MINERAL DEVELOPMENT LICENCE 62

WESTWOOD

ANNUAL REPORT FOR THE PERIOD

1 March 2015 to 28 February 2016

QER Pty Ltd.

Site	Westwood
Date	March 2016
Department	Mine & Resource Development
Author / Coordinator	G J Pope
Distribution	DNRM, QER Pty Ltd, McKenzie-Forbes & Clarke
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LOCALITY

1:250,000 sheet:	Rockhampton	(SF 5613)
1:100,000 sheet:	Mount Morgan	(8950)

KEYWORDS

Palladium, platinum, Bucknalla Complex, gabbro, farmout, geophysical interpretation, drilling program.

SUMMARY

This report documents investigations for Mineral Development Licence (MDL) 62, Westwood, Central Queensland, for the twelve-month period ending 28th February 2016. The MDL renewal lodged 30 August 2011 was granted in April 2014 with an amended work program. The current tenement term expires in February 2017.

The Westwood prospect is one of the few recorded platinum group elements occurrences in Queensland.

Drilling, soil sampling and rock chip sampling have demonstrated that the Westwood MDL is host to significant highly anomalous PGE mineralization. However, to date there has not been sufficient drilling intersections of sufficient tenor within the MDL to establish a PGE resource.

Data compilation for the Westwood MDL and surrounding area was finalised.

Based on the results of mineral exploration to date, an Exploration Target of between 200,000 tonnes and 500,000 tonnes may be expected within the MDL boundaries at depths shallower than 200m below surface.

Interpretation of two HOSIT EM helicopter surveys which overflew the Westwood MDL were:

- Defined of a weak conductive trend trending NW through the Westwood Prospect, consistent with the general magnetic, geologic and topographic trends, but likely structurally offset across the end of the topographic ridge in the NW of the MDL.
- the conductive EM trends appear to lie just to the north of the residual magnetic highs.
- 3D inversion modelling confirms that the magnetic source associated with the Westwood Prospect dips moderately towards the SW.
- A best-fit conductive plate indicates that the plate is located near the collars of drill holes which record anomalous Au-Pd-Cu over short intervals from surface.
- The conductor probably dips SW below the associated magnetic source. Depth extent is uncertain but likely to be of the order of 100 to 200 metres.
- This conductive trend appears to be poorly tested by existing drilling.

Acquisition of high resolution LiDAR data over the area has enabled detailed site location of a five hole program with an aggregate 400m Four drill sites have been located to test mineralization continuity in previous drillholes, EM anomaly trends and magnetic anomalies. A further two holes, each of approximately 100m will be sited depending on the results of the drilling of the first five holes.

Both the platinum and palladium market prices have fallen during 2015 despite 2014 supply shortfalls, a result of strike action in South African mines in 2014, recovering during 2015. Overall palladium finished 2015 down by 30% at $555 and platinum down significantly 27.2% to $868. As at 18 March 2016 palladium at $593 and platinum at $972 asking price were $168 lower and $200 lower than at the same period in 2015.

Published 2014 Global average Total Cash Cost at US$1,209/platinum equivalent once with All-in Costs amounting to US$1,661/oz are significantly greater than the current market spot prices. Economic exploitation of mineralization at Westwood at these costs is unlikely.

The intention of the holders with respect to MDL 62 continues to be the development of a precisely targeted exploration drilling program and the identification of a suitable farm-in partner to investigate the MDL area or divestment of the tenement by outright sale.

INTRODUCTION

The Westwood Palladium/Platinum Prospect is located about 1.5 kilometres west of the Central Queensland township of Westwood, which is located on the Capricorn Highway and the Rockhampton-Longreach railway, 50 kilometres southwest of Rockhampton (Figure 1).

The area hosts one of the few known hard-rock Platinum Group Element (PGE) occurrences in Queensland. The regional geology and exploration history of the prospect were outlined in the application document and are detailed in the Final Report for EPM 4190 (Pope, 1991).

Geology of the Westwood area is depicted at 1:100,000 scale on the Mount Morgan geological sheet published by the Queensland Geological Survey.

TENEMENT

Mineral Development Licence 62, "*Westwood*", covering a surface area of approximately 15.8 hectares, is held by a joint venture consisting of Queensland Energy Resources Limited (80%, manager) and Mackenzie-Forbes and Clarke (20%, diluting interest). MDL 62 was granted on 7th February 1992, commencing 1st March 1992 for a period of 5 years, consequent on the conditional surrender of Mining Lease 5815 and Exploration Permit (Minerals) (EPM) 4190. In 2005, the interests in the MDL of prior co-holders Southern Pacific Petroleum NL and Central Pacific Minerals NL were assigned to Queensland Energy Resources Limited.

MDL 62 has been renewed for consecutive 5 year terms ending in 2002, 2007 and 2012. A MDL renewal lodged on 30 August 2011 was granted in April 2014 with an amended work program. A variation for the final two years of the work program was granted on 16 March 2016. The current tenement term expires in February 2017.

Table 1 below provides a tenure summary.

Table 1: Tenure Summary – MDL 62

Mineral Development Licence 62 – Westwood	
Granted	7th February 1992
Commenced	1st March 1992
Renewed	1997, 2002, 2007, 2014
Expiry Date	28 February 2017
Area	Approx. 15.8 ha

The activity report for the 2014-2015 tenement year was compiled and submitted to the Department in March 2015 (Pope, 2015).

