

30 January 2015

ASX RELEASE

## 31 December 2014 Quarterly Report

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### Highlights for the Quarter

#### Nicolsons Gold Project

- Bulletin about to enter new stage as a gold producer.
- Robust financials parameters seen with current gold price and positive outlook. Current estimated positive cash flow to BNR of \$11M over 4.5 years at a gold price of \$A1,400 oz.
- Significant new exploration opportunities highlighted by Pacific Niugini Resources to potentially increase mine life.
- Funding proposal for Nicolsons Gold Project received from CBA with mandate signed,
- Heads of Agreement executed with Pacific Niugini Resources for Bulletin's share of finance required for the commencement of mining at the Nicolsons Project at highly competitive rates.
- Maiden mine reserve declared for Nicolsons Gold Project along with restart timing estimate.
- All mining and environmental approvals for mining granted.
- Dewatering and initial site works planned to commence in February 2015 with production scheduled to commence in June 2015.
- Farm-in agreement entered into with Meteoric Resources Limited to earn a 70% interest in the Warrego North Project located near Tennant Creek in the Northern Territory.

#### Corporate

- Well-funded with cash and liquid investments now totalling \$A1.67M.

The Board of Bulletin Resources (ASX: BNR, Bulletin) provides the following Quarterly Report for the period from 1 October to 31 December 2014.

### Overview

The Board's strategy remains firmly focussed on re-building the assets of the Company through investment in the resources industry. During the quarter the Company focussed on addressing its position in the Nicolsons Gold Project and the advancement of that project towards development and commencing production in conjunction with its JV partner Pacific Niugini Limited (ASX:PNR). This has resulted in receipt of a finance proposal on very competitive terms that, once finalised, will result in Bulletin having at least a 20% interest in a gold-producing asset.

In addition, as part of its efforts to look for new projects, during the quarter the Company entered into a farm-in arrangement with Meteoric Resources Limited (ASX:MEI, Meteoric) to earn a 70% interest in the Warrego North Project located near Tennant Creek in the Northern Territory.

While Bulletin's immediate focus will be on the financing of its interest in the Nicolsons Gold Project it will continue the search for new projects it believes have the potential to substantially add value for shareholders.

## **Financial**

As of the 31 December 2014, Bulletin's cash position was \$660,000, and was also holding 17,678,472 PNR shares (\$1.007 Million).

### ***Halls Creek Gold Project Bulletin 35%, PNR 65% and earning up to 80% (PNR – Project Manager)***

There have been a number of advancements in the development of the Nicolsons Gold Project during the quarter. PNR earned a further 15% interest during the quarter and now hold a 65% interest.

In November PNR announced that it had completed its restart estimate for the Nicolsons Gold Project and that the estimate demonstrates a robust project with modest capital requirements and strong operational cashflows targeting production of 30,000oz gold per annum. Key details of the restart estimate and project reserve are included in Appendix A. Bulletin's share of profits from the project will amount to approximately \$11m at a gold price of \$A1,400oz. The recent increase in the gold price over and above the restart estimate coupled with expected decrease in costs of labour and fuel augers well for significant increases in expected returns.

PNR also declared a maiden probable reserve of 433,455 tonnes at 6.17g/t Au for 86,362 ounces of gold for the project during the quarter. Information on the reserve and restart estimate is included in PNR's announcement dated 10 November 2014.

Regulatory project permitting for mining at Nicolson's was granted subsequent to quarter end, with environment approvals granted during January 2015, allowing PNR to commence mining activities.

Mine dewatering is expected to commence in early February 2015 with initial mine development to commence thereafter. Associated works including the open pit refurbishment, tailings construction and processing plant refurbishment are also expected to commence during the ensuing quarter.

Significantly Bulletin executed a Heads of Agreement (HOA) with PNR to advance the financing of the Nicolsons Project. A formal agreement was agreed and executed subsequent to the end of the quarter.

Under the terms of the HOA, PNR will assist Bulletin by seeking to secure 100% of the financing requirements for the Nicolsons Project and to extend the same financing terms to Bulletin. The agreement also provides for PNR making any relevant equity requirements on behalf of Bulletin as a loan to Bulletin repayable after CBA loan draw down occurs.

In return, Bulletin will transfer to PNR a further 15% interest in the Nicolsons Project (taking PNR's share of the project from 65% to 80%) immediately upon availability of drawdown from the CBA loan. PNR will continue to sole fund project expenditure until 1 January 2015, after which Bulletin will contribute pro-rata to project costs in accordance with its 20% interest.

Subsequent to the end of the quarter Bulletin executed a Mandate Letter with the Commonwealth Bank of Australia (CBA) which sets out the terms and conditions for CBA to arrange finance for Bulletin's share of the Nicolsons Gold Project. The funding proposal mandates CBA to complete a Senior Secured Gold Prepaid Forward and Mandatory Hedge Facility (Facility) to allow Bulletin to contribute to its interest in the refurbishment and development of the Nicolsons Gold Project. The value of the Facility is up to A\$2.3

million based on Bulletin owning a 20% interest in the Project. The terms of the CBA proposal are very competitive and it is expected that finalisation of the documentation will occur in due course.

As part of the proposal PNR have agreed to fund Bulletin's share of equity in the Project which will equate to approximately \$700,000 if required until Bulletin completes its financing.

**Activities for the Quarter – Halls Creek Project**

Please refer to Appendix A, representing an extract from the PNR's (as Project Manager) December 2014 Quarterly Report, dated 29 January 2015.

**Warrego North Project**  
**Meteoric 100%, Bulletin 0% and earning up to 70%**

During the quarter Bulletin executed a Terms Sheet with Meteoric to earn a 70% interest in Meteoric's Warrego North Project located near Tennant Creek in the Northern Territory via a farm-in arrangement.

