

ATTILA TO ACQUIRE THE CENTURY ZINC MINE

Attila has entered into binding agreements with Century Bull Pty Ltd & MMG Limited for the progressive acquisition of the Century Zinc Mine & all associated infrastructure

Highlights

- **JORC compliant Indicated & Inferred resources of >2,500,000t zinc metal equivalent:**
 - *Century Tailings Deposit (surface ore): 71.0Mt at 2.73% Zn (1,940,000t contained zinc)*
 - *Silver King Deposit (open pit & underground ore): 2.7Mt at 20.5% ZnEq (553,500t contained zinc eq.)*
 - *East Fault Block Deposit (open pit ore): 0.52Mt at 12.3% ZnEq (64,000t contained zinc eq.)*
- **783km² tenement package & over 40 significant vein-breccia lode targets identified**
- **World-class infrastructure (on care & maintenance since Q1 2016) including:**
 - *7.0Mtpa processing plant & operationally ready mine site, including mobile fleet, drill rigs & full laboratory*
 - *700 man capacity mining accommodation camp & airport with sealed runway*
 - *304km slurry pipeline, the only economic logistics route for large bulk concentrates within 250km*
 - *Dedicated Karumba Port Facility & 5,000t capacity transshipment vessel*
- **Three independent metallurgical studies indicating simple tailings reprocessing via the existing processing plant achieves up to ~52% Zn concentrate at ~50% recovery**
- **Positive MMG internal studies for Century Tailings & Silver King, demonstrating potential for viable near term operations utilising existing site infrastructure**
- **Additional large phosphate deposits amenable to processing via existing plant**
- **MMG providing A\$34.5M in cash over three years for rehabilitation assistance in addition to establishment of a A\$12.1M trust to benefit Lower Gulf communities**
- **MMG has procured and will stand behind a A\$193.7M financial assurance bond with QLD government for a period of up to 10 years through to 31 December 2026**
- **Attila to initially hold 70% interest and commit to A\$10.0M in project expenditure, with an option to acquire 100% from joint venture partner Century Bull Pty Ltd**
- **Mr Patrick Walta to be appointed Attila MD to drive Century development**
- **The re-start of Century operations provides a mechanism for economic rehabilitation activities and potential continued regional benefits through to 2050 and beyond**

Attila Resources Limited (ASX: AYA) is pleased to announce that it has entered into binding agreements for the progressive acquisition of the Century Zinc Mine (**Century**) and all associated infrastructure, including the Karumba Port Facility.

The cessation of processing operations by MMG Limited (ASX: MMG) at Century in early 2016 following depletion of the Century ore reserves presented an opportunity for a focused junior to monetise valuable remaining mineral assets. These include over 2,500,000t of JORC compliant zinc metal equivalent resources located within mineralised tailings, the Silver King base metal deposit and other minor defined deposits. In addition, Century hosts several substantial phosphate deposits which are yet to be developed.

Beyond the mineral assets, Century includes world-class processing and logistics infrastructure as well as investments in agricultural land holdings and an established cattle business:

- at the mine site, a scalable and adaptable 7.0Mtpa mineral flotation processing plant, 700 man accommodation camp, offices, airport, full laboratory and grid power connectivity available;
- at Karumba, a large scale port facility with concentrate dewatering and drying operations, an 80,000t mechanised storage shed, ship-loading facility, and a 5,000 tonne self-propelled, self-discharging maritime transshipment vessel;
- a 304km underground slurry pipeline which connects the mine and the Karumba port; and
- a 49% interest in the Lawn Hill & Riversleigh Pastoral Holding Company.

MMG has recently completed an agreement with the private Australian mine rehabilitation company Century Bull Pty Ltd (**Century Bull**), via its 100% owned subsidiary Century Mine Rehabilitation Project Pty Ltd (**CMRP**), for the acquisition by CMRP of 100% of all Century assets and infrastructure (**CMRP-MMG Agreement**).

Century Bull is a privately owned Australian resources company specialising in 'economic rehabilitation' and associated with the Raging Bull Group of companies. The Raging Bull Group leverage their strong experience in metallurgical processing and environmental management to target the reprocessing of tailings, achieving an economic return whilst remediating historic mine sites. Raging Bull is already established in Queensland through its involvement in the Mount Morgan Tailings Rehabilitation Project (as joint venture partner with Carbine Resources Limited) on behalf of the Queensland Government.

The CMRP-MMG Agreement also includes MMG contributing A\$34.5M in cash toward future rehabilitation, and care & maintenance activities, and establishing a special purpose trust of \$12.1M to meet existing community and stakeholder obligations, and agreed community projects. In addition, MMG has procured and will stand behind the ongoing provision of bank guarantees of A\$193.7M to meet the Century Mine financial assurance bond (lodged with the Queensland government) for up to 10 years, with the bond to be progressively replaced through operating profits by 31 December 2026.

Attila has in-turn entered into a binding earn-in agreement with Century Bull for the upfront acquisition of 70% of the issued capital of CMRP in consideration for 30M Attila options, a royalty, and sole funding project based expenditure of A\$10M over the first three years, with a further option to acquire the remaining 30% (**Attila-CMRP Agreement**). Completion of the Attila-CMRP Agreement remains subject to shareholder and regulatory approvals, with further details set out later in this announcement.

Mine Overview & History

Century began production with its first shipment of concentrate in 1999, producing zinc and lead concentrates using conventional open-pit mining, grinding and flotation methods at the Lawn Hill mine site.

Processed concentrates were transferred along a 304km buried slurry pipeline to Century’s port facility at Karumba on the Gulf of Carpentaria.

At the Karumba port facility, concentrates were dewatered before being transported on the M.V. Wunma to export ships anchored offshore. Century’s concentrates have previously been sold to smelters in Australia, Asia and Europe.

During operations, Century was one of the largest zinc mines in the world.

The mine has produced on average 475,000t per annum of zinc and 50,000t per annum of lead in concentrate products over the history of operations.



