

9 July 2019

**Kingwest Resources Ltd**

**ASX: KWR**

**Shares on Issue**  
50,810,000

**Directors & Management**

**Chairman**  
Peter Bennetto

**Director / CEO**  
Stephen Woodham

**Non-Executive Director**  
Stephen Brockhurst

**Company Secretary**  
David McEntaggart

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**MAJOR ACQUISITION OF THE MENZIES GOLD PROJECT -  
WESTERN AUSTRALIA**

**Highlights**

- **Major Gold Project - Historic Production of ~800,000 oz at 19g/t gold<sup>1</sup>**
- **One of Australia's highest-grade, large-scale gold centres**
- **Limited exploration targeting historic high grades since underground mining ceased in 1943**
- **High priority walk-up drill targets have been identified by KWR**
- **KWR will have 100% ownership of the Granted Mining Leases that contain the highest priority gold deposits and exploration targets**
- **Purchase in staged cash and share payments of \$8 million over 18 months**
- **The Kalgoorlie Highway runs through the Menzies Gold Project with a network of infrastructure and Processing Plants located nearby**

**SUMMARY**

Kingwest Resources Limited ("KWR" or "the Company") has reached an agreement to purchase 100% of the Menzies Gold Project ("Menzies", or "MGP") from Intermin Resources Limited ("IRC" or "Intermin") (ASX: IRC) for \$8 million in cash and shares which will be paid over 18 months. Menzies is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie, the MGP includes multiple high-grade deposits. Past production and current resources confirm the significant scale of the Menzies region.

KWR believes the MGP has considerable exploration upside and production potential. This belief is based on the detailed data and exploration history review to date which supports the structural control model KWR plans to test. This model is based not only on extensions of known high-grade shoots but repeats of this style of high-grade gold mineralisation.

As part of the acquisition KWR will transition key management and Board roles with Ed Turner, the founding CEO and later GM Geology and Exploration Manager of Galena Mining Limited ("Galena") (ASX: G1A) moving into the role of CEO at KWR. Adrian Byass, founding Chairman of Galena will be joining as Chairman of KWR and Jon Price, Managing Director of project vendor; Intermin Resources will also be joining the Board as Non-Executive Director. Peter Bennetto will resign as Chairman and Director, and Stephen Woodham will step down as CEO but remain a Non-Executive Director of KWR.

## PROJECT SUMMARY

The MGP covers a contiguous land package over a strike length in excess of 15km. Within the MGP a series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions. Modern exploration since closure over 20 years ago has been limited.

The MGP is hosted along the Menzies Shear Zone (Figure 1). All deposits lie within granted Mining Leases that will be 100% owned by KWR upon completion of the acquisition (Appendix 1). The Goongarrie Project, which is approximately 45km south of Menzies, is also part of the tenement package to be acquired by KWR. Whilst Goongarrie has a proven record of production and there is exploration upside, the focus of KWR in the short term will be the MGP.

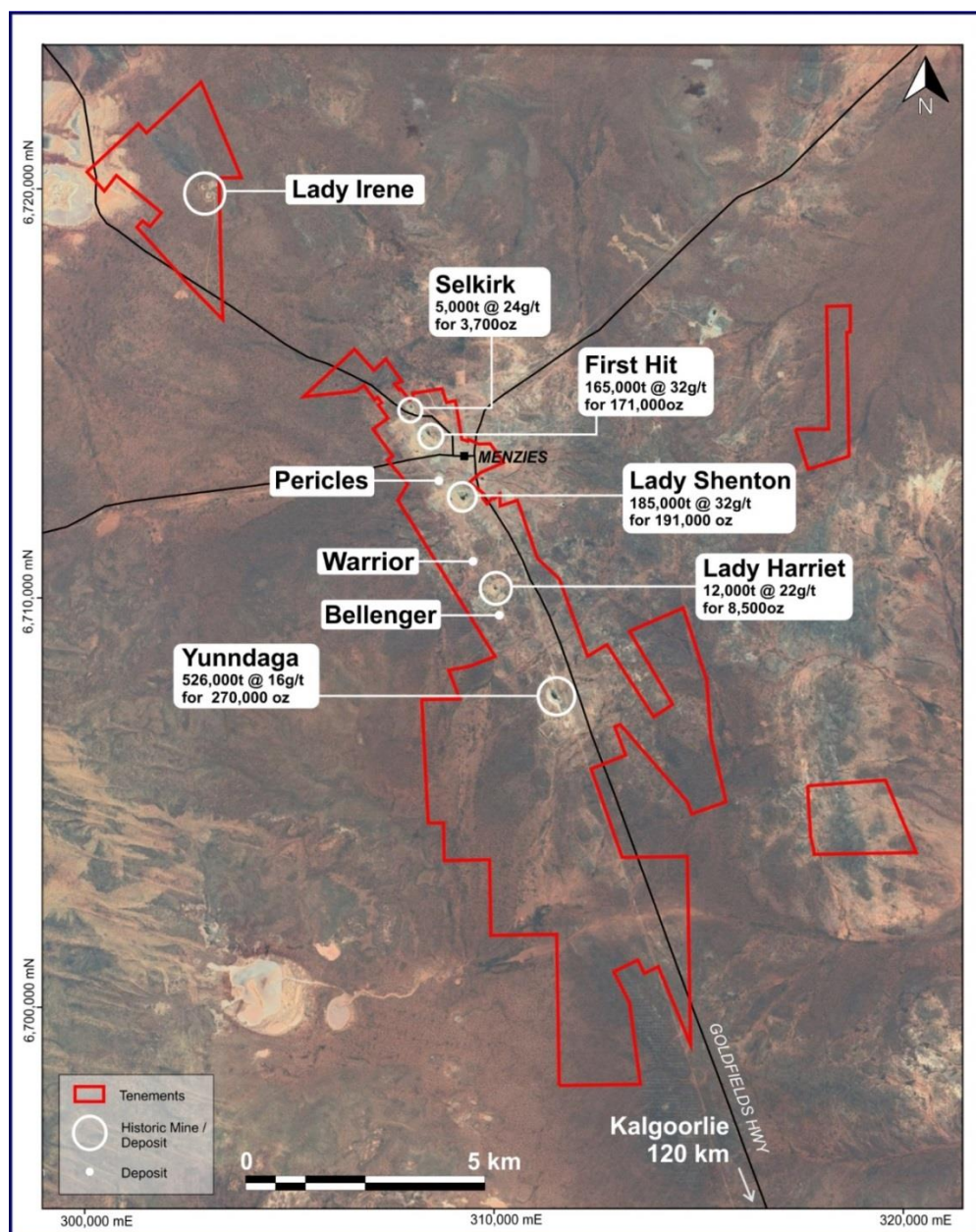


Figure 1: Menzies Project deposits, historic production figures and tenement boundaries.

The MGP has recorded historical production of **643,200 oz @ 22.5g/t Au<sup>1</sup>** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au<sup>2</sup>** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t<sup>1</sup> Au**. A current 2012 JORC compliant Resource has been defined at the Yunndaga, Pericles, Bellenger and Warrior Deposits and is detailed in Table 1 & Appendix 3. These resources have only been calculated for shallow mineralisation considered suitable for open cut mining at periods of lower gold prices. Higher-grade intersections within this larger mineralisation package have thus been diluted by the low cut-off grade applied. The MGP deposits remain poorly drill tested at depth, along strike and also display considerable potential for en echelon/parallel repeated lodes in a lateral offset under cover.

