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STRAITS RESOURCES LIMITED

TRITTON MINES OPERATIONS

Larsons Deposit

Mineral Resource and Ore Reserve Estimate

31st December 2013

Report Version

Author/s	Name	Title
	Byron Dumpelton	Competent Person – Mineral Resource Estimate
	Ian Sheppard	Competent Person – Ore Reserve Estimate

1 PROJECT SUMMARY

1.1 INTRODUCTION AND SETTING

Larsons is a sulphide copper gold deposit located on ML1383 in central NSW, Australia. The deposit geology is described as a Besshi style volcanic associated massive sulphide. It contains economic grades of copper and silver. Minor gold concentrations in the ore are generally not economic when recovered in the copper concentrate.

The deposit is to be mined using underground methods by Tritton Resources Pty Ltd a subsidiary of Straits resources Limited. Open pit mining of the near surface oxide portion of the Larsons deposit was completed prior to 2002 by the Girilambone Copper Company. Sulphide mineralisation at depth was not suited to the heap leach processing method at the Girilambone copper mine and the pit was mined only to the base of oxidized ore. Underground mining of development to access the Larsons sulphide ore and adjacent North East deposit by Tritton Resources commenced in 2008. Although access to the ore by decline was completed there has been no mining of the Larsons ore to date from underground. Completion of the access development and start of ore mining is expected in 2014.

The Larsons ore will be treated at the Tritton copper sulphide ore processing plant by flotation to produce a copper concentrate product.

Larsons ore is mined on the assumption that the larger Tritton mine covers the majority of overhead or fixed cost incurred by the business. Larsons ore production fills spare ore processing capacity and so is not expected to cover a full share of overhead expenses

The Larsons mine is fully permitted for production. Access to the Larsons deposit is from the decline that services the North East deposit. The two deposits share mining equipment, labour and infrastructure.

This Mineral Resource and Ore Reserve estimate is a revision of the previous estimate following additional engineering studies investigating the mining of Mineral Resource close to the base of the Larsons pit.

2 PROJECT BACKGROUND

2.1 LOCATION

The Larsons deposit is located 3km North–West of the small town of Girilambone in central NSW, Australia. It forms part of the Tritton Resources Girilambone mining area that includes the North East mine, Larsons mine, Murrawombie mine and Avoca Tank project. The ore processing plant for sulphide copper gold ore is located at Tritton 30km by road to the south.

The deposit is located on ML1383.

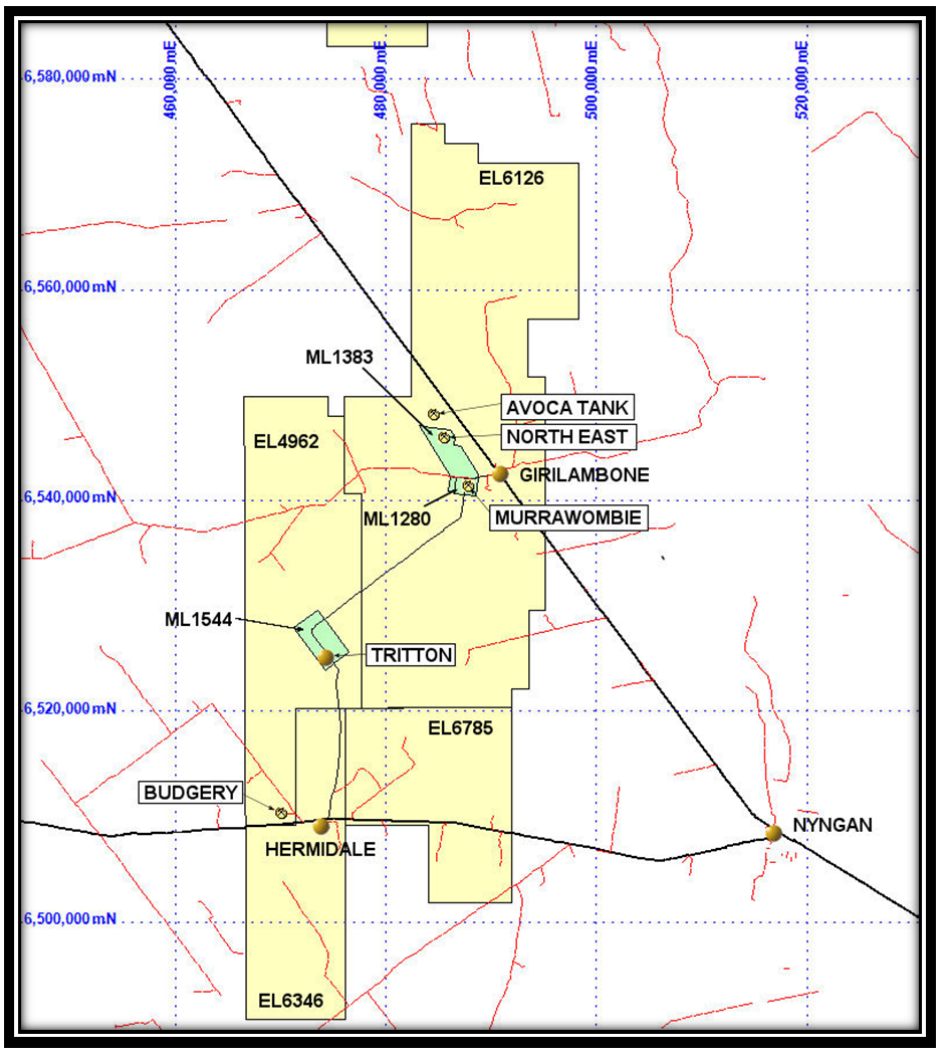

Figure 1 Deposit location

2.2 HISTORY

The Larsons deposit was first mined by open pit. Oxide ore was processed at the Girilambone copper heap leach and SXEW plant. The pit reached its final depth where the mineralisation became sulphide in character and not suitable for heap leaching.

