



ASX Resource Companies

Recommendations/ Deals/ Listings/ Resource Updates/ Drilling Results; Drilling Underway/ Production/ Existing Projects/ Existing Projects in the Resources Sector

BREAKAWAY MINING RESEARCH

DAILY REPORT

Friday, 16th June 2017*

CONTENTS

Overnight Commentary	1
Markets	1
Commodities Continued...	2
Commodity Price movements	2
MARKET REVIEW	3
Deals (& Deals In Progress Or Terminated) & New Tenure	3
Production or Emergent Production News (From completed DFS/BFS onwards)	3
Feasibility Studies (Inc. Scoping, Pilot & Appraisal Studies & Met Testing Results)	4
Drilling News	4
Drilling Planned, Underway Or Completed (With Assays Pending).	4
Other Announcements on Existing Projects	5
Capital Raisings & Other Financing >\$1m	5
Corporate News & Granting/Renewal Of Tenure Applications	6
Investor Presentations	6
Breakaway Research	9
AUSTEX Mining Pty Ltd	9
Important Disclosure/Disclaimer	10

OVERNIGHT COMMENTARY

Markets

U.S. stocks fell for the fourth time in five days as selling in technology shares resumed. The dollar advanced with Treasury yields, while gold weakened as traders digested the more hawkish tone struck by the Federal Reserve.

China's holdings of U.S. Treasuries rose for a third straight month in April, reaching the highest in half a year amid signs the economy is stabilizing according to Bloomberg.

Chinese ownership of U.S. government bonds, notes and bills increased by US\$4.6 billion to US\$1.09 trillion in April, remaining the second-largest foreign holder of American debt, according to a monthly Treasury Department report released on Thursday. Japan, the largest non-U.S. holder, decreased its total to US\$1.11 trillion, down US\$12.4 billion from a month earlier.

**prepared based on announcements made by ASX Listed Resource Companies on the preceding day*

Commodities Continued...

Commodity price movements were mixed with gold continuing to fall. This is continuing on the back of hawkish statement from FOMC regarding the future monetary policy tightening and a potential reduction in the outstanding balance sheet.

The South African Department of Mineral Resources (DMR) published its revised Mining Charter on Thursday. It called for an increase in Black Economic Empowerment (BEE) ownership to 30% from 26% in the previous charter, to be achieved in the next year, and a proposed a levy of 1% on annual turnover to be paid to community groups before other distributions. Historical transactions which achieved the previous 26% target will be recognised in meeting the new target (known as “once empowered, always empowered”), but those that didn’t will not and application of this principle going forward is unclear. Industry group The Chamber of Mines complained of a lack of consultation and said it would apply through the courts to have the Charter set aside due to faulty legal process and other issues, as reported by Macquarie.

COMMODITY PRICE MOVEMENTS

Commodity Prices	Price	Daily Change	Market Movements	Price/Level	Daily Change
Base Metal Prices (US\$/lb)			Broad Market Indices		
Copper	2.56	-0.6%	DJIA	21,359.90	-0.1%
Lead	0.94	0.8%	FTSE-100	7,419.36	-0.7%
Zinc	1.13	0.5%	S&P/ASX 200	5,763.20	-1.2%
Nickel	3.99	-1.0%	Mining and Energy Indices		
Aluminium	0.84	-0.6%	S&P/ASX 200 Resources	3,265.00	-2.7%
Tin	8.90	1.4%	S&P/ASX 300 Metals & Mining	2,851.70	-2.8%
Cobalt	25.67	0.0%	S&P/ASX 200 Energy	8,877.40	-2.2%
Molybdenum	7.81	0.0%	S&P/ASX All-Ordinaries Gold	4,536.40	-1.0%
Precious Metal Prices (US\$/oz)			Global Mining		
Gold	1255	-1.6%	S&P/TSX Global Mining	61.78	-1.4%
Silver	16.86	-0.6%	Commodity Indices		
Platinum	918	-2.4%	CRB Index	174.38	-0.4%
Energy			LME Index	2721.60	0.0%
Oil WTI (US\$/bbl)	44.54	-0.6%	S&P GSCI	2108.77	-2.1%
Thermal coal (US\$/t)	80.00	0.9%	Baltic Dry	865.00	-0.6%
Iron ore (US\$/t)	54.50	0.9%	Overnight snapshot		
Exchange Rates			Sources include Bloomberg, Macquarie, TradingEconomics, S&P, Commsec, Xe.com, marketindex.com, Reuters, Breakaway Research yahoofinance.com		
AUD/USD	0.758	-0.5%			
EUR/USD	1.115	-1.2%			
USD/ZAR	12.88	1.3%			

