

ASX/ NEWS RELEASE

26 August 2021

NEW FLAT-LYING HIGH-GRADE ZONE IDENTIFIED AT MANDILLA

Drilling to follow up historical anomalous mineralisation intersects shallow, high-grade zone of gold mineralisation to the south of Mandilla South

HIGHLIGHTS

- Assays received recently from 21 reverse circulation drill holes, including in-fill drilling at Mandilla South and from drilling designed to target a shallow weathered zone south of Mandilla South (known as Eos), where previous drilling encountered mineralisation. Best new results include:
 - **3m at 8.62g/t Au** from 51m in MDRC402;
 - **12m at 1.52g/t Au** from 96m and **16m at 0.66g/t Au** from 59m in MDRC395;
 - **12m at 1.29g/t Au** from 47m in MDRC388;
 - **4m at 3.43g/t Au** from 52m in MDRC413;
 - **4m at 3.14g/t Au** from 55m in MDRC406; and
 - **4m at 2.88g/t Au** from 51m in MDRC414.
- The newly-discovered zone at Eos potentially extends for 600m along strike and remains open to both the north and south.
- A similar weathered zone of shallow high-grade mineralisation has previously been identified above bedrock mineralisation at Mandilla South, which could double the lateral extent of this zone. This presents a new opportunity at the Mandilla Gold Project to continue to grow the already considerable Mineral Resource of **19.8Mt at 1.0g/t Au for 664.6koz¹**.
- In-fill drill results from Mandilla South are expected to continue to build on the Mineral Resource in this area, which currently has dimensions of 600m along strike by 200m wide and extending to a maximum depth of 200m below surface.
- Assays remain outstanding for 11 diamond drill-holes for an aggregate 2,400m.
- Mineralisation at the Mandilla Gold Project now extends over a strike length of approximately 3.1km.

AAR Managing Director Marc Ducler said: *"Having just banked an updated Mineral Resource last week, we're very pleased to have uncovered further upside potential at Mandilla in the form of a shallow flat-lying mineralised zone well to the south of our current Mineral Resources."*

"Eos is a consistent zone of high-grade gold mineralisation that now extends for more than 600m along strike at just 40m below surface. The potential for associated bedrock mineralisation is yet to be determined."

"Exploration activity at Mandilla is now really stepping up a gear, which we are confident will yield further significant Mineral Resource growth."

¹ Mandilla Gold Project JORC 2012 MRE includes; Indicated Mineral Resources of 9.4Mt at 1.1g/t Au for 324.1koz and Inferred Mineral Resources of 10.4Mt at 1.0g/t Au for 341.5koz

“We will also be heading shortly to Feysville, approximately 14km south of the KCGM Super Pit, where a Mineral Resource of 2.9Mt at 1.3g/t Au for 116.1koz², has already been delineated, to drill the high priority targets identified by recent geophysical surveys.

“A fully-funded 55,000m drill program is currently underway and with improving laboratory turnaround times, AAR should be well placed to provide timely updates to shareholders.”

Anglo Australian Resources NL (ASX: AAR) (**AAR** or the **Company**) is pleased to report recently received assay results from reverse circulation (**RC**) drilling completed in the first quarter of 2021 at the Company’s 100%-owned Mandilla Gold Project (**Mandilla**), located 70km south of Kalgoorlie in Western Australia (Figure 1).

Mandilla hosts a JORC 2012 Mineral Resource Estimate (**MRE**) of **19.8Mt at 1.0 g/t Au for 664.6koz**. It lies on the western margin of a porphyritic granitic intrusion known as the Emu Rocks Granite.

The granitic intrusion intrudes volcanoclastic sedimentary rocks in the Project area which form part of the Spargoville Group as shown in Figure 2.