**Warrego North Project**

The Warrego North project consists of three granted and one application exploration licences near the historical Warrego copper-gold mine (1.3M ozs gold, 91,000t copper), the largest mine in the Tennant Creek mineral field. Previous exploration results have identified several large high magnetic susceptibility targets some with pronounced coincident gravity anomalies similar in character to quartz-magnetite-chlorite ironstones associated with high-grade copper-gold-bismuth mineralisation elsewhere in the mineral field. The target areas are situated north and northwest of the Warrego mine as shown in Figure 1. The largest of these targets is Parakeet, situated 15km NW of Warrego.

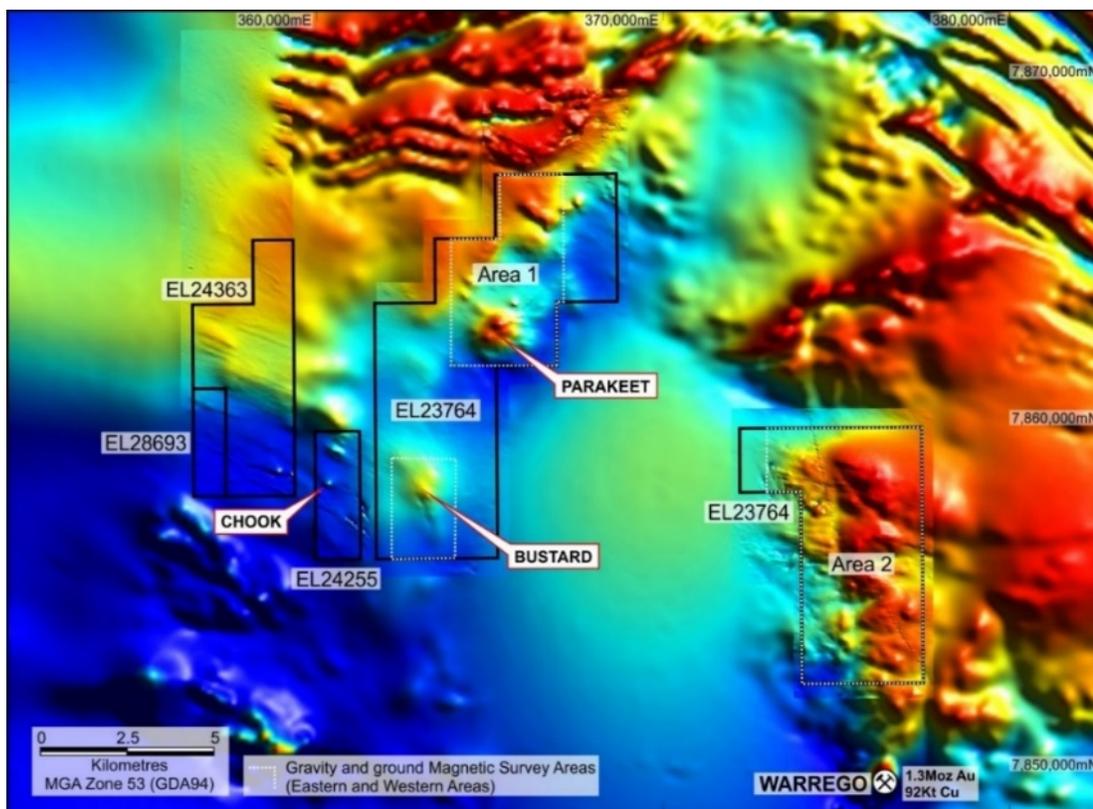


Figure 1  
**Warrego North Aeromagnetic Targets**

The Parakeet prospect is associated with two strong magnetic anomalies comparable in intensity with magnetic anomalies associated with copper gold ore bodies in the mineral field.

Historical drilling to depths of up to 200m at Parakeet has demonstrated anomalous copper, gold and bismuth values and ironstone alteration characteristic of Tennant Creek style iron oxide-copper-gold mineralisation. The ground magnetic anomalies are shown in Figure 2, highlighting the two main targets at PKT1 and PKT2 and a third target at PKT3. All three targets have recorded historical drill intercepts with anomalous copper, gold or bismuth values.

It is believed that previous drilling has not tested the major ironstone targets at PKT1 and PKT2 and appears to have intersected what could be the copper halo over a large copper-gold system at depth. The depth to the top of target PKT1 is estimated to be 170m and the depth to the top of target PKT2 is estimated to be 230m, significantly shallower than estimated by modelling of the aeromagnetic data.

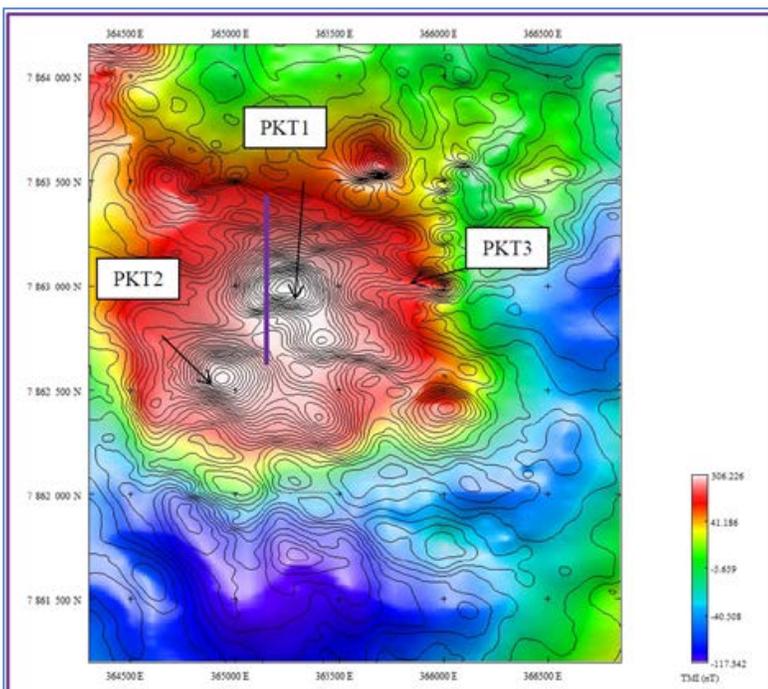


Figure 2  
**Parakeet Ground Magnetic Anomaly**  
**Showing Targets PKT1, PKT2 and PKT3**

It is Bulletin's intention to test the ironstone targets.