Figure 1: Century Zinc Mine regional setting

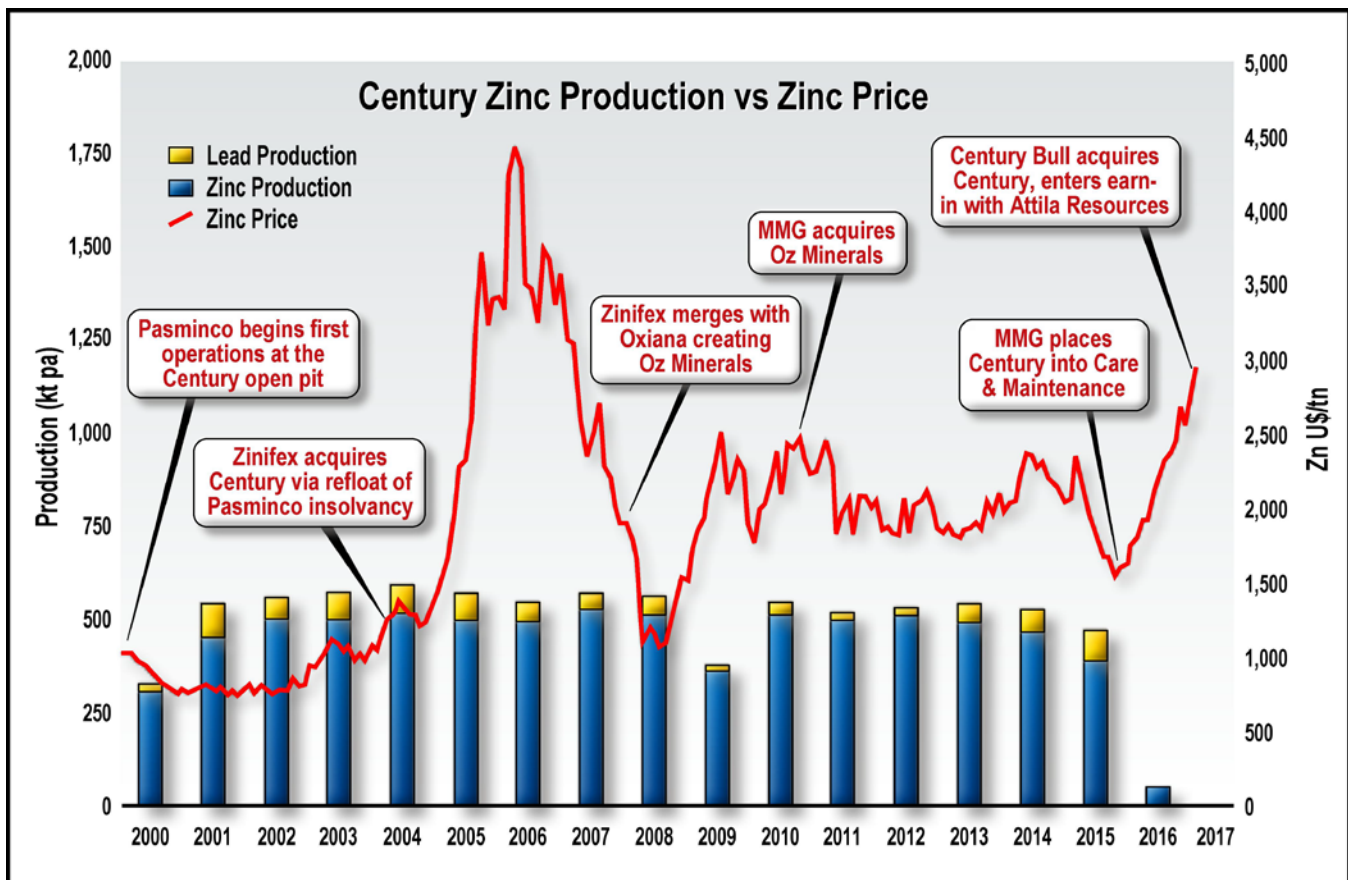


Figure 2: History of Century Zinc Mine operations

Resources

Century Tailings Deposit

A single substantial tailings deposit exists at Century, generated from 16 years of large scale operations from the Century open pit. The current JORC compliant Mineral Resources within the Century Tailings Deposit stand at 71Mt at 2.73% Zn for 1,940,000 contained zinc tonnes as shown below:

Table 1: Century Tailings Deposit Mineral Resources as at January 2016

	Tonnes (Mt)	Zinc Grade (%)	Zn Metal (t)
Indicated	12.8	2.97	380,000
Inferred	58.2	2.68	1,560,000
Total	71.0	2.73	1,940,000

Substantial recoverable zinc mineralisation exists in the tailings at Century, due to the historical focus on throughput maximisation as opposed to recovery maximisation. The nature of the original Century ore required extended flotation time and given the scale of the original Century deposit (105Mt at 12% Zn) a high throughput processing plant was constructed, achieving relatively modest recoveries (74% in 2015) over the life of operations.

Three independent metallurgical studies have been completed on the Century Tailings Deposit, demonstrating the tailings may be reprocessed through the existing plant on site with minor modifications to achieve recovery of ~50% of remaining zinc mineralisation into a salable ~52% zinc concentrate.

The simple reprocessing of the Century tailings provides a mechanism for the economic rehabilitation of the mine site, with the tailings area representing a significant portion of the current rehabilitation requirements. After reprocessing, the tailings are planned to be deposited back into the original open pit and encapsulated via subaqueous deposition.

Listing Rule 5.8.1 disclosures for the Century Tailings Deposits are located further in this announcement.



Figure 3: Century Tailings Deposit

Silver King Deposit

The Silver King lead-zinc-silver deposit is 1.5km SW of the original Century open pit. The JORC compliant Inferred mineral resource at Silver King is 2.7Mt at 6.9% Zn, 12.5% Pb and 120g/t Ag (20.5% ZnEq), reported above a 5% Pb cut-off, for a total zinc equivalent metal content of 553,500t.

Table 2: Silver King Deposit Mineral Resources as at June 2014

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	ZnEq Metal (t)
Total (Inferred)	2.7	6.9	12.5	120	553,500

Discovered in 1897, Silver King had a rich history of small scale mining until 1961, having been accessed by 15 shafts and associated underground workings to a depth of approximately 60m. Estimated historical production is 3,149t of lead and 100,000oz of silver.

The Silver King mineralisation consists of a series of moderately to steeply dipping quartz-galena-sphalerite-siderite veins associated with a NE trending dextral strike-slip fault. Further sphalerite and galena mineralisation occurs within shale hosted breccia also associated with the veins.

Silver King provides further potential for an economic operation to be established on site utilising existing infrastructure. The Silver King Deposit was never mined by previous owners of Century largely due to its relatively small scale (and partial underground) nature compared with the Century open pit operations.

With the implementation of tailings reprocessing operations, potential exists to extract Silver King for utilisation as a blending ore.

East Fault Block Deposit

The East Fault Block is a small deposit located 35m below the surface of the run-of-mine stockpile area at the mine site and extends to a depth of 112m. The JORC compliant mineral resources of the East Fault Block are 520,000t at 11.6% Zn, 1.1% Pb and 48 g/t Ag (12.3% ZnEq), for a total zinc equivalent metal content of 64,000t.

Table 3: East Fault Block Mineral Resources as at December 2014

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	ZnEq Metal (t)
Total (Inferred)	0.52	11.6	1.1	48	64,000

Phantom Hills Phosphate Deposit

The Century tenements host substantial phosphate mineralisation in the Phantom Hills Deposit and other minor deposits, located directly to the NE of the Century open pit. In 2013, a 14,300m RC and diamond drilling program was completed over the phosphate deposit area.

Despite the extensive drilling to date, a defined resource for the Phantom Hill Phosphate Deposit is yet to be estimated.

Conversion of the Century infrastructure to support a phosphate rock processing operation presents a low cost and low risk option to extending the life of Century operations and infrastructure beyond zinc and lead processing activities.

Exploration Potential

Excellent exploration potential remains at Century for the discovery of smaller scale high grade deposits within the 783km² of mining licences and the exploration permit.

Despite the tenements being located in the highly prospective Termite Range Fault district, since 1990 exploration has been predominantly focused on a relatively narrow strategy targeting further discovery of large (>25Mt) sediment-hosted Zn/Pb/Ag deposits of similar scale to the original Century deposit.

The large scale Century deposit was located in the middle of a 20km diameter cluster of smaller high grade vein-breccia lodes. Limited exploration work has occurred on these high grade targets, providing potential for adoption of a revised strategy targeting delineation of smaller (1-10Mt) high grade deposits.

These vein-breccia lodes form distinct ridges and outcrops opposing the recessive siltstone and shale members throughout the mineral field. Over 40 of these lode targets have been recorded to date, with the largest being the already defined Silver King Deposit. Many have shafts, pits or small historic workings to mark their locations.

Given the planned near term re-starting of operations via tailings reprocessing, potential exists for these resources to be used as blending material and processed via the existing plant at Century.

An extensive exploration database over the Century tenements has been acquired in addition to a comprehensive review of the exploration history of the region. This data is now under analysis and will be utilised to form the basis of future exploration programs over the tenements.

