ASX Announcement

ASX: CLZ ACN 119 484 016

18 May 2017

CLASSIC EXPANDS FORRESTANIA FOOTPRINT WITH OPTION TO ACQUIRE STRATEGIC KAT GAP GOLD PROJECT

Highlights:

- **Option secured to acquire a 100% interest in two highly strategic exploration licences (Kat Gap Project) located nearby to Classic's flagship Forrestania Gold Project in WA**
- **Kat Gap Project is an advanced gold exploration project covering 37.5 km2, over a 10-km section of the western granite/greenstone contact at the southern end of the Forrestania Greenstone Belt**
- **Highly complementary acquisition containing a 5-km long, open-ended geochemical anomaly - limited drill testing to date has returned best results of 15m @ 15.1 and 6m @ 19.1 g/t Au**
- **Classic is continuing to assess additional strategic acquisition and regional consolidation opportunities within Forrestania region to increase mineral resources**
- **Near-term focus remains on drilling of Forrestania Gold Project in Q2 2017 – which contains an existing Mineral Resource of 5.9Mt at 1.25g/t for 240,000oz of gold, classified and reported in accordance with the JORC Code (2012)**
- **Kat Gap has a historical resource estimate (2003) of 440,000t @ 2.9 g/t for 42,000 Oz Au, not classified or reported in compliance with JORC (2012)***

*In accordance with clause 5.12 of the ASX Listing Rules, CLZ notes that the historic resource estimations were not reported in compliance with the JORC Code (2012), or any earlier adaptations of the JORC Code. A Competent Person has not done sufficient work to classify the historical estimates as mineral resources in accordance with the JORC Code (2012). It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code (2012).

1. INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX. CLZ) ("Classic", or "the Company") is pleased to advise it has entered into a Heads of Agreement ("HOA" or "the Agreement") outlining the principal terms whereby Classic is granted an option to acquire a 100% interest in two exploration licences held by Sulphide Resources Pty Ltd which host a combined area of 37.5km² (the "Kat Gap Project").

The Kat Gap Project is strategically located approximately 50km south-south east of the Company's recently acquired Forrestania Gold project (see CLZ announcement 21st March 2017), and adjoins the Forrestania Nickel project currently operated by Western Areas Ltd (see Figure 1 & Figure 2).

It contains a shallow unmined gold deposit discovered in the 1990s, which was the subject of resource estimations and scoping study by Sons of Gwalia in 2003. High grade RC drill intercepts include 15 m @ 15.1 g/t Au from 39 m depth and 6 m @ 19.1 g/t from 17 m depth. The open-ended deposit lies within a 5 km long geochemical gold anomaly that has seen very little drill testing, and there is potential for the discovery of a substantial gold deposit within the project area. Previous exploration work includes airborne geophysical surveys; Aircore, RAB, RC and diamond drilling; and soil geochemical surveys.

Classic has agreed to terms with private company Sulphide Resources Pty Ltd ("the Vendor") for the option to purchase the Vendor's interest in exploration licences E74/422 and E74/467. Under the Agreement, Classic will pay the Vendor a A$50,000 option fee in which it can purchase the tenements within 18 months for a total consideration of A$250,000. In addition to the option fee, CLZ must spend A$140,000 on the tenements during the option period; Classic will also grant a 2% NSR royalty on production from E74/422 and E74/467 (or any replacement tenements). The acquisition includes 100% of the rights in the following pending tenements: E74/422 and E74/467.

Execution of the formal Sale and Purchase Agreement and any regulatory approvals is expected to occur over the next two months. The parties have agreed to negotiate the formal agreement in good faith with a view to executing the transaction as soon as possible.

Classic's Managing Director Justin Doutch commented:

"We are very pleased to have executed this agreement as the Kat Gap tenements will significantly strengthen Classic's foothold in the highly prospective Forrestania region which currently stands at over 450km², in an area that we strongly believe has the potential to host a world-class gold deposit.

Historically, these tenements have shown great potential for high-grade mineralisation, with previous exploration programs identifying grades of up to 15m @ 15.1 and 6m @ 19.1 g/t Au, so our exploration team is understandably excited to be adding this ground to our Forrestania portfolio.

Looking ahead, the near-term focus for Classic remains on increasing the current JORC Resource of the Forrestania Gold Project through our upcoming drilling program scheduled to commence this quarter.

Classic is also assessing a number of additional regional consolidation opportunities within the Forrestania region that we believe have the scope to further bolster our gold inventory in the near-term, and we look forward to updating our shareholders on these opportunities in due course."

