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NEWS RELEASE

Marengo Announces Updated Resource Estimate for Its Yandera Copper Project in Papua New Guinea

Toronto, Ontario – May 5, 2015 – Marengo Mining Limited (TSX:MRN, ASX:MMC, POMSoX:MMC) (“Marengo” or the “Company”) is pleased to announce an updated resource estimate for its Yandera Copper Project (“Yandera”), located in Madang Province, Papua New Guinea. This resource estimate has been prepared pursuant to the requirements of Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (“JORC”).

Highlights of the Yandera Resource Estimate:

- **Measured and Indicated Resources total 630 million tonnes grading 0.33% copper, 0.01% molybdenum and 0.07 ppm gold; or 0.41% copper equivalent (full breakdown by category is shown below);**
- **Inferred Resources total 117 million tonnes grading 0.30% copper, 0.005% molybdenum and 0.05 ppm gold; or 0.34% copper equivalent**

This 2015 Measured and Indicated copper-equivalent (CuEq) resource estimate for Yandera represents an update of the 2012 resource estimate, which was evaluated on a copper-only basis without the contributing value of ancillary molybdenum (Mo) and gold (Au) that would be produced with the copper (Cu). Other enhancements to the 2015 resource estimate include:

- 1) Incorporation of positive infill/upgrade drilling results from the principal resource areas (Gremi, Imbruminda and Omora) and also at the Dimbi and Rima advanced exploration prospects;
- 2) Refinement of the resource tonnage from the addition of nearly 4,000 new density measurements;
- 3) A reconstruction of the geologic framework focused on host rock and structural controls from the first-time application of oriented drill core data.

Yandera is an igneous-hosted, structurally-controlled Cu-Mo-Au porphyry system comprised of a series of adjacent deposits along recognized structural trends. Mineralization is related to multiple pulses of intrusive rock and hydrothermal alteration. Grade has spatial correlation with late dacite intrusions and polymictic breccias with over-printing phyllic alteration. Broad tabular zones of copper mineralization extend from surface to depths of over 500 metres and have been drill-defined to a strike length of over 5 kilometres.

The resource block model was informed by 35,250 samples from 553 drill holes at an average drill hole spacing of less than 30 metres in the principal resource areas (Gremi, Imbruminda and Omora) and less than 100 metres in other deposits within the model space.

Mineral resources were estimated by Ordinary Kriging using MineSight® software in 25 by 25 by 10 metre blocks (XYZ), constrained by grade shells based on a 0.15% Cu cutoff. Grade estimates within the grade shells were based on capped, five-metre composited assay data. Capping was conducted prior to compositing. The resource model was validated by visual inspection, statistical comparisons of block values to source data and comparison of Kriged results to other interpolation methods and swath plots. Resources were classified into Measured, Indicated and Inferred categories based on CIM definition standards sufficient for NI 43-101 and JORC reporting. A minimum of three drill holes were required for the assignment of Measured Mineral Resources within a search radius of 50 metres. Indicated resources were also classified with a minimum of three drill holes within a radius of 100 metres.

Pieter Britz, CEO of Marengo, commented, “We are pleased to report our 2015 resource estimate for the Yandera property in Papua New Guinea. Significant exploration work has been completed since the release of the previous resource estimate in 2012, including drilling for infill and geotechnical purposes, and exploration drilling at Dimbi and Rima. The Marengo technical team has been working diligently since late 2014 to interrogate the Yandera data sets and geological models in order to understand and better define the resource at Yandera. In the coming weeks, we will be determining the next steps for the future development of the Yandera project.”

In order to establish a reasonable prospect of eventual economic extraction in an open pit/sulfide flotation and oxide-leach context, the mineral resources presented above are reported within a potentially mineable pit configuration at a copper price of US\$3.50/lb Cu, a molybdenum price of US\$15/lb Mo and a gold price of US\$1500/oz Au; metallurgical recoveries of 90% for Cu, 85% for Mo and 65% for Au; mining cost of US\$2.50/tonne of material mined; and process and G&A costs of US\$10.00/tonne of material processed. Additional factors include a 2% royalty to the PNG government and a pit slope of 45 degrees.

The resources are reported within the pit configuration above an internal copper-equivalent cutoff grade of 0.15% CuEq. The metal prices, recoveries and costs listed above were used to define copper-equivalent cutoff.

The metal ratios used for reporting copper equivalent are:

$$CuEq = Cu\% + (Mo\% * 4.05) + (Au\ ppm * 0.45)$$

These metal ratios were developed using the metal prices and recovery assumptions listed above. Recoveries are based on metallurgical test work carried out by Marengo in 2011.

