ASX Announcement **ASX Code: DME** **10 October 2014**

131.6MT MAIDEN RESOURCE ESTIMATE FOR DOME'S SIGATOKA IRON SAND PROJECT

HIGHLIGHTS

- **Initial resource estimate of 131.6 Mt completed at Sigatoka Iron Sand Project, Fiji**
  - **25MT @ 11.6% HM – Sigatoka River (Indicated)**
  - **5.9MT @ 11% HM – Sigatoka River (Inferred)**
  - **100.7MT @ 17% HM – onshore Kulukulu (Inferred)**
- **The resource is an iron sand requiring simple low cost beneficiation to produce saleable products**
- **Application for a Mining Licence to be lodged before year's end**

Dome Gold Mines Limited (ASX: DME) ("Dome" or the "Company") is pleased to announce Maiden JORC 2012 Resource Estimates for its 100%-owned Sigatoka Iron Sand Project, located on the main island of Viti Levu, Fiji (see Figure 1). The project is held under Special Prospecting Licence (SPL) 1495 by Dome's subsidiary Magma Mines Ltd.

A Maiden Resource Estimate of 131.6 million tonnes includes Indicated Mineral Resources of **25 million tonnes @ 11.6% HM at Sigatoka River, and Inferred Mineral Resources of 100.7 Mt @ 17% HM at the onshore Kulukulu prospect and 5.9 million tonnes @ 11% HM at Sigatoka River** (see details in Attachment A)**.** The Resource consists of detrital magnetite and other heavy minerals in a coastal sand deposit. The iron sands will be dredged from the Sigatoka river bed and processed by gravity and magnetic separation to produce a saleable product ready for export. In addition to magnetite concentrate, non-magnetic heavy mineral concentrate and sand and gravel suitable for industrial or land reclamation uses are expected to be produced during processing.

Dome's new CEO Jack McCarthy said: "It is an exciting milestone for Dome to have completed this maiden resource estimate for the Sigatoka project, having only acquired the project in recent months. We are aiming to develop a robust magnetite dredging project that will help fuel our further growth to become a dominant player in Fijian mining. Having confirmed the resources at Sigatoka, we are now moving ahead to prepare an application for a Mining Licence that we anticipate submitting before the end of 2014."

The production of mineral resource estimates on part of the Sigatoka project is an important milestone for Dome and this information will be used as part of an application for a Mining Licence at Sigatoka. Currently an Environmental Impact Assessment for sand dredging and wet gravity-magnetic processing operations is being conducted by environmental consultants and a mineral sands engineering expert has been engaged to assist with the application process. Progress in these areas will be reported to shareholders and interested investors later this year.

DOME GOLD MINES LTD
ABN 49 151 996 566
Level 7, 71 Macquarie Street
Sydney NSW 2000 Australia
GPO Box 1759 Sydney
NSW 2001 Australia
T +61 2 8203 5620
F +61 2 9241 2013
E info@domegoldmines.com.au
W www.domegoldmines.com.au

Meanwhile, assessment of the potential for low cost beneficiation of the magnetic component of the sand and the production of economic co-products will continue.

