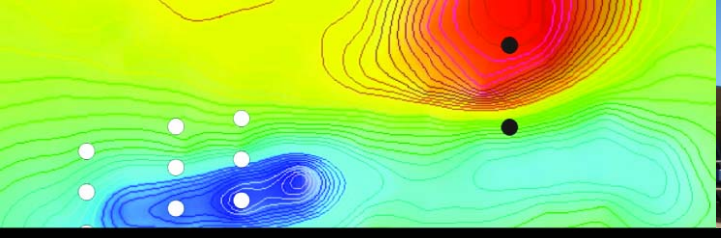

ASX and Media Release

Quarterly activities report June quarter 2017

HIGHLIGHTS

Results

- 13,909 ounces of gold produced in quarter taking YTD production to 50,882 oz
- Combined Challenger and Tarcoola mining operations for year to 30 June 2017 2% below the lower end of the guidance range of 52,000 – 56,000 oz
- Record gold production of 6,230 oz for month of June from Challenger and Tarcoola. June 2017 quarter AISC of $1,431 per oz

Production

- Initial stoping on M3 lode in June yielded stoping grade of 8.5g/t Au showing upside outside of current mine plan
- Mining of supergene ore at Tarcoola resulted in significant improvement in grade hauled to Challenger of 3.1 g/t Au
- Trials successfully demonstrating ability to increase mill throughput to 700,000 tpa with minimal capital expenditure
- Challenger mill expansion plan well advanced to optimise processing efficiencies with abundant feed available

Exploration

- 79% increase in resource estimate since acquisition of Challenger shown in 31 March 2017 mineral resource estimate
- Significant results achieved in Challenger underground exploration program show potential to extend mine life
- Encouraging exploration results from Phase 1 Challenger Deeps program
- Exploration target announced on M3 structure
- Extensive sulphides identified to date in drilling of Warrigal anomaly at Tarcoola.

Corporate

- Placement of shares to sophisticated and professional investors to raise $7.2 million at $0.048 per share completed on 13 June
- One for eight non-renounceable Entitlement Issue to raise $5.4 million at $0.048 per share announced on 19 June 2017

20 July 2017

WPG Resources Ltd

ABN 51 109 426 502
Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@wpgresources.com.au
www.wpgresources.com.au

RESULTS AT A GLANCE

Sales and Processing (Challenger Processing Hub)	Units	June Quarter 2017	**Year To Date	March Quarter 2017
Total Ore Processed	Tonnes	145,627	602,105	147,173
Grade Processed	g/t Au	3.12	2.77	2.75
Recovery	%	95.2	95.0	95.4
Gold Recovered	Ounces	13,909	50,882	12,406
All-in Sustaining Cost*	$/Ounce	1,431	1,532	1,475
Gold Sold	Ounces	13,625	50,951	13,083
Average Gold Price Received	$/Ounce	1,674	1,664	1,608
Sales Revenue Realised**	A$000's	22,805	84,799	21,050

Challenger Gold Mine Operations Summary	Units	June Quarter 2017	**Year To Date	March Quarter 2017
Underground Capital Development	m	258	894	93
Total Underground Development	m	1,328	5,136	1,373
Underground Ore Mined	Tonnes	128,753	480,416	114,251
Underground Ore Grade***	g/t Au	2.93	3.03	3.22
Surface Stockpiles Treated****	Tonnes	-	81,058	2,837

Tarcoola Gold Mine Operations Summary	Units	June Quarter 2017	**Year To Date	March Quarter 2017
Open Pit Waste Mined	bcm	473,712	1,248,799	607,278
Open Pit Ore Mined	Tonnes	74,030	120,287	37,432
Mined Grade	g/t Au	2.49	2.32	1.87
Ore Hauled to Processing Facility	Tonnes	44,735	69,439	24,704
ROM Stockpile	Tonnes	58,363	58,363	24,894

Notes: * **AISC in relation to underground mining costs include all lateral development and fixed asset additions other than those associated with permanent infrastructure. AISC in relation to open cut mining activities excludes capitalised waste mining costs. AISC includes an appropriate allocation of head office costs.**

** **Production, sales and revenue information is provided for the Challenger gold mine at 100% level (WPG 50% 1 June to 31 July 2016, 100% from 1 August 2016). Current year sales and revenue attributable to the joint venture partner up to 31 July 2016 are 1,891 oz for revenue of $3,354k**

*** **Includes stoping ore, development ore and low grade development ore**

**** **Low grade stockpiled material acquired with the Challenger gold mine**

CHALLENGER PROCESSING HUB

OVERVIEW

Successful processing of Tarcoola ore and higher throughput

Trials on the processing of blended Challenger primary and Tarcoola oxide ores continued during the quarter. Steady state processing was successfully increased from a 4:1 ratio of Challenger to Tarcoola ore achieved in the previous quarter up to a 2:1 ratio during this quarter despite the introduction of high clay content supergene ore to the Tarcoola feed.

Throughput at the Challenger plant was increased from the 600,000 tpa rate, at which it operated for many years, to 700,000 tpa with no material loss of gold recovery. Some modest capital will be required to be spent in the next quarter to sustain this throughput rate. During the quarter 145,627 dry tonnes were milled at the Challenger processing hub. Despite trials on higher throughput, total throughput was slightly down on the prior quarter as a consequence of the higher moisture content of the Tarcoola feed, mill reline maintenance, and low water availability early in the quarter.

Existing water bores were successfully refurbished during the quarter which are now yielding sufficient water for steady state processing at 700,000 tpa with oxide Tarcoola feed as noted above. Additional water will be required to increase this throughput to 800,000 tpa and analysis of suitable drilling sites is underway.

Production and Costs

Record gold production of 6,230 oz in month of June

Milled tonnes for the quarter were 145,627 @ 3.12 g/t Au with average recovery of 95.2%. Total gold recovered was 13,909 ounces, while gold sold was 13,625 ounces. This included 6,230 ounces during the month of June.

All-In-Sustaining Cost (AISC) in the quarter was $1,431 per ounce recovered. Total revenue from bullion sales was $22.8 million at an average gold price of $1,674 per ounce. This AISC, whilst unacceptably high, has started to reduce which is reflective of improved mining physicals performance at Challenger.

Production Guidance

Building production profile into 2018

Guidance for the combined Challenger and Tarcoola mining operations announced on 13 March 2017 for the year to 30 June 2017 was in the range of 52,000 to 56,000 ounces. The actual combined production of 50,882 ounces from the Challenger and Tarcoola mining operations for the year to 30 June 2017 was 2% below the lower end of the guidance range. It was disappointing that, although close, production did not reach the level of guidance for the year. This result was principally impacted by very poor operation performance at Challenger in May along with slower than anticipated ramp-up of production and processing of Tarcoola ore during April and May.

Production guidance for the 2018 financial year is 70,000 to 80,000 ounces. It is anticipated that the quarterly production will start at levels similar to this quarter and increase in the second half following investment in underground development at Challenger over the coming six months and completion of the Tarcoola push-back this quarter.

CHALLENGER GOLD MINE

PRODUCTION

The Challenger mine continued operations at full production rates during the quarter. Total ore mined from underground for the quarter was 96,004 tonnes @ 3.60g/t Au (13,388 ore tonnes from development and 82,616 ore tonnes from stoping). In addition a further 32,749 tonnes of low grade development ore was mined which provided supplementary mill feed.

Production was primarily from the Challenger West lode with additional material sourced from the Aminus, M2 and M3 lodes.

