For personal use only

Northwest Resources Limited

ASX RELEASE

30 September 2013

Updated Mineral Resource for Blue Spec and Gold Spec

Northwest Resources Limited (ASX: NWR, "**Northwest**") is pleased to report an updated Mineral Resource estimate for the Blue Spec and Gold Spec gold deposits, the material deposits within Northwest's Blue Spec Shear Gold-Antimony Project.

The updated Mineral Resource estimate was prepared in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**2012 JORC Code**). The update incorporates 11 diamond drill holes at Blue Spec and 14 diamond holes at Gold Spec completed since resource estimates were previously released by Northwest. The geological and structural model for the deposits was also revised as part of the updated estimation process.

The updated Mineral Resource estimate was completed internally by Northwest, with an independent external review of the modelling and estimation techniques completed by CSA Global Pty Ltd.

The combined updated Mineral Resource estimate for Blue Spec and Gold Spec is summarised in Table 1 below with a comparison to the previously reported combined resource estimate for the deposits. The full updated Mineral Resource estimate is set out in Table 2 below.

Table 1: Summary updated combined Mineral Resource for Blue Spec and Gold Spec

	Tonnes	Gold Grade (g/t Au)	Contained Gold (oz)	Antimony Grade (% Sb)	Contained Antimony (t)
Updated estimate	415,000	16.3	219,000	1.3	5,200
Previous estimate	646,000	15.8	328,000	1.2	7,900

Updated estimate quoted above a 3g/t Au cut-off and after depletion of historical voids

For personal use only

Table 2: Full updated Mineral Resource estimate

Deposit	Resource Category	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Blue Spec	Indicated	84,000	29.1	79,000	2.2	1,900
	Inferred	234,000	12.2	92,000	0.9	2,200
	Total	318,000	16.7	171,000	1.3	4,100
Gold Spec	Indicated	67,000	12.4	27,000	1.1	700
	Inferred	30,000	21.6	21,000	1.4	400
	Total	97,000	15.2	48,000	1.2	1,100
Total		**415,000**	**16.3**	**219,000**	**1.3**	**5,200**

Updated estimate quoted above a 3g/t Au cut-off and after depletion of historical voids

Key outcomes from the updated Mineral Resource

- The updated Mineral Resource estimate for Blue Spec and Gold Spec has delivered a substantial increase in Indicated Resources to approximately 50% of total resources (up from approximately 12% in the previous combined resource estimate).
- The Indicated Resources have been defined over a significant vertical extent immediately below the historical workings (see Figures 2 and 4 below).
- The grade of the Indicated Resources at Blue Spec (29.1g/t Au and 2.2% Sb) is very similar to the head grade reported by Anglo-American during production immediately above the Indicated zone of 31.1g/t Au and 2.9% Sb providing further confidence in the grade estimation.
- The average grade of the updated Indicated and Inferred Resources at Gold Spec (15.2g/t Au and 1.2% Sb) represents a significant increase in grade over the previous resource estimate.
- The grade distribution within the updated resource block models shows very high-grade zones of mineralisation within each deposit of 40-100g/t Au (see Figures 1 and 3 below) which are open along strike and at depth. The potential strike extensions of these very high-grade zones represent excellent exploration opportunities which are discussed below in the Exploration Targets section.

Whilst the updated Mineral Resource estimates detailed in this announcement represent a negative resource revision compared to the 2008 Blue Spec and 2010 Gold Spec resource estimates, the conversion rate from Inferred to Indicated Resource categories at Blue Spec of approximately 86% was a strong result. The lower conversion rate at Gold Spec of approximately 67% was primarily due to a revised structural interpretation. More information on the material changes from the previous resource estimates for the deposits is discussed below.

Northwest believes that the updated Mineral Resource estimate provides a strong base and high level of confidence for Northwest to continue its evaluation of development options for the Blue Spec Shear Gold-Antimony Project.

For personal use only

Figure 1: Blue Spec block estimate (OK) showing historical workings and remnant mineralisation (not included in Mineral Resource estimate)

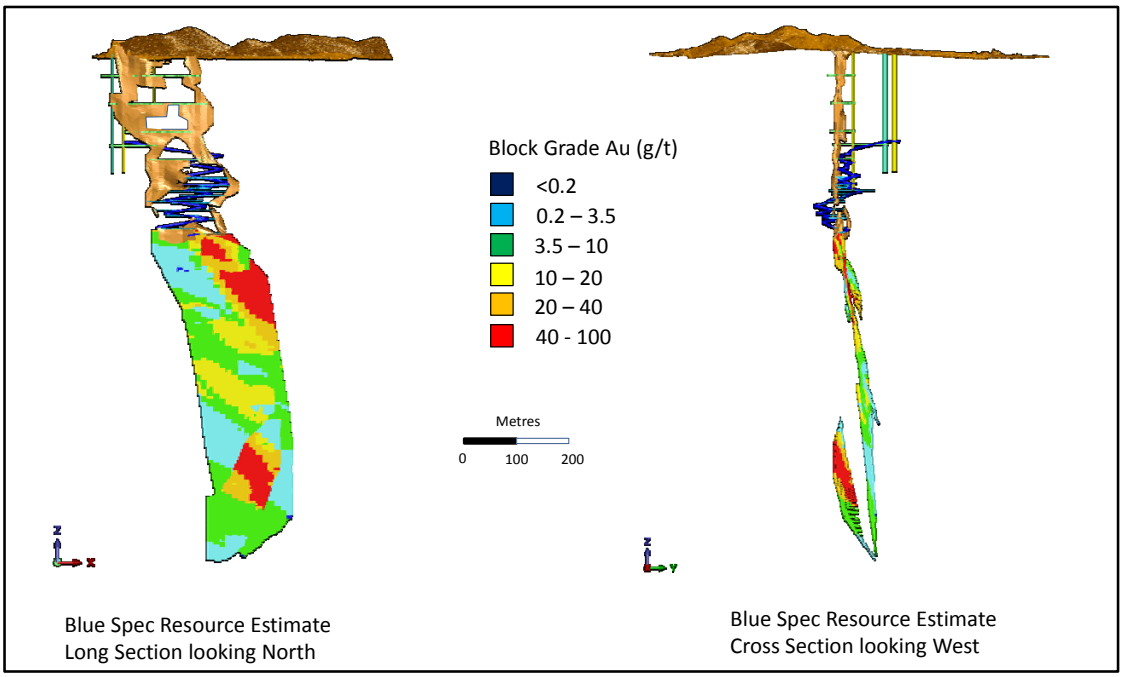
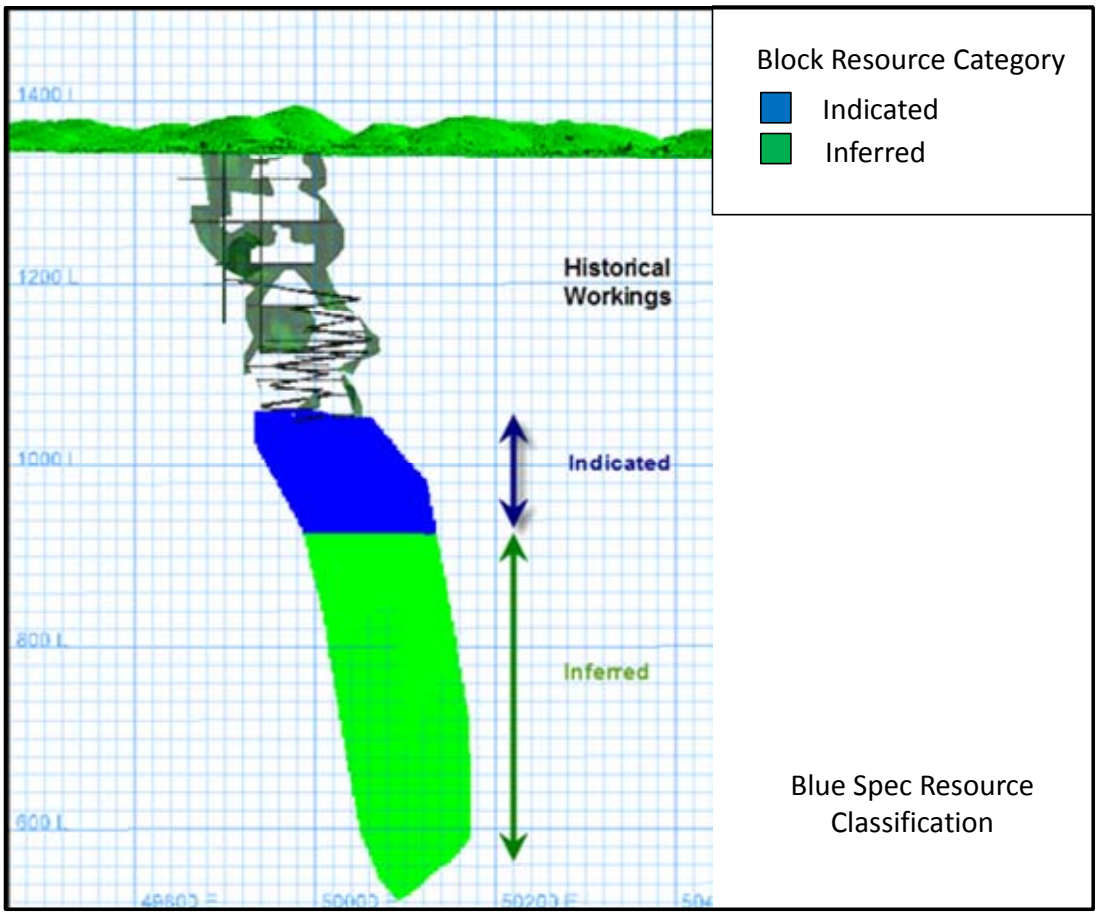