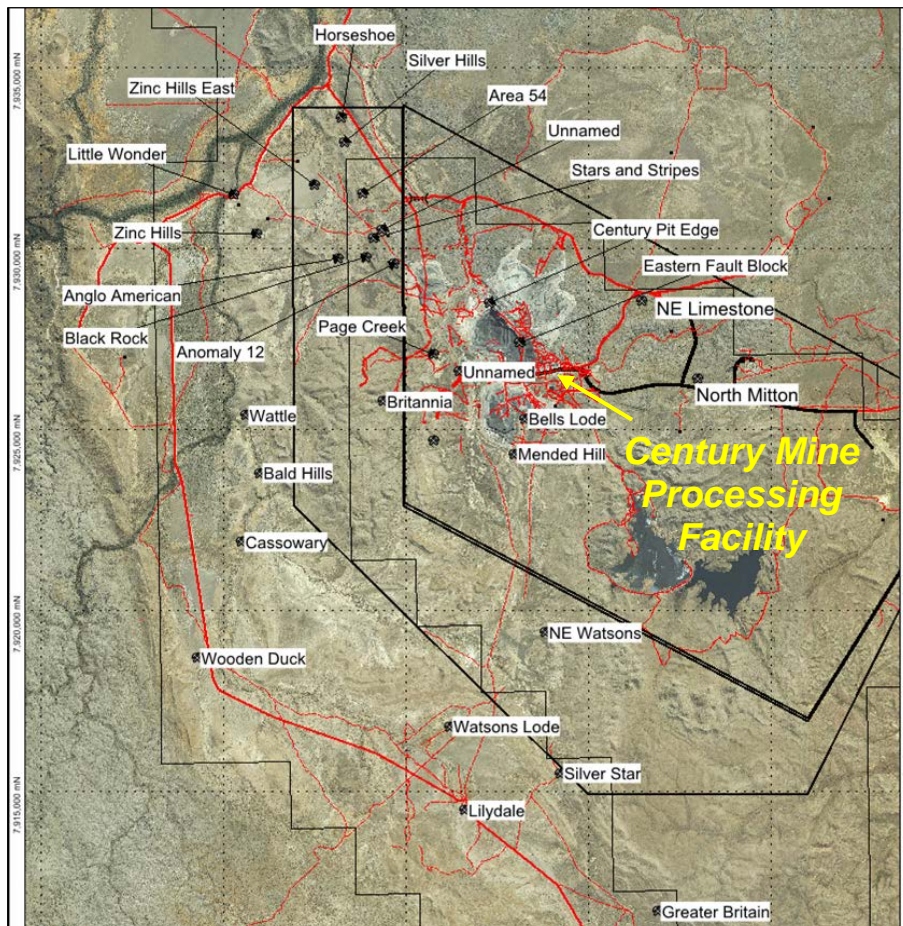


Figure 4: Century prospects locality map

Infrastructure

Century Processing Plant & Supporting Infrastructure

The 7.0Mtpa capacity processing plant, in excellent condition after 16 years of use, is currently on care and maintenance following cessation of processing operations. Key equipment includes:

- Primary crushing facilities, which reduce ROM feed to approximately 100mm;
- Grinding facilities consisting of one SAG mill (12MW gearless drive) and two balls mills (8MW gearless drive & 6.7MW single pinion drive);
- Milling facilities consisting of fifteen ultrafine sand mills (355kW);
- A conventional froth flotation circuit, comprising 21 stirred mills and 79 flotation cells;
- Remnant mobile fleet (reduced from original full scale operations) including 6 x Komatsu 630E dump trucks, 5 x Caterpillar D10/D11 dozers and 4 x Komatsu PC excavators;
- Five exploration and grade control drilling rigs;
- Full site laboratory capable of handling all exploration and plant samples; and
- Equipment workshops and stores for all mobile and fixed plant maintenance.



Figure 5: Century Mine processing plant & mobile fleet workshop

Karumba Port Facility

Built as part of mine development in the late 1990s, Century's Karumba Port Facility includes dewatering and drying circuits, maintenance workshop, a concentrate storage shed and administration buildings.

During operations the Karumba Port Facility received 3,000t of slurry each day into one of four balance tanks. The slurry was dewatered by five pressure filters, with concentrate then passed through a rotary dryer to remove excess water before being stockpiled in the concentrate storage shed in preparation for shipping.

In late 2012, a three-year A\$32M project to refurbish the concentrate storage shed and other facilities was also completed, ensuring the port area remains in operational condition.

Equipment at Karumba includes:

- Dewatering/filter/drying plant and fully mechanised concentrate storage shed;
- Jetty and bulk ship loading facilities; and
- Administration buildings & workshops.

Electricity consumed at Karumba was supplied by the on-site diesel power station with a nameplate capacity of 5.8MW. The diesel power station has been decommissioned following cessation of operations, however all associated civil and electrical infrastructure has been retained for future use.

Like the Lawn Hill mine site, Century's infrastructure at Karumba has been kept in a state of operational readiness to allow for the future restarting of operations.



Figure 6: Karumba Port Facility

M.V. Wunma Transhipment Vessel

Century's transfer vessel, the M.V. Wunma, is custom-built for the shallow waters of the Norman River channel and is used to transfer concentrate to export ships anchored in the Gulf of Carpentaria.

It takes approximately 12 hours for the vessel to load, transport and discharge concentrates and return to the Karumba Port. The vessel can operate day and night, depending on tides and weather conditions.

Upon cessation of operations, the M.V. Wunma was sailed to Papua New Guinea where it is currently dry docked on care and maintenance.



Figure 7: M.V. Wunma Transhipment Vessel

Karumba Property Ownership & Pelicans Inn Lease

Within the township of Karumba, MMG owned a portfolio of thirteen houses which have also been acquired as part of the transaction.

The houses were previously used to accommodate employees, however have been transitioned to rental properties since closure of operations.

A lease over the Pelicans Inn in Karumba is also in place. The Inn remains on care and maintenance pending re-establishment of port operations and/or development of tourism potential.



Figure 8: Pelicans Inn, Karumba

Slurry Pipeline

The 304km buried slurry pipeline was commissioned in November 1999 and is a unique and leading edge design for a pipeline in Australia. Providing unmatched access to the coast for the region, the pipeline is buried over most of its length to a depth of approximately 1m.

The host steel pipe is high tensile 12 inch pipe, lined with high density polyethylene pipe. The liner was included to eliminate wear/corrosion of the host pipe.

Slurry batch transit time for the 304km journey is ~72 hours and the overall elevation difference is -155m from the site to the port. The pipeline is capable of transporting zinc concentrate at a maximum rate of 155t/h at 37% solids and lead concentrate at a maximum rate of 161t/h at 37% solids.



Figure 9: Century Mine underground slurry pipeline infrastructure

Mining Camp

All mine site accommodation is at the Darimah village, located approximately 3km from the mine, which has a capacity of 700 people per night.

Accommodation comprises mostly en-suite rooms in accommodation blocks (four rooms each). Facilities include a wet and dry mess, a gymnasium, pool, football and rugby ovals and various other sport facilities.

The accommodation precinct also includes a sewage treatment plant, water treatment plant and communication towers.



Figure 10: Century Mine accommodation camp

Mine Site Airport

The mine is serviced by a private airport located on the mining lease. The airport has a sealed runway equipped for night landings, and has an office building and semi-enclosed passenger waiting area.

During operations at Century, medium sized jet aircraft (Fokker F100) were used to transport staff to and from Townsville and Cairns and smaller light aircraft to bring in employees from some of the closer towns such as Mt Isa, Doomadgee, Normanton and Karumba.

In January 2016 the airstrip, taxiway and general apron were re-sealed and lines re-marked at a cost of approximately A\$1M.

Economic Rehabilitation Strategy

With the final processing of open pit ore from Century in late 2015, the focus of previous owner MMG was turned to the progressive rehabilitation and ultimate closure of the mine site. Significant rehabilitation activities have already been undertaken by MMG, with over A\$70M spent on rehabilitation to date. A comprehensive plan of work is also in place to progressively take the mine site, the pipeline and the port facility to full closure over a long term period through to 2050.

In November 2016, after a review of the current rehabilitation progress, the Queensland Government revised the financial assurance bond required for the Century mine to A\$193.7M.

The restarting of operations at Century, initially via tailings reprocessing, allows much of the scheduled rehabilitation to be achieved through new cash flow generating site activities. In the case of the Century Tailings Deposit, after reprocessing of the tailings has occurred, the material is planned to be relocated back into the existing open pit, which allows for final encapsulation via subaqueous deposition and eliminates the need for capping of the tailings dam on surface.

The reprocessing of tailings and encapsulation within the open pit also provides a significant reduction in the overall footprint of disturbance of the Century mining operations and therefore is expected to allow for a progressive reduction in the total financial assurance required for the site.

In addition to tailings reprocessing, extraction of defined in-situ base metal deposits, phosphate deposits and regional toll treatment opportunities will also be assessed, potentially providing further economic benefits and assistance toward scheduled site rehabilitation.