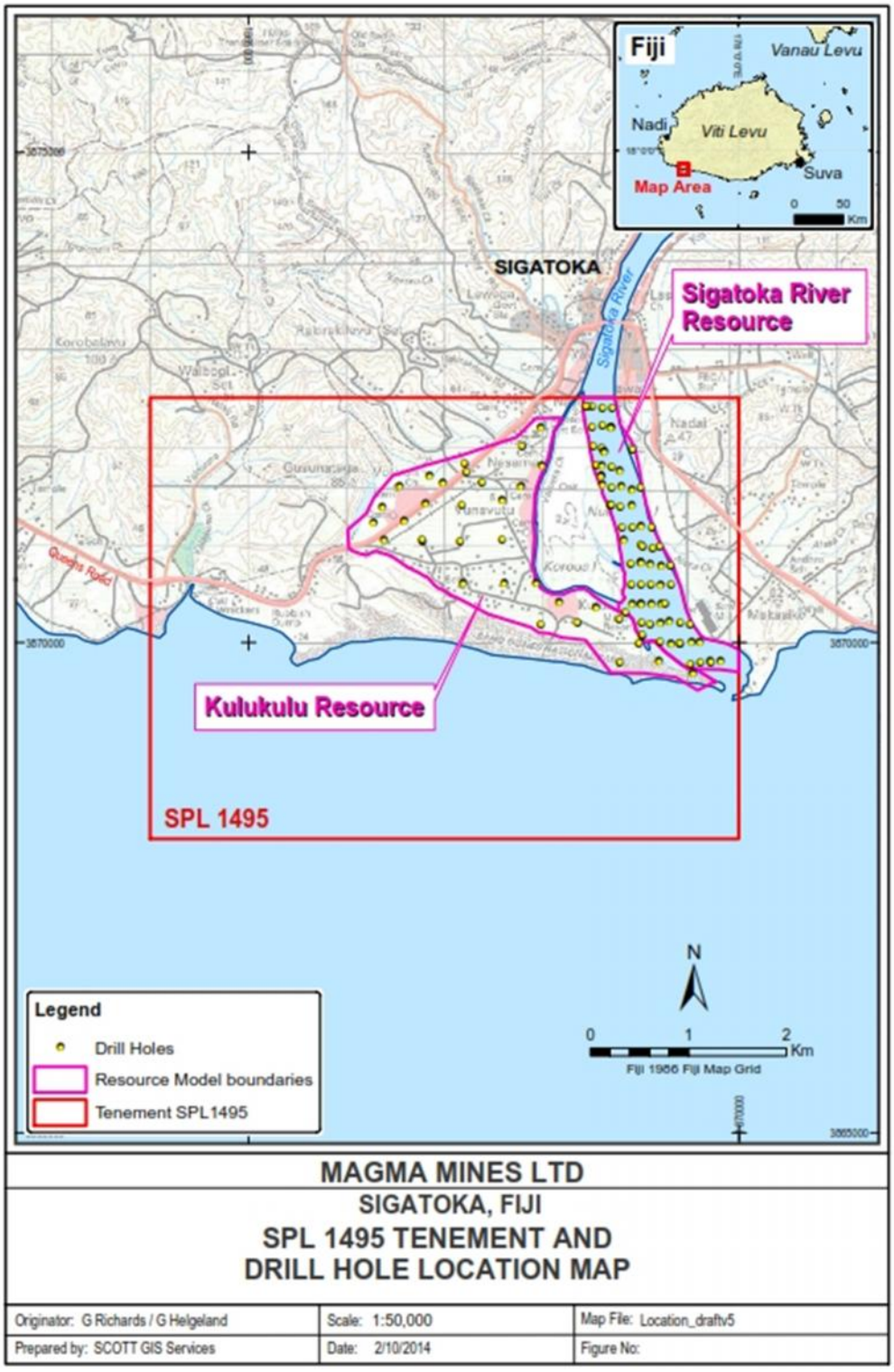

Figure 1 - Location Map showing the Kulukulu and Sigatoka resource areas.

DOME GOLD MINES LTD
ABN 49 151 996 566
Level 7, 71 Macquarie Street
Sydney NSW 2000 Australia
GPO Box 1759 Sydney
NSW 2001 Australia
T +61 2 8203 5620
F +61 2 9241 2013
E info@domegoldmines.com.au
W www.domegoldmines.com.au

The Sigatoka River mouth has for many years been known for sand deposits that contain the iron ore mineral magnetite in detrital form. Since 2012, Dome's subsidiary Magma Mines has been undertaking testing of the sands using its own D60 sonic drill, a method that provides core-like samples of the sand (see Plate 1).

Plate 1 - Barge mounted D60 sonic drill completing holes in the Sigatoka River bed.

Following detailed geological logging, the sand core samples were split, with one half retained in core boxes and the other half sent a metallurgical laboratory for analysis (see Plate 2). Details of the analytical methods are provided in the attached JORC Table 1.

Plate 2 - Sonic core logging and sampling at Sigatoka.

DOME GOLD MINES LTD
ABN 49 151 996 566
Level 7, 71 Macquarie Street
Sydney NSW 2000 Australia
GPO Box 1759 Sydney
NSW 2001 Australia
T +61 2 8203 5620
F +61 2 9241 2013
E info@domegoldmines.com.au
W www.domegoldmines.com.au

Data generated were entered into a GIS database that was used by the independent resource consultants to create three dimensional models of the deposits and to calculate the initial Inferred and Indicated Resources, as summarised in the attached Tables of the Sigatoka River and Kulukulu areas (see Figure 2).