MARKET REVIEW

Deals (& Deals In Progress Or Terminated) & New Tenure

ASX Code	Company Name	Details
CVS	CERVANTES CORPORATIO	Have entered into a formal sale agreement with ASX-EUR to acquire the Paynes Find Au Project WA. CVS are of the view that less than 10% of the prospective area has been examined with modern exploration methods.
CLY	CLANCY EXPLORATION	Have been granted exploration tenure totaling 80 sq km over the Leogang Co Ni Sulphide Project Western Austria, where historic mining has taken place. AIM Listed Cadance Minerals have an option to acquire up to 20%
THR	THOR MINING	Have agreed to acquire 25% of 4 lithium projects in Arizona and New Mexico USA for \$US75,000.
CAS	CRUSADER RESOURCES	Have signed a binding Scheme Implementation Deed (SID) with AIM listed Stratex International PLC. Under the SID each CAS share will be exchanged for 6.6 Stratex shares.

Production or Emergent Production News (From completed DFS/BFS onwards)

ASX Code	Company Name	Details
JAL	JAMESON RESOURCES	Subsequent to the completion of a capital raising of \$2.6M, environmental studies, preliminary engineering design is commencing at the Crown Mountain Coking Coal Project BC Canada. Discussions have commenced re offtake. Mine construction is planned for 2019 and first production 2020.
DTR	DATALINE RESOURCES	DTR is on track to commence small scale production at the historic underground Gold Links Mine Colorado USA, with the appointment of a mining contractor to extract ore from underground and cart it to the Company's Lucky Strike Milling Facility 50kms away. It would seem that the basis for commencing mining are individual high grade channel sample assays taken within the old workings. However, no actual channel sampling intersections are reported and hence the merits of the exercise are questionable.
FND	FINDERS RESOURCES	Cu cathode production for May from the Wetar Island Cu SX-EW Project was 2401t Cu, up from 2174t in April. Unaudited C1 Cash Costs for May was \$US0.98/lb, down slightly from \$US1.00/lb in April.
MAT	MATSA RESOURCES	Have appointed a mining contractor for the Trial Mine at the Fortitude Au Project. The contractor will mobilize to site and commence operations in the next few weeks.
WGX	WESTGOLD	Have undertaken the first gold pour at the successfully commissioned Fortnum Au Plant WA. Ramping up the project to nameplate is continuing.
EGS	EASTERN GOLDFIELDS	The Daveyhurst Au Mill WA refurbishment is completed and commissioning of the crushing circuit is expected to commence within 2 days.

Feasibility Studies (Inc. Scoping, Pilot & Appraisal Studies & Met Testing Results)

ASX Code	Company Name	Details
MEY	MARENICA ENERGY	Have agreed to conduct "U-pgrade" testwork on samples from ASX-PDN Langer Heinrich Uranium Mine Namibia. The aim of the tests is to determine whether the technique to reduce operating costs
CLQ	CLEAN TEQ	Have produced high purity nickel sulphate samples in the lab, from ore from the Syerston Ni Sc Co Project NSW. The samples are to be dispatched to potential customers in the lithium ion battery chain for testing and analysis.
KAS	KASBAH RESOURCES	Have completed a review of the Achmmach Tin Project Morocco, using independent consultants, which has identified opportunities for project optimization. The final DFS preparation now underway and is targeted to be completed during Q4 17.

