

## Penny South Targets Identified

### Highlights

- **7 target areas identified from recently completed litho-structural interpretation of Penny South project**
- **2.5km strike extension of magnetic low greenstone and granodiorite assemblage known to host neighbouring Penny West project**
- **Target areas generally poorly tested by historic drilling**
- **Drilling program planned to commence once POW approved**

**ASX Announcement**  
**25 November 2019**  
**ASX Code: ARN**

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*Non-Executive Chairman*  
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*Non-Executive Director*  
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*Non-Executive Director*

#### Capital Structure

Shares:	51.86m
Options (@22.5c):	2.0m
Share Price:	\$0.16
Market Cap:	\$8.3m
Cash (30/09/19):	\$3.71m

Aldoro Resources Limited (“Aldoro” or “Company”) is pleased to update shareholders on the completion of the interpretation and targeting work at the company’s Penny South Gold Project, undertaken by Southern Geoscience Consultants (SGC).

Interpretation of the high-resolution ground magnetic survey (ASX, *Penny South Exploration Update, 26 September 2019*) has revealed 7 target areas within the Penny South tenement (E57/1045). These targets have generally either been untested or poorly tested by historic drilling.

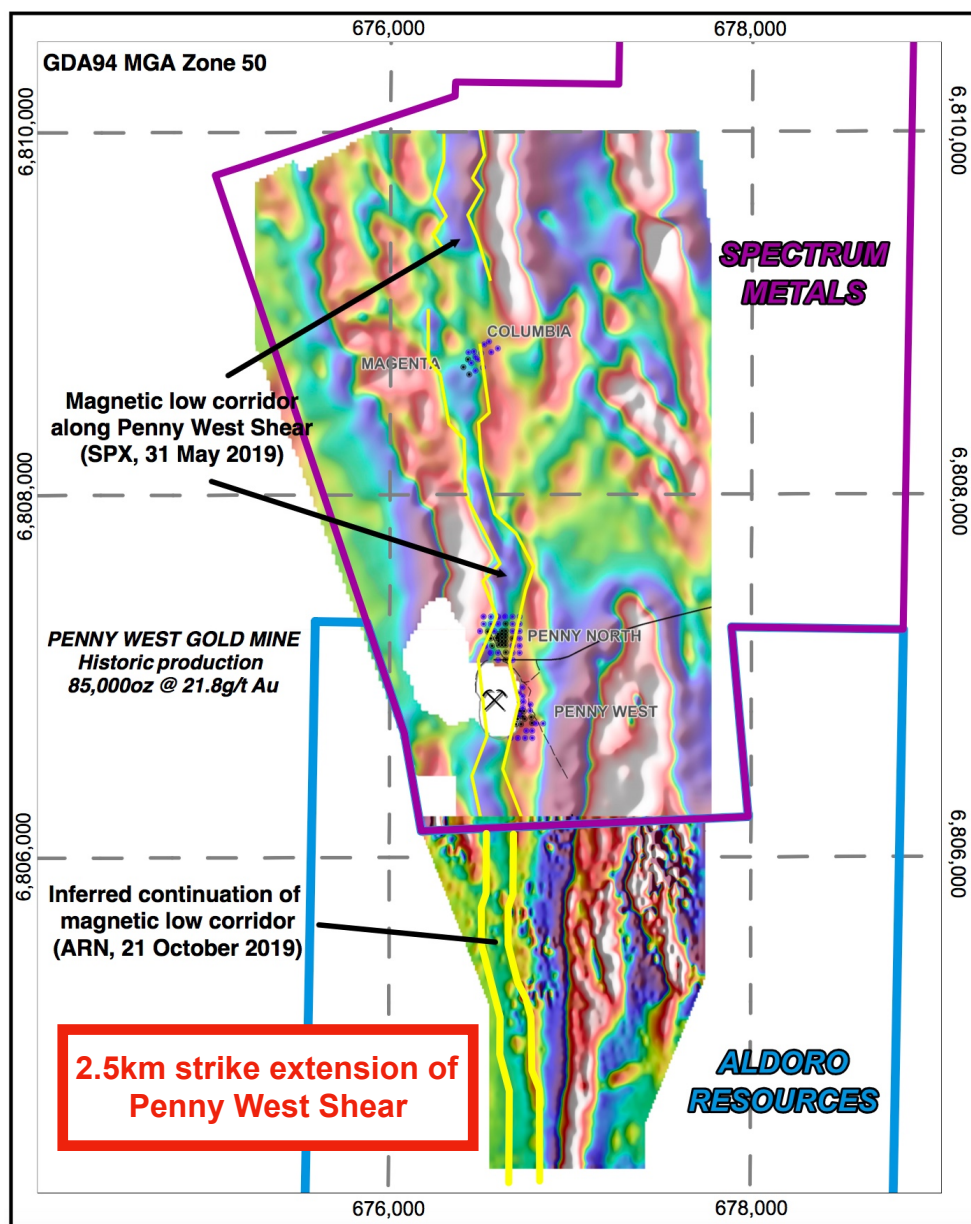
The targets identified include over 2km strike continuation of the magnetic low corridor known to host the neighbouring Penny West and Penny North deposits (ASX:SPX, *31 May 2019*).

