

# Drilling about to commence at El Palmar copper-gold project, Ecuador

Drill targets have been strengthened by latest soil sampling results, which define an area of copper and gold anomalism coincident with the circular magnetic anomaly

## Key Points

- Drilling is about to start at the El Palmar copper-gold porphyry project in northern Ecuador
- Four drill pads have been prepared to enable expansion of the drill program if warranted
- Historical prospecting confirmed the presence of outcropping mineralisation typical of porphyry systems with anomalous gold and copper rock-chip assays of up to 2.2g/t gold and 0.3% copper.
- Sunstone is well funded with ~A\$27m in cash and liquid investments
- “The coincident nature of the detailed magnetics data and soil sampling give us optimism that we are about to drill a significant porphyry system.” – *Sunstone MD Malcolm Norris*

Sunstone Metals Ltd (ASX: STM) is pleased to announce that drilling is about to start at the highly prospective El Palmar copper-gold porphyry target in northern Ecuador (Figure 1).

Logistical preparations are being finalised and the drill rig is on the pad of the first hole (Figure 2).

Sunstone will undertake a Phase 1, 2,000m drilling program targeting the upper 400m of a significant circular magnetic anomaly interpreted to be a mineralised porphyry body. Drilling will continue beyond 400m if mineralisation and alteration are encountered in the upper portions of the hole (Figures 5 & 6).

In parallel with preparation for drilling, a soil sampling program has been underway for several weeks. The area of the main magnetic target has been sampled and results define copper and gold anomalism consistent with a porphyry signature (Figure 4).

Historical prospecting and sampling identified areas of significant stockwork and sheeted veins at surface, typical of porphyry mineralisation, with anomalous gold and copper rock chip assays of up to 2.2g/t gold and 0.3% copper. Three diamond drill holes were completed by a previous explorer at El Palmar in 2012 and delivered significant intersections of copper and gold porphyry mineralisation but did not test the area of mineralised veining at surface, nor the magnetic anomaly recently defined by Sunstone. The initial 2,000m drill program planned by Sunstone will test both the significant magnetic anomaly and the surface mineralisation. Some surface leaching of copper may have occurred based on outcrop inspection of highly weathered stockwork veining (Figure 3).

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Four drill pads have now been prepared at El Palmar to allow for an expanded drill program should the early results warrant (Figure 5).

El Palmar is located in northern Ecuador in the vicinity of the 1.0Bt Llurimagua copper-molybdenum porphyry deposit, and in the same regional structural belt that hosts the 2.6Bt Alpala copper-gold deposit within the Cascabel project (Figure 7 and see ASX announcement dated 12 August 2020).

A small historical drilling program at El Palmar of only 3 holes in 2012 confirmed the presence of a gold and copper porphyry system. Recent detailed analysis of that drill core by Sunstone has confirmed local chalcopyrite and bornite within typical porphyry alteration assemblages, with mineralisation starting from surface. Integrating those historical drill hole results with Sunstone's recently completed ground magnetic survey show that the historical drilling was located on the margins of the main porphyry target and drilled away from the target.

Sunstone Managing Director Malcolm Norris said: "The drill target is robust based on coincident independent data sets. We know the system is a copper and gold mineralised porphyry based on limited historical drilling and minor surface outcrops. The coincident nature of the detailed magnetics data and soil sampling give us optimism that we are about to drill a significant porphyry system.

"It is very exciting times for Sunstone as we continue exploration and drilling on two porphyry targets in Ecuador. Our drilling at Brama is ongoing and delivering good broad gold-copper intervals that are now making geological sense. And, as we have been saying for the past few months, we have an increasing number of reasons to be optimistic regarding our planned drilling at El Palmar.

"Our capital management is strong with ~\$27m cash and liquid investments, allowing us to significantly expand our exploration activities should results in the next couple of months justify."

