krakatoa
resources limited
ABN 39 155 231 575

KRAKATOA RESOURCES LTD

2 July 2018

Geophysics reprocessing defines multiple Ag-Co-Ni targets at Corkill-Lawson

- ***Eleven VTEM targets prospective for Ag-Co-Ni mineralisation identified at the Corkill-Lawson Project;***
- ***One high priority anomaly closely associated with historical drilling which returned:***
    - ***2393 g/t Ag, 0.31% Co and 0.46% Cu over 0.41m from 100.15m (Hole HCL0701)***
- ***The targets mostly extend along 3.2 km of strike of the host Nipissing Diabase;***
- ***No targets adequately drilled, and all targets recommended for further work.***

Krakatoa Resources Limited ("Krakatoa" or the "Company") (ASX: KTA) is pleased to announce that reprocessing and review of historical heliborne versatile time electromagnetic data (VTEM) and ground induced polarisation (IP) surveys returned 11 target anomalies considered prospective for Ag-Co-Ni mineralisation within the project (Figure 1; Table 1). Three of these targets were previously identified and partly tested by drilling with hole HCL0701 intersecting 2393 g/t Ag, 0.31% Co and 0.46% Cu over 0.41m from 100.15m. The reprocessing of the historical IP and VTEM using modern approaches and enhancements forms the maiden exercise for the Corkill-Lawson Project located in the Gowganda area of north-eastern Ontario. Klondike Silver Corp originally collected the data in 2007.

The Company confirms that eight of the interpreted targets to lie within the confirmed 3.2km of strike of Nipissing Diabase sills covered by the project. At Gowganda, silver-cobalt mineralisation is intimately linked to the sills.

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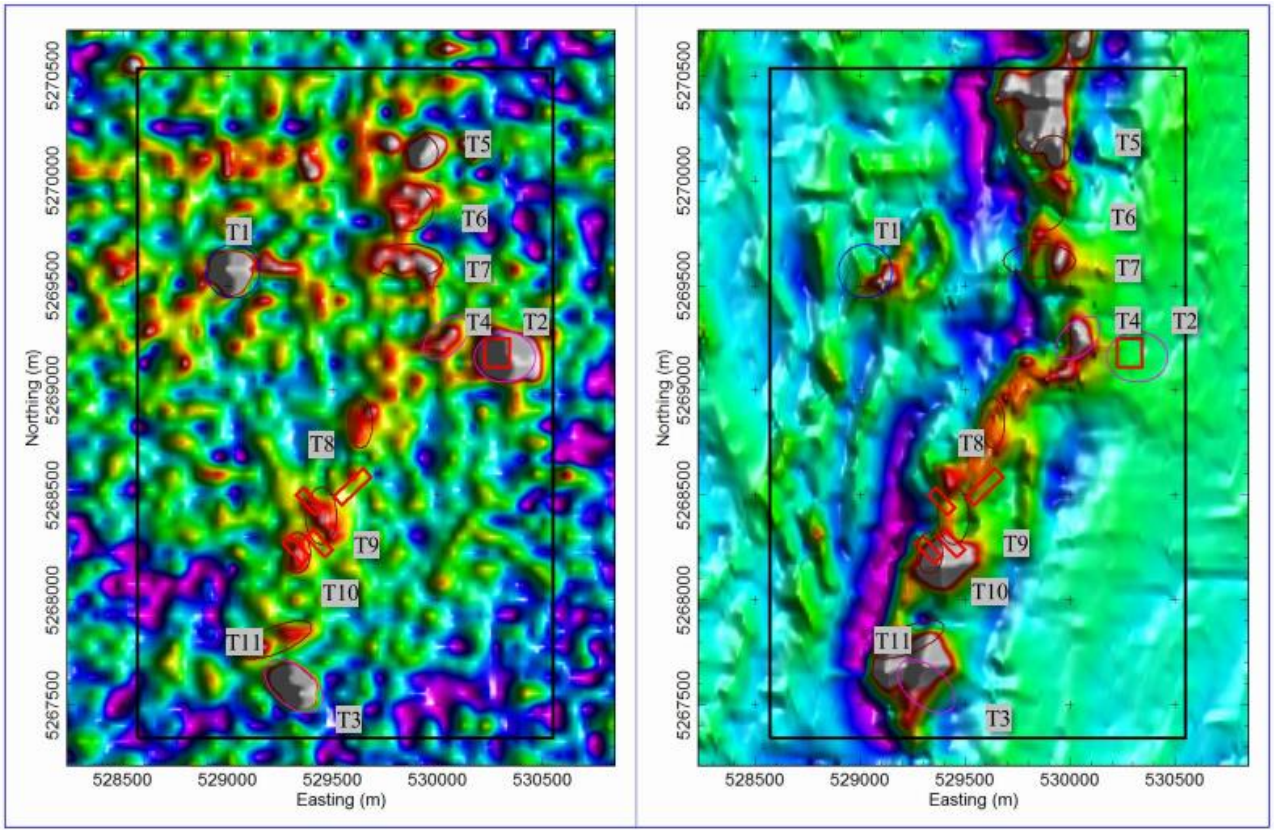

Figure 1: Target anomalies. Left VTEM B-Field Channel 20. Right TMI 1VD image. Red rectangle = IP anomalies. NAD83 Datum, UTM Zone 17 North coordinate system.