The planned restarting of operations and long term ongoing infrastructure usage also eliminates the need for infrastructure dismantling and final closure activities until potentially well after 2050.

MMG is supportive of Attila and Century Bull's plan for progressive economic rehabilitation of Century and also recognises the significant additional benefits restarting operations will bring including continued employment opportunities and regional economic activity.

As a demonstration of this support, MMG has committed to assisting with the economic rehabilitation strategy through two key provisions as outlined below:

A\$46.6M in Funding Assistance

Allocation of A\$46.6M toward the funding of ongoing rehabilitation, care and maintenance and meeting Century's existing stakeholder payment obligations. This is split into:

- a) A contribution of A\$34.5M, over three years, to assist with the transition of ownership and supporting existing obligations around site upkeep and environmental maintenance and monitoring; and
- b) A special purpose trust of A\$12.1M, managed by an independent trustee to ensure Century meets various existing social obligations contained in the Gulf Communities Agreement (an agreement entered into with native title groups in connection with the Century mine) and agreed community and rehabilitation projects for the benefit of Lower Gulf communities.

A\$193.7M Bond for Financial Assurance Assistance

MMG has procured and will stand behind the ongoing provision of bank guarantees of A\$193.7M for the benefit of Century to meet its financial assurance obligation with the Queensland Government for a period of up to 10 years through to 31 December 2026. It is proposed that the financial assurance will be progressively replaced via profits from operations at the site, with the planned economic rehabilitation activities having the additional benefit of reducing the required total financial assurance over time.

Corporate

Key Acquisition Terms

Attila Resources Limited (**Attila**) has executed a binding earn-in agreement to earn 100% of Century Mine Rehabilitation Project Pty Ltd (**CMRP**), a wholly owned subsidiary of Century Bull Pty Ltd (**Century Bull**), via:

- Initial 70% of CMRP (transferred up front) in consideration for:
 - the issue of 30M unquoted options in Attila with an exercise price of \$0.25 each and expiring 5 years from the date of issue to Century Bull or its nominees;
 - a 2% net smelter royalty from operations; and
 - a commitment to sole fund project expenditure of A\$10M for first three years.
- Following expenditure of the A\$10M, an option to acquire the remaining 30% based on an agreed Attila enterprise value formula, being 30% of the fully diluted enterprise value of Attila, to be paid at Attila's sole election in any combination of cash (if permitted by the Listing Rules applicable at the time) and Attila shares subject to requisite shareholder approval.

ASX has determined the acquisition of CMRP constitutes a significant change in the scale of the Company's activities and requires Attila to re-comply with Chapters 1 and 2 of the Listing Rules. Completion of the proposed transaction with Century Bull remains subject to Attila shareholder and regulatory approvals. Mr Evan Cranston, a director of Attila, is a 25% shareholder in Century Bull.

CMRP will own 100% of the Century Zinc Mine and associated infrastructure, having recently completed an agreement with MMG Limited (**MMG**) for the acquisition of the relevant MMG Australian subsidiaries which hold the Century assets.

The Century assets are summarised in this announcement and include:

- All MLs and the EPM associated with the Century mine site;
- All site infrastructure including processing plant, mining camp and airport;
- The slurry pipeline, Karumba Port Facility and M.V. Wunma Transshipment Vessel; and
- A 49% interest in the Lawn Hill & Riversleigh Pastoral Holding Company.

As part of the transaction with MMG, CMRP has also acquired:

- A\$34.5M in progressive cash payments to assist with ongoing rehabilitation and care and maintenance activities for the site;
- A\$12.1M in cash, administered by an independent trust, to assist with remaining obligations contained in the Gulf Communities Agreement and agreed community projects for the benefit of Lower Gulf communities; and
- An agreement with MMG to procure and stand behind the existing provision of bank guarantees of A\$193.7M for the benefit of Century to meet its financial assurance obligation with the Queensland Government for a period of 10 years through to 31 December 2026, which is to be progressively replaced via profits from operations.

Further details of the transaction between Century Bull and MMG are contained in MMG's ASX announcement with respect to MMG's disposal of the Century Zinc Mine. This contains a summary of the material transaction documents covering the acquisition of the Century Zinc Mine.

Attila has agreed to guarantee the obligations of CMRP, the guarantee obligations being subject to the receipt of requisite Attila shareholder approval which must be obtained by 30 June 2017 (or such other date as agreed).

Further details of the material transaction documents, together with a pro-forma statement of financial position showing the effects of the transaction, will be set out in Attila's notice of meeting seeking approval for the transaction to be lodged with ASX in due course.

Board Changes

Attila Resources is pleased to announce, subject to shareholder approval, the appointment of Mr Patrick Walta as Managing Director to drive all activities of the Company.

Patrick is a metallurgist and mineral economist with experience in both technical and commercial roles across the mining and water treatment industries. He is the former Executive Director of Carbine Resources Limited (ASX: CRB), where he led the company in the feasibility development of the Mount Morgan Gold & Copper Tailings Project in Queensland.

Mr Walta is also a director of Attila's joint venture partner Century Bull Pty Ltd.

The key terms Mr Walta's proposed employment agreement are:

- Total Remuneration: \$20,000/month
- Notice by MD: 6 months
- Notice by Company: 6 months

Attila shall look to make further changes to the Board in due course. Further details of the proposed appointments will be set out in additional announcements and Attila's notice of meeting seeking approval for the transaction.

Capital Raising and Indicative Capital Structure

In the interim, the Company intends to raise up to \$500,000 to fund the Company's proposed transaction costs and working capital through to completion.

The Company will be required to undertake a capital raising to raise additional funds for the ongoing exploration and development of the proposed tailings operations. The quantum and pricing for that capital raising is yet to be finalised by the Board.

Further details on the terms, pricing and structure of the Capital Raising will be included in the notice of meeting seeking approval for the acquisition.

The indicative capital structure of the Company will be set out in the notice of meeting once the details of the capital raising have been confirmed.

Suspension from Trading

As ASX has confirmed the acquisition of the Century Mine constitutes a back door listing and requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules, in accordance with ASX's policy on entities undertaking back door listings, the Company's securities will remain suspended until completion of the acquisition and successful re-compliance with Chapters 1 and 2 of the Listing Rules.

Indicative Timetable

EVENT	DATE
Despatch of Notice of Meeting	Week commencing 10 April 2017
Lodgement of Prospectus with ASIC	Week commencing 17 April 2017
Shareholder meeting	Week commencing 08 May 2017
Prospectus close	Week commencing 08 May 2017
Re-instatement of Attila Shares to trading	Week commencing 22 May 2017

Reinstatement to quotation of the Company's securities will be sought as soon as practicable following completion of the Capital Raising. Timing is subject to confirmation and approval from ASX. These dates are indicative only and subject to change.

Further information

Further details on the transaction will be contained in the Company's notice of meeting and prospectus.

Statement of JORC Compliant Mineral Resources

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	ZnEq* Metal (t)
Century Tailings Deposit					
Indicated	12.8	2.97	-	-	380,000
Inferred	58.2	2.68	-	-	1,560,000
Total	71.0	2.73	-	-	1,940,000
Silver King Deposit					
Total (Inferred)	2.7	6.9	12.5	120	553,500
East Fault Block Deposit					
Total (Inferred)	0.52	11.6	1.1	48	64,000

* Metal prices for equivalent value calculations are: Zn: US\$2,500/t, Pb: US\$2,350/t, Ag: US\$17.5/oz. Metal recoveries (based on metallurgical testwork to date) for zinc equivalent calculations of the Silver King Deposit are: Pb, 96.9%, Ag 81.3%, and for the East Fault Block Deposit are: Pb, 59.0%, Ag 9.4%.

