ASX ANNOUNCEMENT

RRL1647D

4 November 2019

Significant Gold Mineralisation Discovered in Air Core Drilling close to the Youanmi Shear Zone north of Penny West

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Australian gold and nickel company, Rox Resources Limited ("Rox" or "the Company") (ASX: RXL), is pleased to announce the results of an air core drilling program at its VMC Joint Venture, located north of the historical Penny West gold mine and the historical Magenta and Columbia gold prospects. The VMC Joint Venture is part of the wider Youanmi Gold Project (Figure 1).

The air core (AC) drilling program was designed to follow up on strongly anomalous lead-zinc-copper trends associated with anomalous gold identified during the initial AC drilling (ASX 15 October 2019).

Significant results from this second round of AC drilling include:

VRAC151	**4m @ 7.02 g/t Au** from 24m; and,
	5m @ 2.41 g/t Au from 60m to EOH;
VRAC161	**4m @ 0.94 g/t Au** from 32m

Gold mineralization in VRAC151 (Figure 2) is open at depth and along strike. The mineralisation is located along an approximately north-northwest trending gold-anomalous zone close to the Youanmi Shear Zone and approximately 5km north of the historical Penny West Gold Mine (Figure 1).

It should be noted that the recent Penny North discovery by Spectrum Metals Ltd followed up on an isolated intersection of 1m at 6.47g/t Au from 92m depth (refer ASX release SPX 5 March 2019); the Penny West gold mine discovery started with RAB results of up to 1.5 g/t Au (Radford and Boddington, 2003).

Managing Director Alex Passmore Commented: *"These air core results build on the growing recognition of the gold endowment of the Youanmi belt and importantly feed into our regional understanding of controls on mineralisation. Impressively this intersection has identified a potential new corridor of mineralisation.*

ROX RESOURCES LIMITED

ASX: RXL

Rox Resources Limited *(ASX: RXL) is an Australian listed company with advanced gold and nickel projects in Western Australia: the Youanmi Gold Project, Mt Fisher Gold project, and the Fisher East and Collurabbie Nickel projects.*

DIRECTORS

Mr Stephen Dennis
Chairman

Mr Alex Passmore
Managing Director

Mr Brett Dickson
Finance Director

Dr John Mair
Non-Executive Director

Shares on Issue	1,458m
Share Price	$0.022
Market Cap.	$32.1m
Cash & Receivables (at 30 Sept 2019)	$9.3m

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Project Background

The VMC joint venture is a Joint Venture between Rox and Venus Metals Corporation Limited (VMC) where Rox is earning a 50% interest in the gold rights of the tenements comprising the VMC Joint Venture, VMC is the manager of the joint venture.

The VMC joint venture previously reported historical aeromagnetic data showing a magnetic low within which the Penny West gold deposit and the Columbia-Magenta prospects are located (ASX: 12 August 2019). This magnetic feature extends north into the VMC Joint Venture tenement (E57/1019) where it appears to diverge into two subparallel trends both of which present highly prospective settings for gold mineralisation of the Penny West type.

The recent AC program mainly targeted the western trend and followed up on gold anomalies broadly associated with anomalous lead concentrations of up to 0.15% and zinc concentrations of up to 0.28% in VRAC055 and anomalous copper concentrations with a maximum of c. 0.23% copper within an interval of 24m at c. 0.1% Cu from 32m depth (max. 0.16 g/t Au) in hole VRAC079 (ASX: 15 October 2019).

The initial AC drilling was designed to explore for shallow geochemical anomalies (gold, lead, zinc and copper) that may indicate the presence of Currans North and Penny West-style high-grade gold mineralization at depth.

