**4 SEPTEMBER 2014**

**ASX ANNOUNCEMENT**


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# Strategic Minerals Corporation NL, 100% Woolgar Gold Project, Queensland

## Final results from 2014 phase 1 drill program

The Company is pleased to announce the results of the final four drillholes[1] from the first phase of drilling on the Woolgar Project in 2014[2].

- The mineralisation continues to depth beneath the central zone:[3]
  - LR0248 104 metres at 1.17 g/t gold from 264 to 368 metres
  - LR0249 2 metres at 4.45 g/t gold from 98 metres
    and 20 metres at 1.47 g/t gold from 298 to 318 metres
- The mineralisation continues along strike in the north of the prospect:
  - LR0250 11 metres at 3.73 g/t gold from 125 metres
  - LR0251 9 metres at 3.39 g/t gold from 175 metres;

In addition, The Company has:

- Commenced a second phase of reverse circulation drilling on Big Vein South and Big Vein Central prospects; and
- Completed a Ground-magnetometry survey over new and existing targets within the Lower Camp.

[1] For details of the previous ten holes, please refer to "First phase of drilling successfully completed at Woolgar" issued 13th August 2014; and Further results from 2014 phase 1 drill program, issued 21st August 2014, available at **www.stratmin.com.au**

[2] For a summary of significant intersections for all 14 drillholes, please refer to Appendix Two: Summary of Significant Intersections, Phase 1, 2014, Big Vein South.

[3] **Note:** All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation. Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones up to six metres width were included in the overall intersection. No upper cut-off was applied. Details of intersections and higher-grade lens are included below.

## Summary of the 2014 Phase 1 final four drillhole[4] results

The results have been received for the final four drillholes, LR0248 to LR0251, from the first round of drilling for 2014. Two holes extend along strike to the north and two test deeper down dip on the southern margin of the main ore chute of Big Vein South. Their sections and plans are shown in Figure 1 to 5. All 14 holes are located in the Big Vein South (BVS) prospect and were planned to follow-up on the highly encouraging results of the 2013 drill program in the Lower Camp area of the Woolgar Project.

This drilling was at a shallower angle than previous campaigns in order to improve the intersections and are deeper in order to test the extensions of the known mineralisation. All the drilling was Reverse Circulation (RC) method. Samples were collected on one metre intervals and all were submitted for analysis.

Highlights are presented below with the overall mineralised intersections including low-grade zones between hanging and footwall zones, as well as the higher-grade mineralised zones.

| | |
|---|---|
| **LR0248** | 104 metres at 1.17 g/t gold from 264 to 368 metres |
| including | 11 metres at 2.79 g/t gold from 270 metres |
| and | 10 metres at 2.28 g/t gold from 341 metres |
| **LR0249** | 2 metres at 4.45 g/t gold from 98 metres |
| and | 20 metres at 1.47 g/t gold from 298 to 318 metres |
| **LR0250** | 11 metres at 3.73 g/t gold from 125 metres |
| **LR0251** | 9 metres at 3.39 g/t gold from 175 metres |

All results from the first phase have now been returned and initial observations include:

Depth Extension:

- LR0248 extends the deeper mineralisation on the southern side of the main ore chute, although this appears to be broader and more diffuse than to the north;
- LR0249 appears to represent the southern limit of the ore chute at this depth;
- The hanging and footwalls of the main chute continue to diverge at depth, forming a sub-vertical wedge within the Woolgar Fault shear zone.
- Some sections in the core area appear to show a separation of discrete hanging and footwall structures, although this may also be interpreted as intersecting mineralised trends within a larger braided shear-hosted system.
- Some sections, apparently closer to the periphery, show a more homogeneous gold distribution over broader widths.

[4] The previous ten drillholes were published separately since SMC was under an on-market takeover from QGold and the first phase of the 2014 exploration program was referred to in both the Bidder and Target Statements released through the ASX. Prompt disclosure of the available drill results was considered material to this.

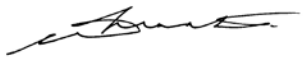
Northern strike extension of Big Vein South ore-chute:

- Drillholes LR0250 and LR0251 have narrow intercepts comparable to that in LR0246 to the south. This extends the narrower mineralisation northwards, rather than it terminating altogether.
- This negates the possibility that the ore-chute is dissected by a fault displacement.
- It still remains unclear if the Big Vein South mineralisation is connected to the Big Vein Central system 400 metres to the north.

## Current Activities

The company has started the year's second phase of RC drilling. This is concentrating on strike and depth continuation within Big Vein Central prospect and some additional extension drilling in Big Vein South. Up to 15 holes are expected, totalling around 3,500 metres. Results will be announced post completion of the exploration program and following analysis and interpretation of the data.

A ground-magnetometry survey was recently completed within the Lower Camp. This was comprised of 353 kilometres of data collection, including both infill of the previous program and extensions over prospective ground to the south, east and west. The data is currently being processed and will be help form the framework for the on-going target generation program.