Drilling News

ASX Code	Company Name	Details
MCR	MINCOR RESOURCES	First assays have been received from recent drilling at the Widgiemooltha and North Kambalda Au Project WA have returned 5 intervals from Widgiemooltha highlighted by MCR from outside the current resource, including 7m @ 4.97g/t Au from 38mdh. Plus 6 infill intersections highlighted including 11m@ 2.3g/t from 44mdh. At North Kambala the first drilling program has returned 2 intersections highlighted including 5m @ 2.3gt Au. Further assays are awaited. Intersections from other prospects are mentioned in the announcement.
PGM	PLATINA RESOURCES	Assays from the Owendale North Prospect, Owendale Co Ni Sc Project NSW have returned 6 intersections noted for the Scandium by PGM including 14m @ 725ppm Sc and 3 intersections noted for cobalt by PGM including 7m @ 0.34% Co.
DKM	DUKETON MINING	Assays from RC & DD have returned 3 intersections noted by DKM at Lancefield North including 23m@ 1.6g/t Au; 3 intersections at Golden Star including 10m @ 1.5g/t Au. (Duketon Au Project WA)
GPR	GROPACIFIC RESOURCES	Ongoing drilling at the Woodlark Au Project PNG has outlined mineralization outside the resource area north of the Kulumadua East Prospect, as well as around and below the pit design. GPR highlights 6 intersections including 51m @ 2.82g/t Au from 35mdh.

Drilling Planned, Underway Or Completed (With Assays Pending).

ASX Code	Company Name	Details
CAI	CALIDUS RESOURCES	Have commenced an initial 10000m RC drill program at the Warrawoona Au Project East Pilbara WA. The contained resource is 410koz Au @ 2.2g/t Au.

Drilling Planned, Underway Or Completed (With Assays Pending) Continued...

EQE	EQUUS MINING	EQE report that the first drill hole at the Los Domos Au Ag Project has intersected 12.9mdh of indications of precious and base metal mineralization. Assays pending.
ADV	ARDIDEN	Phase 2 resource drilling program continues at Seymour Lake Canada. 6 holes have been completed and 3 have intersected spodumene bearing pegmatites with intersections up to 25mdh.
CZL	CONSOLIDATEZINC	Assays from 2 holes (23 & 24) at the Tres Amigos Deposit Mexico have intersected 1.75m and 0.8m respectively of massive and semi massive sulphide mineralization. Assays awaited. 33 rock chip channel samples taken over 150m of strike of Zn & Pb mineralization.
GMD	GENESIS MINERALS	Maiden drilling program (3000m of AC and 900m RC) is underway to evaluate the recently optioned Barimaia Au Project, 10 kms SE of 6Moz Mt Magnet Au Mine.

Other Announcements on Existing Projects

ASX Code	Company Name	Details
PNX	PNX METALS	Field work has commenced at the Hayes Creek Au Project NT for the 2017 season. Drilling at Moline Prospect is due to start in early July that aims to extend the known mineralization. Drill testing is also planned at Cookies Corner Au Target in late July, plus a geophysical survey at Hayes Creek and the new Margaret VMS Prospect to identify additional drill targets.
BMT	BERKUT MINERALS	Rock samples with up to 0.5%Co (based on handheld XRF only) have been collected at Skuterud Co Project Norway. Extension historic workings occur and multiple parallel zones of mineralization have been identified. Drill permit applications in progress.
THR	THOR MINING	Bedrock geochemistry drilling has commenced at the Dundas Au Project in SW WA.

