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CLASSIC PROCEEDS WITH KAT GAP FARM-IN AND PREPARES TO UNDERTAKE DRILLING PROGRAM

Highlights:

- Classic secures option to acquire advanced gold exploration project located nearby to flagship Forrestania Gold Project in WA
- Kat Gap drilling program to target high-grade depth extensions and necessary in-fill drilling to support a resource upgrade to be undertaken this calendar year
- Initial pit optimisations completed and will be included in scoping study in due course
- Expanded footprint in Forrestania region further underpins Classic's mine development strategy targeting expansion of existing resource base to circa 500,000oz gold over the next 12 months
- Kat Gap Project covers 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

*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).

I. <u>INTRODUCTION</u>

WA-focused gold exploration and development company Classic Minerals Limited (ASX. CLZ) ("Classic", or "the Company") is pleased to advise that it has executed a binding agreement to secure the option to acquire a 100% interest in two exploration licences held by Sulphide Resources Pty Ltd which host a combined area of 37.5km² known as 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).

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Classic's Managing Director, Justin Doutch, commented:

"The acquisition of the highly complementary Kat Gap gold project further solidifies our foothold in the Forrestania region, taking our landholding to over 450km². The Kat Gap acquisition, together with the recent positive drilling results from our nearby Forrestania Gold Project, will play a key role in our strategy to expand the existing 240,000oz resource base at Forrestania to circa 500,000oz over the next 12 months.

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. Together with our existing tenements, we believe the Forrestania region has the potential to host a world-class gold system.

We look forward to undertaking the Kat Gap drill program which is currently under assessment by the DMP, and will be providing further updates to shareholders on progress in due course."

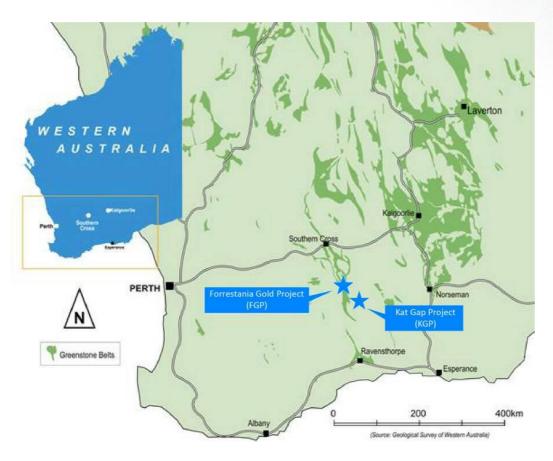


Figure I Location of Kat Gap Project

Kat Gap 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.

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Classic lodged a POW with the DMP to undertake the drilling - this is currently under assessment.

2. 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.

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.

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.

Classic lodged a POW with the DMP to undertake the drilling - this is currently under assessment.

3. MINE OPTIMSATION AND PIT DESIGNS

CLZ is assessing the inclusion of Kat Gap in the FGP Scoping Study and mine plan and had Auralia Mining Engineers carry out a pit optimisation and create mine designs based upon the 2003 Sons of Gwalia resource estimation.

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 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.

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Mining operations for the Project are envisaged to utilise a standard truck and shovel configuration using a 100t Excavator (Komatsu PC1250 or similar) paired with 90t rigid body dump trucks (Cat 777 or similar). Ramp parameters used throughout the pit designs could allow single-lane traffic flow with passing bays located at each berm (every 10 or 20m vertically).

Specific waste dumps and ROM pads have not been studied at this stage, it is envisioned that a new waste dump will be constructed for the Kat Gap pit.

