Kingsgate
Consolidated Limited

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Manager
Company Announcements Office
Australian Securities Exchange

Bowdens Mineral Resources Report 2013

Kingsgate Consolidated Limited (ASX: KCN) is pleased to provide an update on the Bowdens Silver Project Mineral Resources.

The Mineral Resource Estimate has not changed from 2012 but has now been reported according to the 2012 edition Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). See Table 1 for full details.

Bowdens Mineral Resource Estimate, November 2012
(30g/t AgEq cut-off grade)

Resource Category	Tonnes (Million)	Silver (g/t)	Lead (%)	Zinc (%)	AgEq (g/)t	AuEq (g/t)	Silver (Moz)	AgEq (Moz)	*GoldEq (Moz)*
Measured	23.6	56.6	0.31	0.41	74.5	1.64	43.0	**57**	*1.25*
Indicated	28.4	48.0	0.27	0.36	63.6	1.40	43.8	**58**	*1.28*
Meas. + Ind.	**52.0**	**51.9**	**0.29**	**0.38**	**68.6**	**1.51**	**86.8**	**115**	*2.53*
Inferred	36	41	0.3	0.4	58	1.27	47.5	**68**	*1.47*
Total	**88.0**	**47.4**	**0.29**	**0.39**	**64.4**	**1.41**	**134.1**	**182**	*4.00*

Notes:

1. Bowdens silver equivalent: AgEq (g/t) = Ag (g/t) + 27.5 x Pb (%) + 22.8 x Zn (%) calculated from prices of US$26.33/oz Ag, US$2,206/t Pb, US$2,111/t Zn and NSR metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate. NSR or net smelter return metallurgical recovery is defined as the payable metal recovered after allowing for smelter deductions, which includes deductions for precious metals.

2. Bowdens gold equivalent: AuEq (g/t) = 46 calculated from prices of US$1200/oz Au, US$26.33/oz Ag.

3. In the company's opinion, the silver, lead and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

4. Rounding of figures may cause numbers not to add correctly.

Summary of Resource Estimate and Reporting Criteria

(Full details included in the attached Table 1)

Geology and geological interpretation

The Bowdens Silver Project is situated on the north-eastern margin of the Lachlan Fold Belt. Bowdens is hosted by flat-lying Early Permian Rylstone Volcanics. The Rylstone Volcanics are partially overlain by a sequence of marine sediments of the Sydney Basin (Shoalhaven Group). The Rylstone Volcanics range from 10 to 200 metres thick and are dominated by silica rich volcanically derived rocks.

The silver mineralisation is hosted within flow banded rhyolite and rhyolite breccia ignimbrites and tuffs of

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the early Permian Rylstone Volcanics. The mineralisation occurs as flat-lying to moderately dipping zones of disseminations and silicic fracture-filling and higher grade portions are closely associated with sulphides of iron, arsenic, lead and zinc.

Sampling and sub-sampling techniques

Resources were estimated from RC and diamond sampling by Kingsgate (21%) and previous explorers including Silver Standard (66%), CRA (8%) and Golden Shamrock Mines (4%). The resource database totals 535 generally vertical to steeply dipping RC and diamond holes for 60,692 m of drilling. Results from exploratory RAB and aircore drilling were not included in the resource dataset.

The sampling techniques for both RC and diamond drilling for Kingsgate and pre Kingsgate were of current industry standard including quality control (QAQC). The details are contained in the attached Table 1. These data demonstrate that Kingsgate's sampling and assaying are of appropriate quality for use in the current estimates.

Closely spaced composites from Kingsgate and Silver Standard drilling show comparable average grades providing additional confidence in the reliability of Silver Standard's data

Drilling techniques

The drilling used for the resource estimation includes RC and Diamond DDH drilling. All RC drilling used face sampling bits and diamond drill diameters for older drilling are nominally HQ (63mm) but both PQ and NQ in a minority of holes. Some of the diamond holes were pre-collared to various depths and the majority of Kingsgate's diamond drilling was oriented by conventional spear methods.

Classification criteria

Mineral Resources were estimated by Multiple Indicator Kriging (MIK). Models were created for silver, lead, zinc and silver equivalent and are reported above silver equivalent cut-offs with block sup port adjustment to reflect open pit mining selectivity. Resources have been classified into Measured, Indicated and Inferred categories with estimates for mineralisation tested by nominally 25 by 25 m and 50 by 50 m spaced drilling as Measured. and Indicated respectively with estimates for more broadly sampled mineralisation classified as Inferred.

The resource classifications account for all relevant factors including relative confidence in the estimates, reliability of the input data, confidence in continuity of geology and metal vales, quality, quantity and distribution of the data.

The resource classifications appropriately reflect the Competent Persons views of the deposit.