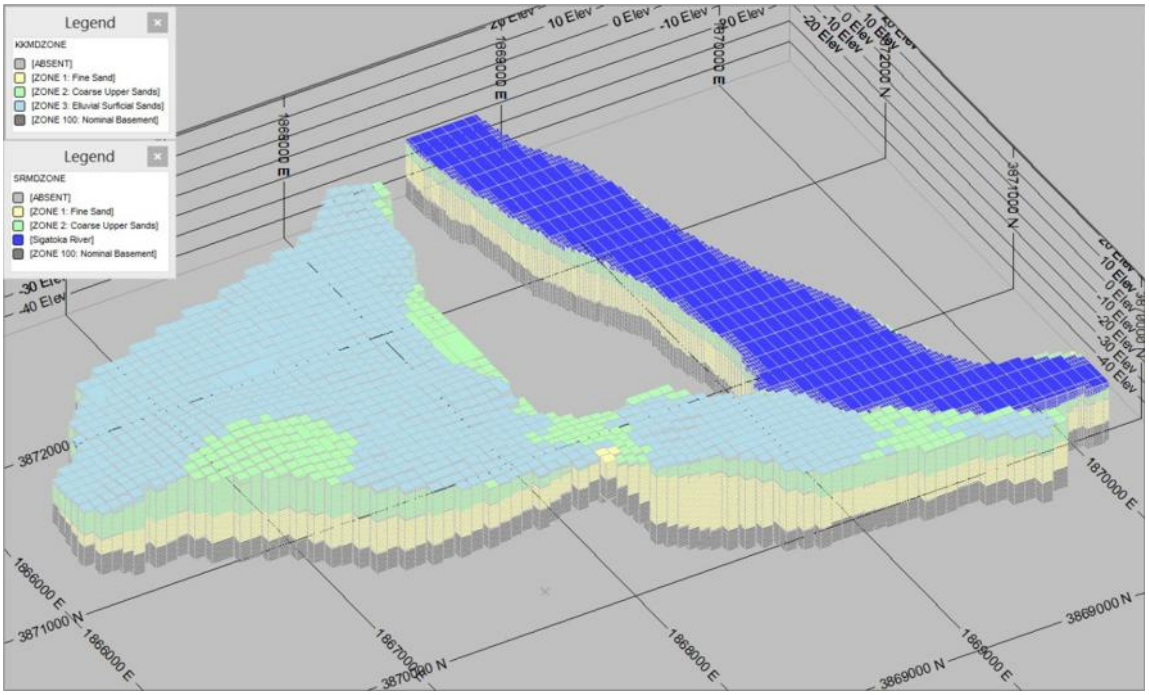

Figure 2 – 3D block diagram showing the two resource areas and their composition. Still to be drilled for inclusion is Korura Island, the foreshore east of the Sand Dunes National Park and the heavy mineral sand deposits offshore.

For further information about Dome and its projects, please refer to the Company's website [www.domegoldmines.com.au] or contact the Company at (02) 8203 5620.

J V McCARTHY
Chief Executive Officer

DOME GOLD MINES LTD
ABN 49 151 996 566
Level 7, 71 Macquarie Street
Sydney NSW 2000 Australia
GPO Box 1759 Sydney
NSW 2001 Australia
T +61 2 8203 5620
F +61 2 9241 2013
E info@domegoldmines.com.au
W www.domegoldmines.com.au

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Geoffrey Richards, a Competent Person who is a member of the Australian Institute of Geoscientists, Mr Richard Stockwell, a Competent Person who is a member of the Australian Institute of Geoscientists, and Mr Gavin Helgeland, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Richards is a geological consultant who works full time for Lionhart Consulting Services, Mr Stockwell is Managing Director of Hornet Drilling and Geological Services Pty Ltd and Mr Helgeland is a specialised resource geologist who is self-employed consultant. Mr Richards, Mr Stockwell and Mr Helgeland collectively and individually have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration at Sigatoka and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards, Mr Stockwell and Mr Helgeland consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. They do not hold shares in Dome and have been paid normal consulting fees for provision of this information.