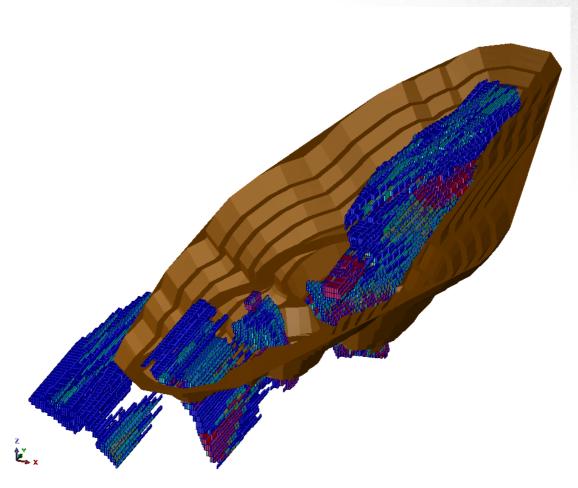


Figure 2 Optimised Pit Shell as Designed by Auralia

4. COMMENTS AND NEXT STEPS AT KAT GAP

The immediate focus now is to undertake exploration and drilling programs, to increase confidence in the existing models, and to expand the Mineral Resources by unlocking the significant upside potential of the known Kat Gap deposit, which is open along strike and at depth. Other regional gold targets, generated through review and reinterpretation of existing mag data and auger/soil sampling data will also be tested. This work is scheduled to commence shortly and is aimed at delivering an updated Mineral Resource in Q2 FY 2018.

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The updated Mineral Resource is planned to feed into a Pre-Feasibility Study which will be commenced shortly and is due to be completed in Q3 2018. The Pre-Feasibility Study will aim to establish Mineral Reserves, classified and reported in compliance with the JORC Code (2012), and optimise the mining schedule, production rate and process flow sheet while reducing capital and operating costs. It will also go into greater detail in respect of processing options and costs and environmental factors.

The exploration program over the next 12 months will include:

- Infill and extension drilling to upgrade the Katgap Resource area;
- Incorporation of Kat Gap resource into mine plan, scoping study and pre-feasibility study
- Comprehensive metallurgical test work to optimise plant design;
- Exploration drilling of gravity targets;
- Additional environmental flora and fauna surveys (if required), and characterisation of waste and tailings material required for development approval; and
- Structural geology to interpret the regional structure and its controls on mineralisation.
- Geotechnical and hydrogeological studies and testwork.

5. ABOUT CLASSIC MINERALS

Classic is an Australian based exploration company with 178 km² of tenements across three major regional exploration areas in Western Australia (Figure 2). Classic's flagship project is the Forrestania Gold Project (FGP) and its Fraser Range Ni/Cu Project which is 40 km NE of Sirius' Nova & Bollinger discoveries, where Classic has discovered the Mammoth nickel-copper target, a new target style of magmatic nickel-copper mineralisation on the Fraser Range.

The Forrestania Gold Project contains an existing Mineral Resource of 5.9 Mt at 1.25 g/t for 240,000 ounces of gold, classified and reported in accordance with the JORC Code (2012), with a recent Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post-mining Mineral Resource for Lady Ada, Lady Magdalene and Lady Lila is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table I as attached to ASX announcements dated 14th March 2017 and 21st March 2017.

Table I Mineral Resources at FGP

		Indicated			Inferred	
Prospect	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au
Lady Ada	283,500	1.78	16,200	260,000	2.2	18,750
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000
Lady Lila				541,000	1.38	24,000
Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750

Notes:

- The Mineral Resource is classified in accordance with JORC, 2012 edition
- 2. The effective date of the mineral resource estimate is 31 December 2016.
- 3. The mineral resource is contained within FGP tenements
- Estimates are rounded to reflect the level of confidence in these resources at the present time
 The mineral resource is reported at 0.5 g/t Au cut-off grade
- 6. Depletion of the resource from historic open pit mining has been taken into account

