ELMORE

April 20th, 2022

Market Update

KEY POINTS

- Territory Minerals contract significantly expanded, with potential for over a decade of processing.
- Elmore to manage all elements of production over Territory's known mineralisation
- Revised deal provides potential to increase both annual revenue from the contract, as well as length of the contract
- New Ball Mill components have commenced arriving in Western Australia

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Elmore Ltd (ELE: ASX or Elmore) is pleased to provide an update on the development of the contract with Territory Minerals.

Expanded Scope

Elmore previously announced that the Company had entered into a contract to provide processing services to Territory Minerals ("Territory") over their projects in Far North Queensland. The contract was limited to 2.5 years or circa 1 million tonnes. Commencement of the project was delayed due to lack of access throughout 2021, brought on by COVID-19 state border lockdowns. The lockdowns prevented key personnel from both Territory and Elmore completing on ground work required to submit licensing requests to the relevant authorities in Queensland.

Elmore and Territory have now significantly expanded both the scope and potential duration of the contract, with Elmore to now be responsible for design, licensing, and total project management over all of Territory's projects that have defined mineralisation. Territory have, to date, defined circa half a million ounces of gold mineralisation, contained in over 8 million tonnes of host-rock.

The key points of the new contract are:

- Elmore will fund and manage all remaining elements required to design and license the initial mining areas, starting at Northcote, West of Cairns.
- Elmore will provide, at no cost though retain ownership of, a moveable processing plant.
- Elmore will provide up to $2 million working capital after licencing has been finalised and the plant is established (this funding is not needed now).
- Elmore will manage all mining, processing, and product sales.

- Operating costs will be recovered and then all free-cash will be divided 50/50 between Elmore and Territory.

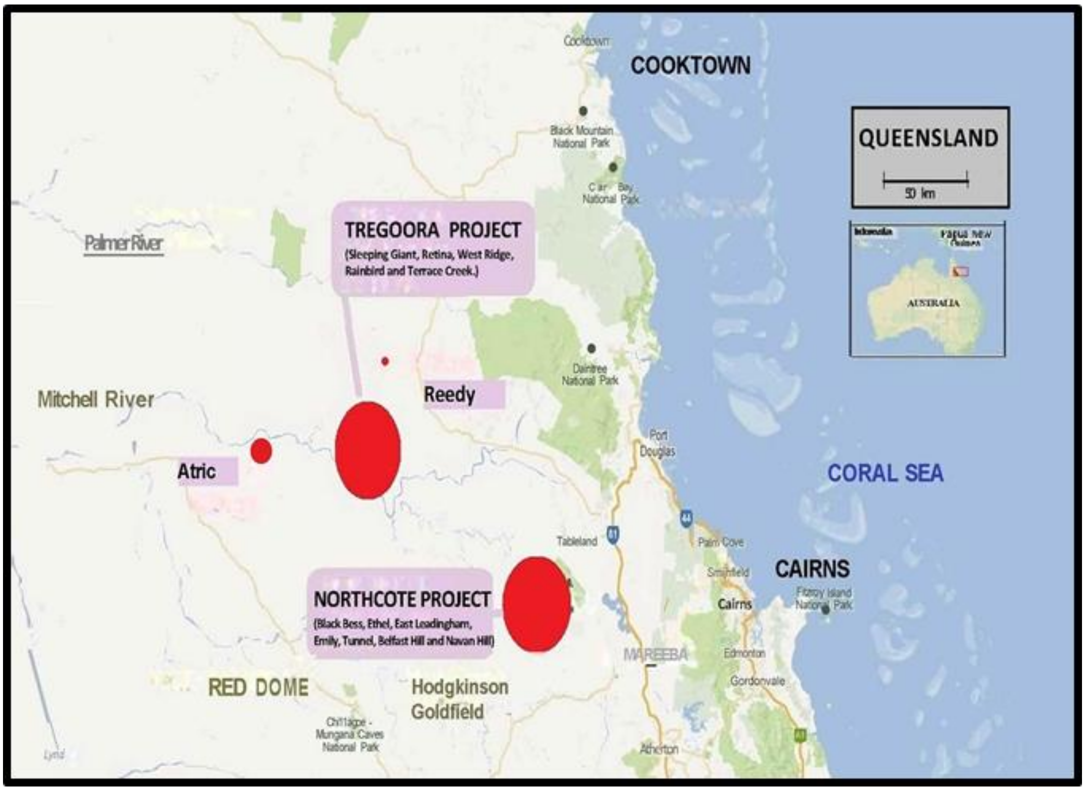
Elmore already owns the majority of the process plant intended to be used on the projects, and thus only has a small amount remaining to be sourced to complete the plant.