Figure 2: Blue Spec Mineral Resource classification.



For personal use only

Figure 3: Gold Spec block estimate (OK) showing historical workings and mining voids

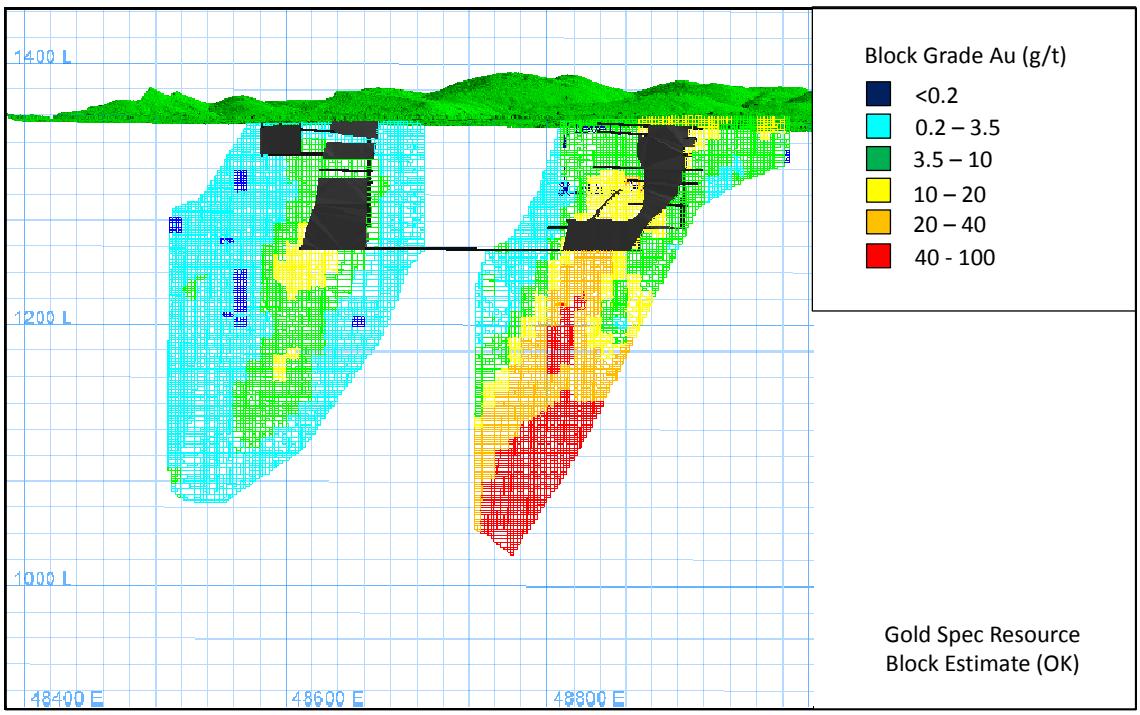
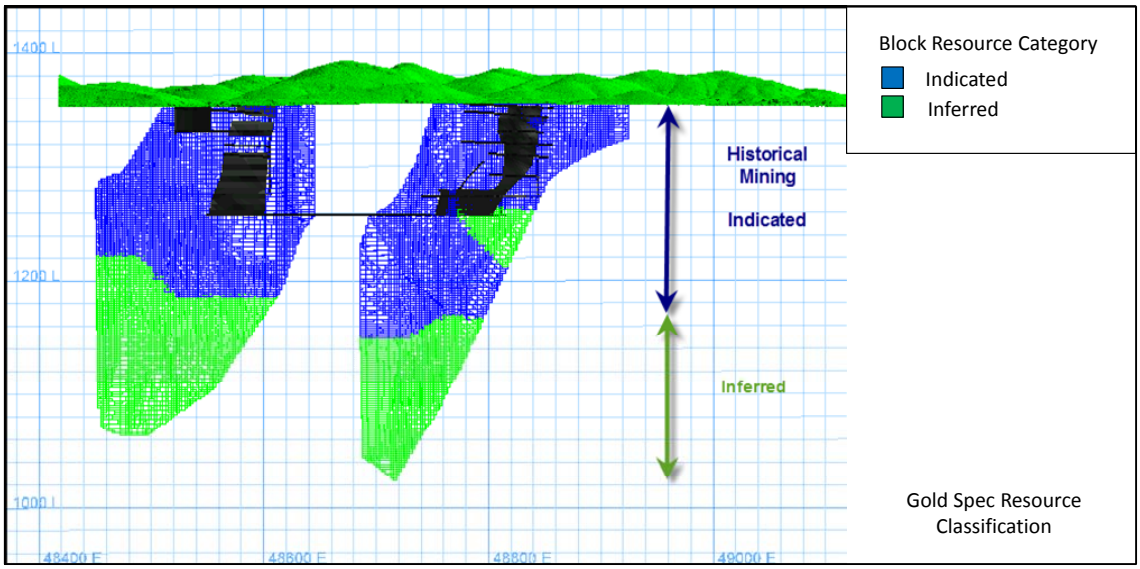