The AC target area is located on E57/1019 that is part of the VMC Joint Venture (VMC 50% and RXL earning 50% - gold rights). A single AC traverse was drilled on M57/641 (Currans Joint Venture; Rox and VMC both 45%)

Summary and Planned Work

The current AC drilling program explored the strike extensions of the recently defined gold - base metals anomalies and has encountered significant new gold mineralization in two holes (VRAC151 and VRAC161). The strong gold mineralization in VRAC151 occurs in two separate intervals with the upper one hosted in the clay zone (potentially, after a high-MgO rock), and the lower zone being associated with sheared mafic rock and vein quartz; the AC hole was drilled to blade refusal (rock getting too hard for the AC method) and stopped in gold mineralization.

The previous AC results outlined distinct lead, zinc and copper anomalies that are spatially associated with anomalous gold of up to 0.73 g/t. Drill hole VRAC151 has now intersected high-grade gold mineralization along strike from these initial anomalies and this is considered a highly significant new development in the exploration of the Youanmi Shear Zone. It represents the best gold intersection encountered to date along the Youanmi Shear Zone south of the Youanmi Gold Mining area and north of the Penny West and Columbia-Magenta prospects.

Follow-up RC and AC drilling to explore the new zone of gold mineralisation at depth and along strike has been planned and is scheduled to commence shortly.

Youanmi Gold Project (OYG JV) Near Mine Drilling Program

In addition to the work outlined above Rox notes the RC drilling program in the near mine areas at Youanmi Gold Project (OYG JV) is ongoing. The company is currently compiling data and a further announcement is expected imminently.