Gavin Thomas
Managing Director & CEO
Kingsgate Consolidated Limited

Competent Persons Statement

The information in this report that relates to Bowdens Mineral Resource estimation is based on and fairly reflects work completed by Jonathon Abbott who is a full-time employee of MPR Geological Consultants and a member of the Australian Institute of Geoscientists. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 20012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the 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 comments on the resource estimates, metal equivalence factors and economic potential of the estimated resources for Bowdens is based on and fairly represents information compiled by Ron James who is a member of the Australasian Institute of Mining and Metallurgy. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr James consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	Commentary
Sampling techniques	• Resources were estimated from RC and diamond sampling by Kingsgate (21%) and previous explorers including Silver Standard (66%), CRA (8%) and Golden Shamrock Mines (4%). The resource database totals 535 generally vertical to steeply dipping RC and diamond holes for 60,692 m of drilling. Results from exploratory RAB and aircore drilling were not included in the resource dataset. • For pre-Kingsgate drilling, RC holes were generally sub-sampled by riffle splitting, or spear or grab sampling for rare wet samples and diamond core was halved with a diamond saw. Samples were analysed by several accredited commercial laboratories by acid digestion and AA or ICP determination. Quality control measures included use of standards, blanks, field duplicates and external laboratory checks by a variety of methods including neutron activation assaying. • For Kingsgate's drilling, RC holes were sub-sampled by cyclone mounted cone splitters and diamond core was either halved or more commonly quartered with a diamond saw to provide representative assay sub-samples. The samples were analysed for a suite of elements including silver, lead and zinc by multi-acid digest with ICPAES determination. Measures taken to ensure the sample representivity included routine monitoring of sample recovery, RC field duplicates, and comparison of assay grades from closely spaced drill holes of different phases and types. Assay quality control measures included field duplicates, coarse blanks and reference standards. The available QAQC data demonstrate that Kingsgate's sampling and assaying are of appropriate quality for use in the current estimates. • Closely spaced composites from Kingsgate and Silver Standard drilling show comparable average grades providing additional confidence in the reliability of Silver Standard's data.
Drilling techniques	• All RC drilling used face sampling bits. • Diamond drill diameters for older drilling are nominally HQ (63mm) but both PQ and NQ in a minority of holes. Kingsgate's diamond drilling was by triple tube HQ. Core from selected older holes and the majority of Kingsgate's diamond drilling was oriented by conventional spear methods. • Some diamond holes were RC-precollared to variable depths, with the RC portions sampled and assayed consistently with other RC drilling.
Drill sample recovery	• RC drilling was closely monitored by field geologists and used face-sampling bits and generally sufficient air capacity to provide dry, high recovery samples. For older drilling, assay sub-samples were commonly weighed. • In addition to qualitative logging, monitoring of RC sample recovery for Kingsgate's drilling included weighing total recovered weights which showed generally good sample recovery with the exception of rare samples of shallow oxide material and wet samples at depth. • Kingsgate's diamond drilling was commonly by triple tube. Core recovery estimated from recovered core lengths showed high average recoveries. • The available sample recovery data shows generally high recoveries and no relationship between recovery and assay grade with no indication of significant biases due to selective sample loss.
Logging	• Samples from all resource drill holes were routinely qualitatively geologically logged, and selected diamond core was also geotechnically logged. Kingsgate routinely photographed diamond core and retains chip trays of sieved RC samples for reference. • The resource drilling has been logged with appropriate detail to support the current Mineral Resource estimates, metallurgical and mining studies.
Sub-sampling	• For pre-Kingsgate drilling, RC holes were sampled over one to two metre intervals with sub-samples generally collected by riffle splitting, or spear or grab sampling for rare wet samples. Un-mineralised samples were composited over intervals of up to five metres for assaying. Diamond core was halved with a

Criteria	Commentary
techniques and sample preparation	diamond saw with samples collected over intervals ranging from 0.2 to 5.0 metres and averaging 1.0 metres. • Kingsgate's RC drilling was sampled over one metre intervals and sub-sampled by cyclone mounted cone splitters. The majority of these samples (97%) were dry with wet samples generally coming from deeper drilling testing Inferred portions of the estimated resources. Kingsgate's diamond core was sampled over lengths ranging from 0.3 to 2.2 with around 92% of samples representing one metre lengths. Core was either halved or more commonly quartered with a diamond saw to provide assay sub-samples. • Samples from all drilling phases were sent to commercial laboratories for preparation and analysis. • Measures taken to ensure the representivity of the resource sampling include RC field duplicates, recovered sample weights and comparison of assay grades from closely spaced drill holes of different phases and types. These data confirm that the samples are appropriately representative for use in the current estimates. • The sub-sample sizes, sub-sample methods and sample preparation techniques are appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• Samples from all drilling phases were sent to commercial laboratories for preparation and analysis. No geophysical methods or hand-held XRF devices were used. • Assay methods employed for the Bowdens resource data are considered to represent total extraction. • Samples from older drilling were analysed by several accredited commercial laboratories by acid digestion and AA or ICP determination. Quality control measures included use of standards, blanks, field duplicates and external laboratory checks by a variety of methods including neutron activation assaying. • Composites from closely spaced Kingsgate and Silver Standard drilling show comparable average grades providing additional confidence in the reliability of Silver Standard's data. • Kingsgate's samples were analysed by ALS in Orange, NSW. After oven drying, and jaw crushing for core samples, the samples were pulverised to nominally 85% passing 75 microns and 25 gram sub-samples digested by multi-acid digest and analysed by ICPAES for a suite of elements including silver, lead and zinc. Quality control measures included field duplicates, coarse blanks and reference standards. • Measures taken to confirm the reliability of data from various drilling phases include comparison of closely spaced assay grades from drill holes of different methods and phases, including twinned RC and diamond holes. Pre-Kingsgate sampling data was reviewed by several independent authors during preparation of previous resource estimates. • The quality control measures have established that the assaying is of appropriate precision and accuracy for the current estimates.
Verification of sampling and assaying	• Reported significant intersections were reviewed and checked by senior geological management including the exploration manager. • Several independent authors reviewed pre-Kingsgate sampling data during preparation of previous resource estimates. • Bowdens drilling includes 30 pairs of similarly oriented holes with collars separated by less than ten metres. These pairs include 21 Kingsgate holes (9 diamond, 12 RC) with twin older RC, and rarely diamond holes, and 9 pre-Kingsgate diamond holes with twin RC holes. Paired comparisons of nearest-neighbor composites including twins and other closely located hole paths show no significant differences in average assay grades between sampling phases. • Kingsgate's sampling, logging and survey data were electronically merged into a central database directly from original source files using Logchief field software and imported into a Datashed in accordance with Kingsgate's database protocols and manuals. Data was viewed and interpreted using Micromine software. • Independent checking for internal consistency within and between database tables by MPR showed no significant discrepancies. Additional measures taken to confirm the reliability of data from various drilling phases include comparison of closely spaced assay grades from drill holes of different methods and phases, including twinned RC and diamond holes. • Assay results were not modified for resource estimation.
Location of	• Accredited surveyors using high accuracy DGPS surveys accurately surveyed all resource drill hole collars. • Pre-Kingsgate holes were down-hole surveyed by single shot cameras, and Kingsgate's drilling was surveyed by either Reflex EZ-shot or Eastman camera.

