(ASX: SPX)

ASX ANNOUNCEMENT

13 June 2018

Company Update

Progress Report on Washington Gold Project Due Diligence

Spectrum Rare Earths Limited ("SPX" or "the Company) is pleased to provide a progress report on the due diligence activities being undertaken by the company on the Washington Gold Project, northern California, U.S.A.

SPX has completed an initial site visit and has evaluated a large proportion of the geological database for the Washington Gold Project. The database includes over 150 diamond drill holes into the Washington Gold Mine quartz vein system. Based on the due diligence conducted so far, which has involved database integrity checking and separate, independent modeling of the lithologies from the digital diamond drill logs, plus the conversion of the State Plane Section grid to the metric NAD83 (2011) grid system, the company can report a large number of high grade drill intercepts from historic drilling, some of which are located in zones prospective for the discovery of additional gold mineralisation.

A significant number of exceptionally high-grade intercepts from identified but unmined mineralised zones include:

- **1.98m at 167.4 g/t gold from 27.43m in Hole LTDDH-01 (2530 elevation)**
- **0.61m at 106.3 g/t gold from 20.88m in Hole 2010 H6 (Dean Vein)**
- **2.13m at 74.1g/t gold from 15.54m in Hole 2010 H4 (Dean East Vein)**
- **5.18m at 59.4 g/t gold from 78.64m in Hole 1975 DH-04 (Lucky 7 Vein, Bend zone)**
- **2.59m at 56.6 g/t gold from 74.68m in Hole DS-3-23A (Luck 7 Vein, South Madre)**
- **5.91m at 20.6 g/t gold from 107.56m in Hole FG-97-01 (5060 Dean Vein)**
- **2.13m at 33.8 g/t gold from 92.05m in Hole SFC-04 (Hellar vein)**

A full list of significant intersections verified so far from the historic drilling is tabulated in Appendix 1 of this report.

Historic production from the Washington Gold Project has largely been centered on four veins (lodes). Early exploitation in hard rock was conducted on the North-South Vein, then subsequently on the Washington Vein which has been the largest and most productive vein in the mine. A sub-parallel vein, the Dean Vein, was discovered in the footwall of the Washington and most recently, the Lucky 7 Vein located to the south of the Washington and Dean Veins, which was the last vein to be exploited.

Figure 1 shows the position of the Washington, Dean and the Lucky 7 Veins in context with the current underground development, together with an aerial image showing the site infrastructure.

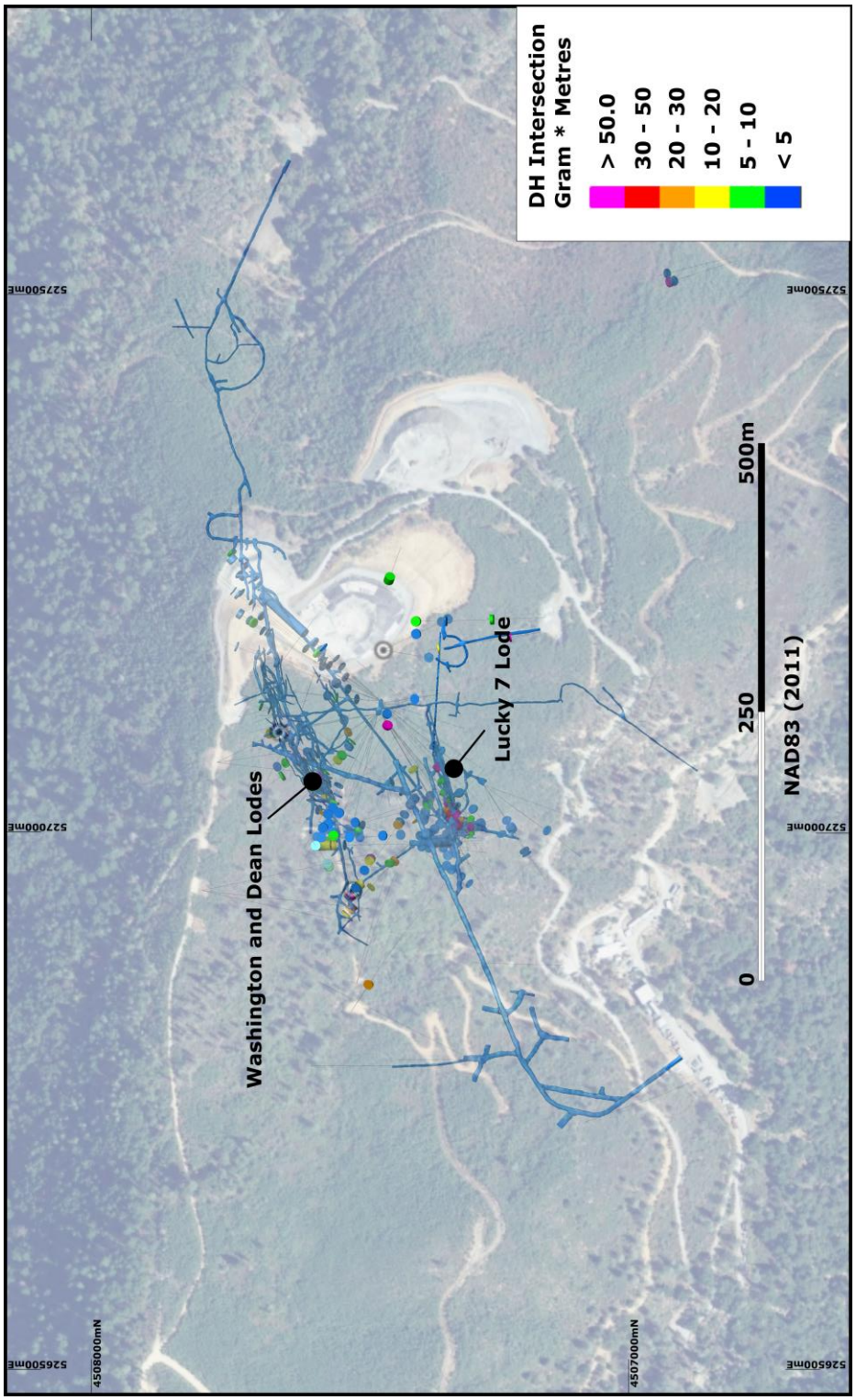

Figure 1.

