MINTAILS LIMITED

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The Manager
Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MINTAILS LIMITED – PROPOSED ACQUISITION OF WA GOLD PROJECTS AND RE-LISTING ON ASX

Highlights:

- Mintails Limited has entered into conditional agreements to acquire two Western Australian gold projects
- Mintails proposes to acquire Orminex West Pty Ltd which holds an option to acquire 51% of the Comet Vale gold project, and Golden Lode Pty Ltd which owns 100% of the Golden Lode gold project, both located north west of Kalgoorlie
- Successful contract miner GBF Mining (**GBF**) has executed a conditional mine management agreement for underground mining at Comet Vale, with mining anticipated to commence during 2018 subject to GBF obtaining necessary mining approvals and finalisation of toll treatment arrangements
- Strategic alliance proposed with GBF to jointly pursue high grade stranded gold assets in Australia and New Zealand
- Mintails will, subject to Shareholder approval, undertake a capital raising to raise up to $7 million (**Capital Raising**) and seek to re-comply with Chapters 1 and 2 of the ASX Listing Rules and have its shares reinstated to trading on the ASX.

The Board of Mintails Limited ACN 008 740 672 (ASX: MLI) (**Mintails** or **the Company**) is pleased to announce it has entered into conditional agreements (**Acquisition Agreements**) to acquire Orminex West Pty (ACN 615 077 757) (**Orminex West**) and Golden Lode Pty Ltd (ACN 613 588 800) (**Golden Lode**) from entities associated with GBF.

Re-listing on ASX

The proposed acquisition of Orminex West and Golden Lode will result in the Company changing from operating gold mines in South Africa to acquiring and developing resource projects in Western Australia with a view to developing, through acquiring, joint venture or other commercial arrangement, further projects in Australia and New Zealand.

As part of this, the Company intends to change its name to Orminex Limited and restructure its Board, with current Directors Mr Stephen Brockhurst and Mr Steven Formica intending to step down as Directors on completion of the acquisition of Orminex West and Golden Lode

and Mr John Correia and Mr Emmanuel Correia proposed to be appointed as Directors on completion of the acquisitions.

A vendor of Golden Lode (a related entity of GBF) has the right, subject to the Golden Lode acquisition completing and the vendor continuing to have at least a 20% voting power in the Company, to appoint a non-executive director to the Company. The vendor has advised the Company that it intends to appoint a non-executive director after the Company is re-listed and it has identified and secured a suitable nominee.

In this circumstance, the Company will be required, pursuant to Listing Rule 11.1.2, to obtain approval from the Company's shareholders at a general meeting. The Company will also be required, pursuant to Listing Rule 11.1.3, to re-comply with chapters 1 and 2 of the Listing Rules. The proposed acquisitions cannot proceed unless the Company obtains Shareholder approval and is able to re-comply with Chapters 1 and 2 of the Listing Rules.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the official list and to quote its securities and therefore the transaction may not proceed if ASX exercises that discretion.

The Company does not have any assets at present other than cash. It was placed in voluntary administration on 7 January 2016 and completed a recapitalisation by way of a deed of company arrangement (**DOCA**) on 2 June 2017 with control of the Company being returned to the directors.

Comet Vale Project

The Comet Vale Project is centred on the old mining town of Comet Vale, 100 km north northwest of Kalgoorlie, Western Australia. The Goldfields Highway passes through the centre of the project area and is alongside the Sand Queen main shaft (55m from the centreline of the highway). Details of the tenements that comprise the Comet Vale Project are provided in Annexure 1.

Since 2002, Comet Vale has been the subject of extensive exploration and development activity aimed at targeting the area's gold potential. Most exploration focused on the definition of a mineable inventory at the Sand George deposit and an evaluation of various mining options for feasibility studies for the development of an underground mine.

In 2004 dewatering and rehabilitation of the Sand Queen main shaft to below No.4 Level was completed and infill RC drilling at the south end of Sand Queen identified an indicated mineral resource. Exploration of the Comet Vale lode structure at the Sand George prospect included diamond drilling to test the deeper lode positions, re-assessment of the geological model, and recalculation of the mineral resource. Drilling also confirmed a shallow, flat lying structure referred to as the Sand Prince West lode.

Previous underground mining operations were focused on the Sand George deposit, 250m south of the old Sand Queen shaft. The shaft provided access to remnant ore near the shaft and to the Sand George lodes. Gold production at Comet vale re-commenced in June 2006, 68 years since ore was last hoisted from the shaft.

Underground mining operations have focused on the Sand George orebody. Underground operations were suspended on 1 June 2010 pending resolution of a long-term milling solution and an alternative mining plan as the use of the Sand Queen shaft had limitations in relation to the volume of ore that could be hoisted to the surface for processing (4,000t per month).

Since the cessation of mining operations at Comet Vale various mining plans and development schedules have been considered. However, the ability to mine the identified resource in a more efficient manner in order to generate positive project returns was constrained by the limitations of the Sand Queen shaft.

Mineral Resource Estimate (JORC 2012) [1]

The Comet Vale Project is recorded as hosting a combined JORC 2012 compliant Indicated and Inferred Mineral Resource of approximately 0.75 million tonnes at 8.4g/t for 203,100 ounces of gold. The Sand George deposit is predominantly an underground resource.

[1] The Mineral Resource was originally estimated by Zammit, M, an employee of Cube Consulting Limited, in an Independent Technical Report (NI 43-101) Resource Estimation dated 28 February 2011. The Mineral Resource estimate has been reviewed by Malcolm Castles against the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Refer Summary of Comet Vale Mineral Resource Table 1, and Competent Persons Statement, further below. Annexure 4 to this Announcement provides JORC 2012 Table 1 details for the Comet Vale Mineral Resource.

MINERAL RESOURCE INVENTORY			
Classification	**Tonnes**	**Au, g/t**	**Au (Oz)**
Sand George Mineral Resources Above 5.0 g/t gold			
Indicated	238,000	10.8	82,500
Inferred	296,000	10.9	103,500
Sand Prince West Mineral Resources Above 1.0 g/t gold			
Indicated	90,000	2.4	7,000
Inferred	19,000	1.5	900
Princess Grace Mineral Resources Above 1.0 g/t gold			
Indicated	92,000	2.9	8,500
Inferred	13,000	1.5	700
Total Mineral Resource			
Indicated	420,000	7.3	98,000
Inferred	328,000	10.0	105,100

* A parcel of 61,158 tonnes of ore from the Sand Prince West and Princess Grace open pit has been contract mined and toll treated at a third party mill since this estimate was prepared. This yielded 3,949 ounces of gold (2.17 g/t reconciled head grade). The Mineral Resource statement above has not been recalculated to allow for this reduction.

Further information in relation to the geology of Comet Vale and historical exploration and production is provided in Annexure 3 to this Announcement. A summary of the JORC Code 2012 Table 1 details for the Comet Vale Mineral Resource is provided further below, while the Table 1 itself is provided in Annexure 4.

Contract Mining by GBF

The current 100% owner of the Comet Vale project, Sand Queen Gold Mines Pty Ltd (**Sand Queen**), has entered into a mine management agreement (**MMA**) with GBF under which GBF is granted the right to manage underground mining operations at Comet Vale. Under the MMA, GBF has agreed to fund the working capital required for mining operations, with its costs plus a margin and working capital contribution to be recovered from gold sales revenue.

As a result, GBF bears the risk that gold revenue is insufficient to cover its costs while Sand Queen will receive net gold revenue after deduction of GBF's costs and working capital contributions and government and third party royalties.

GBF has responsibility for obtaining mining approvals and managing underground mining operations and has indicated that it anticipates commencing underground mining during 2018 subject to receipt of necessary approvals and finalising a toll treatment contract for the ore mined.

Sand Queen and GBF have prepared a proposed Comet Vale mine plan that aims to remove the previously identified constraint related to the low hoisting ability of the Sand Queen shaft.

In preparation for underground mining operations to recommence, two open pits have been developed at Comet Vale. GBF proposes to cut a portal into the north west corner of the Sand Prince West pit to provide access to the underground levels via a decline.

The current plan focuses on dewatering the existing workings and developing the decline down to the 6 level to access the higher confidence high grade ore.

The current mine plan is anticipated to commence in 2018 and take approximately 30 months to complete.

Subject to execution of a toll treatment agreement with a third party toll mill and finalisation of testwork, it is intended that run of mine ore will be concentrated on site through the application of ore sorting technology, then trucked offsite to a toll mill for toll treating. GBF aims to complete its first campaign in 2018 and reach monthly steady state production within 12 months of mining commencing.

GBF's contract mining of Comet Vale under the MMA has been independently negotiated between GBF and Sand Queen and will proceed regardless of whether the Company acquires Orminex West.

Comet Vale JV Option

Orminex West, an associate of GBF, has acquired from GBF the rights to an option joint venture agreement (**Option JVA**) that grants a 6-month option (expiring 22 July 2018) to acquire a 51% unincorporated joint venture interest in the Comet Vale project from Sand Queen for nominal consideration (**Option**).

Subject to satisfaction of conditions, Mintails intends to acquire Orminex West, exercise the Option, and acquire 51% of the Comet Vale Project prior to re-listing on the ASX. Orminex West does not have any other assets, apart from its rights under the Option JVA.

Completion of the Option is conditional on receipt of regulatory and third party consents within 3 months of the Option being exercised. Upon completion, an unincorporated joint venture will be created with Orminex West holding 51% and Sand Queen holdings 49%. The Option JVA sets out the terms that govern the joint venture which is on standard commercial terms for an agreement of this nature, including provision for certain decisions (including programs and budgets) to be unanimous. Orminex West will be the first manager of the joint venture.

If Mintails is not listed on the ASX by 22 July 2018, and Mintails has at that time acquired Orminex West, Mintails must transfer Orminex West back to the Orminex West vendors for no consideration.

Working Capital Facility

Orminex West has entered into an arms' length, unsecured $2.5m working capital facility agreement with GBF to partially fund initial mining costs at Comet Vale prior to first gold production (**Working Capital Facility**). GBF will fund the balance of the start-up mining costs from its own resources. The funds will be repaid from gold sales revenue after deduction of amounts GBF is entitled to retain under the MMA.

The Working Capital Facility is subject to a number of conditions, including that Mintails acquires Orminex West and is relisted on the ASX. Mintails intends, on acquisition of Orminex West, to lend funds raised from the Capital Raising to Orminex West which will then be lent to GBF under this facility.

Further information in relation to the above arrangements will be provided to Shareholders in the notice of meeting seeking Shareholder approval for the proposed acquisition of Comet Vale.

Golden Lode Project

Access to the Golden Lode Project area is along high-quality gravel roads north west from Coolgardie (134km) or from Broad Arrow (93km). The road passing through from Callion to Davyhurst Mine passes through the southern extremity of the Golden Lode Project area. Details of the tenements that comprise the Golden Lode Project are provided in Annexure 1.

Golden Lode is situated within the Coolgardie-Mt Ida greenstone belt of the Eastern Yilgarn Province of the Archaean Yilgarn Block. A major north trending fault extends from Mt Ida through Davyhurst to the south of Callion and is proximal to the Project.

Exploration to date has tested mineralisation down to a depth of approximately 260m. Potential down plunge extensions of mineralisation adjacent to the main shoot remains to be tested. Surficial material obscures the underlying geology of the project. Shallow reconnaissance drilling is required to determine the potential of hosting repetitions of the main sheared contact.

Further information in relation to the geology and historical exploration at Golden Lode is provided in Annexure 5 of this Announcement. Refer Competent Persons Statement further below and Annexure 6 to this Announcement for JORC 2012 Table 1 details in relation to Golden Lode.

Mintails has conditionally agreed to acquire Golden Lode, which owns the Golden Lode Project, from entities associated with GBF. On acquisition, the Company plans to complete a drilling program with the objective of allowing a mineral resource estimate to be compiled in accordance with the JORC Code, 2012. Detailed surveys and metallurgical testwork will be included in the exploration program in support of feasibility studies.

Acquisition Terms

A summary of the key terms of the Acquisition Agreements is set out below.

1. Consideration

Subject to satisfaction or waiver of conditions precedent (summarised in section 2 below), the Company has agreed to issue upon settlement of the acquisition:

- 200,000,000 Shares to the vendors of Orminex West, comprising 100,000,000 Shares to Rolen Pty Ltd (controlled by Mr Ross Graham, a controlling shareholder of GBF) (**Rolen**) and 100,000,000 Shares to Merrysoul Pty Ltd as trustee for the Foulds Family Trust (an associate of Mr Michael Foulds, a controlling shareholder of GBF) (**FFT**); and

- 20,000,000 Shares to the vendors of Golden Lode, comprising 13,333,333 Shares to Carlowen Pty Ltd as trustee for the Carlowen Unit Trust (**Carlowen**) (which is jointly controlled by Ross Graham and Michael Foulds, who control GBF) and 6,666,667 Shares to Lantech Developments Pty Ltd as trustee for the DAC Family Trust (controlled by director Daryl Henthorn) (**Lantech**) (who is currently associated with Ross Graham and Michael Foulds.

2. Conditions Precedent

Settlement of the acquisition is subject to a number of conditions precedent, including, but not limited to:

- **Shareholder and regulatory approval**: the Company, obtaining all necessary shareholder and regulatory approvals required in relation to the acquisition and other matters contemplated by the Acquisition Agreements (which includes receipt of ASX's conditional approval to reinstate the Company's quoted securities to trading).

- **Re-Compliance Capital Raising**: the Company lodging a prospectus with the ASIC for the purpose of ASX reinstatement requirements and raising $7,000,000 under that prospectus by the offer, subject to shareholders' approval, of Shares at an issue price of $0.03 cents each (**Prospectus**).

- **Warranties**: there being no material breach of any warranties given to the Company by the Golden Lode vendors or the Orminex West vendors under the Acquisition Agreements or given by Sand Queen to Orminex West under the Option JVA.