Criteria	Commentary
data points	• Resource estimates are constrained by a DTM generated from an aerial topographic survey which is consistent with drill hole collar surveying • The surveying was undertaken in Map Grid of Australia 1994 (MGA94) coordinates and transformed to a local grid for resource modeling. • The location of the sample points and topographic surface has been established with sufficient accuracy for the current estimates.
Data spacing and distribution	• Hole spacing varies from around 25 by 25 m and locally closer in central portions of the deposit to more than 50 by 50 m in peripheral areas. • The data spacing and distribution establishes geological and grade continuity adequately for the current resource estimates. • The resource estimates are based on two metre down-hole composited assay grades.
Orientation of data in relation to geological structure	• The resource drilling is dominated by steep to vertical holes approximately perpendicular to the flat lying to gently dipping mineralisation. • Available information indicates that the drilling orientations provide unbiased sampling of the mineralisation.
Sample security	• Kingsgate's field samples were placed in sealed polywoven bags for transport to ALS by Kingsgate Field Staff utilizing chain of custody procedures, and the laboratory reconciled sample numbers against sample submission forms lodged by Kingsgate. • Validity of assay results has been established by use of field duplicates, standards and comparison with results from metallurgical test work and results from different sampling phases.
Audits or reviews	• Audits and reviews of the sampling data include inter-laboratory repeats of pre-Kingsgate samples by alternative assay methods which confirmed the reliability of the assay results. • Kingsgate's QAQC information was reviewed on an ongoing basis, and was independently assessed by MPR. These reviews have confirmed that the data is of appropriate quality for the current estimates.

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
Mineral tenement and land tenure status	Kingsgate Bowdens Pty Ltd is the licensee and is a fully owned subsidiary of Kingsgate Consolidate Limited. • Kingsgate is the holder of two Exploration licences (EL's) in three tenements located in Lue/Rylstone area. EL5920 is divided into two separate areas with the mineral resource discussed in this document wholly occurring within EL 5920(1), at the Bowdens site. See Appendix 2, FIG 1. • Kingsgate has written access agreements in place with landowners to allow drilling to be undertaken on their properties. All properties within the define resource area have been purchased by Kingsgate. Kingsgate is in negotiations with the two remaining landowners adjacent to proposed infrastructure location, in addition to two small state government parcels. • The Company notes that no land within the licence area may be classified as sensitive land. In the present case, as no contaminated waters would be discharged from site, no items of Aboriginal-heritage significance would be disturbed and no threatened species of endangered ecological communities would be adversely impacted by the proposed activities, no further approvals other than that required under the *Mining Act 1992* is required.
Exploration	• Mineral Resources were estimated from two metre down-hole composited assay grades from RC and diamond drilling by Kingsgate (21%) and previous

Criteria	Commentary
done by other parties	explorers including Silver Standard (66%), CRA (8%) and Golden Shamrock Mines (4%) since 1989.
Geology	• Bowdens mineralisation is hosted within flow banded rhyolite and rhyolite breccia ignimbrites and tuffs of the early Permian Rylstone Volcanics, and rarely within sediments of the underlying Coomber Formation. Mineralisation occurs as flat–lying zones of disseminations and silicic filling of fractures. Higher grade portions are associated with sulphides of iron, arsenic, lead and zinc. • The mineralisation is oxidized to an average depth of around nine m, with oxidized mineralisation representing approximately 5% of estimated resources. • A series of N-S and E-W structures also feature prominently. • Fig 6 describes the geological setting.
Drill hole Information	• Results are too numerous to mention, refer to Figure 7 in Appendix.
Data aggregation methods	• For Kingsgate's RC drilling, samples were collected over one metre intervals and sub-sampled with a cyclone mounted cone splitter. For all intervals the cone splitter provided a bulk sample and original and duplicate sub-samples with selected duplicate samples submitted for analysis. • The mineralised domains used for the current study were interpreted by MPR from two metre down-hole composited silver equivalent grades with reference to a set of mineralised outlines interpreted above grade. • The combined mineralised domain wire-frames extend over around 1.1 kilometres north-south by approximately 900 metres east-west and are extrapolated to around 500 metres below surface which is well below the base of drilling. See Figure 4. • The resource estimates are based on two metre down-hole composited assay grades from RC and diamond sampling within the interpreted mineralised domains.
Relationship between mineralisation widths and intercept lengths	• The resource drilling is dominated by steep to vertical holes approximately perpendicular to the flat lying to gently dipping mineralisation. Down-hole lengths closely reflect true thicknesses. • Geological lithologies are also essential flat lying.
Diagrams	• Figures 3 – 5 in Appendix 2 highlight the nature of the Bowdens mineralisation and resource estimation.
Balanced reporting	• The Bowdens Resource Estimation was produced by MPR Geological consultants (MPR) based upon a review of drilling information supplied by Kingsgate.
Other substantive exploration data	• Ausenco Limited has been engaged by Kingsgate to prepare a DFS for the Bowdens project. • Ausenco and Campbell and Associates are undertaking ongoing Metallurgical test work.
Further work	• Additional work to be completed in 2013 includes Tailings Storage Facility Drilling program to sterilise for any ore beneath this infrastructure and to determine engineering parameters.

Criteria	Commentary
	• Processing Plant Sterilisation is also planned in parallel with extensional drilling of the orebody to the west. • The drilling operations will follow the same drilling protocols and procedures.

