19 July 2016

ASX ANNOUNCEMENT

By Electronic Lodgement

MRV METALS PTY LTD IDENTIFIES EXPLORATION POTENTIAL AT GRANITE BELT PROJECT - HORNET PROSPECT

It is with great pleasure the board of Moreton Resources Limited announces a subsequent Exploration Target for the Granite Belt Project at the Hornet Prospect (**Hornet**). As per previous announcements, the Granite Belt Project was acquired through a sales arrangement agreed in January of 2016 and finalised in late May 2016.

The Exploration Target at Hornet is in the range **500,000 to 1,500,000 t at 1% to 2% copper.** The potential quantity and grade of the Hornet Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. This is the third identified Copper Target for MRV Metals within the Asset Portfolio, and is extremely encouraging in complementing the already existing JORC Resources, focused upon Silver deposits, within the potential mining prescient.

Details of the data and geological investigation supporting the Exploration Target at Hornet are contained within the following report. In summary, Hornet represents a shallow target that may support recommencement of operations at the Granite Belt Project, given continued exploration success.

Of note, despite the prospect being at relatively advances stage of exploration significant exploration up side exists as mineralisation has not been closed off by drilling. MRV has designed a 21 hole RC drill programme to 150 m depth to follow up untested potential mineralisation and believes this is a diligent next step in further determining the prospectively of this deposit.

It is important to note that until the company undertakes further drilling and investigation into this prospect, the potential quality and grade of the Hornet Exploration Target is conceptual in nature, as there has been insufficient exploration to date to estimate a Mineral Resource.

Moreton Resources Limited continues to work through historical data, supported by field checking and updating geological interpretations and will keep the market up to date, with the advancement activities of our subsidiary company and as material issues arise. The Company in recent weeks also lodged a Mineral Development Lease application with the Department of Natural Resources and Mines, for the Granite Belt prescient and we are currently undertaking investigations and research studies, into a potential restart strategy, and/or the optimal outcome and advancement of these diverse and numerous identified resources and targets.

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Targets is based on information compiled by Mr. Trevor Ellice, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ellice is an employee of Measured Group Ltd, who has been commissioned by Moreton Resources Ltd to conduct a review of the project on fee for service basis.

Mr. Ellice 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. Ellice consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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MeasuredGroup

Hornet
Exploration Target Report

Granite Belt Project
MRV Metals Pty Limited

Report No: MG140_Hornet_01

July 2016

Document Issue and Approvals

Document Information

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Contributors

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Distribution

Company	**Attention**	**Hard Copy**	**Electronic Copy**
MRV Metals Pty Limited	Jason Elks	No	Yes

PURPOSE OF REPORT

Measured Group Pty Ltd (**Measured**) has prepared this report on the Hornet Prospect Exploration Target contained within the Granite Belt Project. This is held by MRV Metals Pty Ltd (**MRV Metals**), a wholly owned subsidiary of Moreton Resources Ltd.

The purpose of the report is to provide MRV Metals with an objective assessment of exploration potential and provide an estimated range of potential tonnages and grades of mineralization contained within the Hornet Prospect.

Throughout this report there are references to tonnages and grades, which must not be interpreted as an estimate of a Mineral Resource.

At this stage there has been insufficient exploration to estimate a Mineral Resource and the potential tonnages and grades quoted in this report are conceptual in nature. The completion of any planned exploration activities does not guarantee an eventual Mineral Resource being declared.

This report has been completed so as to comply with principles of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (**JORC**).

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Targets is based on information compiled by Mr. Trevor Ellice, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ellice is an employee of Measured Group Ltd, who has been commissioned by Moreton Resources Ltd to conduct a review of the project on fee for service basis.

Mr. Ellice 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. Ellice consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Trevor Ellice, BSc(Hons), MAusIMM (CP Geol)

12 July 2016

The estimate of an Exploration Target for the Hornet Prospect presented in this report has been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 Edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

EXECUTIVE SUMMARY

Measured Group Pty Ltd (**Measured**) has prepared this report on the Hornet Prospect (**Hornet**) Exploration Target contained within the Granite Belt Project. Hornet is contained within Exploration Permit for Minerals (**EPM**) 8854, which is held by MRV Metals Pty Ltd, a wholly owned subsidiary of Moreton Resources Limited.

The purpose of the report is to provide MRV Metals with an objective assessment of exploration potential and provide a range of potential tonnages and grades of mineralisation as an Exploration Target to be investigated by future exploration.

The Hornet Prospect (**Hornet**) is located 1.5 km west of the Twin Hills Silver Mine, approximately 7.5 km east of the town of Texas in Southern Queensland and approximately 320 km south-southwest of Brisbane.

Hornet was formerly known as the Old Texas Copper Mine and is defined by elevated copper in soil samples, historical mine workings (small collapsed pits and shafts) and ore-grade intersections reported in RAB, RC and diamond drilling over 1.6 km of strike length.