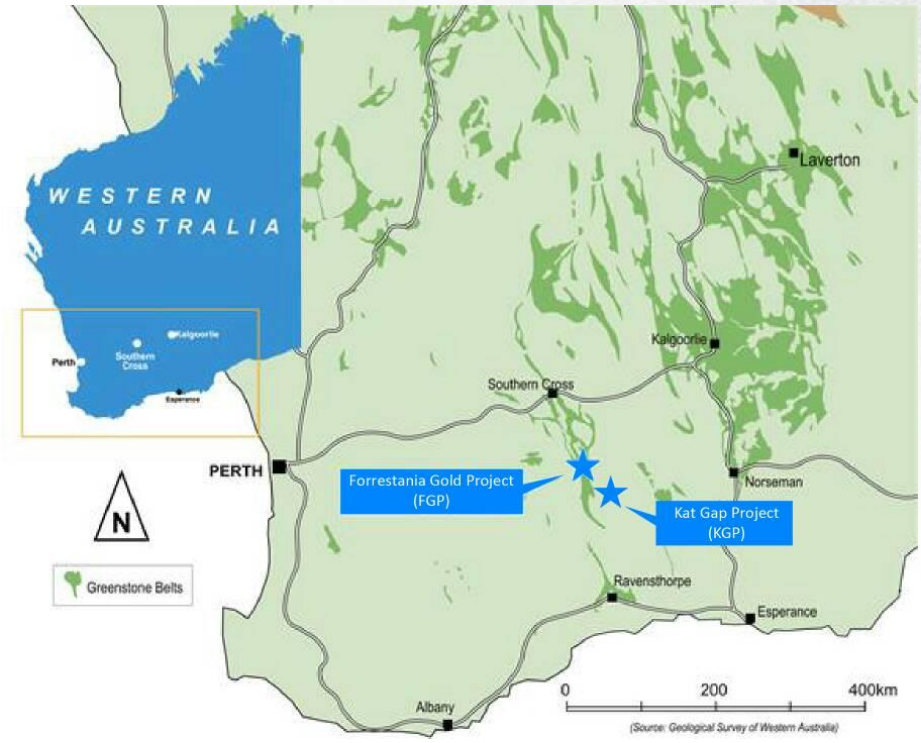

Figure 1 Location of Kat Gap Project

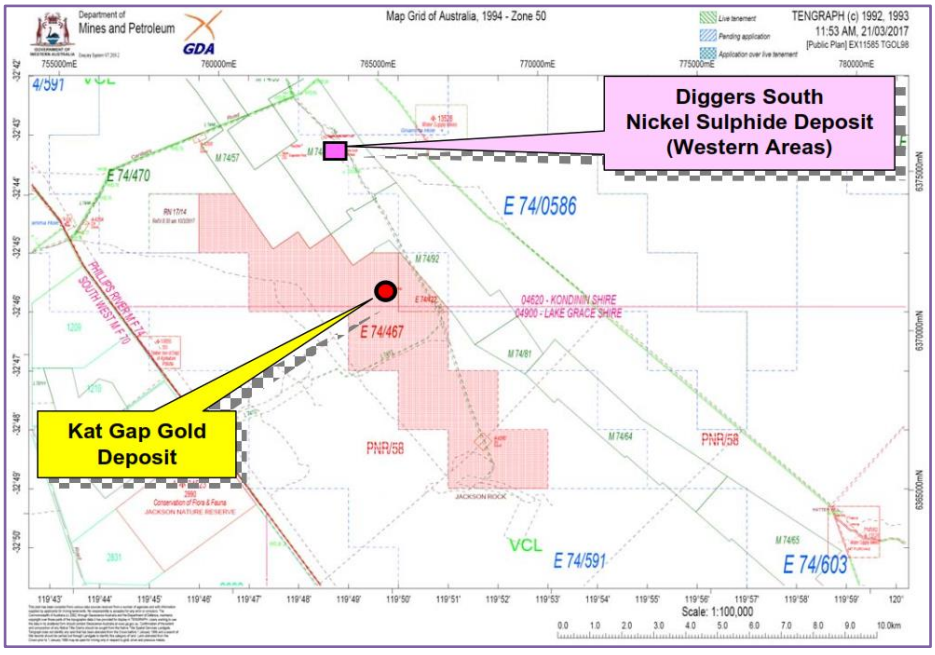

Figure 2 Kat Gap Project Tenure

2. KAT GAP PROJECT BACKGROUND

The Kat Gap Project contains a shallow unmined gold deposit discovered in the 1990s, which was the subject of resource estimations and a scoping study by Sons of Gwalia in 2003 (neither the estimation or the scoping study were reported in accordance with the JORC Code). High-grade RC drill intercepts include 15m @ 15.1g/t Au from 39m depth and 6m @ 19.1g/t from 17m depth.

The open-ended deposit lies within a 5km long geochemical gold anomaly that has seen very little drill testing, and there is potential for the discovery of a substantial gold deposit within the project area. Previous exploration work includes airborne geophysical surveys, aircore, RAB, RC and diamond drilling; and soil geochemical surveys.

CLZ intends to re-evaluate the exploration work to date, with a focus on re-establishing mineral resources that can be classified and reported in accordance with JORC (2012). To achieve this, the Company intends to commence check-drilling (diamond core drilling), followed by extensional drilling using RC drilling.

3. GEOLOGICAL SETTING

The tenements lie within the Archaean Forrestania Greenstone Belt (FGB), which forms the southern extension of the Southern Cross Greenstone Belt in the central Yilgarn Craton (Figure 3). Significant gold mineralisation is hosted within the lower greenstone succession. The Project covers a 10 km section of the western contact of the FGB, where basalt and high-magnesium basalt units are in contact with intrusive granite and pegmatite.

Regionally, gold mineralisation includes supergene, transition and primary styles, with mineralisation sometimes extending to considerable depth (>1km in the case of Bounty.) There are no currently active gold mines in the FGB, but the area saw considerable production in the 1980's and 1990's. Recent gold exploration by Kidman Resources Ltd and Marindi Metals Ltd has focussed on the Bounty- Mt Holland area at the northern end of the FGB. Locations of the main gold deposits in the FGB are shown in Figure 3.

There has been recent exploration in the FGB for lithium mineralisation hosted in LCT pegmatites. While this has focused in the Bounty-Mt Holland area, recent exploration results released by Western Areas Ltd in the South Ironcap area highlight the lithium potential at the southern end of the FGB. The locations of the main lithium prospects are shown in Figs. 4 and 5.

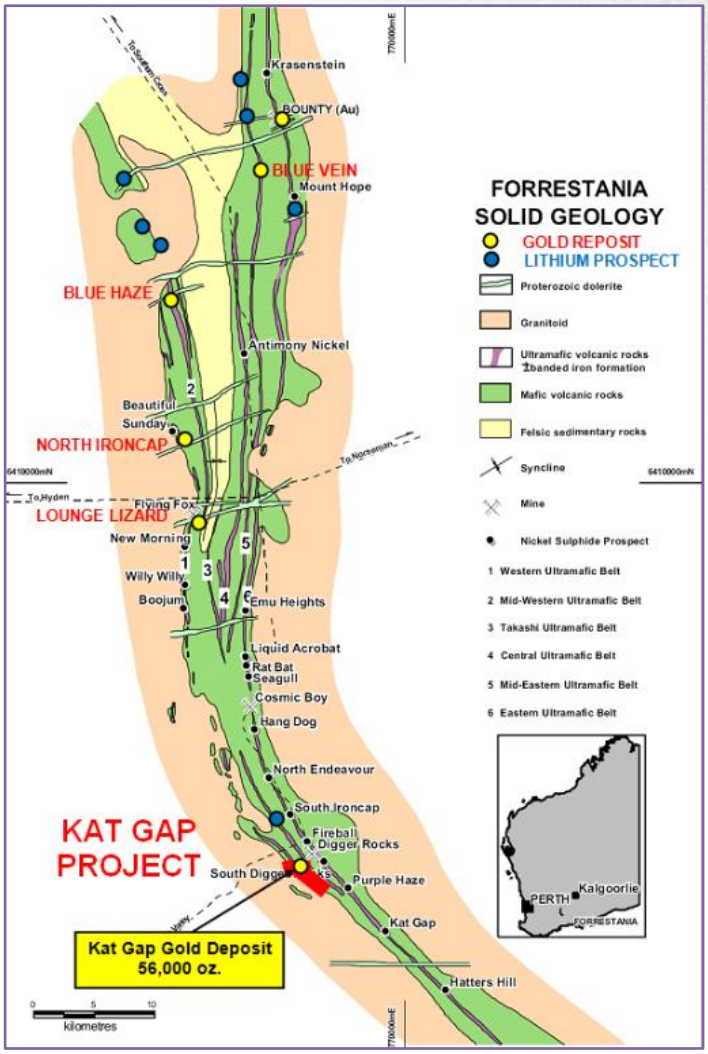

Figure 3 Main Gold Deposits-Forrestania Belt

4. PROJECT HISTORY & HISTORIC RESOURCE ESTIMATE

The Project is located on the southern margin of the attenuated southern portion of the FGB, at the contact between ultramafic and granitic lithologies. The area has been the subject of numerous exploration campaigns since the early 1970s. Modern exploration for gold mineralisation at the Kat Gap prospect dates from the discovery of the Bounty gold mine in 1986. Exploration for gold around Kat Gap was undertaken in 1987-2003.

Previous exploration work includes detailed and regional airborne geophysical data, MagLag geochemical surveys, drilling of ~1000 RAB holes, 74 RC holes, 3 diamond holes, 30 aircore holes, and an auger soil program.

