed of a stable basement of Proterozoic sandstones and quartzites. The manganese deposits are part of a blanket of Cretaceous sediments lapping onto the western margin of the Proterozoic basement sandstones and quartzites. Erosion channels in the basement have influenced both primary manganese deposition as sediments as well as supergene enrichment by laterisation.

The manganese orebody is a sedimentary layer, consisting of manganese strata occurring between clay and sand beds and gently undulates beneath the western plains of the island. It extends over an area of about 50 square kilometres as an almost continuous horizon ranging in thickness up to 11 metres. The ore body is thus essentially stratabound and strataform in character.

The orebody consists of primary pisolitic and oolitic manganese oxides. These oxides are thought to have originally been deposited as a chemical precipitate, forming a tabular sedimentary deposit in wave affected shallow sea-floor environments during a period of rising and falling sea levels. Subsequent to deposition, the manganese layer emerged from the sea during a worldwide drop in sea level. The depositional events were followed by a long period of tropical weathering, which extensively modified the upper parts of the sediment profile. Pisolitic manganese oxides underwent partial to complete remobilisation and recrystallisation that resulted in the formation of hard cemented pisolite and massive manganese oxides. The overlying clays and gravels were strongly oxidised and leached to form the iron and alumina rich laterites that are now removed as overburden.

Figure 3 shows the geological distribution of manganese ore on Groote Eylandt. Figure 4, diagrammatically depicts rock types, mining horizon and the relationship to the stratigraphic model.

The ore horizon is covered by laterite overburden ranging in thickness up to 25m. In most current areas, the overburden averages 10m thick. The orebody is typically classified into two different layers. :

- **Middle** - massive high grade ore and cemented and loose high-grade pisolitic ore.
- **Bottom** - massive, high silica ore.

The horizons are typically mined in a single pass, however in some circumstances, they are mined separately.

In the present mining areas, the mined ore horizon is between 0.5 and 4 metres thick. Currently a maximum of about twenty metres of overburden is being stripped using a combination of dozers and excavators. Dozers have been effectively employed in pre-stripping since 1995 in some of the shallower quarries where lateritic clay overburden is between 0-15m thick, while a hybrid method of prestrip involving pre-excavation of overburden using truck and shovel, with dozers completing the stripping to top of ore.

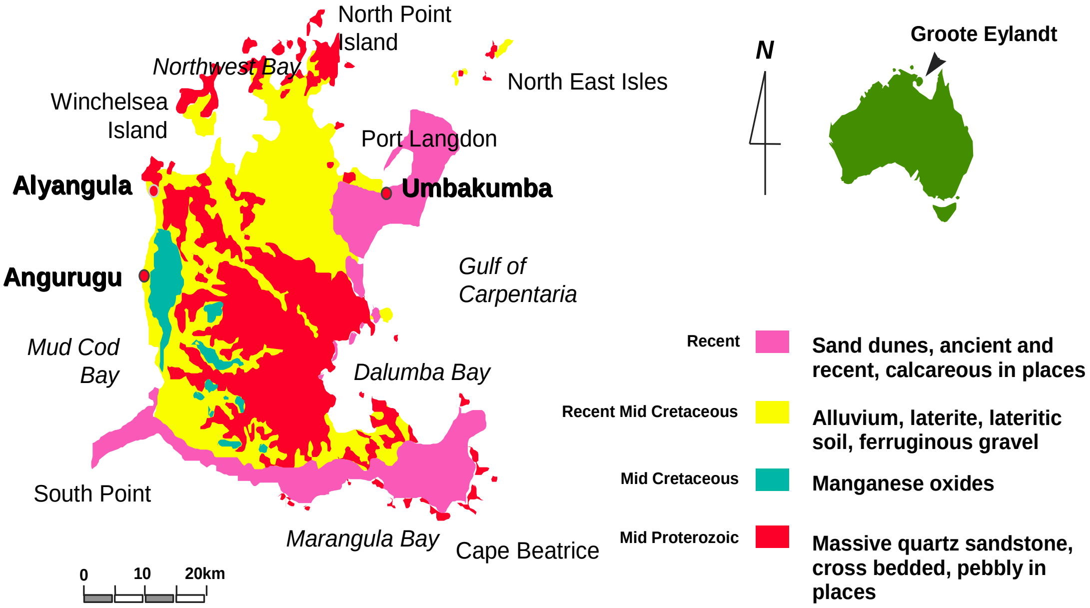

Figure 3. *Geological Setting*

3.2 Stratigraphy

The Groote Eylandt stratigraphic sequence is as follows in chronological order:

- **Middle Proterozoic Basement** (approx. 1800 Million Years)

  Quartzite: A strongly jointed, massive, near horizontal unit.

