ASX

ANNOUNCEMENT

27 January 2023

# QUARTERLY ACTIVITIES REPORT
## FOR THE PERIOD ENDING 31 December 2022

### HIGHLIGHTS

#### Acquisition of Denchi Lithium Project, Western Australia

- The Company agreed and finalised the acquisition of the highly prospective Denchi Lithium Project near Wiluna in WA's Northern Goldfields and immediately commenced field exploration work.
- Three tenements granted 217.7km$^2$ total area containing prospective pegmatite targets; historic lithium and rubidium anomalies reported from previous rock chips.
- In proximity to Liontown Resources' Kathleen Valley high-grade lithium deposit.

#### Appointment of CEO

- Mr Paul Stephen appointed as Chief Executive Officer.
- Brings significant experience and a strong track record of success delivering projects from discovery through to operations, including leading Brazil focused gold and iron ore miner/explore Crusader Resources Ltd.

#### Divestment of Bramfield Iron Ore Project, South Australia

- Previously announced sale of fully written down, non-core iron ore asset completed.
- Revised offer allowed the Company to conclude sale in a timely manner and secure funding to support Denchi Lithium Project exploration work.

#### Company commits to ongoing focus on battery and critical minerals

- Acquisition and divestment form a key part of Company's ongoing strategy to build a portfolio of assets focused on battery and other critical minerals.
- Company to continue assessing new project opportunities throughout 2023.

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Oar Resources Limited **(ASX: OAR) ("OAR" or "the Company")** is pleased to provide the following report on its key activities for the quarter ending 31 December 2022.

## 1. OAR PROJECTS UPDATE

### 1.1. DENCHI LITHIUM PROJECT, WESTERN AUSTRALIA

In November, OAR announced it had reached an agreement to acquire the Denchi Lithium Project near Wiluna in Western Australia's Northern Goldfields region. The project initially comprised one granted and two grant pending tenements, covering a total area of 217.7km$^2$. The two pending tenements were granted shortly after the acquisition.

Acquired from Denchi Pty Ltd and First Standard Minerals Pty Ltd, the Denchi project area hosts a number of prospective Lithium-Caesium-Tantalum (LCT) pegmatite outcrops. This type of pegmatite is the same host rock found at several key lithium projects including Pilbara Minerals' Pilgangoora project and Talison Lithium's Greenbushes operation. The project lies 120km north-west of Liontown Resources' Kathleen Valley lithium deposit.

Earlier rock chip sampling completed at Denchi in 2019 indicated lithium and rubidium anomalies, along with evidence of other minerals commonly found in LCT pegmatites.

Since the acquisition, OAR's field exploration team has been busy on site, initially to validate the known pegmatites and complete more reconnaissance across the entire area. Rock chip samples were gathered for testing and work commenced to map drill targets.

### 1.2. BRAMFIELD IRON ORE PROJECT DIVESTMENT, SOUTH AUSTRALIA

The Company finalised the sale of its fully written down Bramfield Iron Ore Project to Dragon Resource Investments (DRI) in November.

As reported in the previous quarterly report, delays in the application process through the South Australian Department of Energy and Mines had impacted the original terms of sale, which was subject to the successful excise of the exploration area comprising the Bramfield Iron Ore Project by conditional surrender from the Company's broader Exploration Licence 6558, and the consequent issue to DRI of a new Exploration Licence covering the Bramfield Iron Ore Project only.

The Company was able to renegotiate the terms of the sale from the original $500,000 to an all-cash price of $400,000, allowing the transaction to be concluded before the end of the quarter.

The settlement bolstered OAR's cash position and provided immediate funding for exploration work.

### 1.3. OTHER AUSTRALIAN PROJECTS

#### *1.3.1. Oakdale Graphite Project, Eyre Peninsula, South Australia*

The Oakdale Graphite Project is situated in the centre of the Eyre Peninsula, and forms part of OAR's ground holding in the region which comprises of six contiguous exploration licences over approximately 1,520km$^2$ of the Gawler Craton (*Figure 1*).

Evaluation of the metallurgical testwork at the Oakdale Graphite Project is ongoing, and the Company is actively seeking opportunities to develop the critical mineral project in line with the companies ongoing strategy to build a portfolio of assets focused on battery and other critical minerals.

