



## ASX Announcement

28 November 2017

ASX Code: ARM

### Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

#### **Predictive Discovery Limited (ASX: PDI) – 39.6%**

- Gold Exploration / Development in Burkina Faso

#### **Peninsula Mines Limited (ASX: PSM) – 29.7%**

- Graphite, Lithium- Gold, Silver and Base Metals  
- Molybdenum and Tungsten Exploration in South Korea

#### **Aurora Western Australian Exploration – 100%**

- Manganese, Base metals and gold

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## PENINSULA MINES: HIGH GRADE ZINC-LEAD-COPPER CHANNEL & ROCKCHIP RESULTS FROM NEW ILWEOL TREND AT UBEONG

Peninsula Mines Limited, a company in which Aurora Minerals Limited holds a 29.7% shareholding, today announced high grade Zn-Pb-Cu channel and rockchip results from the new Ilweol trend at the Ubeong Project in South Korea.

A copy of the announcement is attached.

## For further information please contact:

### Media

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## ASX ANNOUNCEMENT

28 November 2017

### HIGH GRADE ZINC-LEAD-COPPER CHANNEL & ROCKCHIP RESULTS FROM NEW ILWEOL TREND AT UBEONG PROJECT

- High-grade Zinc-Lead-Copper channel and rockchip results from new Ilweol trend AT THE Ubeong Project, including:
  - 0.7m @ 6.26% Zinc (Zn), 5.11% Lead (Pb), 0.36% Copper (Cu) (ILW0003)
  - 0.5m @ 2.33% Zn, 3.87% Pb, 0.59% Cu (ILW0005)
  - 0.25m @ 11% Zn, 7.39% Pb, 0.84% Cu (ILW0006)
  - 8.23% Zn, 3.68% Pb, 0.37% Cu, 123 g/t Ag (ILW0008)
- One kilometre corridor of extensive workings near historical processing plant
- Systematic programme of rockchip, soil sampling and geophysics to define drilling targets

Peninsula Mines Limited (“Peninsula” or “the Company”) is pleased to announce new high-grade zinc (Zn), lead (Pb) and copper (Cu) channel sampling results from a >1km long corridor of historical workings at **Ilweol**, located 4km south of the Ubeong mineralised skarn in South Korea (see Figure 1).

A total of seven rockchip samples, including five underground channel samples, have been collected from an area of significant historical underground mining referred to as Ilweol.

The Ilweol workings are located close to a significant historical processing plant at Yonghwa, operated by a Japanese company in the 1940s then by a Korean company until the 1970s.

Managing Director Jon Dugdale said, “The discovery of the Ilweol trend presents the company with a new massive sulphide zinc-lead-copper target and further expands the footprint of the Ubeong skarn-porphry mineralised system”.

Results of the five channel samples and two grab samples are summarised in Table 1 below:

**Table 1: Selected analytical results from the Ilweol massive to breccia sulphide lodes, Ilweol Project:**

Sample #	UTME	UTMN	RL (m)	Sample type	Thick (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
ILW0001	511,031	4,074,380	480	Channel, Adit	1.00	3.09	3.29	0.18	17	<0.01
ILW0003	510,255	4,073,445	577	Channel, Adit	0.70	6.26	5.11	0.36	55	0.010
ILW0004	510,340	4,073,566	617	Channel, Adit	0.60	4.60	0.98	0.22	24	0.039
ILW0005	510,349	4,073,449	627	Channel, Adit	0.50	2.33	3.87	0.59	25	0.173
ILW0006	510,344	4,073,448	628	Channel, Adit	0.25	11.0	7.39	0.84	30	0.005
ILW0007	510,303	4,073,421	660	Float Sample		0.62	0.51	0.01	1	0.002
ILW0008	510,824	4,073,833	625	Dump Grab		8.23	3.68	0.37	123	0.603

See Appendix 1 & 2 for a full list of results and specific sample location details.

The majority of the northwest-southeast trending Ilweol mineralised corridor occurs within already granted tenement Dogyedong 72 (see Figure 1). Recent reconnaissance mapping has identified northeast- southwest trending cross cutting mineralised shear structures with associated mafic dykes. The recently located adits all lie within the adjoining tenement Dogyedong 82 over which a Mineral Deposit Survey (MDS) has recently been completed and grant of the tenement is expected shortly.

