

BREAKAWAY MINING RESEARCH

DAILY REPORT

Monday 4th September 2017*

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

OVERNIGHT COMMENTARY

Markets

The S&P 500 rose 1.4 percent for the week and ended August with a gain of less than 0.1 percent, the smallest increase since March though still the ninth advance in 10 months. The Dow Jones Industrial Average added 174 points over the five days, while the Nasdaq Composite Index rallied 2.7 percent to a record, reports Bloomberg.

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Commodities

Base and precious metal prices rose on Friday.

Rio Tinto opened its Silvergrass mine this week, a satellite deposit of the existing Nammuldi mine in the Pilbara. Iron ore mined at Silvergrass will be transported to Nammuldi via a 9 km conveyor to produce a total of 10 Mt of low phosphorous iron ore. Proximity to existing infrastructure makes Silvergrass a very low-cost project, with capex intensity of only \$34/t.

First Quantum agreed to raise its stake in the major Cobre Panama copper project to 90% by acquiring a 10% stake from

LS-Nikko Copper for \$635m. First Quantum will pay the agreed amount over five years and the project is reported to be 60% complete. "This acquisition underline our confidence in this world class project and the strong fundamentals for copper," Chairman and CEO Philip Pascal said.in the future and that is the reason why speculative capitals are moving towards copper," Codelco said

Commodity Prices	Price	Daily Change	Market Movements	Price/Level	Daily Change
Base Metal Prices (USc/lb)			Broad Market Indices		
Copper	3.09	0.7%	DJIA	21,987.56	0.2%
Lead	1.07	0.0%	FTSE-100	7,438.50	0.1%
Zinc	1.44	1.4%	Nikkei 225	19,691.47	0.2%
Nickel	5.43	2.0%	HK Hang Seng	27,953.16	-0.1%
Aluminium	0.96	0.8%	Shanghai Composite	3,367.12	0.2%
Tin	9.45	-0.2%			
Cobalt	27.56	0.0%	S&P/ASX 200	5,724.60	0.2%
Precious Metal Prices (US\$/oz)			Mining and Energy Indices		
Gold	1320	0.6%	S&P/ASX 200 Resources	3,646.20	0.5%
Silver	17.34	0.0%	S&P/ASX 300 Metals & Mining	3,257.80	0.6%
Platinum	996	0.6%	S&P/ASX 200 Energy	9,220.60	0.5%
Palladium	944	1.4%	S&P/ASX All-Ordinaries Gold	4,798.20	1.9%
Energy			Global Mining		
Oil WTI (US\$/bbl)	47.18	-0.4%	S&P/TSX Global Mining	70.44	0.3%
Thermal coal (US\$/t)	77.50	-0.4%	FTSE 350 Mining	18,000.67	1.0%
Uranium (US\$/lb)	20.15	1.0%	AIM Basic Resources	2,572.82	0.3%
Steel making			Commodity Indices		
Iron ore (US\$/t)	74.50	0.5%	CRB Index	183.12	0.1%
Metallurgical coal (US\$/t)	209.80	1.0%	LME Index	3217.30	0.5%
Molybdenum (US\$/lb)	7.09	0.0%	S&P GSCI	2253.93	2.4%
Tungsten ATP (US\$/t)	269.00	0.0%	Baltic Dry	1183.00	-0.1%
Exchange Rates			<i>Sources include:</i>		
AUD/USD	0.798	0.5%	<i>Bloomberg, Reuters, TradingEconomics, S&P, yahoo finance</i>		
EUR/USD	1.188	-0.1%	<i>Commsec, Xe.com, marketindex.com, Macquarie, Breakaway Research</i>		
USD/ZAR	12.94	-0.5%			
USD/CNY	6.56	-0.6%			

MARKET REVIEW

New Deals (Including In Progress, Completed Or Terminated) & New Tenure.

ASX Code	Company Name	Details
AGY	ARGOSY MINERALS	The Option to acquire the Mina Teresa and Pocitos Lithium Brine Projects Argentina has expired and will not be exercised. The Company will focus on the Rincon Lithium Project Argentina which it is fast tracking to production.
TKM	TREK METALS	The Company has exercised its option to earn-in to the Kroussou Project Zn Gabon in JV with ASX-BAT. Soil anomalies are currently being infilled to further define targets in preparation for the upcoming ground based geophysical program. Particular emphasis is on the Dikaki and Niambokamba Prospects. Drill testing is expected late 2017.
KSN	KINGSTON RESOURCES	Have signed a Binding HOA to merge with TSXV-WCB by way of a Canadian Plan of Arrangement. WCB hold the Historic Misima Au Project PNG, which includes a 2.3Moz Au Canadian NI 43-101 resource. KSN have lithium exploration tenure in the NT as well as the Livingstone Au Project WA. Upon completion WCB shareholders will hold 31% and existing KSN shareholders 69%. Past drilling at Livingstone has returned 6 intervals noted by KSN including 7m @ 12.6g/t Au from 35mdh. Past drilling at Misima include 48m @ 4.1g/t Au from 38mdh.
AZM	AZUMAH RESOURCES	Have finalized an Earn in Agreement with private equity Company Ibaera Capital whereby Ibaera can earn 47.5% interest by spending \$US 13.5M on the Company's Wa Au Project Ghana. The present resource at Wa is 2.1Moz Au. AZM have completed a feasibility study for a mining operation based on an LOM of 7 years producing 1.2Mtpa by way of a CIL Plant.
AQI	ALICANTO MINERALS	Have increased the Ianna Au Project Guyana through the acquisition of >60 sq km tenure contiguous with the Company's existing holdings. Reconnaissance surface exploration of the newly acquired tenure is planned in Q4. 2500m of DD is planned for the Ianna Au Project where Barrick Gold are funding exploration under an Earn In Agreement.
YAL	YANCOAL	Have completed the acquisition of Coal & Allied from ASX-RIO.