Mining of the sulphide ore below the pit became economic following the construction of the Tritton copper sulphide flotation plant. In 2008 development of the adjacent North East underground mine commenced. The portal and part of the North East access decline are shared by the Larsons deposit.

Decline access to the Larsons deposit has been in place for several years. However mining of the Larsons deposit ore has yet not started while mining operations were focused on the North East deposit.

Ore production from the Larsons deposit is expected to start in 2014.

2.3 METHOD OF MINING

The Mineral Resource and Ore Reserve estimates have been based on the results of technical input to budgets and mine plans at the level of feasibility study. The mine plans assume the use of up-hole bench stoping with sub-level developed at 20m vertical intervals. Rib pillars are to be left in sub economic areas of mineralisation. There is no backfill required. The mining method is identical to that successfully used at the adjacent North East mine.

Ore from crown pillar stopes that breakthrough the base of the Larsons open pit is included in the Ore Reserve estimate. These crown pillar stopes will be mined with some drilling from the open pit in a modification of the usual underground method.

Historical experience with stope stability at the adjacent North East is used to inform the estimate of mining dilution. An assumption of 15% dilution by nil grade waste is applied to most stope production in the estimate of Ore Reserve. This compares to 12% dilution factor used at North East. The higher dilution allowance reflects a conservative approach where we have no specific experience of stability at Larsons deposit.

Mine access is via a decline developed at industry standard 1 down for 7 horizontal with dimension of 5.5m high and 5m wide, suitable for use of mechanized jumbo, loader and 45 tonne capacity haul truck equipment.

2.4 ORE PROCESSING

The ore produced from the Larsons mine will be processed at the Tritton copper sulphide ore processing plant. Larsons mine ore will be hauled by on-highway road train truck 30km for processing at the Tritton plant.

3 GEOLOGY

Regionally the mineralisation is hosted within early Ordovician sediments as part of the Girilambone metasedimaents. The Larsens mineralisation is hosted within with the Pelitic to Psammite sediments, and sparse zones of courser sandstones of the Girilambone Group.

The Larsens sulphide mineralisation is stratiform and is classified as a “Besshi style” volcanogenic massive sulphide. Mineralisation is dominated by massive pyrite – chalcopyrite, with minor banded to stringer pyrite – chalcopyrite, and sparse locally important magnetite – chalcopyrite.

Structurally the Larsens sulphide mineralisation is hosted within a corridor of moderate to intense shearing related to a thrust fault observed in the east wall of the Eastern Shear of the Murrawombie Pit (Murrawombie pit is located approximately 4 km SW of the Larsens mineralisation). The shear corridor has been traced by Sirotem (geophysical exploration tool) to the north west of the Murrawombie pit, with the Larsens mineralisation sitting Hanging Wall to the Eastern Shear, in relatively un-deformed sediments.

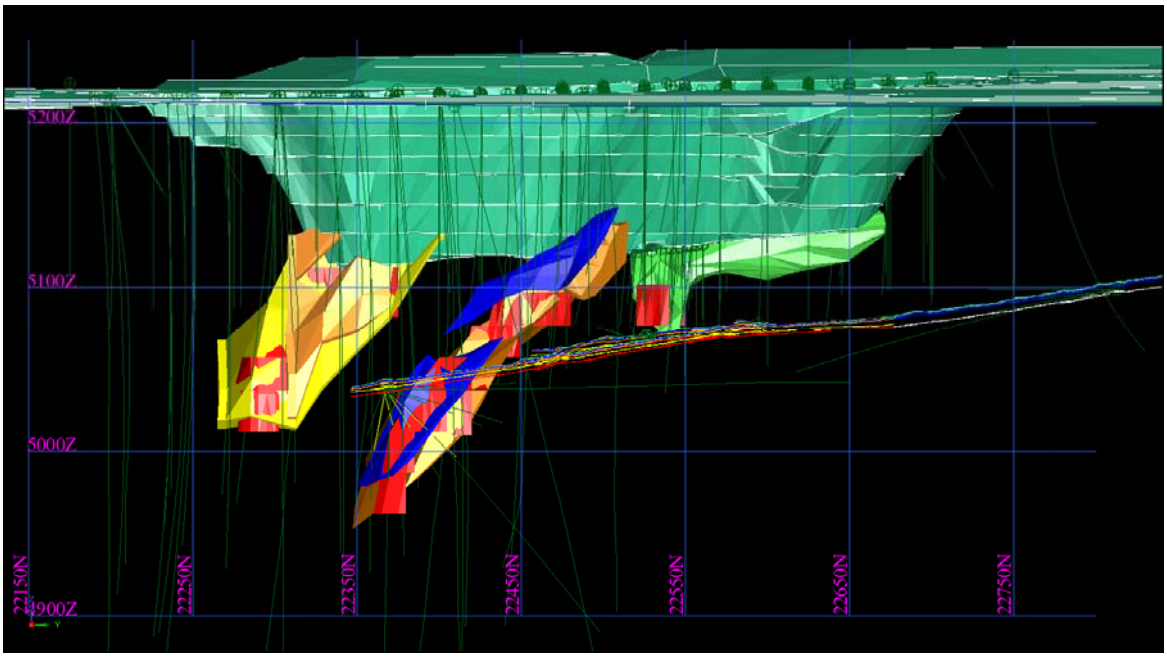

Figure 2 Schematic view of the Larsons Geology and mine

4 MINERAL RESOURCE ESTIMATE

4.1 RESULTS

The Mineral Resource estimate reference date is 31st December 2013. There has been no mining of the Larsons deposit since the previous public report.