**Wally Martin**
**MANAGING DIRECTOR**

***COMPETENT PERSON STATEMENT***

*The information in the report to which this statement is attached that relates to Exploration Targets or Exploration Results is based on information compiled by Alistair Grahame, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Grahame is a full-time employee of Strategic Mineral Corporation NL. Mr Grahame has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grahame consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# Appendix One: Graphic Sections, Plans and Location Maps

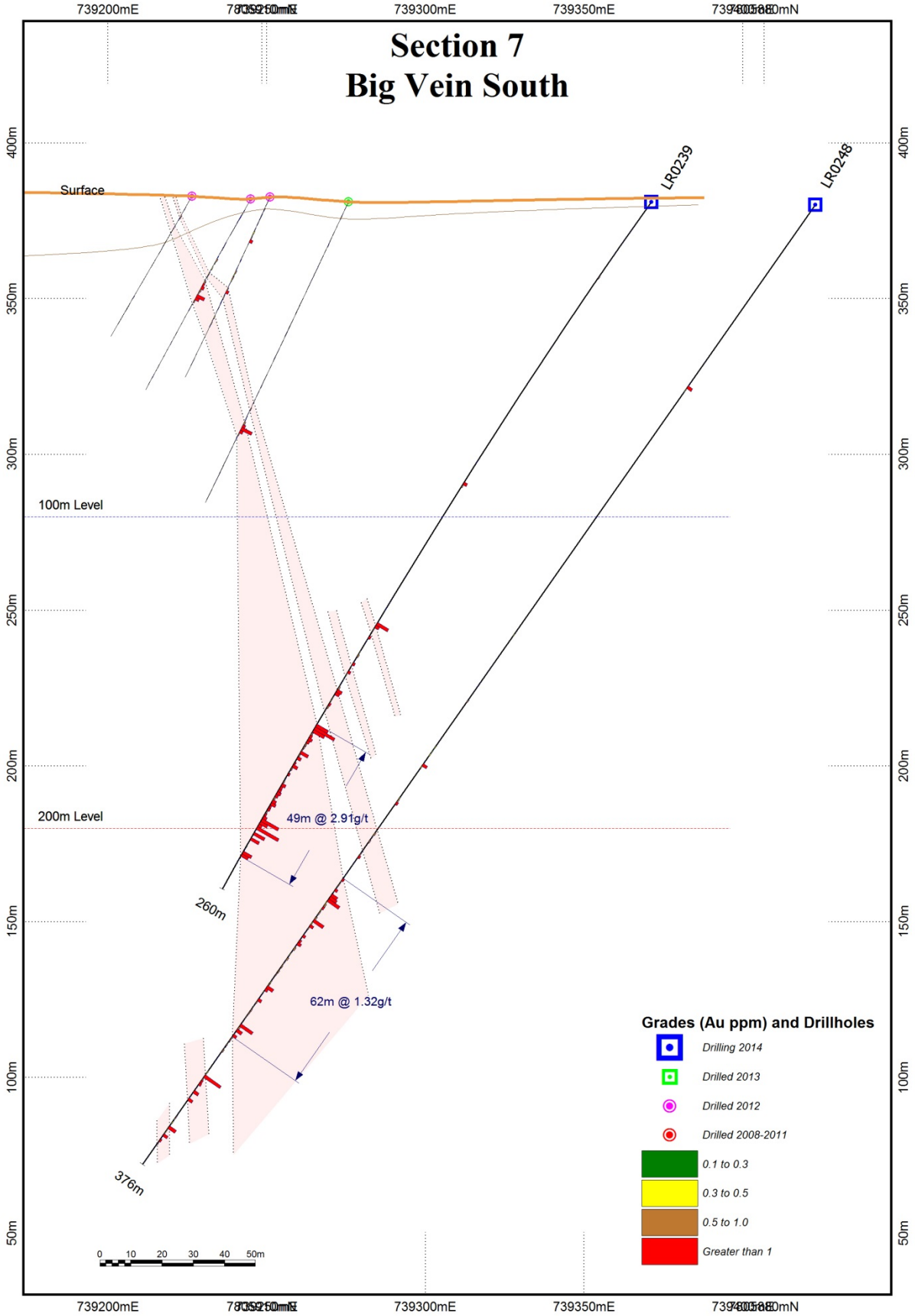



**Figure 1: Section 1 showing LR0248 gold histogram values and interpreted mineralised envelopes.**

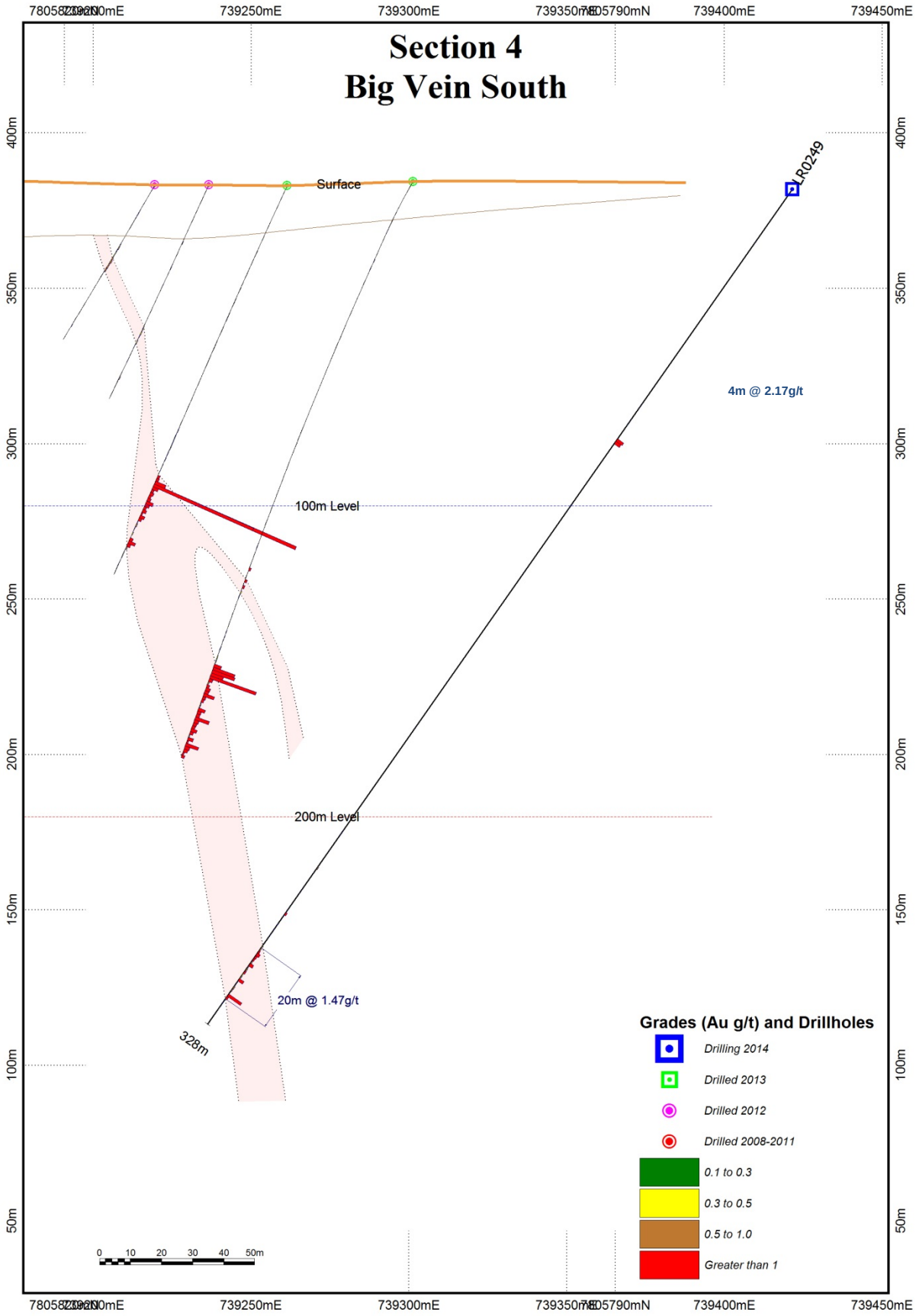



**Figure 2: Section 9 showing LR0249 gold histogram values and interpreted mineralised envelopes.**

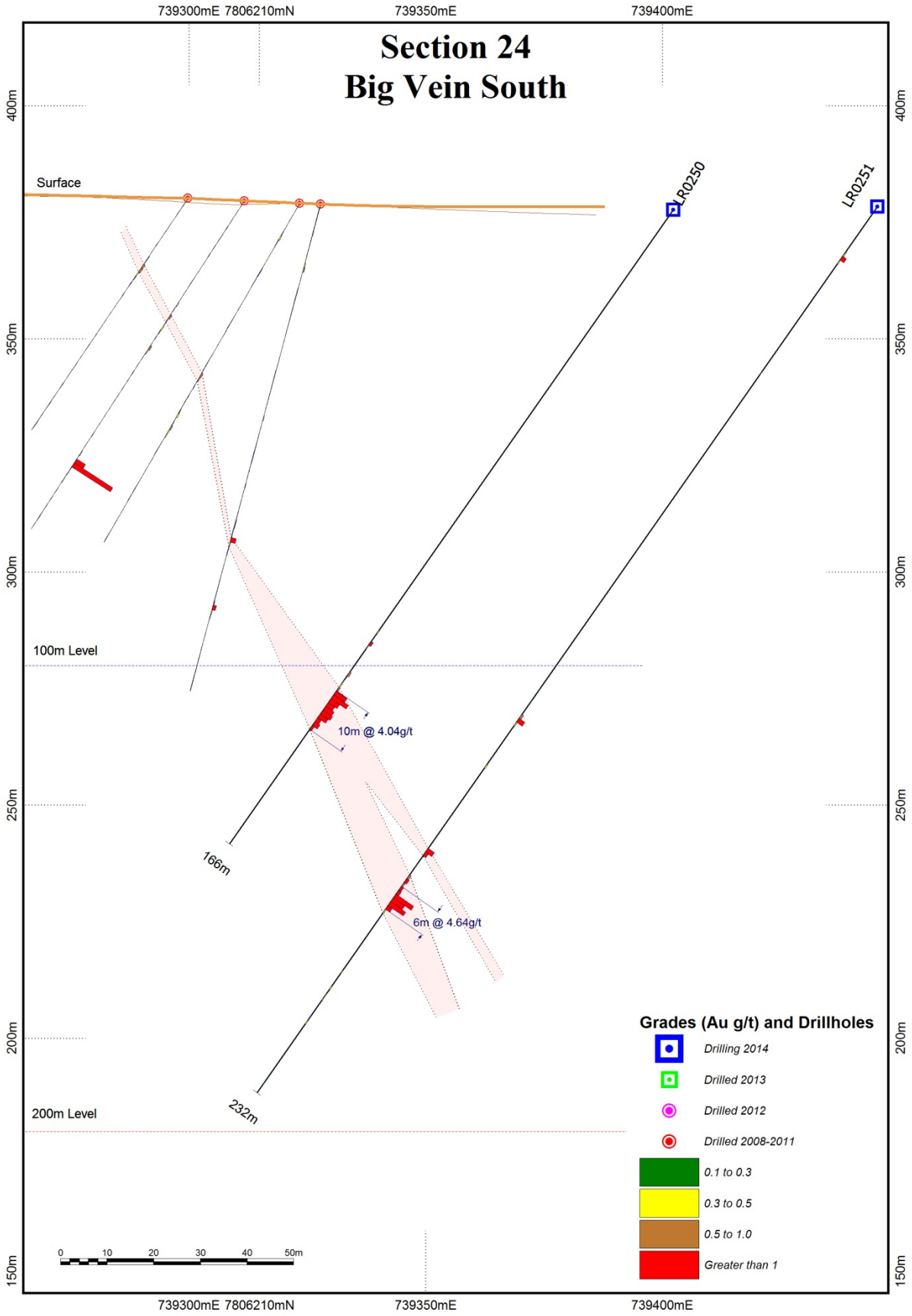



**Figure 3: Section 7 showing LR0250 and LR0251 gold histogram values and interpreted mineralised envelopes. The thinning at the northern end of the ore-chute can be seen here.**

