ASX ANNOUNCEMENT
15 AUGUST 2024

FAR EAST GOLD

IDENBURG COMMENCES MAIDEN JORC RESOURCE

The Directors of Far East Gold (FEG or the Company) are pleased to announce the Company has engaged SMG Consulting to **commence the preparation of a 2012 JORC Resource** for PT Iriana Mutiara Idenburg gold concession (Idenburg). Work commenced this week with the SMG Consulting team engaged and heading to Idenburg for a site visit and full audit of drilling cores and previous assay work.

CEO Shane Menere stated: *"Commencement of this work with SMG Consulting will tell us exactly what drilling and assay work is required to fast track to a 2012 compliant maiden JORC Resource. FEG has amassed significant amounts of data from previous exploration, including the processing of a plethora of historical data from previous work at Idenburg. Combining this data with the recently completed Exploration Target of over 7.2million ounces will create a clear path to a Maiden JORC for FEG. Add this to the recently downgraded forestry restrictions to Production Forest and we feel the project has a sizable head start toward its next phase of development."*

The Company is also pleased to announce that the full report titled: **PT Iriana Mutiara Idenburg Exploration Target Report June 2024** has been added to the Company's website and is available for review. Please refer to the Company's ASX announcement of July 15, 2024, which summarized the report and also provided details of the execution of a Binding Term Sheet (BTS) with PT Iriana Mutiara Idenburg (IMI). The BTS allows for acquisition of up to **100%** of the advanced Idenburg gold project, a **95,280 Ha Contract of Work (CoW)** located in the Keerom Regency in the Papua province of Indonesia.

SMG Consultants (SMGC) prepared the Exploration Target report to detail the exploration potential of the gold contained within the PT Iriana Mutiara Idenburg (IMI) gold concession area. It was prepared for the exclusive use of Far East Gold Limited (FEG) and for the sole purpose of reporting the gold Exploration Target contained within the IMI CoW in Papua.

HIGHLIGHTS

- **95,280 Ha** 6th generation CoW located in the same province hosting world class multi-million-ounce gold and copper deposits including **Grasberg (+70 Moz Au)**, **Porgera (+7 Moz Au)**, **Frieda River (20 Moz Au)** and **Ok Tedi (20 Moz Au)**.
- Advanced project with over **US$25M** in historical exploration including over **5,531 meters** of **diamond drilling**
- Of the **14 prospect areas** identified **only 5 prospects** have been **drill tested,** focused within **3 main** prospects, (**5,042 meters**). The mineralized zones intersected at each of these three prospects remain **open along strike** and to **depth**.
- Only **30%** of the CoW has been **explored** in detail.
- Independent exploration report completed by SMGC (June 2024) suggests upside exploration target of up to 7.2 Moz at up to 6.1 g/t Au. The potential quantity and grade of the Gold Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource under the 2012 JORC Code and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Please join Non-Executive Chairman Justin Werner for a live shareholder briefing on Thursday 15th August, 7pm (AEST). Register here https://fareastgold.investorportal.com.au/shareholder-briefing-spp/

JORC RESOURCE PROJECT OUTLINE

SMGC Geologists and Engineers in conjunction with FEG staff have commenced a Maiden JORC Resource for the Idenburg Gold Concession located in Papua.

PHASE 1: SITE VISIT

- Prepare Site Visit Plan
- Site Visit
- Review site facilities
- Review logistics
- Validate (selected) bore hole locations
- Review core drilling (at core shed in Arso close to Jayapura)
- Review available QA/QC samples
- Assess potential confirmation drilling location requirements
- Update existing drilling exploration plan against site and core shed data
- Prepare site visit report and work plan to achieve maiden JORC

PHASE 2: JORC RESOURCE REPORT

The JORC Code requires Resource and Reserve Reports be prepared by a competent person after completing independent checks on the supporting data on which the appropriate categories of Resources and Reserves are reported.

- Combine all data from Sua, Bermol, and Mafi.
- Update 3 geological models (Sua, Bermol Mafi)
- Determine the extent of gold Resources according to JORC standards.
- Estimate the current geological Resources and advise any additional work required to prepare maiden JORC
- Issue Maiden JORC Resource Report.

Shareholder Briefing
Please join Non-Executive Chairman Justin Werner for a live shareholder briefing tonight, Thursday 15th August, 7pm (AEST).

Book your spot or request a replay here:
https://fareastgold.investorportal.com.au/shareholder-briefing-spp/

FURTHER INFORMATION:

To receive company updates and investor information from Far East Gold, register your details on the investor portal: https://fareastgold.investorportal.com.au/register/

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ABOUT FAR EAST GOLD

Far East Gold Limited (ASX: FEG) is an ASX listed copper/gold exploration company with six advanced projects in Australia and Indonesia. This Release has been approved by the FEG Board of Directors.

PT Iriana Mutiara Idenburg Exploration Target Report June 2024

Prepared For :

Far East Gold Limited

SMG CONSULTANTS

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DISCLAIMER

SMG Consultants (SMGC) has prepared this Exploration Target report to detail the exploration potential of the gold contained within the PT Iriana Mutiara Idenburg (IMI) gold concession area. It is for the exclusive use of Far East Gold Limited (FEG) and for the sole purpose of reporting the gold Exploration Target contained within the IMI gold concession located in the Keerom Regency in the Indonesian province of Papua.

The report must be read considering:

- Report distribution and purposes for which it was intended.
- The report is intended to be released as part of the documentation for FEG's reporting requirements.
- Its reliance upon information provided to SMGC by FEG and others.
- The limitations and assumptions referred to throughout the report.
- The limited scope of the report.
- Other relevant issues which are not within the scope of the report.

Subject to the limitations referred to above, SMGC has exercised all due care in the preparation of the report and believes that the information, conclusions, interpretations, and recommendations of the report are both reasonable and reliable based on the assumptions used and the information provided in the preparation of the report.

- SMGC makes no warranty or representation to FEG or third parties (express or implied) regarding the report, particularly with consideration to any commercial investment decision made based on the report.
- Use of the report by the client and third parties shall be at their own risk.
- The report speaks only as of the data herein and SMGC has no responsibility to update this report.
- The report is integral and must be read in its entirety.
- This Disclaimer must accompany every copy of this report.
- Extracts or summaries of this report or its conclusions may not be made without the consent of SMGC with respect to both the form and context in which they appear.

This document, the included figures, tables, appendices or any other inclusions remain the intellectual property of SMGC. Other than raw data supplied by FEG the data remains the property of SMGC until all fees and charges related to the acquisition, preparation, processing and presentation of the report are paid in full.

This report has been created using information and data provided by FEG. SMGC accepts no liability for the accuracy or completeness of the information and data provided by FEG or any other third party.

This report is made using various assumptions, conditions, limitations and abbreviations. The following assumptions are listed without prejudice to probable omissions.

Assumptions

All previous work is accepted as being relevant and accurate where independent checks have not or could not be conducted.

All relevant documentation, along with the necessary and available data to make such a review has been supplied.

Key assumptions, some of which were verified by the client, are accepted as described in the relevant sections of the report.

Conditions

Statements in this document that contain forward looking statements may be identified by the use of forward looking words such as "estimates", “plans”, "intends", "expects", "proposes", "may", "will" and include, without limitation, statements regarding FEG’s plan of business operations, supply levels and costs, potential contractual arrangements and the delivery of equipment, receipt of working capital, anticipated revenues, Mineral Resource and Mineral Reserve Estimates, and projected expenditures.

It must be noted that the ability to develop infrastructure and bring into operation the proposed mines to achieve the production, cost and revenue targets is dependent on many factors that are not within the control of SMGC and cannot be fully anticipated by SMGC. These factors include but are not limited to site mining and geological conditions, variations in market conditions and costs, performance and capabilities of mining contractors, employees and management and government legislation and regulations. Any of these factors may substantially alter the performance of any mining operation.

The appendices referred to throughout and which are attached to this document are integral to this report. A copy of the appendices must accompany the report or be provided to all users of the report.

The conclusions presented in this report are professional opinions based solely upon SMGC’s interpretations of the information provided by FEG referenced in this report. These conclusions are intended exclusively for the purposes stated herein. For these reasons, prospective estimators must make their own assumptions and their own assessments of the subject matter of this report. Opinions presented in this report apply to the conditions and features as noted in the documentation, and those reasonably foreseeable. These opinions cannot necessarily apply to conditions and features that may arise after the date of this report, about which SMGC has had no prior knowledge nor had the opportunity to evaluate.

ABBREVIATIONS

AC	Acid Consuming
AIMVA	Australasian Institute of Mineral Valuers and Appraisers
AF	Acid Forming
AMDAL	"Analisis Mengenai Dampak Lingkungan Hidup" which translates to "Environmental Impact Analysis"
ANDAL	"Analisis Dampak Lingkungan Hidup" which translates to "Environmental Impact Analysis report, which is part of the AMDAL"
ARD	Acid Rock Drainage
ASX	Australian Stock Exchange
Au	Gold
bcm	Bank cubic metre
capex	Capital costs
COW	Contract of Work
EV	Enterprise Value is a measure of a company's total value
ha	Hectare
HKX	Hong Kong Stock Exchange
g	grams
HE	Hydraulic Excavator
Hr	Hour
IMI	PT Iriana Mutiara Idenburg
IRR	Internal Rate of Return
IUP	"Izin Usaha Pertambangan" which translates to "Mining Business License"
JORC	Australian Institute of Mines and Metallurgy Joint Ore Reserves Committee
kg	Kilogram
Km	Kilometre
KP	"Kuasa Pertambangan" which translates to "Mining Rights"
Kt	Thousand tonne
kV	Kilovolt
kW	Kilowatt
l	Litre
Lcm	Loose cubic metre
LIDAR	Light Detection And Ranging
LOM	Life of Mine
m3	Cubic Metre
m	Metre

M	Million
Mbcm	Million bank cubic metres
Mbcmpa	Million bank cubic metres per annum
m/s	Metres per second
Mt	Million tonne
Mtpa	Million tonnes per annum
MW	Megawatt
NAF	Non-Acid Forming
NAR	Nett As Received
NPV	Net Present Value
Opex	Operating costs
Oz	ounce
pa	per annum
PAF	Potential Acid Forming
PPE	personal protective equipment
RD	Relative Density
RKL	Rencana Pengelolaan Lingkungan Hidup
RL	Relative Level (used to reference the height of landforms above a datum level)
ROM	Run-of-Mine
RPL	Rencana Pemantauan Lingkungan Hidup
RPEEE	Resonable Prospect for Eventually Economic Extraction
SGX	Singapore Stock Exchange
SMGC	SMG Consultants PTE Ltd
SR	Strip ratio (of waste to ROM coal) expressed as bcm per tonne
SOP	Standard operating procedure
t	Tonne
tkm	Tonne kilometre
t/m^3	Tonne per cubic metre
tph	Tonne per hour
TM	Total Metals
TSX	Toronto Stock Exchange

EXECUTIVE SUMMARY

This Exploration Target report has been prepared by SMG Consultants (SMGC) to detail the exploration potential of the gold deposits contained within the Idenburg Project (Project) owned 100% by PT Iriana Mutiara Idenburg (IMI). This report is prepared at the request of Far East Gold Limited (FEG).

The estimated Exploration Target gold tonnage and grade are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Summary of Licence and Ownership

PT Iriana Mutiara Idenburg (IMI)is formerly known as PT Barrick Mutiara Idenburg. IMI is a Foreign Investment Company and is the holder of an Exploration Contract of Work (COW) granted on the 13th of December 2017. The Exploration COW is valid up to the 26th of October 2026. The IMI project area covers 95,280 ha of land, located in the Keerom and Pegunungan Bintang regencies of the Indonesian province of Papua.

The Project is in a highly prospective area and was explored through a series of joint ventures by some of the world's largest gold producers including Barrick, Battle Mountain, Cyprus Amax, Placer Dome, Kennecott, Freeport, Newmont, and others.

This long history of ownership through multiple joint ventures has enabled them to secure the remaining land holding which offers the opportunity to develop near-surface, high-grade open pit Resources. The remaining area is still vastly under-explored allowing for a significant upside in potential beyond the fourteen (14) known prospect areas.

Most major Indonesian mining projects are held under Contracts of Work. This Exploration COW provides long-term investment certainty.

Location of Project

The Project is situated within the Keerom and the Pegunungan Bintang Regencies of Papua (Figure ES.1), near the border with Papua New Guinea. The all-weather Trans Irian Highway is an asphalted road from the regional capital of Jayapura that transects the Exploration COW and allows for relatively easy access and cost-effective logistical support. Compared to other projects in Papua logistical support is simple and cost-effective especially when compared to the other major producers in Papua.

Figure ES.1 – Project Location in Relation to Other Major Gold Producers

Description of Scope

The scope of this work is to conduct an Exploration Target Report in accordance with the JORC 2012 Code.

Summary of Historical Estimates

This is a gold exploration project with significant defined mineralisation and substantial potential. The area has been systematically explored by major and minor producers since 1972 and has identified several high-grade targets within the current Exploration COW with a probability of discovering additional high-grade deposits.

Field observations show that the basic style of gold mineralisation as determined from mapping and drill core logging is of the orogenic gold type, also referred to as mesothermal lode gold. These deposits are typically hosted in highly deformed rocks around tectonic activity that have been intruded from the effects of regional metamorphism or the intrusion of magma. The fascinating aspect of this type of mineralization is that, while these ore bodies come in all sizes, many deposits of this nature can exhibit significant vertical extents. Most of the world's major "Bonanza" gold fields are orogenic in nature. They typically all have a placer expression which is how they are discovered and then a high-grade vein system, for example, the California and Alaska gold fields, Kalgoorlie and southeastern Australia gold fields, central Asia deposits, the Barberton belt in South Africa and the Kolar gold field in India.

In 2007, an IMI internal team estimated and reported the gold tonnage for both the Sua and Bermol Prospects for IMI Resources. The report was prepared in accordance with the 2004 version of the JORC Code but never reported publicly.

Summary of Gold Exploration Targets

SMGC has reviewed the gold exploration targets for each of the identified mineralised areas within the Exploration COW (Table ES.1). The individual prospects are discussed in further detail in Section 2.3 of the report. Only 30% of the existing concession area has been explored in detail leaving significant upside for discovering additional mineralised areas and potentially additional gold exploration targets.

Table ES.1 – Gold Exploration Targets

Prospect	Gold Exploration Targets					
	Tonnage		Grade		Ounces	
	Lower Mt	Upper Mt	Lower Au g/t	Upper Au g/t	Lower K	Upper K
Sua	1.4	5.2	1.5	6.0	65	970
Bermol	0.9	6.0	2.0	10.0	56	1866
Mafi	0.1	2.0	1.0	6.0	3	373
Selia	0.5	3.8	0.5	3.5	8	414
Sikrima/Afley	0.5	4.0	0.5	4.8	8	602
Kwaplu	0.4	3.2	0.5	5.0	7	502
Hulu Sua/Landslide	0.2	1.6	1.0	3.0	7	151
North Bermol	0.4	3.0	0.5	10.0	6	941
Kimly	0.1	1.0	1.0	6.0	4	188
Nova	0.2	1.6	0.5	6.0	3	292
Kali Kae	0.1	1.0	0.5	6.0	2	188
Tekai	0.3	2.2	0.5	4.0	4	270
Andre	0.1	0.4	1.0	2.5	2	31
Nomura	0.4	3.0	1.0	5.0	13	471
TOTAL	**5.7**	**38.1**	**1.0**	**6.1**	**189**	**7259**

The potential quantity and grade of the Gold Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource under the 2012 JORC Code and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target Estimate for this report is current from the 30th of June 2024 and has been prepared and verified by SMGC's Principal Geologist Mr Abdullah Dahlan and SMGC's Principal Engineer Mr Keith Whitchurch. The table summarising Resources as Reserves as specified in Appendix 7.5 of the SGX main board listing rules has not been included in this report as there are no Gold Resources or Gold Reserves reported for IMI.

Mr Abdullah Dahlan is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and the type of deposit located in this concession to qualify as a Competent Person.

Mr Whitchurch is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and the type of deposit located in this concession to qualify as a Competent Person. This document has been checked as part of SMGC's peer review process.

STATEMENT OF INDEPENDENCE

This report was prepared on behalf of SMGC by the signatory to this report, assisted by the subject specialists whose qualifications and experience are set out in Appendix B of this report.

SMGC began its business in Australia in the 1960s as a global geological and mining software development company. SMGC was founded in Indonesia in July 2009 as a base to serve its client base across Southeast Asia. SMGC, now headquartered in Singapore, is an independent mining consulting group providing geological, resource evaluation, mining engineering, mine planning, JORC/KCMI/VALMIN reporting, and mine valuation services to the resources, power, investment, and financial services industries.

SMGC works across the following minerals: thermal coal, metallurgical coal, nickel, gold, manganese, bauxite, iron ore, and many other bulk commodities and base metals.

SMGC has been paid professional fees by FEG for the preparation of this report. The fees paid were not dependent in any way on the outcome of the technical assessment.

SMGC is independent of FEG. No SMGC staff or specialists who contributed to this report have any interest or entitlement, direct or indirect, in the Company, the mining assets under review, or the outcome of this report.

Abdullah Dahlan

BSc Geology, MAusIMM,

1. INTRODUCTION

SMGC was engaged by FEG to prepare an Exploration Target Report for the IMI project area in accordance with SMGC's interpretation of the reporting guidelines of the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (The JORC Code). This Exploration Target Report has been prepared by SMGC to independently estimate the exploration potential of the gold deposit within the IMI concession area and is current as of the 30th of June 2024. The estimated Exploration Target gold tonnage and grade are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The IMI concession area is beneficially controlled and owned by IMI. The IMI project area covers 95,280 ha of land, located in the Keerom and Pegunungan Bintang regencies of the Indonesian province of Papua. It is held under an Exploration Contract of Work (COW) granted on the 13th of December 2017. The Exploration COW is valid up to the 26th of October 2026.

Exploration Target estimates in this statement deal exclusively with gold contained within the IMI concession boundary.

1.1 SCOPE OF WORK

The scope of work includes the following:

- Exploration Data - review, verify, and validate the available exploration data provided by IMI, including an assessment of drilling data, outcrop data, sampling techniques, and gold assay analytical results.
- Geological Model – Reviewing a number of geological models of several prospects for which geological models already exist: Sua and Bermol Prospects.
- Exploration Target - estimate the exploration potential of the gold deposit within the IMI concession area to produce an Exploration Target Report under SMGC's interpretation of the 2012 JORC Code.

The Exploration Target estimate has been reported as a range and is intended for the exclusive use of FEG to support their announcements on the ASX and other corporate transactions as required.

This report has been prepared in compliance with SMGC's interpretation of the reporting guidelines of the 2012 JORC Code.

1.2 LOCATION, ACCESS AND INFRASTRUCTURE

Papua, which was formerly known as Irian Jaya, occupies a major section of the western half of the island of New Guinea. The Idenburg Project is located in Papua's northeast, approximately 120 kilometres south of the provincial capital of Jayapura (Figure 1.1). The area lies within the Keerom and Pegunungan Bintang regencies.

Figure 1.1 – Property Location in Relation to Other Major Gold Projects

The project is held under an Exploration Contract of Work (COW) on an Island hosting several multi-million-ounce gold and copper deposits including Grasberg (+70 Moz Au), Porgera (+7 Moz Au), Frieda River (20 Moz Au), and Ok Tedi (20 Moz Au).

Access to the property is via a 210-kilometre road, the Trans-Irian Highway, that connects Jayapura to the northern project boundary at the Usku Village. It is an asphalt road for the entire distance (Figure 1.2). The prospects are one-hour due south by helicopter from the Sentani-Jayapura Airport, which has daily flights to major centres within Indonesia.

IMI's main field base camp of Tekai is located adjacent to the main highway close to the village of Usku (Figure 1.3). Access to the prospects from the main base camp of Tekai is by foot trails utilising the stream network and small foot trails. All prospects can be accessed by helicopter and are approximately ten minutes from the Tekai Base Camp.

Figure 1.2 – Idenburg Access Via Asphalted Trans-Irian Highway

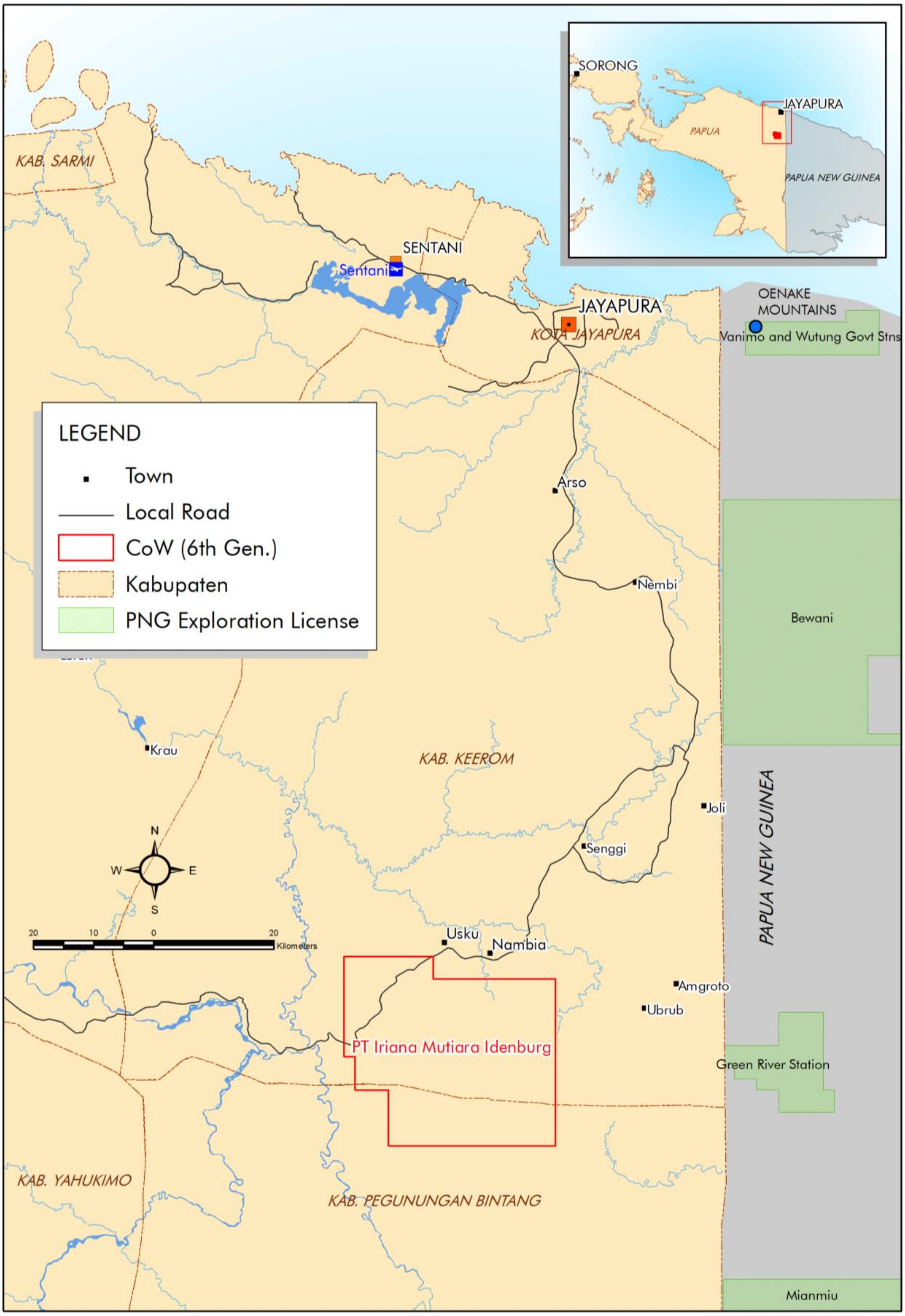
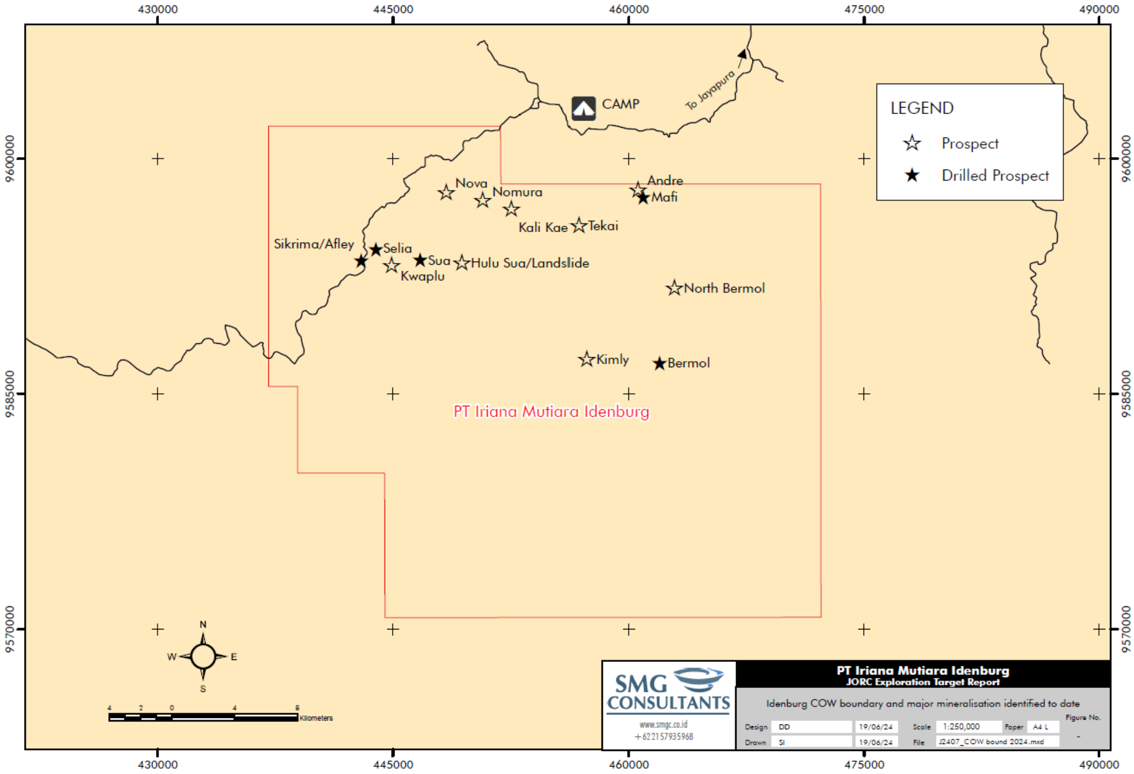


Figure 1.3 – Idenburg Exploration COW Boundary and Major Mineralisation Identified to Date



Ample water is available from rivers and creeks in the immediate vicinity for drilling and future operations. The main power source in the area is diesel generators. Supplies and equipment can mostly be obtained from the city of Jayapura with excellent infrastructure in place to deliver items to the site.

1.3 SITE VISIT

SMGC visited the site in early October 2015 and FEG staff visited the site in June 2024 . Access to the site is via plane from Jakarta to Sentani which is a large airport servicing the capital city of Jayapura in Papua Province, Indonesia (Figure 1.4). The infrastructure and access to the site are in remarkable condition and appear to be continuously upgraded. The road is mostly asphalt-covered (Figure 1.5) for the entire distance, and the bridges (Figure 1.6) are in good repair. The travel delays were primarily due to ongoing upgrades and improvements of the bridges.

The site visit consisted of validating access to the concession and the condition of the core at the Tekai Core Shed. The core shed requires urgent repair. Otherwise, everything was well-kept and organized. Several cores were photographed (Figure 1.7) and validated against the original photographs. The records and database, which are maintained in Jakarta, are in good condition, and the data matches well with the information found on-site.

Figure 1.4 – Sentani Airport – Lion Air Boeing 737 Aircraft

Figure 1.5 – Asphalt Road 10 kilometres from the Concession

Figure 1.6 – Bridge 120 kilometres from the Concession

Figure 1.7 – Core Photo, 1st October 2015, by SMGC During Site Visit - KSD 010

Figure 1.8 – Core Photo, June 2024, by FEG During Site Visit - KSD 002

1.4 TENURE AND OWNERSHIP

SMGC has consulted the official Geoportal of ESDM and found the concession listed. This usually implies that the concession is in good standing. Tenure for the project is held under an Exploration COW. SMGC makes no warranty or representation to IMI or third parties (express or implied) regarding the validity of the Exploration COW and documentation and this report does not constitute a legal due diligence of the concession. The coordinates provided in Table 1.1 were provided by IMI. A summary of this tenure is provided below in Table 1.2:

Table 1.1 – Idenburg Exploration COW Coordinates

Longitude			Latitude		
140	45	0	3	53	0
140	30	0	3	53	0
140	30	0	3	48	0
140	27	0	3	48	0
140	27	0	3	45	0
140	26	0	3	45	0
140	26	0	3	36	0
140	34	0	3	36	0
140	34	0	3	38	0
140	45	0	3	38	0

Table 1.2 – Tenement Details

IUP	IRIANA MUTIARA IDENBURG
IUP Type	Exploration COW
IUP Number	458.K/30/DJB/2017
Company Name	PT Iriana Mutiara Idenburg
Regency	Keerom and Pegunungan Bintang
Province	Papua
Commodity	Gold
Area	95,280 ha
Date Signed	13 December 2017
Expiry	26 October 2026

1.5 RESULTS LIMITATIONS AND STANDARDS

It is important to note when considering this report that geological information usually consists of a series of small points of data on a large blank canvas. The true nature of any body of mineralisation is never known until the last tonne of ore has been mined out, by which time exploration has long since ceased. Exploration information relies on the interpretation of a relatively small statistical sample of the deposit being studied. Thus, a variety of interpretations may be possible from the fragmentary data available. Investors should note the statements and diagrams in this report are based on the best information available at the time but may not necessarily be correct. Such statements and diagrams are subject to change or refinement as new exploration provides new data, or new research alters prevailing geological concepts. Appraisal of all the information mentioned above forms the basis for this report. The views and conclusions expressed are solely those of SMGC. When conclusions and interpretations credited specifically to other parties are discussed within the report, then these are not necessarily the views of SMGC.

The gold deposit within the concession can only be categorised as an Exploration Target because of the lack of exploration data. Exploration Target Estimates in this report deal exclusively with gold contained within the IMI project concession boundary and have been limited by the distribution of exploration data for each prospect area.

JORC Table 1

This Gold Exploration Target Report has been written according to SMGC's interpretation of the 2012 version of the JORC Code published by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Under the JORC Code, an Exploration Target is defined as a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

In the context of complying with the Principles of the Code, Table 1 of the JORC code (Appendix A) has been used as a checklist by SMGC in the preparation of this report and any comments made in the relevant sections of Table 1 have been provided on an 'if not, why not' basis. This has been done to ensure it is clear to an investor whether items have been considered and deemed of low consequence or have yet to be addressed or resolved.

As this report is only providing an Exploration Target Estimate, many of the JORC Table 1 sections will not be applicable. These sections have been marked as "not applicable" in the table.