Table 1: Corkill-Lawson Targets

Target	X	Y	Comment	Rank
T1	529010	5269570	Very Strong EM but not evident on the cross line	3
T2	530330	5269160	Very Strong EM. 200m east of Nipissing Mag anomaly. Possible IP	1
T3	529320	5267590	Very Strong EM. Semi coincident Nipissing Mag. Partially tested by HCL0701	1
T4	530020	5269210	Moderate EM. Coincident Mag. Partially tested by HCL0706.	2
T5	529930	5270130	Moderate EM. Coincident Nipissing Mag anomaly	2
T6	529910	5269880	Moderate EM. On structure along Nipissing trend.	2
T7	529830	5269600	Moderate EM. Coincident Nipissing Mag anomaly	2
T8	529620	5268830	Moderate EM. Coincident Nipissing Mag anomaly	2
T9	529460	5268390	Moderate EM. On structure along Nipissing trend. Possible IP.	2
T10	529330	5268230	Moderate EM. Coincident Nipissing Mag anomaly. Possible IP.	2
T11	529300	5267830	Moderate EM. Coincident Nipissing Mag anomaly	2

NAD83 Datum, UTM Zone 17 North coordinate system

The Corkill-Lawson claim blocks lie ~73km west-northwest of Cobalt and ~600km north-northwest of Toronto. The project claims are located near the Corkhill Township within the Larder Lake Mining Division approximately 15 km southeast of Gowganda, Ontario (Figure 2).

Figure 2: The Corkill-Lawson claim block is located 15 km SE of Gowganda.

Ag-Co-Ni Mineralisation

Within Northeastern Ontario, silver-cobalt-nickel-calcite-dolomite vein deposits occur within, and in close association with, Nipissing diabase intrusions (Figure 3). Deposits mainly occur along the N and NE margins of the Cobalt Embayment, a large irregular domain of Huronian-age clastic sediments intruded by Nipissing diabase sills and crosscut by regional-scale fault systems. Mineralisation is always linked to the sills, and the economic deposits occur close to the Huronian-Archaean unconformity (Andrews et al., 1986).

Primary silver production has occurred from veins located at most horizons within the diabase stratigraphy. The vein systems are mostly fault controlled, with mineralisation occurring adjacent to or within the diabase sills. The veins tend to be vertical to sub-vertical, narrow and somewhat discontinuous, but very high-grade.

A significant portion of the silver production also occurred from veins near the unconformity between shallow dipping to flat-lying Proterozoic sediments and steeply dipping Archean volcanic/sedimentary basement rocks where the unconformity is close to a Nipissing diabase intrusive. In the absence of Proterozoic sediments, Archean rocks both above and below Nipissing diabase intrusions have also hosted major Ag-Co-Ni vein deposits (Robinson, 2008).

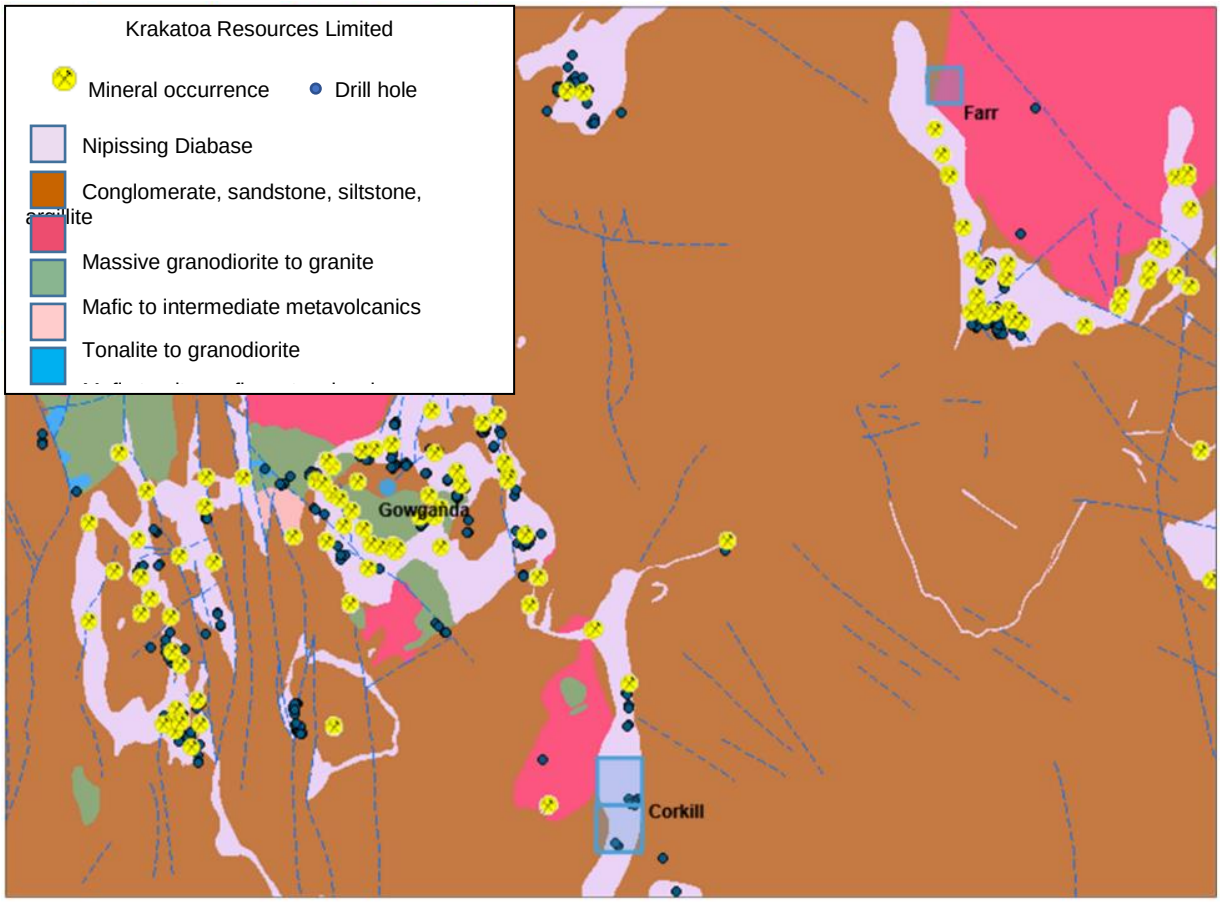

Figure 3: Corkill-Lawson and Farr claim blocks on geology with mineral occurrences and drill holes.