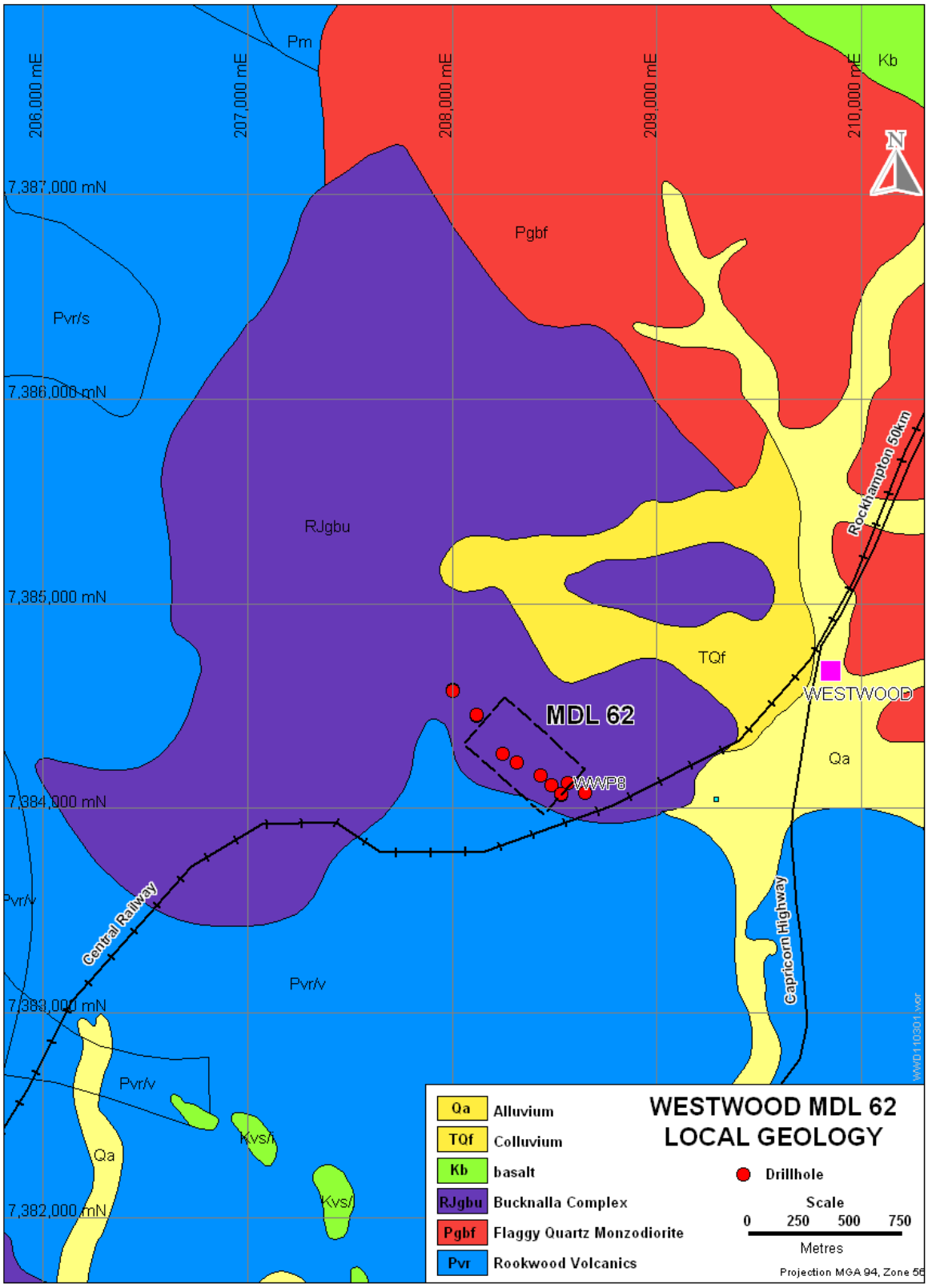

Figure 1: Location MDL 62, Bucknalla Complex and Local Geology

Environmental Authority

Application was made to the Environmental Protection Agency (EPA) for conversion of the original transitional Non-Standard Environmental Authority to a Standard Environmental Authority (SEA) under the *Environmental Protection Act (1994)*. The guidelines and triggers within the code are such that the current Westwood programs can continue without modification. The conditions of the SEA also allow for minor drilling programs and surface investigations with limited disturbance.

The Standard Environmental Authority applicable to the Westwood MDL was granted on 7 March 2002 (EPSX00259313). As of March 2012, the QEPA-issued map of Environmentally Sensitive Areas shows none such within, or within several kilometres of, the MDL 62 area.

EXPLORATION ACTIVITY FOR THE 12 MONTHS TO 28 FEBRUARY 2016

Program for the 12 Months to 28 February 2016

The approved program for the period is

- Geological and technical evaluation
- Commodity review and economic assessment
- Drill site access, design evaluation and access approvals

Geological and Technical Evaluation

Exploration mapping completed at Westwood in the mid 1980's has been scanned and converted to digital map format. The mapping was undertaken on the Westwood grid.

Rock chip, soil geochemistry and trench assay data have been compiled to digital format. Drilling data from historical programs at Westwood has been added to a database together with drilling and exploration data from previous exploration on neighbouring tenements.

Ground geophysical data from surveys on the Westwood grid have been re-projected and gridded and re-interpreted.

Mineralisation intersected in drill holes, assays from trench and surface sampling has established the grade of PGE (Pt-Pd) to be in the range 0.5g/t to 4.14g/t over intervals between 1m and 2m in the mineralised area and zones investigated. The drilling on which this evaluation is based is summarized in Table 2 and Table 3. The technical information is contained in a JORC Table 1 Technical Commentary (Appendix 1).

Table 2: Drillhole Locations

HOLE	Easting	Northing	RL	Depression	Azimuth	TD m.
WWP1	208758.3	7384263.8	96	-58	2	24
WWP2	208639.0	7384254.1	121	-50	43	26
WWD6	208592.1	7384300.2	138	-58	61	70.1
WWP7	208540.3	7384346.2	147.6	-60	202	50
WWP8	208669.5	7384312.7	121	-61	19	50
WWR9	208421.8	7384411.3	159.6	-59	205	42
WWP10	208638.3	7384256.8	121.5	-60	34	43

Table 3: Drilling Results – line of hole – true width unknown

HOLE	From (m)	To (m)	Pd (ppm)	Pt (ppm)	Au (ppm)	Cu (ppm)
WWP1	2	4	0.73			
WWP1	9	10	0.70			
WWP2						
WWP5						
WWD6	14.2	14.6	0.88		0.84	2400
WWD6	15.3	17	3.81	0.34	0.55	2100
WWD6	21.0	22.3	1.47			
WWP7						
WWP8						
WWR9						
WWP10						

Cut-off – Pd 0.5ppm, Pt 0.5ppm, Au 0.5ppm, Cu 1,000ppm

Drilling, soil sampling and rock chip sampling have demonstrated that the Westwood MDL is host to significant highly anomalous PGE mineralization. However, to date there has not been enough drilling intersections within the MDL to establish a PGE resource.

GEOPHYSICAL INTERPRETATION

Hoistem surveys flown by GPX for Glengarry in 2002 overflew the MDL 62 area in their coverage of the Bucknalla and Fred Creek Gabbro intrusive bodies.

The GPX Hoistem comprised 200-metre spaced lines over a larger survey area flown in a N-S direction (Fred Creek survey) together with a smaller area flown in the vicinity of the Westwood Prospect at 200-metre line spacing in an E-W direction (Westwood survey) covering MDL 62.

A detailed ground magnetic grid has also covered the Westwood Prospect area and associated trend towards the east and NW (Figure 3). The 100-metre spaced SW-NE lines of the ground magnetic survey show much more detail in the vicinity of Westwood MDL than the equivalent heli-mag from the Hoistem survey (Figure 2). In both surveys, the main magnetic trend in the area is closely aligned with the prominent NW-trending topographic ridge.

The conclusions from the interpretation work were:

- Interpretation of the 2002 Hoist EM survey has defined a weak conductive trend trending NW through the Westwood Prospect, consistent with the general magnetic, geologic and topographic trends, but likely structurally offset across the end of the topographic ridge in the NW of the MDL.
- the conductive EM trends appear to lie just to the north of the residual magnetic highs.
- 3D inversion modelling confirms that the magnetic source associated with the Westwood Prospect dips moderately towards the SW.
- A best-fit conductive plate indicates that the plate is located near the collars of drill holes WWP08 and WWP01, both of which record anomalous Au-Pd-Cu over short intervals from surface.
- The conductor probably dips SW below the associated magnetic source. Depth extent is uncertain but likely to be of the order of 100 to 200 metres.
- This conductive trend appears to be poorly tested by existing drilling.