ABOUT DOME

Dome is an Australian mining company which listed on the ASX on 22 October 2013. The Company is focussed on gold, copper and mineral sands in Fiji, where it holds four highly prospective exploration tenements. The Company's objective is to become a major force in the mining industry of Fiji by the discovery and development of mineral resources within its Fijian tenements.

On August 25, 2014 Dome shareholders approved the merger of Dome with Magma Mines Ltd, owner of the Sigatoka project and this is now the Company's flagship project in Fiji. Sigatoka is a mineral sand project containing abundant heavy metals including magnetite. Drilling to establish a resource estimate for the project is partially completed with commencement of production at Sigatoka by conventional dredging and wet processing within two years.

Our other projects are the Nasivi-Yaqara Delta heavy mineral sand project, the Kadavu epithermal gold project, which bears similarities to the Emperor Gold Mine at Vatukoula, and Nadrau porphyry copper-gold project, which may be like that at the nearby Namosi Project.

Dome's Board and Management team has a high level of experience in Fiji, and Dome has been actively exploring in Fiji since 2008.

Attachments:

A. Sigatoka River Indicated and Inferred Resource Estimate Summaries; and Kulukulu Inferred Resource Estimate Summaries

B. JORC Table 1, Sections 1, 2 and 3

DOME GOLD MINES LTD
ABN 49 151 996 566
Level 7, 71 Macquarie Street
Sydney NSW 2000 Australia
GPO Box 1759 Sydney
NSW 2001 Australia
T +61 2 8203 5620
F +61 2 9241 2013
E info@domegoldmines.com.au
W www.domegoldmines.com.au

DOME GOLD MINES

ATTACHMENT A

SIGATOKA RIVER INDICATED AND INFERRED RESOURCE ESTIMATE SUMMARIES

JORC Classification	ZONE	VOLUME (m3)	DENSITY (g/cm3)	TONNES (t)	HM TONNES (t)	MAG1 TONNES (t)	%HM Feed	%HM in Sand	+4mm Sand	1-4mm Sand	38micron-1mm Sand	-38micron	Average MAGSUS	%MAG1 in Feed	%V in MAG1	%TiO2 in MAG1	%Fe in MAG1	%SiO2 in MAG1	%Al2O3 in MAG1	%P in MAG1	%S in MAG1
Indicated	Lower Fine Sand [ZONE 1]	10,455,000	1.8	18,819,000	2,176,686	344,765	11.6	15.8	8.7	10.5	73.1	7.6	16.6	1.8	0.35	6.6	56.4	4.6	3.8	0.06	0.92
	Upper Coarse Sand [ZONE 2]	3,616,875	1.8	6,510,375	749,895	98,882	11.5	19.7	17.5	20.3	58.3	3.9	14.3	1.5	0.36	6.6	57.1	4.2	3.7	0.07	0.57
	Subtotal	**14,071,875**	**1.8**	**25,329,375**	**2,926,581**	**443,648**	**11.6**	**16.8**	**11.0**	**13.0**	**69.3**	**6.7**	**16.0**	**1.8**	**0.35**	**6.6**	**56.6**	**4.5**	**3.7**	**0.06**	**0.83**
Inferred	Lower Fine Sand [ZONE 1]	2,547,188	1.8	4,584,938	488,976	75,814	10.7	15.7	10.4	13.1	68.6	7.9	12.9	1.7	0.36	6.6	56.9	4.4	3.7	0.06	1.08
	Upper Coarse Sand [ZONE 2]	749,063	1.8	1,348,313	145,771	15,437	10.8	19.9	21.1	20.9	53.5	4.5	11.7	1.1	0.36	6.6	57.4	4.3	3.8	0.07	0.36
	Subtotal	**3,296,250**	**1.8**	**5,933,250**	**634,747**	**91,251**	**10.7**	**16.6**	**12.8**	**14.9**	**65.2**	**7.1**	**12.6**	**1.5**	**0.36**	**6.6**	**57.0**	**4.4**	**3.7**	**0.06**	**0.91**
	TOTAL	**17,368,125**	**1.8**	**31,262,625**	**3,561,328**	**534,899**	**11.4**	**16.8**	**11.3**	**13.4**	**68.5**	**6.8**	**15.4**	**1.7**	**0.4**	**6.6**	**56.7**	**4.5**	**3.7**	**0.1**	**0.8**