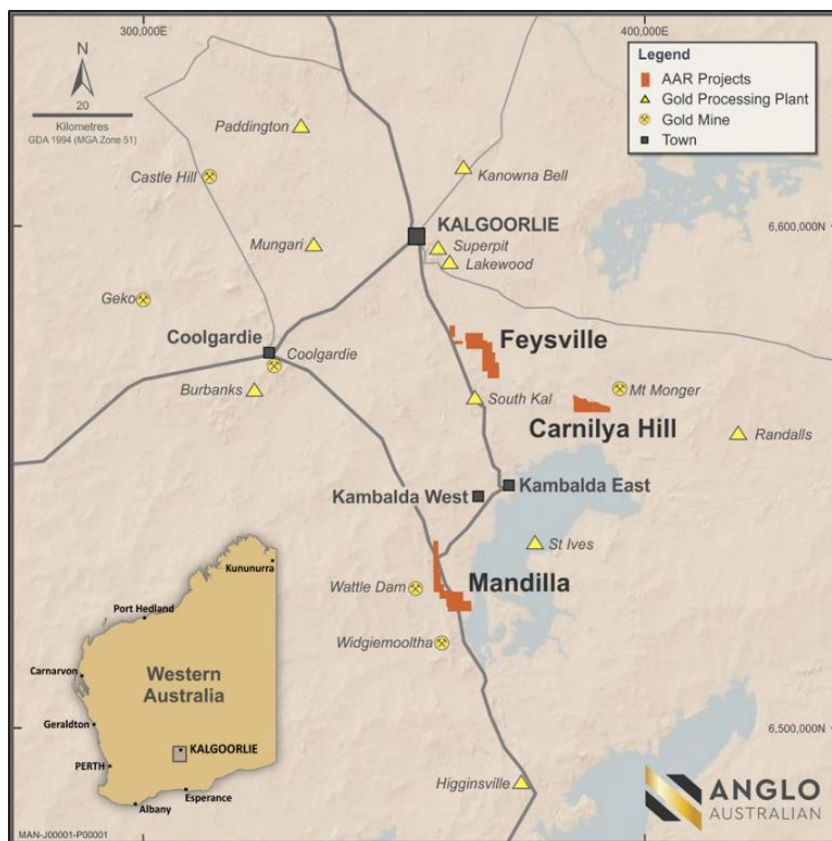


Figure 1 – Mandilla Gold Project location map

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the granitic intrusion and may be important in localising mineralisation at Mandilla East, where a mineralised footprint extending over more than 1.5km strike length has previously been identified.

² Feysville JORC 2012 MRE includes; Indicated Mineral Resources of 2.3Mt at 1.3g/t Au for 95.9koz and Inferred Mineral Resources of 0.6Mt at 1.1g/t Au for 20.2koz

A second sub-parallel structure appears to host the gold mineralisation at Mandilla South. In this area, a mineralised footprint extending over a strike length of approximately 700m has previously been identified.