The order and grouping of criteria in Table 1 reflect the normal systematic approach to exploration and evaluation. Relevance and Materiality are the overriding principles that determine what information should be publicly reported and SMGC has attempted to provide sufficient comment on all matters that might materially affect a reader's understanding or interpretation of the results or estimates being reported. It is important to note the relative importance of the criteria will vary with the project and the legal and economic conditions pertaining at the time of determination.

In some cases, it may be appropriate for a Public Report to exclude some commercially sensitive information. A decision to exclude commercially sensitive information would be a decision for the company issuing the Public Report, and such a decision should be made in accordance with any relevant corporation's regulations in that jurisdiction.

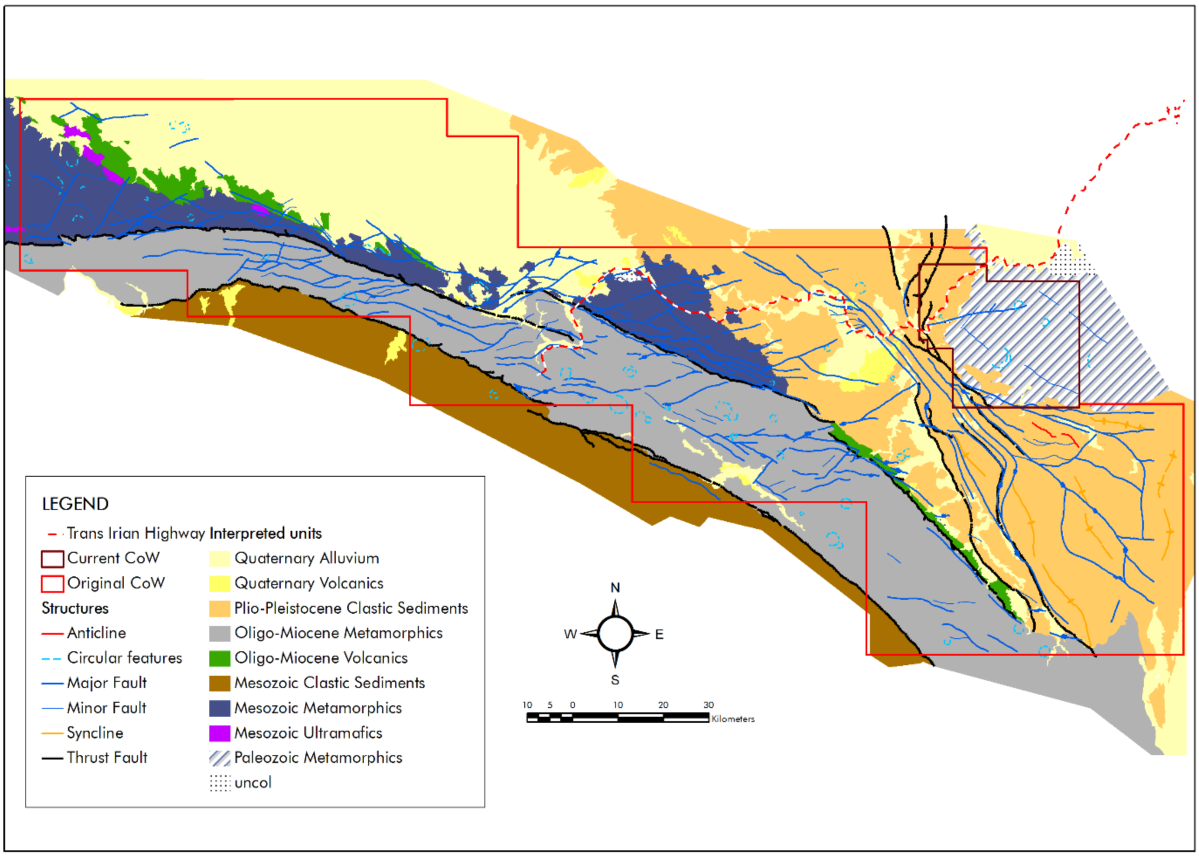
In cases where commercially sensitive information is excluded from this Report, the report provides summary information and context (for example the methodology used to determine economic assumptions where the numerical value of those assumptions is commercially sensitive) for the purpose of informing investors or potential investors and their advisers.

2. GEOLOGY AND MINERALISATION

2.1 REGIONAL

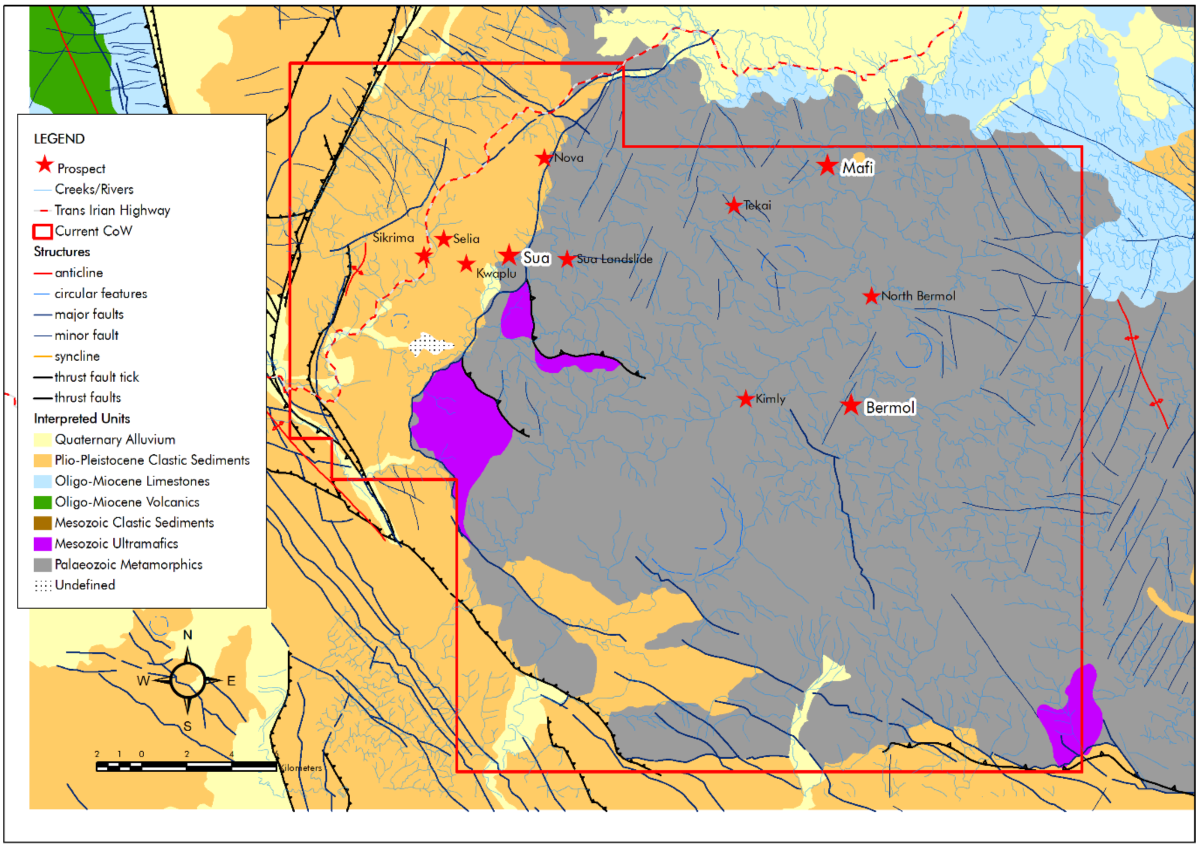
The island of New Guinea is located on the tectonic boundary between the cratonic Indo-Australian Plate to the south and the oceanic Pacific Plate to the north (Figure 2.1). The Indo-Australian Plate is moving northwards while the Pacific Plate is moving to the southwest resulting in the oblique collision of the plates along an east-west suture.

Figure 2.1 – Regional Geology Map



The current Idenburg Exploration COW is situated in the northeast corner of a diverse terrain located at the boundary of the zone of plate interaction on the northern edge of the Mamberamo Fold and Thrust Belt. This is a 200-kilometre wide, northwest trending, complex zone of anastomosing, linear, and locally imbricate faulting and thrusting. The Idenburg Exploration COW region covers the western portion of the Idenburg Inlier, which extends into the Amanab terrane in western Papua New Guinea. This is a block of older continental crust situated within the boundary zone between the two colliding plates. It consists of Australian plate metamorphic rocks (phyllites, schists, and gneisses), and obducted ophiolites (gabbro, granodiorite, diorite, diabase, and basalt unconformably overlain by early to mid-Tertiary shelf limestone, shallow marine limestone and mid-to-late Tertiary shallow marine claystone, siltstone, greywacke and carbonates (Figure 2.2).

Figure 2.2 – Geology of the Idenburg Inlier showing the Sua-Afley Shear Zone and Mafi River Thrust Fault in Blue Dash-Dot Lines



Two regional post-Mesozoic deformation events were responsible for the present structural configuration of the region:

- compressive deformation accompanying the Oligocene-Miocene collision of the Australian and Pacific Plates; and
- subsequent on-going oblique collision between the two plates during the Late Miocene that was responsible for the structural inversion of the North Coast Basin and development of the Mamberamo Thrust Belt.

A zone of dilational jogs with sigmoidal fractures and linear ridges associated with sinistral wrenching has been identified in the Derewo Metamorphics that occurred during deformation. This is the same event that focussed emplacement of the Grasberg/Ertsberg intrusions that are associated with the world-class copper-gold deposits of the Ertsberg mining district.

Two regional dislocations developed in the area during these deformation events:

- the Derewo Fault Zone separating the Australian Plate and the Derewo Metamorphics; and
- the Der Wal Fault Zone and Luban Fault Zone separate the Derewo Metamorphics from the Ophiolite Belt in the northwest and the same rocks from the ophiolites and Idenburg Inlier in the southeast.

The Idenburg Inlier is structurally complex with NW-trending regional folds and associated axial plane faults, strong NW-striking regional thrusts, and normal and strike-slip faults containing intensely sheared ultramafic rocks.

Kendrick (1995) showed that Idenburg plots near the intersection of an NE-trending lineament, interpreted to be an arc normal basement structure, and NW-striking thrust zones of the Mamberamo thrust and fold belt. The latter represents the western continuation of the New Guinea Thrust Belt identified in Papua New Guinea and known in Indonesia as the Mamberamo Thrust Belt. The arc normal structure is similar to the transfer structures, identified in Papua New Guinea, that control major mineral deposits. A review of earthquake data shows that these structures penetrate well into the upper mantle. These present a pathway for hot, metal-rich magma to rise into the crust.

The Frieda River Cu-Au and Nena epithermal Cu-Au deposits are located approximately 150 kilometres to the southeast of the Idenburg Exploration COW, which also lie within the New Guinea Thrust Belt.

More than 50% of Indonesia's known gold and 70% of its known copper resources occur in the western region of Papua, contained within four deposits. Grasberg, one of the largest gold-rich porphyry copper deposits in the world, and three major skarn ore bodies are located in an area of 100 square kilometres making up the Ertsberg mining district some 370 kilometres southwest of the Exploration COW. It is situated on the southern part of the central highlands within the western continuation of the Papuan Fold Belt.

Field observations show that the basic style of gold mineralisation as determined from mapping and drill core logging is of the orogenic gold type, also referred to as mesothermal lode gold. These deposits are typically hosted in highly deformed rocks around tectonic activity that have been intruded from the effects of regional metamorphism or the intrusion of magma. The fascinating aspect of this style of mineralization is that, although these orebodies vary in size, many deposits of this nature can display large vertical extents. Most of the world's major “Bonanza” gold fields are orogenic in nature. They typically all have a placer expression which is how they are discovered and then a high-grade vein system, for example, the California and Alaska gold fields, Kalgoorlie and southeastern Australia gold fields, central Asia deposits, the Barberton belt in South Africa and the Kolar gold field in India.

2.2 MAIN PROSPECTS

Several prospective gold Exploration Targets have been identified within the Idenburg Exploration COW concession. Exploration has focussed on those targets located within a 5-kilometre belt of the main road because of the logistical benefits to development; leading to the drilling of the Mafi, Selia, Sikrima, and Sua deposits. Other prospects in the 5-kilometre swathe include Kali Kae, Kwaplu, Nova, and Tekai. The most recent work extended outside the 5-kilometre area of interest to evaluate the Bermol Prospect, located approximately 14 kilometres from the road. It lies on a major, 15-kilometre-long, geological structure that strikes to the north through Mafi, which has significant exploration potential in and of itself. This is known as the Mafi River Thrust Fault. Other prospects near Bermol include North Bermol and Kimly.

2.2.1 SUA PROSPECT

Sua lies approximately 12 kilometres to the southwest of the Tekai Base Camp. Access to the area is either by foot or by helicopter. Float samples collected by IMI along the Sua River from several exploration campaigns returned results of 9.92 g/t Au, 17.1 g/t Au, 18.9 g/t Au, and 95.8 g/t Au. Follow-up work by IMI in 2003 located the discovery outcrop with a rock chip result of 199 g/t Au. This was confirmed during due diligence work with channel samples returning 3m @ 73.1 g/t Au (Figure 2.3). Ridge and spur soil sampling and trenching during the due diligence program identified a 400-metre-wide by 600-metre-long NE trending zone of mineralisation.

Figure 2.3 – Discovery Outcrop at Sua Showing a Channel Sample of 3m @ 73.1 g/t Au

MINERALISATION

The mineralisation consists of boudinaged quartz veins with a NE trend and shallow NW dip, hosted by silica-sericite-chlorite-pyrite altered diorite (Figure 2.4).

The quartz veins vary in thickness from a few millimetres swelling up to 3 metres. The quartz veining is associated with late-stage deformation and many local shears are mineralised with gold and sulphides.

Opaque minerals identified in the petrographic study include pyrite, chalcopyrite, galena, sphalerite, goethite, covellite, chalcocite, pyrrhotite, rutile, and gold. Gold occurs mainly in fractures in quartz in the vicinity of aggregates of chalcopyrite and pyrite (Figure 2.5). More rarely, it is found as inclusions in pyrite, associated with pyrrhotite and infilling fractures in brecciated pyrite (Bogie, 2005). It appears that gold and copper mineralisation, and possibly lead-zinc mineralisation were introduced at a later stage. The majority of the gold occurs as grains greater than 10 microns in size that tend to lie in fractures in quartz and sulphide minerals so should be easy to recover (Bogie, 2005).

Figure 2.4 – Geological Map of the Sua Prospect

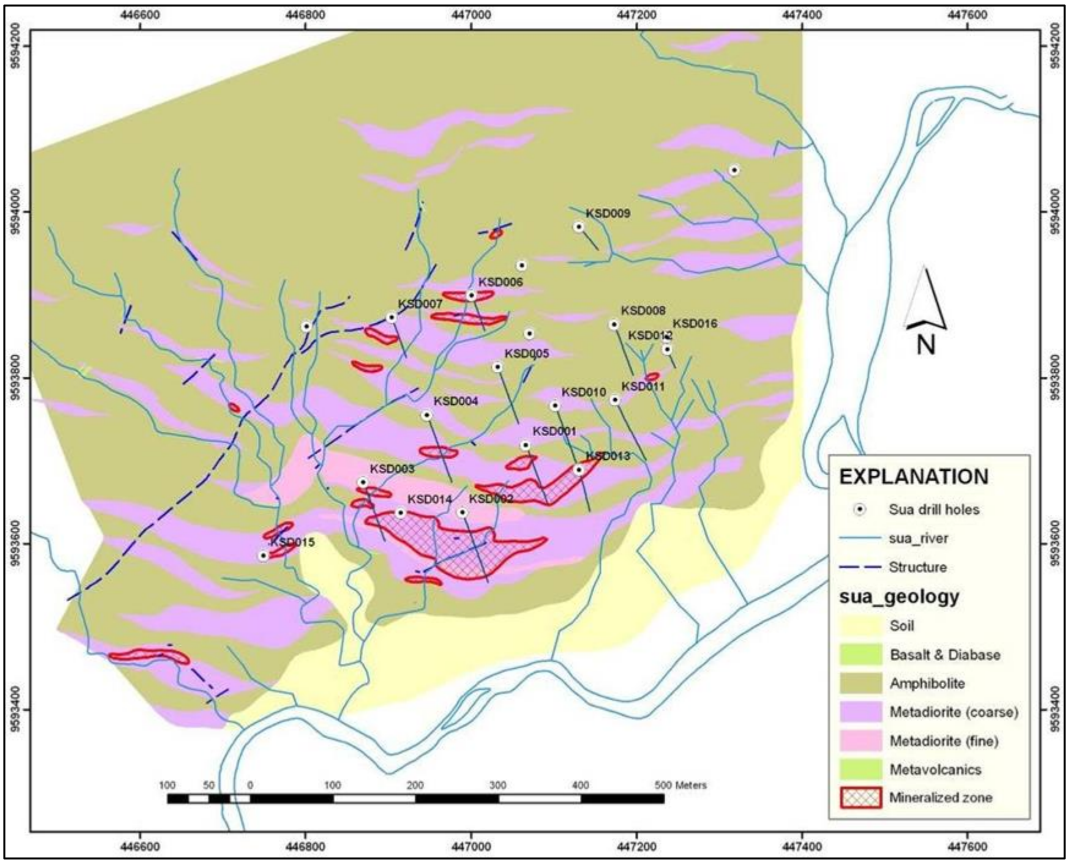
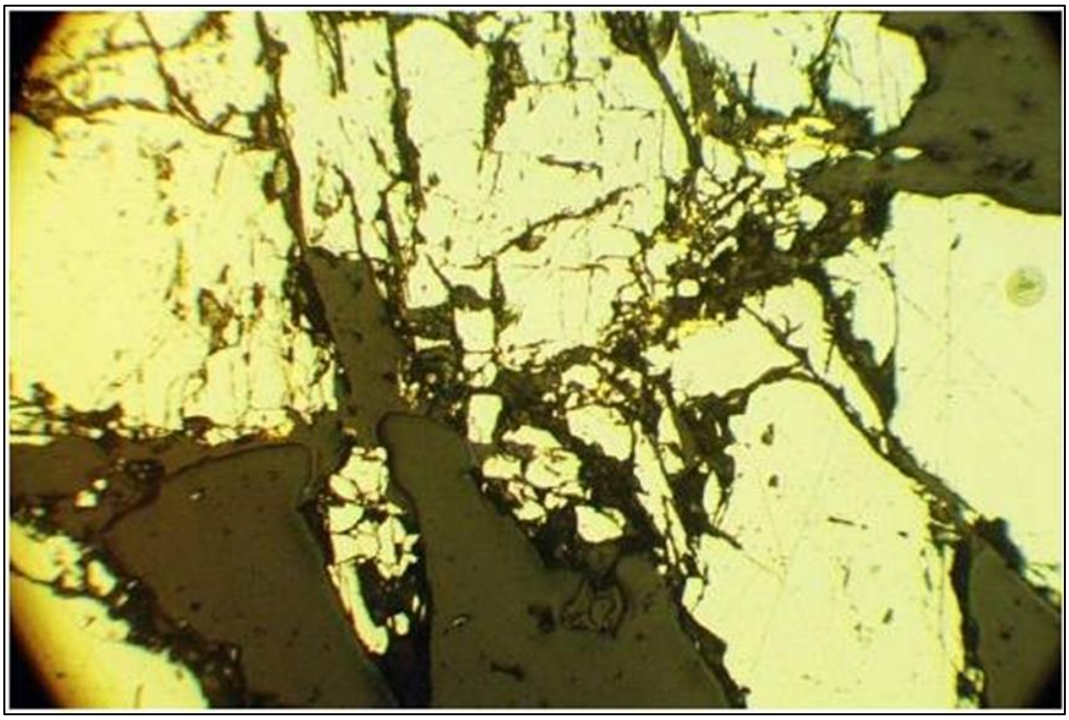


Figure 2.5 – Gold Grains (up to 50 microns) Infilling Cracks in Pyrite Enclosed in Quartz (Field of View = 0.25 mm, Plane Polarised Light)



SOIL SURVEYS

Grid soil sampling was conducted over an area of 700 metres by 1,600 metres covering the known mineralisation and extending along the strike in both directions. The main area of interest, which extends 700 metres by 1,100 metres around the exposed quartz veining, was sampled along north-northwest lines. An extension to the southwest covered 400 metres by 500 metres. A strong gold anomaly with values up to 25.6 ppm was identified coincident with, and downslope of, the known veining (Figure 2.6). Narrower zones extend to the northeast and southwest of the principal anomaly and are open in both directions.

Maximum silver values appear to lie along an NNW trend on the western side of the gold anomaly, parallel to the sample line direction and possibly on a single sample line, with spot values throughout the line and beyond the main gold anomaly to the north-northwest (Figure 2.7). Several spot values occur on parallel lines and to the west and east of the main mineralised zone.

Copper values coincide with the weaker, linear gold values to the southwest of the principal gold anomaly and along the southeast section of the main mineralisation. A circular copper anomaly, some 150 metres by 200 metres in size, with values ranging from 260-320 ppm Cu, occurs at the centre of the grid to the immediate northwest of the gold zone (Figure 2.8) IMI has not tested the potential for economic copper mineralisation associated with this anomaly.

Figure 2.6 – Gold Image of Soil Samples at Sua Prospect

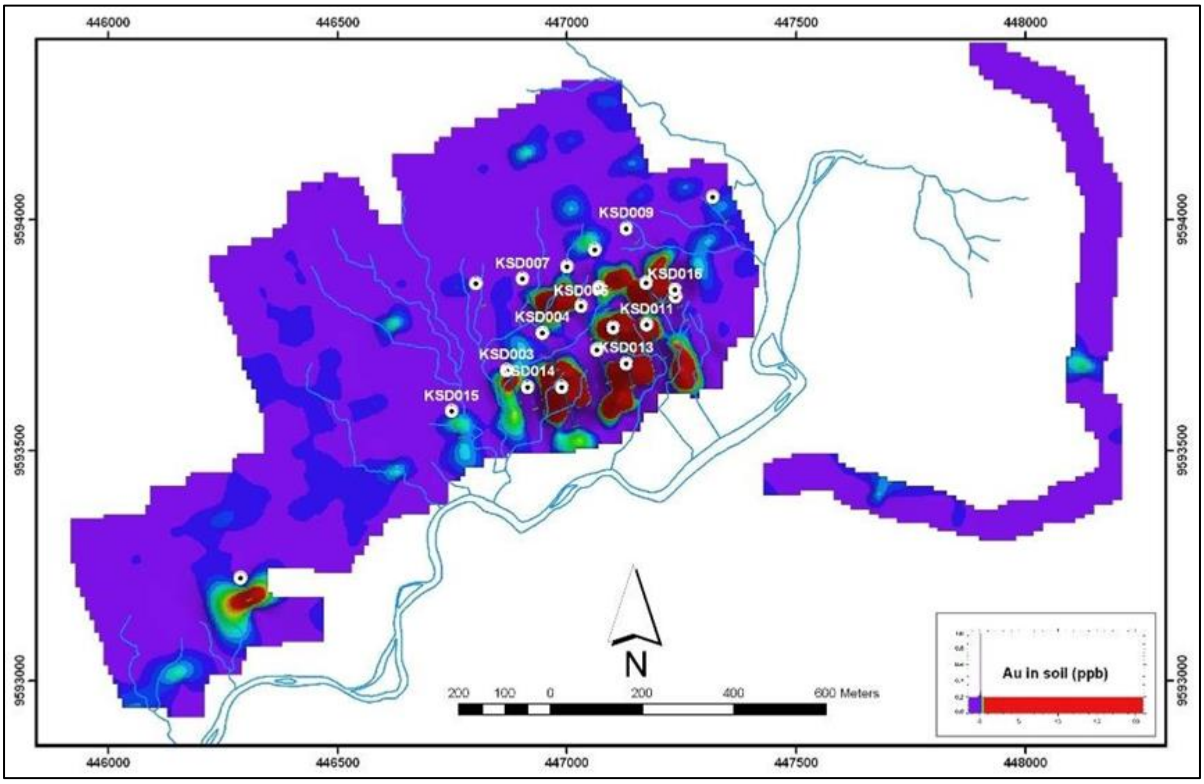


Figure 2.7 – Silver Image of Soil Samples at Sua Prospect

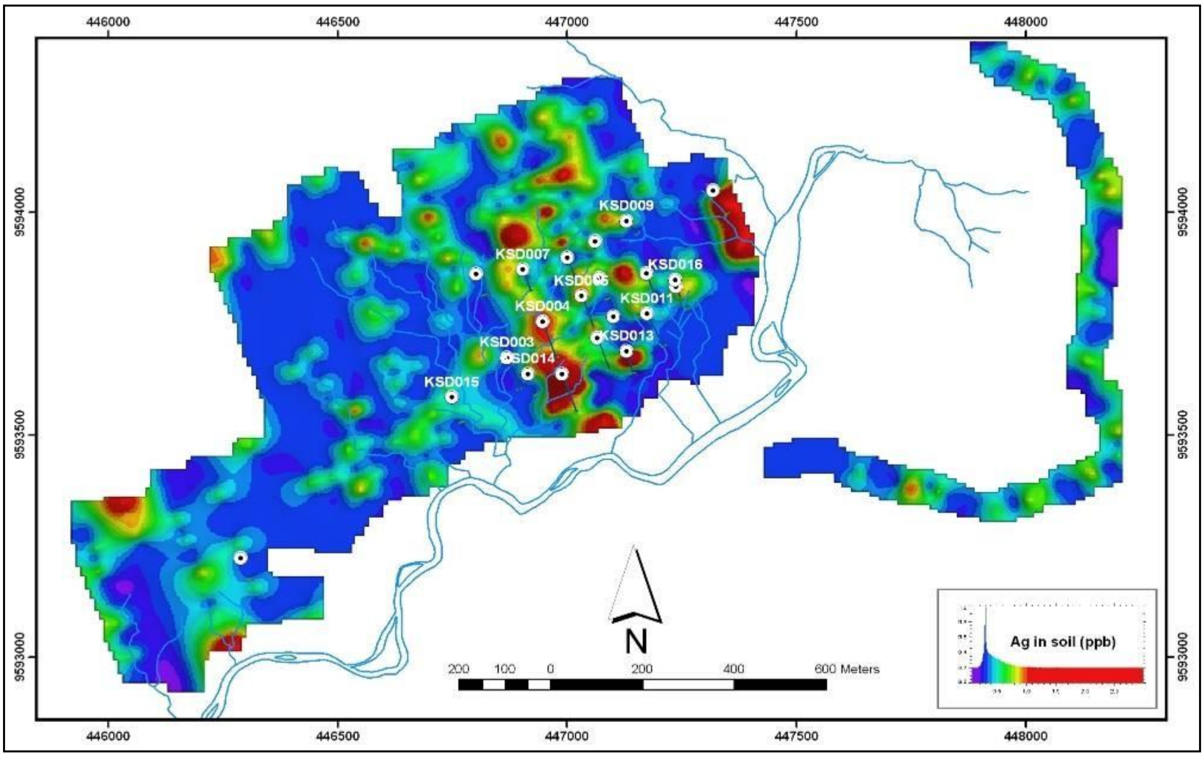
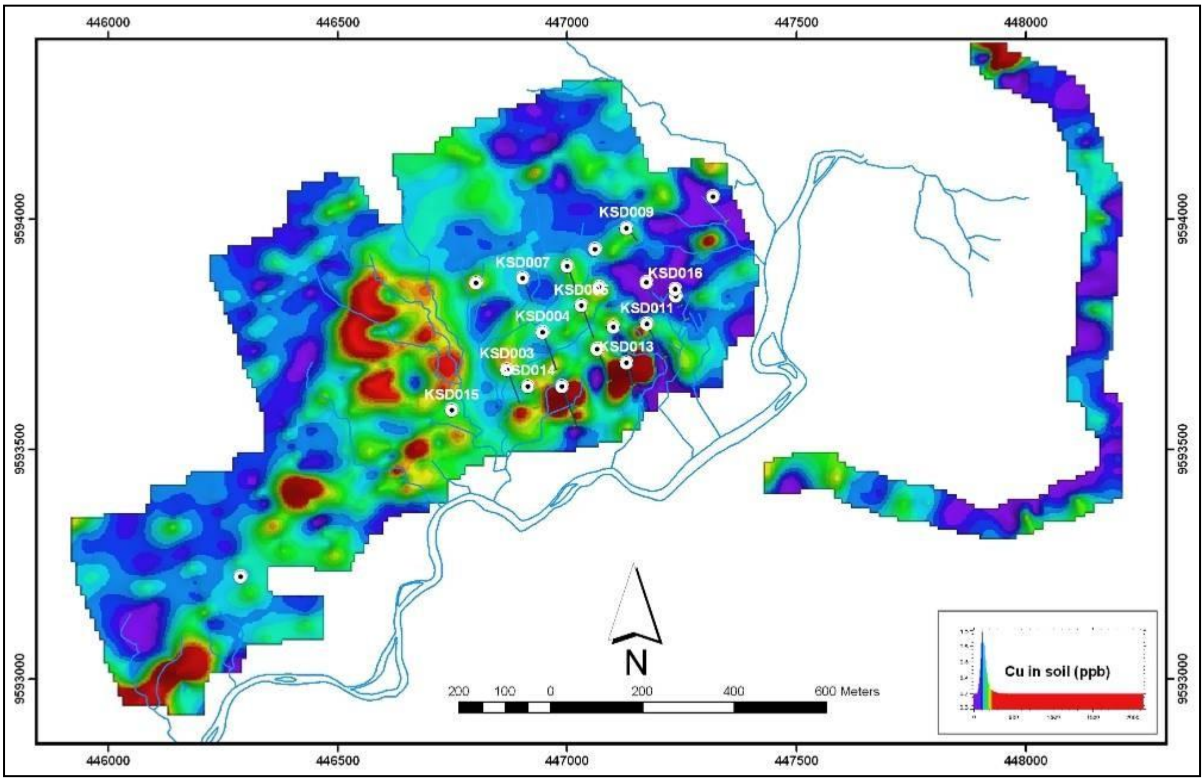


Figure 2.8 – Cu Image of Soil Sample at Sua Prospect



TRENCHING AND CHANNEL SAMPLING

Trenching and channel sampling of outcrops were carried out to test the outcropping mineralisation. Trenches were excavated to the top of the weathered zone by hand and were approximately two metres deep. Channel sampling of outcrops totalled 169 samples. Maximum assay results of trenching and channel sampling are shown in Table 2.1.