## COMPANY STRATEGY

KWR's strategy will focus on the high-grade, structurally controlled mineralisation which is shown to extend at depth and testing for blind repeating lodes. Whilst KWR believes there is potential to increase the resource inventory close to surface and exploit these with open cut mining, KWR believes that immediate economic potential exists for high-grade underground mining. A high priority target is therefore 'walk up' in defining the extensions to the high-grade shoots with targeted drilling. At the MGP only the Princess May shoot at the Yunndaga Deposit has been mined to more than 200 metres vertical depth and has had no drilling below workings.

The historic production at the MGP of 643,000 oz gold @ 22.5 g/t<sup>1</sup> Au compares favourably to other structurally controlled high-grade gold deposits. KWR believe there is excellent potential for parallel lodes, strike and depth extensions to known lodes and extensions to the main lodes.

## MAIN DEPOSIT SUMMARIES

The following is a summary of the geology, production history and resources for each of the main deposits within the MGP tenements. This does not include all of the known deposits or prospects within the MGP. The main historical production areas and current exploration targets are;

- Yunndaga
- Lady Shenton
- First Hit
- Lady Irene
- Selkirk, and
- Lady Harriet

Historical mining and exploration potential can be found at the separate Goongarrie tenement package to the south of the MGP. There are numerous other prospects within the MGP that may have economic potential but are yet to be properly explored.



## Yunndaga Deposit

Yunndaga is a significant, deep-seated lode gold deposit with multiple ore shoots and large exploration potential. Mined underground between 1896 and 1943 **producing 526kt @ 16g/t Au for 270,000 oz gold<sup>1</sup>** and by open cut in the 1990s producing a further **800kt @ 2.5 g/t Au for 64,000 oz gold<sup>1</sup>** for total production of **334,000 oz gold** (Figure 2).

Gold mineralisation is hosted in plunging-shoots. The Princess May Shoot (Figure 3) was mined to 600 vertical metres but other shoots have not yet been mined to any significant depth. All shoots remain open at depth but the principal focus will be the Eva and Link Shoots which have never been drilled (below 250m depth) and are therefore priority drill targets.

Current shallow (open-pit potential) 2012 JORC resources of 103,000 oz gold<sup>3</sup> (Table 1) have been defined at Yunndaga.



**Figure 2: Yunndaga Open Cut.**

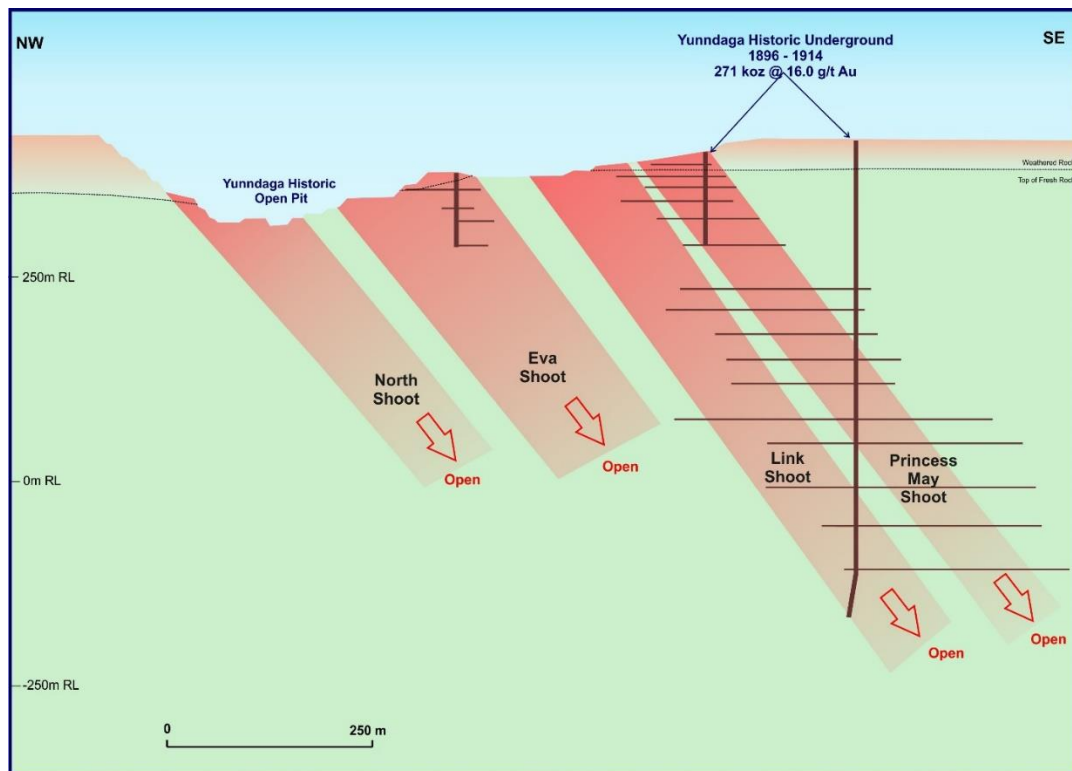


Figure 3: Yunnadaga long section with historic U/G workings, open cut limits and known shoots open at depth.

### First Hit Deposit

First Hit was mined historically underground from 1896 (**producing 165kt @ 32g/t Au for 170,000 oz gold**)<sup>1</sup> and from open cut to 65 vertical metres in the 1990's (**325kt @ 2.4g/t Au for 25,000 oz gold**).

Some high-grade drill intercepts beneath the bottom of the open pit include<sup>3</sup> (Appendix 2 & 3):

- **2m @ 13.62g/t Au** from 105m in MZRC12255
- **6m @ 16.30g/t Au** from 74m in MZP059
- **7m @ 48.18g/t Au** from 75m vertical depth in F31049
- **7m @ 42.82g/t Au** from 100m in MZP051
- **7m @ 7.32 g/t Au** from 89m in MZ002
- **3m @ 39.3 g/t Au** from 34m in MZRC11234
- **2m @ 14.05 g/t Au** from 34m in MZRC12252
- **3m @ 9.91 g/t Au** from 46m in MZRC 12254

The potential for down plunge extensions to the known high-grade shoots is very good and will be a priority for early stage drill testing by KWR.

## Lady Shenton Deposit

Located to the north of Yunndaga, Lady Shenton is another significant, vertically extensive lode-gold deposit with proven high-grade ore shoots. Mined U/G between 1896 and 1939 (**185kt @ 32g/t Au for 191,000 oz gold**)<sup>1</sup> and from open cut to 80 vertical metres between 1995 and 1999 (**349kt @ 2.7 g/t Au for 30,350 oz gold**)<sup>1</sup>.

Two sub parallel lodes (Lady Shenton and Falconer) extend over 300 metre strike and to a depth of 210 vertical metres. A third lode (Big Babe) was discovered in the 1950's but not exploited underground.

Smaller, but similarly high-grade deposits were also mined and these offer readily available and relatively shallow exploration targets. These include the Lady Irene, Selkirk and Lady Harriet deposits.

## Lady Irene Deposit

Discovered using modern exploration work and having no historical underground mining, Lady Irene is located approximately 5km north of the main part of the MGP but is hosted in the same geological extension. Open pit mining in the 1990's yielded production of **48kt @ 4.8g/t Au for 6,500 oz<sup>1</sup> gold** to 34m depth.