About Territory Minerals

Territory Minerals is a Western Australian based unlisted public company.
Territory's Directors Ron Stanley, Lisa Wells and Michael Britton have a long history in the minerals industry. Territory acquired the land package in Far North Queensland over a decade ago based on both the defined resources and the lack of any drilling beyond 100m from the surface leaving significant potential to for the tenements to host further mineralisation.

Territory's tenements start approximately 100km West of Cairns, near the town of Mareeba and extend around 100kms north. The disjointed and refractory nature of the defined ore has made the resource base unsuitable for a central conventional CIL plant, though ideal for the moveable plant proposed by Elmore, which utilises flotation rather than cyanide for gold recovery. Test-work to date funded and supervised by Elmore demonstrate excellent recoveries with the proposed circuit.

Elmore will be focused on starting mining and processing at the Northcote project area.



Territory Minerals Resources Location Map

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Global Resources

FNQ PROJECT AREA	INDICATED		INFERRED			TOTAL	GOLD
	TONNES ('000)	GRADE Au g/t	TONNES ('000)	GRADE Au g/t	TONNES ('000)	GRADE Au g/t	Ounces
NORTHCOTE EPM9869	3,005	2.0	633	1.8	**3,638**	**2.0**	**231,000**
TREGOORA EPM13937	1,828	1.7	1,136	1.7	**2,964**	**1.7**	**165,000**
ATRIC EPM8689	989	1.9	51	1.7	**1040**	**1.9**	**63,000**
REEDY EPM9934	-	-	496	1.5	**496**	**1.5**	**23,000**
TOTAL HODGKINSON BASIN	**5,822**	**1.9**	**2,316**	**1.7**	**8,138**	**1.8**	**482,000**

Northcote Resources

	INDICATED			INFERRED			TOTAL		
	TONNES	g/t Au	Ozs	TONNES	g/t Au	Ozs	TONNES	g/t Au	Ozs
East Leadingham	292576	2.53	23765	45856	1.45	2137	338432	2.38	25902
Emily	549641	1.95	34514	46086	1.85	2748	595727	1.95	37261
Emily North	43607	1.61	2257	1305	0.94	39	44912	1.59	2296
Emily South	133194	2.29	9785	76914	1.70	4194	210108	2.07	13980
Ethel	719834	1.94	44923	101177	1.85	6004	821011	1.93	50927
Belfast Hill	201986	1.28	8281	22746	0.97	710	224732	1.24	8991
Black Bess	556026	2.40	42880	161236	2.45	12694	717262	2.41	55574
Navan Hill	34526	1.63	1809	22758	1.35	988	57284	1.52	2796
Tunnel Hill	399297	1.84	23670	68372	1.89	4157	467670	1.85	27827
Featherzone	74758	1.09	2631	47640	0.85	1301	122398	1.00	3932
Limerick	0	0.00	0	38456	1.03	1274	38456	1.03	1274
TOTAL	3,005,445	2.01	194,514	632,547	1.78	36,245	3,637,992	1.97	230,759

New Ball Mill

Elmore's new ball is on schedule to be fully assembled and ready to operate in Q4, 2022 with the components now arriving in Western Australia. To the Company's knowledge, once assembled, this mill will be the biggest moveable ball mill in the world. The mill will be skid mounted and will be positioned on Elmore's proprietary moveable foundation system, which will allow the mill to be established quickly and then moved after the proximal resources have been depleted. The Company intends to take the mill to Territory's projects, once the first site is licensed, along with a mobile crushing and screening plant (already owned by Elmore) and a flotation circuit (yet to be procured). Elmore is also assessing an opportunity to utilise the plant on the way to Territory's projects, processing some near surface gold mineralisation next to the Peko tailing project that the Company manages in the Northern Territory.