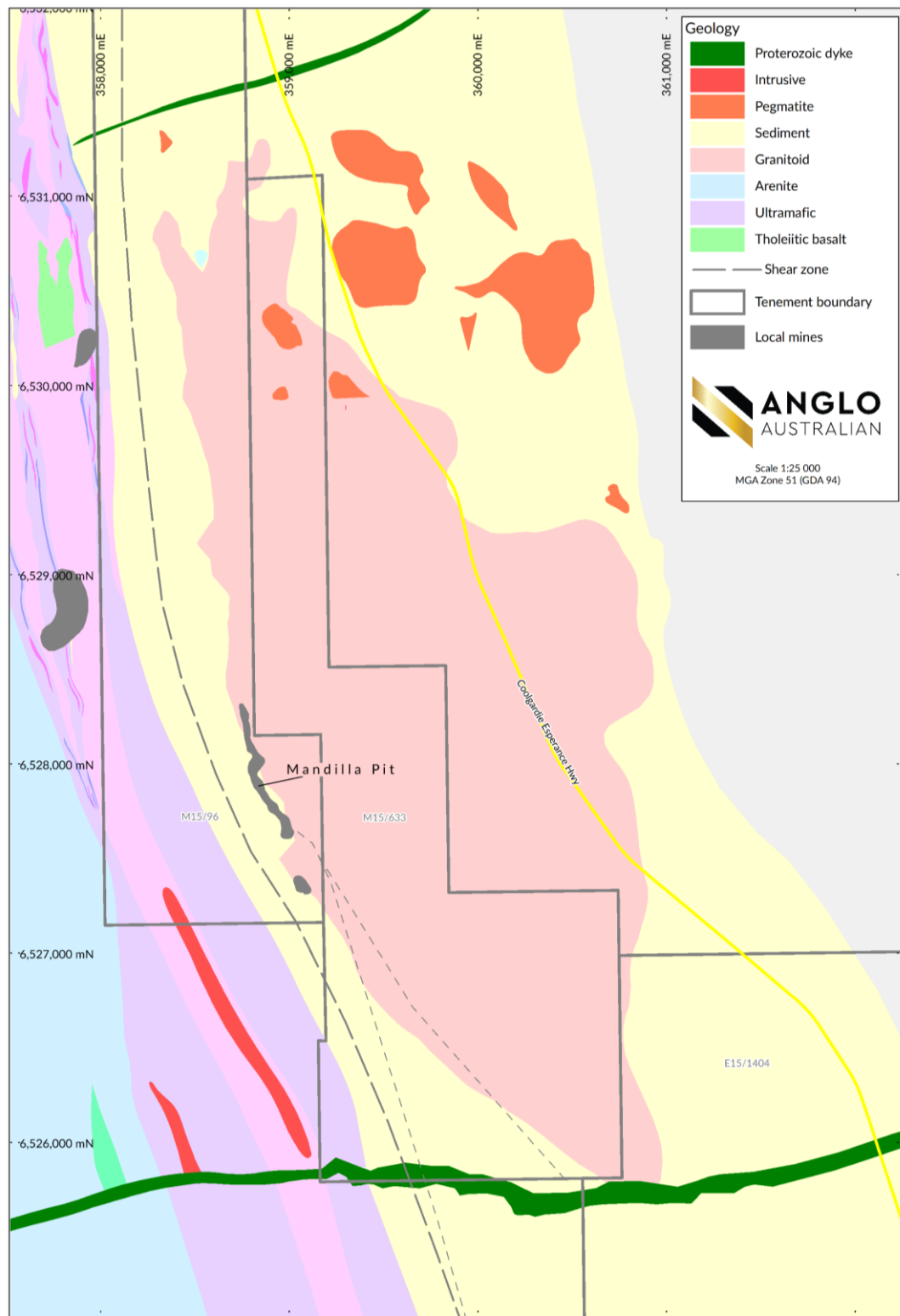


Figure 2 – Mandilla local area geology

Mandilla is covered by existing mining leases which are not subject to any third-party royalties other than the standard WA Government gold royalty.

EXPLORATION UPDATE

This announcement reports assay results from 21 RC holes for an aggregate 2,432m of drilling.

The results relate to drill samples submitted for assay from February to April 2021 and follow previously-reported results from 180 RC drill-holes for an aggregate 26,705m (see ASX announcements dated 17 February 2021, 26 March 2021, 20 April 2021, 20 May 2021 and 29 July 2021).



Image 1 – RC drilling, August 2021

The locations of the drill-holes reported in this announcement are set out in plan view in Figure 3.

