Date: March 19 2014

Kalman Resource

HIGHLIGHTS

- Kalman Mineral Resource Estimate updated by RungePincockMinarco in accordance with the guidelines of the JORC Code (2012 Edition).

- Resource comprises a combined **30 million tonnes at 1.3% copper equivalent (CuEq)** at 0.54% copper, 0.28 g/t gold, 0.08% molybdenum and 2.2 g/t rhenium in the Inferred category at revised cut-off grades

- 165,000 tonnes of copper, 274,000 ounces of gold, 25,000 tonnes of molybdenum and 2.1 million ounces of rhenium in estimate

- High level pit optimisation and underground mining exercises conducted by RPM suggest that the deposit has good prospects for eventual economic extraction

- Kalman deposit remains open along strike and down plunge

- The updated Resource will be used as a basis for further resource and mining studies

Midas Resources Limited (Midas) (ASX: MDS) is pleased to advise that an updated Mineral Resource Estimate for the Kalman Deposit has been completed by RungePincockMinarco ("RPM") in accordance with the guidelines of the JORC Code (2012 Edition).

The 100%-owned Kalman polymetallic deposit is situated 60 kilometres to the southeast of the mining centre of Mount Isa in North West Queensland. Midas holds a strategic tenement position covering approximately 1,900km^2 within the Mount Isa region and surrounding Kalman. Midas's recently drilled Overlander North copper deposit for which a maiden mineral resource is presently being estimated is situated 6km west of Kalman.

Kalman Deposit Mineral Resource Estimate

(Reported at 0.3% CuEq cut-off above 100m RL and 1.0% CuEq cut-off below 100m RL)

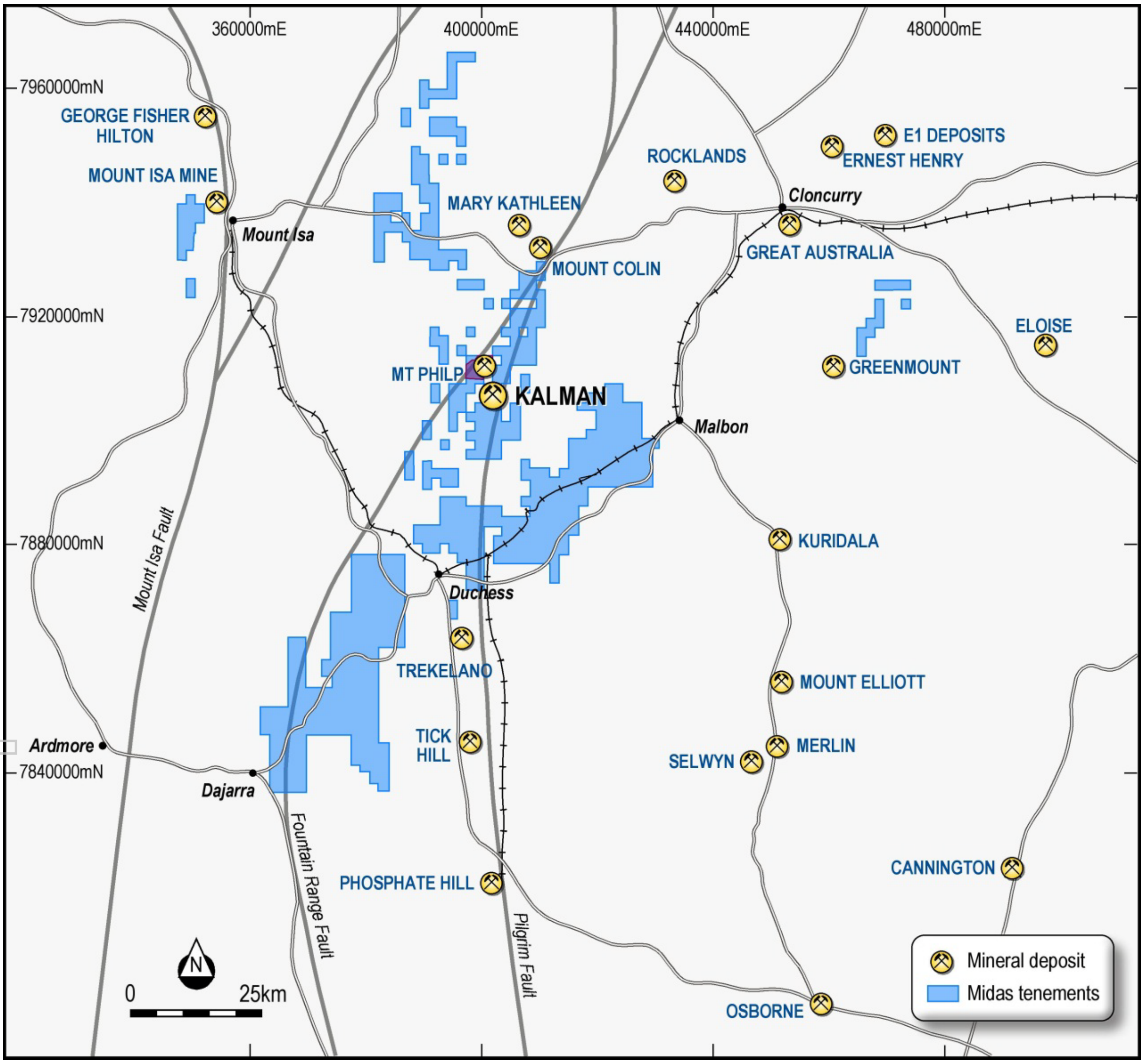
Classification	Mining Method	Tonnes kt	CuEq %	Cu %	Au ppm	Ag ppm	Mo %	Re ppm
Inferred	Open Pit	22,000	1.1	0.42	0.22	1.1	0.07	1.9
Inferred	Underground	8,300	1.9	0.87	0.42	2.0	0.11	2.9
Total		**30,000**	**1.3**	**0.54**	**0.28**	**1.3**	**0.08**	**2.2**

- *Note: (1) Numbers rounded to two significant figures*
- *Note: (2) Totals may differ due to rounding*
- *Note: (3) (CuEq = Cu + 0.594464Au + 0.010051Ag + 4.953866Mo + 0.074375Re)*

Alexander Hewlett, CEO of Midas Resources said that: *"This updated resource estimate lays the foundations for further resource definition drilling and mining studies into Kalman and we consider there to be excellent potential for Kalman to become a significant producer of copper and molybdenum concentrates with gold and rhenium credits.*

Our early exploration success at Overlander North provides additional confirmation of the project's exploration potential. "

"Kalman also has the advantage of being located in an established mining district. The extensive geological, environmental and metallurgical studies already completed on Kalman will assist in fast-tracking the project towards production."



