



METALS X LIMITED

ANNUAL REPORT

For the Period

6 September 2016 to 5 September 2017

ANNUAL REPORT for C155/2005 'NIFTY REGIONAL'

PREPARED BY:	Steve MILNER
AUTHOR:	Steve MILNER
REPORT DATE:	9 November 2017
DISTRIBUTION:	DMIRS
	METALS X LIMITED

Table of Content

Table of Content	1
Figures, Tables and Attachments	2
1. Bibliographic Data Sheet	3
2. Introduction	5
3. Location and Access Details	6
4. Tenement Details	8
5. Geology	9
5.1 Regional Geology	9
5.2 Local Geology	9
6. Previous Exploration	12
7. Current Exploration	13
8. Current Exploration Summary	14
8.1 Data Review	14
8.2 Geophysical Surveys	14
8.3 Drilling	15
8.4 Resource Estimations/Revisions	17
8.5 Mining	17
9. Conclusion and Recommendations	19
10. References	20
11. Appendices	21

Figures, Tables and Attachments

LIST OF APPENDICES

Appendices as Attachment

Attachment 1 ResPot_Nifty_AMAG_Survey_Processing_Modelling_Report.pdf

ResPot_Nifty_AMAG_Survey_Processing_Modelling_Report.pdf

Attachment 2 SGC3157__MLX-NIFTY-REG_CorePhysicalProperties.pdf

SGC3157__MLX-NIFTY-REG_CorePhysicalProperties.pdf

Attachment 3 De-risking_NIFTY_REVA.pdf

De-risking_NIFTY_REVA.pdf

Attachment 4 109-MXL-2DHRACQ17_HiSeis_MXL_Nifty_Acquisition_Report_rev1.0.pdf

109-MXL-2DHRACQ17_HiSeis_MXL_Nifty_Acquisition_Report_rev1.0.pdf

Attachment 5 P2017063_METALSX_Nifty_Gravity_Acquisition_Survey_Memo.pdf

P2017063_METALSX_Nifty_Gravity_Acquisition_Survey_Memo.pdf

LIST OF ATTACHMENTS

Attachment 1 Location And Access Attachments

Nifty location map.jpg

Attachment 2 Geology Attachments

Regional Geology.jpg

Local Geology.jpg

Attachment 3 Drilling Attachments

DrillingDataFiles.zip

ATTACHMENTS SUBMITTED SEPARATELY

1. Bibliographic Data Sheet

Project Name: NIFTY REGIONAL
Combined Reporting Number: C155/2002
Tenement Numbers: AM 70/00271,E 45/02152,E 45/02280,E 45/02392,E 45/02415,E 45/03573,E 45/03574,E 45/03576,E 45/03577,E 45/03575
Tenement Operator(s): METALS X LIMITED
Report Type: Annual
Report Title: ANNUAL REPORT for C155/2005 "NIFTY REGIONAL"
Report Period: 6 September 2016 to 5 September 2017
Author: Steve MILNER
Submitted By: Steve MILNER
Report Date: 9 November 2017
Map Sheets: *1:250,000 Map Sheet* *1:100,000 Map Sheet*
SF51-05 (NULLAGINE) 3155 (BRAESIDE)
SF51-05 (NULLAGINE) 3154 (PEARANA)
SF51-06 (PATERSON RANGE) 3254 (LAMIL)
SF51-06 (PATERSON RANGE) 3255 (WAUKARLYCARLY)
Target Commodity: BASE METALS, COPPER, LEAD, ZINC
Prospects Drilled:
PoW Number:
Geophysical Survey Reg No:
Assays:

Abstract

Location: The C155/2002 tenements are located approximately 70km west of Telfer and 200km east of Marble Bar on the western fringe of the Great Sandy Desert in the east Pilbara. Port Hedland is the nearest regional centre.
Access to the Nifty mine site is by the sealed Ripon Hills road and then via the unsealed, Woodie Woodie to Nifty road. Access is also available for light vehicles via the unsealed Skull Springs road from Nullagine. Access to the tenements is via bush tracks branching off the Woodie Woodie/Nifty and Telfer access roads.

Geology: The Nifty copper deposit is located within the Paterson Province of the eastern Pilbara, which also contains the Telfer (Au) and Maroochydore (Cu-Co) deposits. It is located within the Yeneena Basin, bounded to the west by the Archaean Pilbara Craton, overlain to the north and east by the late Carboniferous to early Permian Canning Basin and to the east and south by sedimentary rocks of the Officer Basin. The Paterson Province is an important region for sediment-hosted strata bound copper, with additional potential for strata bound lead-zinc mineralisation such as occurs at the Warrabarty prospect 52km NNE of Nifty.

Work Done: The Nifty Copper Project was acquired by the Metals X Limited in mid-2016 after a protracted takeover of Aditya Birla Minerals Limited. Geological databases, hard copy and digital exploration files, and GIS datasets were identified, verified and merged into the Metals X system. Reviewing the prospectivity of the tenements continued from the last anniversary year. Additional regional geophysical datasets were acquired and/or compiled with historical datasets for aeromagnetics, gravity and EM. Exploration drilling at the Nifty mine site commenced targeting down plunge mineralization from the surface some 700 metres from the minesite. Drilling was also completed at the Finch prospect. Underground resource development and exploration drilling also commenced. Production at the Nifty mine continued with 24,473 tonnes of Cu produced.

Results: Exploration results from the underground drilling have been successful in delineating additional ore zones that has resulted in a new resource model as of June 2017. An additional update of the reserve model was in progress at the end of the anniversary period.
Surface exploration drilling at the Nifty down plunge target, intersected mineralisation in the interpreted northern limb position. Drilling at the Finch prospect failed to intersect any mineralization.

Conclusion: The change of ownership of the Nifty Project in July 2016 provided an opportunity to review the prospectivity of the entire tenement holding and to devise new strategies to exploit the potential of the area. The review of exploration data continues over the project area, with results to date continuing to indicate the prospectivity of the tenure for base metals.