Initial drilling by Macmin Silver Ltd (**Macmin**) commenced in 2002 with 83 RAB holes for a total of 1187 m drilled. Alcyone Resources Ltd (**Alcyone**) followed up with 183 RAB holes for a total of 5751 m, 9 RC holes for 1780 m and 10 diamond holes for a total 806.6 m drilled. Examples of drilling results previously announced by Alcyone include the following:

- HORC001: 4 m at 2.37% Cu and 1m at 2.59% Cu, within a broader intercept of 38 m at 0.68% Cu from 64 m and 2 m at 2.26% Cu and 1 m at 5.19% Cu within a broader intercept of 14 m at 0.99% Cu from 110 m;
- HORC002: 4 m at 1.06% Cu and 1 m at 1.25% Cu, within a broader intercept of 16 m at 0.31% Cu from 12m;
- HORC009: 2 m at 4.9% Cu from 154 m, within a broader intercept of 10 m at 1.24% Cu from 154 m down-hole.
- HORC005: 2 m at 4.3% Cu from 124 m, within a broader intercept of 6 m at 1.75% Cu from 120 m down-hole.

Previous results, historical mine workings and geological investigations support an Exploration Target at Hornet in the range of **500,000 to 1,500,000 tonnes at 1% to 2% copper.**

The potential quantity and grade of the Hornet Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Hornet represents an attractive prospect for further exploration and an exploration programme is proposed to identify additional mineralisation along strike to the north and south, as well as to confirm continuity of mineralisation at depth. The programme includes field mapping, checking surface workings and outcrops, reviewing historical core and initially drilling 21 RC holes to a depth of up to 150 m to follow up untested potential mineralisation.

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1. Introduction

Moreton Resources Limited through its fully owned subsidiary MRV Metals Pty Ltd (**MRV Metals or the Company**) acquired and finalised the transfers of a tenement portfolio surrounding the Twin Hills and Silver Spur silver mines located near Texas, southern Queensland. The portfolio includes a number of silver prospects, several of which are polymetallic containing base metals like copper, zinc and lead present in concentrations above economic thresholds.

Following a geological review of the project to ascertain the areas prospectivity for hosting economic precious and base metal mineralisation, the Company confirms a number of prospects have geological information, both historical and recent, sufficient to support Exploration Targets, including potential ranges of tonnage and grade.

This report provides technical support for the Exploration Target located at the prospect known as Hornet.

2. Location

The Hornet Prospect (**Hornet**) is located 1.5 km west of the Twin Hills Silver Mine, approximately 7.5 km east of the town of Texas in Southern Queensland and approximately 320 km south-southwest of Brisbane. Access to Hornet is via Spooners Road that runs north-south, immediately west of Hornet.