Production Or Emergent Production News (From Completed DFS/BFS Onwards)

ASX Code	Company Name	Details
MLX	METALS X	As a result of a temporary suspension of operations and subsequent delays in underground stoping since recommencement, Q3 Cu production at the Nifty Cu Mine WA, will be within the range of 3600-3900t. Despite the delays the Company expects to ramp up production to 40,000 Cu tpa by end FY18.
RSG	RESOLUTE GOLD	Have organized to sell 96koz Au forward at \$US1330/oz, with 6000oz monthly deliveries out to December 2018.

Evaluation Studies (DFS, PFS, Scoping, Pilot, Appraisal & Metallurgical Testing)

ASX Code	Company Name	Details
NUS	NUSANTARA RESOURCES	Have commenced a DFS at the Awak Mas Au Project South Sulawesi Indonesia. The contained resource is 1.17Moz Au. The deposit has been subjected to 124km drilling completed in over 1000 holes. The Company is planning a large scale low strip ratio open pit with the ore extracted to be processed by conventional flotation and cyanide leaching. The DFS is expected to be completed by mid-2018.
CXM	CENTREX METALS	Bulk sample drilling (22PQ core holes) has been completed across the Ardmore Phosphate Rock Project, NW Qld. The core will make approx. 1 tonne of samples for metallurgical testing and production of marketable samples. A 300-hole RC drilling is now underway across the deposit to provide input for an upcoming Feasibility Study. The resource is 12Mt @ 29.7% P ₂ O ₅ .

Reserves and Resources Updates

ASX Code	Company Name	Details
ABU	ABM RESOURCES	The updated resource at the Twin Bonanza – Buccaneer Deposit (Tanami Au Project NT) is 10Mt @ 1.8g/t Au for 585koz Au contained. The Group's Total Project Contained Resource (including Old Pirate (115koz) and Suplejack (310koz) as well as Twin Bonanza - Buccaneer is now 1moz Au grading 2.1g/t Au.

New Drilling Intersections As Confirmed By Assays

ASX Code	Company Name	Details
DRA	DRAGON MINING	Assays from 8 DD holes at the Orivesi Au Mine Finland has returned 3 intervals noted by DRA including 4.1m @ 62.3g/t Au from 33mdh. The drilling has been evaluating the upper extensions to the Sarvisuo Pipe 2 and other surface targets in the Sarvisuo West Area.
CTM	CENTAURUS METALS	The first phase of drilling at the Serra Misteriosa Au Project Northern Brazil has been completed. The assays from first 6 holes have been returned and are all considered by CTM to be sub economic (best intersection 6m @ 0.7g/t Au). Further assays awaited. Meanwhile the Company will undertake a structural geological review of the Project, which includes a large shear-hosted hydrothermal system with multiple mineralized zones over a strike length of some 1.6km.

Drilling Pending, Underway OR Completed with Assays Pending

ASX Code	Company Name	Details
GBG	GINDALBIE METALS	The Company has commenced drilling at the Mt Gunson Cu Co Project 40kms SW Carrapateena Cu Mine SA. A minimum of 29 holes are planned, comprising 1535m of rotary mud drilling and 261m DD. The holes will focus on the Windabout and MG14 Deposits and will provide samples for metallurgical testing and for a resources update. In a separate announcements GBG report that the Karara Iron Mine JV Company (Ansteel 52.2% GBG 47.8%) has extended the \$US400M Facility Agreement with China Development Bank and Bank of China
ABR	AMERICAN PACIFIC	Have commenced drilling a 23-hole confirmation borate and explorative lithium drilling program at the Fort Cady Brine Project Sth California USA. Historical borate intersections include 28.4m @ 8.1% B ₂ O ₃ from 425 mdh. 6 holes (2600m) will test multiple fault zones considered prospective for lithium.
MOD	MOD RESOURCES	MOD has increased its exploration budget at the Botswana Cu Project (70% MOD) to \$10M for the 12 months from October 2017. The focus of drilling will be along 150km prospective corridor within the Kalahari Cu Belt, which hosts T3 and T1 Prospects. Drilling targets include many airborne EM and surface Cu anomalies. Presently a 70-hole DD program is underway at T3. The new drilling would extend that cover, out from T3, on a regional basis along the length of the >50km T3 Dome. The Company's target is to increase the resources ahead of completing a PFS into the development of the Project.

