

29 January 2016

ASX RELEASE

31 December 2015 Quarterly Report

Highlights for the Quarter

Halls Creek Project

- The Nicolsons mine (BNR 20%) is now producing consistently, with ramp up to full production continuing during the quarter.
- Nicolsons produced 4,180 ounces of gold during the quarter, with a total cash cost of A\$1,190 per ounce.
- Mine performance continued to improve throughout the quarter with December 2015 producing 1,745 ounces at a total cash cost of A\$989 per ounces.
- Bulletin sold 535 ounces during the quarter at an average price of A\$1,553 per ounce.
- Grade and tonnage from ore mined above the Reserve estimate.
- Mine production profile to build towards nameplate capacity in the March 2016 quarter.
- Exploration has commenced in the immediate vicinity which is underexplored with the objective of increasing resources for the project.

Corporate

- Cash, gold on hand and liquid investments now totalling \$1.39M at the end of the quarter.

Chairman

Paul Poli

Non- Executive Directors

Frank Sibbel

Robert Martin

Company Secretary

Andrew Chapman

Shares on Issue

174.04 million shares

5.25 million options

Top Shareholders

Matsa Resources Ltd: 27.4%

Goldfire Enterprises: 20.7%

Market Capitalisation

\$4.53 million @ 2.6 cents

The Board of Bulletin Resources (ASX: BNR, Bulletin) provides the following Quarterly Report for the period ending 31 December 2015.

Overview

Operations

The Company continues to focus on the Halls Creek Gold Project and the advancement of that project towards positive cash flow. The project is estimated to provide substantial positive cash flow to the Company.

The December 2015 quarter saw the continued ramp up of production towards nameplate capacity. The Nicolsons mine (BNR 20%, PNR 80%) is now beginning to settle into steady development with the first three development levels at the mine nearing completion, and the access to the fourth level (2185 mRL) is also well advanced.

The joint venture operator, Halls Creek Mining Pty Ltd (HCM) has advised that it continues to see a substantial overcall to the JORC Reserve model which will provide significant potential to extend the mine life and production capacity at Nicolsons.

While Bulletin's immediate focus will be on the commencement of full production and increasing positive cash flow from the mine, it will continue to search for new projects it believes will have the potential to add value for shareholders.

Exploration in the immediate vicinity which is sparsely explored has also commenced with the objective to increase the near mine resources at Nicolsons by developing and extending the current resource base immediately beneath and down plunge of the existing open pit, as well as expanding the existing Rowdies and Wagtail resources.

Activities for the Quarter

Halls Creek Project **Bulletin 20%, PNR 80% (PNR – Project Manager)**



Halls Creek Project Location

The Halls Creek Project includes the Nicolsons Mine, (35 km south west of Halls Creek) and a pipeline of exploration and development prospects located east of Halls Creek in the Kimberley Region of Western Australia.

First production was achieved at Nicolsons in the September 2015 quarter.

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).

With the Nicolson's mine now in production, the exploration objective is to increase the near mine resources at Nicolson's by developing and extending the current resource base immediately beneath and down plunge of the existing open pit, as well as expanding the existing Rowdies and Wagtail resources.

Quarterly Progress – Nicolson's Mine

The December quarter saw operations at Nicolson's begin to settle into steady development with the first three development levels at the mine nearing completion, and the access to the fourth (2185mRL) well advanced.

Underground Development

Decline development has continued to progress well, with good ground now persisting. The improved conditions have allowed a reliable development cycle, increasing total metres able to be developed. The introduction of the smaller Atlas Copco 282 development drill has allowed development drive widths to be reduced to 3.5m, reducing dilution and reducing ground control requirements. With the improved ground conditions, the level spacing has been extended to 15 metres in accordance with the mine plan.

Ore developed during the quarter has continued to substantially overcall the JORC Reserve model, providing significant upside potential to mine life and production capacity. Approximately 180% of modeled Reserve ounces were recovered during the quarter with Reserve overcall resulting from a number of factors, all of which were positive throughout the quarter:

- Increased tonnage and grade within the area currently classified as Reserve;
- Extension of the Reserve along the strike of the main ore zone. The strike length of the Reserve was increased at both the North and South ends of the Reserve;
- Mining of high grade splay veins extending off of the main lode. The splay veins were not previously modeled in the Reserve calculation.