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	Commentary
Database integrity	• Pre-Kingsgate sampling data was reviewed by several independent authors during preparation of previous resource estimates. Kingsgate's sampling, logging and survey data were collected using digital templates and directly merged into a central database directly from original source files. • Database extracts are routinely checked by Kingsgate geologists • Independent checking for internal consistency within and between database tables by MPR showed no significant discrepancies.
Site visits	• Mr Abbott visited Bowdens on the 6th of September 2012 and inspected drill samples and mineralisation exposures and discussed details of the project's geology and drilling and sampling with field staff gaining an improved understanding of the geological setting and mineralisation controls, and the resource sampling activities. No significant issues were identified and all noted procedures are considered be of acceptable standards. • Mr James has visited the Bowdens at least 6 times since 2010 as part of routine supervision and management of field activities. Drilling and sampling practices were reviewed as well as geological and geotechnical logging of RC samples and drill core, geological mapping, inspection of previous drill core, establishment of field procedures including drill pad preparation and remediation. Other work includes training and supervision of geologists and field staff and review of safety practices. No significant issues were identified and all noted procedures are considered be of acceptable standards.
Geological interpretation	• The geological setting and mineralisation controls of the Bowdens mineralisation have been confidently established from drill hole logging and field mapping, including development of a robust three dimensional model of the major rock types and structures. • The mineralisation geometry is controlled by the flat-lying to gently dipping stratigraphy and alteration zones, and these trends are consistent with the interpretation adopted for resource estimation. The resource estimates are constrained to mineralised domains capturing significant mineralised intercepts grading above approximately 10 g/t silver equivalent. • Due to the confidence in understanding mineralisation controls and the robustness of the geological model investigation of alternative interpretations are unnecessary. • Refer to Figure 2 & 3 in appendix for typical plan and cross-section.
Dimensions	• The resource estimates extend over around 1.1 km north-south by approximately 900 m east-west. Mineralisation generally outcrops in the north and east of the deposit and is overlain by an average of around 35 m of barren material in the south and west. Estimated resources extend to the base of drilling at around 330 m below surface with approximately 90% from less than 180 m depth.
Estimation and modelling techniques	• Estimated resources include silver equivalent grades based on silver, lead and zinc prices of $26.33/oz, $2,206/t and $2,111/t with overall recoveries of 71.53%, 75.43% and 65.54% respectively. These estimates are based on three year average commodity prices (2011) and results of metallurgical test work, and give the following formula: Ag equivalent (g/t) = Ag (g/t) + 27.5 x Pb (%) + 22.8 x Zn (%). • Resources were estimated by Multiple Indicator Kriging. MIK models were created for silver, lead, zinc and silver equivalent and are reported above silver equivalent cut-offs with block support adjustment to reflect open pit mining selectivity. • Independent models were created for silver, lead, zinc and silver equivalent with estimates reported above silver equivalent cut offs. No direct

Criteria	Commentary
	assumptions were made about the correlation between grades for these metals. • The mineralised domains used for the estimates capture zones of continuous mineralisation above approximately 10 g/t silver equivalent and are consistent with geological interpretations. • The model is coded by oxidation and lithological codes. No by-product or deleterious elements were included. • The MIK models use indicator variography based on resource composite grades within mineralised domains defined by wireframes. Grade continuity of each domain was characterised by indicator variograms modeled at 14 indicator thresholds. • All bin grades used for MIK modeling were determined from class mean grades. A comparative model using upper bin medians did not give significantly different estimates. • Micromine software was used for data compilation, domain wire-framing, and coding of composite values, and GS3M was used for resource estimation. • Hole spacing varies from around 25 by 25 m and locally closer in central portions of the deposit to more than 50 by 50 m in peripheral areas. Resources were estimated into 25 by 25 by 5 m panels chosen on the basis of the drill hole spacing in central portions of the deposit. • The modeling includes a four pass octant based search strategy. Search ellipsoid radii (east, north, vertical) and minimum data requirements for these searches are: Search 1: 40 by 40 by 6 m (16 data), Search 2: 52 by 52 by 7.8 m (16 data), Search 3: 52 by 52 by 7.8 (8 data), Search 4: 70 by 70 by 10.5 m (8 data). These search passes give (Inferred) estimates extrapolated to a maximum of 70 m from composite locations • Model validation steps included visual comparison of model estimates with sampling data and constant volume comparisons with previous estimates which show reasonably close agreement. The deposit has not been mined, and no production records are available.
Moisture	• Tonnages are estimated on a dry basis using bulk densities of 2.30 and 2.35 t/bcm for oxide and fresh mineralisation respectively on the basis of immersion density measurements of oven dried sealed core samples.
Cut-off parameters	• The estimates are reported at a silver equivalent cut-off grade of 30 g/t. This cut-off reflects Kingsgate's interpretation of potential metal prices, and recoveries and potential operating costs estimated from test work performed on representative samples of diamond core. The following metallurgical testing was completed as part of the current program: • Mineralogy • Unconfined Compressive Strength (UCS) • Impact Crushing work index determination • Bond abrasion index determination • Bond rod mill work index determination • Bond ball mill work index determination • SMC testing • Slurry viscosity • Dynamic tailings thickening • Concentrate settling tests • Batch and locked cycle flotation tests • Cyanide speciation
Mining factors or assumptions	• The estimates include a block support adjustment to reflect ore selection based on silver equivalent cut-off grades with 5 by 5 by 2.5 m mining selectivity and 8 by 8 by 1 m grade control sampling. These criteria are based on the Competent Persons experience with comparable mineralisation and mining operations of comparable scale to that envisaged for Bowdens.
Metallurgical	• Metallurgical test work was conducted to confirm process design parameters and optimise the potential silver recovery from the Bowdens deposit. The