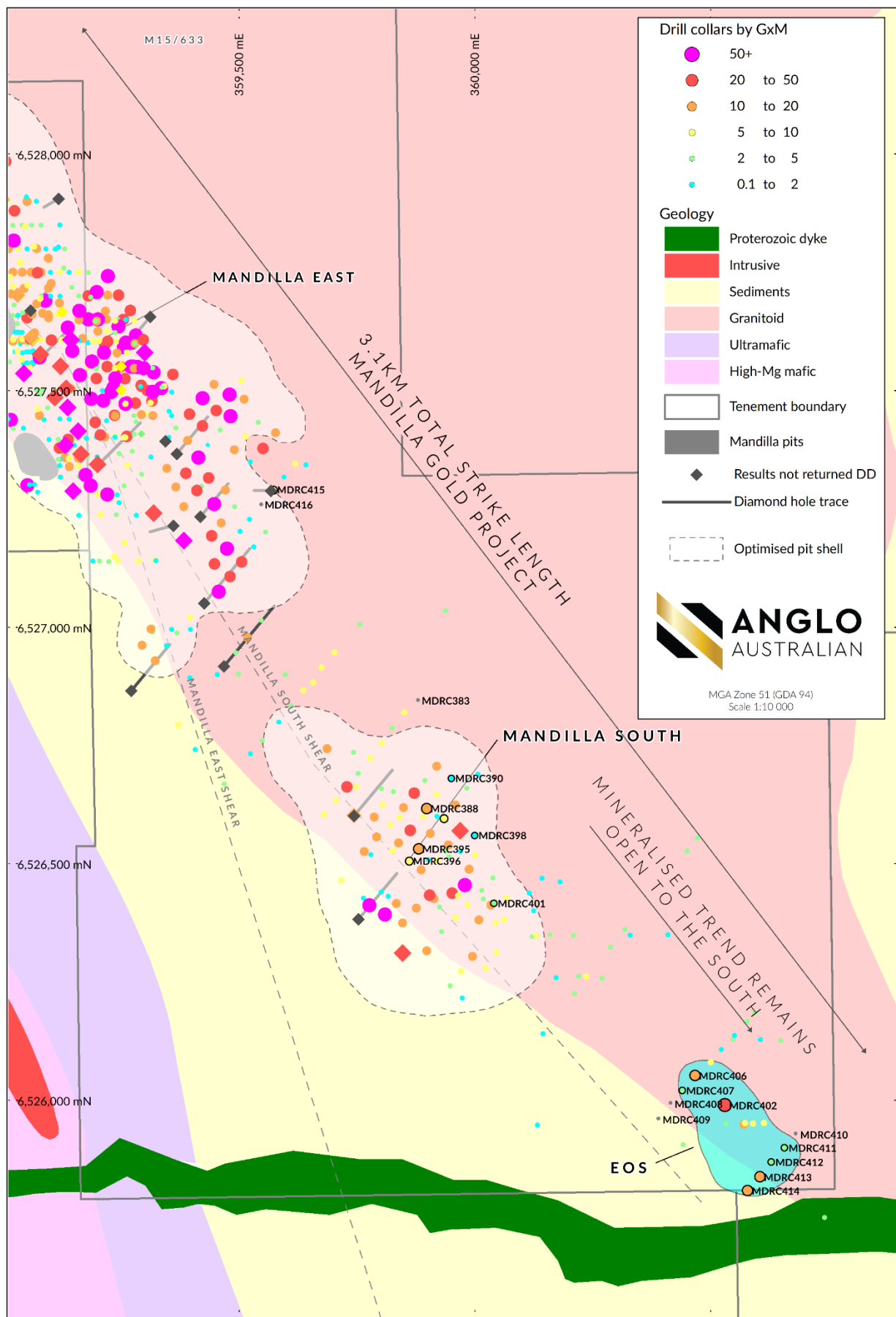


Figure 3 – Drill collar locations on local area geology for the Mandilla Gold Project

EOS – SOUTH OF MANDILLA SOUTH

Previous drilling identified a shallow zone of high-grade mineralisation at Eos, approximately 40m below surface with reported results including:

- **3m at 4.20g/t Au** from 42m in MSRC001;
- **7m at 1.05g/t Au** from 44m in WID2082;
- **2m at 3.42g/t Au** from 47m in MNAC816; and
- **4m at 1.57g/t Au** from 48m in WID2047.

As part of the recent campaign, this historic mineralisation was followed up with 11 RC drill-holes for a total of 950m. The mineralisation is located within in-situ clays below the base of transported material.

Best new results include:

- **3m at 8.62g/t Au** from 51m and includes **1m at 25.47g/t Au** from 52m in MDRC402;
- **4m at 3.43g/t Au** from 52m and includes **1m at 5.91g/t Au** from 53m in MDRC413;
- **4m at 3.14g/t Au** from 55m and includes **1m at 11.76g/t Au** from 55m in MDRC406; and
- **4m at 2.88g/t Au** from 51m and includes **1m at 8.51g/t Au** from 52m in MDRC414.

At Mandilla South a similar shallow zone of high-grade mineralisation has previously been identified above bedrock mineralisation. Here, reported results include:

- **12m at 1.29g/t Au** from 47m and includes **1m at 11.33g/t Au** from 57m in MDRC388;
- **4m at 1.8g/t Au** from 55m in MDRC293;
- **4m at 1.28g/t Au** from 54m in MDRC275;
- **3m at 1.71g/t Au** from 53m and includes **1m at 4.59g/t Au** from 53m in MDRC255; and
- **6m at 1.08g/t Au** from 54m in MDRC269.

Drill-hole MDRC402 represents a paleochannel-style of mineralisation, while the other mineralised drill-holes appear to be related to in-situ weathered clays which may be an important indicator for the presence of deeper bedrock mineralisation and will require follow-up.

The paleochannel mineralisation will also require further delineation drilling to determine its scale, which could represent a valuable source of high-grade feed for a central processing hub at Mandilla.

The Eos area represents a potential large zone of flat-lying, high-grade mineralisation, close to surface, that extends from Mandilla South and remains open, with historic drill-holes south of the Proterozoic dyke (coloured green in Figure 3) also returning gold anomalism, including **4m at 0.82g/t Au** from 44m in MNAC861.

We have a high level of confidence that with further drilling, this area will convert to Mineral Resources.

MANDILLA SOUTH

At Mandilla South, assay results have been returned for seven RC holes for an aggregate 950m. Best results include:

- **12m at 1.52g/t Au** from 96m and **16m at 0.66g/t Au** from 59m in MDRC395; and
- **12m at 1.29g/t Au** from 47m and includes **1m at 11.33g/t Au** from 57m in MDRC388.

The recently upgraded Mineral Resource has resulted in a Resource model at Mandilla South that extends for more than 600m along strike, is 150m to 250m wide and extends to a depth of 200m below surface.

Assay results for two diamond holes (MDRCD374 and 375) for a total of 367.6m at Mandilla South remain outstanding.

Observations during the recently completed structural geological review have concluded that calc silicate alteration, which was observed as thin selvage-veinlets at Mandilla East, is far more abundant at Mandilla South, with the calc silicates expressed as bands, selvages and veinlets in broad patches of up to 30% of an internal interval. Visible gold associating with calc silicate alteration was also observed.

Furthermore, visible gold was observed in direct association with coarse grained pyrrhotite +/- pyrite in MDRCD375.



Image 2 – MDRCD375 – calc silicate banding



Image 3 – MDRCD 375 – coarse grained pyrrhotite +/- pyrite

There is potential for a new style of gold mineralisation at Mandilla based on the greater percentage of calc-silicate veining. Additionally, coarse-grained iron sulphides were observed within 20m of the sediment-intrusive contact, which could represent a further style of mineralisation to complement the significant vein-hosted Mineral Resource already delineated. Further testing of this contact sulphide associated mineralisation is a priority

FUTURE WORK PROGRAM

A 55,000m drilling program has commenced, with approximately 26,000m planned for Mandilla and the remainder at the Feysville Gold Project (**Feysville**).