Total ounces mined compared with the Reserve have overcalled on every level and during every month since ore development commenced in August 2015.

Level	Development Reserve			Mined within Reserve			Mined outside Reserve			Reserve Ounces
	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz	Overcall
2220	2,505	10.36	834	3,353	8.73	941	735	2.10	50	119%
2210	3,581	5.31	611	3,576	9.51	1,094	2,350	7.00	529	266%
2200	4,887	5.40	849	5,559	5.63	1,006	1,348	10.99	476	175%
Total	10,973	6.50	2,294	12,489	7.57	3,040	4,433	7.40	1,055	179%

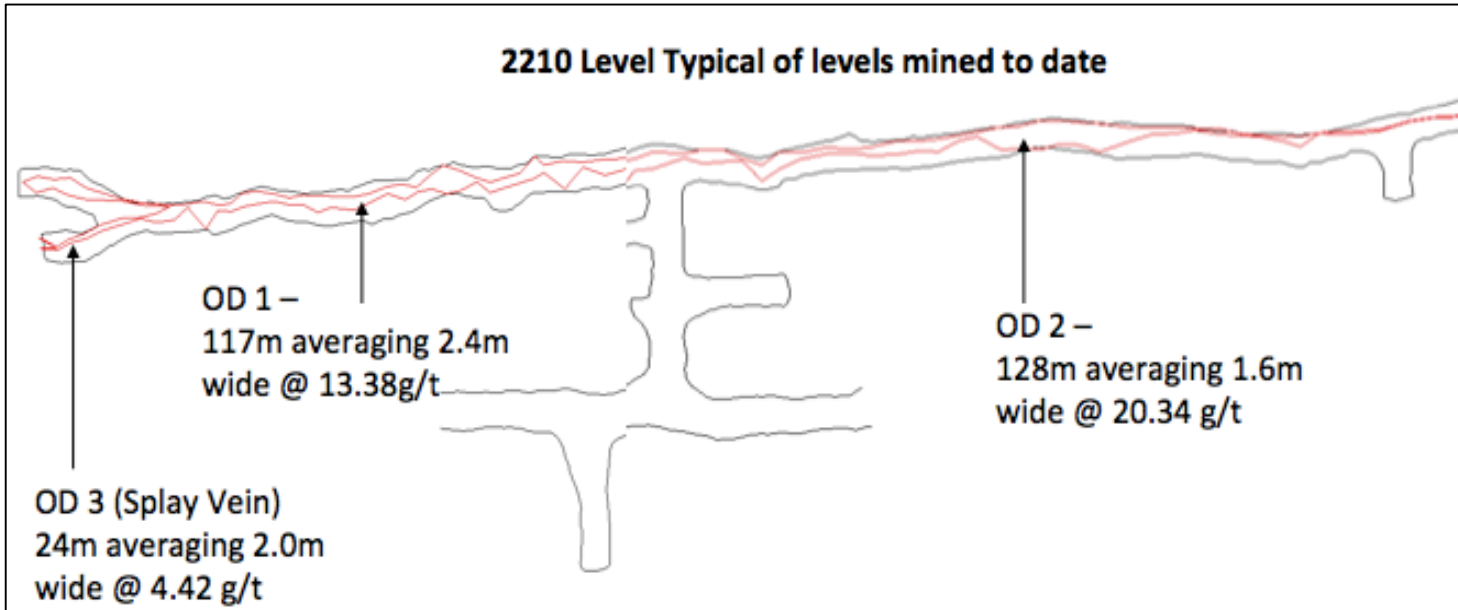
All Mined values are reconciled versus Mill tonnes and grade from October-December 2015.

Level	Development Reserve			Total Mined		
	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz
2220	2,505	10.36	834	4,088	7.54	991
2210	3,581	5.31	611	5,927	8.52	1,623
2200	4,887	5.40	849	6,907	6.67	1,482
Total	10,973	6.50	2,294	16,922	7.53	4,095

All Mined values are reconciled versus Mill tonnes and grade from October-December 2015.