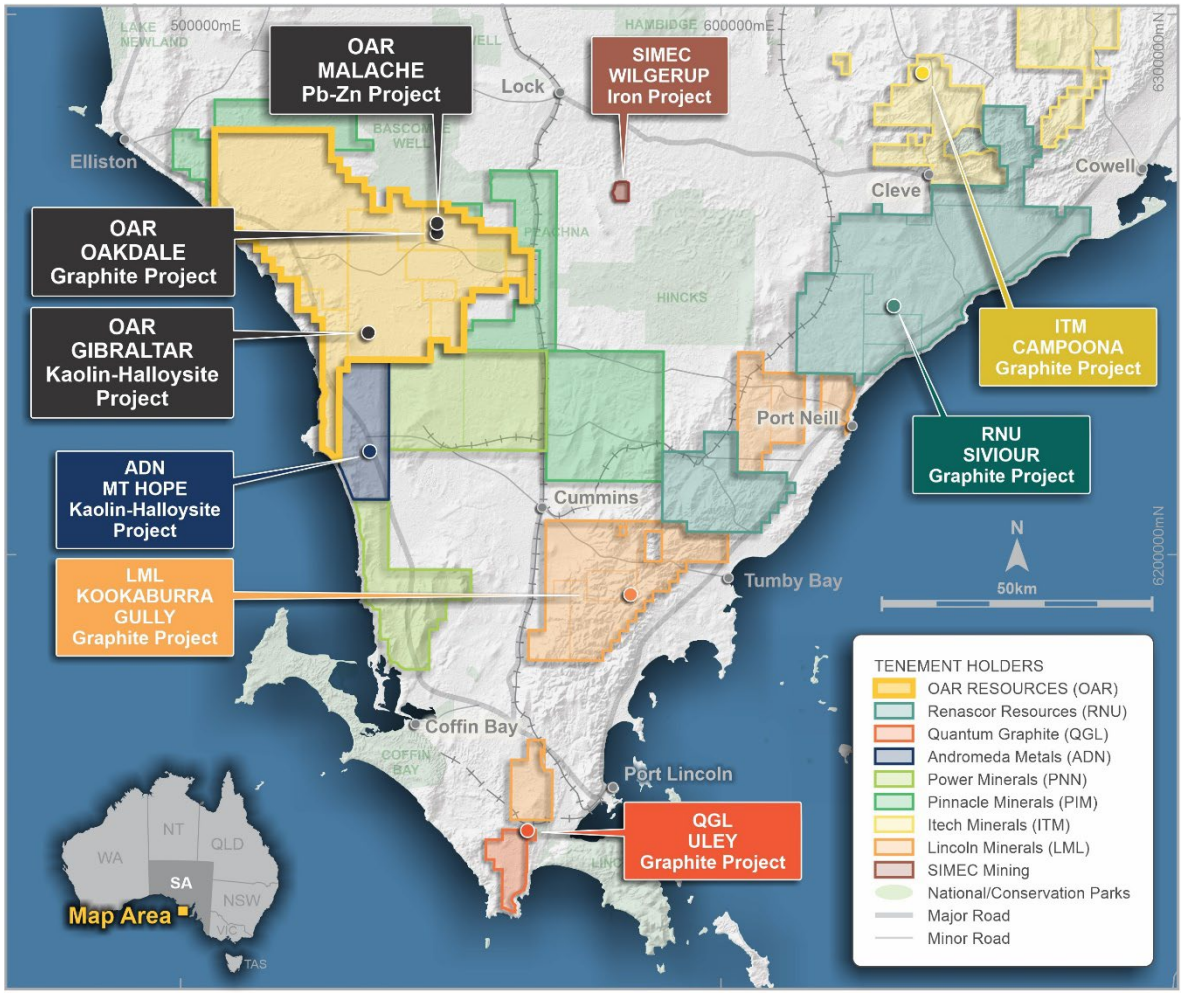


*Figure 1: Eyre Peninsula Project location map with OAR Tenure*

### *1.3.2. Gibraltar Halloysite-Kaolin Project, Eyre Peninsula, South Australia*

The Company is actively pursuing potential JV partners, including discussions with other Eyre Peninsula tenement holders (*Figure 1*).

### *1.3.3. Crown Project, Yilgarn Craton, Western Australia*

No activities were carried out at this project during the quarter.