High grade Tennant Creek-style copper-gold deposits (e.g. Warrego 7Mt at 8g/t Au and 2% Cu) form very attractive, high value targets.

For more information on the Warrego North Project please refer to Meteoric's ASX announcement dated 3 Nov 2014.

### Terms of Joint Venture

Bulletin has executed a Terms Sheet with Meteoric whereby Bulletin will earn a 70% interest in the Warrego North Project by spending \$750,000 within a two (2) year period. Meteoric will be free-carried during the earn-in period.

There is no minimum expenditure required by Bulletin and it can walk away from the Joint Venture at any time within

the 2 year period as long as Bulletin keeps the tenements in good standing at all times during the earn-in period.

Bulletin believes this farm-in on a prospective project allows for targeted exploration in which early results will determine whether or not to continue with the farm-in without the Company incurring significant expenditure.

### Corporate

During the quarter the Company held its annual general meeting of shareholders where all resolutions were passed.

On 12 January 2015 Mr Michael Fitzgerald resigned as a director of Bulletin. Mr Fitzgerald was a founding director of Bulletin and has been a strong advocate for the development of the Nicolson's Project. Mr

Fitzgerald has taken a role with Halls Creek Mining Pty Ltd, the operator of the Nicolsons Project and as such to avoid any potential conflict of interest going forward elected to resign from Bulletin's board.

Bulletin recognises Mr Fitzgerald's services to the Company and is pleased that his experience will be retained through his ongoing role in the development of the Nicolsons Project.

***Tenement Holdings and Movements for the Quarter***

Refer to Appendix B.

For further information, please contact:

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**Appendix A - Halls Creek Project Progress for the December 2014 Quarter**



The Halls Creek Project includes the Nicolsons Mine, (35 km South West of Halls Creek) and the Golden Crown Project located east of Halls Creek in the Kimberly Region of Western Australia.

The project currently has an indicated and inferred resource of 260,000 ounces of gold. Recent drilling has also demonstrated that substantial silver grades can be present, although a silver resource is yet to be estimated.

The project region has been sporadically explored over a number of years. Prospecting has shown significant potential in the immediate area, which remains sparsely explored with minimal drill testing of targets outside of the existing resources (beneath and immediately adjacent to the existing open pits). PNR's immediate focus is the development of the Nicolsons underground mine. Once in operation, the company's exploration objective is to increase the near mine resources while

developing and extending the current resource base immediately beneath and down plunge of the existing open pit.

Final approvals required for mine development were received from the Department of Mines and Petroleum during January 2015, and site operations are planned to commence during the March 2015 quarter.

PNR is currently increasing its ownership in the project to 80% (from an initial 49% ownership) and the parties are operating under an unincorporated joint venture with PNR as the sole manager. PNR currently holds a 65% ownership interest in the project, and reached agreement with Bulletin Resources to move to 80% ownership upon successful financing of the project.

Under the terms of the agreement, PNR has undertaken to assist Bulletin by seeking to secure 100% of the financing requirements for the Nicolsons Project and to extend the same financing terms to Bulletin. Bulletin have undertaken to contribute their equity share to financing repayments, hedging requirements and their share of any equity required to be spent prior to drawing loan funds.

PNR continued to sole fund project expenditure until 31 December 2014, after which Bulletin are required to contribute pro-rata to costs in accordance with their remaining 20% interest. PNR is no longer required to sole fund the first \$4 million of expenditure in the Nicolsons Project prior to earning an 80% interest.

PNR and Bulletin are now working in a constructive partnership, with the common goal of bringing the Nicolsons project to production in the shortest possible timeframe.

**Quarterly Progress – Halls Creek**

The December 2014 quarter was a defining period for the Halls Creek Project, and for the company. Significant advancements were made in achieving the ultimate goal of transitioning to being a profitable gold producer during 2015. Key achievements during the quarter included:

**Feasibility and Restart Estimate** – PNR completed its feasibility assessments during the quarter, which included definition of refurbishment requirements for site infrastructure and construction of the underground mine and associated new infrastructure. The plan contemplates the development of a high grade underground mine, with processing of ore on site using the existing site facilities. Key outcomes of the estimate (100% of the project) are set out below:

*Capital plant and equipment cost* - \$5.3 million (including 12% contingency)

*Tailings Storage Facility* - \$1.2 million (including 12% contingency)

*Pre-production mine development cost* - \$4.5 million

*Mined Ounces (Indicated and Inferred)* – 110,450 Oz Gold

*Recovered Ounces (Indicated and Inferred)* – 106,000 Oz Gold

*Assumed Gold Price* – A\$1,400/Oz

*Total cost per ounce excluding capital P&E* - A\$854/Oz

*Capital P&E cost per ounce* - A\$107/Oz

*Initial Mine Life* – 4.5 years, including 6 months of pre-production activities.

*Net Profit (pre-tax)* - \$58 million

*Net Profit (after tax)* – \$50 million

*NPV (8%)* – \$41 million

*IRR* – 167%

Project economics are further improved when considering the current high Australian dollar gold price, which was above \$1630 per ounce on the 26<sup>th</sup> of January 2015. Using a gold price of \$1630 per ounce, estimated pre-tax profit increases to greater than \$80 million. In addition to gold price benefits, the plan has seen a 30% decrease in diesel costs since completion of estimate, further enhancing profitability.