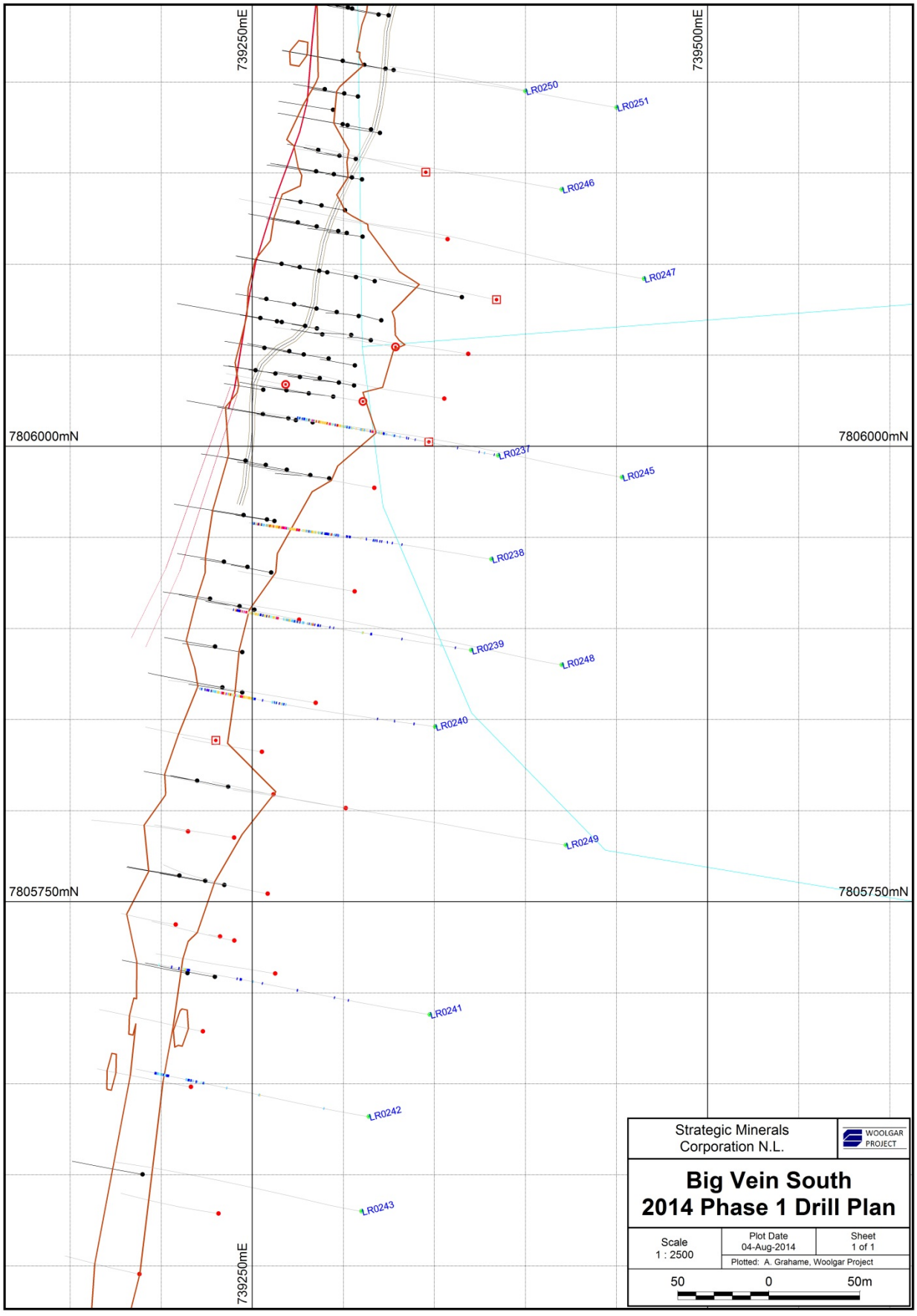



**Figure 4: Plan of BVS showing the Phase 1 drillholes and a simple outline of mineralisation prior to this program.**

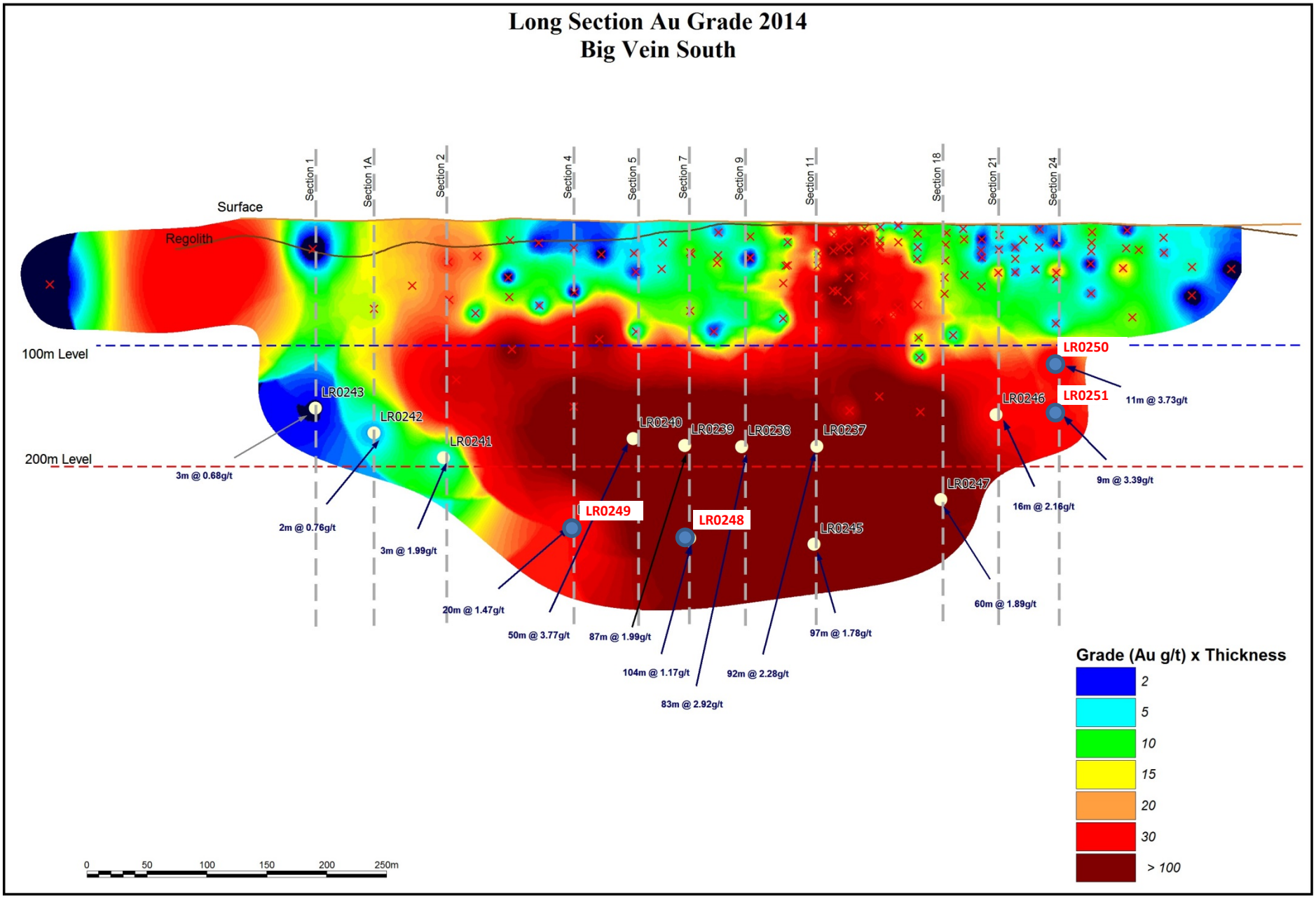



**Figure 5: Long Section of BVS showing the gold grade x thickness (g/t x m), previous drill intersections (red crosses) and the