Drilling Summary:

Hole Type	No. of Holes	Total Drilled (m)
Diamond drilling (surface)	9	5419

Survey Completed:

Survey Type
Airborne Magnetics (Thompson)
Gravity survey (Atlas Geophysics)
Seismic survey (Hiseis)

2. Introduction

This report covers exploration activities conducted by Nifty Copper Pty Ltd, a wholly owned subsidiary of Metals X Limited, from 6th September 2016 to 5th September 2017 on tenement areas included in the Nifty Regional Project, Combined Report Number C155/2002.

This tenement package currently comprises Exploration Licenses E45/2152, E45/2280, E45/2392, E45/2415, E45/3573-3577, and Mining License M271SA. Nifty Copper Pty Ltd is the registered holder of the tenements.

The area encompassed by the C155/2002 group of tenements contains the world class Nifty Cu deposit as well as several other significant Cu and Pb/Zn prospects. Exploration is hampered by extensive surface sand cover and thick transported Permian cover sequences.

3. Location and Access Details

The tenements are located approximately 70km west of Telfer and 200km east of Marble Bar on the western fringe of the Great Sandy Desert in the east Pilbara. Port Hedland is the nearest regional centre (Figure 1).

Access to the Nifty mine site is by the sealed Ripon Hills road and then via the unsealed, Woodie Woodie to Nifty road. Access is also available for light vehicles via the unsealed Skull Springs road from Nullagine. Access to the tenements is via bush tracks branching off the Woodie Woodie/Nifty and Telfer access roads.

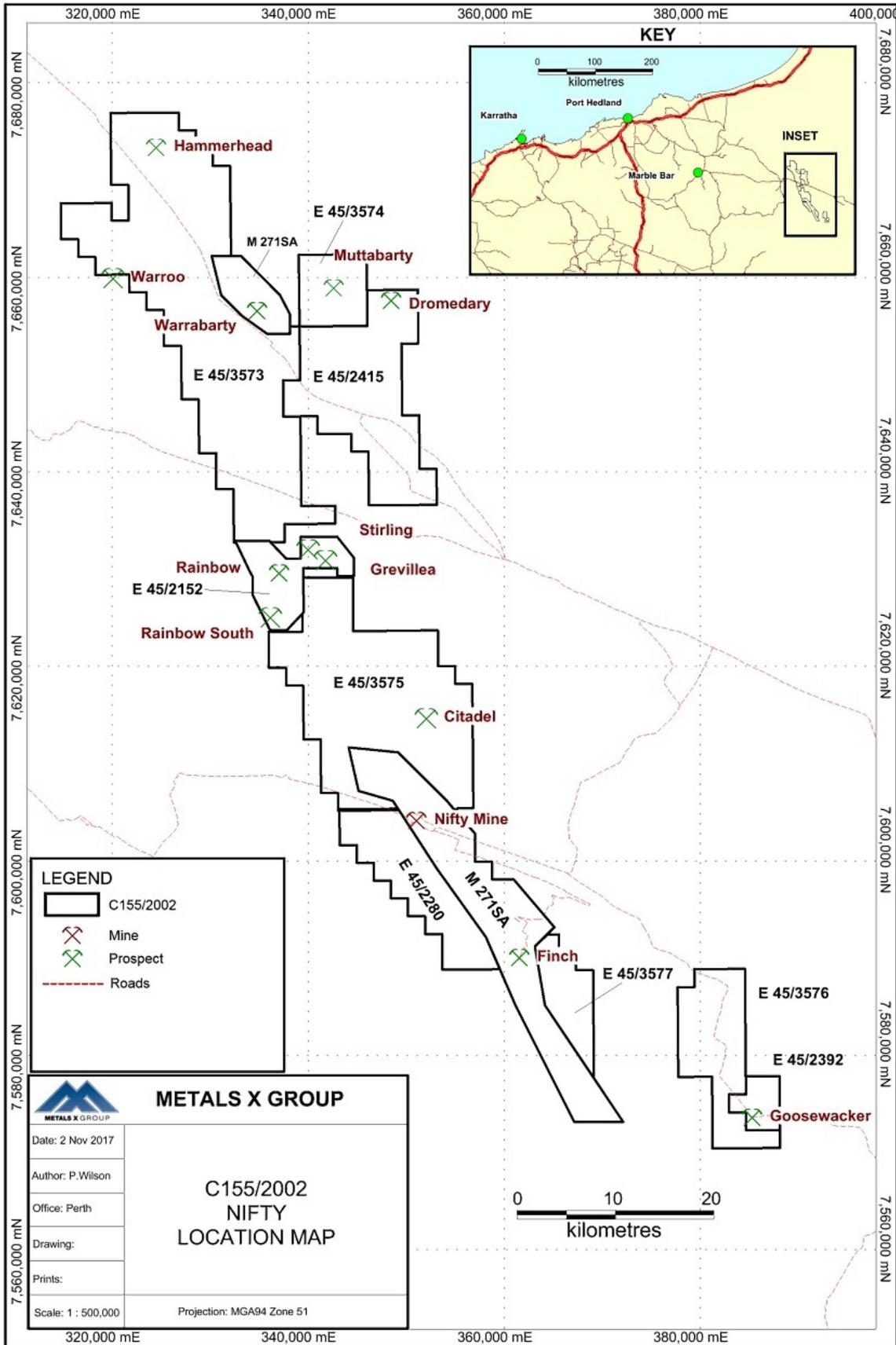


Figure 1 - C155/2002 - Nifty location map

4. Tenement Details

Tenement Information

Tenement	Grant Date	Expiry Date	Holder	Expenditure (\$)	Area Size (KM2)	Area Size (BLK)
M 271SA	29/11/1992	02/09/2034	NIFTY COPPER PTY LTD		234.35	0
E 45/2152	06/09/2002	05/09/2009	NIFTY COPPER PTY LTD	81000	75.6	27
E 45/2280	24/08/2001	23/08/2017	NIFTY COPPER PTY LTD	117000	109.2	39
E 45/2392	26/08/2005	25/08/2017	NIFTY COPPER PTY LTD	70000	19.6	7
E 45/2415	26/08/2005	25/08/2017	NIFTY COPPER PTY LTD	180000	168	60
E 45/3573	20/05/2013	19/05/2018	NIFTY COPPER PTY LTD	225000	420	150
E 45/3574	20/05/2013	19/05/2018	NIFTY COPPER PTY LTD	30000	44.8	16
E 45/3576	20/05/2013	19/05/2018	NIFTY COPPER PTY LTD	48000	89.6	32
E 45/3577	20/05/2013	19/05/2018	NIFTY COPPER PTY LTD	33000	61.6	22
E 45/3575	20/05/2013	19/05/2018	NIFTY COPPER PTY LTD	151500	282.8	101

During the report period, the Nifty Regional Project C155/2002 comprised the Mining Lease M271SA which covers the Nifty Copper Operation (a lease under the terms of the Throssell Range Special Agreements Act 1985), and nine Exploration Licences (E45/2152, E45/2280, E45/2392, E45/2415, E45/3573-3577).