3. Tenure

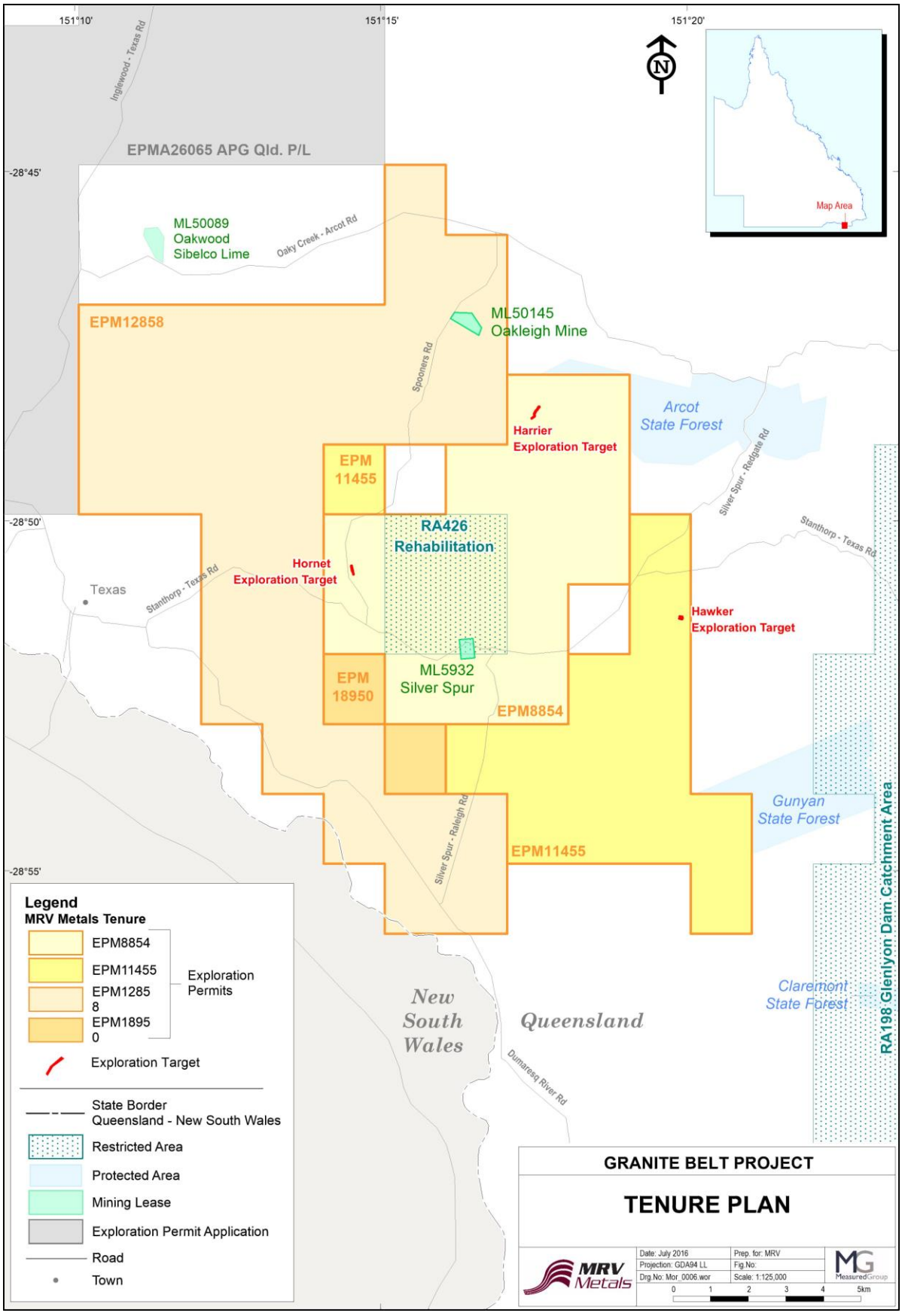
Hornet is contained within Exploration Permit for Minerals (**EPM**) 8854, which is held by MRV Metals, a wholly owned subsidiary of Moreton Resources Limited. The following table (Table 3.1) provides a summary of the tenements held by the Company that form part of the Granite Belt Project. EPM 8854 is currently under renewal and there is a reasonable expectation that the tenement will be renewed.

Table 3.1: Summary of Tenements for the Granite Belt Project

Tenement	Grant Date	Expiry Date	Minerals	Sub-blocks
EPM8854	8/7/1992	7/7/2016	All minerals except coal	17
EPM11455	1/4/1998	31/8/2018	All minerals except coal	14
EPM12858	10/8/2000	9 /8/2016	All minerals except coal	34
EPM18950	31/5/2011	3/5/2016	All minerals except coal	2

Figure 3.1 shows the location of tenements with the Hornet Prospect indicated by red annotation (note several other prospects Hawker and Harrier are also annotated but not the subject of this report).

Figure 3.1: Granite Belt Project Location and Tenure Plan



4. Basis for Exploration Target

4.1 Exploration History

The Hornet prospect was formerly known as the Old Texas Copper Mine and is defined by elevated copper in soil samples (see Figure 4.1), ore-grade intersections reported in RAB, RC and diamond drilling and historical mine workings (small collapsed pits and shafts).

Figure 4.2 shows a photograph of one of the remnant workings located at Hornet.

The prospect has been well defined by angled RAB drill holes spaced on 25 m by 50 m lines over 1.6 km of strike length, with deeper RC and diamond drilling on three section lines in the south central portion of the prospect.

Initial drilling was conducted by Macmin Silver Ltd (**Macmin**) around 2002 with regional RAB drill holes TXB513 to TXB595 (83 holes) for a total of 1187 m drilled. Later Alcyone Resources Ltd (**Alcyone**) conducted an extensive programme of RAB drilling of 183 drill holes for 5751 m, including ACHOP001 to ACHOP190. This was followed up with 9 RC holes, including HORC001 to 009 for 1780 m drilled and diamond drilling, including ACHOD001 to ACHOD008 (10 drill holes) for 806.6 m drilled.

Exploration drilling has discovered significant mineralisation, however discreet zones are discontinuous and difficult to correlate between drill holes despite close spaced drilling in places.

Alcyone have previously modelled 5 steeply dipping separate 'lodes' in a complex interpretation. Modelling also indicates the mineralisation encountered is copper dominant with silver present at grades generally lower than other prospects in the area.

