RED 5 Limited

16 April 2018

# Eastern Goldfields Regional Exploration Update

***Drilling at the Waikato Thrust target intersects a 100m zone of strong alteration plus two 4m wide zones of favourable magnetic dolerite host rock***

## Key Points

- **Deep diamond drilling is continuing at the Darlot Gold Project to test several key regional exploration targets, with drilling recently completed at the Aurora target and the Waikato Induced Polarisation (IP) and Lords/Oval mine corridor targeting the strong IP chargeability zone located 2km south-west of the Darlot mine – assays for both holes pending.**
- **745m diamond Waikato Thrust target hole (SWDD0040) completed to test potential mineralisation on the interpreted Waikato Thrust fault which was modelled from the 3D seismic and which is thought to represent a potential thrust repeat, analogous to and below the footwall of the mineralised Darlot Thrust.**
- **Drilling to date appears to validate the interpretation of 3D seismic data, intersecting key regional structures where expected.**
- **Drilling will progressively test a series of exploration targets at Darlot that have been identified along major regional structural and stratigraphic trends.**

***Red 5 Acquires Ockerburry Hill Tenement in Eastern Goldfields from AngloGold Ashanti***

## Key Points

- **Acquisition consistent with Red 5's Eastern Goldfields consolidation strategy.**
- **Tenement EL36/865, located approximately 20km west of Darlot, acquired from global gold miner AngloGold Ashanti.**
- **Tenement covers a highly prospective part of the Yandal Greenstone Belt and includes the Ockerburry Fault Zone, a key geological structure associated with gold mineralisation in the region.**
- **Acquisition adds to Red 5's developing pipeline of exploration targets in the region surrounding the Darlot Gold Mine.**

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**About Red 5 Limited**

Red 5 Limited (ASX: RED) is an Australian gold producer with an asset portfolio in the Eastern Goldfields region of Western Australia comprising the operating Darlot Gold Mine and the King of the Hills (KOTH) Gold Project.

Red 5 holds a commanding 25,700ha footprint in the highly-endowed Yandal gold district, one of Australia's most active gold provinces, an expanding Mineral Resource inventory, gold production and outstanding exploration and growth potential.

The Group, through its associated Philippine company Greenstone Resources Corporation, also holds interests in the Siana Gold Project, located in the established gold mining region of Surigao del Norte in the Philippines. Mining operations at the Siana Gold Project are currently suspended pending an improvement in operating conditions in the Philippines. Siana retains significant inherent value, including a substantial gold inventory, a modern 1.1Mtpa treatment facility, an open pit mine and a part-developed underground mine.

# Deep Diamond Holes Deliver Early Encouragement at Darlot

- **Geological logging of drill core has identified a broad 100m-wide alteration zone starting from 94m down-hole;**
- **The hole also intersected two 4m-wide zones of favourable magnetic dolerite host rock at depth that show strong deformation and significant sulphide components along vein wall rock margins;**
- **Drilling is interpreted to have intersected the main controlling structures responsible for the 2km north-west trending gold mineralisation along the South Waikato to Waikato prospects.**

**Waikato Thrust target**

Deep diamond drilling at the recently-acquired Darlot Gold Mine in Western Australia has returned encouraging geological indications, significantly upgrading the Waikato Thrust target, just 2km from the Darlot mill (see Figure 1).

Deep diamond hole SWDD0040 was recently completed to a depth of 745m testing the interpreted Waikato Thrust fault at the Waikato South prospect, which was modelled from 3D seismic data and is thought to represent a potential analogue to the mineralised Darlot Thrust located approximately 1.5km to the north-east (see Figure 2).

Preliminary geological logging of the drill core has provided early encouragement, identifying a broad 100m-wide alteration zone starting at 94m, comprising pervasive albite + carbonate + sericite mineral assemblages in strongly sheared host rock currently interpreted as sediment.

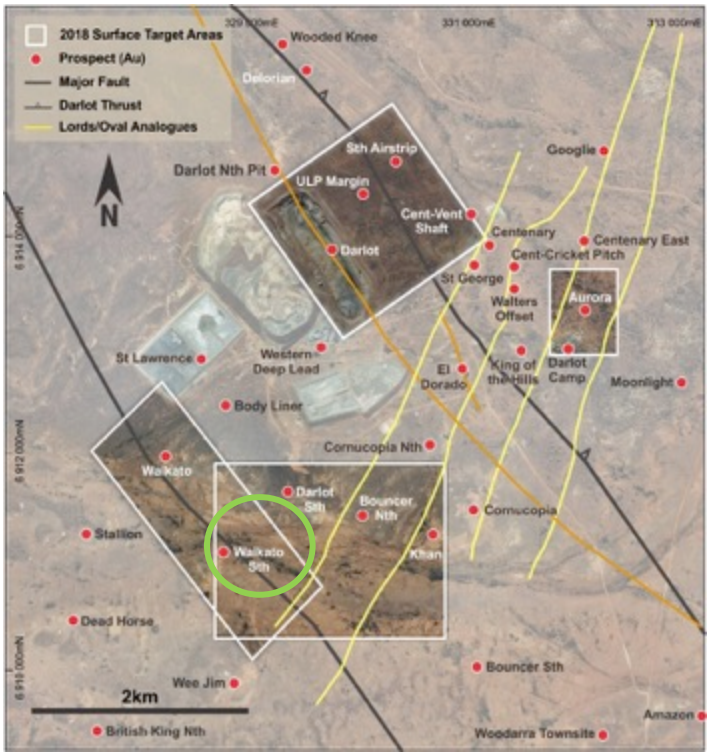



*Figure 1: Waikato Thrust and the near surface Waikato South target locations (shown in green)*

In addition, logging has identified two 4m-wide zones of favourable magnetic dolerite host rock at approximately 215m and 347m down-hole. These zones look visually encouraging, showing strong deformation and successive, reworked quartz-carbonate vein sets comprising a significant sulphide component along vein wall rock margins (see Figure 2).

