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FURTHER POSITIVE DRILL RESULTS EXTEND MINERALISATION AT MABILO PROJECT

The Directors of Sierra Mining Limited ("Sierra") are pleased to report initial results from the second phase of drilling at the Mabilo Project, which substantially increase the extent of known mineralisation.

HIGHLIGHTS

- **Hole MDH-13**, the first hole in the second phase of drilling and the only hole for which assays have been received to date, intersected magnetite and oxidized hematite-magnetite skarn between 35 and 109 vertical metres which graded:

  74 metres at 2.64 % Cu, 3.56 g/t Au, 43.22% Fe and 22.3 g/t Ag.

  The gold grade is significantly higher than recorded in any previous intersection of the magnetite skarn at Mabilo. A further 24m of breccia immediately beneath the skarn averaged 0.8% Cu, 0.85g/t Au, 6.3g/t Ag and 18% Fe.

- **Holes MDH-14 and MDH-17** also intersected significant widths of magnetite skarn mineralisation with visible chalcopyrite, further validating the magnetic model for the South A body.

- **Hole MDH-16,** the first hole drilled to test a large geophysical magnetite skarn target (South B Body) intersected magnetite skarn mineralisation from 107m to 159m containing abundant visible chalcopyrite mineralisation with bornite noted in places. The hole provides initial validation of the magnetic model for this new zone and confirms the presence of copper mineralisation in the zone.

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Background

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It comprises one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha and Exploration Permit Application EXPA-000188-V of 2,820 ha. The project area is easily accessed by 20 km of all-weather road from the highway at the nearby town of Labo.

In 2012 Sierra conducted a ground magnetic survey and drilled 12 reconnaissance drill holes aimed at testing magnetic anomalies as reported to the ASX previously. The drilling intersected two flat-lying zones of magnetite-copper-gold skarn mineralisation, the North and South A bodies and a third zone of magnetite mineralisation (South B Body) with lower copper-gold grades which was intersected in only one hole (MDH-04). Modeling of the ground magnetic data in conjunction with the magnetic susceptibility readings from completed drill holes was conducted by independent consultants, Southern Geoscience Consultants (SGC), contemporaneously with the latter part of the drilling program and upon completion of drilling and surveying of all collars by differential GPS.

Geology and Mineralisation

The magnetite skarn mineralisation at Mabilo is hosted by calc-silicate rocks (predominantly garnet skarn) within a sequence of hornfelsed sediments of the Miocene Universal Formation which is overlain by more recent Quaternary volcaniclastics [tuff and lahar deposits] of the Mt Labo Formation. There is evidence that some of the magnetite skarn mineralisation was at or near surface prior to the emplacement of the Labo Formation.

In places the upper sections of the South A Body magnetite skarn has been weathered to progressively form magnetite skarn without chalcopyrite, then a mixed magnetite-hematite assemblage grading to a hematite only zone which hosts a supergene copper zone (native copper and chalcocite) at the base of the weathering. The Fe content of the oxidized and fresh magnetite skarn is consistent however gold and copper are variably enriched and depleted in the oxidized magnetite-hematite assemblages following the weathering of chalcopyrite.

The chalcopyrite mineralisation is closely associated with the magnetite and appears to have formed late in the magnetite forming event, occurring predominantly as disseminated blebs and aggregates interstitial to the magnetite and in voids. A strong correlation between gold and copper values in the un-oxidised magnetite skarn indicates the gold is hosted by the chalcopyrite. A subsequent influx of hot acidic fluid led to the formation of pyrite and arsenopyrite which veins, brecciates and replaces the magnetite-chalcopyrite in places. Where magnetite is completely replaced by pyrite-arsenopyrite the chalcopyrite formerly within the magnetite forms rich accumulations at the reaction front. The magnetite-chalcopyrite and subsequent pyrite-arsenopyrite mineralisation both predate low temperature retrograde alteration which is pervasive and more widespread.