Capital Raisings & Other Financing >\$1m

ASX Code	Company Name	Details
MGT	MAGNETITE MINES	Have raised \$2.3M by way of a placement at 5 cents per share to complete its merger with Lodestone Equities and the advancement of its large South Australia Magnetite Iron Project.
CO1	COBALT ONE	Have raised \$2M at 10 cents per share to fund the acquisition of the Cobalt Camp Cobalt Refinery in Ontario Canada.
AGR	AGUIA RESOURCES	Have signed a Non-Binding MOU with Nebari US to provide up to 100% of the financing required for development of Tres Estradas Phosphate Project Brazil, via commercially priced debt.

Capital Raisings & Other Financing >\$1M Continued...

ANW	AUSTIN MINING	Have arranged a \$3.25M funding package involving 24 month Converting Security Funding Agreement executed with the Australian Special Opportunity Fund LP, managed by The Lind Partners. The arrangements involve \$1M being paid within 5 days of all conditions precedent being achieved and the remaining funds when other targets are achieved. 24 month term with a face Value 120% of the amount advanced. The funds will be used to advance and for the expansion of the Granville Tin Project.
AGY	ARGOSY MINERALS	An SPP has closed raising \$2.23M. The funds are to be used to fast track the development of Rincon Lithium brine Project Argentina.
PLS	PILBARA MINERALS	PLS have launched a \$50M placement, which includes a \$27M placement to the Company's offtake partner Jiangxi Ganfeng Lithium Co. A SPP is being offered to shareholders to raise \$15M. The equity raising follows a recently successful \$US100M secured bond issue. The funds to be used to develop the Pilgangoora Lithium Project WA.

Corporate News & Granting/Renewal Of Tenure Applications

ASX Code	Company Name	Details
CHK	COHIBA MINERALS	Have now executed a Share Sale Deed between the Company and vendors of Cobalt X and the acquisition will now be considered by shareholders.
SFX	SHEFFIELD RESOURCES	The Native Title Tribunal has approved the granting of a mining lease for the Thunderbird HMS Project WA.
CTM	CENTAURUS METALS	Advice that the Brazilian Govt have approved exploration tenure of 120 sq km over the Salebo West Project in the Carajas Mineral Province in Northern Brazil.

Investor Presentations

ASX Code	Company Name	Details
MEI	METEORIC RESOURCES	MEI is acquiring 3 exploration projects in Ontario Canada (Midrim; Mulligan & Iron Mask) all of which are considered prospective for cobalt and other minerals. Midrim covers 38 sq km with 31549m of historic drill results, only partially assays for Co; plus 1015 line km of IP and 208 soil samples. Iron Mask covers 14 sq km along strike from the historic Iron Mask Co Ag Mine. The Mulligan tenure covers 0.73 sq km 30 kms N of Cobalt Town.

Investor Presentations Continued...