Metal equivalent grade assumptions are calculated using the following formula:

$$\text{ZnEq (\%)} = \frac{[(\text{Ag g/t} \times \text{Ag Recovery \%} \times (\text{Ag price oz}/31.1)) + (\text{Pb grade \%} \times \text{Pb Recovery \%} \times (\text{Pb price per t}/100)) + (\text{Zn grade \%} \times (\text{Zn price per t}/100))]}{(\text{Zn price per t}/100)}$$

The mineral resources stated above have been previously released by MMG Limited with the exception of the Century Tailings Deposit which is released as part of this announcement. The last release dates for each previously released resource are:

- Silver King Deposit: Latest release 10 December 2014
- East Fault Block Deposit: Latest release 10 December 2014

Century Tailings Deposit – Listing Rule 5.8.1 disclosures

Geology and geological interpretation

The deposit is a tailings dam with zinc, lead and silver mineralisation deposited in sub horizontal layers as mine tailings from up to five separate outflow sites. Due to the consistent feed assays, the tailings dam is considered relatively homogenous and consistent throughout.

The tailings mineralisation was grouped into five time-based domains for estimation based on the average zinc grade of the 1m composites between the annual topographic surfaces. Domains were chosen to subdivide the depositional history into consistent grade domains.

The mineralisation is considered continuous with low variability within the defined time periods.

Sampling and sub-sampling techniques

Resource drilling (1m samples): Samples were dried in a drying oven at 100°C for 24 hours. Once dried, samples were then passed through the Boyd jaw-crusher to only de-aggregate the tailings material. A Rotary Splitting Device

(RSD) was then used to produce two 200g splits of the primary sample. All reject material was retained for any future requirements.

Metallurgical samples (3m): A single composite sample was created from each tray using the 'cutting and combining' technique to produce a 1-2kg sample for assaying. Composite samples were created by slicing each portion of core lengthwise with a wide-blade spatula then cutting crossways at defined intervals (approximately 15cm), then combining alternative portions into calico bags for drying and sample preparation. Samples were then dried and split as per the resources drilling samples..

Drilling techniques

A total of 166 HQ3 diamond holes for 1,789.5m were drilled between July and September 2015.

Drilling covered the SW corner of the tailings. It was conducted in four phases:

- 1. close spaced drilling at a 25m spacing*
- 2. expansion of the grid at 50m and 100m spacings*
- 3. metallurgical drilling (3m samples)*
- 4. opportunistic infill drilling.*

All holes were drilled vertically to an average depth of 10.8 m. Collar positions of the drill program were located using a TOPCON GPS system, accuracy ± 3 cm.

Classification criteria

The estimated portion of the tailings Mineral Resource, constrained within a boundary string (outlining the drilled region), has been classified as Indicated in accordance with the JORC Code (2012) due to the low variability and high confidence in all of the variables estimated. The area outside this boundary has been classified as Inferred due to the lack of any spatial sampling, although it is highly likely that the zinc grades within this area will also have low variability.

The tonnage estimate is based upon the volume of the tailings survey pickups. The grade estimate is based upon the 2015 drilling program with the total metal content reconciled to the final tailings output.

Estimates of the tonnage and zinc metal content are considered to have a high level of confidence, being reconciled to the Century production data. Local estimates within the drilling area are expected to have high confidence due to the low variability of the input data. The Inferred portion of the deposit is expected to be of similar grade to that estimated but at this stage has no spatial information covering the area.

The Indicated portion of the deposit has an accuracy relating to mining estimates at a quarterly to annual scale. The Inferred portion of the deposit, based on global plant grades, has a global level of accuracy.

Both the Indicated and Inferred portions of the deposit have been compared to, or are in fact based upon, the Century tailings database, containing thousands of assays and accurately reflecting the plant tailings grade. The correlation between the zinc assays from the drilling and the plant assays is very high.

Sample analysis and estimation methodology

The Century Mine laboratory was used for all sample preparation and all geo-metallurgical and basic metallurgical testwork for both the resource and metallurgical holes. The Century Mine laboratory is accredited by the National Association of Testing Authorities, Australia (NATA). All methods are considered total with the exception of the soluble zinc component.

Resource drilling (1m): one 200g split was analysed for gravity analysis by gas pycnometer and particle size fraction analysis. A second 200g split was pulverised to 53 μ (85% passing) and analysed using LECO (carbon speciation), zinc speciation (solubility) and XRF analysis (Fe, Mn, SiO₂, Ag, Pb, Ca, Mg, Al, and S).

Metallurgical drilling (3m): A single 200g sample was pulverised to 53 μ (85% passing). XRF analysis of Zn, Fe, Mn, SiO₂, Ag, Pb, Ca, Mg, Al, and S was completed, with the remaining sample sent to ALS for further testwork.

Additional analysis of minor elements with the potential to impact overall metallurgical performance was carried out on the metallurgical samples only by ALS laboratories in Townsville. A total of 105 samples were submitted for basic multi-element analysis, 28 of which were sent for analysis. ALS was also used as an umpire lab for QAQC purposes on the resource samples.

Sample analysis methods were chosen by appropriately qualified and trained professionals and are considered fit for purpose and consistent with JORC 2012 guidelines.

A QAQC programme consisting of 5 CRMs (1:20 insertion rate), blanks (1-2 kg coarse crushed quartz sand; 1:30 insertion rate) as well as duplicate samples (1:55 insertion rate) was undertaken. No material issues were identified.

Umpire laboratory testing was also completed by ALS.

The Century Mine laboratory is regularly audited for continued compliance with ISO/IEC 17025 by NATA. The Laboratory uses matrix-matched well-certified internal standards inserted into every batch as unknowns, performs one repeat sample every batch. Blanks are not used as they are unfeasible in fused-bead XRF analysis. As a requirement of NATA accreditation the laboratory regularly participates in external proficiency testing.

For the purpose of the estimation of the particle size distribution, samples that had results for both sieve analysis and cyclo-sizing (104 samples) were used to provide an overall particle size distribution from 300 μ to 7 μ . The sieve and cyclo-sizing data was combined into a single dataset, reporting the cumulative percent passing (%) for 12 defined fraction sizes. As the cyclo-sizing grain size per cyclone is variable (dependent upon the density of the sample, the length of analysis, temperature and flow rate), defined size fractions below 38 μ were calculated for each sample using linear interpolation between known results.

Zinc metal distribution based on particle size was analysed using a combination of the sieve and cyclo-sizing samples. Only samples between 150 μ and 7 μ (fractions matching the results of the Particle Size Distribution analysis) were estimated (fractions above 150 μ had inadequate sample mass for analysis). Results were manipulated in a similar method to particle size data, with the resulting values representing the cumulative proportion of metal passing each fraction size.

Samples that required further analysis by an external laboratory were placed into labelled, sealed foil sample bags by the MMG Laboratory personnel. Samples were dispatched to the Australian Laboratory Services Townsville (ALS Townsville) with a new, uniquely numbered SDS outlining the samples present and analytical requirements.

All analytical results were delivered to the MMG geological team via electronic format. Upon full validation of the data, all hole and sample information was uploaded to the MMG GBIS database.

Cut-off grades

No cut-off grade has been applied as it is assumed that the entire tailings will be recovered. At this stage it is not possible to be selective.

Mining and metallurgical methods

It is assumed that a bulk recovery, non-selective mining method, such as hydraulic mining, will be utilised.

Pilot testing has demonstrated recoveries which indicate that there is a reasonable prospect of economic extraction.

Competent Persons Statement

Century Tailings Deposit

The Mineral Resource statement for the Century Tailings Deposit has been compiled in accordance with the guidelines defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("2012 JORC Code").

The information in this report that relates to Mineral Resources of the Century Tailings Deposit is based on information compiled and overseen by Mr Ian Glacken (FAusIMM(CP), MIMMM, CEng), Principal Consultant of Optiro, who is acting as the Competent Person for this Mineral Resource update. Mr Ian Glacken is a full time employee of Optiro Pty Ltd.

Mr Ian Glacken has sufficient experience in 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').

A JORC 2012 Table 1 declaration is appended below for the Century Tailings Deposit.

Silver King & East Fault Block Deposits

This Mineral Resource statement that relates to the Silver King Deposit and East Fault Block Deposit has been compiled in accordance with the guidelines defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("2012 JORC Code").