Table 2.1 – Significant Trench Assays at Sua Using 0.5 g/t Au Cut-Off and a Top Cut of 41 g/t Au, and Maximum Internal Waste of 2m

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KST001	447,148	9,593,665	379	186	-13	0	0.0	10.0	**10.0**	**7.46**	**Incl. 6m @ 11.6 g/t Au from 2m**
							14.0	16.0	**2.0**	**0.87**	
KST002	447,133	9,593,641	375	355	12	58.4	10.0	15.0	**5.0**	**0.67**	
							18.4	28.4	**10.0**	**2.29**	
							43.4	48.4	**5.0**	**2.39**	
							52.4	58.4	**6.0**	**3.59**	
KST003	447,066	9,593,559	342	352	42	45	2.0	6.0	**4.0**	**0.77**	
							16.0	23.0	**7.0**	**2.34**	
							26.0	34.0	**8.0**	**7.52**	
							39.0	45.0	**6.0**	**0.76**	
KST004	446,930	9,593,887	390	140	50	6	0.0	1.0	**1.0**	**7.10**	
KST005	447,180	9,593,667	361	346	-19	30	10.0	12.0	**2.0**	**0.70**	
							16.0	30.0	**14.0**	**11.0**	**Incl. 9m @ 24.0 g/t Au from 21m**
KST006	446,956	9,593,578	333	350	-11	68	38.0	40.0	**2.0**	**0.64**	
							43.0	49.0	**6.0**	**0.60**	
							58.0	68.0	**10.0**	**1.37**	
KST007	447,036	9,593,600	335	360	55	3	0.0	3.0	**3.0**	**36.2**	
KST008	447,041	9,593,602	338	350	45	13	0.0	3.5	**3.5**	**16.2**	
							8.5	13.0	**4.5**	**11.2**	
KST010	446,981	9,593,573	317	360	15	7	6.0	7.0	**1.0**	**16.7**	
KST013	446,919	9593674	322	5	38	12	0.0	8.0	**8.0**	**5.83**	
KST014	447,023	9,593,717	358	345	0	8	0.0	8.0	**8.0**	**4.49**	**Incl. 4m @ 7.82 g/t Au from 4m**
KST015	447,130	9,593,888	413	50	28	10	9.0	10.0	**1.0**	**25.1**	
KST016	447,063	9,593,885	380	225	-30	8	0.0	2.0	**2.0**	**28.3**	
KST020	447,071	9,593,910	398	355	50	6	0.0	6.0	**6.0**	**0.46**	
KST022	447,044	9,593,630	351	170	0	10	0.0	10.0	**10.0**	**4.42**	
KST024	447,031	9,593,670	351	65	15	30	14.0	16.0	**2.0**	**0.98**	

**Note: Individual gold assays were cut to 41 g/t Au for intercept calculations.*

Table 2.1 (cont'd) – Significant Trench Assays at Sua Using 0.5 g/t Au Cut-Off and a Top Cut of 41 g/t Au, and Maximum Internal Waste of 2m

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KST026	447,213	9,593,750	365	25	35	6	0.0	6.0	**6.0**	**35.5**	
KST027	447,153	9,593,753	388	360	30	18	6.0	8.0	**2.0**	**0.78**	
							16.0	18.0	**2.0**	**41.0**	
KST028	447,248	9,593,811	387	335	25	8	1.0	8.0	**7.0**	**22.8**	
KST030	447,226	9,593,823	406	280	38	8	6.0	8.0	**2.0**	**0.56**	
KST031	447,158	9,593,829	401	110	35	4	0.0	4.0	**4.0**	**2.76**	
KST032	447,211	9,593,747	364	310	45	6	0.0	6.0	**6.0**	**8.85**	**Incl. 5m @ 16.2 g/t Au from 1m**

**Note: Individual gold assays were cut to 41 g/t Au for intercept calculations.*

The composited values shown in the table are length-weighted and contain lower values, and therefore actual vein gold grades are expected to be higher.

DIAMOND DRILLING

A two-phase diamond drilling program was conducted in mid-2005 and late 2006. Twenty-two holes (2,629 metres) were drilled on the known mineralised area and strike extensions. Table 2.2 and Table 2.3 summarise the significant intercepts for the first and second programs, respectively.

Mineralised intercepts occurred in all holes except KSD009, 012, 018, and 020. These holes are located on the eastern and western flanks of the region explored. The best results from fresh vein material were KSD001 (4m @ 5.96 g/t Au from 41 metres depth), KSD002 (7.5m @ 13.6 g/t Au from 21 metres, KSD004 (1m @ 33.8 g/t Au from 123 metres), KSD005 (9m @ 4.00 g/t Au from 80 metres), KSD008 (3.0m @ 35.0 g/t Au from 107 metres), KSD010 (3m @ 17.7 g/t Au from 55 metres) and KSD021 (1m @ 23.0 g/t Au from 77 metres).

Oxidation was observed from near-surface to an average depth of 10-20 metres, reaching a maximum depth of 30 metres. Stringer vein mineralisation in near-surface oxidised zones was best represented in hole KSD001 (16m @ 2.38 g/t Au from surface), KSD010 (18m @ 2.05 g/t Au from surface) and KSD013 (16m @ 8.49 g/t Au from surface, including 1m @ 105 g/t Au) and KSD022 (17m @ 2.82 g/t Au from surface).

Table 2.2 – Significant Drill Hole Intercepts From the First Drill Program at Sua (0.5 g/t Au Cut-Off, 41 g/t Au Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KSD001	447,122	9,593,700	386	160	-60	150.3	0.0	16.0	**16.0**	**2.38**	
							22.0	26.0	**4.0**	**2.31**	
							29.0	30.0	**1.0**	**0.53**	
							33.0	38.0	**5.0**	**1.69**	
							41.0	45.0	**4.0**	**5.96**	
							65.0	69.0	**4.0**	**1.94**	
KSD002	447,037	9,593,649	355	160	-60	179.85	21.0	28.5	**7.5**	**13.6**	
							38.0	41.0	**3.0**	**0.64**	
							52.0	54.0	**2.0**	**0.59**	
							78.0	80.0	**2.0**	**8.78**	
KSD003	446,914	9,593,701	342	160	-60	150.4	50.0	51.0	**1.0**	**0.53**	
							74.0	75.0	**1.0**	**3.08**	
KSD004	447,003	9,593,753	378	160	-60	172.1	41.0	46.0	**5.0**	**0.96**	
							49.0	50.0	**1.0**	**0.58**	
							123.0	125.0	**2.0**	**17.2**	
KSD005	447,100	9,593,823	409	160	-60	144.9	80.0	89.0	**9.0**	**4.00**	
							93.0	97.0	**4.0**	**1.24**	
							100.0	102.0	**2.0**	**0.68**	
							112.0	113.0	**1.0**	**1.21**	
							118.0	119.0	**1.0**	**1.96**	
							127.0	128.0	**1.0**	**0.51**	
KSD006	447,061	9,593,916	404	160	-60	90	20.0	21.0	**1.0**	**1.30**	
KSD007	446,957	9,593,916	412	160	-60	102.2	32.0	33.0	**1.0**	**1.25**	
							42.0	43.0	**1.0**	**0.52**	
							56.0	57.0	**1.0**	**1.25**	
							66.0	67.0	**1.0**	**1.71**	
							71.0	72.0	**1.0**	**5.25**	

**Note: Individual gold assays were cut to 41 g/t Au for intercept calculations.*

Table 2.2 (cont'd) – Significant Drill Hole Intercepts From the First Drill Program at Sua (0.5 g/t Au Cut-Off, 41 g/t Au Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KSD008	447,204	9,593,866	445	160	-60	129.3	70.0	71.0	**1.0**	**3.18**	
							107.0	112.0	**5.0**	**21.8**	**Incl. 3m @ 35.0 g/t Au from 107m**
							126.0	128.0	**2.0**	**0.76**	
KSD010	447,169	9,593,778	401	160	-60	149.8	0.0	18.0	**18.0**	**2.05**	
							24.0	32.0	**8.0**	**1.01**	
							36.0	38.0	**2.0**	**0.66**	
							44.0	52.0	**8.0**	**2.58**	**Incl. 1m @ 14.3 g/t Au from 44m**
							55.0	58.0	**3.0**	**17.7**	
							64.0	67.0	**3.0**	**2.00**	
							71.0	75.0	**4.0**	**0.66**	

**Note: Individual gold assays were cut to 41 g/t Au for intercept calculations.*

All holes were drilled from the surface using conventional triple-tube diamond drilling techniques. Core recoveries exceeded 90% for all mineralised intervals reported. Of the 22 boreholes drilled, there were 19 boreholes intersected with the mineralised intervals with apparent true widths ranging from 2 m to 33 m.

METALLURGY

IMI has conducted preliminary metallurgical test work on surface samples and drill core composites at its Penjom Laboratory in Malaysia. This work demonstrated that 50-60% of the gold was recoverable by gravity, while overall recoveries by Cyanide-in-Leach (CIL) or Resin-in-Leach (RIL) processes exceeded 90%. This indicates that the metallurgy of the mineralisation is amenable to standard extraction techniques.

Table 2.3 – Significant Drill Hole Intercepts From the Second Drill Program at Sua (0.5 g/t Au Cut-Off, 41 g/t Au Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KSD011	447,227	9,593,775	389	155	-60	160	0.0	6.0	**6.0**	**0.83**	
							21.0	24.0	**3.0**	**5.91**	
							38.0	45.0	**7.0**	**0.96**	
							52.0	53.0	**1.0**	**0.67**	
							63.0	64.0	**1.0**	**3.43**	
							75.0	76.0	**1.0**	**1.96**	
							94.0	95.0	**1.0**	**1.74**	
KSD013	447,176	9,593,692	366	166	-57	98.2	0.0	7.0	**7.0**	**3.29**	
							10.0	16.0	**6.0**	**8.22**	**Incl. 2m @ 52.3 g/t Au from 13m**
KSD014	446,969	9,593,650	355	160	-57.8	98	4.0	5.0	**1.0**	**0.51**	
							11.0	13.0	**2.0**	**2.25**	
							51.0	52.0	**1.0**	**2.37**	
							70.0	74.0	**4.0**	**0.71**	
KSD015	446,784	9,593,615	341	163	-60	120	15.0	16.0	**1.0**	**0.54**	
							22.0	24.0	**2.0**	**2.75**	
							34.0	35.0	**1.0**	**0.57**	
							41.0	42.0	**1.0**	**1.88**	
KSD016	447,271	9,593,839	411	160	-60	136	33.0	40.0	**7.0**	**0.73**	
							46.0	47.0	**1.0**	**0.70**	
							66.0	67.0	**1.0**	**0.70**	
							70.0	71.0	**1.0**	**0.60**	
							78.0	79.0	**1.0**	**0.91**	
							127.0	129.0	**2.0**	**0.58**	
KSD017	447,148	9,593,861	428	163	-60	97	44.0	46.0	**2.0**	**1.06**	
							68.0	69.0	**1.0**	**2.18**	
							84.0	87.0	**3.0**	**0.96**	
KSD019	447,395	9,594,053	406	150	-60	119	41.0	44.0	**3.0**	**0.41**	
							56.0	57.0	**1.0**	**1.19**	
KSD021	447,169	9,593,778	401	160	-90	88	10.0	11.0	**1.0**	**1.47**	
							50.0	54.0	**4.0**	**1.24**	
							75.0	78.0	**3.0**	**9.56**	**Incl. 1m @ 23.0 g/t Au from 77m**

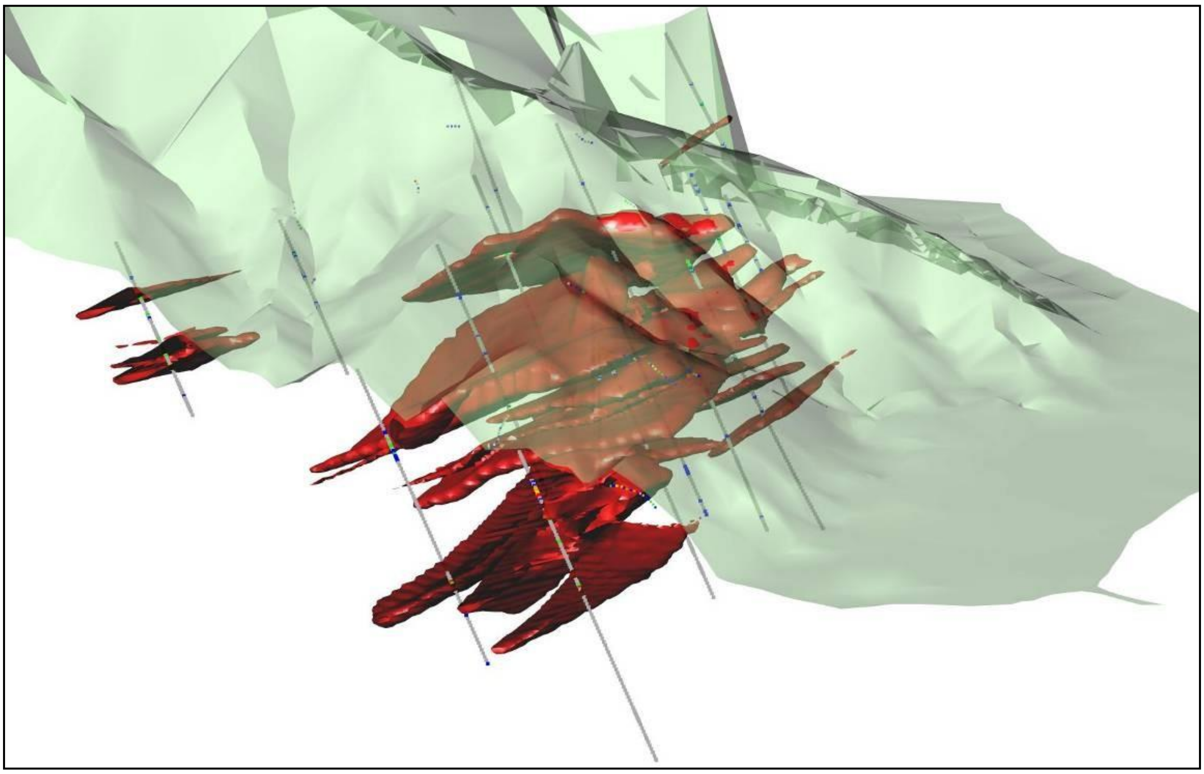
Table 2.3 (cont'd) – Significant Drill Hole Intercepts from the Second Drill Program at Sua (0.5 g/t Au Cut-Off, 41 g/t Au Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
KSD022	447,122	9,593,700	386	305	-90	82.7	0.0	17.0	**17.0**	**2.88**	
							35.0	43.0	**8.0**	**1.43**	
							47.0	48.0	**1.0**	**0.95**	
							70.0	71.0	**1.0**	**3.35**	

Note: - Individual gold assays were cut to 41 g/t Au for intercept calculations.

All holes were drilled from the surface using conventional triple-tube diamond drilling techniques. Core recoveries exceeded 90% for all mineralised intervals reported.

Figure 2.9 – 3D View To The North of the Sua Deposit Model (> 1.0 g/t Au Blocks Shown in Red)



2.2.2 BERMOL PROSPECT

Bermol lies approximately 16km to the southeast of the Tekai Base Camp. Access to the area is either by foot or by helicopter. The Bermol Prospect was first identified as a coincident Au-As regional stream sediment anomaly from the 1995 drainage sampling program. Follow-up investigations in 1997 and 2000 led to the discovery of shallow dipping gold and copper mineralisation in November 2000 which assayed 2 metres at 23.2 g/t Au, 0.51% Cu, and 12% As. The Bermol Prospect was the focus of exploration efforts in 2001 and early 2002 due to its considered potential for large tonnage and high-grade Resources. This is a "live" mineralised structure hosting several prospects, including Bermol, North Bermol, and Mafi, over its minimum 15-kilometre strike length. IMI considers this highly prospective structure to be largely untested, especially by drilling.

During the 2004 due diligence investigations, further mineralisation was identified some 500 metres to the south of the main Bermol Zone. Channel sampling yielded 6 metres @ 1.81 g/t Au. The mineralised zone at Bermol has now been traced, discontinuously, over a strike length of 4 kilometres.

MINERALISATION

Gold mineralisation is associated with quartz-pyrite-arsenopyrite "augen" veins hosted in a tightly constrained envelope of sheared quartz-chlorite-carbonate altered schists. The main sulphide species noted are arsenopyrite, pyrite, and chalcopyrite, with minor galena, tennantite, covellite, and electrum. This is reflected in the high As values in samples collected from Bermol, often exceeding 1%.

SOIL SURVEYS

Soil sampling over an area of 1.1 kilometres by 1.3 kilometres was conducted by Placer at the Bermol Prospect (Figure 2.10). The results show anomalous values of Au, As, and Cu that correspond to the known mineralised outcrops at Bermol Top and Bermol Ridge. Anomalous gold zones (>50 ppb Au) are found at Bermol Ridge and a possible southern continuity of Bermol West, at the southwest corner of the grid (Figure 2.11). Gold anomalies were also found at the eastern slope of the Bermol Top area although no mineralised outcrops were found along this slope.

The gold anomalies on the hill immediately west of Bermol Top (and the southern continuity of Bermol West), pinpoint the continuity of the mineralisation in that direction. Three samples (0.23 ppm Au, 0.12 ppm Au, and 0.28 ppm Au) form a linear zone that is consistent with the NS strike of mineralisation.

The gold anomalies correlate very well with As with just a little more spread in area than gold (Figure 2.11). This possibly reflects the mobile nature of arsenic and the abundance of arsenopyrite in the alteration system. Arsenic can be a pathfinder element for Bermol-style mineralisation.

Copper anomalies in soil were also present on Bermol Ridge where gold is anomalous (Figure 2.11). However, a broad Cu anomaly at the western section of the grid occurs with no corresponding gold.

Figure 2.10 – Soil Sample Locations. The Grid Soil was Completed by Placer While IMI Followed-up With a Ridge and Spur South of the Placer Grid

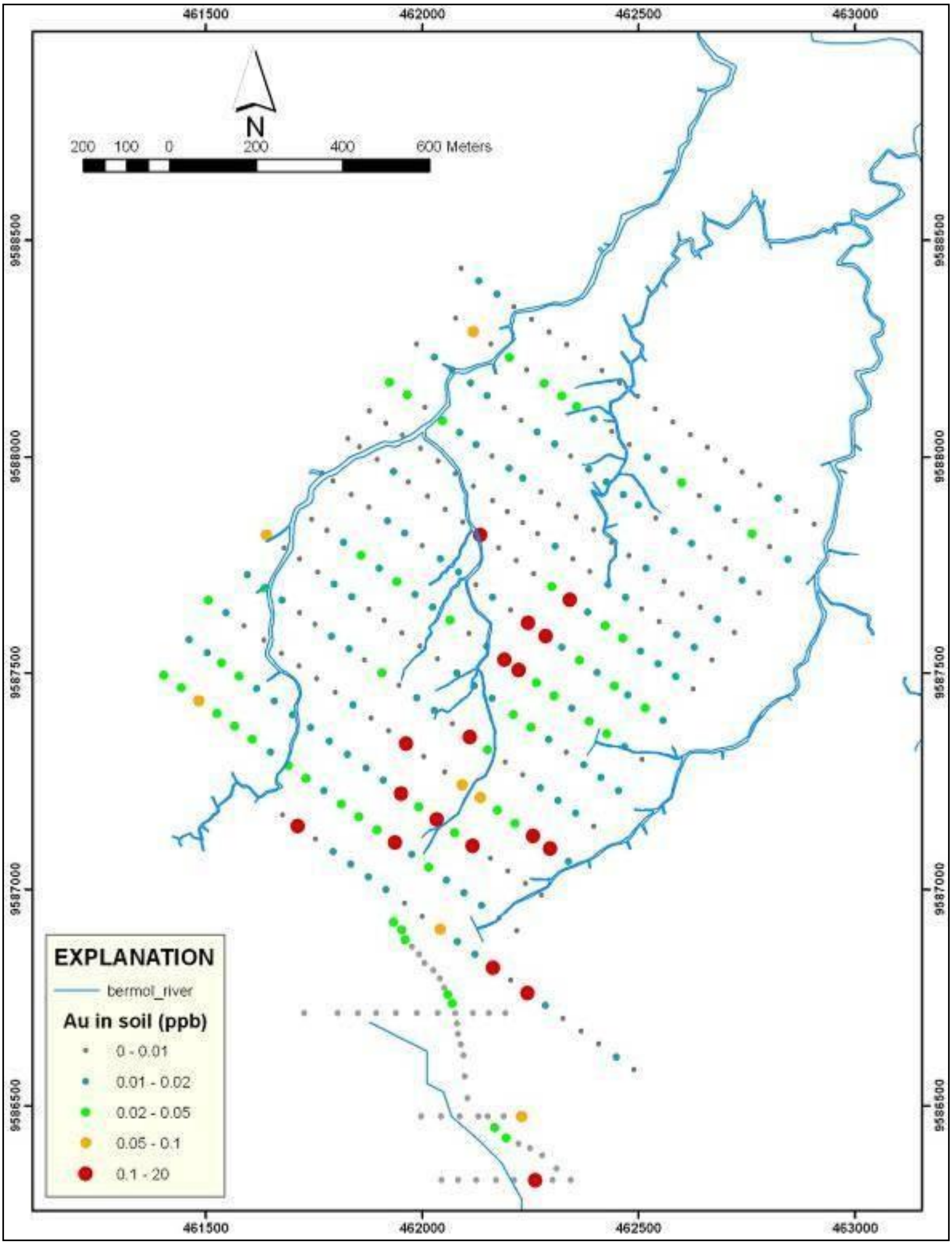
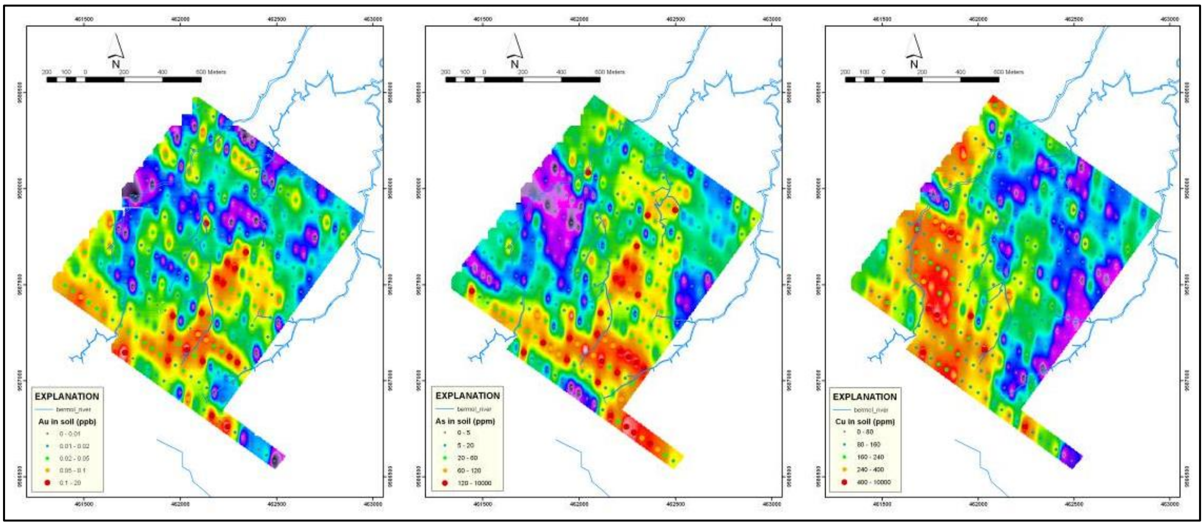


Figure 2.11 – Au, As, and Cu Images of Soil Samples From the Bermol Prospect



TRENCHING AND CHANNEL SAMPLING

Channel sampling from various mineralised occurrences within the thrust zone included 14m @ 6.91 g/t Au, 8m at 5.78 g/t Au, and 4m at 19.4 g/t Au from the southernmost part of the mineralised zone. A zone some 300 metres farther north returned 4m at 9.79 g/t Au. Other significant intercepts were returned from Bermol West, situated some 200 metres to the west of the latter zone including 10m at 5.42 g/t and 4m at 4.68 g/t Au. The mineralised zone dips shallowly to the west under a ridge.

DIAMOND DRILLING

The Joint Venture between Avocet and IMI completed seven scout holes (total depth of 771 metres) (see Figure 2.12). Drilling focussed on the core part of the Bermol Prospect, which has an NS extent of 400 metres. The program did not test the potential southern extension of the system or the known northern extension to North Bermol.

All holes intersected the mineralised structure, except BRD002, which was terminated before reaching the target depth. The best results (Table 2.4) included: BRD001 (5m @ 5.40 g/t Au from 16 metres depth) and BRD003 (5m @ 4.15 g/t Au from 46 metres). The 6 boreholes intersected the mineralised structure with apparent true widths ranging from 1m to 7 m.

Figure 2.12 – Bermol Prospect Geology With Drill Hole Locations and Summary Results

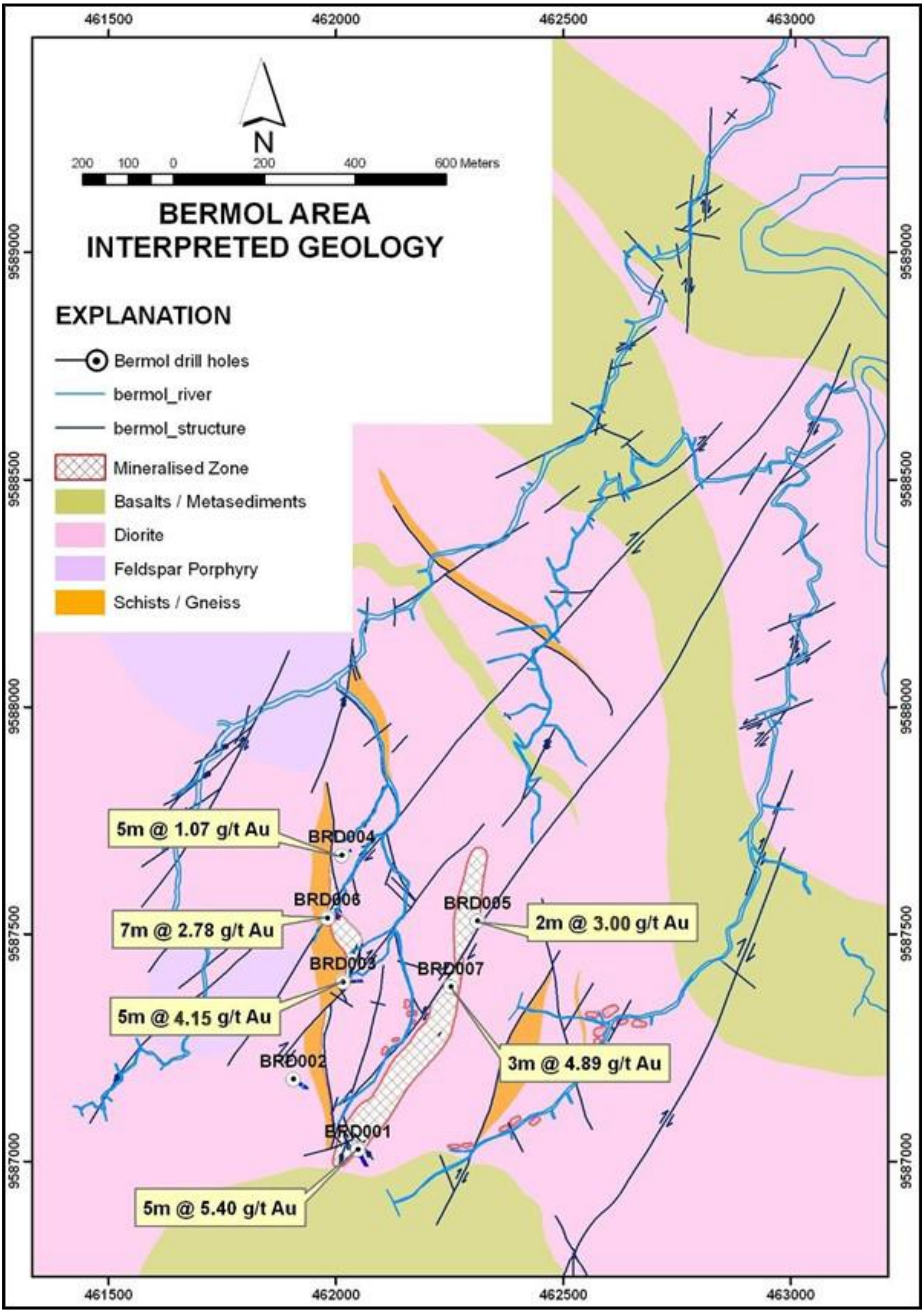


Table 2.4 – Significant Drill Hole Intercepts From the Scout Drill Program at Bermol (0.5 g/t Au Cut-Off, 15 g/t Au Top Cut, Maximum Internal Waste of 2m)

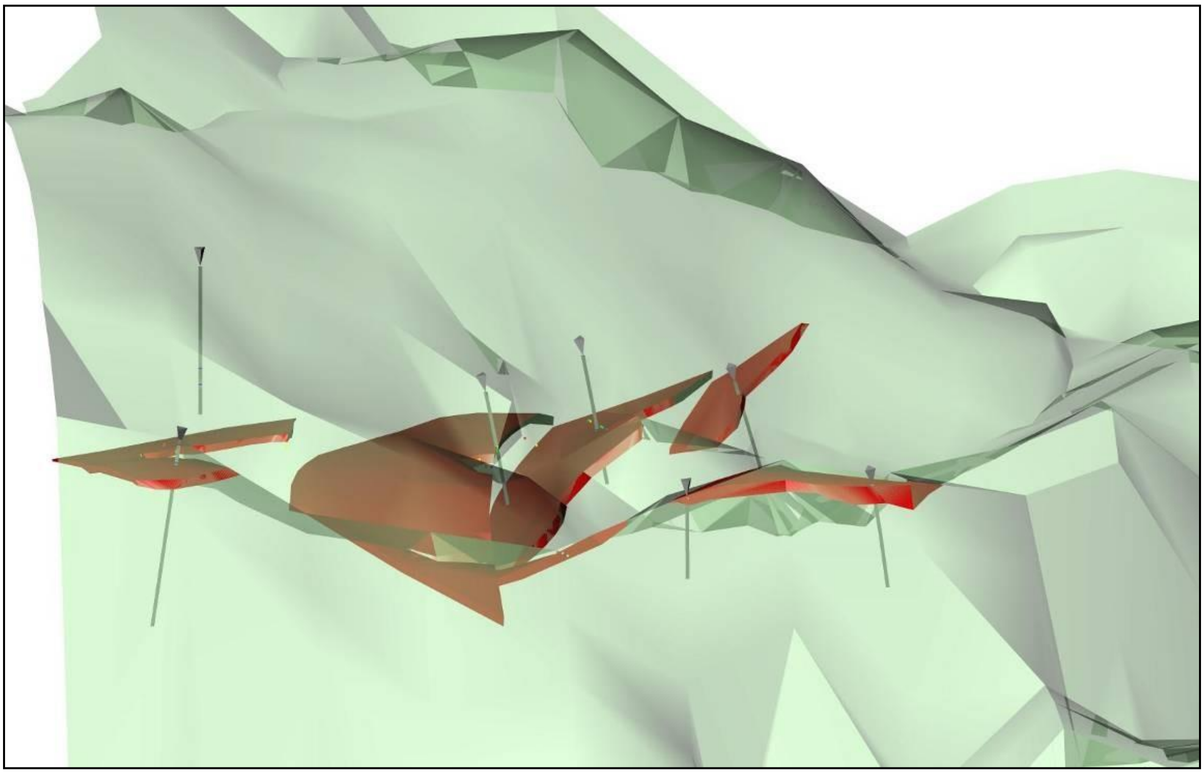
Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
BRD001	462,049	9,587,026	878	151	-75	151.0	16.0	21.0	**5.0**	**5.40**	**Incl. 2m @ 11.8 g/t Au from 17m**
BRD003	462,000	9,587,400	762	85	-70	127.9	46.0	51.0	**5.0**	**4.15**	
BRD004	462,014	9,587,674	638	58	-72	98.1	12.0	17.0	**5.0**	**1.07**	
BRD005	462,312	9,587,529	767	60	-78	94.0	2.0	4.0	**2.0**	**3.00**	
BRD006	461,982	9,587,536	705	80	-70	111.5	65.0	72.0	**7.0**	**2.78**	**Incl. 4m @ 4.15 g/t Au from 66m**
BRD007	462,254	9,587,384	785	115	-80	100.0	0.0	3.0	**3.0**	**4.89**	

Note: - Individual gold assays were cut to 15 g/t Au for intercept calculations.
- All holes are drilled from the surface using conventional triple-tube diamond drilling techniques. Core recoveries exceeded 90% for all mineralised intervals reported.

