25 June 2015

Market Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney 2000

For Immediate Release

Final borehole confirms continuation of North Knoll mineralisation

Further to the company's ASX release dated 2nd June 2015, Resources and Energy Group are pleased to advise results from the final hole drilled as part of the company's initial campaign of drilling investigations at its Mount Mackenzie Project.

A review of the assays obtained from the final borehole, MMRC679 confirms a definite southwest dipping mineralised zone exists on section, and that a second deeper zone of mineralisation is present. This is consistent with previously released Exploration Results for the North Knoll prospect at Mount Mackenzie, and in particular the presence of significant gold mineralisation in line with historic drilling in the area.

Assay highlights from MMRC 679 include 11m@1.16g/t au and 35.6g/t Ag from 55m down hole. The final collar location for MMRC679 is provided in Figure 1, and Table 1. A summary of all significant intersections are provided in Table 2.

In summary, of the 13 holes drilled as part of the company's initial RC campaign, 11 boreholes intersected significant down hole intervals of gold mineralisation and two of these holes MMRC 670 and MMRC 673 terminated in mineralisation of 0.6 g/t Au and 3.3 g/t Au respectively[1]. Borehole MMRC 679 also appears to have terminated in mineralisation. Combined with the earlier reported results, MMRC 679 delineates mineralisation over a strike length of 140 metres and provides the Company with confidence in the overall mineralisation strike length of 300 metres indicated by historic drilling. A plan showing hole MMRC 679 on section, in conjunction with historic drilling, is presented in Figure 1.

As part of the current exploration program, a Mobile Metal Ion (MMI) orientation soil survey has also been carried out. The MMI™ is propriety technology developed by SGS to measure mobile metal ions in surface soils. The MMI method is based on vertical ionic migration of metals and has been demonstrated to generate more precise anomalies when compared to conventional soil sampling, as well as being able to identify anomalous areas that lie under cover.

An initial MMI orientation survey was completed with 40 samples spaced at 15 metre intervals. In addition to the orientation line of samples 275 samples were collected, on a 30 x 60 metre grid, to test the area north of the North Knoll Prospect. All sample locations are shown on figure 3.

The orientation line of samples have been analysed and results confirm the technique can identify known gold mineralisation in the Mt Mackenzie area. Figure 4 shows the MMI gold response above historic drilling. The west dipping mineralisation identified in the drilling is mirrored in the MMI response, with MMI gold values increasing from west to east. Of further interest is the elevated gold response to the east of the existing drilling. With the orientation line confirming validity of the method the northern samples will now be assayed.

Following completion of analytical work, results have been compiled and technical evaluation on the North Knoll prospect located on EPM10006 is proceeding.

For Further Information Contact:

Cindy Louie
Company Secretary
(02) 9227 8900

Competent Persons Statement and Consent

The information in this release that relates to Exploration Results is based on and fairly represents information compiled by Mr. Michael Johnstone and Mr Todd Axford and who are members of the Australasian Institute of Mining and Metallurgy, and Principal Consultants for Minerva Geological Services (MGS) and Geko-Co (GKC) and respectively. MGS and GKC have been contracted by Resources and Energy Group to provide Exploration Management, technical advice and guidance to the company. Both Mr. Axford and Mr Johnstone have sufficient experience that is relevant to the reporting of Exploration Results 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. Axford and Mr Johnstone consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.

Footnotes:

1. Results for the first 12 holes reported in the ASX release of 2 June 2015.

APPENDIX: 1Tables and Figures

Table 1 Drill-hole Collar Locations

Borehole ID	Easting	Northing	RL	Azimuth	Dip	Depth (m)
MMRC679	749627	7469619	173.6	032	-61	66

Collars surveyed with DGPS in GDA94 UTM Zone 55 co-ordinates. Azimuth based on Gyroscopic survey.