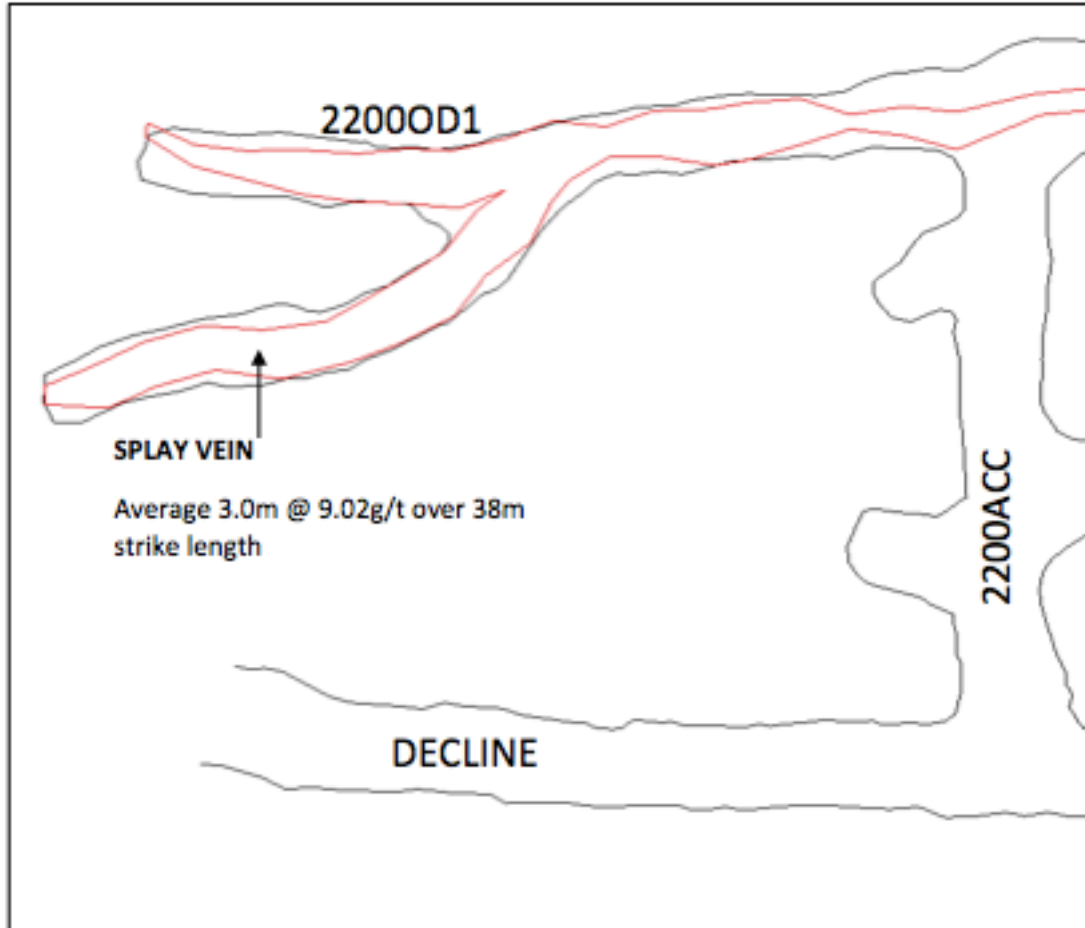
December 2015 quarter ore production relative to the ore Reserve areas accessed during the quarter

The 2210 level is currently the most advanced in the mine and is nearing completion. Typical of what has been seen on all levels to date, the level has substantially out-performed the model with a total strike length of 245m vs Reserve strike of 195m, and higher than Reserve grades, and development of a splay vein not included in the Reserve.



2210 Level showing high grade, total strike length of 245m vs Reserve of 195m, and development of a splay vein outside of Reserve

Splay veins observed to date can be very high grade, and add significant ounces to the overall reserve. The splay vein encountered on the 2210 and 2200 levels has provided access to substantial additional ore. On the 2200 level, the splay vein was developed 38 metres, with multiple veins averaging 3m wide at a grade of 9.02g/t for approximately 370 ounces of gold, increasing the development Reserve in the main lode by more than 20%.



2200 splay vein increases the current Reserve on the 2200 level by more than 20%

No Reserve updates have been undertaken to date, however the substantial overcall experienced in the areas mined to date suggests excellent potential to upgrade the mine inventory when adequate data is available. Work to re-estimate the levels developed to date has commenced, and diamond drilling from underground drill platforms is due to commence in the ensuing quarter. Once adequate drill and development data is available, the Reserve estimate will be updated.