Project Location

A summary of the background and information used in the resource estimation is as follows:

In February 2012 RungePincockMinarco Limited ("RPM") formerly Runge Limited ("RUL") was contracted by Syndicated Metals Ltd. ("SMD") to complete a Mineral Resource estimate for the Kalman Polymetallic deposit.

The resource estimate was reported to comply with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). With the subsequent update of the JORC code to the 2012 Edition, taking effect from 1 December 2013, RPM was contracted by Midas Resources Limited ("Midas") to review and re-issue the March 2012 Mineral Resource estimate to comply with the 2012 Edition of the JORC Code and to re-issue the model outputs to reflect recent changes to metal prices and costs, which are used in the modelling process to estimate Copper equivalent ("CuEq") values for cut-off grade analysis and economic forecasting. This report provides a modified presentation of the March 2012 Mineral Resource Estimate in the form required by the revised JORC Code (2012 Edition). There have been no material changes in the project data input, however this modified presentation presents differing tabulated results based on changed economic parameters used in the cut-off grade determination. This review does not change the modelled output of the Mineral Resource Estimate completed by RUL in March 2012 and referred to by Syndicated Metals Limited in their 2012 Annual Report.

Midas has not completed any additional geological or exploration work at the Kalman deposit. RPM has assumed that all material assumptions and technical parameters underpinning the original January 2012 resource estimate, apart from the updated economic parameters, continue to apply and have not materially changed.

Ownership

In 2012 the Kalman deposit was held by a JV between SMD and Mt Dockerell Mining Pty Ltd ("Mt Dockerell") a wholly owned subsidiary of Cerro Resources NL ("Cerro") now Santana Minerals Limited ("Santana"). During 2013 Santana acquired full control of the property and subsequently divested their ownership to the unlisted entity Hammer Metals Limited ("Hammer"). In late 2013 Midas finalised agreements whereby Midas would acquire all of the issued capital in Hammer and Mt Dockerell, including the Kalman Polymetallic deposit.

The deposit is situated on EPM13870 and EPM 14232. There is a 2% NSR payable to a third party on EPM 13870.

Geology and Supporting Information

The Kalman Project area is located within the Eastern Fold Belt of the Mount Isa Inlier and straddles the Wonga Sub-Province of the Eastern Succession. The boundaries of the sub-province are mapped as significant strike-slip faults. The Kalman deposit occurs on the Pilgrim Fault Zone which is a major crustal suture transecting the Mount Isa Inlier and separates the Wonga Sub-Province from the Quamby-Malbon Sub-Province. The Pilgrim Fault is interpreted as an east dipping listric fault with a surface expression of multiple east stepping, stacked semi-vertical shears.

Exploration in the area has been completed by several companies with historic drill holes and trenches dating back to the 1970's. The database comprises 87 holes for a total of 39,085m of drilling.

Drilling extends to a maximum down hole depth of 998.3m and the mineralisation was modelled from surface to a depth of approximately 800m below surface. The estimate is based on good quality RC and diamond core drilling data. The drill hole spacing is approximately 100m along strike with some 50m infill drilling.

Drilling Techniques

The drilling database consists of both diamond core (DD), reverse circulation (RC) drilling and trenching completed by numerous companies dating back to the 1970s. Table 1 below summarises drilling in the project conducted between 2005 and 2011.

Table 1: Drilling Summary

Company / Hole Type	In Project		In Mineralisation		
	Drill holes		Drill holes		Intersection
	Number	Metres	Number	Metres	Metres
Cerro - DD	53	31,207	53	31,207	9,040
Cerro - RC	19	5,683	12	4,379	1,954
SMD - RC	15	2,195	14	2,045	1,207
Total	87	39,085	79	37,631	12,201

Drilling was completed on approximately 100m section spacings, and holes were planned to provide mineralised intersections at approximately 100m down dip spacings.

Sampling and Sub-Sampling Techniques

All RC drilling was completed with large capacity rigs capable of +200m depths. The rigs were configured with both inbuilt and auxiliary compressors and boosters.

The holes were drilled with 4.5" (112 mm) face sampling hammers. The samples were fed through a splitter from a collection cyclone. The sample for analysis was collected for dispatch to the assay laboratory; a second sample was retained on site in sample farms adjacent to the drill collar.

All diamond core was photographed. The core was then cut using an automatic coresaw and the core halves placed back into their original positions in the tray. The right hand side was then hand selected for sampling, in one metre composites corresponding to the metre marks.

Sample Analysis Methods

All samples were assayed by ALS Laboratory Group in Townsville. Gold was assayed for by using method Au-AA25, a standard 30g fire assay with an AAS finish. Base metals were determined using method ME-ICP41, a 34 element scan by ICP-AES analysis on an aqua regia digest. Anomalous molybdenum zones (defined as more than 50ppm Mo) were re-submitted for assay for molybdenum, rhenium, selenium and tellurium using method ME-MS62s. MS-62s is an ICP mass spectrometer reading on a Four Acid sample digestion.

Mineral Resource Estimate

The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

As a result of recent reviews of the Copper Equivalence equation, applying revised metal prices and high-level economic analyses applying both Open Cut and Underground mining parameters, the Kalman Mineral Resource has been reported to two separate cut-off grades as this was seen to be more relevant to the longer term expectations of eventual economic extraction.

The RPM Mineral Resource is summarised in Table 2 below.

Table 2: Kalman Deposit Mineral Resource Estimate

(Reported at 0.3% CuEq cut-off above 100m RL and 1.0% CuEq cut-off below 100m RL)