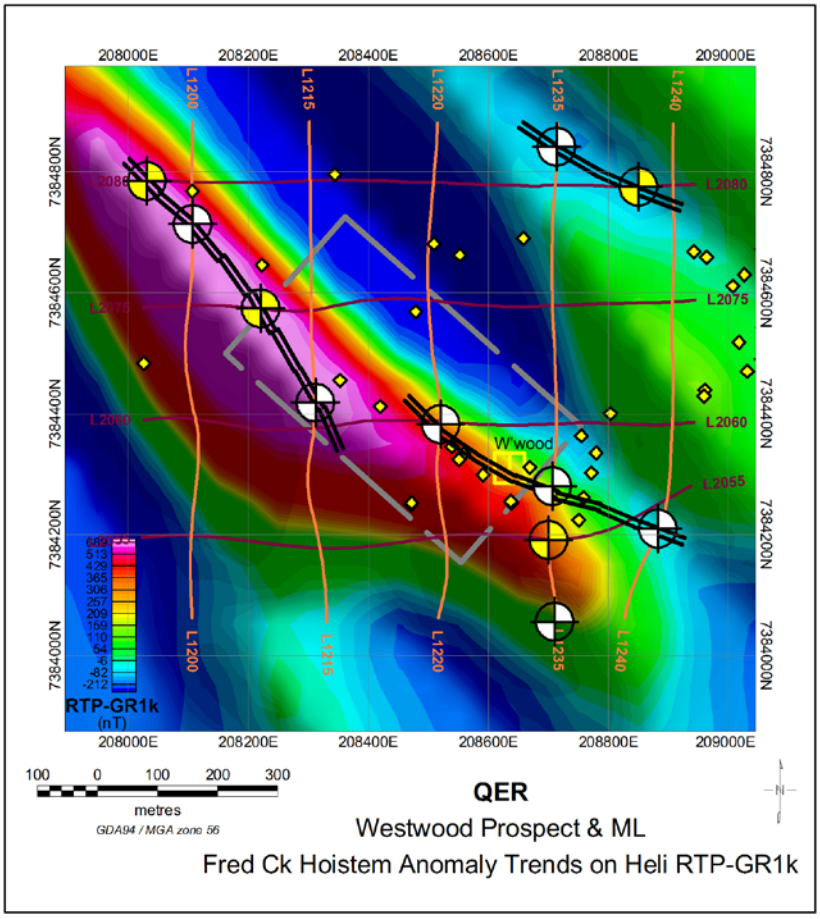

Figure 2: Windowed Fred Creek and Westwood Hoistem lines at Westwood with background residual RTP Heli-Magnetic image.

Windowed Fred Ck (N-S) and Westwood (E-W) Hoistem lines near the Westwood ML. Background is the residual RTP Heli-Mag image; Drillholes: small yellow diamonds; Hoistem anomalies and trends: yellow/white symbols and black double lines.

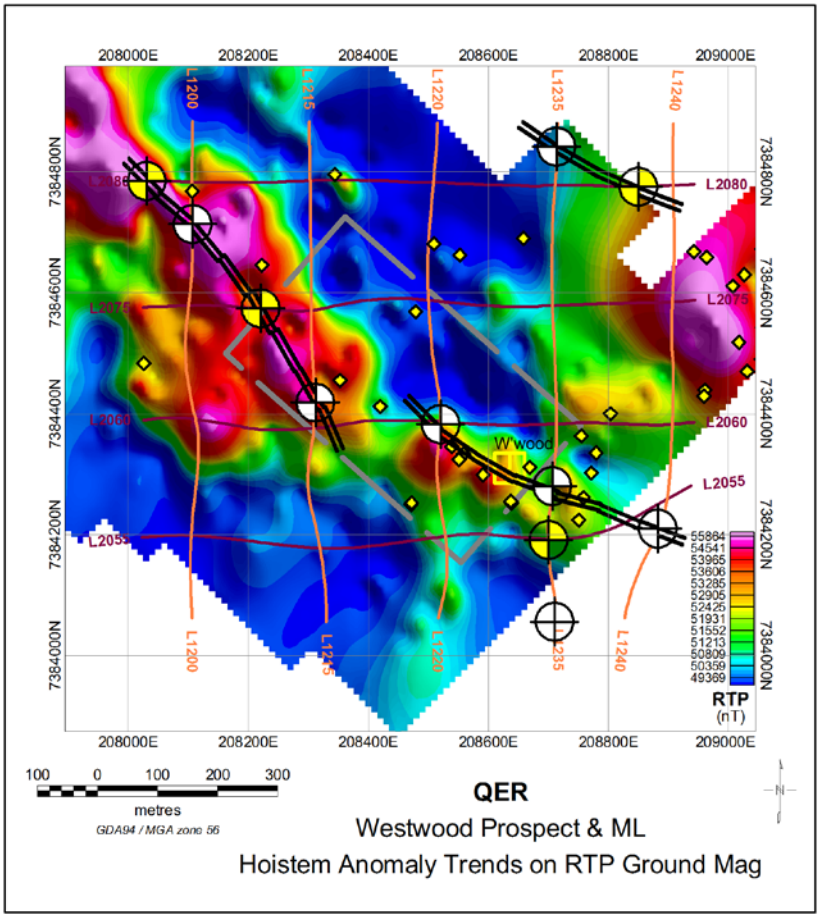

Figure 3: Windowed Fred Creek and Westwood Hoistem lines at Westwood with background RTP Ground-Magnetic image.

Windowed Fred Ck (N-S) and Westwood (E-W) Hoistem lines near the Westwood ML. Background is the RTP Ground-Mag image; Drillholes: small yellow diamonds; Hoistem anomalies and trends: yellow/white symbols and black double lines.

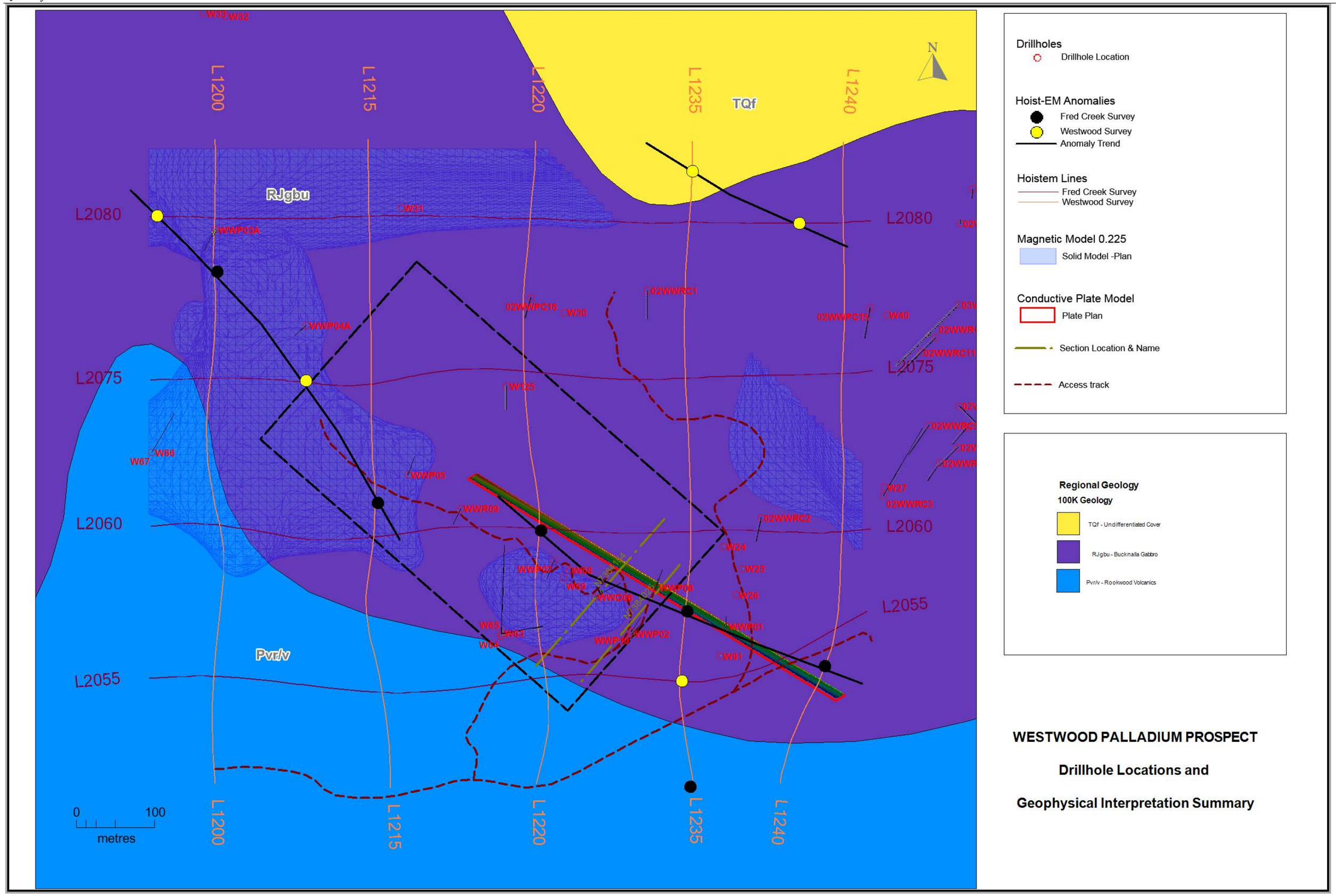

Figure 4: Westwood Palladium Prospect, Drillhole Locations and Geophysical Interpretation Summary.