The licences are held by Nifty Copper Pty Ltd which is a wholly owned subsidiary of Metals X Limited. Metals X acquired the project through a takeover of Aditya Birla Minerals Limited in July 2016.

M271SA was granted on 3rd September 1992 under the terms of the Throssell Range Special Agreement Act 1985. The lease covers two areas, section 1 over the Nifty copper deposit and section 2 over the Warrabarty zinc prospect. The two areas are about 45 kilometres apart.

The Throssell Range Act was enacted in 1985 which allowed for a special exploration license E45/1SA to cover a larger area than normal with expenditure commitments above normal rates to provide for security of tenure over the initial Throssell Range exploration areas held then by Western Mining Corporation Limited. An area of 3.75km² around the Nifty deposit was excluded for allowable expenditure for E45/1SA.

The tenement P45/2797 has been surrendered and is no longer part of the combined report.

5. Geology

5.1 Regional Geology

The Nifty copper deposit is located within the Paterson Province of the eastern Pilbara, which also contains the Telfer (Au) and Maroochydore (Cu-Co) deposits. It is located within the Yeneena Basin, bounded to the west by the Archaean Pilbara Craton, overlain to the north and east by the late Carboniferous to early Permian Canning Basin and to the east and south by sedimentary rocks of the Officer Basin. The Paterson Province is an important region for sediment-hosted strata bound copper, with additional potential for strata bound lead-zinc mineralisation as evidenced by the Warrabarty prospect 52km NNE of Nifty.

The Yeneena Basin is considered here to comprise the Yeneena Supergroup, which includes the Throssell and Lamil Groups and overlies the Rudall Complex basement (Figure 2). The previous Yeneena 'Western Succession' is now considered part of the Tarcunyah Group (800-830 Ma) that unconformably overlies the Yeneena Supergroup and Rudall Complex. Although it is largely in a faulted contact with the former, partial equivalence with the Throssell Group cannot be ruled out (Bennett, 2005).

The Yeneena Supergroup postdates the Yapungku Orogeny (2015-1765 Ma). The eastern Lamil Group may be younger than, or correlate with, the western Throssell Group. Neoproterozoic granites intruded the Lamil Group. The age of the Yeneena Supergroup is uncertain. Hickman and Bagas (1998) bracket the Throssell Group between 1250 and 900 Ma, although data from Nelson (1996) and Chin and de Laeter (1981) indicate deposition between 1220 and 1130 Ma. On geological, radiometric and palaeontologic evidence the Tarcunyah Group is considered to be about 830-800 Ma, and part of Supersequence 1 of the Centralian Superbasin (Bagas et al., 1995).

The Yeneena Basin was deformed by the Miles Orogeny (900-800 Ma). The Mount Crofton Granite Suite intruded the Lamil Group about 690-629 Ma ago (Goelnicht et al., 1991), immediately prior to and during the earlier phases of Paterson Orogeny (620-530 Ma).

5.2 Local Geology

The Throssell Group was deposited in a rift-sag basin and comprises the basal Coolbro Sandstone Formation (rift phase) and the upper sag-phase Broadhurst Formation (Figure 3). The Broadhurst Formation is regionally base metal anomalous and hosts all significant base metal mineralisation known in the basin, including the Nifty Mine and Maroochydore, Rainbow and Warrabarty prospects.

The Coolbro Sandstone consists of up to 4000m of cross-bedded arkosic sandstones with conglomerates, siltstones and shales and is interpreted as a transgressive fluvio-deltaic succession. Initial targeting of the basin by WMC focused on the occurrence of red-beds within the Coolbro. However, these appear to be a relatively minor component.

The upper contact of the Coolbro Formation is transitional, through 100m of interbedded sandstone and shale, with the overlying Broadhurst Formation.

The Broadhurst Formation is up to 2000m thick and dominated by carbonaceous and dolomitic shales and siltstones. These predominantly shallow-marine sediments are thought to have formed during continued subsidence of the Yeneena Basin.

The Broadhurst formation has been subdivided into three units: A, B and C (den Tex 2009).

The basal unit of the Broadhurst Formation Unit A is highly conductive carbonaceous shale and minor siltstone. The shales and siltstones have been found to be micaceous. The shales are variably pyritic. The contact between Broadhurst A and the Coolbro sandstone is a transitional contact that grades from sandy shales to silty shales to shales. The occurrence of the first conductive shales was used to define the boundary between the Coolbro Sandstone and the Broadhurst Formation, mainly because of the ease with which it can be seen on VTEM imagery. Occasional sandstone and siltstone beds occur in this unit, and it is only these units that outcrop. The unit has a maximum thickness of 1200m at Nifty.

The middle unit B, contains non-conductive siltstone and dolomite or limestone. The contact between B and A has not been seen in outcrop, but is interpreted to be transitional. The unit thickens from 500-600m in the west to 1600-1700m in the east.

The upper unit C consists of carbonaceous shale that can locally be micaceous and pyritic. The unit is not as micaceous as unit A. Beds of siltstones, carbonates, and locally even sandstone occur. The sandstone and siltstone beds preferentially outcrop. The Nifty copper deposit is hosted in unit C. The unit reaches a maximum thickness of 1800m at Nifty.

The overlying Isdell Formation, the basal formation of the Lamil Group, is interpreted to be disconformable on the Broadhurst Formation and is dominated by interbedded dolostones, carbonaceous siltstones and shales.