Modeling of Magnetic Data

The gridded ground magnetic data was processed by 3D inversion modeling to produce simple model shapes with specific magnetic susceptibility values required to generate theoretical TMI responses that match those recorded in the ground magnetic survey. This was followed by 2D Potent Forward modeling (2D Modeling) which takes into account the magnetic susceptibility readings from the completed drill holes to better constrain the shapes and orientations of the

modeled bodies and which is therefore the preferred modeling technique at Mabilo where drill hole magnetic susceptibility readings have been documented.

The 2D Modeling produced good model fits for the flat-lying North Body (constrained by holes MDH-05, 10 and 12) and the South A Body (constrained by holes MDH-01, 07 and 09) and there is a strong degree of confidence in the model. The deeper South B Body is less constrained, having only been intersected by one hole [MDH-04] which is interpreted as being on the edge of the modeled body, thus confidence in the modeling of this body was lower. At this stage it is unclear if the South A and South B bodies are linked and continuous or adjacent but separate zones of mineralisation. If linked the southern extension changes strike direction as it trends towards the SE plunging deeper to where it is intersected in MDH-04 and dipping the south west.

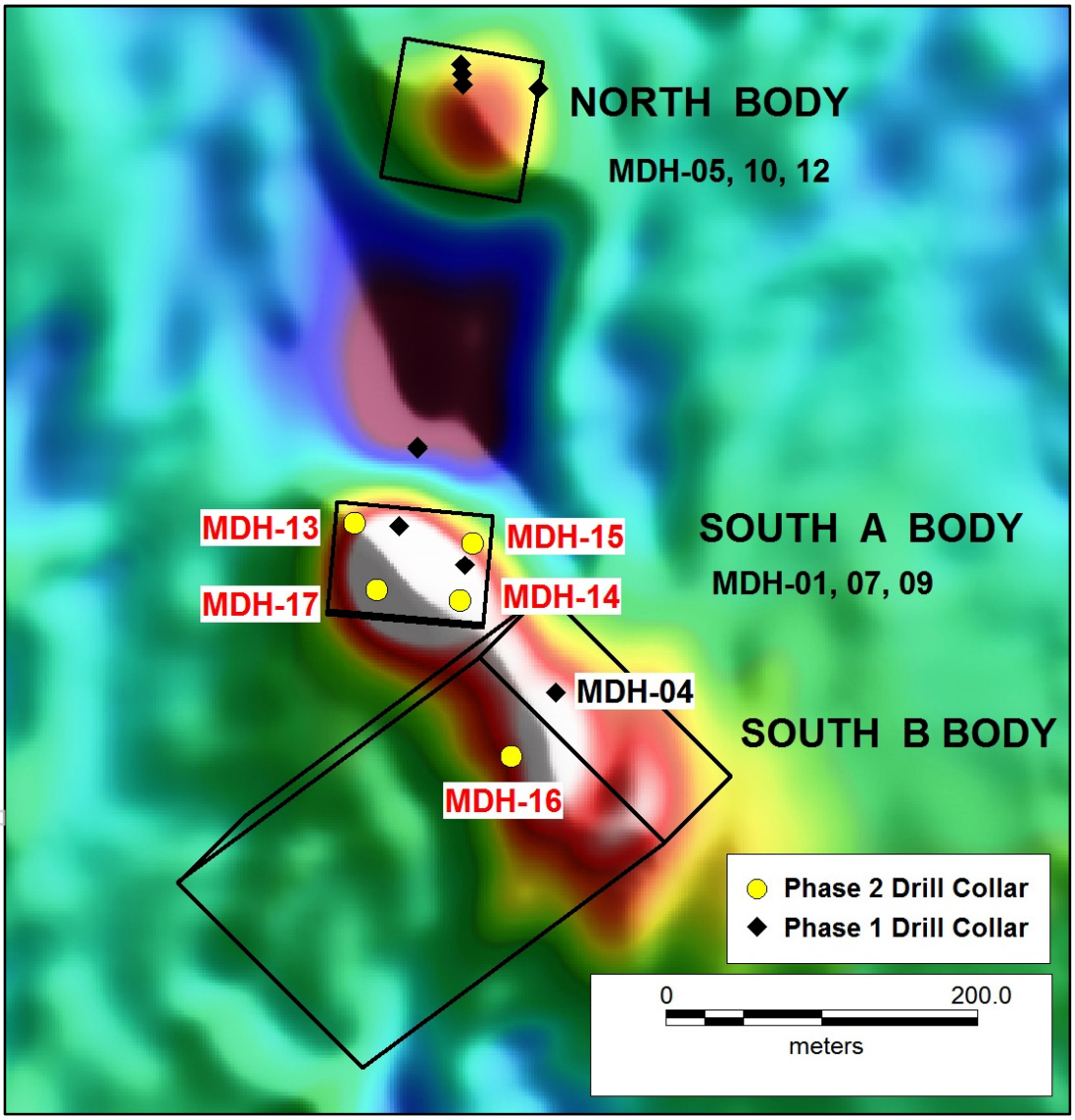

Figure 1 - Ground magnetic image [RTP, NE shade) with 2D modeled bodies (in black) with the Phase 1 DDH collars which intersected magnetite skarn and Phase 2 DDH collars.

Results from Phase 1 Drilling

The first phase of drilling produced a number of significant intersections as shown in the table below. Note that MDH-11 which produced a long low-grade intersection intersected a fault zone along the margin of the North Body. MDH-04, which returned a low grade intersection from magnetite skarn, appears to have intersected a partly weathered magnetite skarn from which chalcopyrite has been leached.

Hole	Interval	Metres	Au g/t	Cu %	Ag g/t	Fe %
MDH-01	26 - 86	60	2.28	3.28	11.8	49.05
MDH-04	65 - 87	22	0.44	0.20	1.3	45.67
MDH-05	51 - 113	62	2.66	2.76	10.3	48.82
MDH-07	39 - 136	97	2.25	2.22	7.1	50.26
MDH-09	34 - 121	87	2.94	1.74	7.9	43.44
MDH-10	59 - 123.4	64.4	2.25	2.28	10.2	45.25
MDH-11	60 - 170	110	0.74	0.81	5.0	21.49