Table 1 Mineral Resource estimate for Larsons as at 31st December 2013

Estimate	Classification	Cut Off Cu (%)	Tonnes (kt)	Cu %	Cu (kt)
31 Dec 13	Measured	0.6	-	-	-
	Indicated	0.6	810	1.8	14.6
	Inferred	0.6	-	-	-
	Total	**0.6**	**810**	**1.8**	**14.6**

1. Mineral Resources are quoted as INCLUSIVE of Ore Reserve.
2. Discrepancy in summation may occur due to rounding.

4.2 CHANGE FROM PREVIOUS PUBLIC REPORT

There has been no depletion by mining since the previous estimate and hence no change in the Mineral Resource estimate.

4.3 STATEMENT OF COMPLIANCE WITH JORC CODE REPORTING

This Mineral Resource statement 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.

4.3.1 Competent Person Statement

I, Byron Dumpleton a Consultant Resource Geologist confirm that I am the Competent Person for the Larsons Mineral Resources section of this Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which I am accepting responsibility.
- I am a Member of the Australian Institute of Geologists (MAIG No. 1598).
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of BKD Resources Pty Ltd (ABN 81 109 376 481) and acting as the Mineral Resources Manager for Straits Resources Limited. I have been engaged by Straits Resources Limited to prepare the documentation for Avoca Tank 31st December Mineral Resource estimate.

I have disclosed to Straits Resources Limited the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Dumpleton owns 61,349 shares in Straits Resources Ltd which were issued as part of the company share plan in 2010 when Mr Dumpleton was a staff member of Straits Resources Limited.

I verify that the Larsons Mineral Resource section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources.

4.3.2 Competent Person Consent

With respect to the sections of this report for which I am responsible – Mineral Resource Estimate - I consent to the release of the Larsons Mineral Resources and Ore Reserves Statement as at 31st December 2013 by the directors of Straits Resources Limited

Signature of Competent Person	Date
Byron Dumpleton Member No.1598	1/4/2014.
Signature of Witness	Witness Name and Address ROBERT ALLAN BRAINSBURY 44 QUANDONG ST. ASHGROVE QLD 4060

4.4 JORC CODE, 2012 EDITION – TABLE 1 REPORT: LARSONS DEPOSIT

4.4.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	1. *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.* 2. *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* 3. *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.*	1. All Diamond core samples are based on ½ core, pre-collar RC samples in waste zones taken as 4 metre composites and re-spit to 1 metre samples when return assays or geology indicate copper or gold mineralisation. Dedicated RC holes samples are taken at 1 metre intervals. Underground face sample data is collected at 1 metre intervals or at geological breaks as rock chip samples. 2. All diamond core is aligned, measured and metre marked. All underground face sample faces collected are digitally photographed and with face position measured from survey points and survey pickups. 3. Diamond and RC-pre-collars conducted by Straits Resources are completed to industry standards. Early percussion drilling is to be treated as historical data, but Straits have assumed that these programs were conducted at Industry standards done in its day (mid 1970's). For diamond drilling samples these are taken at geological boundaries to maximum of 1.4 metres and a minimum of 0.5 metres with the standard interval at 1 metre within mineralised zones to approximately 50 metres before and past mineralisation horizons. Diamond core drilled from surface is NQ2 in size from RC pre-collars. All Exploration holes sampled by Straits Resources for the Larsens resource for the primary sulphides, are analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-40%) ALS method ME-ICP41. All Cu samples greater than or equal to 1 % were re-submitted for an ore digest ME-OG46. Additional Au analysis by fire assay fusion with an AAS finish, 30g charge (suitable for Au 0.01-100ppm) ALS method Au-AA22. All Au samples greater than or equal to 1 g/t were re-submitted for an ore grade fire assay 30g charge, Au-AA25 from ALS Orange, NSW, Australia. Holes drilled by NORD and GCC were process at SGS in

Criteria	JORC Code explanation	Commentary
		Cobar, NSW.
Drilling techniques	1. *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).*	1. All available drilling was used for the Larsens resource interpretation and estimation as at 31 December 2013 below the Larsen oxide open pit. Drilling used was RC and diamond core. For the resource 97 holes were surface RC holes 78%), 27 holes were surface diamond (22%), and 1 hole was Percussion.
Drill sample recovery	1. *Method of recording and assessing core and chip sample recoveries and results assessed.* 2. *Measures taken to maximise sample recovery and ensure representative nature of the samples.* 3. *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.*	1. All diamond core has recoveries measured and recorded by the drilling company and confirmed by Straits Resources. RC pre-collar sample recoveries were not recorded nor required to be recorded as all material estimated for the Larsens mineralisation is defined by core below 150 metres from the surface and a mixture of RC and diamond above 150 metres. RQD measurements are taken on all core prior to all sampling, thus are completed on all intervals used in resource estimation. 2. Industry standard drilling practices resulted in good sample recoveries for RC chips and good to reasonable for Diamond core. 3. No relationship appears to exist between recovery and grade.
Logging	1. *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.* 2. *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* 3. *The total length and percentage of the relevant intersections logged.*	1. All diamond core drill and RC chips are geologically logged by Company Geologists. All core drilled by Straits is also geotechnically logged. Logging is to the level of detail to support the Larsens style of mineralisation (VMS-Beshi style). 2. Logging of both RC and Diamond core samples recorded lithology, alteration, mineralisation, degree of oxidation, fabric/structure and colour. All exploration core was photographed in both dry and wet form, for UG grade control holes all core is photo graphed in wet form only. All RC intervals are stored in plastic chip trays, labeled with interval and hole number. Core is stored in core trays and labelled similarly. Underground faces were faces are taken are digitally photographed. 3. All RC and core samples were logged in full.
Sub-sampling	1. *If core, whether cut or sawn and whether quarter, half or all core*	1. Half core was collected on average at 1m intervals, minimum