A review of the drill core suggests strong similarities between the geology observed in SWDD0040 and that observed within the Darlot Thrust underground mine.

Although assay results are pending, the visual analysis is encouraging as it suggests that the hole has been drilled proximal to a mineralised system and supports the interpretation of the Waikato Thrust fault system as an analogue to the mineralised Darlot Thrust.

Additionally, the pervasive hydrothermal alteration observed in the drill core is indicative of significant hydrothermal fluid flow, a pre-requisite for gold mineralisation at Darlot.

Results of historical drilling (pre-2001) and the Gold Field Australia holes drilled in 2016 at the nearby Waikato and Waikato South prospects, which are located along the NW structural and magnetic trend and interpreted to be the surface manifestation of the Waikato Thrust, confirms that hydrothermal activity on the western side of the Darlot lease is associated with gold mineralisation. The Company therefore believes that hole SWDD0040 may have intersected one of the structures developed from the Waikato Thrust system, and that this structure may be responsible for the north-west trending gold mineralisation along the Waikato trend.

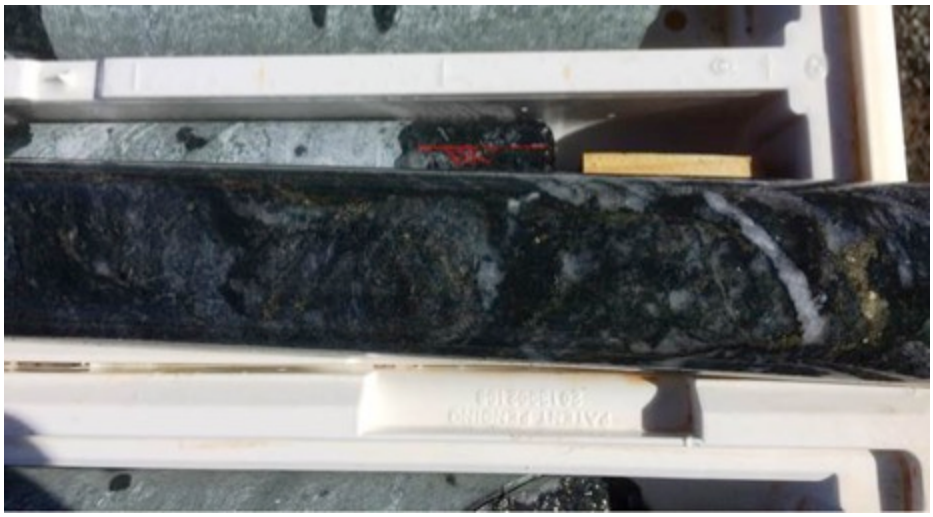
Assay results will be reported when available, however follow-up drilling is being assessed to further test this high-priority exploration target.

Red 5 Managing Director, Mark Williams, said these early results demonstrate the outstanding prospectivity of the Darlot near-mine environment.

“This is an encouraging outcome, indicating that we may possibly have hit the edge of a mineralised system. While it’s still early days, the presence of a 100 metre zone of alteration at this target is very promising, particularly given the occurrence of sulphides within magnetic dolerite further down-hole. Pending assay results and final geological evaluation of this high-priority target area for Red 5, additional drilling may be required,” he said.

“We are also encouraged that our targeting strategy, which utilises high-quality geophysical and seismic data inherited as part of our acquisition of the Darlot Gold Mine, is working extremely well – with all three deep diamond holes drilled to date intersecting the key structures and fault systems where we expected them to be.

“This bodes well for our ongoing exploration efforts at Darlot, and we are looking forward to the opportunities and potential new discoveries which our accelerating regional exploration effort could unlock,” he said.