Additional channel sampling will be followed by systematic soil sampling, detailed ground-magnetics and IP geophysics with the objective of defining drilling targets for testing during the 2018 field season.

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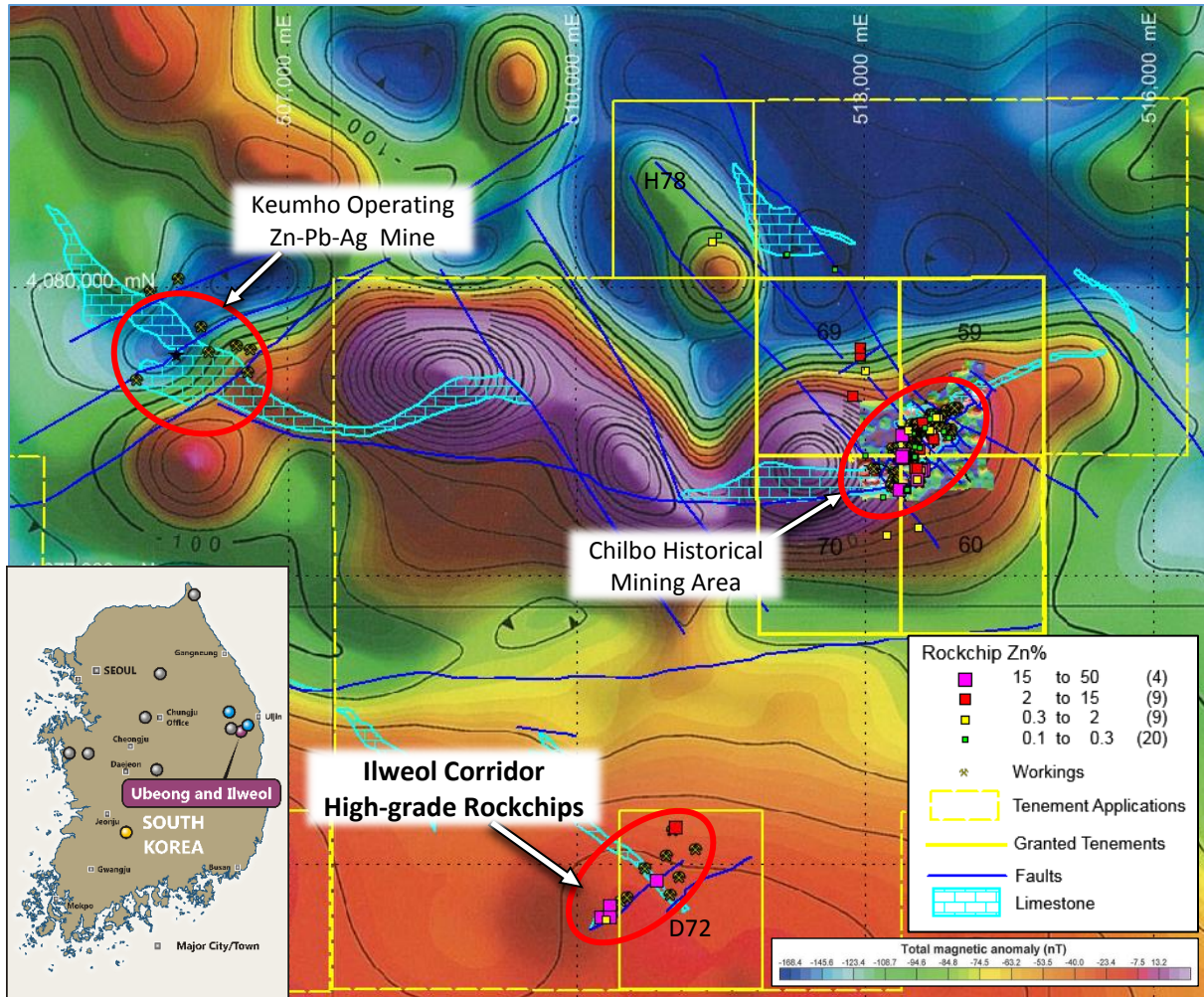
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**Figure 1: Ubeong Project, rockchip sample results (Zn) on TMI airborne<sup>D11, D12</sup> and ground magnetics with granted tenements and tenement applications**



**Photo's 1 – 3: Ilweol, historical processing plant, underground stoping and sulphides in skarnified limestone**

## Background to the Ubeong Zinc-Silver and Copper-Gold Project

Peninsula has secured six granted tenements and multiple tenement applications over the eastern 10-kilometre strike length of a highly prospective, limestone-skarn unit that includes the historical Chilbo mine workings and adjoins the operating Keumho Zinc-Lead-Silver Mine (see Figure 1). Tenements and applications have also been secured over a southern trend of workings at Ilweol.