Exploration potential at the mine is considered to be high, with planning in place to extend the current known resources and to convert additional resources to reserves throughout the mines life. The relatively short current life of mine is reminiscent of many Western Australian gold mines, and the company intends to continue exploration from underground in extend the life of the mine.

For further details, refer to previous BNR announcement dated 10 Nov 2014 and PNR announcements dated 10 Nov 2014 and 11 Nov 2014.

**Project permitting** – PNR received all required approvals for the Nicolson's mine during January 2015. Approvals attained include:

- Mining Proposal – Department of Mines and Petroleum;
- Mine Closure Plan - Department of Mines and Petroleum;
- Works Approval (including amendment for PNR mine plan) – Department of Environmental Regulation;
- Project Management Plan - Department of Mines and Petroleum.

The granting of the listed approvals has allowed the company to commence works required to start operating on site. Mine dewatering is expected to commence early in February 2015, with initial mine development targeted to commence in late February 2015. Associated works including the open pit refurbishment, tailings construction and processing plant refurbishment are also expected to commence during the ensuing quarter.

**Project Agreements** – PNR is in advanced negotiations for finalisation of key project contracts including:

- Site civil works (including pit refurbishment and tailings facility construction);
- Processing plant refurbishment;
- Accommodation and messing;
- Fuel Supply;
- Various consumables supply contracts.

**Project Management** – PNR has made all key appointments for the mine construction and refurbishment process including surface project manager, mine project manager, and processing manager. Further key personnel have been identified and personnel will be employed upon draw down of mine finance facilities.

**Project Finance** – PNR advised that it has agreed to a financing proposal from the Commonwealth Bank of Australia “CBA” for the project during December 2014.

Under the proposal PNR has mandated CBA to complete a Secured Gold Prepay and Mandatory Hedge Facility to enable the refurbishment and development of the Nicolson's Project. Under the mandate and agreed terms, CBA will provide a Gold Prepay Facility of A\$11.5 million.

Following agreement with Bulletin Resources, PNR will take a facility for 80% of funds attained from CBA, and Bulletin will take a separate facility for 20% of the funds attained from CBA. Both loans will be on identical terms. PNR is working with CBA to complete finance documentation and to ensure that all conditions precedent are met. Based on the current standing of documentation, PNR and CBA are targeting execution of the finance facility in early February 2015.

### **Halls Creek Tenements – Competent Persons Statement**

The information in this report that relates to exploration and mineral resources is based on information compiled by Mr. Peter Cook (B.Sc. Geol) MAusIMM who is the non-executive chairman of Pacific Niugini Limited. The information in this report that relates to reserves is based on information compiled by Mr. Paul Cmrlec (B.Eng Mining Hons) MAusIMM who is the Managing Director of Pacific Niugini Limited. Mr. Cook and Mr Cmrlec have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Cook and Mr Cmrlec consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## Appendix B: INTERESTS IN MINING TENEMENTS

As at 31 December 2014

Tenement	Holder	Bulletin Holding %	Granted	Expiry	Status	Area (Ha)	Area (Blocks)	Annual Expenditure
<b>Lamboo Project</b>								
E80/2601	Bulletin	35	29/07/2002	28/07/2015	Renewal		8	\$70,000
E80/3861	Bulletin	35	30/01/2008	29/01/2018	Granted		7	\$50,000
E80/4458	Bulletin	35	26/03/2012	25/03/2017	Granted		1	\$10,000
E80/4459	Bulletin	35	26/03/2012	25/03/2017	Granted		1	\$10,000
L80/0070	Bulletin	35	30/08/2012	29/08/2017	Granted	14.7		
L80/0071	Bulletin	35	30/08/2012	29/08/2017	Granted	51.3		
M80/0343	Bulletin	35	24/06/1992	23/06/2034	Granted	197.4		\$19,800
M80/0355	Bulletin	35	25/01/1993	24/01/2035	Granted	125.4		\$12,600
M80/0359	Bulletin	35	7/07/1993	6/07/2035	Granted	199.95		\$20,000
M80/0362	Bulletin	35	31/08/1993	30/08/2035	Granted	79.3		\$10,000
M80/0471	Bulletin	35	2/04/1998	1/04/2019	Granted	121.5		\$12,200
M80/0503	Bulletin	35	17/11/2000	16/11/2021	Granted	451.95		\$45,200
<b>Biscay Project</b>								
E80/2394	Bulletin	35	15/07/2002	14/07/2015	Granted		6	\$70,000

## JORC 2012 Table 1 declaration – Halls Creek

### Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>The Nicolson's deposit has been sampled predominantly by RC and minor historical RAB about the Nicolson's open pit area. The Wagtails and Rowdies deposits were sampled mainly by RC with follow-up aircore. Holes were sampled on 1 m increments, or 3 m increments above the known mineralisation. Anomalous intercepts from the 3 m increments were re-split into 3 1 m increments.</p> <p>Samples from the current drill program are RC collars with diamond drill tails. All assays in this release are from diamond drill core. Core was sampled in 1m intervals, or in accordance with observed geology for shorter runs.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>For RC drilling, measures taken to ensure sample representivity include the presence of a geologist at the rig whilst drilling, cleaning of the splitter at the end of every 3 m drill string, confirmation that drill depths match the accompanying sample interval with the drilling crew and the use of duplicate and lab/blank standards in the drilling programme.</p> <p>For diamond drilling, measures taken include regular survey of drill holes, cutting of core along the orientation line where possible, and half core is submitted to an accredited laboratory. Industry standard blanks and standards are also submitted and reported by the laboratory. Drilling is completed in HQ3.</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<p>Historical holes - RC and aircore drilling was used to obtain 1 m samples from which 2 - 3 kg was crushed and sub-split to yield 250 for pulverisation and then a 40 g aliquot for fire assay. Upper portions of deeper holes were composited to 3m sample intervals and sub-split to 1 m intervals for further assay if an anomalous composite assay result was returned. For later drilling programmes all intervals were assayed.</p> <p>Current Program – HQ3 core is logged and sampled according to geology, with only selected samples assayed. Core is halved, with one side assayed, and the other half retained in core trays on site for further analysis.</p> <p>Samples are a maximum of 1m, with shorter intervals utilised according to geology.</p>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g.</i>	RC drilling was completed with several rigs. All RC rigs used face sampling hammers with bit size of 140 – 146mm. Historical holes used a 130 mm bit