METALLURGY

Preliminary metallurgical work by Placer confirmed high arsenic levels in the ore ranging up to the percent level. Despite this, bottle roll tests indicated 80% recovery. It is expected that more detailed tests would likely identify a process with higher gold recoveries.

Figure 2.13 – 3D View to the West of the Bermol Deposit Model (Faulted, Mineralised Wireframes in Red)



2.2.3 MAFI PROSPECT

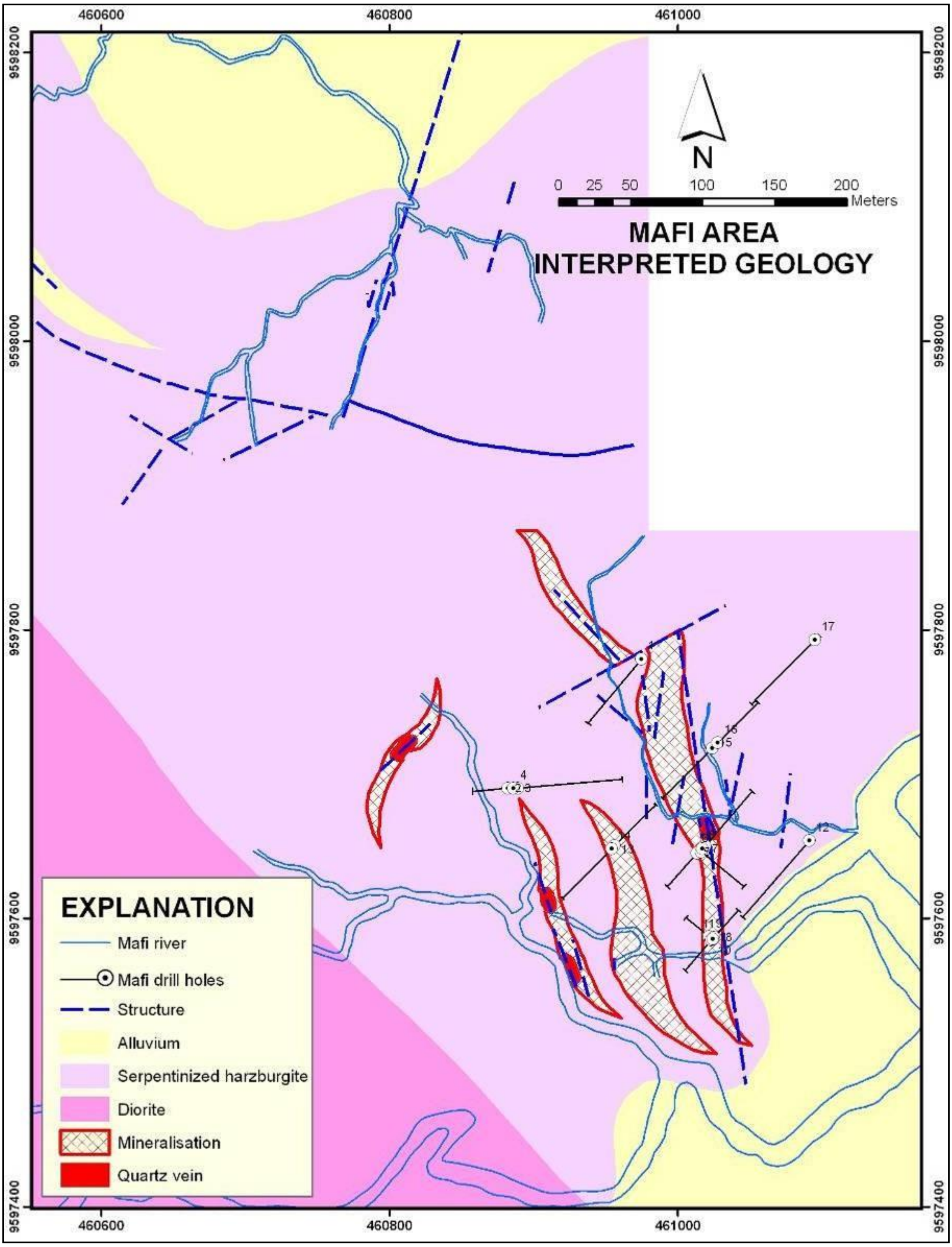
The Mafi Prospect is located 15 kilometres east-northeast of the Sua Prospect and approximately 7 kilometres to the southeast of the Tekai Base Camp, in the northeastern corner of the Idenburg Exploration COW. It is a one-hour walk from the main road near Nambla Village.

Mafi was discovered in August 1995 on the first day of the regional drainage sampling program with the sampling of the main outcrop returning 4.3 g/t Au. Follow-up mapping and sampling in 1997 and 1998 identified numerous gold-bearing gossans along a 5-kilometre segment of the trace of a northwest-trending thrust structure marked by dismembered ophiolite slices in the Mafi River Valley (Figure 2.14).

MINERALISATION

Gold mineralisation at Mafi occurs in the oxidised, silicified ultramafics in vuggy, brecciated sulphide-quartz veins, which form a shallow (10º to 40º) west-dipping tabular zone. The description of the mineralisation suggests epithermal affinities. If the mineralisation coincides with a thrust, steeper feeder zones may be present either beneath the thrust, particularly if the mineralisation is restricted laterally. Outcropping mineralisation has been traced sporadically over a distance of 6 kilometres and possibly continues further south along the Mafi River Thrust Fault to Bermol, 15 kilometres to the south.

Figure 2.14 – Mafi Prospect Geology With Drill Hole Locations



SOIL SURVEYS

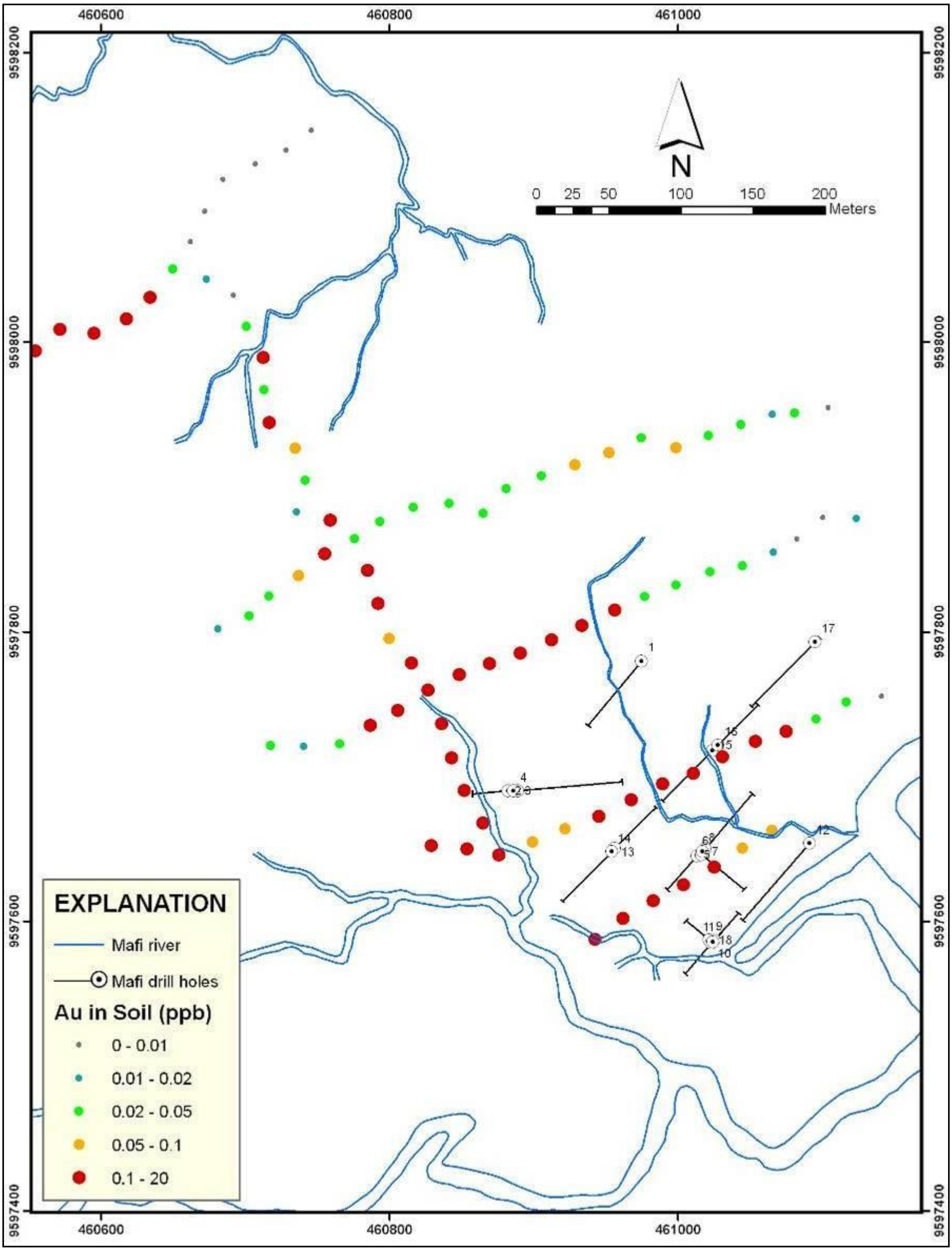
Soil sampling in Mafi was conducted by IMI shortly before the commencement of drilling in 2000 (Figure 2.15). The sampling pattern follows an NNW-oriented baseline over a length of 550 metres. Assay results of the samples demonstrate an >0.1 ppm Au anomaly throughout the whole length of the baseline indicating continuity of mineralisation along the strike length. Soil assays of >1 ppm Au correspond to the area of outcropping mineralised gossans at the southern end of the baseline. These high gold values also correspond with elevated As, Cu, and Pb.

TRENCHING AND CHANNEL SAMPLING

Initial rock chipping of 16 scorodite and fuchsite bearing gossans in a 500 metre by 150 metre segment in the hanging wall of the thrust zone returned gold assay results ranging from 5.23 g/t Au to 33.4 g/t Au, with a best channel chip sample of 7m at 26.7 g/t Au. Extensions to the Mafi Prospect were suspected 500 metres to the southeast where a 737 g/t Au gossanous float sample was collected in Ulitai Creek. Follow-up prospecting in 2000 located a narrow 10 cm pyrite-quartz-chalcopyrite outcropping vein that assayed 1,018 g/t Au.

Subsequent 2001 investigations collected highly anomalous channel samples from the Mafi Prospect, including 8m at 11.0 g/t Au, 5.5m at 7.23 g/t Au, 3m at 5.47 g/t Au, 10m at 1.58 g/t Au, 1m at 16.2 g/t Au and 1m at 7.42 g/t Au. Rock chip samples returned anomalous values in the range 0.005 to 14.9 g/t. Based on the available data, a Resource potential of 1 Mt at an average grade of 5 g/t was estimated, for a potential 160,000 oz, though much of this was considered likely to be supergene.

Figure 2.15 – Mafi Prospect - Soil Sample and Drill Hole Locations



DIAMOND DRILLING

IMI conducted a 23-hole (1,642 metre) diamond drilling program on the Mafi Prospect in 2000. This focussed on an area of 200 metres by 600 metres. Six holes drilled from two drill pads intersected near-surface, low-angle mineralised quartz veins and veinlets covering an area of 100 metres by 400 metres with an average thickness of 10 metres. Table 2.5 summarises the significant drill hole intercepts.

Table 2.5 – Significant Drill Hole Intercepts From the Drill Program at Mafi (0.5 g/t Au Cut-Off, 50 g/t Au Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
002MD00	461,033	9,597,594	254	224.9	-60	56.6	0.0	2.0	**2.00**	**0.88**	
							6.0	8.0	**2.00**	**0.52**	
003MD00	461,035	9,597,596	254	44.9	-60	50.3	0.0	15.5	**15.50**	**2.27**	
							29.0	31.0	**2.00**	**0.75**	
005MD00	460,962	9,597,662	282	44.9	-60	80.1	4.0	16.0	**12.00**	**1.02**	
007MD00	461,036	9,597,733	282	115	-78	81.9	2.0	3.0	**1.00**	**0.80**	
014MD00	461,007	9,597,651	283	4.9	-90	72.8	6.0	18.6	**12.60**	**8.01**	**Incl. 1.25m @ 25.7 g/t Au from 15.75m**
015MD00	461,008	9,597,652	283	49.9	-60	99.7	4.0	6.0	**2.00**	**0.50**	
							12.0	20.0	**8.00**	**2.72**	**Incl. 2m @ 6.96 g/t Au from 12m**
016MD00	461,006	9,597,650	283	224.9	-60	63.0	13.0	15.0	**2.00**	**0.80**	
							19.0	21.0	**2.00**	**0.53**	
							49.0	51.0	**2.00**	**0.55**	
017MD00	461,009	9,597,648	283	134.9	-60	74.5	4.0	10.0	**6.00**	**2.99**	**Incl. 2m @ 7.50 g/t Au from 6m**
							14.4	22.5	**8.10**	**7.50**	**Incl. 1.4m @ 16.3 g/t Au from 18m**
							54.0	56.0	**2.00**	**0.50**	
018MD00	461,034	9,597,597	254	314.9	-60	41.4	0.0	10.5	**10.50**	**1.55**	
019MD00	461,034	9,597,596	254	4.9	-90	22.2	0.0	14.0	**14.00**	**1.53**	

Note: - Individual gold assays were cut to 50 g/t Au for intercept calculations.

- All holes were drilled from the surface using conventional triple-tube diamond drilling techniques. Core recoveries exceeded 90% for all mineralised intervals reported.

METALLURGY

There has been no metallurgical test work at Mafi, but the mineralisation is similar to Bermol, so a similar high recovery is expected.

2.3 OTHER PROSPECTS

2.3.1 SELIA PROSPECT

The Selia Prospect is located approximately 4 kilometres west of Sua. It is adjacent to the Trans-Irian Highway (Figure 1.3).

GEOLOGY AND MINERALISATION

Selia possesses similar geology and structures with the Sua Prospect, albeit with much narrower (<1m) mineralised zones at the surface (Figure 2.16). These zones are distributed over an area of 300 metres by 800 metres.

SOIL SURVEYS

Ridge and spur soil sampling was conducted over an area of 500 metres by 1,000 metres to guide the search for poorly exposed mineralisation.

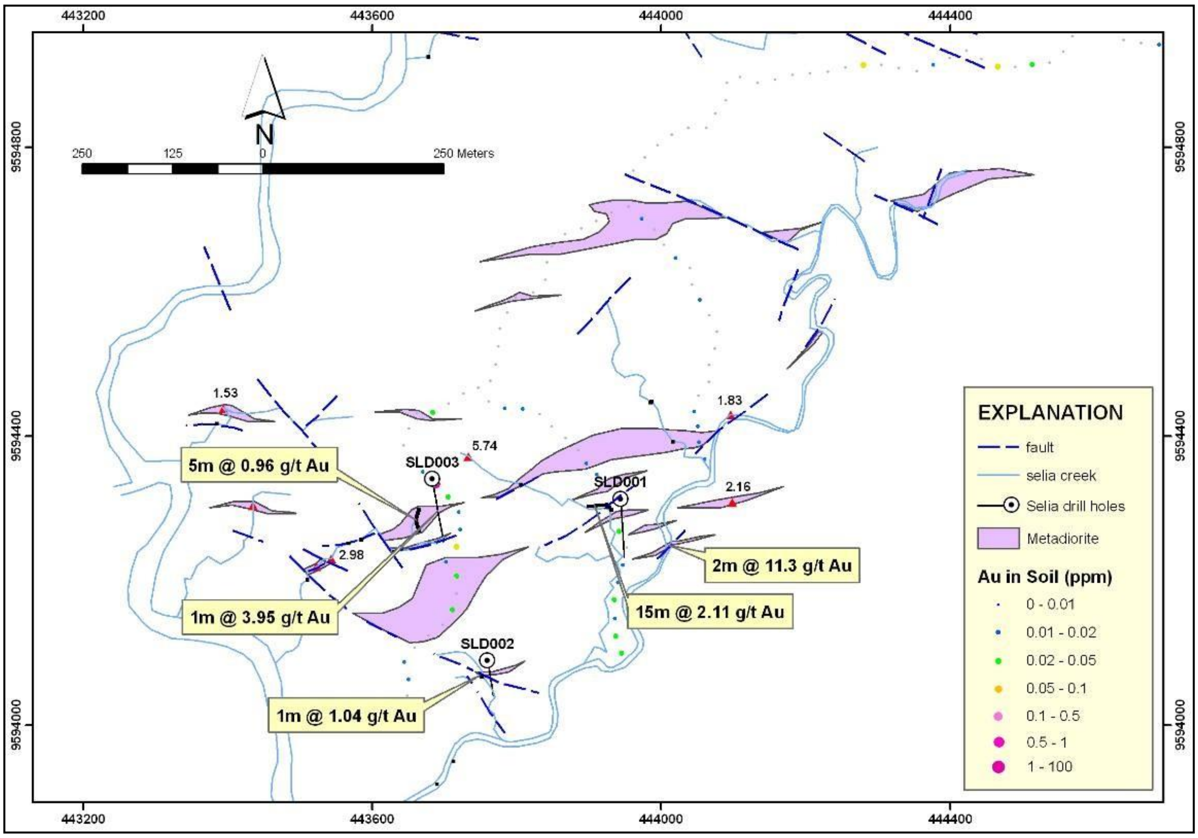
TRENCHING AND CHANNEL SAMPLING

Channel samples were taken from the limited exposures. The results were used as a primary guide for test drilling. Significant assay returns included 15m @ 2.11 g/t Au, 5m @ 0.96 g/t Au, 1m @ 3.95 g/t Au, 2m @ 11.3 g/t Au, and 1m @ 1.04 g/t Au. Rock chip and float samples also returned significant assays of 10.5 g/t Au, 8.47 g/t Au, 6.5 g/t Au, and 2.86 g/t Au. The highest-grade rock chips tend to carry elevated silver and copper and slight to highly elevated arsenic values.

DIAMOND DRILLING

Three scout drill holes were completed at Selia (Figure 2.16) to test the continuity of ENE and NE trending zones of mineralisation delineated by detailed geologic mapping and channel sampling. The mineralisation style at Selia appears similar to that observed within the Sua Prospect.

Figure 2.16 – Location of the Drill Holes Within the Selia Prospect and Related Soil and Rock Geochemistry



Both SLD001 and SLD003 failed to intercept any mineralised zones. This suggests that the projected zones of mineralisation based on surface sampling lack sufficient lateral and vertical continuity to be of economic benefit.

2.3.2 SIKRIMA PROSPECT

Sikrima or Afley Prospect is located 4.5 kilometres west of Sua on the western margin of the Palaeozoic basement rocks (Figure 1.3). The prospect is immediately to the southwest of the Selia Prospect and may be the extension of the same NE trending structure mapped at Selia.

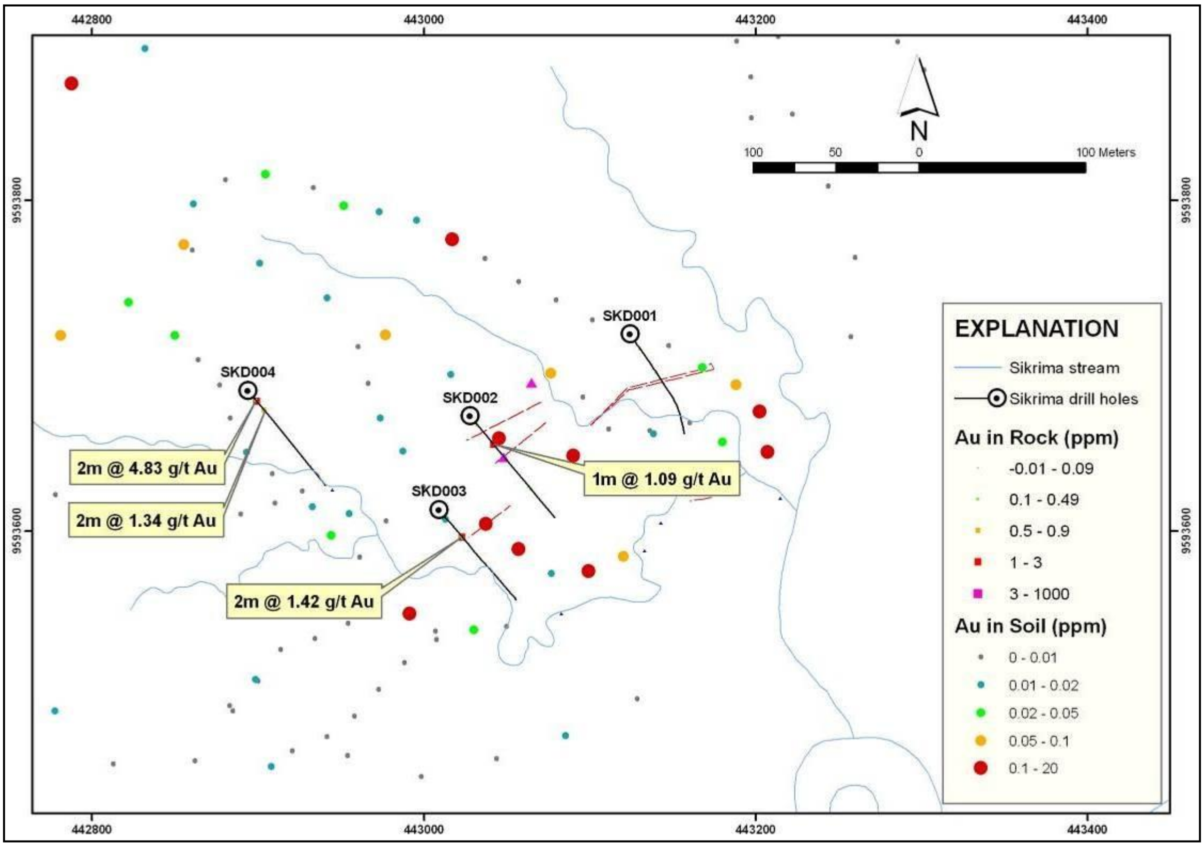
Regional sampling by IMI in 1998 returned float assays up to 28.6 g/t Au and outcrop results of 4.08 g/t Au from a drainage with a panned concentrate anomaly of 3,694 microns of gold (i.e., they were able to pan over 3.5 mg of gold in one dish).

GEOLOGY AND MINERALISATION

Geological mapping at Sikrima identified narrow (~1 metre) quartz-sulphide veins at the northeastern section of the prospect area. The veins exhibit features of an orogenic gold deposit such as strong deformational texture suggestive of formation in the brittle-ductile transition.

The mineralised lodes (Figure 2.17) trend ENE with gentle dips to the NW. The location, structural orientation, and the nature of the veins indicated that Sikrima and Selia may be part of one mineralised system that is probably of the same origin and age as the Sua mineralisation.

Figure 2.17 – Summary Map of Sikrima Prospect Showing the Quartz Lodes, Trenching, Soil Samples, and Rock Samples



SOIL SURVEYS

The Sikrima section is covered with soil samples over an area of 600 metres by 600 metres. The results show a cluster of >0.1 ppm Au over the area where mineralised veins occur. Lateral dispersion of gold anomalies is suspected, as some elevated values occur downslope from the veins.

TRENCHING AND CHANNEL SAMPLING

Outcropping vein segments at Sikrima have returned significant channel assays including 3m @ 13.0 g/t Au, 2m @ 12.1 g/t Au, 1m @ 81.7 g/t Au, 0.3m @ 166 g/t Au, 0.30m @ 102 g/t Au; and rock chips of 210 g/t Au and 71.8 g/t Au. The assay results are quite impressive although the veins, as observed on the surface, are limited in width and strike extent. Structures appear to have been poorly developed unlike in Sua. Diamond drilling was, however, necessary to check whether there was an improvement in the width of the mineralised zones at depth.

DIAMOND DRILLING

Four drill holes (598.3 metres) were drilled at the Sikrima (Afley) Prospect to validate the continuity of sub-parallel ENE trending mineralised zones. Difficult ground conditions resulted in 28 HQ-sized rods (84 metres in length) not being recovered in holes SKD001 and SKD002 (14 rods each).

SKD002, SKD003, and SKD004 returned significant assay results within narrow 1 to 2 metre wide intercepts (Table 2.6). The lack of down-dip and strike continuity of mineralised horizons suggests that the mineralised zones are narrow, discontinuous, and of limited tonnage potential. Assay results were also lower grade than what the surface samples indicated, suggesting considerable supergene enrichment at the surface.

Table 2.6 – Significant Drill Hole Intercepts from the Drill Program at Sikrima (0.5 g/t Au Cut-Off, No Top Cut, Maximum Internal Waste of 2m)

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
SKD002	443,028	9,593,670	309	140	-60	155.0	43.0	44.0	**1.0**	**1.09**	
SKD003	443,009	9,593,613	304	140	-60	149.0	44.0	46.0	**2.0**	**1.42**	
SKD004	442,894	9,593,685	336	140	-60	151.8	4.0	6.0	**2.0**	**4.83**	
							16.0	18.0	**2.0**	**1.34**	

Note: - Individual gold assays are uncut for intercept calculations.

- All holes were drilled from the surface using conventional triple-tube diamond drilling techniques. Core recoveries exceeded 90% for all mineralised intervals reported.

While the drilling results have been disappointing, follow-up exploration along the northeast strike extent is warranted to follow up on mineralised float given the highly positive trench sample results.

2.3.3 KWAPLU PROSPECT

The Kwaplu Prospect describes the ridge that divides the Sua and Afley drainage catchments (Figure 1.3). The area was not tested by drilling, despite the highly anomalous gold in soil found along a 125-metre segment of the ridge. As the prospect is located on a ridge at a much higher elevation than both Selia and Sikrima, it may host the up-dip or en-echelon equivalent of the Selia-Sikrima structure.

GEOLOGY AND MINERALISATION

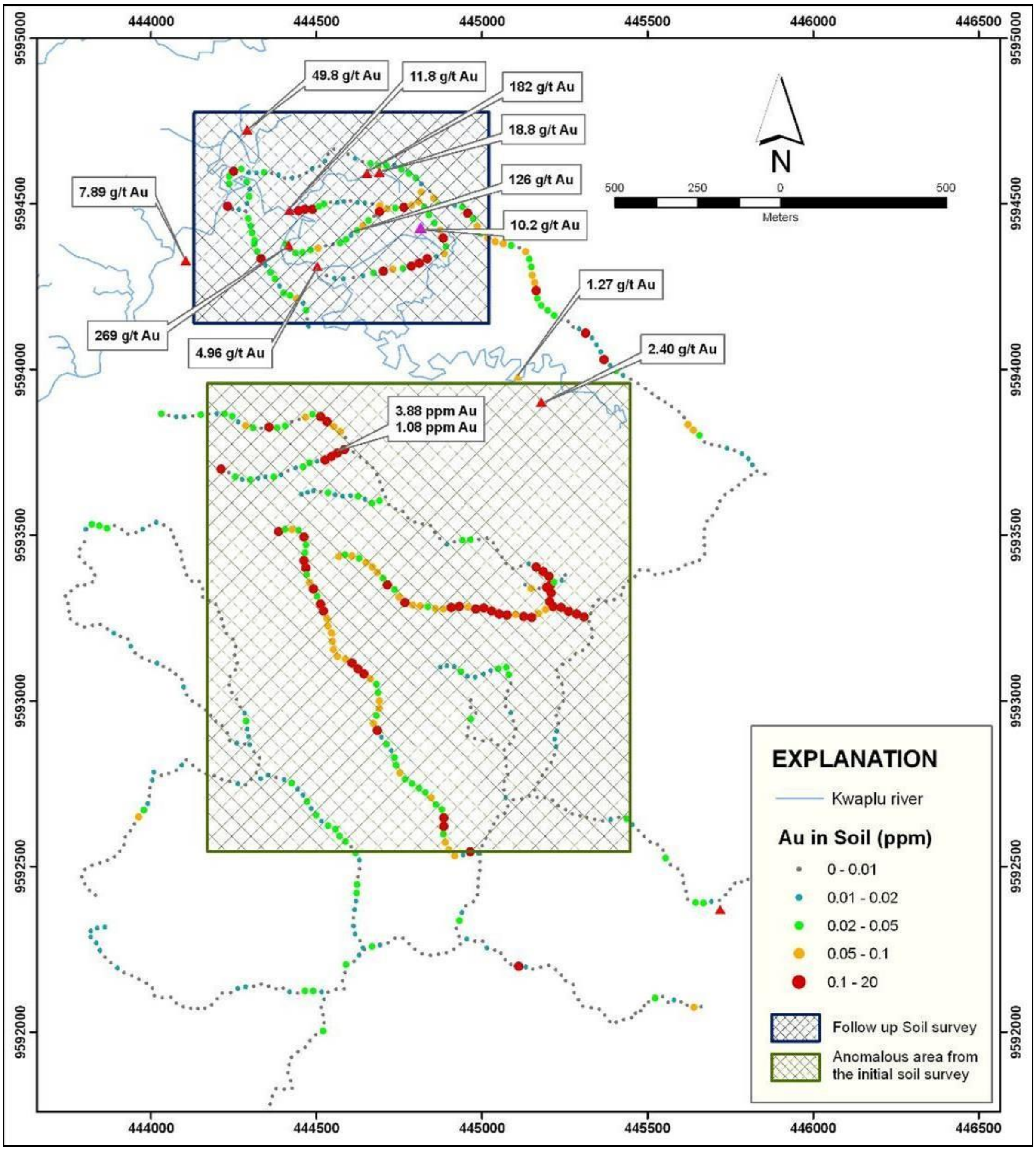
The geology is the same as that described for Sua and the area is underlain by variably altered amphibolites and diabase/basalt rocks. Mapping has delineated discontinuous outcrops of narrow quartz-sulphide veins and veinlets in the creeks that returned assays of > 10 g/t Au. A mineralised rock float from a nearby new landslide area gave an assay value of 11.8 g/t Au indicating the projected continuity of the vein up-dip into the opposite slope. The main ridge line of this opposite slope had anomalous gold in soil values, which also suggests the continuity of the structure.

