

# GASCOYNE PROJECT EXPLORATION UPDATE

ANNOUNCEMENT

16 SEPTEMBER 2014

Audalia Resources Limited (ASX: **ACP**) is pleased to announce the results from the Gascoyne reconnaissance rockchip, stream sediment and trap-site stream sediment sampling programme carried out in the month of August over all the tenements.

Sixteen minus 80 mesh follow-up stream sediment samples (CW929 to CW944) were collected from two catchments to more closely define the source of the lead anomalies generated from last field programme during June. A full set of results is attached in Appendix 1. Best result obtained was 171ppm lead.

Six minus 3mm trap-site 2kg trap-site stream sediment samples (CW945 – CW950) were collected over a previous gold anomaly G11. A full set of results is attached in Appendix 2. Best result obtained was 4.63ppb gold.

Sixty two rockchip samples (CW861-900 and CW1017-1038) were collected mostly from ironstones or ironstone quartz veins from Banded Iron Formations (BIFs) that have been mapped and traced along a total strike length of 25km and outcrop over a north-south distance of 30km and an east-west distance of 19km. A full set of results is attached in Appendix 3.

Best results are tabulated below:

Sampno	East	North	Best Result
CW865	365047	7284111	397ppb Au, 0.40ppm Ag
CW866	364859	7284118	318ppb Au, 0.28ppm Ag, 212ppm As
CW868	364150	7287448	5185ppm Mn, 484ppm Zn
CW872	363913	7280503	28Mo, 35W
CW884	367181	7277132	2031ppm Mn, 0.05ppm Ta
CW887	370250	7279869	14ppm Sn, 151ppm W
CW1019	377294	7284833	249Cu 6069Mn, 377ppm Zn
CW1023	376329	7284265	0.55ppm Ag, 277ppm Pb
CW1024	378242	7283903	2589ppm Mn, 1327ppm Zn
CW1026	378290	7285025	544ppm Pb
CW1028	383524	7271435	61ppb Au

A number of the sampled ironstones have elevated manganese and zinc. There is potential to discover regionally for Broken Hill style Ag Pb Zn mineralisation. Manganese is a good indicator for this style of mineralisation and at Broken Hill, the values rise up to 5% adjacent to the mineralisation.

An airborne geophysical program of magnetics and radiometrics on a 100m line spacing is planned for the next quarter. This will further aid in identifying the BIF beneath the younger sediments and aid in structural targeting for drilling.

**Authorised by:**

**Dato Soo Kok Lim**  
**Executive Chairman**

#### **Competent Person's Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Brent Butler, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Butler is a consultant geologist with 30 years' experience as a geologist. Mr Butler has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves' (JORC Code). Mr Butler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **JORC Code, 2012 Edition – Table 1**

<b>Section 1 - Sampling Techniques and Data</b>	
<b>Sampling techniques</b>	6 Trapsite Stream Sediment (TSS) 2kg samples collected using -3mm mesh for bulk leach gold. 16 Stream sediment 2kg samples using -80 mesh for copper, lead and zinc. 62 rockchip samples collected for gold and 15 additional elements.
<b>Drilling techniques</b>	Not applicable as no drilling has been completed for this work.
<b>Drill sample recovery</b>	Not applicable as no drilling has been completed for this work.
<b>Logging</b>	Not applicable as no drilling has been completed for this work.
<b>Sub-sampling techniques and sample preparation</b>	Not applicable as no drilling has been completed for this work.
<b>Quality of assay data and lab tests</b>	Samples were collected in the field and transported directly to Intertek laboratories in Perth for analysis. The TSS gold samples were analysed by method CN2000/MS. The base metal samples (Cu, Pb, Zn) were analysed by AR01/MS and the rockchip multi-element were analysed by ARU10/MS for Au, Ag, As, Ba, Mo, Sn, Ta, W and ARU10/OE for Cu, Fe, Mn, Zn.
<b>Verification of sampling and assaying</b>	Two repeat and one duplicate samples were inserted.
<b>Location of data points</b>	Sample sites were located with a hand held GPS.
<b>Data spacing and distribution</b>	Samples sites were randomly selected.
<b>Orientation of data in relation to geological structure</b>	Not applicable as no drilling has been completed for this work.
<b>Sample security</b>	Sample security is managed by the Company. The field samples are collected in 8" by 12" calico bags and tied and then placed into a large plastic bag and tied for transportation directly to the laboratory. The assay laboratory audits the samples on arrival and reports any discrepancy to the Company.
<b>Audits or reviews</b>	No audits or review of the sampling techniques or data has been carried out.