Previous Exploration

Klondike Silver Corp previously explored the Corkhill-Lawson project area for Ag-Co-Ni mineralisation in the late 2000's. The Corkill-Lawson claims cover a 3.2km section of Nipissing Diabase as interpreted by the Ontario Geological Survey. A thick blanket of cover (averaging 30m) at Corkill-Lawson obscures much of the prospective Nipissing Diabase which impeded explorers.

Klondike completed a drilling program in late 2007, drilling 12 diamond holes for 2412m. Ten of the holes are located within KTA's claims with the average hole depth 153m and the deepest being 201m (Assessment Report 20006560).

Klondike also flew a high-resolution VTEM survey at the same time as drilling in late 2007 (Assessment Report 20005650) and completed an Induced Polarisation program in October 2008 (Assessment Report 20005951).

VTEM Survey Parameters

The VTEM survey was flown by Geotech Ltd for Klondike Silver Corp. from October 29th to December 8th, 2007. The survey lines were flown in an east-west and a north-south direction with a traverse line spacing of 75m and a nominal terrain clearance of 63m. The survey coverage extends beyond the current KTA claims and likely represents coverage over a larger project area held at the time by Klondike (Figure 4).

Figure 4: Showing complete VTEM survey and KTA claim area.

The VTEM system was installed on an Aerospatiale (Astar) 350 B2+ helicopter collecting the Z-component of the EM field and magnetics. The system employed a transmitter passing 208Amps into a 4–turn wire transmitter loop with a 25m diameter slung below the aircraft, figure 3. The transmitter operated at a base frequency of 30Hz with a 7.23ms pulse width. This generates a dipole moment (EM field strength) of 442,000 nlA which can explore to depths of 200m and greater in suitable environments.

Induced Polarisation Survey Parameters

Larder Geophysics Ltd. conducted the Induced Polarisation (IP) survey in October 2008. The survey comprised nine lines of dipole-dipole IP with seven lines oriented north-west-south-east and two lines northeast-southwest for a total of 11.3 line km (Figure 5). The survey

equipment comprised a ten channel Elrec Pro receiver was employed for this survey. The transmitter consisted of a VIP3000 (3kW) with a Honda 5000 generator as a power plant.