SOIL SURVEYS

Two soil sampling programs covered the prospect area. The first program was part of the soil sampling over a wide area between Sua and Sikrima. This program identified several >0.1 ppm Au soil assays on the Kwaplu Ridges, which defined an anomaly that is larger than that at Sua (Figure 2.18). The core of the anomaly is delineated by five adjacent soil samples with gold values ranging from 1.43 ppm Au to 3.55 ppm Au over a 125-metre segment of the ridge.

A follow-up soil sampling program along 3,180 metres was conducted at the northwestern section of the Kwaplu Ridge toward the Selia Prospect. This program assessed the potential extension of the original anomaly to the northwest where previous work had collected rock floats assaying 7.09 g/t Au, 49.0 g/t Au, and 260 g/t Au. Results confirmed and defined the original anomaly as an approximate 100 metre-wide strip across three ridge lines characterised by peak gold anomalies of 1.08 ppm and 3.88 ppm over the main Kwaplu Ridge.

Figure 2.18 – Location Map and Results of the Initial and Follow-up Ridge-and-Spur Soil at Kwaplu. Some Selected Rock Chip and Rock Float Samples (in the Triangle) were Highlighted



TRENCHING AND CHANNEL SAMPLING

There was no systematic trenching and channel sampling conducted in the prospect area. Rock chip samples were collected in the course of mapping the creeks at the northwestern section of Kwaplu. The rock chip samples returned significant assays (>10 g/t Au) from outcropping narrow veins.

DIAMOND DRILLING

There has been no diamond drilling. The calibre of the soil anomaly and grade of float coming off the area warrants a significant scout drilling program.

2.3.4 HULU SUA (LANDSLIDE) PROSPECT

The Hulu Sua or Landslide Prospect (Figure 1.3) is the northeastern catchment area in the headwaters of the Sua River. The prospect area can be reached in 30 minutes by foot from the Sua Prospect along the Sua River. This catchment basin was identified as anomalous from previous regional and follow-up stream sediment surveys.

LOCAL GEOLOGY

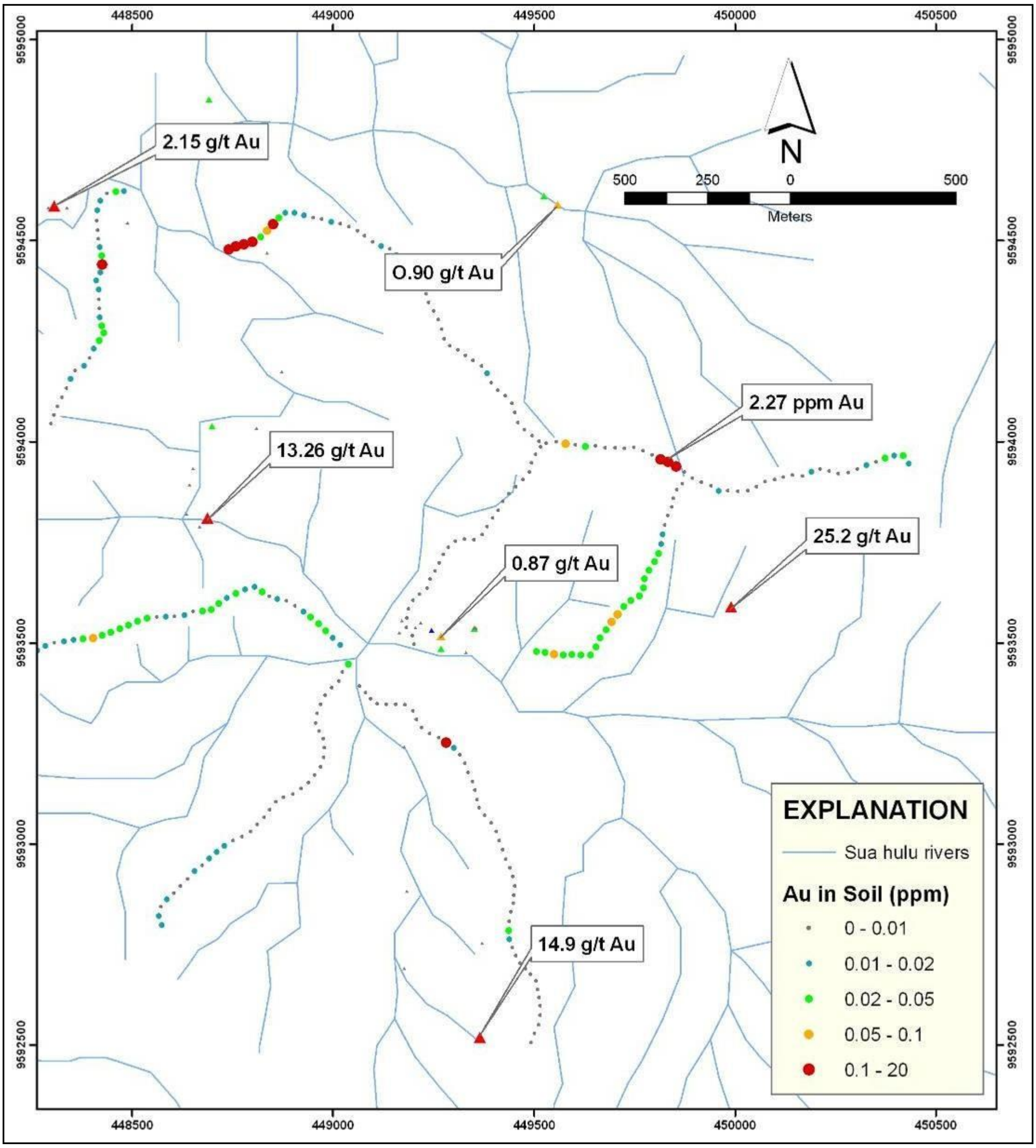
Similar to Sua, the area is underlain by variably altered amphibolites and diabase/basalt rocks. Outcrops are scarce and have been obscured by materials from the landslide. Little is known about the structure at the prospect scale, but it is possible that this is the easternmost example of an en-echelon shear within the regional, EW-trending Sua-Afley Shear Zone confirming the gold mineralisation associated with this structure.

Early mapping during the due diligence reconnaissance work found quartz-pyrite-chalcopyrite vein floats along the creek that assayed up to 25.0 g/t Au (Figure 2.19).

SOIL SURVEYS

Follow-up soil sampling with a combined transect length of 7,503 metres identified two spot gold anomalies (1.23 g/t Au and 2.17 g/t Au) straddled on both ends by >0.1 g/t Au soil anomaly values. Further detailed mapping is required to validate these soil anomalies.

Figure 2.19 – Location Map and Results of Ridge-and-Spur Soil With Highlights of Rock Float Sample Assays at the Hulu Sua (Landslide Area)



TRENCHING AND CHANNEL SAMPLING

There has been no trenching and channel sampling completed on the prospect.

DIAMOND DRILLING

The prospect is not yet at the drilling stage but is showing positive indications that drilling may be required.

2.3.5 NORTH BERMOL PROSPECT

The prospect area is situated about 3.5 kilometres north of the Bermol Prospect (Figure 1.3). It can be accessed by foot along the Mafi River from Nambla Village. The trek takes about 8 hours but can be longer if the water level along the Mafi River is high.

North Bermol was identified in 1995 by a cluster of high BLEG values and float samples (2.86 – 16.9 g/t Au) that indicated potential mineralisation over a 2-kilometre by 1-kilometre area (Figure 2.20).

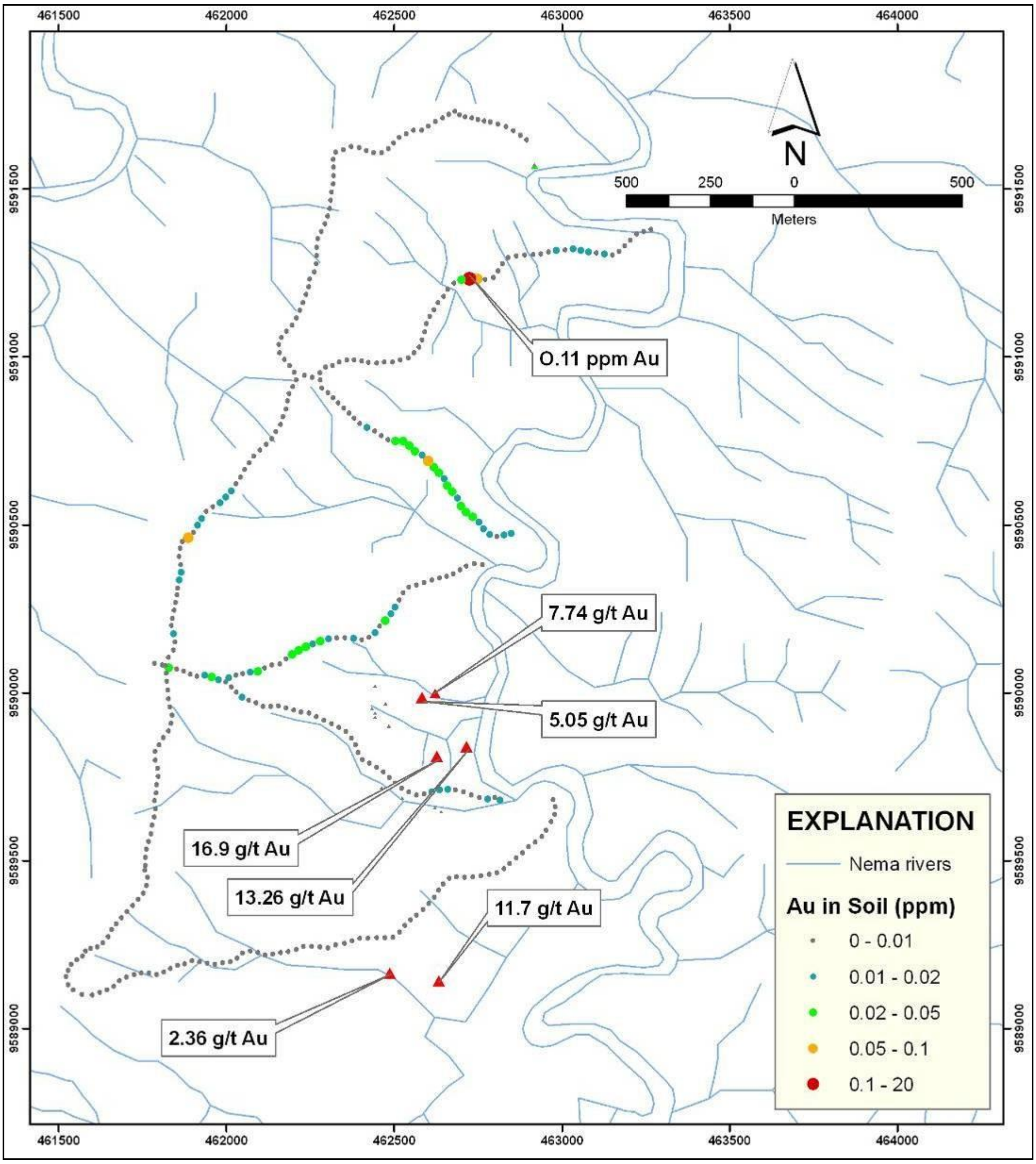
GEOLOGY AND MINERALISATION

The North Bermol Prospect is situated on the hanging wall side of the Mafi River Thrust Fault and is underlain by mafic lavas. Mineralised rock floats are in relative abundance in a tributary (16.9 g/t Au, 13.2 g/t Au and 7.74 g/t Au). The projected NW strike extensions have been validated by trenching along ridge slopes and mapped outcrops in adjoining tributaries for a strike length of roughly 400 metres.

SOIL SURVEYS

Ridge-and-spur soil sampling was undertaken over an area of 1.8 km^2 encompassing six minor tributaries whose catchment basins typically have areas less than 0.3 km^2. Preliminary soil assay results showed narrow gold anomalies on ridge line sections that appear to define a NE-trending structure.

Figure 2.20 – Location Map and Results of Ridge-and-Spur Soil with Highlights of Rock Chip and Rock Float Sampling Results from North Bermol



TRENCHING AND CHANNEL SAMPLING

Nineteen channel samples were collected along the strike length of the discovery outcrop. Three channel samples returned significant results: 1.5m @ 2.38 g/t Au, 1.4m @ 24.8 g/t Au, and 0.5m @ 0.71 g/t Au. These show the narrow thickness of the structure and, more importantly, the potential for local high grades.

2.3.6 KIMLY PROSPECT

The Kimly area is located roughly four kilometres west of Bermol (Figure 1.3). The stream sediment sampling encompassed a drainage area of 16 km^2, while regional mapping covered an area of 6,000 m^2.

GEOLOGY AND MINERALISATION

Lithologies in the Kimly area are dominated by metamorphosed sediments that are locally intruded by diabase and basaltic dykes and sills. The metasediments predominantly dip to the NE and NW and consist of massive sandstones with minor shale and siltstone interbeds. Units are locally silicified, with some individual bed units completely replaced by barren silica that exhibits extensive brittle fracturing.

2.3.7 NOVA PROSPECT

Nova can be reached from the passable section of the Trans-Irian Highway by a 1-hour walk (Figure 1.3). This prospect contains one of the best-panned concentrate results in the Project Area based on Barrick's work. In addition, thumbnail-sized nuggets were dredged by IMI.

GEOLOGY AND MINERALISATION

The Nova Prospect is underlain by basalt, volcanic breccia, and metasedimentary rocks intruded by gabbro and lies at the northern margin of a regional EW-trending magnetic high.

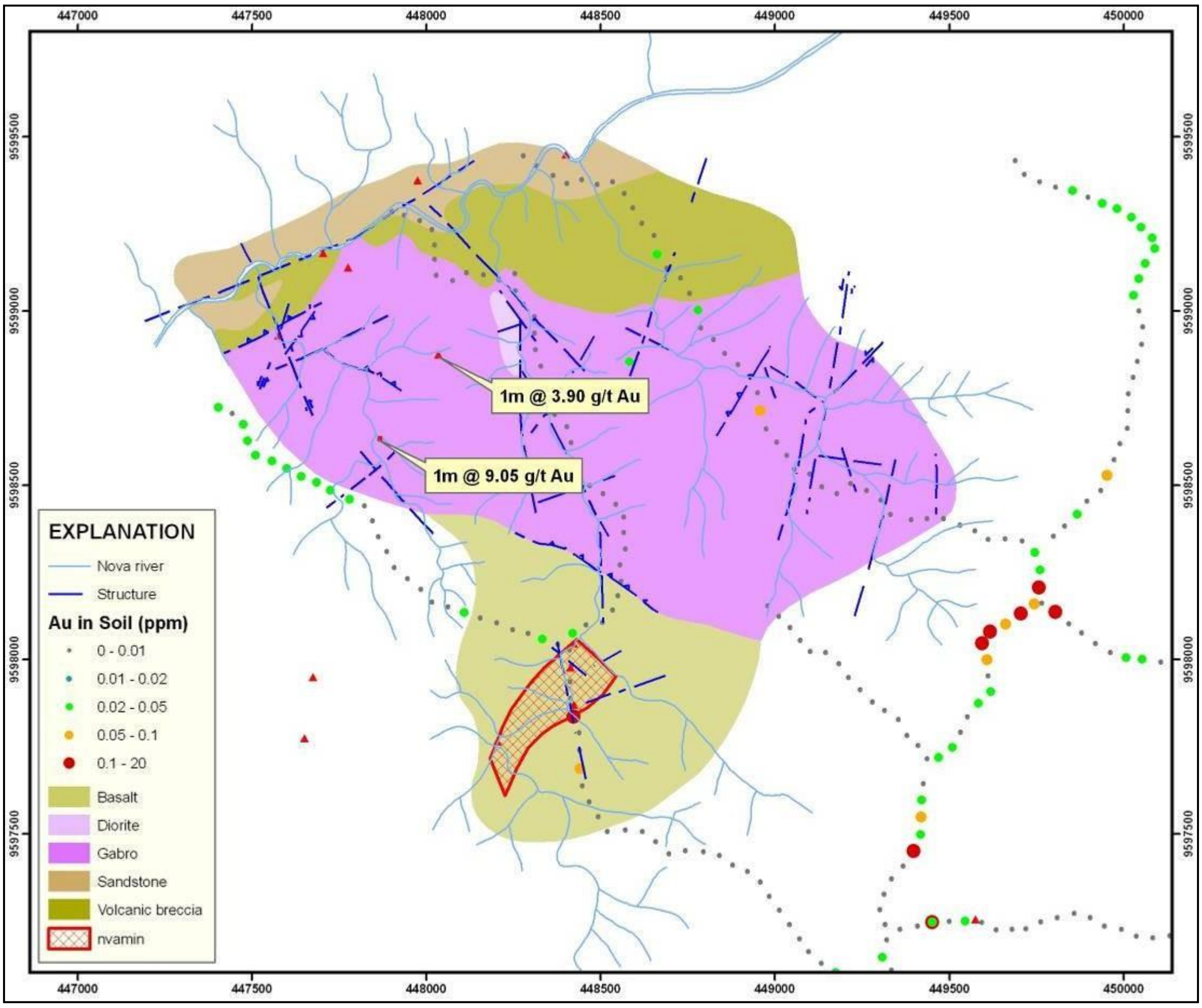
SOIL SURVEYS

Soil sampling was conducted over a large area at Nova that extends to the adjacent catchment at Nomura. Results of the sampling identified a cluster of anomalous gold values (>0.1 ppm Au) over a 300-metre segment of the Nova Ridge (Figure 2.21).

TRENCHING AND CHANNEL SAMPLING

IMI collected 16 rock and 12 channel samples taken during the initial evaluation phase. Of these, only two samples yielded significant assays – 1m @ 3.90 g/t Au and 1m @ 9.06 g/t Au.

Figure 2.21 – Nova Prospect Geology and Summary Assays



2.3.8 KALI KAE PROSPECT

Kali Kae is situated approximately 5 kilometres east-northeast of Sua and may lie on an extension of the ENE-striking shear zone seen at Sua (Figure 1.3). It is within the eastern margin of the regional magnetic high. Access to Kali Kae is through the Usku River where the prospect can be reached by a 2-hour walk from Usku Village.

GEOLOGY AND MINERALISATION

This prospect is highlighted by a single rock float sample assaying over 60 g/t Au collected during one of the early IMI programs.

Follow-up work traced the high-grade float sample to a zone of silica-sericite alteration in a tributary of Kali Kae. Samples from this outcrop and of other floats in the area did not return significant results. Of the 26 samples taken, only one float sample returned anomalous results – 1.26 g/t Au and 0.36% Cu.

Kali Kae had been given a lower priority by this limited work, but the review has by no means exhausted further work that is required. Future work should include a detailed review of drainage sample data to conduct a follow-up drainage sampling program.

2.3.9 TEKAI PROSPECT

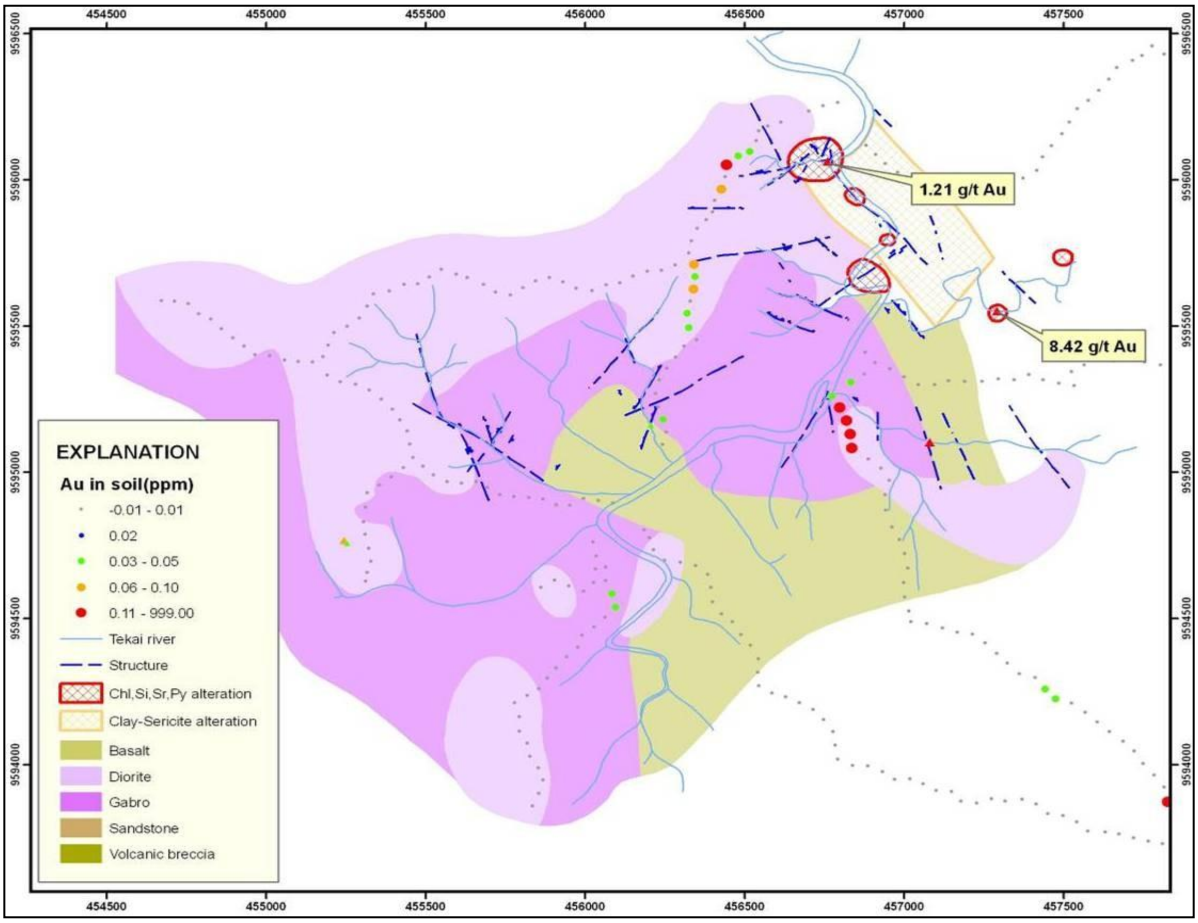
This prospect is located 10 kilometres to the east-northeast of Sua and 7 kilometres south of the base camp and can be reached in two hours by foot (Figure 1.3).

The Tekai Prospect was initially identified during the 1995 reconnaissance program when quartz rock float assayed up to 16 g/t Au. The best results from vein outcrops sampled 800 metres apart along the thrust were 58.2 g/t Au and 79.8 g/t Au.

GEOLOGY AND MINERALISATION

Tekai appears to lie on an east-northeast trending drainage lineament that extends into the Mafi Prospect. The Tekai Prospect area is underlain by basalt, gabbro, and diorite with a limited area of tuff (Figure 2.22).

Figure 2.22 – Tekai Prospect Geology



A 200 metre by 600 metre wide, NNW-trending zone of clay-sericite alteration with local silicification was mapped in the northeastern section of the area. However, rock sampling of quartz veins and silicified rocks returned only two anomalous values of 8.42 g/t Au and 1.21 g/t Au in rock chips.

SOIL SURVEYS

Soil sampling was conducted over a large area at Tekai, measuring 2 kilometres by 3 kilometres. This identified only one significant anomaly, which is a cluster of >0.1 ppm Au samples along a 250-metre spur segment (Figure 2.22). Follow-up rock sampling did not locate any significant bedrock mineralisation.

A strong copper in soil anomaly occurred in the south of the Tekai Prospect where assays for 10 adjacent ridge soil samples ranged from 234 ppm to 504 ppm Cu over a 500-metre interval. This ridge soil Cu anomaly is coincident with anomalous Cu stream sediments and prominent aeromagnetic features.

2.3.10 ANDRE PROSPECT

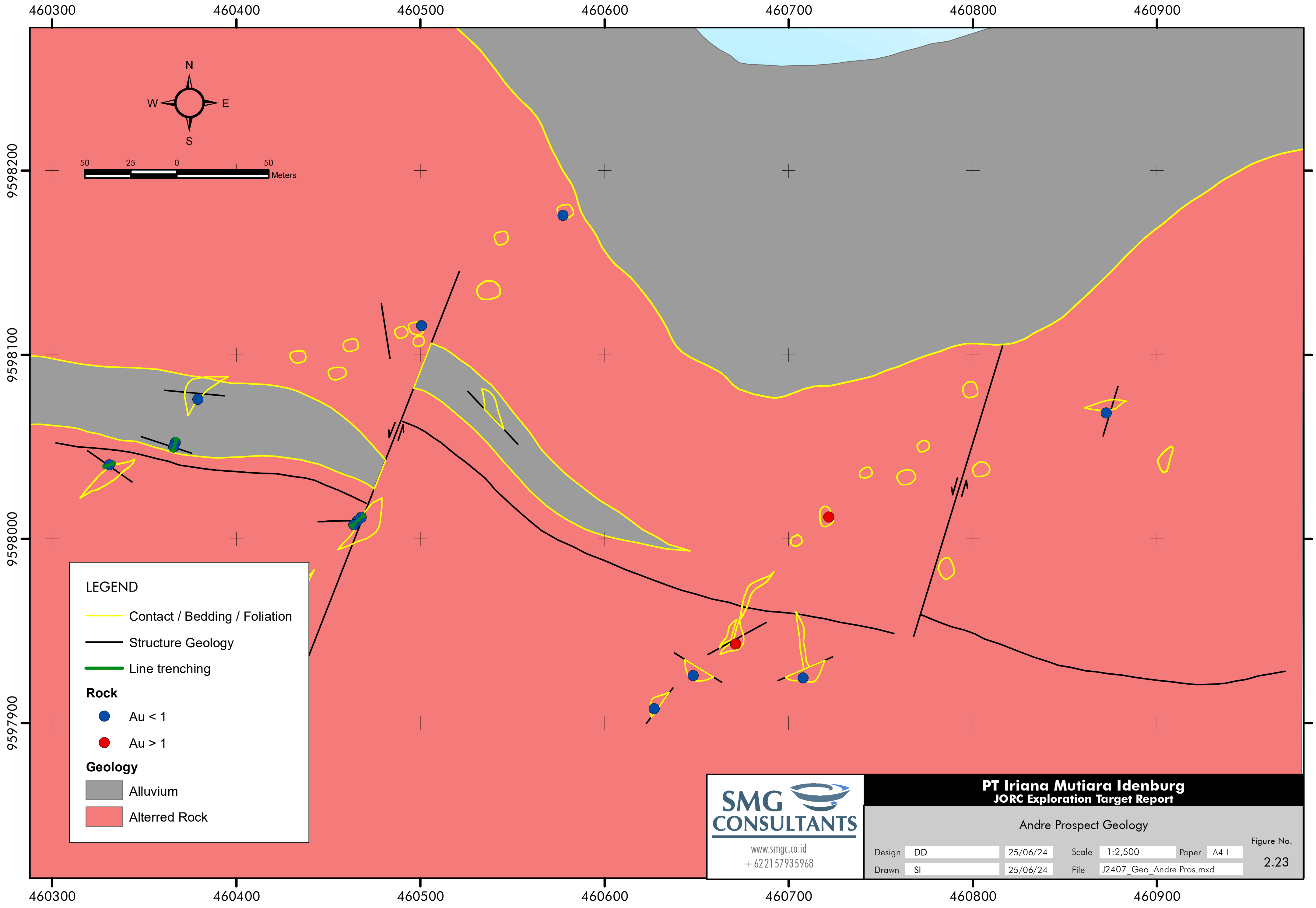
The Andre Prospect is located to the northeast of the PT Mutiara Iriana Idenburg Exploration COW. The Andre Prospect can be reached by tracking/walking from the last Trans-Irian Road in one hour and is located 5 kilometres southeast of the PT Mutiara Iriana Idenburg Camp.

GEOLOGY AND MINERALISATION

The Andre Prospect is underlain by altered basement rock and alluvium deposits. These lithological strata extend in a west-east direction and are cut by northeast-southwest sinistral faults. The mineralization traced by rock float and rock chip has the lineament of mineralization trace in a northeast–southwest direction.

ROCK SAMPLING

Mapping and sampling at the Andre Prospect produced a geological map with 15 samples, consisting of 3 float samples, 6 channel samples, and 6 rock chip samples. Indications from these samples showed that there were anomalous Au grades detected in 3 locations with the highest grade being 5.89 ppm.