Table 2-Significant Drilling Intercepts

Borehole ID	Primary mineralised interval				
	Interval (m)			Au (g/t)	Ag (g/t)
	From	To	Length		
MMRC679	5	11	6	0.60	4.42
	15	25	10	0.81	13.00
	55	66	11	1.16	35.65
Intervals based on lower gold cut of 0.3 g/t and 1m included dilution					

Table 3-MMI sample details

Sample ID	Easting	Northing	Au
MMM0001	749550	7469275	0.2
MMM0002	749561	7469285	0.3
MMM0003	749573	7469294	0.4
MMM0004	749584	7469304	0.2
MMM0005	749596	7469314	0.4
MMM0006	749607	7469323	0.2
MMM0007	749619	7469333	0.1
MMM0008	749630	7469342	0.3
MMM0009	749642	7469352	0.5
MMM0010	749653	7469362	0.4
MMM0011	749665	7469371	0.5
MMM0012	749676	7469381	0.3
MMM0013	749688	7469391	0.4
MMM0014	749699	7469400	0.4
MMM0015	749711	7469410	0.4
MMM0016	749722	7469420	0.5
MMM0017	749734	7469429	1.8
MMM0018	749745	7469439	1.3
MMM0019	749757	7469449	2.4
MMM0020	749768	7469458	4.2

Sample ID	Easting	Northing	Au
MMM0021	749780	7469468	33.3
MMM0022	749791	7469477	30.4
MMM0023	749803	7469487	17.7
MMM0024	749814	7469497	20.8
MMM0025	749826	7469506	21.5
MMM0026	749837	7469516	23
MMM0027	749849	7469526	32.5
MMM0028	749860	7469535	22.5
MMM0029	749872	7469545	3.1
MMM0030	749883	7469555	1.9
MMM0031	749895	7469564	2.4
MMM0032	749906	7469574	1.2
MMM0033	749918	7469584	0.7
MMM0034	749929	7469593	0.4
MMM0035	749941	7469603	0.4
MMM0036	749952	7469612	0.5
MMM0037	749964	7469622	0.4
MMM0038	749975	7469632	0.2
MMM0039	749987	7469641	0.3
MMM0040	749998	7469651	0.3