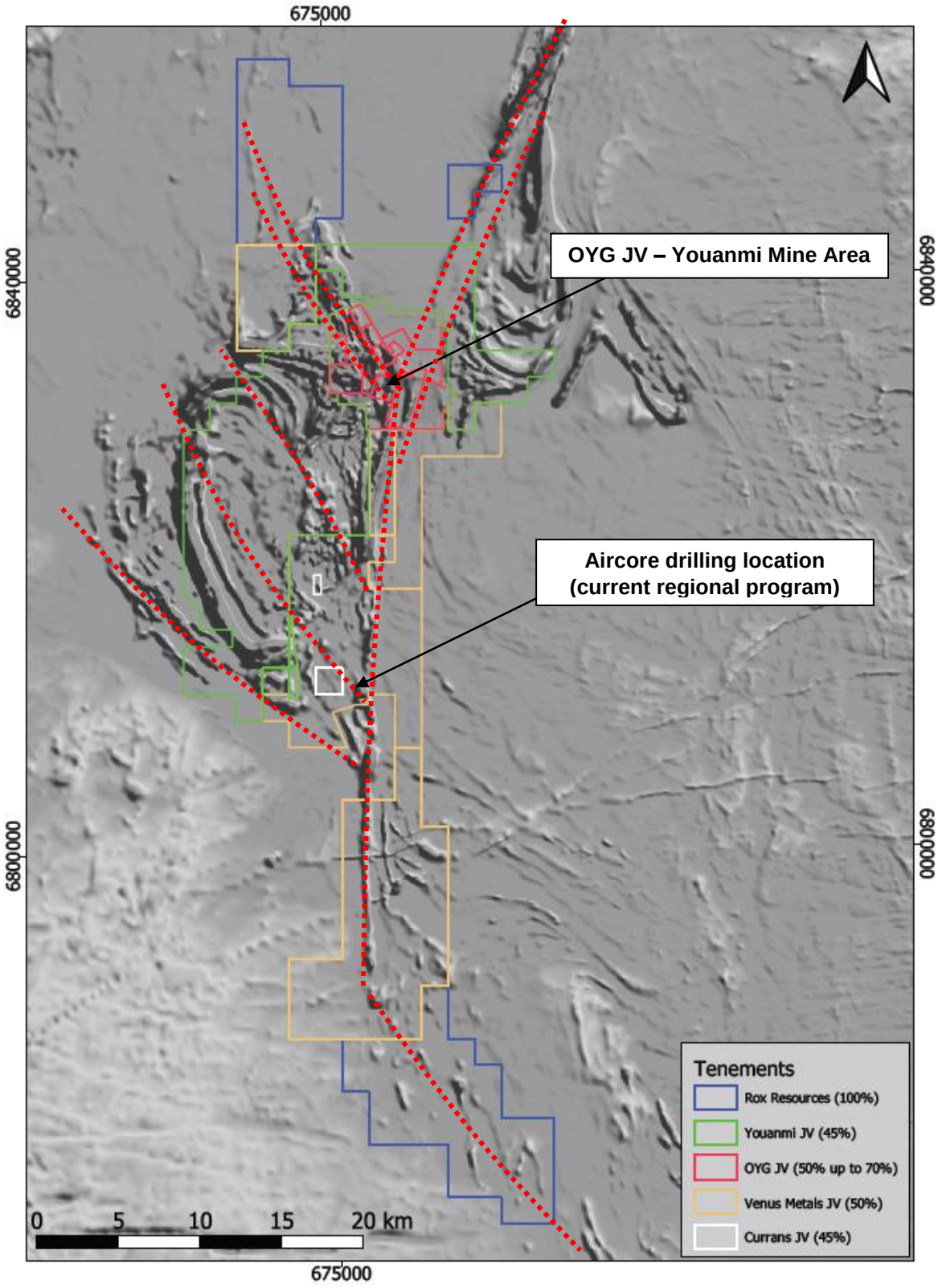

Figure 1 – Regional image showing Rox tenement holding over magnetics with key N-S and NW-SE structures (red)