The information in this report that relates to Mineral Resources of Silver King and East Fault Block Deposit is based on information compiled and overseen by Damian O'Donohue a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Damian O'Donohue was a full time employee of MMG at the time of development of the Resources. There has been no material change in the resource estimate since the date of last reporting on 10 December 2014 by MMG Limited.

Damian O'Donohue has sufficient experience in 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').

CENTURY TSF 2016 MINERAL RESOURCE ESTIMATE – TABLE 1 DECLARATION

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	HQ3 diamond drill samples are the main data source for the estimate and were analysed on either 1 m (resource drillholes) or 3 m (metallurgical testwork) downhole intervals. Production data from tailings feed samples over the life of the tailings deposition has also been used. These are flowmeter readings from three sources and have been aggregated to yield tonnes and grade, as well as particle sizing analysis data.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Twinned holes return very similar results. Core measurements demonstrate that the samples represent the tailings column.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Due to the wet and unconsolidated nature of the TSF a modified HQ3 diamond drill configuration, using a modified bit, was used. This set up achieved cored samples of up to 3 m lengths (ave. 6.2 kg). During the drilling process no additional water was introduced. Core sampling was completed at the rig at approximately 1 m intervals. Metallurgical samples (3 m) were delivered to the Century Mine Laboratory for sampling.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	A total of 166 HQ3 diamond holes for 1,789.5 m were drilled between July and September 2015.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Holes were dipped following every completed 3 m drill run using a lead weighted tape measure. This identified any sample being lost down, or drawn up, the sample column. If an issue was identified the hole was re-drilled.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Due to the plastic nature and high moisture content of the tailings material, sample recovery was a considerable focus throughout the drilling programme. Modifications were made to both the drilling equipment and processes to achieve optimal recoveries; however, results were nonetheless variable. Areas, or holes, with poor sample recovery (<70%) were abandoned and redrilled.
	<i>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.</i>	No relationship between sample recovery and grade has been observed.

Criteria	JORC Code explanation	Commentary
Logging	<i>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.</i>	Due to the homogenous nature of the TSF geological logging of the sample material was not completed. All core was sampled.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not applicable – no logging carried out.
	<i>The total length and percentage of the relevant intersections logged</i>	Not applicable – no logging carried out.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Due to the high moisture content of the samples, no further sample splitting was completed at the rig.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Resource drilling (1 m samples): Samples were dried in a drying oven at 100C for 24 hours. Once dried, samples were then passed through the Boyd jaw-crusher to only de-aggregate the tailings material. A Rotary Splitting Device (RSD) was then used to produce two 200 g splits of the Primary sample. All reject material was retained for any future requirements. Metallurgical samples (3 m): A single composite sample was created from each tray using the ‘cutting and combining’ technique to produce a 1-2kg sample for assaying. Composite samples were created by slicing each portion of core lengthwise with a wide-blade spatula then cutting crossways at defined intervals (approximately 15 cm), then combining alternative portions into calico bags for drying and sample preparation. Samples were then dried and split using the above method.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	For both sample types the sample preparation technique is considered appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	A total of 23 coarse duplicate splits were taken at the Boyd crusher after drying and initial disaggregation of the sample.
	<i>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.</i>	The duplicates showed excellent correlation with the original sample indicating good homogeneity between sub-samples at the first splitting stage and validating the lack of bias in the crushing and splitting stages.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Due to the fine grain size and homogenous nature of the tailings material, the sample size used is considered appropriate.

Criteria	JORC Code explanation	Commentary
<p>Quality of assay data and laboratory tests</p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p>	<p>The Century Mine laboratory was used for all sample preparation and all geometallurgical and basic metallurgical testwork for both the resource and metallurgical holes. The Century Mine laboratory is accredited by the National Association of Testing Authorities, Australia (NATA). All methods are considered total with the exception of the soluble zinc component.</p> <p>Resource drilling (1 m): one 200 g split was analysed for gravity analysis by gas pycnometer and particle size fraction analysis. A second 200 g split was pulverised to 53µ (85% passing) and analysed using LECO (carbon speciation), zinc speciation (solubility) and XRF analysis (Fe, Mn, SiO₂, Ag, Pb, Ca, Mg, Al, and S).</p> <p>Metallurgical drilling (3 m): A single 200 g sample was pulverised to 53µ (85% passing). XRF analysis of Zn, Fe, Mn, SiO₂, Ag, Pb, Ca, Mg, Al, and S was completed, with the remaining sample sent to ALS for further testwork.</p> <p>Additional analysis of minor elements with the potential to impact overall metallurgical performance was carried out on the metallurgical samples only by ALS laboratories in Townsville. A total of 105 samples were submitted for basic multi-element analysis, 28 of which were sent for detailed analysis. ALS was also used as an umpire lab for QAQC purposes on the resource samples.</p> <p>Sample analysis methods were chosen by appropriately qualified and trained professionals and are considered fit for purpose and consistent with JORC 2012 guidelines.</p>
	<p><i>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.</i></p>	<p>Not applicable – no geophysical tools used to obtain either of the sample types used.</p>
	<p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>A QAQC programme consisting of 5 CRMs (1:20 insertion rate), blanks (1-2 kg coarse crushed quartz sand; 1:30 insertion rate) as well as duplicate samples (1:55 insertion rate) was undertaken. No material issues were identified.</p> <p>Umpire laboratory testing was also completed by ALS.</p> <p>The Century Mine laboratory is regularly audited for continued compliance with ISO/IEC 17025 by NATA. The Laboratory uses matrix-matched well-certified internal standards inserted into every batch as unknowns, performs one repeat sample every batch. Blanks are not used as they are unfeasible in fused-bead XRF analysis. As a requirement of NATA accreditation the laboratory regularly participates in external proficiency testing.</p>
<p>Verification of sampling and assaying</p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p>	<p>No verification testing has been carried out.</p> <p>The practice of ‘twinning’ drill-holes was employed on several holes to assess the repeatability of the sampling method. Three pairs of twinned holes were drilled at a spacing of 1 metre. All holes showed relatively good correlation between the twins for zinc. Alternatively, redrilled holes were also compared which also showed low variance (1.2%) between matching sample intervals.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p>	<p>All drilling and sampling data is stored within the MMG standard geological database, GBIS. Data entry and changes are fully auditable and the following controls and measures are in place:</p> <ul style="list-style-type: none"> • MMG has a dedicated team of information geologists and data officers who maintain the company database located in Melbourne, Australia. • The Database team uses NT authentication in SQL, so all users need a valid MMG login and be assigned to groups who have access to the database and edit permissions to edit data. • Regular SQL backups are saved to disk and IT record File and SQL backups to tape. <p>The database, and data management, is considered to be consistent with industry best practice.</p>
	<p><i>Discuss any adjustment to assay data.</i></p>	<p>No adjustments were applied to the zinc assay data.</p> <p>For the purpose of the estimation of the particle size distribution, samples that had results for both sieve analysis and cyclo-sizing (104 samples) were used to provide an overall particle size distribution from 300μ to 7μ. The sieve and cyclo-sizing data was combined into a single dataset, reporting the cumulative percent passing (%) for 12 defined fraction sizes. As the cyclo-sizing grain size per cyclone is variable (dependent upon the density of the sample, the length of analysis, temperature and flow rate), defined size fractions below 38μ were calculated for each sample using linear interpolation between known results.</p> <p>Zinc metal distribution based on particle size was analysed using a combination of the sieve and cyclo-sizing samples. Only samples between 150μ and 7μ (fractions matching the results of the Particle Size Distribution analysis) were estimated (fractions above 150μ had inadequate sample mass for analysis). Results were manipulated in a similar method to particle size data, with the resulting values representing the cumulative proportion of metal passing each fraction size.</p>
<p>Location of data points</p>	<p><i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <hr/> <p><i>Specification of the grid system used.</i></p> <hr/> <p><i>Quality and adequacy of topographic control.</i></p>	<p>The drill collars of all holes at the TSF were located using a TOPCON GPS System, namely a HiPer XT with an FC2500 Field Controller. The collars are accurate to within ± 3cm.</p> <hr/> <p>All drillhole co-ordinates are stored within the MMG GBIS database in the Australian Map Grid co-ordinate system (Australian Map Grid zone 54, using the Australian Geodetic Datum (AGD84))</p> <hr/> <p>Annual to biennial aerial surveys were taken over the Century Tailings Dam throughout the operational life utilizing both photogrammetry and LiDAR methods. The accuracy of each survey improved over time from ± 0.3-0.6 m in 1992 to within ± 0.15m in 2015.</p> <p>In section, some inconsistencies between the surveys during 1992 and 2002 are observed and have been addressed in the calculation of the Resource (manual correction to match the concentrator outputs for horizon 1).</p> <p>The quality and accuracy of the topographic control is considered sufficient for the Mineral Resource estimation procedure and classification applied.</p>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling is concentrated on the south-western portion of the TSF. One east (251,100 mE) and one north (7,921,050 mN) transect has been drilled to a 25 m spacing. Expansion of the grid at 50 m and 100 m spacings with some further infill drilling has occurred, including metallurgical drilling.
	<i>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.</i>	The drill database used in the Resource estimate comprises 166 holes (including 24 metallurgical holes) for a total of 1,789.5 m. A total of 1,273 samples were assayed, all of which are within the mineralised zone of the Resource.
	<i>Whether sample compositing has been applied.</i>	The Resource drilling has been composited to 1 m, and the Metallurgical drilling has been composited to 3 m.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	There is no bias between the angle of the drilling and the depositional angle of the tailings as the holes are roughly perpendicular. The feed samples cannot be related to a position in space.
	<i>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.</i>	All mineralisation is horizontal, therefore vertical drilling intersects normally.
Sample security	<i>The measures taken to ensure sample security.</i>	<p>Samples were dispatched from the rig to the Century Mine Laboratory with a uniquely numbered Sample Dispatch Sheet (SDS) which listed all the samples present, analytical requirements and sample characteristics. All details were then entered into the CCLAS Laboratory Information Management System (LIMS) at the laboratory for fully auditable tracking throughout the preparation and sampling process.</p> <p>Samples that required further analysis by an external laboratory were placed into labelled, sealed foil sample bags by the MMG Laboratory personnel. Samples were dispatched to the Australian Laboratory Services Townsville (ALS Townsville) with a new, uniquely numbered SDS outlining the samples present and analytical requirements.</p> <p>All analytical results were delivered to the MMG geological team via electronic format. Upon full validation of the data, all hole and sample information was uploaded to the MMG GBIS database. Feed samples were assayed on site by the in-house laboratory</p>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No internal or external audits or reviews of the sampling techniques have been carried out. The CP is an external consultant to MMG Limited.