Co-ordinates in GDA94 UTM Zone 55, assay units ppb, analysis method MMI

Figure-1 Location Plan and Section View of MMRC679

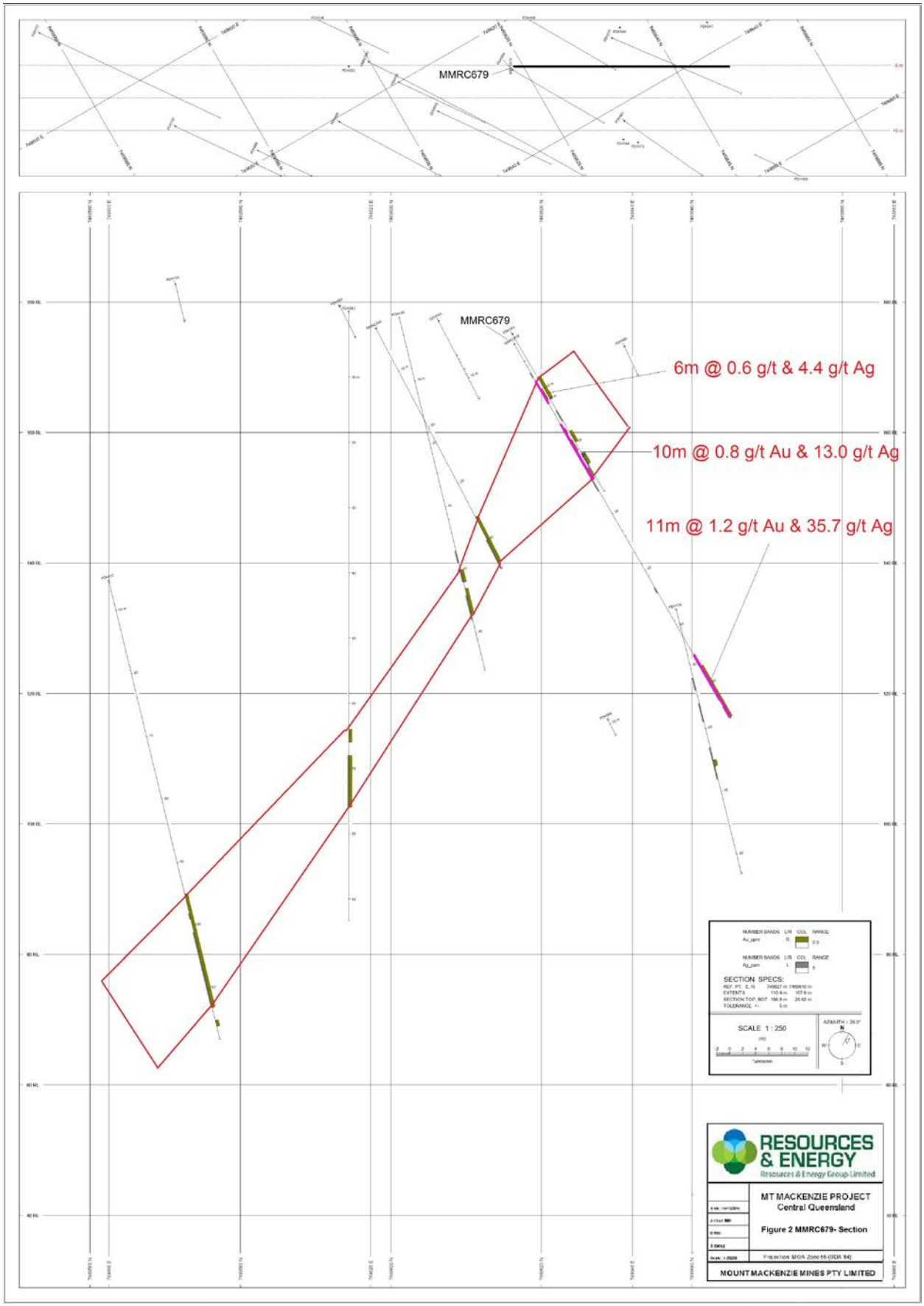


Figure-2 MMI Sample Location Plan