Criteria	JORC Code explanation	Commentary
	<i>core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.</i>	size). Aircore drilling was completed by the RC rig with an aircore bit assembly. RAB drilling (20 holes only in the Nicolson's pit area) is historical and details are unknown.  HQ 3 Diamond drilling was conducted for geotechnical and assay data. Holes from the current program do not form part of the current resource estimate. Diamond holes were oriented using a Reflex orientation tool. Diamond holes were geologically and geotechnically logged.
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	All holes were logged at site by an experienced geologist. Recovery and sample quality were visually observed and recorded. Recovery for older (pre 2011) holes is unknown.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	All drilling was completed within rig capabilities. Rigs used auxiliary air boosters when appropriate to maintain sample quality and representivity. Where aircore drilling could not provide sufficient penetration an RC drilling set-up was used.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	There is no known relationship between recovery and grade. Diamond drilling of oxide and transitional material in previous campaigns noted high core loss in mineralised zones. No core loss was noted in fresh material. Good core recovery has generally been achieved in all sample types in the current drilling program.
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Geological logging parameters include: depth from, depth to, condition, weathering, oxidation, lithology, texture, colour, alteration style, alteration intensity, alteration mineralogy, sulphide content and composition, quartz content, veining, and general comments. Geotechnical logging of diamond holes included the recording of recovery, RQD, structure type, dip, dip direction, alpha and beta angles, shape, roughness and fill material of fractures
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	All drill chips were logged on 1 m increments, the minimum sample size. A subset of all chip samples is kept on site for reference. Diamond drilling was logged to geological boundaries and is considered quantitative. Core was photographed.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drilling has been logged apart from diamond drill pre-collars.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core samples were saw in half with one half used for assaying and the other half retained in core trays on site for future analysis.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	RC drill chip samples were collected with either a three-tier, rotary or stationary cone splitter depending on the drill rig used. Aircore drill

Criteria	JORC Code explanation	Commentary
	<p data-bbox="478 326 1150 386"><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p data-bbox="478 488 1083 548"><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p data-bbox="478 683 1142 776"><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p data-bbox="478 813 1138 873"><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p data-bbox="1176 261 1978 321">samples were subset using a 3 tier riffle splitter. Most (&gt; 95%) of samples are recorded as being dry.</p> <p data-bbox="1176 326 1978 483">All RC and aircore sample splitting was to 12.5 % of original sample size or 2 – 3 kg, typical of standard industry practice. Samples greater than 3 kg were split on site before submission to the laboratory. For core samples, core was separated into sample intervals and separately bagged for analysis at the certified laboratory.</p> <p data-bbox="1176 488 1978 678">The cyclone and splitter were cleaned every rod string and more frequently when requested by the geologist. In the case of spear sampling for re-splitting purposes, several spears through the entirety of the drill spoil bag were taken in a systematic manner to minimise bias. Core was cut under the supervision of an experienced geologist, was routinely cut on the orientation line.</p> <p data-bbox="1176 683 1978 808">Duplicate samples were taken every 20 m from a second cut of the splitter in the case of a cone splitter, or from a reject split in the case of a riffle splitter. Certified standards were inserted into the sample batch at a rate of 1 in 20 throughout all drilling programmes.</p> <p data-bbox="1176 813 1978 906">Gold at Hall’s Creek is fine- to medium-grained and a sample size of 2 – 3 kg is considered appropriate. Half core is considered appropriate for diamond drill samples.</p>
<p data-bbox="203 915 453 976"><i>Quality of assay data and laboratory tests</i></p>	<p data-bbox="478 915 1134 1008"><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p data-bbox="478 1078 1146 1203"><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p data-bbox="478 1208 1142 1333"><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established</i></p>	<p data-bbox="1176 915 1978 1073">The Bureau Veritas lab in Perth has ISO-9001 and ISO14001 certification. Gold assays are determined using fire assay with 40g charge and AAS finish. Other elements were assayed using acid digest with ICP-MS finish. The methods used approach total mineral consumption and are typical of industry standard practice.</p> <p data-bbox="1176 1078 1978 1138">No geophysical logging of drilling was performed. This is not relevant to the style of mineralisation under exploration.</p> <p data-bbox="1176 1208 1978 1430">Lab standards, blanks and repeats are included as part of the QAQC system. In addition the laboratory had its own internal QAQC comprising standards, blanks and duplicates. Sample preparation checks of pulverising at the laboratory include tests to check that the standards of 90% passing 75 micron is being achieved. Follow-up re-assaying is performed by the laboratory upon company request following review of assay data. Acceptable bias and precision is noted in results given the nature of the</p>