The Proterozoic sequence is partly overlain by a variable thickness of Permian fluvio-glacial sediments, with substantial relief interpreted on the unconformity in some areas.

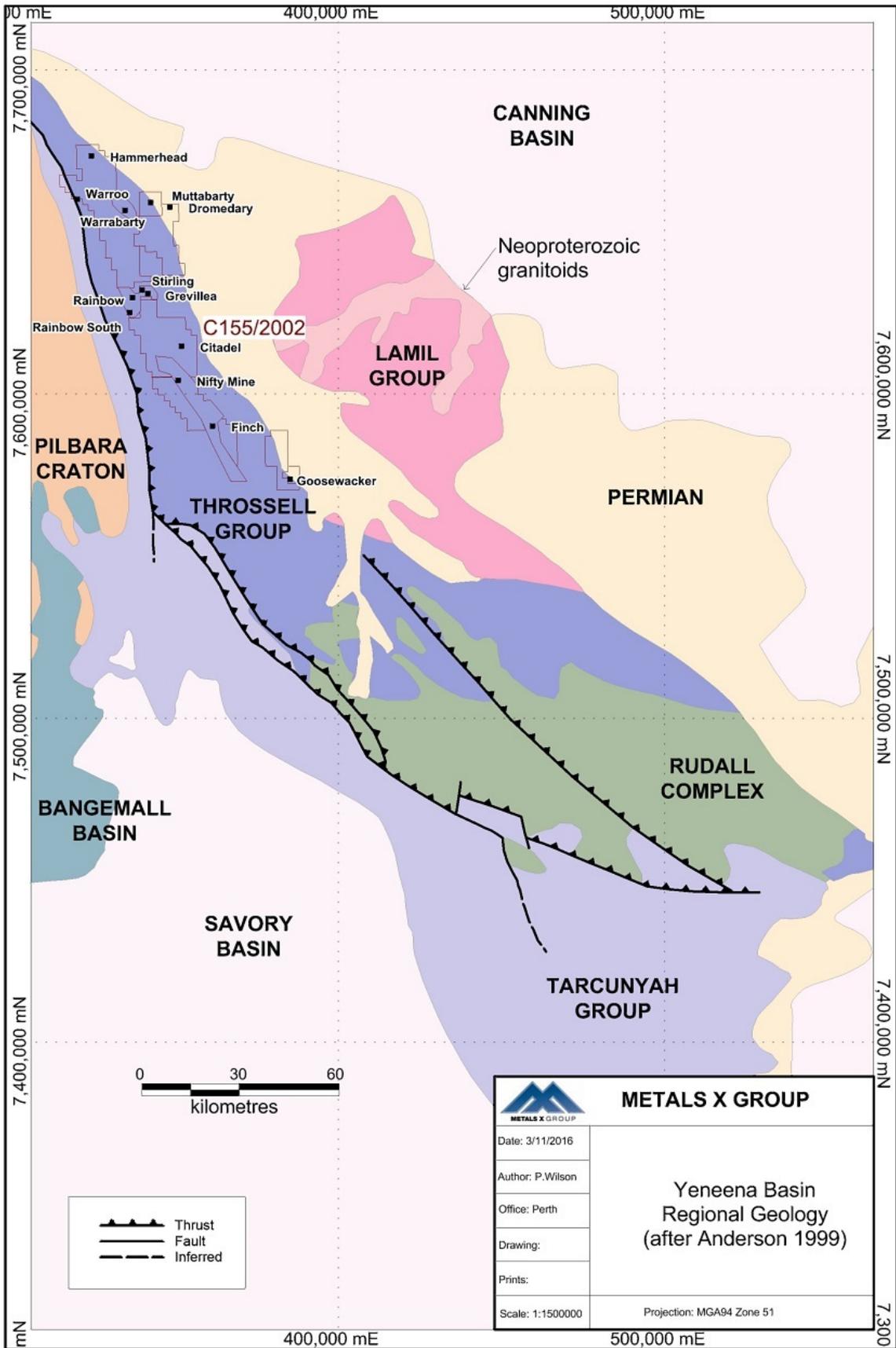


Figure 2 - Regional Geology

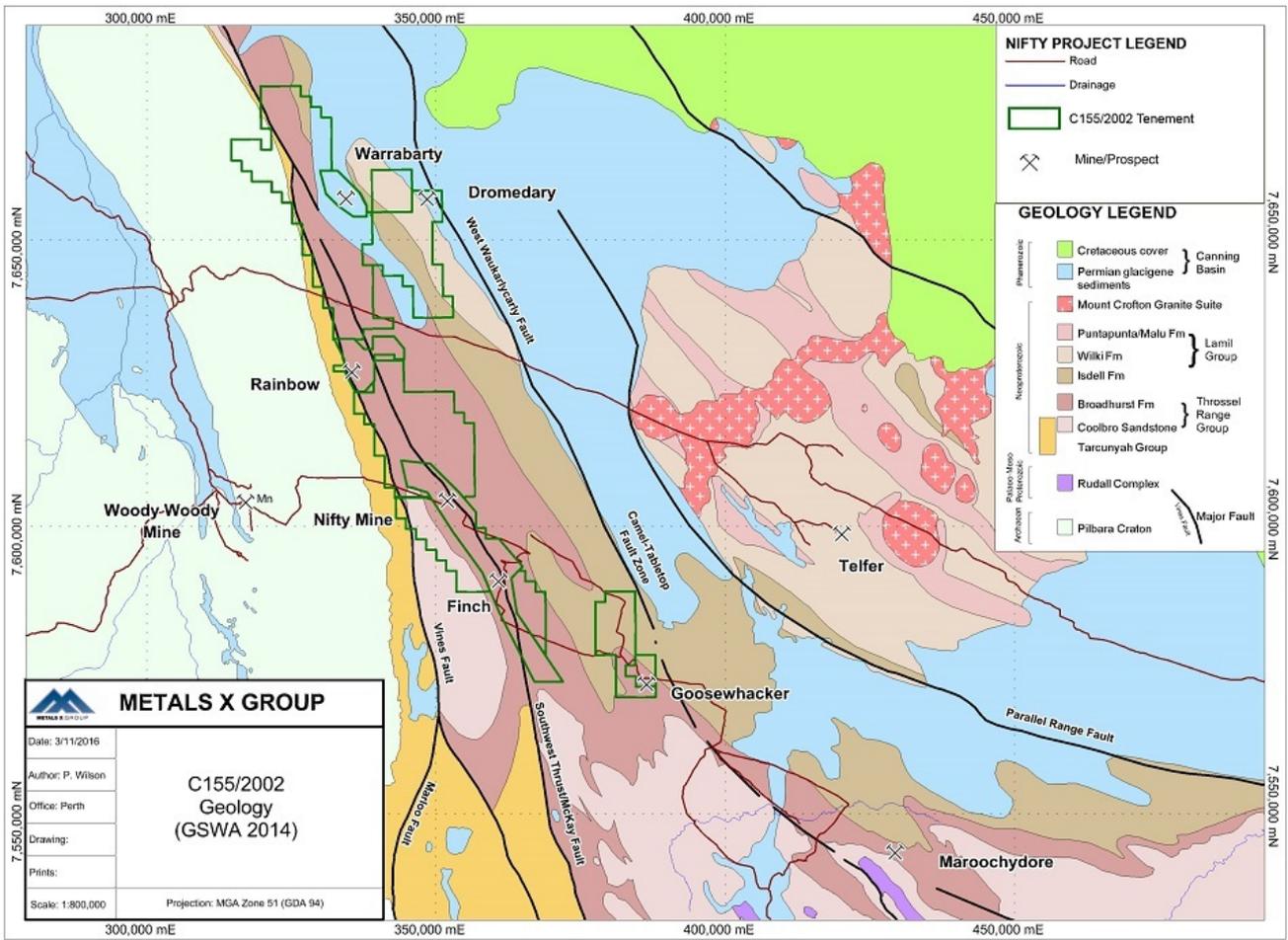


Figure 3 - C155/2002 Local Geology

6. Previous Exploration

WMC commenced exploration in the Paterson Province in 1971 and acquired an original tenement block of 5,700 square kilometres in 1979 covering the western margin of the Yeneena Basin, in particular sediments of the Yeneena group which were believed to be prospective for stratiform and epigenetic copper-lead-zinc-silver, based on conceptual base metal models. Exploration resulted in the discovery of the strata bound Nifty deposit in 1981, stratiform copper mineralisation at Rainbow in 1983 and Mississippi Valley style zinc lead mineralisation at Warrabarty in 1984.

Exploration to date has consisted of extensive geological mapping, ironstone and deflation lag sampling, aeromagnetics, airborne INPUT electromagnetic surveys, ground and down hole TEM, IP and gravity surveys and percussion and diamond drilling. In excess of \$30 million has been spent on regional exploration, including the pre-mining delineation of Nifty.

As part of the Throssell Range Agreement Act, WMC reduced its ground holding to 234.3 square kilometres in ML271SA, which was granted on 3 September 1992 for a period of 21 years with rights to two 21-year renewals. MIM Exploration and BHP acquired the exploration ground relinquished by WMC. Their work included aeromagnetics, airborne EM and drilling. Following commissioning of the Nifty operation, WMC completed little exploration beyond the immediate Nifty environment. The project was sold to Straits Resources in 1998.

Straits Resources applied for, and was granted, ten additional exploration licenses in September 2002. These licenses cover strike continuation of the western margin of the Yeneena Basin and include most of the major prospects previously defined by WMC.

Straits undertook an evaluation of the exploration database in 1999 and then compiled it into a GIS database in 2002. Broad exploration plans were developed, but there was little further regional work undertaken. Work that was completed included drilling to link the Nifty sulphide and oxide, some drilling at the Nifty NW prospect and drilling for gold at the Goosewhacker prospect.