- **Lower Cretaceous Sediment Sequence** (approx. 130-95 Million Years)

  Quartz Sandstone: Derived from the underlying older Proterozoic quartzite and does not contain fossils.

  Glauconitic Sands and Clays: A succession of shallow marine sediments of clays, siltstones and sands. The upper part of the sequence hosts the manganese ore, which occurs in distinct strata. These strataform bodies form an integral part of the sedimentary sequence. The known extent of the manganese oxide deposit is over 20 kilometres in the north south direction. It is open on the western (seaside) and lenses onto and abuts hills of the quartzite basement to the east. Boundaries between sediment types tend to be vertically gradational, although sharp boundaries exist. Substantial sediment overlay the basement, although in places the manganiferous horizons may be in direct contact with the basement.

- **Tertiary Laterite and Clay** (3 to 65 Million Years).

  Deep tropical weathering has resulted in the development of thick laterite profiles, consisting of enrichment and depletion of hydrated iron oxides and clays. Both the glauconitic units, including the manganiferous rich horizons and overlying gravels and clays are lateritised.

- **Quaternary Soil** (present to 3 Million Years)

  Soil **-** Red-brown topsoil forms a thin coverage typically centimetres thick, pockets up to 2-3 meters thick exist.

Figure 4 illustrates a typical lithological column and the relationship to the stratigraphic model of the Paleo-Proterozoic to recent.