- **Orminex West Agreements**: the Option JVA and MMA remaining in force and Mintails being satisfied that the conditions precedent to those agreements can be satisfied.

- **Delisting**: the Company obtaining an extension of the deadline for the Company's Shares to be re-admitted to trading on the ASX (to avoid the Company being de-listed) to 17 May 2018; and

- **Escrow**: the Company receiving duly completed restriction agreements in respect of securities issued as part, or related to, the Acquisition Agreements to the extent required by the ASX Listing Rules.

If the conditions precedent to completion of the acquisition are not all fulfilled or waived by 5:00pm (Western Australian time) on 30 April 2018 (or such later date as the Company and the vendors of Orminex West and Golden Lode may agree), or become incapable of being satisfied and are not waived (**End Date**), then the Acquisition Agreements may be terminated by notice in writing.

New Business Model

Upon completion of the proposed acquisitions, the Company will become an Australian gold development company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production with GBF as its preferred contractor.

Many gold projects in Australia struggle to develop their assets primarily because of challenges associated with financing and operational expertise. A number of gold projects fail to develop due to a combination of reasons such as:

- low grade gold inventory, which requires a substantial resource base and capital to develop;

- relatively high costs of completing the required resource definition and feasibility study work needed to attract the required project funding;
- inability to mine low volumes at low operating costs and/or capital cost per production ounce of gold due to the considerable cost base required to maintain statutory compliance and establish operating capability;
- inability to attract funding due to project economics or company size; and
- lack of operational expertise at the project owner level.

The Company and GBF have recognised the market opportunity to offer a business model to take these gold assets into production. This opportunity forms the basis of a ***Mineral Ventures*** business between the Company and GBF.

GBF Mining

GBF was established in 1995 and employs over 350 staff. GBF has undertaken contracts for, amongst others, Gold Fields Limited, WMC Resources Limited, Newcrest Mining Limited, BHP Billiton Limited, and Silver Lake Resources Limited.

GBF is controlled by Mr Ross Graham (who controls Rolen, an Orminex West vendor) and Mr Michael Foulds (who controls FFT, also an Orminex West vendor). Mr Ross Graham and Mr Michael Foulds also together control Carlowen, which owns 2/3rd of Golden Lode.

GBF, as an established and mature business, has latent incremental capacity in its business, such as capital, human resources, extensive management and operating systems and support and underground mining equipment that can be used for the *Mineral Ventures* model at an incremental and largely variable cost basis.

In consideration for providing project owners funding and mining services under the *Mineral Ventures* model GBF negotiates a mine management agreement (mining contract) and an equity and/or profit share interest in the project.

Current Projects

- GBF entered into agreements with Sand Queen in June 2015 which granted GBF, subject to GBF delivering a positive high margin feasibility study, the right to manage mining on the Comet Vale Project (based on a cost plus margin contract) and to earn a controlling 51% interest in the project. This right to a 51% interest is now reflected in the Option JVA, with Orminex West having replaced GBF as a party to the Option JVA; and
- during mid 2017, Carlowen acquired 66.67% of Golden Lode with a view to entering into similar agreements for the mining of the Golden Lode Project by GBF.

Following arms' length discussions, the Company and GBF have agreed that the Company would be a preferred vehicle for owning and managing any equity and profit share interests in gold projects where GBF is the contract miner. The advantages of this arrangement are:

- GBF can focus on its core business, which is contract mining;

- the Company can focus on managing ownership of equity and profit share interests in stranded gold projects, including managing exploration programs and administration of underlying project tenements, as well as focusing on identifying and acquiring equity and profit share interests in new stranded gold projects; and

- by being listed on the ASX, the Company has the potential to raise capital to meet a portion of start-up mining costs for new stranded gold projects (to be advanced by way of loans to GBF), reducing the funds GBF has to provide to bring stranded gold assets it is contract mining into production.

In order to implement this business model, the Company, Mr Ross Graham and Mr Michael Foulds and their controlled entities have agreed to the proposed acquisitions of Orminex West and Golden Lode and related matters as set out in the Acquisition Agreements.

As a result of the proposed acquisitions, Mr Ross Graham and Mr Michael Foulds, via their controlled entities, will acquire a major shareholding in the Company, thereby retaining exposure to the upside from Orminex West's 51% interest in the Comet Vale Project, as well as exposure to the Golden Lode Project and any future equity and profit share interests in stranded gold projects that the Company acquires.

Strategic Alliance

In order to facilitate the *Mineral Ventures* business model outlined above, the Company and GBF have entered into an exclusive Strategic Alliance Agreement under which the parties have agreed, subject to the Company completing the proposed acquisitions of Orminex West and Golden Lode, to:

- identify stranded gold projects in Australia and New Zealand which are considered suitable for application of the *Mineral Ventures* business model. The Strategic Alliance Agreement sets out financial and investment criteria to assist with identification of suitable projects; and

- give each other exclusive rights, for a period of 12 months from the time a potentially suitable project is identified, to jointly negotiate with the project owner for the execution of a framework agreement and memorandum of understanding, under which GBF is granted the right to assess the feasibility of the project and if positive the Company has the right to acquire a direct project interest or a share of project profit and GBF has the right to conduct the mining operations as a contract miner.

Under the Strategic Alliance Agreement, GBF has agreed to enter into a framework agreement and memorandum of understanding with the Company in relation to Golden Lode (post relisting). If GBF concludes that Golden Lode can be profitably mined, the Company will enter into a mine management agreement with GBF to govern mining operations.

The Strategic Alliance Agreement has a term of 5 years with either party being able to exercise an option for a further 5 years.

The Company and GBF's objective is for there to be 3 Mineral Venture projects operating concurrently, with GBF appointed as contract miner and the Company owning an equity

interest or profit share arrangement in each of the projects (including at least a 51% controlling interest in Comet Vale).

Additional Issues of Securities

The Company has made, or intends to make, the following issues of securities arising out of the acquisition of Orminex West and Golden Lode.

1. Convertible Notes

Between December 2016 and September 2017, the Company received a total of $730,000 in loans (**Loans**) from related and unrelated parties who are exempt investors under section 708 of the Corporations Act. The funds were used for working capital purposes and to fund a creditors' trust payment in accordance with the DOCA.

At the Company's annual general meeting held on 20 December 2017, the Company received shareholder approval to issue convertible notes in respect of the Loans (**Convertible Notes**) and has since issued 274,613 Convertible Notes in respect of Loans with a total face value of $274,613. None of these Convertible Notes have been converted.

The remaining Loans are held by related parties and the Company has elected not to issue the Convertible Notes under its existing Shareholder approval but rather, in light of the proposed acquisition of Orminex West and Golden Lode, to refresh its Shareholder approval to issue the remaining 455,687 Convertible Notes (with a total face value of $455,687) to the related parties in respect of these Loans.

Interest is payable on the Loans and the Convertible Notes at 12% per annum. The Company has agreed, subject to receiving Shareholder approvals, to issue Shares in lieu of interest payments under the Loans and Convertible Notes at a deemed issue price of $0.02 cents per Share. Subject to receiving Shareholder approval, the Company intends to convert all interest on the Loans and Convertible Notes into Shares at the same time it completes the proposed acquisitions of Orminex West and Golden Lode.

2. Placement

In early January 2018, the Company raised $200,000 under a placement comprising:

- $97,154 from exempt investors who are not related parties of the Company through the issue of 4,857,712 Shares at $0.02 per Share. The Company issued the Shares under its Shareholder placement approval obtained at its 2017 AGM.

- $102,846 as unsecured, interest free loan funds from related parties, which loan funds are to be converted, subject to Shareholder approval into 5,142,288 Shares at a conversion price of $0.02 per Share. The Company proposes to issue these Shares at the same time it completes the proposed acquisitions of Orminex West and Golden Lode.

The funds raised from the placement are being used to fund working capital, including implementing the proposed acquisition of Orminex West and Golden Lode. The placement was not underwritten.

The Company has agreed, subject to receiving Shareholder approval, to issue one unlisted Option (exercisable at $0.03 with a 3 year expiry date) for every Share subscribed for under the placement (which would result in a total of 10,000,000 Options being issued on the basis of one Option for every one Share subscribed for under the placement). The Company proposes to issue these Options at the same time it completes the proposed acquisitions of Orminex West and Golden Lode.

3. Advisor Fee Shares

Viridian Equity Group Pty Ltd (ACN 113 381 623) (**Viridian**), which Director Mr Daryl Henthorn controls, has been providing corporate advice to the Company under a mandate that includes a success fee payable via the issue of 10,445,333 Shares in the Company (at a deemed issued price of $0.03 per Share) if the proposed acquisition of Orminex West and Golden Lode completes (**Advisor Shares**).

Viridian has also been providing corporate advice to GBF under an advisory mandate in relation to the proposed Mineral Ventures business model in consideration for a retainer fee of $10,000 a month. The terms of the mandate agreement confirms that Viridian will be entitled to the Advisor Shares upon successful completion of the proposed acquisitions of Orminex West and Golden Lode.

Viridian has engaged entities associated with proposed directors Mr John Correia and Mr Emmanuel Correia as subcontractors to assist with the mandates with the Company and GBF and to receive one third each of the Advisor Shares in return.

4. Facilitation Shares

The Company has entered into facilitator mandates with each of Lantech (controlled by Director Mr Daryl Henthorn), Stevsand Investments Pty Ltd (ACN 009 076 224) as trustee for the Steven Formica Family Trust (controlled by Director Mr Steven Formica) and Mr Ariel Edward King under which each of those parties have been providing transaction facilitation advice to the Company that includes a success fee of 6,666,666 Shares, 6,666,667 Shares and 6,666,667 Shares (respectively) if the proposed acquisition of Orminex West and Golden Lode completes (**Facilitation Shares**).

Due to the arrangements detailed above, the Company is taking the conservative view that, up until completion of the proposed acquisitions and re-listing of the Company on ASX, Directors Mr Daryl Henthorn and Steven Formica, proposed Directors Mr John Correia and Mr Emmanuel Correia, and Mr Ross Graham and Mr Michael Foulds, and the controlled entities and related parties of each of them, are associated with each other due to acting in concert in relation to the Company's affairs.

After completion of the proposed acquisitions and the re-instatement of the Company's Shares to quotation on the ASX, it is anticipated that Mr Ross Graham and Mr Michael Foulds, and the controlled entities and related parties of each of them, will cease to be associated with Directors Mr Daryl Henthorn and Steven Formica, proposed Directors Mr John Correia and

Mr Emmanuel Correia and the controlled entities and related parties of each of them. Directors Mr Daryl Henthorn and Steven Formica are also expected to cease to be Associates of the Proposed Directors and their controlled entities and related parties.

The Company has also taken the conservative view that Mr Ross Graham and Mr Michael Foulds, and their controlled entities, are related parties of the Company until re-listing due to acting in concert with Director Mr Daryl Henthorn and proposed Directors Mr John Correia and Mr Emmanuel Correia. After completion of the proposed acquisitions and the re-instatement of the Company's Shares to quotation on the ASX, it is anticipated that Mr Ross Graham and Mr Michael Foulds, and their controlled entities, will cease to be related parties of the Company.

Shareholder approval and terms of securities

A general meeting is proposed to be convened to approve the change in activities (pursuant to Listing Rule 11.1.2) referred to above, as arising from the acquisition, the Capital Raising, and associated business (**General Meeting**).

Independent Expert's Report

The Company has engaged Moore Stephens as an independent expert to provide an Independent Expert's Report with the notice of meeting to be sent to Shareholders. The report will examine the proposed acquisition of Orminex West and Golden Lode, and the related transactions discussed above, for the following reasons:

- at the completion of the acquisition of Orminex West and Golden Lode, the issue of securities discussed above and the Capital Raising (**Proposed Transaction**), entities related to, or associated with, Ross Graham and Michael Foulds will have voting power of up to 59.02% in the Company (although immediately after relisting, the Company expects, due to certain associations ceasing, that the maximum voting power of Ross Graham and Michael Foulds and their Associates will be reduced to up to 44.24%);

- the Company requires Shareholder approval under section 611(7) of the Corporations Act for the above change in voting power to occur, and it is ASIC policy that an independent expert's report be provided to shareholders that assesses whether the transaction resulting in the change in voting power is fair and reasonable to the Shareholders un-associated with the Proposed Transaction;

- Shareholder approval is also required under ASX Listing Rule 10.1 for various aspects of the Proposed Transaction, and the Independent Expert's Report will assess whether the acquisition or disposal of substantial assets as a result of these aspects are fair and reasonable to the Shareholders un-associated with the Proposed Transaction.

The table below sets out a summary of the capital structure of the Company and the related parties who ultimately control the Shares being issued as part of the Proposed Transaction.

	Prior to Proposed Transaction	**Post Proposed Transaction**

Shareholder	Number	%	Number	%
Non-Associated Shareholders	5,701,081	82.3	5,701,081	1.06
Ross Graham[1]			122,070,495	22.60
Michael Foulds[2]			116,813,808	21.63
Darryl Henthorn[3]			37,906,471	7.02
Steve Formica[4]			21,214,246	3.93
Emmanuel Correia[5]	475,959	6.9	9,122,408	1.69
John Correia[6]	407,465	5.9	8,748,691	1.62
Daniel Correia[7]	342,465	4.9	2,868,580	0.53
Stephen Brockhurst[8]			1,666,667	0.31
Unrelated Capital Raising			190,666668	35.31
Unrelated Convertible Note and Interest Conversion			16,558,294	3.07
Unrelated Facilitation Shares			6,666,667	1.23%
Total Shares on issue	**6,926,970**	**100.00**	**540,034,076**	**100.00**

Below is a breakdown of the sources of the above related party shareholdings. All of the following, other than Mr Steven Brockhurst, are either vendors of Orminex West or Golden Lode (**Vendors**) or Associates of the Vendors until re-listing of the Company on the ASX whose combined maximum voting power is up to 59.02%:

1 – Ross Graham – Vendor Shares (106,666,667), Capital Raising (11,666,666), Convertible Note and Interest (3,052,230) and Placement (684,932).