The most recent drilling (assayed in 2019) at the Lady Irene Deposit returned significant intersections including<sup>1</sup> (Figure 4, Appendix 2 & Appendix 3):

- **39.3m @ 4.27 g/t Au** from 159m including **12m @ 7.68 g/t Au** from 184m in LIRD003
- **3.95m @ 7.51 g/t Au** from 124m including **0.6m @ 27.7 g/t Au** from 128m in LIRD002

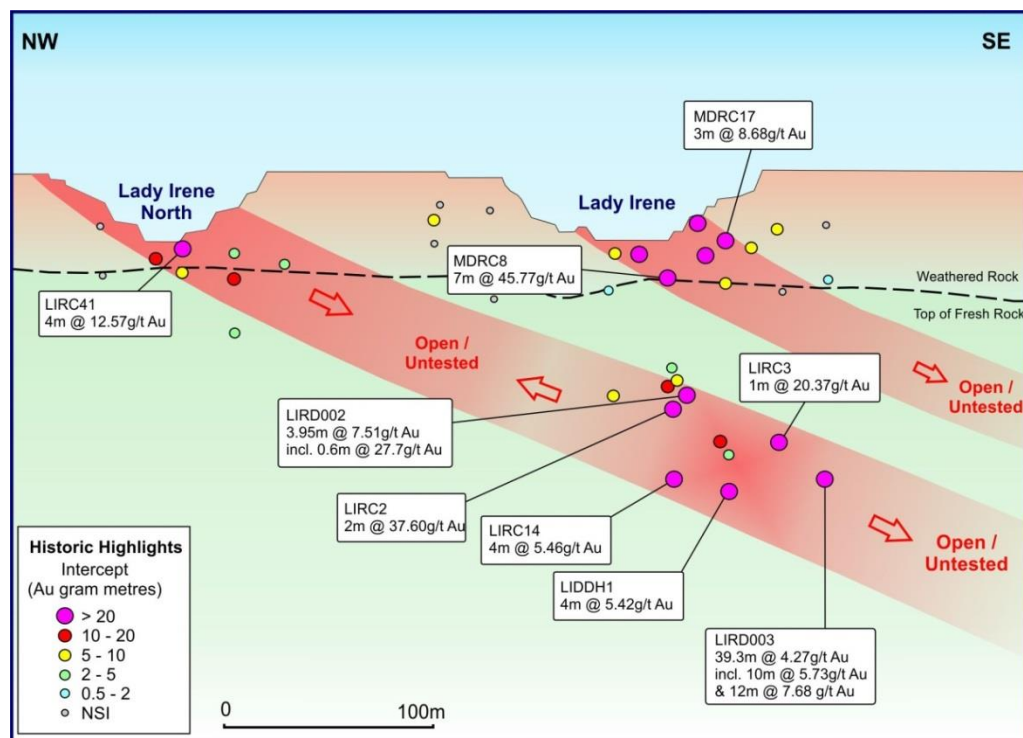


Figure 4: Lady Irene long section showing open cut limits and significant drill intersections.

## Selkirk Deposit

Selkirk is located close to the centre of the MGP and was mined underground from 1896 to 1939 (**5kt @ 24g/t Au for 3,700 oz gold**)<sup>1</sup> and by open pit in 1990's (**42kt @ 4.6g/t Au for 6,249 oz gold**)<sup>1</sup>.

Gold mineralisation is hosted in a structurally controlled quartz vein that extends at depth. Recent work by IRC in 2015-2016 identified encouraging high-grade potential beneath the pit with intercepts including **3m @ 74.56 g/t Au** and **2m @ 12.65 g/t Au**<sup>1</sup> (Figure 5, Appendix 2, Appendix 3).

## Lady Harriet Deposit

Lady Harriet is hosted in the southern portion of the MGP, between Yunndaga and Lady Shenton. It was mined underground between 1896 and 1922 **for 12kt @ 22g/t Au for 8,500 oz gold**)<sup>1</sup> and by open pit in the 1990's producing **262kt @ 2.5g/t Au for 21,212 oz gold**)<sup>1</sup>.

Additional project tenure acquired covers the Goongarrie gold project, located to the south of Menzies.

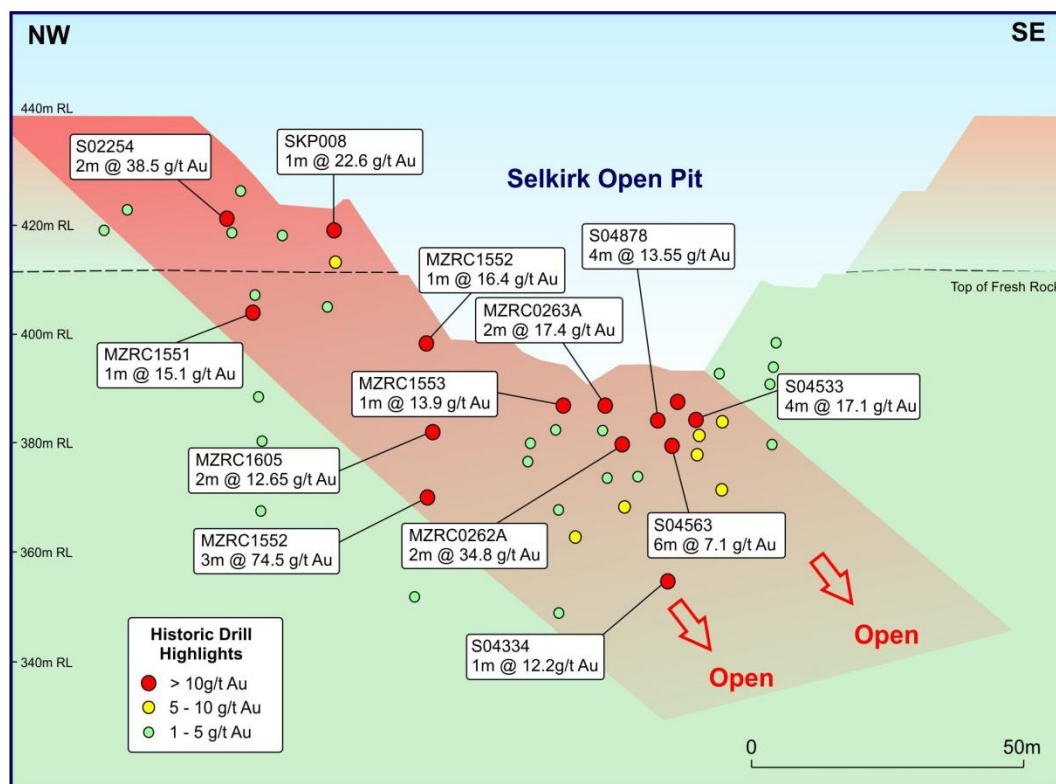


Figure 5: Selkirk Deposit long section showing open cut limits and significant drill intersections.

## **Goongarrie Project Summary**

Goongarrie is a separate tenement package with historic mining and gold exploration potential. The project is located on granted Mining, Exploration and Prospecting licenses forming a contiguous land package of over 20km of strike situated 40km south of Menzies in the Eastern Goldfields of Western Australia.

