



TROY RESOURCES LIMITED

# ASX ANNOUNCEMENT

12 September 2018

## ACQUISITION OF OHIO CREEK PROSPECT – GUYANA

Troy Resources Limited (**ASX:TRY**) (**Troy** or **the Company**) is pleased to announce the acquisition of the exciting Ohio Creek Prospect located near the Company's Karouni Project in Guyana.

Ohio Creek is located within the north eastern sector of Troy's tenement holdings in the close vicinity of several other highly prospective highly underexplored targets (already owned by Troy) including Gem Creek, Goldstar and Upper Itaki, each of which is located only approximately 10 kilometres from Troy's Karouni processing facility.

The area is divided by major E-W and N-W trending structures, forming the sub-parallel Gem Creek and Ohio Creek structural corridor – refer Figure 1.

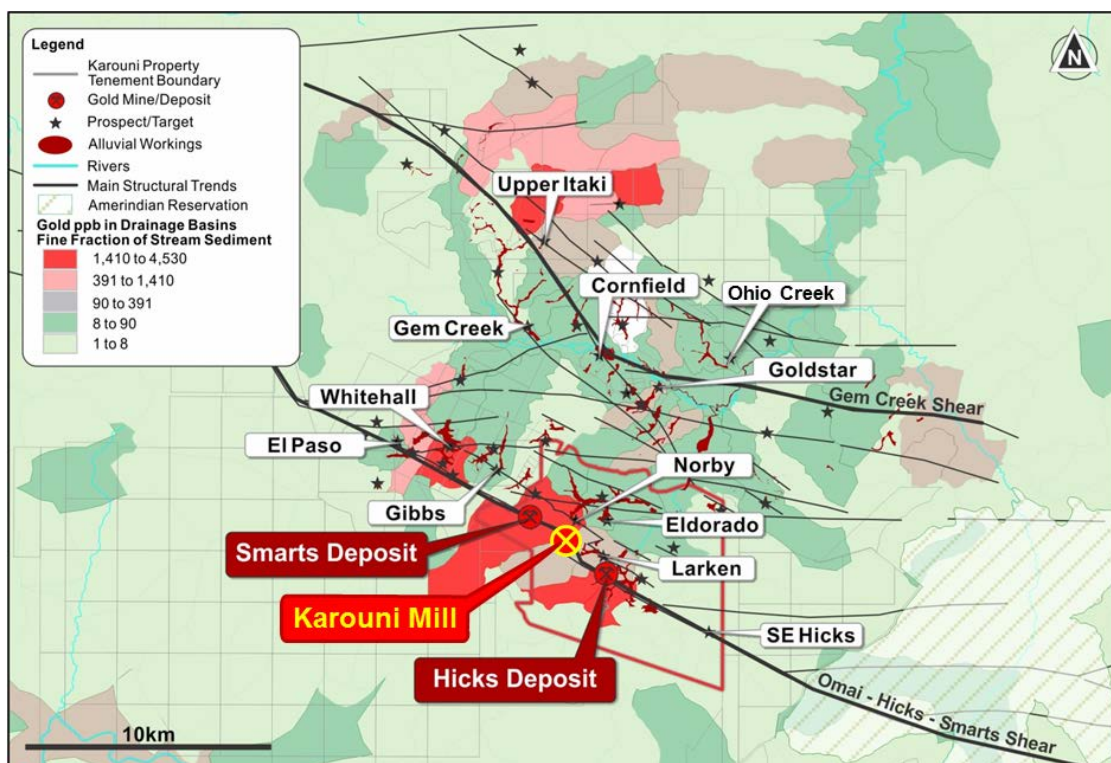


Figure 1: Map illustrating location of Ohio Creek and other targets, key structural features and the Karouni Mill.



Regional targeting undertaken by Troy in 2013 highlighted Ohio Creek as one of the key camp-scale gold prospects in the Karouni region and it thus became a target for future acquisition by Troy if the opportunity was ever to arise.

In 2014, Mr Ed Baltis, Principal of geological consultants, Gold Vector Pty Ltd, completed a review of the exploration potential of the area which also supported Troy's exploration work.

