

KAISER REEF LIMITED
ACN 635 910 271
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 5 December 2019 (**Prospectus**) issued by Kaiser Reef Limited (ACN 635 910 271) (**Company**).

This Supplementary Prospectus is dated 28 January 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.kaiserreef.com.au.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in section 2 below.

The amendments to the Prospectus outlined in section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENT TO THE PROSPECTUS

The Supplementary Prospectus has been prepared to provide investors with a revised Independent Geologist's Report. The revised Independent Geologist's Report is included at Annexure A of this Supplementary Prospectus.

The Independent Geologist's Report has been amended to:

- (a) report the historical Exploration Results included in the Independent Geologist's Report accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**); and
- (b) include a competent person's statement compliant with Appendix 3 of the JORC Code.

3. NEW APPLICATIONS

Applications for Shares under the Offer after lodgement of this Supplementary Prospectus **must** be made using the Supplementary Application Form attached to or accompanying the Supplementary Prospectus. Applications after the date of the Supplementary Prospectus **must not** be made on the Application Forms attached to or accompanying the Prospectus and any such applications will not be valid.

4. CONSENT OF INDEPENDENT GEOLOGIST

Snowden Mining Industry Consultants Pty Ltd has given its written consent to being named as the Independent Geologist to the Company in this Supplementary Prospectus and to the inclusion of the Independent Geologist's Report at Annexure A of this Supplementary Prospectus. Snowden Mining Industry Consultants Pty Ltd has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

Jeremy Peters, the Competent Person (as defined in the JORC Code) has provided his consent and compliance statement in relation to this Supplementary Prospectus.

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Adrian Byass
Non-Executive Chairman
For and on behalf of
KAISER REEF LIMITED

Kaiser Reef Limited
Stuart Town Exploration Project - Independent
Geologist's Report
Project Number AU10324
January 2020

SNOWDEN

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Final

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This report has been prepared by Snowden Mining Industry Consultants Pty Ltd (Snowden) for use by Kaiser Reef Limited, pursuant to an agreement between Snowden and Kaiser Reef Limited for use in a Prospectus to support a listing on the Australian Stock Exchange and not for any other purpose.

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Issued by: Perth Office
Doc ref: 191107 AU10324 Kaiser Reef
Stuart Town CPR - FINAL.docx

Last edited: 28/01/2020 3:27 PM

Number of copies:

Snowden: 2

Kaiser Reef Limited: 2

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1 EXECUTIVE SUMMARY

Snowden Mining Industry Consultants Pty Ltd (Snowden) was requested by Kaiser Reef Limited (KAU) to prepare a Independent Geologist's Report (IGR) for its Stuart Town Exploration Project ("Stuart Town" or "the Project"), located near Orange in New South Wales (NSW) (Figure 1-1).

Snowden considers that the project has some geological similarities to Resolute Mining Limited's (Resolute) 6 millionounce (Moz) Ravenswood field¹ and is in the regional vicinity of Newcrest Mining Limited's (Newcrest's) 22 Moz Cadia Valley operations². It is considered to be prospective for large scale intrusion related gold systems. Snowden is encouraged by the following points:

- Significant historical production exceeding 170,000 ounces of gold³ sourced from many relatively small lode and alluvial gold sources and described in records kept by the NSW Department of Primary Industry. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysical data indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow felsic intrusive, supported by a coincident potassic radiometric signature.
- Mineralised brecciated rhyolites at Quartz Hill with accompanying high levels of arsenic reported from historic soil sampling and drilling may represent minor subvolcanic intrusives related to of an underlying mineralised intrusive.
- Government mapping indicates that the Project lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

Snowden further notes recent positive exploration results at Alkane Resources Limited's (Alkane's) North Molong porphyry project, some 20 km north of Stuart Town⁴.

Snowden understands that this IGR is to be included in a prospectus to be issued by KAU for an initial public offer of 22,500,000 shares at \$0.20 to raise \$4.5 million to facilitate a listing on the Australian Securities Exchange (ASX).

KAU proposes to acquire 100% of the issued capital in Chase Metals Pty Ltd (Chase). Chase currently has the rights to Exploration Licence (EL) 8491 and Exploration Licence Application (ELA) 5854 through trust deeds with Jonathan Downes and Adrian Byass respectively, as Directors of KAU.

This report has an Effective Date of 27 November 2018, this being the most recent date on which KAU made material in its possession available to Snowden; and Snowden is unaware of any material change since this date.

The KAU Mineral Assets being described are located within NSW (Figure 1-1) and comprise an EL and an ELA (Table 1-1) under NSW mining legislation (refer Section 2.2 below).

This document is prepared in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (the "JORC Code") and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code").

Table 1.1 KAU Mineral Assets

Tenement ID	Status	Operator	Holder	Expiry	Area (units/km ²)
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¹ www.rml.com.au/ravenswood

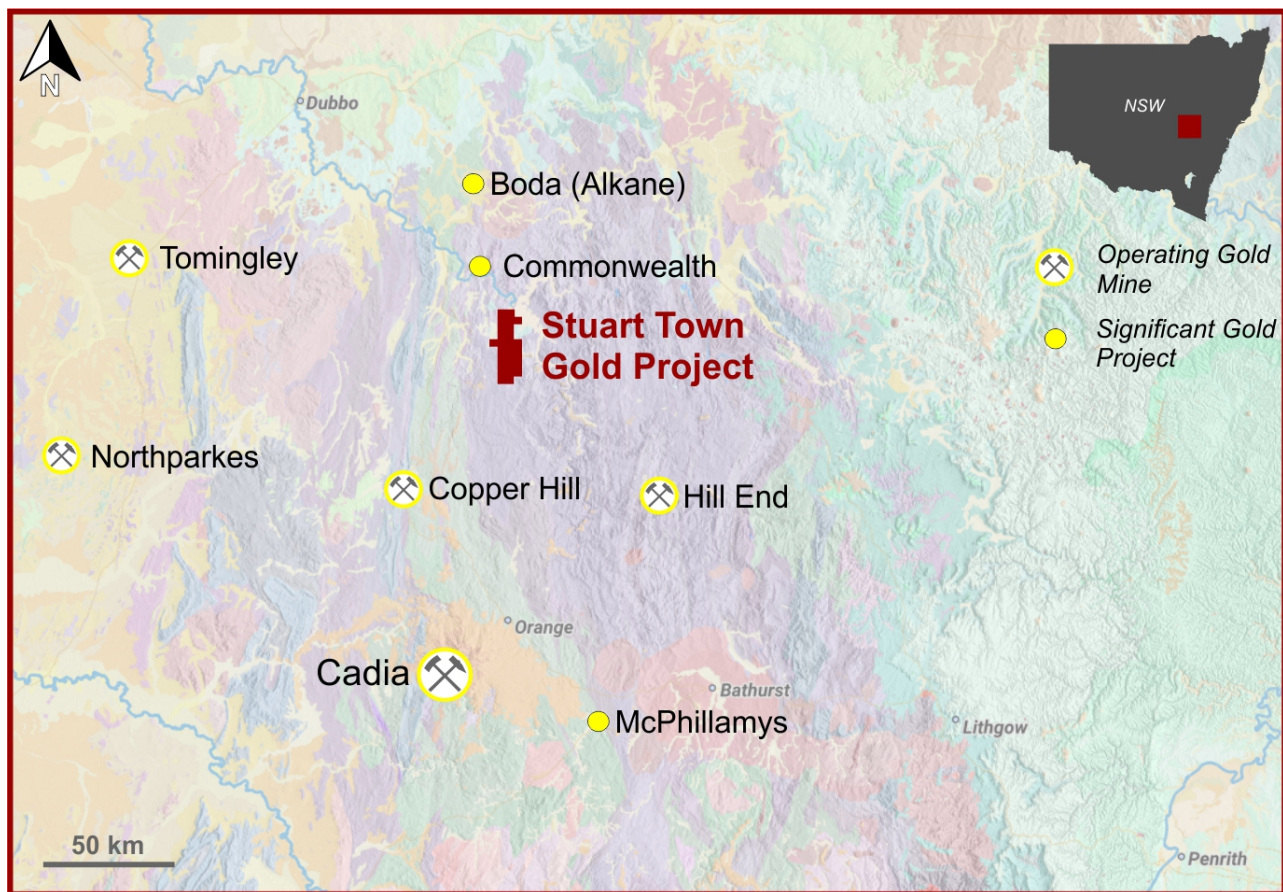
² www.newcrest.com.au

³ NSW DPI Primefacts, Primefact 562, February 2007, Stuart Town Gold Field

⁴ ALK ASX release, 9 September 2019

EL 8491	Live	KAU	Jonathan Charles Downes	21 Dec 2020	12/32.55
ELA 5854	Application	KAU	Adrian Paul Byass		15/43.34

Figure 1.1 Stuart Town Exploration Project schematic location



Source: KAU

1.1 Summary of Mineral Resources and Ore Reserves

The Project does not contain any identified Mineral Resource or Ore Reserve estimates.

1.2 Summary of Exploration Results

Snowden is not reporting any recent Exploration Results⁵.

Snowden has based its report on the results of exploration historically performed by parties other than KAU and has referenced the publicly available descriptions of exploration undertaken by previous explorers and the results of that exploration.

These results are historical in nature and are reported here in accordance with the guidelines of the JORC Code, for which a Table 1 has been completed (Appendix A). The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the Stuart Town geology.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

⁵ As defined by Clause 18 of the JORC Code

There are numerous soil geochemical anomalies identified by previous explorers throughout the Stuart Town area that are yet to be drill tested.

1.3 Summary of geology and mineralisation

More than 80 lode-gold (quartz vein) and alluvial gold occurrences have been identified and documented at the Stuart Town goldfield. Gold mining first commenced in the 1850s and more than 5 tonnes (170,000 ounces) of gold is described as having been produced in records kept by the NSW Department of Primary Industry between 1875, when mine records were first kept in NSW and the early part of the 20th century³. No records have been kept on the production sourced from the fields during the rush between the 1850s and 1875, but it is considered to be significant.

The Project area covers a series of Silurian and Devonian sediments (Cunningham Formation), which were deposited in an extensional environment (Hill End Trough) prior to being compressed in a later orogenic event which is represented by upright folding and reverse faulting. These reverse faults have been shown in regional exploration to be conduits for gold mineralisation, which occurred after major deformation. The historically mined area is shear-bounded by a western and eastern structure.