Resources estimated for Kat Gap by Sons of Gwalia (SOG) in 2003 totalled 56,000oz grading 1.4g/t Au at zero grade cut-off and 36,000oz grading 3.9g/t Au at 1.5g/t Au grade cut-off.

The purpose of the study was to identify resources that could be trucked to SOG's treatment plant at Marvel Loch 150 km NNW of Kat Gap. SOG conducted a scoping level optimisation using various assumptions but, given the extreme trucking distance and the low ($800/oz) gold price at the time, the pit optimisation study identified only modest resources above 50 m depth. Many higher-grade drill intercepts lay outside of the SOG pit shells. A revised resource

estimate of 440,000t @ 2.9g/t Au (42,000 contained ounces) was reported in 2003, but no details of the estimation can be located.

It is believed that the old scoping study results do not reflect the prospect's potential, and that a new pit optimisation using the current gold price would deliver a much larger in-pit resource, with the potential to substantially increase the resource by drilling along strike and down dip.

In accordance with clause 5.12 of the ASX Listing Rules, CLZ notes that the historic resource estimations were not reported in compliance with the JORC Code (2012), or any earlier adaptations of the JORC Code. A Competent Person has not done sufficient work to classify the historical estimates as mineral resources in accordance with the JORC Code (2012). It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code (2012). Details that support the resource estimation are not known and therefore cannot be verified. More recent estimations are not known to have occurred.

CLZ intends to undertake drilling work to verify any historical drilling on which the historic estimates are based. This work is planned to commence this year, immediately following a full evaluation of all available digital data sets. It will be funded with currently available cash reserves.

5. KAT GAP MINERALISATION

Drilling has shown that primary gold mineralisation is associated with quartz veining developed in granitic rocks at or close to the western granite-greenstone contact of the Forrestania Greenstone Belt, and extends into the overlying oxidised zone. Drill intersection highlights are provided in Table 1 and examples of drill sections are given in Figure 4 & Figure 5. A summary of all drilling results are provided in Appendix II.

6. SIGNIFICANT EXPLORATION UPSIDE POTENTIAL

There is potential for additional mineralisation to be identified up-dip and down-dip from existing RC drilling, and along strike to north and south of existing RC drill coverage. Only about half of the 5 km long >50 ppb Au gold-in-soil anomaly has been tested by RC drilling along the granite/greenstone contact (Figure 7 & Figure 6).

RAB coverage has not always been effective. In a report dated 2003, SOG noted that "*...Much of the RAB drilling at Kat Gap was ineffective, failing to penetrate far enough into the bedrock to properly test the granite-greenstone contact.…There remains good potential for further gold mineralisation on the more than 4km of strike of the granite-greenstone contact.*"

There is a further 5 km of strike of prospective granite-greenstone contact west of the Kat Gap zone within E74/467 that has seen little or no exploration. Figure 6 compares RC drill coverage with the extent of the geochemical anomalies.

CLZ intends to re-evaluate the exploration work to date, with a main focus on re-establishing mineral resources that can be classified and reported in accordance with JORC (2012). To achieve this, the company first intends to commence check-drilling (diamond core drilling), followed by extensional drilling using RC drilling.

CLZ will also start to assess the inclusion of Kat Gap in the FGP Scoping Study and mine plan and will report progress on this as it becomes available.

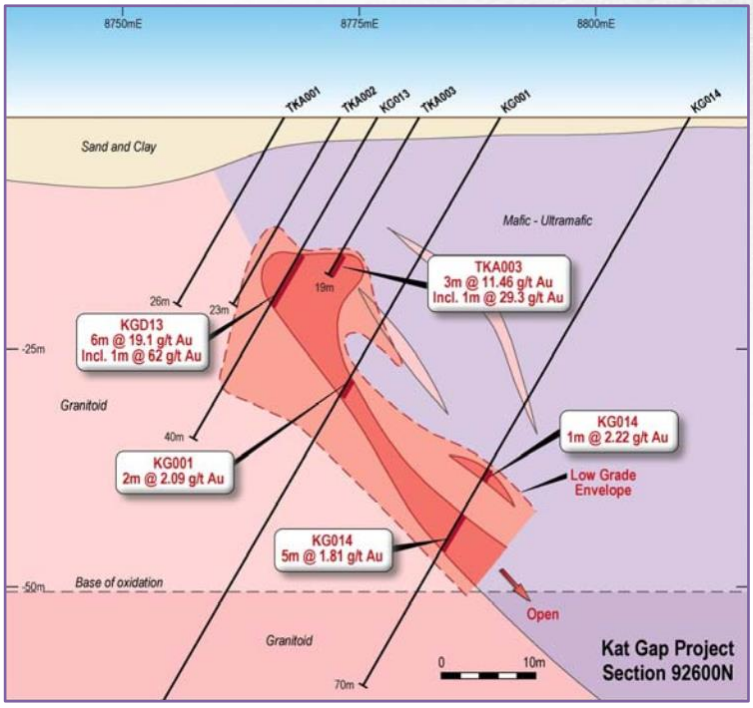

Figure 4 Drill Section 92600N

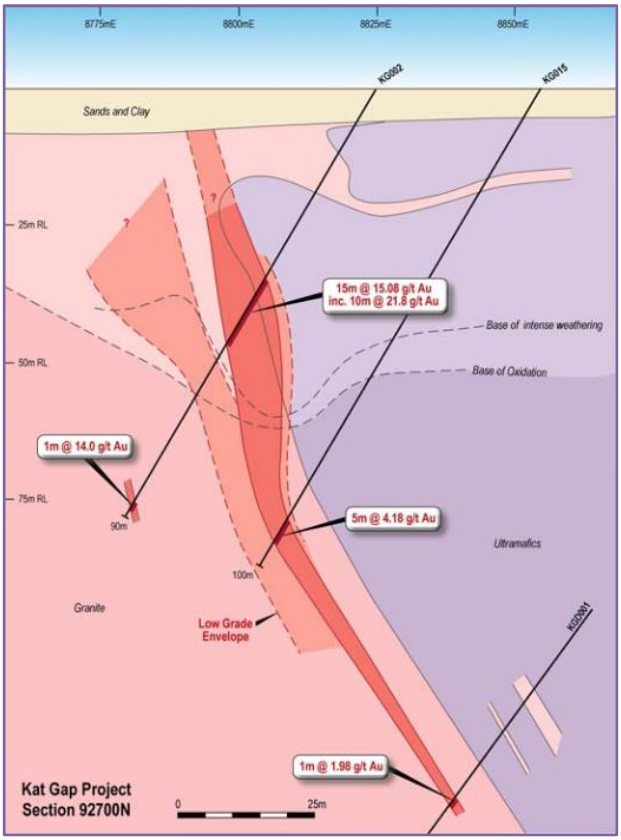

Figure 5 Drill Section 92700

Table 1 Drill Intersection Highlights – Kat Gap

Drillhole	Drill Type	Northing Local Grid	From (m)	To (m)	Length (m)	g/t Au
KGP024	RC	92500 Incl.	86 87	88 88	2 1	6.40 10.73
FKGP025	RC	92600 Incl.	77 82	85 85	8 3	5.40 9.14
KGP013	RC	92600 Incl.	17 21	23 22	6 1	19.10 62.00
KG0114	RAB	92600	16	20	4	18.40
KGP041	RC	92620	36	39	3	3.10
KGP002	RC	92700 Incl. Incl. and	39 39 39 86	54 49 41 87	15 10 2 1	15.08 21.83 92.60 14.00
KGP015	RC	92700 Incl.	90 91	95 92	5 1	4.18 10.00
KGP046	Diamond	92740 And	87 92	89 95	2 3	5.42 10.22
KGD003	RC	92740 Incl.	116.5 116.5	119.5 117.5	3 1	10.28 25.03
KGP003	RC	92800 Incl.	59 65	66 66	7 1	3.49 10.30
KGP004	RC	92900	56	58	2	11.60