Classification	Mining Method	Tonnes kt	CuEq %	Cu %	Au ppm	Ag ppm	Mo %	Re ppm
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Note: (1) Numbers rounded to two significant figures
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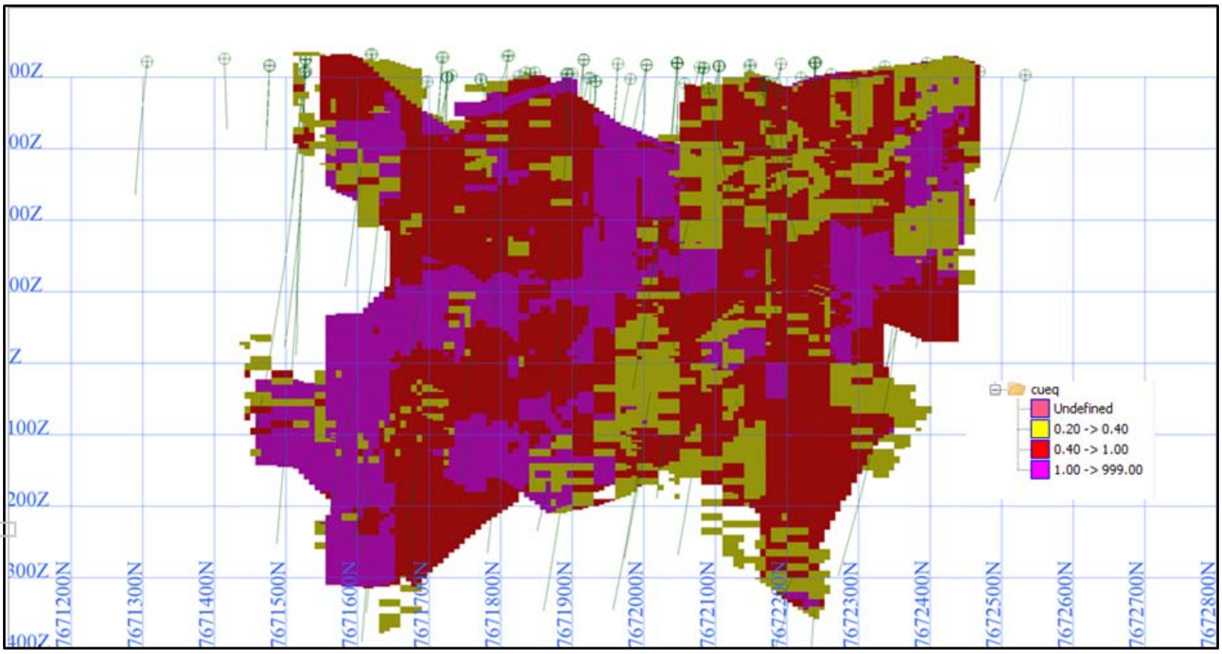
Note: (3) (CuEq = Cu + 0.594464Au + 0.010051Ag + 4.953866Mo + 0.074375Re)

The deposit was estimated by RPM using Ordinary Kriging (OK) grade interpolation, constrained by mineralisation envelopes prepared using a broad 0.02% Cu grade cut-off to define the mineralisation envelope as well as an internal high grade Cu domain created using a 0.4% Cu cut-off and an internal high grade Mo domain created using a 0.01% Mo grade cut-off.

The block dimensions used in the model were 5m EW by 30m NS by 10m vertical with sub-cells of 1.25m by 7.5m by 2.5m. Statistical analysis was carried out on Mo, Re, Cu, Au and Ag by domain. High grade cuts have been applied where appropriate.



Kalman Long Section

Copper equivalent (CuEq) grades were calculated using estimated block grades for Cu, Au, Ag, Mo and Re. The CuEq calculation is based on commodity prices and metallurgical recovery assumptions as detailed later in this release. Prices agreed to by Midas were a reflection of the market as at 14/02/2014 and forward looking forecasts provided by consensus analysis. Metal prices provided are:

- Cu: US$7,165/t
- Au: US$1,324.80/oz
- Ag: US$22.40/oz

- Mo: US$16.10/lb

The forward looking price for Rhenium was estimated using available historical and current prices.

- Re: US$5,329/kg

The CuEq equation is CuEq = Cu + 0.594464Au + 0.010051Ag + 4.953866Mo + 0.074375Re and was applied to the respective elements estimated within the resource block model.

Assumed Metallurgical Recoveries

Based on the testing completed and the current understanding of the material characteristics it has been assumed that the Kalman material can be processed using a "typical" concentrator process flowsheet. The mass balance and stage metallurgical recovery of the four major elements were based on the metallurgical test results from the molybdenum zone sample and benchmarks. The final overall recovery (Table 3) was established from the mass balance and benchmarked against other operations and projects.

Table 3: Assumed Metallurgical Recoveries

Process Stage	Molybdenum Recovery (%)	Rhenium Recovery (%)	Copper Recovery (%)	Gold Recovery (%)	Silver[1] Recovery (%)
Bulk Rougher	95	86	95	82	82
Overall	86	77	86	74	74

(1) No data available for Silver recoveries so they have been assumed similar to Gold Recoveries

It is the company's opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale based on metallurgical recoveries in flotation test work undertaken to date. There are a number of well-established processing routes for copper-molybdenum deposits and the sale of resulting copper and molybdenum concentrates.

Molybdenum concentrates with rhenium require roasting to capture the rhenium from the process off-gas. There are several offshore facilities that process molybdenum concentrates of which Molymet is the world's largest molybdenum processer and the largest producer of rhenium.

Because of the relatively small market for rhenium there is limited public information available for the payment of credits for rhenium. Preliminary enquiries by the company provide the company with sufficient confidence to believe that a credit for the rhenium content of the molybdenum concentrate can be obtained.

Previous Estimations

The initial Mineral Resource estimate was completed in December 2007 by Kings Minerals NL (now Cerro Resources NL). Subsequent drilling led to Cerro completing a revised estimate of the Kalman deposit in September 2008. The Cerro estimates are shown in Table 4 below. The estimation was classified as Inferred.

Table 4: Summary of Previous Mineral Resource Estimates

Company	Tonnes Mt	Cu %	Mo %	Re g/t	Au g/t	Ag g/t	Cu t	Mo t	Re oz	Au oz	Ag oz
Cerro 2007 ID[2] Estimate	49.7	0.35	0.06	NA	0.16	NA	172,200	27,800	NA	250,600	NA
Cerro 2008 ID[2] Estimate	60.8	0.32	0.05	1.19	0.15	NA	194,700	30,400	2,326,300	294,900	NA

The Cerro 2008 estimate was constrained by wireframes created using 0.03% Cu and 0.01% Mo cut-offs, and the estimate was reported at 0.2% Cu and 0.02% Mo cut-offs for open pit material (>100mRL) and 0.5% Cu and 0.05% Mo for underground material (<-100mRL).