Examples of drilling results previously announced by Alcyone Resources Limited in 2012 include the following:

- HORC001: 4 m at 2.37% Cu and 1m at 2.59% Cu, within a broader intercept of 38 m at 0.68% Cu from 64 m and 2 m at 2.26% Cu and 1 m at 5.19% Cu within a broader intercept of 14 m at 0.99% Cu from 110 m;
- HORC002: 4 m at 1.06% Cu and 1 m at 1.25% Cu, within a broader intercept of 16 m at 0.31% Cu from 12m;
- HORC009: 2 m at 4.9% Cu from 154 m, within a broader intercept of 10 m at 1.24% Cu from 154 m down-hole.
- HORC005: 2 m at 4.3% Cu from 124 m, within a broader intercept of 6 m at 1.75% Cu from 120 m down-hole.

Figure 4.4 shows the location of historical drilling and mine workings.

Figure 4.1: Soil Sampling Anomaly (Note: Magenta Polygon is 235 m Long)

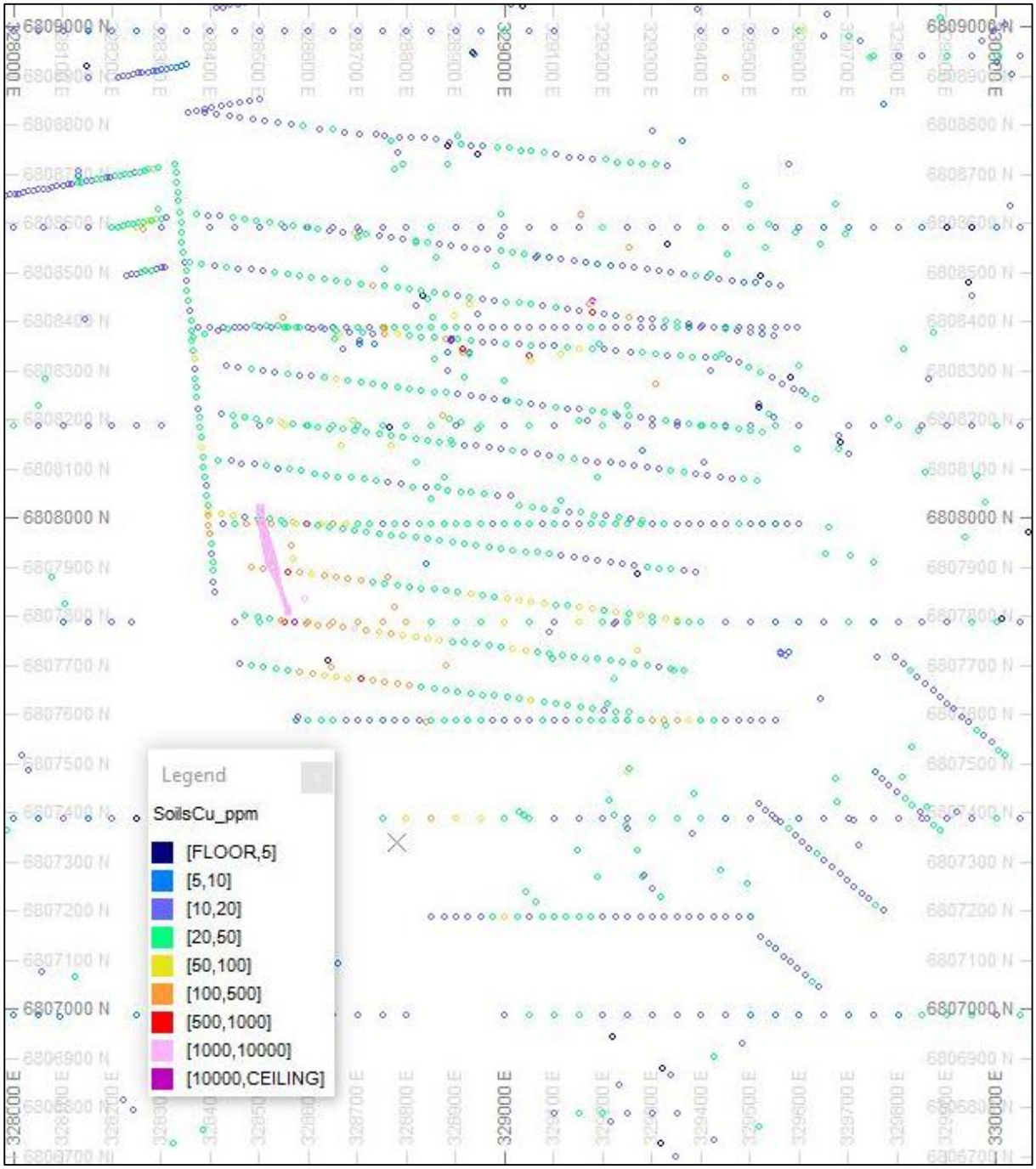


Figure 4.2: Historical Workings – Old Texas Copper Mine

Figure 4.3: Mineralisation at Surface Found Adjacent to Old Workings

Figure 4.4: Location of Drilling and Remnant Workings

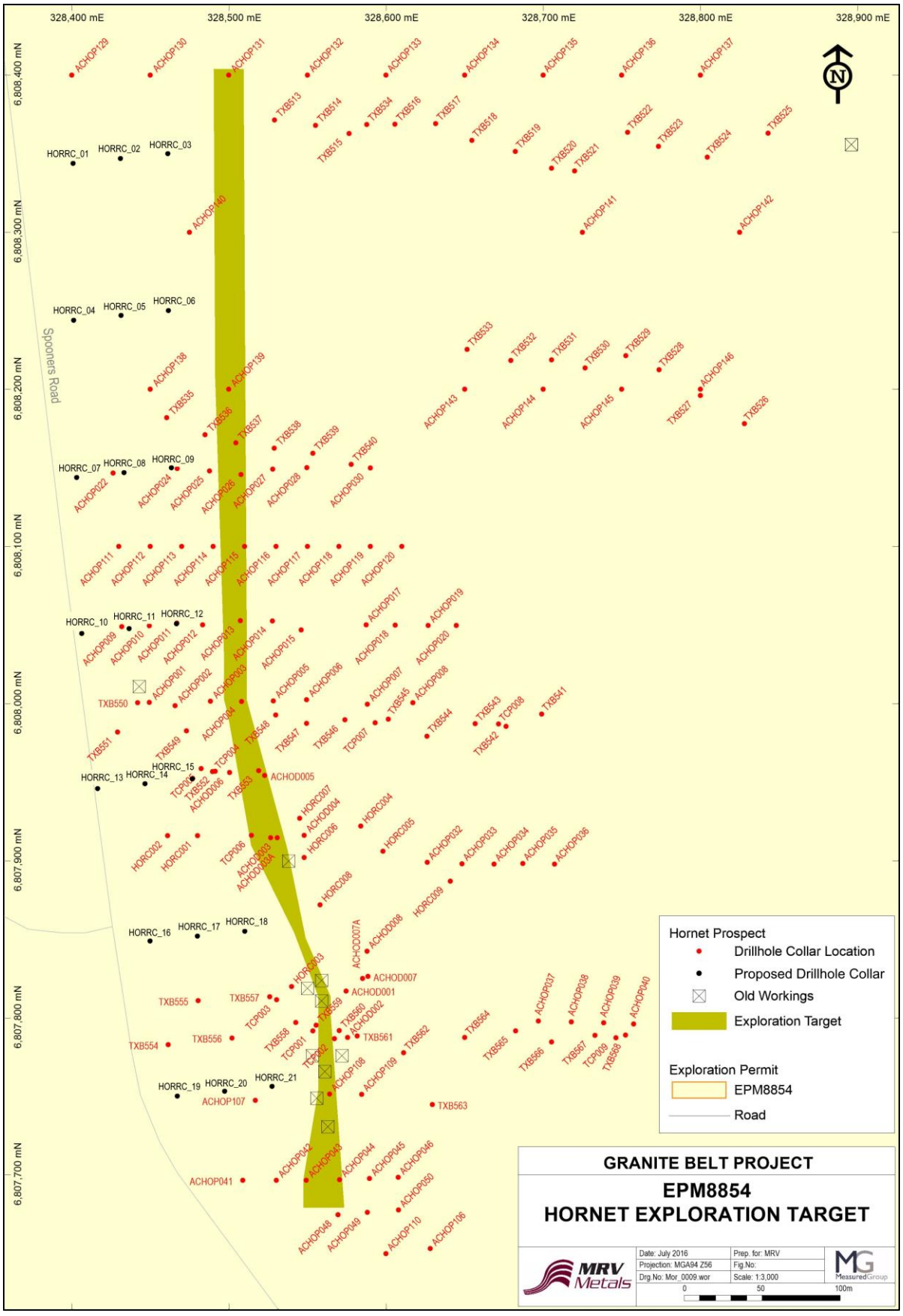
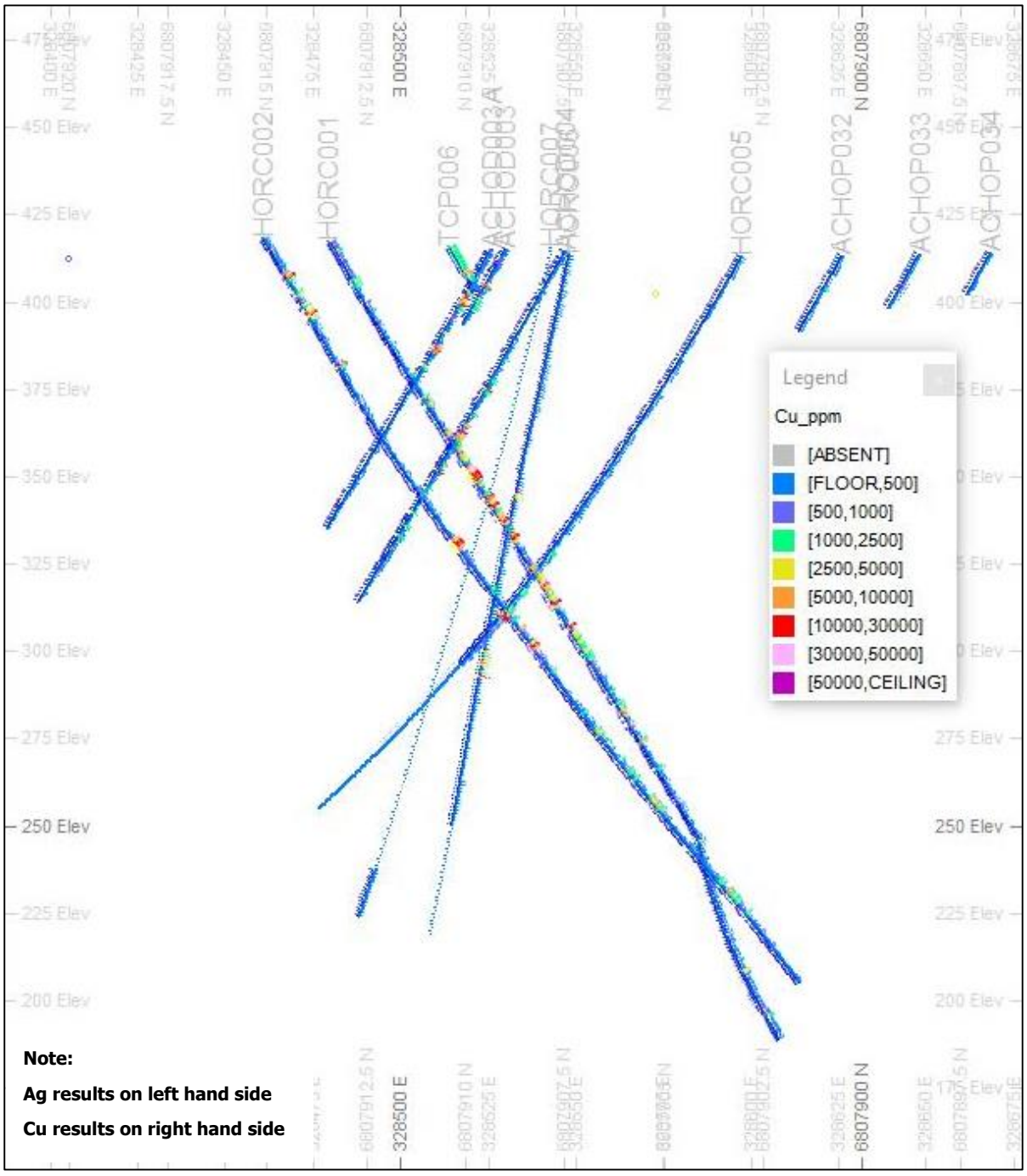