Criteria	Commentary
factors or assumptions	testwork examined core samples from the three dominant lithological domains: ignimbrite, crystal, tuff and breccia. The following tests were completed as part of the current programme: Mineralogy, Unconfined Compressive Strength (UCS), Impact Crushing work index determination, Bond abrasion index determination, Bond rod mill work index determination, Bond ball mill work index determination, SMC testing, Slurry viscosity, Dynamic tailings thickening, Concentrate settling tests, Batch and locked cycle flotation tests and Cyanide speciation. • Core sample was obtained from 12 diamond drill holes located across the ore body, within the envisaged pit shell and representing the three main lithology types. The samples for testing were selected with regard to lithology type and silver grade. • Master composite samples were prepared at the average silver ore grade, with the proportion of major rock types corresponding to the proportion within the ore reserve. Continuous ½ core sections from each major lithology were used for comminution testing. • ALS Ammtec in Perth completed metallurgical testing of physical properties.
Environmental factors or assumptions	• Available preliminary information suggests that, with appropriate procedures, there are no environmental considerations regarding waste and tailings disposal that would prevent eventual economic extraction of Bowdens mineralisation. • The proposed tailings storage facility and the waste rock dumps will be fully lined in order to mitigate potential acid forming characteristics of the materials.
Bulk density	• Tonnages are estimated on a dry basis using bulk densities of 2.30 and 2.35 t/bcm for oxide and fresh mineralisation respectively. These densities are estimated from 788 immersion (Archimedes method) density measurements of oven dried and sealed samples of Silver Standard diamond core. The majority (747) of these measurements are from fresh rock, with just 41 measurements from oxide material. Oxide mineralisation represents only 5% of the resources, and the comparatively lower confidence in density estimates for this material is not considered significant. • A further 531 volumetric density measurements based on measured core lengths, diameters and weights of air-dried core from individual core runs from Kingsgate's diamond drilling gave average densities around 6% higher than the immersion measurements of Silver Standard core. These results were not directly used in the estimates.
Classification	• Estimated resources are classified as Measured, Indicated and Inferred on the basis of search pass and a set of polygons outlining areas of reasonably consistent drill hole spacing. Only estimates from search pass 1 are included in the Measured resources, and only Search pass 1 and 2 estimates are included in the Indicated estimates. All panels estimated by search passes 3 and 4 are classified as Inferred. • The classification criteria assigns estimates for mineralisation tested by nominally 25 by 25 m and 50 by 50 m spaced drilling as Measured. and Indicated respectively with estimates for more broadly sampled mineralisation classified as Inferred. • The resource classifications account for all relevant factors including relative confidence in the estimates, reliability of the input data, confidence in continuity of geology and metal vales, quality, quantity and distribution of the data. • The resource classifications appropriately reflect the Competent Persons views of the deposit.
Audits or reviews	• Review of previous resource estimates and comparisons with recent mineral resource estimation indicates constant volume comparisons with previous estimates, which show reasonably close agreement.
Discussion of relative accuracy/ confidence	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of Measured, Indicated and Inferred estimates. • No mining has been undertaken at Bowdens to date preventing comparison of the resource estimates with production.