KULUKULU INFERRED RESOURCE ESTIMATE SUMMARIES

JORC Classification	ZONE	VOLUME (m3)	DENSITY (g/cm3)	TONNES (t)	HM TONNES (t)	MAG1 TONNES (t)	%HM in Feed	%HM in Sand	+4mm Sand	1 - 4mm Sand	45micron - 1mm Sand	-45micron	Average MAGSUS	%MAG1 in Feed	%Fe in MAG1	%TiO2 in MAG1	%SiO2 in MAG1	%Al2O3 in MAG1
Inferred	Lower Fine Sands [ZONE 1]	26,503,750	1.8	47,706,750	6,482,038	1,371,544	13.6	17.0	4.2	9.4	79.6	6.8	19.4	2.9	53.8	6.5	7.7	4.5
	Upper Coarse Sands [ZONE 2]	23,972,500	1.8	43,150,500	9,044,127	1,120,794	21.0	24.4	3.3	6.7	85.3	4.7	21.7	2.6	53.8	6.5	8.0	4.4
	Elluvial Sands [ZONE 3]	5,166,250	1.8	9,299,250	1,723,947	243,101	18.5	25.0	6.5	9.3	72.6	11.5	19.7	2.6	53.9	6.5	7.8	4.5
	TOTAL	**55,642,500**	**1.8**	**100,156,500**	**17,250,111**	**2,735,439**	**17.2**	**20.9**	**4.0**	**8.2**	**81.4**	**6.3**	**20.4**	**2.7**	**53.8**	**6.5**	**7.8**	**4.5**

Note: The table presents the Indicated and Inferred estimates without rounding and this is not intended to convey an increase in the precision of the estimates.

The cut-off grade used is 8% HM.

Mag 1 represents magnetic minerals captured at 300 Gauss.

ATTACHMENT B

JORC Code, 2012 Edition – Table 1 report SPL1495

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Half sonic core samples generally 1 metre in length. Samples are placed in plastic bags and the sample weight is recorded as well as an average of 5 mag susceptibility analysis to be included in the detailed descriptive and photographic logs. Bagged samples are submitted to an independent laboratory for processing. • Half sonic core samples are screened with the -1mm fraction submitted for heavy mineral determination, which is done using float-sink with heavy media. Recovered heavy minerals are grouped by lithology and processed with a low intensity wet magnetic separator (LIMS) at an independent metallurgical facility. LIMS recovers magnetic minerals at 300, 500 and 1000 gauss with the lowest intensity of 300 gauss being ironsands while higher intensities recover other less magnetic or paramagnetic minerals. Non-magnetic minerals are further identified by mineralogical examination.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Sonic drill at NS (60mm) and HS (77mm) core diameters from vertical sonic holes. Core recovery is generally 100% except at the water table where it can be reduced to as little as 50%.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Down hole measurements are based both on records of drill rods used (the sonic rig uses rods that are 1.5m lengths) and measurements of core rise or slough by tape measure inside the drill stem before attaching each new rod. • Samples of sonic core are highly representative of the material sampled
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Sonic core is placed into plastic core trays, photographed, logged in detail into a Geologger computer system. Half sonic core samples are placed in plastic bags, weighed and magnetic susceptibility measurements are recorded prior to submission for independent laboratory analysis. • !00% of the sonic holes are logged in detail and 1m samples are collected from surface to the end of the hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ*	• Half sonic core samples are collected. • Samples are presented to an independent laboratory where they are dried and sieved at 1mm. The minus 1mm size fraction weighing approximately 500 grams is then submitted to an independent metallurgical laboratory for heavy mineral and magnetic mineral analyses by heavy media and magnetic mineral separation. • Bulk samples are also collected from a depth of approximately 2m at locations near sonic drill holes for pilot plant testwork and heavy mineral and magnetic