drillhole intersections from the current program (yellow dots = previously announced, blue dots = this announcement).**

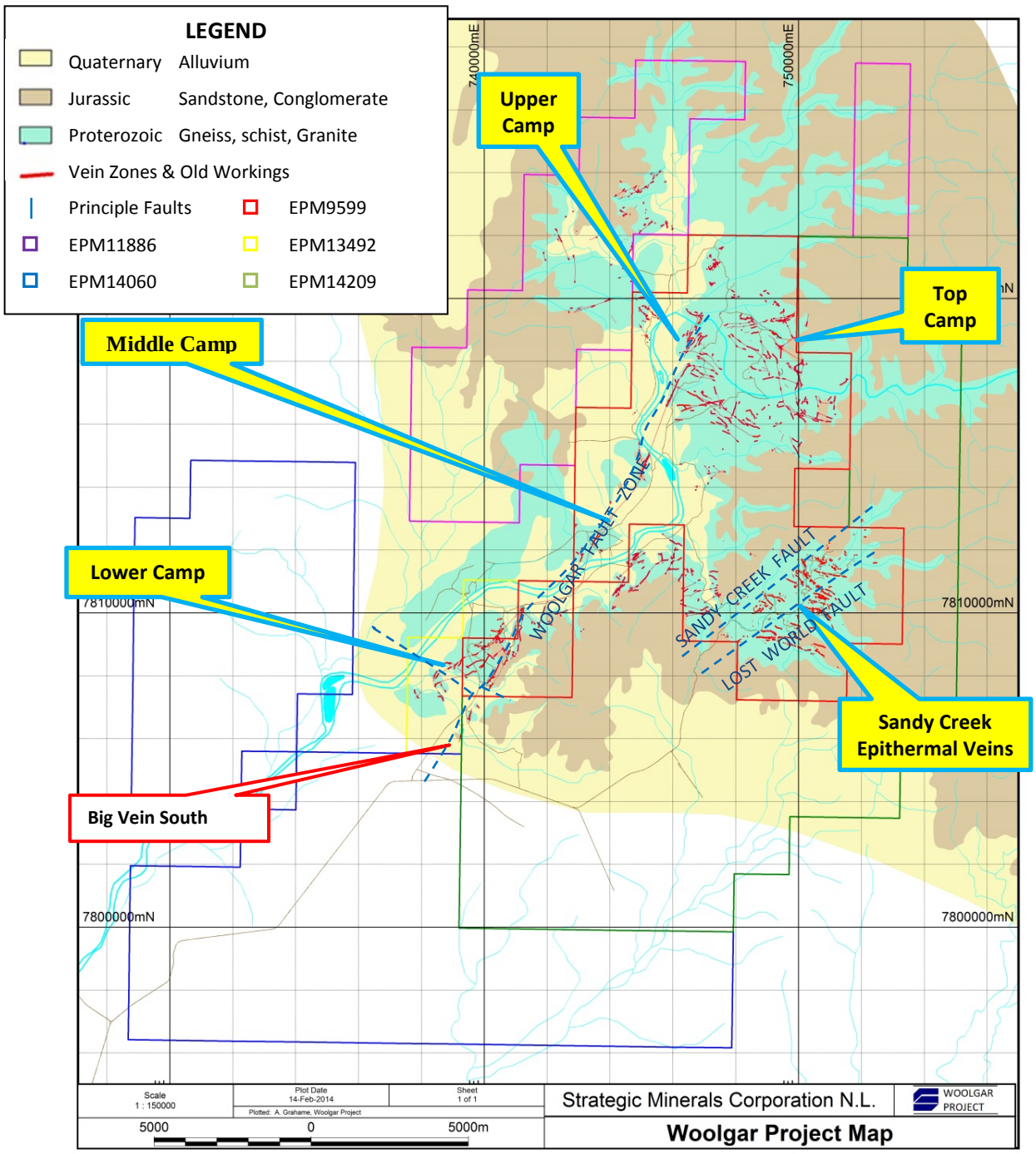



**Figure 6: Simplified geological map of the Woolgar Project, highlighting the five main sectors (camps) and the Big Vein South target prospect in first phase of 2014 drilling.**