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Figure 1: Location of the El Palmar project in northern Ecuador

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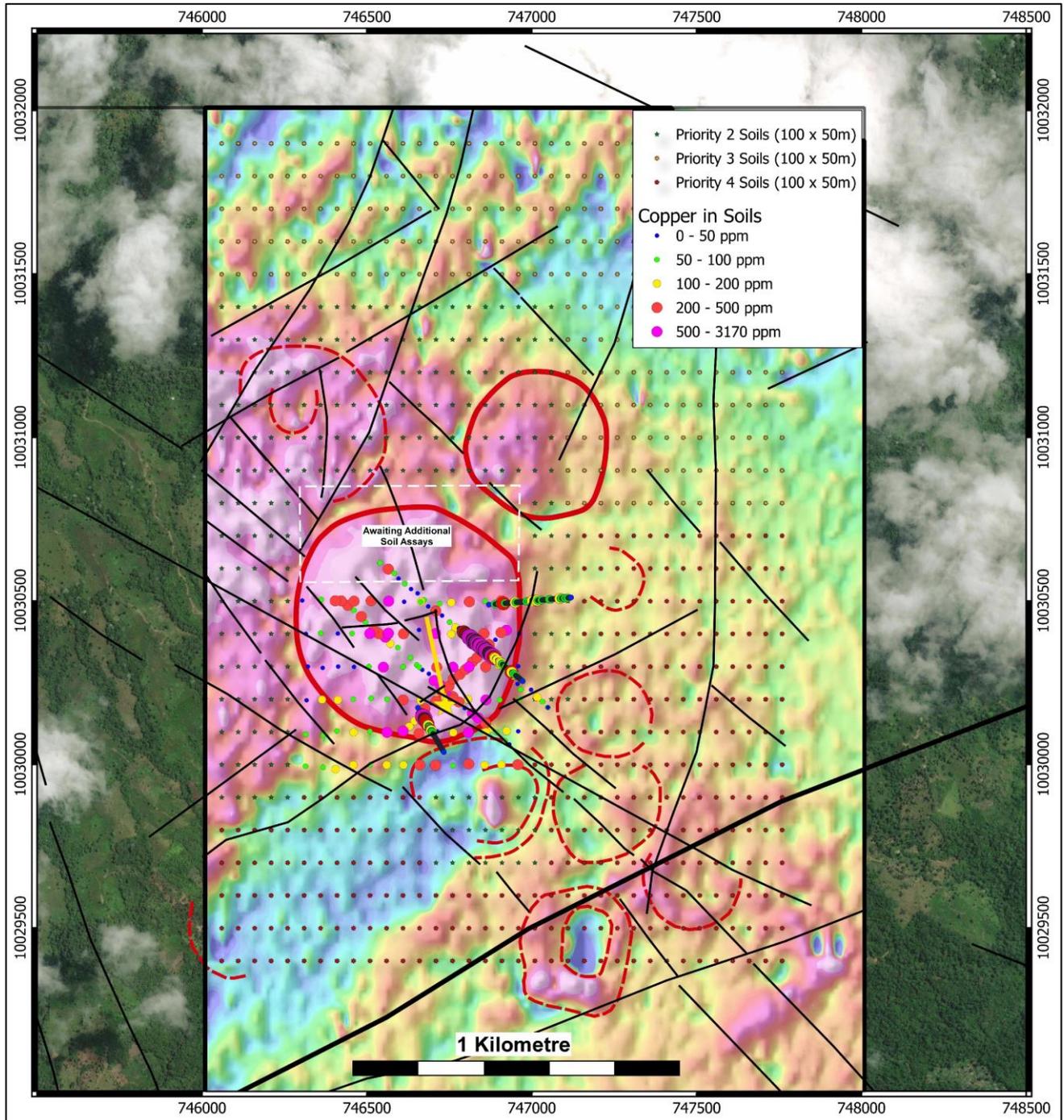


Figure 2: Photograph of drill rig on the site of the first drill hole at El Palmar