Criteria	JORC Code explanation	Commentary
	material collected, including for instance results for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	mineral separation by gravity and low intensity magnetic recovery.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The analytical methods produce accurate quantitative results • Magnetic susceptibility metre (magROCKv3) hand held low frequency high resolution meter with memory and averaging capabilities. Average measurements were applied to each metre of sonic core and recorded on the logs and each half core sample is measured and recorded as well. Magnetic susceptibility measurements are impacted by moisture and heavy mineral distribution and are considered indicative only and are not quantitative measurements of magnetic mineral content.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Higher concentrations of magnetic minerals are generally observable and checked by senior geological management. Half sonic core is retained for review. • Initially every fifth sonic hole was twinned and sampled for data comparison and control purposes and this was reduced to every 10th hole based on repeatability. • All field and laboratory data is entered into Geologger, a customized data collection software package. The package has inbuilt data QA/QC capabilities.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collars are located with hand held GPS devices. Onshore drill collar elevations and hole locations are later recorded with differential GPS equipment by a licenced surveyor. • The local drill grid varies from 400 x 400 to 100 x 100m depending on the complexity of the sand deposit. On the Sigatoka River a 200 x 100m grid is being used. • Topographic control is by land survey and differential GPS on shore and by tidal reference and GPS for river holes.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Sonic half core samples are taken over 1m intervals from surface to the end of hole. Drill holes vary from 400m to 100m apart and twined holes are drilled within 5m of the collar of initial hole. • Data spacing (both drill hole and sample interval) have been confirmed by independent mineral sand industry consultants to be within parameters necessary for an Inferred resource estimate. • Two metre composites of the heavy minerals recovered are composited for cyanide leach gold analysis. "Domain" composites will be used from part or whole drill holes if appropriate for quantitative analysis for resource modelling.
Orientation of data in relation to geological structure	• *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.*	• Vertical holes intersect generally flat lying sand, gravel and clay lithologies and are unbiased. • The detailed logs from the 2012 and 2o14 sonic drilling are confirming there is a predictable correlation of the heavy mineral sands between drill holes.
Sample security	• *The measures taken to ensure sample security.*	• All sonic core or bulk samples are placed in plastic bags and delivered to the ALS Laboratory in Suva where they are screened and prepared for further analysis. Sub-samples are then sealed and forwarded by air freight to Robbins

Criteria	JORC Code explanation	Commentary
		Metallurgical Laboratory in Brisbane. • Sample fractions not sent for further analysis are catalogued and stored in locked containers at each laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Periodic audits are conducted of logging and sampling procedures and all electronic records are viewed and interrogated.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *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.*	• Special Prospecting Licences (SPL) are issued by the Mineral Resources Department (MRD) of Fiji and subject to requirements of the Fiji Mineral Law. SPL1495 is owned 100% by Magma Mines Limited a wholly owned subsidiary of Magma Mines Limited and is valid for 3-year renewable periods. • SPL's remain valid as long as the holder meets exploration program conditions outlined in the SPL documentation.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration is referenced in both internal reports and reports prepared on Magma's behalf by independent consultants.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Alluvial Iron (ironsands) and heavy mineral sand deposits located below an active river bed (SRS) and in associated palaeo-river flats, coastal dune and beach sequences (KKS).
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• Plans of drill hole locations and detailed geological logs are recorded into a "Geologger" GIS database including detailed records of drill hole information. Tabulation of drill hole data summaries are also presented in various internal and consultant reports prepared by or on behalf of Magma. This data is also submitted to the Mineral Resources Department of Fiji in annual reports. • There is no information that is excluded from the database or that is relevant to any report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Where averages for slimes content, heavy minerals and/or ironsands are reported these are based on weighted averages for the intervals reported calculated by multiplying the sample length by the content and dividing the sum of these products by the sum of the sample widths. • Metal equivalents are not used and values are the actual recoveries from heavy media, gravity and/or low intensity magnetic test work without further modification.
Relationship	• *These relationships are particularly important in the reporting of Exploration*	• Target sand and gravel deposits occur as roughly flat layers and within defined