An RC drill rig is currently completing in-fill drilling at Mandilla East with extensional drilling to commence in coming weeks.

A diamond drill rig is expected shortly at Mandilla with in-fill drilling at Mandilla East as the initial priority.

An air-core rig is expected to arrive at Mandilla early in the 4th Quarter.

The planned Phase 1 drilling at Mandilla is illustrated in Figure 4 below.

As the current phase of drilling at Mandilla is completed, the rigs are expected to relocate to Feysville.

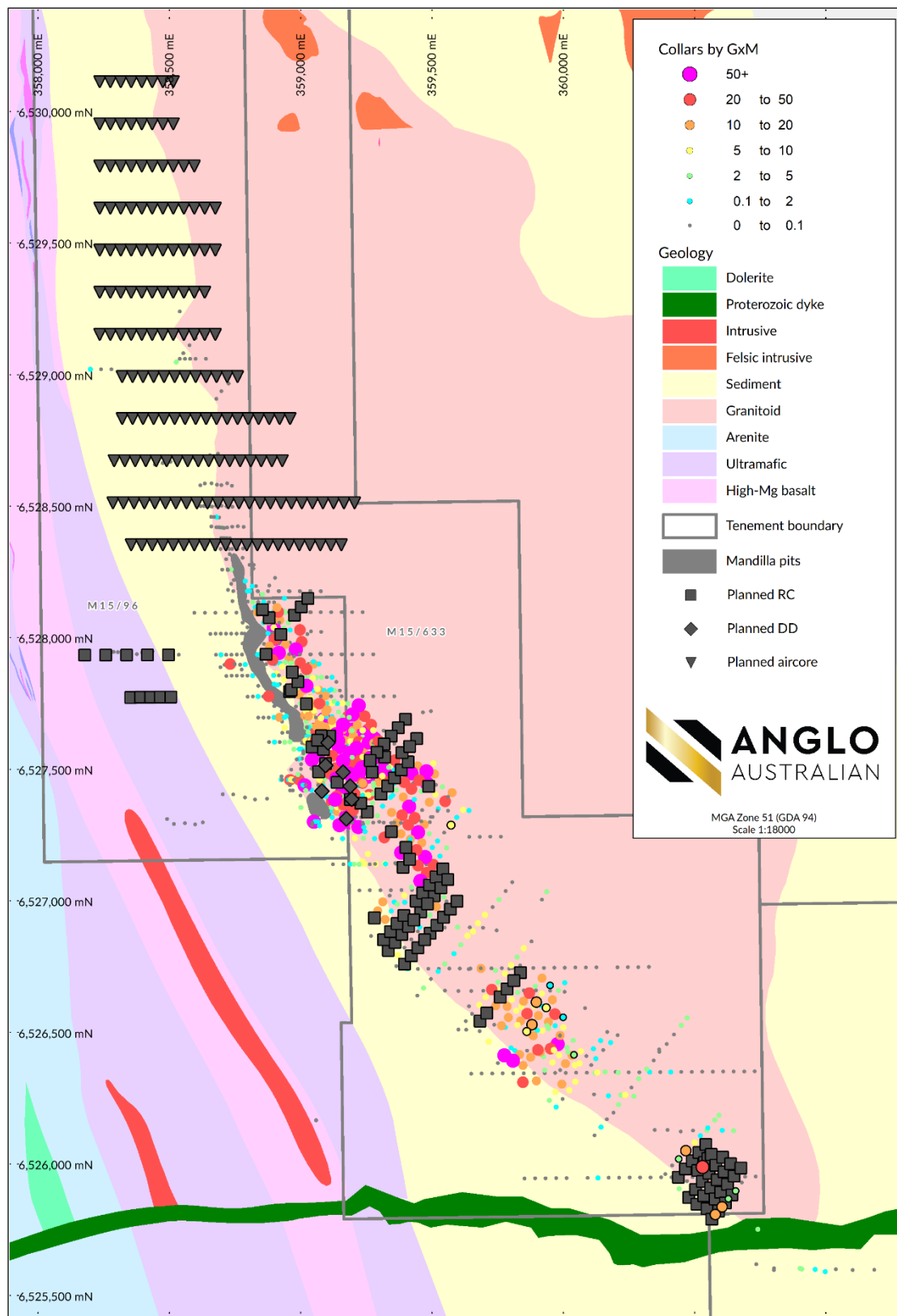


Figure 4 – Phase 1 planned drill collar locations on the local area geology of the Mandilla Gold Project

This announcement has been approved for release by the Managing Director.