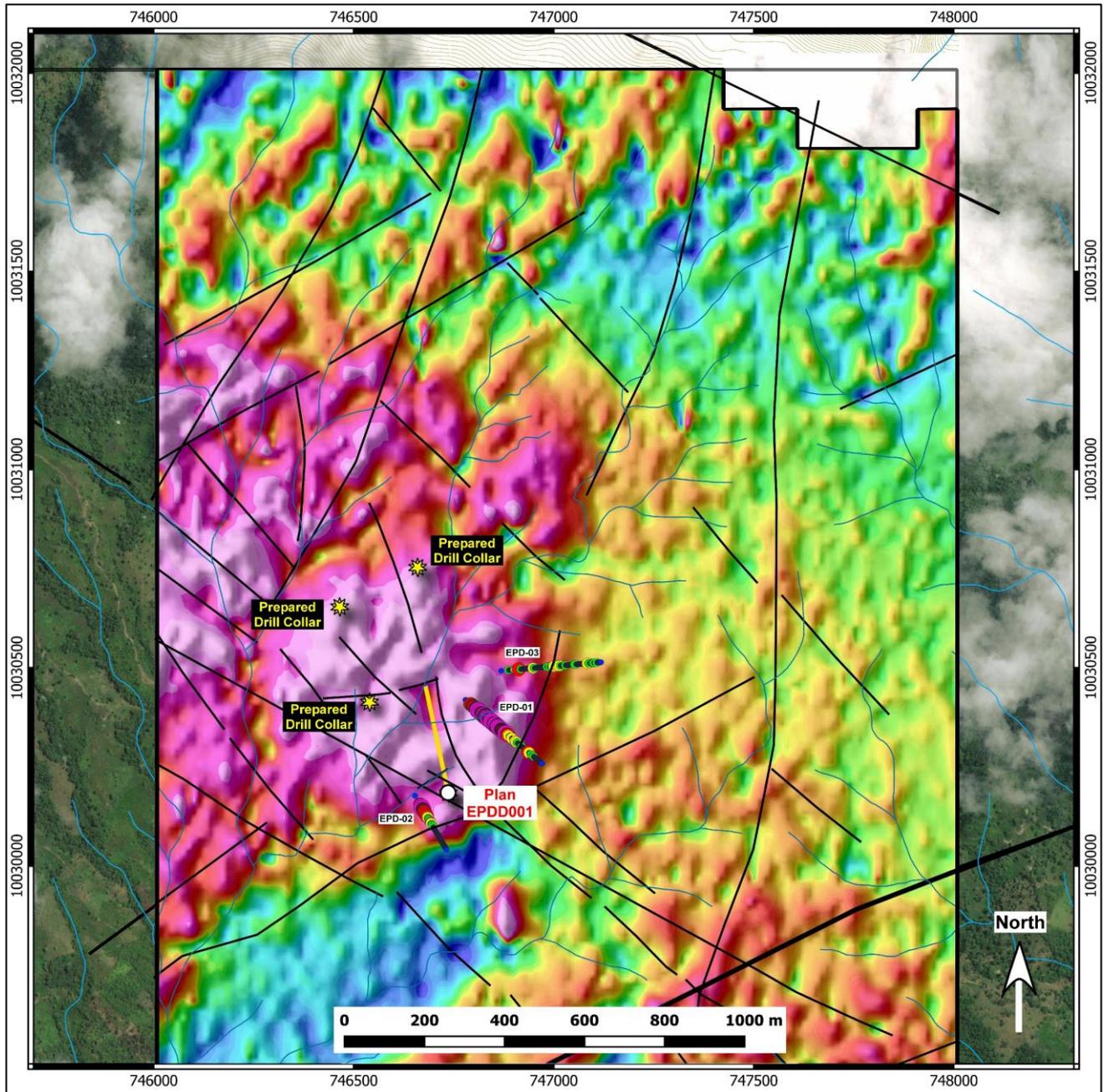
Figure 3: Photograph of stockwork and sheeted veins located approximately 100m from the collar of the first drill hole