The Mineral Resource Statement, with an effective date of May 1, 2015, is presented in Table 1. The resource has been reported as a total, and as oxide and non-oxide components, as these material types will have different metallurgy and will have different recovery characteristics and costs.

Table 1. Mineral Resource Statement Effective May 1, 2015 for the Yandera Copper, Molybdenum, Gold Deposit, Madang Province, Papua New Guinea. (0.15 CuEq (%) Cutoff)

Zone	Classification	Mass	Metal Grades				Contained Metal				
		(kt)	Cu (%)	Mo (%)	Au (ppm)	CuEq (%)	Cu (kt)	Mo (kt)	Au (kg)	Au (koz)	CuEq (kt)
Total Resource	Measured	195,267	0.37	0.013	0.076	0.46	723	25	14,803	476	890
	Indicated	434,874	0.32	0.008	0.069	0.38	1,379	37	29,940	963	1,663
	Measured & Indicated	630,142	0.33	0.010	0.071	0.41	2,103	62	44,743	1,439	2,554
	Inferred	117,474	0.30	0.005	0.052	0.34	348	6	6,055	195	401
Oxide Resource	Measured	22,426	0.38	0.00	0.000	0.38	86	0	0	0	86
	Indicated	38,715	0.33	0.00	0.000	0.33	127	0	0	0	127
	Measured & Indicated	61,141	0.35	0.00	0.000	0.35	212	0	0	0	212
	Inferred	10,765	0.28	0.00	0.000	0.28	30	0	0	0	30
Non Oxide Resource	Measured	172,841	0.37	0.014	0.086	0.47	638	25	14,803	476	805
	Indicated	396,160	0.32	0.009	0.076	0.39	1,253	37	29,940	963	1,537
	Measured & Indicated	569,001	0.33	0.011	0.079	0.41	1,890	62	44,743	1,439	2,342
	Inferred	106,709	0.30	0.006	0.057	0.35	318	6	6,055	195	371

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate;
- Resources stated as contained within a potentially economically minable open pit; pit optimization was based on assumed copper, molybdenum, and gold prices of US\$3.50/lb, US\$15.00/lb, and US\$1,500.00/oz, respectively, recoveries of 90% for Cu, 85% for Mo, 65% for Au, a mining cost of US\$2.50/t, an ore processing cost of US\$10.00/t, and a pit slope of 45 degrees;
- Resources are reported using a 0.15 % CoG on an Equivalent Copper value that included process recoveries for metal;
- The CuEq was calculated using the formula $CuEq = Cu\% + (Mo\% * 4.05) + (Au \text{ ppm} * 0.45)$; and,
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.



The mineral resources were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum standards, definitions, and guidelines and are also compliant with JORC. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. The Company is arranging for the preparation of an independent technical report in respect of the resource estimate discussed in this news release and plans to file the technical report on SEDAR within 45 days of the date of this news release in accordance with the requirements of NI 43-101.

The Yandera Mineral Resource Statement was prepared by J.B. Pennington, MSc., C.P.G., and Justin Smith, BSc., P.E., both of SRK Consulting (U.S.), Inc., Reno, Nevada, and provides a classification of resources in accordance with CIM Standards on Mineral Resources and Mineral Reserves: Definitions and Guidelines, November 27, 2010. Mr. Pennington and Mr. Smith are Qualified Persons, and are independent of Marengo for purposes of NI 43-101 and have approved the contents of this news release.

For further information on the Yandera Project, please refer to the technical report titled “Yandera Copper Project, Madang Province, Papua New Guinea” dated April 2012, available on the Company's website and on SEDAR.

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Cautionary Statement Regarding Forward-Looking Information

This news release contains forward looking information. Such forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or to be achieved and any other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the feasibility study continue to be positive; and (iv) that future exploration results are as anticipated. Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information, including a actual results of exploration. Some of these risks, uncertainties and other factors are described under the heading “Risks Factors” in the Company’s annual information form available on the *SEDAR* website. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by law, Marengo does not undertake any obligation to update forward-looking information even if circumstances or management’s estimates or opinions should change. Readers should not place undue reliance on forward-looking information.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include the actual results of exploration activities, changes in market conditions, risks relating to international operations, fluctuating metal prices and currency exchange rates, and other risks of the mining industry. Although Marengo has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Marengo undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Reference is made to the most recent annual information form of Marengo filed with Canadian securities regulators which includes further discussion of the risk factors which may impact the business and operations of Marengo.

JORC Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr. Jerry B. Pennington, a Competent Person who is a Certified Professional Geologist as recognized by the American Institute of Professional Geologists (AIPG). Mr. Pennington is a consultant to Marengo Mining Limited, and is not a related party of the company.