Criteria	JORC Code explanation	Commentary
techniques and sample preparation	*taken.* *2. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *3. For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *4. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *5. 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.* *6. Whether sample sizes are appropriate to the grain size of the material being sampled.*	sample length is 0.5 metres and maximum length is 1.4 metres. 2. RC samples for waste sections are collected at 1 metre intervals, with a 1m split and bulk residual collected on the drill rig. The bulk residual was composited to 4 metre interval by spear sampling. If RC composites returned above background copper or gold values, the stored original 1m split was sent to the laboratory for analysis. 3. Samples taken are appropriate for the Larsens mineralisation style (Copper VMS). 4. Sample industry standards and Tritton Operation matrix match standards were routinely submitted, Pulps retained to be re-submitted to test for reproducibility, no blanks were used for any of the Larsens drill campaigns. 5. No field duplicates have been conducted for the Larsens mineralisation. 130 pulp repeats were done with Q-Q plots showing minimal bias. All core samples are visually examined against assay values and logged mineralisation. 6. The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*1. The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *2. 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.* *3. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	1. All assays for holes drilled by Straits Resources were conducted at accredited assay laboratories. Samples for the drillholes in the Larsens resource estimation are primary sulphide, all surface exploration holes are analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-40%) ALS method ME-ICP41. All Cu samples greater than or equal to 1 % were re-submitted for an ore digest ME-OG46. Additional Au analysis by fire assay fusion with an AAS finish, 30g charge (suitable for Au 0.01-100ppm) ALS method Au-AA22. All Au samples greater than or equal to 1 g/t were re-submitted for an ore grade fire assay 30g charge, Au-AA25. Samples taken pre 2005 cannot confirm the exact assay technique, however Straits is assuming for identifying mineralised zones the assays had meet industry standards at the time. Holes drilled by NORD and GCC were process at SGS in Cobar, NSW. 2. N/A 3. Laboratory QA/QC samples were involving the use of blanks,

Criteria	JORC Code explanation	Commentary
		duplicates, standards (commercial and site made certified reference materials are used), replicates as part of in-house procedures.
Verification of sampling and assaying	*1. The verification of significant intersections by either independent or alternative company personnel.* *2. The use of twinned holes.* *3. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *4. Discuss any adjustment to assay data.*	1. Significant mineralised intersections are reviewed by the logging Geologist and Senior Geologist. 2. No twinned holes were conducted. 3. All Straits Resources geological data is logged directly into Straits Resources logging computers following the Corporate Geology codes. Data is transferred to the Corporate AcQuire database and validated on entry. Down hole survey data is validated and checked for potential deviation from magnetic mineralisation before data entry. 4. No adjustments to assay data were made. If survey data is affected by mineralisation, the survey is omitted. With a general trend being applied based on the survey above and below the affected value.
Location of data points	*1. 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.* *2. Specification of the grid system used.* *3. Quality and adequacy of topographic control.*	1. All recent surface drill hole collars have been surveyed by using a DGPS by a local contractor, all pre 2008 holes are surveyed by theodolite. All UG hole collars are surveyed in by theodolite by company surveyors. Surveys are entered into the Straits Corporate Acquire database. A 3D dtm of the topographic surface was generated using the drill hole collars outside of the Larsens, Hartman and Larsen pit area. Pit and nearby infrastructure is picked up by company surveyors. 2. Resource modelling based on local North East Mine Grid. Rotation of the grid is 31.22 degrees to the west from AGD 66 true North. 3. Quality and accuracy of the drill collars are suitable for resource work and resource evaluation for Proved and Probable reserve.
Data spacing and distribution	*1. Data spacing for reporting of Exploration Results.* *2. 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.* *3. Whether sample compositing has been applied.*	1. The Larsens Resource surface definition drilling was conducted on a nominal 25 x 25 metres down to 12.5 metre x 12.5 metres grid at the base of the northern section of the Larsens pit. 2. The Larsens mineralisation is defined sufficiently to define both geology and grade continuity for a Mineral Resource estimation and Ore Reserve evaluation to Probable level.

Criteria	JORC Code explanation	Commentary
		3. Samples are collected at 1 metre intervals and or to geology breaks. Minimum sample interval is 0.5 metres, maximum sample interval is 1.4 metres. For the resource estimation 1 metre composites were generated and applied.
Orientation of data in relation to geological structure	*1. Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *2. 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.*	1. This deposit may have minor BIAS mixed sample support as both ½ core diamond (NQ) and RC samples are used. 2. No material issues due to sampling BIAS is expected due to the extensive geological knowledge and mining history, therefore this is seen as a low risk.
Sample security	*1. The measures taken to ensure sample security.*	1. Chain of Custody is managed by the Company. Samples are stored site in polyweave bags containing approximately 5 samples. The bags are securely tied, then loaded and wrapped onto a pallet dispatch to the laboratory. The samples are freighted directly to laboratory with appropriate documentation listing sample numbers a analytical methods requested. Samples are immediately receipted the lab on arrival, with a notification to the Company Senior Geologis the number of samples that have arrived.
Audits or reviews	*1. The results of any audits or reviews of sampling techniques and data.*	1. External reviews and audits have been conducted by AMC in 2011, no fatal flaws or significant issues with Larsens model were identified.