PROPOSED EXPLORATION PROGRAM

A drill program has been designed to test both mineralization continuity and geophysical anomalies modelled in the southeastern part of the MDL. Focus on drill site locations in this area is primarily driven by currently available access to favorable topographic positions for drill pads with minimal ground disturbance.

In order to examine the topography more closely detailed topographic data (LIDAR) was obtained for the region. LIDAR flown during the Inland Towns Stage 4 Queensland LiDAR data acquisition in with an ADS40 multispectral scanner in August 2013 was acquired from DNRM. The ground surface vertical resolution accuracy +/- 15cm and horizontal surface accuracy +/- 45cm. LiDAR data and 1m DEM was obtained.

The high resolution data allowed construction of a topographic surface with clear location of current access tracks and old drill pad areas. Contours for MLD 62 area were also generated (Figure 5).

Locations of five drillholes with an aggregate 400m have been planned based on the detailed topographic information (Figure 5 and Table 4). An additional 210m has been allocated for follow-up drilling with the actual collar locations dependent on the outcome of the drilling results from the first four holes.

The drill sites have been proposed on sections N7384125 (Figure 5) and N7384025 (Figure 6) to test mineralization continuity in previous drillholes and testing of EM anomaly trends and magnetic anomalies. The geophysical models have been based on weak EM anomalies identified in the older surveys.

Table 4: Proposed Drillhole Collar Locations

SiteID	Easting	Northing	Dep	Azim	RL	TDm
A	208549	7384100	-60	30	208	70
B	208556	7384113	-60	30	209	90
C	208503	7384135	-60	30	219	75
D	208495	7384125	-60	30	220	90
E	208474	7384102	-60	30	221	75

Final land access agreements for et program are to be finalized with the landholders.

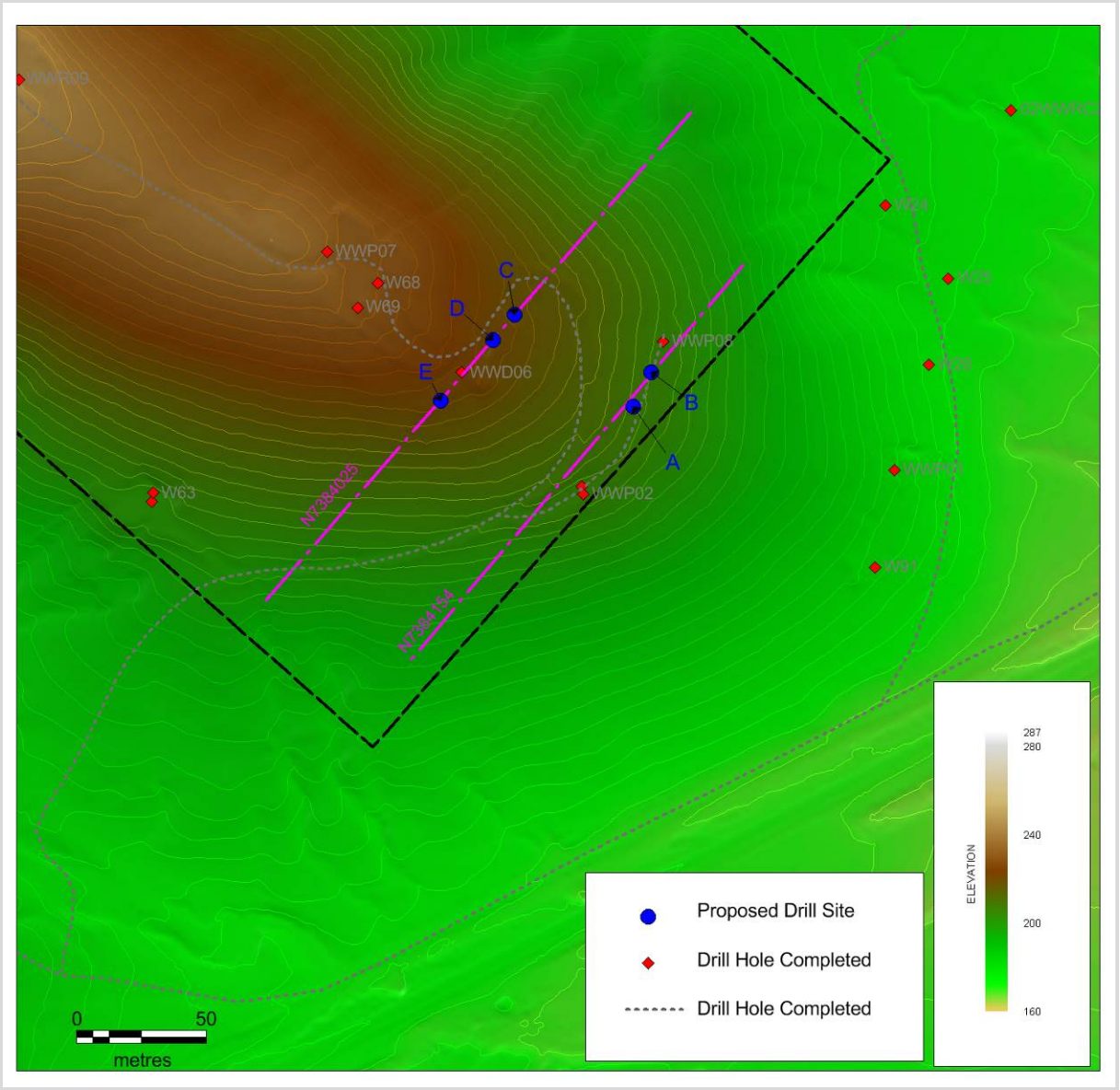

Figure 5: MDL 62 - proposed drill sites, section location, topography and access.