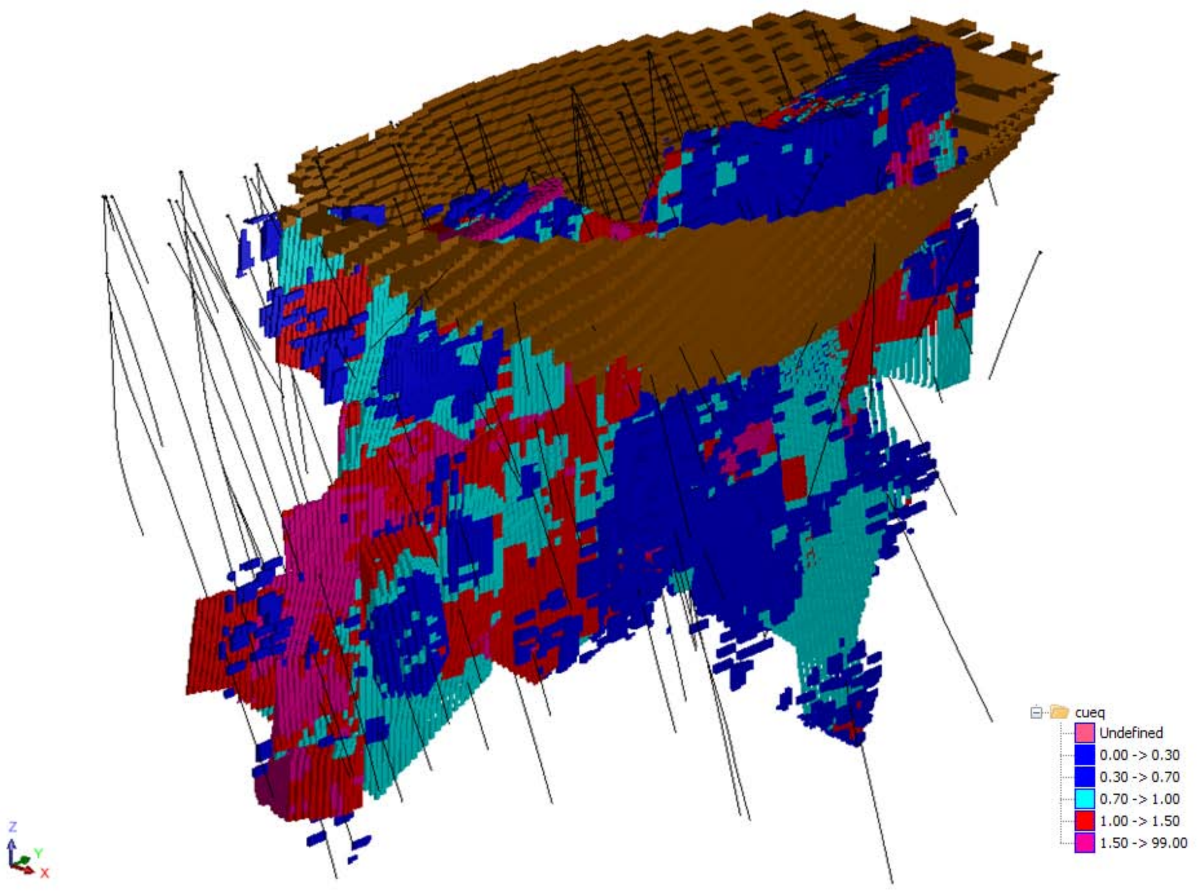
Prospects for Economic Extraction

As part of the 2014 updating exercise RPM personnel undertook a high level pit optimisation exercise over the Kalman deposit model to determine if a portion of the project would have reasonable prospects for eventual economic extraction by open pit mining methods.

The results from this analysis indicate that a significant portion of the Kalman deposit has reasonable prospects for economic extraction using open pit methods. RPM also carried out a high-level underground mining analysis exercise on the Kalman block model the results of which indicate that a significant portion of the deposit has reasonable prospects for economic extraction using underground mining methods.

As a result of these two high-level economic analyses the economic cut-off for reporting the Kalman Mineral Resource has been revised. For this report, the Mineral Resource has been reported to two separate cut-off figures. The upper part of the Mineral Resource, above the 100m RL has been reported as potential Open Cut material at an economic cut-off grade of 0.3% CuEq. The lower part of the Mineral Resource, below the 100m RL has been reported as potential Underground material at an economic cut-off grade of 1.0% CuEq.

The Kalman deposit is considered to have good potential for extension of the defined resource with further exploration drilling.



Perspective of Kalman Conceptual Optimised Pit Shell showing Drill Traces – looking North West

Classification

The Kalman deposit shows reasonable continuity of mineralisation within well-defined geological constraints. The drill spacing is sufficient to allow the grade intersections to be modelled into coherent wireframes for each domain. Reasonable consistency is evident in the thickness and grade of the domains.

RPM considers that geological and mineralisation continuity has been demonstrated with sufficient confidence to allow the Kalman deposit to be classified as Inferred Mineral Resource. The classification is in line with previous estimates and all relevant drilling with the subsequent exclusion of historical drilling and trenching information at the resource estimation stage.

The reported Inferred Mineral Resource has not been estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

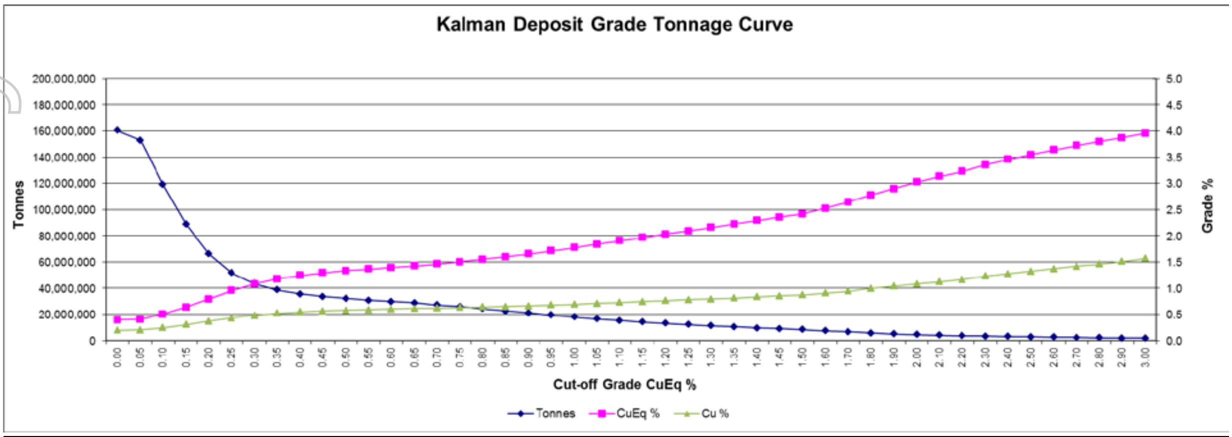
The resource model is undiluted, so appropriate dilution needs to be incorporated in any evaluation of the deposit. The Total Mineral Resource at a range of cut-off grades is shown in Table 5.