Gold mined to date was structurally controlled as lode-style veins or as alluvial concentrations. Lode gold was often associated with laminated quartz veins and has also been documented in quartz vein stockworks. Gold was associated with pyrite and arsenopyrite, galena, chalcopyrite and sphalerite. Documented veins range in width from 0.1 m to 1.2 m, with the strike of some individual veins exceeding several hundred metres. Historical production often documented head grades of sorted ore at two to three ounces of gold per ton. Underground mining has not been documented below 65 m depth.

Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear, in relatively narrow quartz veins. The Kaiser Wilhelm Mine was the largest recorded producer from which 112 kg of Au was mined at an average reported sorted grade of 24 g/t Au.

The Project overlies an interpreted intrusive unit that has been modelled previously by Kratos Uranium whilst in joint venture with Freeport (1984). Carpentaria Exploration Company Pty Ltd (owned by MIM Limited) described the deep-seated intrusion related gold hypothesis in 1985. This theory postulates a felsic intrusive body at depth being the source of gold mineralisation at Stuart Town. This is based on ground magnetic and gravity surveys, airborne magnetic and radiometric data in conjunction with gold-arsenic-base metal assays from soil sampling and geological mapping.

Only limited drilling has been conducted to date and observation of this drilling indicates that it was ineffective. Anecdotal evidence indicates that drilling by several parties was hastily conceived and directed toward meeting tenement expenditure commitments, rather than a particular geological strategy⁶.

An underlying intrusive has been interpreted from geophysics with estimated dimensions of 1,200 m across, an estimated vertical extent of 1,700 m and is interpreted to come within 200 m of the surface. Altered, brecciated and mineralised rhyolites have been observed to occur to the northeast of the interpreted intrusion at Quartz Hill and Specimen Hill.

1.4 Summary of exploration strategy

Snowden considers the Stuart Town Project to represent an exploration project that enjoys relative ease of access and the regional presence of significant infrastructure.

Work by historical explorers has identified sufficient indications of mineralisation to warrant further exploration on the premise that the intrusive system is large.

KAU proposes to:

- Rank all structural, geochemical and geophysical targets in order to prioritise drill targets

⁶ Various conversations with locals who were engaged to assist in several drilling campaigns.

- Drill the highest priority targets from surface to confirm their location, geology and geometry
- Conduct further geophysical programmes to identify the location of favourable structure and associated indications of mineralisation
- Collect samples for metallurgical testwork.

Snowden has been advised that KAU has budgeted approximately \$2.5 million on direct exploration out of available funds of \$4.5 million post expenses to issue (Table 1-2). The budget contemplates exploration expenditure at Stuart Town over two years and Snowden considers this to be appropriate to support the strategy described.

Table 1.2 Summary of proposed exploration expenditure

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Stuart Town	Detailed mapping	60,000	20,000	80,000
	Assays	20,000	60,000	80,000
	Geophysical surveys	400,000	n/a	400,000
	Reverse circulation (RC) drilling	200,000	200,000	400,000
	Diamond drilling	n/a	700,000	700,000
Service costs	Heritage and tenement administration	50,000	40,000	90,000
	Geological services and field labour	250,000	300,000	550,000
	Administration	100,000	100,000	200,000
Total		1,080,000	1,420,000	2,500,000

1.5 Conclusions and recommendations

1.5.1 Conclusions

Snowden concludes that KAU has rights to tenure over a prospective area near Orange, NSW that has prospective geology and recommends that it proceed to implement its exploration strategy on listing.

The regional geology hosts Newcrest's Cadia operations and KAU contends that there is likely to be economic mineralisation on its tenements. Snowden concurs with this contention.

Snowden considers the Project to be at an Early Exploration⁷ stage. Previous explorers have returned gold drill intersections as well as attractive geochemical results. Numerous geochemical and geophysical targets have been identified that are yet to be drill tested.

The prospectivity of the Stuart Town Project is supported by the regional presence of the Cadia project and recent exploration results at Alkane's Northern Molong project in comparable geology. Further support is provided the Competent Person's observation of geological and geochemical similarities to Resolute's Ravenswood project.

KAU will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Snowden has examined the proposed exploration budget of \$2.5 million, and the proposed work program for the first two years after KAU's listing and concludes that these are reasonable and achievable.

In the event of grant of Exploration Licence Application 5854, KAU plans to expend \$25,000 on mapping of this licence in the first year and a further \$125,000 in the second year on geochemical exploration and geophysics. This is considered to be appropriate and not to represent a material increase to the overall planned budget.

1.5.2 Recommendations

Snowden recommends that structural geology work should commence in parallel with the proposed geophysics, mapping and geochemical sampling to provide context to the results of these exercises.

2 INTRODUCTION

Snowden was requested by KAU to prepare a IGR for its Stuart Town Exploration Project, located near Orange, in the central west of NSW (Figure 1-1).

The Project is directed toward the identification of economic gold mineralisation.

Stuart Town is located in the vicinity of Newcrest's Cadia project, a large-scale intrusive related gold and copper mine (refer Section 4.2.3 below). KAU has identified sufficient geological evidence to indicate potential for intrusive related gold mineralisation. Snowden advises that this concept is based on the findings of previous exploration and Snowden has referenced the publicly available sources of this information, as appropriate. Snowden concurs with this view.

This IGR does not provide a Valuation⁷ of KAU's Stuart Town Project for the purposes of listing.

2.1 Competent Person, Effective Date and no material change

The Competent Person for preparation of the report is Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters has extensive professional experience with the geology of and has worked extensively throughout Australia and is familiar with the geology of NSW.

The information in this report that relates to Exploration Results is based on information compiled by Jeremy Peters, who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Snowden Mining Industry Consultants Pty Ltd at the time of preparation of this report. Jeremy Peters 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 JORC Code. Jeremy Peters consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The effective date of this report is 27 November 2019, this being the date at which no further information was supplied to the author by KAU, and the author is not aware of any material change in the status of The Project in the period between receipt of data and completion of the report.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by KAU or has been gathered from public sources.

2.2 Mineral Assets

The Mineral Assets that are the subject of this IGR are a granted EL and an ELA under NSW mining legislation⁸ (Table 1-1 and Figure 3-1). The Division of Resources and Geoscience in NSW requires minimum expenditure and annual reporting of exploration activity as a condition of tenure.

Chase currently has the rights to EL 8491 and ELA 5854 through trust deeds with Jonathan Downes and Adrian Paul Byass, respectively, both being Directors of KAU.

Upon listing, KAU is to acquire 100% of the issued capital in Chase and thereby beneficial rights to EL 8491 and ELA 5854.

Snowden is not qualified to comment definitively on licensing matters but has made enquiries of publicly available data⁹ to the effect that the tenements are in good standing.

⁷ As defined by the VALMIN Code

⁸ For a more comprehensive explanation of NSW mining legislation, refer to <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/applications-and-approvals/mining-and-exploration-in-nsw>

⁹ NSW Department of Industry Exploration and Mining Titles, accessed 15/10/19

2.3 Mineral Resources and Ore Reserves

The Project does not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code.

2.4 Sources of information and site visit

The geology and exploration history of the Stuart Town area has been extensively and publicly reported. Mr Peters has worked on the rocks of the Lachlan Fold Belt at various points in his career and has traversed the Stuart Town locality in the course of that work. Mr Peters has examined the database of Stuart Town literature to satisfy himself of the veracity of the information.

Mr Peters has physically examined the exploration site between 30 August 2019 and 3 September 2019 and accepts representations made by KAU and bases his inferences on his own experience and observations.

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric. Historical units have been converted to metric units. Grid locations are in Geocentric Datum of Australia 1994 (GDA94), unless otherwise indicated.

Extensive reference is made to the results of historical exploration. These results are reported here in accordance with the guidelines of the JORC Code and . The Competent Person considers these to be adequately reliable for the purposes of indicating geological prospectivity. Snowden has referred to the publicly available MinView¹⁰ database references for these historical exploration results, where they can be read in their original format and context.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

Snowden is responsible for this report as part of KAU's listing documentation and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

2.4.1 Reliance on other experts

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.4 above. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 2-1.

Table 2.1 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 3, 4, 5, 6, 7

The principal sources of information regarding KAU's assets are private and statutory reports that have been prepared by various parties and collated by the Geological Survey of New South Wales (GSNSW).

2.4.2 Reliance on information

Snowden believes that its opinion must be considered as a whole and that presentation of selections of its report could create a misleading view of the opinions presented in this IGR. The preparation of a IGR is a complex process and does not lend itself to partial analysis or summary.

¹⁰ <https://minview.geoscience.nsw.gov.au/#/?l=&lat=148.9143431&lon=-32.6560775&z=6&bm=bm1>

2.4.3 Limitations

KAU has agreed to indemnify Snowden for any liability arising as a result of or in connection with the information provided by or on behalf of it being incomplete, incorrect or misleading in any material respect. KAU has confirmed in writing to Snowden that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. Snowden has no reason to believe that any material facts have been withheld and KAU has confirmed in writing to Snowden that it believes it has provided all material information available to it.

2.4.4 Declaration

Snowden will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the IGR and Snowden will receive no other benefit for the preparation of this report. Snowden does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets.

Neither Snowden, the Competent Person, Mr Peters, who is responsible for authoring this IGR, nor any Directors of Snowden have at the date of this report, nor have had within the previous two years, any shareholding in KAU or any of its advisors.

Consequently, Snowden, Mr Peters and the Directors of Snowden consider themselves to be independent of KAU and its related parties.