Underground development in the quarter continued to be below budget which has impacted the ability of the mine to develop new stoping areas and to access higher grade areas of the resource. Development has been focussed on maintaining mill feed resulting in development into lower grade areas of the mine when insufficient development capacity has been available to open new stoping areas.

New mining contractor and investment in underground development

To remedy this situation an investment in underground development is planned for the September and December quarters which involves adding a third development jumbo to the mining fleet. This will enable the development of stoping areas in both Challenger West and Challenger Deeps to enable more accurate mine planning and grade management in the mine. Further development on M3 is also expected

subject to further drilling results. WPG has undertaken a placement in June and the current Entitlement Issue to fund this initiative.

During the quarter WPG invited a number of mining contractors to tender for a new mining contract at Challenger in a competitive process and in July issued a Letter of Intent to Byrnecut Australia Pty Ltd. Byrnecut has commenced mobilisation activities and will assume responsibility for all underground mining at Challenger as of 8 August 2017.

Byrnecut was the contractor at Challenger prior to WPG's acquisition of the mine and they are very familiar with operations at site and have a demonstrable record of delivering on mine physicals at the Challenger gold mine.

In anticipation of commencement of mining in Challenger Deeps later in the calendar year, rehabilitation works at the bottom of the Jumbuck decline at Challenger were completed and development towards the next production level recommenced in early July.

Accumulated ROM stockpiles at both Challenger and Tarcoola will ensure minimal impact on milling operations during the changeover period.

Updated Mineral Resource Estimate

Systematically drilling to grow the resource base

On 1 June 2017 WPG released the 31 March 2017 Mineral Resource estimate. This update took into account mining depletion and drilling and sampling results since the previous estimate as at 30 June 2016 as well as a change in the underground cut-off grade from 5.0g/t Au to 3.0g/t Au, resulting in the inclusion of the M1 generic in the resource.

The 31 March 2017 Mineral Resource estimate was a total of 1,401,401 tonnes at an average grade of 7.62 g/t Au containing 343,299 ounces of gold.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 1 June 2017 market announcement and above in relation to the mineral resource estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 1 June 2017 market announcement continue to apply and have not materially changed except to the extent of production.

NEAR MINE EXPLORATION

Resource definition and near mine exploration opportunities were pursued during the quarter by ongoing programs of underground diamond drilling. This drilling activity is designed to identify potentially new minable resources that can be accessed from existing underground development. This drilling was principally focussed in Challenger Deeps and Challenger West. The Phase 1 drilling program in Challenger Deeps was completed in June and drilling is now active on M3. It is

expected that the Phase 2 program on Challenger Deeps will commence in late August following development extensions to the Jumbuck decline below the shear and establishment of a new drilling platform.

Significant results were achieved in the quarter and, in particular, the Challenger Deeps drilling showed strong continuity of the Challenger lode system and Challenger West was also intersected for the first time beneath the 215 shear. The close proximity of Challenger West to M1 at the lower levels presents attractive parameters at depth to increase ounces per vertical metre.

Challenger Deeps

Bringing new lodes below the shear into geological models

On 3 April 2017, drilling commenced from underground drill cuddies with encouraging gold assays from its Challenger Deeps drilling program announced on 11 April, 17 May, 29 May, 22 June and 29 June 2017.

Nineteen drill holes for 3,330m from the 135 level targeting down plunge extensions of the M1, M2, Aminus and Challenger West ore shoots were completed and verified the Challenger system continuity at depth.

Significant intersections in M1 included:

- 17CUD2077: 7.74m @ 42.89g/t from 45.36m
- 17CUD2081: 0.80m @ 37.65g/t from 47.7m
- 17CUD2071: 1.92m @ 14.32g/t from 58m
- 17CUD2078: 2.74m @ 8.79g/t from 46.26m
- 17CUD2090: 0.39m @ 34.20g/t from 58.35m
- 17CUD2091: 1.31m @ 8.17g/t from 69.69m
- 17CUD2090: 1.00m @ 19.89g/t from 79m
- 17CUD2078: 0.67m @ 23.38g/t from 65.33m
- 17CUD2083: 1.11m @ 14.00g/t from 87m
- 17CUD2082: 0.30m @ 33.83g/t from 55.96m

Significant intersections in Aminus included:

- 17CUD2071: 1.00m @ 45.12g/t from 121m
- 17CUD2083: 0.51m @ 52.54g/t from 120.49m
- 17CUD2072: 0.96m @ 21.76g/t from 90.6m

Importantly, Challenger West was also intercepted for the first time below the 215 Shear as part of this Challenger Deeps drilling. The close proximity of Challenger West to M1 at the lower levels presents more attractive parameters at depth now than previously recognised.

Challenger West intersected beneath the 215 shear

Significant intersections in Challenger West Deeps included:

- 17CUD2071: 1.00m @ 232.12g/t from 140m
- 17CUD2076: 2.20m @ 27.22g/t from 125m

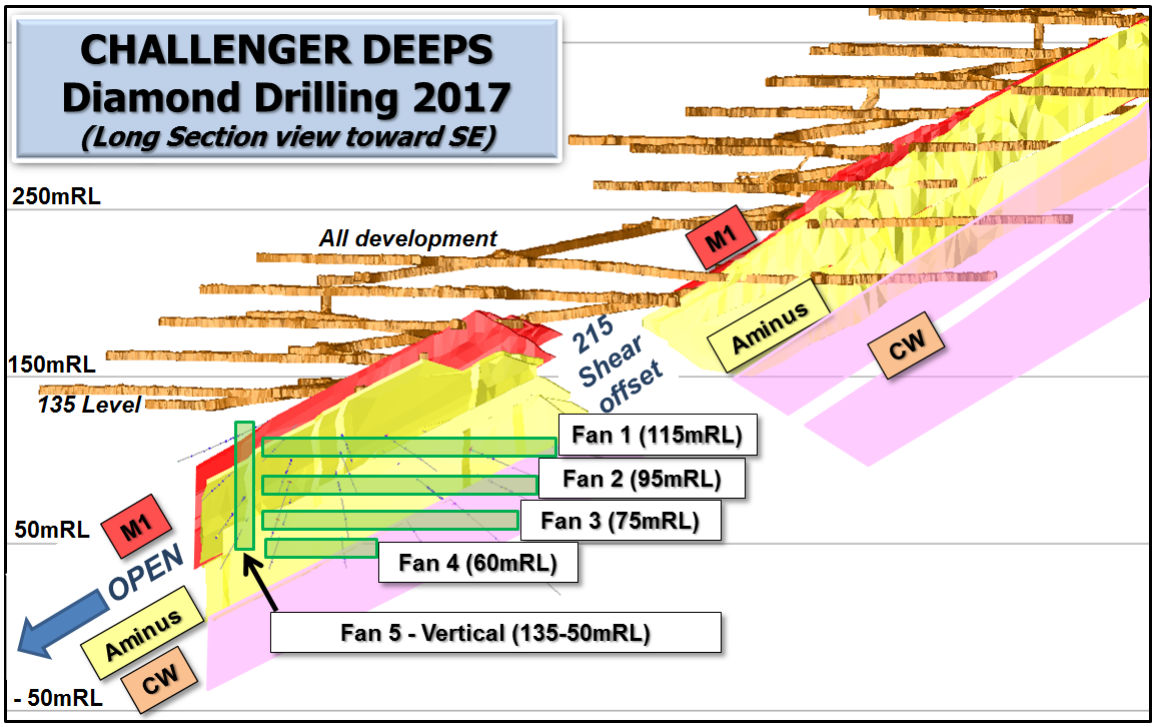

Figure 1: Challenger Deeps Drilling

Further detail on the results from the Challenger Deeps drilling can be found in the ASX releases announced on 11 April, 17 May, 29 May, 22 June and 29 June 2017.