## 1.4. INTERNATIONAL PROJECTS

### *1.4.1. Douglas Canyon Gold Project, Nevada USA,*

During the September quarter of 2022, a total of 13 rock chip samples were collected at the Douglas Canyon Project. Reconnaissance geologic mapping was conducted in conjunction with the rock chip sampling. Due to the delays being experienced at assay laboratories worldwide, the Fire Assay - gold and silver results of those samples were returned late in the December 2022 quarter (*Table 1*).

*Table 1: Rock chip results from the Douglas Canyon Project, incoporating the western lease extension*

| Sample_ID | Northing[1] | Easting[2] | Au (FA_ppm) | Ag (FA_ppm) | Comments |
|---|---|---|---|---|---|
| 485658 | 4246643 | 399650 | 0.58 | 264 | Hematitic vein quartz |
| 485659 | 4246684 | 399480 | 0.62 | 6 | Milky quartz with variable hematite in structure |
| 485660 | 4246809 | 399356 | <0.03 | <3 | Variably limonitic milky quartz |
| 485661 | 4246812 | 399982 | 1.12 | 126 | Shear in andesite with minor limonitic quartz |
| 485662 | 4246899 | 398675 | 2.26 | 136 | Andesite with minor limonitic quartz |
| 485663 | 4247125 | 398458 | 0.31 | 76 | Silicified and quartz veined zone |
| 485664 | 4247412 | 399283 | <0.03 | <3 | Limonite-stained milky quartz |
| 485665 | 4247350 | 398450 | <0.03 | <3 | Limonitic quartz |
| 485666 | 4247764 | 398266 | 0.49 | <3 | 6m wide gossanous Limonitic andesite and variably limonitic quartz |
| 485667 | 4246603 | 399096 | 3.89 | 50 | Gossanous quartz vein and quartz stockwork cutting andesite |
| 485668 | 4247365 | 399482 | 1.2 | 6 | Limonitic milky quartz |
| 485669 | 4247314 | 399453 | 0.1 | 8 | Hematite and limonite-stained quartz vein |
| 485670 | 4247200 | 399250 | 0.18 | <3 | Hematitic milky quartz and quartz breccia |

The samples included quartz vein material from adits and historic workings with the more anomalous results being associated with oxidised veining in andesites, similar in style to the mineralisation identified previously at Douglas Canyon.

The Douglas Canyon Gold -Silver Project has exploration potential which will require further drilling to test down dip and along strike extension of the known mineralisation. In addition, the new sampling has highlighted a previously unmapped mineralised structure to the south of the main Douglas Canyon structural trends. Further work is required to understand the importance of this newly identified mineralised trend. The Company is also actively seeking JV partners to become part of the Douglas Canyon exploration effort which will allow OAR to focus on battery and other critical mineral projects.

[1] Projected coordinates – UTM NAD27 z11S
[2] Projected coordinates – UTM NAD27 z11S