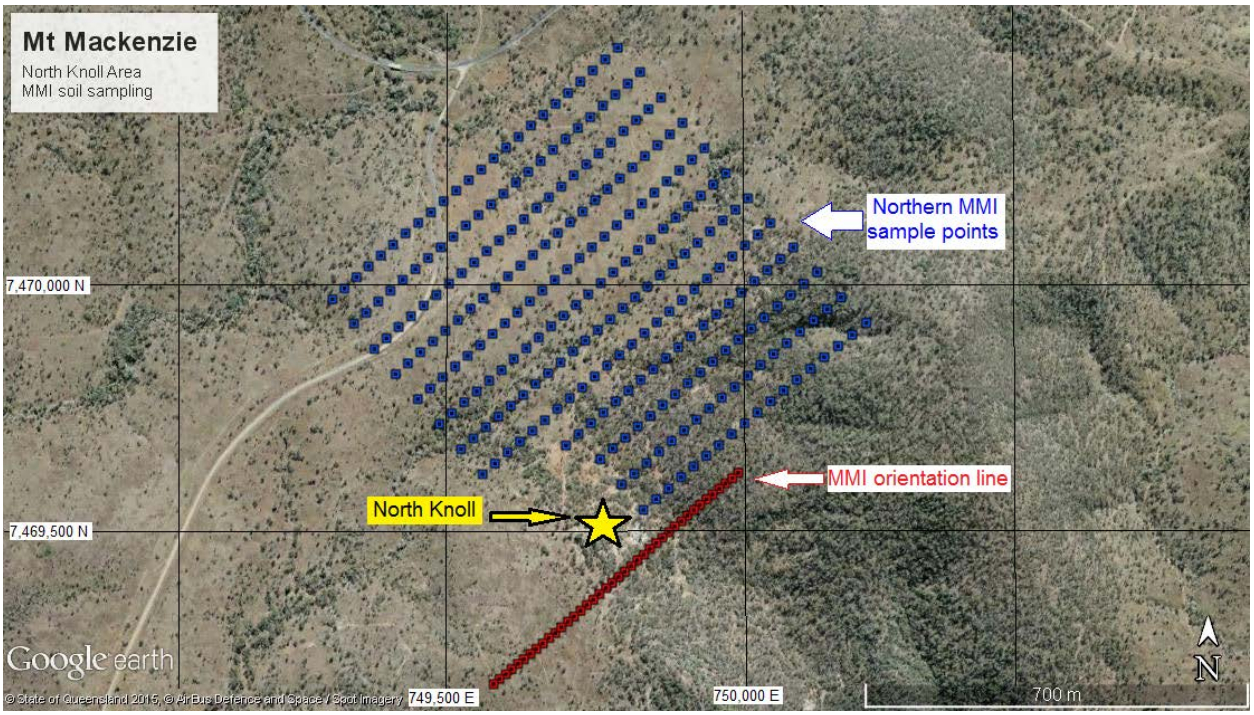
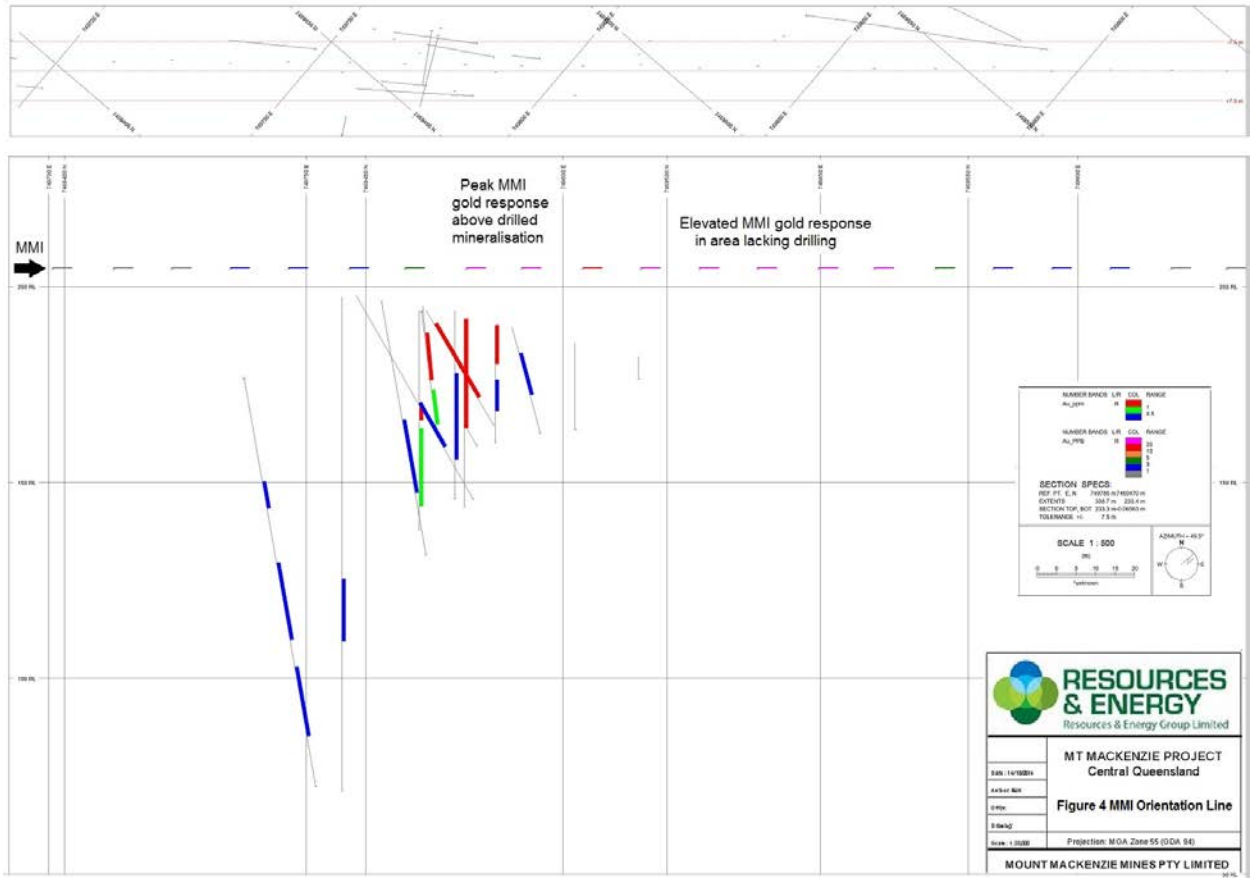


Figure-3 MMI and historic drilling gold results on section



Hot colours equal higher grade gold in both MMI and drill assays.