2.4.5 Copyright

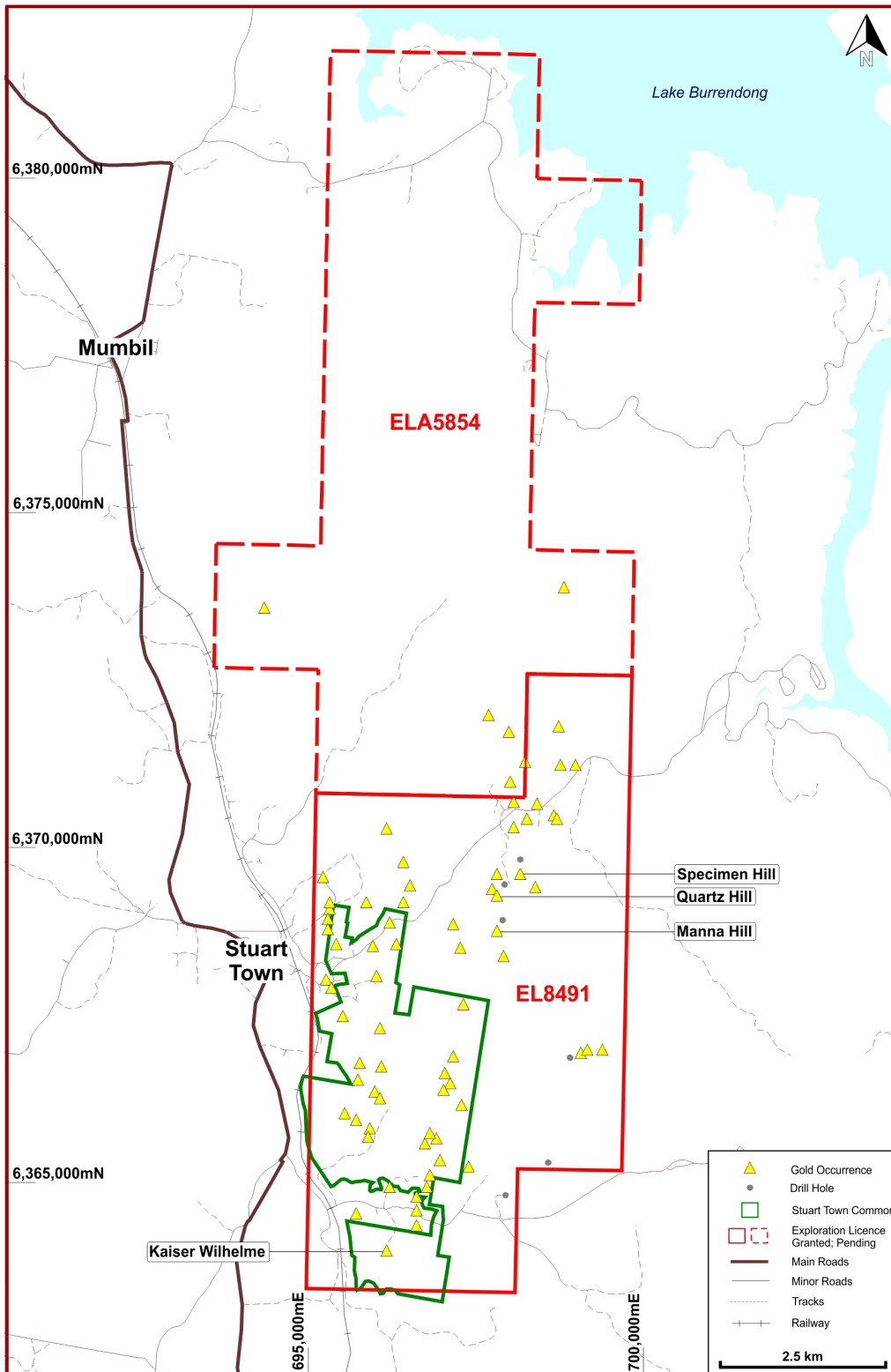
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3 PROJECT DESCRIPTION

The Stuart Town licences include the granted EL 8491 and an ELA 5854 (Figure 3-1). On listing, KAU will have the rights to these licences as a result of acquiring 100% of the capital of Chase (refer Section 2.2 above). The total area of EL 8491 is 12 graticular units (or about 32.55 km²) and the area of ELA 5854 is 15 graticular units (or about 43.34 km²).

Figure 3.1 Stuart Town tenements



Source: KAU

KAU has collated a substantial database of historical geological, geochemical, geophysical and drilling data from exploration programs completed since the 1970s and historical reports since the 1870s.

KAU's primary focus will be to explore for economic gold deposits, possibly associated with copper. As a result of the historical exploration programs, numerous attractive drill targets have already been identified across the Project area and prioritised and KAU considers that drilling can commence soon after listing on the ASX.

Snowden concurs with this view.

3.1 Location and access

The Stuart Town Project is located around 300 km northwest of Sydney. Access from Sydney is via the Great Western Highway to Orange, a distance of 262 km, and a further 62 km to the north on a sealed road. Access within the Project is via station tracks and minor shire roads.

Stuart Town may also be reached by sealed road from Wellington via sealed roads 35 km south of Wellington to the township, via Burrendong Way. It is serviced by the main western railway, which provides regular service to/from Sydney. The closest regular air service is to and from Orange. There is a well-maintained network of shire and farm roads throughout most of the project area.

The Stuart Town Project tenements are located on the GSNSW Euchareena 1:100,000 map sheet, Code 8732.

The area consists of an undulating plateau incised by tributaries of the Macquarie River. The native vegetation is ironbark scrub, partially cleared for farmland. The terrain within the Project area is undulating, with no seasonal restriction of access to the project.

The land has a maximum relief of approximately 270 m and the physiography becomes progressively more rugged to the east of the Project area. Rock outcrop is good outside the reworked alluvial areas.

3.2 Aboriginal heritage, Native Title and environment

The Stuart Town Project lies within the Wellington Local Aboriginal Land Council Region. There are currently no Registered Native Title Applications, Determination Outcomes or Indigenous Land Use Agreements in Place over the Stuart Town Project area.

Prior to ground disturbing exploration, a Right to Negotiate process¹¹ must be followed by the negotiation parties (Title Holder and Native Title Claimants) to ensure exploration is lawfully completed. Claimants have three months to commence the negotiation process with the Title Holder once the negotiation has been signalled.

3.2.1 Town Common

Significantly, the Project covers land held in Trust as a Common for the inhabitants of Stuart Town. This removes access restrictions associated with freehold land from a large part of the historical gold-producing area. Access to the Town Common is unrestricted for inspection purposes, but more intensive exploration activities will require Native Title and Local Council clearance.

The remainder of the tenement is Stuart Town freehold proper, freehold or leasehold farmland. KAU has established communications and rapport with the owners of areas of interest.

¹¹ For details of the Right to Negotiate process, refer to: <http://www.nntt.gov.au/futureacts/Pages/Negotiation.aspx>

4 GEOLOGY AND MINERALISATION

Stuart Town is interpreted to be an intrusive related gold system. Field observation and examination of the conclusions drawn by previous explorers, particularly, strong arsenic values coincident with an interpreted intrusive, leads Snowden to infer strong similarities to Resolute's 6 Moz Ravenswood gold field. Significantly, Newcrest's 22 Moz Cadia Valley gold mining operations and Alkane's North Molong porphyry project occur in the region and in an adjacent geological setting.

4.1 Regional geology

The Stuart Town Project occurs at the junction of the late-early-Silurian to early Middle Devonian Molong Zone and Hill End Zone of the Palaeozoic Lachlan Fold Belt, of the Lachlan Orogen¹² (Figure 4-1). The Molong Zone comprises a suite of intermediate to basic volcanics, volcanoclastics, co-magmatic intrusions, and limestones, probably part of a subduction-related island arc disrupted by later tectonism.

The Hill End Zone is a rift trough of mainly sediments that developed during the middle Silurian in the north-eastern Lachlan Orogen and continued until the end of the Early Devonian.

Erosion during the Lachlan Orogen into ocean basins covered Cambrian oceanic crustal basalts and form Early to Middle Ordovician turbidites that occupy much of the Lachlan Orogen. Destruction of a Cambrian subduction zone formed the Ordovician Macquarie island arc system of central and southern NSW, above a west-dipping subduction zone. Breaks in volcanism are marked by the formation of tropical limestone reefs.

The intrusion of monzonites before resumption of plate tectonics in the Early Silurian caused the arc to collide with the back-arc basin turbidites, resulting in the major Benambran deformation that caused the folding and faulting of older rocks and generation of new granite magmas. This deformation ended the first stage in the development of the Lachlan Orogen.

The Macquarie arc is a world-class porphyry copper-gold province. Monzonite intrusives in the arc host gold-copper deposits at Cadia, Northparkes, Lake Cowal, Browns Creek and major mineral accumulations at Cargo and Copper Hill.

A new subduction zone was formed several hundred kilometres to the east after the Benambran deformation event, placing the Lachlan Orogen in a back-arc position.

Extension occurred in the Lachlan Orogen from the Middle Silurian to middle Devonian and reworking of the earlier crust formed sedimentary and volcano-sedimentary basins and emplacement granites, some mineralised. The Macquarie arc split into several belts, separated by rift-sag basins which were closed by the mid-Devonian Tabberabberan Deformation, at the end of the second stage of development of the Lachlan Orogen.