Challenger West

Identifying new minable shoots in Challenger West

During the quarter, a total of eleven drill holes for 2,459 metres were drilled from the 215 level to infill the Challenger West orebody below 170mRL (above the 215 shear). The purpose of the drilling was to test the continuity down plunge of the OD1 – OD5 shoots that have been previously mined on upper levels within Challenger West. Assays have been returned for six of these holes to date.

Significant intercepts for the quarter:

- 17CUD2037: 1.09m @ 143.86g/t from 202.44m
- 17CUD2038: 1.91m @ 79.4g/t from 205m

Significant visible gold was also intersected in both 17CUD2037 and 2038.

M2 was also intersected as part of this drilling and returned the following significant intersections:

- 17CUD2038: 1.00m @ 21.80g/t from 0m
- 17CUD2026: 2.00m @ 10.50g/t from 5m
- 17CUD2037: 1.25m @ 16.69g/t from 2.10m

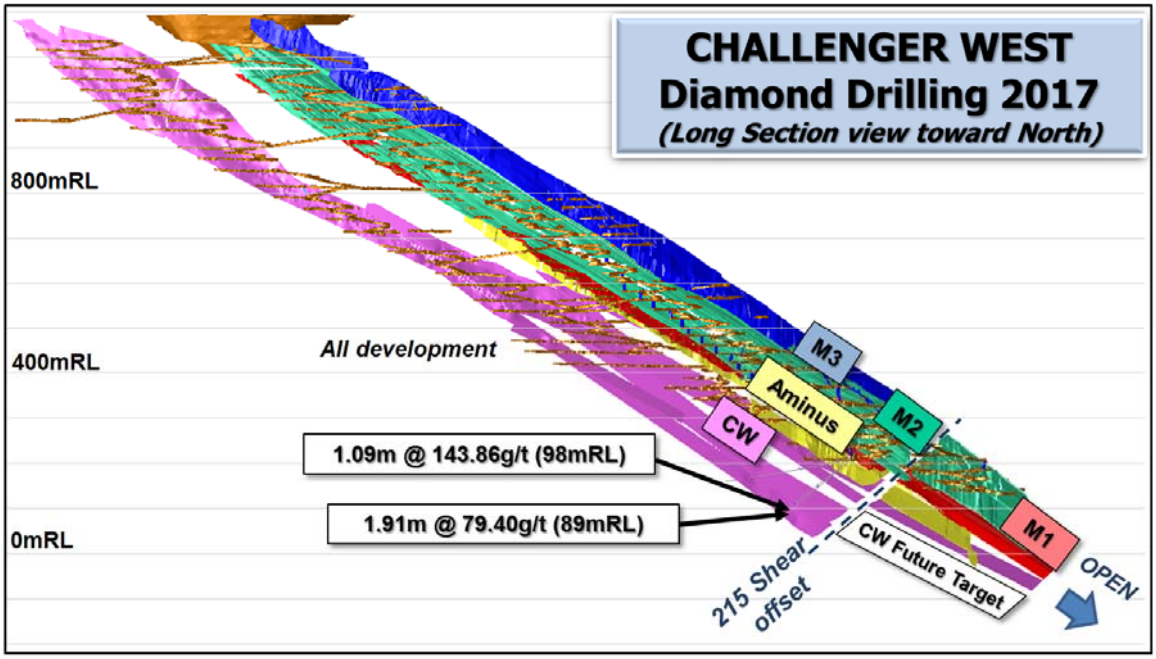

Figure 2: Challenger West drill results below 100mRL

A full description of drilling details, including table of significant intercepts is included in Appendix 1 of this report.

M3/SEZ

Initial stope grade of 8.5g/t on M3 on 1055 level

The first two holes targeting the M3 and SEZ ore shoots on the 700 and 900 levels commenced late in the quarter. Extensive drilling programs have been designed from these levels and are ongoing, as well as a third site in the 845 level to come online early in the next quarter.

On 22 May 2017 WPG announced a combined exploration target for the M3 and SEZ shoots, above the 215 shear.

The combined exploration target for the M3 and SEZ lodes range from a lower limit of 1.09Mt@ 3.40g/t for 120koz to an upper limit of 1.27Mt @ 3.93g/t for 162koz.

The potential tonnage and grade of the new combined M3 and SEZ Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource, and it remains uncertain if further exploration will result in the estimation of a Mineral Resource.

Underground diamond drilling completed at Challenger on the M3 and SEZ shoots in the December 2016 and March 2017 quarters returned encouraging drill results, particularly at the 1025 level, which led to an assessment of the exploration potential of the M3 and SEZ shoots.

The exploration target for the M3/SEZ shoots considers all diamond drill holes that intersect the interpreted shoots between the top of the underground workings at 1115mRL and 280RL.

There are 173 diamond drill holes which intersected the M3 shoot for a total of 27,426m. There are 129 diamond drill holes which intersected the SEZ shoot for a total of 20,085m.

Although some previous drill hole results used for the calculation of the exploration target have been reported, it was determined for consistency to include all relevant diamond drill hole information pertaining to M3 and SEZ shoots in Appendix 1 of this report.

The M3 and SEZ geology wireframes have been created onsite by CGO geologists and use lithological and assay information to define the shoot boundaries.

Diamond drill intercepts have been grouped into 20m vertical panels that replicate the production level spacing at Challenger. Each drill hole is then length weighted averaged to produce an averaged width and grade for each shoot for the 20m vertical block.

The strike extent of the shoot for the 20m vertical panels is taken from the flitch slice of the modelled shoot at the base RL. Where historical stoping has occurred on a particular level, the strike length of the mined zone has been removed from the length of the total shoot. The calculated tonnes for each level uses the average diamond drill intercept length multiplied by the available strike length, panel height of twenty metres and the Challenger rock density of 2.72g/cm^3.

M2

Drilling of the M2 S2 lode was completed from the 480 Level, targeting the portion not mined between the 500 and 440 levels. The lode had previously been successfully mined above and below these levels.

Significant intercepts included:

- 17CUD2068: 0.84m @ 262.05g/t from 71.16m
- 17CUD2063: 2.45m @ 19.57g/t from 35.2m
- 17CUD2060: 1.00m @ 21.75g/t from 39m
- 17CUD2060: 1.00m @ 11.09g/t from 47m

A full description of drilling details, including table of significant intercepts is included in Appendix 1 of this report.

Future exploration activities

The focus of future exploration activities at Challenger for the remainder of the calendar year is shown in Figure 3 below.