BMT	BERKUT MINERALS	<p>BMT have finalized the acquisition of the company holding the Skutterud Co Project Norway and Gladhammar and Tunaberg Co Projects in Sweden, by issuing 2.75M shares in BMT. The Skuterud Project is located 100kms from Oslo and covers 19 sq km of tenure over historic cobalt mines that BMT advice were the world's largest supplies between 1773- 1893. Spoil samples have returned up to 0.5%Co. The Gladhammer & Tunaberg historic Cobalt Mines are located in Southern Sweden, with 20 sq km of tenure. Grades mined were up to 2% Co from 15th -195h Century. The project has access to 4.5km of trend of prospective magnetic anomalies. Pending shareholder approval of the acquisition drilling is likely to commence in H2 17.</p>
AML	AEON METALS	<p>AML hold the Walford Creek Zn Pb Cu Ag Co Project NW Qld is a large sediment hosted mineral system that is both structurally & lithologically controlled. The contained resources includes 623kt Zn 626kt Pb 296kt Cu 55moz Ag 60kt Co, making it one of the larger cobalt resources in Australia. A PEA has been completed on the development of the high grade Vardy Cu Zn Co Zone, where an open pit mine with an LOM of 6 years is suggested, extracting 600ktpa of ore to produce around 6.3kt Cu 5kt Zn and 0.4kt Co per annum. The ore is to be processed by conventional hydrometallurgy to produce a Cu Zn concentrate and then pyrite roasting is being considered to extract the cobalt from pyrite rich ore. The Contained resource at Vardy is 82kt Cu 49kt Pb 40kt Zn 5.4Moz Ag 11kt Co. The pre-production capex is estimated to be \$97M and the opex around \$97/t ore. A BFS Into the development is proposed, with construction planned for Q1 19 after receipt of all Govt permits.</p>
WPG	WPG RESOURCES	<p>WPG hold the Challenger Au Mine and the Tarcoola and Tunkillia Au Projects SA with total resources of 918koz Au at 2g/t Au. Reserves are 160koz Au. Production guidance for the Challenger Mine is 50koz Au for FY 17 at AISC of \$1495/oz Au in Q1 17. Mill expansion plan is underway to process 700ktpa. The contained resource at Challenger is 255koz Au @ 9.8g/t Au and reserves of 89koz Au. The ventilation system at the Challenger Au Mine SA has been upgraded to allow mining into the Challenger Deeps. Underground drilling will now commence below the 215 shear. Drilling will also target Challenger West not previously drilled. Ore is being carted to Challenger from the Tarcoola Au Mine where the reserve is 71koz. A DFS is planned to be completed at the Tunkillia 223 Au Deposit located 70kms S of Tarcoola, by the end of 2017. WPG (28%) have a JV with ASX-TYX over exploration projects within the West Gawler JV around the Challenger Mine. Resources include the Jumbuck Project with 147koz Au.</p>
KAS	KASBAH RESOURCES	<p>KAS hold the Achmmach Tin Project in Morocco which has been stalled for a while. A new strategic investor (Pala Resources), board and management now in place. An independent technical review has been completed. Reserves are 6.6Mt @ 0.85% Sn for 55kt Sn Contained and the contained Resources 127Kt Sn. A small production startup of 3,970t "tin in concentrate" production is contemplated over 10.5 years. The expected capex is \$US78M The expected AISC of \$11507/t expected. Expected revenue is \$US 20000/t. A number of satellite projects have been identified providing exploration upside.</p>

Investor Presentations Continued...

AL8	ALDERAN RESOURCES	AL8 has recently listed after raising at 20 cents per share by way of an IPO. AL8 have tenure over the Frisco Project Utah USA. The Project includes the Cactus Cu Au Ag Prospect that includes a number of breccia pipes over an area of 1000m x 400m. Other prospect include the Accrington Cu Zn Ag Au Skarn Deposit (1.8kmx x 1.2kms) and the Horn Zn Deposit.
PLS	PILBARA MINERALS	PLS presentation is centered on the capital raising and bond issue mentioned above and the lithium market. PLS is developing the Pilgangoora Lithium Project WA, to mine 2Mtpa spodumene ore. The capex is \$234M. Operating costs are estimated at \$US 189/t concentrate CFR. Early construction commenced Dec 2016 and long lead items ordered. The Company is targeting commissioning from March 2018. The contained resource is 1.95Mt @ 1.25%Li ₂ O and the contained reserves 0.88Mt @ 1.26%Li ₂ O. The spodumene offtake is secured at 60kt pf 6% spodumene concentrate per annum for 10 years, with Ganfeng Lithium, to be shipped from Port Hedland. (180kms from Pilgangoora).
MRV	MORETON RESOURCES	MRV holds the 180 sq km Granite Belt Ag Cu Project SE Qld, which includes the historic Twin Hills Ag Heap Leach Merrill Crowe Operation. MRV reports that up to 2.3Moz Ag remains in the pregnant ponds from the previous operation. The Company plans to develop 3-5 open pit mines, with contained resources are 20Moz Ag at grades around 50g/t Ag, feeding a central processing facility. MRV expect to produce 90koz Ag per month for 8 years at AISC of \$14/oz Ag. The Company expect to have the operation commissioned within 3 months of the MLA being granted, with a ramp up to full production over the next 12-18 months. Several Cu/Ag targets have been identified in the region. MRV hold the South Burnett Thermal Coal Project, located within Tarong Basin 6kms S of Kingaroy SE Qld.