The project is located at the northern end of the Bardoc Tectonic Zone ("BTZ"), a major greenstone belt between Kalgoorlie and Menzies within the Kalgoorlie Terrane of the Archaean Yilgarn Craton. The tenements border the western edge of the BTZ with all deposits on or adjacent to a major NNW trending strike parallel shear zones varying in intensity from 20-200m wide.



## **KEY COMMERCIAL TERMS**

KWR has entered into an agreement to purchase 100% of the tenements comprising the MGP and Goongarrie Project from IRC on the following terms:

- An initial cash deposit of \$750,000 to be paid immediately (of which \$250,000 non-refundable);
- On settlement:
  - A further \$1M cash payment; and
  - Issuing 20M ordinary shares in KWR at a deemed issue price of \$0.15 per share and subject to voluntary escrow from issue until the earlier of (a) 18 months following settlement and (b) 3 months following the payment/issue of the deferred consideration.
- A deferred payment no later than 18 months after settlement of:
  - A further \$1.625M in cash; and
  - \$1.625M in value of ordinary shares in KWR at a deemed issue price being the lower of \$0.15 per share and a 30 day VWAP (subject to shareholder approval and IRC not exceeding 19.99% ownership in KWR).

Settlement of the Acquisition is subject to the following key conditions precedent:

- Completion of due diligence by KWR;
- Completion of a minimum \$4M capital raising;
- Shareholder approval for the issue of the upfront consideration shares and shares under the capital raising; and
- An IRC nominee director (Jon Price) to be appointed to the KWR Board.

On settlement it is expected that IRC will hold approximately 19.9% of the total issued capital in KWR. Subject to ASX granting the Company a waiver from the requirements of ASX Listing Rule 6.18, IRC will have the right to participate in any offer of securities in order to maintain their ownership interest. The acquisition also gives IRC a subordinated priority first right to treat ore mined from Menzies.

The acquisition agreement otherwise contains conditions precedent, warranties and representations and other clauses that are standard for transactions of this nature.

## **Capital Raising**

The Company has cash reserves of \$1.85M at the end of the June 2019 quarter. The acquisition involves a total cash payment to IRC of \$1.75M (\$750k immediately and \$1M on settlement). In order to maintain its cash balance and fund the proposed exploration activities at the Menzies and Goongarrie Projects, the Company will be raising \$4M through a share placement to sophisticated and professional investors (subject to shareholder approval), with the potential to take oversubscriptions. It is proposed that the placement will be completed in two tranches, the first utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A and the second following the receipt of shareholder approval.

It is proposed that Peloton Capital will act as lead manager to the placement and that the existing Directors will participate in the placement (subject to shareholder approval). The Company will announce full details of the Placement to shareholders in the coming weeks and further details will be set out in a notice of meeting to KWR shareholders.

Upon settlement of the acquisition the capital structure of the Company will be as follows:

	Shares	Options
<b>Current issued capital</b>	50,810,000	15,750,000
<b>Shares to be issued in lieu of payment</b>	606,060 <sup>1</sup>	Nil
<b>Consideration Shares to be issued to Intermin<sup>3</sup></b>	20,000,000 <sup>2</sup>	Nil
<b>Minimum Capital Raising</b>	26,666,667 <sup>2</sup>	Nil
<b>Facilitator Securities<sup>4</sup></b>	2,500,000	7,350,000 <sup>5</sup>
<b>Director Options</b>	Nil	500,000 <sup>6</sup>
<b>TOTAL</b>	<b>100,582,727</b>	<b>23,600,000</b>

1. Shares to be issued to drilling supplier in lieu of payment for services provided, as announced on 5 June 2019.
2. At a deemed issue price of \$0.15 per Share.
3. Consideration Shares to be issued does not include the Shares to be issued as part of the Deferred Consideration. The Company will also issue \$1.625m worth of shares as part of the deferred consideration for the acquisition, within 18 months of settlement, at an issue price the lower of \$0.15 and the 30 day VWAP of shares prior to the issue.
4. The Facilitator Securities will be issued to various parties in exchange for project direction, finance management and facilitation services provided to the Company in connection with the acquisition. The securities will be issued on settlement and subject to shareholder approval.
5. Comprising 2,450,000 options and 4,900,000 options with an exercise price being a 30% premium and 80% premium respectively, to the VWAP at the time of shareholder approval, expiring on 30 June 2022.
6. Options are to be issued to Stephen Woodham are subject to shareholder approval, comprising 250,000 options and 250,000 options with an exercise price being a 30% premium and 80% premium respectively, to the VWAP at the time of shareholder approval, expiring on 30 June 2022.

## NEXT STEPS

A period of confirmatory due diligence has commenced. The transaction will require both shareholder and regulatory approvals to be obtained and staged cash payments coupled with an equity capital raise of at least \$4 million. A notice of meeting seeking, among other things, approval for the securities to be issued contemplated as part of this transaction will be dispatched to shareholders in the coming weeks.

Upon completion of the capital raise and the restructuring of the KWR Board, exploration activities at the MGP will commence.

The initial exploration activities and objectives is to identify and prove up high-grade gold resources with targeted drilling of the high-grade ore shoots beneath the Yunndaga, Lady Shenton, Lady Irene and Selkirk Deposits. This initial drill program will initially consist of 16 holes ranging in depth from 150-300 metres for a total of approximately 3,500 metres.

**Table 1: Menzies Gold Project – Summary of Mineral Resources.**

Deposit (>1g/t Au)	Indicated Resource			Inferred Resource			Total Resource		
	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Pericles	0.53	2.49	42,500				0.53	2.49	42,500
Yunndaga				1.58	2.03	103,000	1.58	2.03	103,000
Bellenger	0.24	2.63	19,900				0.24	2.63	19,900
Warrior				0.07	2.49	5,910	0.07	2.49	5,900
<b>TOTAL</b>	<b>0.77</b>	<b>2.52</b>	<b>62,400</b>	<b>1.65</b>	<b>2.05</b>	<b>108,910</b>	<b>2.42</b>	<b>2.2</b>	<b>171,310</b>

A summary of all information material to understanding the reported mineral resources estimates follows:

**Geology and geological interpretation** - The confidence in the geological interpretation is high, gold mineralisation is associated with quartz veins in narrow 1-4m wide shoots. The mineralisation zones are typically defined by a 0.3 g/t Au mineralised envelope which was then wireframed. Continuity between sections is considered reasonable and reliable. The data used to construct the geological model included was based on historic mining, assay and geological data. This was imported into Micromine. The deposits all consist of west dipping lodes with a southerly plunge. Infill drilling has supported and refined the model and the current interpretation is considered robust. Widespread drilling and geological mapping of the sparse outcrops of host rocks have supported the estimate. Infill drilling has confirmed geological and grade continuity.