Managing Director's Comments

Elmore's Managing Director Mr David Mendelawitz commented, *"Territory Minerals' Far North Queensland projects represents an ideal opportunity for Elmore to showcase how a large moveable process plant can transform a project from stranded and uneconomic with a conventional fixed plant into one that could generate a heathy return to both the project owners and Elmore. Territory potentially has enough defined resources to justify a second plant, and* *with Territory focused on further exploration, whilst we take care of all of the design, permitting and mining operations, this may occur sooner rather than later. Beyond this, I am looking forwards to rolling out our new ball mill once we have skid mounted it. It should be a game-changing piece of equipment when combined with our proprietary foundation system."*

END

Resource Table 1 to follow on next pages

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (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 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.*	• This resource estimate is based on diamond (DD), reverse circulation (RC) and minor rotary air blast (RAB) drill samples carried out in multiple campaigns by several companies. Within the gold estimation domains 3528 samples (72%) were from RC drilling, 1125 samples (23%) were from DD drilling, 30 samples (0.6%) were from open hole percussion (OHP) drilling and 182 samples (4%) were from Western Mining RAB drilling. • All diamond core samples were cut using a diamond core saw. • RC drilling carried out by Republic Gold (RGL), Strategic Minerals (SRE) and WMC was sampled by riffle splitter to produce a 2-3kg sub-sample. The sub-sampling method for other RC drilling carried out by Homestake and Nittoc was not stated. The Homestake and Nittoc RC drilling comprises 407 (8.3%) of the samples in the gold estimation domains. • The sub-sampling methods were also not stated for the OHP and RAB drilling. • The assay methods for the Homestake, WMC and Nittoc data are unknown. • Strategic and Esso samples were analysed for Au by fireassay with AAS finish of a 30g charge (Strategic) of 50g charge (Esso). • Oxide RGL samples were analysed by aqua regia digest with AAS analysis. Fresh and Transition RGL samples were analysed by fire assay with AAS finish of a 25g charge by SGS labs and ALS labs in Townsville..
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).*	• The RGL RC drilling utilized a face sample hammer with a 5 ¼ inch bit. • The WMC RC drilling utilized a cross-over hammer. The type of hammer used for the other RC drilling was not recorded, but was likely a cross-over hammer given the timing of the drilling • All diamond drilling was by conventional wireline drilling at NQ or HQ size.
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.*	• Diamond core was routinely wireline drilling. Selected RGL holes were drilled using triple tube to maximise core recovery. • RC and DD gold results were compared by gold grade domain and oxidation domain. No significant differences were found. • RC drill sample moisture is only available the RGL drilling. Of the 700 RGL RC samples 1 was wet and the remainder dry. • The relationship between grade and drilling recovery (if any) was not investigated as drilling recovery data was only available for the RGL DD drilling.

