

RESOURCE STATEMENTS



MINERAL RESOURCE AND MINERAL RESERVE¹ STATEMENT

FOR CHROMITE FOR THE AFARAK GROUP IN SOUTHERN-AFRICA AS AT 31 DECEMBER 2015.

Mineral Reserves ¹ (ROM Feed numbers)				Mineral Resources (Geological Losses Applied)			
PROVED:			MEASURED:			Total	
Tonnage (kt)	Cr ₂ O ₃ (%)	Cr:Fe ratio	Tonnage (kt)	Cr ₂ O ₃ (%)	Cr:Fe ratio		
Stellite Tailings				Stellite Tailings			
LG6-MG4	683	24.49	1.14	LG6-MG4	683	24.49	1.14
Stellite; Underground				Stellite; Underground			
MG4				MG4	4,810	33.59	1.24
MG3				MG3	2,830	31.51	1.19
MG1				MG1	3,460	35.30	1.28
LG6	4,568	34.98	1.36	LG6	5,680	37.70	1.41
Stellite; Open Pit				Stellite; Open Pit			
MG4	15	29.59	1.19	MG4	28	31.86	1.22
MG3	96	30.64	1.18	MG3	371	31.68	1.19
MG2	-	31.00	1.23	MG2	188	37.20	1.32
MG1	-	33.34	1.31	MG1	158	39.00	1.40
LG6+6A	70	33.68	1.37	LG6+6A	120	38.11	1.46
Mecklenburg; Underground				Mecklenburg; Underground			
LG6	3,416	41.47	1.57	LG6	4,495	43.36	1.59
Mecklenburg; Open Pit				Mecklenburg; Open Pit			
LG6+6A	-	40.76	1.58	LG6+6A	0	44.10	1.64
Vlakpoort; Open Pit				Vlakpoort; Open Pit			
LG1-3	23	37.30	1.74	LG1-3	32	41.57	1.59
LG5	18	39.12	1.52	LG5	42	38.77	1.59
LG6	65	36.72	1.51	LG6	151	36.85	1.59
MG1-4	52	29.72	1.25	MG1-4	131	30.01	1.59
UG1-2	101	22.40	1.14	UG1-UG2	164	21.46	1.59
Vlakpoort; Underground				Vlakpoort; Underground			
LG6				LG6	398	33.32	1.59
UG2				UG2	754	19.65	1.06
Total Proved	9,107	36.42	1.42	Measured	24,495	35.64	1.35
PROBABLE:				INDICATED:			
Stellite; Underground				Stellite; Underground			
MG4				MG4	1,490	33.80	1.25
MG3				MG3	1,040	31.88	1.20
MG1				MG1	800	36.50	1.30
LG6	1,241	34.26	1.35	LG6	1,600	37.50	1.41

Stellite; Open Pit				Stellite; Open Pit			
MG4	266	30.02	1.20	MG4	808	32.35	1.23
MG3	254	30.82	1.19	MG3	990	31.68	1.19
MG2	-	30.99	1.22	MG2	320	37.30	1.31
MG1	-	33.25	1.31	MG1	260	38.80	1.41
LG6+6A	165	33.88	1.37	LG6+6A	280	38.54	1.46

Mecklenburg; Underground				Mecklenburg; Underground			
LG6	2,273	41.45	1.57	LG6	3,008	43.37	1.59

Mecklenburg; Open Pit				Mecklenburg; Open Pit			
LG6+6A	-	40.76	1.58	LG6+6A	0	44.10	1.64

Vlakpoort; Open Pit				Vlakpoort; Open Pit			
LG1-3	40	37.93	1.78	LG1-3	53	41.57	1.86
LG5	3	35.01	1.45	LG5	10	39.92	1.55
LG6	37	31.25	1.63	LG6	64	33.95	1.58
MG1-4	16	30.52	1.36	MG1-4	75	29.92	1.35
UG1-2	9	27.09	1.22	UG1-UG2	24	27.61	1.25

Vlakpoort; Underground				Vlakpoort; Underground			
LG6				LG6	793	33.92	1.58
UG2				UG2	421	19.83	1.06

Total				Total			
Total Proved	4,304	37.56	1.45	Indicated	12,036	36.26	1.38
Proved & Probable Reserves	13,411	36.78	1.43	Measured & Indicated Resources	36,531	35.85	1.36