Table 5: Grade Tonnage Plots by Copper Equivalent (CuEq) Cut-off

Kalman Deposit February 2014 Resource Estimate

Grade Range CuEq%	Incremental Resource Tonnes t	CuEq %	Cu %	Au g/t	Ag g/t	Mo %	Re g/t	Cut-off Grade CuEq%	Cumulative Resource Tonnes t	CuEq %	Cu %	Au g/t	Ag g/t	Mo %	Re g/t	CuEq Metal Tonnes
0.00 -> 0.05	7,343,979	0.04	0.02	0.01	0.22	0.001	0.04	0.00	160,305,649	0.39	0.19	0.09	0.63	0.020	0.56	629,932
0.05 -> 0.10	34,103,974	0.08	0.05	0.02	0.34	0.002	0.06	0.05	152,961,670	0.41	0.20	0.09	0.65	0.021	0.59	627,215
0.10 -> 0.15	29,923,488	0.13	0.08	0.03	0.41	0.003	0.11	0.10	118,857,696	0.51	0.25	0.11	0.73	0.026	0.74	601,296
0.15 -> 0.20	22,875,855	0.17	0.11	0.04	0.46	0.004	0.16	0.15	88,934,208	0.63	0.30	0.14	0.84	0.034	0.95	563,891
0.20 -> 0.25	14,326,559	0.22	0.14	0.06	0.50	0.005	0.24	0.20	66,058,353	0.79	0.37	0.18	0.98	0.044	1.23	524,087
0.25 -> 0.30	8,274,593	0.27	0.17	0.07	0.52	0.007	0.33	0.25	51,731,794	0.95	0.43	0.21	1.11	0.055	1.50	492,139
0.30 -> 0.35	4,866,328	0.32	0.19	0.09	0.55	0.009	0.46	**0.30**	**43,457,201**	**1.08**	**0.48**	**0.23**	**1.22**	**0.064**	**1.72**	**469,549**
0.35 -> 0.40	3,066,103	0.37	0.21	0.10	0.59	0.011	0.55	0.35	38,590,873	1.18	0.52	0.25	1.30	0.071	1.88	453,831
0.40 -> 0.45	1,938,305	0.42	0.24	0.11	0.74	0.013	0.59	0.40	35,524,770	1.25	0.55	0.27	1.37	0.077	2.00	442,364
0.45 -> 0.50	1,535,393	0.47	0.25	0.11	0.83	0.020	0.69	0.45	33,586,465	1.29	0.56	0.28	1.40	0.080	2.08	434,146
0.50 -> 0.55	1,278,788	0.53	0.26	0.11	0.87	0.026	0.76	0.50	32,051,072	1.33	0.58	0.28	1.43	0.083	2.15	426,868
0.55 -> 0.60	986,112	0.58	0.31	0.11	0.93	0.026	0.79	0.55	30,772,284	1.37	0.59	0.29	1.45	0.086	2.20	420,154
0.60 -> 0.65	1,105,017	0.63	0.34	0.12	1.14	0.030	0.70	0.60	29,786,172	1.39	0.60	0.30	1.47	0.088	2.25	414,474
0.65 -> 0.70	1,492,045	0.68	0.43	0.15	1.19	0.021	0.55	0.65	28,681,155	1.42	0.61	0.30	1.48	0.090	2.31	407,568
0.70 -> 0.75	1,345,170	0.73	0.44	0.16	1.19	0.027	0.62	0.70	27,189,110	1.46	0.62	0.31	1.50	0.094	2.41	397,496
0.75 -> 0.80	1,600,193	0.78	0.48	0.18	1.22	0.026	0.62	0.75	25,843,940	1.50	0.63	0.32	1.51	0.097	2.50	387,744
0.80 -> 0.85	1,586,524	0.83	0.49	0.19	1.23	0.032	0.72	0.80	24,243,747	1.55	0.64	0.33	1.53	0.102	2.62	375,342
0.85 -> 0.90	1,606,648	0.88	0.49	0.23	1.19	0.036	0.84	0.85	22,657,223	1.60	0.65	0.34	1.56	0.107	2.76	362,254
0.90 -> 0.95	1,611,014	0.92	0.48	0.22	1.27	0.044	1.12	0.90	21,050,575	1.65	0.66	0.35	1.58	0.112	2.90	348,196
0.95 -> 1.00	1,422,626	0.98	0.50	0.23	1.17	0.046	1.30	0.95	19,439,561	1.71	0.68	0.36	1.61	0.118	3.05	333,310
1.00 -> 1.05	1,398,959	1.03	0.51	0.23	1.22	0.053	1.40	1.00	18,016,935	1.77	0.69	0.37	1.64	0.123	3.19	319,439
1.05 -> 1.10	1,337,323	1.08	0.49	0.22	1.19	0.063	1.74	1.05	16,617,976	1.84	0.71	0.38	1.68	0.129	3.34	305,100
1.10 -> 1.15	1,141,657	1.12	0.50	0.24	1.11	0.068	1.73	1.10	15,280,653	1.90	0.72	0.39	1.72	0.135	3.48	290,724
1.15 -> 1.20	1,037,496	1.18	0.53	0.27	1.16	0.070	1.66	1.15	14,138,996	1.97	0.74	0.40	1.77	0.140	3.62	277,891
1.20 -> 1.25	984,656	1.22	0.54	0.27	1.16	0.076	1.84	1.20	13,101,500	2.03	0.76	0.41	1.82	0.146	3.78	265,701
1.25 -> 1.30	838,793	1.27	0.57	0.31	1.41	0.075	1.85	1.25	12,116,844	2.09	0.78	0.43	1.87	0.152	3.93	253,649
1.30 -> 1.35	847,146	1.33	0.58	0.32	1.21	0.080	1.97	1.30	11,278,051	2.15	0.79	0.44	1.91	0.157	4.09	242,962
1.35 -> 1.40	766,146	1.37	0.54	0.32	1.40	0.094	2.19	1.35	10,430,905	2.22	0.81	0.44	1.97	0.164	4.26	231,738
1.40 -> 1.45	700,144	1.42	0.58	0.36	1.64	0.091	2.15	1.40	9,664,759	2.29	0.83	0.45	2.01	0.169	4.42	221,211
1.45 -> 1.50	567,570	1.47	0.55	0.34	1.65	0.106	2.48	1.45	8,964,615	2.36	0.85	0.46	2.04	0.175	4.60	211,241
1.50 -> 1.60	948,206	1.55	0.58	0.41	1.61	0.107	2.41	1.50	8,397,045	2.42	0.87	0.47	2.07	0.180	4.74	202,875
1.60 -> 1.70	862,777	1.65	0.63	0.41	1.61	0.113	2.64	1.60	7,448,839	2.53	0.91	0.48	2.12	0.189	5.04	188,178
1.70 -> 1.80	878,091	1.75	0.62	0.42	1.65	0.128	3.09	1.70	6,586,062	2.64	0.95	0.49	2.19	0.199	5.36	173,950
1.80 -> 1.90	628,193	1.85	0.65	0.43	1.58	0.139	3.29	1.80	5,707,971	2.78	1.00	0.50	2.28	0.210	5.70	158,601
1.90 -> 2.00	595,603	1.95	0.72	0.51	1.83	0.136	3.11	1.90	5,079,778	2.89	1.04	0.51	2.36	0.219	6.00	146,986
2.00 -> 2.10	451,765	2.05	0.68	0.50	1.83	0.155	3.82	2.00	4,484,175	3.02	1.08	0.51	2.43	0.230	6.39	135,402
2.10 -> 2.20	373,992	2.15	0.75	0.53	1.94	0.153	4.06	2.10	4,032,410	3.13	1.13	0.51	2.50	0.238	6.68	126,140
2.20 -> 2.30	412,594	2.25	0.63	0.43	1.69	0.196	5.00	2.20	3,658,418	3.23	1.16	0.50	2.56	0.247	6.94	118,111
2.30 -> 2.40	303,054	2.35	0.85	0.45	2.06	0.182	4.15	2.30	3,245,824	3.35	1.23	0.51	2.67	0.253	7.19	108,840
2.40 -> 2.50	240,469	2.44	0.70	0.39	2.31	0.209	6.04	2.40	2,942,770	3.46	1.27	0.52	2.73	0.261	7.50	101,718
2.50 -> 2.60	227,813	2.55	0.81	0.47	2.11	0.204	5.73	2.50	2,702,301	3.55	1.32	0.53	2.77	0.265	7.63	95,841
2.60 -> 2.70	185,541	2.65	0.81	0.50	2.10	0.220	5.78	2.60	2,474,488	3.64	1.37	0.54	2.83	0.271	7.81	90,029
2.70 -> 2.80	179,339	2.75	0.86	0.46	2.20	0.225	6.51	2.70	2,288,947	3.72	1.41	0.54	2.89	0.275	7.97	85,111
2.80 -> 2.90	146,623	2.85	0.85	0.57	2.04	0.236	6.42	2.80	2,109,608	3.80	1.46	0.54	2.95	0.279	8.10	80,174
2.90 -> 3.00	160,988	2.94	0.86	0.46	1.78	0.263	6.60	2.90	1,962,985	3.87	1.51	0.54	3.02	0.283	8.22	75,990
3.00 -> 99.0	1,801,997	3.95	1.57	0.55	3.13	0.284	8.37	3.00	1,801,997	3.95	1.57	0.55	3.13	0.284	8.37	71,251
Total	**160,305,649**	**0.39**	**0.19**	**0.09**	**0.63**	**0.020**	**0.56**									