2 – Michael Foulds - Vendor Shares (106,666,666), Capital Raising (8,333,333), Convertible Note and Interest (1,471,343) and Placement (342,466).

3 – Daryl Henthorn – Director - Vendor Shares (6,666,667), Capital Raising (10,000,000), Convertible Note and Interest (9,031,266), Placement (2,060,096), Advisor Shares (3,481,777) and Facilitator Shares (6,666,666).

4 – Steve Formica – Director - Capital Raising (3,333,333), Convertible Note and Interest (9,159,452), Placement (2,054,794), and Facilitator Shares (6,666,667).

5 – Emmanuel Correia – Proposed Director - Capital Raising (3,333,333), Convertible Note and Interest (1,831,338), Placement (475,959), and Advisor Shares (3,481,778).

6 – John Correia - Proposed Director - Capital Raising (3,333,333), Convertible Note and Interest (1,526,115), Placement (407,465), and Advisor Shares (3,481,778).

7 – Daniel Correia – brother of Proposed Director Emmanuel Correia - Capital Raising (1,000,000), Convertible Note and Interest (1,526,115) and Placement (342,465).

8 – Stephen Brockhurst – Director - Capital Raising (1,666,667). Mr Brockhurst is not an Associate of the Vendors or their Associates and so his relevant interest is not included in determining the maximum 59.02% voting power of the Vendors or their Associates.

Proposed change in Mintails board and management

Following settlement, one of the existing directors, Daryl Henthorn, will remain on the Board while it is proposed that Mr John Correia and Mr Emmanuel Correia are appointed as directors.

John Correia - Proposed Non-Executive Director

Mr Correia has over 27 years in the corporate finance sector. Mr Correia worked with BankWest for several years in resources finance, including leading the Corporate Banking team before managing the Bank of Scotland's Perth project finance business. In 2007 Mr Correia joined PCF Capital Group, a boutique adviser to the mining sector as Director Corporate Finance, responsible for project finance and also involved financial modelling, project sales and strategic advisory. Whilst at PCF he was a co-founder and a director of MinesOnline.com. Mr Correia established licenced finance broker C4 Capital in 2014, which was awarded AFG's Best Commercial Loan Writer award in 2016 and the MFAA's WA Commercial Broker award in 2017.

Mr Correia is not a director of any listed company.

Emmanuel Correia – Proposed Non-Executive Director

Mr Correia is a Chartered Accountant with over 27 years' experience in the provision of corporate finance advice to a diverse client base both in Australia and in overseas markets. He is a co-founder and director of Peloton Capital, holder of AFSL 406040.

Emmanuel specialises in the provision of corporate advice in relation to private and public capital raisings, mergers and acquisitions, corporate strategy and structuring, IPO's, project and company valuations. Emmanuel holds a number of public company directorships and is also very actively involved in the management and development of a large private property portfolio.

Emmanuel also spent a number of years in corporate finance for J.P. Morgan, Deloittes and the Transocean Group in Australia.

Mr Correia is currently a director of Canyon Resources Limited (ASX: (CAY) and Argent Minerals Limited (ASX: ARD).

Change of Company name

If the acquisition proceeds to the stage of convening the General Meeting, the Company also proposes to seek shareholders' approval at the General Meeting to change its name to "Orminex Limited".

Indicative Timetable

The indicative timetable for the matters contemplated by the acquisition is set out below.

Indicative Timetable*	**Date**
Notice of Meeting sent to Shareholders	12 February 2018

Prospectus lodged with ASIC	20 February 2018
Capital Raising opens	28 February 2018
General Meeting to approve the Resolutions	15 March 2018
Capital Raising closes	22 March 2018
Completion of the proposed acquisition of Orminex West and Golden Lode^, Capital Raising and related matters, exercise of Option	28 March 2018
Completion of Option	11 April 2018
Satisfaction of ASX conditions for reinstatement	18 April 2018
Expected date for Shares to be reinstated to trading on ASX	20 April 2018

* The above dates are indicative only and may change without notice. The Company reserves the right to extend the closing date of the Capital Raising or close the offer early without prior notice. The Company also reserves the right not to proceed with the offer at any time before the issue of Shares.

^ *The above stated date for Completion of the Acquisition Agreements is only a good faith estimate by the Directors and may have to be extended.*

De-listing Deadline Extension

The Company's Shares will have been suspended from trading on the ASX for 3 years as at 17 March 2018. ASX policy is to delist a company whose shares have been suspended from trading for more than 3 years. The ASX has granted extensions to this de-listing deadline of up to 3 months where a company has, before the de-listing deadline, signed definitive legal documents (including obtaining any necessary financing), obtained regulatory and shareholder approval for a transaction that will result in the company's shares being re-admitted to trading on the ASX if completed, where required a prospectus to re-comply with Chapters 1 and 2 of the ASX Listing Rules has been lodged with ASIC and is not subject to regulatory constraints and the ASX is otherwise satisfied that the transaction is reasonably capable of being consummated within the period of the extension.

The Proposed Transaction is conditional on the Company obtaining an extension to the delisting deadline of 17 March 2018 from the ASX. The above timetable is based on the Company meeting the requirements for an extension before 17 March 2018 and obtaining an extension, with completion of the Proposed Transaction scheduled for mid-April 2018 on this basis.

Indicative Capital Structure

Set out below is the indicative capital structure of the Company following completion of the acquisition and associated Capital Raising and related matters.

Shares	Number	%
Existing Shares[1]	6,926,970	0.38
Shares to the Orminex West vendors	200,000,000	37.03
Shares to the Golden Lode vendors	20,000,000	3.70
Shares under Capital Raising[2]	233,333,333	43.21
Shares upon conversion of Convertible Notes and accrued interest[3]	44,186,152	8.18
Placement to Related Parties	5,142,288	0.95
Shares to related party advisors	10,445,333	1.93
Facilitation Shares	20,000,000	3.70
Total Shares on issue	**540,034,076**	**100**

1. Assumes no additional Shares are issued, including pursuant to an exercise of existing Options.

2. Assumes full subscription.

3. Assumes the Convertible Notes are all converted 12 months after their issue date. In fact, the intention is for the Company to convert all of the Convertible Notes on the date the proposed acquisitions are completed, currently scheduled for 28 March 2018. This would result in the issue of 39,957,688 Shares on conversion of the Convertible Notes and accrued interest, and the total number of Shares on issue being 535,805,612 (as opposed to 540,034,076 Shares as noted above). The pro forma balance sheet in Annexure 2 is based on there being this number of Shares issued on conversion of the Convertible Notes and accrued interest. The actual number of Shares issued will depend on the actual dates the Convertible Notes are converted, as this will determine how much interest has accrued and is converted into Shares.

Options	Number
Existing Options exercisable $23.40 each on or before 21 December 2018	6,156
Existing Options exercisable $31.20 each on or before 21 December 2018	6,156
Existing Options exercisable $20.80 each on or before 20 December 2018	4,616
Existing Options exercisable $28.60 each on or before 20 December 2018	4,616
Existing Options exercisable $39 each on or before 20 December 2018	6,154
Issue of unlisted Options under Placement exercisable at $0.03 each with a 3 year expiry date	10,000,000
Total	**10,027,698**

Convertible Notes	Number
Existing Convertible Notes	274,613

New Convertible Notes proposed to be issued	455,387
Total Convertible Notes on issue upon completion of the Proposed Transactions[1]	**730,000**

1. The Company's intention is to fully convert all of the Convertible Notes at the same time it completes the acquisition of Orminex West and Golden Lode.

Indicative use of funds table

The Company intends to use the funds raised from the Capital Raising as follows:

Item	**Amount**	**%**
Expenses of the Proposed Transactions	$687,400	9.8%
Comet Vale – Working Capital Facility	$2,500,000	35.7%
Proposed Two Year Exploration Program – Golden Lode	$500,000	7.1%
New project identification and assessment	$400,000	5.7%
General working capital	$2,712,600	38.8%
Stamp Duty Payable - Comet Vale	$200,000	2.9%
Total	**$7,000,000**	**100%**

Notes:

This is an indicative budget only reflecting the intentions of the Board and may be subject to change due to changes in circumstances.

Assumes full subscription is raised under the Capital Raising. The Capital Raising will not be underwritten. Viridian (which is controlled by Director Daryl Henthorn) has been engaged on arms' length terms to act as lead manager to the Capital Raising. Viridian will be entitled to a 1% management fee and 5% capital raising fee on amounts raised under the Capital Raising.

The Company may elect to increase the Working Capital Facility by a further $1 million subject to agreement of terms with GBF.

Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

Pro forma balance sheet

A pro forma balance sheet showing the effect on the Company of the Proposed Transactions is provided in Annexure 2 of this announcement.

Audited Accounts

Orminex West was only incorporated on 29 September 2016 and has been dormant since that time until it acquired GBF's rights to the Option JVA on 22 January 2018. Golden Lode was incorporated on 11 July 2016 and has held 100% of the Golden Lode Project. A copy of the

audited accounts for Orminex West and Golden Lode for the financial year ending 30 June 2017 will be made available on the Company's website at www.mintails.com.au.

ASX Waivers

The Company intends to apply to the ASX for the waivers from Listing Rules 1.1 condition 12 and 2.1 condition 2 in order that it can complete the Proposed Transaction. Completion of the Proposed Transaction is conditional on all necessary regulatory approvals being obtained.

Competent Person Statement – JORC 2012

The information in this Announcement that relates to Exploration Results and Mineral Resources is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of AusIMM. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code 2012"). Mr Castle consents to the inclusion in this Announcement of the matters based on the information in the form and context in which they appear.

Comet Vale Mineral Resource Table 1 Summary

Geology, Mineralisation and Exploration Concept

The deposits within the Comet Vale project are typical Archaean narrow, high-grade gold quartz lode deposit within a shear hosted system. Numerous economic deposits of this mineralisation style exist in Western Australia and include the best known and giant Golden Mile deposit at Kalgoorlie in the Norseman – Wiluna Belt of the Yilgarn Craton. Other deposits include Norseman, Kanowna Bell, Mt Charlotte, Jundee, Kanowna Bell and Bronzewing.

The Comet Vale deposit is hosted in the Ora Banda Sequence of mafic-ultramafic volcanic and metasedimentary rocks. Economic gold mineralisation is predominantly within quartz boudins from 0.1 to 4.5m in width with free gold spatially associated with pyrite/marcasite, pyrrhotite and elevated base metal values (sphalerite, galena, chalcopyrite).

The Sand George (including Sand Queen, Sand King and Sand George) deposit comprises fifteen mineralised lodes striking approximately north-south (local grid) and dipping around 700 towards the west. Domain 1 is the main lode and has been the focus for previous and current underground mining activities. The Sand Prince West deposit consists of six mineralised domains and Princess Grace a single domain. Both are located approximately 150 to 250m to the west of the Sand George deposit and are associated with flat west-north-west dipping, weakly sulphidic, milky quartz veins surrounded by an alteration halo.

Drilling and Sampling Procedures

RC Drilling

Majority of the drilling comprised face sampling hammer reverse circulation drilling. Drill samples were collected on 1m intervals and four metre composite samples were taken

Diamond Core Drilling

The majority of the drilling at Comet Vale was carried out using NQ2 diamond core with some shallow holes were completed using HQ core. Limited core orientation was carried out.

Core recovery

Core recovery was generally very good being close to 100%. Some core loss was experienced because of poor ground conditions, or in attempting to recover drilled core that had not been recovered in the tube because of a core spring malfunction.

Core logging

Lithological contacts, sample intervals and geological features such as foliations and shears were marked with their respective down hole depth on the core and then logged.

Drillhole Surveying

Drill collars were surveyed using differential GPS equipment. The resultant surveyed hole data comprised of local grid coordinates, AMG84 coordinates and collar elevations (RL) at surface level. Down hole surveys were initially carried out by Eastman camera and Electronic Multi-Shot.

Sample Preparation, Analyses And Security

Laboratory and Sample Submission Procedures

Drill samples for assaying are delivered the analytical laboratories by company personnel.

Sample Preparation and Analysis

RC and diamond core samples were analysed using 50g Fire Assay with an AAS finish (FA50/AAS). For 2000 to 2003 sample analysis was carried out by using Aqua Regia acid digestion (B/ASS), Fire Assay (FA50/FA25) and Cyanide Leach (Leachwell). Laboratories used were:

- Genalysis Laboratory Pty Ltd ('Genalysis') in Perth for all 1 metre samples and diamond core samples (CVA sample prefix) , the primary laboratory,
- Kalgoorlie Assay Laboratory ('KAL') in Kalgoorlie for assay of the first pass 4 metre composite samples (CVB sample prefix).
- Amdel Laboratory Services ('AMDEL') based in Kalgoorlie were used from 2008 for assay of the first pass 4 metre composite samples
- Australian Laboratory Services Pty Ltd ('ALS-Chemex') in Perth for all cross checking samples, the umpire laboratory.

Quality Control

Quality control procedures include the regular use of blanks and standards. Laboratory cross checking procedures were put in place to check the analysis of the main gold intersections in both the RC and diamond core drill programmes.

Mineral Resource Estimates

The Mineral Resource estimates have been classified and reported in accordance with the JORC code. Cube estimated gold for the main identifiable lodes.