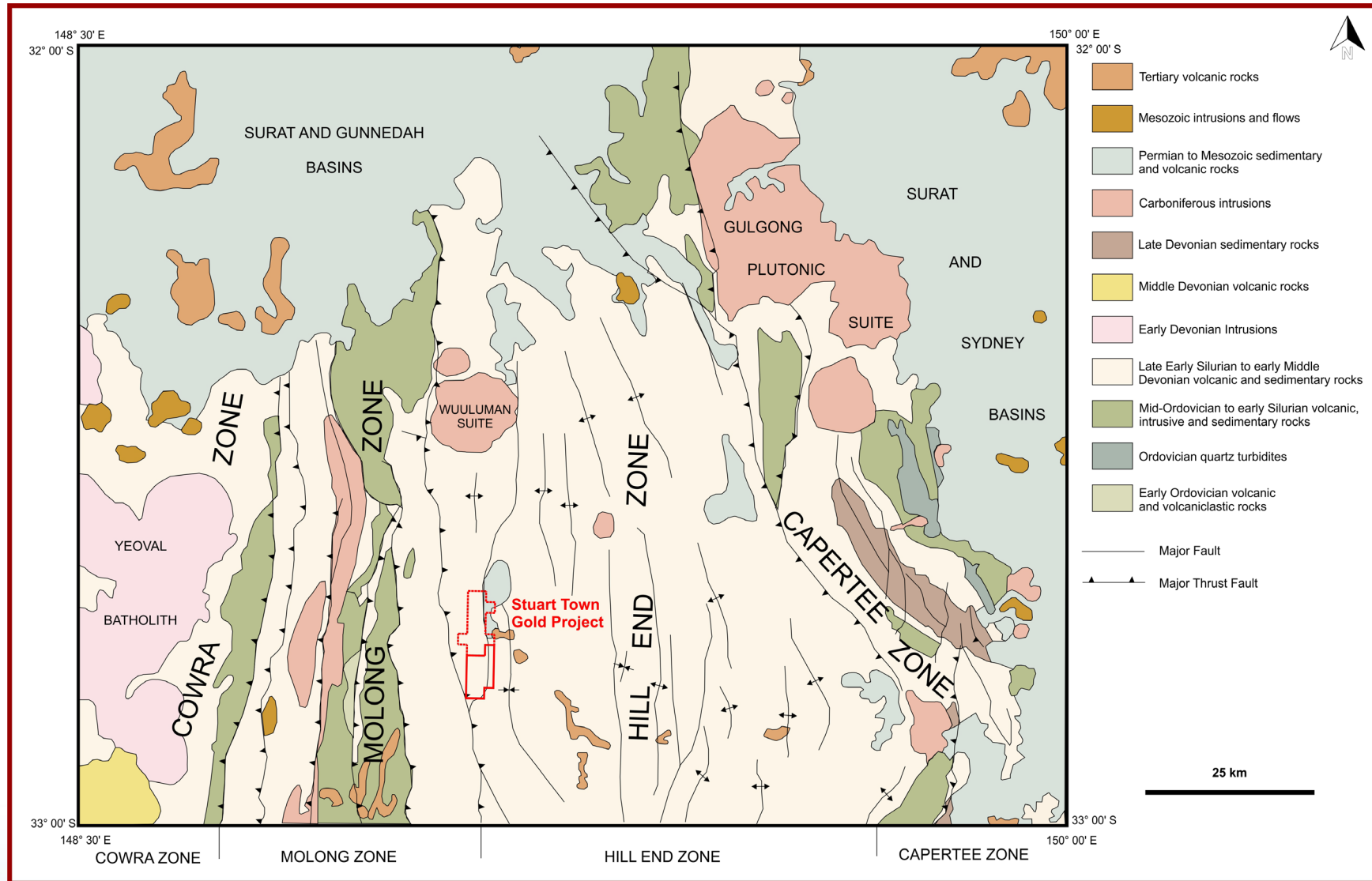
Mid-Silurian to Mid-Devonian extension formed a major volcanic province with numerous volcanic hosted metal sulphide deposits. Later development of volcano-sedimentary rift basins accompanied Devonian fluvial sedimentation. The Carboniferous Kanimblan deformation event followed and was itself followed by emplacement of the post-tectonic Bathurst Batholith.

Subsequent activity includes two major deformations and a number of magmatic events.

Significant mineral deposit types include volcanic-hosted massive sulphide systems, low-sulphide orogenic gold vein deposits, intrusive related skarns, epithermal and porphyry systems of various ages and placer deposits of various styles ranging in age from the Permian to recent.

¹² <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/geoscience-information/nsw-geology-overview/statewide-tectonics>

Figure 4.1 Regional geology of the Stuart Town Project



Source: GSNSW Dubbo SI55-4 1:250,000 geological map sheet

4.2 Local geology

The Stuart Town Project lies in the northern part of the Hill End Trough, within largely Devonian volcano-sedimentary rocks of the Crudine Group and Cunningham Formation.

The Project area straddles a structural boundary divide within the Lachlan Fold Belt between the Molong Zone (refer Section 4.2.3 below) and the Hill End Zone (Figure 4-1). This boundary approximates the division between the Cunningham Formation to the west, and the Crudine Group to the east. Both the Molong and Hill End structural zones comprise predominantly Silurian-Devonian aged sediments and volcanics within the Project area and surrounds.

GSNSW mapping indicates the central part of the tenement is underlain by undifferentiated elements of the Devonian Crudine Group, which is composed of thin to thick bedded and massive, quartzose, feldspathic and crystal-lithic felsic volcanoclastic sandstones; dacitic to rhyolitic and andesitic lavas and volcanics; slate, tuff, siltstone, conglomerate, phyllite, rare limestone¹³ (Figure 4-2). This group hosts the greatest intensity of historic gold workings.

Previous explorers mapped interbedded volcanic arenites, tuffs, greywackes, siltstones and slates, which was unofficially described as the Stuart Town Formation. This sequence was differentiated on the basis of the occurrence of volcanic arenites and tuffs.

The eastern and western parts of the tenement are underlain by the ungrouped Devonian Cunningham Formation, comprising phyllite, slate, shale, siltstone, quartz-feldspar-lithic- calcareous sandstone and tuff¹⁴, which overlies the Crudine Group. Mapping of the Cunningham Formation at Stuart Town has identified a sequence of undifferentiated creamy brown to dark grey slates, phyllites, shales, calcareous and lithic greywackes and minor volcanic arenites.

A conglomerate member of the Cunningham Formation is mapped in the extreme southeast the Project area, comprising a sequence of interbedded volcanic arenites, slates, mudstones and greywackes.

Previous explorers have mapped a brecciated and altered intrusive rhyolite near the historical Quartz Hill mine (refer Section 4.2.2 below). KAU considers this to be significant in the context of epithermal or intrusion-related mineralisation, given the association of rhyolite breccias with economic mineralisation in many places. Snowden concurs with this assessment.

Examination of geophysical data has led previous explorers to conclude the presence of a shallow, blind intrusive beneath the area of historical workings (refer Section 4.2.2 below). Snowden's field examination of the area supports this interpretation, postulating the presence of several such intrusions, based on apparent ring-structures in the topography and magnetic imagery. Snowden observes that such an intrusive has not been drill tested and recommends that detailed mapping be undertaken, followed by stratigraphic drilling to test this interpretation.

Such an intrusive (a monzonite) is associated with the Cadia mineralisation near Orange, around 40 km to the south of Stuart Town.

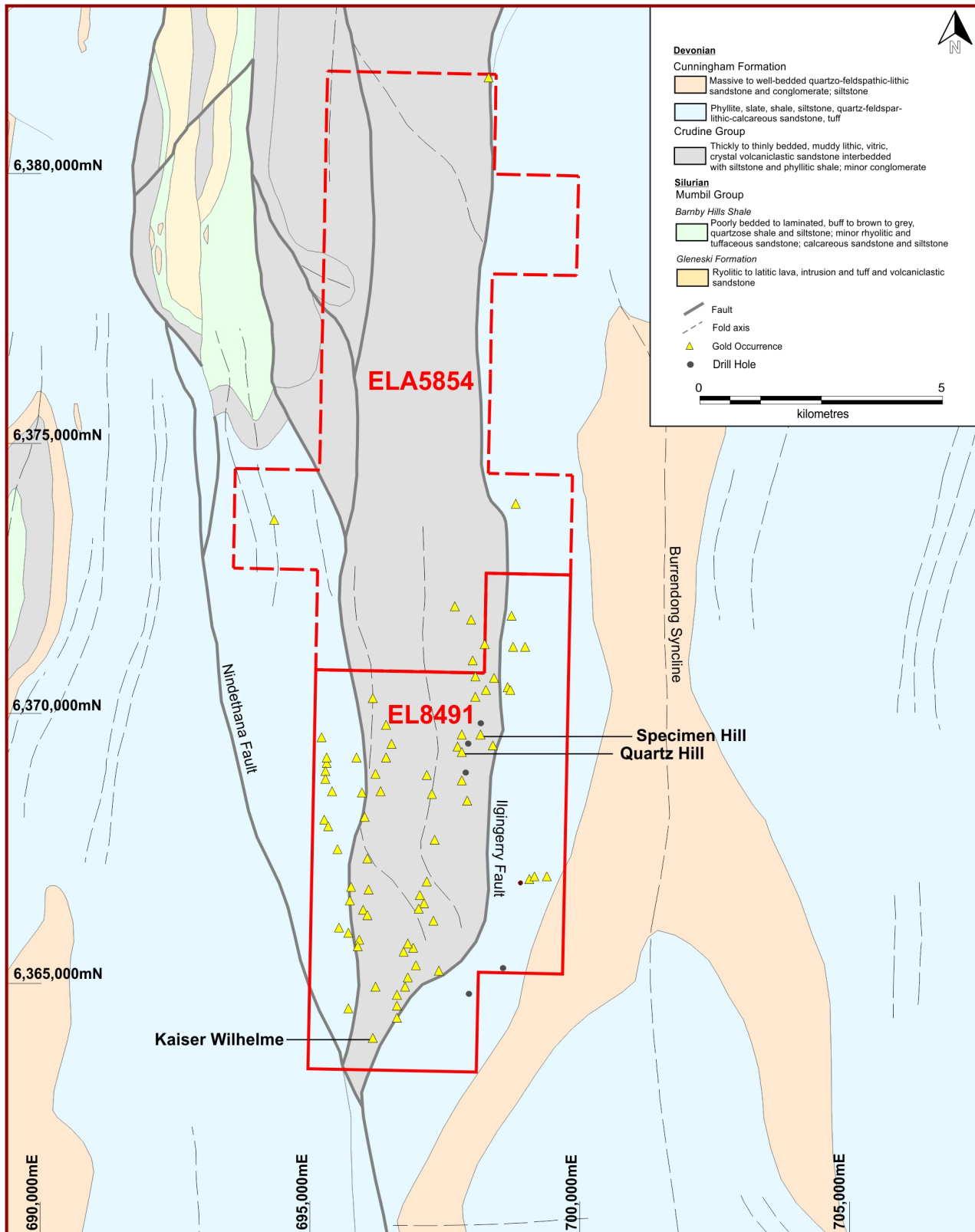
Alteration in the Project area includes silicification, chloritisation and rock ground mass replacement by calcite. There is considerable silicification and kaolin clay development around the historical Specimen Hill mine. Extensive hydrothermal alteration, defined by silicification, sulphidation alteration was mapped in this area by Kratos (1981 to 1983).

Snowden considers this to be consistent with the presence of an underlying intrusive.