Based on an exploration model for Penny South the target corridor is shown to correspond to a prospective assemblage of low magnetic greenstone and granodiorite units observed to host gold mineralisation at the neighbouring Penny West project.

Aldoro has lodged a Program of Work (POW) for a 5,000m air-core (AC) drilling program for first pass drill testing of the highest priority targets, to commence as soon as possible.

### Results of the Penny South Interpretation Work

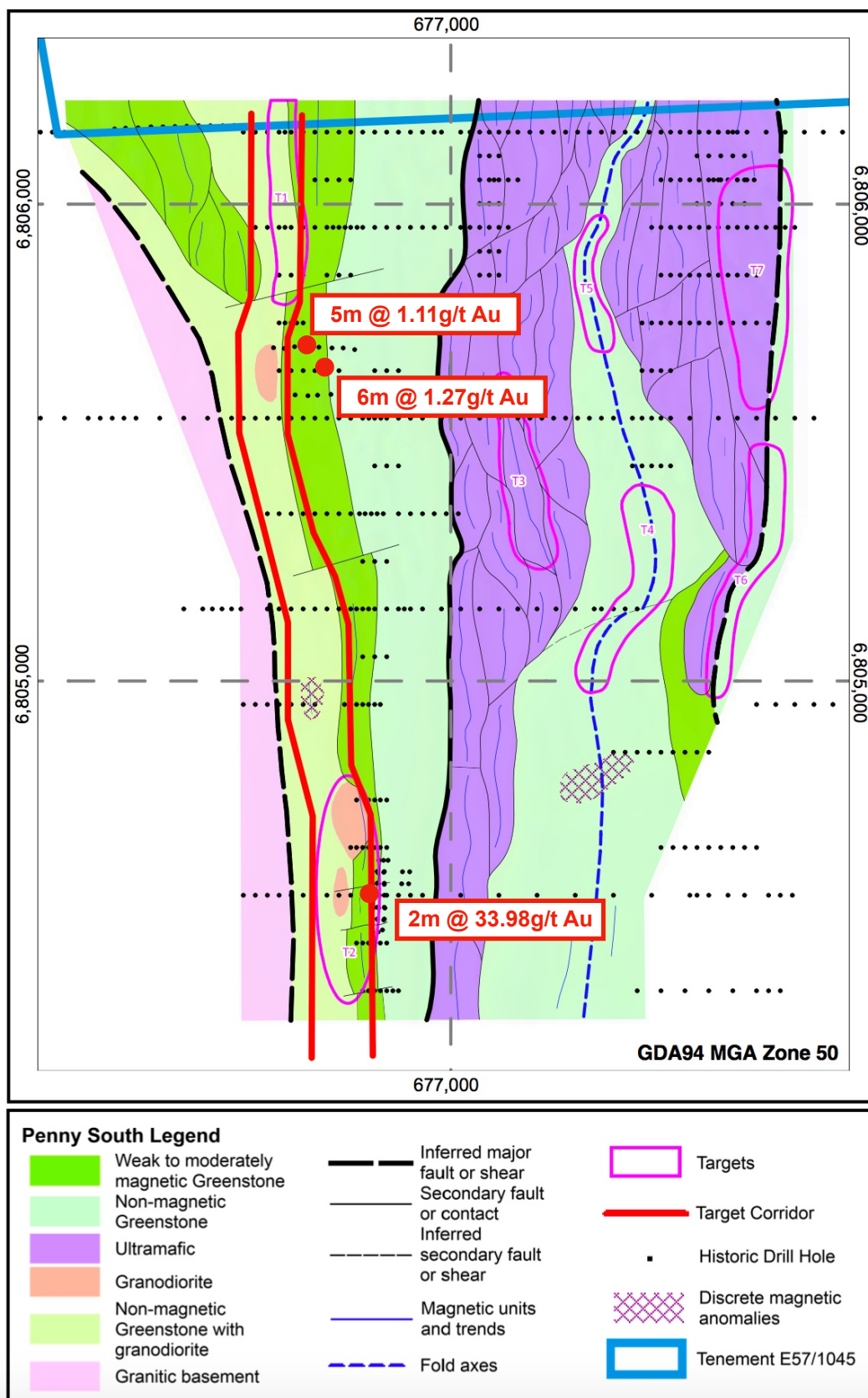
The neighbouring Penny West project has been shown by Spectrum Metals to sit within a north-south trending magnetic low corridor (ASX:SPX, *31 May 2019*). Aldoro’s high-resolution ground magnetic survey highlights the extension of this magnetic low corridor south from the Penny West project into Aldoro’s tenement E57/1045 (Figure 1 below).