Modelling Process

The following key points summarise the modelling process, key parameters and observations:

- The delineation of the Comet Vale mineralised domains for volume control and estimations was predominantly based on geological and grade attributes, particularly the

occurrence of quartz veining, anomalous gold, elevated base metals and along strike lode continuity;

- Density was assigned as a global value of 2.7 tonnes/m3 across the resource, based on discussions with Reed;
- For the Sand George deposit, intercept compositing was carried out independently for each mineralised zone using database flagging to control compositing. Mineralised vein grades were composited across the entire coded interval resulting in a single intercept composite;
- For the Princess Grace and Sand Prince West deposits, 1m downhole composites were extracted using database flagging to control compositing;
- Variography has been used to define the spatial structure of the accumulation variable for the Sand George intercept composites and the 1m composites at Sand Prince West and Princess Grace.;
- Grade interpolation for the Sand Prince West and Princess Grace deposits was carried out using traditional 3D Ordinary Kriging (OK) for the mineralised domains using the uniquely coded 1m downhole composite data specific to each domain;
- The Comet Vale Mineral Resources have been and classified and reported in accordance with The Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

Drill Hole Spacing

The Sand George Mineral Resources were classified as *Indicated* where drilling centres on long section was nominally 25m x 25m and included some areas up to 50m x 50m. Drilling centres at this spacing are sufficient to classify the global resources as Indicated, given the mining history, current standards of drilling, sampling, assaying and geological understanding. Sand Prince West and Princess Grace were classified as *Indicated Mineral Resources* where the drilling was based on 25m spaced sections and nominally 10m spacing on section. This classification is one where the level of geological knowledge and data were sufficient to assume the continuity of shape and grade characteristics to a reasonable level of confidence.

The Sand George Mineral Resources were classified as *Inferred* where drilling centres on long section were wider than 50m x 50m and located around the periphery of the Indicated material or where confidence in all aspects of the resource was significantly lower. Sand Prince West and Princess Grace were classified as *Inferred Mineral Resources* where the drilling was based on greater than 25m spaced sections which was typically 50m with 10m spacing on section.

Grade Estimation

The following key points summarise the modelling process, key parameters and observations:

- The delineation of the Comet Vale mineralised domains for volume control and estimations was predominantly based on geological and grade attributes, particularly the occurrence of quartz veining, anomalous gold, elevated base metals and along strike lode continuity;
- Density was assigned as a global value of 2.7 tonnes/m3 across the resource, based on discussions with Reed;

- For the Sand George deposit, intercept compositing was carried out independently for each mineralised zone using database flagging to control compositing. Mineralised vein grades were composited across the entire coded interval resulting in a single intercept composite. For the Princess Grace and Sand Prince West deposits, 1m downhole composites were extracted using database flagging to control compositing;
- Statistical analysis of the composite data was carried out to determine if high grade assay cuts were necessary. A modest high grade assay cut of 130g/t gold was applied to Domain 1 and 30g/t gold to Domain 2 and 3 to the Sand George intercept composites. No top cutting was deemed necessary for the Princess Grace 1m composites and a top cut of 20g/t gold was applied to Sand Prince West (Domain 1 only);
- Variography has been used to define the spatial structure of the accumulation variable for the Sand George intercept composites and the 1m composites at Sand Prince West and Princess Grace. This in turn assisted in determining the appropriate estimation inputs to the interpolation process. In general, poor to moderately structured variograms were achieved for the main domains with a moderate relative nuggets being modelled such as 26% (Sand George), 28% (Sand Prince West) and 27% (Princess Grace);

Resource Classification and Reporting

Classification Approach

Not all blocks within a given interpreted mineralised domain (wireframe) were considered suitable for classification. This follows the assumption that the block was informed by the minimum number of composites required for a robust estimate.

Indicated resources have been defined where geological confidence for volume and grade definition is moderate, defined by good support from drilling and areas where the drilling is averaging a nominal 25x25m along strike/down dip spacing and included areas of up to 50x50m. Areas where the estimation quality is high, delineated by a slope of regression (true to estimated blocks) greater than 0.75. Slope of regression is evaluated using whole model Quantitative Kriging Neighbourhood Analysis.

Inferred resources have been defined where geological confidence for volume and grade definition is low, defined by areas where drilling is typically greater than 50x50m along strike/down dip spacing;

Inferred resources are located around the periphery of the Indicated material where confidence in all aspects of the resource is significantly lower. Any material that failed to be estimated within minimum criteria has not been included as reportable resources.

Mining Methods

The Mineral Resource Estimate was undertaken whilst mining operations were still underway at Sand George. The estimation was undertaken with the expectation that they would be evaluated using the small scale selective underground mining methods (airleg shrink and gallery stoping).

The Mineral Resource Estimate for Sand Prince West and Princess Grace was undertaken with the expectation that they would be evaluated for future open pit mining methods.

Recovery Methods

Material mined at Sand George, until June 1st 2010, was toll treated using a gravity circuit followed by CIP leaching with recovery of gold generally above 93%.

Due Diligence

The Company has taken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Orminex West and Golden Lode for the board to be satisfied that the transaction is in the interest of the Company and shareholders.

The ASX takes no responsibility for the content of this announcement.

For further information please contact:

Daryl Henthorn
Director
Australia +0438 270 801

Important Notice

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

ANNEXURE 1 – COMET VALE AND GOLDEN LODE TENEMENTS

Comet Vale Gold Project	Tenement Holder	Start	Expiry
E29/0927	Sand Queen Gold Mines Pty Ltd	2-Dec-14	1-Dec-19
L29/0067		20-Mar-02	19-Mar-23
M29/35		28-Jan-87	27-Jan-29
M29/52		18-May-88	17-May-30
M29/85		12-Jan-89	11-Jan-31
M29/185		25-Jun-99	24-Jun-20
M29/186		24-Nov-06	23-Nov-27
M29/197		25-Oct-02	24-Oct-23
M29/198		25-Oct-02	24-Oct-23
M29/199		25-Oct-02	24-Oct-23
M29/200		25-Oct-02	24-Oct-23
M29/201		25-Oct-02	24-Oct-23
M29/232		25-Oct-02	24-Oct-23
M29/233		25-Oct-02	24-Oct-23
M29/235		25-Oct-02	24-Oct-23
M29/270		25-Jun-13	24-Jun-34
M29/321		13-Nov-02	12-Nov-23
Golden Lode Gold Project	**Tenement Holder**		
P30/1100	Golden Lode Pty Ltd	23-Feb-15	22-Feb-19
P 30/1101		25-Jul-13	24-Jul-21
P 30/1102		23-Feb-15	22-Feb-19
P 30/1103		23-Feb-15	22-Feb-19
P 30/1104		25-Jul-13	24-Jul-21
P 30/1105		25-Jul-13	24-Jul-21
P 30/1131		28-Jul-16	27-Jul-20

ANNEXURE 2 – PRO FORMA BALANCE SHEET AT 30 JUNE 2017

	Note	Actual Audited Year end 30 June 2017	Unaudited Pro-Forma Year end 30 June 2017
Current assets			
Cash & bank balances	2	400,043	3,963,374
Trade & other receivables		-	2,500,000
		400,043	6,463,374
Non-current assets			
Exploration & development assets		-	6,600,000
Total assets		**400,043**	**13,013,374**
Current liabilities			
Trade & other payables		450,043	50,000
Borrowings		579,226	-
		1,029,269	50,000
Non-current liabilities		-	-
Total liabilities		**1,029,269**	**50,000**
Net assets/(liabilities)		**(629,226)**	**13,013,374**
Equity			
Share capital	3	265,665,000	280,490,109
Option reserve		14,841,000	14,841,000
Accumulated losses		(281,135,226)	(282,327,735)
Total Equity/(Deficiency)		**(629,226)**	**13,013,374**

The proforma statement of financial position of Mintails Limited for the year ended 30 June 2017 has been prepared on a condensed basis in accordance with applicable Accounting Standards including the Australian Equivalents of International Financial Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

1. Preparation of the Pro-Forma Statement of Financial Position

The 30 June 2017 Statement of Financial Position of Mintails Limited has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have either taken place or are proposed to take place subsequent to 30 June 2017:

- An interim placement of 10,000,000 ordinary shares raising cash of $200,000 for working capital, together with 10,000,000 free attaching options ($0.03 exercise price, 3 year term) on a 1 for 1 basis;
- A short term loan from directors of $100,000 for working capital, to be repaid from the proceeds of the capital raising;
- The acquisition of the following:
    - Golden Lode Pty Ltd (Golden Lode project) for $600,000 satisfied by the issue of 20,000,000 Mintails Limited shares at $0.03 per share;
    - Orminex West Pty Ltd (which has an option to acquire a 51% interest in the Comet Vale project for $6,000,000) satisfied by the issue of 200,000,000 Mintails Limited shares at $0.03 per share
- Pursuant to the Prospectus, a capital raising of 233,333,333 ordinary shares at an issue price of $0.03 per share to raise $7,000,000;
- The payment from cash of estimated total expenses of the capital raising of $687,400 which has been debited to issued capital as share issue costs;
- The Issue upon listing of 20,000,000 ordinary shares in Mintails Limited to corporate advisors for facilitating the corporate transaction, at an issue price of $0.03 per share. The total cost of $600,000 has been expensed to accumulated losses;
- The issue upon listing of 10,445,333 ordinary shares in Mintails Limited to corporate advisors as a mandate success fee, at an issue price of $0.03 per share. The total cost of $313,360 has been expensed to accumulated losses;
- The advance of a working capital finance facility of $2,500,000 to GBF Mining Pty Ltd subsequent to completing the capital raising and listing on ASX;
- Cash settlement of the Creditors' Trust of $400,043;
- The reduction from cash and debiting to accumulated losses of the estimated overhead costs of operating the Company from 1 July 2017 to 15 April 2018;
- Raising of additional convertible notes of $150,774, and the subsequent conversion of total convertible notes of $730,000 plus accrued interest to 28 March 2018 (the proposed completion date) of $69,149 to equity at $0.02 per share. Note that the Company is seeking shareholder approval pursuant to the Notice of Meeting for the issue of shares to convert the maximum possible amount of interest that may accrue on the convertible notes, being 12 months of interest from the date a convertible note is issued. This equates to $153,723 in interest convertible into 7,686,152 shares, resulting in the issue of a maximum of 44,186,152 shares if the Convertible Notes, and the maximum possible accrued interest, are converted at $0.02 per share.

2. Cash and Cash Equivalents

	Actual as at 30 June 2017	Pro-Forma as at 30 June 2017
	$	$
CURRENT		
Cash at bank and on hand	400,043	3,963,374

The movements in cash at bank are as follows:	
Actual as at 30 June 2017	400,043
Interim share placement	200,000
Overhead costs from 1 July 2017 to 15 April 2018	(200,000)
Proceeds from the issue of Capital Raising Shares (before costs)	7,000,000
Proceeds from the raising of convertible notes	150,774
Payment of expenses of the Capital Raising	(687,400)
Settlement of creditors' trust	(400,043)
GBF working capital facility	(2,500,000)
	3,963,374

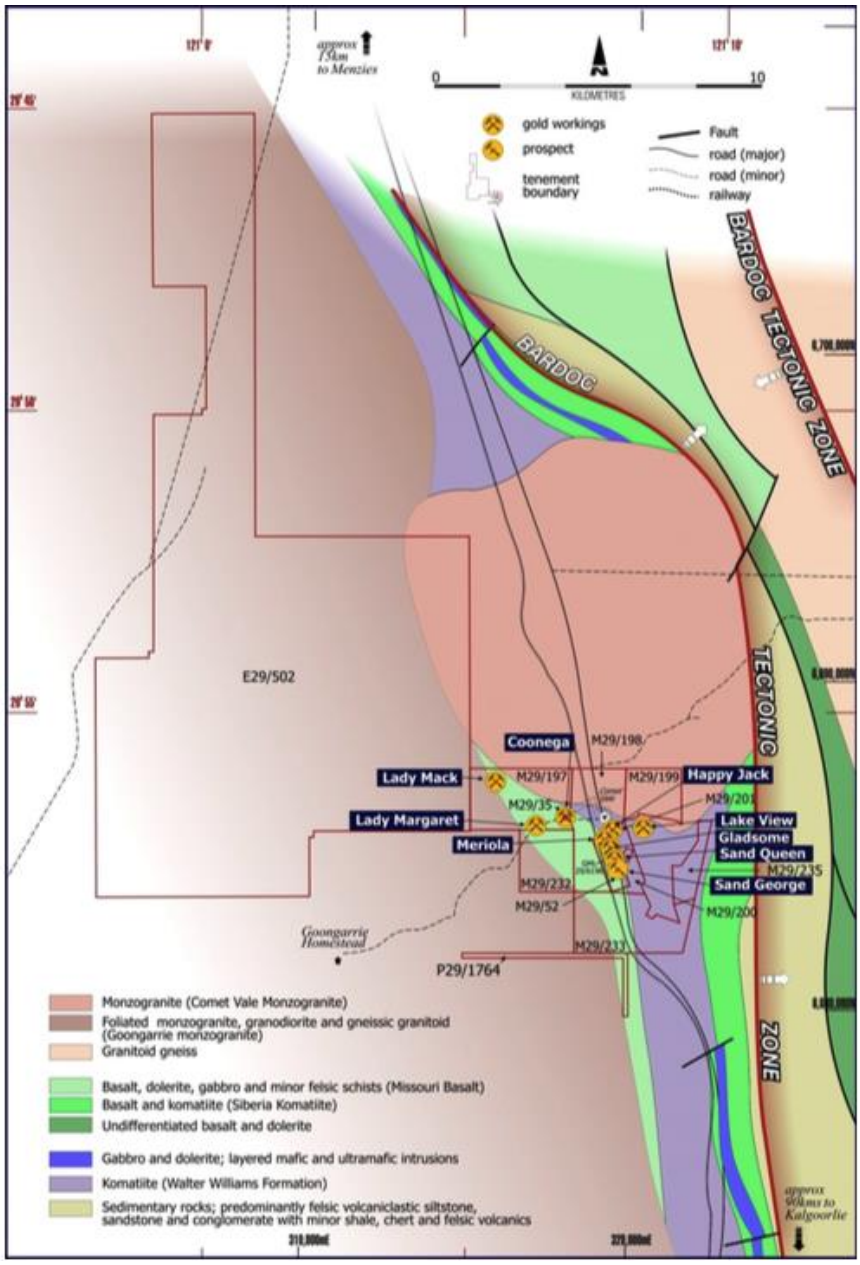
3. Issued Capital

	No. of shares	$
Ordinary issued and paid up share capital		
Actual balance as at 30 June 2017	268,894,893	265,665,000
Consolidation of Capital on a 1 for 130 basis	(266,825,635)	-
Post consolidation balance	2,069,258	265,665,000
Pro-forma adjustments:		
Interim share placement	10,000,000	200,000
Purchase consideration for the Golden Lode Pty Ltd	20,000,000	600,000
Purchase consideration for Orminex West Pty Ltd	200,000,000	6,000,000
Shares issued pursuant to current prospectus to raise $7,000,000, net of share issue costs of $687,400	233,333,333	6,312,600
Issue of shares for facilitating the corporate transaction	20,000,000	600,000
Issue of shares for the mandate success fee	10,445,333	313,360
Conversion of convertible notes to equity	39,957,688	799,149
Pro-Forma balance as at 30 June 2017	535,805,612	280,490,109

ANNEXURE 3 - GEOLOGY AND EXPLORATION AND PRODUCTION HISTORY OF COMET VALE

Regional Geology

The Comet Vale Project is underlain by mafic ultramafic volcanic rocks of the Ora Banda Domain, granitic rocks of the Goongarrie Monzogranite to the west and the Comet Vale Monzogranite to the north. The Ora Banda Domain is one of six tectono-stratigraphic domains that make up the Kalgoorlie Terrane and is host to several large gold deposits, including the Ora Banda and Mt Pleasant gold camps.