MDH-12	60 - 119	59	2.30	2.40	9.9	43.83

Table 1 – Significant drill results from 2012 drilling campaign. Holes MDH-07, 09, 10, 11 and 12 were angled holes and the intersections listed are not true vertical widths

Results from the Current Drilling Program

The second phase of drilling commenced on July 27, 2013. The location of the completed and current holes is shown in Figure 1 and in the table below. Note that the hole locations for this phase of drilling are from digital GPS readings (WGS84, 51N)and have not been surveyed at this stage. The results from the current drilling program are discussed further below.

Hole	North	East	Elevation	Orientation	Status
MDH-13	1,559,981	476,036	107	Vertical	Completed, assays received
MDH-14	1,559,935	476,104	109	Vertical	Completed, assays submitted
MDH-15	1,559,970	476,109	108	Vertical	Completed, not yet sampled
MDH-16	1,559,835	476,136	121	Vertical	Completed, not yet sampled
MDH-17	1,559,942	476,051	108	Vertical	In progress

Table 2 – Status of 2013 drilling

Hole MDH-13

Hole MDH-13, the first hole in the second phase of drilling, intersected a significant zone of magnetite-copper skarn mineralisation containing higher average grades of Au than recorded in any hole in the first phase of drilling.

The break down of average assay grades for the different lithologies in MDH-13 is shown in the table below.

Interval	Metre	Geology	Au g/t	Cu %	Fe %	Ag g/t
35 - 57	22.0	Oxid Magnetite-hematite skarn	3.79	0.30	43.34	29.2
57-109	52.0	Magnetite skarn	3.47	3.63	43.16	19.3
109-133	24.0	Silica-pyrite matrix breccia	0.85	0.80	18.08	6.3
35-109	74	Total magnetite – hematite skarn	3.56	2.64	43.22	22.3
35-133	98	Total mineralised zone	2.90	2.19	37.06	18.4

Table 3 – Drill hole MDH-13 significant assays

The weathering of the magnetite skarn is different to that seen in the previous intersections in the South A body. The weathered zone (oxidized magnetite-hematite skarn) contains more remnant massive magnetite and the average Cu grade of the weathered zone is lower than seen in previous holes as there is no pronounced supergene Cu enriched zone at the base of the weathering profile. A section of the core from the magnetite-hematite skarn measuring 1.40m was not recovered during drilling. The interval was assigned a zero value for all elements when calculating the average grade.