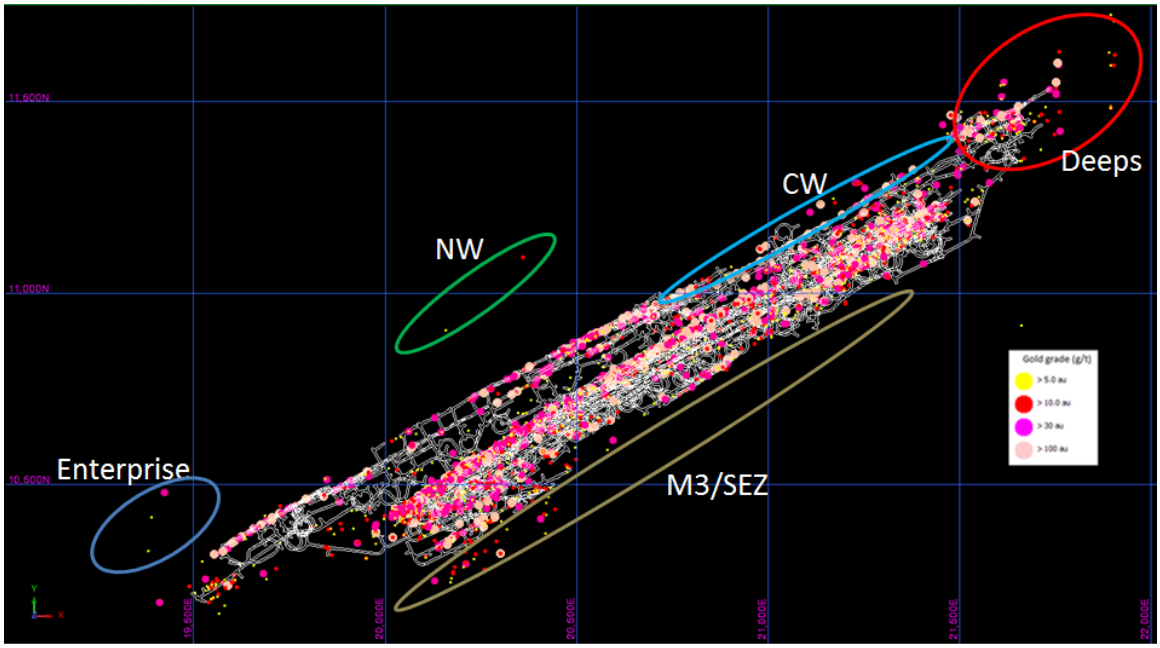

Figure 3: Near Mine exploration targets at Challenger for FY2017/18

Drilling is planned on multiple near mine exploration targets over the next twelve months. The diamond drilling program will be split into two sections – development drilling and near mine exploration drilling. Development drilling involves further drilling into Challenger West, Aminus and remnant opportunities in the historic M1 and M2 lodes. Near mine exploration drilling will target Challenger Deeps, M3/SEZ and Enterprise.

TARCOOLA GOLD MINE

PRODUCTION

Record production for the month of June

The Tarcoola gold mine continued to ramp-up following stripping of the poorly mineralised upper benches of the pit. During April, a number of significant rainfall events in close proximity to each other caused the suspension of pit operations for 7 days and haulage for 10 days until damage to major access roads to the site was remedied and critical supplies brought back to the mine.

During the June quarter a total of 508,673 bcm was mined from the pit, including 74,030 tonnes of ore at a grade of 2.49 g/t containing an estimated 6,163 ounces of gold. During the quarter, 44,735 tonnes of ore at a grade of 3.01 g/t was hauled to Challenger, and 2,643 ounces of Tarcoola gold was poured at Challenger.

During June the mine achieved record ore production with 17,388 tonnes mined at an average grade of 2.43 g/t. Haulage to Challenger was 17,762 tonnes at a grade of 3.55 g/t. ROM stockpiles at 30 June 2017 totalled 58,363 tonnes.

Updated life of mine plan at Tarcoola

An intensive grade control drilling program was undertaken during the quarter which provided data and guidance which helped in developing an improved and updated grade control model. The revised grade control model significantly improved grade predictability which improved from a mining grade recovery of 48% to 95% over the last quarter. The updated grade control model also provided the basis for the revision of the Life of Mine Plan which will be incorporated into the planned 30 June 2017 Mineral Resource and Ore Reserve estimates.

The Life of Mine Plan was updated in May to optimise the pit wall angles against the ore profile in the pit. The plan was geotechnically validated by an independent expert, and whilst it delivers a modest decrease in waste material by steepening some of the pit wall angles, it more importantly provides a solid basis for all future planning and decision making regarding the pit.

A program of water exploration was undertaken during the quarter. No new suitable water source has yet been discovered and potable water continues to be supplied from Coober Pedy.

NEAR MINE EXPLORATION

Drilling of Warrigal prospect intersecting extensive sulphides

RC drilling to test the chargeability anomaly identified during the March quarter IP survey has commenced. Logging of drill chips has identified significant zones of sulphides (primarily pyrite) existing in various zones within sandstone, quartzite, shale, carbonaceous shale, quartz veins, diorite and granite. This confirmed that the source of the IP anomaly is sulphides.

The upper margin of the anomaly is modelled at approximately 50m below surface and extends to at least 150m below surface and there is so far good correlation with the logging. Gold assays and compilation of geological logs are pending. It is expected that drilling of the Phase 1 program will be completed in July and assays shortly thereafter.

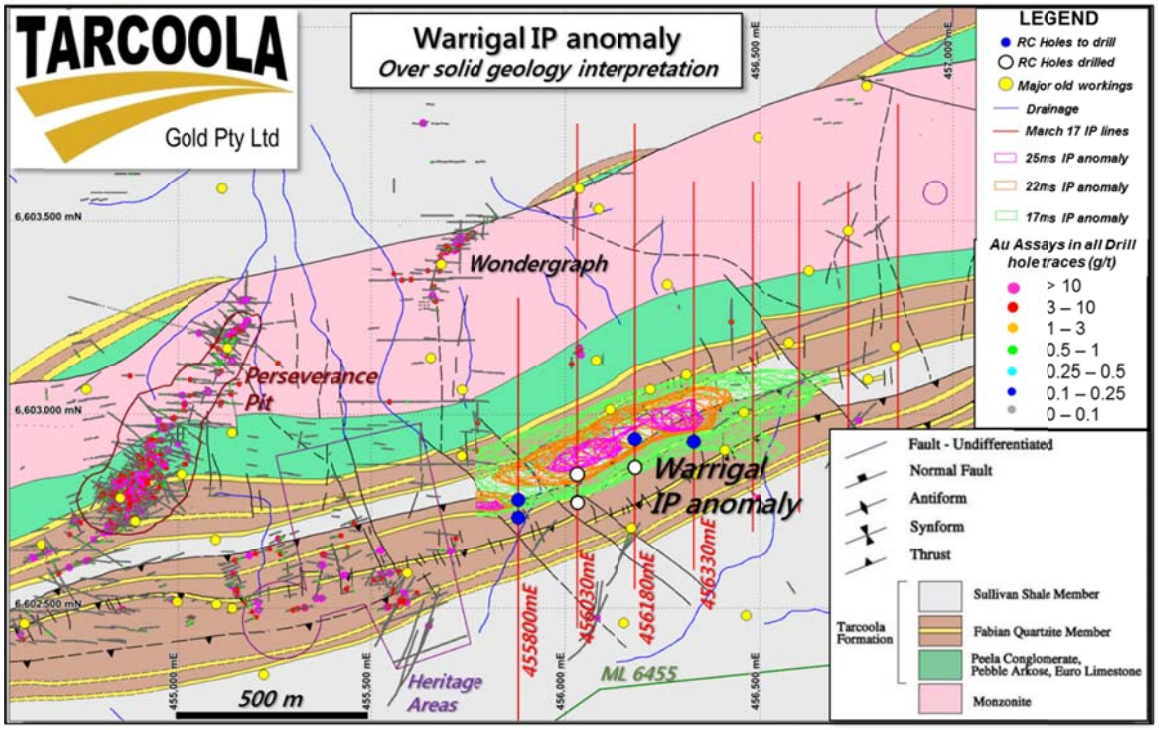

Figure 4: Completed and proposed RC hole collars testing Warrigal IP anomaly (3D chargeability shells) and historical drill hole traces

WPG has 100% of all minerals over an area of 1,207km^2 on EL 5355 and 5254 surrounding the Tarcoola mine and is reviewing exploration targets with potential for further discoveries.