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Line trenching
Rock
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Au > 1
Geology
Alluvium
Alterred Rock
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PT Iriana Mutiara Idenburg
JORC Exploration Target Report
Andre Prospect Geology
Design DD 25/06/24
Drawn SI 25/06/24
Scale 1:2,500
Paper A4 L
File J2407_Geo_Andre Pros.mxd
Figure No.
2.23

2.3.11 NOMURA PROSPECT

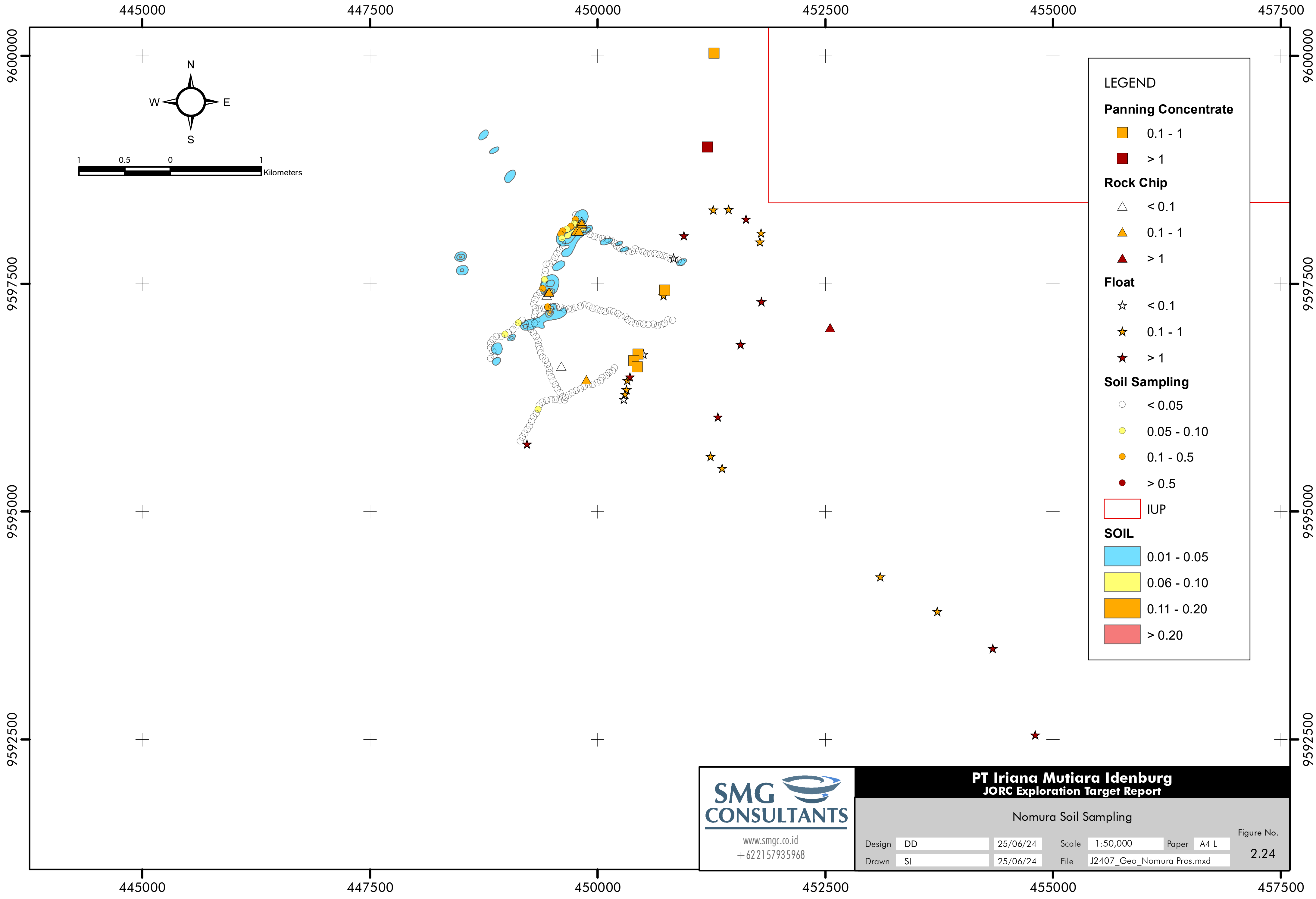
The Nomura Prospect is located in the northwest section of the PT Mutiara Iriana Idenburg IUP. The Nomura Prospect can be reached by tracking/walking from the last Trans-Irian Road in 1 hour and is located 12 kilometres southwest of the PT Mutiara Iriana Idenburg Camp.

GEOLOGY AND MINERALISATION

There is no information regarding lithological data in the Nomura Prospect but from the closest prospect (Nova) the location is underlain by basalt, volcanic breccia, and metasediment rock intruded by gabbro. The mineralization was traced by rock float, soil sampling, panning sample concentrate, and float samples. Some of these samples showed an anomalous high grade of Au >1 ppm.

ROCK AND SOIL SAMPLING

159 soil samples were collected at the Nomura Prospect, while 36 rock samples were taken, consisting of: 11 rock chip samples, and 25 rock float samples. From these samples, anomalous Au grades were detected. A rock chip sample produced the highest grade of 62.3 ppm Au.



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Soil Sampling
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IUP
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PT Iriana Mutiara Idenburg
JORC Exploration Target Report
Nomura Soil Sampling
Design DD 25/06/24
Drawn SI 25/06/24
Scale 1:50,000
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3. EXPLORATION HISTORY

3.1 DISCOVERY AND EXPLORATION HISTORY

The Mutiara Iriana Idenburg project covered 82,736 km^2 in a highly prospective area and was explored through a series of joint ventures by some of the world's largest gold producers including Barrick, Battle Mountain, Cyprus Amax, Placer Dome, Kennecott, Freeport, Newmont, and others (Table 3.1). After forty years of exploration, the best 1.2% of the area (952.8 km^2) now remains. Of the focus area only 30% has been explored in detail leaving significant potential for discovering additional mineralisation and possibly high-grade deposits.

Table 3.1 – Mutiara Iriana Original Project Holdings and Major Funding Partners

Mutiara Iriana Projects in Indonesian New Guinea			
Prospect Blocks	**COW Company Name**	**Area (sq. km)**	**Contributing Explorer**
1	PT Barrick Mutiara	9,550	Barrick Gold (1996-1997)
2		3,254	Kaltim Hutama (1992), Mutiara Resoures (1993), Aurora Gold (1994-1996), Iriana Resources (1996-1997)
3		563	Iriana Resources (1998-2000)
4		10,003	Barrick Gold (1995-1997)
5		418	Barrick Gold (1996-1997), Iriana Resources (1997-1999)
6	PT Iriana Mutiara Mining	16,109	Battle Mountain (1994-1998), Freeport McMoran 1998-1999), Iriana Resources (1999-2002), Eloquent Enterprises (2002-2015)
7	PT Iriana Mutiara Van Daalen	5,177	Barrick Gold (1995-1997), Iriana Resource (1997-1999), Western Mining (1998)
8		302	Barrick Gold (1996-1997), Iriana Resources (1997-1999)
9		8,434	Battle Mountain (1995-1997)
10	PT Iriana Sentani	146	Western Mining Corp. (1995-1997), Iriana Resources (1997-2002)
11	PT Iriana Senggeh	14,330	Morrison Knudsen (1994-1995) Cyprus Amax (1995-1998), Iriana Resources (1998-2003)
12	PT Iriana Mutiara Idenburg	14,450	Barrick Gold (1994-1997), Iriana Resources (1997-2002), Newmont Mining (1998), Newcrest Mining (1998), Minorco (1998), Placer Dome (2001-2002), Eloquent Enterprises (2002-2004), Avocet Mining (2004-2009), Eloquent Enterprises (2009-present)
TOTAL		**82,736**	
CURRENT	**PT. Iriana Mutiara Idenburg**	**952.8**	**After Relinquishments**

3.1.1 PT Kennecott Indonesia (1972)

The first systematic exploration of the region was conducted by Kennecott Exploration in 1972 and was aimed at locating copper porphyry and skarn mineralisation.

3.1.2 PT Ingold Antares (1990)

In 1990, Ingold conducted a regional geochemical survey for copper-gold porphyry mineralisation over the western section of the original IMI block.

3.1.3 PT Iriana Mutiara Idenburg & Barrick Gold Joint Venture (1995-1997)

A helicopter-supported geochemical survey was carried out covering 90% of the area of the Idenburg Exploration COW. As a result of extensive drainage sampling, various gold anomalous zones were identified within the Idenburg Inlier, including Sua, Mafi, Afley, Tekai, and Bermol. These have been the focus of subsequent work with most of the originally identified anomalies receiving follow-up exploration. In 1996, a fixed-wing airborne geophysics survey was completed by Aerodat Inc. A litho-structural interpretation was also completed using Landsat and radar imagery.

3.1.4 PT Iriana Mutiara Idenburg (1997 - Present)

Field inspections continued in 1997 with the identification of extensions to outcropping mineralisation at Mafi and a promising train of gold mineralised float in the Bermol area.

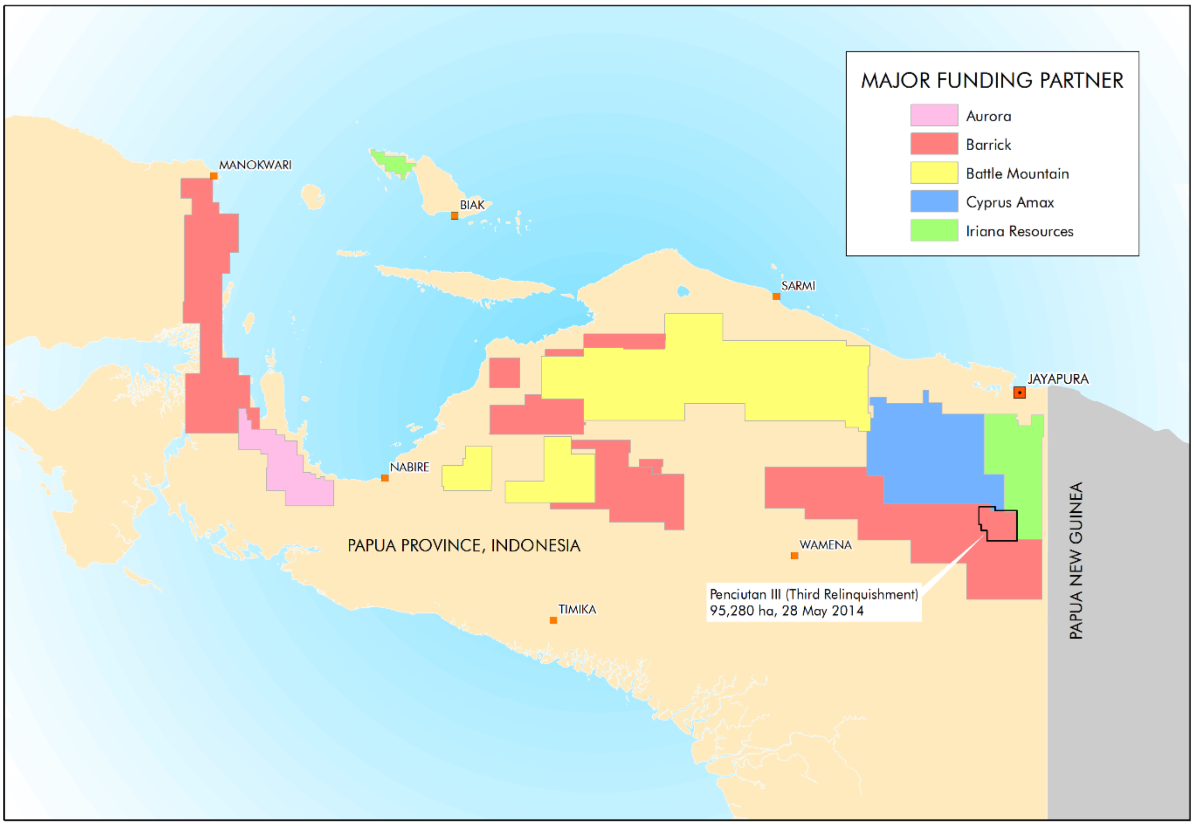
In 1998, 2000, and 2014 IMI relinquished significant portions of the Exploration COW area that the exploration work had demonstrated to be of low potential reducing the Project Area to its current status of 95,250 hectares (Figure 3.1).

In 2000, IMI carried out a 23-hole (1,642 metre) diamond drilling program on the Mafi Prospect and discovered significant outcropping gold mineralisation at Bermol. At Mafi, 6 drill holes intersected near-surface shallow-dipping mineralisation associated with the Mafi River Thrust Fault.

Placer Dome explored the Mafi and Bermol Prospects. Exploration undertaken with Placer Dome in 2001 at Bermol included detailed mapping, trenching, channel sampling, and soil sampling. Placer identified a potential for a Resource of 4.5 Mt @ 7 g/t Au containing 1,000,000 ounces of gold.

In late 2002 and early 2003, a program of infill drainage sampling was undertaken by IMI over the Tekai, Nova, and Sua Prospects. To date, only 30% of the existing concession area has been explored in detail leaving significant upside for discovering additional mineralised areas and potentially additional gold exploration targets.

Figure 3.1 – Original Project Holdings and Major Funding Partners (Barrick, Cyprus Amax, et al)



3.2 HISTORICAL MINERAL RESOURCE ESTIMATES

3.2.1 2007 – IMI Internal Estimation

In 2007, an IMI internal team estimated and reported the gold tonnage for both the Sua and Bermol Prospects for IMI Resources. The estimation was made based on geological models built from existing data at that time. The orebodies were defined through mapping, trenching, and drilling. Orebody geometry was constrained to 3D wireframes and top cuts were used to limit the effects of high-grade outliers. Due to several reasons, the report was never released publicly.

In interpreting the 2012 JORC, SMGC is of the opinion that the IMI internal estimation for both Sua and Bermol cannot yet be categorized as Resources. Further explanation of this is discussed in section 5.8 on page 89 of this report.

3.2.2 2007 – 2015 JORC Table 1 Review

In the context of examining compliance with the Principles of the JORC Code, Table 1 of the 2012 JORC Code (Appendix A) has been used as a checklist by SMGC in the preparation of this report and any comments made on the relevant sections of Table 1 have been provided on an 'if not, why not' basis. This is to ensure that it is clear to an investor whether items have been considered and deemed of low consequence or have yet to be addressed or resolved and to allow an investor or their advisors to form a clear opinion on the gap in compliance with the 2012 JORC code

The order and grouping of criteria in Table 1 reflect the normal systematic approach to exploration and evaluation. Relevance and materiality are the overriding principles that determine what information should be publicly reported and SMGC has attempted to provide sufficient comment on all matters that might materially affect a reader's understanding or interpretation of the results or estimates being reported. It is important to note that the relative importance of the criteria will vary with the particular project and the legal and economic conditions pertaining at the time of determination.

As stated in Section 3.2.1 the underlying methodologies and supporting data were reasonable to support earlier estimations, but not sufficient to be categorized into Resources.

SMGC is of the opinion that the historical resources estimated for Sua and Bermol are non-compliant with the JORC 2012 and cannot be included with the current estimates.

4. EXPLORATION DATA TYPES

IMI provided SMGC with all exploration data required to estimate the Exploration Target for this report. Data sets supplied to SMGC included the following:

1. **Borehole**
   - Collar Coordinates
   - Survey
   - Lithology Logs
   - Assay Results
2. **Rock Sample**
   - Collar Coordinates
   - Lithology Logs
   - Assay Results
3. **Geochemical Stream Sediment**
   - Collar Coordinates
   - Assay Results
4. **Soil Sampling**
   - Collar Coordinates
   - Assay Results

Table 4.1 shows the summary exploration data within the IMI Exploration COW.

Table 4.1 – Summary of Exploration Data

No	Prospect	Drilling	Sampling								
			Rock						Geochemical Stream Sediment		Soil Sampling
		Diamond	Drill Core	Chip	Float	Grab	Trench	Channel	Stream Sediment	Panned Cocentrate	
1	Sua	22	1834	168	162	4	229	364	89	74	971
2	Bermol	7	207	33	22	3	-	46	24	24	341
3	Mafi	23	655	45	16	-	-	106	18	19	93
4	Selia	3	165	28	20	4	-	25	-	5	365
5	Sikrima	4	324	31	18	-	119	42	15	15	491
6	Kwaplu	-	-	24	5	1	-	18	-	-	615
7	Hulu Sua / Landslide	-	-	14	24	-	-	11	-	6	380
8	North Bermol	-	-	7	24	1	-	23	27	22	300
9	Kimly	-	-	6	19	-	-	2	17	18	-
10	Nova	-	-	37	10	-	-	35	10	9	181
11	Kali Kae	-	-	11	4	-	-	9	22	17	-
12	Tekai	-	-	38	11	1	-	28	-	-	319
13	Andre	-	-	6	3	-	-	6	-	-	-
14	Nomura	-	-	11	25	-	-	-	-	6	159
Total		**59**	**3185**	**459**	**363**	**14**	**348**	**715**	**222**	**215**	**4215**

4.1 SURVEY

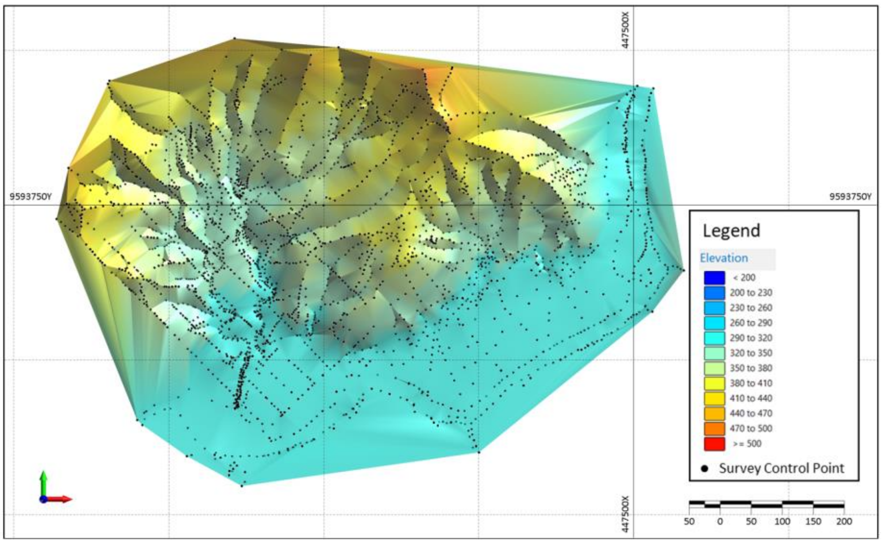
4.1.1 Benchmarks and Borehole Pick Ups

There is no clear information on whether the borehole collars to date have been surveyed using standard total station techniques or GPS handheld equipment. There are 18 of the 59 borehole collar coordinates that indicate coordinates from a total station survey, while the rest indicate a pickup by GPS handheld equipment. This does not affect the Exploration Target Estimation in this report.

4.1.2 Topographic Survey

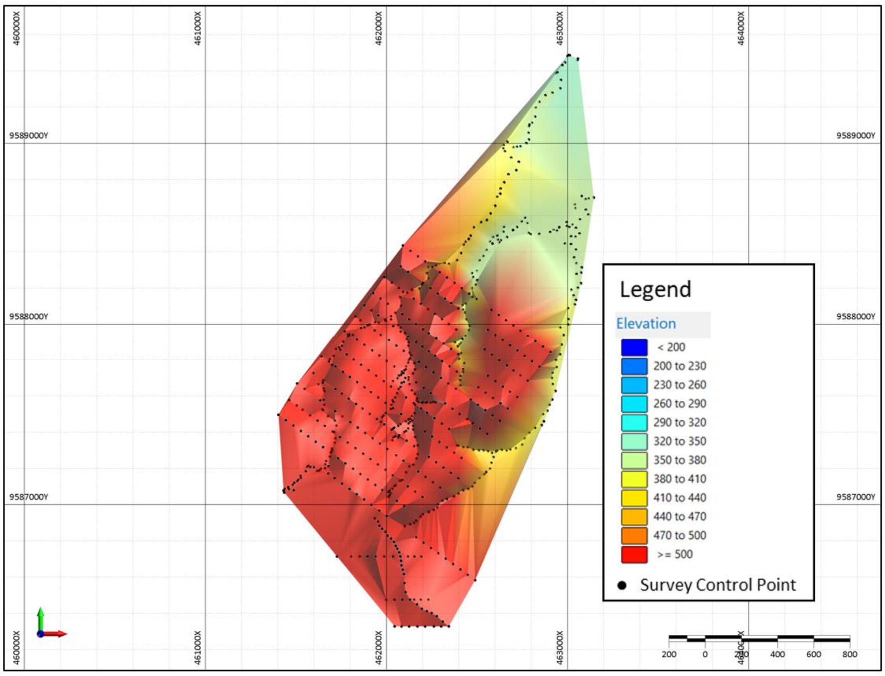
The two prospects for which geology has been modelled to date are Sua and Bermol. Both Sua and Bermol have been topographically surveyed by site surveyors with a soil sampling grid established and surveyed over the project. Survey data of creek locations, ridges, and spot heights were also collected and all survey data was used to create the topography DTM used in the modelling. The current topographic survey is considered adequate for the current model; however, some areas show local discrepancies and further work will be required to accurately survey the rugged terrain if the project continues.

Figure 4.1 – Sua DTM Topography



A total of 2,962 survey points has been used to create the Sua DTM topography, Figure 4.1. At Bermol a total of 670 survey points has been used to create the DTM topography, Figure 4.2.

Figure 4.2 – Bermol DTM Topography



4.2 BOREHOLE DATA AND DRILLING TECHNIQUES

A total of 59 boreholes have been drilled in the Idenburg project area, consisting of 22 in Sua, 7 in Bermol, 23 in Mafi, 3 in Selia, and 4 in Sikrima. Most boreholes were drilled at an angle.

Drilling was conducted in two periods. The first drilling was carried out before Avocet in 2000 with a total of 23 boreholes drilled. All the 23 boreholes were drilled in the Mafi Prospect. The second period was carried out between 2005 and 2007 by the Avocet and Idenburg Joint Venture. There were 36 boreholes drilled in the other four blocks: Sua, Bermol, Selia, and Sikrima.

There is no information on what company undertook drilling in the first period, the drilling in the second period was done by PT Indodrill Indonesia.

Drilling Technique

- Triple tube diamond core drilling – fully drilled with a diamond bit without RC pre-collar.
- Core diameter was mostly HQ, reducing to NQ at depth.
- Downhole surveying was routinely conducted at 30-metre intervals during 2006 and 2007 drilling.
- Core orientation was measured using a downhole lance to assist in orienting structures.
- The core was fitted together and marked up for sampling by a geologist, and where loose fragments were seen core was wrapped in masking tape before the core was sawn in half.

4.3 SAMPLING TECHNIQUES

Based on the exploration stage, there are several types of sampling techniques carried out in each prospect area. The sampling techniques include:

Drill Core Sampling

- All drill core was digitally photographed and logged by project geologists. Core with any potential for mineralisation was marked up for sampling and despatched to an analytical laboratory for geochemical analysis. Only obvious non-mineralised core was not sampled.
- Half core was selected for geochemical analysis.
- The 2007 drill core sample intervals ranged from 1.00 to 2.00 metres with an average interval of 1.38 metres.
- All half-core samples were packed into woven polysacks by experienced site personnel and air freighted to the Sucofindo Laboratory in Timika, Papua Province, Indonesia.
- All sample preparation and assays were undertaken by the independent Sucofindo Laboratory in Timika, Indonesia (Freeport Industrial Park).

Rock Sampling

- **Rock Chip/Channel/Trenching Sampling**: Rock samples were collected from exposed rock outcrops on the surface. These samples were in-situ original rock. Rock chip and channel samples were taken from areas of interest for detecting mineralisation or alteration, focusing on sampling veins, lodes, altered wall rock, and fracture fillings. Samples were collected from zones of visible sulphide mineralisation, veins, and areas of alteration, such as silicified, sericitic, or stockwork textures. Individual samples consisted of pieces chipped from the exposure. The procedure for chipping the rock involved working across the vein, perpendicular to the vein trend.

- **Rock Float Sampling**: a rock sample is a piece of rock that has been transported from its original location. The samples are used to identify the origin and composition of rocks and to study the geological history of an area including a mineralisation event.
- Samples were tagged with unique numbered assay tags. All rock samples were packed on-site into polysacks by experienced IMI personnel before being delivered by helicopter to the IMI logistics depot near Jayapura Airport. From there, they were air-freighted by Boeing 737 to the Sucofindo Laboratory in Timika, Indonesia.
- All sample preparation and assaying were conducted at the independent and internationally recognized Sucofindo Laboratory in Timika, Papua Province, Indonesia.

Soil Sampling

- The samples taken were in-situ and original soil. Sampling was carried out in the B and C horizons to avoid mixing or contamination with humus from the O horizon. The sampling technique involved clearing the humus from the O horizon and then collecting the soil beneath the humus layer.
- Soil samples were systematically collected at intervals of 25 to 50 metres. At each location, 5 to 20 kg of soil was taken from the B and C horizons. Coordinates (x, y, z) were recorded for each sampling point.
- Samples were tagged with unique numbered assay tags. All soil samples were packed on-site into polysacks by experienced IMI personnel before being delivered by helicopter to the IMI logistics depot near Jayapura Airport. From there, they were air-freighted by Boeing 737 to the Sucofindo Laboratory in Timika, Indonesia.

Stream Sediment and Pan Concentrate Sampling

- Stream sediment samples were collected from rivers near prospective locations. Selected rivers were typically valleys or intermittent streams where sediment from surrounding hillsides was deposited. Samples consisted of loose sediment material from riverbanks. This material was sieved using a 140 mesh, and only the finer material that passed through the mesh was analysed as a stream sediment sample.
- For panning concentrate, loose material from riverbanks was also targeted. This material was panned to separate and concentrate heavy minerals, which were then collected and analysed.
- Samples were tagged with unique numbered assay tags. All sediment samples were packed on-site into polysacks by experienced IMI personnel before being delivered by helicopter to the IMI logistics depot near Jayapura Airport. From there, they were air-freighted by Boeing 737 to the Sucofindo Laboratory in Timika, Indonesia.

4.4 ASSAYS ANALYSIS

Sampling of drill core, outcrop, float, soil, and stream sediment samples was undertaken by IMI Geologists. The analysis results were completed by PT Sucofindo Laboratories in Timika. The following tests were tabulated below:

Table 4.2 – Sucofindo Assay Analysis

No	Element	Method	Detection Limit
1	Au (50 gm Fire Assay)	50 gm Fire Assay, AR digest, Flame AAS	0.01
2	Base Metal Digest	Three acid digest, Flame AAS	-
3	Cu	Three acid digest, Flame AAS	5
4	Pb	Three acid digest, Flame AAS	5
5	Zn	Three acid digest, Flame AAS	5
6	Ag	Three acid digest, Flame AAS	0.5
7	Mo	Three acid digest, Flame AAS	2
8	Ni	Three acid digest, Flame AAS	5
9	Co	Three acid digest, Flame AAS	1
10	Mn	Three acid digest, Flame AAS	5
11	Fe	Three acid digest, Flame AAS	0.10%
12	Cr	Three acid digest, Flame AAS	1
13	As	Three acid digest, Vapour generation, Flame AAS	1
14	Sb	Three acid digest, Vapour generation, Flame AAS	0.1
15	Se	Three acid digest, Vapour generation, Flame AAS	1
16	Te	Three acid digest, Vapour generation, Flame AAS	0.2
17	Bi	Three acid digest, Vapour generation, Flame AAS	0.5
18	Hg	Three acid digest, Vapour generation, Flameless AAS	0.1

5. ESTIMATION AND REPORTING OF EXPLORATION TARGET

5.1 GEOLOGY AND MINERALISATION

The Idenburg Exploration COW hosts an unusual geological terrane dominated by ophiolites obducted onto Palaeozoic continental crust within an oblique collisional plate boundary. The tenement covers the leading edge of this micro-continent, which has developed a complex structural system.

Regional reconnaissance and prospect mapping has identified two main belts of mineralisation – the Sua-Afley Shear Zone and Mafi River Thrust Fault – but this does not downgrade the prospectivity of the tenement. Indeed, there has been no review of the southern section of the Contract of Work and limited reconnaissance in new areas in the northern half.

The Sua-Afley Shear Zone is a five-kilometre long, EW-orientated corridor hosting three or four, en-echelon, ENE-striking mineralised shear systems. The orientation of these structures is consistent with regional sinistral movement. The most significant deposit in the system is Sua, but further work is required at Kwaplu and Hulu Sua. The structure may also continue along strike. Mineralisation within the Sua-Afley Shear Zone is characterised by pyrite-quartz shears with late-stage native gold.

The Mafi River Thrust Fault is an NS-oriented thrust complex that extends from Mafi in the north to Bermol in the south where it is open along strike. It has a strike length of at least 15 kilometres. Several prospects have been identified in between, including North Bermol and Ulitai, but further reconnaissance work is required to evaluate the entire strike length of the structure. Mineralisation along the Mafi River Thrust Fault is controlled by thrust planes in mafic and ultramafic rocks. The iron-rich nature of the host has helped produce abundant sulphides (5 - 20%) with elevated As, Cu, Pb, Sb, and Zn.

The late-stage nature of gold mineralisation means that all prospects tested have a favourable metallurgical profile with high levels of gravity-recoverable gold and high overall recoveries through standard cyanide processes.

5.2 DATABASE INTEGRITY

A complete review of the geological database was conducted to assess if the data was suitable to support the estimating and reporting of Gold Resources by a Competent Person according to SMGC's interpretation of the JORC Code.

To allow estimation and reporting according to SMGC's interpretation of the JORC Code, a Resource must have enough valid points of observation, and these points must be suitably spaced to accurately represent the deposit being modelled. Domain continuity and its characteristics must be understood to allow confirmation of the Resource. Points of observation can be outcrops, exploration trenches, or boreholes. Valid points of observation require the following information:

- correct survey location data and ensure acceptable discrepancy with the surface topography.
- geological logs detailing the various lithologies and geological structures present at a given location.
- A downhole survey must be undertaken to check the borehole deviation.
- representative ore samples must be collected and submitted to an accredited laboratory for analysis and following checked by QA/QC procedures.

Based on the above criteria, the database constructed with the currently available data is not considered by SMGC to be of an acceptable standard to report an Estimated Resource in accordance with the JORC Code. For this reason, and at this stage in the project, the exploration potential for the deposit has been estimated as an **Exploration Target** not as a **Resource.**

5.3 QUALITY ASSURANCE AND QUALITY CONTROL OF RAW DATA

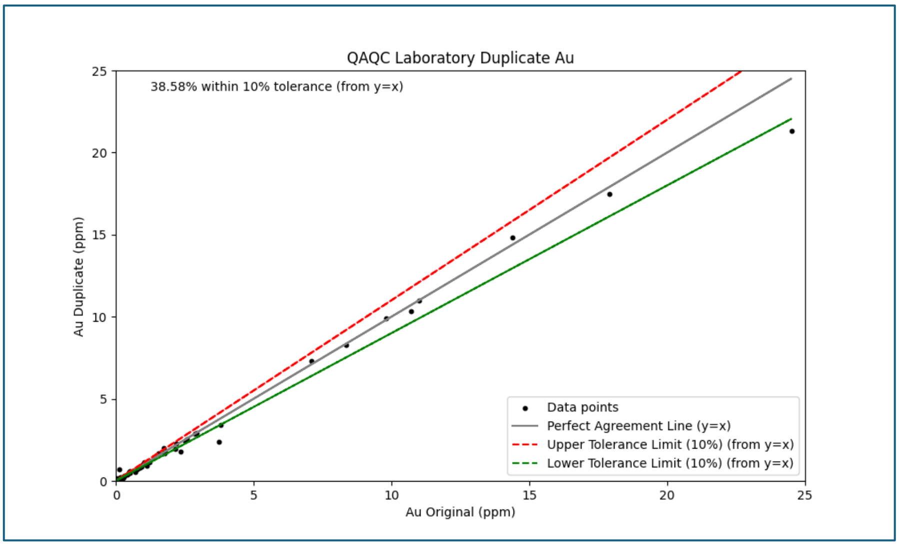
Quality Assurance (QA) concerns the establishment of measurement systems and procedures to provide adequate confidence that the correct process is being followed. Quality Control (QC) is one aspect of QA and refers to the use of control checks of the measurements to ensure the systems are working as planned.

During the exploration stage, QA/QC was only conducted within the Timika Sucofindo Laboratory and no QA/QC was conducted in the field at all stages of exploratory sampling. Sucofindo took Duplicate and Replicate samples to control the assaying process within the laboratory. SMGC received the duplicates and replicate samples report for the exploration stage between 2002 to 2007 and created Au QQ plots for both the Duplicate and Replicate samples.

Duplicate Samples

A total of 197 duplicate samples were analysed by Sucofindo during the period. Figure 5.1 exhibits the performance of all duplicate samples. The QQ plot shows that only 39% of the duplicate samples are within a 10% tolerance. The plot also indicates that the lower grade is mostly outside the 10% tolerance and not clearly visible due to the plot scale.