Processing Plant

The processing plant operated reliably throughout the quarter with a total recovery of 93% year to date. Recovery has continued to improve, with December recovery increasing to 95.7%. The recovery result is particularly pleasing given that December saw only underground ore feed into the plant.

Processing critical spares held on site continued to be accumulated throughout the month, with most standby items required now available in the site store.

Total plant capacity is yet to be fully tested, with all ore mined during the quarter processed. With the planned commencement of stoping in the ensuing quarter, mine production should begin to exceed plant capacity.



Ensuing Quarter

The ensuing quarter will see the mine production profile continuing to build to nameplate capacity. A ventilation shaft from surface to the 2185 level will be constructed, and stoping is to commence late in January 2016.

Ground conditions have continued to improve with depth at the mine, and the decline is now progressing through good ground. The improved conditions will allow faster access to additional levels, and the 2160 and 2145 levels should be accessed during the quarter.

The site focus will be to maintain profitable operations and to build on the production profile, increasing operating margins. Underground diamond drilling is expected to commence during the quarter with an initial 12,000 metre program planned to be completed over an initial 9 month period.

Works to assess potential open pits at Rowdies and Wagtail are also underway and will be progressed throughout the quarter. Historical data is in the process of being verified for inclusion in the assessment, at which time the requirement for additional drilling will be assessed. Provided reviews are positive, the company is working towards commencing open pit mining in the second half of 2016.

For further information, please refer PNR's December 2015 Quarterly Report.

Financial

During the quarter the Company was able to fund its share of joint venture expenditure from gold sales as gold production increased throughout the quarter and the sale of approximately 7.6 million PNR shares. It is anticipated that as production increases at the Nicolson's Mine towards nameplate capacity that future gold sales should not only cover joint venture expenditure but, in time, generate further positive cash flows for the Company.

Bulletin will commence repayment of the Commonwealth Bank of Australia gold prepayment facility during the March quarter as previously advised.

As of the 31 December 2015, Bulletin's cash position was \$0.76M (inclusive of cash held in the joint venture), gold on hand of \$0.28MK and also holds 5.47M PNR shares (\$0.34M).

Corporate

During the quarter the Company held its Annual General Meeting where all resolutions were passed on a show of hands.

Tenement Holdings and Movements for the Quarter

Refer to Appendix A.

For further information, please contact:

Paul Poli, Chairman

Phone: +61 8 9230 3585

Competent Persons Statements and JORC table

The information in this report that relates to exploration and mineral resources is based on information compiled by Mr. Scott Huffadine B.Sc.(Honours) MAusIMM who is an employee of Pantoro Limited. Mr. Huffadine has 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. Huffadine consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Reserves is based on information compiled by Mr. Paul Cmrlec (B. Eng (Mining) (Hons)), MAusIMM who is the Managing Director of Pantoro Limited. Mr. Cmrlec has 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. Cmrlec consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix A: INTERESTS IN MINING TENEMENTS

As at 31 December 2015

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

JORC 2012 Table 1 declaration – Halls Creek

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<p><i>Sampling techniques</i></p>	<p><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>	<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>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<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>
	<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.</i></p>	<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 programs all intervals were assayed.</p>

Criteria	JORC Code explanation	Commentary
	<i>Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	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. Samples are a maximum of 1m, with shorter intervals utilised according to geology.
<i>Drilling techniques</i>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.</i>	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 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.

Criteria	JORC Code explanation	Commentary
		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 samples were subset using a 3 tier riffle splitter. Most (> 95%) of samples are recorded as being dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	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.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	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.
	<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>	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 programs.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	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.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	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.
	<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>	No geophysical logging of drilling was performed. This is not relevant to the style of mineralisation under exploration.
	<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>	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 deposit and the level of classification. Early drilling shows a pronounced negative bias with several of the external certified standards.
<i>Verification of sampling and assaying</i>	<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.

Criteria	JORC Code explanation	Commentary
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data.
<i>Location of data points</i>	<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.
<i>Data spacing and distribution</i>	<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.
	<i>Whether sample compositing has been applied.</i>	Sample compositing to 3m occurred in holes above predicted mineralized 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</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.