Aerial view of the Washington Gold Mine with position of underground infrastructure and location of the three main producing vein systems – The Washington, Dean and Lucky 7 veins

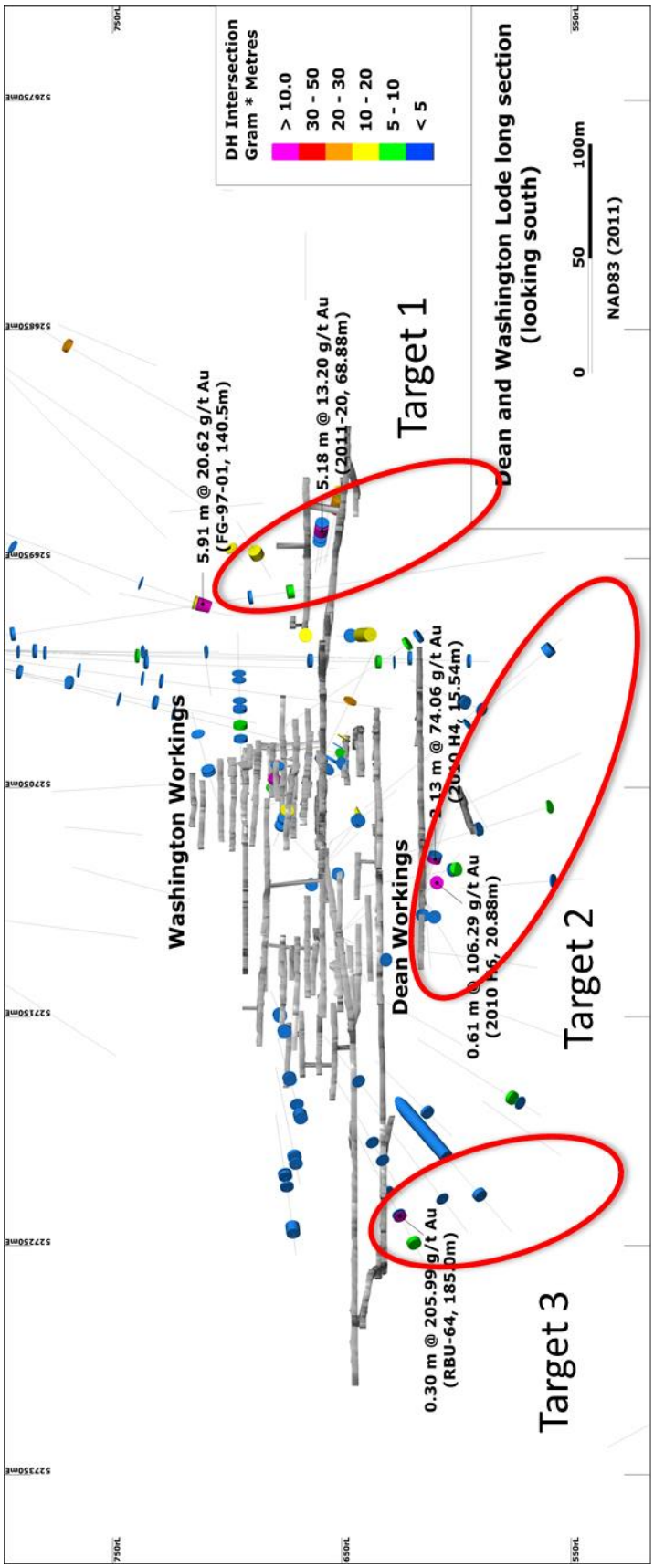

Figure 2.

Long section of the Washington / Dean veins with UG development wireframes drill traces and significant intersections.

Initial areas for drill targeting extensions to the Washington / Dean Vein system are highlighted in Red

Initial Site Visit

During May 2018, SPX completed a brief site visit of the Washington Gold Project. Two full days were spent on-site meeting site-based personnel and touring the underground mine infrastructure, crushing, grinding and flotation circuit, gold room, assay lab, maintenance sheds, offices and associated surface infrastructure such as waste dumps and tailings facilities. Visits were also made to all the other adit entrances that access the underground workings and along the various tracks that access most area within the claim boundaries.

Figure 3 Main Decline portal

Figure 4: Aerial view over mine infrastructure

Figure 5: UG loader

Figure 6: The Dean Vein exposed in the face

Figure 7: Waste Dump

Figure 8: Dry tails stack

Progress on other Due Diligence activities

Other due diligence activities are being undertaken simultaneously to the interrogation of the drilling and geology database.

Specifically, the due diligence process is being conducted in three sections:

Part 1

- Property and Mineral Rights
- Environment and permitting
- Social and Community impacts
- Tailings Storage Facility
- Occupational Health and Safety
- Legal (Employment, litigation and Insurances)
- Logistics

Part 2

- Base Geological data
- Exploration Potential
- Mine operations
- Hydrology
- Mill / Processing and metallurgy

Part 3

- Capital costs
- Operating costs
- Miscellaneous items

The company is on schedule to conclude its due diligence activities within the three-month period of the exclusive option.

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About Spectrum Rare Earths Ltd

Spectrum Rare Earths Limited (ASX: SPX) is a mineral resource exploration and development company. Focussed on identifying and exploring under explored terrain through the use of modern techniques and technology to maximise success.

Forward Looking Statements

Statements regarding Spectrum's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Spectrum's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Spectrum will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Spectrum's mineral properties. The performance of Spectrum may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors.