Criteria	JORC Code explanation	Commentary
		deposit and the level of classification. Early drilling shows a pronounced negative bias with several of the external certified standards.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections are noted in logging and checked with assay results by company personnel. Some significant intersections have been resampled and assayed to validate results. Diamond drilling confirms the width of the mineralised intersections.
	<i>The use of twinned holes.</i>	The current drill program includes holes testing the current resource and twinning existing RC holes as shown on announcement sections.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All primary data is logged on paper and later entered into the database. Data is visually checked for errors before being sent to an external database manager for further validation and uploaded into an offsite database. Hard copies of original drill logs are kept both onsite and in the Perth office.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data.
Location of data points	<i>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.</i>	Drilling is surveyed using DGPS with accuracy of $\pm 0.3\text{m}$ . Downhole surveys are conducted during drilling using single shot cameras at 10 m then every 30 m thereafter. Later drilling was downhole surveyed using a Reflex survey tool. Mine workings (open pits) were surveyed by external surveyors using RTK survey equipment. A subset of historical holes was surveyed to validate collar coordinates.
	<i>Specification of the grid system used.</i>	The project lies in MGA 94, zone 52. Local coordinates are derived by conversion: $\text{GDA94\_EAST} = \text{NIC\_EAST} * 0.9983364 + \text{NIC\_NORTH} * 0.05607807 + 315269.176$ $\text{GDA94\_NORTH} = \text{NIC\_EAST} * (-0.05607807) + \text{NIC\_NORTH} * 0.9983364 + 7944798.421$ $\text{GDA94\_RL} = \text{NIC\_RL} + 101.799$
	<i>Quality and adequacy of topographic control.</i>	Topographic control uses DGPS collar pickups and external survey RTK data and is considered adequate for use.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drill hole spacing at Nicolson's is generally between 10 m by 10 m and 30 m x 30 m in the upper areas of the deposits and extends to 50 m x 50 m at depths greater than 200 m. The drill spacing at Wagtail and Rowdies is generally 20 m x 20 m with some areas of 10 m x 20 m infill.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The Competent Person is of the view that the drill spacing, geological interpretation and grade continuity of the data supports the resource categories assigned.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	Sample compositing to 3 m occurred in holes above predicted mineralised zones. Composite samples were re-assayed in their 1 m increments if initial assay results were anomalous.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Drilling is predominantly at 270° to local grid at a dip of -60°. Local structures strike north-south on the local grid and dip at 60°E. No bias of sampling is believed to exist through the drilling orientation.
<i>Sample security</i>	<i>The measures taken to ensure sample security</i>	The chain of custody is managed by Pacific Niugini employees and consultants. Samples are stored on site and delivered in bulk bags to the lab in Perth. Samples are tracked during shipping.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data</i>	A review of the resource was carried out by an independent consultancy firm when the project was acquired from Bulletin. No significant issues were noted.

## Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Tenements containing Resources and Reserves are 49% held by Pacific Niugini subsidiary company Halls Creek Mining. They are: M80/343, M80/355, M80/359, M80/503 and M80/471. M80/362 Tenement transfers to HCM are yet to occur as stamp duty assessments have not been completed by the office of state revenue. The tenements lie on a pastoral lease with access and mining agreements and predate native title claims.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area</i>	The tenements are in good standing and no known impediments exist.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The deposits were discovered by prospectors in the early 1990s. After an 8,500 m RC program, Precious Metals Australia mined 23 koz at an estimated 7.7g/t Au from Nicolson's Pit in 1995/96 before ceasing the operation. Rewah mined the Wagtail and Rowdy pits (5 koz at 2.7g/t Au) in 2002/3 before Terra Gold Mines (TGM) acquired the project, carried out 12,000 m of RC drilling and produced a 100 koz resource estimate. GBS Gold acquired TGM and drilled 4,000 m before being placed in

Criteria	JORC Code explanation	Commentary
		administration. Review of available reports show work to follow acceptable to standard industry practices.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	<p>Gold mineralization in the Nicolson's Find area is structurally controlled within the 400 m wide NNE trending dextral strike slip Nicolson's Find Shear Zone (NFSZ) and is hosted within folded and metamorphosed turbiditic greywackes, felsic volcanoclastics, mafic volcanics and laminated siltstones and mudstones. This zone forms part of a regional NE-trending strike slip fault system developed across the Halls Creek Orogen (HCO).</p> <p>The NFSZ comprises a NNE-trending anastomosing system of brittle-ductile shears, characterised by a predominantly dextral sense of movement. The principal shear structures trend NNE to N-S and are linked by NW, and to a lesser extent, by NE shears. Individual shears extend up to 500m along strike and overprint the earlier folding and penetrative cleavage of the HCO.</p> <p>The overall geometry of the system is characterized by right step-overs and bends/jogs in the shear traces, reflecting refraction of the shears about the granite contact. Within this system, the NW-striking shears are interpreted as compressional structures and the NE-striking shears formed within extensional windows.</p> <p>Mineralization is primarily focussed along NNE trending anastomosing systems of NNE-SSW, NW-SE and NE-SW oriented shears and splays. The NNE shears dip moderately to the east, while the NW set dips moderately to steeply to the NE. Both sets display variations in dip, with flattening and steepening which result in a complex pattern of shear intersections..</p> <p>Mineralisation is strongly correlated with discontinuous quartz veining and with Fe-Si-K alteration halos developed in the wall rocks to the veins. The NE shears are associated with broad zones of silicification and thicker quartz veining (typically white, massive quartz with less fracturing and brecciation); however, these are typically poorly mineralized. The NW-trending shears are mineralized, with the lodes most likely related to high fluid pressures with over-pressuring and failure leading to vein formation. Although the NE structures formed within the same shear system, the quartz veining is of a different generation to the mineralized veins.</p> <p>Individual shears within the system display an increase in strain towards their centres and comprise an anastomosing shear fabric reminiscent of the pattern on a larger scale.</p> <p>(Adapted from Robertson(2003))</p>