RESOURCES & ENERGY
Resources & Energy Group Limited

1. APPENDIX 2: JORC Code, 2012 Edition – Table 1 Checklist : Drilling

1.1. Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • 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 mineralization 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 mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	• All samples have been recovered from a program of RC drilling. Samples were collected for every meter drilled in a bulk bag housed under the cyclone. Bulk bagged material for each metre drilled was subsequently passed through a single tiered riffle splitter three times to generate a representative sample of ~3kg for each metre. Dry sample was generated throughout the program. No other specialized or industry standard measurement tools have been used for sampling. • The complete interval drilled has been sampled. • Details of all intersections, sampled intervals and results are included in supporting documentation. • The methods employed are "Industry standard". Reverse circulation drilling was used to obtain 1 m samples from which approximately 3 kg was collected and pulverized to produce a 50 g charge for fire assay, and a 25 g sample for multi element analysis by ICP.
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).	• The exploration results are based on a program of Reverse Circulation (RC) drilling. A 5.5 inch face sampling hammer bit was used. Pre-collars and surface casing were in the main 3m from surface. The pre-collar interval was drilled with a 6.5 inch hammer, and collared with 200mm Class 13 UPVC casing.
Drill sample	• Method of recording and assessing core and chip sample recoveries and results assessed.	• RC samples recoveries are measured qualitatively, and comparatively based on the supervising geologists experience and assessment of bagged bulk

Criteria	JORC Code explanation	Commentary
recovery	• Measures taken to maximize 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 volumes. Data recorded on a sample record log in the field as drilling progressed. • A bulk plastic bag was hooked on the outlet of the cyclone and changed every metre drilled. The cyclone was manually operated by simple butterfly gate to release sample in to the bag. The cyclone was checked regularly and cleaned as required to prevent residue contamination. In addition to recording variance in recovered sample, field procedures involved highlighting any variance in observed sample recovery to the driller immediately in order to ensure consistent recoveries. • No relationship has been identified at this stage.
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 bores are geologically logged to a level suitable for resource and reserve estimation. On cored holes rock mass defects and core condition is also noted. Chip cuttings are logged for lithology, alteration and weathering. • Logging is qualitative and descriptive. • 100% of drilled intervals are logged; intervals of no recovery are noted on logs.
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 maximize representivity of samples.	• This does not apply the exploration results are not based on core. • A single tier riffle splitter was used to obtain 1m sub samples. Each bulk sample was split three times, with material on the reject side of the splitter returned to the bulk bag. Samples were classed as dry, and free flowing through the riffle splitter. • After initial collection in the field all subsequent sample preparation is carried out in a laboratory, under controlled conditions and specified by the relevant standards. Sample preparation was undertaken at ALS Laboratory Townsville, an ISO accredited laboratory. ALS utilises industry best practise for sample preparation for analysis involving drying of samples, crushing to <5mm and then pulverising so that +85% of the sample passes 75 microns prior to subdivision for analysis. • Site QA/QC procedures involve the use of blanks and duplicates. The