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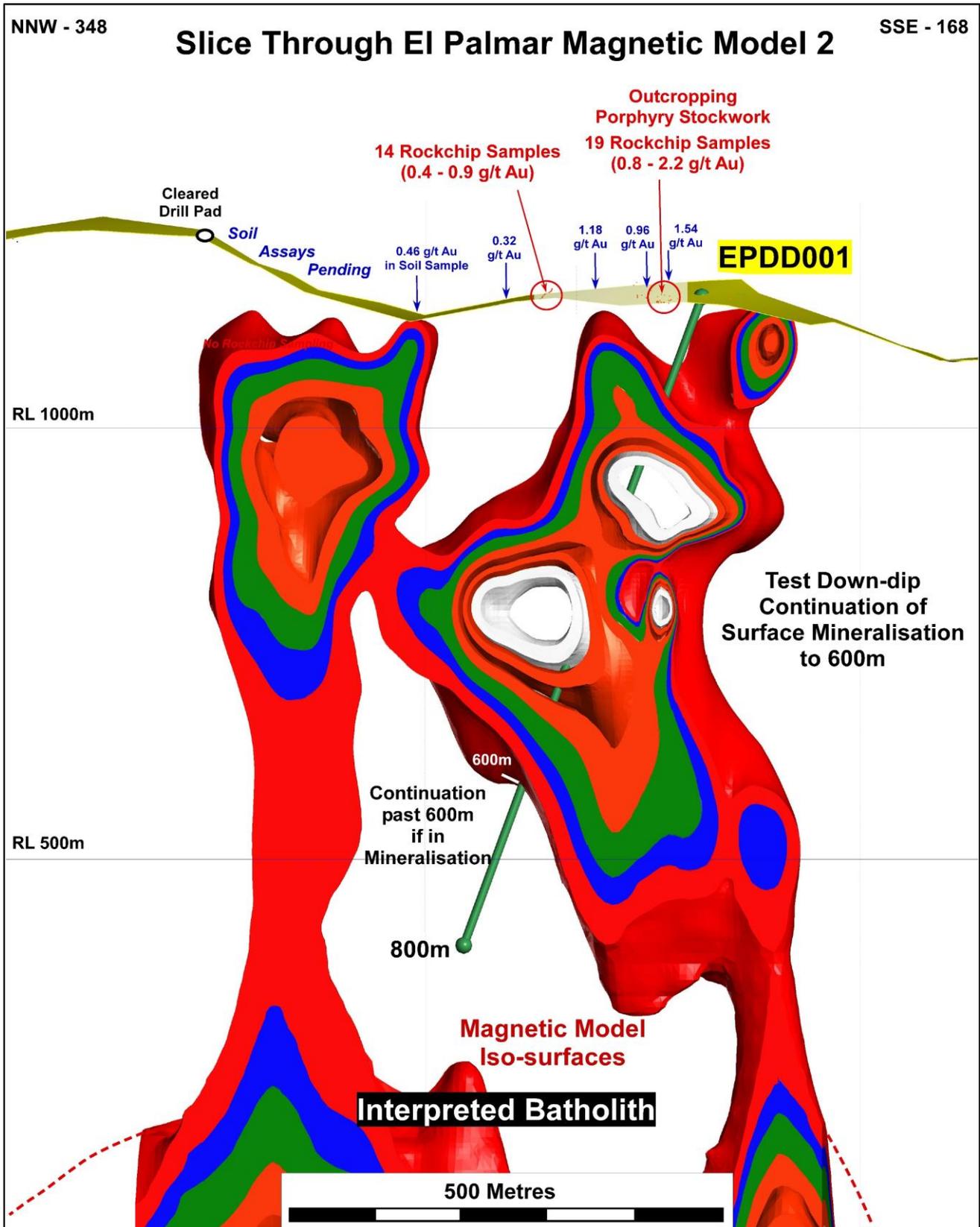
**Figure 4:** Status of soil sampling at El Palmar. Priority 2, 3 and 4 soils have not yet been collected so are shown here as planned sample points only. The soils over the main El Palmar magnetic anomaly are showing coincident anomalous copper and gold.