Appendix 1

Significant Intersection Table – Washington Gold Project

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
1975 DH-01	527,041.35	4,507,730.09	71.3232	159	23	0.61	1.22	0.61	1.23
1975 DH-02	527,039.52	4,507,729.83	72.5424	200	21	67.12	67.36	0.24	3.29
1975 DH-03	527,038.55	4,507,731.09	81.9912	233	19.3	42.21	42.67	0.46	29.52
1975 DH-04	527,039.15	4,507,730.28	85.9536	211	28	14.02	14.33	0.30	8.40
						66.45	67.06	0.61	1.30
						73.15	74.37	1.22	1.82
						78.64	83.82	5.18	59.37
1975 DH-06	527,039.51	4,507,729.80	81.6864	201	11	63.86	64.16	0.30	1.17
1975-D	527,039.31	4,507,740.53	113.3856	18	-10	No significant intercepts			
1A DE	526,998.68	4,507,660.08	32.3088	270	0	No significant intercepts			
2010 H1	527,098.07	4,507,817.74	33.528	20	0	20.27	21.03	0.76	2.26
2010 H2	527,098.04	4,507,817.68	34.4424	20	-14.574	33.53	34.14	0.61	11.52
2010 H3	527,098.00	4,507,817.75	36.576	19	-10.441	24.69	24.84	0.15	6.58
2010 H4	527,094.72	4,507,815.02	94.1832	298	-15.308	15.54	17.68	2.13	74.06
						18.14	19.20	1.07	4.25
2010 H6	527,095.79	4,507,816.47	46.0248	346	-14.989	20.88	21.49	0.61	106.29
2011-05	526,985.68	4,507,704.43	115.5192	68.5	137.8	38.40	39.01	0.61	2.47
						71.93	72.39	0.46	1.51
						74.52	75.29	0.76	2.71
						92.96	93.42	0.46	5.69
2011-06	526,985.68	4,507,704.43	171.2976	68.3	103	19.51	19.81	0.30	3.29
						59.13	60.66	1.52	2.02
						72.69	73.00	0.30	1.92
						73.30	74.52	1.22	1.41
						77.11	77.42	0.30	1.37
						80.77	81.53	0.76	3.43
						103.63	105.77	2.13	2.61
2011-07	526,985.68	4,507,704.43	167.64	63	103.7	78.03	80.47	2.44	3.00
						90.98	92.05	1.07	1.65
						98.45	98.91	0.46	3.29
2011-11	526,985.68	4,507,704.43	124.3584	61.9	135.4	43.28	44.20	0.91	2.33
						48.77	49.38	0.61	1.27
						53.64	56.08	1.83	1.17
						65.84	67.97	2.13	2.28
						79.25	79.86	0.61	1.17
						91.74	92.35	0.61	2.16
2011-14	526,985.68	4,507,704.43	121.6152	68	157.3	46.63	47.24	0.61	1.85
						59.44	59.89	0.46	1.44
						92.35	92.96	0.61	5.55
						121.01	121.62	0.61	22.78
2011-15	526,985.68	4,507,704.43	140.51	70	180.4	20.88	23.16	2.29	1.69
						93.88	95.10	1.22	3.27
2011-16	526,985.68	4,507,704.43	123.14	68.6	191.4	20.88	23.16	2.29	1.69
						93.88	95.10	1.22	3.27
2011-17	526,985.68	4,507,704.43	124.6632	59.3	185.3	44.50	45.11	0.61	1.37
2011-18	526,984.97	4,507,712.65	123.75	36.7	134.7	48.16	48.77	0.61	1.37
						51.05	52.27	1.22	1.51

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
2011-19	526,984.97	4,507,712.65	92.96	9.6	313.2	75.74	78.64	2.90	16.20
						79.86	82.91	3.05	9.45
						85.95	88.09	2.13	8.36
2011-20	526,984.97	4,507,712.65	91.44	6.1	317.9	62.79	63.09	0.30	3.63
						65.38	66.14	0.76	3.50
						67.36	67.51	0.15	2.40
						68.88	74.07	5.18	13.20
						75.29	76.20	0.91	5.26
2011-21	526,984.97	4,507,712.65	85.34	-20	321.8	59.89	64.01	2.13	5.37
2011-22	526,984.97	4,507,712.65	74.37	-31.2	311.6	22.56	25.45	2.90	10.28
						61.26	61.57	0.30	57.63
2130-1	527,039.77	4,507,645.76	71.02	250	-42.4	64.31	64.62	0.30	1.23
2130-2	527,039.77	4,507,645.76	85.50	237.2	-51.1	60.81	60.96	0.15	5.14
						71.63	72.69	1.07	1.37
						72.85	73.30	0.46	1.85
						74.37	74.68	0.30	4.53
						75.59	75.90	0.30	1.51
						76.66	77.11	0.46	6.51
2130-3	527,039.77	4,507,645.76	74.07	236.2	-32	No significant intercepts			
2130-4	527,039.77	4,507,645.76	83.82	237.9	-17	71.93	74.37	2.90	1.64
						76.81	77.42	0.61	1.17
2130-5	527,039.77	4,507,645.76	103.63	237.2	-0.4	No significant intercepts			
2130-6	527,039.77	4,507,645.76	116.74	216.9	-40.6	94.79	95.40	0.61	1.58
2130-7	527,039.77	4,507,645.76	122.53	217	-22.4	No significant intercepts			
2130-8	527,039.77	4,507,645.76	108.51	200	-30	No significant intercepts			
278-DDH-01	527,043.81	4,507,790.72	21.34	271	-30	6.69	7.30	0.61	2.67
						7.39	8.00	0.61	3.33
						13.73	14.18	0.46	8.67
278-DDH-02	527,043.82	4,507,790.41	22.25	265	-30	18.13	18.64	0.52	28.01
278-DDH-03	527,044.11	4,507,791.33	19.81	320	-30	4.05	4.66	0.61	6.65
						15.84	16.45	0.61	13.99
278-DDH-04	527,045.02	4,507,791.95	19.20	337	-30	16.72	17.02	0.30	4.66
						17.07	17.22	0.15	18.65
278-DDH-05	527,045.02	4,507,791.95	17.68	336	-15	No significant intercepts			
278-DDH-06	527,044.44	4,507,789.20	11.28	255	-30	No significant intercepts			
3V97-01	527,254.85	4,507,723.34	60.96	290	-50	44.20	51.82	7.62	1.23
3V97-02	526,991.60	4,507,799.87	152.40	165	-50	No significant intercepts			
5060-1	526,981.46	4,507,707.99	98.15	322	-5.625	No significant intercepts			
5060-2			28.3464			No significant intercepts			
5060-3	526,985.91	4,507,710.94	117.0432	20	-39.383	61.26	61.57	0.30	3.09
						102.41	103.02	0.61	6.99
						104.55	105.16	0.61	2.33
						115.52	116.13	0.61	2.13
5060-4	526,983.73	4,507,705.98	75.5904	219	-31	No significant intercepts			
5060-5	526,984.23	4,507,706.37	65.532	218.3	-43.6	No significant intercepts			
BRS-01	525,753.94	4,507,750.83	378.8664	332.7	-60.1	No significant intercepts			
BRS-02	525,753.94	4,507,750.83	409.6512	340.6	-46.9	No significant intercepts			
BRS-03	525,753.94	4,507,750.83	139.5984	4.2	-47.8	No significant intercepts			