Figure 4.5: Drilling Cross Section of Hornet Mineralisation Near the Main Area of Old Mine Workings



5. Exploration Target – Hornet

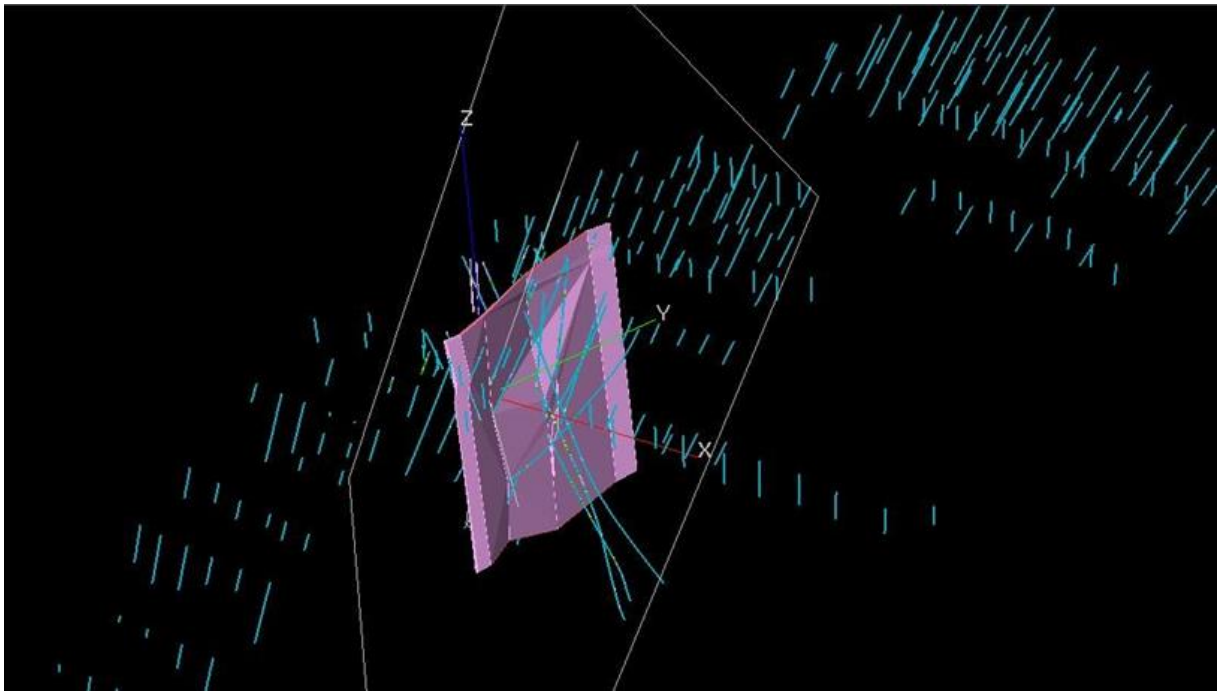
5.1 Supporting Work for Exploration Targeting