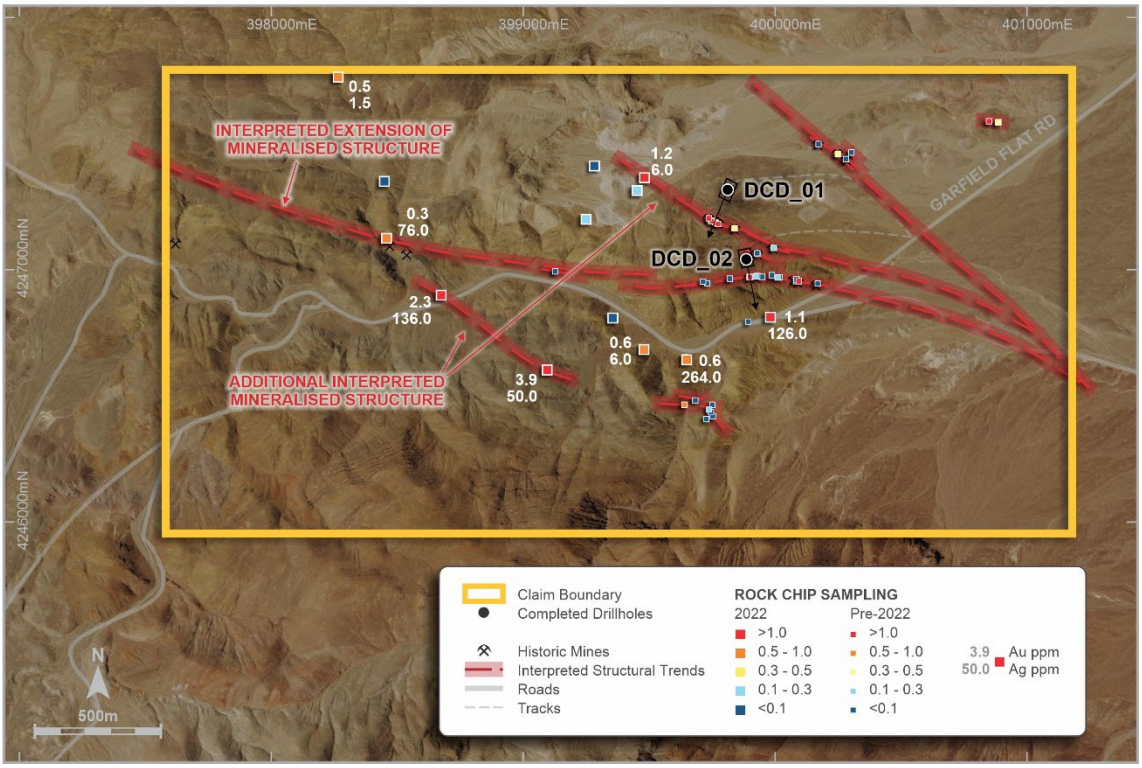


*Figure 2: Gold and silver results received from the 2022 rock chip and mapping programs which included the new western lease extension*

### *1.4.2. Chimu Gold Plant, Peru*

The Company continues to assess options to develop its 100% owned Chimu Gold Project in Peru. The recent rally in the USD Gold price has renewed interest in the project that remains fully permitted and construction ready. The Company continues to keep the project in good standing whilst a variety of options are considered.

## 2. CORPORATE

### 2.1. APPOINTMENT OF CEO

The Board of OAR was pleased to announce the appointment of Chief Executive Office Mr Paul Stephen in November.

Having held directorships across both ASX and London Stock Exchange listed companies, Mr Stephen has a strong knowledge of operations and compliance across multiple jurisdictions. He was co-founder and Executive Director of Crusader Resources Ltd, overseeing the discovery, development and operations of the Posse Iron Ore mine in Brazil and managing the discovery and delineation of over 2.6 million ounces of gold for Crusader while operating in Brazil. That resulted in the company achieving a market capitalisation of more than A$160 million during Mr Stephen's tenure.

Mr Stephen's strong track record of delivering projects from discovery through to fully permitted and operational mines, as well as in-depth experience in commercial and corporate aspects required to successfully lead a publicly listed junior explorer, will be key to driving value for OAR shareholders.

### 2.2. CASH

As at 31 December 2022, the Company had $396,000 in cash.

**"This Announcement has been authorised for release to ASX by the Board of Oar Resources Limited"**

**For further information please contact:**


| | |
|---|---|
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**About Oar Resources Limited**

*Oar Resources Limited (ASX: OAR) is an explorer and aspiring producer, holding several critical and precious minerals projects. Recent acquisitions include 100% ownership of the Denchi Lithium Project near Wiluna in Western Australia; and 100% of Australian Precious Minerals Pty Ltd, holder of the Crown Project in Chittering, Western Australia. Crown is situated near Chalice Mining's Julimar PGE-Ni-Cu-Co-Au discovery. Oar has also acquired 100% of Alpine Resources' gold exploration projects in the highly prospective gold province of Nevada, United States - ranked the third best mining jurisdiction in the world. These projects are in an area that hosts several multi-million-ounce deposits. The Company's wholly owned subsidiary Lymex Tenements Pty Ltd holds a number of tenements on the South Australian Eyre Peninsula which are considered highly prospective for kaolinite and halloysite mineralisation, graphite, iron ore and other commodities. In addition, Oar's Peruvian subsidiary, Ozinca Peru SAC, owns a CIP Gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru.*

**Forward Looking Statement**

*This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Oar Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Oar Resources Ltd operates, and beliefs and assumptions regarding Oar Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Oar Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Oar Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based.*

**Competent Person's Statement**

*The information in this ASX Announcement for Oar Resources Limited was compiled by Mr Ross Cameron, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron is an employee of Oar Resources Limited. Mr Cameron has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity to 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.' Mr Cameron consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*All references to original source information are included as footnote and endnote references as indicated throughout the presentation where required.*