Drill Targeting & Exploration News (Geological, Geochemical & Geophysical)

ASX Code	Company Name	Details
LIT	LITHIUM AUSTRALIA	LIT reports it is carrying out exploration for lithium at the Agua Fria JV Project Mexico (with Alix Resources); Sadisdorf JV Project Germany (with Deutsche Rohstoff); Pilgangoora WA (with Venus Metals); Ravensthorpe and Gascoyne WA. The aim of the exploration is to supply resources for the Company's proprietary SILEach Lithium Extraction Process. Drilling in Mexico has focused on a 6km Long zone of stacked beds prospective for lithium clays. In Germany where lithium is associated with tin in greisen, sampling of historic core is underway. In WA surface sampling is underway.
ARV	ARTEMIS RESOURCES	A hard rock trenching program is to commence in 3 weeks over the Purdy's Reward JV Project WA (with TSXC –NVO) and it will be followed by RC drilling. The program will test outcropping Au bearing conglomerates, which range up to 20m in thickness and extend over a strike of 8kms.
MAU	MAGNETIC RESOURCES	Soil sampling is to occur at the Mertondale Au Project WA where MAU report that prospectors have been active detecting gold in laterites. The laterite sampling will be followed by RAB drilling. The laterites extend over a strike length of around 3.3 kms.

Drill Targeting & Exploration News (Geological, Geochemical & Geophysical) Continued...

LIN	LINDIAN RESOURCES	Selected rock chips from the Lushoto Bauxite Project Tanzania have grades to 61% Al ₂ O ₃ . The Company is currently delineated mineralized areas and additional drill targets to test for deposit extensions. The aim is to define a DSO resource suitable for export.
MEI	METEORIC RESOURCES	Have acquired an extensive geological data base covering the Belleterre- Angliers Greenstone Belt Western Quebec Canada, which includes over 1000 technical documents. A review of the data is underway. MEI has an option to acquire the 14 sq km La Force Ni Cu Project, located within the Greenstone Belt.

Capital Raising and Financings > \$1M

ASX Code	Company Name	Details
HAS	HASTINGS TECHNOLOGY	Have completed a \$16.2M capital raising at 20 cents per share. The funds will be used for infrastructure works required ahead of plant construction; acquisition and construction of an accommodation village and preliminary plant design.
BHP	BHP LIMITED	Have increased the Offer Cap for its US Bond repurchase plan, from \$US2.5B to \$US 2.94B.

GPR	GEPPACIFIC RESOURCES	Have raised \$10.5M at 3 cents a share to fund the regional exploration designed to assess the full potential of Woodlark Island Au JV Project PNG. In addition the funds will be used to advance the project development approvals for 1.8Mtpa CIL Plant. Petra Capital acted as Manager for the raising. GPR has made a takeover offer for JV partner ASX- KGD and currently hold 75% of the stock.
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Investor Presentations (Does Not Include AGM Presentations)

ASX Code	Company Name	Details
KSN	KINGSTON RESOURCES	<p>KSN have signed a binding HOA on a proposed merger with TSXV listed WCB Resources under a Canadian Plan of Arrangement, which KSN expects will take 90 days to complete. WCB's major shareholder is ASX- SFR with 37.5% and according to KSN supports the deal. Upon completion KSN will assume management for WCB's Historic Misima Au Project Milne Bay Province PNG. WCB currently hold 40.9% of Misima with earn-in expenditure of \$2.2M remaining to reach 70% ownership by 2019. The Misima Mine operated from 1989-2001 and produced 3.7Moz Au and 22Moz Ag, The remaining total resources (NI 43-101) is estimated to be 73Mt @1 g/t Au 5.8g/t Ag for 2.3Moz Au and 13.8Moz Ag. The resources occur below the main Umuna Pit and intersections include 66m @ 2.4g/t Au KSN aims to commence mining studies asap and is targeting a BFS in CY 19. KSN holds 400 sq km of tenure within the Litchfield Pegmatite Belt that includes the 281 sq km Bynoe Lithium Project SW of Darwin NT, where a maiden drill program intersected 12m @ 1.43% Li2O from 121mdh. Follow up drilling program is underway. KSN also holds the greenfield Arunta Lithium Project NT where drilling is expected in H2 17 over targets generated from geochemical surveys. KSN is earning a 75% in the Livingstone Au Project 140kms NW of Meekatharra WA, which has a contained resource of 50koz Au. Drilling is underway to follow up historic intersections that include 18m @ 7.8g/t Au from 68mdh. The project has a contained resource of 50koz Au. Have completed an auger sampling program at the Livingstone Au Project WA, which has outlined an anomaly 2kms long with up to 1.7g/t Au at the Mt Seabrook Prospect. A second anomaly 2.4kms long has been identified at the Stanley Prospect.</p>

BREAKAWAY RESEARCH

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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

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