MDH 13 intersected a silica-pyrite matrix breccia associated with significant pyrite-arsenopyrite veining, underlying the magnetite skarn zone. The silica breccia has not been encountered in previous drill holes at Mabilo, although the pyrite-arsenopyrite veins associated with it have been intersected cross cutting the magnetite skarn in previous holes. The silica breccia and associated pyrite veins post-date the magnetite skarn and vein, brecciate, erode and replace the bottom of the magnetite skarn. The Cu-Au grade of the silica breccia is directly related to the amount of remnant chalcopyrite bearing magnetite skarn clasts in it which reduces with depth.

Other Holes in South A Body

Holes MDH-14, 15 and 17 were also drilled to test the modeled South A body.

MDH-14 - Intersected hematite-magnetite skarn with visible chalcopyrite from 32.75 to 72.40 metres. Samples have been submitted to the laboratory and will be available in due course, however a visual assessment indicates the amount of chalcopyrite in the magnetite skarn mineralisation appears similar to other holes in South Body A.

MDH-17 - The hole intersected the edge of the magnetite skarn body between 39.40m and the current depth of the hole at 85.8m. The intersection includes abundant clasts of the adjacent country calc-silicate skarn rocks which become more prominent below 64m depth. The magnetite-hematite comprises a smaller overall percentage of the intersection compared to adjacent drill holes in the South A body, which intersected massive magnetite skarn. Magnetite is weathered above 49 metres and contains disseminated chalcopyrite of comparable quantity to that seen in the other holes in South B Body below the weathering zone. Drilling is ongoing and the hole is yet to be sampled.

MDH-15 - The hole was terminated at 91.20 m without intersecting magnetite-hematite skarn. Zones of ferruginous alteration of the calc-silicate skarn rocks were logged suggesting the hole is close to the margin of the magnetite skarn body. The results indicate the magnetite skarn

body has an irregular boundary in this area and further 2D magnetic modeling is required to better define the edge of the magnetite skarn in this area.

Three of the four holes drilled to test the margins of South A body have confirmed the validity of the magnetic model and extended the known mineralisation. Further 2D magnetic modeling using the down hole magnetic susceptibility data from all four holes will be conducted to better define the margins of the South A body and its possible extension to the SE towards the South B body.

Hole MDH-16

Hole MDH-16 is the first hole drilled to test the large conceptual target magnetite skarn zone (South B Body). The hole intersected magnetite skarn mineralisation from 107m to 159.35m, containing abundant visible chalcopyrite. The amount of visible chalcopyrite in the magnetite skarn intersection is similar to that seen in other holes drilled at Mabilo. The chalcopyrite is considerably enriched in the upper part of the intersection, including some very high grade accumulations, and decreases somewhat towards the base where bornite is noted as single grains and replacing chalcopyrite. This is the first occurrence of bornite noted at Mabilo.

The magnetite skarn zone is bound by zones of intense pyrite-arsenopyrite veining and brecciation from 104.15 to 107m and from 159.25 to 177m. The veins of pyrite-arsenopyrite contain no visible chalcopyrite apart from rare clasts of re-worked magnetite-chalcopyrite. Two zones of pyrite-arsenopyrite veining also occur within the magnetite skarn from 109.80 to 110.40m and from 133.5 to 139.50m.

The occurrence of chalcopyrite and bornite is highly significant as the only other hole which intersected this magnetite body (MDH-04) contained only rare chalcopyrite disseminations and graded 22 m at 0.20% Cu and 0.44 g/t Au between 65 and 87 m. The presence of significant chalcopyrite and bornite in MDH-16 supports the interpretation that the absence of chalcopyrite up dip in MDH-04 is due to weathering which has leached the chalcopyrite.