Straits Resources further reviewed the geochemical data over Nifty itself and the exposed or shallowly covered areas to the north, where WMC had analysed some 30,000 surface deflation lag (residual ironstone) samples. Straits Resources undertook geochemical studies aimed at establishing whether a shallow auger/drill program could test the base of the Tertiary/Permian cover. Straits Resources further evaluated whether shallow auger holes in these areas were better able to define anomalous areas for drilling than the lag sampling.

In 2003 Straits sold the project to Aditya Birla who following an initial data review conducted RAB/Aircore drilling programs in October 2003 and September 2004.

In 2003 the program comprised 6 holes for 283m at Bloodwood, 42 holes for 1534m at Hakea and 55 holes for 2941m at Rainbow. These areas were selected as targets because of the similar geophysical and geochemical signature to the Nifty area.

The 2004 program was severely impacted by the aftermath of Cyclone Fay that caused localized flooding and scouring of tracks. Some drill sites could not be accessed and as a consequence only a portion of the drilling planned was completed. In total 152 holes were drilled for 2947m. The drilling was conducted over several weeks overlapping the anniversary of Combined Report C155/2002 on the 5th September 2004. Twelve holes from this program TAC0175 to TAC0186 were reported in the Annual Report for the period 6th September 2003 to 5th September 2004. During 2005 further regional scale air core drilling was conducted together with a gravity survey (Bennet 2005).

In 2006 the tenement area was incorporated into a regional geophysical appraisal. The appraisal involved the reprocessing of original aeromagnetic and EM data by Southern Geoscience Consultants, followed by a fresh interpretation by Southern Geoscience and Birla Nifty. This, augmented with previously acquired gravity data, was used as a framework for a regional-scale geology interpretation. Aircore, RC and diamond core drilling totaling 87 holes and 9175m was completed around Nifty and across the regional prospects.

In the period from 2007 to 2014 Birla Nifty undertook exploration programs over the tenements in the combined reporting group which included:

- 710 surface geochemical samples from the Warroo, Rainbow and Duke prospects
- 42 diamond drill holes totaling 23828m
- 47 RC drill holes totaling 6998m
- 26 AC drill holes totaling 2412m
- Airborne magnetic surveys over Dromedary, Goosewhacker and the central Nifty area
- Airborne VTEM survey over all tenements
- Ground gravity survey
- Downhole EM

Drilling was spread across all regional prospects and the Nifty near mine area, but had limited success. Reprocessing and re-interpretation of the geophysical data generated targets for further work in 2014-2015, but a sink-hole event at the mine-site in March 2014 suspended operations from the Nifty camp and prevented the planned work being carried out.