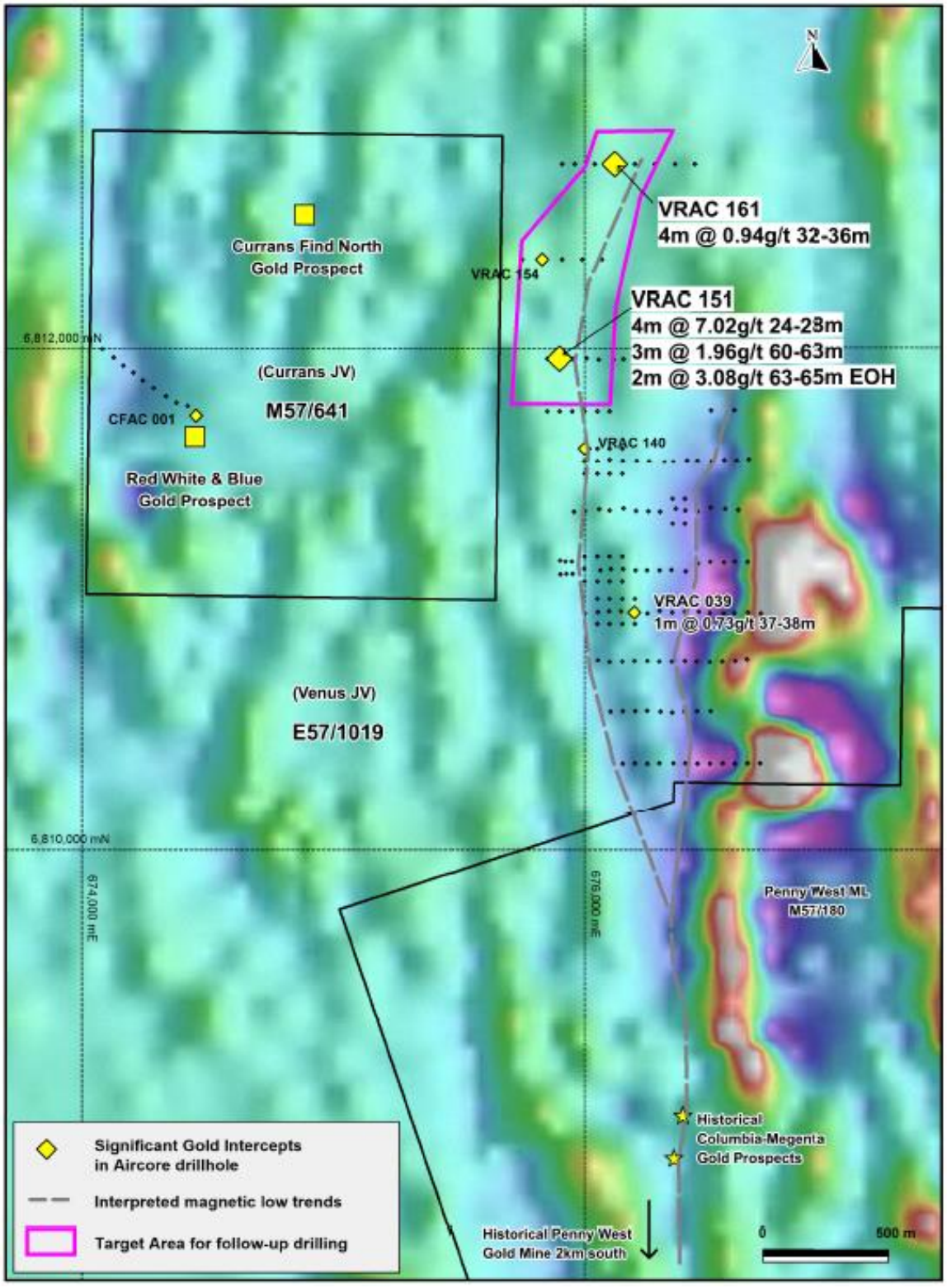

Figure 2 – Location of Air core drillholes shown on regional aeromagnetic image

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References:

Radford and Boddington, 2003. Penny West Gold Deposit, Youanmi, WA. crcleme.org.au/RegExpOre/PennyWest.pdf

Competent Person Statements

Exploration Results

The information in this report that relates to Data and Exploration Results is based on information compiled by Rox's JV partner Venus Metals Ltd and reviewed by Mr Gregor Bennett a Competent Person who is a Member of the Australian Institute Geoscientists (AIG) and Senior Geologist at Rox Resources. Mr Bennett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

The information in this report that relates to previous Exploration Results, was either prepared and first disclosed under the JORC Code 2004 or under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of original announcement to ASX. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, they have not been updated to comply with the JORC Code 2012

Resource Statements

The information in this report that relates to gold Mineral Resources for the Youanmi Project was reported to the ASX on 17 April 2019 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 17 April 2019, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 17 April 2019 continue to apply and have not materially changed.

The information in this report that relates to gold Mineral Resources for the Mt Fisher project was reported to the ASX on 11 July 2018 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 11 July 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 11 July 2018 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 Rox Resources Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements.

About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has a number of key assets at various levels of development with exposure to gold, nickel, copper and platinum group elements (PGE's). The 1.2Moz Youanmi Gold Project and the Fisher East Nickel Project (78kt Ni) being the most advanced projects with exploration ongoing at the Mt Fisher Gold Project and the Collurabbie Nickel-Copper-PGE Project.

Youanmi Gold Project (Youanmi Gold Mine 50% and option to increase to 70%, Regional JV's 50% earn-in)

The Youanmi Gold Mine is located 480 km to the northeast of Perth, Western Australia. The Youanmi Mining Centre has produced an estimated 667,000 oz of gold (at 5.47 g/t Au) since discovery in 1901 during three main periods: 1908 to 1921, 1937 to 1942, and 1987 to 1997.

The project is situated in the Youanmi Greenstone Belt, within the Southern Cross Province of the Archaean Yilgarn Craton in Western Australia. The structure of the Youanmi Project is dominated by the north-trending Youanmi Fault Zone. Most of the gold mineralisation seen at the project is hosted within north-northwest splays off the north-northeast trending Youanmi Fault.