While confirming the basic model for South B body magnetite skarn, the intersection is slightly deeper than predicted by the model, indicating the body is more steeply dipping than modeled. The down hole magnetic susceptibility data from MDH-16 will be used to further refine the model orientation and extent. The 52.35 m intersection of magnetite skarn does not reflect the true thickness of a dipping body.

The intersection of the magnetite skarn and the presence of significant chalcopyrite in MDH-16 is considered very significant in the ongoing exploration of the Mabilo skarn bodies. The intersection provides initial confirmation of the 2D magnetic model. Further step out drilling at the South B Body will be prioritised to define the lateral and depth extent of the copper-magnetite skarn.

Appendix 1:

Sampling Techniques and Data: MABILO

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The data reported is based on sampling of Diamond Drill core of PQ and HQ diameter which was split with a diamond core saw. Samples are mostly of 1 metre length or less. Half core samples were cut and sent for analysis by an independent ISO certified laboratory (Intertek McPhar Laboratory) in Manila.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Certified reference standards and Sierra's field blank samples were each inserted into sample batch in the ratio of one standard and one blank for every 20 core samples to assess the accuracy, precision and methodology of the ISO certified laboratory which assayed the samples. In addition every 20th sample was cut into 2 quarter core duplicate samples to assess the grade variability of the drill core. In addition the laboratory which analysed the samples conducted their own extensive check sampling as part of their own internal QA processes which is reported in the assay sheets. Examination of all the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories indicating acceptable levels of precision and accuracy.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	Diamond drill core of PQ and NQ diameter were cut in half and half core samples submitted to the Laboratory. Sample intervals were generally 1 metre although occasionally slightly longer or shorter intervals were used where changes in lithology, core size or core recovery required adjustments. The maximum sample length for assays included in this report is 1.40 metres. Samples were crushed and pulverized (95%<75 um). Gold was analysed by 50 g Fire assay and other elements by ICP-MS or ICP-OES following a 4 acid digest. Residual half core is retained for reference and future metallurgical testwork. Coarse rejects and pulps are retrieved from the laboratory and stored for future reference and umpire assays.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Drilling was by PQ and HQ diameter, triple tube diamond core. The hole for which data is being reported is vertical and relatively short thus down hole orientation surveys were not conducted. The core was not orientated.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery is initially measured on site by trained technicians and again in the core shed by the core shed geologist. Any core loss is measured, the percentage calculated and both are recorded in the Geotech log and for reference when assessing assay results. In instances where core breaks off before the bottom of the hole leading to "apparent poor recovery" followed by a core run of > 100 % recovery the adjustment is made in the records. Core loss is not a significant problem at Mabilo as the majority of the mineralisation (approx. 80 %) is in fresh rock where recoveries are generally close to 100%. The mineralisation occurs in large bodies (+50 metres thick) of uniform grade thus small zones of poor core recovery are not overly significant ie they are unlikely to have been significantly higher or lower grade than the surrounding material. In the weathered oxidised zones some core loss is unavoidable, but overall recovery is generally > 90% and the core loss is volumetrically minor in the large homogenous mineralised zones. In areas of poor recovery the sample intervals are