According to airborne geophysical data, a major east-west structural corridor intersects the north-west trending Mazaruni greenstone belt at Ohio Creek. The Ohio Creek structural corridor is interpreted as a sub-parallel structure to the Gem Creek corridor.

Moreover, east-west structures take up a significant component of sinistral displacement which overprints the main north-west south-east structural and stratigraphic trend, and are interpreted as closer in timing to the main gold mineralisation event.

It is noted that east-west structures host the large Omai gold deposit (3.2 Moz Au) approximately 30 kilometres to the south east (Omai is not owned by Troy).

Ohio Creek, which encompasses 28 contiguous small claim mining licences, represents an aggregate area of approximately 270.4 hectares – refer Figure 2.

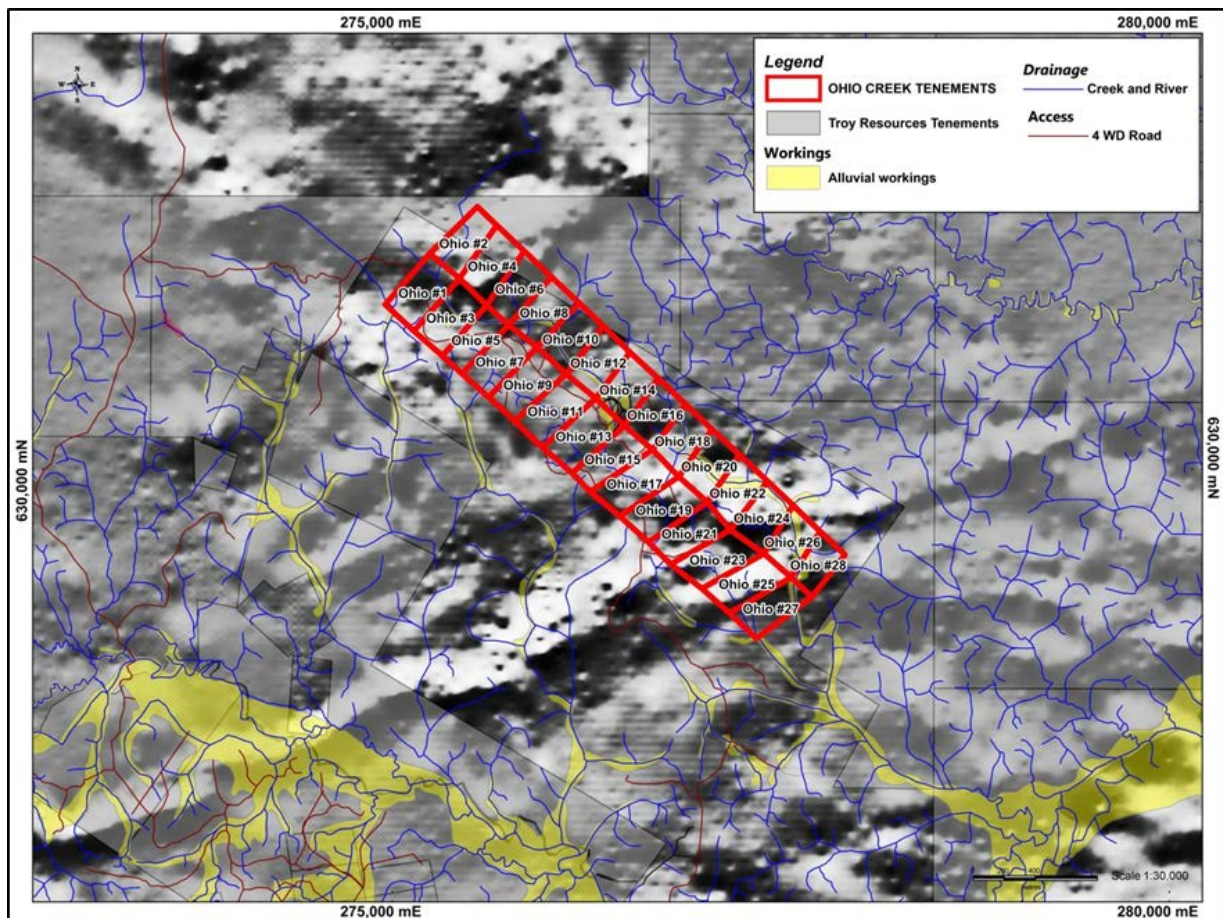


Figure 2: Ohio Creek Project tenement map (with airborne geophysical image).