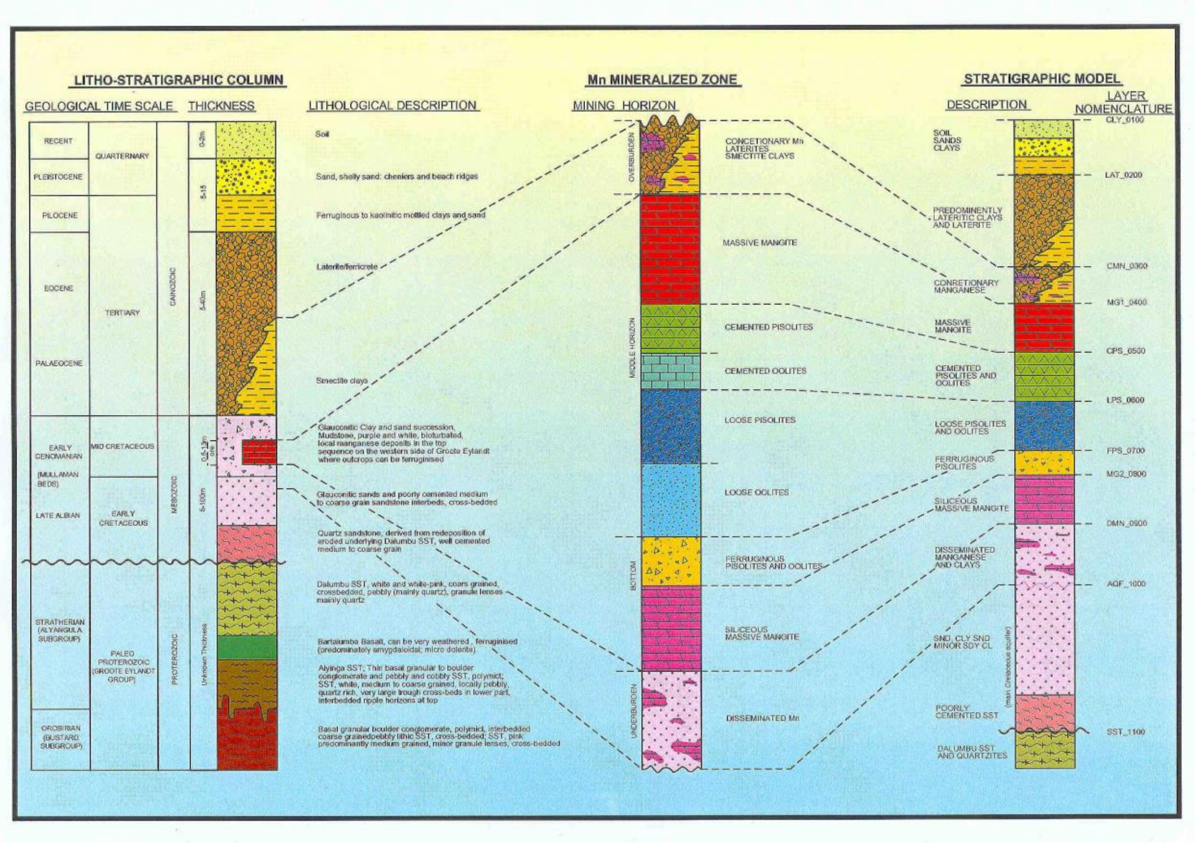

Figure 4. *Stratigraphic Profile*

3.3 Manganese Ore

The manganiferous deposits have largely resulted from the chemical precipitation of sedimentary iron, alumina and manganese minerals. There are two types of mineralisation, primary and secondary.

3.3.1 Primary Sedimentary Features

Whilst there is no clear evidence to indicate whether the primary manganiferous rich sediments are of organic or inorganic origin, characteristics of both deposits appear to be present within the Groote Eylandt mineralised resource. Oswald J (1990) has postulated an organic genesis for the manganiferous pisolites, suggesting the formation may be a phenomenon of coastal waters, river estuaries, lakes and embayments during a transgression of a stratified metal-enriched sea. An alternative is to consider an inorganic genesis of the pisolites, in which near shore and beach conditions (e.g. wave action, long shore drift and winnowing) has strongly affected deposition.

The nature and form of these two potential origins may be significant in terms of modelling. Those areas along the original palaeo-coastline may represent the well-sorted sequence dominated by elongated bars of pisolites and oolites with ribbon like thickening. Whereas in other areas the mineralised strata has formed a blanket cover of shallow embayed zones and deeply filled channels of the palaeo-drainage, with the thickness and form of the layers strongly controlled by the direction and slope of the drainage system.

Mining has exposed primary sedimentary features that suggest a shallow marine environment. The ore contains pisoliths and ooliths, which is evidence of wave action influenced accretion. Inverse and normal graded bedding, cross bedding and ripple marks are evident, indicating deposition during a minor change from marine transgression to regression. In primary ore, manganese pisolites are loosely embedded in a matrix of white kaolin clay with very minor quartz sand. The primary ore is believed to be most closely represented by loose mangan pisolite and loose mangan oolite.

3.3.2 Secondary Manganese Enrichment

Lateritisation has mobilised manganese, iron, alumina and silica in the vertical profile. Manganese oxides through deep tropical weathering, during the Tertiary period have progressively replaced the kaolin matrix in the loose pisolite. This has caused the development of moderately thick laterite profiles above the ore. Diagenetic and supergene processes have recrystallised the primary manganese oxide minerals in the loose pisolite (pyrolusite, romanechite, todorokite, vanadates, lithiophorite, all with kaolinite gangue) to cemented mangan pisolite and massive mangite (dense cryptomelane and pyrolusite) at the top of the pisolitic ore and at the bottom of the siliceous faces.

The area has been extensively lateritised. In the wet season leaching of rocks occurs and in dry season the solution containing the leached ions is drawn to the surface by capillary action to be evaporated leaving salts to be washed away. Na, K, Ca, Mg are readily depleted and this can result in a complex vertical and lateral distribution of chemical environments. Specifically a solution containing these ions under suitable pH conditions can dissolve silica, leaving a clay saprolite. Sequences of smectite clay occur locally over the ore horizons - especially near F1 and C Quarry and regionally north from D quarry to B deposit and A South.

3.3.3 Mineralogy and Dominant Lithologies

The major sedimentary facies influencing ore types were pisolite facies and siliceous facies and these have been overprinted by supergene enrichment processes creating a supergene enriched facies.

Pisolite facies

- Major mineable ore type
- Generally confined to palaeo sea floor terraces close to palaeo highs
- Thickest ore on terraces
- Can be massive, cemented or loose pisolite/oolite
- Pisolite is composed of pisoliths (> = 2mm diameter)
- Oolite is composed of ooliths (< 2mm diameter)
- Found stratigraphically above siliceous facies.