Criteria	Explanation	Commentary
		arranged to coincide with drill runs thus areas of different core loss percentage are specific to individual samples which can be assessed when interpreting analytical results and modeled in future resource estimation studies. Where an area of 100% core loss is identified the sample intervals are marked to each side of the zone and the zone is designated "No sample" and assigned zero value in the various log sheets and geochemical database. In the assay results reported herein here was one such instance of 100 % core loss in a fault zone between 47.20-48.60m. The entire 1.40 m interval was logged as no core and the assay value was designated zero when averaging the assay results.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	All care is taken to ensure maximum recovery of diamond core. Drillers are informed of the importance of core recovery and payment or joint venture earn-in for metres drilled is linked to core recovery to provide an incentive for the drillers to maximise core recovery. Any areas of poor core recovery are sampled separately thus assay results can be directly related to core recovery.
	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.	There is no relationship between core recovery and grade as the grade of the skarn bodies is relatively uniform over significant lengths (+50m) and grade is not related to fractures and faults which are the main causes of core loss.
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.*	The diamond drill core is logged in significant detail in a number of logging sheets including a geological log, a structural log, a geotechnical log, a skarn mineral log and a magnetic susceptibility log which is appropriate for mineral resource estimates and mining studies, neither of which are reported herein. Some of the holes reported herein are on-going or recently completed and core logging is in progress but not completed at this time. Logging of Holes MDH-13 and MDH-14 has been completed.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Most of the geological logging is a mixture of qualitative (descriptions of the various geological features) and quantitative (numbers and angles of veins etc). The Magnetic susceptibility log is quantitative. Photos are taken of all core (both wet and dry) which can be considered quantitative. A number of observations in the report are qualitative in respect to the amount of chalcopyrite in intervals not assayed at this stage. The observations of whether the amount of chalcopyrite in an intersection is equivalent to, less than or greater than previous intersections of magnetite at Mabilo is based on the writers own direct observations and are qualitative but included as they are considered material to the announcement. The writer has reviewed all previous and current drill core at Mabilo on a number of occasions.
	The total length and percentage of the relevant intersections logged.	All core, including barren overburden is logged in the various logging sheets noted above apart from the Skarn Mineral Log in which the overburden is not logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Sample lengths are generally one metre but may be slightly more or less to coincide with lithological breaks, changes in core diameter (PQ/HQ) and any areas of different core recovery. All core from mineralised zones and the immediate surrounding rocks is initially sawn in half to provide a better surface for geological logging. Half core is collected for analysis and the other half retained for reference and or metallurgical testwork. One in every 20 samples of half core is sawn again to produce two quarter core duplicate samples which are submitted to the laboratory separately with different sample numbers.

Criteria	Explanation	Commentary
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All sampling at Mabilo is of diamond drill core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All core samples are sent to an ISO certified independent laboratory where samples are dried, crushed and pulverised to 95% of the sample passing a 75µm sieve.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Certified reference standards and Sierra's field blank samples were each inserted into sample batches in the ratio of one standard and one blank for every 20 core samples to assess the accuracy, precision and methodology of the ISO certified laboratory which assayed the samples. In addition every 20th sample was cut into 2 quarter core duplicate samples to assess the grade variability of the drill core. A record of results from all duplicates, blanks and standards is maintained for ongoing QA/QC assessment. In addition, the laboratory which analysed the samples conducted their own extensive check sampling as part of their own internal QA processes which is reported in the assay sheets. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories indicating acceptable levels of precision and accuracy.
	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.	All assay sheets are scrutinised when received from the laboratory and the results of the duplicate sampling noted above are documented and assessed regularly. The variance in the duplicate sampling of the assay results reported herein are acceptable.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The magnetite skarn mineralisation occurs in large bodies of fine grained magnetite with chalcopyrite (containing gold) disseminated through the magnetite. The sample size used is suitable in respect to the grain size of the mineralisation.
Quality of assay data & lab tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The assay techniques used for the assay results reported herein are international standard and can be considered total. Gold was analysed by 50 g fire assay and the other elements by ICP following a four acid digest.
	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.	No geophysical tools were used for any analysis reported herein. Magnetic susceptibility readings are taken of all core but are only used in magnetic modeling to plan drill hole positions and are not used to estimate Fe content.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	One field blank sourced and prepared by Sierra from a local quarry and one certified reference standard sample are submitted with every 20 samples of core. In addition one in every 20 core samples is cut into 2 quarter core samples which are submitted independently as a check on how representative an individual core sample is. The results for the assays reported herein are deemed to be acceptable. Batches of coarse reject and pulp samples returned from the laboratory are sent to a second laboratory on a periodic basis for umpire analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The geochemical results reported herein and the calculated averages for different lithology types were independently checked and calculated by two company personnel.
	The use of twinned holes.	The drilling results reported herein come from a single drill hole. It has not been twinned.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data documentation, verification and storage is conducted in accordance with the Sierra's Standard Operating Procedures Manual for the Mabilo Project. The diamond drill core is logged in significant detail in a number of separate excel template logging sheets including: 1] a geological log of all core, recording mineralogy, lithology,