¹³ <https://asud.ga.gov.au/search-stratigraphic-units/results/4970>

¹⁴ <https://asud.ga.gov.au/search-stratigraphic-units/results/5031>

Figure 4.2 Stuart Town local geology



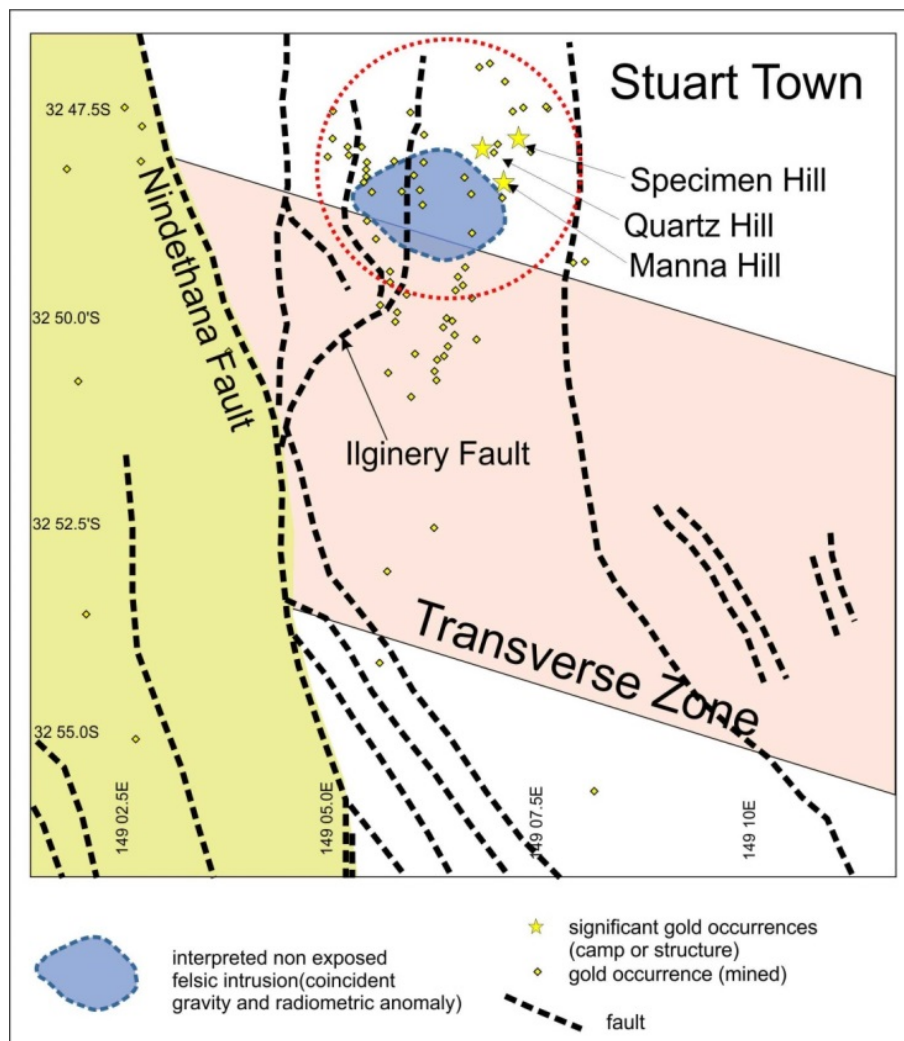
Source: Dubbo 1:250:000 sheet

4.2.1 Structure

Previous explorers have identified a single major generation of folding, followed by broad, gentle east-west deformation of the Project area. Cleavage is mapped as being uniform throughout, striking roughly north-south and dipping steeply to the east.

Two prominent shears have been mapped and interpreted at the eastern and western boundaries of the Project area. An interpreted west-northwest trending transverse zone is known to pass through the Project area on the southern margins, which has been identified through plunge changes that are interpreted to reflect inferred blind faults (Figure 4-3).

Figure 4.3 Stuart Town structure and interpreted transverse zone



Source: 1:250,000 Dubbo map sheet. The red circular ring represents the coincident gravity/magnetic anomaly (refer Section 4.2.2 below).

4.2.2 Geophysics

Previous explorers have accessed publicly available geophysical data to assist in geological interpretation of Stuart Town. Early reports describe ground-based gravity, ground-magnetic and Induced Polarity (IP) surveys¹⁵. These were limited in area and the historical data of limited usefulness in the modern context.

Snowden recommends that an airborne geophysical program be commissioned, including gravity, magnetics and radiometrics and that the resultant data be professionally interpreted.

Publicly available regional airborne magnetic, gravity and radiometric survey data has been used to correlate previous ground-based surveys. Previous explorers have interpreted a blind intrusive unit below the historical gold mine workings¹⁶, based on then-available magnetic and gravity geophysical information and surface mapping of rhyolite (Figure 4-4).

¹⁵ NSWGS GS1981_185, Kratos Uranium NL, IP and gravity surveys between 1981 and 1983, Reports R00015387 to R00015391.

¹⁶ NSWGS GS1983_279, Report R00014680

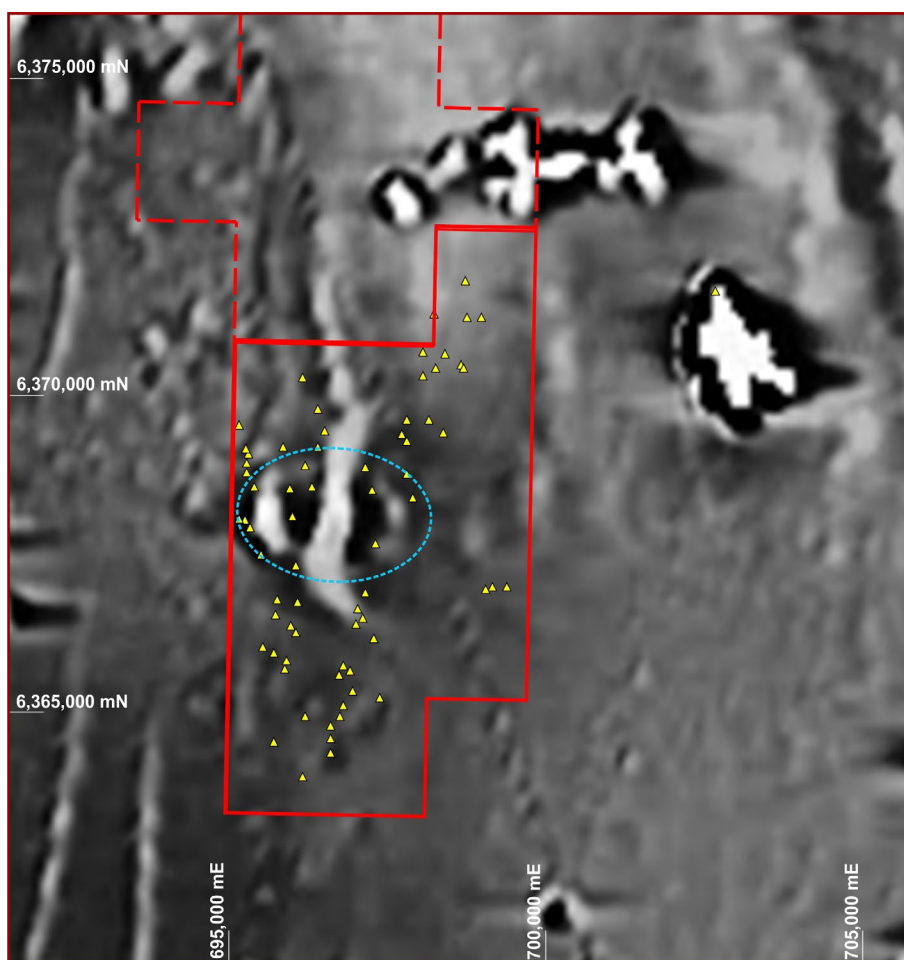
Preliminary modelling of the magnetic/gravity feature indicated a source lying 200 m below the surface, of approximately 1,200 m diameter and extending to a depth of 1,700 m. Further historical work included a gradient array IP survey and six percussion holes.

The gradient array survey was hampered by the proximity of high voltage powerlines, but some anomalies were detected which were interpreted to have been possibly related to sulphide alteration.

In 1984, a limited program of RC drilling conducted by Freeport of Australia Inc. was based on both geophysical surveys and soil sampling. The results indicated that the rhyolite breccia at Quartz Hill is associated with arsenic (As) values. These include an intersection of 15.5 m at 0.32% As from 30 m depth and an associated subtle gold anomaly of 0.04 g/t Au in hole PH4, and 8.0 m at 0.40% As with a subtle gold anomaly of 0.04 g/t Au in hole PH3 from 72 m depth¹⁶. The larger Manna Hill and Specimen Hill workings remain untested.

Snowden cautions that these results are historical and should be treated with appropriate caution but are considered to be reliable in the context of indicating geological prospectivity. Snowden considers that the presence of anomalous As values to be significant in the context of intrusive-related gold mineralisation, with reference to gold mineralisation in the intrusive Lolworth-Ravenswood Block of North Queensland. Snowden considers this analogy to be directly applicable to Stuart Town (refer Section 4.2.3 below).

Figure 4.4 Central Stuart Town magnetic image



Source: GSNSW. First vertical derivative, total magnetic intensity, interpreted intrusive circled in blue.

4.2.3 Mineralisation

The NSWGS identifies 80 lode gold deposits within the Project area, which includes 43 historical mines and numerous alluvial gold workings. The mines that have been the focus of most of the exploration programs are Quartz Hill, Specimen Hill, and Kaiser Wilhelm mines (Figure 4-2). All except two of the mines lie within the Cunningham Formation and Crudine volcanics.

The field was initially worked between 1851 and 1910, with most activity during the late 19th century. Recorded production is 5.3 tonnes of gold, but it is apparent from early reports that the actual production, particularly from artisanal workings, was significantly greater. Historically reported head grades from Mines Department records¹⁷ were in the order of 25 g/t to 30 g/t, consistent with hand-picking of ore to be carted to batteries and amalgam tables.

Gold was recovered from hard-rock mining of lodes or veins; significant and extensive alluvial workings, both artisanal and by commercial dredges which operated until the 1950s and from deep leads beneath Tertiary basalts covering streambeds.

The NSW Mines Department records document the annual production sources and mine types for the field. The longest running operation was the Manna Hill gold mine which continued production until 1914.

Site inspection by Snowden indicates there are substantially more workings than those in the literature, and Snowden understands from examination of NSWGS data that the Stuart Town area has the greatest concentration of historical workings in NSW, outside of the Cadia Valley.

The primary gold mineralisation is structurally controlled and orogenic and occurs in quartz veins from 10 cm to 1.2 m thick, mostly striking northward and dipping steeply eastward, consistent with the lineation of the synclines and anticlines that control schistosity and dominate the surface structure of the area. There are numbers of workings that strike counter to the major lineation, indicating a Riedel¹⁸ control to the structure.

Historical reports indicate that the gold is mostly free milling and several stamp batteries were in operation at various times. Minor gangue sulphides include pyrite and arsenopyrite with reports of copper minerals in some places. Mining appears to have ceased when sulphides were encountered, a practise consistent with metallurgical processing techniques of the time.