**APPENDIX 1**

**MINING TENEMENTS AS AT 31 DECEMBER 2022**

The following table sets out the tenement information reported on a consolidated basis as required by ASX Listing Rule 5.3.3.

| Exploration License No | Tenement Name | Registered Holder | Location | Interest at Beginning of Qtr | Interest at End of Qtr |
|---|---|---|---|---|---|
| **South Australian Tenement Schedule** | | | | | |
| EL6394 | Kapinnie | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| EL6517 | Mt Hope | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| EL6393 | Sheringa | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| EL6558 | Brimpton Lake | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| EL6506 | Gibraltar | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| EL6700 | Gum Flat | Lymex Tenements Pty Ltd | Australia | 100% | 100% |
| **Western Australia Tenement Schedule** | | | | | |
| E70/5406 | Crown | Australian Precious Minerals Pty Ltd | Australia | 100% | 100% |
| E53/2198 | Denchi | Denchi Pty Ltd | Australia | 0% | 100% |
| E53/2229 | Denchi | Denchi Pty Ltd | Australia | 0% | 100% |
| E53/2230 | Denchi | Denchi Pty Ltd | Australia | 0% | 100% |
| ELA53/2281 | Denchi | Denchi Pty Ltd | Australia | 0% | 0% |
| ELA53/2282 | Denchi | Denchi Pty Ltd | Australia | 0% | 0% |
| ELA53/2283 | Denchi | Denchi Pty Ltd | Australia | 0% | 0% |
| ELA53/2284 | Denchi | Denchi Pty Ltd | Australia | 0% | 0% |
| ELA53/2285 | Denchi | Denchi Pty Ltd | Australia | 0% | 0% |
| **Douglas Canyon Tenement Schedule** | | | | | |
| DC-01 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-02 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-03 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-04 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-05 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-06 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-07 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-08 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-09 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-10 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-11 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-12 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-13 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-14 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-15 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-16 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-17 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-18 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-19 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-20 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-21 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-22 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-23 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-24 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |

| Exploration License No | Tenement Name | Registered Holder | Location | Interest at Beginning of Qtr | Interest at End of Qtr |
|---|---|---|---|---|---|
| DC-25 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-26 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-27 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-28 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-29 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-30 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-31 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-32 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-33 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
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| DC-38 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-39 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-40 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-41 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-42 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-43 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-44 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-45 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-46 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-47 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-48 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-49 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-50 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-51 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
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| DC-68 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-69 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-70 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-71 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |

| Exploration License No | Tenement Name | Registered Holder | Location | Interest at Beginning of Qtr | Interest at End of Qtr |
|---|---|---|---|---|---|
| DC-72 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-73 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-74 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-75 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-76 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-77 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-78 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-79 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |
| DC-80 | Douglas Canyon | Alpine Metals LLC | Nevada, USA | 100% | 100% |

1. **The mining tenement interests acquired during the quarter and their location:**

   As per the table above.

2. **Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter:**

   As per the table above.

3. **Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter:**

   As per the table above.

**ASX Listing Rule 5.3.1**

Exploration and evaluation expenditure during the quarter was $209K. The majority of this was spent on maintaining the Company's tenement portfolio in good standing including payment of shire rates, tenement rents, land access compensation, as well as expenditure on the Company's projects both overseas and Australia which include geological consultant, contractor and assays laboratory.

**ASX Listing Rule 5.3.2**

Development expenditure during the quarter was $69K. The majority of this was spent on in-house staff undertaking care and maintenance of the plant.

**ASX Listing Rule 5.3.5**

The following sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates.

Amounts paid to related parties of the entity and their associates during the quarter were $36K. These amounts are related to periodical director fees paid to executive and non-executive directors, as well as legal fees paid to an associate of an NED during the quarter.