WESTERN GAWLER CRATON JV (WGCJV)

The current interests of the parties to the WGCJV are approximately WPG 29%, Tyranna Resources Ltd (Tyranna) 71%, with Tyranna the manager of the WGCJV. Tyranna's strategy is to target the more advanced gold prospects which are situated within 50km of the Challenger gold processing operations and increase the economic scale of these prospects via focused and extensive exploration drilling.

Tyranna completed a program of Reverse Circulation drilling at the Typhoon and Monsoon Prospects, 35km SSW of Challenger gold mine, during the quarter which returned a number of significant intersections (see Tyranna's ASX announcements dated 8 June and 6 July 2017).

WPG encourage Tyranna to continue exploring in the WGCJV project area for potential eventual treatment of ore through the Challenger mill.

TUNKILLIA

EXPLORATION

WPG has 100% of all minerals over an area of 1,604km^2 on EL 5670, 5901 and 5790 and is reviewing exploration targets with potential for further discoveries.

A 12-month PEPR was lodged and approved by the Mineral Resources Division of the SA Department of the Premier and Cabinet (DPC) in readiness for exploration work on the broader Yarlbrinda Shear Zone away from the 223 deposit.

MUCKANIPPIE, ROBINS RISE, LAKE WOORONG AND PERFECTION WELL

With WPG's current focus on fast tracking its gold projects, the Company's efforts were diverted for the quarter from its other South Australian project assets.

There was no substantive work undertaken on these tenements during the quarter, however, potential exploration programs have been prepared.

CORPORATE

CAPITAL RAISING

Placement

$7.2m Placement oversubscribed

On 13 June 2017 WPG announced it had raised $7.2 million in a Placement of shares to sophisticated and professional investors to raise $7.2 million at $0.048 per share. Veritas Securities was the Lead Manager and Adelaide Equity Partners was Corporate Adviser to the Placement.

The Placement was oversubscribed and after scale-back, 150,000,000 shares were issued. A free $0.08 option (expiring on 20 June 2019) will be issued for every 2 shares placed, subject to shareholder approval. A General Meeting will be held to approve the issue of 75,000,000 options.

Entitlement Issue

On 19 June 2017 the Company released a Prospectus for a one for eight non-renounceable Entitlement Issue to Eligible Shareholders of up to 113,244,750 New Shares at a price of $0.048 per New Share to raise $5,435,748 if fully subscribed, together with a free $0.08 exercise price unlisted New Option for every two New Shares acquired. The New Options expire on 30 June 2019 unless previously exercised.

The Record Date for the Offer was 27 June. The Prospectus, and Entitlement and Acceptance Form, was sent to all eligible shareholders on 30 June 2017. The Offer closes on 28 July 2017. The Offer is not underwritten and the Company can place any Shortfall within 3 months of the Closing Date.

HEDGING

During the quarter the company closed forward sales positions over 10,250 ounces with forward prices averaging $1,621 per ounce.

At the end of the quarter the Company had open forward sales of 9,250 ounces of gold at an average price of A$1,653 per ounce. The Company intends to enter into further hedging arrangements in the current quarter.

FINANCIAL POSITION

As at 30 June 2017 the Company had cash at bank of $9.9 million.

Further Information

For further information please contact WPG's Chief Executive Officer, Wayne Rossiter on (02) 9251 1044.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning WPG's planned mining and exploration programs and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements.

Although WPG believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person Statements

CHALLENGER

Exploration activities

The Challenger exploration activities and results contained in this report are based on information compiled by Mr Kurt Crameri and Paul Wittwer.

Kurt Crameri is a Member of the Australasian Institute of Mining and Metallurgy. He is a Senior Project Geologist and Mining Engineer and a full time employee of WPG Resources Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code & Guidelines). Kurt Crameri has

consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Paul Wittwer is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is a Senior Project Geologist and a full time employee of WPG Resources Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code & Guidelines). Paul Wittwer has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

TARCOOLA

Exploration activities

The Tarcoola exploration activities and results contained in this report are based on information compiled by Mr Paul Wittwer.

Paul Wittwer is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is a Senior Project Geologist and a full time employee of WPG Resources Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code & Guidelines). Paul Wittwer has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 1

Drill Data - Significant Intercepts Challenger

Exploration Diamond Drill hole Details (Local Grid)							Intercept Details				
Hole ID	Collar mN	Collar mE	Collar mAHD+1000	Dip	Grid Azi	Hole Length	From (m)	To (m)	Interval (m)	Au (g/t)	Shoot
17CUD2026	11197.25	21355.105	212.315	-13	275	290.47	5	7	2	10.5	M2
17CUD2037	11197.25	21355.105	212.315	-35	296	220.2	2.1	3.35	1.25	16.69	M2
							202.44	203.53	1.09	143.86	CW
17CUD2038	11197.25	21355.105	212.315	-38	296	230.5	0	1	1	21.8	M2
							205	206.91	1.91	79.4	CW
17CUD2060	11049.253	21077.117	483.801	16	84	100.05	39	40	1	21.75	M2 S2
							47	48	1	11.09	M2 S2
17CUD2063	11047.171	21076.815	484.126	21	134	49.6	35.2	37.65	2.45	19.57	M2 S2
17CUD2068	11049.247	21077.062	482.493	-16	82	80.47	71.16	72	0.84	262.05	M2 S2
17CUD2071	11425.297	21601.213	138.665	-12	285	219.68	58	59.92	1.92	14.32	M1 OD1
							121	122	1	45.12	Aminus
							140	141	1	232.12	CW OD1
17CUD2072	11425.723	21602.092	138.706	-15	300	164.05	90.6	91.56	0.96	21.76	Aminus
17CUD2076	11425.708	21602.044	138.441	-23	298	163.66	125	127.2	2.2	27.22	CW OD1
17CUD2077	11426.077	21602.893	138.626	-22	320	149.2	45.36	53.1	7.74	42.89	M1 OD1
17CUD2078	11426.486	21603.525	138.605	-22.5	340	149.68	46.26	49	2.74	8.79	M1 OD1
							65.33	66	0.67	23.38	M1 OD2
17CUD2081	11426.069	21602.935	138.432	-31	320	161.13	47.7	48.5	0.8	37.65	M1 OD1
17CUD2082	11426.475	21603.519	138.4	-32	340	159.3	55.96	56.26	0.3	33.83	M1 OD2
17CUD2083	11426.063	21602.943	138.212	-39	321	159.95	87	88.11	1.11	14	M1 OD2
							120.49	121	0.51	52.54	Aminus
17CUD2090	11426.676	21604.196	138.314	-32	358	159.67	58.35	58.74	0.39	34.2	M1 OD1
							79	80	1	19.89	M1 OD2
17CUD2091	11426.715	21604.204	138.064	-39	359	159.22	69.69	71	1.31	8.17	M1 OD1

**Note: Only intersections greater than 10g/t x m have been reported*

Significant Intercepts Tarcoola: Warrigal prospect Exploration Reverse Circulation Drill hole Details (GDA94 Zone 53)

Hole_ID	Collar mN	Collar mE	Collar mAHD	Dip	True Azi	Hole Length (m)
17WARC001	6602807	456028	151	-80	0	199
17WARC002	6602847	456178	156	-60	0	180
17WARC003	6602875	456178	148	-65	0	199