In the 2014-2015 reporting period multi-element assay results for the co-funded drill hole, YNC350, were assessed for their usefulness as stratigraphic markers. The depth of transported cover over the prospect areas was also reviewed and updated with drilling data obtained since 2010.

In 2016 MetalsX purchased the project from Aditya Birla and commenced a complete data review of the project and its accumulated data sets. This work was reported in the 2015-2016 Annual report.

7. Current Exploration

A work program for the entire tenement package is continuing to be developed with interim recommendations for exploration on E45/3573 and E45/3575 completed.

E45/3573 lies at the northern end of the highly prospective base metals corridor containing the prospective Broadhurst Formations and Coolbro Sandstone units. The tenement hosts several prospective regions most notably the Warro and Hammerhead prospects along strike of the Warrabarty Pb/Zn deposit. These prospects have sporadic exploration in the past which have delineated notable geochemical anomalies at both regions. Further detailed geophysics including aeromagnetics and gravity will enable the company to combine several layers of data for more robust drillhole targeting.

Previous systematic exploration of E45/3575 has defined a multitude of prospects within the tenement area. Of these targets the Mansfield and Citadel prospects are highly ranked and although previous drilling in 2013 did not intercept significant mineralisation it identified prospective host units. As a result further work and inspection of historical data throughout the tenement is with a focus on these two prospects is warranted.

Assessment of the Finch prospect recommended drilling to test the northern limb of the Nifty syncline and also the interpreted keel position. The prospect has a similar supergene Cu anomalism to Nifty enhancing its prospectivity.

Drilling was proposed at Nifty mine site testing sulphide extensions to the known mineralisation to the west within the open pit area.

Additional drilling was also proposed testing the south eastern plunge direction of the main orebody. Another hole was drilled to test the previously unmineralised southern limb based on a favourable seismic interpretation of the mine stratigraphy.

Underground mapping has continued on the minesite as part of regular mine geology daily operations. All mapping data is incorporated in to the mine resource model.

8. Current Exploration Summary

8.1 Data Review

Reviews of the historical data continued throughout the year, especially in those areas where new geophysical data were obtained and new geological interpretations had been put forward.

8.2 Geophysical Surveys

As part of the review of the geophysical data sets over the tenement package it was apparent that additional data needed to be acquired and also that the various historical data sets needed to be merged to create a regional dataset.

Data acquired during the anniversary year included the following:

1. Analysis of petrophysical dataset by Southern Geoscience for assistance in ongoing interpretation of geophysical datasets. Refer to appendix 1, SGC3157__MLX-NIFTY-REG_CorePhysicalProperties.pdf
2. Acquisition of airborne magnetics, radiometrics and DTM by Thomson Aviation for 10642 line kilometres over the northern leases E45/3573,2415,2771,3574 and M271SA. This survey has been registered into the MAGIX system under the MAGIX ID R71273 . In the appendices the acquisition report is titled ResPot_Nifty_AMAG_Survey_Processing_Modelling_Report.pdf
3. ResPotential Ltd compiled and processed the highest-resolution confidential, open-file and multi-client magnetic data grids available within a large regional corridor surrounding the MLX tenements covering an area of approximately 250km x 250km, and centered over the Nifty Cu deposit. Magnetic survey data grids were then edited levelled and merged together with the new high-resolution Nifty AMAG data grid, and the 2017 40m cell size GSWA state wide magnetic data grid as a background base grid. Filtering and image generation of the merged regional magnetic data was completed. The SRTM 1-arc second digital elevation data and government gravity data were also downloaded, processed and imaged for the same regional area.
4. Gravity surveys covering some or part of E45/3573, 2415, 2152, 3575, 2280,3576,2392 and M271SA. A total of 4425 points were surveyed by Atlas Geophysics in April to May 2017. Interpretation of the data was undertaken Southern Geoscience. Data is included as a txt file in the appendices, and also the acquisition report P2017063_METALX_Nifty_Gravity_Acquisition_Survey_Memo.pdf
5. HiSeis Pty Ltd conducted a series of rock property measurements prior to conducting a 4 line 2D seismic survey over the immediate area around the Nifty deposit. This was then followed up with an acquisition survey and collection of raw data. The raw data is included as an appendix and the acquisition report is included as 109-MXL-2DHRACQ17_HiSeis_MXL_Nifty_Acquisition_Report_rev1.0.pdf. The results of the rock property measurements is included as De-risking_Nifty_REVA.pdf