<u>**Grade Tonnage Curve**</u>



Competent Persons Statement

The information in this announcement that relates to Mineral Resources is based on information compiled by Mr Trevor Stevenson, a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (Geology), who is a full time employee of RungePincockMinarco Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Trevor Stevenson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of the Mineral Resource estimates for the Kalman polymetallic deposit on mining tenements EPM13870 and EPM 17452.

JORC Table 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.*	• The mineralised lodes at the Kalman deposit were sampled using surface diamond drill holes ("DD"), percussion holes ("RC") and trenches. Drilling was conducted primarily on nominal 100m by 60m spacing, and drilled on the MGA94 National Grid system. • Drill holes used in the resource estimate included 60 diamond holes and 42 percussion holes for a total of 41,423.25m within the resource wireframes. The supplied database contained a total of 118 drill hole and trench records for a total of 43,318.42m. Drill holes were generally angled at -60° towards the -east (average of 98° azimuth) to optimally intersect the mineralised zones. • All accessible drill hole collars and starting azimuths and downhole deviations were accurately surveyed by DGPS Using the Trimble satellite network. Dip and azimuth values were measured at 30m intervals down hole using an Eastman camera or Ranger or Reflex electronic units. • Drilling was conducted by Texins, Pimex, MIM, Cerro and SMD. The Pimex drilling and the trenching data was not included in the data used for Resource Estimation, but was used as an aid in the wireframing. Diamond drilling used 47.6mm core diameter (NQ) with sampling at 1m intervals or based on geological boundaries. Half-split core was sampled and sent for analysis. RC drilling used a 4.5" face sampling bit, a cyclone and an industry standard riffle splitter. All samples were sent for preparation (crushing and pulverising) and analysed using the Au-AA25 method for gold and the ME-ICP41 method for base metals, all assaying was carried out by the ALS Laboratory Group in Townsville Queensland.
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 or percussion drilling was the primary technique used at Kalman. Diamond holes make up 79% of the total metres drilled with core diameter at 47.6mm. Hole depths ranged from 101m to 998m. Percussion drilling makes up 21% of the total holes drilled with depths ranging from 36m to 524m.
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*	• Recoveries from diamond core were recorded but no recovery information is stored in the database; however drill core generally appears very competent and intact. A review of the bulk reject bags suggests the RC drill sample recoveries were also excellent. All diamond core was oriented where possible. • Diamond core was reconstructed into continuous runs for orientation marking with

Criteria	JORC Code explanation	Commentary
	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.*	depths checked against core blocks. Most percussion samples were visually checked for recovery and moisture content and the data recorded. • No relationship was noted between sample recovery and grade. The mineralised zones have been intersected with generally good recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
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 core and RC chips have been logged on site by company geologists. With a relatively small number of geologists having worked on the project, the level of consistency of logging remains high. All drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. • Logging is a mix of qualitative and quantitative observations. It was standard practice by Cerro and SMD that all diamond core be routinely photographed, both wet and dry. • All drill holes were logged in full.
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.*	• Diamond core is cut in half using a core saw with half core submitted for assay. • Percussion drill samples were collected at 1m intervals. Samples were collected at the rig and split with a riffle splitter at the drill site. Samples were predominantly dry. • Sampling of diamond core and RC chips used industry standard techniques. • Cerro and SMD used systematic standard and field duplicate sampling since 2005. Detailed data indicates that a sequence of every 20th sample is submitted as a standard, a different sequence of every 20th sample is inserted as a field duplicate. • The duplicate and standard system used results in 10 samples in every 100 being a QAQC sample or 10%. • Sample sizes (3-5kg for core and 2-5kg for chips) are considered appropriate to correctly represent the mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for the various elements of interest.
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.*	• The assay method used for all drill samples was Au-AA25 for gold and ME-ICP41 for base metals. Anomalous Mo zones were re-submitted for assay (Mo and Re) using the ME-MS62 four acid digestion method which gives a more reliable assay for higher Mo grades.. • No geophysical tools were used to determine any element concentrations used in this resource estimate.