Criteria	JORC Code explanation	Commentary
	• 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.	insertion rate of these averaged one QA/QC sample per 20 metres drilled. Duplicates were generated on-site from the original split sample via the cone and quarter method. • For MMRC679 blank samples were inserted in the sample stream in the field at a rate of one per 20 samples. These have been tracked, analyzed and checked by the principal consultant for Geko-Co. ALS also include CRM's and blanks in each sample batch, as part of that company's internal QA/QC protocols. • The 5.5" hole diameter and collection of a 1/8th split on site is industry standard practice and considered to generate an appropriate sized sample for the style of mineralization.
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.	• For gold, a 50g charge for fire assay is analysed using ICP-AES which is an Industry standard for Gold ore grade determination. Broad spectrum, 33-element analysis has been determined on a 25g sub sample pulverised to pass 75um, using a 4 acid digest, followed by ICP-AES. Analyites which are over limit are retested using a more appropriate method. • This is not applicable, geophysical tools are not used for analysis. • ALS QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. The QA protocol requires that for each batch of 40 samples a reagent blank, two replicate determinations, and two standards are included. The system also uses a bar coding and scanning technology that provides complete chain of custody records at every stage of the analytical process. These are the first results, and it is too early to comment on whether any bias exists in the QA/QC procedures adopted.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• All sampled intersections are verified by the site Geologist, who has been present on site during the complete drilling process. The sampled intersections are then checked by the principal consultant for Geko-Co, by reference to hole number, drilling depths sample numbers, blanks and standards introduced into the sampling stream. The final results are then

Criteria	JORC Code explanation	Commentary
		reviewed by the exploration manager for REZ.
	• The use of twinned holes.	• Twinned holes have not been used.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• The primary data was collected at the drill site as drilling progressed by the Site Geologist and Field Technician. The Site Geologist recorded all lithological logging data directly in digital format via a rugged computer. The sample data, including allocation of sample number to interval, sample quality/recovery data, and insertion of QA/QC samples was recorded on a field sheet by the Field Technician and reviewed by the Site Geologist in the field. This data was later digitized in the office and validated against assay files and checked by the Principal Geologist. Field sheets are kept on file and digital data backed up.
	• Discuss any adjustment to assay data.	• Analytical data is not adjusted.
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.	• All borehole sites were initially located in the field by Surveyors (Terrex Spatial) using RTK GPS methods which involves setting up a GPS base station on a known State control mark and a GPS remote over the drill collar. Following completion, the boreholes have also been relocated by Terrex Spatial. The surveyor's instrument was checked for accuracy by reference to a known, control station. The stated accuracy is +/- 0.05m in plan and elevation. Gyroscopic downhole surveys were completed for each hole by Surtron Pty Ltd. The stated accuracy 0.25° in azimuth and 0.05° in inclination. The Gyroscope was able to be lowered to effectively end of hole in 8 holes, with the surveyed length of the remaining 5 holes ranging between 58% & 83% of drilled depth.
	• Specification of the grid system used.	• The Grid System is GDA94 Zone 55. Azimuth has been reported by Surtron as Magnetic (declination applied 8.812 degrees)
	• Quality and adequacy of topographic control.	• For analysis and reporting of this drill program collar RL, as reported by Terrex Spatial has been used to define topographic surface. Terrex Spatial also picked up the position of historic drill collars at the site to allow recent results to be compared with historic drilling data. This is appropriate for the

Criteria	JORC Code explanation	Commentary
		type of data being reported.
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.	• Data spacing for reporting these Exploration Results is in the order of 20 to 30m. • The exploration results are not at present the subject of Mineral Resource or Ore Reserve estimation. However, the spacing and orientation provides approximately 200% coverage on section, which would be adequate for resource estimation. • Sample compositing has not been carried out.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	• During the planning stage, the bore hole locations were spatially arranged to intersect mineralization which was believed to have a westerly dip and North west alignment. Plotting of the drill data on section indicates the holes have been drilled at a reasonable orientation and no significant bias would be expected. • The orientation of drilling is not considered to have introduced sampling bias.
Sample security	• The measures taken to ensure sample security.	• Chain of custody. Samples were checked against the sample record sheet in the field prior to collection into sequentially numbered plastic bags. The plastic bags were sealed with cable ties before being secured in bulker bags, along with sample submission sheets. The sample batches were loaded by the field team and freight forwarded to ALS Townsville by the transport contractor without any trans-shipment. The receiving laboratory verified sample numbers against the sample submission sheet/manifest, and confirms receipt. After receipt the samples are bar coded and tracked through the entire analytical process.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• At this stage no audits or reviews of sampling techniques has been carried out.