Tenements and Regional Geology of the Comet Vale Project
Date: November 2017, Competent Person: Malcolm Castle

The mafic ultramafic volcanic and metasedimentary rocks and mafic igneous sills within the Ora Banda Domain are referred to as the Ora Banda Sequence. Comet Vale is on the eastern side of the Ora Banda Domain, along a one to five km wide arm that extends for about 30km north of Menzies. This arm of the Ora Banda Sequence, known as the Menzies Greenstone Belt, is bound to the west by the Goongarrie Monzogranite and to the east by the regional scale Bardoc Menzies Tectonic Zone.

Deposit Geology

Mafic ultramafic rocks in the Comet Vale area are a continuation of the lower part of the Ora Banda Sequence, though generally with a reduced thickness. The mafic ultramafic volcanic sequence at Comet Vale is divided into three formations that are correlated with the Missouri Basalt, Walter Williams Formation and Siberia Komatiite. Only the Missouri Basalt and Walter Williams Formation crop out in the vicinity of and along strike from the Sand Queen Gladsome mine

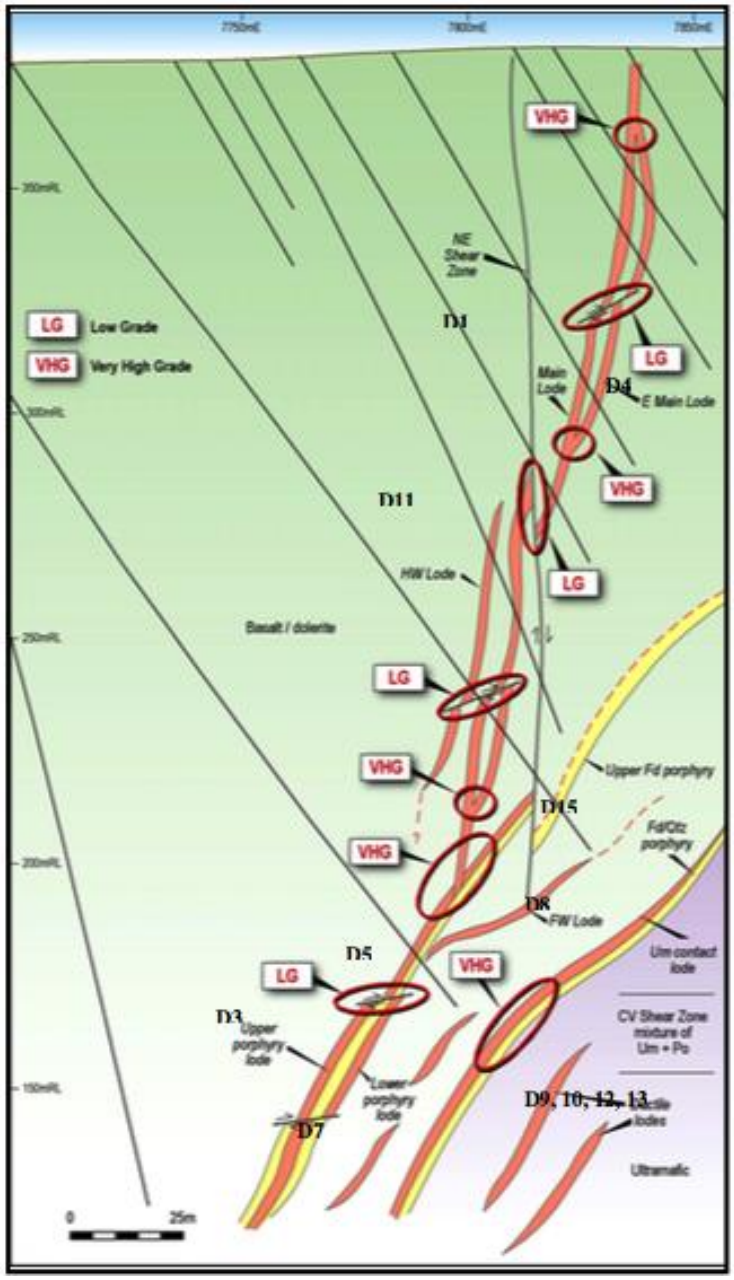
Gold deposits at Comet Vale (Sand Queen Gladsome, Sand George) are in a NNW SSE trending and steep west dipping structure that is sub parallel to the boundary between the Missouri Basalt and Walter Williams Formation. Although the exact nature of this structure is not known, it is apparently unrelated to emplacement of the Comet Vale Monzogranite.

The Sand George deposit consists of a sequence of ultramafic, dolerite and basalt units progressing from East to West. This sequence has been intruded by a number of relatively thin porphyry units and the whole package has subsequently been cross cut by one major NE SW trending fault and a number of minor NW SE trending faults. Gold mineralisation occurs along some of the porphyry contacts or associated with shears within the dolerite and basalt units.

Economic gold mineralisation at the Sand Queen mine is solely within quartz boudins that vary from 0.1m to 4.5m wide (average 1.2m) and of highly variable lengths ranging from 5m to 50m. En echelon stacking occurs both laterally and vertically. The gold mineralisation shows a shallow northerly plunge, overprinted by a steeper southerly plunge.

A number of different generations of quartz and associated mineralisation are apparent. Evidence exists for early low-grade buck quartz veins that have been overprinted and recrystallized by later highly sulphidic higher grade quartz veins. There also appears to be post gold mineralisation quartz veining and felsic intrusions that 'stoped' the gold bearing veins. Alteration haloes are extremely tight around individual veins with 5 – 30cm sheared contacts quickly grading into weakly foliated wall rock.

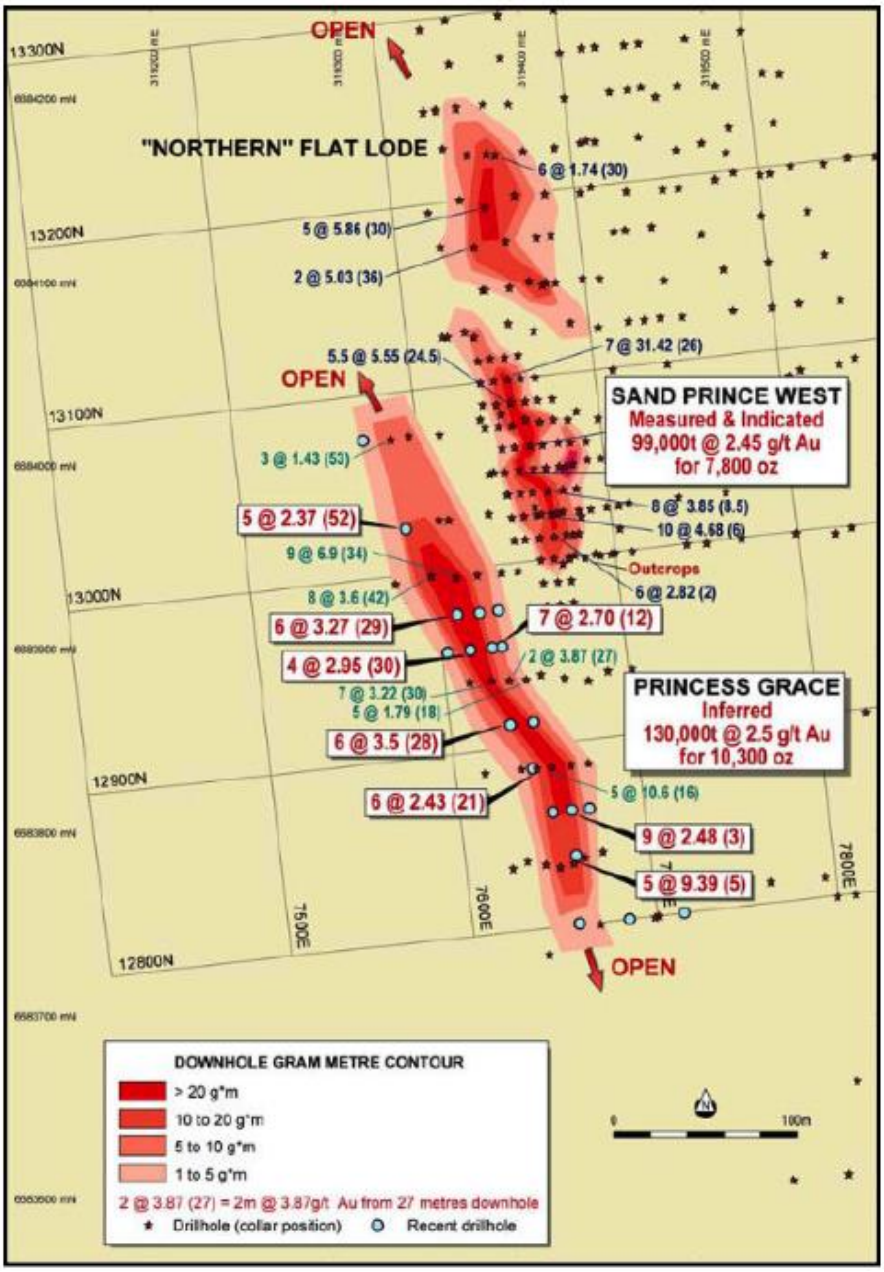
Footwall contacts tend to be extremely sharper than the hanging wall contacts, which tend to have 30 – 50cm intensely sheared margins with 1 to 10 cm wide quartz stringers. Further, later veining appears to have intruded along the hanging wall contact rather than the footwall. Gold grades in the shears and the alteration haloes rarely exceed 0.5g/t. Gold is mostly present as free gold and interstitial to quartz in veins. It is spatially associated with pyrite/marcasite, pyrrhotite, sphalerite, galena and chalcopyrite.



Type Cross-Section through Comet Vale, with Lode (D) positions – Looking North

Exploration History

2002: Surface exploration focused on the Sand George deposit and the potential for repetition of high-grade lodes elsewhere along the Comet Vale lode structure. Work commenced on dewatering and rehabilitation of the Sand Queen main shaft to gain underground access to source any remnant ore, for geological mapping, and to assess use of the shaft as a means of underground access to the Sand George deposit.



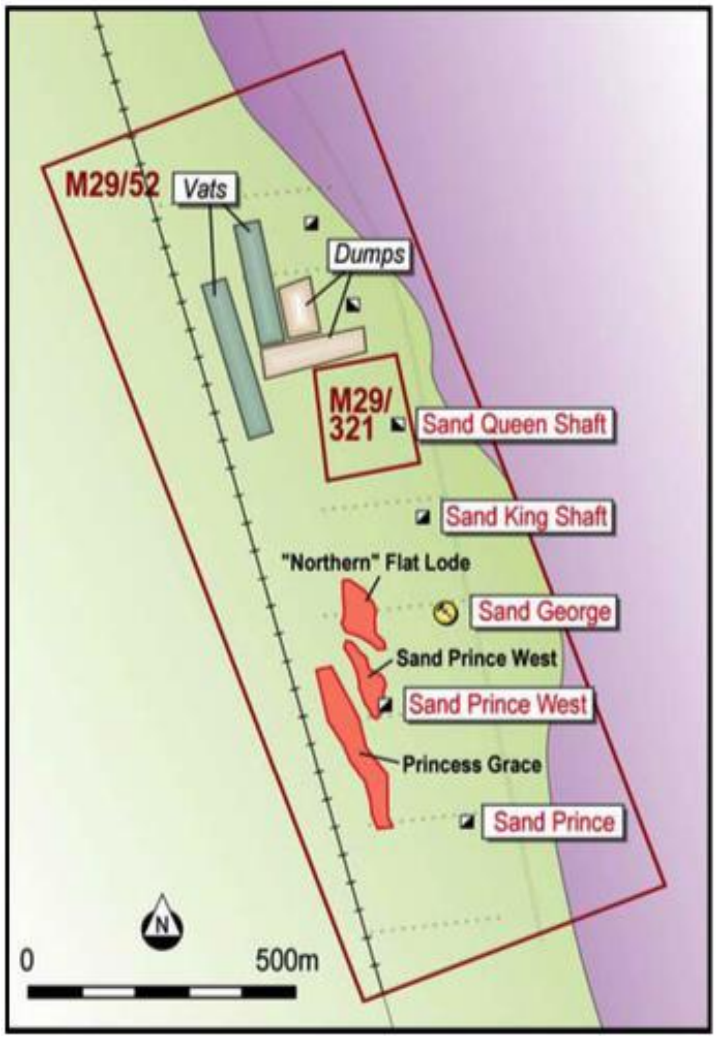
Sand Price West and Princess Grace Project – drill hole location plan with interpreted mineralised lode structure (Reed ASX release, May 2007)

2003: Dewatering and rehabilitation of the Sand Queen main shaft to below No.4 Level was completed and geological mapping/sampling of the 4 Level south drive revealed a change in structural position of the lode below 4 Level. Infill RC drilling at the south end of Sand Queen identified an Indicated Mineral Resource. Exploration of the Comet Vale lode structure at the Sand George prospect included diamond drilling to test the deeper lode positions, re assessment of the geological model, and recalculation of the Mineral Resource. Drilling also confirmed a shallow, flat lying structure referred to as the Sand Prince West lode.