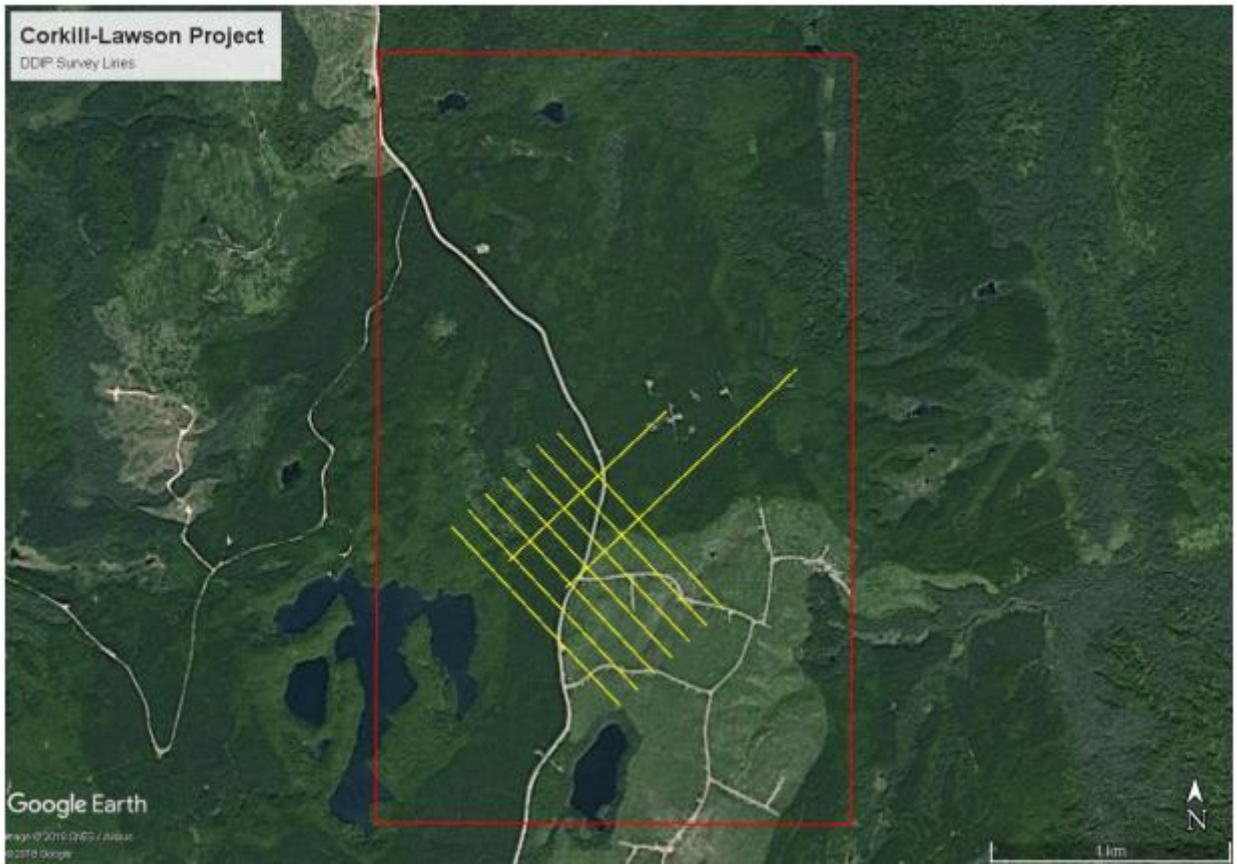

Figure 5: DDIP survey lines with KTA claims outline.

Results

Results of the VTEM survey indicate the geology of the survey area is generally very resistive. Consequently, the VTEM survey should be a good test for any shallow massive sulphide style conductors and any responses should be related to either localised formational conductors, legitimate bedrock conductors of exploration interest or cultural effects.

Figure 6 shows a compilation of VTEM channel imagery, Conductivity Depth Inversion (CDI) results and TMI. Level shifts and line effects are evident in the channel data however anomalous features are readily interpreted. The CDI results indicate a highly resistive basement with three main anomalous responses showing strong decays. At deeper depths, more subtle responses appear in the CDI depth slices which may represent noise artefacts.

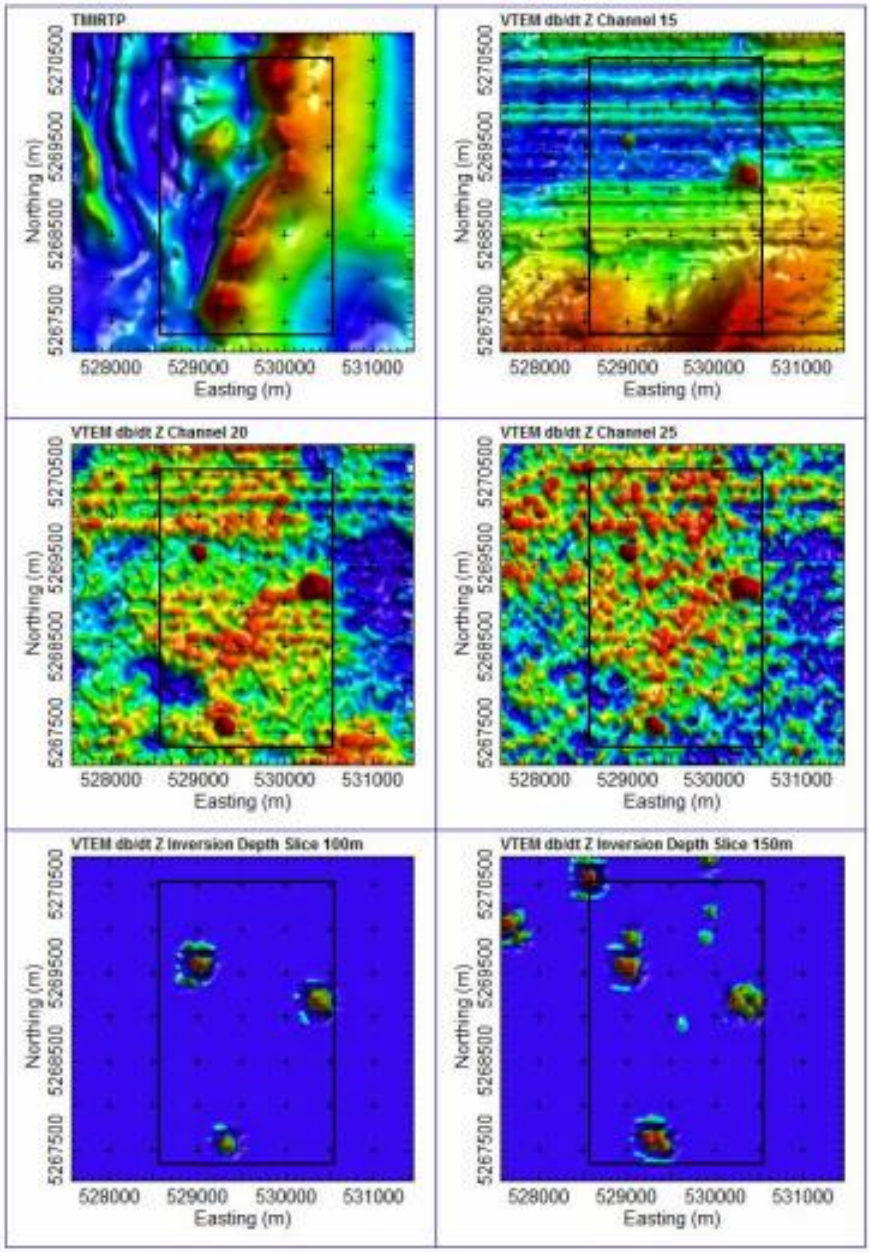

Figure 6: Compilation of VTEM channel images and CDI depth slice with claim boundary. NAD83 Datum, UTM Zone 17 North coordinate system

Figure 7 emphasises the robust nature of the three main anomalies the CDI in section, as illustrated by the southernmost anomaly (Line 11390).