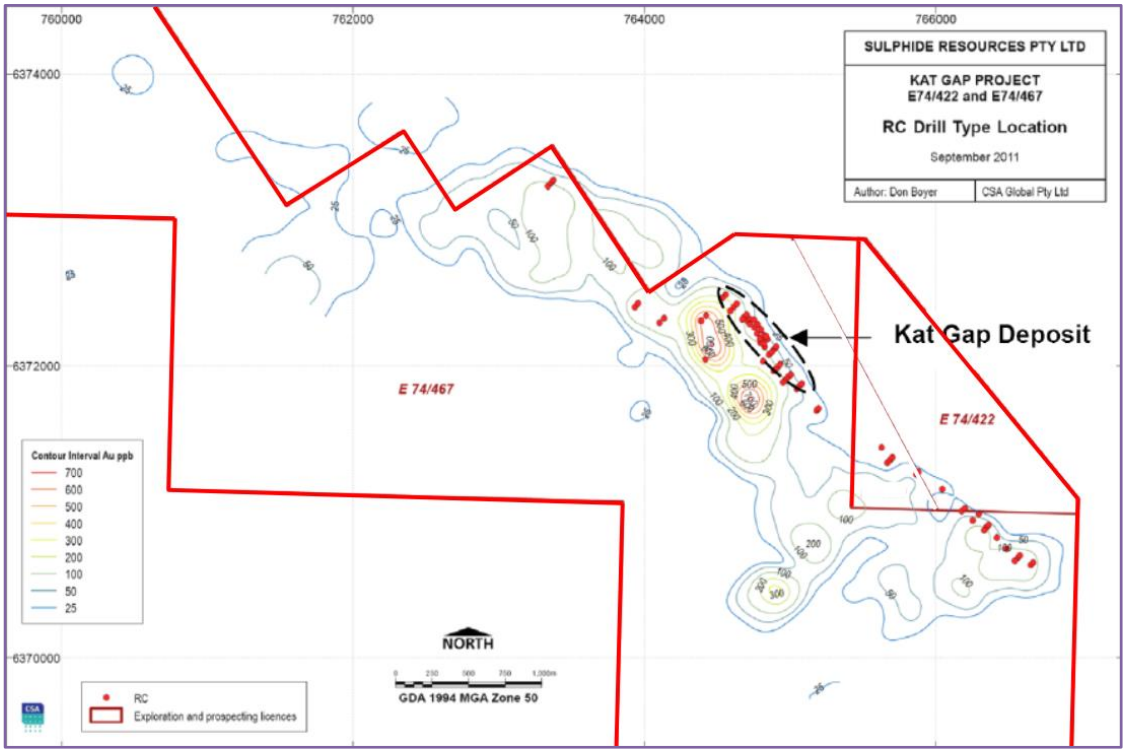

Figure 6 RC drill coverage

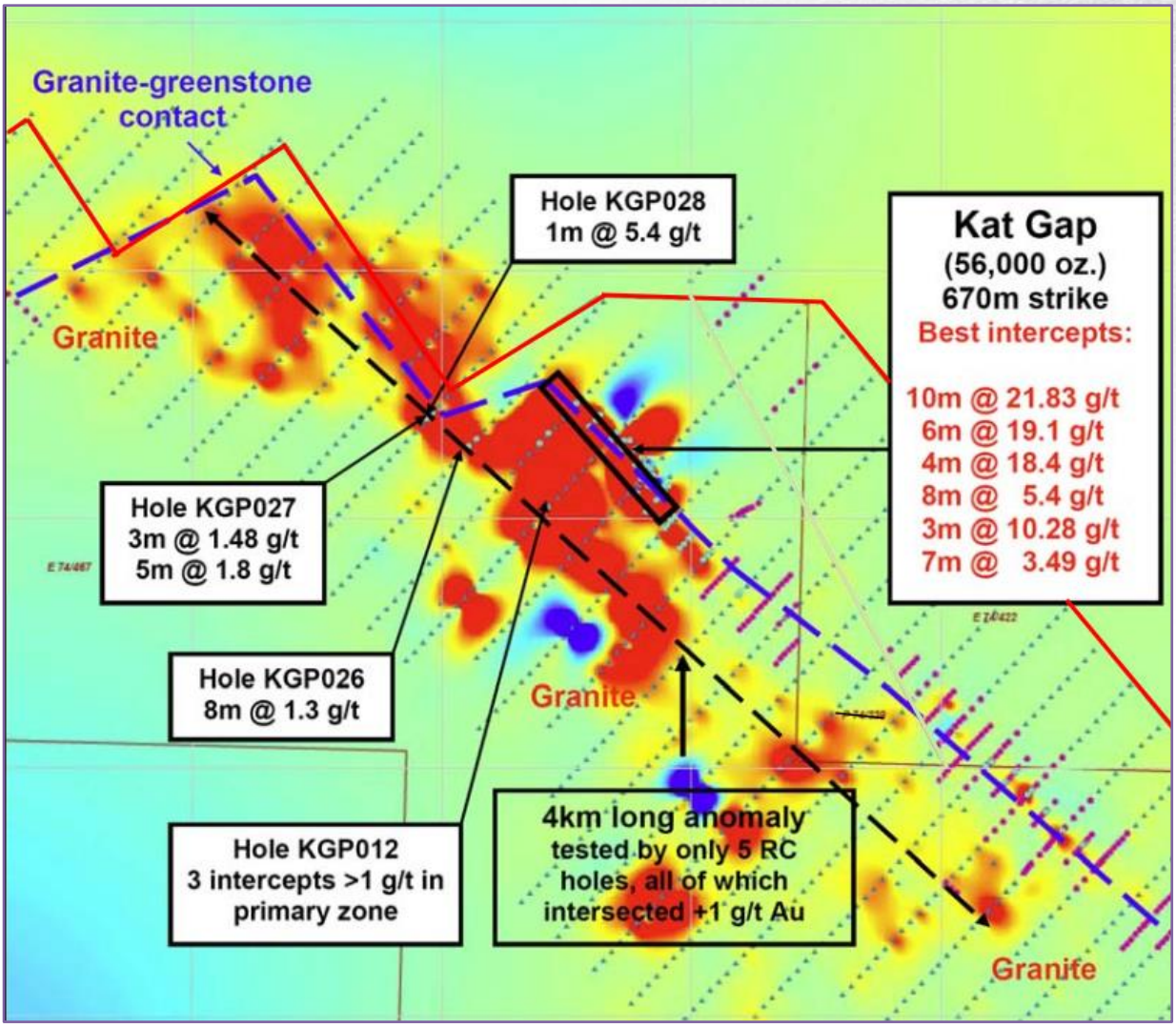

Figure 7 Drill results & gold geochemistry

7. COMMERCIAL TERMS

Classic and the Vendor have entered into a Heads of Agreement (HOA) giving Classic an option to acquire the Vendor's interest in E74/422 and E74/467. Under the HOA, Classic will pay the Vendor $50,000 for an 18 month option to acquire the Vendor's rights and title in the tenements for a further payment of $250,000. In addition to the option fee, CLZ must spend $140,000 on the tenements during the option period; Classic will also grant a 2% NSR royalty on production from E74/422 and E74/467 (or any replacement tenements). The parties have also agreed to negotiate in good faith a binding Sale and Purchase with a view to executing the sale as soon as possible.

The acquisition includes 100% of the Vendor's rights in the following tenements: E74/422 and E74/467.

Consideration payable by Classic to the Vendor consists of:

I. Option payment of $50,000 on execution of a binding Sale and Purchase Agreement.;
II. Purchase Consideration of $250,000 upon exercise of option.
III. 2% Net Smelter Royalty on gold production on E74/422 and E74/467.

Conditions

I. Vendor obtaining any necessary consents and waivers to proceed with the transaction, including entry into any assignment or novation deeds with any required third parties;
II. CLZ spending $140,000 during the option period;
III. CLZ having a JORC 2012 Resource estimate carried out during the option term;
IV. CLZ keeping the tenements in good standing;
V. Upon exercise of option, Ministerial Consent, if required, to Transfer the Tenements to Classic.

Approvals

I. Any necessary governmental consents and approvals to the matters set out in the Agreement under the Mining Act.
II. Classic shareholders providing all required approvals for the transaction. An EGM will be called as soon as practicable.

Timing of Acquisition

I. Classic expects that the execution of the sale and Purchase Agreement will be completed within 60 days.

On behalf of the board,

Justin Doutch
Managing Director

Classic Minerals Limited

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This announcement contains references to exploration results and Mineral Resource Estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward looking statements are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's annual reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix 1: JORC (2012) Table1

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	• The samples for historic drilling were taken by HQ diamond drill coring, RC face hammer drill and RAB drill. All RC drill samples for assaying were generated via an RC hammer (diameter unknown), but for early holes it is not known whether this was a face-sampling or conventional hammer. The majority of RC holes were sampled as one-metre composites. There is limited information provided in the reporting of historic results on the quality of the sampling processes • Measures taken to ensure sample representativity are unknown, e.g. no comments were documented in previous reports on things such as metre delineation, dust suppression, bag weighing, etc. • The determination of mineralisation was done via standard methods, including RC/diamond drilling, followed by splitting, crushing and fire assaying. Details of this process are not known at this stage.

	commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
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).	• All historic drilling referred to in this Report was carried out using reverse circulation, diamond and rotary air blast drilling methods. Diamond core was by HQ core; however, no information on the type of tubing was available. Core orientations are not reported to have been completed. Information on RC drilling was not available (e.g. no information on hammer size, hammer type).
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.	• Recoveries from the drilling are not known at this stage • It is not clear whether a relationship between recovery and grade occurs as information for RC drilling is not available
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.	• Core and chips were logged, but it is not clear whether this has occurred to a level of detail to support the Mineral Resource estimation. • Logging was most likely qualitative in nature but details are unknown until further work is done.
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.	• It is assumed that diamond drill core was cut down its longitudinal axis with half the core selected for assay in line with geological boundaries, and the remaining retained in the core tray. Review of the database indicates that the maximum selected sample length was constrained to one metre. • Details of the splitter and drill rig configuration for RC drilling were not provided. Review of the database suggests that RC drilling was sampled on one metre intervals almost exclusively. • The quality and the appropriateness of the sample preparation technique cannot be determined for the historic drilling. It is assumed that sampling