High-grade zinc-lead-silver and copper-gold<sup>D2,D3,D4,D8,D9</sup> rockchip and channel sampling results have been produced from the Chilbo workings area that occurs towards the eastern end of the limestone skarn unit, associated with an extensively faulted zone that has offset the unit and is interpreted to have acted as a conduit for mineralisation.

The Company has also carried out detailed mapping, ground-based geophysical programmes (magnetics, electromagnetics and induced polarisation (IP)<sup>D10</sup> surveys) and detailed soil sampling programmes, that have defined multiple drilling targets for a drilling programme that is in progress, testing targets for disseminated to massive sulphide zinc-lead-silver +/- copper-gold mineralisation.

For further information please contact:

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## About Peninsula Mines

Peninsula Mines Ltd is an Australian listed, exploration/development company focused on developing the outstanding opportunities for mineral discovery within South Korea. Peninsula's strategy is to focus on mineral commodities that have a positive price outlook and offer potential for off-take and/or strategic partnerships in-country.

The Company is advancing a highly prospective zinc-lead-silver and copper-gold project at Ubeong in eastern South Korea, and also has a dual focus on advancing a series of flake-graphite projects, that offer potential to be advanced and developed to supply high technology, lithium-ion battery and/or expandable graphite applications for which South Korea is the major global end-user.

### The material and/or releases referenced in this release are listed below:

- D1 Drilling commenced to test Cu-Au and Zn-Ag targets at Ubeong, 26/09/17
- D2 Exceptional zinc-silver grades with copper & gold from surface sampling at Ubeong, 23/05/17
- D3 Massive sulphide copper-gold zone discovered in outcrop at Ubeong Project, 06/07/17
- D4 High-grade silver-gold-zinc rockchip results, Ubeong Project, South Korea, 26/04/17
- D5 Three key tenements granted, Ubeong Zinc Project, 28/03/17
- D6 Zinc project fast-tracked for drill targeting after exceptional soil sampling results, 9/03/17
- D7 Major zinc-skarn district identified at Ubeong Project in South Korea, 13/12/16
- D8 Further exceptionally high-grade zinc-silver results from Ubeong Project, South Korea, 31/10/16
- D9 Exceptional zinc-silver-lead grades from newly acquired Ubeong Project, South Korea, 13/9/16
- D10 IP survey identifies very strong sulphide targets at Ubeong, 12/07/17
- D11 Koo, S.B., Park, Y.S., Lim, M.T., Rim, H.R., Lee, H.I., Sung, N.H., Choi, J.H. and Koo., J.H., 2008, KIGAM 1:100,000 Socheon Aeromagnetic Contour Image.
- D12 Kim, O.J., Hong, M.S., Park, H.I. and Kim, K.T., 1963, KIGAM 1:50,000 Samgeunri Geology Sheet and Dogyedong Geology Sheet.

For full versions of the Company's releases see Peninsula's website [www.peninsulamines.com.au](http://www.peninsulamines.com.au)



**Forward looking Statements:**

*This release contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Peninsula Mines Ltd's current expectations, estimates and projections about the industry in which Peninsula Mines Ltd operates, and beliefs and assumptions regarding Peninsula Mines Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Peninsula Mines Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Peninsula Mines Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Peninsula Mines Ltd only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Peninsula Mines Ltd does not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.*

**Competent Persons Statement:**

*The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of the Australian Institute of Mining and Metallurgy. Mr Noonan is an Executive Director of the Company. Mr Noonan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Noonan consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.*

*The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Mr William Peters, a Consulting Geophysicist (Crosmint Pty Ltd) at Southern Geoscience Consultants. Mr Peters is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peters consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.*