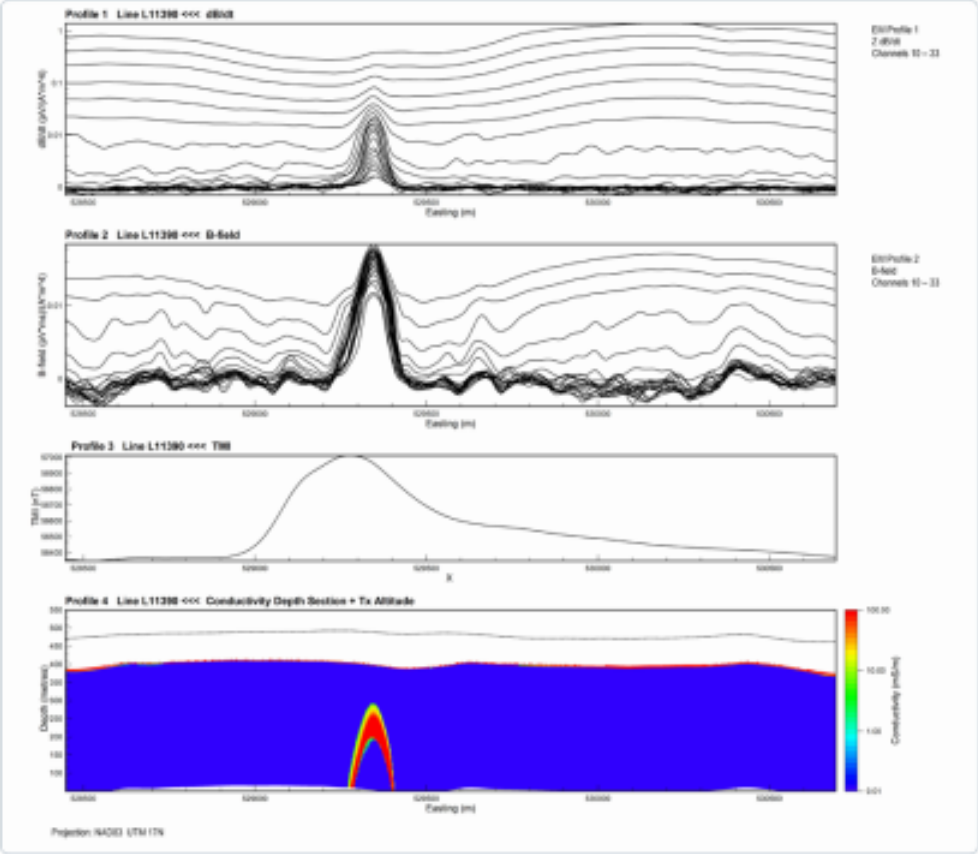

Figure 7: Line 11390 CDI section showing a strong response.

QA/QC completed on the raw IP data indicated noisy decays with the majority considered unsuitable to allow adequate inversion. The poor data quality is likely due to a combination of resistive ground conditions plus survey acquisition parameters which resulted in very low currents (<200mA) being injected into the ground. As such anomalous locations were interpreted from pseudosections supplied by the contractor to Klondike Silver Corp..

Targeting

EM responses from vein style Ag-Co-Ni deposits will vary depending on the width, strike and depth extent of the vein. The strongest EM responses are most commonly generated where the sulphides are massive and occur over considerable thickness and extent, as these have the highest conductance (conductivity x thickness). When the sulphides are semi-massive, in veinlets or blebby, the bulk conductivity drops as there is less connectivity amongst the sulphides resulting in a lower EM response. Also, disseminated sulphides have little connectivity to EM fields and lowest bulk conductivity, and hence do not generally provide a significant EM response.

Given the tight line spacing of the VTEM survey, it is likely that any sizeable Ag-Co-Ni vein would be detected within the system's depth of investigation.

Targeting was completed by reviewing the processed datasets, inversions and profiles. Targets were defined based on the EM response then ranked according to the strength of the EM response and whether they were coincident with an IP response or magnetic (Nipissing) responses.

Following this method, a total of 11 EM targets were selected (Figure 1). Of these targets, two are ranked high priority, eight moderate and one low priority (Table 1). One of the strongest anomalies (Target 1) was given the lowest priority because no corresponding response exists on the cross line. Targets 2 and 3 have been given the highest rank as they both represent strong VTEM anomalies. The remainder are moderate EM anomalies which are all considered prospective as they lie along the magnetic Nipissing Diabase signature.

Target 3 is a very strong VTEM anomaly closely associated with the previous Klondike drilling where HCL0701 intersected 2,393 g/t Ag, 0.31% Co and 0.46% Cu over 0.41m from 99.97m. Modelling of this target suggests the response is derived from a thin vein source of high conductance (2500S) approximately 90m long, striking 305°. This position is parallel and not intersected by the previous Klondike drilling (Figure 8). Comments from the Corkill Diamond Drilling Report for HCL0701, HCL0704 and HCL0705, which indicate the holes may be proximal to a significant structure which could trend sub-parallel to the holes, supports this.