4.4.2 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*1. 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.* *2. Data validation procedures used.*	1. All assay results are logged against unique sample numbers. A sampling sheet detailing sample numbers and core / RC intervals is completed prior to sampling commencing. During the sampling process each sample interval is cross-referenced to the sample number and checked off against the sampling sheet. Pre-numbered bags are used to minimize errors. Assay data is received via email in a common electronic format and verified against the AcQuire database. 2. Data validation checks are run by the Database Manager and checked by the logging geologist.
Site visits	*1. Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *2. If no site visits have been undertaken indicate why this is the case.*	1. Byron Dumpleton (Straits Resources – Mineral Resource Manager) has made numerous site visits since 2008 and has sited the core drill before 2008. Mr Dumpleton was also part of the team that developed the Geological Interpretation for the and modelling of the Larsens Deposit. 2. N/A.
Geological interpretation	*1. Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *2. Nature of the data used and of any assumptions made.* *3. The effect, if any, of alternative interpretations on Mineral Resource estimation.* *4. The use of geology in guiding and controlling Mineral Resource estimation.* *5. The factors affecting continuity both of grade and geology.*	1. The confidence in the geological model for the sulphides is considered good for this style of deposit. The Geological setting is close to a traditional “Beshi style” (type of VMS mineralised system). 2. The nature of the Larsens drilling data generally intersects the mineralisation at good angles. 3. The deposit is tabular in nature with good visible mineralisation. The geological and grade continuity and the geological knowledge by the Tritton geology team is high, minimizing the risk for alternative interpretations, current Grade Control have intersected the resource were expected. 4. Grade boundaries of a nominal 0.3% Cu are used to confine the grade estimation along with understanding the geological controls from mining the oxide open pit immediately above the

Criteria	JORC Code explanation	Commentary
		sulphide mineralisation. 5. The mineralisation for Larsens occurs in smaller tabular lens compared to North East resource located approximately 700 metres to the north of the deposit and it is yet to deermine if the separation of the tabular lenses are due faulting or as separate clusters of mineralisation.
Dimensions	1. *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.*	1. The Larsens resource occurs as several discrete tabular lenses covering an area approximately 500 m north – south and 250 m east – south with mineralisation starting from near surface. Fresh mineralisation starting at approximately 120 metres below surface. The tabular lenses have short strike lengths ranging from 40 to 200 metres relative to their down dip extent which range from 60 to 300 metres with an average dip of the lenses of 45 degrees back to east. The lenses vary in true width from 2 to 20 metres, with an average true width in the order of 7 to 12 metres.
Estimation and modelling techniques	1. *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.* 2. *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* 3. *The assumptions made regarding recovery of by-products.* 4. *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* 5. *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* 6. *Any assumptions behind modelling of selective mining units.* 7. *Any assumptions about correlation between variables.*	1. The resource estimation for Copper grade was estimated using Ordinary kriging. The software package for the grade estimation, variography and geological interpretation was Surpac. Gold, Silver, and Zinc were estimated using Inverse Distance to the power of 2. Estimation was run in a single pass using a 40 metres search radius with orientation adjusted to reflect average strike and dip of the sulphide lenses. Estimation of grade is within interpreted hard grade boundaries based on a nominal 0.3% Copper solid (closed wireframe) with a minimum width of 2m down hole. 2. Larsens resource has been mined historically as an Open Pit for its oxide copper and transitional mineralisation (in the mid 1990's). Underground decline development has commenced with the first round of UG grade control drilling completed in late December 2013. Development on ore is yet to be started. 3. No deleterious elements were estimated. 4. The resource was modelled using a 10 mN by 10 mE by 5 mZ

Criteria	JORC Code explanation	Commentary
	8. *Description of how the geological interpretation was used to control the resource estimates.* 9. *Discussion of basis for using or not using grade cutting or capping.* 10. *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	with sub celling down to 2.5 mN by 2.5 mE and 1.25 mZ. Each ore domain has been flagged and estimated separately. 5. Block model parent cell size dimension takes into account to accommodate narrow sections and of the mineralised domains and drill spacing. The block size is general larger than the face sampled area or equivalent, and is approximately 40% of the average drill spacing. 6. No assumptions have been applied to the model for selective mining unit. 7. No correlation has been made between variables. 8. No top cuts were applied to the samples for estimation. 9. Block model volume validation was validated against ore solid wireframes for each ore domain. Block model validation for grade was conducted both by visually expecting model sections by northings at 25 metre increments (drill spacing), by benches at 10 metre increments.
Moisture	1. *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	1. Tonnages are estimated on a dry basis.
Cut-off parameters	1. *The basis of the adopted cut-off grade(s) or quality parameters applied.*	1. The nominal 0.3% copper cutoff grade used for the mineralised interpretation was chosen as this appears to reflect the natural background grade cutoff.
Mining factors or assumptions	1. *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.*	1. The only consideration to the mining method is the minimum interpretation width applied is 2 metres. Otherwise no other mining assumptions have been applied to the Larsens model. The model is setup for mining evaluation. Material not estimated is set to zero.
Metallurgical factors or	1. *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*	1. The dominant mineralisation for the Larsens Mineralisation is chalcopyrite. Material planned to be mined at Larsens will be process at the Tritton Copper Operations copper concentrator a

Criteria	JORC Code explanation	Commentary
assumptions	*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.*	1.4Mtpa Processing Plant. Processing recoveries for Larsens are expected to be 94.5%.
Environmental factors or assumptions	1. *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.*	1. Waste from processing is disposed at the current tailings storage facility at Tritton (or utilised as paste fill). Waste from underground development is stored within the Hartman's Pit and as backfill in the mining process. Any potentially acid forming waste will be encapsulated within the waste dump on the surface or is placed in as stope backfill. No significant environmental impacts have been identified for the Larsens mining operation.
Bulk density	1. *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.* 2. *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.* 3. *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	1. Bulk density for the Larsens Model for waste material type has been assign by the average values measured across the field for oxide and transition. Density for material within ore domains have been assigned by the average value taken from the Larsens diamond drill core. 2. Bulk density for the resource has been measured using the Archimedes Principle Method' (weight in air v's weight in water). A total of 134 density measurements have been used for determining mean density value for Larsens for the mineralised domains. 3. Bulk density has been estimated by the actual measurements for fresh ore material. For material outside the mineralised domains an average density value for the host material has been assigned.
Classification	1. *The basis for the classification of the Mineral Resources into varying confidence categories.* 2. *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality,*	1. The classification has been guided by drill density (currently at nominal 25 x 25m along the geological knowledge of the Senior Geology personnel and the Mineral Resource Manager reflecting their understanding of the Larsens resource and the Tritton Copper Operation VMS field.