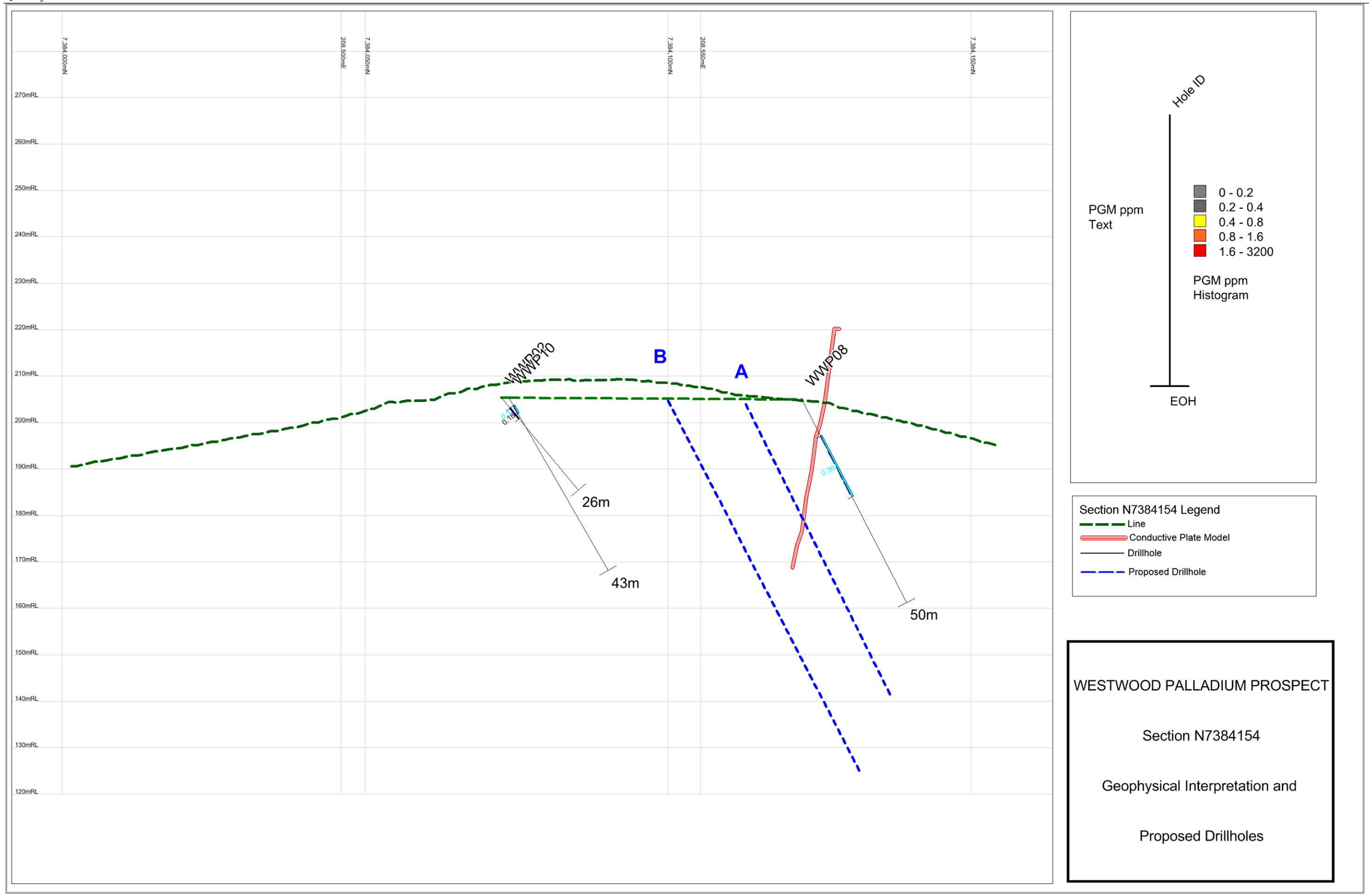

Figure 6: Westwood Palladium Prospect, Section N7384154

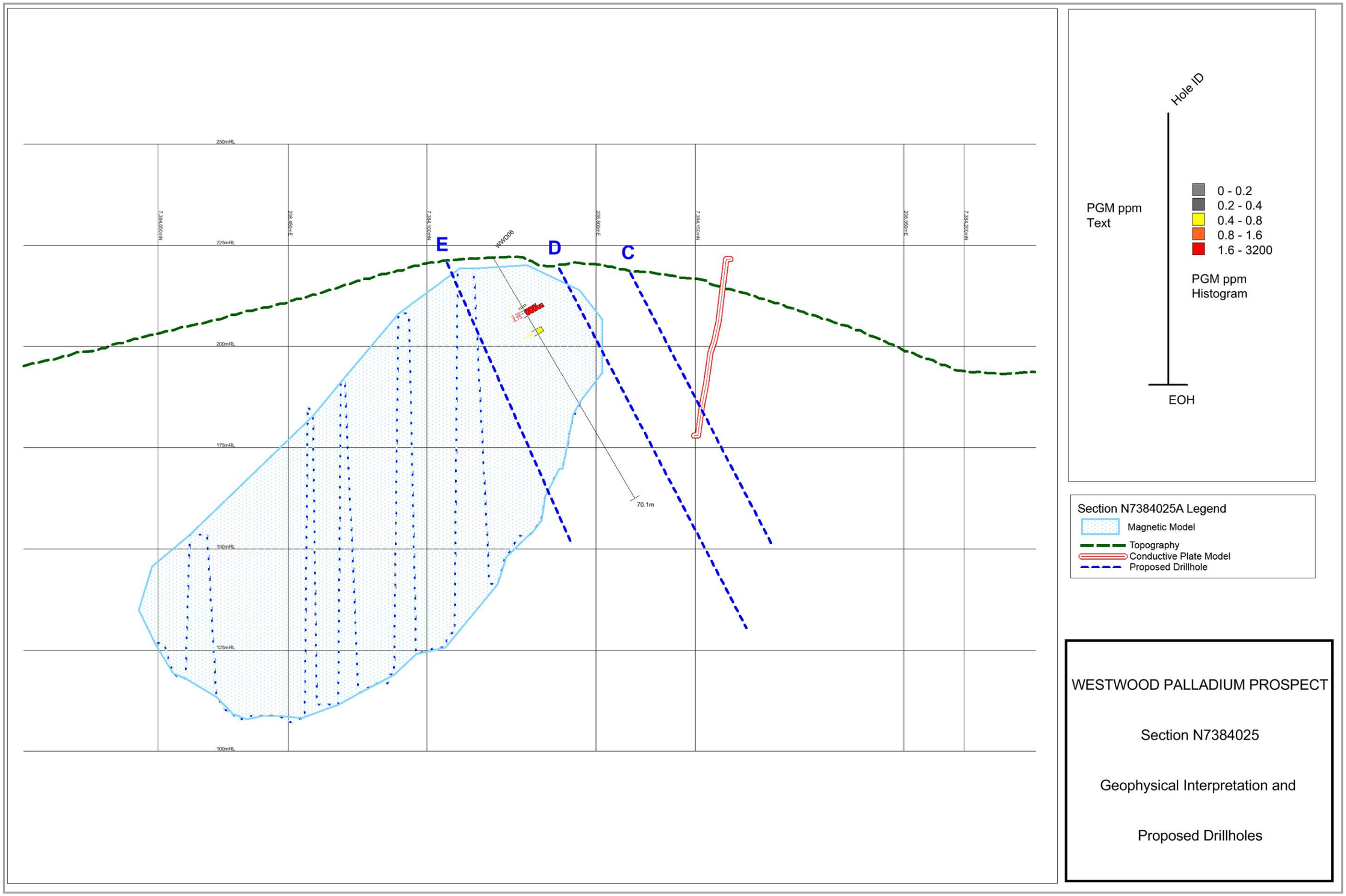

Figure 7: Westwood Palladium Prospect, Section N7384025

RESOURCE EVALUATION

Exploration and evaluation within the MDL has not outlined sufficient potentially economic mineralisation to establish a Mineral Resource estimate under JORC Guidelines.

Based on the results of mineral exploration to date, an Exploration Target of between 200,000 tonnes and 500,000 tonnes may be expected within the MDL boundaries at depths shallower than 200m below surface.

About half of Australia's Identified Resources of PGEs are in the following deposits, which have PGEs as the major commodity. The following are extracted from the Australian Mines Atlas. None of these deposits are currently in production.

Munni Munni (WA): Published Measured, Indicated and Inferred Resources of 23.6 million tonnes (Mt) at 1.5 grams per tonne (g/t) Pd, 1.1 g/t Pt, 0.1 g/t Rh, 0.2 g/t gold (Au), 0.09% nickel (Ni), and 0.15% copper (Cu).

Panton (WA): Measured, Indicated and Inferred Resources total 14.3 Mt at 2.19 g/t Pt, 2.39 g/t Pd, 0.31 g/t Au, 0.27% Ni, and 0.07% Cu

Fifield (NSW): Platina Resources Ltd announced Indicated and Inferred Resources totalling 12.7 Mt at 0.7 g/t Pt for its Owendale North, Cincinnati and Milverton deposits at Fifield. The company also published a scandium (Sc) resource of 10.1 Mt at 340 g/t Sc. Historical production from Fifield amounts to about 640 kg of PGEs.