Figure 5.1 – Sucofindo Duplicate Au



Other plots to show Au grade below and above 0.5 ppm were then created. Figure 5.2 shows that the lower grade (Au below 0.5 ppm) is 69% located outside the 10% tolerance, while Figure 5.3 shows for the higher grade (Au above 0.5 ppm) 72% are within the 10% tolerance.

Figure 5.2 – Sucofindo Duplicate Au Below 0.5 ppm

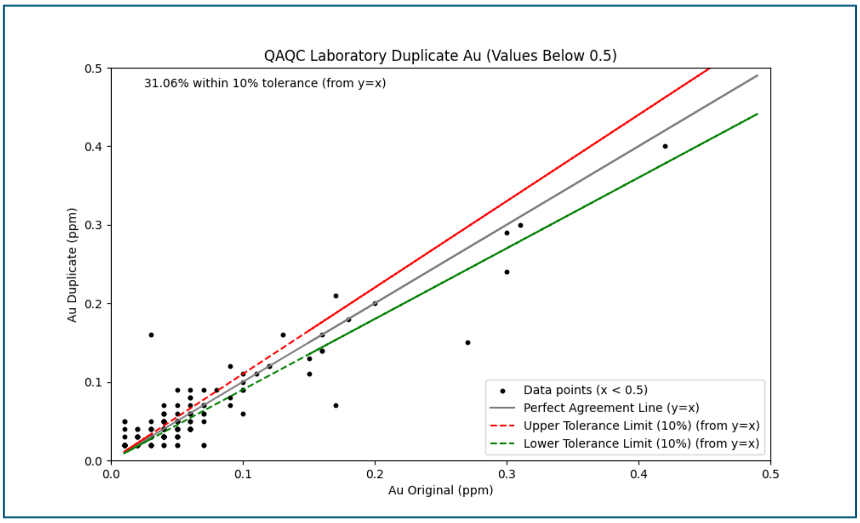
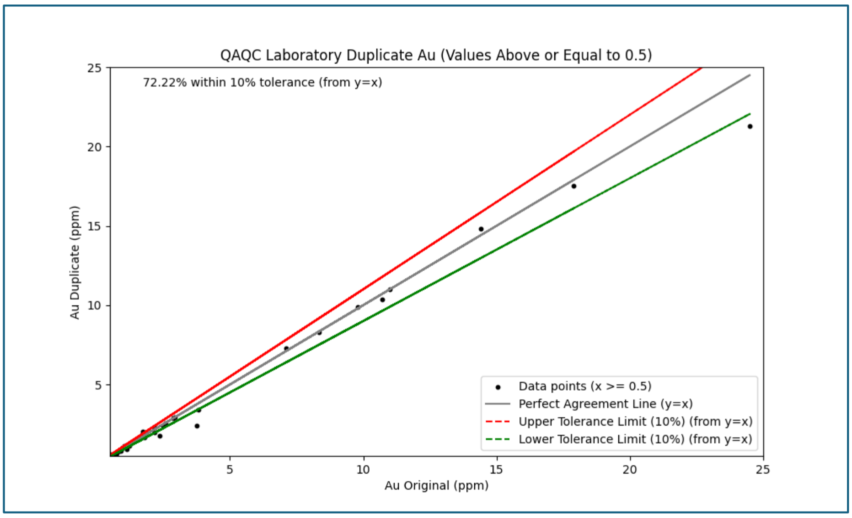


Figure 5.3 – Sucofindo Duplicate Au Above 0.5 ppm



Replicate Samples

Sucofindo also tested replicate samples during that period. There were 350 replicate samples undertaken in total. Figure 5.4 exhibits a plot for all replicate samples and shows that only 45% are within the 10% tolerance. Like duplicate samples, the plot indicates that mostly the lower grade samples were outside the tolerance and not clearly visible due to the plot scale.

Figure 5.4 – Sucofindo Replicate Au

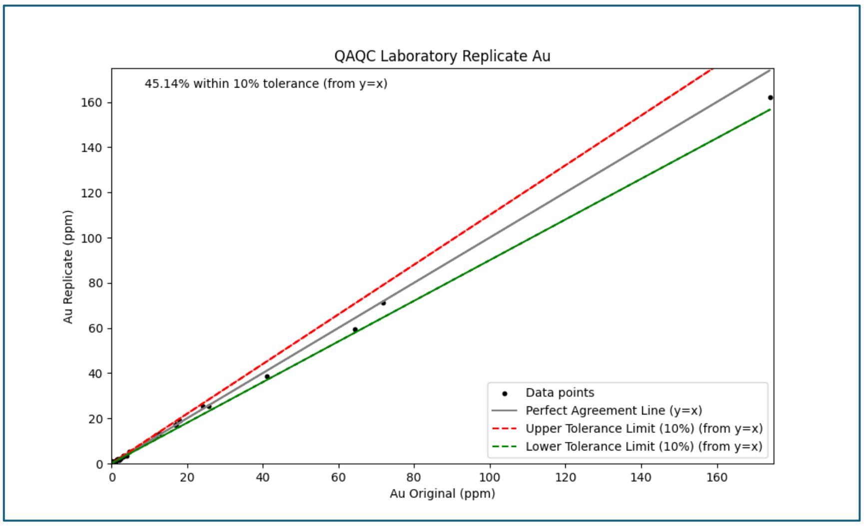


Figure 5.5 shows that the replicate lower grade (Au below 0.5 ppm) is 60% outside the 10% tolerance, while Figure 5.6 shows for the higher grade (Au above 0.5 ppm) 84% are within the 10% tolerance.

Figure 5.5 – Sucofindo Replicate Au Below 0.5 ppm

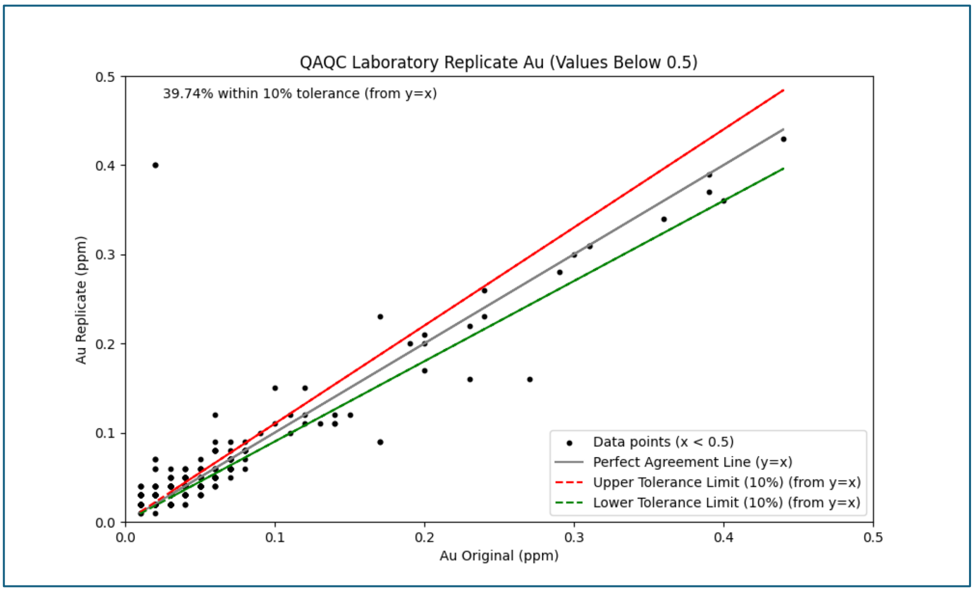
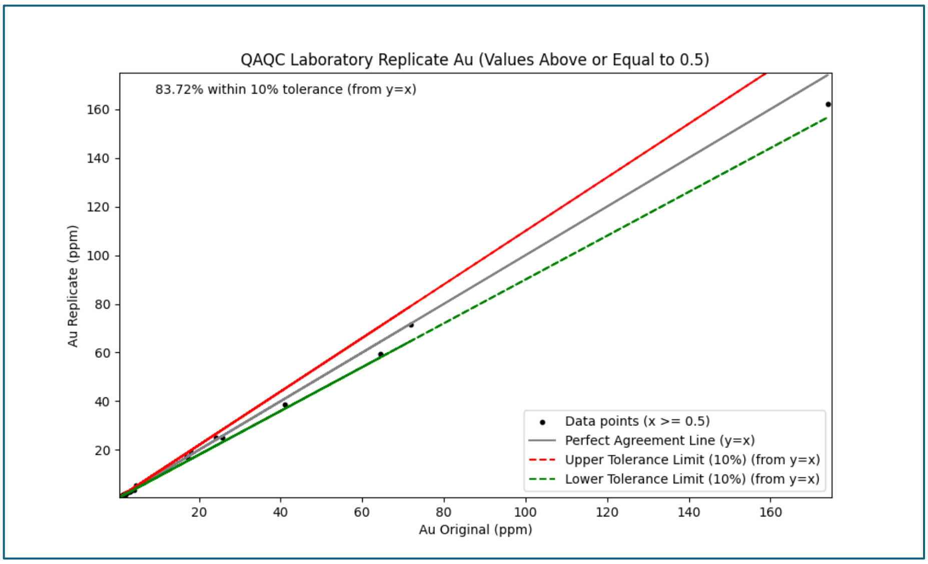


Figure 5.6 – Sucofindo Replicate Au Above 0.5 ppm



5.4 GEOLOGICAL MODEL

Exploration data to date has been used to build two geological models for the Sua and Bermol Prospects.

5.4.1 Sua

Exploration Data Summary

The exploration data collected in the Sua Prospect can be summarised as listed below:

- Trenching and channel sampling of outcrops were carried out as part of Avocet's due diligence program to test the outcropping mineralisation. Trenches were excavated to the top of the weathered zone by hand and were approximately two metres deep. They were sampled in contiguous 1m channels 10 cm deep with 14 trenches excavated totalling 323 linear metres. Channel sampling of outcrops totalled 169 samples.
- A two-phase diamond drilling program was conducted by the JV in mid-2005 and late 2006. Twenty-two holes (2,629 metres) were drilled on the known mineralised area and strike extensions. The program was designed to evaluate the strike and depth extent of outcropping mineralised zones and tested for concealed zones.
- Drilling was conducted on 100 metre spaced NW-oriented section lines, although a single scout hole (KSD020) was drilled off the grid to the west. HQ sized core was drilled reducing to NQ, typically at depths greater than 100 metres. No downhole surveys were conducted during the first phase, but downhole surveying was routinely conducted at 30-metre intervals in the second program.

An exploration data summary in Sua is shown in Table 5.1

Table 5.1 – Summary Exploration Data Sua Prospect

Year	Due Diligence				Pre-Drilling		1st Phase Drilling		2nd Phase Drilling	
	Trenching		Channel Sampling		Channel Sampling		Diamond Drilling		Diamond Drilling	
	Count	Depth	Count	Depth	Count	Depth	Count	Depth	Count	Depth
2004	6	227.4	12	107.5	3	26				
2005					10	112	10	1,373		
2006					1	6			12	1,256.4
Total	**6**	**227**	**12**	**108**	**14**	**144**	**10**	**1,373**	**12**	**1,256**

Mineralisation Model

The gold mineralisation occurs in a system of boudinaged quartz veins with an NNE trend and moderate NNW dip, hosted by silica-sericite-chlorite-pyrite altered diorite. Cale-silicate veins occur peripheral to the mineralisation.

The quartz veins vary in thickness from a few millimetres swelling to up to 3 metres. The quartz veining is associated with late-stage deformation and many local shears are mineralised with gold and sulphides. The JV's geologists have observed in the field and in the drill core that the gold mineralisation also tends to follow meta-lithological contacts, such as the transition zones between the different metamorphic grades.

Gold mineralisation has been modelled as a stacked quartz vein system that dips moderately at around 35 degrees towards the north. The vein system seems to be associated with the thrusting event and runs parallel to the thrusts as described above.

A total of 30 wireframes were modelled as representation of the known gold-bearing quartz veins at the Sua Prospect (Figure 5.7 and Figure 5.8). The wireframes were extended beyond the drilling and trench information along strike and down dip. The extension distance was based largely on our understanding of expected continuity based on field mapping plus experience with similar style structures. The maximum distance that wireframes were extended was 50 metres beyond drillholes.

Figure 5.7 – Sua Mineralisation Wireframe

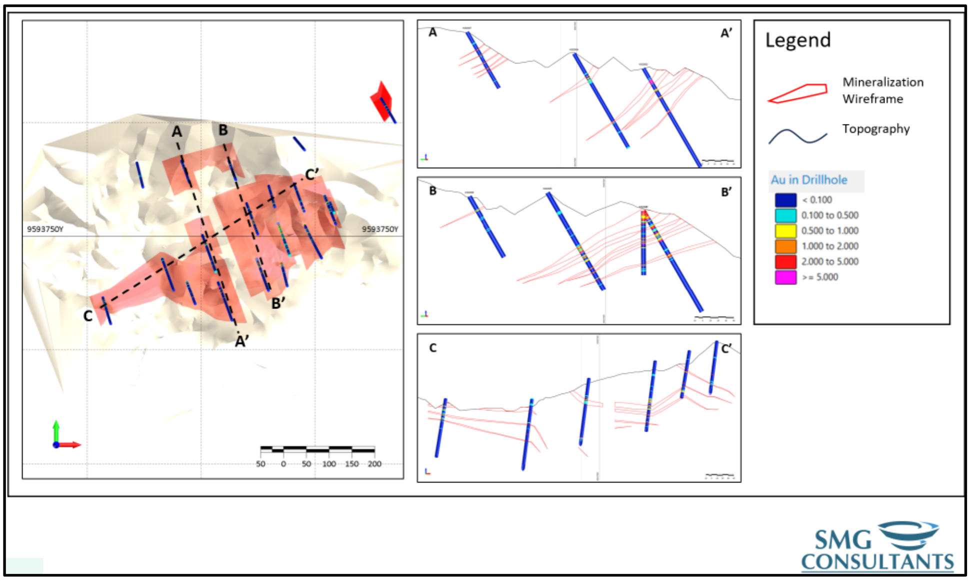
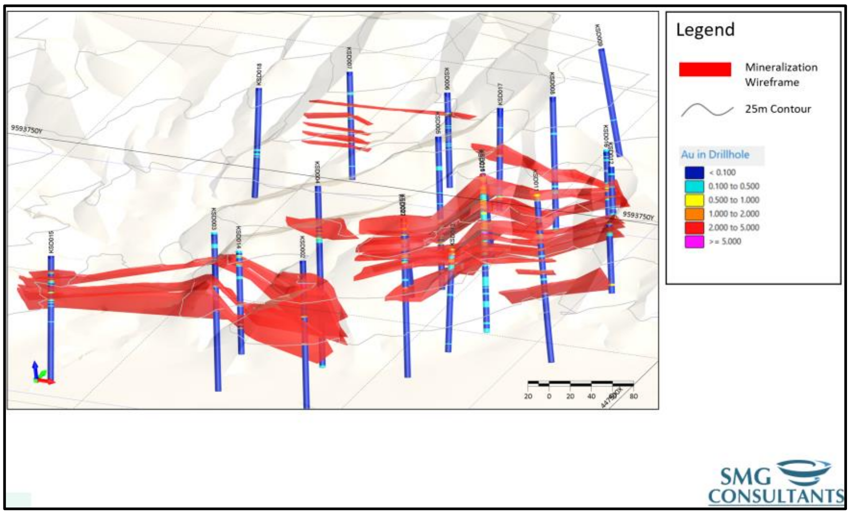


Figure 5.8 – Sua Mineralisation Wireframe Oblique View



Grade Estimation

The key points of grade estimation for the Sua Mineralisation are listed below:

- Variography analysis of the total data set yielded poor quality variograms, suggesting that the current drilling density is insufficient to clearly model grade continuity. This is expected with only 21 drillholes and the variable nature of the gold grades. However, preliminary indications suggest that the nugget value is between 65-80% of the total variability, which may indicate the presence of coarse gold and/or sampling or assaying issues.
- The approach to block modelling was largely designed to accurately reflect the complicated quartz vein geometry. The methodology was to use 10 metre by 10 metre parent cells in X and Y with infinite fill in the Z direction to accommodate the varying vein thicknesses. Sub-celling was allowed to a resolution of 1 metre in the X and Y directions. This resulted in an excellent geometrical and volumetric representation of the mineralisation geometry as modelled by the wireframes (Table 1). An arbitrary model origin (lowest RL value) was selected; however, if the project continues, then a model prototype compatible with a possible mine plan would be required. For example, parent blocks that are compatible with bench sizes and model origins based on proposed mining levels. A WFCODE field was allocated to the blocks to be compatible with the drillhole and trench data coding.
- As no definitive variography was possible, an inverse distance cubed (103) method was used for grade estimation. ID3 was selected to restrict the effects of local high grades as seen in trenches and some drillhole intercepts. This results in a model with some local variability that trends toward the local average quite quickly.
- Au was the only variable estimated, although other variables may have also been used (e.g. Ag, Cu, Pb, Zn, and As). These other elements are of minor relevance at this stage of the prospect development. The Au grade was top cut to 41g/t Au.
- The approach applied was to accept an isotropic weighting in the absence of a definitive direction of grade continuity and use the tightly constrained mineralisation models to control the estimation. The search radius was 150 metres and a minimum of 2 with a maximum of 10 samples allowed. Only samples falling within a wireframe were used to estimate blocks within that wireframe. This was achieved using the WFCODE field in both the coded composites and block model. The resolution used was to estimate grades into sub-cells.

5.4.2 Bermol

Exploration Data Summary

The exploration data collection in the Bermol Prospect can be summarised below:

- The digital database was provided by the site and contains information on the trenching and drilling programs plus topography (Figure 10). The project geologist validated the drillhole and trench database and believed that it was accurate. However, it is noted that the trench surveys are not totally consistent with the topography and require further validation. The topography data was collected by project surveyors.
- Trench and channel sampling was undertaken using the same methodology at Sua. In addition, seven scout diamond drillholes were completed (a total length of 771 metres). These holes were designed to evaluate the lateral and vertical continuity of the NS-trending low to moderately dipping zone of mineralisation delineated by previous geologic mapping, rock chip, rock channel, and soil geochemical sampling of the area. Drilling also tested the potential for additional stacked thrusts at depth. Drilling focussed on the core part of the Bermol Prospect, which has an NS extent of 400 metres. The program did not test the potential southern extension of the system or the known northern extension to North Bermol.
- All holes intersected the mineralised structure, except BRD002, which was terminated before reaching the target depth. Drillholes were selectively sampled where the hole had intersected the mineralised structure.

The exploration data summary in Bermol is shown in Table 5.2

Table 5.2 – Summary Exploration Data Bermol Prospect

Year	Due Diligence		Pre-Drilling		1st Phase Drilling	
	Trenching		Chip Sampling		Diamond Drilling	
	Count	Depth	Count	Width	Count	Depth
2004	1	8.5				
2005						
2006						
2007			71	139	7	771.4
Total	**1**	**9**	**71**	**139**	**7**	**771**

Mineralisation Model

A well-mineralised quartz-sulphide vein zone has been mapped over 600 metres of strike length and over a width of 300 metres on the two main NS-trending ridges at Bermol. This is a single thrust plane that dips at less than 25 degrees to the west and appears to have multiple zones by virtue of both the topographic effect and faulting.

Mineralisation is associated with quartz-pyrite-arsenopyrite "augen" veins hosted in a tightly-constrained envelope of sheared quartz-chlorite-carbonate altered schists. This is reflected in the high As values in samples collected from Bermol, often exceeding 1%. Vein attitudes are predominantly conformable with schistosity and foliation trends.

Gold mineralisation has been modelled as a single vein structure that has been downthrown by faulting towards the north on the western side of the river and outcrops at a higher elevation on the eastern side. This has resulted in 5 discrete vein models. There were 5 wireframes modelled as representation of the known gold bearing quartz veins at the Bermol Prospect (Figure 5.9 and Figure 5.10).

Figure 5.9 – Bermol Mineralisation Wireframe

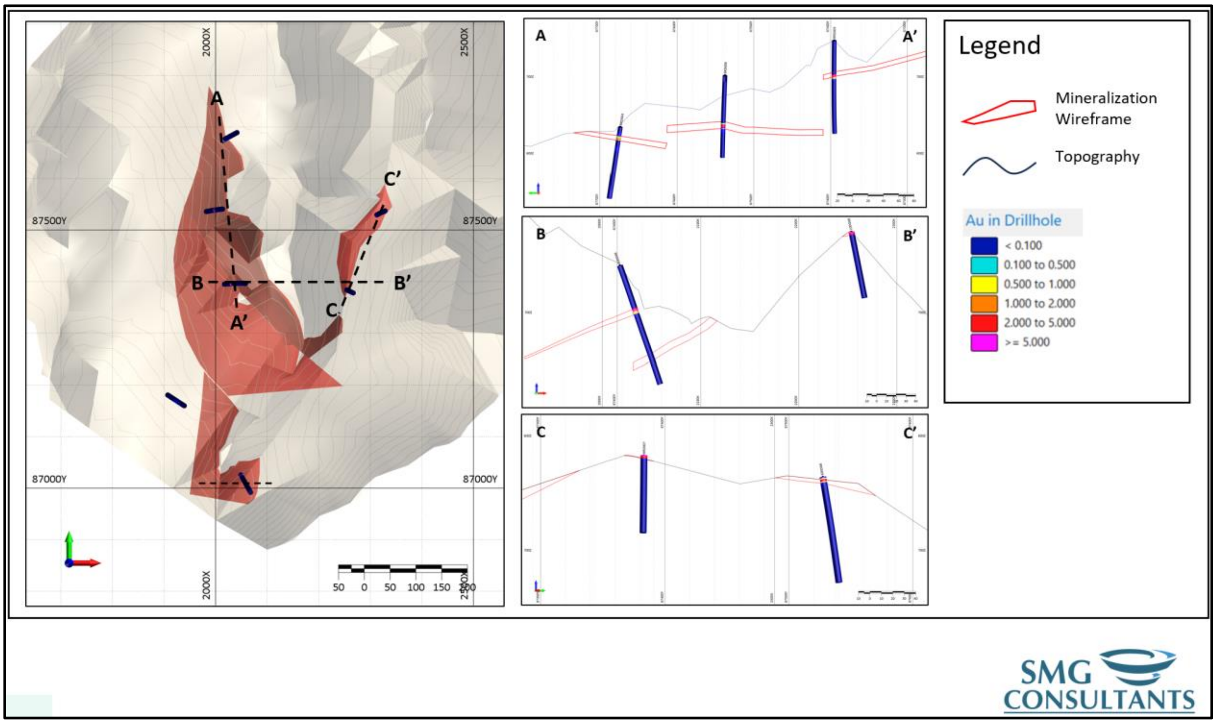
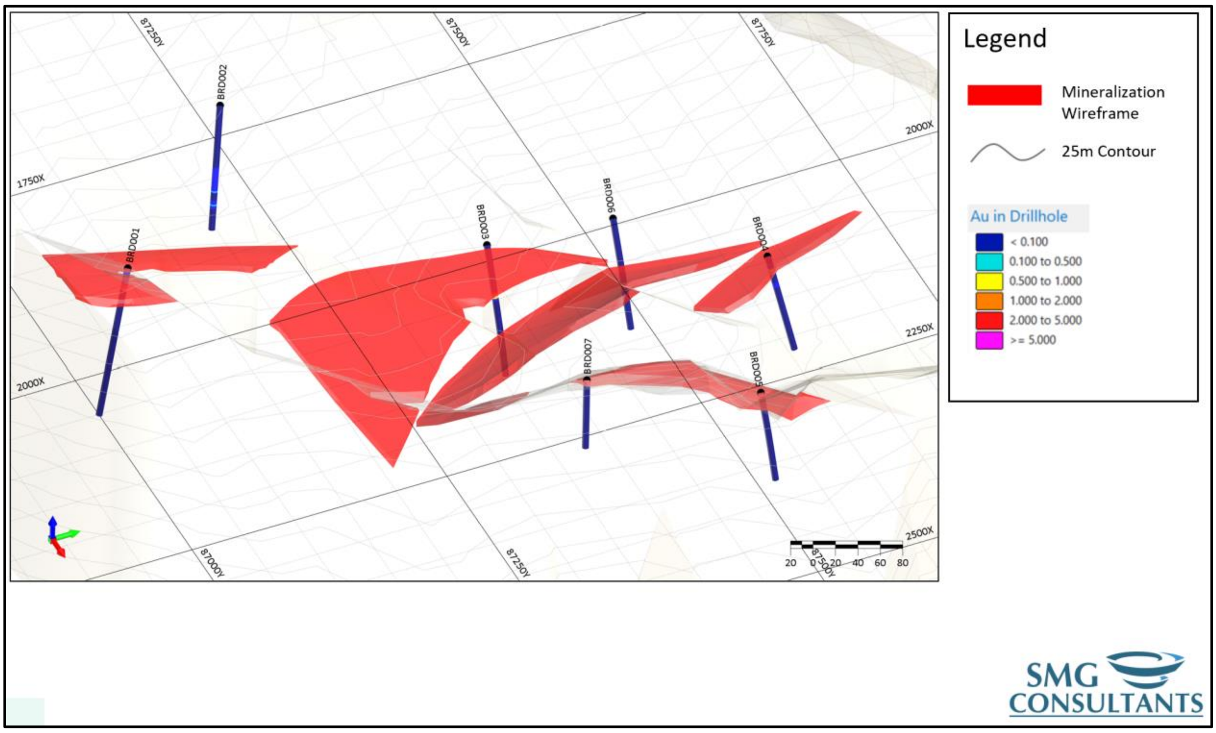


Figure 5.10 – Bermol Mineralisation Wireframe Oblique View



Grade Estimation

Avocet believed that the limited number of scout drillholes and surface channel samples were not sufficient to create a representative block model. Nor is there enough data at an appropriate spacing to undertake variography analysis. However, the available information is sufficient to generate a JORC compliant Inferred Mineral Resource Estimate based on:

- Wireframe-constrained volumes.
- The use of a bulk density factor of 2.8 t/m^3 derived for the Sua Prospect.
- The application of average gold grades was cut to 15 g/t Au for each modelled zone.

The bulk density is considered conservative as the Bermol mineralization is sulphide-rich when compared to mineralization at the Sua Prospect.

Following the 2004 JORC, the IMI internal team in 2007 used the two models to estimate and create an internal report of IMI Resources. This report was never issued as a public report.

5.5 EXPLORATION TARGET DIMENSIONS

Exploration data to date has identified a Gold Exploration Target within 14 prospect areas (Figure 5.11). The geometry of these exploration target areas has been limited by the existing data and further exploration will be required to better define the exact location of this boundary. There is reasonable potential that the deposit extends beyond the limit of the current exploration data.

5.6 REASONABLE PROSPECTS OF ECONOMIC EXTRACTION

At this Exploration Target stage of the project, the reasonable prospects of economic extraction have not been considered in detail.

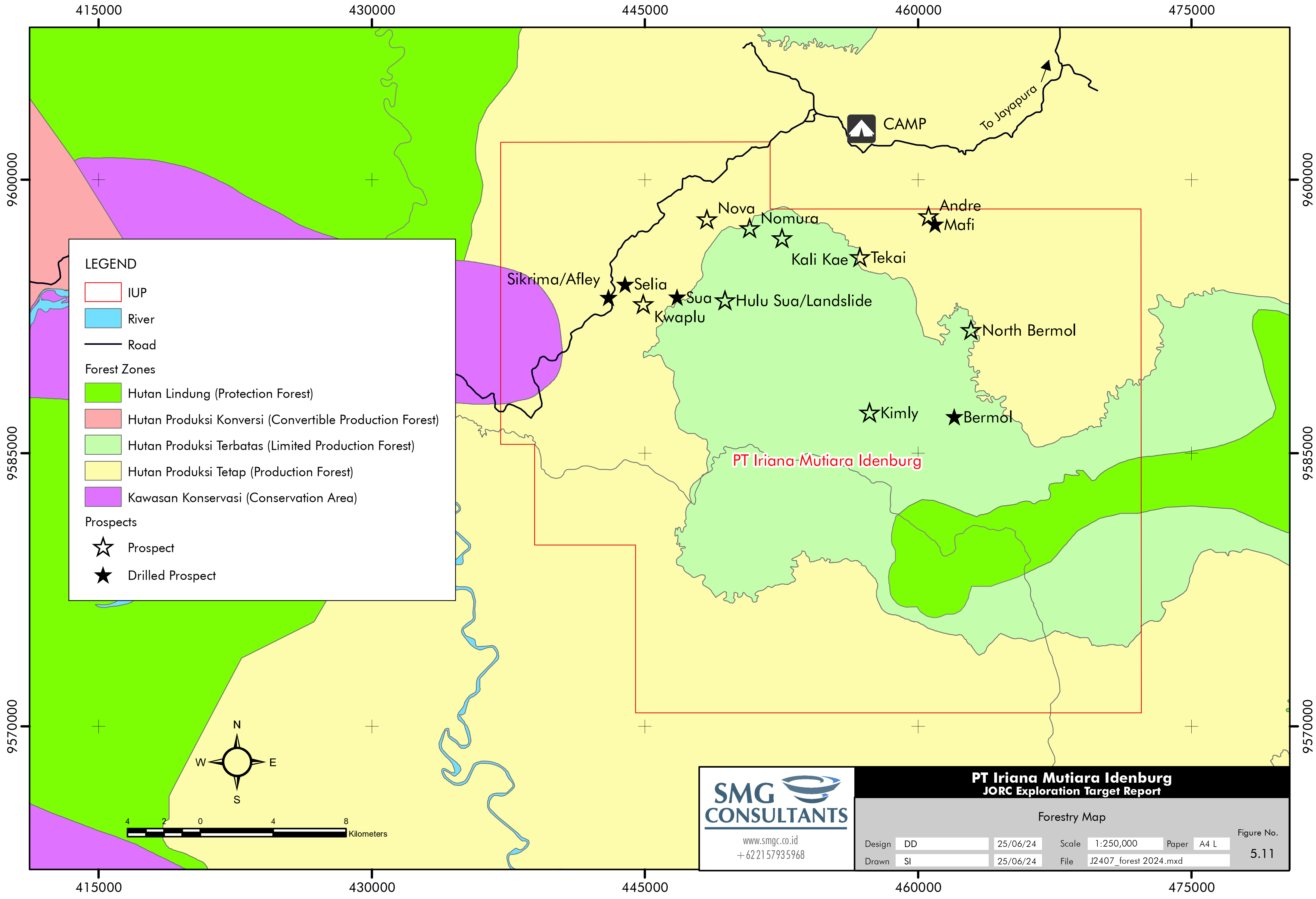
Once the size, quality, and nature of the deposit are better understood through further exploration and estimation of the Resource, the reasonable prospects for eventual economic extraction will be assessed.

5.6.1 Environmental and Permitting Issues

Existing forest in Indonesia is generally classified as either production forest (Hutan Produksi - HP), which is a forest that may be felled for industry purposes (generally timber), or protected forest (Hutan Lindung - HL). Through negotiation with stakeholders, it is possible to obtain a permit to borrow and use forest land (Izin Pinjam Pakai Kawasan Hutan - IPPKH) which is classified as HP for use in mining activities.