Criteria	JORC Code explanation	Commentary
between mineralisation widths and intercept lengths	*Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	channels that are effectively sampled by sonic drilling which generally produces a sonic "core" representative of the layers drilled. • The sand deposits at Sigatoka are being shown to be very predictable. However river, estuary and delta sedimentary deposits are dynamic systems that can be locally variable.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps, plans and sections are prepared at appropriate scales. Both written and graphic logs are prepared for each drill hole that include "Sediment Class", "Grain Size", Soil Classification", "Shell Fragments" and "Magnetic Susceptibility".
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reporting is fully representative of the data.
Other substantive exploration data	• *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.*	• All relevant data is fully reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further sonic drilling will be undertaken in areas where the resource model suggests higher concentrations of ironsands notably the highly-prospective Koroua Island, located between Sigatoka River in the west and by Vatueta Creek – this tidal creek also forms much of the eastern boundary of the KKS resource area.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *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.* • *Data validation procedures used.*	• Two databases (and their respective raw assay datasets, survey datasheets) have been provided – namely KKS and SRS. The databases contained minor transcription errors as shown in cross-checking validation. • Field logging data utilized field lookup tables in MS Excel worksheets and coding and manual entry appears to be tightly standardized. • Daily post-drilling validation was completed on drilling and core logging. Cross-validation of the downhole and location data has shown that minor errors required correction.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit and technical review was performed by the Director of Lionhart Consulting Services in March 2014, which showed industry best practice was being maintained.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• A reasonable confidence in stratigraphic disconformities was achieved. There was no confidence in fully constraining the mineralized lodes • All QA-QC information is adequate and useful/informative. There are limited umpire or standard sample checks to indicate assay repeatability. There is an indicatively high short-range variability shown by the twin holes and a moderate-high precision indicated by the field (BSPLIT) sample pairs. This general variability indicated in the QA-QC data coupled with low survey

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>accuracy [SRS] has resulted in laterally open stratigraphic interpretations of moderate accuracy.
• Model extents are carefully constrained by cadastral and geographic information which is of unknown survey accuracy.
• The geology/lithology logged data is detailed and intuitively structured. This data was informative in the geology interpretation.
• Logged grainsizes and lithologies are mostly harmonious with assay screensize data.</td></tr>
<tr><td>Dimensions</td><td>• 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.</td><td>Downhole intercept dimensions:
<table>
<tr><th></th><th>ZONE</th><th>BASE (mASL)</th><th>TOP (mASL)</th><th>THICKNESS (m)</th></tr>
<tr><td rowspan="3">Kulukulu Intercepts</td><td>Elluvial [3]</td><td>4.6</td><td>5.6</td><td>1.0</td></tr>
<tr><td>Coarse Sands [2]</td><td>-5.8</td><td>3.7</td><td>9.4</td></tr>
<tr><td>Fine Sands [1]</td><td>-16.7</td><td>-6.6</td><td>10.1</td></tr>
<tr><td rowspan="2">Sigatoka River Intercepts</td><td>Coarse Sands [2]</td><td>-8.6</td><td>-4.4</td><td>4.3</td></tr>
<tr><td>Fine Sands [1]</td><td>-18.6</td><td>-9.7</td><td>8.9</td></tr>
</table>
Model Extents:
<table>
<tr><th></th><th>DIMENSION</th><th>MINIMUM (m)</th><th>MAXIMUM (m)</th><th>RANGE (m)</th></tr>
<tr><td rowspan="3">Kulukulu Model</td><td>EAST (width)</td><td>1,866,050</td><td>1,869,700</td><td>3,650</td></tr>
<tr><td>NORTH (length)</td><td>3,869,525</td><td>3,872,275</td><td>2,750</td></tr>
<tr><td>ELEVATION (height above sea level)</td><td>-36.8</td><td>15.0</td><td>51.8</td></tr>
<tr><td rowspan="3">Sigatoka River Model</td><td>EAST (width)</td><td>1,868,419</td><td>1,869,994</td><td>1,575</td></tr>
<tr><td>NORTH (length)</td><td>3,869,713</td><td>3,872,488</td><td>2,775</td></tr>
<tr><td>ELEVATION (height above sea level)</td><td>-25.0</td><td>-0.3</td><td>24.8</td></tr>
</table></td></tr>
<tr><td>Estimation and modelling techniques</td><td>• 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.
• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
• The assumptions made regarding recovery of by-products.
• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).
• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
• Any assumptions behind modelling of selective mining units.
• Any assumptions about correlation between variables.
• Description of how the geological interpretation was used to control the resource estimates.
• Discussion of basis for using or not using grade cutting or capping.
• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</td><td>• Block models were constructed using Datamine Studio 3 software. An isotropic inverse distance grade interpolation (1m downhole assay) and nearest neighbor (composited magnetic and XRF data) was performed. Search volumes were elliptical and dimensioned to overlap nominal drill densities by ~10-20%. Hard stratigraphic boundaries were applied according to the interpretation DTM wireframes. This estimation technique was justified given the vertically orientated drillholes and the sub-horizontal sedimentary units comprising the resources.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Moisture content is not factored in estimated tonnages. See Bulk density section for elaboration.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Cut-offs were adopted for the %HM Feed. The assigned cut-offs are derived by a combination of grade-tonnage analysis (ascribed "base of inflection") and an understanding of the resource market pricing/variability. A cut-off of 8% HM Feed is applied to both the current resource estimates.
Mining factors or assumptions	• *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.*	• Dredging is the most effective and cost competitive mining technique for this style of deposit.
Metallurgical factors or assumptions	• *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.*	• Ore is likely to be treated by wet screening, gravity separation (spirals) and two-stage LIMS magnetic separation.
Environmen-tal factors or assumptions	• *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.*	• Sediment plumes from dredging will mix with existing sediment load and discharge at the river mouth. • Wet separation plant undersize and tailings will be de-watered and stored in temporary on-shore tailings dams.
Bulk density	• *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.* • *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.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density is assigned as a constant (1.8 g/cm^3) compares well with bulk densities applied to similar iron sands deposits. This bulk density constant is applied to the entire resource irrespective of indicated material differences in the interpreted mineralized units. • Further specific gravity test work is ongoing in order to establish a variable bulk density formula that will be applicable to all host sediments encountered at KKS and SRS.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Short-range variability exhibited by twin hole information across both project areas is notably high. Statistical data precision and accuracy shown by quantitative sample and assay pair data is high for both respective drilling datasets. Techniques applied to the interpretation and modelling are regarded as industry best practice. Grade interpolation is proved to be reconcilably effective for both estimates. • The elevation survey control of the Sigatoka River drilling is notably low.