Workings were mostly shallow, with the deepest workings of 65 m recorded at Kaiser Wilhelm. The topography allowed several deposits to be worked by adits at various levels in the hillsides. The field appears to have not attracted significant capital in the manner that Western Australian gold operations of the period, possibly a result of tenure limitations. Field observation by Snowden of the workings indicates that several, parallel veins were worked at many locations, indicating the presence of stacked lode systems. The records show that the thickness and tenor of the gold decreased with depth in most mines.

The emplacement of the gold-bearing quartz veins appears to have been a late-stage event following the major episode of folding in the project area. The veins are structurally controlled by faulting, jointing, cleavage and bedding planes. Seventeen of the major historical mines are spatially associated with the Western Shear and three of the major mines are spatially associated with the Eastern Shear. Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear.

Cadia

Newcrest's 38 Moz¹⁹ Cadia Valley gold mining operations are the largest mining operation in the district and offer an analogue to the potential intrusive-related gold system inferred to underlie Stuart Town.

The Cadia deposits are 40 km south of Stuart Town and are part of a Late Ordovician–Early Silurian porphyry alteration-mineralisation system that extends over an area of at least 6 km x 2 km within the Ordovician Molong Volcanic Belt of the Palaeozoic Lachlan Fold Belt²⁰. The Molong Volcanic Belt comprises a suite of intermediate to basic volcanics, volcanoclastics, co-magmatic intrusions, and limestones. The suite is probably part of a subduction-related island arc disrupted by later tectonism²¹. In the Cadia area the volcanics and intrusions are shoshonitic²².

¹⁷ NSWGS Report ARC066

¹⁸ https://en.wikipedia.org/wiki/Strike-slip_tectonics

¹⁹ Newcrest Mining Limited – Explanatory Notes to the Annual Mineral Resources and Ore Reserves Statement – 31 December 2018

²⁰ Newcrest Mining Staff, 1997

²¹ Glen et al, 1997

²² Blevin, 1998

Mineralisation styles at Cadia include sheeted quartz vein, stockwork quartz vein, disseminated and skarn, all of which are genetically related to a relatively small, predominantly monzonitic intrusion into volcanoclastics, lavas, subvolcanic intrusions and minor limestone. Emplacement of the Cadia Hill Monzonite was probably facilitated and localised by the development of a major northwest to southeast trending dilational structural zone, which is evident in magnetic data.

The discovery of Cadia occurred over a number of years, with explorers initially being attracted to the high density of historical workings over a small area. An intrusive source was inferred from geophysical data and mapping and initial stratigraphic drilling returned anomalous, but modest gold values. Persistence with drilling eventually revealed the size and tenor of the deposits.

Ravenswood

Resolute's Ravenswood 6 Moz²³ gold mining operations occur in a geologically and structurally comparable situation to Stuart Town and offer a possibly more accurate analogue than Cadia.

The Ravenswood goldfield is located about 100 km south of Townsville and exploits Carboniferous structurally controlled orogenic quartz veins emplaced in a Silurian granite. These are apparently zoned away from an inferred central intrusive, possibly exploiting a major fault and dyke structure. Mineralisation varies from massive quartz lodes with a gold-copper-tellurium association through a gold-zinc-bismuth and gold-arsenic-lead association to a silver-arsenic-antimony association (Figure 4-5). The nearby Mount Wright mine exploits a Carboniferous rhyolite intruding and Ordovician granite²⁴.

Significantly, the Sarsfield-Nolans mine exploits a structurally controlled sheeted vein system with a gold-arsenic-lead association, which Snowden considers to be analogous to the historical workings at Stuart Town.

At Stuart Town, Waratah Resources Limited returned an intersection of 50 m at 0.3% As from RC drilling at Quartz Hill in 2010²⁵. Snowden cautions that this Exploration Result was reported in accordance with then current standards and is historical in nature and not reported in accordance with the provisions of the JORC Code and should be treated with appropriate caution, but the Competent Person considers that it attracts sufficient confidence to indicate geological prospectivity.

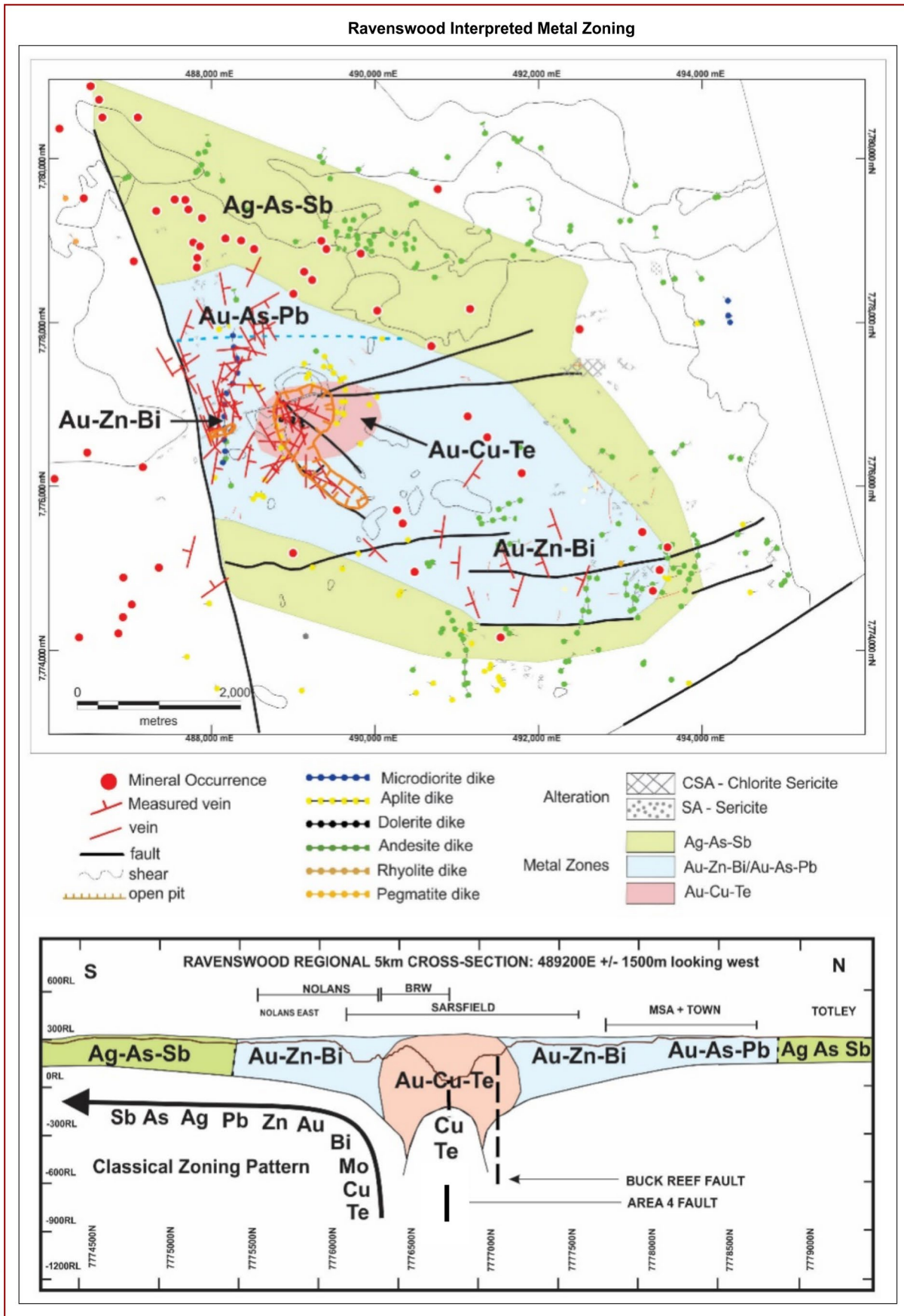
This is further supported by the arsenic-bismuth soil results at Stuart Town returned by CRA Exploration Ltd (CRAE) in the mid-1990s (refer Section 5 below). Explorers were initially attracted to the intense concentration of old workings at the Nolans-Sarsfield area, seeking orogenic lode-gold deposits of the Charters Towers type. Exploitation and exploration over time revealed the size of the field and the relationship between intrusions and mineralisation.

²³ Resolute ASX Announcement, 22 July 2019

²⁴ www.jcu.edu.au/_data/assets/pdf_file/0005/597587/Updated-Geology-Metallogeny-Charters-Towers_Beams-S.pdf

²⁵ NSWGS Report GS2013_1267 Report04462

Figure 4.5 Stuart Town/Ravenswood analogy



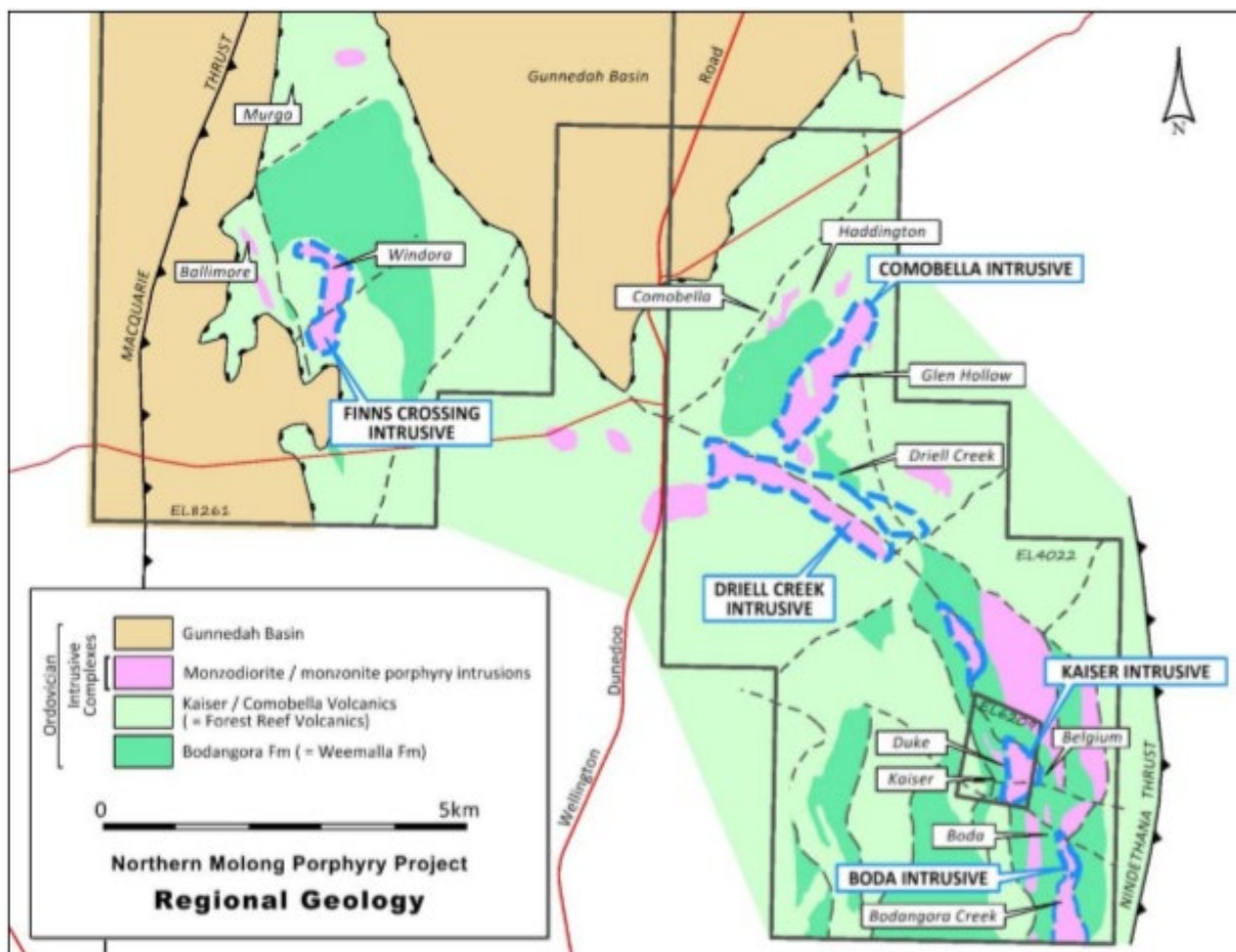
Source: Beams and Morrison, Characterization of Intrusion-related hydrothermal mineral systems in the Charters Towers Region, Northeast Queensland, James Cook University, 2017