**JORC Code, 2012 Edition: Table 1**  
**Section 1: Sampling Techniques and Data**  
*(Criteria in this section apply to all succeeding sections.)*

Criteria	JORC – Code of Explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p>	<p>As a follow-up to 2016 regional stream sediment sampling a second phase of stream sediment sampling was undertaken over the Ubeong tenements (125 samples analysed by ALS Global services, Perth). This work identified elevated zinc, lead and copper associated with the historic Ilweol mining district. Follow-up field mapping has identified historic mine workings from the main Ilweol mine as well as smaller scale workings developed along shear structures and associated mafic dykes.</p> <p>During follow-up investigations of the historic Chilbo workings 7 rock chip samples were collected. The first sample ILW0001 was taken above a historic adit developed on a brecciated mineralised shear structure on block Dogyedong 72. Four rock chip channel samples were collected underground from accessible workings on block Dogyedong 82. A float sample from a conglomerate boulder with mineralised skarn related basemetal mineralisation was analysed (ILW0007) and one sample was taken from the oxidised dump material close to a large open stope at Ilweol that daylights at surface on block Dogyedong 72. The rock chip samples were analysed for a suite of elements by ALS Global Laboratory Services, Perth using ICP analyses and Fire Assay for gold.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>The rock chip sampling was standard sampling using a geology hammer, mallet. The stream sediment sampling followed standard industry practices. Samples were sieved at the sample site to generate a -0.18mm sample.</p>
	<p><i>Aspects of the determination of mineralisation that are material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Rock chip samples were collected in a calico bag and taken using a geology hammer and mallet. These were dispatched by courier to ALS Perth where the samples were jaw crushed and pulverised to produce a 1m sample for ICP analysis for a broad suite of elements and a 50gm charge was prepared for fire assay.</p> <p>The stream samples were collected in a water tight plastic ziplock bag and then dried post collection at the Company’s sample preparation facility at its’ Sotae-myeon office. These samples were couriered to ALS Perth. On arrival 1gm sub-samples were digested in a four-acid mix prior to ICP analysis for a broad suite of elements.</p>



<b>Criteria</b>	<b>JORC – Code of Explanation</b>	<b>Commentary</b>
Drilling techniques	<i>Drill type (e.g. 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).</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	
	<i>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.</i>	
Logging	<i>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.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	
	<i>The total length and percentage of the relevant intersections logged.</i>	
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The rock chip samples were jaw crushed post oven drying at the ALS Laboratory, Malaga to a nominal 2mm size fraction (method CRU-21). In cases where sample weights exceeded 3kg, samples were riffle split with the resultant sample fraction then pulverised using an LM5 pulveriser to 85% passing 75 microns (PUL-23). A 150gm pulverised sub sample was then prepped for analysis.



Criteria	<i>JORC – Code of Explanation</i>	Commentary
		<p>The stream samples required no additional sample preparation and were prepared directly for analysis.</p>
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	<p>The samples were prepped as discussed above. This methodology is considered appropriate for both base and precious metal analyses as well as analyses for a broader range of trace elements. The main target elements are base metals and method ME-MS61a was chosen as a broad 33 element analysis suite. This involved the dissolution of the sample aliquot in a four-acid mix. This is considered near total for the bulk of elements analysed for except Sn and W. A 50gm fire assay with an ICP-AES finish was used for the Au analyses, method Au ICP22. A number of samples returned ore grade results over the detection limit for Zn and S and were repeated using method OG62.</p> <p>No drill core has been sampled or analysed at this point in time and no commentary has been made in this release regarding the assaying of drill core.</p>
	<p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p>	<p>Five of the rock chip samples were channel sampled and every effort was made to collect even sized rock chips representative of the interval sampled. The sample ILW0007 was a float sample collected from the creek above the workings and is a sample of cretaceous conglomerate containing fragments of mineralised skarn material. The final sample ILW0008 is a dump grab sample taken to get an idea of the grade and nature of the material mined historically and as such, cannot be considered representative.</p> <p>The stream samples were collected from natural trap sites in the creek and sieved at the sample site. These are considered representative of the fine portion of the stream sediments from the drainage area being sampled.</p>
	<p><i>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.</i></p>	<p>No duplicate field samples have been collected at this point in time from the Ilweol Prospect. This is not considered material at this early project evaluation stage.</p> <p>No sample splits have been analysed other than those routinely analysed by the laboratory as part of their own internal QA/QC process.</p> <p>No core sampling has been undertaken at this point in time.</p>
	<p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The size of the rock chip samples is considered appropriate for the style of sampling undertaken. Similarly, the nominal 60gm stream sediment sample is also considered to be a sufficient size for the reconnaissance work being undertaken.</p>