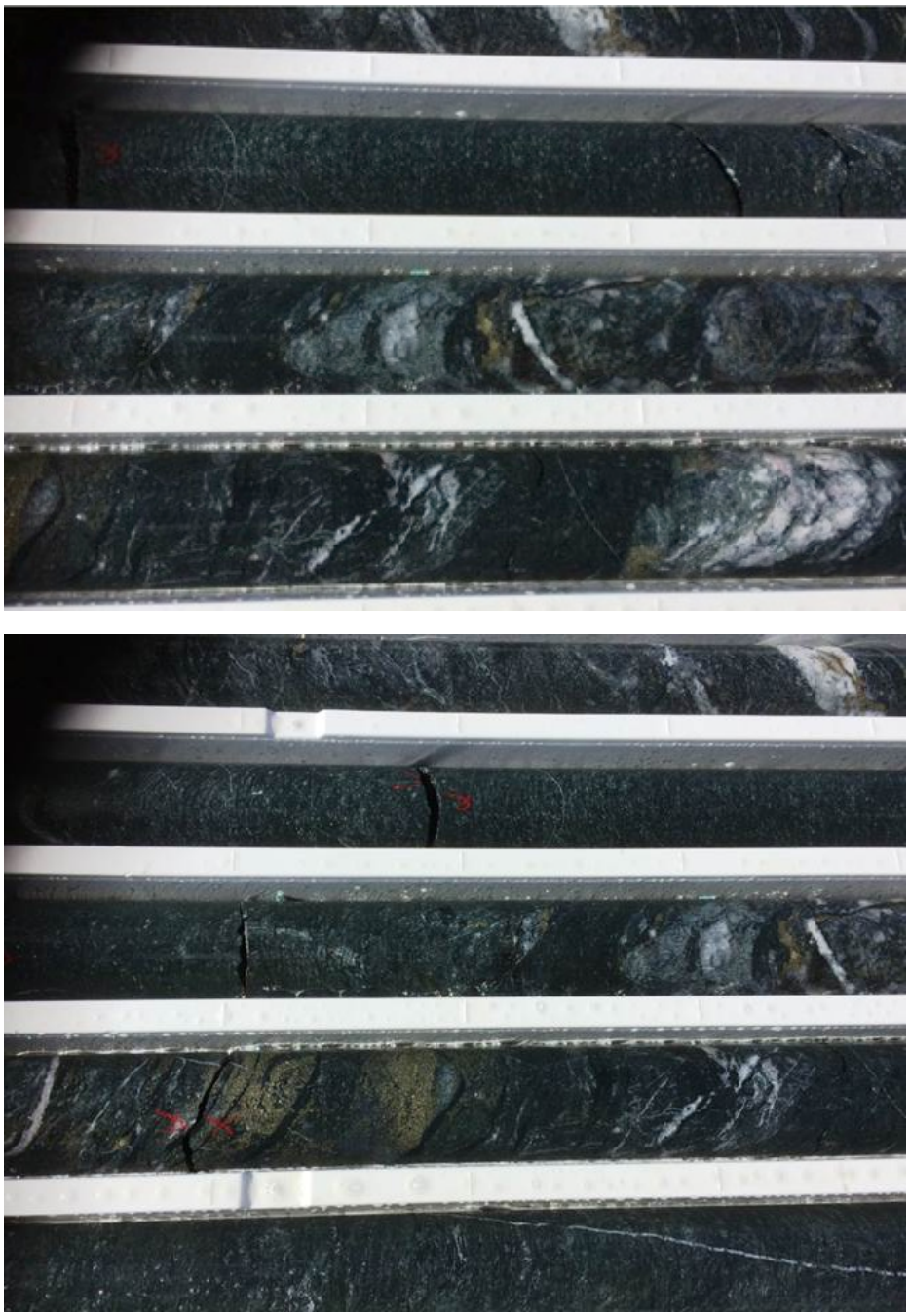


*Figure 2: Drill core from SWDD0040 showing multiple, overprinting, reworked quartz-carbonate-pyrite veins hosted in magnetic dolerite (within a 4m wide zone starting at 347m). Semi-massive pyrite veining present.*

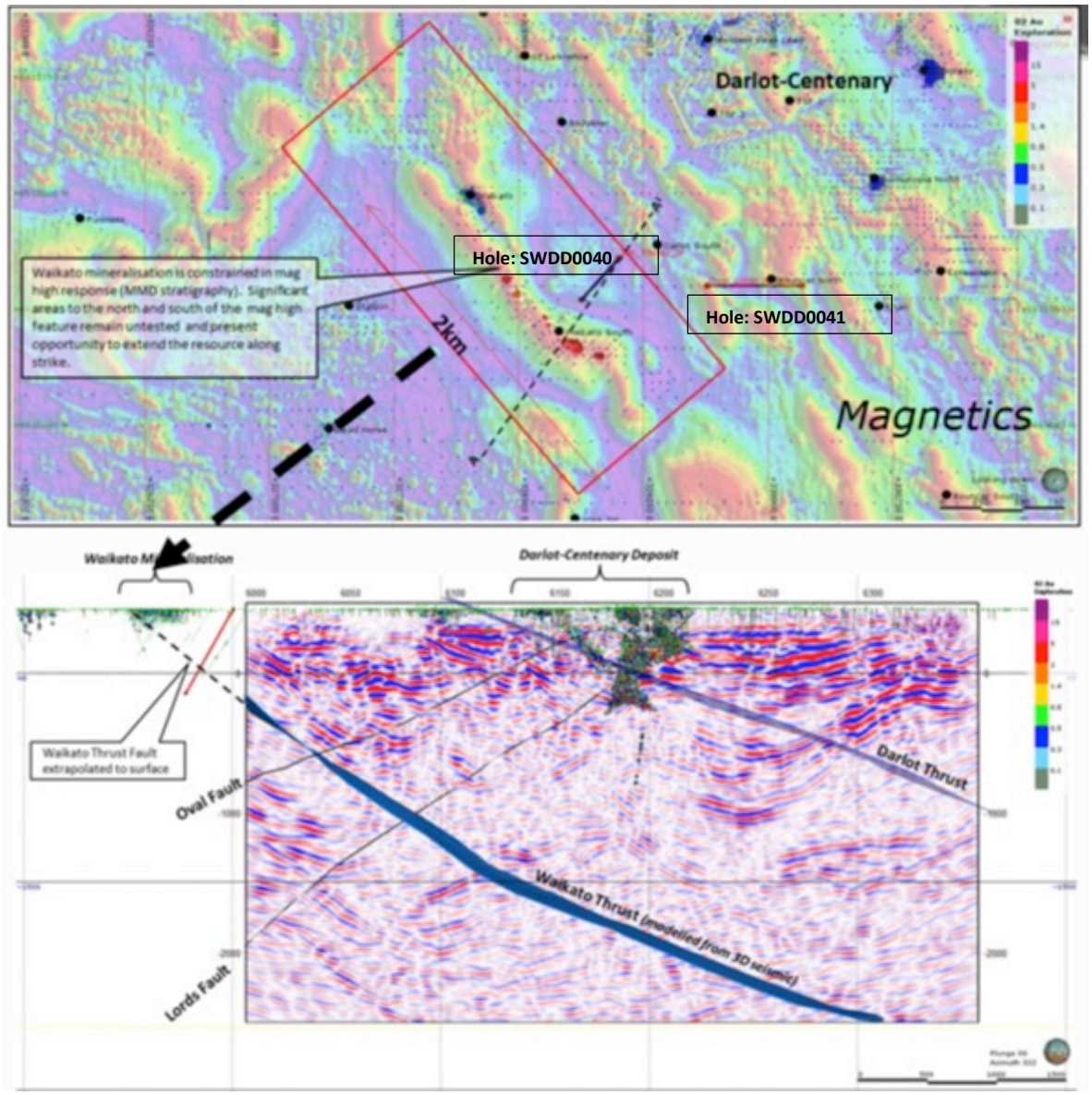



*Figure 3: Waikato 2km magnetic trend (upper diagram) and the Waikato Thrust Target, showing location of hole SWDD0040 (lower image in red) Note hole SWDD0041 is drilling towards 220 degrees at dip of -60 degrees and hole SWDD0041 was drilled towards 090 at a dip of -55 degrees MGA.*

The drill hole at the Waikato Thrust prospect is part of a near-mine and regional deep diamond drilling program at Darlot targeting new discoveries that have the potential to be developed as satellite open pit and/or underground mines to supplement ore feed to the Darlot mill and extend the Project's mine life.