Criteria	JORC Code explanation	Commentary
	<i>considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
<i>Sample security</i>	<i>The measures taken to ensure sample security</i>	The chain of custody is managed by Pantoro 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 80% held by Pantoro subsidiary company Halls Creek Mining and 20% BNR. 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 administration. Review of available reports show work to follow acceptable to standard industry practices.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation</i>	Gold mineralisation in the Nicolson's Find area is structurally controlled within the 400 m wide NNE trending dextral strike slip

Criteria	JORC Code explanation	Commentary
		<p>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 focused 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>

Criteria	JORC Code explanation	Commentary
		<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. (Adapted from Robertson(2003))</p>
<p><i>Drill hole Information</i></p>	<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"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length</i> <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>Full results from the drilling program are set out in PNR ASX reports dates 16/9/2014, 23/9/2014 and 9/10/2014</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>
<p><i>Data aggregation methods</i></p>	<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><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should</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> <p>All sample intervals within the interpreted wireframe shells were used in the grade estimation.</p>

Criteria	JORC Code explanation	Commentary
	<i>be stated and some typical examples of such aggregations should be shown in detail.</i>	
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used.
<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><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></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.</p> <p>Downhole lengths are reported and true widths are approximately 60 – 90% of down-hole length.</p>
<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>	Full results from the drilling program are set out in PNR ASX reports dates 16/9/2014, 23/9/2014 and 9/10/2014.
<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>	Full results from the drilling program are set out in PNR ASX reports dates 16/9/2014, 23/9/2014 and 9/10/2014
<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>	Underground mining has commenced and milling of this ore has produced gold at levels in line with local grade estimates.

Criteria	JORC Code explanation	Commentary
	<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>	

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 consultants prior to resource modelling. An extensive review of the data base was undertaken when Pacific Niugini acquired the project.
<i>Site visits</i>	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	The Competent Person has visited the site and has a good appreciation of the mineralisation styles comprising the Mineral Resource.
<i>Geological interpretation</i>	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	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.
	<i>Nature of the data used and of any assumptions made.</i>	Data used for the geological interpretation includes surface and trench mapping and drill logging data.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	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.
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	Geological interpretation of the data was used as a basis for the lodes which were then constrained by cut-off grades.

	<i>The factors affecting continuity both of grade and geology.</i>	Geology and grade continuity is constrained by quartz veining within the NFSZ and by parallel structures for the other prospects.
<i>Dimensions</i>	<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>	Full results from the drilling program are set out in PNR ASX reports dates 16/9/2014, 23/9/2014 and 9/10/2014
<i>Estimation and modelling techniques</i>	<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>	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. 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.
	<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 1st 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 1st 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 3rd pass. The search radius was increased by a factor of 3 and the minimum number of samples decreased to 1 for the 4th 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.
<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</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

	<i>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>	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> <i>The bulk density for bulk material must have been measured by methods that adequately account for void</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: Oxide All: 2.0 t/m ³

	<p><i>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>Transitional All: 2.4t/m³ Fresh Rowdies and Wagtails: 2.7t/m³ Fresh Nicolson's: 2.9t/m³</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, the open pit mining represents a small fraction of the existing resource area.</p>
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Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
<p><i>Mineral Resource estimate for conversion to Ore Reserves</i></p>	<ul style="list-style-type: none"> <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> <p><i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></p>	<p>The Ore Reserve was calculated using detailed mine designs applied to the current JORC Resource Estimate. The Resource Estimate was completed by highly experienced resource geologists, overseen by the competent person.</p> <p>The Resources Reported are inclusive of the Ore Reserve.</p>
<p><i>Site visits</i></p>	<ul style="list-style-type: none"> <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <p><i>If no site visits have been undertaken indicate why this is the case.</i></p>	<p>The Competent Person has made a number of visits to the site and was heavily involved in preparation of the overall operations plan which was the basis for the Reserve Estimate.</p>
<p><i>Study status</i></p>	<ul style="list-style-type: none"> <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> <p><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></p>	<p>The study completed to enable the estimation of the Reserve is considered to be a Feasibility level of study.</p> <p>The study utilizes functional mine designs and prevailing industry costs for formulation of the estimate.</p>