Alkane Resources Limited

Alkane's Northern Molong porphyry project is located some 20 km north-northwest of Stuart Town in the Molong Zone, which hosts the Cadia mineralisation and occurs parallel to and abuts the Hill End Zone, which hosts the Stuart Town mineralisation (refer Section 4.1 above).

In a public statement to the ASX dated 9th September 2019, Alkane reports significant drill intersections from its Boda, Kaiser and Glen Hollow prospects, which been mapped over a north-south strike length of 5 km and 1 km wide corridor defined by monzonite intrusives, extensive alteration and widespread low-grade gold-copper mineralisation.

Figure 4.6 Alkane prospects



Source: ALK ASX release, 9 September 2019

Snowden refers to Alkane's recent public announcement regarding these exploration results²⁶, which states that at Boda, a single diamond drillhole followed up gold mineralisation (311 m at 0.28 g/t Au²⁷) identified in RC drilling conducted in 2016 and intersected a thick zone of gold and copper mineralisation for 502 m at 0.48 g/t Au and 0.2% Cu from 211 m. At Alkane's Kaiser prospect, five RC drillholes and a single diamond drillhole returned 40 m at 1.30 g/t Au from surface and 2 m at 3.24 g/t Au from 25 m (drillhole KSRC027) and 0.26% Cu, and 32 m at 0.53 g/t Au and 0.27% Cu (drillhole KSRC029).

At Glen Hollow, two RC drillholes returned 42 m at 0.27 g/t Au and 0.19% Cu from surface (drillhole COMRC045).

²⁶ ALK ASX Announcement 9 September 2019

²⁷ ALK ASX Announcement 6 May 2016

The Competent Person considers that Alkane's results have been reported in accordance with the JORC Code and refers readers to the attendant Table 1 in its public statements and that it attracts an appropriate degree of reliability in the context of this document.

In the interests of balanced reporting, to Snowden's knowledge to date, similar results have not been gathered in the Hill End Zone. The work of previous explorers in the Hill End Zone indicates that a similar intrusive-related model is applicable to Stuart Town and that such results are conceptually possible but do not attract any degree of certainty, given the sparsity of exploration undertaken to date. Snowden considers these results to be relevant to the Stuart Town mineralisation given spatial proximity and geological relationship. Alkane's intrusive related geological model is similar to that proposed for Stuart Town. Snowden comments that the presence of monzonite intrusives and copper bearing a strong resemblance to Cadia, which is located in the same geology to the south. Monzonites have not yet been identified at Stuart Town. Stuart Town has not returned copper values of this tenor in previous exploration but has returned a strong arsenic association.

5 HISTORICAL EXPLORATION

The Stuart Town area has a history of artisanal exploration since the 1850s, much of which was uncoordinated and directed toward the identification of placed deposits for dredging.

Modern exploration was initiated by Kamilaroi Ltd and Aquitaine Australia Minerals Pty Ltd, which explored the general Stuart Town region between 1970 and 1975. Most of this work was focused on an area to the southwest of the Project area.

The Project area was held as E1439 by Kratos Uranium NL (Kratos) between 1980 and 1985, being explored in joint venture with Freeport of Australia Inc. during this time. Kratos commissioned Geoscience Field Surveys Ltd to undertake a limited study of the regional geology of the exploration licence area and an evaluation of the gold mines located within it.

Geoscience Field Surveys Ltd concluded that there was low potential for establishing a high tonnage mining operation on an extension of one or more of the historical mines, but that the area had good potential for either:

- High tonnage gold/base metal deposits in acid volcanics analogous to that exploited at Cadia
- Carlin-type fine grained gold mineralisation in carbonates within the sequence at Stuart Town.

Snowden concurs with the Cadia model but discounts the Carlin-type model as being unsupported by subsequent understanding of the geology.

Kratos conducted detailed geochemical soil surveys over two of the historical mines, Specimen Hill and Quartz Hill, together with underground chip sampling at Specimen Hill. The geochemical survey indicated that, although substantial sulphide mineralisation had been encountered at the mines, the main geochemical anomaly lay to the north.

Work at Specimen Hill indicated that the mineralisation exploited by the underground workings was evident on the surface over a strike length of at least 150 m. Underground sampling indicated erratic gold distribution.

Kratos commissioned a reconnaissance gravity survey to explore for an intrusive source beneath the Stuart Town area. The most prominent feature identified by this survey was a residual gravity low centred in the region of the Quartz Hill and Manna Hill mines. The feature was coincident with the centre of a magnetic identified in government data (refer Section 4.2.2 above).

Subsequent major explorers included CRAE (now Rio Tinto Limited) and Carpentaria Exploration Limited (CEC, a subsidiary of Mount Isa Mines Limited). These explorers were seeking a Cadia-style and scale deposit and mostly centred their attention on the Molong Area, to the south and west of Stuart Town.

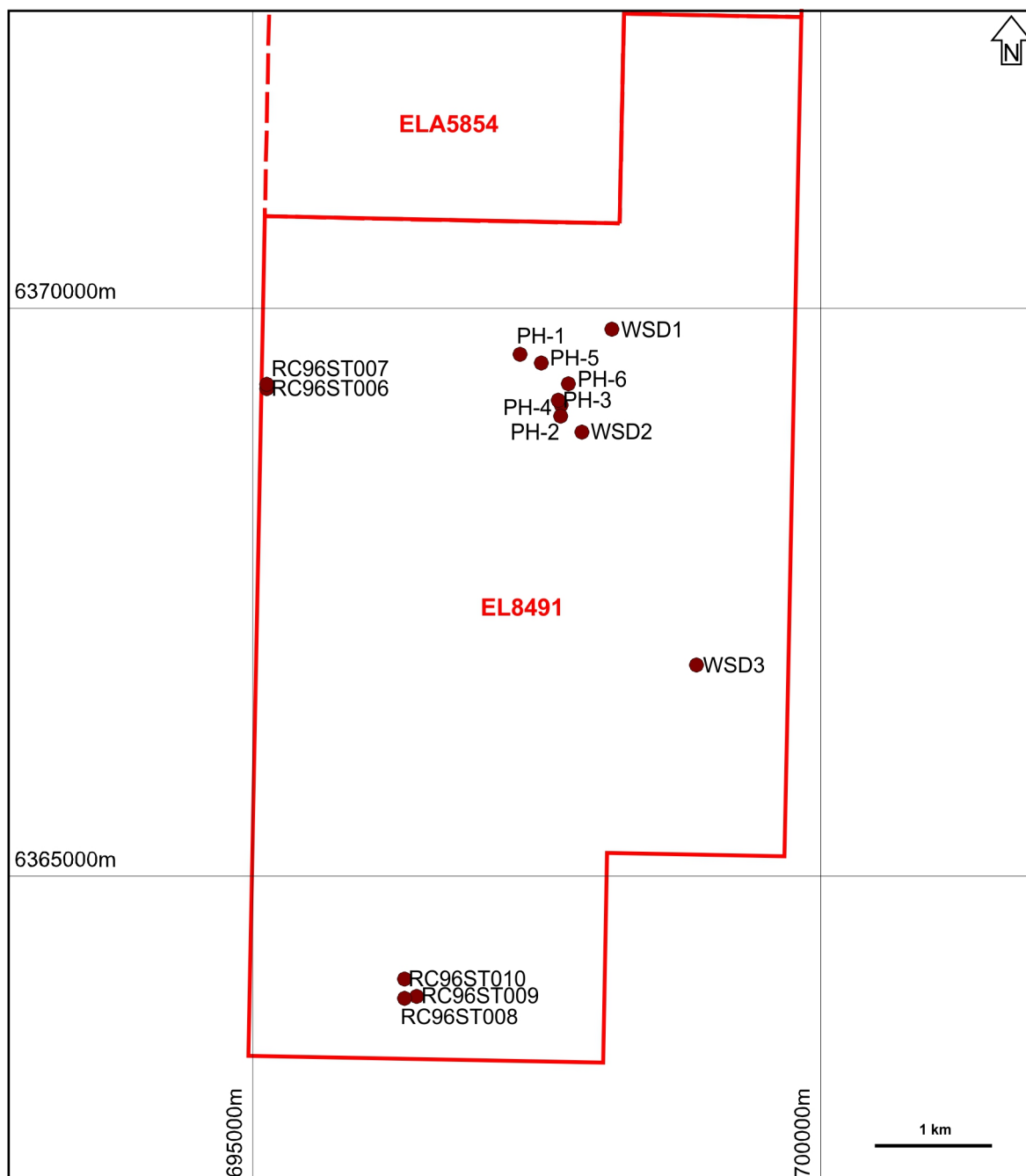
5.1.1 Stuart Town historic drilling

Several previous explorers have engaged in drilling at Stuart Town and Snowden has referenced the publicly available descriptions of the results of that drilling (Figure 5.1).