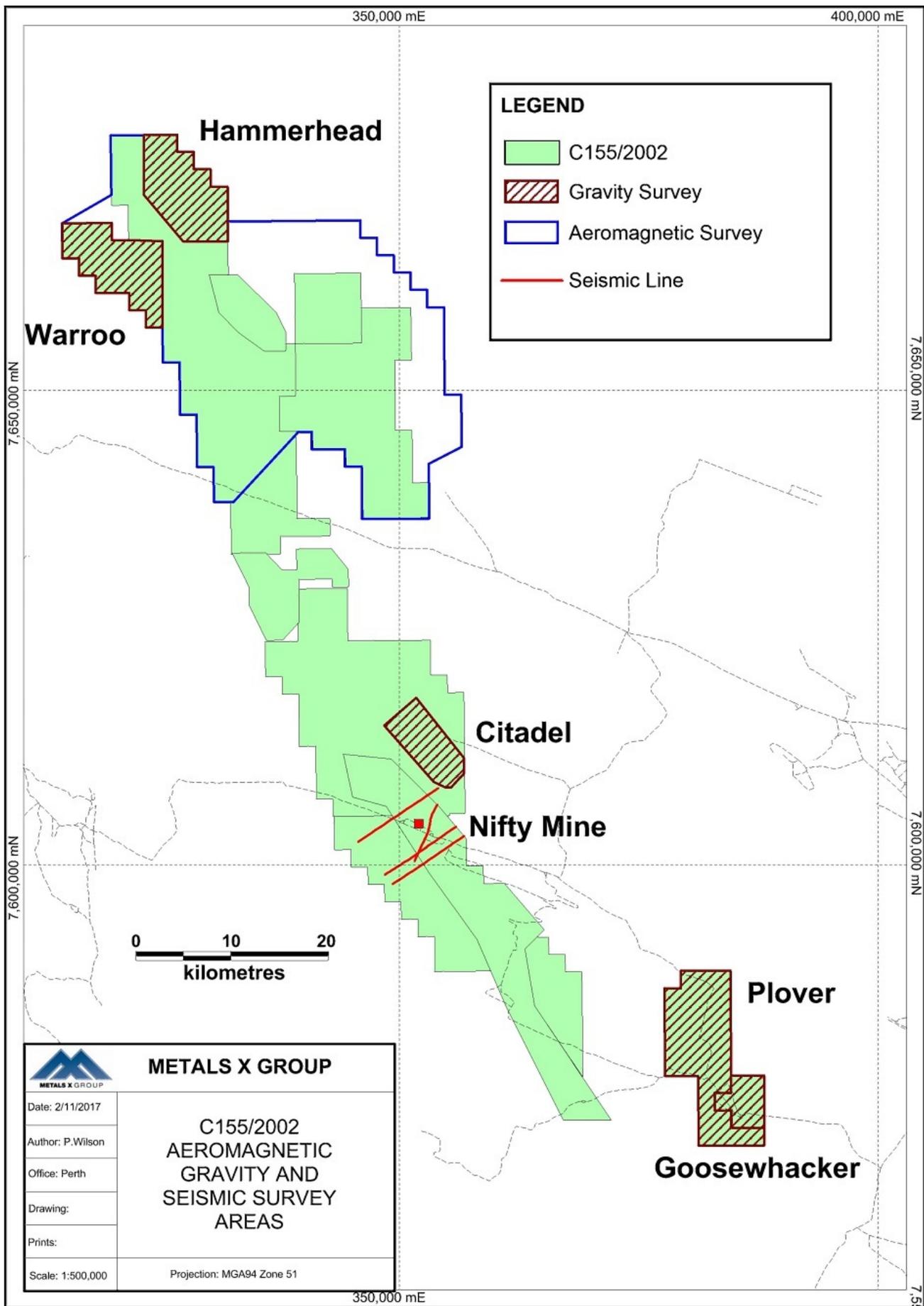


Figure 4 - Location of Geophysics Surveys

8.3 Drilling

Drilling was conducted at the Finch prospect and also near mine drilling at the Nifty deposit.

A total of two diamond drill holes were drilled at Finch testing the northern limb of the Nifty syncline and also testing the interpreted keel position of the syncline and or base of the southern limb. No mineralization was encountered and the supergene copper anomalism intersected by previous drilling remains unexplained.

Three holes 16NNMD001-003 were drilled at the southwest end of the Nifty open pit testing updip extensions on the southern side of the Haynes Fault. No mineralization was intersected.

Three holes were drilled testing the down plunge extent of the Nifty mine sequence. Mineralisation was intersected in hole 17NNMDD001 and trace to minor mineralization was intersected in holes 17NNMDD003 and 17NNMDD004.

Hole 17NNMDD002 was drilled to test a target generated from the seismic program, with the hole drilled into the southern limb with no mineralization intersected.

Hole	Northing	Easting	RL	Depth	Azimuth	Dip
17FCHRD001	7590801	361332	290	694	205	-75
17FCHRD002	7590809	361336	291	853	25	-65
17NNMDD001	7603080	353428	300	642.8	20	-70
17NNMDD002	7603376	352909	300	834.9	196	-70
17NNMDD003	7602968	353375	300	763	24	-75
17NNMDD004	7603081	353428	300	610	24	-61
16NNMD001	7672244	327282	308	420.3	25	-55
16NNMD002	7672244	327282	308	339.7	24	-70
16NNMD003	7672244	327282	308	261.1	0	-90

Collar locations are shown in Figure 5 (Nifty Near Mine) and Figure 6 (Finch).



Figure 5 - Drillhole locations Nifty (near mine)