Other deep holes have recently been completed at the Aurora target, located approximately 1km south-east of the Centenary mine at Darlot and the Waikato – IP Lords/Oval mine corridor targeting a strong IP chargeability zone located 2.0km southwest of the Darlot mine. The overall IP zone is 1.5 km long.

*Figure 4: DDH1 drilling hole SWDD0040 at the Waikato Thrust target*

**Aurora Target**

Deep diamond hole SEDD0057 has been completed at the Aurora Target, located approximately 1km south-east of the Centenary mine at Darlot.

Aurora represents a potential analogue of Centenary, interpreted as sitting within the same host magnetic dolerite position, and with recent geochemical analysis confirming 13 of the 15 geochemical characteristics that define Centenary.

Hole SEDD0057 appears to have intersected key structures including the Pipeline Fault and the Darlot Fault, with assays pending. The hole is expected to deliver an important insight into the structure, lithology and controls of gold mineralisation to the south-east of the Centenary Mine.

This drill hole was partially funded by a $100,000 drilling grant received through the WA State Government's Exploration Incentive Scheme.

**Waikato IP and Oval/Lords Fault Corridor Target**

Deep exploration drill hole SWDD0041 has been completed and was designed to a test an IP chargeability high within the 1.5km long north-east trending IP zone proximal to the Waikato South target area. The IP target that was tested was also constrained within the south-west continuation of the Oval and Lords fault corridor, which acts as the main structural control for the Centenary gold deposit located 2.5km to the north-east.

The hole was terminated at 1000.5m depth, and successfully intersected the Oval and Lords fault structures at the anticipated depths predicted from fault surfaces modelled using 3D seismic data. The fault intersections demonstrate that the 3D seismic dataset presents an accurate image of the subsurface in the Darlot near-mine search space and provides confidence when designing drill holes to target seismic reflectors.

The interpreted main Oval fault structure was intersected at approximately ~150m depth, with notable hangingwall and footwall deformation extending outwards for approximately 20-30m either side of the fault contact.

Pending assay results and further interpretation, follow-up drilling is planned to target the deeper parts of the Oval fault to test for mineralisation analogous to the Centenary ore body.

**Waikato Trend Surface Drilling – Open Pit Targets**

The Waikato Trend target area is located approximately 2.7km south-west of the Darlot-Centenary gold mine and lies on the western limb of a NW plunging anticline. The target feature consists of a 2km long north-west trending high magnetic response (refer to Figure 3, upper diagram) which correlates with highly favourable magnetic dolerite stratigraphy which is an important host rock to gold mineralisation in the Darlot-Centenary system.

Historical drilling completed along strike of the high magnetic trend has defined zones of continuous gold mineralisation at and between the Waikato and Waikato South prospects which have been identified by the Open Pit study work conducted last year by SRK Consulting (refer to ASX announcement dated 2 October 2017) as having open pit potential.

In early April 2018, RC drilling by drilling contractor Strike Drilling commenced, with an initial 4,500m program designed to evaluate extensional and resource infill opportunities along the prospective corridor and potentially expand and confirm the geology provided for the SRK Open Pit study. To date, 1000m of the program has been completed on the Waikato South prospect, with drilling for this program expected to be completed in May 2018.

*Figure 5: Strike Drilling RC rig drilling at the Waikato South near surface target*

# Acquisition of Ockerburry Hill Tenement from AngloGold Ashanti

Red 5 is also pleased to advise that it has executed an agreement with AngloGold Ashanti Australia Ltd (AngloGold) to acquire the Ockerburry Hill exploration licence (EL36/865) located 20km west of Darlot.

The tenement covers a highly prospective part of the Yandal Greenstone Belt (Figure 6), and includes the Ockerburry Fault System and other interpreted mineralised structures. Encouraging historical drilling results have been returned from two key exploration targets – the Dingo Ridge Prospect (previously drilled by WMC, Goldfields and Aragon Resources) and the Spargos Prospect (previously drilled by Homestake). Significant historical drill results are detailed below.

Table 1. Ockerburry Hill (E36/865) – significant drill assay results from historical drilling (1995-2009)