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**Figure 5:** RTP image of the El Palmar ground magnetic data showing the large ~700m diameter anomaly (in magenta) that is consistent with the signature of a porphyry system. The first drill hole planned at El Palmar, EPDD001, is being collared just east of the historic EPD-02 collar and will be drilled towards the NNW. Other prepared drill pads are shown as yellow stars. Historical drill holes EPD-01 – 03 have copper assays plotted down hole – blue, green, and yellow show Cu <0.1%, red and magenta show Cu >0.1%

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**Figure 6:** Slice through the 3-D model of the El Palmar magnetic target showing the location of the planned hole EPDD001 and showing surface rock chip and soil gold results. EPDD001 will drill below mineralised stockwork shown in Figure 3.

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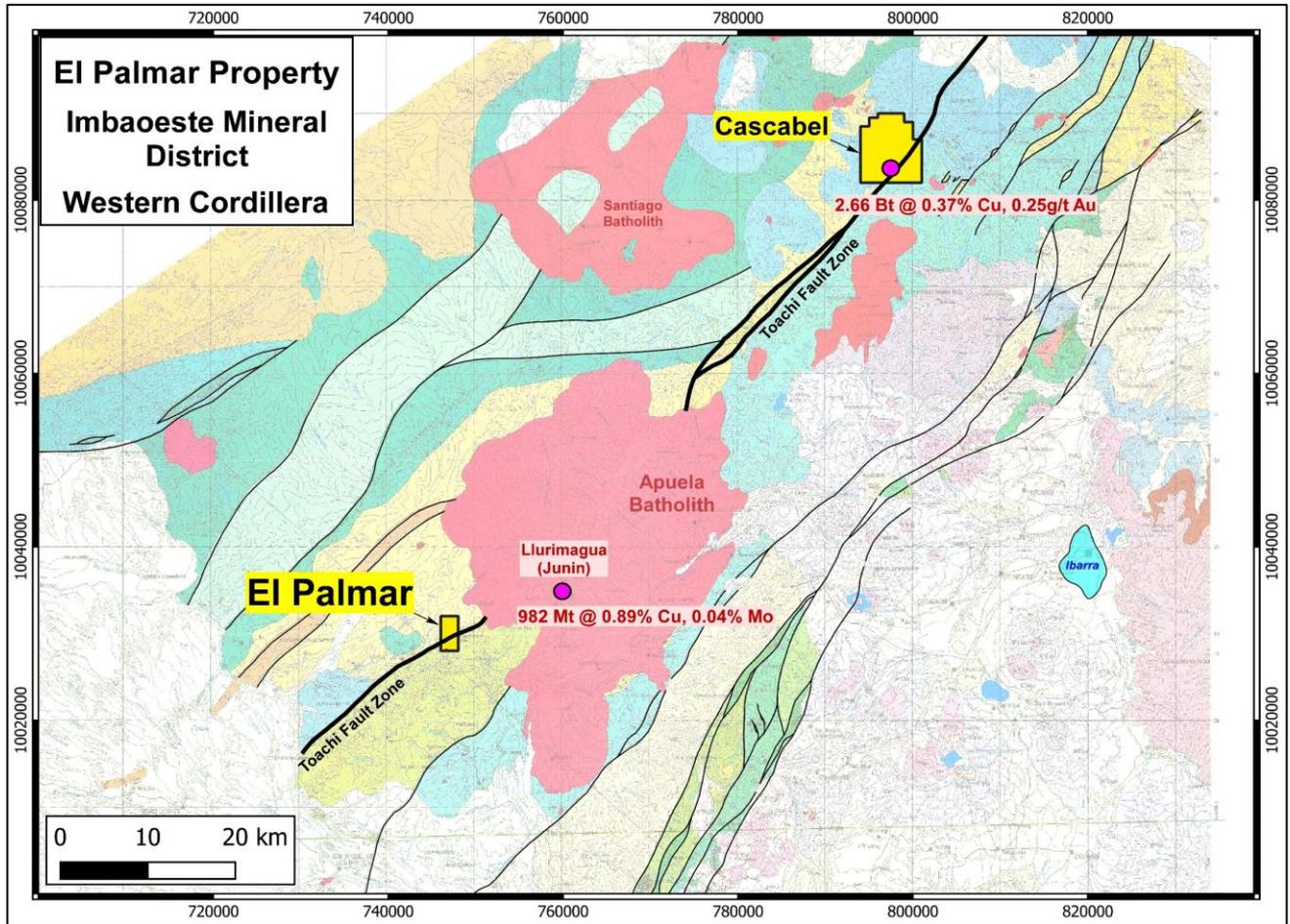