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li><i>o easting and northing of the drill hole collar</i></li> <li><i>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>o dip and azimuth of the hole</i></li> <li><i>o down hole length and interception depth</i></li> <li><i>o hole length</i></li> </ul> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>Table 1 and Figures 1 - 3 summarise all drilling used in the resource estimation.</p> <p>Drillholes used in the Nicolson’s Resource estimate included 242 RC and 20 RAB holes for a total of 1,338m within the resource wireframes. Rowdies drilling included 36 RC and 2 aircore holes (AC) for a total of 241 m of intersection within the resource wireframes. Wagtail North comprised 84 RC and 6 AC holes for 553 m of intersection with the resource wireframes. Wagtail South comprised 23 RC and 20 AC holes for 203 m of intersection within the resource wireframes.</p>
<i>Data aggregation methods</i>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	<p>Drill results as reported are composited intersections within the interpreted mineralisation wireframes which form the basis of the resource. Intercepts are composited from 1 m sample increments and no weighting other than length is applied. The Lower cut-off grade is a nominal 0.5g/t Au with a minimum 2m downhole length above 200 mRL and a nominal 1.0g/t Au with a 1 m minimum downhole length below 200 mRL. Top cuts for Nicolson’s lodes were 40 g/t and 45g/t Au for different domains dependent upon the lode grade distribution. Rowdies, Wagtail North and Wagtail South had top cuts of 20g/t, 45g/t and 50g/t Au respectively.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>All sample intervals within the interpreted wireframe shells were used in the grade estimation.</p> <p>No metal equivalent values are used.</p> <p>Drilling is predominantly at 270° to local grid at a dip of -60°. Local structures strike 0° to the local grid and dip at 60°E (i.e. having a 60° intersection angle to lode structures). Deeper holes have some drillhole deviation which decreases or increases the intersection angle, but not to a significant extent. Downhole lengths are reported and true widths are approximately 60 – 90% of down-hole length.</p>

Criteria	JORC Code explanation	Commentary
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer figures and table in this release.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All drillhole intercepts currently available from the current program are included in the release. Historical intercepts are included in previous resource reports released to the ASX.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Groundwater is largely confined to fault structures, typical of fracture rock systems with low yields and able to be controlled with air pressure while drilling. Metallurgical and geotechnical work studies have been completed as part of feasibility studies in support of ore reserves with no significant issues noted. No significant deleterious substances have been noted.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>  <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Further drilling is underway at Nicolsons. Studies relating to re-starting production activities at the mine are underway.

### Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<i>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.</i>	Data input has been governed by lookup tables and programmed import of assay data from lab into database. The database has been checked against the original assay certificates and survey records for completeness and accuracy.
	<i>Data validation procedures used.</i>	Data was validated by the geologist after input. Data validation checks were carried out by an external database manager in liaison with Bulletin personnel. The database was further validated by external resource

Criteria	JORC Code explanation	Commentary
		consultants prior to resource modelling. An extensive review of the data base was undertaken when Pacific Niugini acquired the project.
<i>Site visits</i>	<p><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></p> <p><i>If no site visits have been undertaken indicate why this is the case.</i></p>	The Competent Person has not been to site. He is highly experienced in the mineralisation style, and has had independent geologists from Optiro visit the site, along with highly experienced consulting geologists.*
<i>Geological interpretation</i>	<p><i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></p>	Confidence in the geological interpretation is generally proportional to the drill density. Surface mapping confirms some of the orientation data for the main mineralised structures.
	<p><i>Nature of the data used and of any assumptions made.</i></p>	Data used for the geological interpretation includes surface and trench mapping and drill logging data.
	<p><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></p>	An alternative interpretation (steeper lodes) of deeper portions of the deposit was modelled and provides no material change to the resource estimate. In general the interpretation of the mineralised structures is clear.
	<p><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></p>	Geological interpretation of the data was used as a basis for the lodes which were then constrained by cut-off grades.
	<p><i>The factors affecting continuity both of grade and geology.</i></p>	Geology and grade continuity is constrained by quartz veining within the NFSZ and by parallel structures for the other prospects.
<i>Dimensions</i>	<p><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></p>	Refer to Figures 1 - 3
<i>Estimation and modelling techniques</i>	<p><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></p>	<p>Separate block models were generated for Nicolson's, Rowdies and Wagtail North and South. Individual mineralised structures were domained separately. Models contain grade estimates and attributes for blocks within each domain only.</p> <p>Ordinary Kriging (OK) using Surpac software was used to generate the resource estimates. Variography of gold grades from drilling data provides a maximum grade continuity of 50 m down plane plunge, 20 m perpendicular to plunge and 5 m across plunge for Nicolson's Find; 90 m down plunge, 55 m perpendicular to plunge and 5 m across plunge for Nicolson's South and 20.5m down plunge, 14.5 m perpendicular to plunge and 12, across plane for Wagtail South. Rowdies and Wagtail North have a strike-dip control on mineralisation. Rowdies grade continuity was 60 m down-dip, 50 m along strike and 4 m across the plane. Wagtail North parameters were 50 m along strike, 30 m down-dip and 4 m across the plane.</p>