Criteria	JORC Code explanation	Commentary
	quantity and distribution of the data). *3. Whether the result appropriately reflects the Competent Person's view of the deposit.*	2. The drill and input data density is comprehensive in its coverage for the resource to allow reasonable confidence for the tonnage and grade distribution to the levels of Indicated. 3. The Mineral Resource estimated appropriately reflects the view of the competent person.
Audits or reviews	*1. The results of any audits or reviews of Mineral Resource estimates.*	1. External reviews and audits have been conducted by AMC for the Larsens resource model, no fatal flaws or significant issues were identified at the time.
Discussion of relative accuracy/ confidence	*1. 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.* *2. 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.* *3. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	1. The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC code. 2. The statement relates to global estimate of tonnes and grade. 3. No production data is available.

5 ORE RESERVE ESTIMATE

5.1 RESULTS

The Larsons Ore Reserve Estimate as at 31 December 2013 is reported in Table 2. It is reported according to JORC 2012.

Table 2 Ore Reserve Table for Public Reporting of Larsons Mine as at 31 December 2013

Estimate	Classification	Cut Off Cu%	Tonnes (kt)	Cu %	Cu (kt)
31-Dec-13	Proved	-			
	Probable	varies	631	1.5	9.7
	Total		**631**	**1.5**	**9.7**

1. Ore Reserves are reported as Inclusive of the supporting Mineral Resource estimate
2. Discrepancies in summation will occur due to rounding

5.2 CHANGES FROM PREVIOUS ESTIMATE

The previous public reported Ore Reserve estimate was as at 30th June 2013. Changes in the Ore Reserve result from a combination of depletion due to mining and estimation of additional Mineral Resource that was available for conversion to Ore Reserve.

Estimate	Classification	Cut Off Cu (%)	Tonnes (kt)	Cu %	Cu (kt)
31-Dec-13	Proved	-			
	Probable	varies	631	1.5	9.7
	Total		**631**	**1.5**	**9.7**
30-Jun-13	Proved	-			
	Probable	1.2	440	1.6	7.0
	Total		**440**	**1.6**	**7.0**
difference	*Proved*	-	-	-	-
	Probable	-	*+191*	*-0.1*	*+2.7*
	Total	-	*+191*	*-0.1*	*+2.7*

5.3 STATEMENT OF COMPLIANCE WITH JORC CODE REPORTING

This Ore Reserve statement 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.

5.3.1 Competent Person Statement

I, Ian Sheppard, confirm that I am the Competent Person for the Larson Ore Reserve section of this Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which I am accepting responsibility.
- I am a Member of The Australasian Institute of Mining and Metallurgy, No. 105998.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of Straits Resources Limited.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically I have rights to 4,870,921 shares in Straits Resources. Title to the shares will vest when a range of conditions have been satisfied as defined in an Employee Share Acquisition Plan. These conditions have not been met at this time.

I verify that the Ore Reserve section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Ore Reserve.

5.3.2 Competent Person Consent

With respect to the sections of this report for which I am responsible – Ore Reserve Estimate - I consent to the release of the 2013 Mineral Resources and Ore Reserves Statement as at 31st December 2013 for Larsons.

5.4 CONSENT TO RELEASE

Signature of Competent Person	Date
 Ian Sheppard Member No.105998 AuSIMM	1 - April 2014
Signature of Witness 	Witness Name and Address ROBERT ALLAN BRAINSBURY 44 QUANDONG ST. ASHGROVE QLD 4060

5.5 EXPERT INPUT

A number of persons have contributed key inputs to the Ore Reserves determination. These are listed below.

In compiling the Ore Reserve the Competent Person has reviewed the supplied information for reasonableness, but has relied on this advice and information to be correct.

Table 3 Expert contribution to Ore Reserve

Expert Person / Organization	Area of Expertise
Australian Mine Design and Development	Mine design
Byron Dumpleton	Mineral Resource estimation model

5.6 SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	*1. Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* *2. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	1. The Larsons Ore Reserve estimate is based on the 31st December 2013 Mineral Resource, supported by the Larsons Resource block model. Mr Byron Dumpleton is the competent person responsible for Mineral Resource Estimation. Information from stoping and development on ore in the adjacent North East mine has been used to assist with the December 2013 Ore Reserve. Mineral Resources are quoted as INCLUSIVE of the Ore Reserve Estimate
Site visits	*1. Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *2. If no site visits have been undertaken indicate why this is the case.*	1. Mr Ian Sheppard, the competent person responsible for the Ore Reserve estimate, has visited the Larson mine on several occasions. Ground conditions, operating costs and supporting infrastructure have been inspected. Assumptions regards modifying factors applied in the estimate are based on these inspections and experience from the adjacent North East mine. Access to the Larsons mine is through the North East mine decline and uses the same infrastructure.
Study status	*1. The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* *2. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	1. The Larson deposit is situated within an active mining operation based on the adjacent North East deposit. Reporting of the Ore Reserve estimate is supported by an operating budget, production experience and mine plans. The combination of budgets and mine plans contains information on the modifying factors that exceeds the standard of a Feasibility Study. 2. Production plans have been developed that shows how the Ore Reserve will be mined. The Larson mine is an active operation