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
BRS-04	525,983.93	4,507,952.03	367.284	356.2	-70.9	98.60	99.52	0.91	2.19
BRS-05	525,983.93	4,507,952.03	335.8896	355.7	-56.7	187.30	188.52	1.22	1.34
BRS-06	525,983.93	4,507,952.03	352.044	27	-53.1	141.73	142.43	0.70	67.54
						214.67	216.04	1.37	2.39
BRS-07	525,983.93	4,507,952.03	397.1544	324.5	-50.6	216.50	217.26	0.76	1.75
BRS-08	526,988.83	4,507,801.98	202.0824	125	-72.2	88.27	88.70	0.43	8.74
						113.17	113.69	0.52	4.56
BRS-09	526,988.83	4,507,801.98	207.264	139	-78.9	67.97	68.58	0.61	1.34
						96.29	96.93	0.64	2.30
						104.39	105.37	0.98	3.81
BRS-10	526,988.83	4,507,801.98	187.452	135.6	-68.7	42.67	44.20	1.52	1.58
						105.16	106.68	1.52	1.27
BRS-11	526,988.83	4,507,801.98	182.88	160.3	-76.7	97.54	98.85	1.31	2.35
						175.26	175.56	0.30	7.37
BRS-12	526,988.83	4,507,801.98	217.932	156.3	-83.3	51.82	52.49	0.67	1.75
						211.56	213.06	1.49	1.34
BRS-13	526,988.83	4,507,801.98	164.592	176.6	-67.9	100.74	100.89	0.15	1.44
						129.84	130.15	0.30	5.28
BRS-14	526,988.83	4,507,801.98	231.648	169.8	-76.8	41.15	41.54	0.40	3.60
						93.97	95.07	1.10	6.26
						98.39	98.69	0.30	7.47
						170.69	172.33	1.65	1.82
						200.86	202.75	1.89	3.00
						208.70	208.91	0.21	4.11
BRS-15	526,988.83	4,507,801.98	248.412	171.5	-81	47.43	48.77	1.34	2.10
						238.96	240.27	1.31	1.27
BRS-16	526,988.83	4,507,801.98	274.32	236.5	-77.5	37.86	39.50	1.65	3.26
						143.26	144.78	1.52	2.02
						160.32	163.22	2.90	2.25
DS-3-21A	526,985.28	4,507,712.65	87.7824	359	0	66.14	70.71	4.57	3.14
DS-3-22A	526,985.28	4,507,712.65	93.8784	359	-18.5	61.72	62.64	0.91	1.85
						74.83	89.31	3.05	4.70
DS-3-23A	526,985.68	4,507,704.43	112.1664	162	-50	8.53	8.84	0.30	2.19
						11.28	11.58	0.30	1.99
						40.84	41.15	0.30	3.53
						43.28	44.04	0.76	2.54
						47.24	49.07	1.83	1.65
						50.60	52.73	2.13	1.74
						64.01	64.62	0.61	2.26
						64.77	66.45	1.68	1.25
						74.68	77.27	2.59	56.57
						82.30	82.91	0.61	2.67
						90.53	91.14	0.61	2.67
						93.88	94.18	0.30	2.47
DS-3-25A	526,985.68	4,507,704.43	109.4232	162	-60	19.20	19.81	0.61	1.65
						69.80	70.41	0.61	2.81
						92.20	94.18	1.98	12.34
						100.28	100.89	0.61	11.04
DS-3-26	526,985.68	4,507,704.43	73.4568	177	-37	10.97	35.36	0.91	1.62

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
DS-3-27	526,985.68	4,507,704.43	70.7136	177	-53	37.19	38.40	1.22	9.99
						39.62	40.69	1.07	1.41
						49.99	50.60	0.61	2.26
DS-3-28	526,985.68	4,507,704.43	97.2312	177	-64	38.40	39.01	0.61	13.06
						41.15	42.06	0.91	2.13
						42.52	42.67	0.15	3.12
DS-3-29	526,985.68	4,507,704.43	91.7448	201.5	-45.5	13.56	14.02	0.46	1.78
DS-3-30	526,985.68	4,507,704.43	93.8784	201.5	-56.5	No significant intercepts			
DS-3-31	526,985.68	4,507,704.43	107.5944	201.5	-65	No significant intercepts			
DS-3-32	526,985.68	4,507,704.43	137.16	201.5	-70.5	30.78	31.09	0.30	2.13
						85.34	86.11	0.76	1.23
DS-3-33A	526,985.68	4,507,704.43	81.3816	218	-33	69.80	70.10	0.30	1.78
DS-3-34A	526,985.68	4,507,704.43	105.7656	218	-42	5.49	6.40	0.91	2.02
						65.23	66.75	1.52	1.62
DS-3-35A	526,985.68	4,507,704.43	93.8784	218	-53.5	6.10	7.32	1.22	3.02
DS-3-36A	526,985.68	4,507,704.43	97.2312	218	-63	70.71	71.32	0.61	1.44
						83.52	84.28	0.76	3.26
FG-1	526,838.72	4,507,496.75	22.86	340	-60	No significant intercepts			
FG2	526,773.72	4,507,451.82	353.568	334.917	-60.711	No significant intercepts			
FG3	526,876.86	4,507,572.76	234.696	1.19	-60.55	No significant intercepts			
FG87-01	527,857.86	4,507,862.78	130.1496	100	-45	No significant intercepts			
FG87-02	527,858.77	4,507,862.79	103.3272	100	-37	No significant intercepts			
FG87-03	527,829.90	4,508,096.80	46.482	74	-35	42.21	44.07	1.86	2.30
FG87-04	527,831.71	4,508,098.04	37.338	74	-25	28.80	29.81	1.01	2.61
FG87-05	527,799.73	4,508,149.78	57.6072	77	-30	No significant intercepts			
FG-97-01	526,933.29	4,507,768.67	140.5128	120.5	-66.6	81.08	81.23	0.30	2.25
						106.07	106.98	0.91	23.21
						107.56	113.48	5.91	20.62
FG-97-02	526,933.29	4,507,768.67	192.024	124.3	-53.3	23.16	23.77	0.61	3.15
						136.64	137.10	0.46	52.36
						137.53	138.10	0.58	22.02
						143.26	143.41	0.15	8.02
						155.45	155.75	0.30	1.44
						171.66	172.15	0.49	1.99
						173.28	173.92	0.64	1.37
						174.47	174.96	0.49	1.30
						182.33	182.88	0.55	7.13
						184.80	184.98	0.18	9.87
FG-97-03	526,833.04	4,507,763.61	263.4996	123.2	-53.7	48.01	49.83	1.83	15.10
FG-97-06	526,858.81	4,507,759.06	161.2392	103.7	-43.7	155.75	156.97	1.22	4.87
L7-97-01	526,990.66	4,507,802.00	205.74	162	-56	74.68	76.20	1.52	1.17
L7-97-02	526,988.55	4,507,800.14	237.744	177	-58	118.87	120.40	1.52	1.30
						149.35	150.88	1.52	1.30
						193.55	195.07	1.52	1.23
						196.60	198.12	1.52	1.65
LTDDH-01	527,178.90	4,507,595.40	103.7844	351	0	27.43	29.41	1.98	184.56
						56.39	56.54	0.15	2.37
						93.57	95.10	1.52	9.43