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.	MMG holds a mining lease (ML90045) over the Century TSF; this has an expiry date of 18/09/2037. As part of an operating mine the tailings dam is not subject to any operating restrictions, but it is subject to environmental conditions relating to the containment of the tailings.
	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.	MMG holds a mining lease over the Century TSF area.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Not relevant; the tailings are the consequence of mining and processing.
Geology	Deposit type, geological setting and style of mineralisation.	The deposit is a tailings dam with zinc and silver mineralisation deposited in sub horizontal layers as mine tailings from up to five separate outflow sites.
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> 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. 	<p>A total of 166 HQ3 diamond holes for 1,789.5 m were drilled between July and September 2015.</p> <p>Drilling covered the south west corner of the TSF in an area considered safe for drilling. It was conducted in four phases:</p> <ol style="list-style-type: none"> close spaced drilling at a 25 m spacing along one east (251,100 mE) and one north (7,921,050 mN) transect expansion of the grid at 50 m and 100 m spacings metallurgical drilling (MET holes; 3 m samples) opportunistic infill drilling. <p>Collar positions of the 2015 drill program were located using a TOPCON GPS system with an accuracy of ±3 cm</p> <p>All holes were drilled vertically to an average depth of 10.8 m.</p>
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Results have not been reported – therefore no averaging or aggregation has been applied.
	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.	Not applicable – no aggregation applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – the main element of interest is zinc.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</p>	Mineralisation is almost flat-lying and the vertical drill holes therefore approximate true thickness.

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.	See body of announcement for photography and Mineral Resource tabulations. As this is not a discovery but a man-made deposit cross-sections are not relevant.
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.	All information considered material to the reader's understanding of the database, estimation procedure and classification of the Mineral Resource has been reported.
Other substantive exploration data	<p>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.</p>	<p>The Century Concentrator has comprehensive production data records dating back to the year 2000 within the OSI soft Pi proprietary database. The system collects and stores real time plant production data, relating to mass and rates throughout the entire Concentrator circuit. The system is further supplemented by shift assay grade data and particle sizing analysis from the Century laboratory. Manual user inputs occur for the purpose of mass balance reconciliations.</p> <p>The system provides a comprehensive production history and is fully auditable.</p> <p>2008 Liquefaction Assessment: A programme of five holes was drilled into the TSF as part of a liquefaction assessment carried out by Australian Tailings Consultants (ATC) in 2008. The drilling method utilised was hollow flight auger and were followed up with a series of mechanical measurements including a cone penetrometer. These samples (BH1-5) were characterised and tested for flotation response at the Century laboratory but were not included as part of the 2016 TSF resource evaluation.</p> <p>Bulk sample pilot trial: A pilot trial took place between the 10th and the 14th September 2014 involving the processing of more than 10,000 dry tonnes of recovered tailings through the Century concentrator. An overall zinc recovery of approximately 69%, and a final concentrate grade of 9.5% zinc was achieved over an extended operating period.</p>
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	<p>A drill spacing study conducted by Optiro determined that a drill spacing of between 100 m by 100 m or 150 m by 150 m would be sufficient to allow the un-estimated portion of the Century TSF to be classified as Indicated.</p>

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.	<ul style="list-style-type: none"> All drilling and sampling data is stored within a digital database (GBIS) controlled by MMG personnel. Data entry and changes are fully auditable. NT authentication in SQL is used to track access and edit permissions to the database. The data was provided to Optiro in the form of a series of spreadsheets which were imported into a Mineral Resource Access DB.
	<i>Data validation procedures used.</i>	<ul style="list-style-type: none"> Validation of the exported data was confirmed using mining software (Datamine Studio 3) validation protocols, and visually in plan and section views by Optiro prior to use in the estimation.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	<ul style="list-style-type: none"> A site visit was completed by Mr Ian Glacken of Optiro Pty Ltd, the Competent Person, between 29th April and the 1st May 2015.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	<ul style="list-style-type: none"> There is no geological interpretation, simply the assumption that tailings have been deposited in a sub-horizontal manner. Due to the consistent feed assays, the Tailings Dam is considered relatively homogenous and consistent throughout.
	<i>Nature of the data used and of any assumptions made.</i>	<ul style="list-style-type: none"> Volumetrically the resource is constrained by annual to biennial aerial surveys conducted by qualified survey personnel throughout the operational life of the Century Tailings Dam. Both photogrammetry and LiDAR methods have been used to generate estimation domains and constrain the final TSF volume. Accuracy of each of these surfaces range from ± 0.1 to 0.6 m.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	<ul style="list-style-type: none"> Some inconsistencies between the aerial surfaces are observed, in particular between the 1992 (basal) and 2002 surveys. Consequently, a manual correction (61% reduction in volume) was applied to the year 1 horizon volume based on the reported tonnages on the concentrator data. This correction has been applied to the final Mineral Resource reporting.
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	<ul style="list-style-type: none"> The TSF mineralisation was grouped into five time-based domains for estimation based on the average zinc grade of the 1 m composites between the annual topographic surfaces. Domains were chosen to subdivide the depositional history into consistent grade domains demonstrating stationarity for estimation. Moisture, chlorine, fluorine, sulphide sulphur, particle size distribution and zinc distribution were estimated on a deposit-scale as there was no support to subdomain these variables.
	<i>The factors affecting continuity both of grade and geology.</i>	<ul style="list-style-type: none"> The TSF mineralisation is considered to be continuous with low grade variability within the defined time periods.
Dimensions	<i>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</i>	<ul style="list-style-type: none"> The Mineral Resource area is the entire area of the TSF, i.e. roughly 3 km north-south by up to 2.5 km east-west, with depths averaging between 5 and 25 m.