Figure 5.11 shows the IMI Exploration COW is approximately 50% contained within a production forest zone (Hutan Produksi – HP), 35% covered by limited production forest (HPT), 10% covered by protection forest (HL), and the remaining 5% to be within a conservation area (KK) land. All the 14 IMI prospect areas are in the production forest (HP) or limited production forest (HPT) zones. All exploration and mining activity conducted within the HP zone must be covered by a permit to borrow and use forest land (Izin Pinjam Pakai Kawasan Hutan – IPPKH). There is no information on whether the IPPKH Permit has been applied for or is already owned by IMI.

It is SMGC's opinion that currently, no environmental, forestry, or permitting issues that would influence the estimation of this Exploration Target have been identified.



415000
430000
445000
460000
475000
9600000
9585000
9570000
LEGEND
IUP
River
Road
Forest Zones
Hutan Lindung (Protection Forest)
Hutan Produksi Konversi (Convertible Production Forest)
Hutan Produksi Terbatas (Limited Production Forest)
Hutan Produksi Tetap (Production Forest)
Kawasan Konservasi (Conservation Area)
Prospects
Prospect
Drilled Prospect
CAMP
To Jayapura
Nova
Nomura
Andre
Mafi
Kali Kae
Tekai
Sikrima/Afley
Selia
Sua
Hulu Sua/Landslide
Kwaplu
North Bermol
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JORC Exploration Target Report
Forestry Map
Design DD 25/06/24
Drawn SI 25/06/24
Scale 1:250,000
Paper A4 L
File J2407_forest 2024.mxd
Figure No.
5.11

5.6.2 Social and Government Factors

SMGC has consulted the official Geoportal of ESDM and found the concession listed. This usually implies that the concession is in good standing. All the 14 prospect areas of the IMI are within a production forest or limited production forest boundary which will require IPPKH before mining activities.

5.6.3 Marketing Factors

There were no identified marketing factor issues that would influence the estimation of this Exploration Target.

5.7 ACCURACY AND PRECISION OF RESOURCE AND RESERVE ESTIMATES

In common parlance "accuracy" and "precision" are used interchangeably but in the scientific world, they are different. Accurate means the measure is correct. Precise means the measure is consistent with other measurements. Of course, the ideal is where a measurement is both accurate and precise.

Figure 5.12 – Accuracy vs Precision

Source: Hotdesign

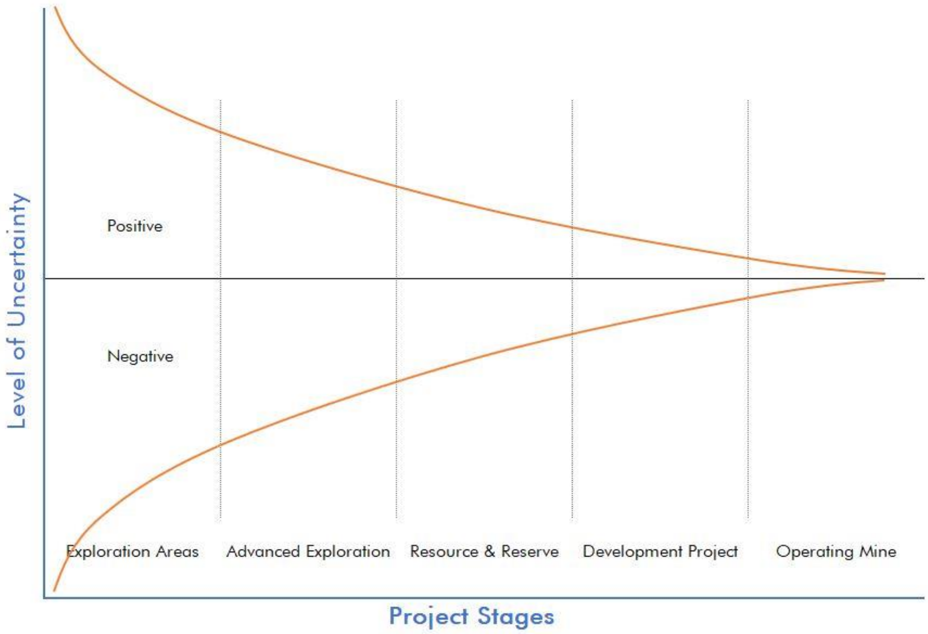
Readers of this report should be aware of the range of accuracy of underlying estimates. The range in value is driven by the confidence limits placed around the size and grade of mineralised occurrences assumed to occur within each project area. Typically, this means that as exploration progresses, and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated, or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained gold and its potential to be extracted profitably. Table 5.3 presents a general guide of the confidence for Exploration Targets, Resource and Reserve estimates, and hence value, referred to in the mining industry.

Table 5.3 – Confidence for Target, Resource and Reserve Estimates

Classification	Estimate range (90% confidence limit)
Proven / Probable Reserves	±5 to 10%
Measured Resources	±10 to 20%
Indicated Resources	±30 to 50%
Inferred Resources	±50 to 100%
Exploration Target	±100%

This level of uncertainty with advancing project stages can be seen in Figure 5.13.

Figure 5.13 – Uncertainty by Advancing Exploration Stage



Estimated confidence of ± 60% to 100 % or more, is not uncommon for exploration areas and is within acceptable bounds, given the level of uncertainty associated with early-stage exploration assets.

Readers of this report are cautioned against using reported estimates at numbers of significant figures that imply a greater level of precision and accuracy than is supported by the underlying data and estimation methods.

5.8 GOLD EXPLORATION TARGET ESTIMATE

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality) relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Targets are conceptual in nature, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The individual prospects are discussed in detail in Section 2.4 of the report. Only 30% of the existing concession area has been explored in detail leaving a significant upside for discovering additional high-grade deposits.

As previously noted, in the Idenburg Exploration COW, the fourteen prospect areas that have undergone several stages of exploration cannot yet be categorized as having Resources.

There are two prospective areas, namely Sua and Bermol, which were previously reported to have Inferred Resources by the 2004 JORC Code. In interpreting the 2012 JORC, SMGC is of the opinion that the deposits in the two prospective areas cannot yet be categorized as Resources, primarily because:

- There were no QA/QC samples to control sampling in the field, QA/QC sampling was only conducted in the Timika Sucofindo Laboratory.
- Inadequate topographic surveys were conducted using mostly collar coordinates from sampling.
- For the 2012 JORC, SMGC is of the opinion that to categorize the deposit into a Resource, it should apply RPEEE to a detailed level including determining a bottom limit for the Resource. The previous IMI Resource Report, according to the 2004 JORC, has not used a bottom limit.

SMGC has then estimated exploration targets for the fourteen prospect areas in Idenburg. The Exploration Target for the IMI deposit has been estimated as a range and is shown in Table 5.4. The estimates are limited to the exploration data distribution for each prospect area. For the Sua, Bermol and Mafi Prospects, the determination of the tonnage range and grade is taken from the existing geological model or mineralisation wireframe, while for the other eleven prospects, the tonnage and grade ranges are based on existing exploration data.

5.8.1 Main Prospects

5.8.1.1 Sua

The Geological Model has been built using 22 boreholes for the Sua Prospect. Previous resource estimation undertaken by the internal IMI team reported 2.6 Mt at 3.9 g/t Au containing 325,000 ounces of gold. Using this estimation as an expected ore target, determining the lower and upper limit was undertaken by SMGC for reporting the exploration target for the Sua Prospect.

The lower limit of estimation is set at 20% of the expected ounces, using 1.5 g/t Au for the lower grade. For the upper limit, the tonnage is determined to be 200% of the expected tonnage. This is due to the potential for mineralization to extend further at depth. Figure 5.7 shows that the mineralization wireframe is still open at depth. Using an expected grade of 6.0 g/t Au as a conservative estimate for the total wireframe volume, including potential extensions, the exploration target for the Sua Prospect is 1.4 to 5.2 Mt at a grade range of 1.5 to 6.0 g/t Au, as shown in Table 5.4.

5.8.1.2 Bermol

The Geological Model of Bermol was built using five wireframes, however, due to a limited number of assays results no gold grade was estimated from the block model. Previous resources estimation by the internal IMI team reported 1.8 Mt at 4.8 g/t Au containing 280,000 ounces of gold. Using this estimation as an expected ore target, determining the lower and upper limit was undertaken by SMGC for reporting the exploration target for the Bermol Prospect.

Similar to Sua, SMGC applied 20% of the expected ounces and used 2.0 g/t Au for the grade of the lower limit. This is a conservative grade considering all of Bemol's five wireframe grades.

For the upper limit, SMGC considered the potential for mineralization to extend further at depth of the expected tonnage and considered the weighted average grade within the mineralization wireframe and the surface exploration data as a conservative estimate for the total wireframe volume, including potential extensions.

Based on this methodology, the exploration target for the Bermol Prospect was determined to be 0.9 to 6.0 Mt at a grade range of 2.0 to 10.0 g/t Au, as shown in Table 5.4.

5.8.1.3 Mafi

There was no geological model created from the 23 boreholes. IMI has only supplied a string of the mineralisation zone at the Mafi Prospect. SMGC then created a wireframe and estimated the expected tonnage and grade for the deposit. Based on the wireframe, the expected tonnage and grade of Mafi was 0.3 Mt at 2.6 g/t Au.

Similar to the Sua and Bermol Prospects, the lower and upper limits for the Mafi Prospect were determined using 20% of the expected tonnage. For the upper limit, the potential for mineralization to extend further at depth was considered. A conservative estimate based on the available data within the mineralized zone was used for the grade. Based on this methodology, the exploration target for the Mafi Prospect was determined to be 0.1 to 2.0 Mt at a grade range of 1.0 to 6.0 g/t Au, as shown in Table 5.4.

5.8.2 Other Prospects

Similar to Sua, Bermol, and Mafi, the exploration targets for the other prospects were determined based on the expected values for both tonnage and grade. For these other prospects, the lower and upper tonnage limits were set at 20% and 150% of the expected tonnage, respectively. The grade range was determined using a conservative estimate based on the gold grades within the mineralised zone.

The expected tonnage for each prospect was estimated following the steps and criteria below assuming all other prospects have similarities with the Sua mineralisation which is a boudinage sheeted vein zone trending NE:

- Create the surface boundary of the mineralisation vein based on the available gold grades. Primary data sources, such as drill core, rock chips, and soil samples, were used, while float and geochemical stream sediment data were considered secondary.
- The estimated volume was compared with the Sua wireframe volume to determine the expected tonnage.

Table 5.4 shows IMI's current Exploration Targets as of 30 June 2024.

Table 5.4 – Gold Exploration Targets

Prospect	Gold Exploration Targets					
	Tonnage		Grade		Ounces	
	Lower Mt	Upper Mt	Lower Au g/t	Upper Au g/t	Lower K	Upper K
Sua	1.4	5.2	1.5	6.0	65	970
Bermol	0.9	6.0	2.0	10.0	56	1866
Mafi	0.1	2.0	1.0	6.0	3	373
Selia	0.5	3.8	0.5	3.5	8	414
Sikrima/Afley	0.5	4.0	0.5	4.8	8	602
Kwaplu	0.4	3.2	0.5	5.0	7	502
Hulu Sua/Landslide	0.2	1.6	1.0	3.0	7	151
North Bermol	0.4	3.0	0.5	10.0	6	941
Kimly	0.1	1.0	1.0	6.0	4	188
Nova	0.2	1.6	0.5	6.0	3	292
Kali Kae	0.1	1.0	0.5	6.0	2	188
Tekai	0.3	2.2	0.5	4.0	4	270
Andre	0.1	0.4	1.0	2.5	2	31
Nomura	0.4	3.0	1.0	5.0	13	471
TOTAL	**5.7**	**38.1**	**1.0**	**6.1**	**189**	**7259**

**The potential quantity and grade of the Gold Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource under the 2012 JORC Code and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

5.9 FUTURE EXPLORATION

Further exploration in the Exploration COW area is warranted, as the Company's evaluation has by no means been exhaustive. There is significant potential for further discoveries in the Exploration COW area and expansion of the existing Resources through more detailed prospect exploration and drilling. Future work programs should include:

- An aggressive regional reconnaissance program to refine existing anomalies and define new targets. Work should initially focus on the Mafi River Thrust Fault and the Sua-Afley Shear Zone.
- A revised interpretation of remote-sensed imagery in light of new findings from prospect-level exploration. This should facilitate vectoring to possible extensions and/or new areas of mineralisation in Kali Kae, Tekai, Kimly, and the North Bermol Prospects.
- Infill and step-out drilling at Bermol. Infill drilling will better constrain the initial Inferred Mineral Resource and test for probable steeper feeder structures beneath the thrust. Step-out drilling will validate along strike continuity of the mineralisation and validate the surrounding Gold Exploration Targets.
- Sampling of the entire drill core at Bermol and completion of metallurgical scoping studies.
- A review of pathfinder elements in drill core and soil databases to ascertain vectors to mineralisation for use in prospect-scale programs.
- Application of IP dipole-dipole geophysics to existing prospects to better understand potential extensions.

SMGC was asked to provide an opinion on the reasonableness of the budget for the IMI Project exploration and development plan. Table 5.5 below exhibits a budget for work to complete a scoping study.

Table 5.5 – Proposed Work Plan Budget to Complete Scoping Study

Activities	Unit Costs	Units	Totals		Description
Drilling Full Core	$300	5000	$1,500,000	per m	HQ to 150 m
Standby time	$50	300	$15,000	per hour	6 hours * 50 holes
Moving per Hole	$150	600	$90,000	per hour	12 hours * 50 holes
Sampling	$40	4500	$180,000	per sample	
Sample Transportation	$10	4500	$45,000	per sample	Intertek, Jakarta
Mobilisation/Demobilisation	$15,000	4	$60,000	per Rig	Jakarta to Papua
Drill Hole Land Compensation	$1,000	50	$50,000	per hole	
LIDAR Survey Cost	$10	15000	$150,000	per hectare	Hectare
Survey Hole	$500	50	$25,000	per hole	Total Station Survey
Direct Expenses			$1,000,000		Staff salaries, camp and office, etc
External Studies			$1,500,000		JORC 2012, Environmental, etc.
Grand Total			**$4,615,000**		

6. JORC STATEMENT

This Exploration Target for the IMI project area has been estimated, reviewed, and reported by SMGC's Principal Geologist Mr Abdullah Dahlan, a Competent Person according to the requirements of the JORC Code. The report has been prepared by Mr. Abdullah Dahlan and peer-reviewed by Mr Keith Whitchurch. The information about the deposit and the Exploration Target for the IMI area represents a conceptual study of the deposit in which available geological and other relevant factors are considered in sufficient detail to serve as a guide to further exploration.

The estimate complies with all Exploration Target requirements of the JORC Code, including the following qualifications:

- Exploration Target estimate is current as of the 30th of June 2024.
- The acquisition of geological data from all exploration activities has been conducted professionally and accurately in accordance with the principles and definitions of the JORC Code. The sampling and logging procedures during the drilling program have been conducted under supervision.

Mr. Abdullah Dahlan is a Member of the Australasian Institute of Mining and Metallurgy. He is employed by SMGC and has sufficient experience which is relevant to the style of mineralisation and type of deposit situated in this concession to qualify as a Competent Person as defined in the JORC Code. Mr. Dahlan has over 20 years of experience in the exploration and mining of gold deposits.

Mr. Whitchurch is a Fellow of the Australasian Institute of Mining and Metallurgy. He is employed by SMGC and has sufficient experience which is relevant to the style of mineralisation and type of deposit situated in this concession to qualify as a Competent Person as defined in the JORC Code. Mr. Whitchurch has over 35 years of experience in the exploration and mining of gold deposits. Mr Whitchurch is a Director of SMGC.

Mr. Abdullah Dahlan, Mr. Whitchurch, and SMGC consent to the inclusion of this Exploration Target Report in reports disclosed by the Company to third parties in the form in which it appears. This Exploration Target Report may only be presented in its entirety. Extraction of selected text from this report is only permitted with the written consent of SMGC.

Yours sincerely,

SMG Consultants Pte. Ltd.

Abdullah Dahlan
BE (Geology), MAusIMM, PERHAPI, ASEAN Eng.

This document was checked as part of SMGC's peer review process. Peer review was undertaken by Mr. Keith Whitchurch who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Whitchurch is employed as a Principal Engineer by SMGC. He 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 JORC Code.

Keith Whitchurch
BE (Mining - Hons), MEngSc (Research), MAusIMM, CP(Min), RPEQ, PERHAPI, CPI, IPU., ASEAN Eng., APEC Eng.

Appendix A – JORC Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been completed this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• All drill core was digitally photographed and logged by project geologists. Core with any potential for mineralisation was marked up for sampling and despatched to an analytical laboratory for geochemical analysis. Only obvious non-mineralised core was not sampled. • Half core was selected for geochemical analysis. • The 2007 drill core sample intervals range from 1.00 to 2.00 m with an average interval of 1.38 m. • All half-core samples were packed into woven polysacks by experienced site personnel and air freighted to the Sucofindo Laboratory in Timika, Papua Province, Indonesia. • All sample preparation and assays were undertaken by the independent Sucofindo Laboratory in Timika, Indonesia (Freeport Industrial Park). • Gold analyses of all drill core samples were by fire assay with atomic absorption spectrometry (AAS) finish of a 50g sample, with a detection limit of 0.01 g/t Au (method FAS4AAS). • For the determination of base metal AAS analytes the Sucofindo GAM006 – Base Metal Determination method was used with detection limits of Ag (0.5 ppm) and Cu, Pb, Zn (each 5 ppm). • For the determination of AAS hydride analytes the Sucofindo GAM004 – Hydride Base Metal Determination method was used with a 1.00 ppm detection limit for Arsenic
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Triple tube diamond core drilling – fully drilled with a diamond bit without RC pre-collar. • Core diameter was mostly HQ, reducing to NQ at depth. • Down-hole surveying was routinely conducted at 30 m intervals during 2006 and 2007 drilling. • Core orientation was measured using a down-hole lance to assist in orienting structures.

Criteria	JORC Code explanation	Commentary
		• Core was fitted together and marked up for sampling by a geologist, and where loose fragments were seen core was wrapped in masking tape before the core was sawn in half.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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.	• All core sample recovery recorded in logging sheet and recovery results were assessed by project geologists. • No significant drilling problems encountered resulted in very good core recoveries. • Statistical analyses indicate no relationship between grade and recovery.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All drill holes were logged by geologists. • All logging data recorded intervals from and to, including lithology, mineralisation, alteration, sulphides cited, detailed structure, and geotechnical characteristics. • All core was photographed. • All samples that were identified as having any potential mineralisation were assayed.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core samples were logged and all intervals for analysis were marked up by IMI geologists, mostly at 1 metre intervals. • Core samples for analyses were cut in half and collected by experienced IMI personnel. • 2007 drill core sample intervals ranged from 1.00 to 2.00 m with an average interval of 1.38 m. • Selected quarter core samples were assayed for quality assurance and quality control analysis.
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. • 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.	• All samples were dispatched to an independent laboratory – Sucofindo Laboratory, Timika, Indonesia. • No QA/QC was conducted in the field at all stages of exploratory sampling. • QA/QC duplicate and replicate sampling only conducted within the Timika Sucofindo Laboratory.

Criteria	JORC Code explanation	Commentary
	• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Analysis by Sucofindo of replicate assays and duplicate pulp check assays indicate acceptable levels of accuracy and precision.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Twinned holes were considered superfluous during the initial Resource drilling phases. • Data entry involved constructing Excel spreadsheets directly from final laboratory assay reports delivered electronically in Excel format. • Database verified by IMI exploration supervisor and JV funding Chief Geologist, including all significant drill intersections. • Data stored in a company server located in Jakarta, Indonesia.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Soil sampling grid (Northing, Easting, and Elevation) was established with handheld GPS control and tape and compass surveyed in the rugged terrain. • There is no clear information on whether the borehole collars to date have been surveyed using standard total station techniques or GPS handheld equipment. This has no effect on the Exploration Target estimation. • Both Sua and Bermol have been topographically surveyed by site surveyors with a soil sampling grid established and surveyed over the project. Survey data of creek locations, ridges, and spot heights were also collected and all survey data was used to create the topography DTM. • The existing topographic survey is considered adequate for the current DTM. Minor local discrepancies are evident and further survey work will be required should further Resource definition ensue. • The grid system used is Universal Transverse Mercator (WGS 84) UTM Zone 54, Southern Hemisphere.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	• Drill hole spacing and drill section spacing were as close to 100 m as the rugged ground conditions allowed. • Drilling has verified the mapping and trenching with the confirmation of both strike and dip continuity of gold-bearing quartz veins at depth. Although the drilling density is insufficient to allow a detailed model of the quartz veins it is adequate to define the overall geometry of the veins. • Samples are not composited for analysis. Down-hole compositing is applied for Mineral Resource estimation
Orientation of data in relation	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	• Drill sections are oriented perpendicular to main strike of shallow dipping vein structures. • Most holes were drilled on section.

Criteria	JORC Code explanation	Commentary
to geological structure	• 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.	• Vertical and mostly inclined holes were drilled, depending on the orientation of the mineralisation. • The orientation of the drilling is considered adequate for an unbiased assessment of the deposit with respect to interpreted structures and control on mineralisation.
Sample security	• The measures taken to ensure sample security.	• All drill core samples were packed on-site into polysacks by experienced IMI personnel before being helicopter delivered to the IMI logistic depot near Jayapura Airport and air-freighted by Boeing 737 to the Sucofindo Laboratory in Timika, Indonesia. • All sample preparation and assaying were undertaken at the independent, internationally recognised, Sucofindo Laboratory, Timika, Papua Province, Indonesia. • Pulps and coarse rejects were stored at the Sucofindo Laboratory, Timika.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Sampling procedures and data collection were frequently reviewed particularly during regular site visits and quarterly (every three months) Idenburg operating committee meetings.

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. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• PT. Iriana Mutiara Idenburg (IMI) holds an Exploration Contract of Work (COW) granted on the 13th of December 2017. • Project Area covers 95,280 hectares. • The Exploration COW is valid up to 26 October 2026.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• All known mineral prospects have been located by current and past IMI tenure holders. • Acknowledgment and appraisal of exploration by other parties including Barrick Gold Corporation and Avocet Mining under Joint Venture, Placer Dome under Exclusive Option Period, and Minorco, Newcrest Mining, and Newmont Mining under confidential due diligence investigations. • ACA Howe International Ltd. compiled an independent technical report on the key prospective targets within the Exploration COW held by IMI.
Geology	• Deposit type, geological setting and style of mineralisation.	• All gold prospects are located within the exotic Idenburg Inlier terrane, an approximately 30km x 30km block of amphibolite facies metamorphic rocks hosting dismembered ophiolites emplaced along regionally extensive thrust faults. • The tectonic setting is on the edge of the Pacific Rim, in the complex collisional zone between the northward creeping Australian continental plate and oceanic Pacific Plate drifting to the southwest. • Style of gold mineralisation as determined from field observations including mapping and drill core logging is of the orogenic gold type, also referred to as mesothermal lode gold. • Repeated petrographic investigations suggest the presence of auriferous, sheared quartz veins in metamorphic rocks with alteration assemblages seen and fluid inclusion homogenisation temperatures indicate that orogenic lode gold deposits are present.
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: - Easting and Northing of the drill hole collar	• As discussed in Section 4 and 5 of this report.

Criteria	JORC Code explanation	Commentary
	- elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down-hole length and interception depth - hole length. • 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.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Significant intercepts were calculated using a 0.5 ppm lower cutoff at Mafi and 0.8 ppm Au at all other prospects, 100 ppm uppercut, maximum consecutive waste 1 m. • No metal equivalent values considered. • Refer attached Excel spreadsheet Significant Drill Intersections_IMI.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (eg 'down-hole length, true width not known').	• The drill targets were tested with the aim of intersecting the interpreted mineralised structure as perpendicularly as possible to the strike, based on the geological interpretation available usually from surface creek mapping and mapping of trench and channel exposures. Mineralised zones were generally intersected at angles of greater than 60 degrees to the dip, which will cause a slight overstatement of the true mineralised width. • Results are reported as down-hole widths, in most cases, the true width is approximately 80-85 % of the down-hole length.
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.	• All maps, tables, and diagrams are identified in the Table of Contents of this report under the headings "Tables", "Figures" and "Appendices".
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Results from all holes in the historic programs for which assays have been received are reported.
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;	• A 30,595 line km fixed-wing aeromagnetic survey was flown, clearly outlining the regional extent of the exotic Idenburg Inlier terrain.

Criteria	JORC Code explanation	Commentary
	metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Regional drainage sampling has been completed over the entire remaining Project Area at a sampling density of just over 1 sample per 5 sq. km. At each stream site a -80# stream sediment, panned concentrate, and BLEG sample were collected, along with any mineralised rock float or rock outcrops. • The BLEG samples were assayed for Au, Ag, and Cu. The silt and rock samples were assayed for Au, Ag, Cu, Pb, Zn, Mo, Sb, Hg, Bi, Ni, Co, K, and Cr. • Lithostructural interpretations from air photos and Landsat imagery. • Compilation of all geochemical, geological, and geophysical data into a GIS database initially in ArcView format. • Preliminary metallurgical test work, on surface samples and on drill core composites from the Sua district show that 50 to 60% of the contained gold is recoverable by gravity, while overall recoveries by carbon-in-leach (CIL) or resin-in-leach (RIL) processes exceed 95%. Preliminary work on Bermol samples suggested minimum gold recoveries by CIL exceeding 80%.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Future Resource definition drilling is planned to extend, and infill known mineralised zones, and to delineate additional mineralised zones within the Idenburg Exploration COW Project Area.

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Not Applicable
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Not Applicable
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Not Applicable
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Not Applicable.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables.	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• Description of how the geological interpretation was used to control the Resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Not Applicable
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• Not Applicable
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Not Applicable
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Not Applicable
Environmen-tal factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Not Applicable

Criteria	JORC Code explanation	Commentary
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Not Applicable
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Not Applicable
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• Not Applicable
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Not Applicable

Section 4 Estimation and Reporting of Ore Reserves
(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• Not Applicable
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Not Applicable
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore • Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• Not Applicable
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Not Applicable
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used.	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore Reserve estimation been based on the appropriate mineralogy to meet the specifications?	• Not Applicable
Environmen-tal	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• Not Applicable
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• Not Applicable
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Not Applicable

Criteria	JORC Code explanation	Commentary
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • he derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• Not Applicable
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Not Applicable
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• Not Applicable
Social	• The status of agreements with key stakeholders and matters leading to social license to operate.	• Not Applicable
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the Reserve is contingent.	• Not Applicable
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• Not Applicable
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Not Applicable

Section 5 Estimation and Reporting of Diamonds and Other Gemstones
(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.	• Not Applicable
Source of diamonds	• Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.	• Not Applicable
Sample collection	• Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution). • Sample size, distribution and representivity.	• Not Applicable
Sample treatment	• Type of facility, treatment rate, and accreditation. • Sample size reduction. Bottom screen size, top screen size and re-crush. • Processes (dense media separation, grease, X-ray, hand-sorting, etc). • Process efficiency, tailings auditing and granulometry. • Laboratory used, type of process for micro diamonds and accreditation.	• Not Applicable
Carat	• One fifth (0.2) of a gram (often defined as a metric carat or MC).	• Not Applicable
Sample grade	• Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume. • The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation. • In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).	• Not Applicable

Criteria	JORC Code explanation	Commentary
Reporting of Exploration Results	• Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry. • Sample density determination. • Per cent concentrate and undersize per sample. • Sample grade with change in bottom cut-off screen size. • Adjustments made to size distribution for sample plant performance and performance on a commercial scale. • If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples. • The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.	• Not Applicable
Grade estimation for reporting Mineral Resources and Ore Reserves	• Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation. • The sample crush size and its relationship to that achievable in a commercial treatment plant. • Total number of diamonds greater than the specified and reported lower cut-off sieve size. • Total weight of diamonds greater than the specified and reported lower cut-off sieve size. • The sample grade above the specified lower cut-off sieve size.	• Not Applicable
Value estimation	• Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples. • To the extent that such information is not deemed commercially sensitive, Public Reports should include: • diamonds quantities by appropriate screen size per facies or depth. • details of parcel valued. • number of stones, carats, lower size cut-off per facies or depth. • The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value. • The basis for the price (eg dealer buying price, dealer selling price, etc). • An assessment of diamond breakage.	• Not Applicable

Criteria	JORC Code explanation	Commentary
Security and integrity	• Accredited process audit. • Whether samples were sealed after excavation. • Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones. • Core samples washed prior to treatment for micro diamonds. • Audit samples treated at alternative facility. • Results of tailings checks. • Recovery of tracer monitors used in sampling and treatment. • Geophysical (logged) density and particle density. • Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.	• Not Applicable
Classification	• In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.	• Not Applicable

Appendix B – Contributor to Report

Keith Whitchurch – Principal Mining Engineer

Qualifications: BE (Mining - Hons), MEngSc (Research)

MAusIMM, CP(Min), RPEQ, PERHAPI, CPI, IPU., ASEAN Eng., APEC Eng.

Contribution: Peer review

Experience: Keith has over 35 years of experience in the mining industry covering geological modelling, Resource and Reserve estimation, pit optimisation, mine design, equipment selection, mine scheduling, backfill design and planning, project costing, and economics. Over the last 15 years, Keith has specialised in the Indonesian mining industry as a team leader on numerous projects including technical, due diligence, and corporate aspects of nickel, coal, gold, iron ore, and uranium.

Abdullah Dahlan – Principal Geologist

Qualifications: BE (Geology), MAusIMM, PERHAPI, IPM, ASEAN Eng.

Contribution: Writing Report, Overall Project Supervision, Competent Person

Experience: Abdullah has more than 25 years of experience in the mining industry. His experience includes reconnaissance work through detailed gold exploration mapping on Halmahera Island, resource definition drilling of the Gosowong deposit, and management of the grade control systems at the Gosowong, Mount Muro and the Kencana gold mines. Abdullah has also supervised coal exploration drilling and coal project development. His experience includes monitoring coal production and pit reconciliation at the Satui coal mine on behalf of Thiess Contractors Indonesia. His experience at SMGC has included, exploration programs, geological modelling, and Resource estimation and reporting.

Nick Stamedes – Mining Engineer

Qualifications: BE (Mining – Hons), FAusIMM

Contribution: Assistance in reviewing report.

Experience: Nick has been working in the SE Asian mining industry for over 35 years – Australia (Kidston, Granny Smith), Papua New Guinea (Porgera), and Indonesia (Mount Muro, Gosowong, Awak Mas, Pani). He has significant experience in the field of mine and operations management, contractor management and establishment, cost control, and mine systems development, implementation, and review. He has managed and contributed significantly to numerous due diligence and mining studies related to the JORC and NI 43-101 Codes. He also has knowledge covering all operational and planning aspects of open-cut mining.