For further information:

Investors:

Marc Ducler
Managing Director
Anglo Australian Resources
+61 8 9382 8822

Media:

Nicholas Read
Read Corporate
+61 419 929 046

Compliance Statement

The information in this announcement that relates to Estimation and Reporting of Mineral Resources is based on information compiled by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that 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. Mr Job consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL. Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. Ms Reid 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'. Ms Reid consents to the inclusion in this announcement of the material based on this information, in the form and context in which it appears.

Previously Reported Results

There is information in this announcement relating to exploration results which were previously announced on 19 June 2020, 11 August 2020, 15 September 2020, 17 February 2021, 26 March 2021, 20 April 2021, 20 May 2021 and 29 July 2021. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

APPENDIX 1 - DRILL HOLE DETAILS

Table 1 - Drill hole data

Hole ID	Type	Hole Depth (m)	GDA (North)	GDA (East)	GDA RL	Dip	MGA Azimuth
MDRC383	RC	150	6,526,849	359,883	317	-60	40
MDRC388	RC	149	6,526,620	359,900	317	-60	40
MDRC390	RC	155	6,526,681.00	359,951.22	317.36	-60	40
MDRC395	RC	150	6,526,536.00	359,881.78	317.50	-60	40
MDRC396	RC	125	6,526,505.50	359,856.06	317.55	-60	40
MDRC397	RC	150	6,526,597.50	359,933.22	317.26	-60	40
MDRC398	RC	150	6,526,557.50	360,004.00	316.91	-60	40
MDRC401	RC	150	6,526,419.00	360,044.50	317.00	-60	40
MDRC402	RC	110	6,525,994.68	360,523.96	315.00	-60	40
MDRC406	RC	95	6,526,054.01	360,469.30	312.90	-60	40
MDRC407	RC	80	6,526,022.89	360,443.19	313.65	-60	40
MDRC408	RC	75	6,525,991.76	360,417.07	314.39	-60	40
MDRC409	RC	80	6,525,961.48	360,389.57	315.97	-60	40
MDRC410	RC	80	6,525,929.59	360,680.79	314.54	-60	40
MDRC411	RC	50	6,525,901.68	360,656.42	314.73	-60	40
MDRC412	RC	80	6,525,871.48	360,628.65	314.78	-60	40
MDRC413	RC	75	6,525,840.05	360,604.25	314.81	-60	40
MDRC414	RC	75	6,525,810.99	360,578.34	314.96	-60	40
MDRC415	RC	150	6,527,291.49	359,572.39	317.21	-60	40
MDRC416	RC	150	6,527,259.51	359,546.91	317.43	-60	40
MDRC440	RC	153	6,529,111.87	358,577.17	333.58	-60	40

Table 2 – Drilling intersections

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
MDRC383	Mandilla South	NSI			
MDRC388	Mandilla South	47	59	12	1.29
		<i>Includes 1m at 11.33g/t Au from 57m</i>			
		66	74	8	0.82
		122	126	4	1.75
MDRC390	Mandilla South	46	50	4	0.14
MDRC395	Mandilla South	59	75	16	0.66
		96	108	12	1.54
		<i>Includes 1m at 10.79g/t Au from 106m</i>			
		114	134	20	0.18
MDRC396	Mandilla South	51	59	8	0.27
		81	85	4	0.59
		92	99	7	0.58
		108	116	8	0.61
MDRC397	Mandilla South	49	61	12	0.49
		134	141	7	0.28
MDRC398	Mandilla South	NSI			
MDRC401	Eos	53	57	4	0.56
MDRC402	Eos	51	54	3	8.62
		<i>Includes 1m at 25.47g/t Au from 52m</i>			
MDRC406	Eos	55	59	4	3.14
		<i>Includes 1m at 11.76g/t Au from 55m</i>			
MDRC407	Eos	67	70	3	0.50
MDRC408	Eos	NSI			
MDRC409	Eos	NSI			
MDRC410	Eos	NSI			
MDRC411	Eos	38	42	4	1.03
MDRC412	Eos	47	52	5	0.33
MDRC413	Eos	52	56	4	3.43
MDRC414	Eos	51	55	4	2.88
MDRC415	Mandilla East	82	91	9	0.47
		105	114	9	0.58
MDRC416	Mandilla East	NSI			
MDRC440		NSI			