INFERRED

Stellite; Open Pit			
MG4	1,480	33.18	1.24
MG3	790	32.64	1.26
MG2	210	37.10	1.32
MG1	80	38.90	1.41
LG6+6A	40	37.82	1.44

Mecklenburg; Underground			
LG6	1,138	43.41	1.59

Mecklenburg; Open Pit			
LG6+6A	0	43.44	1.59

Vlakpoort; Open Pit			
LG1-3	41	41.55	1.79
LG5			
LG6	1	33.49	1.59
MG1-4	119	28.61	1.30
UG1-UG2			

MINERAL RESOURCE AND MINERAL RESERVE¹ STATEMENT

FOR CHROMITE FOR THE AFARAK GROUP IN SOUTHERN-AFRICA AS AT 31 DECEMBER 2015 (CONT.)

				Vlakpoort; Underground			
				LG6	1,321	1.59	20.27
				UG2	33.67	115	1.08
				Inferred Resources	5,335	35.36	1.41
Total Reserves	13,411	36.78	1.43	Total Resources (Excl Exploration Results²)	41,866	35.78	1.36
				Exploration Results²			
				Vlakpoort; Underground			
				LG6	1,243	34.16	1.60
				UG2			
				Vlakpoort; Open Pit			
				LG1	10	38.35	1.70
				LG2	7	33.51	1.75
				LG3	33	38.73	2.01
				LG5			
				LG6	365	33.55	1.60
				MG1	20	39.73	2.09
				MG2			
				MG3	5	27.47	1.21
				MG4+4A	264	29.70	1.23
				UG1			
				UG2			
				Exploration Results²	1,947	33.58	1.56
				Total (Incl Exploration Results²)	43,813	35.69	1.37

- Mineral Reserves¹ used in SAMREC and IMMM Codes whereas termed Ore Reserves in the JORC Code
- Exploration Target Mineralisation used in JORC Code whereas termed Exploration Results² in the SAMREC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this report that relates to exploration results for Stellite, Mecklenburg and Vlakpoort is based on information compiled by the MSA Group, Andrew Scogins and Shango Solutions respectively.

The team of people involved in the Mecklenburg, MSA and Shango Solutions estimation process is listed below:

Person:

Sifiso Siwela (MSA)
 Mike Hall (MSA)
 Andrew Scogings (Independent)
 Hendrik Pretorius (Shango)
 Stefanie Weise (Shango)

Position:

Exploration Project Manager
 Mineral Resources Consultant
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The combined Stellite, Mecklenburg and Vlakpoort Measured and Indicated Resource category declared as at 31 December 2015, decreased from that declared in December 2014 by 0.8 million tonnes mainly due to depletion at all three operations. The depletion at the three operations was as follows (rounded up to nearest 0.1 million):

- Stellite 0.3 million tonnes in the MG4 open pit,
- Mecklenburg 0.2 million tonnes in the LG6/6A open pit, and
- Vlakpoort almost 0.1 million tonnes mainly in the LG6 open pit with minor amounts in the LG5, LG2, MG3 and MG4 open pits.

The combined total Stellite, Mecklenburg and Vlakpoort Mineral Resources declared as at 31 December 2015, decreased from that declared in December 2014, by 1.516 million tonnes and the grade decreased by 0.2% to 35.78% Cr₂O₃ and the Cr to Fe ratio decreased by 0.01 to 1.36.

The Mineral Resources for Stellite declared as at 31 December 2015, decreased by 0.228 million tonnes from that declared in December 2014, mainly due to depletion in the MG4 open pit. The Mineral Resources were positively impacted by the addition of tailings material of 0.125 million tonnes.

The Mineral Resources for Mecklenburg declared as at 31 December 2015, decreased by 0.195 million tonnes from that declared in December 2014, due to depletion in the open pit. Mecklenburg has no remaining open pit Mineral Resources.

The Mineral Resources for Vlakpoort declared as at 31 December 2015, decreased by 1.093 million tonnes from that declared in December 2014. This was mainly due to trenching and drilling that disproved the presence of LG chromitite seams west of portion 1 of Vlakpoort on surface, despite surface boreholes proving the existence of underground LG Mineral Resources. A revised exploration programme will be designed to locate LG open pit Mineral Resources on portion 4.