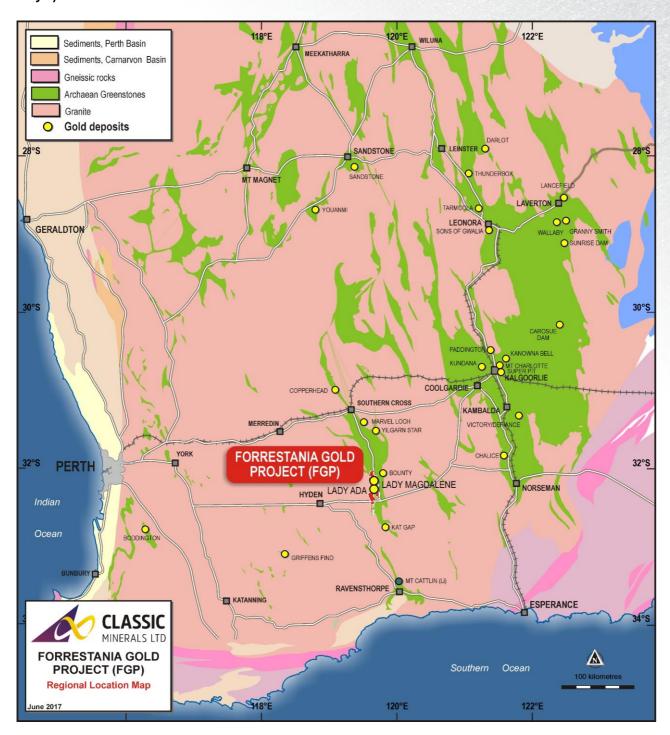


Figure 2 Location of the Forrestania Gold Project

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6. COMMERCIAL TERMS

Classic and the Vendor have entered into a binding agreement giving Classic an option to acquire the Vendor's interest in E74/422 and E74/467. Under the Agreement, Classic has paid 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 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.

On behalf of the board,

Justin Doutch
Managing Director



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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 flilings. 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.

Competent Persons Statement

The information contained in this report that relates to Mineral resources and Exploration Results is based on information compiled by Edward S. K. Fry, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Fry is a consultant exploration geologist with BGM Investments Pty Ltd and consults to Classic Minerals Ltd. Mr. Fry has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Fry consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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7. <u>APPENDIX I</u>

JORC (2012) Table I

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 	 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,

	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.	including RC/diamond drilling, followed by splitting, crushing and fire assaying. Details of this process are not known at this stage.
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 	 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.

	 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/secondhalf sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 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 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. 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 downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	 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.

	 Specification of the grid system used. Quality and adequacy of topographic control. 	
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. 	 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. 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

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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

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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 Feand 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:
- This information is provided in Appendix II, below this table.

	 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 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	SOGs completed a metallurgical test work programme of the mineralisation. This test work involved testing of four composite

	survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	 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