Criteria	JORC Code explanation	Commentary
		with all infrastructure and mining equipment in place. The only significant capital expenditure required to mine the Ore Reserve is extension of the access decline. Ore will be processed at the existing Tritton flotation concentrator where ore from the adjacent North East mine ore is being successfully treated. The combination of mine plans and existing mine and processing infrastructure exceeds the standard for the level of information contained in a Feasibility study.
Cut-off parameters	*1. The basis of the cut-off grade(s) or quality parameters applied.*	1. The December 2013 Ore Reserve uses copper grade, Cu%, as the cut-off grade criteria. 2. There are no significant impurities in the mineralisation that require inclusion in the cut-off grade criteria. 3. Different cut-off grades are applied to ore mined by development and ore mined by stoping. This reflects the difference in cost allocation to the method of mining. For ore from development mining a large portion of the costs are considered sunk at the time of mining since the development will proceed irrespective of the decision to call blasted material as ore or waste. For ore mined from stope, the majority of cost is future expenditure and so is considered in the cut-off grade that guides stope design. Material mined by development has a low cut-off grade compared to ore mined by stope. 4. A 1.2% copper cut-off grade is applied to stope ore. The whole of stope average grade must exceed the cut-off grade for inclusion in the Ore Reserve. In special circumstances a reduced cut-off grade of 1% copper is allowed for stopes that can be mined with reduced cost where stope development is paid for by a higher grade stope along strike. Crown pillar stope ore that can be drilled from the base of the completed Larson open pit at lower cost is included at a lower cut-off grade of 1.0% copper if

Criteria	JORC Code explanation	Commentary
		necessary. Two stopes are included in the Ore Reserve on this basis. 5. A 0.8% copper cut-off grade is applied to ore mined by development. 6. All ore, in stope or development, must be inside the Mineral Resource volume defined by a 0.6% copper cut-off grade.
Mining factors or assumptions	*1. The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* *2. The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* *3. The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* *4. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* *5. The mining dilution factors used.* *6. The mining recovery factors used.* *7. Any minimum mining widths used.* *8. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* *9. The infrastructure requirements of the selected mining methods.*	1. December 2013 Mineral Resources have been converted to Ore Reserve by a process of detailed stope and development design. 2. The mining method applied at Larson mine is up-hole bench mining. Stopes are mined in retreat from the end of the ore towards the access drive. Sublevel interval is 20m vertical. Rib pillars are left in waste areas to support the stope. No backfill is placed. Stope heights of over 80m vertical and 30m on strike have been mined at the adjacent North East mine between pillars without significant stope wall failure occurring. Similar rock mass conditions exist at Larsons mine. The North east mine stope experience is used to guide stope design for Ore Reserve estimation. 3. Access to the ore is from a decline mined at a gradient of 1 down for 7 horizontal. Ore and waste are removed by loader and truck to the surface (approximately 100m vertical lift). Ore is transported to the processing plant from a surface stockpile by on highway truck road train operating on a majority sealed road. 4. Geotechnical design of the stope is based on experience mining stopes in the adjacent North East mine in similar rock mass conditions. There are no identified major structures or differences in the rock mass that suggest Larson stopes will be

Criteria	JORC Code explanation	Commentary
		unstable when mined at similar dimensions to those at North East mine. 5. The Ore Reserve is based on engineer designed stopes and development drives. The designs are based on the December 2013 Mineral Resource. 6. Ore Reserve estimates include portions of material that is below cut-off grade and which is considered impractical to exclude from the surrounding or adjacent volume of ore. Such internal dilution material is inclusive to the design ore volume and estimate of grade. 7. Mining dilution from external to the stope design volume is assumed to have nil grade and will increase the ore tonnage by; a. 15% for stope with no exposure to the open pit b. 15% to 20% for crown pillar stopes exposed to the open pit Ore Reserve grades are reduced to reflect the inclusion of nil grade dilution tonnage. 8. Mining dilution from external to the drive for development ore is assumed to be nil, since there is good access to control location of the development mining and intense ground support is installed. 9. Mining recovery of ore from stope is assumed as 90%, applied after the dilution calculation. Crown pillar stope ore recovery is variable from 85% to 70%.

Criteria	JORC Code explanation	Commentary
		10. Mining recovery of ore from development is assumed as 100%.
Metallurgical factors or assumptions	*1. The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *2. Whether the metallurgical process is well-tested technology or novel in nature.* *3. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *4. Any assumptions or allowances made for deleterious elements.* *5. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *6. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	1. The Larson ore is treated at the existing Tritton ore processing plant located 30km by road from the mine. Copper, gold and silver are recovered to a copper concentrate by sulphide flotation. 2. The sulphide flotation treatment method is being used successfully to treat ore from the adjacent North East mine and Tritton mine, both having identical mineralogy to that found at Larson mine. The Larsons ore is expected to process successfully through the Tritton plant. 3. No specific metallurgy test work has been completed on the Ore Reserve. 4. North East mine ore occasionally contains elevated levels of fast floating talc that will report to the copper concentrate, reducing concentrate grade. It is possible that similar occasionally high levels of talc will be found at the Larsons mine ore. Talc suppressant chemicals are added to the flotation cells when elevated levels of talc are present to nearly eliminate this problem. After suppression the talc in ore has no deleterious impact on the copper concentrate product. No other deleterious elements are known in the Larsons ore.
Environmental	*1. The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	1. Larsons mine operates under the Tritton Resources Limited Mine Operations Plan, EPA licenses and associated local and NSW State Government approvals. The mine is located on a Mining Lease. The environmental impact of the mine and the ore processing are fully approved. 2. Waste rock from mining operations is disposed to the Hartman's Open pit. Waste rock with sulphur content of less than 1% is Not Potentially Acid Forming and can remain stockpiled at surface. The small quantity of waste rock with sulphur content greater than 1% is disposed into empty stopes underground.