	• 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.	practices employed during the respective drill programs followed standard industry practice in effect at the time. That the majority of the drilling is in excess of 15 years old, and that no detailed QA information and QC data can be presented raises some concerns about the reliability of the data. This has been taken into account in the presentation of the data. • No studies have been undertaken to determine whether the sample size was appropriate for the grain size of the material sampled.
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.	• The nature of the analysis method for the samples is unknown. • Determination of the analytical procedures employed was not completed. The quality and appropriateness of the assaying and laboratory procedures used could not be determined. • Information on quality control procedures was not available.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• No comments are available in any reports on the verification of significant intersections • Procedures on data entry were not available. • Assay data were not adjusted
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 drill hole coordinate system used relates to the Kat Gap local grid. A two-point conversion was used to convert back to GDA94 Z50 grid. • No topographic surfaces were provided for use.
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	• It is not clear whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation. Sufficient studies have not yet been undertaken.

	applied. • Whether sample compositing has been applied.	• Sample compositing has been applied; however, any anomalous intercepts were mostly resampled as 1m intervals.
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 orientation of sampling appears to have mostly achieved unbiased sampling of structures; however, sufficient work has not been undertaken to confirm this • The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias; however, sufficient work has not been undertaken to confirm this.
Sample security	• The measures taken to ensure sample security.	• No information on sample security is available
Audits or reviews	• The results of any audits or reviews of sampling techniques and data	• No audits of any of the data are known

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The KGP tenements are registered in the name of Sulphide Resources Pty Ltd. • If the option to purchase is exercised, the acquisition includes 100% of the following granted tenements: E74/476 and E74/422.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• All exploration was carried out by previous owners of the tenements (Aztec Mining, Forerestania Gold NL, Viceroy Australia, Sons of Gwalia)
Geology	• Deposit type, geological setting and style of mineralisation.	• The deposit is a Archean shear-zone hosted gold deposit. • The geology of the Kat Gap area covers a portion of the southern end of the Forrestania Greenstone Belt. The belt narrows in this area between two foliated syn-tectonic granite intrusions and begins to

		attenuate to the southeast. The geology is thought to be equivalent to the eastern domain of the Forrestania Belt, which hosts many of the higher-grade gold deposits in and around the main Bounty Gold Mine environs. • Broadly the area comprises an ultramafic pile with internal dolerite-gabbro differentiates and interflow sediments, with possible mafic units closer to the core. The central domain sediments are not present at Kat Gap. The intrusion of the later granites may have caused thrusting within the greenstone sequences. • Interpretation of geophysical data defines a granite-greenstone contact that appears to be very magnetic and trends NW-SE. Granite covers approximately 60% of MLA74/112, and NE-trending structures traverse these intrusions external to the greenstone stratigraphy. A dolerite dyke (crossing near 92800N) also appears to have intruded along the same structure. Later Proterozoic dolerite dykes transect the stratigraphy in an E-W direction. • Minor E-W trending structures are interpreted to locally offset the geology. • The late granites are considered “fertile” or to be differentiates from larger intrusions, being enriched in Rb, Li, Cs, Nb and depleted in Fe- and Ti-oxides. Sulphides are present within the granite and petrographic work identified them as pyrite-marcasite species; molybdenite and bismuth telluride were also identified. Gold mineralisation at Kat Gap is predominantly within thin quartz vein arrays in zones of mylonitisation in the granites (ductile deformation), rather than in brittle structures. Supergene mineralisation is also present at the deeply weathered contact between the granite and greenstone lithologies. • The granite becomes very strongly sheared (quartz biotite gneiss) towards the contact with the greenstones and has undergone potassic alteration. Late, undeformed pegmatites intrude sporadically along the