The **supergene enriched facies** can be sub-divided into three main types:

- Massive Mangite - massive textureless manganese oxides usually occurring as a thin layer capping the orebody; formed by secondary recrystallisation and enrichment of primary pisolite ores.

- Cemented Mangan - Pisolite - primary pisolitic manganese oxides strongly cemented by a matrix of secondary manganese oxides; usually occurring in the upper part of orebody. The principle source of Metallurgical Lump ore.

- Loose Mangan - Pisolite - primary pisolitic manganese oxides weakly cemented by a matrix of clay; predominantly kaolinite.

Siliceous facies

- Most widespread manganese mineralisation on lease area is siliceous massive mangite.

- Present as thin bands and disseminations dispersed in clays and sands.

- Ore mineralogy consists of massive cryptomelane and pyrolusite with abundant quartz sand inclusions.

- Formed when supergene processes during laterisation transported Mn (probably from overlying pisolitic facies) to lower stratigraphic levels.

- Lowest stratigraphic manganese ore type - “bottom” horizon. Can rarely occur as thin mineralisation “cap”.

The mineralogy and chemistry of the ore is well described in Leenders’ Volume 1 of “Groote Eylandt Manganese Deposit – July 1995 Resources, pages 12-14.

The geological layers in the model have been classified according to a scheme that may be summarised as follows.

Stratigraphic layer	SLAYERCode	Zone
Soil layer	100	Overburden
Laterite and lateritic clay	200	Overburden
Concretionary Mn	300	Overburden
Massive Mangite Layer	400	Mid
Cemented pisolites and oolites	500	Mid
Loose Pisolites	600	Mid
Ferruginous pisolites and oolites	700	Bot
Siliceous mangite	800	Bot
Disseminated Mn	900	Underburden
Glauconitic sands and clay	1000	Underburden
Basement quartzites and sand	1100	Underburden

Table 2. *Stratigraphic layer classification*

4. DRILLING PROGRAMS

Numerous drill programs have been conducted over the years. Early campaigns utilised rotary, hammer, Reverse Evaluation and Caldwell bulk sample holes. Since the late 1970's, reverse circulation (RC) has been the preferred method. An annual diamond drilling program was introduced in FY12 to update geometallurgical assumptions.

4.1 Drill hole database

The drillhole dataset for GEMCO has been collected during a series of drill campaigns over a number of years. These may be summarised as follows.

Drilling campaign	Holes
1967 – 1970 drilling campaigns - R, CT, OH-Rotary holes	R,CT,OH
1967 – 1976 RE Holes	RE
1971 – 1976 drilling campaigns - OH – Hammer holes	OH
1979 Caldwell holes drilling campaign	CB
1979 and 1980 RC drilling	RC4000 series
1984 RC drilling campaign	RC5000 series
1985 RC drilling campaign	RC5000 series
1986 RC drilling campaign	RC5000 and RC 6000 series
1987 RC drilling campaign	RC6000 series
1989 RC drilling campaign	RC6000 series
1994 RC drilling campaign	RC7000 series
1997 RC drilling campaign	RC8000 series
2001 RC drilling campaign	RC9000 series
2003 RC drilling campaign	RC10000 series
2005 and 2006 RC drilling campaigns	RC11000 and RC12000 series
2007 RC drilling campaign	RC13000 series
2009 RC drilling campaign	RC14000 series and RC15000 series
2010 RC drilling campaign	RC16000 series
2011 RC and DDH drilling campaign	RC17000 series, GC17000 series
2012 RC and DDH drilling campaign	RC18000 series, GC18000 series
2013 RC and DDH drilling campaign	RC19000/RC20000, GC19000 series
2014 RC and DDH Drilling campaign	RC21000/RC22000 and GC21000 series

Table 3. *Exploration history*

Drillhole collar sites have been surveyed by the mine appointed surveyor or designate. The drill sites are presented in the figure on the following page.