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
LTDDH-02	527,192.05	4,507,591.28	99.6696	358	-9	47.85	50.90	3.05	2.78
						91.14	92.35	1.22	1.50
LTDDH-03	527,187.31	4,507,713.43	71.9328	180	-75	15.24	18.44	3.20	3.17
LTDDH-04	527,113.77	4,507,722.04	65.532	167	-63.5	29.11	29.41	0.30	7.23
LTDDH-05	527,114.65	4,507,724.79	66.7512	167	-70	No significant intercepts			
NV97-01	525,770.52	4,508,067.83	243.84	115	-50	No significant intercepts			
NV97-02	525,770.52	4,508,067.83	217.932	140	-68	No significant intercepts			
RBU-01	527,103.00	4,507,739.57	170.688	237.8	-11.6	116.46	118.57	2.10	65.21
RBU-02	527,103.00	4,507,739.57	181.9656	238	-19.4	109.58	111.40	1.83	12.65
						113.54	119.18	5.64	8.14
RBU-03	527,103.06	4,507,739.55	188.976	239.6	-30.6	150.42	156.36	5.94	11.20
RBU-04	527,102.86	4,507,739.53	154.3812	241.1	-19.8	119.63	130.52	10.88	5.31
RBU-05	527,103.07	4,507,739.49	176.784	241.4	-28.7	No significant intercepts			
RBU-06	527,102.83	4,507,739.57	178.4604	241.5	-13.6	No significant intercepts			
RBU-07	527,102.92	4,507,739.47	214.2744	242.7	-26	137.77	139.60	1.83	15.62
RBU-08	527,102.98	4,507,739.49	184.89168	241.7	-33.8	No significant intercepts			
RBU-09	527,102.79	4,507,739.57	184.0992	243.1	-24.3	62.42	64.71	2.29	5.02
						140.24	141.73	1.49	1.65
						148.96	150.27	1.31	2.95
RBU-10	527,103.16	4,507,739.55	144.4752	232	-15.7	102.87	104.61	1.74	3.20
RBU-11	527,103.16	4,507,739.55	140.8176	231.2	-23.4	97.23	100.89	3.66	2.76
RBU-12	527,103.11	4,507,739.53	165.5064	232.4	-37.9	137.04	138.53	1.49	1.34
RBU-13	527,102.95	4,507,739.43	125.4252	233	-13.3	114.00	118.5	4.54	13.75
RBU-14	527,103.03	4,507,739.43	134.5692	233.2	-20.6	106.07	112.2	6.10	42.81
RBU-15	527,103.09	4,507,739.49	154.0764	234.1	-27.8	127.10	127.71	0.61	1.99
						134.87	136.40	1.52	16.25
						139.45	140.97	1.52	2.74
						153.16	154.08	0.91	9.58
RBU-16	527,103.09	4,507,739.49	186.8424	232.7	-38.3	161.54	162.82	1.28	4.74
RBU-17	527,102.90	4,507,744.08	104.5464	352	-24.4	67.97	68.37	0.40	2.88
						96.62	96.93	0.30	6.21
RBU-18	527,102.91	4,507,743.99	143.256	349.4	-44.6	127.56	128.05	0.49	7.99
						129.84	131.22	1.37	6.10
						137.89	138.59	0.70	27.60
RBU-19	527,102.91	4,507,743.92	165.5064	350.6	-61.9	63.25	63.86	0.61	1.78
						150.27	151.06	0.79	1.13
RBU-20	527,102.34	4,507,743.82	121.0056	329.9	-13.5	66.75	68.12	1.37	2.66
						72.24	73.91	1.68	1.64
						78.58	79.71	1.13	18.41
						103.42	105.77	2.35	3.41
RBU-21	527,102.42	4,507,743.74	123.1392	330.2	-33.5	35.60	37.06	1.46	17.96
						84.58	85.10	0.52	1.85
						86.11	87.33	1.22	1.61
RBU-22	527,102.54	4,507,743.60	182.88	333	-54.8	122.99	124.30	1.31	2.26
						161.57	161.88	0.30	17.83
						175.50	175.81	0.30	2.78
RBU-23	527,102.21	4,507,743.52	108.6612	315.2	-10.4	33.38	34.14	0.76	9.22
						36.42	38.10	1.68	1.28
						70.26	70.99	0.73	8.61
						74.83	76.44	1.62	43.21
						83.52	83.97	0.46	3.43