Criteria	JORC Code explanation	Commentary
		However, drilling in the 200m x 100m array areas of this project shows a consistent intersection with mineralization above the 8% cut-off (HM in Feed) in both the upper and lower host strata. This allows sufficient confidence in the continuity of mineralization throughout the most of the Sigatoka River channel drilling. Magnetic fractionation and XRF composited data informing the Sigatoka resource estimate is detailed and wide-spread and indicates confidently the distribution of valuable minerals throughout the resource. It is this confidence in mineralization continuity and quality that warrants classification of the mineral resource as Indicated in these more densely drilled portions of the Sigatoka River resource estimate. There are areas within the Sigatoka River resource estimate, however, where this confidence in mineralization is diminished on the basis of limited drilling information. These portions of the Sigatoka River resource estimate have insufficient information to carry confidence in continuity of mineralization. On this basis, these portions of the Sigatoka River resource estimate are classified as Inferred. • The drilling informing the Kulukulu (KKS) resource estimate is - to varying degrees - insufficient to allow the geological and grade continuity to be confidently interpreted. The KKS resource estimate is further complicated by indications of mixed environments of deposition (alluvial meander belt mineralization in the northwest plains and coastal dunes and intertidal sands to the south and southeast). The KKS resource area is coincident with arterial road reserves and established communities of people as evidenced from aerial photography and cadastral information. No effort has been made to exclude the mineralization directly underlying these areas from the KKS resource estimate. Therefore, on the basis of the above statements, The KKS Resource is entirely Inferred. It is reasonable to expect that further drilling will upgrade the KKS resource to Indicated and there are areas that show notably high quality and concentration to warrant this as a priority for future exploration/development.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• A peer review of the latest resource estimates has been performed by Richard Stockwell (MAIG) as joint C.P. There were no critical issues identified to revoke the resource classification as stated.
Discussion of relative accuracy/ confidence	• *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.* • *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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The results of this review highlighted that there were some low confidence portions of the resource estimates as evidenced by drilling-model reconciliation analyses. • Inferred status is assigned to portions of the estimates where evidently high grade variability, low accuracy survey control and very low confidence in grade continuity occur. • Indicated Resources are coincident with the SRS area only. • No mining/processing production data is currently available.