Acquired from a group of local Guyanese prospectors, Ohio Creek has an extensive system of alluvial workings.

However, the key focus of the prospector group has been the development of the Tallman Pit, the name given to a 110 metre long open-pit with an average depth of 20 metres targeting a shear zone of typically 10 metres in width – refer Figure 3.



**Figure 3: Artisanal mining operations in the Tallman pit, Ohio Project, looking south**

At the Tallman Pit, at least three different generations of quartz veins are identifiable, of which the shallow to-the-north dipping east-west striking series return the highest gold grades and are most prevalent for the occurrence of visible gold – refer Figure 4.



Figure 4: Visible gold in quartz vein from Tallman pit.

Gold production from Tallman is not recorded, but the fact that the prospectors have gone to the effort of developing a pit of such size, very rare for the general Karouni area, suggests that pervasive economic gold mineralisation such as to justify significant ongoing effort has been encountered.

Ohio Creek has been the subject of only modest exploration efforts using modern techniques.

In 1995, Cathedral Gold Corporation (“Cathedral”), the Canadian listed company that first drilled out and then delineated a mineral resource at the (now) Troy-owned Hicks deposit, undertook a 200 metre x 40 metre auger drilling program.

Achieving encouraging results, this program was immediately followed up by Cathedral with a diamond drilling program encompassing 11 diamond holes for an aggregate 1,364 metres drilled (for an average of approximately 124 metres per hole).

Notwithstanding the small size of the drilling program, it proved to be highly successful in identifying anomalous gold.

Included amongst the assay results is an intersection of **1 metres @ 868.7g/t Au from 61 metres** which Troy understands to be the highest gold grade yet recorded in the region.



Other previous diamond drilling intersections on the Prospect tenements include:-

- **1m @ 13.2g/t from 117.5m**
- **2.1m @ 7.2g/t from 68.9m**
- **2m @ 5.4g/t from 20.3m**

Key results of the diamond drilling program are set out in Table 1 attached.

Prior to the completion of the acquisition of Ohio Creek, Troy commenced a reconnaissance program which involved outline mapping of both pork-knocker (freelance Guyanese prospector or artisanal miner) and saprolite workings. All available historic data has been reviewed, including information from hard copy maps and sections, with field verification which was then incorporation into the Troy dataset.

A sampling program within the Tallman Pit has also been undertaken with the following highlights from chip samples from mineralised veins:-

- **30.3g/t**
- **18.4g/t**
- **5.7g/t**
- **4.7g/t**

Full results of the chip sampling program are set out in Table 2 attached.

From the limited recent work undertaken by Troy and Gold Vector, two high priority targets have been identified:-

- Eastern extension, which is of at least 500 metres in strike length and open to the east for several kilometres on Troy ground; and
- Western extension, a set of NW trending structures offset by EW structure. The EW structure continues for at least 2.5 kilometres into the Gem Creek target and is offset by a slightly younger NS structure. First mapping by the exploration team confirmed strong silica altered and partly de-magnetised mafic rocks.

These targets are illustrated in Figure 5.