Fisher East Nickel Project (100%)

The Fisher East nickel project is located in the North Eastern Goldfields region of Western Australia and hosts several nickel sulphide deposits. The total project area is ~350km2.

Discovery of, and drilling at the Camelwood, Cannonball and Musket nickel prospects has defined a JORC 2012 Mineral Resource (ASX:RXL 5 February 2016) of 4.2Mt grading 1.9% Ni reported at 1.0% Ni cut-off (Indicated Mineral Resource: 3.7Mt grading 1.9% Ni, Inferred Mineral Resource: 0.5Mt grading 1.5% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 78,000 tonnes of nickel. Higher grade mineralisation is present in all deposits (refer to ASX announcement above) and is still open at depth beneath each deposit. Additional nickel sulphide deposits continue to be discovered (e.g. Sabre) and these will add to the resource base. Exploration is continuing to define further zones of potential nickel sulphide mineralisation.

Collurabbie Gold-Nickel Project (100%)

The Collurabbie project is located in the highly prospective North Eastern Goldfields region of Western Australia and is prospective for gold and nickel. The project area of ~123km2 hosts the Olympia nickel sulphide deposit and a number of other prospects for nickel sulphide mineralisation. A JORC 2012 Inferred Mineral Resource of 573,000t grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt has been defined at Olympia (ASX: RXL 18 August 2017). The style of nickel sulphide mineralisation is different to that at Fisher East, with a significant copper and PGE component at Collurabbie, and has been compared to the Raglan nickel deposits in Canada (>1Mt contained nickel). In addition, there is potential for gold mineralisation, with several strong drilling intersections including 2m @ 2.4g/t Au from the Naxos prospect.

Mt Fisher Gold Project (100%)

The Mt Fisher gold project is located in the North Eastern Goldfields region of Western Australia, adjacent to the Fisher East nickel project, and hosts several gold deposits. The total project area is ~220km2.

Drilling by Rox has defined numerous high-grade gold targets and a JORC 2012 Measured, Indicated and Inferred Mineral Resource (ASX:RXL 11 July 2018) of 1.0 million tonnes grading 2.7 g/t Au reported at a 0.8 g/t Au cut-off exists for 89,000 ounces of gold (Measured: 170,000 tonnes grading 4.1 g/t Au, Indicated: 220,000 tonnes grading 2.7 g/t Au, Inferred: 630,000 tonnes grading 2.3 g/t Au) aggregated over the Damsel, Moray Reef and Mt Fisher deposits.

Table 1. Details of Aircore drillhole collars

Hole ID	Easting	Northing	Depth (m)	Azimuth (deg)
VRAC115	676050	6810900	47	270
VRAC116	676100	6810900	45	270
VRAC117	676150	6810900	44	270
VRAC118	676200	6810900	56	270
VRAC119	676050	6811000	40	270
VRAC120	676100	6811000	42	270
VRAC121	676150	6811000	61	270
VRAC122	676200	6811000	62	270
VRAC123	676000	6811070	59	270
VRAC124	676050	6811070	31	270
VRAC125	676100	6811070	31	270
VRAC126	676150	6811070	23	270
VRAC127	676000	6811170	52	270
VRAC128	676050	6811170	50	270
VRAC129	676100	6811170	47	270
VRAC130	676150	6811170	43	270
VRAC131	676350	6811300	50	270
VRAC132	676400	6811300	61	270
VRAC133	676450	6811350	65	270
VRAC134	676350	6811400	52	270
VRAC135	676400	6811400	54	270
VRAC136	676000	6811500	49	270
VRAC137	676050	6811500	61	270
VRAC138	676100	6811500	59	270
VRAC139	676150	6811500	67	270
VRAC140	676000	6811600	46	270
VRAC141	676050	6811600	56	270
VRAC142	676100	6811600	79	270
VRAC143	676150	6811600	55	270
VRAC144	675850	6811750	59	270
VRAC145	675900	6811750	70	270