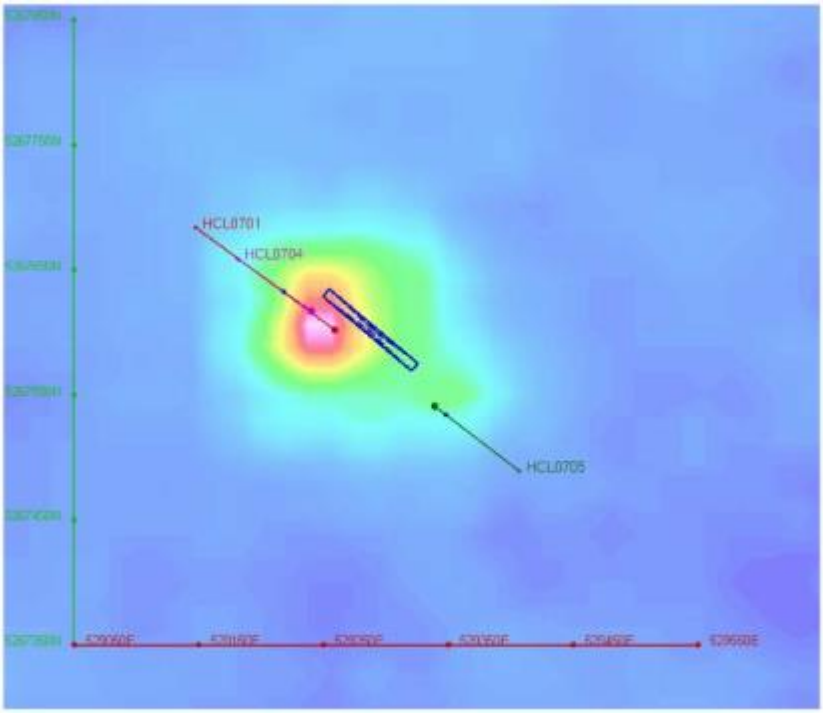

Figure 8: VTEM B-Field Channel 25 image showing Klondike drill traces (labelled at the EOH) and modelled plate (blue). NAD83 Datum, UTM Zone 17 North coordinate system

Target 2 is a defined by a very strong VTEM anomaly which has been modelled as a large flat lying plate approximately 225 x 60m in size at approximately 100m depth, which may represent a sill (Figure 9). It is located just off the eastern end of IP line 0E, where an “end of line anomaly” has been inferred. It lies approximately 200m east of the magnetic Nipissing Diabase which is interpreted to dip to the east. The distance from the Nipissing Diabase is within the range defined within the published literature on the location of Ag-Co-Ni deposits of the Cobalt-Gowganda region indicating “within or within 200m of the Nipissing Diabase.”

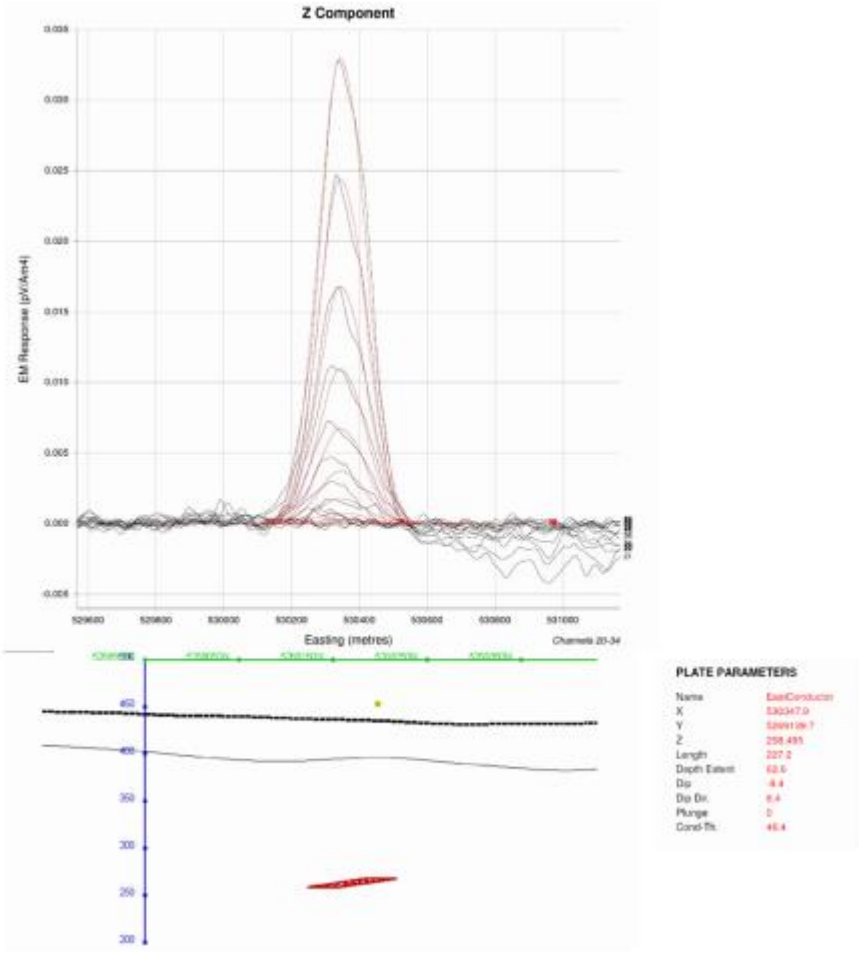

Figure 9: Target 2 Model Profile response and parameters.

Targets 4 and 8 straddle the previous Klondike drilling HCL0706-HCL0712. These targets are moderate VTEM anomalies that are coincident with magnetic anomalies. The area of previous drilling shows several other smaller VTEM responses coincident with magnetic anomalies. Drilling supports the presence of smaller mineralised vein sets, thus suggesting Targets 4 and 8 as potentially representing more substantial, conductive veins.