Weld Range – Parks Reef (WA): A published Inferred Resource amounted to 14.76 Mt at 1.1 g/t Pt+Pd+Au which occurs in a truncated lateritic profile overlying low-grade primary PGE mineralisation in ultramafic rocks The Weld Range PGE deposit is adjacent to the very large Weld Range lateritic nickel-cobalt deposit which has an Inferred Resource of 330 Mt at 0.75% Ni and 0.06% cobalt (Co). An Inferred Resource of 63.5 Mt at 5.2% chromium (Cr), 38% iron (Fe) and 0.38% Ni at a cut-off grade of 4% Cr also occurs within the Weld Range nickel-cobalt deposit.

Commodities Review and Economic Assessment

COMMODITIES REVIEW

The 2015 gross demand for platinum is forecast to hit 8.3 million ounces and palladium to be at 9.39 million ounces. Both metals are predicted to be in deficit with respect to mined supply in 2015 by 2.46Moz and 2.94Moz respectively. However, these deficits will be partially off-set by supply from recycling which softens the deficit to 0.64Moz and 0.43Moz respectively (Johnson-Matthey, 2015). Lower prices have also caused a drop in recycling volumes. Demand for platinum in the jewelry market is expected to fall by about

9%, with a continued growth in the catalyst market by 6% with higher diesel car output and tighter EU emission limits. Overall palladium finished 2015 down by 30% at $555 and platinum down significantly 27.2% to $868. As at 18 March 2016 palladium at $593 and platinum at $972 asking price were $168 lower and $200 lower than at the same period in 2015 (Kitco, 2016). Average annual prices for 2015 for platinum and palladium were 24% and 14% lower respectively than those for 2014. Figure 5 and Figure 6 below show the price graphs for the periods 2015, early 2016 and the historical period 1992 to present. Platinum price premium over gold moved into negative territory during 2015.

Three main platinum mining companies in South Africa continued to ramp up from the strike during 2014. Although largely completed in 2015, total South African production was lower than pre-strike levels (USGS, 2016). Production in South Africa continues to be disrupted by increased power costs, labour unrest and safety related stoppages.

Overall production of platinum for 2015 is forecast to be up on that for 2014 following the ecovery of shipments of around 750,000oz from 2014 severely strike-impacted total. This was partially offset by a drop in recycling of catalytic converters. A similar scenario for supply deficit for palladium was seen during 2014 although less pronounced. Both the platinum and palladium deficits in 2015 will be satisfied from producer stocks and cumulative above ground stocks at market prices. It is estimated that South African producers sold over 430,000oz of platinum from refined and pipeline stocks during 2014 decresing inventory of above ground stocks of platinum.

Cumulative supply of platinum from 2006 has largely been eliminated over the last three years and despite market volatility, the global market is expected to remain in deficit in the short to medium term with a steady increase in demand exceeding growth in primary and secondary supply. Increased vehicle loadings to achieve Euro 6 emission limits are likely to provide continued growth in the gross autocatalytic demand.

Palladium is expected to continue in supply deficit in the short to medium term due to the growth in petrol vehicles

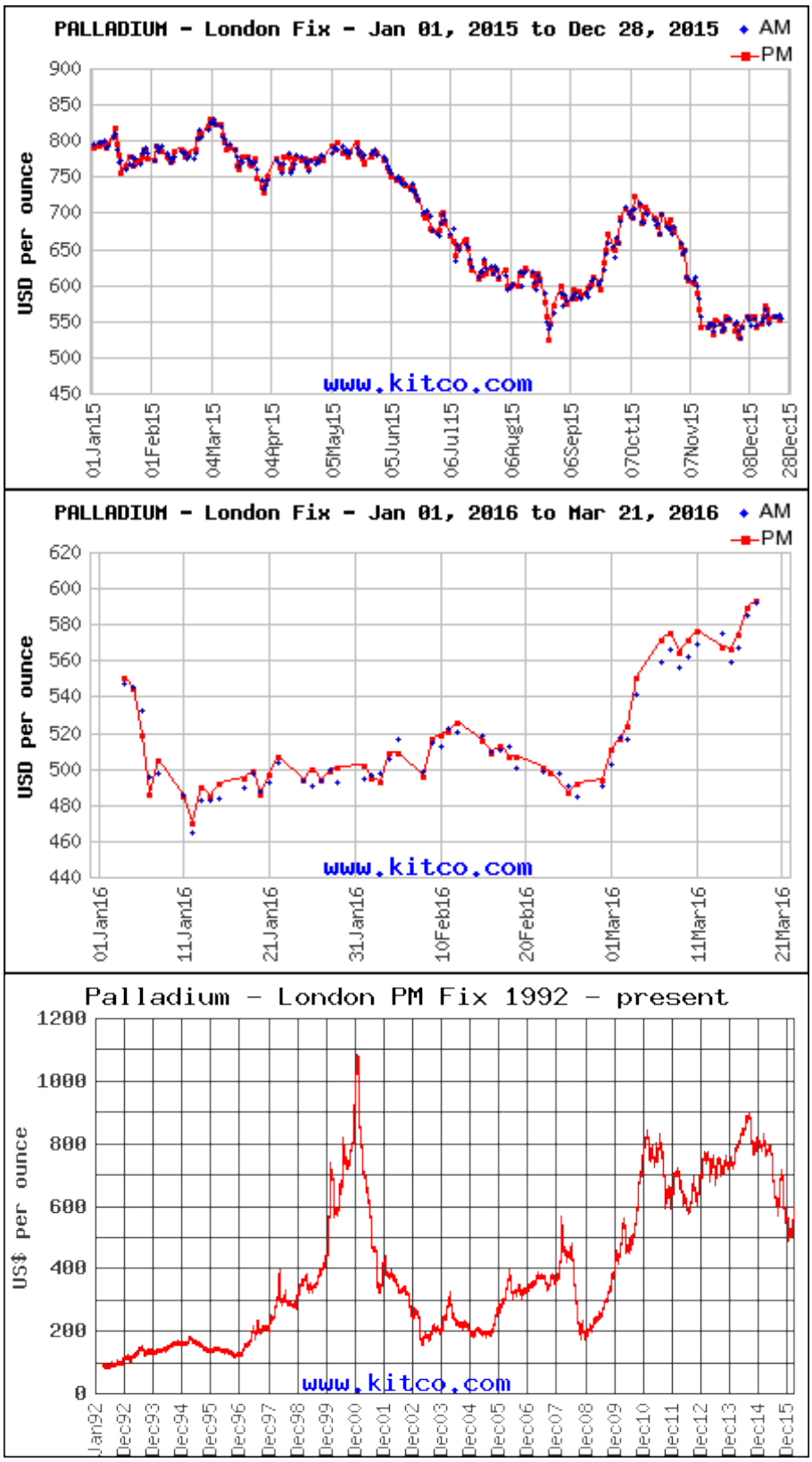

Figure 8: Palladium price charts – London fix 2015, Jan-Mar 2016, & 1992 - present

Source: Kitco Precious Metals
http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx

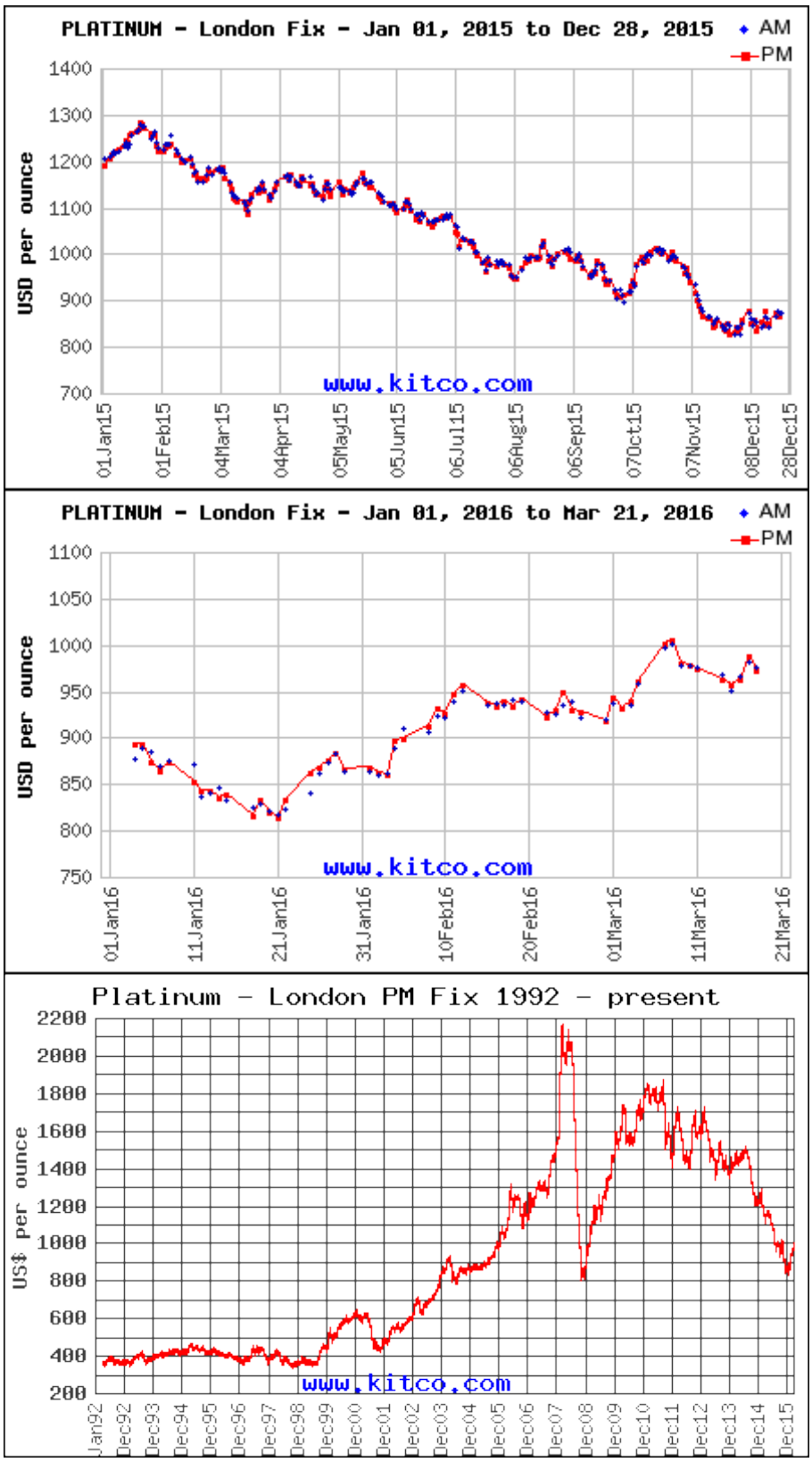

Figure 9: Platinum price charts – London fix 2015, Jan-Mar 2016, & 1992 - present

Source: Kitco Precious Metals
http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx

PRODUCTION COSTS

Global average Total Cash Cost was US$1,209/platinum equivalent once with All-in Costs (including all cash and non-cash costs, sustaining capital expenditures, indirect costs and overheads) amounting to US$1,661/oz (Thomson Reuters, 2015). This excludes Norilsk Nickel by-product production from Ni ores. Cash cost is particularly sensitive to exchange rates.

Production cost curves are presented below with the average spot price of platinum shown for 2015 (and earlier years for Figure 7)