Criteria	JORC Code explanation	Commentary
Infrastructure	*1. The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	1. All infrastructure necessary to support mining operations is in place.
Costs	*1. The derivation of, or assumptions made, regarding projected capital costs in the study.* *2. The methodology used to estimate operating costs.* *3. Allowances made for the content of deleterious elements.* *4. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* *5. The source of exchange rates used in the study.* *6. Derivation of transportation charges.* *7. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *8. The allowances made for royalties payable, both Government and private.*	2. Capital cost for the modest length of decline development is based on historical actual experience at North East mine. The same equipment, operators and management are engaged at both North East and Larsons mines. Both mines are accessed from the same decline. 3. Estimates of operating cost for the development, mining and processing of the Ore Reserve are based on historical actual experience at the North East mine. Cost estimates are at better than Feasibility study level of confidence ±10% 4. The cost of talc suppression chemical and dosage rates is known from recent operating experience. 5. Metal price assumptions for copper, gold and silver are Straits Resources corporate long term assumptions derived from a variety of market sources. 6. Exchange rate assumptions are Straits Resources corporate long term assumptions derived from a variety of market sources. 7. Product transport charges are current contracted rates. 8. Copper concentrate treatment and refining charges are actual cost for Tritton Mines in 2013; USD$70/t treatment and USD$0.07/lb refining. 9. NSW Government royalty of 4% is payable on revenue less deductible items. After deductions, the effective royalty rate on revenue is approximately 3% for Tritton Resources. No private royalties apply.
Revenue factors	*1. The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* *2. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	1. Metal price assumptions are; a. Copper price of USD$3.18/lb b. Gold price of $1300/oz c. Silver price of USD$20/oz d. AUD:USD exchange rate of 0.9 e. Copper treatment charge of USD$70/t f. Copper refery charge of USD7c/lb g. Standard Tritton commercial terms under contract for

Criteria	JORC Code explanation	Commentary
		payable metal rates
Market assessment	*1. The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* *2. A customer and competitor analysis along with the identification of likely market windows for the product.* *3. Price and volume forecasts and the basis for these forecasts.* *4. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	1. Copper metal production from Larsons is very small compared to world copper market size. There is no market size restrictions. All copper concentrate is sold under life of mine contract to Glencore International AG.
Economic	*1. The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *2. NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	1. The economics of mining Larsons ore has been clearly demonstrated by the Tritton Mines budget. Larsons ore mining is justified on marginal costing, that assumes all fixed costs for the business are covered by the larger Tritton mine and there is no allocation of fixed cost to the Larsons mine. 2. Estimation of a NPV for the small Ore Reserve that will be mined as part of larger mining operation with shared costs is not considered reasonable. No NPV is estimated.
Social	*1. The status of agreements with key stakeholders and matters leading to social licence to operate.*	1. The Larsons mine operation is fully permitted as part of the Tritton Resources operations based in the township of Nyngan in the Bogan Shire NSW. Strong community support for the continued operation of the Tritton Resources mines has been evidenced in regular community consultation sessions. There are no known objections from the community against the Tritton Resources operations.
Other	*1. To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* *2. Any identified material naturally occurring risks.* *3. The status of material legal agreements and marketing arrangements.* *4. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or*	1. No material natural risks have been identified for the project. 2. All copper concentrate produced by Tritton Resources from North East mine will be sold to Glencore International AG under existing life of mine contracts. 3. Larsons mine is on a granted Mining Lease. All necessary approvals to allow continued mine operation are in place.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</td><td></td></tr>
<tr><td>Classification</td><td>1. The basis for the classification of the Ore Reserves into varying confidence categories.
2. Whether the result appropriately reflects the Competent Person's view of the deposit.
3. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</td><td>1. The Ore Reserves is classified as Probable as a result of conversion from Indicated Mineral Resource.

No additional modifying factors are applicable to the categorization of the Ore Reserve.

No Ore Reserve has been derived from Measured Mineral Resource.</td></tr>
<tr><td>Audits or reviews</td><td>1. The results of any audits or reviews of Ore Reserve estimates.</td><td>1. There has been no external review of the Ore Reserve.</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>1. Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.
2. 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.
3. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.
4. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</td><td>
<table>
<tr><th>Criteria</th><th>Risk Rating</th><th>Comment</th></tr>
<tr><td>Mineral Resource estimate for conversion to Ore Reserves</td><td>Medium - High</td><td>No production from Larsons by underground methods to date. Hence no reconciliation data is available to quantify the accuracy of the estimate.</td></tr>
<tr><td>Classification</td><td>Low</td><td>All Probable based on Indicated Mineral Resource. No complication from modifying factors.</td></tr>
<tr><td>Site visit</td><td>Low</td><td>Site visits completed</td></tr>
<tr><td>Study status</td><td>Low</td><td>Operating mine with budget and mine plans exceeding standard of Feasibility Study.</td></tr>
<tr><td>Cut-off grade</td><td>Low</td><td>Mineralisation has sharp grade boundaries.</td></tr>
<tr><td>Mining factors</td><td>Medium</td><td>Experience from recent operations in the similar rock mass at North East. Higher dilution rates assumed than those used in the adjacent North East mine due lack of direct experience in this ore body. Slightly higher risk due lack of direct experience in</td></tr>
</table>
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</table>

Criteria	JORC Code explanation	Commentary		
				this ore body.
		Metallurgy factors	Low	Ore from similar ore bodies is currently being processed successfully.
		Environmental	Low	All permits in place. No significant risks identified from existing operation.
		Infrastructure	Low	All infrastructure is in place.
		Costs	Low	Estimates based on current experience.
		Revenue Factors	High	Copper metal price has high annual variability. Larsons mine runs with thin margins and operations could be suspended during period of extended low metal price.
		Market assessment	Low	Life of mine concentrate sale contract in place.
		Economics	Medium	Risk reflects impact of metal price variability.
		Social	Low	Mine is fully permitted and operating with no community objections

End Report