Challenger

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Underground BQ drill core is whole core sampled, ranging from 0.3m to 1.4m sample intervals. • Each sample is crushed to 4mm and pulverised to 75 microns through the PAL (pulverizing aggressive leach) process. In the PAL process, each sample is pulverised in an aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample.
Drilling techniques	• Underground diamond drilling is undertaken by Challenger Gold Operations. CGO operates two LM75 underground drill rigs with separate power pack running BQ wireline gear. • No diamond core was oriented.
Drill sample recovery	• All drill core is presented as whole core in core trays by CGO drillers. Core blocks are inserted at the end of every run. Any core loss is noted by the diamond driller on an additional core block if required. • Any core loss is discussed with the drillers in a process of constant improvement to maximise returns. In the case of core loss, generally only fine material is lost through grinding. Any discrepancies between the measured length of the core and that of the core blocks are identified and recorded in logging as gaps in the lithology and also in the geotechnical logging. • Unless a mineralised leucosome is ground away, there is no sample bias due to fines loss.
Logging	• All drill core is geologically logged (lithology, mineralisation, structure) and geotechnically logged (Q value – rock quality) down to cm-scale. (Any leucosome greater than 0.20m in length is recorded as a separate lithology. • The logging is quantitative in nature as lithology percentages and compositions are recorded and all geotechnical logging relies on measurements for the calculation of Q values. • All core is digitally photographed, one core tray per photo, with photos stored on site server for reference.
Sub-sampling techniques and sample preparation	• Samples taken from BQ underground core are full core sampled. • The sample is submitted to the site laboratory for analysis. All samples are dried at a maximum temperature of 90 degrees Celsius to drive off moisture that would interfere with splitting the sample. After drying, samples are crushed using a Boyd Crusher to approximately 4mm in size and then split through a rotary sample splitter to produce a sub-sample. The crusher is cleaned regularly, with barren material (bricks) crushed through it to ensure no smearing prior to the sample run being crushed. Each reject sample is retained for resampling if required.

Criteria	Commentary
	• Each sample can be tracked by its sample number through the entire laboratory process and results for the original samples and all QAQC samples are presented in digital form to the site geologists.
Quality of assay data and laboratory tests	• Assaying at Challenger is completed using the PAL process (pulverizing aggressive leach). This process effectively replicates the process in the Challenger mill. Each sample is pulverised in aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample. The pulverised material is 95% passing 75 microns, the ideal liberation size for gold at Challenger. • Every twentieth sample is duplicated for the original sample bag (re-split) to produce a duplicate. Every sample run (53 samples) will contain at least two duplicates, a blank and a standard (prepared by Gannet Holdings Pty Ltd). These are to ensure that the sub-sampling is representative, that the PAL is correctly cleaned between sample runs and that the PAL is pulverising the samples correctly for full gold extraction. • Following PAL processing, the samples are individually decanted, centrifuged and prepared for analysis in an AAS by solvent separation using DIBK (20 minutes). The sample is then aspirated through the AAS to produce a reading. The AAS is calibrated for each sample run using analytical reagent prepared standards (of 1.0, 5.0, 10.0 and 20.0 g/t Au) from Rowe Scientific. Each sample is adjusted for sample weight in Labman software to produce the gold grade in ppm. These grades are presented to site Geologists in MS Excel .csv spread sheets. • For each sample job; blanks, standards and duplicates are examined to ensure that the blanks are below detection (0.01ppm), the standards are within 8% (experimental accuracy) and that the duplicates are 'reasonable' with respect to the nugget effect of the Challenger deposit. Any sample jobs that fail these checks will be re-analysed from re-splits of the original samples. In addition, all the blanks, standards and duplicates are examined quarterly to ensure that the laboratory is maintaining overall operating standards.
Verification of sampling and assaying	• Significant intercepts were verified by Challenger Mine Geologists and the Senior Mine Geologist. Any significant intercepts in exploration drilling and selected significant intercepts from underground production diamond drilling are submitted to Genalysis at least annually for external analysis. This analysis is undertaken by SP-02 or SP-03 sample preparation followed by partial fire assay using a 50 gram charge (FA50). These results are compared to the original PAL results to ensure that the site analyses are repeatable. While the two analysis processes are different, a correlation 0.94 has been achieved for the last comparison, undertaken in June 2016, and 0.83 to 0.98 over the last two years. • No twinned holes were drilled • All core logging data is captured digitally on company laptop computers and stored on the site server, which is backed up daily. All sample information is recorded both in the relevant logs/face sheets and in sample submission forms that are submitted to the laboratory (on and off site). This allows checking that all samples are present and accounted for by laboratory staff. Assay results are generated as MS Excel .csv files that are stored on the site server and are manually merged with the primary logging/face sheet information. This merged data (logs, collar information and assays) are all imported to the site Diamond Drilling Database in MS Access for use in Surpac. All information imported to the database is checked by the importer in MS Access and Surpac to ensure the correct location/display of data. Ongoing checks are carried out by the entire technical team as the data is used. • The only modification of assay data, following creation by Labman software is altering of results below detection, <0.01g/t Au, to 0.001g/t Au,

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>averaging of duplicate results to produce an ‘au_plot’ grade for plotting and application of c80, c140 and c180 cut-offs to the primary data. All of these modifications are undertaken using the merged data in MS Excel (using standard forms), prior to importing to MS Access</td></tr>
<tr><td>Location of data points</td><td>

All surveys on site are carried out by qualified Surveyors using a Total Station Leica theodolite from known wall stations determined from surface stations located by GPS. Surveying in this manner provides three dimensional collar co-ordinates and development pickups to mm-scale accuracy. Drill hole collars are surveyed in the same way as the rest of the workings with collar dip and azimuth determined by surveying a rod that fits into the drill holes. The collar surveys are transmitted electronically to the site Geologists who merge this information into the MS Excel logs for each drill hole. Down hole surveying of underground diamond drill core is undertaken with a single-shot electric down hole compass/camera at a minimum of every 30m down hole.
All survey data is stored as local Challenger Mine Grid.
Challenger Mine Reduced Level (RL) = AHD + 1000m so AHD 193m level = 1193mRL.

Transformations between AMG and local grids: origin, azimuth
AMG origin and azimuth conversions are based on the following coinciding points.
AMG84 Co-ordinates
<table>
<tr><td>Station Name</td><td>mN</td><td>mE</td><td>mAHD</td></tr>
<tr><td>CH10</td><td>6693784.890</td><td>363338.265</td><td>194.97</td></tr>
<tr><td>CH20</td><td>6693917.900</td><td>363657.477</td><td>50.069</td></tr>
<tr><td>Origin</td><td>6693379.301</td><td>363699.494</td><td>194.410</td></tr>
<tr><td>Flat Battery</td><td>6693411.735</td><td>363510.463</td><td>194.314</td></tr>
</table>
Challenger Mine Grid co-ordinates
<table>
<tr><td>Station Name</td><td>mN</td><td>mE</td><td>mAHD</td></tr>
<tr><td>CH10</td><td>10524.890</td><td>19860.005</td><td>1194.977</td></tr>
<tr><td>CH20</td><td>10499.951</td><td>20204.989</td><td>1050.069</td></tr>
<tr><td>Origin</td><td>10000.000</td><td>20000.000</td><td>1194.410</td></tr>
<tr><td>Flat Battery</td><td>10114.083</td><td>19845.777</td><td>1194.314</td></tr>
</table>

Challenger Mine Grid North 0° = 329.0° MAGNETIC
Challenger Mine Grid North 0° = 333° 14’41”AMG (grid bearing + 26°45’19” = AMG bearing)
Challenger Mine Grid 31° = Magnetic North 0°
Topographic control is taken from the surface stations (above) and traversed to the operating areas through the use of wall stations.