Criteria	JORC Code explanation	Commentary
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 core and chip samples were geologically logged for lithology, oxidation (weathering) and colour. • Selected diamond core was also logged for geotechnical data and oriented structural data. • The logging was appropriately detailed for mineral resource estimation
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 was sampled as half core to a nominal 1.0 m length but to geological contacts were appropriate. • All RC samples were sub-sampled to 2-3kg using riffle splitters, usually in a three tier arrangement. RC samples were all 1.0 m long except for 254 RGL samples which were 2.0 m long. • Riffle splitters were used for sub-sampling to ensure representivity of RC samples. • Field duplicate RC samples were taken at a rate of 1 per 20 samples to assess in situ grade variability and sampling errors • Sample sizes are appropriate to the very fine grained disseminated gold mineralization.
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.* • *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.*	• All gold assays were by fire assay with AAS finish except oxidized RGL samples which were analysed by AAS from an aqua regia digest. Fire assay is a total method and appropriate to the style of mineralization. Aqua regia digest does not completedly dissolve sulphide minerals, but there should be no sulphide minerals in the oxide samples analysed by RGL using aqua regia / AAS and so this method can also be considered total for oxide samples. • No geophysical methods were used. • Pulp duplicate samples were reported for all data. The results of these data indicate acceptable laboratory precision. • Standards and field duplicate data are only available for the RGL data. The results of these data indicate acceptable laboratory accuracy and precision for the RGL data • The lack of standards and field duplicate data for the pre-RGL drilling has been taken into account for resource classification.
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.*	• Drill intersections were not verified as exploration results are not being reported. • Twinned holes have not been used because downhole contamination was not suspected. • Assay was data not adjusted except below detection limit results which were adjusted to half the detection limit.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment 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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The WMC and SRE drill collars were surveyed by a registered surveyor to the local WMC grid. Approximately 60% of these holes were later picked up by Republic Gold using a differential GPS (DGPS) unit to +/- 0.1 m. • All RGL drill collars were located by DGPS to +/- 0.1 m. • The WMC and SRE drill collars were surveyed in a local (WMC) grid. • The RGL drilling was surveyed in MGA94 and converted to the WMC grid for resource estimation using a MapInfo projection clause. • The topographic surface used in this mineral resource estimate was from triangulated 1 m contours created by AAMHatch from aerial photography. The previously mined open pits are partly water filled. RGL used a boat and DGPS to take soundings at approximately 20 m intervals. These sounding were then triangulated and intersected with the AAMHatch to create a mined out surface. The topographic surface was further verified from drill collar elevations.
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.*	• Exploration results are not reported. • Drill spacing ranges from about 10 m (down dip) by 20 m (along strike) in densely drilled areas to about 50 m (down dip) by 50 m (along strike) in the most sparsely drilled areas • The data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedures and classifications applied. • The samples were not physically composited, but compositing to 2.0 m was applied prior to statistical analysis and grade estimation.
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.* • *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.*	• The drilling orientation is at a high angle to the interpreted orientation of mineralization to minimize sampling bias and to best define the mineralization geometry.
Sample security	• *The measures taken to ensure sample security.*	• The measures taken to ensure sample security were not recorded.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The drilling, sampling and assaying methods used for this mineral resource estimate were reviewed by Cube Consulting in 2013 as part of a due diligence carried out by a third party. Cube found that the data used were sound.

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Section 2 Reporting of Exploration Results

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

This section has been left blank as no exploration results are being reported.

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 licence to operate in the area.*	•
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	•
Geology	• *Deposit type, geological setting and style of mineralisation.*	•
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* ○ *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*	•

Criteria	JORC Code explanation	Commentary
	reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *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').*	•
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.*	•
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.*	•
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.*	•
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.*	•

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	
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying*	• A digital database was acquired from Jackson Gold JV partner at the time which contained most information. This database was slightly incomplete

	errors, between its initial collection and its use for Mineral Resource estimation purposes. • *Data validation procedures used.*	and additional information was sourced. RGL staff added data from the base data (drill logs, downhole surveys, assay certificates etc). As part of the import process checks were made for duplicate data, overlapping intervals, samples beyond hole depth, out of range assays. Hand entered data was double entered and checked. • Prior to use in resource estimation the above checks were made independently. In addition, further checks were made of geochemically or geologically anomalous assay data and drill collars were compared to the topographic surface.
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.*	• The competent person visited site in 2005, 2008 and 2009, inspecting available exposures, the site layout, drill core and observing the RGL drilling and sampling procedures
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.*	• The geological interpretation is largely unequivocal due to the abundant drilling data • The interpretation was based on pit mapping, lithology drill logs and assay data • Geologically reasonable alternative interpretations are possible locally. Where this occurs the resource classification has been adjusted to allow for the uncertainty in the interpretation • The interpretation of faults was used to guide the mineralization interpretation • Grade continuity is a function of fault size and continuity.
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.*	• The Tunnel domain strikes east – west and dips 65° to 70° south. It is typically 6m wide (4m – 13m) and has been defined by drilling from surface to about 120m down dip • The Emily domain dips about 70° south and is slightly arcuate in plan, varying from a strike of about 080º at the western end to 095º at the eastern end. The Emily main zone varies in true width from two to ten metres and is typically six metres and has been defined by drilling from surface to about 130m down dip Several thin, discontinuous, low grade zones occur in the hangingwall of the Emily main zone and are interpreted as splay faults off the main zone fault. These low grade zones strike about 10º clockwise of the main zone and dip about 45º to the south. • The Emily south mineralisation has a tabular, slightly arcuate geometry, similar to the Emily main zone. The Emily South domain strikes 090º and dips 65° to 70° to the south, has a demonstrated strike length of 950 m and has been defined by drilling from surface to about 80m down dip. Emily South is a little narrower than most of the other domains, typically having a true thickness of two to six metres. • Mineralisation in the East Leadingham domain strikes 110º, dips 40° to 60° to the south, and plunges about 20° to the east. The strike length of the East Leadingham domain is 575 m and the domain has been defined by drilling from surface to about 150m down dip. The main zone varies in true width from two to eight metres and is usually about four metres wide. There are several, discontinuous, low grade zones in