**Sampling and sub sampling techniques – Intermin (IRC) drilling:** RC samples were collected from the drill rig by spearing each 1m collection bag and compiling a 4m composite sample. Single splits were automatically taken by emptying the bulk sample bag into a riffle splitter. Samples collected in mineralisation were all dry. No duplicate 4m composites were taken in the field. 1m samples were submitted to Nagrom, ALS or Aurum Laboratories in Perth. Samples were consistent and weighed approximately 1.5-2.0 kg and it is common practice to review 1m results and then review sampling procedures to suit. Once samples arrived in Perth, further work including duplicates and QC was undertaken at the laboratory. IRC has determined sufficient drill data density is demonstrated at the Pericles, Big Babe, Lady Shenton, Warrior, Bellenger and Yunndaga prospects and Mineral Resource Estimate have been completed. Mineralisation is located in weathered clays, sometimes saprolitic, transitional and fresh rock and the sample size is standard practice in the WA Goldfields to ensure representivity. Quartz and minor sulphides were observed which is consistent with narrow vein quartz and shear- hosted mineralisation known to occur in the Menzies region. **Historic Drilling:** Diamond core samples were half core, RC samples were riffle split. Samples were dry. Some laboratory duplicates were completed in RAB programs. The duplicate results were of an acceptable deviation to initial results. Unknown if Lab standards were used.

Drilling techniques – A combination of RC and diamond core drilling was used.

Classification criteria - Mineral Resources have been classified on the basis of confidence in the geological and grade continuity using the drilling density, geological model, pass in which the gold was estimated and the distance to sample selections. Indicated Mineral Resources have been defined generally in areas of 20m by 10m drill spacing. Ore outlines that had lower confidence in continuity were ignored and not categorised as inferred. The oxide zone is shallow at Menzies being just 30m on average. Overall the high drill density and number of holes defining a reasonably consistent ore zone(s), rather than ore type, is the main factor influencing the resource category. As described above the Mineral Resource classification has been based on the quality of the data collected (geology, survey and assay data) the density of the data, grade estimation quality and geological/ mineralisation model. The reported resource estimates are consistent with the view of the deposits by the Competent Person.

Sample analysis method - Intermin Drilling: The most recent 1m and 4m composite samples were assayed by Aqua Regia (ICP008) with a Fire Assay check (FA50) by Nagrom Accredited Labs (Perth) for gold only and is considered a partial digest. Work undertaken at ALS and Aurum utilised the same methods above. Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. QC results (blanks, duplicates, standards) were in line with commercial procedures, reproducibility and accuracy. Aqua regia digestion and fire assay (FA50) checks were used. Historic assays were either Fire Assay or Aqua Regia.

Estimation methodology - Grade estimation using Inverse Distance squared (ID2) was completed using Micromine V12 modelling software for the resource interpolation. Drill grid spacing ranges is typically around 20 metres. Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and then used to create the composite files. 1m assay composites were used. The influence of extreme grade outliers was reduced by top-cutting. The top cut was determined by using a combination of grade histograms, log probability plots and CV's. Wireframe domains were based on a 0.3g/t Au mineralised envelope. Minimum block size was 5m x 5m x 2.5m. The CoxRocks Yunndaga OBM was compared successfully to a block model from Paddington Resources created back in 1998. No by-products were considered. No deleterious elements are present. Minimum block size was 5m x 5m x 2.5m. A 15g/t cut was universally applied, regardless of the domain. Search setting was modelled on a search ellipse using ID2 dipping west about 50 degree with a southern plunge of 45 degree. No selective mining units were assumed in this estimate. There was no correlation between variables (only gold estimated). Geological interpretations were completed on 20m sections, using resource drilling. 3D wireframes were then constructed around these interpretations, creating 14 domains. In addition to these mineralised domains, a base of oxidation and top of fresh rock was also used. The Intermin block models were compared against the historic resource/block models from preliminary models by Coxrocks where available for the Pericles, Bellenger, and Yunndaga prospects. No reconciliation data was available as all the resources are unmined.

Cut off grades and basis for selection - The grade cut of 15 g/t Au was based on the grade distribution characteristics of the single split assays. Log-probability graphs revealed an inflection point around 15g/t where the high grade samples deviated. In total 37 samples were cut which reduced the coefficient of variation to within acceptable levels.

Mining and metallurgical methods and parameters - Metallurgical testwork has been conducted but not viewed. Reference was made to historic performance of the historic mines and a very high gravity component has been noted.

## About Kingwest Resources Limited

Kingwest Resources Ltd. (ASX KWR) is a minerals exploration company established to explore for gold near Leonora, in the North East Goldfields region of Western Australia. The company currently has an extensive tenement holding of over 900km<sup>2</sup> with projects, prior to the MGP acquisition, that include:

- **Crawford Project**, with an inferred JORC compliant resource of 3.34Mt @ 0.96g/t Au for 104,000<sup>4</sup> ounces contained gold. The deposit is close to surface and remains open at depth and along strike.
- **Gambier Lass North Project**. Located directly along strike from the Gambier Lass Mine this area has numerous, near surface, historic drill intercepts.
- **Emperor Project**. Located at the southern end of the Yandal Greenstone Belt, this project sits to the immediate south and west of the Darlot Mine. Several mineralised and anomalous trends are present that extend onto KWR's tenements.
- **Roman Well Project**. Situated on the northern continuation of the Mertondale Shear Zone and contains a 600m long, coherent Au, As, Cu, Zn soil anomaly.
- **King of the West Project**. Located adjacent to the Keith – Kilkenny Tectonic Zone this project contains multiple poorly tested, historic gold workings with surface sampling to 168g/t Au and 45g/t Ag.

## References to ASX Releases

<sup>1</sup> As announced to the ASX on 19 February 2019 (ASX: IRC)

<sup>2</sup> As announced to the ASX on 22 October 2015 (ASX: IRC)

<sup>3</sup> As announced to the ASX on 8 March 2016 (ASX: IRC)

<sup>4</sup> Refer to the prospectus lodged by the Company as an ASX announcement on 22 August 2018 (Prospectus). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the mineral resources estimates in the Prospectus continue to apply and have not materially changed.

## Forward-Looking Statements

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kingwest Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Kingwest believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.*

## Competent Person Statement

*The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr David O'Farrell and Simon Coxhell. Both are Members of the Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a full time employee of Intermin Resources Limited and Mr Coxhell is a consultant to Intermin Resources Limited. Some information was prepared and first disclosed under the JORC Code 2004. It has not been updated since (unless indicated) to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The remaining exploration results and all of the information relating to resource estimates comply with JORC Code 2012. Mr O'Farrell and Mr Coxhell have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserve s'. Mr O'Farrell and Mr Coxhell consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.*