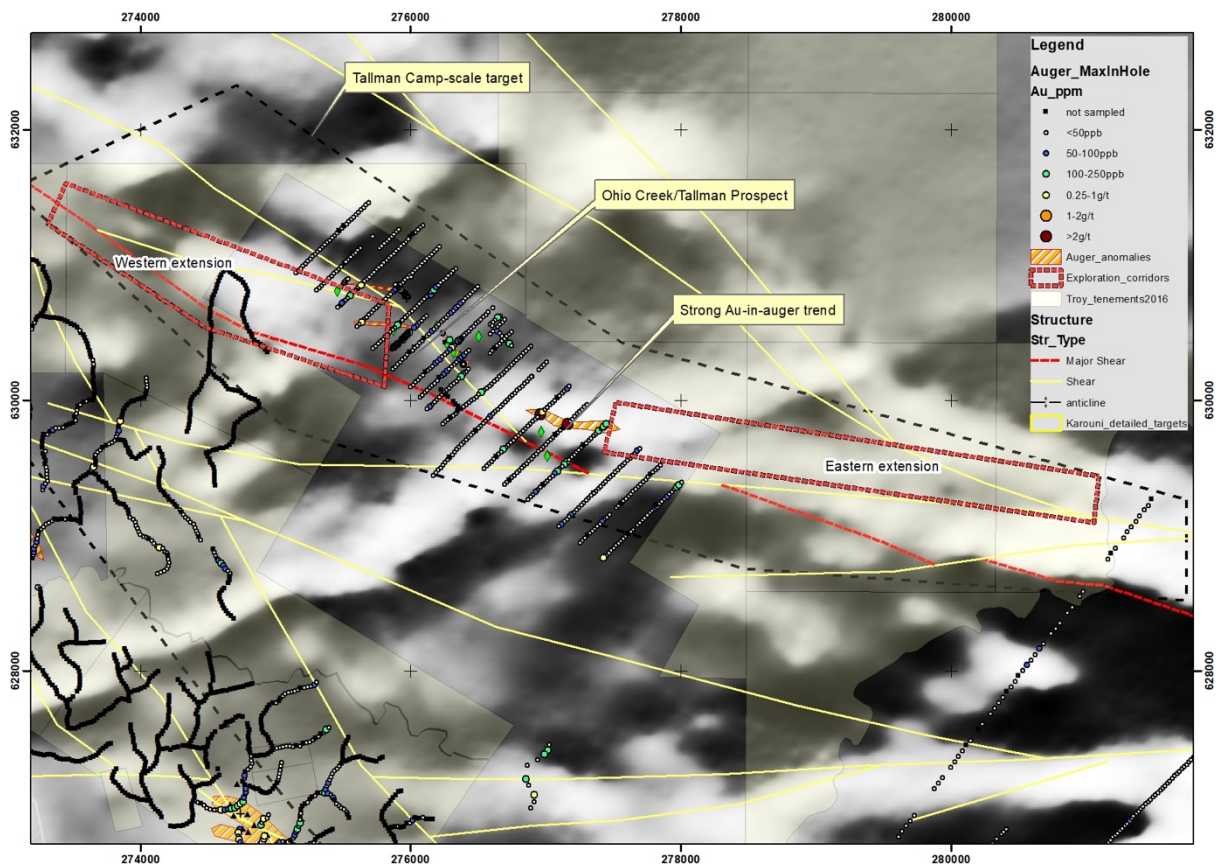


Figure 5: Map illustrating high priority targets at Ohio Creek

The current work program at Ohio Creek encompasses mapping of stream ravines and saprolite workings to collect more structural data and rock samples for gold assay. This information, along with previous work, including airborne/ground magnetic data and drilling data, will form the basis of a detailed geological map.

Thereafter, a first pass RC drilling program will be undertaken to confirm historic drilling data and verify mapping and sampling results in and around the saprolite workings. Several RC holes are planned to test the Western and Eastern extension targets. A successful first drilling campaign would be followed by a second with the aim of calculating a resource over the Tallman saprolite workings.

The Company will also shortly commence exploration at Upper Itaki. This prospect has not been the subject of any exploration using modern techniques notwithstanding that the area has attracted intensive artisanal mining activities. Moreover, the structural settings of the main NW trending structures constricted between two intrusives to SW and NE together with offsetting on a major EW trending structure render this target very promising.