		contact. The hangingwall ultramafic is also sheared and strongly biotite altered. Garnets have formed within the shear but no other calc-silicate alteration is observed. The ultramafic is tremolite-chlorite rich with metamorphic olivine interpreted. The rocks are strongly magnetic and foliation decreases away from the granite contact. • The regolith comprises a thin veneer of sandy clays with isolated patches of lateritic cover. The underlying profile is thought to be generally intact.
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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o 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.	• This information is provided in Appendix II, below this table.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Summary drill hole results as reported in figures and in the Appendix II to this Report are reported on a 3m internal dilution and 0.1 g/t Au cut-off.

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').	• In almost all cases, the drill holes are interpreted perpendicular to the mineralisation. The true width is not expected to deviate much from intersection width. However, sufficient work has not been undertaken to confirm this
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.	• Appropriate images have been provided in the Report.
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.	• Figures represent specific selected drill intervals to demonstrate the general trend of high grade trends. Cross sections show all relevant result in a balanced way.
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.	• SOGs completed a metallurgical test work programme of the mineralisation. This test work involved testing of four composite samples representing oxide, fresh, and two separate transitional composites. • The drill database did not detail any density measurements completed throughout the drilling programs. Density values assigned to the mineral resource were taken from historical values assigned to previously reported resources.
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.	• Proposed RC and Diamond drilling is planned and has been presented in cross and long-sections. • Figures clearly demonstrate the areas of possible extensions

APPENDIX II

Table 2 Summary of best results for all RC, diamond and Aircore drilling, reported at a 0.1 g/t cut-off and with 3m maximum internal dilution

Hole id	>0.1 Au intercepts 3m dilution, no top-cut
FHUP001	1m @ 0.16ppm Au from 16m, 14m @ 0.13ppm Au from 28m, 1m @ 0.13ppm Au from 50m, 3m @ 0.48ppm Au from 61m
FHUP002	2m @ 0.12ppm Au from 0m, 12m @ 0.21ppm Au from 24m, 1m @ 0.1ppm Au from 52m, 3m @ 0.16ppm Au from 62m
FHUP003	1m @ 0.96ppm Au from 17m, 10m @ 0.24ppm Au from 27m, 3m @ 1.07ppm Au from 50m, 4m @ 0.27ppm Au from 70m, 2m @ 0.28ppm Au from 81m, 13m @ 0.46ppm Au from 29m
FHUP004	13m @ 0.46ppm Au from 29m, 2m @ 0.25ppm Au from 55m
FHUP005	1m @ 0.19ppm Au from 29m, 7m @ 1.24ppm Au from 34m, 1m @ 0.12ppm Au from 51m
FHUP006	1m @ 0.57ppm Au from 41m, 16m @ 0.41ppm Au from 49m
FKGP001	1m @ 0.2ppm Au from 0m, 5m @ 0.08ppm Au from 33m, 8m @ 0.18ppm Au from 43m, 3m @ 0.45ppm Au from 61m
FKGP002	1m @ 0.27ppm Au from 90m
FKGP003	2m @ 0.48ppm Au from 0m, 1m @ 1.35ppm Au from 19m, 23m @ 0.36ppm Au from 32m
FKGP004	1m @ 0.23ppm Au from 32m, 2m @ 0.21ppm Au from 37m, 7m @ 0.27ppm Au from 84m, 1m @ 0.18ppm Au from 103m
FKGP005	1m @ 0.1ppm Au from 1m, 1m @ 0.18ppm Au from 30m, 8m @ 0.71ppm Au from 37m, 7m @ 0.18ppm Au from 50m
FKGP006	10m @ 0.29ppm Au from 28m, 7m @ 0.24ppm Au from 42m, 7m @ 0.33ppm Au from 53m
FKGP007	2m @ 0.17ppm Au from 0m
FKGP008	1m @ 1ppm Au from 24m, 1m @ 0.13ppm Au from 58m
FKGP009	3m @ 4.44ppm Au from 35m
FKGP010	4m @ 0.18ppm Au from 23m, 5m @ 0.58ppm Au from 34m, 2m @ 0.57ppm Au from 49m
FKGP011	1m @ 0.12ppm Au from 30m, 1m @ 0.13ppm Au from 36m, 3m @ 0.16ppm Au from 42m, 5m @ 0.11ppm Au from 58m
FKGP012	7m @ 0.86ppm Au from 41m
FKGP013	1m @ 0.12ppm Au from 0m, 7m @ 0.27ppm Au from 16m