Hole ID	Easting	Northing	Depth (m)	Azimuth (deg)
VRAC146	675950	6811750	44	270
VRAC147	676000	6811750	70	270
VRAC148	676050	6811750	42	270
VRAC149	676100	6811750	47	270
VRAC150	675850	6811960	62	270
VRAC151	675900	6811960	65	270
VRAC152	675950	6811960	54	270
VRAC153	675750	6812350	53	270
VRAC154	675830	6812350	50	270
VRAC155	675910	6812350	43	270
VRAC156	675990	6812350	52	270
VRAC157	676070	6812350	46	270
VRAC158	675910	6812732	43	270
VRAC159	675960	6812732	38	270
VRAC160	676040	6812732	53	270
VRAC161	676120	6812732	83	270
VRAC162	676200	6812732	44	270
VRAC163	676280	6812732	43	270
VRAC164	676360	6812732	22	270
VRAC165	676440	6812732	38	270
CFAC001	674455	6811733	56	90
CFAC002	674422	6811771	50	90
CFAC003	674378	6811786	57	90
CFAC004	674335	6811811	50	90
CFAC005	674287	6811843	45	315
CFAC006	674244	6811874	52	315
CFAC007	674206	6811904	52	315
CFAC008	674165	6811934	52	315
CFAC009	674127	6811964	56	315
CFAC010	674080	6811999	53	315

Table 2. Analytical results for gold (Au) ≥ 100ppb or 0.1g/t

Hole Id	From (m)	To (m)	Interval (m)	Au (g/t) AR ICP	Au (g/t) Photon
VRAC140	24	28	4	0.18	
VRAC151	24	28	4	6.92	7.02
	28	32	4	0.35	0.46
	32	36	4	0.10	
	36	40	4	0.27	0.29
	56	60	4	0.11	
	60	63	3	1.84	1.96
	63	65	2	2.87	3.08
VRAC154	28	32	4	0.11	
VRAC161	32	36	4	0.97	0.94
	36	40	4	0.17	
	40	44	4	0.17	
	44	48	4	0.35	0.37
CFAC001	20	24	4	0.10	
	48	52	4	0.11	
	52	56	4	0.19	

Appendix-1

JORC Code, 2012 Edition – Table 1

Youanmi Gold Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge 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.*	• 61 air core (AC) holes for 3131m were completed as part of this program. • Composite samples were collected for four-metre intervals by combining sub-samples taken from drill spoil representing individual one-metre intervals. • Sampling was by using a plastic sampling spear to take two scoops from each drill spoil pile on the ground.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• AC drilling was used to obtain one-meter samples that were passed through a cyclone and collected in a bucket which was then emptied on the ground.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The sample recovery was visually assessed. • The recovery was considered normal for this type of drilling and samples were generally dry due to minimal groundwater. • All AC holes were drilled to blade refusal.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support*	• A qualified geologist logged all holes in full and supervised the sampling.