Criteria	JORC Code explanation	Commentary
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	A number of resource estimates by consultants, Optiro have been generated with previous resource estimates reconciled to later upgrades. Reconciliation of the Nicolson's open pit resource model with mine records provides a difference of -6% in tonnes, +15% in grade and +9% in gold metal compared to the resource model; however, the open pit area is only a small proportion of the current resource extents. Production figures from Rowdies and Wagtails are low in confidence and have not reconciled to the resource model.
	<i>The assumptions made regarding recovery of by-products.</i>	By products are not included in the resource estimate.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	No deleterious elements have been estimated. Arsenic is known to be present, however metallurgical test work suggests that it does not adversely affect metallurgical recovery.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	Models were interpolated with a block model cell size of 10 mN x 5 mE x 5 mRL, with sub-celling for volume representation only to 0.3 m. Estimation used 4 passes at Nicolson's and 3 passes elsewhere. At Nicolson's Find, the 1 <sup>st</sup> pass used a search radius of 50 m with a minimum of 8 and maximum of 32 samples. Nicolson's South estimation used a 90m radius for the 1 <sup>st</sup> pass with a minimum of 4 and maximum of 12 samples. The search radius was increased by 1.5 for second pass and the minimum number of samples was decreased to 4 for the 3 <sup>rd</sup> pass. The search radius was increased by a factor of 3 and the minimum number of samples decreased to 1 for the 4 <sup>th</sup> pass at Nicolson's.
	<i>Any assumptions behind modelling of selective mining units.</i>	The size of the blocks was determined by Kriging Neighbourhood Analysis in conjunction with the assumption of a relatively selective mining approach for both open pit and underground operations.
	<i>Any assumptions about correlation between variables.</i>	Only gold has been estimated.
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	Geological interpretation constrained initial resource wireframes; these were oriented along trends of grade continuity and were constrained further by cut-off grades.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	Grade distribution statistics were used to generate top cuts, along with the analysis of distribution graphs and disintegration analysis.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	Models were validated visually and by statistical comparison to input data both on a whole-of-domain and on a sectional basis using continuity or swathe plots.
<i>Moisture</i>	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content</i>	Tonnage was estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
<i>Cut-off parameters</i>	<i>The basis of the adopted cut-off grade(s) or quality parameters applied</i>	Cut-off grades for reporting were based on notional mining cut-off grades for open pit (0.6 g/t Au) and underground operations (3 g/t Au).
<i>Mining factors or assumptions</i>	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	An optimised pit shell was used to constrain material described as open pit with material outside this shell assigned to a potential underground operation. The minimum downhole intersection width of 2m for material above 200m and 1 m below 200m is considered to represent minimum mining widths for selective open pit and underground operations respectively.
<i>Metallurgical factors or assumptions</i>	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	Metallurgical testwork has shown acceptable (> 95%) gold recovery using CIP technology. No factors from the metallurgy have been applied to the estimates.
<i>Environmental factors or assumptions</i>	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	The deposits are on granted mining leases with existing mining disturbance and infrastructure present.
<i>Bulk density</i>	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>	Bulk density measurements of ore were calculated from drill core using the water displacement method and data from historical mining. Pit data provided 29 samples and drilling provided 91 samples.  Bulk density estimates used were:

Criteria	JORC Code explanation	Commentary
	<p><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</i></p> <p><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></p>	<p>Oxide All: 2.0 t/m<sup>3</sup>            Transitional All: 2.4t/m<sup>3</sup>            Fresh Rowdies and Wagtails: 2.7t/m<sup>3</sup>            Fresh Nicolson's: 2.9t/m<sup>3</sup></p>
Classification	<p><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></p>	<p>Indicated material is defined where geology and grade continuity was evident and supported by drill spacing of less than 30 m by 30 m with at least 2 intercepts in the quartz lode. Inferred material is defined where lodes are supported by less than 3 holes and drill spacing was greater than 30m x 30m.</p>
	<p><i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></p>	<p>Input data is considered sufficiently comprehensive for the level of confidence assigned to the resource estimate by the Competent Person.</p>
	<p><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></p>	<p>The estimate appropriately reflects the view of the Competent Person.</p>
Audits or reviews	<p><i>The results of any audits or reviews of Mineral Resource estimates</i></p>	<p>An audit of the estimate was carried out by an independent consultant. No significant issues were noted.</p>
Discussion of relative accuracy/ confidence	<p><i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></p>	<p>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.</p>
	<p><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></p>	<p>The statement reflects local estimates at the block size.</p>
	<p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	<p>The resource model produced a 9% oz Au undercall against recorded production for the Nicolson's Find pit. This amount is considered to be within acceptable limits for the classification of the resource. Moreover,</p>

Criteria	JORC Code explanation	Commentary
		the open pit mining represents a small fraction of the existing resource area.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BULLETIN RESOURCES LIMITED

ABN

81 144 590 858

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	(1)
(b) development		
(c) production		
(d) administration	(138)	(197)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(133)</b>	<b>(187)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(133)</b>	<b>(187)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(133)	(187)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(133)	(187)
1.20	Cash at beginning of quarter/year to date	793	847
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	660	660

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	51
1.2	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the quarter Pacific Niugini Limited increased their interest in the Nicolsons Gold Project from 49% to 65% by spending \$1.2M on the project.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	40
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>140</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	58	21
5.2 Deposits at call	602	772
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>660</b>	<b>793</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	<u>Lamboo Project</u>			
	E80/2601	Joint Venture	51%	35%
	E80/3861	Joint Venture	51%	35%
	E80/4458	Joint Venture	51%	35%
	E80/4459	Joint Venture	51%	35%
	L80/0070	Joint Venture	51%	35%
	L80/0071	Joint Venture	51%	35%
	M80/0343	Joint Venture	51%	35%
	M80/0355	Joint Venture	51%	35%
	M80/0359	Joint Venture	51%	35%
	M80/0362	Joint Venture	51%	35%
	M80/0471	Joint Venture	51%	35%
	M80/0503	Joint Venture	51%	35%
6.2 Interests in mining tenements acquired or increased	<u>Biscay</u>			
	E80/2394	Joint Venture	51%	35%
	M80/0624	Joint Venture	51%	0%

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+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

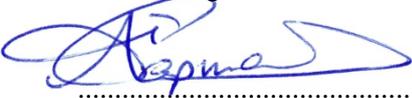
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	128,567,761	128,567,761		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	175,000 5,250,000	- -	<i>Exercise price</i> 15 cents 3 cents	<i>Expiry date</i> 30 June 2015 30 November 2017
7.8 Issued during quarter	5,250,000	-	3 cents	30 November 2017
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  ..... Date: 30 January 2014  
(Company secretary)

Print name: Andrew Chapman

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.