		both the hangingwall and footwall of the East Leadingham main zone which are interpreted as splay faults off the main zone fault, similar to those occurring in the Emily domain. • The Black Bess domain is a simple tabular body. Mineralisation is hosted by a fault striking 120º and dipping 60º to the southwest. Within the domain, gold mineralisation plunges 25º to the southeast. The Black Bess domain has been shown to extend over a strike length of 570 m and has been defined by drilling from surface to about 290m down dip. Mineralisation is typically four metres wide, ranging from two to eight metres true width. • The Ethel domain is more complex and comprises several (*en echelon*?) strands striking 080º within a broad zone striking 070º. The strands dip 45º to 70º to the south. The broad zone is about 80 m wide and the width of the strands is typically four metres wide, varying from two to fifteen metres with the deepest defined by drilling from surface to about 180m down dip • The Navan Hill mineralisation and the Belfast Hill mineralisation are grouped into the Belfast – Navan domain. Gold mineralisation in both areas is hosted by the same fault system and has similar geometric and grade characteristics. Mineralisation strikes 110º and dips 20º to 30º to the north. Both the Belfast Hill area and the Navan Hill area are characterised by multiple, sub-parallel zones within a broader envelope. The Belfast Hill area mineralisation extends over a strike length of 560 m and has been defined by drilling from surface to about 100m down dip, with a second minor 125 m long zone between the Belfast Hill and Navan Hill zones. The Navan hill zone has a strike length of 250 m and has been defined by drilling from surface to about 80m down dip
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*	• Gold grades in all domains were interpolated by ordinary kriging of 2.0m composites into 4 regularised proportional block models using Minesight software. The NCOT model incorporates the Tunnel, Emily, Emily South and East Leadingham domains. NCOT model extents: East: Min 47,800E; max 51,500E; Block size 12.5 North: Min 49,900N; max 50,600N; Block size 2 RL: Min 5,350RL; max 5,650RL; Block size 5 NCOT model extents. The BESS model covers the Black Bess domain and is rotated 30º clockwise about a vertical axis located at 51,600E, 49,100N and 0RL. The origin (OE, ON and 5,200RL) of the block model is at this point. East: Min 0E; max 800E; Block size 12.5 North: Min 0N; max 300N; Block size 2

NCOT model table:

	Min	max	Block size
East	47,800E	51,500E	12.5
North	49,900N	50,600N	2
RL	5,350RL	5,650RL	5

NCOT model extents.

BESS model table:

	Min	max	Block size
East	0E	800E	12.5
North	0N	300N	2

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- *of selective mining units.*
- *Any assumptions about correlation between variables.*
- *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.*

RL	5,200RL	5,600RL	5

BESS model extents.

The ETHL model envelopes the Ethel domain and is rotated 340º clockwise about a vertical axis located at 51,700E, 49,100N and 0RL. The origin (OE, ON and 5,300RL) of the block model is at this point.

	Min	max	Block size
East	0E	1300E	12.5
North	0N	300N	2
RL	5,300RL	5,650RL	5

ETHL model extents.

The NVBF model envelopes the Navan - Belfast domain and is rotated 25º clockwise about a vertical axis located at 54,400E, 50,800N and 0RL. The origin (OE, ON and 5,200RL) of the block model is at this point.

	Min	max	Block size
East	0E	2,200E	12.5
North	0N	400N	2
RL	5,400RL	5,600RL	5

NVBF model extents.

Model block size was determined from the drill spacing and anticipated minimum selective mining unit.

A separate variogram model was used for each domain. The relative nugget effect varied from 8% to 40% (typically 20%) and the major axis range varied from 40 m to 325 m (typically 100 m). The major axes plunge gently along strike.