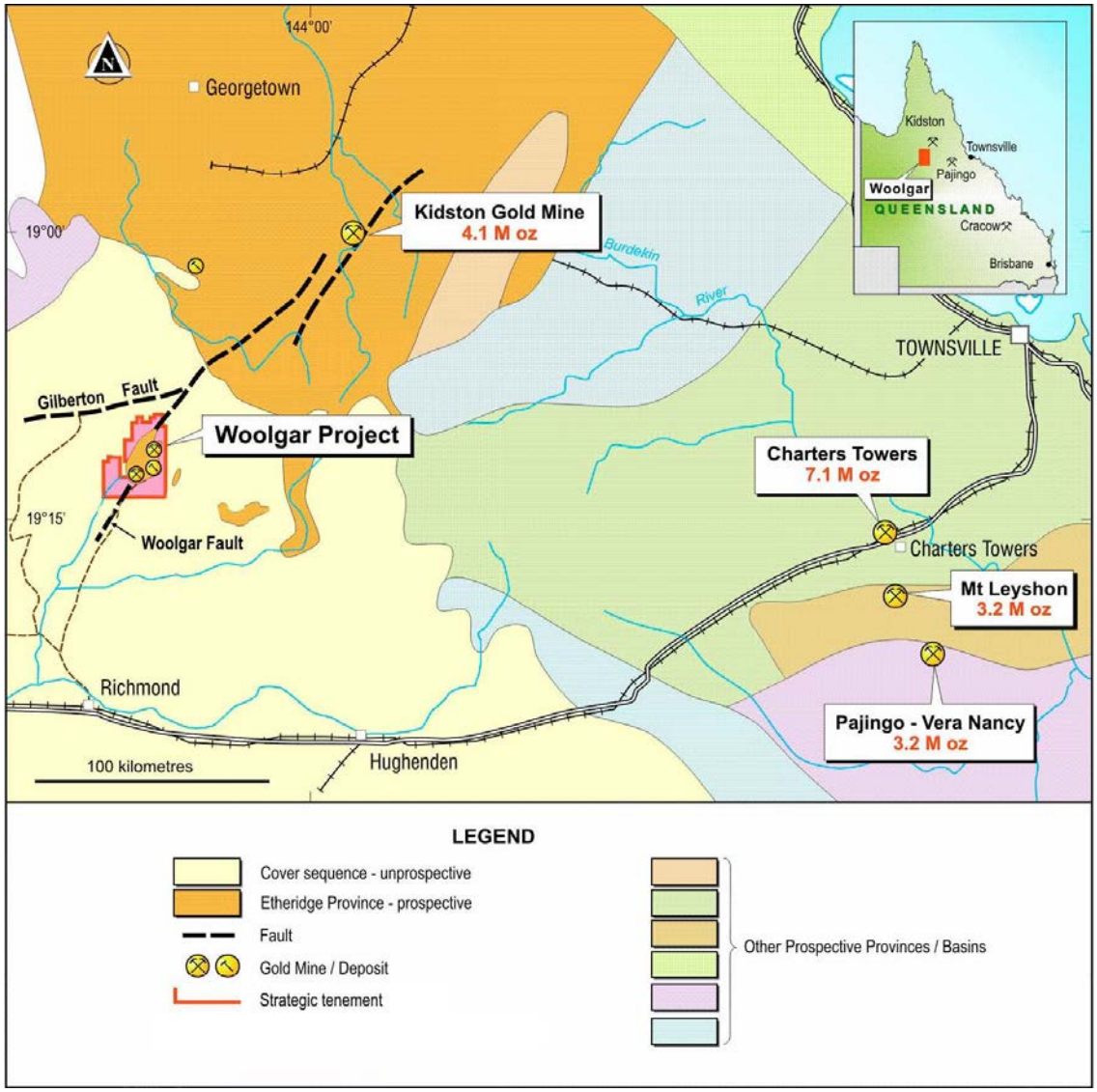



**Figure 7: Location map of Woolgar, showing the regional provinces of northeast Queensland and significant gold deposits.**