Figure 4: Gold Spec Mineral Resource Classification



For personal use only

Figure 5: Blue Spec and Gold Spec drill hole collar positions

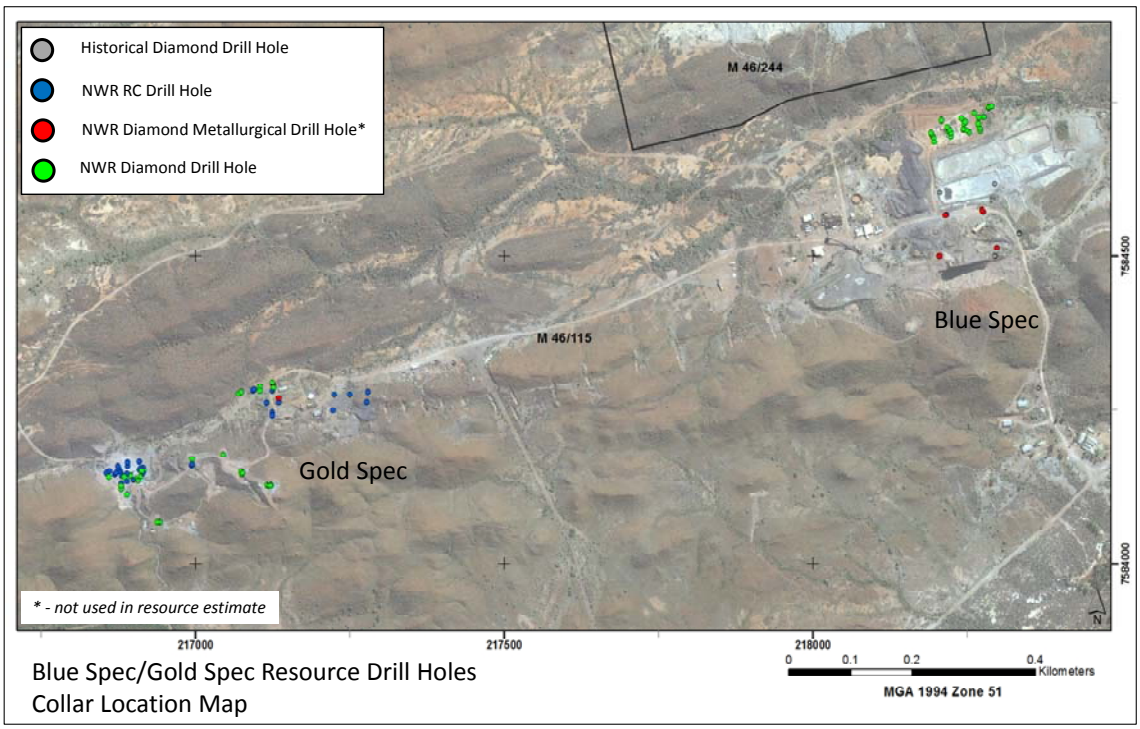
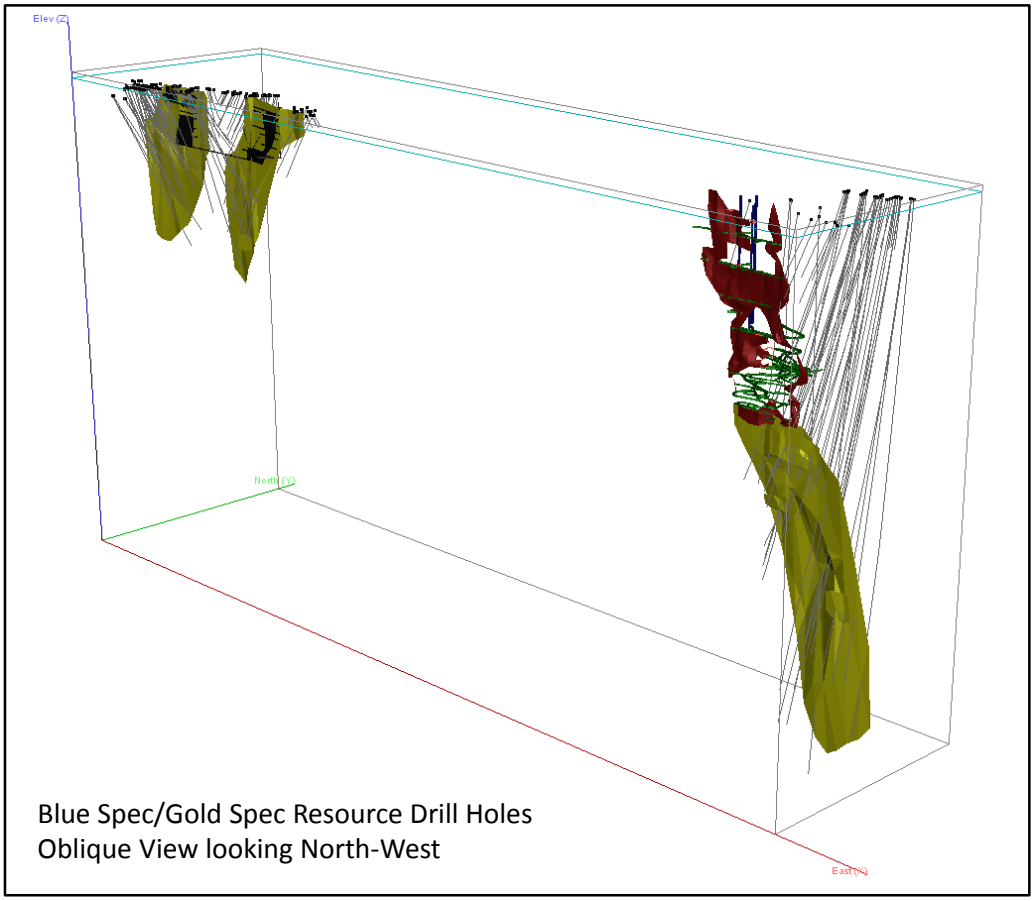


Figure 6: Blue Spec and Gold Spec drill holes



For personal use only

Updated Mineral Resource estimate - Summary

Set out below is a summary of the information required under Table 1 of the 2012 JORC Code which is contained in the Appendix to this announcement.

Geology and Geological Interpretation

The interpreted areas include the Blue Spec deposit, below the historical Anglo-American workings (320m vertical depth) and the Gold Spec deposit from surface to the base of mineralisation (Figure 1 and Figure 3). The historically mined area above the current Blue Spec resource is referred to as "Blue Spec Remnants" in this announcement.

The interpretation of the mineralised structures was based on a variety of geological information, lithology, mineral percentages, structure, alteration and veining. In addition, core photos were systematically referenced to correlate logged intervals. The lode wireframes were limited to logged mineralization, which were correlated with assay information. No 'cut-off' grade was assumed during interpretation. Historical mapping and face sampling were also used for the interpretation, but not included for estimation purposes.

Drilling Techniques

Data used for the estimation was limited to diamond drill core data at Blue Spec and a combination of diamond drill and reverse circulation drilling data at Gold Spec.

Diamond drilling was undertaken with track-mounted UDR200 rigs, standard tube, HQ diameter to 100m (Blue Spec), 60m (Gold Spec), NQ2 to EOH. All NQ2 core was oriented every run using Ace ACT tool. RC drilling at Gold Spec was undertaken with a truck-mounted Romatech RT50 rig running standard gear with a down-hole face sampling bit.

Sampling and sub-sampling techniques

All defined mineralised zones from diamond holes are logged in detail by the geologist and marked up for whole core sampling, including 1-2m of wall rock material either side of mineralised zones. Samples are then crushed, split and pulverized to produce a 30g charge for fire assay. RC (reverse circulation) samples for Gold Spec were logged, and sampled in 1m splits for mineralised or zones of interests. The remainder of the hole was sampled on 4m composites.

Core is whole-core sampled, 0.3-1.2m length. All defined mineralised zones, and 1-2m of wall rock outside ore zones are sampled. Whole core samples are considered to provide a more representative sample of the ore zones.

Sample Analysis

Core samples undergo sized crushing to <2mm by ALS Metallurgy, Perth - 100g split for pulverising to >80% passing 75um with the remainder of crushed samples retained for metallurgical test work. Pulverised sample split to 30g charge for assay by ALS Geochemistry, Perth. All pulps and rejects are retained at ALS Metallurgy and ALS Geochemistry. No additional measures are adopted at the sub-sampling stages.

Au assays determined by fire assay/AAS finish based on 30g sample; As, Sb, Fe, S assays determined by aqua regia/ICP-MS finish at ALS Geochemistry, Perth. All Sb assays >1% re-assayed by XRF at ALS Geochemistry, Brisbane. Certified reference materials (CRM) are inserted 2-3 times per hole ranging from 1 in 10 to 1 in 30 samples. CRMs include pulp blanks, low grade Au and high grade Au. Laboratory procedures and QAQC are considered appropriate for Mineral Resource estimation.

For personal use only

Estimation Methodology

Composite lengths for both Blue Spec and Gold Spec were evaluated individually. Histograms of sample lengths were plotted; in addition to grade vs. length scatter plots to identify the grade-length relationship. At Blue Spec composite lengths of 0.5m were selected as this represents a large portion of the high grade samples. Samples at Gold Spec were composited to 1m.

Domaining was based on the geological and statistical similarity of data populations. The main lodes were separated into three statistical domains, with associated splays combined with the parent lode. Individual lodes were estimated separately to prevent grade sharing.

Block sizes were based on the thickness of the lodes, which are generally 0.4m to 1m wide, and the variable geometry along strike. Consideration was also given to the proposed underground mining methods. Final block dimensions were 10m x 0.4m x 4m with sub-blocks of 2.5m x 0.2m x 2m. A sensitivity analysis was done on blocks size which indicated there is negligible impact on estimation quality, until the blocks are too large to be practical for mining evaluations.

Top cuts were based on a variety of statistical tools, including histograms, log-probability plots, mean-variance plots, and outlier analysis. High grades were also observed in their geological context and in relation to other high grades in the domain.

Table 3: Top cut summary for Blue Spec and Gold Spec

Lode Description	Domain	Top cut Au (g/t)	Top cut Sb (%)
Gold Spec West lode – lower grade	140	20	1
Gold Spec East Lode – higher grade	130	100	10
Blue Spec main lode & splays	100	150	10

The Blue Spec variography was undertaken using the un-cut half-meter composites with a normal-scores transform. Continuity models were subsequently modelled and back-transformed for use in the estimation. The horizontal and across-strike directions were set to the strike and dip of the modelled zone. The dip plane was then used to define the plunge component.