The following geological exploration scoping work was completed to support the public report of an Exploration Target at Hornet:

- Import of drilling and sampling information and surface soil sampling results into Datamine mine planning software from original Micromine format;
- Thematic mapping of Ag, Cu, Zn, Au and serial section review of drilling data and assay results;
- Develop conceptual geological models by outlining mineralisation present above threshold values to build wireframe solids around mineralised zones;
- Gain an indication of the grade of metals present by simple weighted average across sample intervals within the wireframe solid using the polygonal technique;
- Gain an indicative quantum of tonnages by applying a default dry bulk density of 2.6 to the volume of the wireframe solids.
- A field visit to site to inspect old mine workings, drill hole collar positions and outcropping surface expressions.

The following Figure 5.1 shows the wireframe model generated from previous drilling and used when considering the tonnage and quality the Exploration Target and potential at Hornet.

Figure 5.1: Wireframe Mineralisation Model of Hornet



5.2 Hornet Exploration Target

Previous results, historical mine workings and geological interpretations and investigations support an Exploration Target at Hornet in the range of **500,000 to 1,500,000 t at 1% to 2% copper.**

The potential quantity and grade of the Hornet Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

6. Planned Exploration Works

Hornet represents an attractive prospect for further exploration and the following programme is proposed to identify additional mineralisation along strike to the north and south, as well as to confirm continuity of mineralisation within mineralised outlines and at depth:

- Negotiate access to the site through appropriate landowner liaison, notification and agreements;
- Field mapping and checking of surface workings and outcrops;
- Locate and inspect drill core for logging of mineralisation style, lithology, alteration and structural relationships;
- Plan and follow up drilling along strike from old mien workings targeting elevated values in RAB drilling, which have not been investigated with deeper drilling;
- Plan and execute a drilling programme comprising of up to 21 RC drill holes to a depth of up to 150 m to follow up untested potential mineralisation (see Figure 4.4);
- Follow up drilling based on RC drill results, infill step-out and diamond drilling for the purpose supporting a Mineral Resource Estimate and Public Report.

7. Bibliography

Alcyone Resources Ltd ASX announcement & media release 24 January 2012,

High grade silver and copper hits at silver spur and hornet

http://www.alcyone.com.au/media_centre/media_articles.phtml

Alcyone Resources Ltd ASX announcement & media release 27 January 2011

Further encouraging results from Texas exploration programme

http://www.alcyone.com.au/media_centre/media_articles.phtml

APPENDIX F: JORC CODE, 2012 EDITION – 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.*	• RAB completed by Macmin TXB513 to TXB595 was only bottom of hole sampled with a two-metre composite. As the drill holes are relatively shallow 15-20 m only 165 m of the 1187 m being sampled (about 14%). • RAB drilling conducted by Alcyone drilling was sampled generally at 1 m intervals. In areas logged as waste, samples are combined into 3 m intervals. 5751 m of RAB drilling from 183 holes was completed with 99.9% sampled. • RC drilling was sampled 1 m (53.5%) and 2 m (46.5%) intervals. 1780 m of RC of RC drilling from 9 holes was completed with 99.9% sampled. • Diamond drill half core was sampled on intervals generally between 0.5 m to 1 m except at geological contacts where samples met the geological domain. The sampling was irregular controlled by interpreted geological domains. 806.6 m of diamond drill core, from 10 holes, was drilled with 718.06 m sampled representing 89% of core sampled. • Historical production records for the old Texas mine have not been located and it unsure whether such records have survived.
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).*	• RAB, RC and Diamond Drilling was completed at Hornet. • No details of core orientation have been observed.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Details of sample recovery have not been retained for RAB drilling, however, the majority of intersections are from diamond core. • Details of core recovery have not been retained however core photography indicate very competent ground and adverse core recovery is not expected from ground conditions. However, there may be some lost core from the intersection of voids and old workings. It is intended the verify these issues once access to the core is granted.
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.*	• The core has been geologically logged and the log is retained in the drill hole database. • No record of geotechnical logging has been retained.
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.*	• Sample type listed in the drilling database for the RC and RAB drilling, is described as spear, indicating the sample where not split at least at the initial sampling phase. • The core has been geologically logged and the log is retained in the drill hole database. • No record of geotechnical logging has been retained. • No record of geotechnical logging has been retained. • There is evidence of check and repeat sampling for the drilling and sampling conducted by Alcyone however detail record for the Hornet prospect have not been sighted or analysed.
Quality of assay data	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Details of laboratory analysis, quality assurance and quality control are not known, however the work was conducted in the 2010 a respected ASX listed company under the supervision of