APPENDIX 2 – JORC 2012 TABLE 5

Section 1: Sampling Techniques and Data - Mandilla

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. 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 done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>The project has been sampled using industry standard drilling techniques including diamond drilling (DD) and RC drilling. The sampling described in this release has been carried out on the last 2019, all 2020 and 2021 Reverse Circulation (RC) drilling. The 21 RC holes were drilled and sampled. The samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half-inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p> <p>All RC samples were collected in bulka bags in the AAR compound and trucked weekly to MinAnalytical in Kalgoorlie via Hannans Transport. All samples transported were submitted for analysis. Transported material of varying thickness throughout project was generally selectively sampled only where a paleochannel was evident. All samples were assayed by MinAnalytical with company standards blanks and duplicates inserted at 25 metre intervals.</p> <p><i>Historical - The historic data has been gathered by a number of owners since the 1980s. There is a lack of detailed information available pertaining to the equipment used, sample techniques, sample sizes, sample preparation and assaying methods used to generate these data sets. Down hole surveying of the drilling where documented has been undertaken using Eastman single shot cameras (in some of the historic drilling) and magnetic multi-shot tools and gyroscopic instrumentation. All Reverse Circulation (RC) drill samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample. All Aircore samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample. 1m samples were then collected from those composites assaying above 0.2g/t Au.</i></p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<p>All RC holes were drilled using face sampling hammer reverse circulation technique with a four-and-a-half inch bit.</p>
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<p>Definitive studies on RC recovery at Mandilla have not been undertaken systematically, however the combined weight of the sample reject and the sample collected indicated recoveries in the high nineties percentage range. Poor recoveries are recorded in the relevant sample sheet. No assessment has been made of the relationship between recovery and grade. Except for the top of the hole, while collaring there is no evidence of excessive loss of material and at this stage no information is available regarding possible bias due to sample loss.</p> <p>RC: RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited on the ground, and the samples for the lab collected to a total mass optimised for photon assay (2.5 to 4 kg).</p>
Logging	<ul style="list-style-type: none"> 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. 	<p>All chips and drill core were geologically logged by company geologists, using their current company logging scheme. The majority of holes (80%+) within the mineralised intervals have lithology information which has provided sufficient detail to enable reliable interpretation of wireframe.</p>

	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<p>The logging is qualitative in nature, describing oxidation state, grain size, an assignment of lithology code and stratigraphy code by geological interval.</p> <p>RC: Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<p>The 21 RC holes were drilled and sampled. The samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p> <p><i>Historical - The RC drill samples were laid out in one metre intervals. Spear samples were taken and composited for analysis as described above. Representative samples from each 1m interval were collected and retained as described above. No documentation of the sampling of RC chips is available for the Historical Exploration drilling</i></p> <p>Recent RC drilling collects 1 metre RC drill samples that are channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the rejects cone. Wet samples are noted on logs and sample sheets.</p> <p>Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage.</p> <p>MinAnalytical assay standards, blanks and checks were inserted at regular intervals. Standards, company blanks and duplicates were inserted at 25 metre intervals.</p> <p>RC: 1 metre RC samples are split on the rig using a cone-splitter, mounted directly under the cyclone. Samples are collected to 2.5 to 4kg which is optimised for photon assay.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p> <p>Unable to comment on the appropriateness of sample sizes to grain size on historical data as no petrographic studies have been undertaken. Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight below a targeted 4kg mass which is the optimal weight to ensure representivity for photon assay. There has been no statistical work carried out at this stage.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>Photon Assay technique at MinAnalytical Laboratory Services, Kalgoorlie. Samples submitted for analysis via Photon assay technique were dried, crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3512R)</p> <p>The 500g sample is assayed for gold by PhotonAssay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates.</p> <p>The MinAnalytical PhotonAssay Analysis Technique: - Developed by CSIRO and the Chrysos Corporation, This Photon Assay technique is a fast and chemical free alternative to the traditional fire assay process and utilizes high energy x-rays. The process is non-destructive on and utilises a significantly larger sample than the conventional 50g fire assay. MinAnalytical has thoroughly tested and validated the PhotonAssay process with results benchmarked against conventional fire assay.</p> <p>The National Association of Testing Authorities (NATA), Australia's national accreditation body for laboratories, has issued Min Analytical with accreditation for the technique in compliance with TSO/TEC 17025:2018-Testing.</p> <p>Certified Reference Material from Geostats Pty Ltd submitted at 75 metre intervals approximately. Blanks and duplicates also submitted at 75m intervals giving a 1:25 sample ratio.</p> <p><i>Historical - Sample receipt – LIMS Registration – Sample sorting and Reconciliation. Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours Samples are pulverised to 85% passing 75um using a LM5 Pulveriser. Pulps sent to Intertek Perth with a 25 gram sample split off. Assayed for Au, As Co, Cu, Ni, Pb, Zn by</i></p>