<p><i>Cut-off parameters</i></p>	<p><i>The basis of the cut-off grade(s) or quality parameters applied.</i></p>	<p>The fully costed cut off grade is 4.1 g/t. incremental cut off grades for necessary activities were calculated separately, and insitu stope grades (pre dilution) were cut off at 3.5 g/t.</p>
<p><i>Mining factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> • <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> <p><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></p> <ul style="list-style-type: none"> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <p><i>The infrastructure requirements of the selected mining methods.</i></p>	<p>Detailed ore stopes and development drives were designed using Surpac software. It was assumed that stopes would suffer 15% dilution at 0g/t and achieve 95% recovery of diluted tonnes. Ore drives were designed on the basis that drives with less than 60% ore would be resue mined with 30% dilution at 0g/t and 100% recovery. Drives not resue mined were recovered with 0% dilution and 100% recovery.</p> <p>All Reserve tonnes are extracted using underground methods. Uphole benching is the primary mining method and is considered suitable for the type and geometry of the deposit. Geotechnical factors were estimated by expert geotechnical consultants.</p> <p>Stopes are to be 30m along strike maximum. Where stopes are high grade they will be filled with loose waste to maximise extraction. In lower grade areas, pillares are left as necessary.</p> <p>Stopes ware designed with a minimum width of 1.2m. All dilution is assumed to have zero gold value. Stopes are assumed to be mined without fill.</p> <p>Mining is by owner operator using leased equipment. Quoted and industry standard rates are assumed.</p> <p>For stoping 15% dilution at zero grade is used. Ore drives were designed on the basis that drives with less than 60% ore would be resue mined with 30% dilution at 0g/t and 100% recovery. Drives not resue mined were recovered with 0% dilution and 100% recovery.</p> <p>For development 100% of diluted ore mined is recovered. For stoping 95% of diluted ore is recovered.</p> <p>The minimum mining width is 1.2m for stopes.</p>

		<p>Inferred resources were included in the full mine plan. For the purpose of testing viability of the Reserve alone, the mine plan was also assessed using Reserves only. The reserve only model was viable with total costs <A\$1,000 per Oz.</p> <p>The costs used in the model include all required infrastructure including fixed plant, buildings and magazines, and mine excavations.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well---tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <p><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></p>	<p>The existing processing plant at Nicolson's uses a conventional CIP circuit, which is appropriate for the style of mineralisation.</p> <p>The CIP process is the conventional gold processing method in Western Australia and is well tested and proven.</p> <p>Metallurgical testwork has been completed for 6 fresh ore samples with varying characteristics. In all cases it is possible to achieve +96% recovery provided that a gravity recovery circuit is employed. A Knelson concentrator is included in the mine plan for that purpose. The recovery assumed is 96%.</p> <p>There are not any know deleterious elements</p> <p>No bulk sampling or pilot scale testing has been undertaken.</p> <p>Not applicable</p>
<p><i>Infrastructure</i></p>	<p><i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></p>	<p>The Nicolson's site has extensive existing infrastructure including a processing plant. The cost to bring all infrastructure back to operating status has been included in the Reserve calculation. The site is near the town of Halls Creek, and availability of accommodation has been confirmed. Transportation costs have been included. Prevailing industry labour rates have been applied.</p>

<p><i>Costs</i></p>	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made, regarding projected capital costs in the study</i> <i>The methodology used to estimate operating costs.</i> <p><i>Allowances made for the content of deleterious elements.</i></p> <ul style="list-style-type: none"> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <p><i>The allowances made for royalties payable, both Government and private.</i></p>	<p>Capital costs were estimated by identifying capital equipment items and estimating labour and equipment requirements for installation of capital equipment. Whenever possible quoted rates were used.</p> <p>Operating costs are calculated from first principles with quotations used when possible. Industry standard rates for labour and equipment were applied to a detailed mine schedule.</p> <p>There are no known deleterious elements and no adjustments have been made.</p> <p>All costs were estimated in Australian dollars, and a gold price of \$1400/Oz was utilized.</p> <p>Transport charges were based on quotation.</p> <p>Credit elements including silver were not attributed any value in the calculation and it is assumed that the silver credits received will cover refinement charges.</p> <p>A 2.5% state government royalty was assumed. It was also assumed that Bulletin Resources does not contribute its 20% and a 1% royalty payment to Bulletin was applied.</p>
<p><i>Revenue factors</i></p>	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i> 	<p>Grade is scheduled monthly in a detailed mining schedule.</p> <p>Gold price was assumed to be A\$1,400 per ounce.</p> <p>No revenue from silver or any metals other than gold was assumed.</p>
<p><i>Market assessment</i></p>	<ul style="list-style-type: none"> <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the</i> 	<p>Gold prices can be volatile and there are many conflicting positions on the future price of Gold. Pacific Niugini believes that A\$1,400 per ounce is a realistic forward price forecast for gold</p>