BREAKAWAY RESEARCH

Breakaway Research Pty Ltd

Breakaway Research is an authorised representative of the Breakaway Investment Group Pty Ltd (AFSL 290093). Breakaway has been researching mining and energy companies for more than 10 years and successfully combines technical and financial assessment of companies, leading to superior research.

Breakaway Research offers products to meet the particular requirements of its clients:

- **Subscription Research** for investors with our Daily and Weekly reports summarising ASX releases, commodity price movements, overnight market news, investment themes, recommendations and portfolios.
- **Company Commissioned Research** which promotes the inherent value in companies and their projects to a broad range of investors utilising Breakaway's extensive distribution network including publishing in The Digger Newsletter.
- **Institutional Research** providing bespoke research relating to sectors, investment themes, strategies or particular companies for Institutional and Corporate clients.

Breakaway Research screens companies for suitability and merit prior to issuing a mandate for a Company Commissioned Research Report – hence there is a bias in our recommendations.

For enquiries, please contact:

Rachel Szabo
Manager Client Services

+61 2 9392 8032

rachel.szabo@breakawayinvestmentgroup.com
www.breakawayresearch.com.au

AUSTEX MINING PTY LTD

Rob Murdoch - Principal Consultant

Austex Mining Pty Ltd

BA FAusIMM CP FAIG

Austex Mining Principal Rob Murdoch is an Australian geologist who has specialised in the management of junior resource companies for 30 years. His experience enables Rob to provide a quick and valid assessment on the potential of impact of many announcements, for example those involving new discoveries, drill results or resource upgrades and tracks the progress of companies on their various exploration or development projects.

Austex maintains an extensive database on all ASX listed resource companies, their corporate situations and the status of their various projects. This database helps to identify industry and investment trends which may not be apparent otherwise. Breakaway Research is extremely pleased to be able to utilise Rob's extensive experience in both corporate and technical capacity to assist in identifying resource investments that will directly benefit our subscribers.



PO Box 1677, NEW FARM QLD 4005

Phone: +61 418 712 011

rmurdoch@austexmining.com

www.austexmining.com

IMPORTANT DISCLOSURE/DISCLAIMER

This publication has been prepared by Breakaway Research Pty Limited ("Breakaway") (ABN 64 103 587 702), an authorised representative of the Breakaway Investment Group Pty Ltd (AFSL no. 290093). Daily research collation is provided by Rob Murdoch, Principal Consultant of AUSTEX Mining Pty Ltd ("AUSTEX") (ABN 16 010 801 911) as a service provider to Breakaway Research. This report is part of a subscription package offered by Breakaway Research and Breakaway will receive subscription fees for its preparation.

While the information contained in this publication has been prepared with all reasonable care from sources that Breakaway and AUSTEX believes are reliable, no responsibility or liability is accepted by Breakaway and AUSTEX for any errors, omissions or misstatements and any reader needs to verify the information presented. Breakaway and AUSTEX are under no obligation to provide further research on any of the companies presented in the Breakaway reports. Any opinions, forecasts or recommendations reflects the judgment and assumptions of Breakaway and AUSTEX as at the date of publication and may change without notice. Breakaway and AUSTEX, their officers, agents and employees are not liable under any circumstances whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only.

Breakaway or AUSTEX have not considered the investment objectives, financial situation or particular needs of any individual recipient of this report. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations.

This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country.. Breakaway and AUSTEX, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Breakaway and AUSTEX, their directors, employees and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Breakaway and AUSTEX discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may affect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has Breakaway and AUSTEX been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.