Criteria	Explanation	Commentary
		alteration, degree of oxidation and mineralization; 2] a structural log of all core, recording alpha and beta angles, structure types, vein types and infill; 3] a geotechnical log of all core recording RQD, defects, fabrics; 4] a skarn mineral log of the magnetite and adjacent host rock which records minerals, as well as vein and breccia types; 5] a magnetic susceptibility log of all core; 6] bulk density logs for selected samples representing domains identified by the project geologist. All logging sheets are either recorded directly or transcribed onto excel spread sheets which are validated by the Company data base manager and archived separately as well as being combined into a data base along with the assay results. All logging data is validated and archived and is available for future reference. Hard copies of all logging sheets are kept at both the Project office in Daet town and the Manila office. Remnant half core and the coarse rejects and sample pulps returned from the laboratory are kept in locked storage at the Company's core yard.
	Discuss any adjustment to assay data.	The results from the two quarter core duplicate samples are averaged before being entered into the geochemistry database so that all geochemical data represents the results from half core samples. The assay results reported herein include averages of the duplicate samples. Standard checks and repeat samples from the laboratory are scrutinised and retained in an archive of all assay sheets received from the laboratory but are not included in the primary database ie primary assay results are not averaged with repeat and check sample results.
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.*	Drill hole collars are initially sited with a hand held GPS with an accuracy of +/- 5 metres. Completed holes are surveyed by an independent qualified surveyor using standard differential GPS (DGPS) equipment achieving sub decimetre accuracy in horizontal and vertical position. The assay results reported herein are from a single vertical hole located with a hand held GPS. No down hole orientation survey was conducted as the hole was drilled vertical in an area of flat-lying lithology and mineralisation.
	Specification of the grid system used.	Co-ordinates are on a UTM Grid; WGS84 (51N).
	Quality and adequacy of topographic control.	The Mabilo area is relatively flat with variation in topography less than fifteen (15) metres. The collar elevation for the drill hole reported herein is based on a reading from a hand held GPS and is consistent with surrounding hole collars previously surveyed with a differential GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole assay results reported herein are from a single drill hole.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The Mabilo Project is at an early stage and drill holes are at variable spacing aimed at confirming the extent of magnetite skarn zones indicated by modeling of ground magnetic and drill hole magnetic susceptibility readings. The magnetite skarn zones are large (+50m thick) and have a consistent Fe grade. Chalcopyrite (and gold) are disseminated throughout the magnetite skarn and tend to have a consistent average grade over the total skarn intersection but may vary on the metre scale. No mineral resource or reserve estimations are included herein.
	Whether sample compositing has been applied.	No compositing of intervals in the field have been undertaken.
Orientation of data in relation to	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit*	The mineralisation described herein occurs in large magnetite replacement bodies, two of which are flat-lying and one dipping based on modeling of the data by an independent consultant.

Criteria	Explanation	Commentary
geological structure	*type*	Drill holes are vertical and thus perpendicular to the flat-lying mineralisation and at an angle to the dipping zone. There are no known internal structures effecting the grade distribution thus the sampling reported herein is not biased.
	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.	There is no bias in the sampling reported herein apart from vertical holes which intersect dipping mineralised zones having an apparent thickness greater than the true thickness which is noted in the report.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by Sierra employees. Core trays are kept at site under constant watch by Company employees prior to being transported from the drill site by Company employees in a Company vehicle to the core shed where core is logged and sawn core samples prepared for dispatch. Remaining core is kept in the Company core yard which is in a secure compound at the Company regional office in Daet town and guarded at night. Samples are sent directly from the core shed to the laboratory packed in secured and sealed plastic drums using either Company vehicles or a local transport company. A standard Chain of Custody form is signed by the driver responsible for transporting the samples upon receipt of samples at the core yard and is signed by an employee of the laboratory on receipt of the samples at the laboratory. Completed forms are returned to the Company for filing.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The sampling techniques and QA/QC data are reviewed on an ongoing basis by Company management and independent consultants. The writer of this report is an independent consultant who has reviewed all sample handling techniques and considers them to be of industry standard and appropriate.