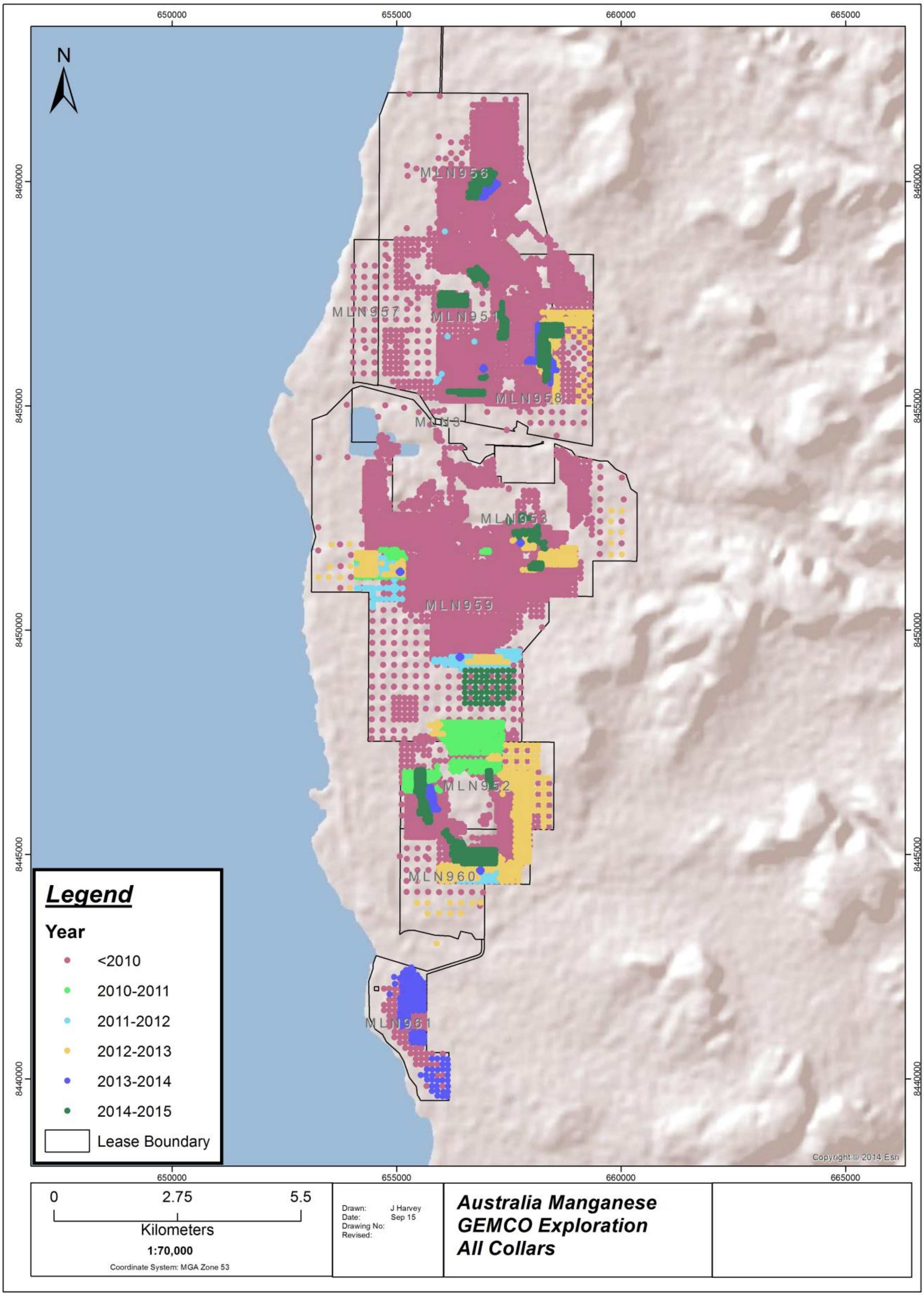

Figure 5. *All Collars*

4.2 2014 Drill Program

The majority of the drilling conducted during the reporting period consisted of infill RC drilling in order to improve the confidence of the resource and grade control models in areas where increased ore body variability has impacted on the short term mine plan. A secondary focus was a diamond drilling campaign designed to update geometallurgical assumptions for short term models.

RC Drilling commenced in July 2014 and continued until late December. Drilling again resumed in May after the completion of the wet season. Diamond drilling commenced in July and ended in January.

Geotechnical Core drilling was conducted in between July and October and focused on sampling areas planned to be mined in the next 5 years.

Holes drilled for this reporting period are shown in the figure below and available data is included in Appendix A.