		<p>method AR25/MS, Samples assaying greater than 1000ppb Au assay by AR25hMS. Standard Intertek Minerals protocols re blanks, standards & duplicates applied.</p> <p>Referee sampling has not yet been carried out.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<p>Geology Manager or Senior Geologist verified hole position on site.</p> <p>MDRCD151 diamond RC precollar to 150m, subsequent DD drilling speared away from precollar and diamond core was produced from 46m down hole, producing a twin hole to 150m. MDRCD236 was drilled to test oxide ore and twin the previously drilled MDRC201. MDRCD216A and MDRC216 is a twinned hole down to 126m.</p> <p>Standard data entry used on site, backed up in South Perth WA.</p> <p>No adjustments have been carried out. However, work is ongoing as samples can be assayed to extinction via the PhotonAssay Analysis Technique</p>
Location of data points	<ul style="list-style-type: none"> 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. 	<p>Drill holes have been picked up by Leica RTK GPS. Minecomp were contracted to pick up all latest drilling collars.</p> <p>Grid: GDA94 Datum UTM Zone 51</p>
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<p>RC Drill hole spacing is 40m on section, with 40m sectional spacing in the Mandilla East area increasing to up to 120m by 80m away from the main mineralisation. Diamond drilling is at 40 - 80m spacing with 16 AAR DD holes drilled in the area.</p> <p>AC Drill hole spacing is 50 to 100m on section, with 200 and 400m sectional spacing (approximate).</p> <p>NO Sample compositing was undertaken</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<p>All drill holes have been drilled normal to the interpreted strike. Most of the current holes drilled on a 040 azimuth, with a few still at 220 azimuth as dip had been interpreted as steep.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>All samples taken daily to AAR yard in Kambalda West.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>No audits have been carried out at this stage.</p>

Section 2: Reporting of Exploration Results – Mandilla

Criteria	JORC Code Explanation	Commentary			
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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 licence to operate in the area. 	Tenement	Status	Location	Interest Held (%)
		E 15/1404	Granted	Western Australia	100
		M 15/96	Granted	Western Australia	Gold Rights 100
		M 15/633	Granted	Western Australia	Gold Rights 100
		<p>The tenements are in good standing with the Western Australian Department of Mines, Industry Regulation and Safety.</p> <p>No royalties other than the WA government 2.5% gold royalty.</p>			
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Several programs of RC percussion, diamond and air core drilling were completed in the area between 1988-1999 by Western Mining Corporation (WMC). In early 1988 a significant soil anomaly was delineated, which was tested late 1988 early 1989 with a series of 4 percussion traverses and diamond drilling. Gold mineralisation was intersected in thin quartz veins within a shallowly dipping shear zone. 1989-90- limited exploration undertaken with geological mapping and 3 diamond holes completed. 1990-91- 20 RC holes and 26 AC were drilled to follow up a ground magnetic survey and soil anomaly. 1991-94 - no gold exploration undertaken</p> <p>1994-95 – extensive AC programme to investigate gold dispersion. A WNW trending CS defined lineament appears to offset the Mandilla granite contact and surrounding sediments, Shallow patchy supergene (20-25m) mineralisation was identified, which coincides with the gold soil anomaly. During 1995- 96 - Three AC traverses 400m apart and 920m in length were drilled 500m south of the Mandilla soil anomaly targeting the sheared granite felsic sediment contact.</p> <p>1996-97 - A 69 hole AC program to the east of the anomaly was completed but proved to be ineffective due to thin regolith cover in the area. WID3215 returned 5m @7g/t from 69m to EOH.</p> <p>1997-1998- 17 RC infill holes to test mineralisation intersected in previous drilling was completed. A number of bedrock intersections were returned including WID3278 with 4m @ 6.9g/t Au from 46m.</p>			
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>Mandilla is situated on the margins of the Emu Rocks Granite (a high level stock of porphyritic monzogranite/syenite) intruding the Spargoville Felsics. The Mandilla deposit was defined by a 50ppb Au soil anomaly. The regolith consists of a surface veneer of ferruginous, pisolitic gravelly alluvium up to 15m thick, overlying a partially stripped saprolitic monzogranite and felsic pyroclastics up to 40m thick (Clarke 1991). Mineralisation is associated with narrow flat lying quartz veining within the granite and to a lesser extent the felsicpyroclastics. Pyrite generally associated with the quartz veining in weakly foliated shears.</p>			
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar 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 	<p>This Information has been summarised in Table 1 and 2 of this ASX announcement.</p>			

	from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. 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. 	<p>No data aggregation methods have been used.</p> <p>A 100ppb Au lower cut off has been used to calculate grades for AC drilling</p> <p>A 0.3g/t Au lower cut off has been used to calculate grades for RC drilling, with maximum internal dilution of 5m.</p> <p>A cutoff grade of >0.5g*m has been applied for reporting purposes in the tables of results.</p> <p>This has not been applied.</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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 (e.g. 'down hole length, true width not known'). 	Not known at this stage.
Diagrams	<ul style="list-style-type: none"> 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. 	Applied
Balanced reporting	<ul style="list-style-type: none"> 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. 	Balanced reporting has been applied.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	No other substantive exploration data.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. 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. 	<p>Follow up Reverse Circulation & Diamond Drilling is planned.</p> <p>No reporting of commercially sensitive information at this stage.</p>