Troy Managing Director, Mr Ken Nilsson, commented:

*“Given the intensity of alluvial working in the general vicinity of our Upper Itaki, Gem Creek, Goldstar and Ohio Creek prospects, we consider it is reasonable to believe that somewhere lies what might well be a substantial primary gold source.*

*“All the intelligence amongst the local artisanal miners and Troy’s geologists is that, of the various prospects in the region, Ohio Creek might just be the most prospective.*

*“This position is supported by the fact that Tallman represents one of the few open pits of any size in the region.*

*“Moreover, being located so close to the Karouni processing plant, in the event of a meaningful discovery, the logistics of development are unlikely to be difficult.*

*“Accordingly, I could not be more pleased that, having identified Ohio Creek as an exciting target for Troy some four years ago, Troy has now been able to secure ownership.*

*“Ohio Creek, together with the currently known high grade intercepts at Upper Itaki, Goldstar and Gem Creek, has provided the Company with an exciting pyramid of exploration prospects which will be the subject of focused exploration campaigns over coming months.*

*“I believe that Troy shareholders should be very excited about the exploration potential at Karouni.”*

**ENDS**

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### **Competent Persons Statement**

*Information of a scientific or technical nature that relates to exploration results, Mineral Resources or Ore Reserves is based on, and fairly represents, information and supporting documentation prepared under the supervision of Mr R. Maddocks. Mr. Maddocks has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a “competent person” as defined under the Australian JORC Code as per the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Maddocks has reviewed and approved the information contained in this announcement. Mr. Maddocks:-*

- *Is a consultant to Troy Resources Limited*
- *Has sufficient experience which is relevant to the 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’*
- *Is a Fellow of the Australasian Institute of Mining and Metallurgy*
- *Has consented in writing to the inclusion of this data*



**Table 1 – Tallman Pit Drilling Results (ex Cathedral)**

Hole	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Length	Grade g/t
TAL95-01	276371	630328	75	-45	224	187.45	5.6	6.4	0.8	3.54
TAL95-01							8.4	12.3	3.9	1.17
TAL95-01							20.3	22.3	2.0	<b>5.37</b>
TAL95-01							51.5	52.5	1.0	2.14
TAL95-01							<b>61.0</b>	<b>62.0</b>	<b>1.0</b>	<b>868.74</b>
TAL95-01							68.9	71.0	2.1	<b>7.21</b>
TAL95-01							114.0	114.5	0.5	1.74
TAL95-01							114.5	115.5	1.0	1.25
TAL95-02	276364	630320	74	-45	224	143.65	<b>8.5</b>	<b>9.5</b>	<b>1.0</b>	<b>3.10</b>
TAL95-02							25.9	27.9	2.0	1.55
TAL95-02							<b>88.0</b>	<b>89.5</b>	<b>1.5</b>	<b>3.91</b>
TAL95-03	276320	630357	80	-45	224	102.41	no significant intersection			
TAL95-04	276279	630407	80	-47	224	106.07	<b>13.6</b>	<b>14.6</b>	<b>1.0</b>	<b>3.09</b>
TAL95-04							20.8	21.8	1.0	2.00
TAL95-04							<b>35.8</b>	<b>36.8</b>	<b>1.0</b>	<b>3.09</b>
TAL95-04							104.0	106.1	2.1	1.88
TAL95-05	276505	630472	60	-45	223	260.91	27.9	28.9	1.0	1.41
TAL95-05							<b>117.5</b>	<b>118.5</b>	<b>1.0</b>	<b>13.19</b>
TAL95-05							175.1	176.3	1.2	1.89
TAL95-06	276967	629766	59	-47	0	117.65	no significant intersection			
TAL95-07	277017	629590	81	-47	180	99.67	no significant intersection			
TAL95-08	276195	630548	74	-47	225	76.83	no significant intersection			
TAL96-09	275877	630518	80	-45	225	96.64	<b>56.0</b>	<b>58.0</b>	<b>2.0</b>	<b>2.50</b>
TAL96-10	275922	630840	75	-46	225	96.32	<b>24.0</b>	<b>25.0</b>	<b>1.0</b>	<b>3.33</b>
TAL96-11	275458	630809	81	-47	225	76.5	no significant intersection			

**Table 1: Drill hole locations (UTM grid PSAD56 Zone 21 North) and significant results**

**Table 2 – Tallman Pit Chip Sample Results**

Sample ID	Easting	Northing	Grade
TM001	276381	630398	<b>30.28</b>
TM002	276392	630400	<b>18.44</b>
TM003	276392	630400	<b>5.729</b>
TM004	276383	630400	<b>4.785</b>
TM016	276399	630426	<b>1.157</b>
TM009	276383	630413	0.684
TM017	276402	630427	0.46
TM015	276397	630425	0.135
TM010	276384	630414	0.039
TM005	276379	630404	0.017
TM014	276396	630425	0.012
TM013	276392	630423	0.01
TM007	276382	630410	0.009
TM011	276384	630415	0.009
TM006	276381	630409	0.008
TM012	276386	630417	0.007
TM008	276383	630412	0.006