	<p><i>future.</i></p> <ul style="list-style-type: none"> • <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> • <i>Price and volume forecasts and the basis for these forecasts.</i> <p><i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></p>	<p>over the life of the proposed mine.</p>
<i>Economic</i>	<ul style="list-style-type: none"> • <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> • <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> 	<p>NPV was calculated with a discount rate of 8% per annum.</p> <p>Due to the short life of the proposed mine, inflation was not applied to costs or gold price.</p>
<i>Social</i>	<p><i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></p>	<p>The project is on granted mining leases and the company has an access agreement with the pastoral lease owner who is also the local aboriginal corporation.</p>
<i>Other</i>	<ul style="list-style-type: none"> • <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> <p><i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes</i></p>	<p>Pantoro's ownership of the project is governed by an Acquisition Agreement with Bulletin Resources. Pantoro is satisfied that it has complied with the requirements of that agreement.</p> <p>Signed transfer documents for the tenements are held by Pantoro, however transfers have not occurred as the Department of State Revenue has not completed a Stamp Duty Assessment, and Stamp Duty must be paid prior to transfer of tenements. The Acquisition Agreement protects PNR's interest in the period prior to transfer.</p> <p>PNR lodged its Mining Proposal and Closure Plan to the DMP in August 2014 and believes that it is close to receiving approval for mining of the deposit. PNR is continuing to liaise with the</p>

	<p><i>anticipated in the Pre---Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></p>	<p>department to expedite approvals.</p>
<p><i>Classification</i></p>	<ul style="list-style-type: none"> <i>The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit.</i> <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i> 	<p>The reserve has been derived from Indicated Resources, and no Measured Resources are identified in the resource model.</p> <p>Recent drilling indicates that the ore may be narrower but higher grade in some sections of the Resource. The competent person is satisfied that the total gold to be recovered and the costs applied are suitable for the deposit.</p>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<p>No audits or reviews have been completed.</p>
<p><i>Discussion of relative accuracy/ confidence</i></p>	<ul style="list-style-type: none"> <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> <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>The Probable Reserve is primarily based on RC drilling. Recent diamond drilling indicates that ore may be narrower but higher grade. A comparison of gram metres in the model vs gram metres in drilling indicated that the total ounces in the Reserve are reasonable and may be conservative.</p> <p>No modifying factors apart from those set out in this Table 1 have been included.</p>

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| | <ul style="list-style-type: none">• <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i>• <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> | |
|--|---|--|

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 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	835	913
1.2 Payments for (a) exploration & evaluation	(34)	(35)
(b) development	(707)	(1,869)
(c) production	(841)	(1,073)
(d) administration	(77)	(116)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(822)	(2,174)
Cash flows related to investing activities		
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	464	728
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	464	728
1.13 Total operating and investing cash flows (carried forward)	(358)	(1,448)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(358)	(1,448)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	600
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	-
	Net financing cash flows	-	600
	Net increase (decrease) in cash held	(358)	(848)
1.20	Cash at beginning of quarter/year to date	1,134	1,622
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	776	776

*Bulletin's share of the cash held by the Nicolson's Joint Venture is included in the cash at the end of the quarter.

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	-
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

+ 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	2,900	2,900
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	212
4.3 Production	1,223
4.4 Administration	118
Total	1,553

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	666	985
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Joint Venture	110	149
Total: cash at end of quarter (item 1.22)	776	1,134

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>Biscay (WA)</u> E80/2394	Direct	20%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

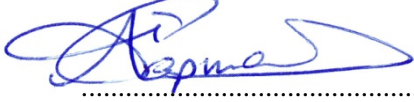
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	174,043,074	174,043,074		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,250,000	-	<i>Exercise price</i> 3 cents	<i>Expiry date</i> 30 November 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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: 29 January 2016
(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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