The exploratory data analysis (EDA) on Blue Spec suggested a shallow south-easterly plunge for both gold and antimony which was also evident in the variogram map. This plunge direction is supported by geological observations and has been interpreted as a late deformation event (D3-D4) which is controlling the grade distribution.

The Gold Spec variography was undertaken using the uncut half-meter composites with a normal-scores transform. As there were not enough samples in each of the two Gold Spec domains (130 and 140), they were combined for variography analysis. Top cuts for both domains were assessed separately. Continuity models were subsequently modelled and back-transformed for use in the estimation.

The EDA on Gold Spec suggested a moderate west-northwest plunge for both gold and antimony which was also evident in the variogram map. More work is needed to fully understand this control on the grade distribution. However, based on the variography there is sufficient evidence to assume continuity of grade between sample points.

Ordinary Kriged (OK) estimations, both un-cut, and cut with multiple top-cut sensitivities were run on each domain. Lodes in each domain were estimated separately to avoid any grade sharing. Multiple search strategies were trialled, with results indicating minimal overall impact to the global estimate. The final search was one large pass, followed by a second pass with a larger search ellipsoid (ratio x1.5, x1, x 1) in each direction to extrapolate into un-estimated areas.

For personal use only

Goodness of fit statistics (KNA) were used to evaluate the appropriateness of the parameters used in the estimation process. Parameters tested include block size, search parameters, samples per block and discretisation.

A detailed validation was completed which included visual validation, input versus output, and trend analysis.

Cut-off Grade

For the purposes of Mineral Resource reporting a cut-off grade of 3g/t Au was determined from information presented in the scoping and mining studies completed by Northwest Resources. This cut-off grade should however only be applied to the global resource as an approximation of the contained economic metal, as it is not practical to selectively mine underground block by block.

The cut-off grade includes estimated costs for mining and processing at a gold price of AUD$1,400. Mining methods suggested that modified cut and fill or a modified longhole retreat method would be most the suitable approach. The reported resource cut-off did not consider dilution from development drives. Stope widths were planned at 1.2m with expected over-break to 1.5m (20% dilution). No cut-off grade was used for Sb as it is considered a by-product of gold mining.

Metallurgical test work by Northwest has demonstrated that expected results are 95% gold and 96% antimony recovered into concentrate. Recovery of metal from the concentrate is not considered, as the concentrate will be marketed for direct sale. The general terms of payment have been confirmed both by preliminary discussions with potential off-take partners and by the terms being achieved by the producer of a similar concentrate from Australia. Terms are dependent on the spot price, contained metal and metal grades only. The terms of sale assumptions have shown that the concentrate produced is saleable and economic.

No environmental issues have been raised to date on the project. All associated costs with tailings disposal and rehabilitation have been factored into the cut-off grade applied. The costs have been derived from Northwest's 2012 Scoping Study which factored all tailings disposal, waste management and mine closure rehabilitation costs.

Classification

The classification of the resource model was based on the 2012 JORC Code definitions for Indicated and Inferred resources. Indicated resources were based on approximately 30m x 30m drill spacing with structural and grade continuity between holes. Inferred resources were based on areas that exceeded 30m x 30m drill spacing, with good structural continuity.

Material changes from previously released Mineral Resource estimates

Mineral Resource estimates for Blue Spec and Gold Spec were previously prepared in 2008 and 2010 respectively. A detailed comparison of the current and previous Mineral Resource estimates is provided in Tables 4 and 5 below together with a summary of the major factors contributing to the difference in estimates.

For personal use only

Blue Spec

Both the 2008 and 2013 Mineral Resource estimates for Blue Spec were based on a cut-off grade of 3g/t Au. Indicated Mineral Resources (contained ounces) at Blue Spec were increased by 193% compared to the previous estimate prepared in 2008. This was the result of successful conversion drilling in the area immediately below the historical workings (~320m vertical depth). Combined resources had an overall 32% negative revision of contained ounces whilst the tonnage was largely unchanged. The negative revision was due to a lower overall average grade as a result of the infill drilling and changes to geological interpretation.

Table 4: Reconciliation of the updated Blue Spec resource estimate compared to the 2008 resource estimate.

Resource Category	Tonnes 2008	Tonnes 2013	% Change	Ounces 2008	Ounces 2013	% Change	Au (g/t) 2008	Au (g/t) 2013	% Change	Sb (%) 2008	Sb (%) 2013	% Change
Indicated	16,000	84,000	425%	27,000	79,000	193%	52.3	29.1	-44%	4.9	2.2	-55%
Inferred	307,000	234,000	-24%	226,000	92,000	-59%	22.9	12.2	-47%	1.6	0.9	-39%
Totals	323,000	318,000	-2%	253,000	171,000	-32%	24.4	16.7	-32%	1.7	1.3	-26%

Gold Spec

The 0.5g/t Au cut-off grade used for the 2010 Gold Spec estimate was changed to a cut-off grade of 3g/t Au to take into account the proposed underground mining method. Indicated Mineral Resources (contained ounces) at Gold Spec were increased by 50% compared to the previous estimate prepared in 2010. This was the result of successful conversion drilling on both the eastern and western lodes. Tonnage was decreased by 70% due to a revised interpretation that was more representative of the actual true width of the lodes. This also resulted in an increase in the average grade by approximately 109%. Inferred and Indicated Resources had an overall 37% negative revision of contained ounces.

Table 5: Reconciliation of the updated Gold Spec resource estimate compared to the 2010 Resource Estimate.

Resource Category	Tonnes 2008	Tonnes 2013	% Change	Au (oz) 2008	Au (oz) 2013	% Change	Au (g/t) 2008	Au (g/t) 2013	% Change	Sb (%) 2008	Sb (%) 2013	% Change
Indicated	148,000	67,000	-55%	18,000	27,000	50%	3.8	12.4	224%	0.4	1.1	166%
Inferred	175,000	30,000	-83%	58,000	21,000	-64%	10.2	21.6	111%	1.0	1.4	48%
Totals	323,000	97,000	-70%	76,000	48,000	-37%	7.3	15.2	109%	0.7	1.2	66%

For personal use only

Exploration Targets

The exploration potential of the Blue Spec Shear Gold-Antimony Project is significant given its existing mineral endowment, mining history and limited drilling coverage of the Blue Spec shear zone.

Northwest has identified "Blue Spec Remnants", "Blue Spec Extensions", "Gold Spec Extensions" and "Historical Tailings" as high priority Exploration Targets. It should be noted that the approximations of potential tonnages and grades for each of the Exploration Targets presented below are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for each target and it is uncertain if further exploration will result in the estimation of a Mineral Resource. A summary of the potential tonnages and grades for the Exploration Targets is set out below.

Table 6: Summary of Exploration Target tonnage and grade ranges

Exploration Target	Ranges				
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Blue Spec Remnants	150,000 - 200,000	10 - 15	48,000 - 96,000	1.7 - 2.0	2,600 - 4,100
Blue Spec Extensions	60,000 – 80,000	15 - 30	30,000 – 80,000	0.7 - 1.4	400 – 1,100
Gold Spec Extensions	35,000 – 60,000	15 - 30	15,000 – 60,000	1.2 – 2.0	400 – 1,200
Historical Tailings	100,000 - 140,000	2.0 - 3.5	6,500 - 15,500	0	0

Blue Spec Remnants

The Blue Spec Remnants (see Figure 7) represents a significant opportunity given what is known about historical mining operations. Records indicate that a high cut-off grade (~15-20g/t) was used over the 1-4 levels and several areas of poorly mined high grade ore were left in-situ. Historical documents also contain quantifications of the remnant mineralisation suggesting the remnants represent a significant exploration opportunity.

Exploration activity by Northwest has been limited to previously reported metallurgical drilling in several areas of potential remnant mineralisation. Individual sample assays were not completed; however core logging confirmed mineralised structures in all holes.

The tonnage estimate for the Blue Spec Remnants is based on a reconstruction of the historical geological model from paper sections, plans, limited drilling, face samples and documentation. The model was depleted using historical long sections and it is often unclear which structure has been mined from this information. The tonnage estimates for the Blue Spec Remnants were further factored down in order to allow for deterioration of ground conditions and additional mining losses around old stopes. Accessibility and economic potential of smaller remnant volumes was also considered.