<b>Section 2 - Reporting of Exploration Results</b>	
<b>Mineral tenement and land tenure status</b>	Audalia owns the Gascoyne project 100% that comprises of E09/1568-70 and E09/1824-25. All are in good standing. No security, environmental or legal issues have been noted.
<b>Exploration done by other parties</b>	BHP (2003-4), ABM Resources (2007) and Altera Resources (2008) explored the area for base metals.
<b>Geology</b>	The Gascoyne Project lies within the Gascoyne Province which is the deformed and high-grade metamorphic core zone of the early Proterozoic Capricorn Orogen. The province consists of voluminous granitoid intrusions, mantled-gneiss domes, metamorphosed and partly melted sedimentary rocks, and remobilized Archaean basement gneiss. It lies between the Archaean Pilbara Block and Yilgarn Block and tectonic trends within the Gascoyne Province wrap around the margins of these relatively stable cratons.
<b>Drill hole information</b>	Not applicable as no drilling has been completed for this work.
<b>Data aggregation methods</b>	Not applicable as no drilling has been completed for this work.
<b>Relationship between mineralisation widths and intercept lengths</b>	Not applicable as no drilling has been completed for this work.
<b>Diagrams</b>	Not applicable as no drilling has been completed for this work.
<b>Balanced reporting</b>	All results have been reported in Appendix One, Appendix Two and Appendix Three.
<b>Other substantive exploration data</b>	No.
<b>Further work</b>	An airborne geophysical program of magnetics and radiometrics is planned for the December 2014 quarter.

## **Appendix One**

### **Stream Sediment Sampling Results**

Stream Sediments Aug 2014

Sampno	East	North	Cu	Pb	Zn
	m	m	ppm	ppm	ppm
Detection	1	1	0.2	0.5	1
Method			AR01/MS	ARU10/MS	AR01/MS
CW929	Repeat of CW366		16.6	85.7	33
CW930	361854	7287849	14.2	43.4	31
CW931	361912	7287739	13.1	84.9	25
CW932	361932	7287616	14.9	63.7	23
CW933	361929	7287489	12.7	34.4	21
CW934	361882	7287376	11.4	18.6	23
CW935	361661	7287757	15.6	51.9	34
CW936	362132	7278965	17.8	64.5	28
CW937	362145	7278963	12.6	45.5	22
CW938	361368	7282576	10.4	12.6	24
CW939	361851	7282745	11.7	40.3	27
CW940	Duplicate of CW939		10.8	32.2	24
CW941	Repeat of CW903		49.9	170.8	92
CW942	361784	7282899	13.1	26.3	23
CW943	361801	7282836	10.4	42.1	27
CW944	361747	7283113	12.7	43.2	25

## **Appendix Two**

### **Trapsite Stream Sediment Sampling Results**

Trapsite Stream Seds Aug 2014

Sampno	East	North	Au
	m	m	ppb
Detection	1	1	0.01
Method			CN2000/MS
CW945	364758	7283985	1.69
CW946	364720	7284022	0.81
CW947	365026	7284139	3.87
CW948	364984	7284022	4.63
CW949	364593	7284178	1.97
CW950	364566	7284312	0.13