**Table 2: Tallman pit chip samples locations and assay results (UTM grid PSAD56 Zone 21 North)**





**Appendix 1 – JORC Assessment and Reporting Criteria – Ohio Creek**

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling Technique	<p>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</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>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.</p>	<p>The Tallman holes were drilled with diamond coring. Drill core was split in half for sampling. Some re-assaying was done with quarter core.</p> <p>Sampling was generally on one meter intervals but there were intervals between 1 and 2m depending on geological boundaries.</p> <p>Chip samples were taken within the pit on quartz veins and zones of mineralisation</p>
Drilling Techniques	<p>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).</p>	<p>Diamond Core drilling in the Tallman area comprises HT and NT sized core. Drilling was done by Major drilling. Holes were generally started with HQ then stepped down to NQ further down the hole.</p>
Drill Sample Recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples</p> <p>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.</p>	<p>Much of the coring was done in highly weathered material using triple tube drilling techniques (HT, NT). Drill logs indicate that recovery was generally good but there were some zones of very poor core recovery. Recovery for each core run was recorded as a percentage of core recovered.</p>
Logging	<p>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.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>Logging of diamond core recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was not photographed.</p>
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise</p>	<p>Core was cut in half and one half sent for assay. The assay technique was fire assay with a 3ppb level of accuracy. The details of the sample preparation and assaying details are not known.</p> <p>Details of QAQC procedures and results are not known. Standards were inserted at a rate of about 1 in 30 but the standards gold grade is not known.</p> <p>Some lab repeats are recorded. These generally show good correlation but there is some variability in higher grade samples typical of coarser gold environments.</p>



	<p>representivity of samples.</p> <p>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.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<p>The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections</p> <p>The chip samples were about 2kg in weight</p>
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>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.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established</p>	<p>The laboratory used fire assay for with an AAS finish for gold analysis. This is considered appropriate for a quartz hosted gold deposit.</p> <p>Assaying of Cathedral core holes was done by Triad (Loring).</p> <p>The chip samples were assayed by Actilabs in Georgetown, Guyana. A 50g fire assay with AAS finish was the assaying method used.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes</p> <p>Discuss any adjustment to assay data</p>	<p>The core no longer exists for these holes and there is no photographic record. Verification has been through examination of drill logs and the correlation of assay results with geology description. Assay results generally correspond to zones of quartz veining. This is also observed within the Tallman pit where mining has focussed on generally narrow, &lt;3m zones of quartz/gold mineralisation</p>
Location of data points	<p>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.</p> <p>Specification of the grid system used</p> <p>Quality and adequacy of topographic control</p>	<p>All drill holes collars and chip samples have been recorded in UTM grid PSAD56 Zone 21 North.</p> <p>Downhole surveys were completed at the end of every hole where possible using a topopari downhole survey tool.</p> <p>Lidar data was used for topographic control.</p>
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results</p> <p>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.</p> <p>Whether sample compositing has been applied</p>	<p>Drill hole spacing is not on a regular grid. Hole locations are determined by accessibility.</p> <p>Samples have generally been taken on one metre intervals.</p> <p>Chip samples were taken on outcropping and visible quartz veins and mineralised zones, there was no regular spacing</p>
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</p>	<p>The drill hole azimuth of 225 is generally perpendicular to the strike of the lithological boundaries.</p> <p>No orientation based sampling bias has been identified in the data at this point.</p>
Sample security	<p>The measures taken to ensure sample security</p>	<p>This is not known for Cathedral drillholes. Chip samples were taken and transported to the lab by Troy personnel.</p>



Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<p>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.</p> <p>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.</p>	<p>The Karouni Project tenements cover an aggregate area of 253,538 acres (102,605ha), granting the holders the right to explore for gold or gold and diamonds.</p> <p>The tenements have been acquired by either direct grant to Pharsalus Gold (25,990 acres /10,518ha) or by contractual agreements with tenement holders (227,548 acres 92,087ha). Apart from the Kaburi Agreement (29,143 acres 11,794ha), which provides for Pharsalus Gold to earn a 90% interest, all other vendor agreements provide Pharsalus Gold with the right to obtain an ultimate interest of 100%.</p> <p>The Karouni Project comprises a single (large scale) mining license, 94 (small scale) claim licences, 217 (medium scale) prospecting and mining permits, and 6 (large scale) Prospecting Licences.</p> <p>All licences, permits and claims are granted for either gold or gold and diamonds. The (large scale) prospecting licences include three licences won by Pharsalus Gold at open auction on 22 November 2007 (GS14: P-18, P-19 and P-20) which are owned 100% by Pharsalus Gold.</p> <p>The various mining permits that cover the Smarts deposit were originally owned by L. Smarts and George Hicks Mining.</p> <p>The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Troy Resources) in 2011.</p> <p>Troy Resources acquired the permits with the acquisition of Azimuth Resources in August 2013. All transfer fees have been paid, and the permits are valid and up to date with the Guyanese authorities.</p> <p>The payment of gross production royalties is provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered stipulate a royalty of 8% if the gold price is above US\$1,000 per ounce.</p> <p>The tenure and land status is in good condition,</p> <p>The Tallman tenements were acquired from the Kaburi Development Company</p>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>Previous exploration was conducted by Cathedral Gold Corporation between 1995 and 1996. Cathedral carried out soil sampling, auger drilling and diamond drilling in and around the Tallman gold mine.</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>Primary gold mineralisation is exposed at several localities within the Karouni Project, the most notable being the Hicks, Smarts and Larken Prospects along the northern extremity of the Project. Here the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Palaeoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group.</p> <p>Extensive superficial cover of White Sand Formation within the central and southern portions of the Project tenements masks the basement lithology and conceals any gold mineralisation.</p> <p>The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syntectonic intrusives persist at shallow depth beneath this cover.</p> <p>The mineralisation at the Smarts and Hicks Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic, volcanoclastic and pyroclastic rocks. The shear zone dips steeply towards the southwest, strikes northwest to southeast, and is characterized by intense brittle-ductile deformation and</p>



		<p>carbonate alteration plus quartz veining and abundant pyrite.</p> <p>The high grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone</p> <p>At the Smarts Deposit gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone 2,800m in strike length and up to 60m wide. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciation.</p> <p>Numerous, moderately well-defined gold-rich lenses, up to 15m wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritization, seritisation and pyritisation . Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-sericite-chlorite-carbonate- pyrite-tourmaline alteration.</p> <p>Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume, with local, trace amounts of molybdenite, galena and sphalerite, associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesian basalts and along shear zones.</p>
<p>Drill hole information</p>	<p>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:</p> <p>easting and northing of the drill hole collar</p> <p>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</p> <p>dip and azimuth of the hole</p> <p>down hole length and interception depth</p> <p>hole length.</p> <p>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.</p>	<p>Much of the drill hole information contained within this release has been previously disclosed by Cathedral Gold Corporation. Cathedral was a TSX listed company and releases were through that market.</p> <p>All relevant drill hole information is contained within this report and no reference is made to any previous reports.</p>
<p>Data aggregation methods</p>	<p>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.</p> <p>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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Intersections are generally assayed on one meter intervals; there are some intervals assayed to geological boundaries. No top cuts have been applied to exploration results.</p> <p>Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t.</p> <p>Mineralised intervals are reported on a weighted average basis</p>



Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	<p>The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner.</p>
Diagrams	<p>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.</p>	<p>The appropriate plans and sections have been included in the text of this document.</p>
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	<p>The appropriate plans and sections have been included in the text of this document.</p>
Other substantive exploration data	<p>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.</p>	<p>No other material exploration data has been reported.</p>
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>Further work planned includes detailed mapping and geological interpretation. Once this has been completed a drilling program will be planned to test for high grade gold mineralisation beneath and along strike from the Tallman pit.</p>