**Figure 1: Aldoro's ground mag RTP 1VD overlain on Spectrum Metals, ASX, 31 May 2019 image**

Southern Geoscience Consultants (SGC) were engaged by Aldoro to complete a litho-structural interpretation of the ground magnetic survey area with the aid of a drill hole database, recently compiled by Aldoro, providing lithological information for the project area (further discussion on historic drilling below) (ASX, *New Exploration Strategy Taking Shape*, 21 October 2019, JORC Table).

The results of the interpretation are shown in Figure 2 below. The eastern half of the survey area is composed of strongly magnetic folded ultramafic units, whilst the western half is composed of non-magnetic and weak to moderately magnetic greenstone units against a sheared contact with the surrounding granite terrane.



The mineralised quartz vein at Penny West and Penny North is understood to be hosted in a sheared granodiorite at the base of a mafic greenstone unit (ASX:SPX, 29 August 2019) (further discussion on Penny South exploration model below). A total of 12 holes in the Penny South drill hole database reported granodiorite intersections, all of which were in the western side of the survey area, within the magnetic low corridor, along strike from the Penny West project. Many of the other drill holes within the magnetic low corridor lack logging information.

SGC identified 7 targets within the survey area, summarised in Table 1 below.

Target	Target Type	Description
<b>Mag Low Corridor</b>	<b>T1</b>	Magnetic/ Geology Southern extension, directly along strike, of the Penny West mine area. Some anomalous gold values in the area.
	<b>T2</b>	Magnetic/ Geology Granodiorite intersections (and pyrite) recorded in historic drilling. Some faulting and demagnetisation of the N-S sequence is observed around this location. Was a focus for historic RAB drilling. Directly south along strike from Penny West gold mine.
	<b>T3</b>	Magnetic Strongly demagnetised zone within ultramafic unit. Possibly alteration along fault/shear or intrusion. Poorly tested by existing drilling.
<b>Other Target Areas</b>	<b>T4</b>	Structure Dextral dilation and possible offset in the fold axis that runs through the ultramafic sequence. Partially but poorly tested by existing drilling.
	<b>T5</b>	Structure Similar to T4 - bend in fold axis through ultramafic unit.
	<b>T6</b>	Structure Dextral dilation in the Youanmi Shear Zone on the ultramafic contact - not tested by the existing drilling.
	<b>T7</b>	Magnetic/ Structure Possible demagnetised zone along Youanmi Shear Zone (similar to Youanmi Gold Mine area). Interpretation of demagnetised zone is difficult due to presence of magnetic cover, mainly gleaned from AMAG data.