# Appendix Two

## Summary of Significant Intersections, Phase 1, 2014, Big Vein South.

| Table 2: | Big Vein South | | | | Summary of significant intersections using a 0.5 g/t gold cut-off grade | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Prospect | End of Hole | Dip | Azimuth[1] | Easting[2] (metres) | Northing[2] (metres) | Altitude[2] (metres) | Sample[3] Method | From (metres)) | To (metres) | Width[4] (metres) | Gold Grade[5] ppm |
| **LR0237** | BVS | 238 | -60 | 273 | 739383 | 7805993 | 380 | RC | 136 | 228 | 92 | 2.280 |
| including | | | | | | | | RC | 143 | 149 | 6 | 7.300 |
| and | | | | | | | | RC | 176 | 228 | 52 | 2.809 |
| including | | | | | | | | RC | 188 | 202 | 14 | 3.579 |
| and | | | | | | | | RC | 209 | 220 | 11 | 5.051 |
| **LR0238** | BVS | 253 | -55 | 273 | 739383 | 7805933 | 380 | RC | 164 | 247 | 83 | 2.920 |
| including | | | | | | | | RC | 189 | 234 | 45 | 4.220 |
| including | | | | | | | | RC | 198 | 202 | 4 | 11.920 |
| and | | | | | | | | RC | 212 | 218 | 6 | 9.470 |
| **LR0239** | BVS | 260 | -55 | 273 | 739371 | 7805885 | 381 | RC | 161 | 248 | 87 | 1.990 |
| including | | | | | | | | RC | 199 | 242 | 43 | 3.040 |
| including | | | | | | | | RC | 199 | 202 | 3 | 10.500 |
| and | | | | | | | | RC | 234 | 242 | 8 | 6.190 |
| **LR0240** | BVS | 250 | -55 | 273 | 739353 | 7805846 | 382 | RC | 188 | 238 | 50 | 3.770 |
| including | | | | | | | | RC | 188 | 233 | 45 | 3.832 |
| including | | | | | | | | RC | 198 | 201 | 3 | 10.250 |
| and | | | | | | | | RC | 219 | 222 | 3 | 10.690 |
| **LR0241** | BVS | 274 | -55 | 273 | 739346 | 7805683 | 385 | RC | 241 | 244 | 3 | 1.990 |
| **LR0242** | BVS | 237 | -55 | 273 | 739316 | 7805628 | 385 | RC | 213 | 215 | 2 | 0.760 |
| **LR0243** | BVS | 249 | -55 | 273 | 739309 | 7805579 | 385 | RC | 184 | 186 | 2 | 0.945 |
| and | | | | | | | | RC | 206 | 209 | 3.000 | 0.677 |
| **LR0244** | Hole Abandoned | | | | | | | | | | | |

| Hole ID | Prospect | End of Hole | Dip | Azimuth[1] | Easting[2] (metres) | Northing[2] (metres) | Altitude[2] (metres) | Sample[3] Method | From (metres)) | To (metres) | Width[4] (metres) | Gold Grade[5] ppm |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LR0245** | BVS | 381 | -55 | 273 | 739453 | 7805979 | 379 | RC | 73 | 77 | 4 | 2.165 |
| and | | | | | | | | RC | 182 | 184 | 2 | 2.815 |
| and | | | | | | | | RC | 261 | 358 | 97 | 1.778 |
| **LR0246** | BVS | 268 | -55 | 273 | 739429 | 7806139 | 378 | RC | 168 | 184 | 16 | 2.159 |
| including | | | | | | | | RC | 174 | 181 | 7 | 3.530 |
| **LR0247** | BVS | 412 | -55 | 273 | 739469 | 7806080 | 379 | RC | 136 | 138 | 2 | 3.480 |
| and | | | | | | | | RC | 240 | 300 | 60 | 1.889 |
| including | | | | | | | | RC | 256 | 264 | 8 | 7.536 |
| **LR0248** | BVS | 376 | -55 | 273 | 739423 | 7805879 | 380 | RC | 264 | 368 | 104 | 1.171 |
| including | | | | | | | | RC | 270 | 281 | 11 | 2.792 |
| including | | | | | | | | RC | 270 | 273 | 3 | 6.163 |
| and | | | | | | | | RC | 280 | 283 | 3 | 3.003 |
| and | | | | | | | | RC | 321 | 326 | 5 | 3.380 |
| and | | | | | | | | RC | 341 | 351 | 10 | 2.283 |
| **LR0249** | BVS | 328 | -55 | 273 | 739421 | 7805779 | 382 | RC | 98 | 100 | 2 | 4.445 |
| and | | | | | | | | RC | 298 | 318 | 20 | 1.471 |
| **LR0250** | BVS | 166 | -55 | 273 | 739402 | 7806193 | 378 | RC | 125 | 136 | 11 | 3.735 |
| **LR0251** | BVS | 232 | -55 | 273 | 739445 | 7806185 | 378 | RC | 175 | 184 | 9 | 3.390 |
| including | | | | | | | | RC | 180 | 184 | 4 | 6.323 |

***Notes:*** *[1] All Azimuths are reported in degrees relative to the grid (GDA94). Orientation data presented in Appendix 1 represents collar data.*

*[2] All coordinates are reported in GDA94 and are surveyed using Differential GPS. These coordinates supersede the non-differential GPS coordinates announced previously.*

*[3] All intersection widths are length weighted averages. All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.*

*[4] Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones up to 6 metres are included in overall intercepts (bold). Low-grade zones less than two metres width within an intersection were included in the secondary intersections as per 2013 announcements for comparative purposes. No upper cut-off was applied.*