</td></tr>
<tr><td>Data spacing and</td><td>

Underground drilling is drilled at either 20m horizontal or from 20 to 100m vertically spaced fans. Holes are designed to intersect the lodes at 15 to 25m spacing along strike, as close to perpendicular to the strike of the lodes with fold closures specifically targeted. Underground and

</td></tr>
</table>

Criteria	Commentary
distribution	surface drilling is adequate to broadly define the lodes for the purposes of level planning. • No sample compositing of underground diamond drilling has been applied
Orientation of data in relation to geological structure	• The orientation of underground drill holes are designed to be as perpendicular to the lode system as possible. During any grade calculation (be it production or resource) these structure parallel drill holes are examined for their effect on the final grade result, and where appropriate, excluded from the grade calculations, thus reducing the effect of any sample bias.
Sample security	• Samples are submitted to the site laboratory as soon as practical after sampling in individually numbered calico sample bags (labelled CUD for diamond drilling). Analysis is not undertaken until all descriptive paperwork is correctly submitted for the samples. From acceptance of the samples, each sample is tracked on site through Labman software to ensure that each assay is correctly matched with its sample. Any discrepancy between submitted samples and the paperwork is identified and may result in the entire sample job being resampled form original material prior to analysis. External laboratories utilise their own systems for sample tracking.
Audits or reviews	• Data reviews are undertaken on an ongoing basis by site Geologists while using the data. Any errors identified (either by staff, MS Access or Surpac) is queried and corrected as a part of a program of continual improvement. • Lab audits are done annually, showing that operating procedures for sample management, QAQC and result consistency are being adhered to.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• All exploration was undertaken within the current Challenger Mine Lease ML6103. The underlying Exploration Licence EL5661 comprises 687 square kilometres within the Woomera Prohibited Area, straddling the Mobella and Commonwealth Hill pastoral leases.
Exploration done by other parties	• Previous exploration and mining activities at Challenger gold mine have been conducted by Dominion Gold (1995-2010) and Kingsgate Consolidated (2010-2016)
Geology	• Challenger occurs within the Mulgathing Complex of the Gawler Craton and the area is characterised by Archaean to mid-Proterozoic gneissic country rock. Original granulite facies metamorphism is overlaid by retrograde amphibolite facies recrystallization around 1650 - 1540 Ma (Tomkins, 2002). Saprolitic clays extended to 50 m depth within the ore zone, reflecting a deeper base of oxidation. High-grade gold mineralisation is associated with coarse-grained quartz veins with feldspar, cordierite and sulphides dominated by arsenopyrite, pyrrhotite and lesser telluride. These veins are interpreted as migmatites that have undergone partial melting, with this melting reflecting a precursor hydrothermal alteration event (McFarlane, Mavrogenes and Tomkins, 2007).

Criteria	Commentary
	Three main types of leucosome/vein styles have been defined: 1. quartz dominant veins, which may be remnant pre-metamorphic mineralised veins 2. polysilicate veins, which are dominant in the main ore zones and host the majority of the mineralisation 3. Pegmatitic veins, which are unmineralised, late stage, with cross-cutting relationships. The gold mineralisation is structurally controlled through emplacement of the partial melt into relatively low-strain positions. McFarlane, Mavrogenes and Tomkins (2007), using Monazite geochronology proposed a 40 Ma period between 2460 and 2420 Ma of repeated high-temperature events. The Challenger Structure can be defined as a laterally extensive shear zone with shoots that plunge 30° to 029° (AMG). These ore shoots are defined by leucosome veins, which are characteristically ptygmatically folded. The small-scale folding is parasitic to the overall larger scale folding that can be interpreted from drill core. The folding is interpreted as pre peak metamorphism along with gold mineralisation. Post-folding, the Challenger shoots were subjected to extreme WNW-ESE shortening and extension directed shallowly to the NE. Reference: Androvic, P, Bamford, P, Curtis, J, Derwent, K, Giles, A, Gobert, R, Hampton, S, Heydari, M, Kopeap, P and Sperring, P, 2013. Challenger Gold Mine, Australasian Mining and Metallurgical Operating Practices, AusIMM. 1097-1112.
Drill hole Information	• See Appendix 1 to this report.
Data aggregation methods	• For all results at Challenger gold mine, a low cut-off of 0.01g/t Au is applied (limit of detection), these results are replaced with 0.001g/t Au in the drilling database to flag that they are below detection. The assay result is stored as au_plot in the database and variable top cuts of c80g/t, c140g/t and c180g/t are used where required. No upper grade truncation is used for significant intercepts. • Reported mineralised intercepts are based on consistent zones of mineralisation greater than 5 g/t and intervals over 0.3 metres. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• All mineralisation widths are reported as depths down hole as all underground drilling is designed to be as perpendicular to the lodes as possible. As this exploration is entirely for resource development, any significant intercepts used in lode modelling are constrained by the resulting model, producing a de-facto true width for further calculations.
Diagrams	• Diagrams have been included in the main body of the report.
Balanced reporting	• The results recorded in Table 1 show significant intercepts greater than 10g/t. The assay results reported in this report range from <0.01 to 740.17ppm gold.

Criteria	Commentary
Other substantive exploration data	• Visible gold was observed in drill holes 17CUD2026 at 195.41m, 17CUD2037 at 202.81m, 17CUD2038 at 206.09m, 17CUD2063 at 37.37m, 17CUD2071 at 121.77m and 140.71m, 17CUD2076 at 125.59m and 126.79m, 17CUD2077 at 45.36m, 17CUD2082 at 48.71m, 17CUD2090 at 58.35m, and 17CUD2091 at 63.7m.
Further work	• Planned underground drilling for the current financial year focuses on infilling the lower levels of the Challenger West resource, further definition drilling of Challenger SSW, lateral conceptual exploration targets (Enterprise) and drilling of Challenger Deeps to extend the mine life.

Tarcoola

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• RC drill holes are 132mm diameter and samples every metre are taken directly off the drill rig cyclone splitter at a 1/8 split • Each sample is crushed to 4mm and pulverised to 75 microns through the PAL (pulverising aggressive leach) process. In the PAL process, each sample is pulverised in an aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample.
Drilling techniques	• Reverse Circulation, 132mm diameter
Drill sample recovery	• Cyclone has a cutter to separate samples – drilling is paused at each metre when the sample is taken and recommenced when the new bag is put on • No sample bias is expected.
Logging	• Each metre in the program is individually sieved and geologically logged (lithology, mineralisation, alteration) down to m-scale, not just mineralised intervals • The logging is quantitative in nature as lithology percentages and compositions are recorded
Sub-sampling techniques and sample preparation	• Samples taken from the cyclone splitter are mostly dry • The sample is submitted to the Challenger Mine site laboratory for analysis. All samples are dried at a maximum temperature of 90 degrees Celsius to drive off moisture that would interfere with splitting the sample. After drying, samples are crushed using a Boyd Crusher to approximately 4mm in size and then split through a rotary sample splitter to produce a sub-sample. The crusher is cleaned regularly, with barren material (bricks) crushed through it to ensure no smearing prior to the sample run being crushed. Each reject sample is retained for resampling if required. • Each sample can be tracked by its sample number through the entire laboratory process and results for the original samples and all QAQC samples are presented in digital form to the Tarcoola and Challenger site geologists.
Quality of assay data and laboratory tests	• Assaying at Challenger is completed using the PAL process (pulverising aggressive leach). This process effectively replicates the process in the Challenger mill. Each sample is pulverised in aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample. The pulverised material is 95% passing 75 microns, the ideal liberation size for gold at Challenger. • Every twentieth sample is duplicated for the original sample bag (re-split) to produce a duplicate. Every sample run (53 samples) will contain at least two duplicates, a blank and a standard (prepared by Gannet Holdings Pty Ltd). These are to ensure that the sub-sampling is