2004: Exploration at the Comet Vale project during 2004 continued to target the area's gold potential and was confined mostly to M29/52 and the included M29/321. Most exploration

focused on definition of a mineable inventory at the Sand George deposit and an evaluation of various mining options for feasibility studies for development of a mine.

2005: Development focused on Sand Prince West where a total of 93 RC holes were drilled. Exploration focused on mapping of the eastern tenure, determining the potential for nickel laterite within the Walter Williams formation, drilling at Coonega and flying of an aeromagnetic survey.



Local Infrastructure, main mineralised zones and workings of the Comet Vale mine area (Reed Quarterly Report, September 2007)

2006: Exploration and infill drilling proved up further gold resources to the south and west of the Sand George lode. Detailed aeromagnetic and gravity surveys over the tenure along with detailed surface mapping, and anomalous geochemistry defined further gold targets. Encouraging significant results at Long Tunnel and Happy Days prospects led to establishing survey control at Long Tunnel/Lake View and Lady Margaret. An environmental survey of the western tenure was conducted prior to first pass drilling at Sand Duke. Other work included the collation of historical data and further evaluation of the nickel/copper sulphide potential over eastern tenements.

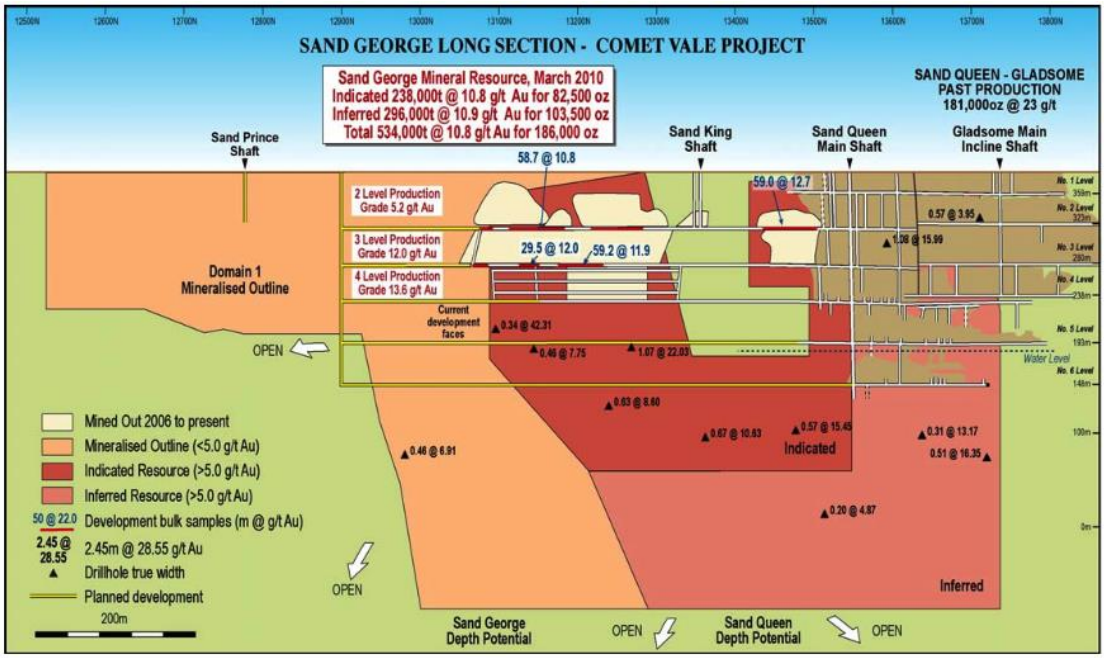
2007: Exploration and development drilling continued to expand the extent of the known gold mineralisation. Exploration RC drilling tested a number of outcropping quartz veins and structural targets.

2008 - 2009: Resource extension drilling continued to expand the extent of the known gold mineralisation. Exploration for shallow, open pittable deposits, to complement the Sand Prince West and Princess Grace deposits, included RC drilling along strike from the old Coonega mine and of the Comet Vale Shear Zone northeast of Coonega. Resource extensional drilling into Sand Prince was undertaken open pit extensions and expansion.

Recent Mining Operations

Underground mining operations have focused on the Sand George deposit, 250 m south of the old Sand Queen shaft. The Sand Queen shaft had previously been dewatered and rehabilitated down to the four level (152 m vertical depth) but most of the old workings were inaccessible. The shaft provided access to remnant ore near the shaft and to the Sand George lodes. Gold production re-commenced in June 2006, 68 years since ore was last hoisted from the shaft.

Mining was completed at the Sand Queen Gold Mine on 31 May 2010 under the pre-existing production joint venture arrangement. In May 2010, Underground operations were suspended at the Sand Queen Gold Mine from 1 June 2010 pending resolution of a long term milling solution or the refurbishment and re-commissioning of the Nimbus processing plant, 15 km southeast of Kalgoorlie that was purchased in September 2009.



Vertical longitudinal projections of the Sand Queen Gold Mine, showing the resource outline in relation to current and planned development with selected drillhole intersections for Domain 1 (top) only. (Footwall and Hangingwall Domains can be found on ASX announcement 8 April 2010)[2]

[2] Source: Reed Resources Ltd, 2010, Competent Person: Craig Fawcett

ANNEXURE 4 – COMET VALE PROJECT JORC CODE (2012) TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• A diamond drilling program to test the mineralised structures was conducted • Interpreted mineralised intervals were marked up and cut via a diamond saw, with half core submitted for analysis. Length of intervals selected and cut ranged from 0.5 to 1.0 metre and were based on geological boundaries were appropriate. • Drill hole collar locations were recorded by handheld GPS survey with accuracy +/-2 metres. • Analysis was conducted by submitting the half core 2-4kg sample whole for preparation by crushing, drying and pulverising • The sampling procedures were audited as part of the Mineral Resource Estimation.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• HQ from surface (78 mm) was used for all drilling.
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.*	• Sample recovery was recorded as a percentage which in general was greater than 95%. • A number of duplicate samples were collected by comparing ¼ core with ½ core and results were within 15% of each other. The recorded data indicates no potential sampling bias.
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.*	• HQ core was logged in detail, photographed wet and dry, RQDs, structural measurements on all completed. Core was orientated where possible. • Logging and recording of critical data for the diamond core is a combination of qualitative and quantitative measurements and observations • All drilling was logged.
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.*	• HQ diamond core was sawn in half along orientation lines or cut lines marked by the geologist in the field. • Sample preparation for all recent samples follows industry best practice..

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns. • The sampling procedures were audited as part of the Mineral Resource Estimation.
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The methods are considered appropriate to the style of mineralisation. Extractions are considered near total. • No geophysical tools were used to determine any element concentrations at this stage. • Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Repeat and duplicate analysis for samples shows that the precision of analytical methods is within acceptable limits.
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.*	• The Company's Geologist has visually reviewed the samples collected. • No twin holes were drilled. • Data and related information is stored in a validated database. Data has been visually checked for import errors. • No adjustments to assay data have been made.
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.*	• All drillholes have been located by GPS with precision of sample locations considered +/- 2m. • Location grid of plans and cross sections and coordinates use WGS84, • Topographic data and RL values are assumed.
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.*	• The holes are nominally spaced on 25 metre sections (approx. E-W) with hole spacing down dip being 10 to 20 metres. • Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation classification applied. • Sample compositing has not occurred.
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 is considered adequate and there is not enough data to determine bias if any. • Mineralisation strikes north-north-west. Drilling was orthogonal to this apparent strike and comprised angled diamond drill holes.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by the Company and samples are transported to the laboratory via Company staff with samples safely consigned to Intertek for preparation and analysis. Whilst in storage, they are kept in a locked yard. Tracking sheets are used track the progress of batches of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling procedures were audited as part of the Mineral Resource Estimation.

Section 2 Reporting of Exploration Results

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 Comet Vale Project is covered by Mineral Leases M29/35, M29/52, M29/85, M29/185, M29/186, M29/197, M29/198, M29/199, M29/200, M29/201, M29/270, M29/232, M29/233, M29/235, M29/321 and E29/927 and L29/067 • The Tenements are held by Sand Queen Gold Mines Pty Ltd • The tenements are in good standing • No impediments to operating on the permit are known to exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project was previously explored by Reed Resources Ltd
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Gold mineralisation occurs in mafic hosted sulphidic lode systems developed within 10m of the mafic to ultramafic/metasediment contact. Drilling of the contact zone has demonstrated a nearly continuous development of one and locally two to three parallel lodes varying in thickness from less than 20cm to greater than 5m thick over a strike length of >1,000m and to a depth of 260m. Further depth and strike extensions remain to be tested.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• 113 diamond drill holes for 8,560.6m have been completed across the Golden Lode Project area. Mineralisation has been tested to a maximum depth of 285.35m down hole. The drilling has been completed on a nominal 20 x 40m grid across the contact zone with a maximum depth of 314.8m.
		• Details of the drilling are included in the Mineral Resource Estimation Report

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No averaging or aggregation techniques have been applied. • No top cuts have been applied to exploration results. • No metal equivalent values are used in this report.
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 (e.g. 'down hole length, true width not known').*	• The orientation or geometry of the mineralised zones strikes in a north-northwest direction and dips in sub vertical to steep manner to the west.
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 maps are included in main body of report with gold results
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.*	• All results for the target economic minerals being gold have been reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	•
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	•

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data was provided as a Excel spreadsheets of collar, down hole survey, and sample intervals, together with four laboratory spreadsheets of assay results. The data was digitally imported and merged using Micromine softwar). Validation routines were run to confirm validity of all data. • Analytical results have all been electronically merged to avoid any transcription errors.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The CP has not made a site visit at this stage due to time constraints. • All logging has been done by site geologists. • Details of the drilling are included in the Mineral Resource Estimation Report
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is good. • Geological logging and interpretation allows extrapolation of drill intersections between adjacent sections. • Alternative interpretations are likely to result in similar tonnage and grade estimation techniques. • Geological boundaries are determined by the spatial locations of the various mineralised structures, and the geological host rocks. • Factors affecting continuity are cross faults, old historic workings and the potential complexity of the mineralized systems. • The drill density is appropriate to the level of classification. • Details of the drilling are included in the Mineral Resource Estimation Report
Dimensions	• *The extent and variability of the Mineral Resource expressed as length*	• Details of the drilling and the mineralised zone are included in the Mineral Resource Estimation Report

Criteria	JORC Code explanation	Commentary
	(along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	•
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Details of the drilling and the mineralised zone are included in the Mineral Resource Estimation Report
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• In general, either the zones are mineralized or not.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The resources defined to date would potentially be amenable to simple open pit and underground mining.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Preliminary metallurgical testwork has suggested excellent metal recoveries.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Preliminary environmental studies have been completed and a Mining Proposal is well advanced. The area has been extensively mined in the past and no environmental impediments are expected.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*	• Bulk density/specific gravity have been assigned based on mineralogical review and analytical results. • Additional testwork (Archimedes Method) of material of various geological and mineralisation types is under way and will be used to update the model in due course. The following densities are applied to the resource model.

Criteria	JORC Code explanation	Commentary
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resources have been classified as Indicated and Inferred. • The Resource model uses a classification scheme based upon drill hole spacing plus block estimation parameters, kriging variance, number of composites in search ellipsoid informing the block cell and average distance of data to block centroid. • The results of the Mineral Resource Estimation reflect the views of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits of the Mineral Resource Estimate have been carried out
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource is reflected in the reporting of the Mineral Resource as being in line with the guidelines of the 2012 JORC Code. • The statement relates to global estimates of tonnes and grade, with reference made to resources above a certain cut-off that are intended to assist mining studies. • No production data is available for comparisons.

ANNEXURE 5 – GOLDEN LODE GEOLOGY AND HISTORICAL EXPLORATION

Regional Geology

The dominant rock types of the Barlee Terrane are tholeiitic basalts and gabbros and the distinctive Banded Iron Formation (BIF) units. Outcrop is generally sparse with much of the area being covered by varying thicknesses of lateritic gravel, laterite and recent alluvial deposits.

There are several major regional shear zones in the area. The Mt Ida Fault marks the contact between the western mafic sequence and the eastern basaltic-ultramafic-felsic-sedimentary sequence. The Zulieka shear defines the eastern boundary of the greenstone belt. These shears are associated with several major gold deposits in the region.

The greenstone rocks within the project area can be divided into distinct zones. The 'Western sequence' comprises fine-grained clastic metasedimentary rocks, dolerite, high magnesium basalts with minor interflow sedimentary rocks and felsic volcanic intercalated with felsic volcaniclastic rocks. The 'Eastern sequence' comprises a thick succession of tholeiitic basalts with minor dolerite and thin schist units. A thin ultramafic unit marks the boundary between the two sequences. The dominant rock types of the Barlee Terrane are tholeiitic basalt, gabbro and Banded Iron Formation.

Project Geology

A well-defined vertical to steeply west dipping lithological contact extends north through the Golden Lode Project area. To the west is a sequence of metasediments, to the east mafic to ultramafic schists. Gold mineralisation occurs as a well-defined sulphidic lode largely within the mafic to ultramafic schists at or close to the contact zone. The contact is obscured beneath a thin but extensive cover of lateritic soil.