Criteria	JORC Code explanation	Commentary
	appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Small sub-samples were washed and stored in chip trays for reference. • Photographs were taken of all chip trays.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The AC samples were collected using a cyclone attached to the drill rig. The sample material was emptied on the ground and a 400-500g sub-sample taken from each one-metre interval using a sampling spear. Sub-samples for four consecutive meters were placed in a numbered calico bag. • All AC samples were analysed at a Perth laboratory using an aqua regia digest on a 10g sample followed by an ICPMS-OES finish for gold and a suite of base metal and pathfinder elements. • Sample preparation included sorting, drying and pulverizing (85% passing 75 µm) in a LM5 steel mill. • Samples with more than 0.25g/t Au were also analyzed using the Photon Gold method which is a fully automated technique designed for the analysis of ores. It uses high energy x-rays to excite the atoms and is non-destructive. The c. 500g single-use jars allow for bulk analysis with no chance of cross contamination between samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Quality control procedures include certified reference materials and/or in-house controls, blanks, splits and replicates. • All QC results are considered satisfactory. • The near-total digest and analytical method used (AR ICPMS OES) are considered adequate for a reconnaissance AC program. • Verification of anomalous gold results was by the Photon method and for samples analyzed by this method, the Photon results as well as the original AR ICP results are shown in the attached table. On the front page of this announcement, only the Photon results are shown and are used to calculate average Au concentrations over a combined interval.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• No independent verification of sampling and assaying has been carried out.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• AC drill collars were located using a handheld GPS with an accuracy of +/- 4m. Grid systems used were geodetic datum: GDA 94, Projection: MGA, Zone 50. • Due to the relatively flat nature of the terrain, topographic control was not deemed necessary at this stage.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• AC drilling was on lines approximately 200 to 400m apart, with holes approximately 50m spaced along lines. Follow-up drilling was on lines 50m north and/or south of previous AC traverses. • The AC drilling was of a reconnaissance nature, designed to test for gold and base metal geochemical signatures in the regolith. • The drilling was not designed for mineral resource calculation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• AC drilling was inclined at -60^0; for collar details see Table 1. • The drilling was approximately perpendicular to the general strike of the lithology in the area as indicated by the GSWA 100k mapping but due to variable dips and strikes, reported intervals are not necessarily representative of true widths. 10 AC holes were drilled along a NW traverse on M57/641 to test an area west of the Red White and Blue Prospect.
Sample security	• *The measures taken to ensure sample security.*	• All drill samples were transported directly to the Perth laboratory in plastic bags closed with cable ties and inside large Bulka bags.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E57/1019 is held by Venus Metals Ltd and is part of the Venus Joint Venture (VMC 50% and RXL earning 50% (gold rights only). • VMC and RXL jointly acquired a combined 90% interest in ML 57/641 "Currans Find" of 300ha". The 90% interest is shared equally between Venus and Rox, with the remaining 10% held by Mr Taylor. • To the best of Venus' knowledge, there are no known impediments to operate on E57/1019 or M57/641 as Manager of the respective JVs.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical work in the general area was by WMC in the 1970s followed by Consolidated Goldfields and Carpentaria Exploration, Newmont Pty Ltd, Dampier Mining Company Limited (later BHP) with ICI as manager. CRA carried out further work. Eastmet (later Gold Mines of Australia) continued exploration in the 1990s, followed by Goldcrest (formerly Goldcrest Mines Limited). Despite significant regional work in the past, very little drilling was carried out in the area tested by the AC program.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• This reconnaissance drilling program targeted Archean lode gold associated with quartz veining and sulphides, hosted in shear zones within a structurally controlled setting potentially similar to that at the historical Penny West Gold mine c. 4 to 5km to the south.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• For drill collar information refer to Table 1. • All assay results in composite intervals referred to in this announcement are listed in Table 2. • All drill hole locations are shown on Figure 2 .
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All analytical results (>100 ppb Au) are reported in Table 2. • Average grades on the front page are based on the interval lengths and grades listed in Table 2. • No upper cut-off has been applied.
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.*	• The AC drilling was of a reconnaissance nature only.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Reported downhole lengths and intervals may not represent true widths due to the variable and uncertain dip of the lithology.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans are attached to the report (Figures 1 and 2)
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All analytical results (>100ppb Au) are reported in Table 2.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The main part of the AC drilling program targeted an area located along strike from the high-grade Penny West gold mine some 4km to the south. Other gold prospects (Magenta-Columbia) are located less than 2km to the south. Both, the historical Penny West mine and the Magenta-Columbia prospects, are situated along an aeromagnetic feature that trends north and was specifically tested by this AC program.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow-up AC drilling along strike of the reported gold-mineralized AC holes is planned. • RC drilling of specific gold targets is planned to investigate the bedrock for potential gold mineralization beneath the oxide zone.