Criteria	JORC Code explanation	Commentary
<p>Estimation and modelling techniques</p>	<p><i>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.</i></p>	<ul style="list-style-type: none"> • Estimation was completed in Datamine Studio 3 using ordinary kriging (OK) into parent blocks of 50 mE by 50 mN by 1 mRL. Sub-celling down to 5 mE by 5 mN by 0.25 mRL was employed at domain boundaries for adequate volume resolution. Only the portion of the TSF covered by the detailed drilling was estimated using kriging. • A total of 16 grade variables (Zn %, water soluble zinc %, non-sulphide zinc %, total carbon %, total organic and elemental carbon (TOEC) %, total sulphur %, Fe %, SiO₂ %, Al₂O₃ %, MgO %, Mn %, F %, Cl %, moisture %, and SG g/cm³), were estimated and a further 4 variables (Mg %, carbon in carbonates %, sulphate sulphur % and dry bulk density g/cm³) were calculated. Particle size distribution (%) and zinc distribution by particle size (%) for a variety of sieve sizes (P7 to P300) were also estimated. • The estimation was constrained to within a boundary string to avoid extrapolation outside the drilling area. Blocks outside this boundary string were assigned average grades for each variable by domain, with the exception of Zn, which was assigned to maintain the metal balance constrained by the concentrator output and surveyed volumes. • Due to the low variability of the data with very few outliers, top cuts were not applied. • Boundary analysis of the zinc domains demonstrated that the boundaries were relatively soft and therefore a 1 m sample allowance both above and below each boundary was used for all domained variables. • Kriging neighbourhood analysis was performed in order to determine the block size, sample numbers and discretisation levels. • A total of three search passes were used with the first search pass set to the range of the variogram for each domain and variable. For zinc, a search of 180 mE by 180 mN by 4 mRL was used. A minimum of 8 and a maximum of 30 samples were used. For subsequent passes, the search pass was increased; by a factor of 1.5 for the second pass and 3 (up to 5) for the third and final pass. The minimum number of samples for pass 2 and 3 was set to 6. • Un-estimated blocks (less than 7% for Zn) were assigned the domain averages by variable. • Particle size and metal distribution was estimated on a whole of deposit basis. The same search parameters were used for all distribution variables to maintain a consistent search neighbourhood for each search. The first search was set to 155 mNE by 120 mN by 9 mRL, utilising a minimum of 4 and a maximum of 24 samples. The second and third passes were enlarged by a factor of 1.5 and 5 respectively. <p>Production data from the Century concentrator was used to reconcile the total zinc metal contained within the Mineral Resource. Blocks outside the estimation boundary (the area covered by drilling) were assigned the residual metal (per horizon) by depleting the reported metal output (from the Concentrator records) by the proportion of metal estimated. The assigned grades were then back-calculated using surveyed tonnages. Due to a discrepancy with the first horizon a survey adjustment of 61% was applied.</p>
	<p><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></p>	
	<p><i>The assumptions made regarding recovery of by-products.</i></p>	<p>No by-products expected.</p>

Criteria	JORC Code explanation	Commentary
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	The tailings are already constrained by the containment walls, and any extraction method will need to ensure that there is no acid drainage outside of the current containment. The full list of estimated elements is provided above.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	The block size was chosen from kriging neighbourhood analysis and to reflect the average drill spacing and best represent to TSF volume.
	<i>Any assumptions behind modelling of selective mining units.</i>	No selective mining units have been assumed in the global estimate. Any mining will need to treat the entire TSF.
	<i>Any assumptions about correlation between variables.</i>	It is assumed that the particle size and zinc metal distributions are correlated and this has been accounted for in the estimation.
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	Estimation search have been orientated to respect the flat depositional nature of the Dam.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	All variables show very little variance and as such top cuts were considered unnecessary.
	<i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i>	The estimated block model grades were visually validated against the input drillhole data and comparisons were carried out against the drillhole data and by northing and easting slices. Global comparison between the input data and the block grades for each variable by domain is considered acceptable ($\pm 5\%$).
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	Dry tonnages have been estimated from the TSF volume with the application of a suitable dry bulk density from the drillhole measurements. Moisture content has been estimated.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied</i>	No cut-off grade has been applied as it is assumed that the entire TSF will be recovered. At this stage it is not possible to be selective.
Mining factors or assumptions	<i>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.</i>	It is assumed that a bulk recovery, non-selective mining method, such as hydraulic mining, will be utilised.
Metallurgical factors or assumptions	<i>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.</i>	Pilot testing has demonstrated recoveries which indicate that there is a reasonable prospect of economic extraction.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	<p><i>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</i></p>	<p>It is assumed that during mining there will be no run-off of solution into the groundwater system and that spent tailings can be redeposited into a suitable containment facility (or even the same TSF).</p>
Bulk density	<p><i>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.</i></p> <hr/> <p><i>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,</i></p> <hr/> <p><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></p>	<p>The specific gravity of all samples (once dried) was tested using a quantachrome multipycnometer. Analysis was carried out utilizing the gas displacement method of determination. Specific gravity was then estimated on a whole-of-deposit basis.</p> <p>The dry bulk density for each block was calculated using both the estimated specific gravity and moisture content. The average estimated dry bulk density for the modelled area is 1.86 g/cm³.</p> <p>Data within the estimated area of the deposit show little variation. However, the 2015 drilling was restricted to the driest regions of the TSF which may therefore bias the moisture readings low.</p> <p>Natural settling and dewatering of the sediments due to evaporation, seepage and outflow from the dam, as well as compression may lead to reduced porosity results and potentially variable densities across the TSF.</p> <p>For the un-estimated area a total dry bulk density of 1.67 g/cm³ was applied. This is based on the final tails stream mass (from the concentrator data) and the survey volumes.</p> <hr/> <p>Specific gravity was measured as detailed above using a pycnometer approach and converted to a bulk density using a moisture content as measured. The tailings, being plastic clay-type material, have no vugs or inherent porosity.</p> <hr/> <p>The bulk density estimate is for one material, the tailings.</p>
Classification	<p><i>The basis for the classification of the Mineral Resources into varying confidence categories</i></p> <hr/> <p><i>Whether appropriate account has been taken of all relevant factors (i.e. 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).</i></p>	<p>The estimated portion of the TSF Mineral Resource, constrained within a boundary string (outlining the drilled region), has been classified as Indicated in accordance with the JORC Code (2012) due to the low variability and high confidence in all of the variables estimated. The area outside this boundary has been classified as Inferred due to the lack of any spatial sampling, although it is highly likely that the zinc grades within this area will also have low variability.</p> <hr/> <p>The tonnage estimate is based upon the volume of the TSF survey pickups. The grade estimate is based upon the 2015 drilling program with the total metal content reconciled to the final tailings output.</p>

Criteria	JORC Code explanation	Commentary
	<i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The classification reflects the Competent Person's view of the deposit.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	The Mineral Resource has been audited internally as part of normal validation processes by Optiro. There has been no external review of the Mineral Resource estimate.
	<i>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</i>	Estimates of the tonnage and zinc metal content are considered to have a high level of confidence, being reconciled to the Century production data. Local estimates within the drilling area are expected to have high confidence due to the low variability of the input data. The Inferred portion of the deposit is expected to be of similar grade to that estimated but at this stage has no spatial information covering the area.
	<i>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</i>	The Indicated portion of the deposit has an accuracy which relates to estimates pertaining to mining at a quarterly to annual scale. The Inferred portion of the deposit, based on global plant grades, has a global level of accuracy.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</i>	Both the Indicated and Inferred portions of the deposit have been compared to, or are in fact based upon, the Century tailings database, containing thousands of assays and accurately reflecting the plant tailings grade. The correlation between the zinc assays from the drilling and the plant assays is very high.