Criteria	JORC – Code of Explanation	Commentary
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p>	<p>Rock chip samples were dried at 105°C upon receipt by the lab. The samples were then prepped and pulverised as discussed above. The subsample was then dissolved in an acid mix of HCL, HF, HNO<sub>3</sub>, HClO<sub>4</sub>. The final aliquot is analysed by inductively coupled plasma – atomic emission spectrometry (ICP-AES) and ICP-Mass Spectrometry (ICP-MS). A 50gm charge was prepared for fire assay for all the Au analyses. A sub-sample was prepped using a suitable flux.</p> <p>The method is considered total for the key target base metals Pb, Zn, Cu as well as Sb, Ag and Au. The results are only considered partial for W, Sc, K, Ca and Al. This is not considered material.</p> <p>The stream sediment samples were dried at 105 degrees at the Company's in country sample prep facility prior to shipment of the dried sample to ALS Perth. A subsample was then dissolved in an acid mix of HCL, HF, HNO<sub>3</sub>, HClO<sub>4</sub>. The final aliquot is analysed by inductively coupled plasma – atomic emission spectrometry (ICP-AES) and ICP-Mass Spectrometry (ICP-MS).</p> <p>No drill core has been sampled or analysed at this point in time.</p>
	<p><i>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 derivations, etc.</i></p>	<p>The release includes a portion of the Socheon 1:100,000 Total Magnetic Airborne Magnetic Imagery<sup>D11</sup>.</p> <p>The Company purchased this image along with other images produced by the Korea Institute of Geoscience and Mineral Resources (KIGAM) as part of the country wide aeromagnetic atlas (Published Dec 2008). The Company has received permission from KIGAM management permitting the use of the KIGAM magnetic images in its ASX announcements, shareholder communications and corporate presentations.</p> <p>The magnetic survey was undertaken by KIGAM using a Geometrics G-813 Proton Magnetometer. The flight lines were flown East-West at a 1 km line spacing with North-South tie lines flown at a 5 km spacing. The flight altitude for the survey was 100-200m above ground level. The data processing involved setting the data level at 300m above mean sea level by upward/downward continuation. The International Geomagnetic Reference Field (IGRF) was used to assist with the removal of total magnetic anomaly.</p> <p>The KIGAM colour total magnetic contour maps are printed at 1:100,000 scale and referenced using the Bessel ellipsoid and the Tokyo datum with latitude and longitude coordinate marked.</p>
	<p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and</i></p>	<p>The Company has not included any blank or CRM samples with these analyses. The Company has relied solely on the standard</p>



<b>Criteria</b>	<b>JORC – Code of Explanation</b>	<b>Commentary</b>
	<i>whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	repeat and CRM protocols undertaken by ALS on the analyses of these samples.  The company has relied on the laboratories' own internal QA/QC procedures for quality control with these analyses. This is considered adequate given that none of the analyses disclosed or discussed in this release are intended for use in any future mineral resource estimation.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The majority of the samples are single isolated samples and no weighted averages have been calculated using these assays.  None of the results reported or commented upon in this release have been independently checked by non-Company personnel. This is not considered material at this early reconnaissance stage of the project's evaluation.
	<i>The use of twinned holes.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Assay results are stored in an Excel database. All results are checked by the responsible geologist on entry to the database.  The Company's data is stored in an excel database and routinely transferred to the Perth Head Office.
	<i>Discuss any adjustment to assay data.</i>	The data presented in the Appendices is raw laboratory data. No adjustments have been made to the data.
Location of data points	<i>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.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results. The sample locations have been referenced to hand held Garmin GPS60CSx readings at adit entrances. The sampled locations have not been confirmed by detailed underground surveying and should only be considered approximate at this stage.
	<i>Specification of the grid system used.</i>	All sample sites were surveyed in the UTM WGS84 zone 52N coordinate system or WGS 84 Latitudes and Longitudes.
	<i>Quality and adequacy of topographic control.</i>	The National Geographic Information Institute (NGII) has 1:5,000 scale digital contour data for the entire country.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	It is not anticipated that any of this rock chip data would be used to compile any form of Mineral Resource and the data are purely acquired as part of the overall reconnaissance evaluation of the project.