| Hole_ID | Type [1] | Year | Easting [2] | Northing [2] | RL [2] | Depth | Dip | Azim [2] | From | Metres [3] | Au g/t [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 95VMAR018 | RAB | 1995 | 311388 | 6922559 | - | 61 | -55 | 270 | 10 | 20 | 1.45 |
| 95VMAR083 | RAB | 1995 | 312378 | 6925159 | - | 40 | -55 | 270 | 30 | 10 | 1.80 |
| ADAC0190 | AC | 2009 | 311375 | 6922210 | - | 71 | -60 | 090 | 15 | 1 | 59.6 |
| ADAC0194 | AC | 2009 | 311255 | 6922210 | - | 96 | -60 | 090 | 26 | 5 | 8.14 |
| ADAC0207 | AC | 2009 | 311360 | 6921875 | - | 70 | -60 | 090 | 31 | 5 | 2.48 |
| MSR1045 | RAB | 1997 | 306788 | 6912359 | - | 57 | -60 | 270 | 48 | 4 | 3.00 |
| MVAC417 | AC | 1999 | 311538 | 6923059 | - | 63 | -90 | - | 44 | 8 | 1.74 |
| MVAC1039 | AC | 1999 | 311238 | 6922159 | - | 60 | -90 | - | 0 | 4 | 3.58 |
| MVAC1126 | AC | 1999 | 311228 | 6921509 | - | 63 | -90 | - | 18 | 8 | 8.36 |
| MVAC1133 | AC | 1999 | 311368 | 6921809 | - | 60 | -90 | - | 42 | 8 | 1.79 |
| MVAC1137 | AC | 1999 | 311528 | 6921809 | - | 45 | -90 | - | 42 | 2 | 7.27 |
| MVAC1203 | AC | 2001 | 312121 | 6924192 | 437 | 81 | -60 | 270 | 10 | 4 | 9.70 |
| MVAC1215 | AC | 2001 | 311962 | 6924399 | 436 | 69 | -60 | 270 | 6 | 2 | 7.90 |
| MVRC61 | RC | 1999 | 311427 | 6921809 | 438 | 116 | -60 | 270 | 31 | 8 | 1.50 |
| MVRC88 | RC | 2001 | 312141 | 6924398 | 436 | 170 | -60 | 270 | 80 | 10 | 1.40 |
| MVRC91 | RC | 2001 | 312227 | 6924608 | 438 | 150 | -60 | 270 | 110 | 4 | 2.78 |
| MVRC93 | RC | 2001 | 312186 | 6924201 | 436 | 170 | -60 | 270 | 64 | 2 | 5.52 |
| | | | | | | | | | 72 | 4 | 4.34 |

Notes:
1 Drill Hole Type: RAB = Rotary Air Blast (open hole); RC = Reverse Circulation; AC = Air Core.
2 Coordinates reported to GDA94 datum (MGA Z51), elevation reported to AHD (440m elevation is assigned in database where no elevation survey data available). Azimuth referenced to GDA94 grid North.
3 Intercept widths are downhole. True widths are not known.
4 Intercept average grades reported as weighted average grade at lower cutoff of 0.5 g/t Au.
Intercepts ≥ 15 gram*metres reported.
Intercepts reported with internal grades <0.5 g/t Au over maximum 2 metres downhole.
Gold assay results by Fire Assay or Aqua Regia digest, and AAS determination.

In addition, the Company believes the tenement includes potential stratigraphic extensions to the sequences hosting Saracen Mineral Holdings' Thunderbox gold deposit as well as Independence Group's Teutonic Bore, Jaguar and Bentley zinc-copper-silver-gold deposits further to the south (Figure 7).

The acquisition adds to Red 5's developing pipeline of exploration targets in the region surrounding the Darlot Gold Mine, with any new discoveries in the region offering the potential to supplement ore feed to the Darlot Mill and extend mine life.

Total consideration for the tenement and database acquisition was $45,000.