Figure 7: Location of the El Palmar project relative to the Llurimagua and Cascabel Alpala deposits, and the Toachi fault system.

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### About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Ecuador and Scandinavia. The portfolio comprises:

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with TSXV listed Cornerstone Capital Resources holding 12.5% (see ASX announcement dated 10<sup>th</sup> April 2017, 28<sup>th</sup> August 2019, and 7 January 2020). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
2. **The El Palmar Copper-Gold Project** where the highly prospective 800ha El Palmar copper-gold porphyry project in Ecuador will be acquired through a Staged Acquisition Agreement, which will ultimately deliver 100 per cent ownership to Sunstone.
3. **Sunstone has a significant equity interest** in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.
4. **The Finland Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li<sub>2</sub>O in a spodumene-bearing pegmatite. The project is a JV with Nortec Minerals. As announced on 5 May 2021, a Letter of Intent has been signed to sell the Finland Lithium Project.

### Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Malcolm Norris, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.

For further information, please visit [www.sunstonemetals.com.au](http://www.sunstonemetals.com.au)

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**TABLE 1 – Section 1: Sampling Techniques and Data**

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> </ul>	<ul style="list-style-type: none"> <li>The historical results announced here are from rock chip samples and drill core from El Palmar. The drill core sampling was carried out using half core, generally at 1.5 to 2m intervals.</li> <li>New results are based on visual observation of drill core.</li> </ul>
	<ul style="list-style-type: none"> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>	<ul style="list-style-type: none"> <li>Historical rock samples were taken randomly with focus on those exhibiting alteration and mineralisation. Trench samples from within a hand dug trench and hand cut channel samples were continuously sampled for representivity.</li> <li>Core recovery was good, and core aligned prior to splitting.</li> </ul>
	<ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling, rock chip and channel sampling points have been guided by geological mapping. The rock chip and drill samples from El Palmar were dried, crushed to 70% passing 2mm, Split 1000g and pulverised to 85% passing 75microns. A 20g portion of this sample was used for multi-element analysis (IMS-230) and a 30g sample for Fire Assay Au (FAS-111).</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</li> </ul>	<ul style="list-style-type: none"> <li>The El Palmar target areas were drilled with three diamond drill holes during historical exploration in 2012.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core recovery data for the El Palmar historical drilling was good from visual review of drill core.</li> </ul>
	<ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Historical core recovery at El Palmar was good.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No relationship between sample recovery and grade has been established.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drill samples, trench samples and rock chips were logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features. Recent logging and sampling for the El Palmar project were carried out according to Sunstone's internal protocols and QAQC procedures which comply with industry standards.</li> </ul>
	<ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> </ul>	<ul style="list-style-type: none"> <li>Drill samples are logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features.</li> </ul>
	<ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The historical drill holes are being re-logged in full.</li> </ul>
<b>Sub-sampling techniques and</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> </ul>	<ul style="list-style-type: none"> <li>Half core was used to provide the samples that were submitted for assay from the upper zones of the El Palmar historical drilling.</li> </ul>