<b>Criteria</b>	<b>JORC – Code of Explanation</b>	<b>Commentary</b>
	<i>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.</i>	The sampling to date is not intended for the use in any future resource estimation that may be undertaken.
	<i>Whether sample compositing has been applied.</i>	None of the assay results have been composited. The bulk of the rock chip assays narrow channel samples.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The rock chip sampling programme is part of the first stage of follow-up of elevated results for Cu, Pb and Zn observed in the stream sediment survey.
	<i>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.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
Sample security	<i>The measures taken to ensure sample security.</i>	The rock chip samples were organised and packed at the Company's secure core yard facility at Sotae-myeon. The samples were then packed in cardboard cartons and shipped to ALS Laboratory, Malaga, Perth using FedEx. The samples routinely take 4 to 7 days in transit from Korea until clearing customs in Perth and delivery to the laboratory. FedEx online tracking allows for the parcels to be tracked throughout their transit.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	The ALS Laboratory, Malaga has not been visited by Company at this point in time.

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



## Section 2: Reporting of Exploration Results

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

Criteria	JORC – Code of Explanation	Commentary
Tenement and land tenure status	<i>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.</i>	<p>SMCL, was granted tenure over Dogyedong 72 tenement that covers the main Ilweol prospects on the 27<sup>th</sup> September 2017. A MDS survey has recently been completed over the adjoining block Dogyedong 82 following the discovery of the recently sampled underground workings.</p> <p>On 27<sup>th</sup> April 2017, MDS covering the historic Chilbo mine workings blocks Hyeondong 59, 60 and 69 were accepted and the Company was formally granted the exploration rights for up to 7 years over these three titles<sup>D4</sup>. In addition, in mid-June 2017, the MDS field survey was completed over blocks Hyeondong 70 and 78 and MDS reports have been filed with the Ministry of Trade, Industry and Energy (MOTIE) for the grant of these blocks. On the 25<sup>th</sup> August 2017, the company was formally granted title for exploration over these 2 blocks<sup>D5</sup>.</p> <p>An additional 22 applications have been renewed over surrounding blocks considered prospective for identifying blind zinc mineralisation.</p> <p>The formal grant of title gives the Company the exploration rights for up to 7 years over the title.</p> <p>Exploration rights are granted by commodity for tenement blocks defined by the GRS080 grid system over 1x1 minute graticule blocks.</p> <p>The Ministry of Trade, Industry and Energy (MOTIE) reviews the MDS report and if satisfied, will issue an exploration right.</p>
	<i>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.</i>	<p>The Company has been granted tenure for 6 months and is required to submit an MDS report for each of the 22 applied tenements prior to the end of the 6 month application period. In the case of Hyeondong 68 and Dogyedong 82 the company is awaiting the Ministry's evaluation of the MDS application.</p> <p>If the MDS report is accepted by the Ministry, the Company will be granted Mining rights over the applied tenement for a further 3 years. Following the successful filing of the MDS, the applicant is required to file a Prospecting Application (PA). The PA report details the planned exploration activities to be completed over the tenement during the 3 year prospecting period. This includes the completion of a minimum quantum of geophysical surveys, geochemical surveys or drilling as defined under the Mines Act. Provided that at least 50% of the statutory requirement is completed within the initial 3 year prospecting period, the tenement holder is entitled to apply for an additional 3 year extension to facilitate the completion of the specified exploration programme. A Prospecting Report must then be submitted to the Ministry at the completion of</p>