Criteria	JORC Code explanation	Commentary
and laboratory tests	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	competent persons. • There is evidence of a QAQC regime involving reference standards, blanks and repeat sampling being in place at the time of the Alcyone drilling campaign however detailed records of the results of QAQC that refer specifically to the Harrier prospect have not been sighted or analysed. • Analysis was conducted and a commercial external commercial laboratory accredited to Australian standard.
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.*	• No sample verification has occurred. • No twin holes were drilled. • Documentation of data was sufficient to provide an exploration target level of reporting. • No adjustments were made to assay data. • Collar positions have been partially checked in the field visit conducted by the competent person.
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.*	• DGPS was used to locate and pick up collars and other workings. • Grid system was MGA94_56S. • No information has been sighted regarding the quality of topography data. • Down hole surveys were conducted by down hole camera at regular intervals (30 m down-hole) for the Alcyone RC and diamond campaigns.
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.*	• Angled RAB drill holes on 25m by 50m spaced lines over 1.6 km strike length. • Mineralisation is discontinuous and interpretation is complex and further exploration is required.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the*	• Drill holes have generally been across the dip of the orebody with rare exceptions down dip. The samples have been taken down hole limiting to geological structure and has no apparent bias as the mineralisation is interpreted to be sub-vertical.

Criteria	JORC Code explanation	Commentary
geological structure	*orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	• *The measures taken to ensure sample security.*	• No evidence of sample security has been reviewed at Hornet.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data provided has been reviewed and provisionally modelled to complete an exploration target volume and grade.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The underlying tenure is granted EPM status, the EPM is under renewal and with reasonable expectations that it will be renewed. • The tenement is held by MRV Metals and is in good standing. • This prospect lies outside to a Rehabilitation Area (RA) current over the Twin Hills mine area and as such there is no impediment to further exploration of the prospect.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The current holders have not conducted any exploration apart from a geological review and a site visit by the Competent Person. • The three main phases of exploration and historical mine production is detailed in the body of Report No: MG140_Hornet_01. • Details of historical mine production have not been located at this time.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Structurally controlled low sulphidation, epithermal.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• The exploration results presented here are recent historical and have been previously reported by the previous owners who conducted the exploration. As such the listing of details collar co-ordinates provides no purpose.
		• A map showing collar locations has been provided in the main body of Report No: MG140_Hornet_01.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• According to previous announcements no recent aggregation of sample results has not been conducted. • Metal equivalents are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralised lode is sub vertical and true widths will be lower than the down hole interval. Drill holes are angled 60 to 70 degrees and have been drilled from both the eastern and western sides.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in the body of Report No: MG140_Hornet_01.
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.*	• Reporting is based on previous announcements. Checking and reclogging of core at this stage is not possible.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The previous holders Alcyone conducted a ground based Sub Audio Magnetics (SAM) of the licence which has advanced geological understanding of the prospect.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up drilling target anomalous result in RAB drilling not currently tested by deeper drilling. • Planning and execution of infill and step out drilling, geological modelling, resource estimation and public reporting of a maiden inferred Mineral Resource according the guidelines of the JORC Code 2012 edition.

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 drill hole database has been transferred from the original Micromine format to Datamine format. • Significant checking has been undertaken to ensure all drill samples are included in the dataset. This has taken the form of checking previous announcements against the drill hole dataset.

Criteria	JORC Code explanation	Commentary
		• Details and procedures for data validation at the time of collection by Alcyone are not known.
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.*	• The Competent Person has visited site in early July 2016 to check drill hole collar locations, surface expression of geology and mineralisation veracity of previous exploration targets. Detailed mapping and collar location has not been carried out at this stage.
Note: The following sections are not included as they relate to the reporting of a Mineral Resource and the prospect is not at a stage of exploration advanced enough to supper the estimation and public reporting of a Mineral Resource.		