# Appendix Three

## 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • *Reverse circulation drilling with face hammer. Sample intervals were 1.0m.*<br>• *RC sampling was carried out by the drill contractor using a cone-splitter integral with the recovery cyclone.*<br>• *3 kg was pulverised to produce a 50 g charge for fire assay and 35 element ICP.*<br>• *Some variation in field duplicates may be due to resampling techniques or coarse gold "nugget effect". Screen fire assaying of higher grade samples is underway to determine this. The original (rig-sampled) assay is reported for all instances of duplicates, rather than a selective system.* |
| ***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).* | • See above. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Only sample weight was recorded since all samples were a fixed proportion of the total recovery. Any anomalies were brought to the driller's attention. Samples collected in the integral recovery cyclone and cone splitter. Duplicates were taken manually using a riffle splitter and selected on geological criteria.<br>• There is no obvious relationship between recovery and grade. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • 100% of RC chips were logged on site using a qualitive system. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • RC was cone split integrally to the cyclone. Duplicates were selected on geological criteria and taken manually using a riffle splitter.<br>• All sample preparation and methods were appropriate for exploration purposes.<br>• 3 grades of pulp standards plus coarse banks and field duplicates were used throughout the program. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • Samples were prepared and assayed at the ALS Minerals Division - Geochemistry ("ALS") laboratory in Townsville; an ISO-9001:2013 certified facility. Methods used were: gold by fire assay, AA finish (50 gram charge); and other elements by aqua regia ICP-AES (35 elements). Samples returning greater than 100 g/t gold were automatically re-assayed using a dilution analyses.<br>• 3 grades of pulp standards plus coarse banks and riffle-split field duplicates were used throughout the program. All standard and blank results appear acceptable. The field duplicates show minor variation which may be due to coarse gold or the different splitting method. Gravimetric re-analysis of selected higher-grade values is underway to assess this. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • No independent verification has been conducted at this stage.<br>• This is prospective not definition work.<br>• Logging data entry on site by employee logging. All data backed up daily and stored in separate locations. Senior geologist verifies data entry.<br>• Sample control data recorded on paper in the field and entered digitally daily.<br>• No adjustments made to assay data. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Collars are located using a Differential GPS. This report supersedes previous non-dGPS coordinates.<br>• Downhole surveys were conducted using a Reflex single-shot camera at 18m and subsequent 50 metre intervals. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | • Planned intercept spacings were approximately 50m where stepping back. Width between sections was 50m at shallower levels and 100m where deeper. This is considered suitable for the exploratory nature of this program.<br>• No compositing was used. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *Whether sample compositing has been applied.* | |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging between 50 and 70° near surface and approximately vertical at depth.<br>• There is no evidence for a sampling bias beyond that of the tangential angle. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • RC samples were sealed in sacks and loaded into pallet containers for transport to Townsville by a private courier.<br>• A paper trail, including the contents of individual sacks was maintained. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • Sample technique is reviewed frequently. The use of standards and blanks was optimized for this program. On-site weighing of samples suffered from defective equipment and is being reviewed prior to further drilling. |

## Section 2 Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Woolgar project is comprised of 5 EPMs, 8 MLs and an ML application. These are wholly owned by Strategic Minerals.<br>• There is no known impediment to operations in the area. |

| License No | Date Granted | Area | Interest | Comments |
|---|---|---|---|---|
| ML 2728 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2729 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2739 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2642 | 01/02/89 | 405 Ha | 100% | Granted |
| ML 2793 | 08/08/91 | 146.4 Ha | 100% | Granted |
| ML 90044 | 27/04/95 | 29.2 Ha | 100% | Granted |
| EPM 9599 | 01/09/93 | 145 sq km | 100% | Granted |
| ML 90122 | 02/09/04 | 350.90 Ha | 100% | Granted |
| ML 90123 | 18/11/04 | 124.70 Ha | 100% | Granted |
| MLA 90238 | | 883.5 Ha | 100% | Application |
| EPM 11886 | 21/04/04 | 316 sq km | 100% | Granted |
| EPM 14060 | 21/04/04 | 489 sq km | 100% | Granted |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | EPM 14209 — 21/04/04 — 307 sq km — 100% — Granted<br>EPM 13942 — 09/11/06 — 15 sq km — 100% — Granted |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Little recent work has been carried out in the Lower Camp area prior to the previous two RC programs by SMC. The new project management reviewed these and found it acceptable as a basis for exploration. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The Lower Camp is a mesothermal style of mineralisation.<br>• It is shear hosted within the regional-scale Woolgar Fault Zone.<br>• It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets.<br>• Gold mineralisation is associated with disseminated pyrite, and lesser galena, sphalerite and pyrrotite, that occur within strongly phyllic altered, sheared and brecciated schists, silicified breccias and veins.<br>• The hostrocks are a strongly deformed schist with granitic layers locally. These are intruded by granodiorite and minor dolerites, and is postulated to be overlying bind plutons of the granite batholiths exposed in the district. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • For drilling data, see Appendix Two of this report.<br>• None of this information has been excluded. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of* | • All intersection widths are length weighted averages. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones up to six metres width were included in the overall intersections. In the secondary intersections, low-grade zones less than two metres width were included as per 2013 announcements for comparative purposes. No upper cut-off was applied. Details of intersections and higher-grade lens are included below and in graphic sections, see Appendices One and Two.<br>• Sections in Appendix One with histogram graphics representing gold grades show the true spread of |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | grades through the aggregate intercepts.<br>• No metal equivalents are used. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging between 50 and 70° near surface and approximately vertical at depth.<br>• LR0237 has a dip of -60º. All other drillholes dip -55º.<br>• All holes are drilled 280º, which is perpendicular to the estimated average strike of the mineralisation.<br>• There is no evidence for a sampling bias beyond that of the tangential angle. |
| ***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.* | • Location and prospect maps, cross-sections for all six drillholes, and a long-section showing peirce points compare to the existing grade-thickness plot are included in the main body of the text. |
| ***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.* | • Summary intercepts of all six holes returned to date are included, including those with minimal intercepts representing the southern limit of target orebody.<br>• All eight further holes will be published once received and checked. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Recent geophysical and soil surveys have been reported previously. Detailed analysis and interpretation of these results is underway.<br>• RC sample reject material has been set aside for potential metallurgical work. Work has started on planning a comprehensive metallurgic program.<br>• No appraisal has been made of the geotechnical data.<br>• No deleterious technical, statutory or social issues are known. |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further RC drilling is underway and includes continued stepbacks where possible and extension drilling to assess the overall potential. This will also include drilling on neighbouring Big Vein Central prospect. Diamond drilling may be conducted if the exploratory phase is successful.<br>• Further geophysical work is also likely. Probably extension and infill on the recent Ground Magnetometry survey and possibly some electrical techniques if considered suitable. |