## Appendix 1: Tenements to be acquired

Tenement Number	Project	Locality	Equity	Tenement Number	Project	Locality	Equity
E29/984	Menzies	Yunndaga	100%	E29/966	Goongarrie	Goongarrie	100%
M29/14	Menzies	Menzies	100%	M29/420	Goongarrie	Goongarrie Lady	100%
M29/153	Menzies	Menzies	100%	E29/996	Goongarrie	Goongarrie	100%
M29/154	Menzies	Menzies	100%	L29/109	Goongarrie	Goongarrie	100%
M29/184	Menzies	Yunndaga	100%	P29/2380	Goongarrie	Goongarrie	100%
M29/212	Menzies	Menzies	100%	P29/2381	Goongarrie	Goongarrie	100%
M29/410	Menzies	Yunndaga	100%	P29/2412	Goongarrie	Goongarrie	100%
M29/88	Menzies	Yunndaga	100%	P29/2413	Goongarrie	Goongarrie	100%
L29/42	Menzies	Yunndaga	100%	ELA29/1054*	Goongarrie	Lake Moriaty	100%
L29/43	Menzies	Yunndaga	100%	ELA29/1055*	Goongarrie	Lake Goongarrie North	100%
L29/44	Menzies	Yunndaga	100%	ELA29/1062*	Goongarrie	Lake Goongarrie	100%
P29/2251	Menzies	Black Jack	100%	P29/2467	Goongarrie	Goongarrie	100%
P29/2252	Menzies	Black Jack	100%	P29/2468	Goongarrie	Goongarrie	100%
P29/2253	Menzies	Black Jack	100%	PLA29/2530	Goongarrie	Goongarrie	100%
P29/2254	Menzies	Black Jack	100%	PLA29/2531	Goongarrie	Goongarrie	100%
P29/2346	Menzies	Menzies	100%	PLA29/2532	Goongarrie	Goongarrie	100%
P29/2366	Menzies	Yunndaga	100%	PLA29/2533	Goongarrie	Goongarrie	100%
P29/2367	Menzies	Yunndaga	100%				
P29/2450	Menzies	Menzies	100%				
PLA29/2448*	Menzies	Menzies	100%				
PLA29/2451*	Menzies	Menzies	100%				
PLA29/2488*	Menzies	Menzies	100%				
P29/2383	Menzies	Yunndaga	100%				
P29/2384	Menzies	Yunndaga	100%				
P29/2385	Menzies	Yunndaga	100%				
P29/2386	Menzies	Yunndaga	100%				
P29/2387	Menzies	Yunndaga	100%				

\*Applications, tenements have not yet been granted

## Appendix 2: Material Drill Holes

	Hole Number	Easting	Northing	RL	Dip	Azi	EOH (m)	From (m)	To (m)	Width (m)	Au (g/t)
First Hit	MZRC12255	308215.91	6714023.71				160.00	105.00	107.00	2.00	13.62
	MZP059	308294.93	6714047.19	425	-60	89.62	80.00	74.00	80.00	6.00	16.30
	F31049	308350.05	6714025.51	379.96	-60	269.62	47.00	75.00	82.00	7.00	48.18
	MZP051	308275.39	6714007.25	425	-60	89.62	108.00	100.00	107.00	7.00	42.82
	MZ002	308285.49	6714007.32	425	-60	89.62	100.00	89.00	96.00	7.00	7.32
	MZRC11234	308212.05	6714096.92				50.00	34.00	37.00	3.00	39.30
	MZRC12252	308192.04	6714107.56				85.00	34.00	36.00	2.00	14.05
	and							61.00	65.00	4.00	4.49
	MZRC12254	308199.91	6714088.71				65.00	46.00	49.00	3.00	9.91
Lady Irene	LIRD002	302833.00	6719713.00	391	-60	045	173.10	124.65	128.60	3.95	7.51
	including							128.00	128.60	0.60	27.70
	LIRD003	302869.00	6719613.00	391	-60	045	237.60	159.00	198.30	39.30	4.27
	including							184.00	196.00	12.00	7.68
	LIRC41	302647.64	6719807.24	300	-60	228	50.00	36.00	40.00	4.00	12.57
	LIRC2	302796.15	6719635.26	300	-60	228	133.00	127.00	129.00	2.00	37.60
	LIRC14	302804.61	6719644.59	300	-60	228	179.00	166.00	170.00	4.00	5.46
	LIDDH1	302841.17	6719643.09	300	-60	224	225.70	183.00	187.00	4.00	5.42
	LIRC3	302848.85	6719615.85	300	-53	228	196.00	159.00	160.00	1.00	20.37
	MDRC17	302755.47	6719561.19	300	-60	44	61.00	35.00	38.00	3.00	8.68
	MDRC8	302777.85	6719618.06	300	-60	224	96.00	54.00	61.00	7.00	45.77
Selkirk	MZRC1552	307817.46	6714614.68				100.00	84.00	87.00	3.00	74.56
	and							50.00	51.00	1.00	16.40
	MZRC1605	307826.00	6714621.00	418.91	-90	0	90.00	77.00	79.00	2.00	12.65
	S02254	307842.26	6714675.80					18.00	20.00	2.00	38.50
	MZRC1551	307808.84	6714650.34				62.00	40.00	41.00	1.00	15.10
	SKP008	307935.29	6714708.73	420	-60	59.04	40.00		1.00	1.00	22.60
	MZRC1553	307830.27	6714588.31				110.00	64.00	65.00	1.00	13.90
	MZRC0262A	307901.87	6714619.26	423	-60	59.04	50.00	48.00	50.00	2.00	34.80
	S04334	307881.29	6714595.49	420.05	-90	360	99.00	85.00	86.00	1.00	12.20
	S04563	307914.01	6714614.72	414.69	-90	360	62.00	52.00	58.00	6.00	7.10
	S04533	307918.25	6714611.72	415.45	-90	360	60.00	50.00	54.00	4.00	17.10
	S04878	307909.18	6714616.36	413.89	-90	360	60.00	48.00	52.00	4.00	13.55
	MZRC0263A	307867.57	6714598.68	423	-60	59.04	77.00	72.00	74.00	2.00	17.40