The grade estimate for Blue Spec Remnants was based on the continuity of grade throughout the previous mining cycles, which has been supported by drilling results below the old workings. Current metallurgical test samples (head grade of bulk assay) from drilling in the remnant zone have also supported the estimates presented.

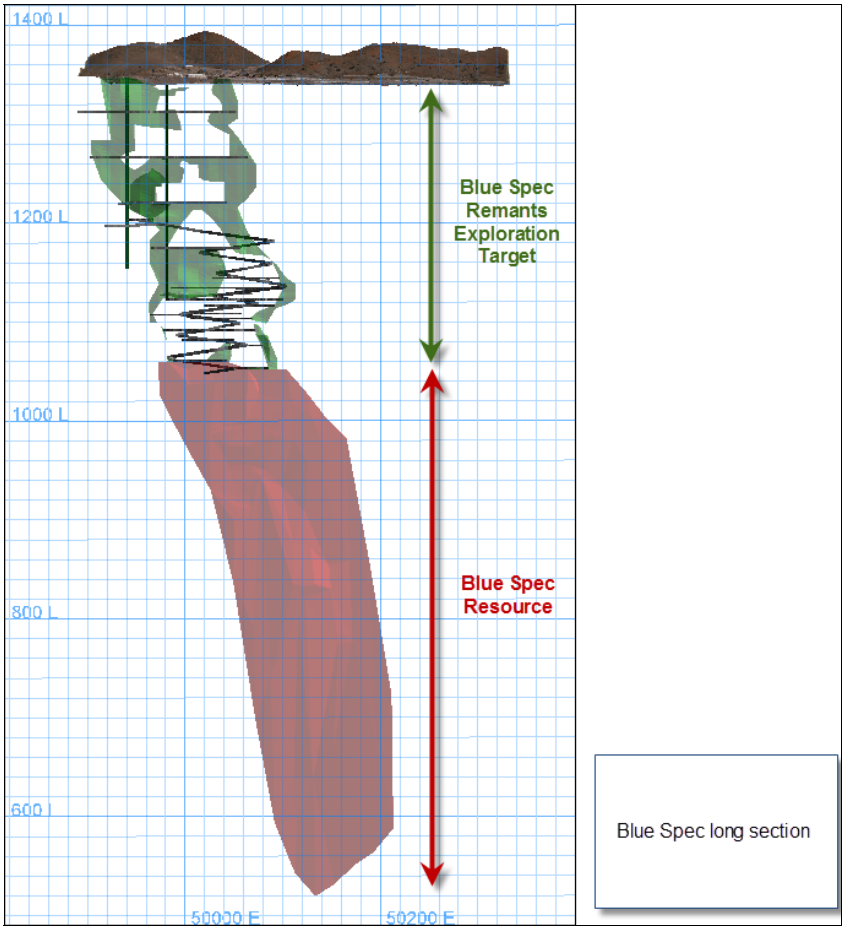
Diamond drilling of the remnant areas is the recommended approach for testing the Exploration Target. The timeframe to complete the proposed exploration activities has not been provided as it is dependent on the Company securing appropriate funding for the activities.

For personal use only

Table 7: Blue Spec Remnants Exploration Target

Exploration Target	Ranges				
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Blue Spec Remnants	150,000 - 200,000	10 - 15	48,000 - 96,000	1.7 - 2.0	2,600 - 4,100

Figure 7: Blue Spec long section showing existing resource area and Remnants Exploration target.



Blue Spec Extensions

There is significant opportunity to extend the known strike length at Blue Spec both below and adjacent to the historical workings. Due to the constrained nature of the resource drilling, both current and historical, the true strike extent of the ore body has not been fully tested or closed off. The apparent high grade plunge of the mineralisation represents a high priority target.

The Exploration Target ranges presented for the Blue Spec Extensions are based on average grades and true thickness of the existing structure. Tonnage and contained metal were derived from these assumptions.

For personal use only

No exploration has been conducted by the Company in the areas referred to as 'Blue Spec Extensions' (see Figure 8).

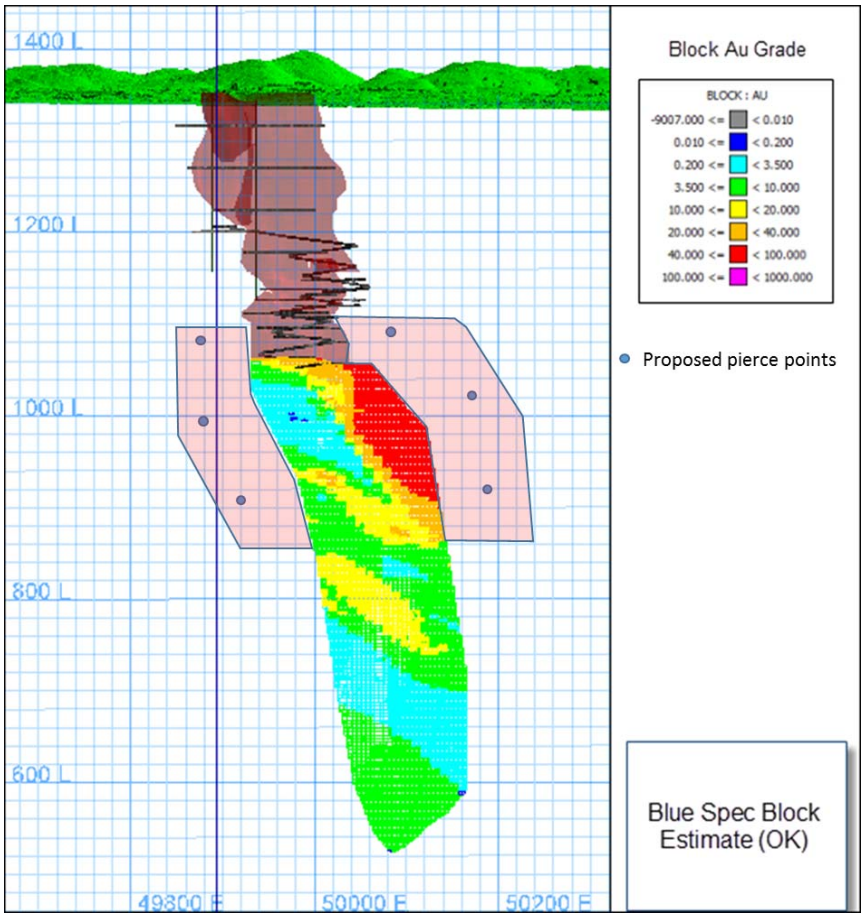
Proposed exploration activities include additional diamond drilling which is presented below in a schematic representation of the Exploration Target.

The timeframe to complete the proposed exploration activities has not been provided as it is dependent on the Company securing appropriate funding for the activities.

Table 8: Blue Spec Extensions Exploration Target

Exploration Target	Ranges				
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Blue Spec Extensions	60,000 – 80,000	15-30	30,000 – 80,000	0.7 - 1.4	400 – 1,100

Figure 8: Blue Spec long section looking north with existing resource block model. Conceptual exploration target area in shaded pink; proposed drill pierce points are blue circles



For personal use only

Gold Spec Extensions

The best potential exploration targets at Gold Spec are the dip and strike extensions of the eastern limb (see Figure 9). Due to the constrained nature of the resource drilling, this area is untested and open at depth. The apparent high grade plunge of the mineralisation and shallow depth, relative to Blue Spec, represents a high priority target.

No exploration has been conducted by the Company in the areas referred to as 'Gold Spec Extensions'.

The exploration target ranges presented for the Gold Spec Extensions are based on average grades and true thickness of the existing structure. Tonnage and contained metal were derived from these assumptions.