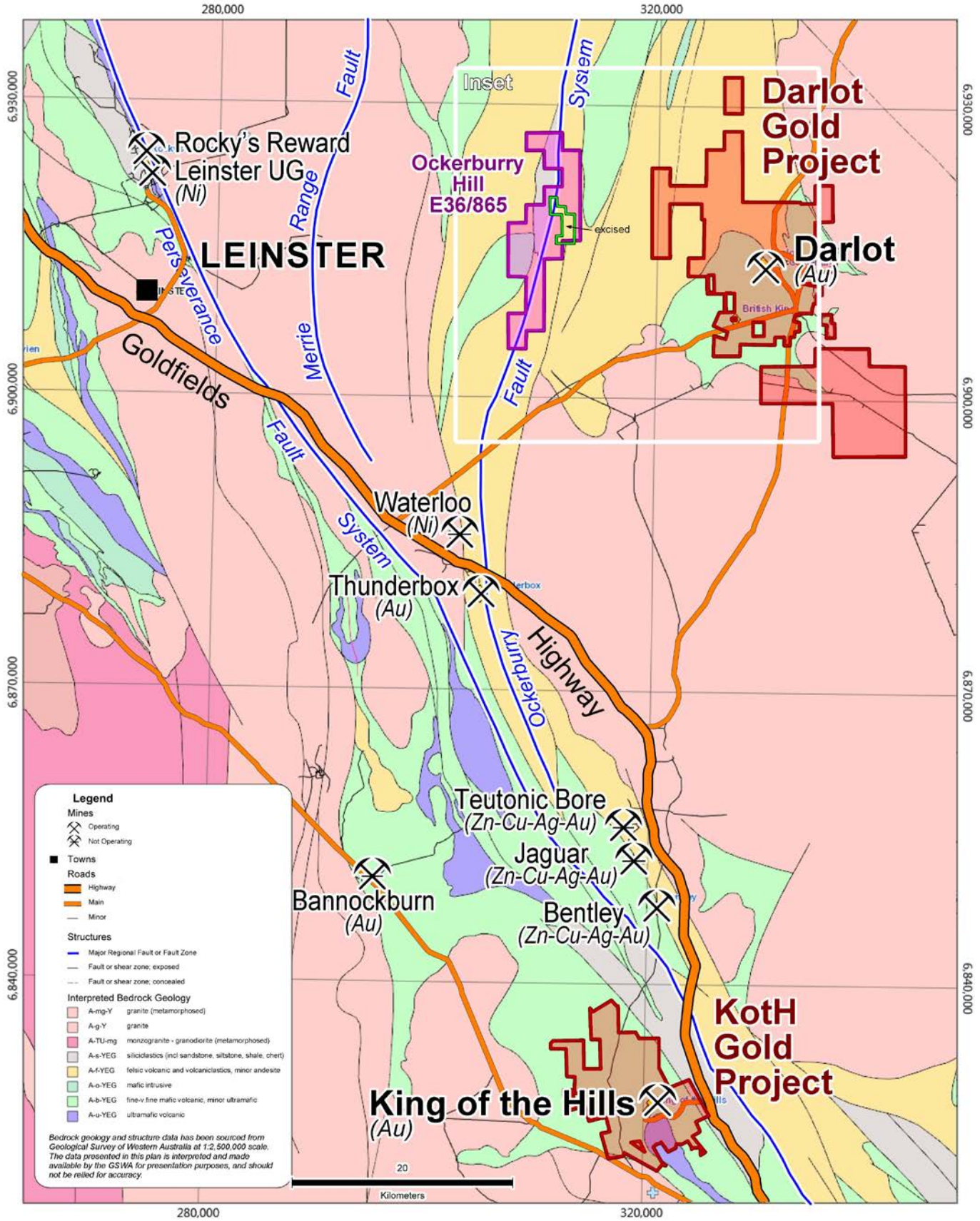



*Figure 6: Ockerburry Hill (E36/865) location plan, Red 5 Projects, basement geology and nearby mines*