Targets 9 and 10 are again moderate VTEM anomalies that are coincident with magnetic anomalies. These targets are also coincident with anomalous locations inferred from the IP survey.

The remainder of the targets are moderate VTEM responses with coincident magnetic anomalies.

Conclusions and Next Steps

Klondike Silver Corp previously explored the Corkhill-Lawson project area for Ag-Co-Ni mineralisation in the late 2000's. The Corkill-Lawson claims cover a 3.2km section of Nipissing Diabase as interpreted by the Ontario Geological Survey. Limited outcrop and a thick blanket of cover (averaging 30m) at Corkill-Lawson obscures much of the prospective Nipissing Diabase which impeded previous explorers.

Previous drilling by Klondike in late 2007 over the claim totalled 10 holes, averaging 153m with the deepest being 201m. Most of these holes intersected Ag-Co-Ni-Cu enrichment as thin veins within the Nipissing Diabase, with the maximum intersection of 2,393 g/t Ag, 0.31% Co and 0.46% Cu over 0.41m from 99.97m within HCL0701.

Airborne Electromagnetics (VTEM) and ground Induced Polarisation (IP) surveys were conducted in late 2007 and 2008. Reprocessing and review of historical VTEM and IP surveys have returned a total of 11 target anomalies considered prospective for Ag-Co-Ni mineralisation. Previous drilling has intersected numerous mineralised vein sets, many coincident with the interpreted EM targets, corroborating the approach.

Two anomalies are considered high priority targets based on their very strong VTEM responses, with the remainder associated to moderate VTEM responses coincident with magnetic responses of the prospective Nipissing Diabase.

No targets have been adequately drill tested, with evidence suggesting the drilling was completed without reference to the VTEM or IP results. **Further work is recommended for all targets.**

Although outcrop through the project is limited, ground inspection of each target is recommended to ensure the EM and IP responses are not due to cultural objects [Phase 1]. Coincident mapping and geochemical sampling will be considered at this time.

Ground EM surveys to validate the VTEM and further refine the target anomalies will be considered [Phase 2a]. Open drill holes will be surveyed with downhole EM (DHEM), providing a relatively low-cost option to characterise the known vein responses from any in-hole mineralisation and delineate any off-hole anomalies that require further drill testing. It will also validate target 3 [Phase2b]. Ground magnetics to further define the magnetic response of the Nipissing Diabase and whether it can directly vector mineralisation is also recommended [Phase 2c].

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References

Andrews, A.J., Owsiacki, L., Kerrich, R., and Strong, F.G. 1986. The silver deposits at Cobalt and Gowganda, Ontario. I: Geology, petrography, and whole-rock geochemistry. Canadian Journal of Earth Sciences, 1986, 23(10): 1480-1506.

Robinson, D. 2008. Report on Diamond Drilling.Haultain-Corkill-Lawson Property for Klondike Silver Corp. December 2008. Ontario Geological Survey Assessment Report 20006560.

Background Information

The Cobalt-Gowganda Silver mining area (otherwise known as the Cobalt Camp) of Ontario was one of the most prolific cobalt and silver mining areas in the world. Over 600 million troy ounces of silver have been produced from mines in the area since 1903. Between 1910 and 1989 the Gowganda area produced 60 million ounces of silver and 1.4 million pounds of cobalt representing 11% of the total silver and 6% of the total cobalt endowment of the Cobalt-Gowganda camp (Ontario Geological Survey, Open-File Report 6318, pages 7-10).

The mining district has recently been targeted by several cobalt-focused companies, including Winmar Resources Limited (ASX: WFE) and Battery Mineral Resources Pty Ltd (unlisted), who partially enclose the companies Corkill Claims.

FOR FURTHER INFORMATION:

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Competent Persons Statement: Jonathan King

The information in this announcement is based on information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and studies of the claim blocks. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person, as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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JORC Code, 2012 Edition – 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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information*	• VTEM survey was flown by Geotech Ltd for Klondike Silver Corp. • VTEM system installed on an Aerospatiale (Astar) 350 B2+ helicopter • Collecting the Z-component of the EM field and magnetics • Survey lines flown east-west and a north-south direction • Traverse line spacing of 75m and a nominal terrain clearance of 63m. • System employed a transmitter passing 208amps into a 4–turn wire transmitter loop with a 25m diameter slung below the aircraft. • The transmitter operated at base frequency of 30Hz with a 7.23ms pulse width. • Generating a dipole moment (EM field strength) of 442,000 Am^2 • Induced Polarisation (IP) survey completed by Larder Geophysics Ltd • Nine lines of dipole-dipole IP with seven lines oriented north-west-south-east and two lines northeast-southwest for a total of 11.3 line km. • Survey equipment comprised a 10 channel Elrec Pro receiver. The transmitter consisted of a VIP3000 (3kW) with a Honda 5000 power plant.
	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 information initially reported in the acquisition announcement of April 5th, 2018. No drilling reported as geophysical reprocessing of historical surveys.
	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling reported as geophysical reprocessing of historical surveys
Drilling techniques	*Measures taken to maximise sample recovery and ensure representative nature of the samples.*	No drilling reported as geophysical reprocessing of historical surveys