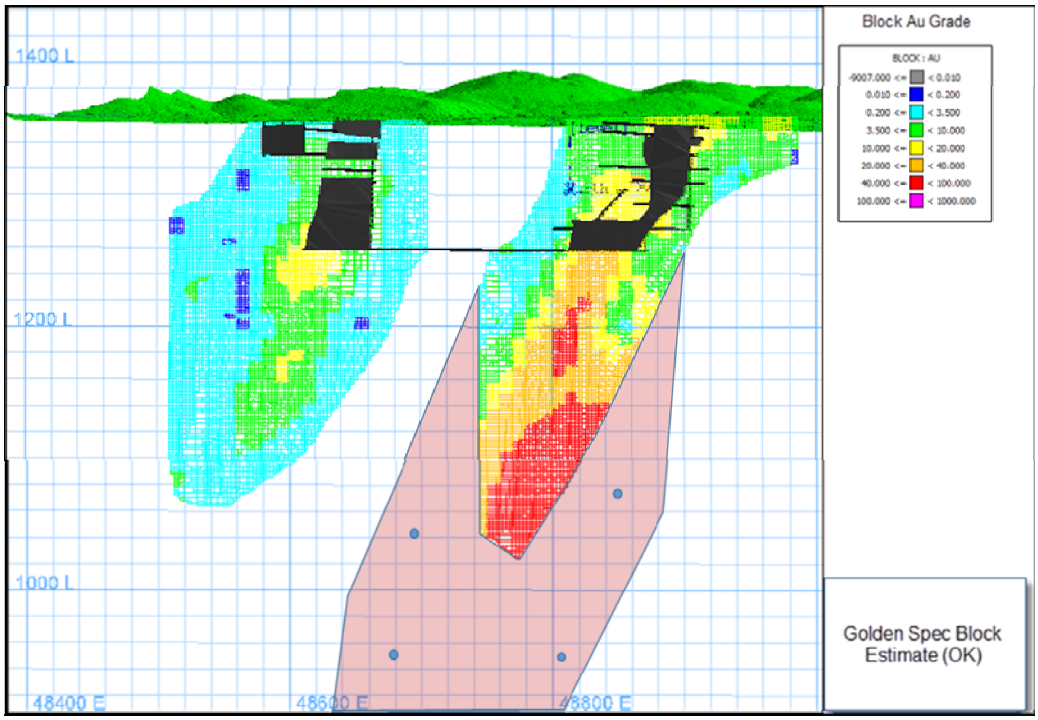
Proposed exploration activities include additional diamond drilling which is presented below in a schematic representation of exploration target.

The timeframe to complete the proposed exploration activities has not been provided as it is dependent on the Company securing appropriate funding for the activities.

Table 9: Gold Spec Extension Exploration Target

Exploration Target	Ranges				
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Gold Spec Extensions	35,000 – 60,000	15 - 30	15,000 – 60,000	1.2 – 2.0	400 – 1,200

Figure 9: Gold Spec long section looking north with existing resource block model. Conceptual exploration target area in shaded pink; proposed drill pierce points are blue circles



For personal use only

Historical tailings

Two tailings storage facilities (TSF) were established from historical mining, referred to as the Chase Minproc (Chase) TSF and Anglo American (Anglo) TSFs (see Figure 100). Considering the very high-grades of the Blue Spec and Gold Spec deposits, the refractory nature of the mineralisation and the poor recovery historically reported, the TSF's represent a significant opportunity.

Exploration has consisted of two sampling programs which were completed in order to establish approximate grades for gold and antimony.

Tonnage estimates are based on historical production records, and volume approximations are based on known dimensions and depths. Grades were based on sampling of a rough grid over the TSF areas. Metallurgical recoveries of the tailings material are yet to be completed.

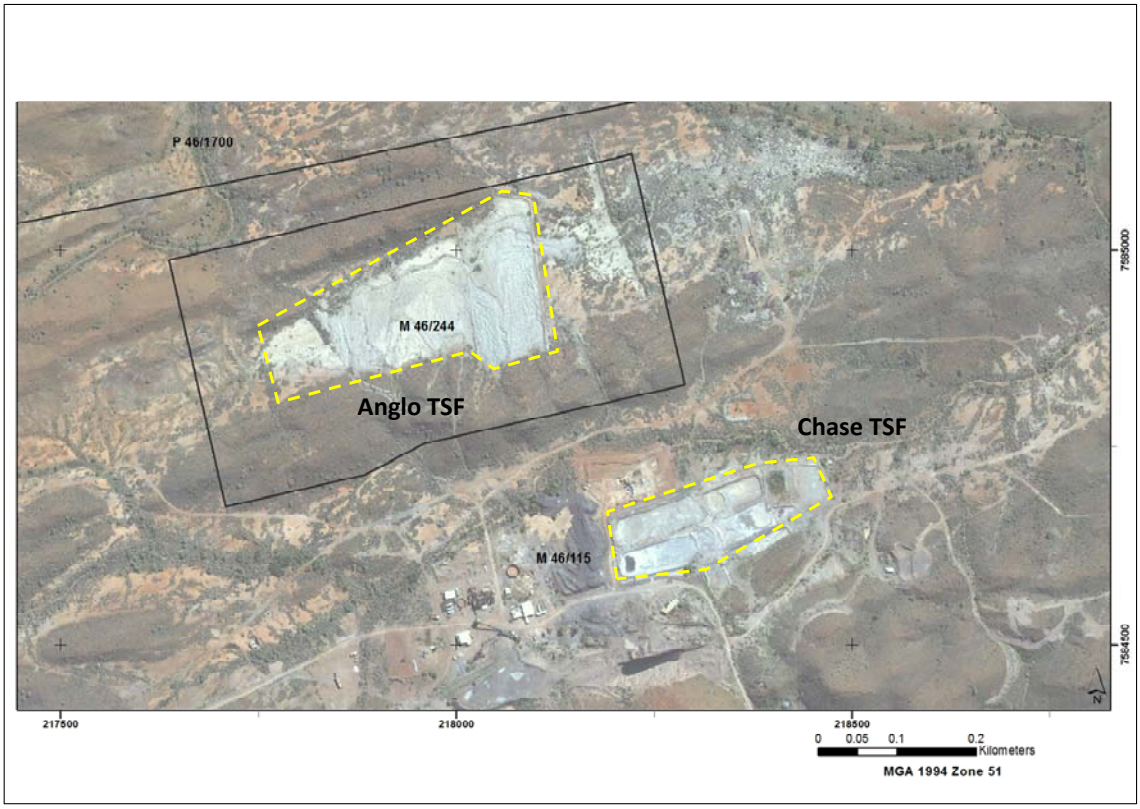
Proposed exploration activities include a detailed sampling program on a 20m x 20m grid using appropriate methods to ensure sample integrity and representivity. Metallurgical testwork should also be completed to assess the recovery of the tailings material.

The timeframe to complete the proposed exploration activities has not been provided as it is dependent on the Company securing appropriate funding for the activities.

Table 10: Blue Spec Shear Gold-Antimony Project tailings Exploration Target

Exploration Target	Ranges				
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb (t)
Historical Tailings	100,000 - 140,000	2.0 - 3.5	6,500 - 15,500	0	0

Figure 10: Aerial photo showing historical tailings storage facilities



For personal use only

End.

For further information, please contact:

John Merity
Managing Director
T: 02 9267 7661
E: jmerity@nw-resources.com.au

Competent Person statement

The information in this announcement that relates to 'Mineral Resources' and 'Exploration Targets' is based on, and fairly represents, information and supporting documentation prepared by Mr. David Lyon, who is a Practicing Member of the Association of Professional Geoscientists of Ontario.

Mr. Lyon is a full-time employee of Northwest and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lyon has given his prior written consent as to the form and context in which the 'Mineral Resources' and 'Exploration Targets' and the supporting information are presented in this announcement.

Competent Person conflict disclosure

Mr. Lyon is a shareholder in Northwest.

For personal use only

APPENDIX

JORC CODE, 2012 EDITION – TABLE 1 REPORT

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific 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 Blue Spec deposit has been sampled entirely by diamond drill holes (DD) on nominal 30x40m spacing. Gold Spec is a combination of reverse circulation (RC), at shallow vertical depths and diamond holes on deeper sections of the lodes.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• All defined mineralised zones from DD holes are logged in detail by the geologist and marked up for whole core sampling, including 1-2m of wall rock material either side of mineralised zones. Samples are then crushed, split and pulverized to produce a 30g charge for fire assay. RC samples for Gold Spec were logged, and sampled in 1m splits for mineralised or zones of interests. The remainder of the hole was sampled on 4m composites.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• All aspects of the determination have been discussed above.
	• *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.*	• Work which would be considered 'industry standard' is described above. No other cases require additional information.