The combined Stellite, Mecklenburg and Vlakpoort Mineral Reserves¹ declared as at 31 December 2015, decreased from that declared in December 2014, by 0.77 million tonnes mainly due to depletion as stated before and the Cr₂O₃ grade decreased by 0.01% to 36.78% Cr₂O₃ and the Cr to Fe ratio remained on 1.43.

The exploration results were severely affected due to trenching and drilling that encountered the Bushveld Gap between the Amandelbult and Union Sectors further east than estimated in 2014. This eliminated all the seams over a strike length of 900 meters.

MINERAL RESOURCE AND MINERAL RESERVE¹ STATEMENT

FOR GMS FOR THE AFARAK GROUP IN SOUTHERN-AFRICA AS AT 31 DECEMBER 2015.

Mineral Reserves ¹ (ROM Feed numbers)				Mineral Resources (Geological Losses Applied)			
Tonnage (kt)		2E+Au (g/t)	Ozs	Tonnage (kt)		2E+Au (g/t)	Ozs
PROVED:				MEASURED:			
Stellite; Underground				Stellite; Underground			
MG4				MG4	3,050	1.18	115,723
MG3				MG3	1,720	1.86	102,868
MG1				MG1	2,250	0.79	57,154
LG6				LG6	3,191	0.63	64,641
Stellite; Open Pit				Stellite; Open Pit			
MG4				MG4	28	1.14	1,026
MG3				MG3	221	1.46	10,375
MG2				MG2	110	1.62	5,730
MG1				MG1	60	0.71	1,370
LG6+6A				LG6+6A	39	0.49	614
Vlaktepoort; Open Pit				Vlaktepoort; Open Pit			
LG1-3				LG1-3	32	0.18	185
LG5				LG5	42	0.74	999
LG6+6A				LG6	151	0.46	2,233
MG1-4				MG1-4	131	1.13	4,760
UG1-MR	159	1.40	7,158	UG1-UG2	205	1.77	11,667
Vlaktepoort; Underground				Vlaktepoort; Underground			
LG6				LG6	398	0.43	5,503
UG2				UG2	754	4.04	97,947
MR				MR	618	2.15	42,723
Total Proved	159	1.97	7,158	Total Measured	13,000	1.26	525,521
PROBABLE:				INDICATED:			
Stellite; Underground				Stellite; Underground			
MG4				MG4	3,020	1.24	120,412
MG3				MG3	2,141	1.86	128,047
MG1				MG1	1,810	0.80	46,559
LG6				LG6	3,220	0.54	55,910
Stellite; Open Pit				Stellite; Open Pit			
MG4				MG4	583	1.18	22,120
MG3				MG3	690	1.59	35,277
MG2				MG2	260	1.66	13,878
MG1				MG1	130	0.74	3,093
LG6+6A				LG6+6A	70	0.48	1,080
Vlaktepoort; Open Pit				Vlaktepoort; Open Pit			
LG1-3				LG1-3	53	0.22	375
LG5				LG5	10	0.66	212
LG6+6A				LG6	64	0.40	823
MG1-4				MG1-4	75	0.85	2,050
UG1-MR	9	0.19	55	UG1-UG2	24	0.31	239

Vlakpoort; Underground				Vlakpoort; Underground			
LG6				LG6	793	0.43	10,964
UG2				UG2	421	4.45	60,240
MR				MR	208	2.96	19,797
Total Probable	9		55	Total Indicated	13,572	1.19	521,076
Proved & Probable Reserves	168	1.97	7,213	Measured & Indicated Resources	26,572	1.22	1,046,597
INDICATE D:							
Stellite Tailings							
				LG6-MG4	683	1.37	30,087
Stellite; Underground							
				MG4	200	1.59	10,225
				MG3	20	1.86	1,196
				MG1	190	0.78	4,765
				LG6	860	0.48	13,273
Stellite; Open Pit							
				MG4	1,970	1.27	80,447
				MG3	1,240	1.51	60,206
				MG2	310	0.76	7,576
				MG1	140	0.63	2,836
				LG6+6A	490	0.47	7,405
Vlakpoort; Open Pit							
				LG1-3	41	0.23	303
				LG5			-
				LG6	1	0.42	14
				MG1-4	119	1.00	3,826
				UG1-UG2			
Vlakpoort; Underground							
				LG6	1,321	0.42	17,840
				UG2	115	4.78	17,675
				MR			-
Inferred Resources					7,700	1.04	257,675
Total Resources (Excl Exploration Results²)					34,272	1.18	1,304,272
Total Reserves	168	1.97	7,213				