APPENDIX 2 – Diagrams and Images

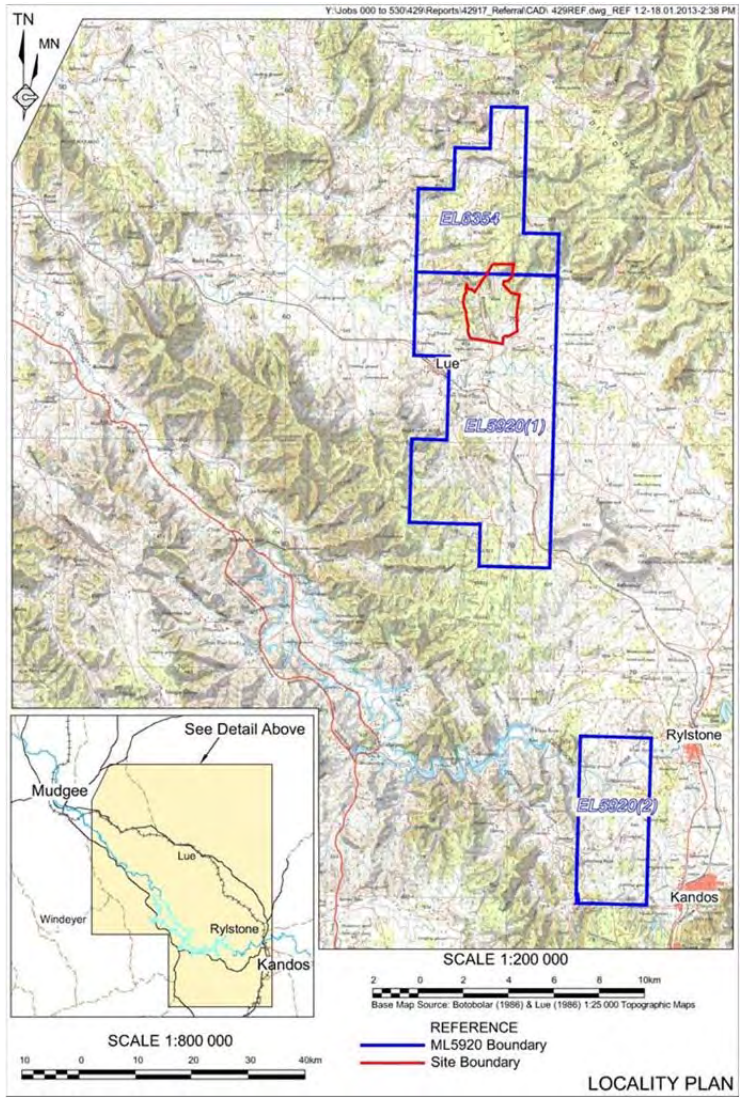

Fig1: Bowdens Silver Project locality Plan

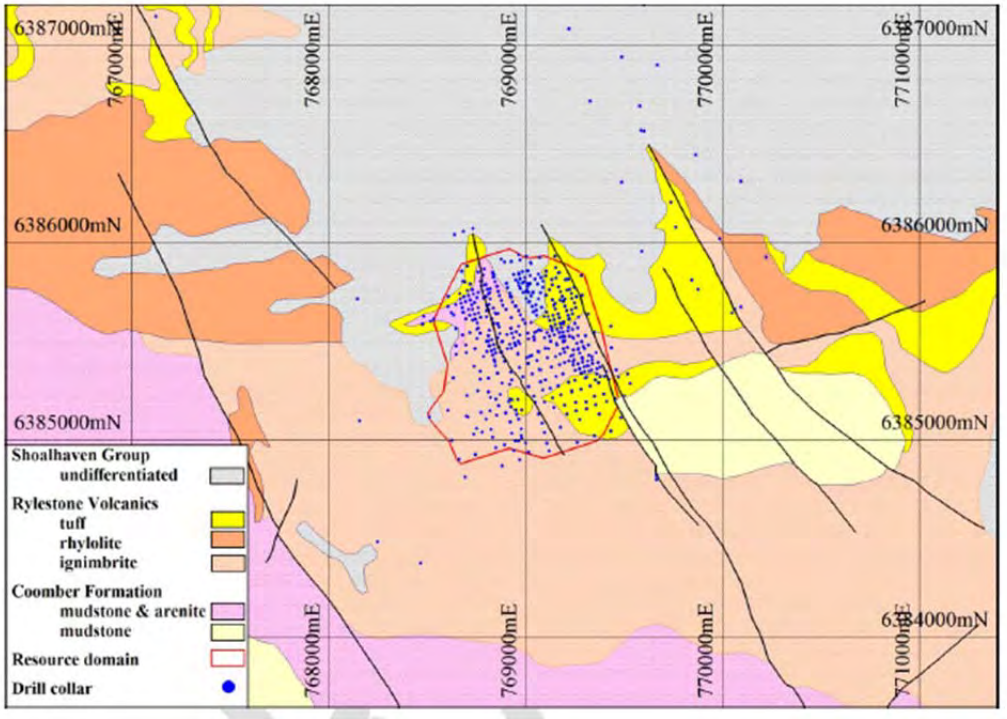

Figure 2. Simplified Geology, Modified after Crossing, 2012. (Ausenco Report 2012)