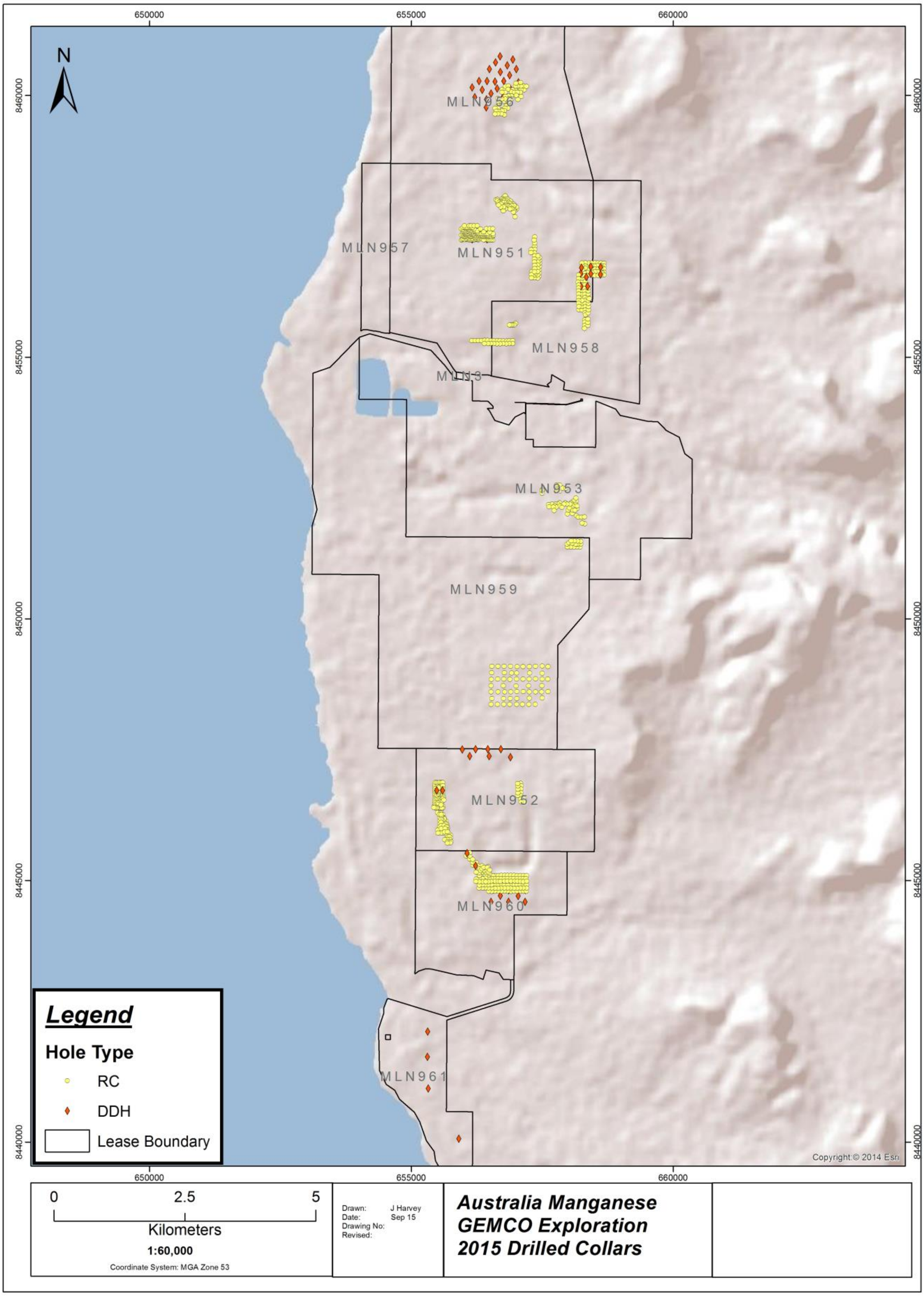

Figure 6 *2014/2015 Drillhole locations*

4.2.1 RC Drilling

A total of 794 RC drillholes for 16,050m were drilled for the year. A total of 7,683 samples were collected for analysis, with 6,419 samples returning grades >40% Mn product grade. See summary table below.

Lease	Holes	Metres	#Samples
MLN2			
MLN3			
MLN951	284	2968	1924
MLN952	154	2567	840
MLN953	49	1170.5	832
MLN956	53	1419	1003
MLN957			
MLN958	63	1189	604
MLN959	70	2661	510
MLN960	121	4075.5	1729
MLN961			
TOTAL	*794*	*16,050*	*7,442*

Table 4: *FY15 RC Drill Program Summary*

Analysis of all drill samples was completed by February 2015 and will be used in the 2015 resource model update. The July 2015 model will be reported in the FY17 annual resource/reserve reporting cycle. A detailed description of the analysis process and methodology can be found in the 2015 Competent Persons report (Appendix B).