1.2.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The area under assessment is located wholly within EPM10006. EPM 10006 is an exploration permit for minerals. A public interest enquiry confirms Mount Mackenzie Mines as having 100% interest in the tenement. The tenement is not subject to any Joint Venture. The land, from which the Exploration Results have been derived, is wholly owned by Mount Mackenzie Mines, is not subject to Native Title Interests, and does not encompass Strategic cropping lands, wilderness or protected landscapes. • At the time of reporting the tenement is in good standing. There are no known impediments which would prohibit operations in accordance with the license conditions, and the environmental authority.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• This tenement package was formerly held under joint venture between Smarttrans (formerly Coolgardie Gold) and Australian Reproductive Health Services (formerly Marlborough Gold Mines). Over many years several companies had joined with Marlborough Gold to form joint ventures over the area of EPM10006, including Australian Consolidated Exploration (1975-76), Utah Development (1981-82), Peabody (1984-85), Freeport McMoran (1987-89), Dragon Mining (1995), Coolgardie Gold / SmartTrans Holdings (1997-2014), Jeteld (2002-06) and Newcrest Mining (2007-08).
Geology	• Deposit type, geological setting and style of mineralization.	• High Sulphidation epithermal gold deposit of Late Carboniferous age associated with the Conners Magmatic Arc in the Queensland part of the New England Fold Belt.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth	• Co-ordinate location, elevation, hole length, dip and azimuth of all material holes is provided in Table 1-appendix 1, of the accompanying documentation. Down hole length and interception depths have been furnished in Table 2-appendix 1 of the accompanying documentation. .

Criteria	JORC Code explanation	Commentary
	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.	• The supporting documentation includes comprehensive reporting of all exploration results, no information has been excluded.
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.	• Linear weighted averages based on 1 metre samples have been used. In determining intercept lengths a lower cut-off grade of 0.3g/t Au was used. The intercept is calculated down hole and begins where the assay reaches 0.30 g/t Au or above and continues to the point where at least two consecutive samples of <0.30 g/t Au are reached (i.e. lengths of up to 1 metre of internal dilution are incorporated). For reporting Ag no cut off limit has been applied, the value reported is simply the linear weighted average over the corresponding Au interval.
	• 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.	• Short intervals of high grade results have been identified, and displayed together with longer lengths of lower grade results in Table 2. The higher grade aggregation is based on a 1.00 g/t Au lower cut-off with 1 metre intervals of <1.00 g/t Au dilution included (if present).
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable, metal equivalents are not reported
Relationship between mineralization widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralization 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 mineralization is believed to have a north-westerly alignment, with westerly dip. The drill holes were spatially arranged normal to this orientation. • Samples intervals have been described as down hole intervals and observation of data on section indicates the down hole intercepts are a reasonable indication of mineralisation widths. True dimensions of the mineralisation have not yet been determined and until that has been done true width is not known.

Criteria	JORC Code explanation	Commentary
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.	• Appropriately scaled plans, sections and diagrams with interval call-outs have been provided in Appendix 1, Figures 1, 2a and 2b.
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.	• Comprehensive reporting of all data generated by the company has been adopted.
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 company has previously released a valuation and assessment report on the group of tenements. This document provides details of geological observations, previous investigations, geochemistry and geophysical survey results. Figure 1 shows the position of historical drill holes in relation to the newly reported drilling. On June 2 2015 the company released results of 12 RC holes drilled as part of the current exploration program.
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.	• Recommendations for further work are described in the accompanying release. • Additional resource areas have been described previously released documentation.

2. APPENDIX 3: JORC Code, 2012 Edition – Table 1: Soil Sampling

2.1. Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	• Samples of soil, typically 200 to 300 grams were collected and placed in pre-numbered snap lock plastic bags. The sampling followed the methodology recommended by SGS for samples that are to be analysed via the proprietary MMI method.