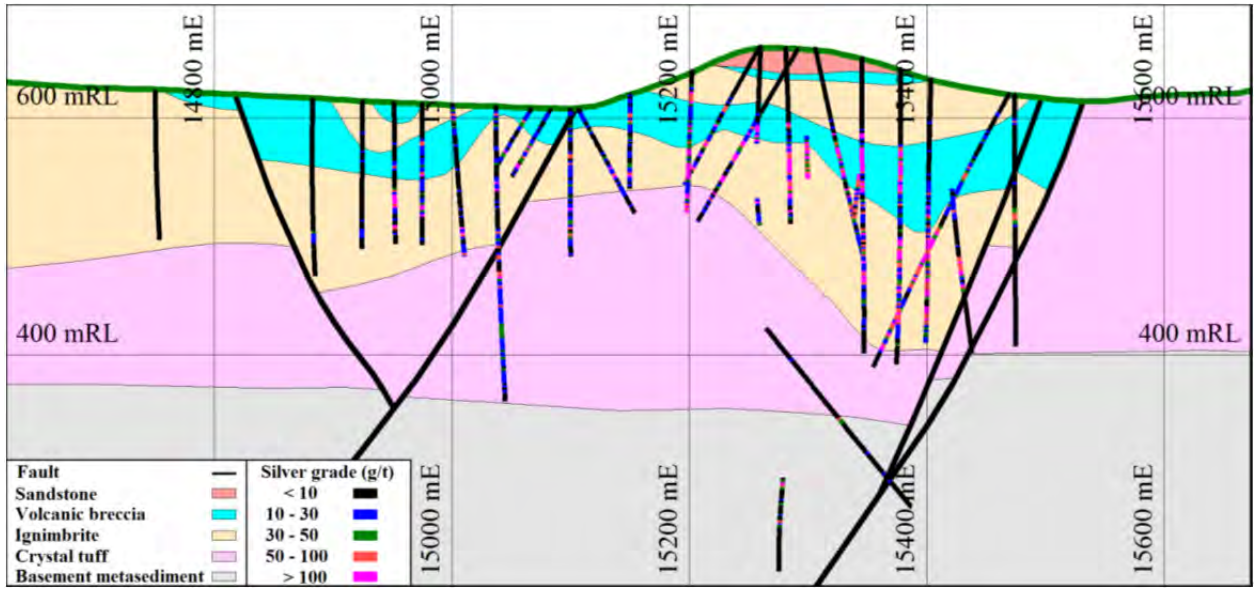

Figure 3. Cross Section 10550N - Main Rock Types and Drilling

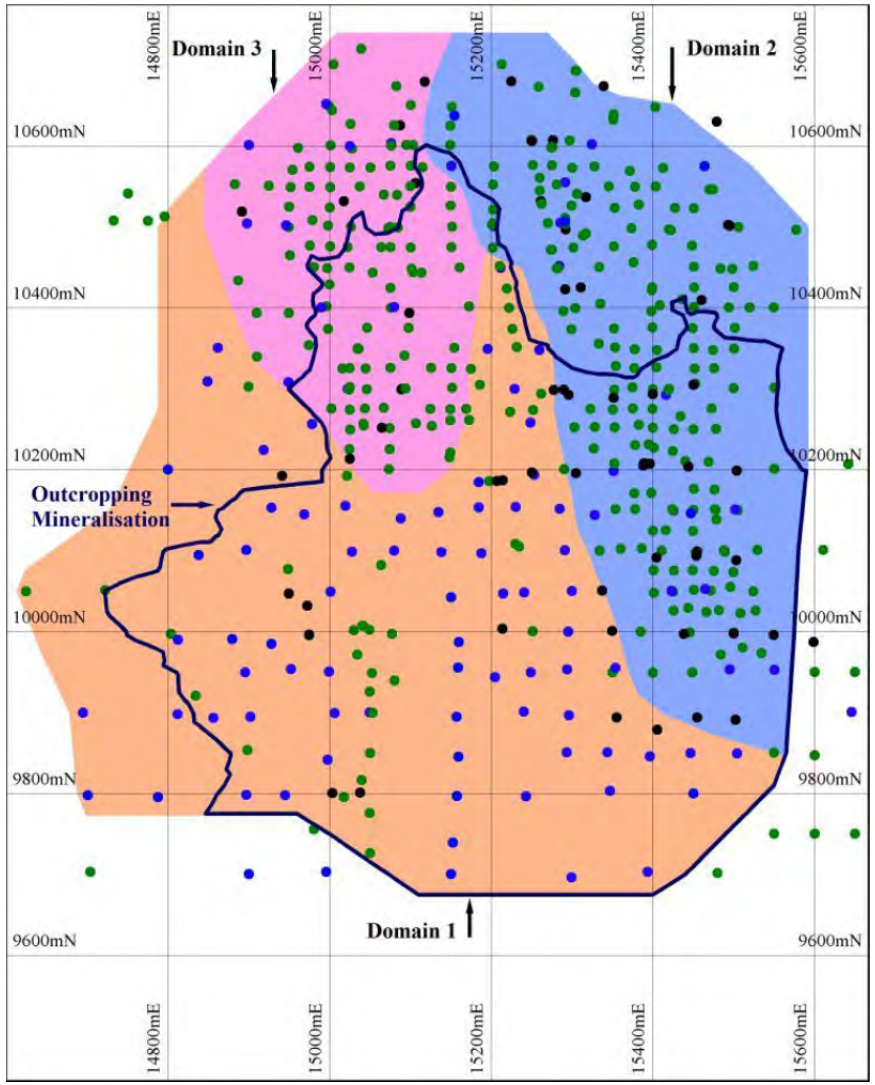

Figure 4: Mineralised Domains, Drill Hole Collars and Limits Outcropping Mineralisation, (after Ausenco Report).

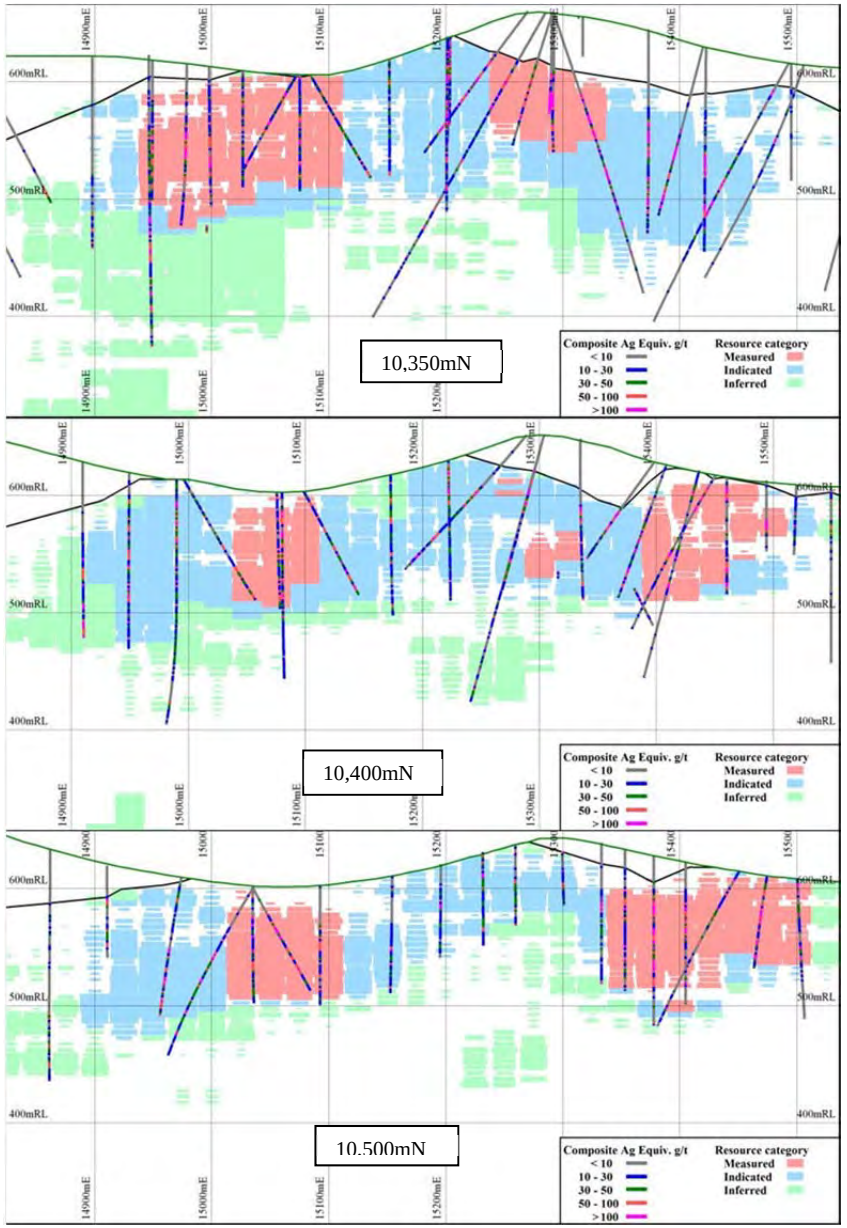

Figure 5: Resource Model Estimates at 30g/t Silver eq cut off.