4.2.2 Diamond Drilling

A total of 58 holes totaling 1155.75m were drilled for the year. A total of 241 core samples were collected for analysis of geometallurgical properties. The results from this drilling campaign will update geometallurgical assumptions in the resource model, and form the basis of the short term mining model.

Lease	Holes	Metres	#Samples
MLN2			
MLN3			
MLN951	10	148.95	39
MLN952	9	175	49
MLN953			
MLN956	22	439.9	84
MLN957			
MLN958	3	64.5	11
MLN959			
MLN960	10	278.75	46
MLN961	4	48.65	12
TOTAL	*58*	*1155.75*	*241*

Table 5: *FY14 Diamond Drill Program Summary*

4.2.3 Drill Hole Inclusion in Resource Model

Only RC data is included in the resource model update. Data from the FY15 drilling program will be included in the resource model update for the next reporting period. There are no material changes anticipated to the model.

5. AERIAL SURVEYS

Aerial orthoimagery of the mining leases was conducted in September 2014 and March 2015. LIDAR was collected for both surveys, and feature mapping was undertaken and updated using the September survey. The surveys are primarily used to apply volume adjustments to mining areas and stockpiles, and for future drillhole planning. Orthoimages are attached in Appendix C.

Due to their size, LIDAR and mapping data sets have not been included in the submission. Additional mapping data is available on request.

6. EXPENDITURE

A summary of expenditure incurred is summarised in the following table. Detailed expenditure reports are included in Appendix D.

Lease	Commitment ($)	Expenditure ($)
MLN2	0	0
MLN3	0	0
MLN951	447,300	1,000,000
MLN952	623,400	563,000
MLN953	346,600	183,000
MLN956	508,900	269,000
MLN957	6,900	0
MLN958	349,100	240,000
MLN959	205,200	253,000
MLN960	21,850	457,000
MLN961	65,400	33,000
TOTAL	*2,574,650*	*2,998,000*

Table 6: *Summary of Expenditure*

GEMCO made a number of productivity improvements for this reporting period. This resulted in exceeding planned holes and meters, while also reducing cost. Operational changes have also resulted in the adjustment of drilling plans resulting in an over expenditure in some leases and a deficit in others.

7. RESOURCES AND RESERVES

GEMCO’s reported Mineral Resource and Ore Reserve are based on the June 2014 update of the resource model. The following section summarises the FY15 submitted Competent Persons Report. The full report is included in Appendix B.

7.1 Declaration

Mineral Resources and Ore Reserve as at 30 June 2015 in 100% terms are reported under the guiding principles of the JORC Code (2012 Edition).

7.1.1 Resources

	Measured			**Indicated**			**Inferred**			**Total**		
Ore Type	Millions of Dry Metric Tonnes	Mn %	Yield %	Millions of Dry Metric Tonnes	Mn %	Yield %	Millions of Dry Metric Tonnes	Mn %	Yield %	Millions of Dry Metric Tonnes	Mn %	Yield %
Orebody - ROM	106	45.2	48	29	43.4	47	35	42.6	49	169	44.3	48
PC02 Sands				13	20.8		15	20.7				

Table 7: *2015 Declared Resource*

The ROM estimation is based on the methodology developed by Quantitative Geoscience (QG) in 2010. The model reported includes resource definition and exploration drilling completed as at the end of April 2014. Assigned bulk density values have been updated on the basis of density measurements from grade control diamond drilling as recommended by QG. The Mineral Resource is reported at a 40% washed Mn product grade but is inclusive of diluting material and using a minimum 1m external ore thickness (internally 0.5m). Yields are not adjusted with production reconciliation factors for resources reporting i.e. modelled yields are reported in 100% terms.

The Sands resource is derived from a push probe drilling program that was completed in May 2012. The estimation is based on a two dimensional grid modelling methodology and the resource has been reported using in situ tonnes and grades. A zero in situ Mn cut-off grade was deemed appropriate given the proposed mining and processing methods.