Criteria	JORC Code explanation	Commentary
	• 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 mineralization 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 mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	
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).	• Not applicable
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize 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.	• Not applicable
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.	• A general description of the ground conditions in the area of each soil samples was recorded at the time of sampling.
Sub-sampling	• If core, whether cut or sawn and whether quarter, half or all core taken.	• Not applicable.

Criteria	JORC Code explanation	Commentary
techniques and sample preparation	• 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 maximize 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.	
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.	• In addition to SGS internal QA/QC processes, duplicates were collected in the field. These QA/QC samples were inserted at a rate of approximately 1:20. The reported assays for these samples have been checked and meet expectations (indicating reported assays are reliable). • No geophysical instruments were used.
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.	• At this early stage of exploration secondary assay checks have not been considered essential. Sample locations were predefined prior to entering the field, the field crew using handheld GPS located the designed sample location and collected samples. Where a sample site had to be moved the new sample point was recorded in GPS and on the field record sheet. Field data was matched to assay data via sample number. Field record sheets are scanned and stored digitally along with assay results from the laboratory.
Location of data	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral	Sample points were identified in the field with a handheld Garmin GPS

Criteria	JORC Code explanation	Commentary
points	Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	unit (variance less than 5m) • The Grid System is GDA94 Zone 55 • Topographic control is based on a DTM which has been prepared from aerial survey. This model has been checked by ground proofing during survey. A collar check against the DTM is routinely carried out during modelling and has been found to be adequate for its intended purpose.
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.	• Single line of samples spaced at ~15 metres along line. • Not Applicable. • Sample compositing has not been carried out.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	• Not applicable
Sample security	• The measures taken to ensure sample security.	• Chain of custody. Samples are in sealed bags which are then double bagged and sent to SGS via tracked parcel post with Australia Post.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• At this stage no audits or reviews of sampling techniques has been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral	• Type, reference name/number, location and ownership including	• The area under assessment is located wholly within EPM10006. EPM 10006

Criteria	JORC Code explanation	Commentary
tenement and land tenure status	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.	is an exploration permit for minerals. A public interest enquiry confirms Mount Mackenzie Mines as having 100% interest in the tenement. The tenement is not subject to any Joint Venture or over-riding royalties. The land, from which the Exploration Results have been derived, is wholly owned by Mount Mackenzie Mines, is not subject to Native Title Interests, and does not encompass Strategic cropping lands, wilderness or protected landscapes.
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• At the time of reporting the tenement is in good standing. There are no known impediments which would prohibit operations in accordance with the license conditions, and the environmental authority.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• This tenement package was formerly held under joint venture between Smarttrans (formerly Coolgardie Gold) and Australian Reproductive Health Services (formerly Marlborough Gold Mines). Over many years several companies had joined with Marlborough Gold to form joint ventures over the area of EPM10006, including Australian Consolidated Exploration (1975-76), Utah Development (1981-82), Peabody (1984-85), Freeport McMoran (1987-89), Dragon Mining (1995), Coolgardie Gold / SmartTrans Holdings (1997-2014), Jeteld (2002-06) and Newcrest Mining (2007-08).
Geology	• Deposit type, geological setting and style of mineralization.	• High Sulphidation-epithermal deposit of Late Carboniferous age associated with the Conners Magmatic Arc ion the Queensland part of the New England Fold Belt.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length.	• Sampling does not relate to drilling. Included Table 3 details the sample easting and northing location and gold assay for each sample collected.

Criteria	JORC Code explanation	Commentary
	• 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.	• Not applicable
Relationship between mineralization widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralization 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').	• Not applicable
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.	• Figure two displays the location of the soil sample sites.
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.	• Comprehensive reporting has been adopted for gold assays. None gold results have not been included as they are not significant at this stage of exploration.
Other substantive	• 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	• The company has previously released a valuation and assessment report on the group of tenements. This document provides details of geological observations, previous investigations, geochemistry and geophysical survey

Criteria	JORC Code explanation	Commentary
exploration data	treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	results.
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.	• Recommendations for further work are described in the supporting documentation • Figure 2 shows additional area subject to MMI soil sampling.