Criteria	JORC Code explanation	Commentary
	• *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.*	• The various programs of QAQC carried out by Cerro and SMD and the previous exploration companies have produced results that support the sampling and assaying procedures used. Three matrix matched standards representing grades from 0.2% Cu to 0.28% Cu and 0.02% Mo to 0.1% Mo were inserted regularly during the drilling program. Results highlighted that the Cu and Mo sample assays are within accepted values, showing no obvious bias.
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.*	• RPM has independently verified significant intersections of mineralisation. The site visit inspected drill core and noted similar identification of geological features. • No twinning of holes was undertaken during the drilling programs. • Geological logging was on paper copies which were subsequently recorded digitally. The assay data was checked against logging for confirmation. • Assay values below detection limit were adjusted to equal half of the detection limit value. Intervals with no samples were left blank in the database.
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.*	• All Cerro and SMD drill holes have been accurately surveyed by differential GPS methods using the Trimble satellite network. A number of collar surveys have been repeated during different surveys with insignificant differences in results. For the majority of holes, downhole surveys have been conducted at regular intervals, initially using single shot cameras and subsequently using Ranger and Reflex electronic units. • Drill hole locations were positioned using the MGA Grid System. • LiDAR survey data was used to create a topographic surface, this was confirmed by the drill hole collar data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill hole spacing throughout the project is approximately 100 to 120m along strike with some 50 to 60m infill drilling. Drill spacing down dip is of similar dimensions. • The Kalman deposit shows reasonable continuity of mineralisation within well-defined geological constraints. The drill spacing is sufficient to allow the grade intersections to be modelled into coherent wireframes for each domain. Reasonable consistency is evident in the thickness and grade of the domains. Data density is sufficient to generate acceptable variograms throughout the deposit. • Samples have been composited to 1m lengths using 'best fit' techniques.
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*	• Drill holes are orientated predominantly to an azimuth of approximately 90° and drilled at an angle of -60° to the east which is

Criteria	JORC Code explanation	Commentary
geological structure	*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.*	approximately perpendicular to the orientation of the mineralised trends. • The orientation of the drilling is at a high angle to the strike and dip of the mineralisation and is unlikely to have introduced any sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Diamond half-core and RC samples are packed in poly bags which are stacked on pallets and shrink-wrapped for road transport to the laboratory. Bags are individually numbered and addressed.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• During a site visit in September 2011, RPM completed a project review. No significant issues were identified in geological understanding or exploration data integrity.

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 license to operate in the area.*	• The Kalman deposit lies within EPM 14232 and EPM 13870. The tenements are wholly controlled by Midas. There are no environmental liabilities current at Kalman and environmental baseline surveying has not identified any significant environmental considerations. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration over the tenement area has been conducted by a number of parties since 1969, including Texins, Pimex, MIM, Kings Minerals, Cerro Resources and SMD. Midas Resources Ltd acquired the project area in 2013. Where available the historical data has been appraised and is of acceptable quality.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kalman Deposit is located within the Eastern Succession of the Mount Isa Inlier. It occurs adjacent to the Pilgrim Fault Zone, a major crustal suture transecting the Mount Isa Inlier that separates the Wonga Sub-Province from the Ewan-Malbon Sub-Province. In the vicinity of Kalman the fault abuts the Corella Formation against Overhang Jaspillite. The project area is principally underlain by the Palaeoproterozoic Corella Formation. This is described as a sequence of mixed siliclastic/carbonate rocks possibly deposited as fine grain pelites and evaporates in an ephemeral playa lake. Local accumulations of basic volcanics are present within the Corella Formation as both fine grained lavas with inter-mixed volcaniclastics and medium grained porphyritic high level intrusives. These sediments and volcanics have been regionally metamorphosed to amphibolite facies. Kalman represents an intrusion-related style of

Criteria	JORC Code explanation	Commentary
		hydrothermal Mo-Re-Cu-Au mineralisation hosted by calc-silicate rocks originally comprised dominantly of alkali feldspar with lesser tremolite, apatite, biotite and sphene.
Drill hole information	• *A summary of all information material to the under-standing 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 should clearly explain why this is the case.*	• Exploration results are not being reported. A complete table of all relevant drill holes is attached to the original report. • Trench information and KAL-prefix holes from the 1980s were used to guide resource wireframes but were excluded from the Kalman estimate. This reflected the historical nature of the data, assay quality concerns and the uncertain location of the samples.
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.* • *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.*	• Exploration results are not being reported. • Not relevant. • As the Kalman deposit is a polymetallic deposit it was decided to use a combination of the individual product grades (Cu, Au, Ag, Mo & Re) to generate a Copper Equivalent ("CuEq") grade for reporting purposes. The CuEq value is calculated within the block model by applying a factor, related to the metal price of the individual commodity, and summing the results. The CuEq data was only used in reporting the Mineral Resource and was not used in any estimations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• Drill holes were orientated predominantly to an azimuth of approximately 90° and angled to a dip of -60°, which is approximately perpendicular to the orientation of the mineralised trends. • As the mineralization generally dips vertical to steeply west the true width is approximately 50% of the quoted drill intersections. Diamond drill holes generally intersected the mineralization with dips of 50 to 60°. True widths are therefore between 64 and 50% of the quoted drill intercept. • N/A
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be*	• Exploration results are not being reported. All relevant plans and sections are attached to the

Criteria	JORC Code explanation	Commentary
	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.	original document.
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.*	• Exploration results are not being reported.
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.*	• Exploration results are not being reported.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • • • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future drilling is proposed but the design has not been finalised at the time of writing of this report.