7.1.2 Reserves

	Proven				**Probable**				**Total**				**Reserve Life**
Ore Type	Millions of Dry Metric Tonnes	Head Grade Mn %	Yield %	Product Grade Mn %	Millions of Dry Metric Tonnes	Head Grade Mn %	Yield %	Product Grade Mn %	Millions of Dry Metric Tonnes	Head Grade Mn %	Yield %	Product Grade Mn%	Years
ROM	60	33.4	55	45.3	22	32	55	43.2	82	33	55	44.8	10
PC02 Sands					7.6	22.3	33	40	7.6	22.3	33	40	10

Table 8: *2015 Declared Reserves*

Orebody Notes:

- The Resource Model that underpins the Reserve has a 40% product Mn cut-off. 1m thick ore cut-off on the periphery of the deposit, otherwise a 0.5m thickness cut-off.
- 40m wide strips. Bench height dictated by geology. BHPB provided pricing protocols used in the Blasor Optimiser to define ultimate mining limits.
- Mining and Metallurgical recovery is calibrated using reconciliation data. The yield uplift from the on-line PC02 processing is not included in the Reserve.
- Based on a blended schedule – Proved and Probable Ore is not discretely processed separately from other scheduled ore.
- To reflect the Competent Person's confidence in the underlying data supporting the estimate some Measured Resource has been downgraded to Probable Reserves and some
- Measured and Indicated Resource included in the schedule has not been included in the Reserves. Inferred ore is included in the schedule but not the Reserve.

PC02 Sands Notes:

- No Head Grade cut-off.
- BHPB provided pricing protocols used in the Blasor Optimiser to define ultimate mining limits.
- Metallurgical recovery based on Definition Phase Study data.
- Based on a blended schedule – PC02 output is blended with MF02 for shipping.
- Inferred ore is included in the schedule but not the Reserve. On-line tailings processing is expected to occur but is not included in the Reserves.

7.2 Reconciliation Summary

Below are the F1, F2, F3 Reconciliation factors of the reporting year's production with the reserve estimate for the identical volume actually mined for the period FY15Q1 to FY15Q3:

Reconciliation FY14	Dry Tonnes	Mn Grade	Mn Metal
Grade Control/Reserve (% Basis) F1	98%	100%	98%
Process feed/Grade Control (% Basis) F2	93%	n/a	n/a
Market Sales/Reserve (% Basis) F3	90%	n/a	83%

Table 9: *Reconciliation Summary*

7.3 Mine Production FY 2015 (1 July 2014 to 30 June 2015)

The mine production for FY14 is detailed below. When converting ROM wet to ROM dry 10% moisture is assumed. This figure is ROM mined, not ROM process feed.

Ore Type	Millions of Dry Tonnes
ROM	9.9
Sands	0
TOTAL	9.9

Table 10: *FY15 Mine Production*

There were no risks identified that materially affect the Mineral Resource or Ore Reserve estimate. The available reconciliation data, combined with the longevity of the current operation at GEMCO provide a high confidence in the stated Resource and Reserve estimate.

The key areas of uncertainty are related to the process recovery factors, however within the likely variations the deposit remains economically viable, and as such there is no material effect on the ROM Reserve.

Future works to improve the resource estimation, modifying factors and plan compliance are ongoing and will further improve confidence in the estimate.

8. CONCLUSIONS AND RECOMMENDATIONS

Various drilling programs were successfully carried out this year for a range of outcomes, including updating the resource model, density and yield assumptions. RC drilling will increase the confidence of GEMCO's resource model in order to optimize the long term mine plan.

Sufficient data is available from the diamond core drilling programs to apply to the next 5 years of the mine life. Core drilling has therefore been replaced by a more extensive RC infill drilling campaign for the upcoming period.

Results of these drilling programs are currently being incorporated into updated models and will be reported during the next cycle.

FY16 will focus on additional RC infill drilling in areas of increased complexity. Emphasis will be on the areas outlined in the current 5 year mine plan footprint. In addition, regional drilling is planned for the north and western parts of the mining leases in order to improve confidence and add additional resource in areas of sparse drill coverage.

Aerial photography fly-overs will be conducted as required throughout the year in order to calibrate production volumes and for planning purposes.

Reported and expected expenditures will be submitted with this report.

9. APPENDICIES

Appendix A: Drilling Data (electronic)

Appendix B: 2015 Competent Persons Report

Appendix C: Aerial Photography and LIDAR

Appendix D: Expenditure Reporting