## **Appendix Three**

### **Rockchip Sampling Results**



Sampno	East	North	Au	Au-Rp1	Ag	As	Ba	Ba-Rp1	Cu	Fe	Mn	Mo	Pb	Pb-Rp1	Sn	Ta	W	Zn	Geology
	m	m	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	
Detection	1	1	1	0.01	0.05	1	1	20	1	0.01	1	0.1	0.5	50	0.05	0.01	0.05	1	
Method			ARU10/MS	ARU10/SAA	ARU10/MS	ARU10/MS	ARU10/MS	4AH/OE	ARU10/OE	ARU10/OE	ARU10/OE	ARU10/MS	ARU10/MS	4AH/OE	ARU10/MS	ARU10/MS	ARU10/MS	ARU10/OE	
CW861	362991	7285362	1		0.36	3	41		76	2.76	167	1.7	96.6		0.59	X	0.75	19	Two pods of iron-stained vein quartz up to 1m across in feldspathic paragneiss
CW862	361441	7282682	X		X	3	92		30	2.74	247	1.1	2.5		0.12	X	10.96	3	5m by 1m iron-stained quartz pod with boxworks after sulphide and trace pyrite
CW863	364924	7284106	X		X	27	79		5	1.48	109	0.5	5		0.09	X	0.95	8	1.5m by 30m quartz vein with minor limonite staining, dipping 45° north
CW864	364946	7284120	8		X	251	19		11	2.5	168	1.1	2.4		0.07	X	3.27	14	50cm by 20m east-west quartz vein with limonite staining
CW865	365047	7284111	397	0.4	X	7	67		10	1.98	137	7.3	11		0.14	X	0.8	7	30cm quartz vein with 1mm granular tourmaline
CW866	364859	7284119	318	0.28	0.09	212	94		23	3.69	319	2.7	61.3		0.26	X	1.28	76	30cm ferruginous quartz vein
CW867	364712	7286105	8		0.1	22	333		268	37.57	1119	10.5	240.9		0.43	X	0.77	275	North-south 5m by 20m ironstone float
CW868	364150	7287448	1		0.07	5	720		111	47.56	5185	2.4	150.4		0.21	X	0.25	484	20m by 150m ironstone
CW869	366123	7288507	X		0.06	4	660		101	17.17	6285	1.1	91.9		1.43	X	2.16	80	Subcropping BIF <20cm thick, traceable for 3m
CW870	366352	7288373	8		X	8	>1000	1121	21	25.24	9386	1.8	6.3		0.58	X	4.7	45	10cm by 5m BIF
CW871	364239	7280476	X		X	2	484		68	21.9	368	1.1	8.9		3.33	X	10.13	17	5m by up to 20cm BIF
CW872	363913	7280503	X		0.11	12	291		16	34.58	766	27.8	163		0.25	X	34.66	182	Dark reddish brown cobble float, 30m north of BIF horizon. Source is 15m by 20cm vein
CW873	363417	7280397	X		X	X	315		4	0.83	76	0.4	4.3		1.21	X	0.88	4	Non-foliated breccia with white quartz fragments in red fg matrix. ? Precarboniferous weath
CW874	363105	7280388	X		0.13	2	16		4	3.33	103	11.3	13.5		0.58	X	0.92	5	10m by 3m quartz pod with 5% 1mm disseminated pyrite. Photo 936
CW875	362927	7280513	4		0.16	6	465		117	10	202	1.8	24.4		3.3	0.03	1.9	23	Jaspery BIF up to 40cm thick
CW876	362699	7281096	X		X	5	213		4	26.82	1028	5.6	22.7		0.26	X	9.84	17	Reddish brown weathered schist with Fe-Mn nodules on north bank of creek
CW877	363330	7281707	3		0.83	17	164		516	21.99	395	18.9	>1000.0	4220	1.26	X	3.15	926	Subcropping BIF <10cm thick?