FKGP014	3m @ 0.17ppm Au from 27m
FKGP015	1m @ 0.1ppm Au from 24m, 2m @ 0.38ppm Au from 37m, 12m @ 0.17ppm Au from 43m
FKGP016	1m @ 0.21ppm Au from 18m, 4m @ 0.5ppm Au from 58m, 7m @ 0.11ppm Au from 71m
FKGP017	8m @ 0.23ppm Au from 31m, 2m @ 0.26ppm Au from 45m, 5m @ 0.38ppm Au from 54m
FKGP018	11m @ 0.18ppm Au from 23m, 14m @ 0.26ppm Au from 42m
FKGP019	12m @ 0.28ppm Au from 27m, 6m @ 0.17ppm Au from 44m
FKGP020	1m @ 0.11ppm Au from 0m, 8m @ 0.43ppm Au from 26m, 10m @ 0.66ppm Au from 38m, 4m @ 0.36ppm Au from 58m
FKGP021	2m @ 0.16ppm Au from 39m, 1m @ 0.14ppm Au from 45m, 19m @ 0.45ppm Au from 52m, 1m @ 0.21ppm Au from 81m
FKGP022	1m @ 0.1ppm Au from 0m, 15m @ 0.73ppm Au from 25m, 5m @ 0.06ppm Au from 48m
FKGP023	1m @ 0.15ppm Au from 14m, 19m @ 1.14ppm Au from 22m, 1m @ 2.08ppm Au from 45m, 3m @ 0.27ppm Au from 52m, 1m @ 0.27ppm Au from 60m, 1m @ 0.12ppm Au from 27m
FKGP024	1m @ 0.12ppm Au from 27m, 1m @ 0.51ppm Au from 73m, 10m @ 1.56ppm Au from 84m
FKGP025	4m @ 0.3ppm Au from 50m, 12m @ 3.24ppm Au from 73m
FKGP026	4m @ 0.31ppm Au from 0m, 5m @ 0.15ppm Au from 42m, 4m @ 0.15ppm Au from 57m
FKGP027	1m @ 0.11ppm Au from 0m, 11m @ 0.2ppm Au from 28m, 1m @ 0.24ppm Au from 59m
FKGP028	18m @ 0.29ppm Au from 30m, 2m @ 0.39ppm Au from 52m, 1m @ 0.45ppm Au from 58m
FLNP001	1m @ 0.11ppm Au from 14m, 10m @ 0.28ppm Au from 30m, 3m @ 0.25ppm Au from 54m
FLNP002	1m @ 0.19ppm Au from 4m, 2m @ 0.21ppm Au from 15m, 2m @ 0.19ppm Au from 25m, 2m @ 0.17ppm Au from 34m, 1m @ 0.14ppm Au from 41m, 1m @ 0.13ppm Au from 50m, 3m @ 0.34ppm Au from 59m
FLNP003	8m @ 0.1ppm Au from 16m, 2m @ 0.4ppm Au from 32m, 19m @ 0.3ppm Au from 38m
FLNP004	4m @ 0.08ppm Au from 40m, 8m @ 0.14ppm Au from 48m, 8m @ 0.14ppm Au from 61m, 1m @ 0.39ppm Au from 77m
FLNP005	2m @ 0.23ppm Au from 38m, 12m @ 0.2ppm Au from 45m, 1m @ 0.1ppm Au from 64m
FLNP006	7m @ 0.19ppm Au from 35m, 3m @ 0.33ppm Au from 62m, 4m @ 0.07ppm Au from 69m
FLNP007	1m @ 0.14ppm Au from 18m, 1m @ 0.14ppm Au from 44m, 1m @ 0.12ppm Au from 49m, 5m @ 0.09ppm Au from 59m
FLNP008	1m @ 0.17ppm Au from 60m, 5m @ 0.1ppm Au from 71m, 7m @ 2.34ppm Au from 83m
FLNP009	3m @ 0.22ppm Au from 5m, 2m @ 1.69ppm Au from 13m, 1m @ 0.13ppm Au from 28m, 1m @ 0.56ppm Au from 33m, 4m @ 0.17ppm Au from 41m, 5m @ 0.24ppm Au from 57m
FLNP010	38m @ 2.49ppm Au from 14m, 5m @ 0.16ppm Au from 58m, 2m @ 0.23ppm Au from 69m, 15m @ 2.93ppm Au from 76m
FLNP012	9m @ 0.12ppm Au from 40m, 4m @ 0.14ppm Au from 53m, 3m @ 5.93ppm Au from 73m, 8m @ 0.2ppm Au from 82m, 3m @ 0.12ppm Au from 105m, 3m @ 0.33ppm Au from 16m
FLNP013	3m @ 0.33ppm Au from 16m
FLNP014	23m @ 0.22ppm Au from 20m, 3m @ 0.23ppm Au from 55m, 10m @ 0.11ppm Au from 66m

FLNP015	8m @ 0.36ppm Au from 15m, 1m @ 0.66ppm Au from 29m, 8m @ 0.18ppm Au from 34m, 1m @ 0.11ppm Au from 53m
FLNP016	1m @ 0.45ppm Au from 9m, 5m @ 0.76ppm Au from 14m, 13m @ 0.71ppm Au from 23m, 15m @ 2.39ppm Au from 43m
FSFP001	2m @ 0.37ppm Au from 44m
FSFP002	3m @ 0.26ppm Au from 26m, 2m @ 0.32ppm Au from 36m, 9m @ 0.21ppm Au from 44m, 1m @ 0.24ppm Au from 69m, 1m @ 0.33ppm Au from 74m, 1m @ 0.17ppm Au from 21m
FSFP003	1m @ 0.17ppm Au from 21m, 5m @ 0.65ppm Au from 27m, 16m @ 0.26ppm Au from 36m, 1m @ 0.13ppm Au from 65m, 12m @ 0.95ppm Au from 76m, 1m @ 0.16ppm Au from 26m
FSFP004	1m @ 0.16ppm Au from 26m, 2m @ 0.14ppm Au from 33m, 1m @ 0.13ppm Au from 39m, 2m @ 0.26ppm Au from 62m
FSFP005	15m @ 0.38ppm Au from 22m, 1m @ 0.64ppm Au from 48m, 1m @ 0.5ppm Au from 54m
FSFP006	6m @ 1.23ppm Au from 25m, 8m @ 0.12ppm Au from 36m, 1m @ 0.13ppm Au from 77m
KGP001	27m @ 0.34ppm Au from 25m, 4m @ 0.29ppm Au from 57m, 2m @ 0.34ppm Au from 65m
KGP002	5m @ 0.1ppm Au from 27m, 29m @ 8ppm Au from 36m, 19m @ 0.99ppm Au from 71m
KGP003	15m @ 2.01ppm Au from 57m
KGP004	1m @ 0.33ppm Au from 50m, 4m @ 5.88ppm Au from 56m, 10m @ 0.54ppm Au from 64m
KGP005	12m @ 0.71ppm Au from 33m
KGP006	8m @ 0.6ppm Au from 22m
KGP007	10m @ 0.46ppm Au from 50m
KGP008	15m @ 0.34ppm Au from 32m
KGP009	21m @ 0.63ppm Au from 24m
KGP010	23m @ 0.28ppm Au from 22m, 5m @ 1.82ppm Au from 73m
KGP011	15m @ 0.49ppm Au from 15m, 5m @ 0.52ppm Au from 35m
KGP012	5m @ 0.52ppm Au from 55m, 5m @ 0.44ppm Au from 80m, 3m @ 0.49ppm Au from 97m
KGP013	14m @ 8.33ppm Au from 16m
KGP014	4m @ 0.63ppm Au from 26m, 12m @ 1.16ppm Au from 43m
KGP015	6m @ 3.51ppm Au from 89m
KGP017	19m @ 1ppm Au from 71m
KGP018	1m @ 2.85ppm Au from 79m
KGP020	15m @ 0.64ppm Au from 30m
KGP021	10m @ 0.63ppm Au from 55m
KGP025	8m @ 0.59ppm Au from 20m, 9m @ 0.63ppm Au from 50m
KGP026	10m @ 1.19ppm Au from 40m
KGP027	5m @ 1.06ppm Au from 25m, 10m @ 1.05ppm Au from 55m
KGP028	1m @ 5.41ppm Au from 34m
KGP039	4m @ 0.96ppm Au from 26m, 6m @ 0.27ppm Au from 34m
KGP041	9m @ 1.25ppm Au from 32m
KGP045	4m @ 0.55ppm Au from 29m, 10m @ 0.36ppm Au from 37m

KGP046	9m @ 4.67ppm Au from 87m
VLNP001	1m @ 0.22ppm Au from 5m, 30m @ 2.46ppm Au from 14m, 1m @ 0.11ppm Au from 53m