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
RBU-24	527,102.20	4,507,743.48	149.352	314.1	-41.8	50.84	52.58	1.74	2.33
						64.10	66.90	2.80	3.10
						72.45	74.28	1.83	10.92
RBU-25	527,102.34	4,507,743.39	171.2976	313.1	-57.6	No significant intercepts			
RBU-26	527,102.09	4,507,743.20	149.352	303.3	-24.1	79.22	80.38	1.16	2.43
						111.16	111.92	0.76	31.61
RBU-27	527,102.35	4,507,743.10	166.116	295.8	-47.1	131.06	131.67	0.61	1.65
RBU-28	527,102.08	4,507,743.22	149.352	296.6	1	80.65	82.30	1.65	2.00
						87.02	89.25	2.23	2.59
						95.10	96.93	1.83	1.60
						99.82	100.40	0.58	3.98
						109.88	110.49	0.61	1.78
						113.29	113.60	0.30	1.17
RBU-29	527,102.17	4,507,743.42	109.728	309.3	9.78	75.13	75.90	0.76	1.47
						76.57	77.66	1.10	1.23
						97.08	97.38	0.30	1.75
RBU-31	527,101.88	4,507,742.75	184.8612	288.7	-47.6	175.23	178.77	3.54	1.45
RBU-32	527,101.91	4,507,742.89	112.1664	283.2	9.1	No significant intercepts			
RBU-33	527,110.19	4,507,737.11	134.112	234.3	-18.6	89.00	91.90	2.90	2.22
						108.51	108.81	0.30	5.79
RBU-34	527,110.44	4,507,737.28	167.9448	231.4	-32.8	124.05	125.52	1.46	1.71
RBU-35	527,110.82	4,507,737.41	198.4248	229.5	-45.5	152.25	154.23	1.98	1.29
						180.59	181.97	1.37	1.47
RBU-36	527,110.97	4,507,737.36	163.068	226	-47.2	No significant intercepts			
RBU-37	527,110.70	4,507,737.18	152.7048	225.9	-31.5	82.24	84.12	1.89	1.08
RBU-38	527,110.55	4,507,737.07	137.16	228.1	-21.2	76.72	82.30	5.58	10.66
RBU-39	527,111.43	4,507,737.35	116.4336	219.6	-24.4	62.94	63.86	0.91	5.35
						109.45	110.03	0.58	9.09
RBU-40	527,111.58	4,507,737.58	144.78	218.1	-46.1	96.16	97.05	0.88	3.35
RBU-41	527,111.74	4,507,737.42	122.2248	212.8	-30.7	No significant intercepts			
RBU-42	527,111.77	4,507,737.54	110.3376	210.2	-42.8	No significant intercepts			
RBU-43	527,112.30	4,507,737.19	95.4024	195	-37.3	No significant intercepts			
RBU-44	527,111.68	4,507,737.62	94.7928	221.1	23.6	No significant intercepts			
RBU-45	527,112.98	4,507,738.14	107.8992	169.6	54.5	No significant intercepts			
RBU-46	527,112.39	4,507,737.53	53.0352	183.4	25.9	No significant intercepts			
RBU-47	527,114.78	4,507,741.60	42.3672	363.6	-12.7	39.01	40.54	1.52	4.01
RBU-48	527,114.75	4,507,741.48	130.4544	364.3	-30.4	23.47	24.17	0.70	1.78
						119.66	120.09	0.43	1.23
RBU-49	527,114.75	4,507,741.40	166.2684	363.8	-51.3	73.58	74.98	1.40	1.54
RBU-50	527,115.17	4,507,741.41	152.0952	17.4	-9.7	59.13	59.44	0.30	1.17
						98.91	101.80	2.90	2.05
						118.57	120.70	2.13	1.51
						138.99	140.39	1.40	1.37
RBU-51	527,115.09	4,507,741.29	157.8864	19	-37.5	37.95	39.32	1.37	1.39
RBU-52	527,115.02	4,507,740.95	175.26	22	-52.5	67.97	69.49	1.52	1.34
						70.84	71.63	0.79	2.67
RBU-53	527,115.51	4,507,741.51	152.4	30.1	-9.4	118.41	118.87	0.46	3.77
						120.40	121.01	0.61	3.39
						140.67	140.97	0.30	11.01
						148.32	152.40	4.08	1.39

Hole ID	NAD83 (2011)		Hole Depth	Azimuth	Dip	From	To	Intercept	Grade
	Easting (m)	Northing (m)	(m)	(°)	(°)	(m)	(m)	(m)	(g/t Au)
RBU-54	527,115.48	4,507,741.47	167.64	29.5	-21.3	132.13	132.50	0.37	1.13
RBU-55	527,115.43	4,507,741.39	195.9864	29.5	-40.8	78.94	79.49	0.55	1.92
						175.63	177.64	2.01	3.92
						181.97	182.27	0.30	1.51
RBU-56	527,115.60	4,507,741.48	213.36	34.3	-7.9	61.08	61.57	0.49	5.07
						65.84	66.45	0.61	2.26
						160.32	162.40	2.07	1.62
						166.42	167.03	0.61	1.27
RBU-57	527,115.52	4,507,741.44	195.072	34.7	-20.1	69.49	70.10	0.61	1.34
						74.52	76.81	2.29	3.89
						155.66	156.06	0.40	9.60
						168.86	169.32	0.46	1.44
RBU-58	527,115.49	4,507,741.37	173.736	33.1	-30.4	42.82	43.77	0.94	2.13
						64.16	64.77	0.61	2.50
						72.02	72.36	0.34	2.43
						94.43	94.88	0.46	2.13
						152.10	153.62	1.52	1.17
RBU-59	527,115.47	4,507,741.33	198.4248	37.5	-43.2	93.12	93.82	0.70	4.01
						96.01	96.77	0.76	2.26
						107.90	108.20	0.30	1.82
RBU-60	527,116.06	4,507,741.56	201.168	39.4	-6.4	54.38	54.74	0.37	4.77
						70.10	70.87	0.76	2.02
						151.09	151.64	0.55	1.78
						152.40	153.77	1.37	1.13
						158.95	160.02	1.07	1.30
						182.88	188.21	1.68	1.96
RBU-61	527,115.91	4,507,741.33	214.2744	39.9	-26	86.72	88.76	2.04	2.25
						190.47	190.80	0.34	6.34
RBU-62	527,115.85	4,507,741.19	77.1144	41.8	20	73.52	74.40	0.88	1.85
RBU-63	527,115.77	4,507,741.15	222.504	39.5	-31.6	53.46	53.77	0.30	1.44
						106.28	166.97	3.69	0.98
						193.85	196.29	2.44	1.78
RBU-64	527,115.95	4,507,741.14	213.36	42	-21.3	58.22	58.43	0.21	5.52
						168.19	169.16	0.98	1.23
						183.18	183.55	0.37	3.02
						185.01	185.32	0.30	205.99
						201.02	203.45	2.44	4.29
SFC-01	527,160.81	4,507,738.72	199.3392	189.5	-72.8	141.12	141.73	0.61	2.26
SFC-02	527,160.81	4,507,738.72	164.592	154	-65	78.79	80.47	1.68	2.97
						142.04	142.65	0.61	1.51
						157.89	158.50	0.61	1.23
SFC-03	527,439.69	4,507,815.35	253.8984	304.8	-59.1	No significant intercepts			
SFC-04	527,518.25	4,507,419.48	95.0976	343.4	-44.8	92.05	94.18	2.13	33.77
						86.56	87.48	0.91	3.75
SFC-05	527,521.57	4,507,422.86	107.2896	347.6	-45.7	91.44	92.05	0.61	1.51
WN97-01	527,112.85	4,507,722.94	195.072	320	-56	25.91	27.43	1.52	1.68
WN97-02	527,113.14	4,507,723.55	245.364	297	-53	36.58	39.62	3.05	25.77
						233.17	234.70	1.52	5.14
						239.27	240.79	1.52	1.17