Mr. Pennington has sufficient experience that is relevant to the style of mineralisation and type 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr. Pennington consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Except to the extent not set out herein, for a (i) summary description of rock types, geological controls and dimensions of mineralized zones, and the identification of any significantly higher grade intervals within a lower grade intersection; (ii) a summary of the relevant analytical values, widths and, to the extent known, the true widths of the mineralized zones; (iii) a summary description of the geology, mineral occurrences and nature of the mineralization found; and (iv) a summary description of the type of analytical or testing procedures utilized, sampled, sample size, the name and location of each analytical or testing laboratory used and any relationship of the laboratory to the issuer please refer to the Company's technical report filed on SEDAR and dated November 9, 2007. There is no drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.

For further information on the Project and the resources contained therein, please refer to the Company's Canadian NI 43-101 and Australian JORC technical report "Yandera Copper Project, Madang Province, Papua New Guinea" (dated April 2012) which is available on the Company's website and at the (Canadian) SEDAR website.

Appendix 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code Explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - 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.	- Diamond drilling was used to collect samples for logging and assaying. - Each 2 m or 3m interval of drill core was cut in half to generate a split of ~ 1.5kg, of which a 250 g split was pulverized to produce a charge for fire assay for gold and four acid digestion and multi-element analysis with ICP-AES or ICP-OES. - Channel samples were collected by continually sampling chips collected by hammer and chisel across the width of the channel sample, and then a 250 g split was pulverized for fire assay and four acid digestion and multi-element analysis with ICP-AES or ICP-OES. - Rock grab samples were collected as 2-5 kg samples from GPS locations, and then a 250 g split was pulverized for fire assay and four acid digestion and multi-element analysis with ICP-AES or ICP-OES.
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).	- Diamond drilling was used for all holes in this drilling program. - Holes were oriented to test for mineralization observed at surface. - Core diameter was HQ or NQ.

Criteria	JORC Code Explanation	Commentary
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.	- Core was measured and compared to the reported drill length. - Recoveries were generally better than 90%.
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.	- Core was all geologically logged in detail, including lithology, alteration, mineralization, and oxidation. - Core was oriented where orientation markings were reliable. - Core was all photographed.
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.	- Core was split in half with a diamond-blade saw, generally in 2 meter or 3 meter intervals. - Core samples were crushed with a 1.5 kg split 70% passing 2mm, and then a 250 g split was pulverized to 85% passing 75 microns. - Channel samples and rock grab samples had a 1.5 kg split crushed to 70% passing 2mm, and then a 250 g split pulverized to 85% passing 75 micron.
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.	- QAQC data include standards and laboratory checks. Standards were inserted at a rate of 1 for every 20 core samples sampled at 2 m or 3 m intervals and 1 for every 10 channel samples or rock grab samples. - The lab performs internal quality checks - Random duplicates from pulps are re-analysed. - A selection of pulps are sent to different labs of assay checks.
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.	- Data are validated while being entered into the database. - Data are further validated while being evaluated with 3D software.
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.	- Drill collars are located initially with a hand-held GPS, and are later measured with Differential GPS. - Downhole surveys are taken while drilling using a Reflex survey tool every 50 m. - Surface sample locations are collected with GPS - The project uses the AGD66 Z55 projection.
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	Drill spacing was designed to test for the presence and limits of observed surface mineralization.

Criteria	JORC Code Explanation	Commentary
	grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	- The spacing of drilling are close enough in most areas to demonstrate mineral resources. - For core, 2m or 3m intervals were composited mathematically after receiving results.
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. - 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.	- Drill holes were angled, and designed to test conceptual orientations. - Previous models of mineralization at previously reported resources suggested some steeply dipping zones of mineralization.
Sample security	The measures taken to ensure sample security.	- Surface samples were bagged by geologists and geotechnicians. Bagged samples were shipped by transport contractor to the preparation lab. - Crushed splits of core samples were bagged by core samplers and transported in sealed bags to the preparation lab by transport contractor.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Sampling techniques are periodically reviewed.

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.	- Exploration area is located within Exploration License 1335, which is 100% controlled by Marengo Mining Ltd. - Marengo Mining Ltd has access an arrangement with various tribes in the area. - This tenement is in good standing and there are no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration work in the area was completed by Marengo Mining Ltd employees and/or contractors.
Geology	Deposit type, geological setting and style of mineralisation.	Mineralization is porphyry-Cu style and is hosted in potassic and phyllic alteration.
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: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - 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	Tables with summary of the drill hole information were provided in previous press releases.