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<b>sample preparation</b>	<ul style="list-style-type: none"> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> </ul>	<ul style="list-style-type: none"> <li>Standard rock chip samples and channel samples. Samples were dried in the laboratory.</li> </ul>
	<ul style="list-style-type: none"> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> </ul>	<ul style="list-style-type: none"> <li>Historical drill core samples from El Palmar (drilled by Codelco in 2012) were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250). Analysis on drill core was undertaken on a sample split (Method - VAN split pulp).</li> <li>Surface rocks at El Palmar are historical and were collected by 3 different companies. GOEX S.A. samples were analysed at Bureau Veritas Laboratories in Peru. Lowell Mineral Exploration rocks were analysed by ALS Minerals, with sample preparation involving fine crushing 70% passing 2mm (Method CRU-31), crushed sample split (Method SPL-21) and pulverise 1000g to 85% passing 75um (Method PUL-32). Codelco surface rock samples were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250)</li> <li>The sample preparation is carried out according to industry standard practices using highly appropriate sample preparation techniques.</li> </ul>
	<ul style="list-style-type: none"> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> </ul>	<ul style="list-style-type: none"> <li>Sunstone used an industry standard QAQC programme involving Certified Reference Materials “standards” and blank samples, which were introduced in the assay batches.</li> <li>Standards (Certified Reference Materials) or analytical blanks were submitted at a rate of 1 in 28 samples. Field duplicates were also taken at a rate of approximately 1 in 28 samples.</li> <li>The check or duplicate assay results are reported along with the sample assay values in the final analysis report.</li> </ul>
	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>For diamond core, the routine sample procedure is to always take the half/quarter core to the right of the orientation line (looking down hole) or the cut line (in cases where the orientation line was not reliable).</li> <li>Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> </ul>	<ul style="list-style-type: none"> <li>Sunstone uses a fire assay gold technique for Au assays (FAS-111) and a four acid multi element technique (IMS-230) for a suite of 48 elements. FAS-111 involves Au by Fire Assay on a 30-gram aliquot, fusion and atomic absorption spectroscopy (AAS) at trace levels. IMS-20 is considered a near total 4 acid technique using a 20g aliquot followed by multi-element analysis by ICP-AES/MS at ultra-trace levels.</li> <li>This analysis technique is considered suitable for this style of mineralisation.</li> </ul>

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	<ul style="list-style-type: none"> <li>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.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>No handheld “Niton” XRF data are referenced in this announcement.</li> <li>Standards, blanks and duplicates are inserted ~1/28 samples. The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit.</li> <li>The check sampling results are monitored, and performance issues are communicated to the laboratory if necessary.</li> </ul>																				
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Procedure checks have been completed by the Competent Person for exploration results for this announcement.</li> </ul>																				
	<ul style="list-style-type: none"> <li>The use of twinned holes.</li> </ul>	<ul style="list-style-type: none"> <li>Twin holes have not been drilled in these areas.</li> </ul>																				
	<ul style="list-style-type: none"> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Sunstone sampling data were imported and validated using Excel.</li> </ul>																				
	<ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Assay data were not adjusted. Core loss intervals are assigned assay values of zero where present.</li> </ul>																				
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sample co-ordinates are located by GPS and for trench samples measured along the length of the trench.</li> </ul>																				
	<ul style="list-style-type: none"> <li>Specification of the grid system used.</li> </ul>	<ul style="list-style-type: none"> <li>Ecuador projection parameters:</li> </ul> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Reference Ellipsoid</td> <td>International 1924</td> </tr> <tr> <td>Semi Major Axis</td> <td></td> </tr> <tr> <td>Inverse Flattening (1/f)</td> <td></td> </tr> <tr> <td>Type of Projection</td> <td>UTM Zone -17S (Datum PSAD56)</td> </tr> <tr> <td>Central Meridian:</td> <td>-81.0000</td> </tr> <tr> <td>Latitude of Origin</td> <td>0.0000</td> </tr> <tr> <td>Scale on Central Meridian</td> <td>0.9996</td> </tr> <tr> <td>False Northing</td> <td>10000000</td> </tr> <tr> <td>False Easting</td> <td>500000</td> </tr> </tbody> </table>	Parameter	Value	Reference Ellipsoid	International 1924	Semi Major Axis		Inverse Flattening (1/f)		Type of Projection	UTM Zone -17S (Datum PSAD56)	Central Meridian:	-81.0000	Latitude of Origin	0.0000	Scale on Central Meridian	0.9996	False Northing	10000000	False Easting	500000
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<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The topographic control was compared against published maps and satellite imagery and found to be good quality.</li> </ul>																					
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>The drill core samples reported or illustrated were collected from three diamond drill holes from the El Palmar targets, and with sample length generally ranging between 0.3-2m.</li> </ul>																				
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The data from these samples does not contribute to any resource estimate nor implies any grade continuity.</li> </ul>																				
	<ul style="list-style-type: none"> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>No sample compositing was done.</li> </ul>																				