The need for a top cut was assessed from cumulative probability plots and visual assessment of extreme grades: Top cuts were applied to composites for both variogram modelling and grade interpolation.

A top cut of 30 g/t Au (99.8th percentile) was applied to the Emily domain, removing 2.3% of the contained gold and affecting 0.30% of the composites. In the Emily South domain a top cut of 25 g/t Au (99.8th percentile) was employed removing 1.5% of the contained gold and affecting 1.0% of the composites. A top cut of 60 g/t Au (99.2nd percentile) was applied to the East Leadingham domain, removing 5.9% of the contained gold and affecting 0.9% of the composites.

Top cuts were not applied to the Tunnel, Black Bess, Ethel or Navan – Belfast domains.

The search neighbourhood was within an ellipsoid (80m x 60m x 20m) rotated parallel to the variogram models. A minimum or 4 or 5 composites and a maximum of 30

		composites with a maximum 6 composites from any quadrant were used in a single pass. Gold grade sub-domains were used as hard boundaries
		
		• No by-product recovery is assumed.
		• The block models were validated by:
		  • visual comparison with the composite grades,
		  • comparison of de-clustered composite grade with the global block model grade by gold domain

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnages are estimated on a dry basis as determined by core immersion density analysis (oven dried at 105° C)
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Open pit mineral resources are reported at a cutoff grade of 0.5 g/t Au for oxide and transitional material and at 1.0 g/t Au for fresh material. These cutoff grades are based on escalated mining and processing costs as determined by a pre-feasibility study completed by Territory in 2014. • Underground resources are reported at a cutoff grade of 2.0 g/t Au reflecting the escalated 2015 PFS processing costs and estimated underground mining costs.
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.*	• Open pit mining and underground mining are assumed. • Open pit mineral resources are only reported from above pit shells optimized at USD$2,000 per ounce Au using 45° overall pit slopes, escalated 2014 PFS costs and metallurgical recoveries of 75% in oxide, 60% in transition and 92% in fresh material • Underground mineral resources are reported from below the pit shells where the mineralization is of sufficient size and continuity to support underground development • Processing of oxide and transition ore by heap leach of CIL is assumed. • Processing of fresh ore by flotation to produce a high grade saleable concentrate is assumed. On site oxidation of a flotation concentrate (bacterial oxidation or autoclave) is technically feasible but would require a larger resource base to justify the capital expenditure.
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.*	• Testwork has shown cyanide recoverable gold of greater than 90% in oxide and about 70% in transitional material. Gold in the fresh material is largely refractory (bound up in sulphide minerals) with cyanide recoveries in the range of 10% to 30%. Flotation testwork shows high gold recoveries (>90%) to a flotation concentrate.

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.*	• It is assumed that waste disposal will be possible as evidenced by past open pit mining. ARD is likely from fresh waste. If fresh waste is mined it can be readily contained in appropriately engineered waste dump.
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.*	• Bulk density was determined by the tray method (weighing a tray of air dried core, subtracting the weight of core blocks and the tray and calculating volume from the from – to of the tray and average core diameter). A total of 6 oxide, 8 transition and 40 fresh samples were measured and averaged 2.29 g/cm^3, 2.67 g/cm^3 and 2.70 g/cm^3 respectively. This method accounts for porosity and vugs well but will be biased low if there is any un-recorded core loss. • Bulk density was applied to blocks by oxidation domains; oxide = 2.40 t/m^3, transition 2.65 t/m^3 and fresh 2.70 t/m^3
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.*	• The resources were classified based on the assessment of the competent person of geological confidence (possibility of alternative interpretations) and block grade estimation confidence as measured by kriging slope of regression. These factors were assessed section by section and wireframes enclosing continuous zones of like resource category were constructed and used to code the block model. • No measured resources are reported due to the lack of information on the drilling, sampling and assaying methods for some of the data used to inform the block model.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The block models used for this mineral resource estimate were reviewed by Cube Consulting in 2013 as part of a due diligence carried out by a third party. Cube found that the data and estimation methods used were sound. Collection of additional bulk density data was recommended.
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 confidence in the mineral resource estimate is reflected in the resource categorization. • Confidence in the global estimate is high. Confidence in the local (block) estimate is moderate. • No production data is available to assess the accuracy of the mineral resource estimate.

	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.*	