Reporting of Exploration Results:

Criteria	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 Mabilo Project is covered by Exploration Permit EP-014-2013-V and Exploration Permit Application EXPA-000188-V. Drilling activity the subject of this announcement is within EP-014-2013-V which was granted in July 2013 for two years, with the option to renew for an additional 4 years. EP-014-2013-V is issued to Mt Labo Exploration and Development Corporation ("Mt Labo"), an associate of Sierra. There is a 1% royalty payable on net mining revenue received by Mt Labo in relation to EP-014-2013-V. Sierra and Mt Labo have entered into a joint venture agreement with Galeo Equipment and Mining Company, Inc ("Galeo") to partner in exploring and developing the Mabilo and Nalesbitan Projects. Galeo can earn up to a 36% interest in the Projects, down to 200 metres below surface, by contributing approximately US$4,250,000 of exploration drilling and management services for the Projects over a 2 year period. There are no native title or Indigenous ancestral domains claims.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenure over the area currently being explored is a granted Exploration Permit which is considered secure.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The only previous exploration over the Mabilo project area was a ground magnetic survey. Sierra has reported this data in previous reports to the ASX and used it as a basis for initial drill siting. Subsequently Sierra conducted its own ground magnetic survey with closer spaced survey lines and reading intervals which supersedes the historical program.

Criteria	Explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	Mineralisation at Mabilo can be defined as a magnetite-copper skarn which developed where the magnetite-copper mineralisation replaced beds of calc-silicate prograde skarn (predominantly garnet skarn) in the Miocene age Universal Formation.
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.*	The information contained in this report pertains to the initial results of the second phase of drilling at Mabilo. The easting, northing, elevation, dip and azimuth of all new holes is reported in a table within the report. Down hole depths, depths of intersections and current or end of hole depths of completed holes are documented in the text.
	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.	Location and orientation of all Phase 1 drill holes have previously been reported in announcements to the ASX. The data for Phase 2 holes is documented in this report.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Samples of different lengths are weighted when averaging assays for the large intervals reported herein. No top or bottom cuts have been made to the assay data when calculating averages.
	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 Mabilo skarn mineralisation is large with a relatively uniform grade. There are no exceptionally high or low grade zones with the mineralised bodies. The average grades reported herein are based on sample widths of approximately 1 metre width. No single sample width included in the averages exceeds 1.40 m.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent grades are reported herein.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	All holes reported herein have been drilled vertically. The orientation of the mineralised bodies is based on magnetic modeling and drill hole results. Where the mineralisation is not flat-lying and the intersection is not a true width an estimate of the true width is reported.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The interpreted orientation of the mineralised bodies is based on magnetic modeling and drill hole data and is documented in the report.
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.*	A map (plan view) showing contoured ground magnetic data, modelled magnetite bodies and drill hole collars is included in the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration*	The report documents the assay results from the first hole of the second phase of drilling. Low grade sample results from adjacent rocks outside the mineralised body are not included.

Criteria	Explanation	Commentary
	Results.	
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful exploration data concerning the Mabilo Project has been reported either in previous reports to the ASX or in the current report to which this table is attached.
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.*	The attached report is an initial report on an ongoing drilling program. Areas of future drilling are discussed in the text and the magnetic modelled mineralised bodies which are the target of the on-going drilling are outlined in the figure included in the report.

The information in this report relating to exploration results, mineral resources or ore reserves is based on information provided to Mr Robert McLean by Sierra Mining Limited. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications and experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC code). Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.