CW878	363659	7281955	2		0.12	4	536		190	24.38	692	4.6	428.8		3.88	X	14.79	56	20m by up to 20cm laminated quartz limonite vein with probable sulphide boxworks.
CW879	364633	7281118	X		X	1	414		178	19.19	284	3	28.3		2.55	X	2.95	20	Subcropping BIF <10cm thick?
CW880	364740	7281395	3		X	1	460		43	21.47	774	0.9	7.2		0.91	X	5.11	49	Subcropping granular, ~2m diameter quartzite with abundant Fe, in megacrystic granite
CW881	364650	7278833	X		X	6	465		19	7.05	142	1.6	11.3		2.37	X	9.88	26	Moderately ferruginous 1m by 10m zone beside grey chert
CW882	364353	7278666	3		X	4	118		57	25.45	272	1.2	38.3		2.24	X	4.96	53	Folded ~50cm thick BIF on creek bank
CW883	365347	7278541	X		X	2	71		16	18.18	178	0.9	7.8		1.57	X	2.91	8	Folded ~50cm thick BIF in creek
CW884	367181	7277132	X		X	7	606		82	21.78	2031	0.7	21.2		2.86	0.05	0.14	138	Subcropping 2m by 10m ironstone
CW885	370996	7279589	1		0.07	1	279		48	24.51	388	0.8	7.9		9.7	X	1.74	54	50m by up to 1m thick BIF
CW886	371287	7279691	X		0.05	2	322		42	30.23	459	1.8	10.6		10.28	X	1.71	66	~20m by 75cm BIF subcrop
CW887	370250	7279869	3		X	2	226		101	23.51	394	1.5	3.3		13.94	0.02	151.1	104	10m by up to 12cm BIF
CW888	370511	7279583	2		0.08	3	116		103	28.95	325	1.3	16.1		5.81	X	2.35	74	30m by up to 30cm BIF
CW889	368585	7280750	X		X	1	49		27	2.6	129	3.4	6.2		0.19	X	1.26	3	North-south ironstained quartz vein, 15m by up to 2m thick
CW890	373517	7279882	1		X	1	195		53	24.14	405	0.5	2.2		2.7	0.02	1.35	26	?gruneritic BIF float, less than 20cm thick
CW891	374759	7279637	X		X	1	447		24	20.6	355	1.7	5.5		0.51	X	0.82	17	5m by 50cm BIF
CW892	375605	7278795	X		X	1	73		45	29.55	316	2.2	4.2		0.89	X	1.43	18	30cm by 5m BIF, subcropping beside creek
CW893	376693	7278273	X		X	1	567		208	26.81	299	2.8	6.7		4.86	X	24.24	57	~10cm by 5m BIF subcrop
CW894	376987	7278242	X		X	X	38		7	1.57	133	1	21.9		0.11	X	2.01	5	3 small poddy ironstained quartz veins, largest 1m by 3m
CW895	377759	7278334	X		X	1	106		57	3.8	1056	1.6	15.3		0.1	X	1.71	42	10m by up to 1m ironstained quartz vein
CW896	377999	7278122	X		X	1	402		104	32.31	203	4.7	106.7		0.4	X	0.39	281	Ironstone float in vein quartz scree
CW897	378638	7277606	1		X	3	248		103	33.26	361	15.9	215.7		0.26	X	0.13	222	2m by 1m ironstone surrounded by vein quartz scree. Patches of ironstone extend for 100m
CW898	378520	7277063	1		X	2	287		119	19.03	271	2.6	8		0.95	X	2.81	29	Sparse BIF float within 20m of source
CW899	379263	7276767	X		X	11	156		193	39.11	240	19.6	87		0.62	X	0.6	138	5m by ~20cm iron-rich zone crosscutting foliation
CW900	379585	7276216	X		X	2	111		202	21.33	427	4.7	16.6		4.52	X	19.86	45	10cm by 10m BIF