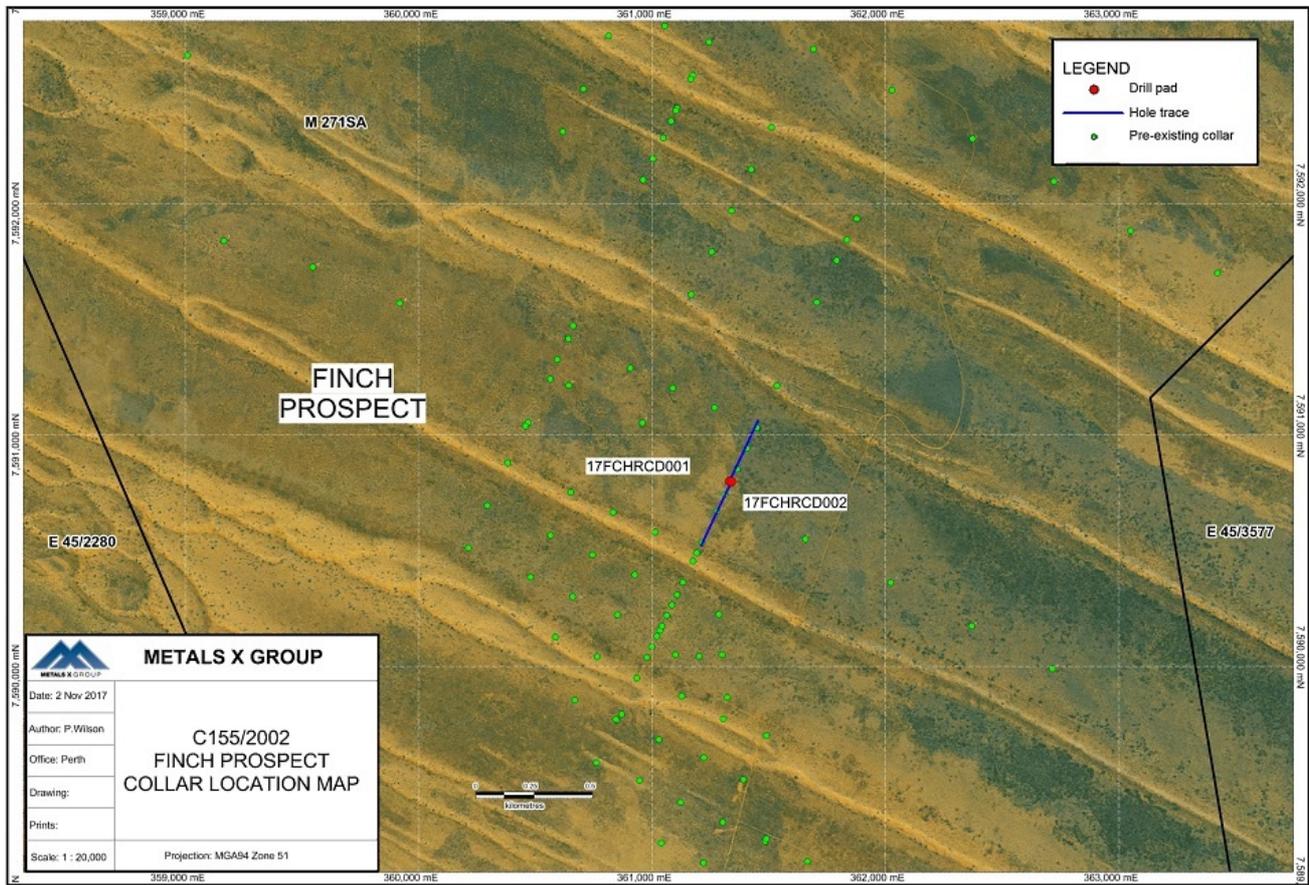


Figure 6 - Drillhole locations - Finch Prospect

8.4 Resource Estimations/Revisions

An update to the Nifty Cu Reserves was completed on 31 March 2016 and reported in the 2016 report. A further update was completed for 31st March 2017.

Subsequent to that report a new model was completed as of the 31st August 2017.

The following table compares the reserve status from the March and August reports of 2017.

Reporting Date	Category	Ore Mt	Grade % Cu	Copper Tonnes
31st March 2017	Proved	4.04	1.72	69,500
	Probable	5.71	1.47	
	Total	9.75	1.58	
31st August 2017	Proved	11.75	1.76	207,000
	Probable	2.15	1.42	
	Total	13.9	1.71	

8.5 Mining

Mining activities were carried out on M271SA during the reporting year from the Nifty Copper underground operation. The mine production figures for the year ending 31 August 2017 are given in the Table below.

Item	Unit	Value
Ore Tonnes Mined	t	1,405,858
Cu Grade	%	1.74%
Waste Tonnes	t	119,412
Total Material Hoisted	t	1,525,270
Contained Copper	t Cu	24,473

9. Conclusion and Recommendations

The change of ownership of the Nifty Project in July 2016 provided an opportunity to review the prospectivity of the entire tenement holding and to devise new strategies to exploit the potential of the area. The review of exploration completed to date over the C155/2002 area shows that it is highly prospective for base metals and that a number of prospects have potential for further exploration.

Based on the initial review of data, a number of exploration programs have been undertaken. The completion of additional geophysical data over a significant portion of the tenement package has been significant. Compilation and re processing of regional magnetic datasets and also surface geochemistry has been completed. This will allow an ongoing framework of data to use for future geological interpretations, structural interpretations and drill hole design in conjunction with the existing drilling datasets.

Based on these programs initial drill programs were conducted at Nifty mine and the Finch prospect. Immediate success was achieved at the first hole drilled by MetalsX down dip of the Nifty deposit.

Additional drill programs are being designed to test a number of identified anomalies from the historic datasets. A ranking system is to be introduced to assess the large number of historic targets and anomalies.

10. References

- Anderson, B. R. 1999 Structure, Alteration and Mineralisation of the Nifty Copper Deposit, Western Australia: Implications for Ore Genesis. PhD Thesis, University of Tasmania
- Bagas, L., Grey, and Williams, I. R. 1995 Reappraisal of the Paterson Orogen and Savory Basin. Geological Survey of Western Australia, Annual Review 1994-1995, p.55-64
- Bennett, M.R. and Svensson, M. 2004. Annual Report, Combined Report C155/2002 Tenements E45/2150-2157 and E45/2280 for the period 6th September 2003 to 5th September 2004
- Bennett, M.R. 2005. Annual Report, Combined Report C155/2002 Tenements E45/2150-2157 and E45/2280 for the period 6th September 2004 to 5th September 2005
- Birla Nifty 2015, Annual Report, Combined Report C155/2002 Tenements M271SA, E45/2152, E45/2280, E45/2392, E45/2415, E45/3573-3577 and P45/2797 for the period 6th September 2014 to 5th September 2015
- Chin, R.J. and de Laeter, J.R. 1981. The relationship of new Rb-Sr isotopic dates from the Rudall Metamorphic Complex to the geology of the Paterson Province. Geological Survey of Western Australia. Annual Report 1980 p80-87
- den Tex, I. 2009 Geological Interpretation of the 2008 VTEM and Gravity Data on the Birla Nifty Tenements. Internal Company Report
- Geological Survey of Western Australia 2014. 1:500 000 State interpreted bedrock geology of Western Australia, 2014
- Goellnicht, N. M., Groves, D. I. and McNaughton, N. J. 1991 Late Proterozoic Fractionated Granitoids of the Mineralized Telfer Area, Paterson Province, Western Australia. Precambrian Research 51, p.375-391
- Hickman, A.H., Bagas, L., 1996, Rudall, WA 1:100 000 geological sheet 3352., Geological Survey of Western Australia, 1v, Map
- Nelson, D. R. 1995 Compilation of SHRIMP U-Pb Zircon Geochronology Data, 1995. Geological Survey of Western Australia, record 1996/5, pp. 244

11. Appendices

No Appendices as text are available