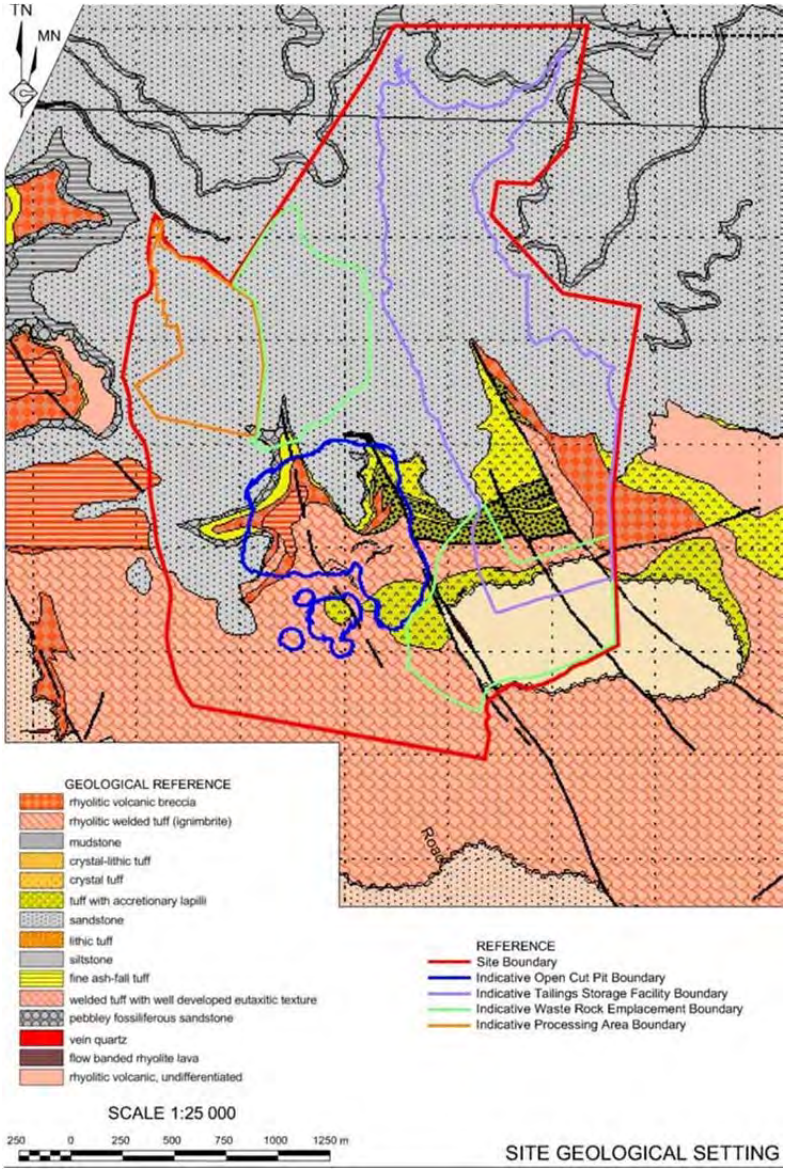

Fig 6: Geological Setting

BOWDENS DIAMOND DRILLING								
Hole No.	Local Coordinates (m)	Dip/ Azimuth (°)	Interval (m)	Width (m)	Ag Equivalent (AgEq)	Ag (ppm)	Pb (%)	Zn (%)
BRC12049	9943N, 15205E	-90 / 183	0 - 29	29	128.3	119.2	0.16	0.21
			40 - 57	17	46.7	36.5	0.10	0.31
BRC12050	9901N, 15240E	-90 / 300	30 - 64	34	60.4	51.9	0.06	0.28
			123 - 130	7	39.9	11.3	0.41	0.76
BRC12051	9949N, 15249E	-90 / 121	2 - 40	38	35.5	31.2	0.05	0.13
			48 - 54	6	45.8	35.0	0.13	0.31
BRC12052	9953N, 15294E	-90 / 280	22 - 44	22	88.8	77.4	0.12	0.34
BRC12053	9896N, 15296E	-90 / 319	8 - 23	15	50.5	40.2	0.08	0.34
			44 - 51	7	50.8	39.4	0.14	0.32
BRC12054	9851N, 15293E	-90 / 143	43 - 49	6	34.7	30.5	0.05	0.12
			56 - 66	10	100.4	91.3	0.16	0.22
BRC12055	10153N, 15185E	-90 / 121	3 - 8	5	46.5	27.0	0.40	0.42
			15 - 36	21	60.9	32.3	0.61	0.58
			68 - 74	6	32.0	11.4	0.41	0.44
BRC12056	10097N, 15188E	-90 / 185	0 - 17	17	106.2	94.7	0.25	0.23
			55 - 63	8	47.3	16.0	0.41	0.87
BRC12057	10098N, 15138E	-90 / 21	4 - 20	16	82.5	46.3	0.41	1.06
			47 - 53	6	25.8	10.5	0.22	0.40
BRC12058	10147N, 15135E	-90 / 95	0 - 7	7	37.4	31.7	0.14	0.10
			17 - 32	15	52.8	38.2	0.17	0.42
			51 - 74	23	68.2	34.5	0.38	0.99
BRC12059	9850N, 15447E	-90 / 293	11 - 17	6	43.2	32.4	0.13	0.31
			41 - 49	8	31.3	28.2	0.04	0.09
BRC12060	9846N, 15396E	-90 / 169	11 - 20	9	61.0	47.7	0.13	0.40
BRC12066	10153N, 14928E	-90 / 21	10 - 25	15	46.9	43.6	0.05	0.09
BRC12068	10256N, 14978E	-90 / 275	27 - 34	7	136.4	94.5	0.21	1.46
			57 - 64	7	46.8	35.7	0.08	0.36
BRC12069	10308N, 14949E	-90 / 284	66 - 78	12	124.2	113.0	0.12	0.33
			88 - 118	30	77.9	58.5	0.20	0.59
BRC12070	10400N, 14990E	-90 / 181	17 - 65	48	168.8	98.9	0.74	2.09
			72 - 91	19	79.0	56.9	0.27	0.63
			97 - 108	11	37.5	25.5	0.17	0.32
			114 - 134	20	31.8	13.4	0.27	0.48
			150 - 155	5	43.2	23.2	0.32	0.50
			190 - 196	6	45.5	17.0	0.59	0.59
BRC12071	10309N, 14849E	-90 / 190	94 - 105	11	93.2	68.0	0.15	0.85
			137 - 152	15	97.9	89.2	0.10	0.25
BRC12072	10351N, 14862E	-90 / 194	141 - 146	5	60.7	57.5	0.04	0.09
			164 - 174	10	38.0	27.6	0.10	0.32
			180 - 191	11	38.0	17.3	0.28	0.57
BRC12076	9990N, 14812E	-90 / 161	23 - 31	8	46.2	37.5	0.09	0.26
			51 - 57	6	37.6	16.3	0.10	0.75
			65 - 72	7	34.2	14.9	0.06	0.70
			79 - 93	14	49.8	22.5	0.09	0.99
BRC12077	9893N, 14856E	-90 / 183	60 - 79	19	36.5	32.4	0.04	0.13
BRC12078	9895N, 14902E	-90 / 183	57 - 74	17	104.6	98.8	0.08	0.16

Fig 7: Significant Intersections from Resource Drilling, Sept 12