Criteria	JORC – Code of Explanation	Commentary
		<p>the exploration programme. The tenement holder must then submit a Mine Planning Application (MPA) to the local Government Authority who will, if the MPA is approved, grant tenure for mining for a period of 20 years subject to statutory requirements as set out under the terms of the MPA approval. The applicant holding a Mining Right can apply for extensions provided all statutory requirements have been met over the life of the mine.</p>
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>The Company is currently translating and reviewing reports on past Korea Mineral Promotion Corporation (KMPC) work on the Ilweol project. To date the company has been unable to locate any reports showing the location of historic underground development or reports on past production from the Ilweol district. The footprint from the historic Ilweol plant suggests a long-lasting production history (Photo 1).</p> <p>All the exploration work by KIGAM has been undertaken as highlevel reconnaissance surveys including airborne geophysics, regional scale stream sediment surveys and large scale regional geological mapping<sup>D11,D12</sup>.</p> <p>The Company has presented and commented upon all past exploration work in the area that the Company is currently aware of. The Company is continuing its search for historical mine records and past Korea Resources Corporation (KORES) or historic Korea Mineral Promotion Corporation (KMPC) reports on the Ilweol Prospect. All the exploration work by KIGAM has been undertaken as high-level reconnaissance surveys including: airborne geophysics, regional scale stream sediment surveys and large-scale regional geological mapping.</p> <p>The Company has no records of the past production from any of the historic mines in the district.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The geological target is skarn associated copper, lead, zinc, gold and silver mineralisation. The limited rock chip assay results indicate that there is potential in the area for zinc, lead, copper, gold and silver. The Proterozoic limestone at the former Ilweol mine site has undergone intense skarn metasomatic alteration most likely associated with a blind intrusive body.</p> <p>In addition, narrow high-grade structures are developed within shear structures that are commonly flanked by intrusive mafic dykes.</p> <p>The Ilweol mine was opened during the Japanese occupation of Korea and was mined post WWII until the 1970s.</p>



Criteria	JORC – Code of Explanation	Commentary
Drill hole information	<p><i>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:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length</i></li> </ul>	<p>There is evidence of historic drilling at the main Ilweol mine site with scattered pieces of HQ and NQ drill core observed. The Company is yet to locate detailed historic drilling or mining records.</p> <p>No comments are being made on past drilling results at Ilweol.</p> <p>All rock chip results, location details and descriptions are included herewith as Appendices 1 &amp; 2.</p>
	<p><i>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.</i></p>	<p>No comments are being made on drilling results at Ilweol.</p> <p>No information on the rock chip sampling has been omitted from this release.</p>
Data aggregation methods	<p><i>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.</i></p>	<p>No weightings or averaging has been applied to the data. All the data presented in this release is raw data. The images in this release relate to rock chip samples collected by Company personnel as part of a broader follow-up of earlier stream sediment surveys over the Ubeong Project area.</p>
	<p><i>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.</i></p>	<p>The data has not been aggregated.</p>
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No metal equivalent vales have been reported.</p>



Criteria	JORC – Code of Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The assay results being commented upon are all rockchip grab samples or channel sample data assays.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No drilling has been undertaken at Ilweol by the Company and no commentary is being presented here on past drilling results.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i>	No drilling or core assaying has been undertaken by the Company at Ilweol and no drilling or assay results have been reported or commented upon.
Diagrams	<i>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.</i>	Figure 1 shows the location of rockchip samples collected at the Ilweol prospect plotted on the KIGAM aeromagnetic image. The figure also shows the location of the Ubeong Project tenements and regional magnetics and key skarnified limestone outcrops. The KIGAM Socheon aeromagnetic image has been used as an underlying base to the figure <sup>D11</sup> . The tenement application area is shown outlined as a dashed yellow line and the 6 granted tenement blocks as a solid yellow line.
Balanced reporting	<i>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.</i>	The sample point location details are summarised in Table 1 and detailed in Appendix 1. The full list of all the base and precious metal assays obtained from rock chip sample assaying is included as Appendix 2.