## Appendix 3: JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The deposit has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and most recently by Intermin. The majority of drill holes have a dip of -60° towards the east. RAB, RC &amp; Air Core holes were commonly sampled using 2 or 4m composite samples, and significant results were then single metre sampled.</li> <li>Industry standard drilling and sampling methods for lode and supergene gold deposits have been utilised throughout the various drilling campaigns.</li> <li>Sampling intervals for RAB, AC &amp; RC holes ranged from 1-4m and for Diamond holes 0.4 – 2.0m. Samples assayed for Au only. 4m composite results often display some highly variable correlation with individual 1m split samples, which is indicative of the high nugget effect.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Recent drilling by Intermin was Reverse Circulation with a 4.5" face sampling hammer bit.</li> <li>Historic RAB, AC, RC &amp; Diamond drilling specifics are unknown.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Intermin Drilling: RC recovery and meterage was assessed by comparing drill chip volumes (sample bags) for individual meters. Good recoveries were recorded. Routine check for correct sample depths are undertaken every rod (6m). RC sample recoveries were visually checked for recovery, moisture and contamination. The cyclone was routinely cleaned ensuring no material build up. Due to the good drilling conditions around the sample interval (dry) the geologist believes the samples are representative, some bias would occur in the advent of poor sample recovery (which was not seen).</li> <li>Historic Drilling: Good sample recovery was recorded for the majority of holes.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> </ul>	<ul style="list-style-type: none"> <li>Intermin Drilling: Drill chip logging was completed on one metre intervals at the rig by the geologist. The log was made to standard logging descriptive sheets, and transferred into Micromine computer once back at the office.</li> <li>Logging was qualitative in nature.</li> <li>100% of all meterages were geologically</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>logged.</p> <ul style="list-style-type: none"> <li>Historic Drilling: Some historic holes haven't been geologically logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>Intermin Drilling:</p> <ul style="list-style-type: none"> <li>RC samples taken.</li> <li>RC samples were collected from the drill rig by spearing each</li> <li>1m collection bag and compiling a 4m composite sample.</li> <li>Single splits were automatically taken by emptying the bulk sample bag into a riffle splitter. Samples collected in mineralisation were all dry.</li> <li>For Intermin samples, no duplicate 4m composites were taken in the field. 1m samples were submitted to Nagrom, ALS or Aurum Laboratories in Perth.</li> <li>Samples were consistent and weighed approximately 1.5-2.0 kg and it is common practice to review 1m results and then review sampling procedures to suit.</li> <li>Once samples arrived in Perth, further work including duplicates and QC was undertaken at the laboratory. Intermin has determined sufficient drill data density is demonstrated at the Pericles, Big Babe, Lady Shenton, Warrior, Bellenger and Yunndaga prospects and Mineral Resource Estimate have been completed.</li> <li>Mineralisation is located in weathered clays, sometimes saprolitic, transitional and fresh rock and the sample size is standard practice in the WA Goldfields to ensure representivity. Quartz and minor sulphides were observed which is consistent with narrow vein quartz and shear- hosted mineralisation known to occur in the Menzies region.</li> </ul> <p>Historic Drilling:</p> <ul style="list-style-type: none"> <li>Diamond core samples were half core, RC samples were riffle split.</li> <li>Samples were dry.</li> <li>Some laboratory duplicates were completed in RAB programs. The duplicate results were of an acceptable deviation to initial results. Unknown if Lab standards.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted</i></li> </ul>	<p>Intermin Drilling:</p> <ul style="list-style-type: none"> <li>The most recent 1m and 4m composite samples were assayed by Aqua Regia (ICP008) with a Fire Assay check (FA50) by Nagrom Accredited Labs (Perth) for gold only and is considered a partial digest. Work undertaken at ALS and Aurum utilised the same methods above.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>(eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> <li>No geophysical assay tools were used.</li> <li>Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. QC results (blanks, duplicates, standards) were in line with commercial procedures, reproducibility and accuracy. Aqua regia digestion and fire assay (FA50) checks were used.</li> <li>Historic assays were either Fire Assay or Aqua Regia.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>Intermin Drilling:</p> <ul style="list-style-type: none"> <li>Work was supervised by senior Nagrom, ALS or Aurum staff experienced in metals assaying. QC data reports confirming the sample quality are supplied.</li> <li>No twin holes undertaken.</li> <li>Data storage as PDF/XL files on company PC in Perth office.</li> <li>No data was adjusted.</li> </ul> <p>Historic Drilling:</p> <ul style="list-style-type: none"> <li>Documentation of drilling was onto paper then transferred to a digital data base</li> <li>Diamond core and representative chip trays have been stored at various project locations in the region.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All drill collar locations were initially surveyed using a hand held Garmin GPS, accurate to within 3-5m. These holes were later surveyed more accurately using a RTK-GPS system by a contracted surveyor and data used in the Mineral Resource Estimate. Holes were drilled on a close grid in places and wider in less advanced areas in accordance with collar coordinates tables supplied with the initial ASX releases. The grid system used is MGA94 Zone 51. All reported coordinates are referenced to this grid. The topography was relatively flat.</li> <li>Grid MGA94 Zone 51.</li> <li>Topography was fairly flat, small differences in elevation between drill holes will have little effect on mineralisation widths on initial interpretation. The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Holes were variably spaced and were consistent with industry standard resource style drilling in accordance with the collar coordinates tables supplied with the initial ASX releases.</li> <li>The hole spacing was determined by Intermin to</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>be sufficient when combined with confirmed historic drilling results to define mineralisation classified as JORC compliant as stated in the Resource Summary Table 1. The sample spacing and the appropriateness of each hole to be included to make up data points for a Mineral Resource has been determined. More drilling is required to classify Measured Resource Estimates.</p> <ul style="list-style-type: none"> <li>• These assays are from 1m length sample intervals down hole.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The relationship between the drilling orientation and the orientation of mineralised structures is not considered to have introduced a sampling bias. Given the style of mineralisation and drill spacing/method, it is the most common routine for delineating shallow gold resources in Australia.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<p>Intermin Drilling:</p> <ul style="list-style-type: none"> <li>• Samples were collected on site under supervision of the responsible geologist. The work site is on pastoral station. Visitors need permission to visit site. Once collected samples were wrapped and transported to Kalgoorlie for loading and transport to Perth (Nagrom, ALS or Aurum). Dispatch and consignment notes were delivered and checked for discrepancies. <p>Historic Drilling:</p> <ul style="list-style-type: none"> <li>• Sample security measures unknown.</li> </ul> </li></ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No Audits have been commissioned.</li> <li>• The drill database, resource data and historic reports have been reviewed by several Company and Consultant geologists in detail.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Appendix 1 contains the list of tenements that comprise the Menzies Gold Project.</li> <li>• Original vendor retains the right to claw back a 70% interest in the event a JORC compliant resource exceeding 500,000oz is delineated for a fee three times expenditure.</li> <li>• The tenements are in good standing and no known impediments exist.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Previous workers in the area include Pancontinental Mining, Rox Resources, Regal Resources, Goldfields, Heron Resources and</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Intermin Resources Limited. Several open cut mines were drilled and commissioned in the 1980's and 1990's.</p> <ul style="list-style-type: none"> <li>Extensive underground mining was undertaken from the 1890's – 1940's across the leases and it is estimated that historic exploration was often undertaken via blind shafts initially.</li> </ul>
Geology	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Archean quartz and shear hosted lode and supergene gold.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>A summary of the material drill holes is contained in Appendix 2.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No weighting or averaging calculations were made, assays reported and compiled on the "first assay received" basis.</li> <li>Cut off grades were routinely applied and was incorporated in the resource calculations.</li> <li>No metal equivalent calculations were applied.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineralisation is generally west dipping at about 50 degrees. Individual ore shoot geometry varies to subvertical in some areas and this has been captured and modelled accordingly with wireframe interpretations. Given the spacing of the holes, it was deemed adequate to portray the interpreted ore zones.</li> <li>Drill intercepts and true width appear to be very close to each other, or within reason allowing for the minimum intercept width of 1m. Intermin estimates that the true width is variable but probably close to 100% of the</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>intercepted width.</p> <ul style="list-style-type: none"> <li>Given the nature of RC drilling, the minimum width and assay is 1m. Diamond core is best used to determine cm scale mineralisation widths. Intermin downhole intercepts have been tabulated in previously ASX releases. True intercepts are not known however the downhole intercepts appear to represent very close to true width given the orientation of the drilling.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>No significant discovery is being reported.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Intermin drilling results have been routinely shown in releases &gt;0.50g/t for individual 1m intervals for the Pericles, Bellenger, Lady Harriet and Yunndaga prospects. For compilation of resource estimates all data is evaluated from the database to form the basis of mineralisation outlines.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>See details from previous ASX releases as found in the Reference list to this release.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>A drilling program is being designed to test the depth and lateral extensions of priority areas which include Yunndaga and Lady Shenton as top priorities.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> <li><i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i></li> <li><i>Data validation procedures used.</i></li> </ul>	<ul style="list-style-type: none"> <li>For Intermin drilling geological and field data is collected using hand written logs. Historical drilling data has been captured from historical drill logs where available.</li> <li>The data is verified by company geologists before the data is transcribed into Micromine software and reviewed for accuracy against the</li> </ul>