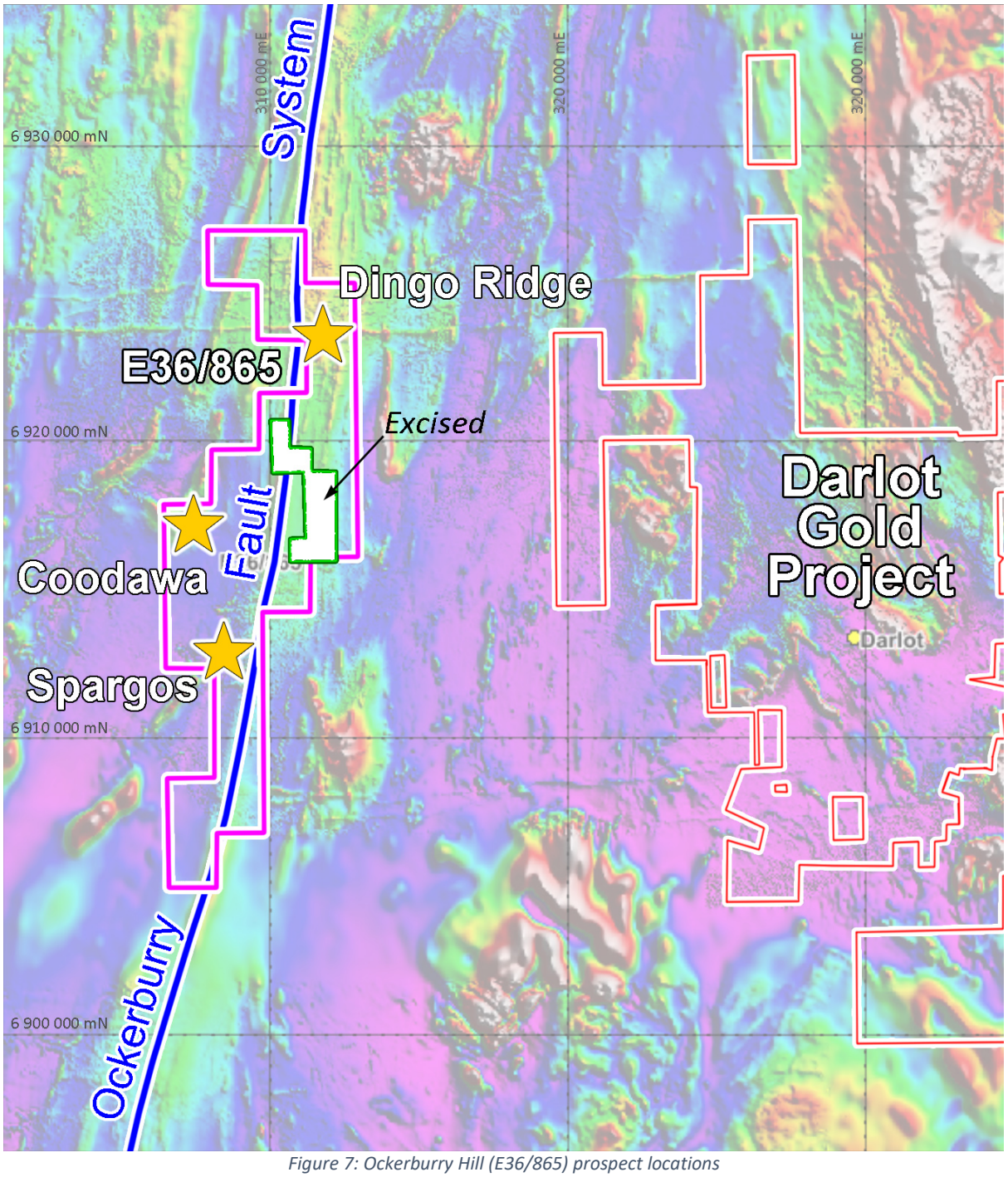



*Figure 7: Ockerburry Hill (E36/865) prospect locations*

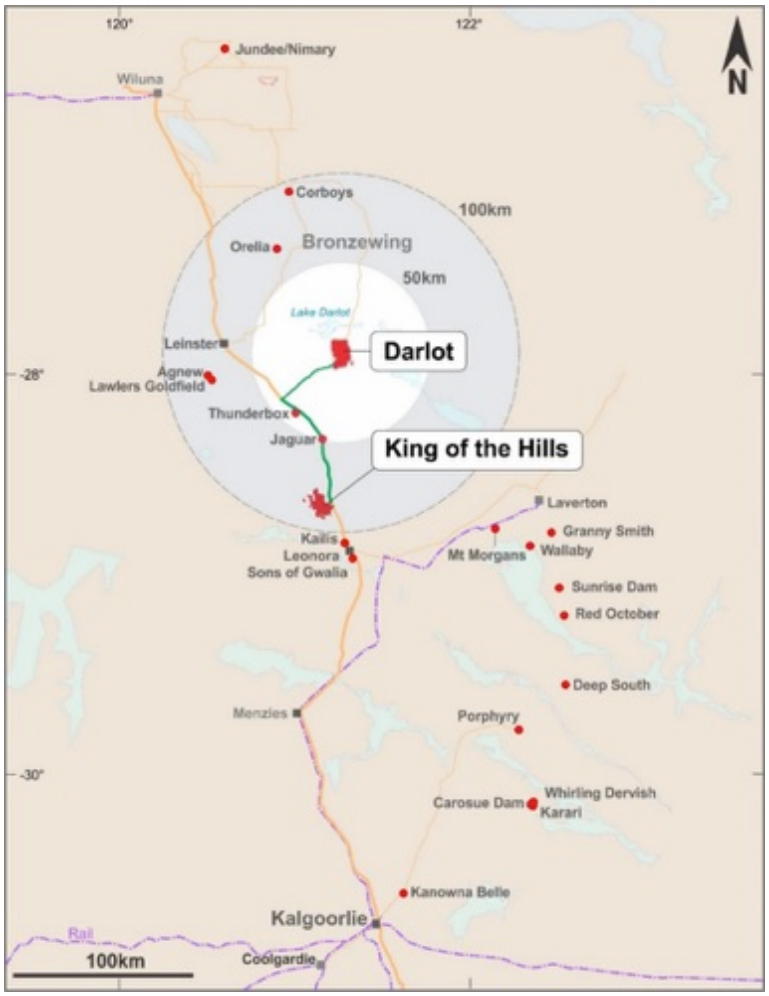



*Figure 8: Red 5 Project locations in the Eastern Goldfields of WA.*

**Competent Person's Statements**

**Exploration Results**

The information in this report that relates to Exploration Results for the Darlot Gold Mine and King of the Hills Gold Project are based upon information compiled by Mr Byron Dumpleton, a Competent Person, who is a Member of the Australian Institute of Geoscientists (membership number 1598). Mr Dumpleton is a full-time employee of Red 5 Limited. Mr Dumpleton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Dumpleton consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in this report that relates to the historical Exploration Results for the Ockerburry Hill tenement is based upon information compiled by Mr Gary Powell, a Competent Person, who is a Member of the Australian Institute of Geoscientists (membership number 2278) and Australasian Institute of Mining and Metallurgy (membership number 106563). Mr Powell is a consultant of Red 5 Limited. Mr Powell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Powell consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

**Forward-Looking Statements**

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Red 5's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Red 5 believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Red 5, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Red 5 undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

# JORC Code, 2012 Edition

# Ockerburry Hill – Table 1 report

## Section 1 Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Industry standard sampling technicques appropriate for the era of the drilling were used to obtain samples for analysis.<br>In general, the following sampling techniques are applicable for the table of significant intercepts accompanying this report.<br>(i) Rotary Air Blast (RAB) samples were obtained by scooping from each 1m sample dumped on the surface, and compositing into 2-3kg of 10metre intervals, from which 1kg was pulverised to provide a 30g charge for Aqua Regia digest and AAS finish.<br>RAB samples are subject to contamination and results should be regarded as indicative only and not accurately representive.<br>(ii) Aircore (AC) and Reverse Circulation (RC) samples were obtained by splitting 3-4 kg from each metre collected through a cyclone and riffle splitter, from which 1 kg was pulverised to provide a 50g charge for Fire Assay and AAS finish.<br>Sample quality and assay results are considered to be reasonably representative of the mineralisation being drilled. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • All drilling techniques used were of 'industry standard' techniques of the day, and used compressed air to retrieve the samples from the bit face to the surface:<br>• Rotary Air Blast (RAB) drilling was carried out using conventional percussion hammer or blade bits and retrieving 1m samples at the surface via a stuffing box mounted over the open hole and passing sample through a cyclone.<br>• Aircore (AC) drilling was carried out using blade or wing bits and passing sample inside the rods' inner tube through to a cyclone.<br>• Reverse Circulation (RC) drilling was carried out using face-sampling hammer and passing sample inside the rods' inner tube through to a cyclone. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Historic reports proved limited or no information with respect to sample recoveries for RAB, AC or RC drilling.<br>• There has been no assessment of drill sample recovery, representativity and grade. RAB samples and grades are regarded as being indicative only and not representative of the material being drilled. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All RAB, AC and RC and samples were geologically logged. Lithology, ±veining, ±alteration, ±mineralisation and ±weathering are recorded in the drill logs.<br>• Geological logging of RAB, AC and RC samples is qualitative and descriptive in nature.<br>• There are no photographs of drill chips.<br>• The entire length of drillholes were logged. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • RAB samples were collected in 1m intervals and stored on the ground. Scooping or spear sampling of the sample heaps and composited to 2-3kg 10m intervals (Dominion/WMC 1995) or 4m intervals (Plutonic 1997) were submitted for assay. Anomalous samples were resubmitted as 2m composite samples (Dominion/WMC 1995) or 1m (Plutonic 1997) samples for analysis.<br>• AC and RC samples were collected in 1m intervals and passed through a cyclone and riffle spliiter to obtain 2-4kg sub-samples. 1m (WMC 1999) AC & RC samples, 2m AC & RC composites (Goldfields 2001) and 4m AC composites (Aragon 2008) were submitted for analysis.<br>• Where reported on, the nature, quality and appropriateness of the sample preparation techniques are considered to be 'industry standard' of the day.<br>• The majority of historical reports do not include descriptive quality control procedures for sub-sampling. Sub-sampling of RAB samples are generally considered to be of poor quality and indicative only of the formation being drilled.<br>• Sample size assessment was not conducted however sample sizes are considered to be 'industry standard' of the day. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • Historical reports contain limited or no information on assaying and laboratory procedures. Where reported, procedures included:<br>• Dominion/WMC (1995) assaying of RAB samples for low level gold by Aqua Regia digest, graphite furnace AAS determination and is considered a partial technique.<br>• Plutonic (1997) assaying of RAB 1m re-samples were assayed for gold by Fire Assay fusion, AAS determination and is considered a total exraction.<br>• WMC (1999) assaying of AC 2m samples and RC 1m samples by 50g Fire Assay fusion, AAS determination and is considered a total technique.<br>• Goldfields (2001) assaying procedure for AC and RC 2m samples not reported<br>• Aragon Resources (2008) assaying of AC samples for gold by 40g Fire Assay fusion, AAS determination and is considered a total technique<br>• Analysis was by various well-known and accredited independent analytical laboratories located in Perth and Kalgoorlie. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Historical reports contain limited or no information on quality control procedures adopted and whether acceptable levels of accuracy and precision had been established. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Significant intersections reported were verified by an independent consultant, by reviewing data contained within historical reports.<br>• No drill holes were twinned.<br>• Historical reports contain little or no documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• There has been no adjustment to assay data |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Two grid systems have been used in locating drill hole collars:<br>(i) Australian Map Grid 1984 (AMG84), and<br>(ii) Map Grid of Australia (MGA94)<br>AMG84 coordinates have been transformed to MGA94 coordinates.<br>Where recorded, elevation data is reported to the Australian Height Datum 1971 (AHD71).<br>• Quality and accuracy of topographic control is variable, depending on the instruments used at the time, is estimated at +/- 10m and is considered adequate for exploration purposes. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Drillhole spacing for reporting of exploration results is highly variable ranging between 20m to 200m horizontally and generally 1m downhole, except for RAB data spacing (up to 10m downhole).<br>• Drillhole and data spacing and distribution is not sufficent to establish the degree of geological and grade continuity appropriate for mineral resource estimation at this time.<br>• Sample compositing has been applied in some instances to the initial collection of RAB, AC and RC sub-samples.<br>• No sample compositing has been applied to the database |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Historical reports contain insufficient information to determine if any relationship exists between the drilling orientation and the orientation of key mineralised structures that might be considered to have introduced a sampling bias. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Historical reports contain little or no information on measures taken to ensure sample security. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews have been undertaken of historical sampling techniques and data. |