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<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling orientations were appropriate for the interpreted geology providing representative samples.</li> <li>Trench orientations and rock chip locations were appropriate for the interpreted geology providing representative samples.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No sampling bias is expected at this stage.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Sunstone sampling procedures indicate individual samples were given due attention.</li> <li>Sample security was managed through sealed individual samples and sealed bags of multiple samples for secure delivery to the laboratory by permanent staff of the joint venture.</li> <li>MS Analytical is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation. MS Analytical is accredited to ISO/IEC 17025 2005 Accredited Methods.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Sunstone's sampling techniques and data have been audited multiple times by independent mining consultants during various project assessments. These audits have concluded that the sampling techniques and data management are to industry standards.</li> <li>All historical data has been validated to the best degree possible and migrated into a database.</li> </ul>

**TABLE 1 – Section 2: Exploration Results**

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The El Palmar property is located in Imbabura province and is held by an Ecuadorian registered company 'GOEX'. Due diligence to date show that there are no wilderness areas or national parks or areas of environmental significance within or adjoining the concession area. There are no native title interests.</li> <li>Sunstone and GOEX have entered into a Staged Acquisition Agreement where Sunstone may earn up to 100% based on defined milestones.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The El Palmar exploration concession was granted in 2003 and held 100% by GOEX.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The historic exploration at El Palmar was completed by various groups over the period 1990's, 2007-2008, 2011-2012 and GOEX (2012 to 2020). Most of the readily available historic data has been acquired and compiled into databases and a GIS project. Exploration by other parties has included stream sediment surveys, geological</li> </ul>

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		mapping, rock chip sampling, some local soil sampling, channel sampling and limited diamond drilling (3 holes).
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The deposit style being explored for includes intrusion-related and stockwork hosted porphyry Au-Cu systems plus epithermal gold-silver-polymetallic veins. The setting at El Palmar is a volcanic arc setting of Miocene age intrusions.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ol style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Details of the samples discussed in this announcement are in the body of the text.</li> <li>• See Figures 4-6 for the location of surface sampling, drilling, and trenching activities at El Palmar.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>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 report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Information included in announcement.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Weighted averages were calculated over reported intervals according to sample length.</li> <li>• No grade cut-offs were applied.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No aggregating of intervals undertaken at this stage.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Metal equivalents are not presented.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geometry of the mineralisation relative to the drill holes is not completely known at this stage of exploration. .</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• True widths of mineralised lodes are not known at this stage.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• See Figures 4-6 for maps showing distribution of samples.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Figures 4-6 above show the current interpretations of geology.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>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</i></li> </ul>	<ul style="list-style-type: none"> <li>• Figures 4-6 above show various datasets that are being used to identify target areas and to guide current and future drilling.</li> </ul>

**ASX ANNOUNCEMENT**

Criteria	JORC Code explanation	Commentary
	<i>substances.</i>	
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The planned exploration program is outlined in the announcement.</li> <li>• See Figures 4-6 which show areas for further exploration.</li> </ul>