Exploration Results²

Vlakpoort; Underground			
LG6	1,243	0.41	16,387
UG2			-
MR			-

Vlakpoort; Open Pit			
LG1	10	0.30	96
LG2	7	0.17	38
LG3	33	0.27	286
UG2			-
LG5		0.42	-
LG6	365	0.85	4,929
MG1	20		547
MG2		1.67	-
MG3	5	0.87	268
MG4+4A	264		7,385
UG1			
MR			
Exploration Results²	1,947	0.48	29,938
Total (Incl Exploration Results²)	36,219	1.15	1,334,209

- *Mineral Reserves¹ used in SAMREC and IMMM Codes whereas termed Ore Reserves in the JORC Code*
- *Exploration Target Mineralisation² used in JORC Code whereas termed Exploration Results in the SAMREC Code. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource.*
- *The PGM rights at Mecklenburg do not belong to Afarak and therefore do not satisfy all requirements for reporting.*
- *No Mineral Reserves could be declared for Stellite yet as the feasibility study to extract PGMs, are still in progress.*

The Measured and Indicated Mineral Resources for Stellite declared as at 31 December 2015, decreased from that declared in December 2014 due to depletion in the MG4 open pit.

The Measured and Indicated Mineral Resources for Vlakpoort declared as at 31 December 2015, decreased from that declared in December 2014. Trenching and drilling encountered the Bushveld Gap between the Amandelbult and Union Sectors further east than estimated in 2014 which resulted in a 0.458 million tonnes decrease.

The combined Stellite and Vlakpoort Mineral Resources declared as at 31 December 2015, decreased from that declared in December 2014, by 1.872 million tonnes and the PGM grade decreased by 0.18g/t. Vlakpoort contributed 1.699 million tonnes to the total decrease due to exploration results mentioned before.

The information in this statement that relates to Exploration Results and Mineral Resources is based on information compiled by Hermanus Berhardus Swart, a Competent Person who is a Professional Natural Scientist registered with South African Council for Natural Scientific Professions accredited (No. 400101/00) and a Member of the Geological Society of South Africa, each of which is a

“Recognised Professional Organisation” (RPO) that is included in a list that is posted on the ASX website from time to time. The Competent Person is employed by Dunrose Trading 186 (PTY) Ltd trading as Shango Solutions, which provides services as geological consultants. The Competent Person has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), the 2001 Code for reporting of Mineral Exploration Results, Mineral Resources and Mineral Reserves in the United Kingdom, Ireland and Europe (IMMM) as well as the 2007 edition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC). The Competent Person consents to the inclusion of the matters based on his information in the form and context in which it appears.

H.B. SWART PR.SCI.NAT MGSSA

Principal Geologist – Shango Solutions

TMS RESOURCES AND RESERVES

Ore Deposit	Ore (kt)	Cr ₂ O ₃ (%)
KAVAK CONCESSIONS		
Proven	2,336.46	7-23%
Probable	-	-
Possible	398.52	-
Total reserves	2,734.98	7-23%
Hypothetical resources	1,500.00	7-23%

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BEYAGAC CONCESSIONS		
Proven	193.36	14-34%
Probable	-	-
Possible	155.90	14-34%
Total reserves	295.26	14-34%
Hypothetical resources	193.10	14-34%

FETHIYE & KOYCEGIZ CONCESSIONS		
Proven	101.96	8-28%
Probable	-	-
Possible	235.97	8-28%
Total reserves	337.93	8-28%
Hypothetical resources	257.17	8-28%

ADANA CONCESSIONS		
Proven	6.00	12-14%
Probable	-	-
Possible	24.00	12-14%
Total reserves	30.00	12-14%
Hypothetical resources	40.00	12-14%

EAGLE CONCESSION		
Proven	30.00	36-44%
Probable	-	-
Possible	20.00	36-44%
Total reserves	50.00	36-44%
Hypothetical resources	150.00	36-44%

KAVAK TAILINGS DAM		
Proven	3,395.18	4-13%
Probable	-	-

<i>Possible</i>	-	-
Total reserves	3,395.18	4-13%
TAVAS TAILINGS DAM		
Proven	560.56	9-11%
Probable	-	-
<i>Possible</i>	-	-
Total reserves	560.56	9-11%
Grand total reserves	7,403.91	
Total hypothetical resources	2,140.27	

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