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8. 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	Im @ 0.16ppm Au from 16m, 14m @ 0.13ppm Au from 28m, Im @ 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	Im @ 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	Im @ 0.19ppm Au from 29m, 7m @ 1.24ppm Au from 34m, Im @ 0.12ppm Au from 51m
FHUP006	Im @ 0.57ppm Au from 41m, 16m @ 0.41ppm Au from 49m
FKGP001	Im @ 0.2ppm Au from 0m, 5m @ 0.08ppm Au from 33m, 8m @ 0.18ppm Au from 43m, 3m @ 0.45ppm Au from 61m
FKGP002	Im @ 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	Im @ 0.23ppm Au from 32m, 2m @ 0.21ppm Au from 37m, 7m @ 0.27ppm Au from 84m, Im @ 0.18ppm Au from 103m
FKGP005	Im @ 0.1ppm Au from Im, Im @ 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	Im @ Ippm Au from 24m, Im @ 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	Im @ 0.12ppm Au from 30m, Im @ 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	Im @ 0.12ppm Au from 0m, 7m @ 0.27ppm Au from 16m
FKGP014	3m @ 0.17ppm Au from 27m
FKGP015	Im @ 0.1ppm Au from 24m, 2m @ 0.38ppm Au from 37m, 12m @ 0.17ppm Au from 43m
FKGP016	Im @ 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	I I m @ 0.18ppm Au from 23m, I4m @ 0.26ppm Au from 42m
FKGP019	12m @ 0.28ppm Au from 27m, 6m @ 0.17ppm Au from 44m
FKGP020	Im @ 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, Im @ 0.14ppm Au from 45m, I9m @ 0.45ppm Au from 52m, Im @ 0.21ppm Au from 81m
FKGP022	Im @ 0.1ppm Au from 0m, 15m @ 0.73ppm Au from 25m, 5m @ 0.06ppm Au from 48m
FKGP023	Im @ 0.15ppm Au from 14m, 19m @ 1.14ppm Au from 22m, Im @ 2.08ppm Au from 45m, 3m @ 0.27ppm Au from 52m, Im @ 0.27ppm Au from 60m, Im @ 0.12ppm Au from 27m
FKGP024	Im @ 0.12ppm Au from 27m, Im @ 0.51ppm Au from 73m, I0m @ 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	Im @ 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	Im @ 0.11ppm Au from 14m, 10m @ 0.28ppm Au from 30m, 3m @ 0.25ppm Au from 54m
FLNP002	Im @ 0.19ppm Au from 4m, 2m @ 0.21ppm Au from 15m, 2m @ 0.19ppm Au from 25m, 2m @ 0.17ppm Au from 34m, Im @ 0.14ppm Au from 41m, Im @ 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	Im @ 0.14ppm Au from 18m, Im @ 0.14ppm Au from 44m, Im @ 0.12ppm Au from 49m, 5m @ 0.09ppm Au from 59m
FLNP008	Im @ 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, Im @ 0.66ppm Au from 29m, 8m @ 0.18ppm Au from 34m, Im @ 0.11ppm Au from 53m
FLNP016	Im @ 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, Im @ 0.24ppm Au from 69m, Im @ 0.33ppm Au from 74m, Im @ 0.17ppm Au from 21m
FSFP003	Im @ 0.17ppm Au from 21m, 5m @ 0.65ppm Au from 27m, 16m @ 0.26ppm Au from 36m, Im @ 0.13ppm Au from 65m, I2m @ 0.95ppm Au from 76m, Im @ 0.16ppm Au from 26m
FSFP004	Im @ 0.16ppm Au from 26m, 2m @ 0.14ppm Au from 33m, Im @ 0.13ppm Au from 39m, 2m @ 0.26ppm Au from 62m
FSFP005	15m @ 0.38ppm Au from 22m, Im @ 0.64ppm Au from 48m, Im @ 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	I5m @ 2.01ppm Au from 57m
KGP004	Im @ 0.33ppm Au from 50m, 4m @ 5.88ppm Au from 56m, I0m @ 0.54ppm Au from 64m
KGP005	I2m @ 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 @ Ippm Au from 7Im
KGP018	Im @ 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	Im @ 5.41ppm Au from 34m
KGP039	4m @ 0.96ppm Au from 26m, 6m @ 0.27ppm Au from 34m
KGP04I	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	Im @ 0.22ppm Au from 5m, 30m @ 2.46ppm Au from 14m, Im @ 0.11ppm Au from 53m

Table 3 Historic drillhole locations

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Hole_ID	Туре	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.I	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
KGP032	RC	92	766487.1	6370748	500	-60	270
KGP033	RC	90	766567.3	6370748	500		270
KGP034	RC	80	766256.7	6370940	500	-60 -60	270
KGP035	RC	112	766297.4	6370940	500	-60	270
KGP030	RC	60	766179.9	6371005	500	-60	270
KGP038	RC	82	766200.2	6371003	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.I	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 RC	80	770355.8 770409.5	6377886	500	-60	270
FHUP003	RC	75 87	770409.5	6377870 6377855	500 500	-60 -60	270 270
FHUP004	RC	80	770439.4	6377829	500		270
FHUFUU4	NC.	80	//U 1 37.4	03//627	300	-60	2/0

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.I	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.I	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