Two small shafts 15 and 30m deep were dug along the contact zone and a 15m deep open stope is visible at surface. Reported production from the workings is 1,030t treated for 393oz Au produced.

The project is located on a major shear, which is to the east of the geological contact, but within 10 metres. The western area's rocks are deemed lower prospectively than the eastern shears and rocks, which hosts the main lodes in the region. The "Golden Lode Fault" intersects the eastern rocks and has significant mineralisation. The fault has been mapped from aerial photography. There is a magnetic response from the rock unit west of the NNW mineralised shear contact (main lode). A second north east trending structure is speculated at the northern end of the tenements supported by geochemistry.

Mineralisation

Gold mineralisation occurs in mafic hosted sulphidic lode systems developed within 10m of the mafic to ultramafic/metasediment contact. Drilling of the contact zone has demonstrated a nearly continuous development of one and locally two to three parallel lodes varying in thickness from less than 20cm to greater than 5m thick over a strike length of >1,000m and to a depth of 260m. Further depth and strike extensions remain to be tested.

The most extensive and continuous lode is developed immediately adjacent to the contact. The parallel lodes developed up to 10m into the mafic host are discontinuous and mainly restricted to a central 300m section of the 1,000m strike length tested to date. A discrete but strike discontinuous zone of enrichment occurs at depths of between 30 and 60m. In a central

300m portion of the 1,000m of strike, multiple lodes are developed and a high-grade shoot plunges at about 50 degrees to the north down to at least 260m below the surface.

Arsenopyrite, pyrrhotite and pyrite are widely distributed in the lodes, locally forming up to 10% of the lode material. The sulphides occur in and around the quartz veins and through the mafic host material. There is a marked correlation between the arsenopyrite content and gold. It has not yet been determined if the gold is preferentially contained in the quartz or the host mafic material.

Above about 50m below surface the sulphides are oxidised to a prominent brown limonitic and jarositic discoloration. In the open stope, the brown discolouration is preferentially but not exclusively associated with the highly deformed quartz veins.

Previous Exploration

Historical Mining

In September 1989 a Tribute Agreement was signed whereby Golden Lode Syndicate would work the resource on behalf of Intrepid Resources NL. The work involved sinking of a 97m twin compartment shaft, with development on two levels 46 and 91m level below surface). Shrinkage stope mining was undertaken on a high grade lens identified by drilling. Stoping commenced in August 1990 with treatment of 10,297t at 8.86g/t Au completed.

Early Exploration 1980-2000 – Davyhurst Group

The Golden Lode deposit forms part of the larger Davyhurst gold district. Gold was discovered in the Davyhurst area in 1897. Between 1897 and 1937 approximately 108,000oz of gold was produced from the area. Modern exploration commenced in the 1980s with several companies exploring around the historical underground works. In 1983 Western Mining Corporation (WMC) commenced exploration around the old Golden Eagle and Waihi workings. Between 1984 and 1987, Jones Mining and Billiton Australia in Joint Venture and Hill Minerals began exploring leases adjacent to, and surrounding the WMC leases, at which time WMC established a 300,000 tpa CIP plant at Golden Eagle to mill ore from Golden Eagle and Waihi.

In 1988 Consolidated Exploration Limited acquired the Davyhurst assets of WMC and Jones Mining (Billiton withdrawing from the Jones JV in 1987) through a series of stock market acquisitions and direct purchases. Consolidated Exploration Ltd continued mining at Golden Eagle and developed open cuts at Great Ophir, Lady Eileen, Lady Eileen South and Homeward Bound. Mining operations ceased in 1991 and the plant was sold.

Hill Minerals formed a JV with Aberfoyle in 1988 to commence mining of the Lights of Israel (LOI) deposit, with the ore being trucked to Bardoc Mill. In 1993 the Bardoc JV purchased M30/73 from Consolidated Exploration Ltd to extend the LOI Open cut, which subsequently lead to the discovery of the LOI underground resource.

In 1996 the leases of Consolidated Gold NL (formerly Consolidated Exploration Ltd) were consolidated with the acquisition of the Bardoc Gold Mines Pty Ltd from Aberfoyle Resources Ltd. The Bardoc Mill subsequently moved from Bardoc to Davyhurst and upgraded to 1.2 Mta. The mill commenced operations at Davyhurst in July 1997.

During 1998 Consolidated Gold NL was restructured as Davyhurst Project Pty Ltd, in March 1999 the mill was placed on care and maintenance. Total production from the Davyhurst project area between 1986 and 1999 was approximately 523,840oz of gold.

Golden Lode - Croesus Mining NL 2002

A soil geochemistry survey was completed on previously untested areas surrounding the Golden Lode Mine. Two RAB drilling programs were conducted in the Golden Lode area during 2002. Firstly 54 holes for a total of 2520 m were drilled on a 200 m line spacing by 80m drill hole spacing. These holes were designed to test a soil geochemistry anomaly located north of the Golden Lode Mine and targeted the continuation of the sediment/mafic contact that hosts the Golden Lode Mine, some 1km to the south.

A second RAB drilling program was conducted to test shallow (laterite) and bedrock anomalies discovered in previous RAB drilling located north of the Golden Lode Mine. Drilling consisted of a RAB infill program with a 100 m line and 40 m drill hole spacing. A total of 30 holes angled at -60° to grid east were drilled in the program for 1907 m.

RAB drilling at the Golden Lode prospect intersected, from west to east, basalt, felsic sediments, mafic schist, amphibolite, quartz and feldspathic sandstones and fine-grained siltstones. Sediments intersected include feldspar-quartz-biotite sandstones, siltstone and shale. The mafic schist unit of the Golden Lode Shear was also intersected. There appears to be a supergene blanket of mineralisation in the regolith with higher grades being associated with quartz veining.

Material RAB Intercepts - Golden Lode						
Hole ID	Northing	Easting	Azi.	Decl.	Depth	Intercept
GNRB020	6673400	269960	0	-90	54m	1m at 20.47g/t Au from 18m
GNRB030	6673040	270040	0	-90	39m	8m at2.89g/t Au from 29m
GNRB049	6672800	270120	0	-90	65m	7m at 1.52g/t Au from 30m
						3m at 1/14g/t Au from 42m
						6m at 1.21g/t Au from 49m
GNRB056	6672800	270080	-60	-60	85m	6m at 1.67g/t Au from 43m
GNRB060	6673200	270080	-60	-60	64m	4m at 1.19g/t Au from 51m
GNRB074	6673300	270000	-60	-60	59m	3m at 2.65g/t Au from 56m

All material intercepts are shown in the table. Interval Top Cut 999g/t, Interval Bottom Cut 0.5g/t, Maximum Internal Dilution 1m, Individual Assay Au Average 30g/t. Intercepts are reported as down hole distances.

Diamond Drilling at Golden Lode

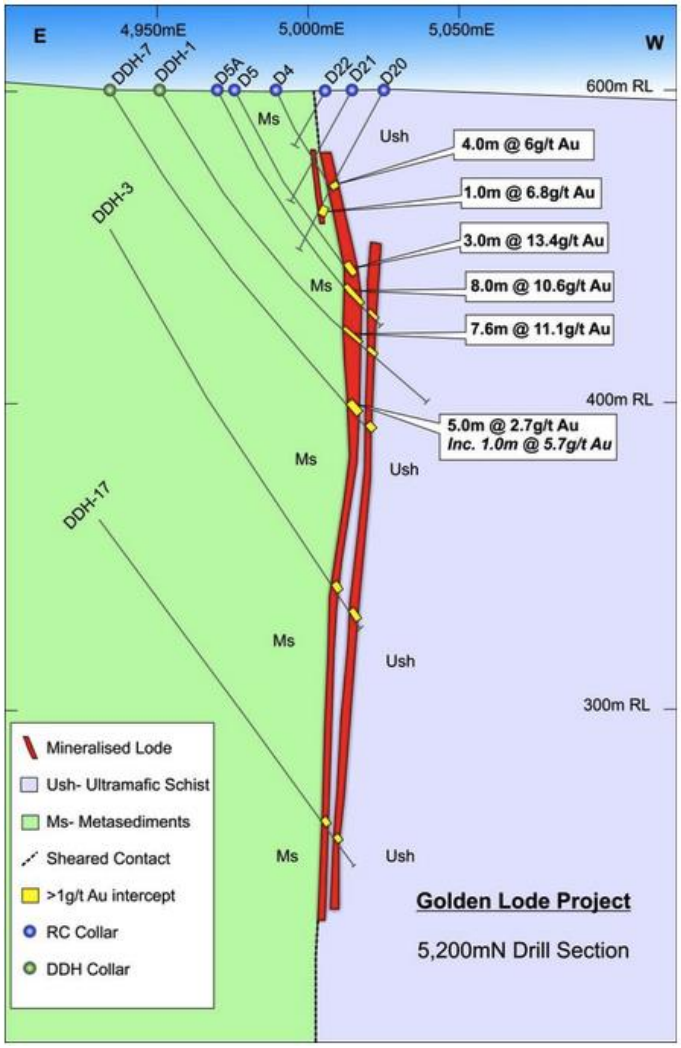
113 diamond drill holes for 8,560.6m have been completed across the Golden Lode Project area. Mineralisation has been tested to a maximum depth of 285.35m down hole. The drilling has been completed on a nominal 20 x 40m grid across the contact zone with a maximum depth of 314.8m. Material intercepts reported include:

Golden Lode - Drill Hole Intercepts >5g/t Au

Hole ID	East	North	From	To	Length	Au, g/t
D59	4964	4953	33.00	35.00	2.00	19.65
D55	4973	4999	56.00	60.00	4.00	5.77
D02	4994	5110	32.00	33.00	1.00	6.00
DDH09	4953	5116	106.95	107.35	0.40	6.18
D17	5013	5135	34.00	35.00	1.00	10.90
D30	4987	5138	20.00	23.00	3.00	28.33
D05	4971	5197	68.00	71.00	3.00	13.43
D05A	4961	5197	77.00	85.00	8.00	10.65
DDH01	4950	5197	97.95	105.55	7.60	11.35
D20	5027	5205	32.00	36.00	4.00	6.02
and	5027	5205	43.00	44.00	1.00	6.84
DDH14	4907	5240	184.70	186.80	2.10	5.53
DDH06	4938	5240	122.65	122.95	0.30	15.00
DDH05	4935	5282	123.30	124.30	1.00	14.14
DDH15	4893	5283	201.35	202.20	0.85	10.03
D11	4980	5320	37.00	39.00	2.00	10.52
D12	4960	5320	66.90	76.80	9.90	6.46
DDH16	4899	5320	170.40	171.25	0.85	12.71
GLRC004	4970	5360	47.00	48.00	1.00	5.80
D33	4960	5400	50.00	56.00	6.00	77.36
and	4960	5400	59.00	60.00	1.00	266.00
D42	4940	5482	90.86	91.05	0.20	18.00
GLRC005	4970	5520	35.00	36.00	1.00	109.00
D46	4941	5522	89.20	91.20	2.00	10.08
D76	4940	5680	66.00	70.00	4.00	8.85

Drill intercepts are down hole length and not true width. A table of all drill intercepts over 1g/t Au is included in Annexure 5 of this Announcement. The distribution of intercepts grades is shown in the following quartile table.

Quartiles - Gold intercepts >1g/t			
1st	2nd	3rd	4th
1.93	3.23	6.06	266.00



Schematic interpretation of the mineralised zone on section 5,200mN

ANNEXURE 6 – GOLDEN LODE JORC CODE (2012) DETAILS

GOLDEN LODE PROJECT

GOLDEN LODE DRILL COLLARS

HoleID	East	North	RL	Azimuth	Dip	depth
D01	4972	5163	500	90	-60	67
D02	4994	5110	500	90	-60	43
D03	4973	5114	500	90	-60	85.1
D04	4992	5197	500	90	-60	37
D05	4971	5197	500	90	-60	71
D05A	4961	5197	500	90	-60	92
D06	4981	5282	500	90	-60	52
D07	4960	5282	500	90	-60	83.9
D08	4980	5359	500	90	-60	36
D09	4960	5359	500	90	-60	73
D10	5001	5318	500	90	-60	43
D11	4980	5320	500	90	-60	45
D12	4960	5320	500	90	-60	80.2
D13	5001	5240	500	90	-60	43
D14	4981	5240	500	90	-60	43
D15	4960	5240	500	90	-60	96.65
D16	4984	5160	500	90	-59	43
D17	5013	5135	500	270	-59	55
D19	4976	5034	500	90	-60	76
D20	5027	5205	500	270	-62	62
D21	5016	5205	500	270	-59	40
D22	5008	5241	500	270	-60	20
D23	5007	5179	500	270	-60	20
D24	5012	5179	500	270	-60	40
D25	5022	5179	500	270	-60	55
D26	5012	5222	500	270	-60	19
D27	5021	5222	500	270	-60	43
D28	5014	5157	500	270	-60	46
D29	4998	5138	500	90	-59	24
D30	4987	5138	500	90	-59	67
D31	5000	5399	500	90	-59	49
D32	4980	5400	500	90	-59	55
D33	4960	5400	500	90	-59	61
D34	4940	5401	500	90	-55	100.2
D35	5000	5441	500	90	-60	55
D36	4981	5441	500	90	-60	61
D37	4960	5444	500	90	-60	67
D38	4940	5448	500	90	-57	107.7
D39	5000	5480	500	90	-57	61
D40	4981	5478	500	90	-56	55