Competent Person's Statement:

Exploration Results

The information in this report as it relates to exploration results and geology was compiled by Mr Alexander Hewlett who is a Member of the AusIMM and a director to the Company. Mr Hewlett, who is a shareholder and option-holder, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Hewlett consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

JORC Code, 2012 Edition

Table 1 report – Exploration Update

- This table is to accompany an ASX release updating the market with results from a program of due diligence undertaken by Spectrum Rare Earths Limited on the Washington Gold Project from the exploration activities conducted by third parties over a range of work areas and times.
- Spectrum rare earths are yet to conduct a drilling program on the property.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge*	<u>Washington Mine</u> • Diamond drilling with samples taken at .152 meter to .6 meter intervals dependent on visual inspection of mineralisation, and geology. • All samples submitted for assay underwent a fine crush with 200 grams riffled off for pulverising to 75 microns. • Samples were submitted for standard one half assay ton fire assay for gold. <u>Washington Mine</u> • Reverse circulation (RC) drill chip samples were taken at 4ft interrvals and sent for assay in intervals from 1ft-4ft. • Samples were submitted for standard one half assay ton fire

Criteria	JORC Code explanation	Commentary
	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.	assays for gold. • Surface outcrop and trench samples are collected at a right angle to the direction of the vein or trench. Typically about 5 lbs. per sample bag. Assay technique same as above.
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).*	<u>Washington Mine Drilling</u> • Underground and surface Diamond Drill Holes were drilled with a verity of skid and crawler mounted Diamond drills over a period of over 10 years. Drill core was primarily BQ-Wireline (36.5 mm dia.) and NQ Wireline. (47.6 mm dia.) • Reverse circulation drill holes used "down the hole" hammers with 88.9 mm hole size. • All holes were surveyed by the drilling contractors using "in the hole" survey methods.
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.*	<u>All reported drilling sites</u> • Sample recoveries were generally in excess of 90%. Exceptions being in loose or altered rock formations. RQD for all core is noted in Drill Logs.
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.*	<u>All reported drilling sites</u> • All drill chips were geologically logged in detail by FGNMC and Consulting Geologists to determine mineralized zones and confirm projected geology. • All Core drill assay samples consisted of half cut core, the remainder of the core is stored in core trays on site for future reference and third party validation. Most of the core was photographed, with the photos linked to the drill intersections in the Vulcan database.
Sub-sampling techniques and	• *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.*	• All core was logged for geology and mineralization. Then the core was photographed for future reference. Core was then sawed in half with half sent to lab for assay and the

Criteria	JORC Code explanation	Commentary
sample preparation	• *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 insitu 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.*	remainder stored on site for future reference • All core was carefully placed in properly marked core boxes with intervals written in water proof ink. • All reverse circ samples were placed in chip trays properly marked with hole number and interval length • In loose or fractured ground the larger NQ core sized was used to insure adequate sample size.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	<u>All reported drilling sites</u> • All samples were analysed using ISO industry standard fire assay techniques. All assays used ½ assay ton fire assay. If check assays were inconsistent then the same sample was re assayed using 1 assay ton assays or in some cases a full gravimetric finish followed by a 1 assay ton fire assay. • Standard reference samples and blanks were inserted at 25 sample intervals. • External lab checks were by major US independent Assay Labs
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.*	<u>All reported drilling sites</u> • Significant mineralized zones are supported by reference core stored on site and photographs. • All drilling results are entered into Vulcan Mine model with values for each mineralized hold posted. • Independent geologists have witnessed some drilling and re logged some core to confirm geology and visual verification of mineralized zones • Assay data has been converted from ounces per ton to grams per tonne using a factor of 34.2857
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*	<u>All reported drilling sites</u> • The entire project has been flown and has survey control at 1 meter contour. • All underground and surface drill collar locations, and sample trenches are surveyed with industry standard practice. Area control is by “State

Criteria	JORC Code explanation	Commentary
	control.	Plane Control" established by the US BLM. • All located data has been converted to NAD83 (2011). Where appropriate units of measure have been converted from feet to metres (factor 0.3048m = 1 foot). • Down the hole surveys were by individual drill contractors using industry standard methods.
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.*	• Drill hole spacing and data spacing are an evolving study at the Washington Mine and further evaluation of proper procedure is on going. • Further studies are required before an estimation of resources and reserves can be made. No mineral resources or reserves are quoted for the Project.
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.*	<u>All reported drilling sites</u> • Drill holes were oriented to have optimum (right angle) intercept angles to suspected vein zones and mineralized contacts. • Estimated "true widths " of veins are calculated by project geologists using multiple drill holes with different angles and contact angles as seen in core samples.
Sample security	• *The measures taken to ensure sample security.*	<u>All reported drilling sites</u> • Pre-numbered bags were used, and sample were transported to the project assay lab, or to American Assay Lab in Reno Nevada as appropriate. Some samples handled by company personnel and some sent for check assay by independent geologists.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	<u>All reported drilling sites</u> • Company assay lab had routine audit by Fransisco Assay Umpire and Lab from Reno Nevada. Francisco audits major US Gold producers labs and US Commercial labs for ISO Assay Standards Procedures. Reports are provided direct to management and made available for third party review.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	<u>Washington Gold Project</u> • The Washington Gold Project and all associated infrastructure located on surface and underground is currently owned and operated by French Gulch (Nevada) Mining Corp. (FGMC), a Nevada-based mining company. • Spectrum Rare Earths Limited (ASX:SPX) has entered into a Mining Asset Purchase Agreement with FGMC, whereby SPX has the right, but not the obligation, to purchase all the real assets of FGMC. • Upon execution of the Agreement, SPX shall pay the Vendor A$75,000 for an option (the Option Fee) to purchase the assets of FGMC. • SPX can elect to extend the 3-month Option Period to an Holding Option Period for a further 12 months. During this period, SPX shall expend a minimum of US$360,000 per calendar quarter, on care, maintenance and exploration activities pursuant to an agreed plan and budget adopted by both parties, for a period of 12 months. • SPX can elect to acquire the assets of FGMC at any time within the 12-month Option Holding Period. Upon election to acquire, SPX will issue the Vendor 325,000,000 SPX shares. • In addition, should SPX delineate a JORC compliant gold mineral resource of 100,000 ounces, SPX will issue an additional number of shares equivalent to A$3,000,000. • In addition, should SPX define a JORC compliant gold mineral resource of between 100,000 ounces and 200,000 ounces, SPX will issue the Vendor A$20 per ounce on a pro-rata basis to a maximum of 100,000 ounces. • There are no Native Title interests. • There are no significant over-riding royalties. • There are no known impediments to obtaining a license to operate. FGMC believes it is compliant with