Criteria	JORC Code explanation	Comments
Drill Sample Recovery	*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 drilling reported as geophysical reprocessing of historical surveys
	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.	No drilling reported as geophysical reprocessing of historical surveys
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No drilling reported as geophysical reprocessing of historical surveys
Logging	*The total length and percentage of the relevant intersections logged.*	No drilling reported as geophysical reprocessing of historical surveys
	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling reported as geophysical reprocessing of historical surveys
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling reported as geophysical reprocessing of historical surveys
Sub-sampling techniques and sample preparation	*For all sample types, the nature, quality and appropriateness of the sample preparation techniques*	No drilling reported as geophysical reprocessing of historical surveys
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No drilling reported as geophysical reprocessing of historical surveys
	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.	No drilling reported as geophysical reprocessing of historical surveys
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No drilling reported as geophysical reprocessing of historical surveys
	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	No drilling reported as geophysical reprocessing of historical surveys
	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.	Electromagnetic system was a Geotech Time Domain EM (VTEM) system Geometrics Caesium vapour magneto-meter with a sensitivity of 0.001 nT was used IP survey: 10 channel Elrec Pro receiver

Criteria	JORC Code explanation	Comments
Quality of assay data and laboratory tests	*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.*	No drilling or sample analysis performed
	The verification of significant intersections by either independent or alternative company personnel.	No drilling
	The use of twinned holes.	No drilling
Verification of sampling and assaying	*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	A Geotech data acquisition system recorded the digital survey data
	Discuss any adjustment to assay data.	No drilling and no assay information collected
	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 drilling or downhole surveys completed at this time.
	Specification of the grid system used.	NAD83 Datum, UTM Zone 17 North coordinate system used The navigation system used was a Geotech PC104 based navigation system utilizing a NovAtel's CDGPS (Canada-Wide Differential Global Positioning System Correction Service) enabled OEM4-G2-3151W GPS receiver.
Location of Data Points	*Quality and adequacy of topographic control.*	A Terra TRA 3000/TRI 40 radar altimeter was used to record terrain clearance.
	Data spacing for reporting of Exploration Results.	Detailed VTEM survey: helicopter mean height of 76 metres; nominal survey speed of 80 km/hour; nominal EM sensor terrain clearance of 41 metres and a magnetic sensor clearance of 63 metres. Traverse line spacing of 75m both N-S and E-W. 9 lines of dipole-dipole IP
	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.	Sampling reported is of reconnaissance nature and not for the purposes of the delineation of a mineral resource.
	Whether sample compositing has been applied.	No sample compositing conducted.

Criteria	JORC Code explanation	Comments
Data spacing and distribution	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Flight lines were perpendicular to geological trends
	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.	No drilling reported Flight lines were generally oriented perpendicular to the north-south trend of the target geology. IP lines were also designed to sit perpendicular to the underlying geological trends, and were focused across some structural dislocations
Orientation of data in relation to geological structure	*The measures taken to ensure sample security.*	No sampling undertaken
	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been conducted.
Sample security		No samples collected
Audits or reviews		No audits completed

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Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Krakatoa Resources Ltd concluded the purchase of the Corkill-Lawson property in May 2018. No encumbrances or impediments reported.
	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 claim block is secured by the KTA-owned subsidiary, 2634501 Ontario Limited.
Exploration	*Acknowledgment and appraisal of exploration by other parties.*	Klondike Silver Corp. explored the area for Ag-Co-Ni mineralisation back in late 2000's. Their work is the basis of the report. The company intersected significant Ag-Co mineralisation in one drill hole, but the work predated collection of the VTEM and IP data, and as such were not optimally positioned to test the interpreted features.
Geology	*Deposit type, geological setting and style of mineralisation.*	The silver-cobalt deposits at Gowganda occur within fracture-fill type carbonate veins. The veins occur within Nipissing Diabase that have intruded Archaean metavolcanic rocks which are unconformably overlain by flat-lying metasedimentary rocks of the Coleman Member of the Gowganda Formation. The vein systems are mostly fault controlled, with mineralisation occurring adjacent to or within the diabase sills. The veins tend to be vertical to sub-vertical, narrow and somewhat discontinuous, but very high-grade.
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:*	No drilling performed. Historical drilling results from 10 diamond drill holes were reviewed (discussed in an earlier announcement). The holes spatially located near interpreted EM targets, report anomalous concentrations in the target elements implying a relationship to exist between the sulphide content and EM response.
	○ *easting and northing of the drill hole collar*	No Drilling Reported
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	No Drilling Reported
	○ *dip and azimuth of the hole*	No Drilling Reported
	○ *down hole length and interception depth*	No Drilling Reported
	○ *hole length.*	No Drilling Reported

Criteria	JORC Code explanation	Commentary
	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.	The historical exploration data is in the process of being compiled. Further releases will be made to the market upon finalisation of the collation process and verification.
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 drilling carried out.
	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 aggregation of data was conducted.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Previously announced historic diamond drilling or intercepts included to postulate the relationship between the interpreted VTEM targets with Ag-Co-Ni mineralisation. No new drilling was carried out.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Early stage exploration with the nature of the target yet to be clearly defined in this locality
	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').	No new drilling reported – previously reported historical results only
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 provided.
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.*	Early stage exploration – limited drilling results available to establish arguments. The drilling preceded the surveys and is therefore not necessarilly optimally positioned.
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.*	At present historical data pertaining to the project area is being compiled. Further releases will be made to market upon completion.
Further Work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further ground EM to support VTEM targets, post field validation. Downhole EM surveys will be considered where historical drill holes can be accessed. Further magnetic surveys will be

Criteria	JORC Code explanation	Commentary
		considered over the Nipissing Diabase to provide potential vectors to mineralisation. Detailed geological mapping and systematic geochemical sampling is being considered.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Target maps and their explanation are included.