Criteria	JORC – Code of Explanation	Commentary
Other substantive exploration data	<i>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.</i>	<p>All base metal data considered relevant and material has been included in this announcement.</p> <p>To date the company has completed reconnaissance stream sediment survey in the area and limited follow-up rock chip sampling.</p> <p>The company is still searching for any historic records of past work by KMPC now KORES and other non-Government parties.</p>
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p>The Company plans to complete tenement scale geological mapping and rock chip sampling across each of the Ilweol tenement blocks.</p> <p>A grid based (100m x 25m) soil sampling programme is also being planned. Ground magnetics and other ground based geophysical programmes are being considered.</p>
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Figure 1 shows the location of the Ilweol and Ubeong projects along with the locations of the Proterozoic limestones and major regional structures on the KIGAM TMI image <sup>D11</sup> . It also shows the granted and applied tenement package at Ubeong and Ilweol along with the locations of recent rock chip and soil sampling work.





**Appendix 1 – Location and sample description details for rock chip samples, Ilweol Prospect**

Sample ID	Prospect	UTM East	UTM North	RL m	Sample type	Comments
ILW0001	Ilweol	511031	4074380	480	Outcrop	Adit entrance – sheared weathered malachite, sphalerite galena bearing zone.
ILW0003	Ilweol	510255	4073445	577	Outcrop	Adit A shear with quartz and sulphides developed on gneiss mafic dyke contact
ILW0004	Ilweol	510340	4073566	617	Outcrop	Adit C, shear with quartz and sulphides bound by mafic dyke occasional lens of gneiss in the dyke
ILW0005	Ilweol	510349	4073449	627	Outcrop	Adit D, shear with quartz and sulphides bound by mafic dyke
ILW0006	Ilweol	510344	4073448	628	Outcrop	Adit D, shear with quartz and sulphides bound by mafic dyke
ILW0007	Ilweol	510303	4073421	660	Float	Cretaceous float conglomerate boulder in creek, with clasts of mineralised skarn
ILW0008	Ilweol	510824	4073833	625	Dump Grab	Oxidised sulphide bearing skarn dump spoil material close to open stope.

**Appendix 2 – Geochemical results for rock chip samples, Ilweol Prospect**

Sample ID	Ag ppm	Al ppm	As ppm	Au ppb	Ba ppm	Be ppm	Bi ppm	Ca ppm	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	K ppm	La ppm	Mg ppm	Mn ppm	Mo ppm
ILW0001	17	84300	-50	-1	210	-10	-20	3900	220	20	60	1840	13.8	-50	24000	-50	17400	4260	-10
ILW0003	55	45000	570	10	110	-10	90	6600	330	80	10	3630	7.33	-50	8000	-50	15500	3480	-10
ILW0004	24	37800	110	39	90	-10	30	2100	270	20	30	2230	6.47	-50	10000	-50	7900	1590	-10
ILW0005	25	27600	200	173	60	-10	20	1500	130	10	20	5870	7.16	-50	4000	-50	10200	1960	40
ILW0006	30	28600	100	5	-50	-10	-20	2000	680	70	10	8370	7.63	-50	4000	-50	8100	2040	20
ILW0007	1	46500	-50	2	700	-10	-20	44900	30	10	10	80	1.31	-50	12000	-50	3200	690	-10
ILW0008	123	13000	21900	603	-50	-10	160	600	580	20	20	3690	16.3	-50	2000	-50	5400	1070	-10

Sample ID	Na ppm	Ni ppm	P ppm	Pb ppm	S ppm	Sb ppm	Sc ppm	Sn ppm	Sr ppm	Th ppm	Ti ppm	Tl ppm	U ppm	V ppm	W ppm	Zn ppm	S%	Zn %
ILW0001	-500	30	1390	32900	25200	-50	10	NA	20	-50	6400	-50	-50	140	-50	30900		3.09
ILW0003	-500	20	360	51100	36500	-50	10	20	20	-50	1600	-50	-50	NA	-50	62600		6.26
ILW0004	-500	20	450	9820	39500	-50	-10	30	10	-50	1600	-50	-50	NA	-50	46000		4.60
ILW0005	-500	10	170	38700	27100	-50	-10	20	40	-50	800	-50	-50	NA	-50	23300		2.33
ILW0006	-500	-10	120	73900	72800	-50	-10	60	10	-50	700	-50	-50	NA	-50	>100000		11.0
ILW0007	20000	-10	240	5070	4100	-50	-10	-10	270	-50	900	-50	-50	NA	-50	6210		0.62
ILW0008	-500	-10	230	36800	>100000	160	-10	20	-10	-50	700	-50	-50	NA	-50	82300	15.25	8.23