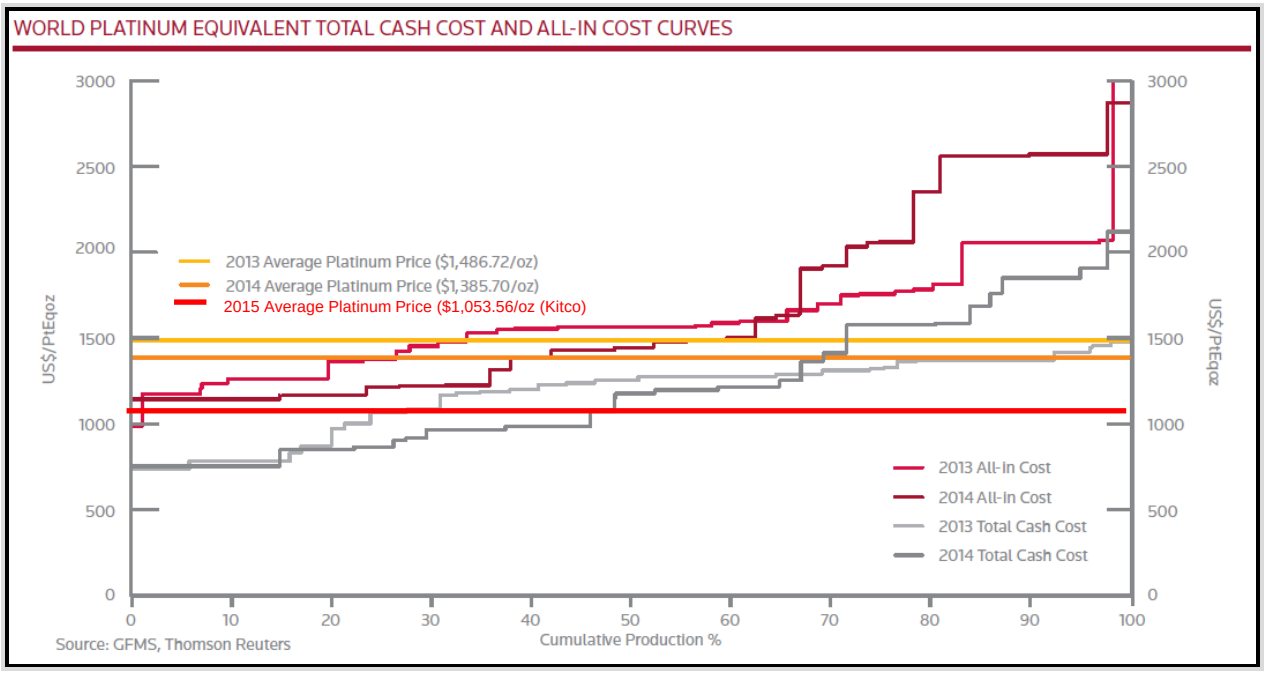

Figure 10: World Platinum Equivalent Cash Costs

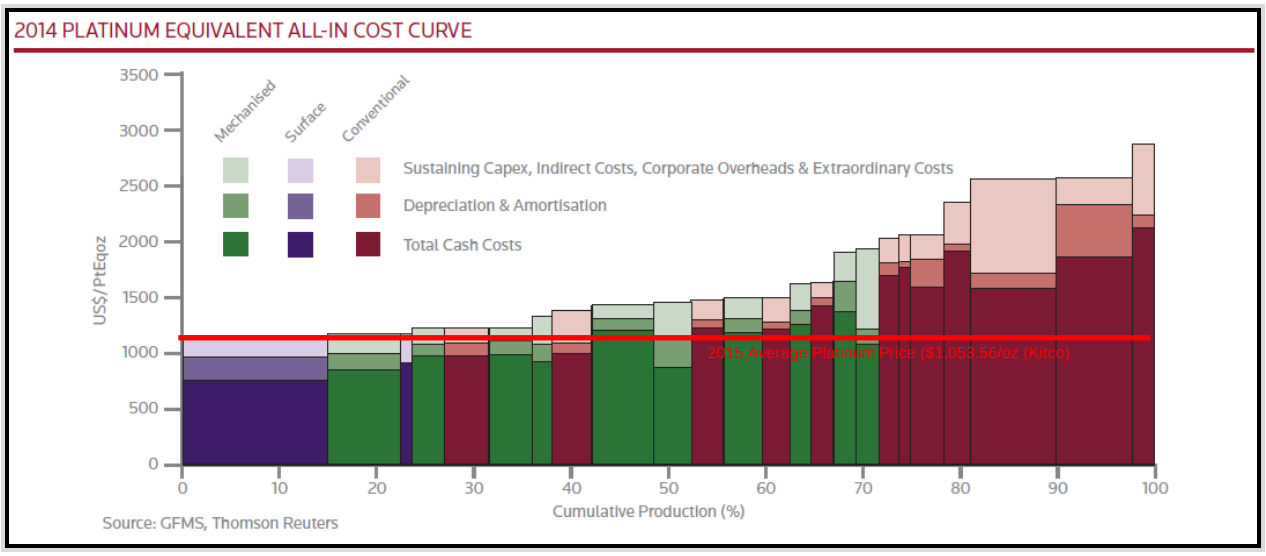

Figure 11: Platinum Equivalent Cost Curves by Mine Type.

Farm-out Activities

EPM 18760 is held by Central Minerals Pty Ltd now wholly owned by Solomon Gold Limited, which surrounds the Westwood MDL, covers a number of Permian-Triassic gabbros, including the Bucknalla Complex, prospective for platinum group elements was granted in January 2012. The Westwood joint venture has contacted Solomon Gold with a view to sale or possible farm-in possibilities. They have yet to respond.

ACTIVITY IN MDL 1 MARCH 2016 – 28 FEBRUARY 2017

Drilling program for MDL 62 to be undertaken, analysis of results and resource estimation should the drilling results support the establishment of a PGE resource. The holders will continue to monitor the market and examine opportunities for development or further exploration as they present. The current uncertain market trends and a flat level of exploration activity and new mine development will provide a considerable challenge to the development of the PGM occurrence at Westwood.

The holders will continue to discuss farm-in options for Westwood with other explorers.

The work program as submitted in the renewal for the term Year 4 is:

YEAR	PERIOD	Program	Estimated Expenditure
5 (Year 25)	1-03-2016 to 28-02-2017	• Geological and technical evaluation • Commodity review and economic assessment. • Exploration program (up to 5 drill holes) • Drill site access and approvals.	$80,000

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APPENDIX 1: JORC TABLE 1 – Guideline Commentary.

JORC Table 1 – Guideline Commentary

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.*	• Primary sampling from drill core and percussion samples with random chips at surface. Samples from core are logged intervals of half split core. • Percussion chip samples are riffle split at site with approx. 1kg sample sent for assay and split retained for reference.
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).*	• NQ core and 51/2in percussion drilling techniques used.
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*	• Core sample recovery recordered on length recovered per core run. Chip sample recovery by sealed T-piece at hole collar, piped to cyclone collector. • Cyclone collection of percussion samples. • No relationship observed.

Criteria	JORC Code explanation	Commentary
	sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
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.*	• All core and chip samples geologically logged and log recordered to a level for support estimation.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging is qualitative. No systematic photography of either core or costeans was completed.
	• *The total length and percentage of the relevant intersections logged.*	• 100% of all core and percussion samples logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core hand split and half core to assay
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Percussion samples riffle split at drill site on dry samples.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation crushing and split completed at the laboratory.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Subsampling completed at laboratory under lab procedures consistent with type of mineralisation under investigation.
	• *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 field duplicate or half sampling undertaken in the field.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample size of 1kg for disseminated mineralistion.
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.*	• Assay by Classic Laboratories Ltd. Pt, Pd and Au assay by Fire Assay total techniques. Cu assay by AAS.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• No geophysical tools used for analysis.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable*	• No standards or blanks submitted with assay batches.

Criteria	JORC Code explanation	Commentary
	levels of accuracy (ie lack of bias) and precision have been established.	
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 verification of significant intersections. • No twinned holes. • All documentation of primary data in hard copy, hand recordered. • No assay adjustments made
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All ground locations have been mapped using survey and plane table mapping techniques on a prospect grid. Prospect grid tied to grid using handheld GPS. • Working prospect grid tied to AMG86 Zone 56 at drillhole collars and MDL boundary corner posts. • Topographic control by plane table mapping and level and staff – relative accuracy to +/10cm • Topo coverage for MDL 62 - 1m LiDAR DEM topographic accuracy +/-0.15m vertical +/-0.45m horizontal (flown 3/8/2012)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing not consistant. • Data spacing is not sufficient to establish grade or continuity appropriate for Mineral Resource estimation. • No sample compositing has been done.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling has been undertaken across mapped intrusion layering. Mineralistion orientation has not been fully established and bias may occur in some instances. • Drilling is inclined at between 50 and 65 degrees below horizontal to intersect interpreted mineralised horizons within igneous layering.
Sample	• *The measures taken to ensure*	• Sample submission sheets

Criteria	JORC Code explanation	Commentary
security	*sample security.*	submitted with each sample batch.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no audits or reviews.

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.*	• MDL 62 is held under a Joint Venture agreement between Queensland Energy Resources Limited (80%), David Clarke (20%) and Bruce Mackenzie-Forbes (20%). • MDL 62 is under application for renewal lodged 29 August 2011.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration is summarised in the MDL application document.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is a mineralised layered intrusive hosted in the Late Permian Bucknalla Complex.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• A summary of drill hole information is shown in Table 1 and results in Table 2.
Data aggregation	• *In reporting Exploration Results, weighting averaging techniques,*	• Drillhole intersections interval weighted. Cut-off – Pd 0.5ppm, Pt

Criteria	JORC Code explanation	Commentary
methods	*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.*	0.5ppm, Au 0.5ppm, Cu 1,000ppm applied. • Aggregated intervals are both above cut-off and contiguous. • Metal equivalent values not used.
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').*	• All intercept lengths are reported line of hole. No adjustment for mineralised widths has been made as the absolute mineralisation thickness orientation is unknown. • Geometry of the mineralisation is not established.
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.*	• Detailed Maps and sections are presented in the MDL 62 application document lodged in 1992.
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.*	•
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.*	• Copper is the only significant metal of elevated grade associated with the Pt and Pd mineralisation. • Geochemical soil sample grid on lines

Criteria	JORC Code explanation	Commentary
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.*	•

Table 5: Drillhole Locations

HOLE	Easting	Northing	RL	Depression	Azimuth	TD m.
WWP1	208758.3	7384263.8	96	-58	2	24
WWP2	208639.0	7384254.1	121	-50	43	26
WWD6	208592.1	7384300.2	138	-58	61	70.1
WWP7	208540.3	7384346.2	147.6	-60	202	50
WWP8	208669.5	7384312.7	121	-61	19	50
WWR9	208421.8	7384411.3	159.6	-59	205	42
WWP10	208638.3	7384256.8	121.5	-60	34	43

Table 6: Drilling Results – line of hole – true width unknown

HOLE	From (m)	To (m)	Pd (ppm)	Pt (ppm)	Au (ppm)	Cu (ppm)
WWP1	2	4	0.73			
WWP1	9	10	0.70			
WWP2						
WWP5						
WWD6	14.2	14.6	0.88		0.84	2400
WWD6	15.3	17	3.81	0.34	0.55	2100
WWD6	21.0	22.3	1.47			
WWP7						
WWP8						
WWR9						
WWP10						

Cut-off – Pd 0.5ppm, Pt 0.5ppm, Au 0.5ppm, Cu 1,000ppm

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