Criteria	Commentary
	representative, that the PAL is correctly cleaned between sample runs and that the PAL is pulverising the samples correctly for full gold extraction. • Following PAL processing, the samples are individually decanted, centrifuged and prepared for analysis in an AAS by solvent separation using DIBK (20 minutes). The sample is then aspirated through the AAS to produce a reading. The AAS is calibrated for each sample run using analytical reagent prepared standards (of 1.0, 5.0, 10.0 and 20.0 g/t Au) from Rowe Scientific. Each sample is adjusted for sample weight in Labman software to produce the gold grade in ppm. These grades are presented to site Geologists in MS Excel .csv spread sheets. • For each sample job; blanks, standards and duplicates are examined to ensure that the blanks are below detection (0.01ppm), the standards are within 8% (experimental accuracy) and that the duplicates are 'reasonable' with respect to the nugget effect of the Tarcoola deposit. Any sample jobs that fail these checks will be re-analysed from re-splits of the original samples. In addition, all the blanks, standards and duplicates are examined quarterly to ensure that the laboratory is maintaining overall operating standards.
Verification of sampling and assaying	• Significant intercepts were verified by the Senior Mine Geologist and Senior Project Geologist. Significant intercepts in Tarcoola exploration drilling (greater than 0.5g/t) are submitted to Genalysis for external analysis. This analysis is undertaken by SP-02 or SP-03 sample preparation followed by partial fire assay using a 50 gram charge (FA50). These results are compared to the original PAL results to ensure that the site analyses are repeatable. While the two analysis processes are different, a reasonable correlation is expected. • No twinned holes were drilled • All logging data is captured digitally on company laptop computers and stored in a dropbox cloud. All sample information is recorded both in the relevant logs and in sample submission forms that are submitted to the laboratory (on and off site). This allows checking that all samples are present and accounted for by laboratory staff. Assay results are generated as MS Excel .csv files that are stored on the site server and are manually merged with the primary logging information. This merged data (logs, collar information and assays) are all imported to the site Diamond Drilling Database in MS Access for use in Surpac. All information imported to the database is checked by the importer in MS Access and Surpac to ensure the correct location/display of data. Ongoing checks are carried out by the entire technical team as the data is used. • The only modification of assay data, following creation by Labman software is altering of results below detection, <0.01g/t Au, to 0.005g/t Au, undertaken using the merged data in MS Excel (using standard forms), prior to importing to MS Access
Location of data points	• All surveys on site are carried out by qualified personnel using the site Leica C515 DGPS, providing collar co-ordinates to cm-scale accuracy in the same datum (GDA94 zone 53) as the rest of the site. Collar dip and azimuth were surveyed with solid state north seeking ChampGyro tool. The collar surveys are transmitted electronically to the site Geologists who merge this information into the MS Excel logs for each drill hole. • No local Reduced Level (RL) is used, just the Australian Height Datum (AHD) • Topographic control is good with the survey system used
Data spacing and distribution	• Drill spacing at Warrigal is nominally approximately 50m spaced collars. • No sample compositing of RC drilling has been applied
Orientation of data in relation to	• The orientation of RC drill holes are designed to be as perpendicular to the IP anomaly and stratigraphy as possible.

Criteria	Commentary
geological structure	
Sample security	• Samples are submitted to the site laboratory as soon as practical after sampling in individually numbered calico sample bags (labelled TRC for RC drilling). Analysis is not undertaken until all descriptive paperwork is correctly submitted for the samples. From acceptance of the samples, each sample is tracked on site through Labman software to ensure that each assay is correctly matched with its sample. Any discrepancy between submitted samples and the paperwork is identified and may result in the entire sample job being resampled form original material prior to analysis. External laboratories utilise their own systems for sample tracking.
Audits or reviews	• Data reviews are undertaken on an ongoing basis by site Geologists while using the data. Any errors identified (either by staff, MS Access or Surpac) is queried and corrected as a part of a program of continual improvement. • Lab audits are done annually, showing that operating procedures for sample management, QAQC and result consistency are being adhered to.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• All exploration was undertaken within the current Tarcoola Mine Lease ML6455. The underlying Exploration Licence EL5355 comprises 1183 square kilometres, on the Wilgena pastoral lease, part of which is within the Woomera Prohibited Area,
Exploration done by other parties	• Abundant previous exploration and mining activities at Tarcoola have been conducted since discovery of the field in 1893, but more recent work (since 1995) by Mungana Goldmines, Stellar Resources, Anglo Gold and Grenfell Resources was used. Due diligence and resurveying of drill holes etc. was completed by Mungana and all information is considered accurate.
Geology	• The Tarcoola Project covers a portion of the north-western Gawler Craton centred over the historic Tarcoola goldfield, where Archaean and Proterozoic rocks form the basement to an extensive cover of Phanerozoic sediments. The Archaean basement has been extensively deformed, whereas the Proterozoic rocks have been weakly to moderately deformed. • At Perseverance (current Tarcoola open pit mine), gold mineralisation is hosted within sedimentary rocks of the Tarcoola Formation and granite, both of Proterozoic age. The granite is variably in fault contact with or unconformably overlain by the sediments, which consists of conglomerate, limestone, sandstone, siltstones, and shale. A suite of later intrusions (Lady Jane Diorite) cut both the sedimentary rocks and the granite. • Mafic high level intrusives associated with the 1590Ma Hiltaba Magmatic Event are considered to control the spatial setting of both gold and base metal mineralisation. • Three deformation events have been recognised in the area. D1 is characterised by open folding and NNW-directed thrusting, responsibly for the southerly dip of the sedimentary package at Perseverance. Steeply dipping NW and NE trending brittle faults developed during D2. These

Criteria	Commentary
	structures host and control the gold mineralisation in the Tarcoola Ridge area. The third deformation event (D3) is represented by the late E-W trending barren quartz veins. • Gold has locally been remobilised and enriched in the weathering profile. The base of complete oxidation occurs typically 10-40m below surface, and the base of partial oxidation occurs at a depth of ~20-60m. • Within the primary zone, sericite-quartz-pyrite alteration zones are spatially associated with the mineralisation, and overprint earlier hematite-magnetite alteration. An outer halo of chlorite (+/-leucoxene and pyrite) is developed. Pyrite, galena and sphalerite are the main associated sulphide minerals, with subordinate amounts of chalcopyrite bornite and/or arsenopyrite noted. • Veins can be discrete or form wider stockwork zones, and are surrounded by broader quartz-sericite alteration envelopes which can host lower grade background halos of mineralisation. Dispersed supergene mineralisation in the oxide zone can be largely detached from veining. • For more detail see: Budd, A & Skirrow, R, 2007. The Nature and Origin of Gold Deposits of the Tarcoola Goldfield and Implications for the Central Gawler Gold Province, South Australia. Economic Geology, 2007.
Drill hole Information	• See Appendix 1 to this report.
Data aggregation methods	• For all results from the Challenger gold mine laboratory, a low cut-off of 0.01g/t Au is applied (limit of detection), these results are replaced with 0.005g/t Au in the drilling database to flag that they are below detection. No upper grade truncation is used for significant intercepts. • Reported mineralised intercepts are based on consistent zones of mineralisation greater than 3 g/t x m using 0.5g/t cut off and intervals over 1 metre. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• All mineralisation widths are reported as true widths
Diagrams	• Diagrams have been included in the main body of the report.
Balanced reporting	• No assay results are reported yet
Other substantive exploration data	• Nil
Further work	• Planned further drilling may be conducted pending assays