Criteria	JORC Code explanation	Commentary
		planned details and validated using Micromine programs. The resource is based on a reasonable level of accuracy in the historical work, there have been several reports and independent due diligence and QA/QC studies that have lent credibility to the previous work.
Site visits	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Company geologists have made numerous site visits to the project area to conduct the drilling for numerous drilling programs. David O'Farrell and Simon Coxhell the Competent Persons for Intermin resource estimates have visited the site numerous times and while drilling programs have been undertaken. Inspections of procedures have been made throughout Intermin drilling and sampling programs.</li> <li>• Not applicable.</li> </ul>
Geological interpretation	<ul style="list-style-type: none"> <li>• <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></li> <li>• <i>Nature of the data used and of any assumptions made.</i></li> <li>• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> <li>• <i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li>• <i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The confidence in the geological interpretation is high, gold mineralisation is associated with quartz veins in narrow 1-4m wide shoots. The mineralisation zones are typically defined by a 0.3 g/t Au mineralised envelope which was then wireframed. Continuity between sections is considered reasonable and reliable.</li> <li>• The data used to construct the geological model included was based on historic mining, assay and geological data. This was imported into Micromine.</li> <li>• The deposits all consist of west dipping lodes with a southerly plunge. Infill drilling has supported and refined the model and the current interpretation is considered robust.</li> <li>• Widespread drilling and geological mapping of the sparse outcrops of host rocks have supported the estimate.</li> <li>• Infill drilling has confirmed geological and grade continuity.</li> </ul>
Dimensions	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Pericles:</u> The Mineral Resource area extends over an intermittent strike length of 450m an average 70m vertical interval from 4220mRL to 350mRL.</li> <li>• <u>Warrior:</u> The Mineral Resource area extends over an intermittent strike length of 200m and includes an average 70m vertical interval from 410mRL to 340mRL.</li> <li>• <u>Bellenger:</u> The Mineral Resource area extends over an intermittent strike length of 500 and includes an average 60m within a vertical interval from 420mRL to 3255mRL.</li> <li>• <u>Yunndaga:</u> The Mineral Resource area extends over an intermittent strike length of 820m and includes 30m to 110m vertical interval from the 385mRL to 200mRL.</li> <li>• The deposits all remain open at depth with</li> </ul>

Criteria	JORC Code explanation	Commentary
		strike potential. Other potential gold lenses have not been tested adequately.
Estimation and modelling techniques	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<ul style="list-style-type: none"> <li>Grade estimation using Inverse Distance squared (ID<sup>2</sup>) was completed using Micromine V12 modelling software for the resource interpolation. Drill grid spacing ranges is typically around 20 metres.</li> <li>Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and then used to create the composite files. 1m assay composites were used. The influence of extreme grade outliers was reduced by top-cutting. The top cut was determined by using a combination of grade histograms, log probability plots and CV's. Wireframe domains were based on a 0.3g/t Au mineralised envelope. Minimum block size was 5m x 5m x 2.5m. The CoxRocks Yunndaga OBM was compared successfully to a block model from Paddington Resources created back in 1998.</li> <li>No by-products were considered.</li> <li>No deleterious elements are present.</li> <li>Minimum block size was 5m x 5m x 2.5m. A 15g/t cut was universally applied, regardless of the domain. Search setting was modelled on a search ellipse using ID2 dipping west about 50 degree with a southern plunge of 45 degree.</li> <li>No selective mining units were assumed in this estimate.</li> <li>There was no correlation between variables (only gold estimated).</li> <li>Geological interpretations were completed on 20m sections, using resource drilling. 3D wireframes were then constructed around these interpretations, creating 14 domains. In addition to these mineralised domains, a base of oxidation and top of fresh rock was also used.</li> <li>The grade cut of 15 g/t Au was based on the grade distribution characteristics of the single split assays. Log-probability graphs revealed an inflection point around 15g/t where the high grade samples deviated. In total 37 samples were cut which reduced the coefficient of variation to within acceptable levels.</li> <li>The Intermin block models were compared against the historic resource/block models from preliminary models by Coxrocks where available for the Pericles, Bellenger, and Yunndaga prospects.</li> <li>No reconciliation data was available as all the resources are unmined.</li> </ul>



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Moisture	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The resource tonnage is reported using dry bulk density. This was based on Intermin's data that indicated the wet specific gravity of oxidised basalt as derived from core testing to be 2.26 and fresh basalt to be 2.96. Intermin used 1.8 for oxidised, 2.2 for transitional and 2.6 for fresh rock. The Specific gravity values are also consistent with industry standards at other mines located in the Eastern Goldfields.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The Gold Mineral Resources are reported inside the mineralisation wireframe that was constructed at a 0.3g/t Au cut-off and then further constrained to 1.0 and 0.5g/t Au cutoff during estimation.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Mining of the deposits as they are currently understood known will be initially by open cut mining. Possibly Yunndaga could be accessed from an underground decline if enough additional resources are discovered. Smaller machinery would be utilised in the ore zone as mining will be more selective. Underground potential is definitively present however additional drilling is required to test zones at depth before an underground mining assessment can be made.</li> </ul>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical testwork has been conducted but not viewed. Reference was made to historic performance of the historic mines and a very high gravity component has been noted.</li> </ul>
Environmental factors or assumptions	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported</li> </ul>	<ul style="list-style-type: none"> <li>Ore would be mined from the deposits and transported to a central processing facility on the leases or a 3<sup>rd</sup> party facility offsite. The deposits are all located on granted mining leases and there has been extensive land disturbance immediately adjacent and surrounding the deposits. Mine tailings could be deposited in abandoned pits or at other sites where the ore is processed.</li> </ul>

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	<i>with an explanation of the environmental assumptions made.</i>	
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>The method used an air dried half core sample which was weighed in air and then immersed in water. Porous samples were sealed with bees wax. Minor outliers were removed to arrive at an average value.</li> <li>Values for the ore categories as determined are: Oxide 1.80 t/m<sup>3</sup></li> <li>Transitional 2.20 t/m<sup>3</sup></li> <li>Fresh 2.60 t/m<sup>3</sup></li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resources have been classified on the basis of confidence in the geological and grade continuity using the drilling density, geological model, pass in which the gold was estimated and the distance to sample selections.</li> <li>Indicated Mineral Resources have been defined generally in areas of 20m by 10m drill spacing. Ore outlines that had lower confidence in continuity were ignored and not categorised as inferred. The oxide zone is shallow at Menzies being just 30m on average. Overall the high drill density and number of holes defining a reasonably consistent ore zone(s), rather than ore type, is the main factor influencing the resource category.</li> <li>As described above the Mineral Resource classification has been based on the quality of the data collected (geology, survey and assay data) the density of the data, grade estimation quality and geological/ mineralisation model.</li> <li>The reported resource estimates are consistent with the view of the deposits by the Competent Person.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>An external review has been carried out by David O'Farrell on Mr Simon Coxhell's work, which include an analysis of the sections and wireframe validation, resource estimation methodology and validation.</li> </ul>
<b>Discussion of relative accuracy/ confidence</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or</li> </ul>	<ul style="list-style-type: none"> <li>The relative accuracy of the Mineral Resource Estimates is reflected in the reporting of the Mineral Resource as per the guideline of the 2012 JORC code. The classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, historic mining</li> </ul>

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	<p><i>geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></p> <ul style="list-style-type: none"> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<p>data and a reasonable dataset supporting the density used in the resource model. Both competent persons have over 20 years' experience, with several years working in the region.</p> <ul style="list-style-type: none"> <li>• The statement relates to the global estimate of tonnes and grade.</li> <li>• Significant historical production has been reported at Lady Shenton, Lady Harriet and Yunndaga from both initial underground methods dating back to 1890's and open cut methods in the 1990's.</li> </ul>