D41	4961	5480	500	90	-60	73
D42	4940	5482	500	90	-60	96
D43	5000	5519	500	90	-60	49
D44	4982	5520	500	90	-60	50
D45	4961	5523	500	90	-60	67
D46	4941	5522	500	90	-60	103
D47	5015	5072	500	90	-60	31
D48	4993	5070	500	90	-60	42
D49	4974	5070	500	90	-60	74.2
D50	5015	5035	500	90	-60	31
D51	4994	5035	500	90	-60	49
D52	4985	5035	500	90	-60	55
D53	5014	4999	500	90	-60	34
D54	4994	4999	500	90	-60	46
D55	4973	4999	500	90	-60	66
D56	5025	4951	500	90	-60	31
D57	5004	4952	500	90	-60	69
D58	4984	4952	500	90	-60	31
D59	4964	4953	500	90	-60	55
D60	4943	4951	500	90	-60	122.3
D61	4984	4917	500	90	-60	31
D62	4964	4918	500	90	-60	49
D63	4943	4918	500	90	-60	125
D64	4964	4876	500	90	-61	49
D65	4981	5559	500	90	-61	40
D66	4961	5559	500	90	-60	60
D67	4941	5559	500	90	-60	108
D68	4982	5598	500	90	-60	40
D69	4960	5598	500	90	-59	60
D70	4940	5598	500	90	-59	93
D71	4982	5639	500	90	-59	40
D72	4961	5638	500	90	-60	53
D73	4941	5640	500	90	-60	79
D74	4981	5680	500	90	-60	40
D75	4960	5680	500	90	-60	60
D76	4940	5680	500	90	-60	72
D77	4960	5720	500	90	-60	60
D78	4940	5720	500	90	-60	69
D79	4940	4878	500	90	-59	91
D80	4980	4836	500	90	-59	40
D81	4961	4837	500	90	-60	60
D82	4940	4837	500	90	-60	105.5
D83	4980	4799	500	90	-59	40
D84	4960	4799	500	90	-59	60
D85	4940	4798	500	90	-60	96

D86	4980	4759	500	90	-60	40
D87	4960	4758	500	90	-60	60
D88	4981	4718	500	90	-59	40
D89	4960	4718	500	90	-59.5	60
DDH01	4950	5197	500	90	-60	135.7
DDH02	4926	5401	500	90	-60	132.5
DDH03	4934	5359	500	90	-62	116.5
DDH04	4934	5320	500	90	-60	126.6
DDH05	4935	5282	500	90	-60	131.2
DDH06	4938	5240	500	90	-60	127
DDH07	4936	5197	500	90	-60	137.6
DDH08	4945	5162	500	90	-60	131
DDH09	4953	5116	500	90	-65	110.5
DDH10	4952	5070	500	90	-60	106
DDH11	4940	4999	500	90	-70	126.7
DDH12	4915	5680	500	90	-60	189
DDH13	4904	5199	500	90	-60	204
DDH14	4907	5240	500	90	-64	194.2
DDH15	4893	5283	500	90	-62	210
DDH16	4899	5320	500	90	-60	175
DDH17	4858	5200	500	90	-66	294.55
DDH18	4842	5357	500	90	-60	314.8
GLRC004	4970	5360	500	90	-60	60
GLRC005	4970	5520	500	90	-60	50
GLRC006	4965	5800	500	90	-60	60
GLRC007	4940	5800	500	90	-60	50
GLRC008	4915	5800	500	90	-60	60
GLRC009	4990	5800	500	90	-61	50

Golden Lode - Drill Hole Intercepts

Maximum Internal Dilution : 2.00, Minimum Grade : 1.00

Hole Id	From	To	Length	Au ppm
D02	21	23	2	4.83
D02	32	33	1	6.00
D03	58	59	1	1.10
D03	60	64	4	3.50
D05	68	71	3	13.43
D05A	77	85	8	10.65
D05A	88	91	3	1.96
D06	25	29	4	1.82
D06	46	50	4	2.39
D07	68	68.5	0.5	3.34
D07	76.65	80.25	3.6	2.53
D09	58	63	5	4.57

D09	66	69	3	4.28
D11	37	39	2	10.52
D12	54	56	2	1.80
D12	59	60	1	1.00
D12	66.9	76.8	9.9	6.46
D14	33	34	1	2.42
D15	84.9	85.61	0.7	4.62
D16	24	28	4	3.71
D16	31	32	1	1.00
D17	34	35	1	10.90
D17	48	49	1	1.06
D19	67.95	68.55	0.6	3.18
D20	32	36	4	6.02
D20	43	44	1	6.84
D21	25	26	1	1.22
D27	39	41	2	4.62
D30	20	23	3	28.33
D33	50	56	6	77.36
D33	59	60	1	266.00
D37	43	44	1	1.40
D37	46	47	1	1.32
D37	62	63	1	3.34
D42	90.86	91.05	0.2	18.00
D45	42	55	13	2.22
D46	89.2	91.2	2	10.08
D49	67.7	69.5	1.8	2.10
D52	48	49	1	1.20
D55	36	38	2	3.28
D55	44	45	1	2.66
D55	51	52	1	1.64
D55	56	60	4	5.77
D58	1	2	1	2.50
D59	33	35	2	19.65
D60	115.9	118.15	2.25	2.11
D63	111.75	112.5	0.75	1.37
D63	120	120.5	0.5	2.10
D64	38	41	3	1.35
D64	42	43	1	1.14
D66	42	48	6	4.27
D73	60	61	1	3.68
D73	74	75	1	3.50
D76	66	70	4	8.85
D78	57	58	1	1.04
D78	62	64	2	3.06
D79	82	84	2	1.43

D81	30	32	2	1.96
DDH01	97.95	105.55	7.6	11.35
DDH01	109.8	111.9	2.1	2.35
DDH05	115.75	117.75	2	2.10
DDH05	123.3	124.3	1	14.14
DDH06	122.65	122.95	0.3	15.00
DDH07	126.7	130.7	4	2.87
DDH08	120.8	121.4	0.6	3.12
DDH09	100.55	101.55	1	1.62
DDH09	103.55	104.65	1.1	1.99
DDH09	106.95	107.35	0.4	6.18
DDH11	118	119	1	2.13
DDH11	122	122.5	0.5	2.28
DDH13	198.05	200.85	2.8	1.36
DDH14	184.7	186.8	2.1	5.53
DDH15	201.35	202.2	0.85	10.03
DDH16	165.15	166.3	1.15	1.83
DDH16	170.4	171.25	0.85	12.71
DDH17	284.6	285.35	0.75	3.53
GLRC004	47	48	1	5.80
GLRC005	35	36	1	109.00
GLRC005	42	43	1	1.44
GLRC006	47	48	1	3.66

Golden Lode Project JORC Code (2012) Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Comments
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.*	There were 3 drilling programs undertaken. The first program consisted of 90 RC holes D01 – D89 for 5268m in 1987/88 presented in WAMEX report a24688. The second program was conducted in 1988/89 consisted of 18 diamond holes with RC pre-collars presented in WAMEX report a26662, and the third program of 6 RC holes for 330m was conducted in 1995 presented in WAMEX report a47241.
	· *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	No information has been provided in reports a24688 and a26662 in regards to the reference to measures taken to ensure sample representivity. Report a47241 states that duplicate samples were collected, however there is no information regarding the analysis of the duplicate and original sample pairs to assess representivity.

	· *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	As this data was based entirely on data provided by previous project operators, the following information has been sourced from WAMEX reports provided to the Department of Mines and Petroleum: - RC samples were collected from 5m composites initially, and re-sampled as 1m samples in mineralised zones for the D series holes. The DDH series holes were diamond core which was halved and sampled at varying intervals from 0.3m to 1.0m within mineralised zones. The later 1995 GL holes were RC with samples collected from 5m composites initially, and re-sampled as 1m samples in mineralised zones.
	· *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	RC drilling was initially sampled as 4 or 5 metre 2-3kg composite samples and submitted for industry standard gold analysis using atomic absorption for the 1987/88 holes and fire assay for the 1995 RC holes. 1m samples from the mineralised zones were later collected and analysed by the same methodology. Diamond core was logged, halved and sampled on intervals typically less than 1m. Sampled were submitted for gold analysis using atomic absorption.
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).*	Drilling types used were RC and diamond. Drilling was undertaken by previous project operators and no records of RC or diamond drilling diameter is available.
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.*	Drilling was undertaken by previous project operators and no records of sample recovery were recorded.
	· *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	As drilling was undertaken by previous project operators, no records of measures taken to maximise sample recovery and ensure representative nature of the samples were recorded
	· *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.*	No sample bias has been reported in annual exploration reports of previous project operators

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.*	All RC and diamond drill holes have been logged by previous project operators and geology has been included in the WAMEX reports. Subsequent drilling is planned by the company which will be geologically and geotechnically logged to a modern 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.*	Logging has been conducted both qualitatively or quantitatively with logging codes assigned to all intervals and descriptions of lithologies, alteration, weathering, mineralisation and veining.
	· *The total length and percentage of the relevant intersections logged.*	The entire length of all RC and Diamond drill holes was logged.
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.*	1/2 core sampled.
	· *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	No record of the drill cuttings being riffled, tube sampled or rotary split were recorded nor whether samples were wet or dry. Given the age of the drilling it is likely that the 1m samples were riffle split to industry standards at the time.
	· *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Diamond core was sampled at intervals usually not greater than 1 metre intervals in mineralised zones. RC chip samples were taken at 1m intervals in mineralised zones. 1m sample intervals are appropriate given the narrow nature of the gold lodes.
	· *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Quality control procedures have not been described in detail within the reports. There is mention of duplicate samples and standards being used, but no detail is provided. A comment is provided stating that gold analysis check work using fire assay in comparison to the original atomic absorption assay show no bias, but no details were provided to conduct an independent analysis.
	· *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.*	40 replicate core samples of the core were also submitted and assayed by fire assay, and 1 RC chip sample in every 12 samples were submitted as a duplicate sample.
	· *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample sizes are appropriate to the grain size of the material being sampled
Quality of assay data and	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assays were analysed by Kalgoorlie Assay Laboratories using atomic absorption for gold with check assaying by fire assay. Both assay techniques are considered total.

laboratory tests	· *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.*	Not used for grade reporting or interpretation
	· *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.*	Standard industry quality control procedures appear to have been adopted, although the detail of these procedures were not included in Wamex report. Comment is provided that the assay method of atomic absorption is appropriate for gold analysis given no bias was noted against the 40 check samples submitted for fire assay.
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.*	No record of independent verification exists
	· *The use of twinned holes.*	No twinned holes were recorded in the database
	· *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	The primary data was located within the drilling logs included as an appendix to the Wamex reports.
	· *Discuss any adjustment to assay data.*	No adjustments were made to assay data presented in this report
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.*	No reference to survey accuracy has been made in exploration reports
	· *Specification of the grid system used.*	Collar locations were referenced on exploration plans in local grid co-ordinates
	· *Quality and adequacy of topographic control.*	No reference to topographic control has been made in exploration reports
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.*	Drilling was conducted on 40m spaced drilling sections with a 20m hole spacing
	· *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.*	Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource Estimation procedures.
	· *Whether sample compositing has been applied.*	No Sample compositing applied
Orientation of data in relation to	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of drill holes is appropriate for testing a steeply dipping mineralised zone, with hole direction approximately perpendicular to the strike of the mineralised zones.

geological structure	· *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 relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bia.s
Sample security	· *The measures taken to ensure sample security.*	No record has been kept relating to the security of the samples taken by previous operators
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	No record of audits or reviews by previous operators has been located

Section 2 Reporting of Exploration Results

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 project consists of seven prospecting licenses P30/1100 – 1105 and P30/1131 in Western Australia. The tenements are held by Golden Lode Pty Ltd.
	· *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.*	All tenements are in good standing and there are no known impediments to conduct exploration activities in the area.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	All work referenced in this report has been undertaken by previous project operators and is deemed appropriate to industry standards at the time of operation. The majority of the material work undertaken was by Intrepid Resources in 1987 to 1989, and by Consolidated Gold in 1995.
Geology	· *Deposit type, geological setting and style of mineralisation.*	A well-defined vertical to steeply west dipping lithological contact extends north through the Golden Lode Project area. To the west is a sequence of metasediments, to the east mafic to ultramafic schists. Gold mineralisation occurs as a well-defined sulphidic lode largely within the mafic to ultramafic schists at or close to the contact zone. The contact is obscured beneath a thin but extensive cover of lateritic soil.
Drill hole Information	· *A summary of all information material to the understanding of the exploration results including a tabulation of the following*	The drill holes reported in this announcement have the following parameters applied:

	information for all Material drill holes:	
	easting and northing of the drill hole collar	Eastings and Northings are provided in the original local drilling grid which is perpendicular the strike of the mineralised zones. Local grid north strikes at 347° magnetic.
	elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar	Surface elevation is assumed to be 500m
	dip and azimuth of the hole	The dip of the holes are -60°, and the azimuth of the majority of the holes is 090°, with the exception of 10 holes (D17, D20 – 28) were drilled towards 270°
	down hole length and interception depth	Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of an intersection as measured along the drill trace.
	hole length.	Hole length is the distance from the surface to the end of the hole, as measured along the drill trace.
	· 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.	All results relating to the drill sections provided have been stated
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.*	No upper or lower grade truncations have been applied
	· 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.	No aggregate intercepts have been reported.

	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No Metal equivalence are reported.
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	The intersection width is measured down the hole trace and is not the true width. Cross sections provided in the report allow the relationship between true and down hole width to be viewed.
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Drill holes are drilled perpendicular to the strike of the mineralised zone.
	· *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').*	All drill results within this announcement are downhole intervals only. True width is not reported but can be calculated from the cross sections provided in the report.
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 maps and cross sections are included 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.*	All results where gold grades of greater than 1g/t have been reported.
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.*	No other exploration data is considered meaningful and material to this announcement. Bulk density, groundwater, geotechnical and rock characteristics were not recorded in the historical drilling
Further work	· *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Infill holes will be drilled to define the continuity of mineralisation and Specific Gravity, metallurgical and geotechnical samples.

	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Future drilling areas have not currently been defined.