For personal use only

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling was undertaken with track-mounted UDR200 rigs, standard tube, HQ diameter to 100m (Blue Spec), 60m (Gold Spec), NQ2 to EOH. All NQ2 core was oriented every run using Ace ACT tool. RC drilling at Gold Spec was undertaken with a truck-mounted Romatech RT50 rig running standard gear with a down-hole face sampling bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Core recovery and core loss measures were recorded by the field assistant and verified by the geologist. Core recovery percentage is calculated in the drilling database. Core recovery is good to excellent below weathering horizon with no major core loss through ore zones.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• No additional measures were required to maximize 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.*	• No relationship has been observed between recovery and grade.
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.*	• Geological information (colour, weathering, regolith, lithology, texture, alteration, veining, mineralogy, structure, vein and fracture intensity) is logged by the geologist. Core recovery and RQD are logged by the field assistant, geotechnical information (fracture intensity, roughness, alteration) is logged by the geologist. Geotechnical information is measured for each drilling run (0.1-3.1m intervals), and every meter from 40m outside ore zones to end of hole. All core is photographed dry and wet.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Both qualitative and quantitative observations were made during logging this included core photography on both wet and dry core.
	• *The total length and percentage of the relevant intersections logged.*	• 100% of all drilling has been logged.

For personal use only

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core is whole-core sampled, 0.3-1.2m length. All defined mineralised zones, and 1-2m of wall rock outside ore zones are sampled. Whole core samples are considered to provide a more representative sample of the ore zones.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC samples from Gold Spec were sampled using a combination of riffle and cone splitter and sampled dry.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Core samples undergo sized crushing to <2mm by ALS Metallurgy, Perth - 100g split for pulverising to >80% passing 75um, remainder of crushed sample retained for metallurgical test work. Pulverised sample split to 30g charge for assay by ALS Geochemistry, Perth. All pulps and rejects retained at ALS Metallurgy and ALS Geochemistry.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• No QAQC was done at the subsampling stage.
	• *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.*	• No additional measures are adopted at the sub-sampling stages.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• While the sample size is considered reasonable, full pulverization before sub-sampling has been recommended to improve sample precision.
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.*	• Au assays determined by fire assay/AAS finish based on 30g sample; As, Sb, Fe, S assays determined by aqua regia/ICP-MS finish at ALS Geochemistry, Perth. All Sb assays >1% re-assayed by XRF at ALS Geochemistry, Brisbane.
	• *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.*	• Certified reference materials (CRM) are inserted 2-3 times per hole ranging from 1 in 10 to 1 in 30 samples. CRMs include pulp blanks, low grade Au and high grade Au.
	• *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.*	• Laboratory procedures and QAQC are considered appropriate for mineral resource estimation.

For personal use only

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• All significant intersections are reviewed by the senior geologist. Mineralised intersections were also reviewed during interpretation and cross referenced with core photographs.
	• *The use of twinned holes.*	• No twinned holes are used.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• All data captured on paper logs and entered into Datashed/SQL database with built-in validation.
	• *Discuss any adjustment to assay data.*	• No adjustments have been made to assay data.
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 surveyed by Northwest Resources using DGPS (50cm accuracy E,N), and re-surveyed upon completion by COBE Surveying utilizing RTK (sub-cm accuracy E,N,RL). Downhole surveys are carried out by drilling contractors every 30m Reflex multi-shot camera.
	• *Specification of the grid system used.*	• All coordinated based on MGA 1994 Zone 51 grid.
	• *Quality and adequacy of topographic control.*	• Topographic control provided by UAV photogrammetry, 0.06cm resolution DTM mesh for Blue Spec - Gold Spec area
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Data spacing is around 30m to 50m for resource definition drilling and is considered appropriate for Mineral Resource estimation and classification.
	• *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.*	• Historical development areas with mapping, proximal to current drilling, were considered for the purposes of classification. Based on that information 30m x 30m drill spacing, was considered appropriate for Indicated classification. Inferred classification was based on greater than 30m spacing with good structural continuity. The drill spacing is well considered given the locally structurally complex nature of the lodes.
	• *Whether sample compositing has been applied.*	• No sample compositing has been applied during data collection.

For personal use only

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Drill holes are orientated North-South (Gold Spec) and South-southeast (Blue Spec) to intersect strike perpendicularly. Drill holes are inclined at 50° to 80° due to drill pad access – some intersections are drilled slightly down dip, but not considered to have a material effect on the geological interpretation and estimation of grade.
	• *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.*	• No relationship has been observed between drill orientation and the orientation of mineralised structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples are delivered to ALS laboratories by Toll Ipec (ex Newman) or Nor-West Freight (ex Nullagine). No additional security measures were undertaken.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data collection, sampling and QAQC protocols are periodically assessed by external consultants, or during resource estimates. Most recent audit completed by CSA Global Pty Ltd in 2010, with recommendations incorporated into current programs.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• Both the Blue Spec and Gold Spec deposits are located on Mining Lease M46/115 which is held by Nullagine (NWR) Pty Ltd, a wholly-owned subsidiary of Northwest. • M46/115 is a pre-native title granted mining lease and is not subject to the right to negotiate provisions of the Native Title Act. • M46/115 is subject to a royalty held by St. Barbara Limited.
	• *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.*	• M46/115 is a granted mining lease which permits mining operations in accordance with its conditions.
		• No other impediments are knows.

For personal use only

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All exploration activities undertaken by Northwest Resources Limited.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Blue Spec and Gold Spec are high-grade, shear hosted quartz-carbonate veins, which are interpreted as epizonal orogenic gold-antimony deposits. The deposits are located on the sub-vertical Blue Spec Shear Zone within the meta-sedimentary Mosquito Creek 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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Total number of drill holes used for the purpose of the mineral resource update.

Project	Hole Type	Totals
Blue Spec	NQ/NQ2	43
	HQ	2
Total		**45**
Gold Spec	NQ/NQ2	28
	RC	33
Total		**61**

	• *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.*	• Detailed drill hole information is not included in this announcement on the basis that the information has been previously publicly reported and is not material for the understanding of the announcement. It is the opinion of the Competent Person that its exclusion does not detract from the understanding of the resource estimate.

For personal use only

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• No exploration results are listed in this announcement. Information that has been previously reported are length-weighted average downhole intercepts. Estimated true widths are also reported and grades are uncut.
	• *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.*	• No aggregate intercepts are used in this announcement.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents have been used in this announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• True widths of mineralisation are typically 0.4m - 2m. Drill holes angled at >60 degrees result in wider downhole intercept lengths. These longer intercept lengths are however limited to the lowest portion of the Blue Spec deposit (approximately 750 vertical meters from surface), which has been classified as Inferred.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• True widths of mineralisation are typically 0.4m - 2m. Drill holes angled at >60 degrees result in wider downhole intercept lengths. These longer intercept lengths are however are limited to the lowest portion of the Blue Spec deposit (approximately 750 vertical meters from surface), which has been classified as inferred.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams are included within this announcement.

For personal use only

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.*	• No exploration results are presented in this announcement.
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.*	• Metallurgical test work by Northwest Resources has demonstrated that expected results are 95% gold and 96% antimony recovered into concentrate. Recovery of metal from the concentrate is not considered, as the concentrate will be marketed for direct sale. The general terms of payment have been confirmed both by preliminary discussions with potential off-take partners and by the terms being achieved by the producer of a similar concentrate from Australia. Terms are dependent on the spot price, contained metal and metal grades only. The terms of sale assumptions have shown that the concentrate produced is saleable and economic.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• No work is currently planned on the Mineral Resources; however the current interpretation indicates potential for strike and dip extensions to the currently defined mineralisation.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Diagrams are included in the body of the announcement.

For personal use only

Section 3 Estimation and Reporting of Mineral Resources

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.*	• All data collected was imported into an SQL database using Maxwell's data management software Datashed and associated data model. Data was validated for errors on import, with assay data directly imported as CSV files with no manipulation. While considerable effort was made to eliminate errors during data collection, transcription and data management, there is a possibility of minor discrepancies. This is considered a low risk to the resource estimate.
	• *Data validation procedures used.*	• A limited amount of data (1%) was checked against original paper logs and assay data files. Data was also validated visually in Vulcan for any discrepancies. Data validation was considered sufficient given the previous resource work, audits and reviews.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• A site visit was undertaken in March 2013, accompanied by a consulting geotechnical engineer, to examine drill core and structural features in outcrop. Mineralisation and surface data was confirmed during the site visit.
	• *If no site visits have been undertaken indicate why this is the case.*	• Not applicable.