**Table 1: Summary descriptions of Penny South targets (SGC)**

Targets T1, T2 and the adjoining greenstone unit containing granodiorite occurrences within the magnetic low corridor are the highest priority targets for immediate follow up. A 5,000m AC drilling program has been planned as a first pass along this target trend.

The other target areas represent interesting magnetic or structural features, some showing similarities to the Youanmi Gold Mine area further to the north, that are often either untested or poorly tested by historic drilling. Further work is planned to interpret and prioritise these as potential drill targets.

## Historic Drilling

A total of 652 historic drill holes have been identified across the Penny South tenement E57/1045; forming Aldoro's database of the project (ASX, *New Exploration Strategy Taking Shape*, 21 October 2019, JORC Table). The average drill hole depth is only 40m



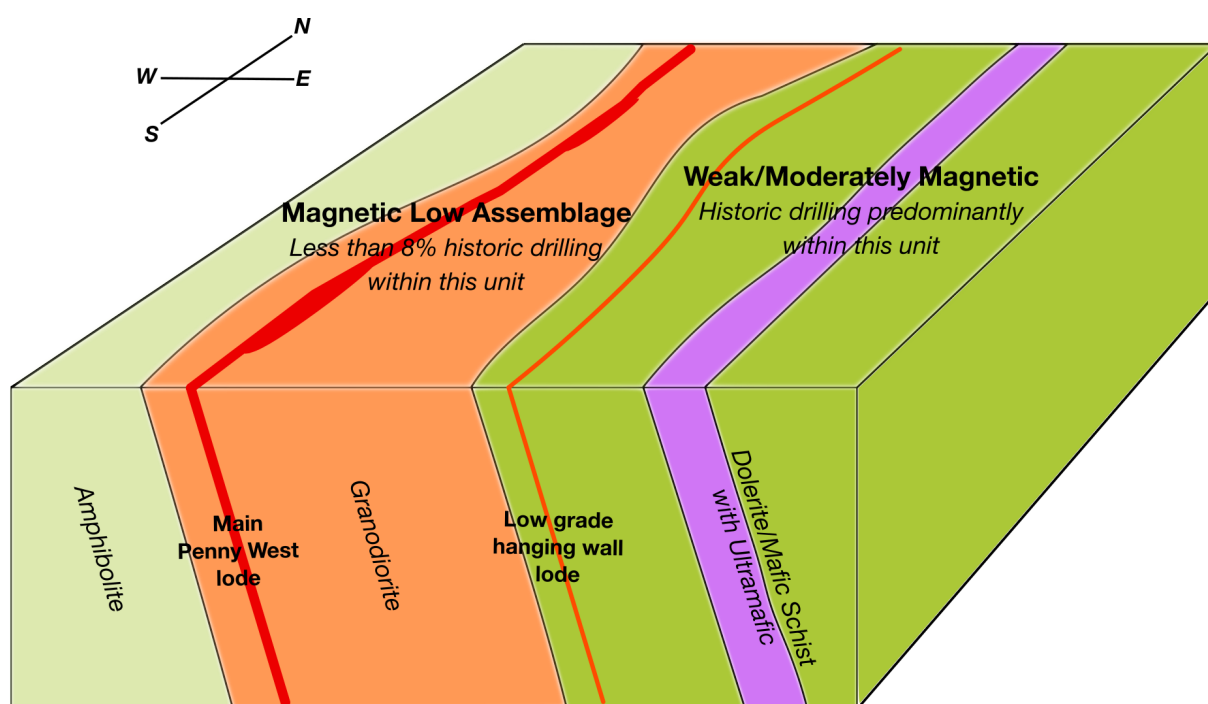
with the majority of drill holes being shallow RAB drilling (67%) and only 29 holes (4%) have been drilled deeper than 60m.