Table 3 Historic drillhole locations

Hole_ID	Type	Depth	East	North	RL	Dip	Azimuth
KGP027	RC	80	763935.4	6372403	500	-90	0
KGP028	RC	80	763959.2	6372429	500	-90	0
KGP025	RC	80	764136.5	6372326	500	-90	0
KGP026	RC	80	764106	6372293	500	-90	0
KGP019	RC	76	764557.8	6372488	500	-90	0
KGP020	RC	80	764537.5	6372466	500	-90	0
KGP021	RC	80	764425.7	6372345	500	-90	0
KGP024	RC	80	764391.8	6372308	500	-90	0
KGP004	RC	84	764614.3	6372402	500	-90	0
KGP005	RC	90	764590.6	6372376	500	-90	0
KGP018	RC	95	764634.6	6372424	500	-90	0
KGP003	RC	100	764687.7	6372334	500	-90	0
KGP012	RC	100	764420	6372044	500	-90	0
KGP016	RC	75	764674.2	6372320	500	-90	0
KGP017	RC	100	764702.6	6372350	500	-90	0
KGP022	RC	80	764713.7	6372304	500	-90	0
KGP023	RC	80	764727.3	6372318	500	-90	0
KGP045	RC	48	764725	6372286	500	-90	0
KGP046	RC	96	764752.1	6372316	500	-90	0
KGP002	RC	90	764757.8	6372263	500	-90	0
KGP015	RC	100	764778.1	6372285	500	-90	0
KGP043	RC	47	764773.6	6372221	500	-90	0
KGP044	RC	78	764800.7	6372250	500	-90	0
KGP041	RC	41	764792.8	6372183	500	-90	0
KGP042	RC	77	764819.9	6372212	500	-90	0
KGP001	RC	78	764807.5	6372169	500	-90	0
KGP013	RC	40	764798.7	6372160	500	-90	0
KGP014	RC	70	764821	6372184	500	-90	0
KGP039	RC	40	764818.8	6372152	500	-90	0
KGP040	RC	80	764845.9	6372182	500	-90	0
KGP029	RC	59	764827.3	6372132	500	-90	0
KGP006	RC	57	764857.2	6372076	500	-90	0
KGP007	RC	80	764891.1	6372113	500	-90	0

KGP008	RC	80	764917	6371993	500	-90	0
KGP009	RC	80	764889.9	6371964	500	-90	0
KGP010	RC	80	764970.1	6371904	500	-90	0
KGP011	RC	80	765046.9	6371840	500	-90	0
KGP030	RC	75	766347.1	6370891	500	-60	270
KGP031	RC	95	766364	6370909	500	-60	270
KGP032	RC	88	766420.5	6370823	500	-60	270
KGP033	RC	92	766487.1	6370748	500	-60	270
KGP034	RC	90	766567.3	6370688	500	-60	270
KGP035	RC	80	766256.7	6370940	500	-60	270
KGP036	RC	112	766297.4	6370984	500	-60	270
KGP037	RC	60	766179.9	6371005	500	-60	270
KGP038	RC	82	766200.2	6371027	500	-60	270
FLND001	WDD	140.5	768387.9	6379495	500	-60	270
FLND002	WDD	125.4	768408.5	6379459	500	-60	270
FLND003	WDD	141.9	768388.7	6379467	500	-90	0
FKGP001	RC	82	766654.3	6370635	500	-60	270
FKGP002	RC	94	766669.6	6370651	500	-60	270
FKGP003	RC	58	766545.3	6370664	500	-60	270
FKGP022	RC	60	764816.5	6372032	500	-90	0
FKGP023	RC	75	764874.1	6372094	500	-90	0
FKGP004	RC	106	766578.9	6370700	500	-60	270
FKGP005	RC	58	766333.5	6370876	500	-60	270
FKGP006	RC	67	766046.6	6371155	500	-60	270
FKGP008	RC	70	765884.5	6371274	500	-60	270
FKGP013	RC	58	765183.6	6371693	500	-90	0
FKGP014	RC	60	765197.2	6371708	500	-90	0
FKGP015	RC	70	765063.9	6371858	500	-90	0
FLNP001	RC	60	768381.3	6379545	500	-60	270
FLNP002	RC	63	768367.4	6379530	500	-60	270
FLNP003	RC	70	768352.7	6379516	500	-60	270
FLNP004	RC	91	768337.7	6379500	500	-60	270
FLNP005	RC	70	768367.3	6379560	500	-60	270
FLNP006	RC	75	768339.3	6379586	500	-60	270
FLNP007	RC	70	768405.9	6379546	500	-60	270
FLNP008	RC	90	768344.8	6379476	500	-60	270
FLNP009	RC	70	768411.2	6379518	500	-60	270
FLNP010	RC	91	768405.2	6379485	500	-60	270
FLNP012	RC	110	768415.9	6379436	500	-60	270
FLNP013	RC	30	768435.6	6379488	500	-60	270
FLNP014	RC	78	768428.8	6379481	500	-60	270

FLNP015	RC	55	768422	6379473	500	-60	270
FLNP016	RC	58	768415.2	6379466	500	-60	270
FHUP001	RC	80	770355.8	6377886	500	-60	270
FHUP002	RC	75	770409.5	6377870	500	-60	270
FHUP003	RC	87	770395.9	6377855	500	-60	270
FHUP004	RC	80	770439.4	6377829	500	-60	270
FHUP005	RC	80	770476.1	6377795	500	-60	270
FHUP006	RC	81	770673.2	6377640	500	-60	270
FSFP001	RC	105	768519.2	6379697	500	-60	270
FSFP002	RC	80	768531.6	6379651	500	-60	270
FSFP003	RC	95	768590.3	6379597	500	-60	270
FSFP004	RC	85	768702.1	6379541	500	-60	270
FSFP005	RC	70	768774.4	6379502	500	-60	270
FSFP006	RC	90	768747.3	6379472	500	-60	270
VLNP001	RC	55	768406.2	6379515	500	-90	0
FKGP007	RC	52	765867.6	6371255	500	-90	0
FKGP009	RC	52	765669.9	6371336	500	-90	0
FKGP010	RC	60	765686.8	6371354	500	-90	0
FKGP011	RC	76	765703.8	6371373	500	-90	0
FKGP012	RC	73	765630.4	6371440	500	-90	0
FKGP026	RC	64	763340.2	6373231	500	-90	0
FKGP027	RC	63	763360.5	6373253	500	-90	0
FKGP028	RC	70	763377.4	6373272	500	-90	0
KGD001	DDH		764825.5	6372336	500	-90	0
KGD002	DDH		764765.7	6372419	500	-90	0
KGD003	DDH		764765.7	6372330	500	-90	0
FKGP016	RC	82	765080.8	6371876	500	-90	0
FKGP017	RC	61	764953.2	6371885	500	-90	0
FKGP018	RC	65	764988.4	6371923	500	-90	0
FKGP019	RC	76	765005.4	6371942	500	-90	0
FKGP020	RC	80	764902.1	6371977	500	-90	0
FKGP021	RC	82	764934	6372012	500	-90	0
FKGP024	RC	100	764908	6372131	500	-90	0
FKGP025	RC	100	764838	6372202	500	-90	0