Section 3: Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in Section 2, also apply to this section)

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.*	• The database was not validated against original hard copy logs by RPM. The database was reviewed by RPM and SMD geologists and minor corrections to survey tables made. The database was accepted for further use. • The data base was systematically audited by SMD geologists. All drill logs are validated digitally by the database geologist once assay results are returned from the laboratory. RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
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 conducted by Shaun Searle of RPM in September 2011. Drilling, logging, and sampling procedures were viewed and it was concluded that these were being conducted to best industry practice. • N/A
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• The lithological data was available from logging. Interpretations are guided by the broader regional geological setting and local field observations. The geology of the Kalman

Criteria	JORC Code explanation	Commentary
	• *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.*	deposit is well understood. • Drill hole logging by SMD geologists, through direct observation of drill core and percussion samples have been used to interpret the geological setting. The continuity of the main mineralised lodes is clearly observed by relevant grades within the drill holes. The drilling and trench sampling suggest the current interpretation is robust. • The nature of the lodes would indicate that alternate interpretations would have little impact on the overall Mineral Resource estimation. • Weathering and lithology were not used in the generation of the wireframes for the Mineral Resource estimation as the mineralisation was restricted to the fresh (unweathered) portion of the calc-silicate host rocks. Wireframes were based on the chemical analyses for Copper and molybdenum • The geological logging and the results of the geostatistical analyses have been useful in predicting the continuity of the mineralisation for the Mineral Resource estimation
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 Kalman resource model area extends over a strike length of 2,100m from 7,671,000mN to 7,673,100mN, a width of 1,200m from 392,000mE to 393,200mE and includes the vertical extent of 1,150m from -600mRL to 550mRL.
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.*	• Ordinary Kriging ("OK") interpolation with an oriented 'ellipsoid' search was used for the estimate. Surpac software was used for the estimations. Three dimensional mineralised wireframes were used to domain the mineralised data. Sample data was composited to 1m down hole lengths using the 'best fit' method. Intervals with no assays were excluded from the estimates. The influence of extreme grade values was addressed by reducing high outlier values by applying high grade cuts to the data. These cut values were determined through statistical analysis (histograms, log probability plots, CVs, and summary multi-variate and bi-variate statistics) using Supervisor software. • Previous estimates were carried out by Cerro in 2007 and 2008. These estimates were conducted using Inverse Distance weighting ("ID^2")interpolation methods. The different parameters and methods used for the estimation exercises precludes the possibility of relevant comparisons. • RPM has assumed that the deposit will be mined, and the ore processed for a suite of elements including Cu, Mo, Au, Ag and Re. For the Mineral Resource modelling exercise RPM assumed forward-looking prices for these elements and developed a Copper Equivalent ("CuEq") value for each block. The Mineral

Criteria	JORC Code explanation	Commentary
	• *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.*	Resource reporting used the CuEq value for reporting cut-off purposes.. • No estimation of deleterious elements was carried out. Cu, Mo, Au, Ag and Re were the major variables interpolated into the block model. • The parent block dimensions used were 30m NS by 5m EW by 10m vertical with sub-cells of 7.5m by 1.25m by 2.5m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing. • No assumptions were made on selective mining units. • A correlation analysis of the elements indicated a positive correlation in the distribution of Mo with Re. As a result of this Mo and Re used similar estimation parameters in the modelling process. • The deposit mineralisation was constrained by overall wireframes constructed using a 0.02% Copper cut-off grade. Within the 0.02% Cu wireframe Two internal wireframes were constructed using a higher grade Copper value of 0.4% Cu and a Molybdenum value of 0.01%. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from each domain. The high coefficient of variation, and the scattering of high grade outliers observed on the histograms, suggested that high grade cuts were required if linear grade interpolation was to be carried out. The high grade cuts are listed in the body of the report in **Error! Reference source not found.**. • A three step process was used to validate the model. A qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average grades of the composite file input against the block model output for all the resource objects. A trend analysis was completed by comparing the interpolated blocks to the sample composite data within the main lodes. This analysis was completed for northings and elevations across the deposit. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The nominal cut-off grade of 0.02% Cu was used to define the boundary of the mineralisation, it was determined from analysis of log probability plots of all samples

Criteria	JORC Code explanation	Commentary
		at the deposit. This cut-off was used to define the mineralised wireframes. • The Mineral Resource has been reported to two separate cut-off figures. The upper part of the Mineral Resource, above the 100m RL has been reported as potential Open Cut material at an economic cut-off grade of 0.3% CuEq. The lower part of the Mineral Resource, below the 100m RL has been reported as potential Underground material at an economic cut-off grade of 1.0% CuEq.
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.*	• The results of a high-level estimate of Open Cut Ore Reserves indicate that the deposit could potentially be mined using open pit techniques. RPM carried out a high-level Pit Optimisation on the defined Kalman Mineral Resource. The exercise indicated that open pit mining techniques could be used to a depth of approximately 300m from the surface. Using forward-looking metal price assumptions the project would have a positive, indicative undiscounted net value. RPM are of the opinion that material below the 300m depth could be extracted using underground mining methods.
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.*	• A metallurgical test program was completed on ten samples from the molybdenum zone of the Kalman Deposit. Sighter flotation tests conducted on the molybdenum composite sample indicated that a primary grind between P_{80} 150 µm and 180 µm and a collector combination of SIPX and diesel generated good recovery of pay metals to the rougher concentrate.
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 assumptions have been made by RPM regarding possible waste and process residue disposal options.
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.*	• For the Kalman deposit 4,573 bulk density samples were taken, representing 27 separate rock-types. Individual rock-type average densities ranged from 2.69 t/m^3 for Graphitic meta-sediment ("GMS") and Calcite ("CAL") to 2.96 t/m^3 for Diorite ("DIOR"). The average of the 4,573 samples is 2.80 t/m^3. Cerro recommended that a bulk density value of 2.7

Criteria	JORC Code explanation	Commentary
	• *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.*	t/m^3 be applied to represent the generally fresh, mineralised zones. This value is the average density of testwork results within the copper mineralisation domain. A bulk density of 2.8 t/m^3 was applied outside the low-grade copper mineralisation domain. • The bulk density was estimated using the Weight-in-air vs. Weight-in-water method. ***[Wt_air]/[Wt_air – Wt_water],*** after the sample was prepared using a sealer spray, thus the method adequately accounts for void spaces (vugs, porosity, etc). • N/A
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 values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The resource was classified as Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. • The deposit has been tested with high quality drilling, sampling and assaying. Geological logging has defined structural and lithological controls that provide confidence in the interpretation of mineralisation boundaries. RPM considers that geological and mineralisation continuity has been demonstrated with sufficient confidence to allow the Kalman deposit to be classified as Inferred Mineral Resource. The classification is in line with previous estimates and reflects the addition of new drilling and subsequent exclusion of historical drilling and trenching information at the resource estimation stage. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate. • A review of the input data, estimation methods and results was conducted by RPM in December 2013, to ensure compliance with the JORC Code 2012.
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*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • The Mineral Resource statement relates to global estimates of tonnes and grade.

Criteria	JORC Code explanation	Commentary
	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.*	• No production data is available for comparison.