## Section 2 Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Ockerburry Hill tenement is a granted exploration licence E36/865.<br>• Crown reserve No. 30896 for the use and benefit of Aboriginal people overlaps the Tenement (Reserve). The Reserve was not included in the application or Tenement when granted, and is not part of the Tenement.<br>• There are four registered Aboriginal cultural heritage sites within the tenement area.<br>• There are no known issues affecting the security of title or impediments to obtaining a licence to operate in the area. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Several companies have conducted exploration activities within the tenement area, with the majority of more recent drilling (post 1995) conducted by Western Mining Corporation, Dominion Mining Ltd, Plutonic Operations Ltd, Homestake Australia Ltd, Aragon Resources Ltd and Goldfields Ltd. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Regolith profiles vary considerably across the tenement. Cenozoic regolith deposits consist of lateritic duricrusts, sheetwash and colluvial sediments, alluvium and lacustrine evaporates. Additionally, in the southern parts of the tenement group, below the more recent cover, a thick Permian unit includes mudstone and glacial conglomerates.<br>• The tenement is situated within the Yandal greenstone belt, comprising low-to-mid greenschist grade metamorphic rocks derived from felsic-intermediate volcanics, extrusive and intrusive mafics and ultramafics and sedimentary rocks. There are variable degrees of shear strain over the tenements caused by the broad Ockerburry Fault Structure.<br>• Gold mineralisation encountered in drilling to date appears to be related to supergene dispersion within the regolith, and/or quartz veining. More work is required to establish the primary controls on gold mineralisation and the nature and distribution of hydromorphic dispersion of gold in the regolith. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the* | • A table of significant historical drill results is included in the main body of the announcement, and includes hole ID, easting, northing, elevation (where recorded), dip, azimuth, hole length, and downhole length width and weighted average grade.<br>• Prior to 2000, coordinates were originally recorded using AGD84 datum. Post 2000, coordinates were recorded using GDA94 datum. AGD84 coordinates have been transformed to GDA94 datum. Accuracy is not known.<br>• Elevation of drillhole collars are relative to AHD. For some drillholes, collar elevations were not reported. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *report, the Competent Person should clearly explain why this is the case.* | |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Historical drillhole intersections reported according to following parameters:<br>o Low cutoff grade of 0.5 g/t Au<br>o No high cut applied<br>o Maximum internal dilution of 2 consecutive metres at grades <0.5 g/t Au<br>o Minimum of 15 gram*metres<br>• No metal equivalent results have been reported. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • There is insufficent information available to determine the relationships between the geometry of mineralisation and orientation of drillholes. That is, the drill intercepts reported are for downhole lengths, true widths not known. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • The drill intersections being reported on are based on historical drilling pre-2014. There are no sections or plans availlable at the date of this announcement. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Comprehensive reporting of all drilling is not practible, since the database comprises a significant amount of data. Only the more significant historical intersections have been referred to in this announcment. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • The tenement area is dominated by a highly weathered regolith, inlcuding lacustrine, colluvial and alluvial sediments, largely obscurring the underlying geology. Geophysical magnetic data is available, which the Company believes supports the interpretations of the presence of major structures and lithologies with the potential for the hosting of gold and base metal mineralisation beneath the cover. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • The Company is planning to conduct further exploration in the areas of historical drilling that have returned significant assay results, as well as those areas which have not yet been drill tested. Given the area is almost completely covered by surficial material, a high resolution magnetics survey will be considered to assist in drill target definition.<br>• Two diagrams showing (i) interpreted basement geology, and (ii) low resolution magnetics are included in the main body of the release. |