For personal use only

Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• The interpretation is robust and is very similar to previous interpretations done on both deposits. Being a shear hosted narrow vein deposit the estimation is very sensitive to the true thickness and resulting tonnage. Considerable care was taken to approximate the average true thickness in areas of low data density and between sections. The interpretation has the single largest impact on the resource estimate and while considered robust, it must be viewed as dynamic, with changes to be expected given additional data.
	• *Nature of the data used and of any assumptions made.*	• The interpretation was based on a variety of geological information: lithology, mineral percentages, structure, alteration, and veining. In addition core photos, where available, were systematically referenced to correlate logged intervals. The lode wireframes were limited to logged mineralization, which were correlated with assay information. No 'cut-off' grade was assumed during interpretation. The lode wireframes were constructed using Vulcan 8.1.3.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The current interpretation is consistent with previous interpretations, historical data, and documented information. Recent conversion drilling has also confirmed the geological model is robust.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• Geological interpretations were used to define the domains for estimation. Controlling structural features were used to support the anisotropic directions for variography and search ellipsoids.
	• *The factors affecting continuity both of grade and geology.*	• Continuity of grade is largely influenced by the inherent 'nugget' effect for this type of high grade gold deposit. From historical records we can infer that damage zones, created by shear intersections and/or dilatational jogs have a strong influence on the grade distribution. Geological continuity of the mineralised zone is affected by at least two phases of deformation (D3-D4), and locally the lode geometry can be quite complex.

For personal use only

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 Blue Spec deposit has a consistent average strike length of 150m and is steeply dipping (85^0). The resource update includes the area beneath the historical workings approximately 320m below surface to 800m vertical depth.
		• The Golden Spec deposit consists of two steeply dipping lodes with ~200m and ~130m strike lengths respectively. The lodes extend from surface to a vertical depth of 350m. The extent (strike and dip) of the lodes is not fully tested, but the currently interpreted dimensions are consistent with all available data including historical information.
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.*	• Grade estimation for gold and antimony was complete using Ordinary Kriging(OK) with a normal scores transform on 0.5m (Blue Spec) and 1.0m composites (Gold Spec). Continuity models were back transformed for the estimation. Extreme grades were treated by top-cutting, determined using a number of statistical tool and visually evaluated in relation to other extreme grades. Several top-cuts were selected and reviewed for their impact on the global estimation. Domaining was based on the geological and statistical similarity of data populations, which resulted in three main domains. Interpolation parameters were selected and evaluated using kriging neighbourhood analysis (KNA) to measure their appropriateness for the estimation. The maximum extrapolation was 150m between sample points on Blue Spec, this was classified as inferred. Statistical analysis was completed using Snowden Supervisor V8.1.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Previous estimations for both Blue Spec and Golden Spec were available and reviewed in detail to fully understand the changes. Historical production face samples were available and reviewed. The estimations are slightly under-calling the grade that would be expected in historical mining areas based on the face samples. This is partly due to the low density of diamond drilling in historical production areas and potential bias incurred during face sampling. A sensitivity analysis using historical face samples was completed for comparison, and it was determined that outside of the depleted mining areas, the impact on the global estimate is less than (2%) which is considered within the expected error associated with the estimation.

For personal use only

	• *The assumptions made regarding recovery of by-products.*	• Antimony (Sb) is expected to be recovered by floatation to produce a gold enriched antimony concentrate for direct sale. Antimony was also estimated using the same approach and technique as was used for gold.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• No other elements were estimated.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The block size is quite small relative to the sample spacing, and this was required to ensure that the variable lode geometry was honoured. Final block dimensions were 10m x 0.4m x 4m with sub-blocks of 2.5m x 0.2m x2m. The final search varied by domain but was on average 100m x 50m x50m, followed by a second pass with a larger search ellipsoid ratio of1.5x1x1. Multiple search strategies were trialled, with results indicating minimal overall impact to the global estimate.
	• *Any assumptions behind modelling of selective mining units.*	• Consideration was given to the mining method which would likely be a modified cut and fill or modified long hole retreat method, as discussed in the Northwest's Mining Study (see ASX announcement dated 24 May 2012).
	• *Any assumptions about correlation between variables.*	• No assumptions were made regarding variable correlation.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The estimation was limited to the mineralised wireframe defined during interpretation and were estimated lode by lode. Variography was based on observed plunges, with supporting geological controls.
	• *Discussion of basis for using or not using grade cutting or capping.*	• Top cutting ("grade capping") was used to limit in influence of extreme grades on the estimation.
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Validations for gold and antimony were done using visual comparisons with composite grades, input versus output histograms, and trend plot (or swath plot) analysis.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• In-situ dry tonnes were used for the estimate. There is no applicable moisture content.

For personal use only

Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• For the purposes of resource reporting a cut-off grade of 3g/t Au was determined based on the work undertaken in connection with Northwest's Scoping Study (see ASX announcement dated 13 September 2012). The cut-off grade includes estimated costs for mining and processing at a gold price of AUD$1,400. No cut-off grade was used for Sb as it is considered a by-product of gold mining. The cut-off grade was based on a preliminary economic assessment and should only be considered indicative. • This cut-off grade should however only be applied to the global resource as an approximation of the contained economic metal, as it is not practical to selectively mine underground block by block.
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.*	• Assumptions for mining methods were based on a Mining Study by Northwest (see ASX announcement dated 24 May 2012). This suggested that modified cut and fill or a modified long hole retreat method would be the most suitable approach. The reported resource cut-off did not consider dilution from development drives. Stope widths were designed at 1.2m with expected over-break to 1.5m (20% dilution).
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.*	• Metallurgical test work by Northwest has demonstrated that expected results are 95% gold and 96% antimony recovered into concentrate. Recovery of metal from the concentrate is not considered as the concentrate will be marketed for direct sale. The general terms of payment have been confirmed both by preliminary discussions with potential off-take partners and by the terms being achieved by the producer of a similar concentrate from Australia. Terms are dependent on the spot price, contained metal and metal grades only. The terms of sale assumptions have shown that the concentrate produced is saleable and economic.

For personal use only

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 environmental issues have been raised to date on the project. All associated costs with tailings disposal and rehabilitation have been factored into the cut-off grade applied. The costs have been derived from Northwest's Scoping Study which factored all tailings disposal, waste management and mine closure rehabilitation costs.
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.*	• Bulk density for oxide and transitional zone material was assumed from historical resource estimates which were 2.1 and 2.3 respectfully. This accounts for only 10% of the total tonnage. One hundred and twenty three (123) dry fresh rock samples from a variety of lithologies and mineralised zones were submitted for specific gravity (SG) analysis to ALS Perth using the OA-GRA08 technique for whole-core samples. Final bulk density values were based on the average of the samples collected appropriate to each zone. The average density values for mineralisation was 2.7 at Blue Spec and 2.8 at Gold spec.
	• *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.*	• Only fresh rock samples were analysed for bulk density, Alteration zone densities were assumed from historical resource reports. No historical bulk density data was available for review. Given the low tonnage of material in the oxide and transition zones this is considered a low risk to the estimation.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density for oxide and transitional zone material was assumed from historical resource estimates.

For personal use only

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• Indicated resources were based on approximately 30m x 30m drill spacing with structural and grade continuity between holes. Historical development areas proximal to current drilling, were considered for the purposes of classification and deemed to have sufficient confidence for an indicated classification. Inferred resources were based on areas that exceeded 30m x 30m drill spacing, with mineralized intervals suggesting structural continuity. The classification is considered reasonable for this deposit type. The drill spacing is well considered given the locally structurally complex nature of the lodes.
	• *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).*	• All factors have been considered for use in the classification.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The result accurately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The methodology used for the resource estimate was reviewed by CSA Global for 'fatal flaws'. *"Based on the data presented by Mr Lyon CSA believe that the modelling methodology and approach are in line with industry standards. No deficiencies or omissions were identified in the methodology that could potentially have material impact on the reported Mineral Resources (a site visit, review of the QA/QC analysis and laboratory inspection were not within the scope of the review)." – Mr. Dmitry Pertel, CSA Global Pty Ltd.*

For personal use only

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.*	• No statistical method was used to quantify the accuracy of the estimate. It is the opinion of the Competent Person that the global resource estimation is a reasonably robust representation of the Blue Spec and Gold Spec deposits given the available data. The interpretation and sample selection has the single largest impact on the estimation, and it was completed using best practices and is considered reasonably robust. Sensitivity analysis suggests that estimation parameters have a low to moderate impact on the resource model. No historical production data was available for reconciliation. The resource estimation was done using best practice with validation and sensitivities done at all the major decision points, and is considered robust.
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*	• All statements refer to a global estimate.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No historical production data was available for reconciliation.