Criteria	JORC Code Explanation	Commentary
	<i>should clearly explain why this is the case.</i>	
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.	Drill results reported are weighted averages of individual 2 m or 3 m core samples that encompass an area with elevated copper concentrations, generally in excess of 0.1% copper.
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 (eg 'down hole length, true width not known').	The true thickness of mineralization is generally disseminated and not planar, and the thicknesses were reported as drilled thickness.
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.	See figures associated with text or in previous press releases.
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.	Refer to table associated with text above or in previous press releases.
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.	The exploration work included some geological surface mapping and examination of previous surface mapping and historical geophysical surveys, in addition to previously released drilling.
Further work	- The nature and scale of planned further work (eg 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.	Refer to text

Section 3 Estimation and Reporting of Mineral Resources

(Criteria in the above sections apply to all succeeding sections.)

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.	- Selected portions of the assay database were compared to lab certificates for accuracy. - Marengo Mining Ltd utilizes analytical standards and duplicates throughout its sampling, and results from these QA/QC samples suggest there were no problems with assay results.

Criteria	JORC Code Explanation	Commentary
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 completed by the Competent person (J.B. Pennington) in October, 2014. While on site Mr. Pennington examined core, completed a geologic traverse of a portion of the property, observed some drilling activities, and saw available data on site.
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.	- Mineralization at Yandera has previously been interpreted as a 'classic' porphyry system; however recent understanding suggests structural controls and dacite intrusive bodies correlate with better mineralization. - Data used for this interpretation were geologic drill logs, and assays. - Geology guided placement of boundaries of the mineral domains as well as guidance for variography used in resource estimation. - Emplacement of dacite intrusive bodies and associated breccias along structural trends appear to be major controls of grade continuity.
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 resource is comprised of a number of zones of mineralization on a general NW-SE trend. The overall strike length of the drilled deposits is over 5,000m with mineralization extending from surface to over 500m depth in steep tabular zones ranging from 50-250m thick.
Estimation and modelling techniques	- The nature and appropriateness of 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 (eg 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.	- The estimation used Ordinary Kriging. - Extreme grades were capped as raw assays before compositing and additional outlier restrictions were applied as necessary in nested Kriging to ensure grade domain validation to source data. - Most blocks were estimated within a search radius of 100m from source data. The maximum search radius was between 300-350m. - Cu is the main element with smaller quantities of Mo and Au estimated separately using individual geostatistics. It is assumed that these metals will be recoverable based on existing metallurgical test work on these specific materials. No other elements were considered. - No potentially deleterious elements were modelled. - Model blocks were 25x25x10m compared to an average drill spacing of <100m, which varies by deposit area. - Interpreted structural controls were used fundamentally in the geometry of the search ellipses that were used in estimation. - Grade estimates were validated by comparing block grades to source data visually in plan and section; by comparing the results of Ordinary Kriging to Polygonal methods; by comparing block to composite statistics; and by

Criteria	JORC Code Explanation	Commentary
		<i>swath plots.</i>
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages are estimated on a dry basis. No determination of moisture content has been made.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	The cut-off was based on economic parameters, including metal price and expected recovery from site-specific metallurgical test work.
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.	It was assumed that this resource would be mined using an open pit method. The resource was constrained by a potentially economic open pit mining configuration with parameters as described in the text above.
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 case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	The results of previous metallurgical work were used in this estimation. This work assumed that Cu and Au would be recovered in a Cu concentrate and Mo would be recovered a separate concentrate. Reasonably expected recoveries from this previous metallurgical work are in the text above.
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.	No direct waste rock placement or environmental assumptions were made at this stage of resource development. Terrain will permit valley-fill waste rock and there may be opportunities for pit backfill over the life of mine.
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 (dry) was measured in over 4000 samples throughout the resource volume. - Samples were dried and a paraffin impregnation method was used to address porosity issues. - The distribution of specific gravity measurements in the resource allowed direct modelling (interpolation) of bulk density.
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal	- The Mineral Resource has classifications in Measured, Indicated, and Inferred categories. Classification was based on sample spacing and mathematical grade continuity using variography. - Appropriate account has been taken of all

Criteria	JORC Code Explanation	Commentary
	values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.	relevant factors. The results appropriately reflect the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	No audits of this resource were 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.	- There is currently no production data to compare the block model for reconciliation. - The resource model was subdivided into ten mineral domains. Estimated grades were validated individually by domain. - Multi-pass Kriging was applied to ensure a high degree of local accuracy. - Kriging error and Kriging efficiency were measured during modelling but were not applied as confidence limits to the final modelling product. - The resource is limited by the geological interpretation of grades (grade shells) and at depth by a potentially mineable open pit mining shape.