Criteria	JORC Code explanation	Commentary
		all existing regulatory permits and Reclamation Plans • The Washington Gold Project is composed of 40 Mining Claims in Shasta County, California, as FGMC with the BLM and an additional 25 Patented Mineral Claims Owned in Fee by FGMC. An additional Mineral Lease on one (1) patented lode mining claim is also included in the Washington Gold Project. • The site consists of 540 acres of patented claims and 412 acres of unpatented claims, administered by the BLM (Bureau of Land Management).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	<u>Washington Gold Project</u> • The area within the Washington Gold Project has been worked intermittently since 1852. • Intermittent production of 20,000 per year from 1900 to 1914. • First drilling conducted between the late 1970's to 1989 where 29 vertical RC and diamond drill holes were drilled from surface for 5,071 feet. • Lucky 7 vein discovered in 1990 with production from the vein between 1990 and 1995. • Lion Trial Minerals carried out mine and mill improvements in 1995. • In 2001, Goddess Gold LLC and Lucky Dollar LLC undertook underground rehabilitation with I-Level adit re-opened, with Knelson concentrator installed in 2001. • Between 2004 and 2008, property owned by Bullion River Gold, re-started operations in 2006, installing a 100 ton per day plant. • In 2009, Shasta Gold Corp acquired the project from the US Bankruptcy Court continued development with some gold production. • In April 2015, Shasta Gold Corp sold its interest in FGMC to the Leo Group LLC, the current vendor. • Minimal exploration has been undertaken outside of the immediate mine environ. Underground diamond drilling appears to be limited to defining the immediate zones of exploitation by previous workers and appears to originate mostly from a single drill cuddy located in a position

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		central to the stoping areas.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Washington Gold Project is characterised as a mesothermal, quartz-vein hosted gold deposit. • It is located in the Klamath Mountains, part of a complex of accreted terranes forming part of the western margin of the North American land mass, beginning in the Devonian and completed in the Late Cretaceous. • Plutonism into the thrusted terranes is believed to be the source of mineralising fluid. • At Washington, terranes lie as east-west dipping plates of island arc and oceanic volcanic and sedimentary rocks and metamorphic equivalents. • The deposit is typical of mesothermal quart-vein hosted deposits exploited in California, including the Motherload deposits, located in the Sierra Nevada mountains to the south east. • Auriferous quartz-vein and quartz-carbonate veins with minor base metal sulphides, are hosted in either the Bragdon Formation, a series of shales, mudstones and conglomerates; the Copley Greenstones, an older formation composed mafic volcanic flows; diorite and porphyry dykes, known as the 'birds-eye porphyry; or on the contacts thereof, influenced by late-stage faults.

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*
		• Table 1 at the back of this announcement tabulates all the significant drill intersections that have been verified through the due diligence period so far. All the location data for the drill holes are derived from the existing State Plane Section Grid (updated, but in imperial measurement) which has been transformed into NAD83 standard metric grid for this location within North America.
		• There are additional drill data that have not yet been verified but by the SPX due diligence, but it is likely that this will be verified and made available when completed.

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	exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The intercepts quoted are not subject to a cut-off grade or top-cut. • Original intercepts were quoted in imperial downhole feet and in ounces per ton. An imperial to metric conversion has been applied into measurements of equivalent downhole metres and grams per tonne. • Reported intersections >1g/t with maximum waste zones between grades of 1m. • Only intercepts of high grade are quoted. Most often, grade outside the veins is minimal and therefore grades quoted from the quartz vein intercepts reflect the grade of the mineralised material within the shoot. • Only gold is quoted. No other metals have been reported although in some cases multi-element geochemistry does exit in the drilling database.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• From the data obtain thus far, the drilling appears to intersect the existing and previously mined ore-shoots at a variety of intersection angles, from perpendicular to highly acute angles. • The intersections reported in this announcement are downhole lengths. True widths are not yet known for those reported.
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.*	• Plans and long sections have been made available to display the drilling, significant intersections and mineralised structure in context to the surface and underground mine infrastructure. • Given the nature of the mineralisation a long section view is a better representation of the mineralisation and is parallel to the majority of the mine infrastructure.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not*	• Intercepts are as per the original sampled veins and wall rocks.

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	practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Included intercepts are designed to highlight mineralised zones within the mine environment • The reader can therefore assume that any portions of a drillhole that are not quoted in the intercept tables contain grades that are not material to the reporting of the intercept.
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 geophysical or geochemical results have yet been sighted in the geology information to hand. • The Washington ore body has had a long production history. Mill data over the years estimates an overall gold recovery of circa 96% of the gold recovered to a combination of gravity recovery and gold in concentrate. The recovery to each processing method is around 50/50. • Specific gravity testwork was conducted on a number of samples as part of the Ni43-101 report by Grunwald in 2016. A total of 24 tests were performed from a range of different rock types hosting gold mineralisation from within the Washington Mine. Specific gravity values ranged from a low of 2.66 to a high of 3.16. The average value from the sample population was 2.78. • The Washington Gold Project has a well-designed mine water collection and treatment plant located on site. On-going environmental monitoring of the water discharged from the treatment system on to the project land via sprinkler system has a water quality higher than the natural water in the local creek. Creek discharge is allowed but not necessary. • Geotechnical characteristics of the rock formations within the mine vary according to the rock type. The Bragdon Formation is composed of sheared sediments and behaves a moderately broken ground in hangwalls. Underground openings located within the diorite or porphyries have very stable geotechnical characteristics

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Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	<u>Washington Gold Project</u> • SPX intend to conduct due diligence in order to make the decision to enter into the Option Holding Period. • SPX plan to assess the potential at the Washington Mine and other known gold occurrences within the tenure, for additional exploitable gold mineralisation • SPX envisage that this will entail drilling of existing drill-ready targets as well as drilling for depth and strike extensions on existing ore shoots during the Option Holding Period. Additional geological, geophysical and other exploration techniques may be employed as part of that assessment. <u>Regional potential</u> • See announcement. Plans show mapped veins on surface and position of veins in and around the Washington Mine as mapped and surveyed from underground.