The target areas identified have generally either been untested or poorly tested by this historic drilling (Figure 2). Only 50 holes (less than 8%) have been previously drilled in the magnetic low corridor identified as the principal target area within the tenement. Of these 50 holes, 25 have associated geological logging information, of which 12 contain occurrences of granodiorite, within a mafic greenstone assemblage (target Penny West unit, as discussed further below). In general these occurrences are noted at the end of holes, i.e. only reach the top of the unit, so the unit itself is untested.

Aldoro believes the historic drilling, targeting the extension of the Penny West shear has been focused slightly too far east of what we now identify as the priority target corridor.

## Exploration Model

The open pit of the Penny West Gold Mine is less than 500m from the northern boundary of Aldoro's tenement E57/1045. The gold lode at Penny West is understood to be a 2-3m wide quartz vein hosted within a sheared granodiorite unit, near the basal contact with a less strained amphibolite (ASX:SPX, 29 August 2019). The granodiorite unit is overlain by an assemblage of dolerite/mafic schist and ultramafic. A lower grade hanging wall lode is observed within this dolerite/mafic schist unit. A simplified exploration model for Penny South based on observations of the Penny West mineralisation is shown in Figure 3 below.



**Figure 3: Simplified exploration model for Penny South**

The overlying dolerite/mafic schist with ultramafic assemblage in the Penny South model corresponds with the weak-moderately magnetic greenstone assemblage identified in SGC's interpretation of Aldoro's high-resolution ground magnetic survey. This assemblage of rock types is consistently identified in the geological logs of historic drill holes found within the weak/moderately magnetic anomaly.

The underlying granodiorite and amphibolite units correspond to the non-magnetic greenstone assemblage identified in SGC's interpretation, forming the magnetic low corridor. This target corridor is generally poorly tested by historic drilling. The historic drilling, angled towards the west, has predominantly focused on the weak/moderately magnetic dolerite/mafic schist unit. Any holes reaching granodiorite at the end of hole have only intersected the top of this unit and not tested the basal contact with the amphibolite unit, the target horizon of the Penny West lode. The numerous anomalous gold results identified by historic drilling at Penny South within a mafic schist unit (e.g. Figure 2: 2m @ 33.98g/t Au, 6m @ 1.27g/t Au and 5m @ 1.11g/t Au) (ASX, *New Exploration Strategy Taking Shape, 21 October 2019, JORC Table*) could be interpreted to mostly have intersected the lower grade hanging wall lode in the Penny West model.

## **Planned Drill Program**

Aldoro has planned a 5,000m AC drill program to test the entire strike length of the target magnetic low corridor, with approximately 100 holes of 50m depth on 100m x 25m spacing. This first pass program aims to identify potentially shallow, previously unidentified gold mineralisation and/or equally as important, occurrences of granodiorite with associated pathfinder elements, indicative of a mineralised system, that would warrant deeper follow up drill testing. Aldoro has lodged a POW for this drill program that the company hopes to commence as soon as possible.

### **For further information:**

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## About Aldoro Resources

Aldoro Resources Ltd is an ASX-listed (ASX:ARN) mineral exploration and development company. Aldoro has a collection of gold and nickel focussed advanced exploration projects all located in Western Australia. The company's flagship gold project is the Penny South Gold Project, which is contiguous to Spectrum Metals (ASX:SPX) Penny West Project in the Youanmi Gold Mining District, in the Murchison Region of WA. Aldoro is also currently exploring the Cathedrals Belt Nickel Project and has a significant tenement holding surround St George Mining's (ASX:SGQ) Mt Alexander Project. The company's other projects include the Narndee Igneous Complex (Ni-Cu-PGM), Unaly Hill South (Au), Kiabye Well (Au), Leinster Nickel Project (Ni), Windimurra Igneous Complex (Ni-Cu-PGM, Li), Ryans Find (Ni-Cu-PGM) and Karlgarin (Ni-Co).

## Competent Persons Statement

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Rhod Grivas, a Director of Aldoro Resources Ltd. Rhod is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Rhod consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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