**APPENDIX 2**

**JORC Code, 2012 Edition – Table 1**
**Section 1 Sampling Techniques and Data**
**(Criteria in this section apply to all succeeding sections)**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (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.* | • *2022 Western Lease Extension Rockchip Sampling – Douglas Canyon Project:*<br>• *Dump Sampling – a minimum of 1.0kg of rock chips is collected from mine dumps. In order for the sample to be representative at least 25 small rock fragments are composited. As the dumps typically contain a mix of unmineralized waste rock and mineralized quartz vein material the mineralized rock is sampled separately to waste rock.*<br>• *Channel Sampling – where outcrop is suitable, particularly in old workings, a chip-channel sample is taken across the outcrop. A minimum weight of 1.0kg is maintained and the length of the channel sample and sample description is noted.*<br>• *Grab Sampling – where outcrop is limited a 1.0kg rock sample is collected from the outcrop. This type of sampling may be highly selective.*<br>• *There is no evidence of coarse gold sampling problems. Repeat assaying by the laboratory gave results within acceptable limits of original assay results.* |
| *Drilling techniques* | • *Drill type (e.g. 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).* | • *Not Applicable* |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • *Not Applicable* |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support* | • *The lithology, alteration, and structural characteristics of the rock chip samples are noted in the field and transferred to a* |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | *spreadsheet.*<br>• *Logging is both qualitative and quantitative depending on field being logged.* |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • *Samples were crushed in a hammer mill to 70% passing -2mm followed by splitting off 250gm using a Boyd rotary splitter and pulverizing to better than 85% passing 75 microns.*<br>• *In consultation with the laboratory, it was determined to carry out a sample preparation and analytical procedure that is most appropriate for gold and silver.*<br>• *A 50gm sub-sample was subjected to Fire-Assay Gravimetric analysis for gold and silver.*<br>• *Duplicate sampling is not deemed necessary at this stage of exploration. The laboratory was instructed to carry out repeat assays of any overlimit samples.*<br>• *The selected sample mass is considered appropriate for the grain size of the material being sampled.* |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • *Samples were submitted to Skyline Laboratories in Tucson Arizona, an ISO certified laboratory, for analysis of gold and silver by the fire assay gravimetric method.*<br>• *The analytical method and procedure were as recommended by the laboratory for exploration.*<br>• *Certified Reference Samples were not submitted at this stage of exploration.*<br>• *The laboratory inserts a range of standard samples in the sample stream, the results of which are reported to the Company.*<br>• *The laboratory uses a series of control samples to calibrate the ICP AES machine.* |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • *Selected sample results which were considered significant are subjected to resampling by the Company. This can be achieved by reassaying of sample pulps or resplitting of coarse reject samples.*<br>• *Primary data is recorded on site and added the appropriate database.* |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole* | • *Sample locations were located using a hand held GPS with +/- 5m accuracy.* |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • *Projected coordinates are reported in UTM NAD 27 Zone 11S.* |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • *Sample density is controlled by the frequency of outcrop and access to old workings.*<br>• *The results as reported have not been averaged or composited except in the case of channel samples which may be composited over the length of the channel.* |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • *Sampling is preferentially across the strike or trend of mineralized outcrops.* |
| *Sample security* | • *The measures taken to ensure sample security.* | • *At all times samples were in the custody and control of the Company's representatives until delivery to the laboratory where samples were held in a secure enclosure pending processing.* |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • *None undertaken at this stage.* |

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • *The Douglas Canyon Mining Claims were staked and duly recorded with Mineral County and filed with the Bureau of Land Management (BLM).*<br>• *BLM receipts for the filing of the Claims are in the possession of the Company. The claims have been staked by Alpine Metals LLC, a wholly owned subsidiary of Alpine Resources (USA) Pty Ltd.* |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • *There is no record of recent gold exploration on any of Douglas Canyon claims. There are many prospecting pits and mine shafts on the property but no record of production.* |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • *Douglas Canyon is part of the Walker Lane Gold Trend, a low-sulphidation epithermal gold-silver mineralized system hosting structurally controlled vein style deposits.* |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • *No drilling being reported.* |
| *Data aggregation methods* | • *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.*<br>• *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be* | • *No weighting or averaging techniques have been applied to the sample assay results.*<br>• *Trench sampling across wide zones are composited with widths noted in the results.* |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • *Channel samples have been collected at right angles to the strike or structural trend of the mineralization.*<br>• *No Drilling reported.* |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • *Appropriate maps and tabulations are presented in the body of the announcement.* |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high-grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.* | • *All available analytical results for gold and silver have been reported.*<br>• *Comprehensive results are reported in the body of the announcement as tabulated in Appendix 1.* |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • *Brief sample descriptions are tabulated with the results.* |
| *Further work* | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • *Additional outcrop sampling/ mapping and geochemical sampling will be required to identify drilling targets.*<br>• *Follow-up drilling will be undertaken based on results.* |