These results are historical in nature and may not have been reported in accordance with the JORC Code or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the Stuart Town geology.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

Figure 5.1 Stuart Town historic drilling



Source: KAU

5.2 Exploration summary

More recent explorers have been juniors and have for the most part been restricted by funding. KAU has collated the findings of the more productive explorers:

5.2.1 Kratos Uranium NL (1980 to 1982)

Philosophy

Literature search with regard to the prospectivity the historical mines and development of a geological mineralisation model¹⁵.

Work undertaken

Historical mines were mapped and chip sampled and the general geology mapped and related to publicly-available geophysical data.

Results and conclusions

Kratos concluded that potential for a large-scale mining appeared to be limited due to the narrowness and intermittent occurrence of gold-bearing veins. Kratos noted that the extent and behaviour of the same veins at depth remained unknown due to the lack of drilling and these should be assessed by way of drilling to establish whether there are deposits of sulphide ore that early miners would have had difficulty treating.

Kratos developed the intrusive-related model during this period, being particularly interested in the Quartz Hill rhyolite.

5.2.2 Kratos-Stellar Exploration Group (1983, first reporting period)

Philosophy

Undertake soil geochemical surveys at Quartz Hill and Specimen Hill historical mining activity to determine whether this method of exploration would delineate any extension of anomalous metal values beyond the general area of the existing workings.

Work undertaken

Soil geochemistry for copper, lead and arsenic was undertaken for 158 samples at Quartz Hill and 91 samples at Specimen Hill, spaced at 25 m intervals on lines 50 m apart. A total of 21 rock chip samples were taken from the Quartz Hill adit and 45 rock chip samples from the Specimen Hill adit. Soil samples were sieved to -80# and assayed for arsenic, copper and lead; chip sampling involved channel sampling of underground workings.

Results and conclusions

The soil samples identified an arsenic anomaly at Quartz Hill associated with rhyolite.

Two areas of anomalism at Specimen Hill were associated with old workings, and weaker anomalism associated with a tailings dump, possibly a result of contamination and minor workings in the west of the area:

- One of the anomalies highlighted the area occupied by the adits, open cuts and pits and defined the outcrops of the sheer zone in the area of the workings. The values along the shear zone fell off to the northwest and southeast.
- The second anomaly was a circular zone situated to the north of the adit indicating that the adit had not been sited optimally. Underground samples taken in the adit were regarded as indicative of background gold levels within the intrusion, away from the main body of any higher-grade mineralisation which may be inferred from the geochemical anomaly.

Underground sampling confirmed the highly erratic nature of gold values and the conclusion drawn was drawn that although continuous sampling may provide a clearer idea of the grade of mineralisation, only a large bulk sample would give reliable grade information.

The rock chips from the Quartz Hill adit returned disappointing results, with the best result being 0.47 g/t Au. Six of the rock chip samples taken from the Specimen Hill adit (number 2) returned encouraging assay results, the highest being 120 g/t Au and 7.3 g/t Ag¹⁶. A more thorough sampling program of the Specimen Hill number 2 adit was recommended.

Snowden cautions that these results are historical and have not been reported in accordance with the JORC Code and should be treated with appropriate caution, but the Competent Person considers them to attract sufficient confidence to indicate geological prospectivity.

5.2.3 Kratos-Stellar Exploration Group (1983, second reporting period)

Philosophy

Follow up soil sampling of the Quartz Hill and Specimen Hill prospects, follow-up underground channel sampling at Specimen Hill and initial soil sampling at the Post Office, Redfern and Kaiser Wilhelm mines.

Work undertaken

Soil samples previously collected were re-analysed for mercury and silver. Soil samples were collected from the Post Office, Redfern and Kaiser Wilhelm grids at a nominal depth of 20 cm. At Specimen Hill, adit numbers 1, 2 and 3 were resampled to compare previously reported gold values. In all, 46 samples were collected; six from adit number 1, 22 from adit number 2, and 18 from adit number 3.

Results and conclusions

The Quartz Hill soil geochemistry identified several areas that warranted further work. Kratos concluded that the geometry of the geochemical anomalies indicated that the rhyolite intrusion had probably acted as a source, rather than a host for any mineralisation in the area and was encouraged by As, Hg, and Ag geochemistry. Kratos proposed geophysical testing using surface electrical techniques to delineate sulphide concentrations.

Recommendations included bedrock gold geochemistry across the rhyolite/sediment boundary and into the sediments to assist in determining whether the rhyolite had acted as a mineralising source and therefore whether there was an enrichment of gold in the sediments.

Detailed gravity traversing was proposed to determine the geometry of the rhyolite intrusion and the likelihood that it was part of a larger mineralising system at depth.

5.2.4 Kratos Uranium NL, Joint Venture with Freeport of Australia Limited (1984)

Philosophy

Determine the prospectivity of old mines in the area, particularly Quartz Hill.

Work undertaken

Soil sampling over a 50 m grid at the Quartz Hill mine, IP survey, adit sampling and percussion drilling (six holes) of Quartz Hill.

Results and conclusions

Adit sampling yielded low gold grades but the amount of brecciation, silicification and sulphidisation associated with high arsenic values supported the presence of a substantial hydrothermal system.

Kratos concluded that quartz stockworks in the sediments at Kaiser Wilhelm and Specimen Hill remained prospective. As a result of negligible assays from the Quartz Hill drilling program, no further exploration on the Quartz Hill prospect was proposed. However, targets such as Kaiser Wilhelm and Specimen Hill remained prospective.

5.2.5 Carpentaria Exploration Company Pty Ltd (1984 to 1986)

Philosophy

Exploration of the Ordovician Molong Rise to the west of Stuart Town.

Work undertaken

No work was carried out at Stuart Town.

Results and conclusions

Access to the area of interest was denied and no effective work was completed; however, CEC noted that:

*“...just to the east of the licence area is the important former gold producing area of Stuart Town. Here approximately 5.4t of gold were produced from both alluvial and reef area. The reef gold principally occurred in narrow quartz veins within slates and siltstones of the Cunningham Formation. The origin of the gold still unknown, however magnetic and radiometric data suggest there is the possibility of a deep-seated intrusive body occurring within the area which may be the source of gold mineralisation”.*²⁸

5.2.6 CRA Exploration Pty Ltd (1992 and 1993)

Philosophy

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low grade disseminated mineralisation.

Work undertaken

Purchase of airborne and radiometric data, literature search, geochemical anomaly follow-up, and collection of 48 rock chip samples²⁹.

Results and conclusions

CRAE confirmed that previous mining and exploration activity in the area focused on narrow shear zone hosted quartz reefs and concluded that gold associated with the massive white, sometimes banded buck quartz is nuggety with no consistent base metal association. Calcite gangue was noted in some of the higher-grade samples. Detailed mapping to record the location of all shafts was recommended. In addition, the geological mapping of a 10 km x 14 km area centred on Stuart Town and a stream sediment orientation program was proposed.

5.2.7 CRA Exploration Pty Ltd (1994)

Philosophy

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low-grade disseminated mineralisation.

Work undertaken

Regional geological mapping, review of publicly available stream sediment data and collection of 12 rock chip samples.

Results and conclusions

In addition to the widespread gold anomalism throughout the Project area, the stream sediment sampling review identified coincident gold, arsenic, bismuth and antimony anomalism east of Stuart Town Common. The geochemical anomalism appears coincident with a large 4 km x 4 km aeromagnetic low. Recommendations were to conduct an improved soil sampling program, and the selection of targets for reconnaissance RC drilling in the Stuart Town area.

²⁸ NSWGS Report 1984_385

²⁹ NSWGS Report 1993_084

5.2.8 CRA Exploration Pty Ltd (1995)

Philosophy

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low-grade disseminated mineralisation.

Work undertaken

A total of 2,892 soil samples, 35 rock chip samples were taken over the Stuart Town area³⁰.

Results and conclusions

Soil sampling returned anomalous gold-arsenic-antimony geochemistry near the Princess Alex and Kaiser Wilhelm workings. Rock chip sampling of these quartz veins returned maxima of 15 g/t Au and 2.9 g/t As³¹. The gold-arsenic-antimony soil geochemistry anomaly in the Kaiser Wilhelm area lies within an area of associated copper, cobalt and nickel, resembling a fold closure. Other potential targets were highlighted.

Snowden cautions that these are historical exploration results and are to be treated with appropriate caution, but the Competent Person considers that these attract appropriate reliability to indicate geological prospectivity.

5.2.9 CRA Exploration Pty Ltd (1996)

Philosophy

To drill RC holes to test zones of anomalous gold-arsenic-antimony soil geochemistry coincident with Kaiser Wilhelm and Princess Alex workings.

Work undertaken

Eleven RC holes were drilled for 1,113 m.

Results and conclusions

Drilling returned gold grades³² that were considered to be anomalous, but not economic and no further work was recommended, as the target of large tonnage disseminated gold mineralisation was not met.

5.2.10 LFB Resources NL (1997 to 1999)

Philosophy

General appraisal of the prospectivity of the tenement.

Work undertaken

Rock chip sampling and evaluation of previous exploration.

Results and conclusions

The licence was relinquished on the basis that the cost of locating viable gold deposits using existing technology would probably be too high.

Recommendations made by LFB Resources NL were to drill test the laterally continuous and relatively wide Ginger Reefs lode system located within the Town Common and explore via drilling for a deep-sourced intrusive source for gold mineralisation.

³⁰ NSWGS Report 1996_109

³² NSWGS Report 1996_105

5.2.11 Kanimblan Mines Pty Ltd (2002 and 2003)

Philosophy

Not stated.

Work undertaken

Review of previous exploration reports and re-evaluation of archival geochemical and geophysical data as well as interpretation of airborne geophysical data.

Results and conclusions

The work defined various targets related to an inferred deep-seated porphyry system that may have been the source of historical gold production.

Airborne geophysical data was purchased and processed by Kanimblan Mines Pty Ltd to identify a magnetic low that was interpreted to reflect magnetite depletion related to a deep intrusive. A secondary source, of similar magnetic susceptibility, was observed at shallow depth that was thought to constitute a relatively easy target to evaluate. Kanimblan Mines Pty Ltd was unable to attract joint venture participation to test these models.

5.2.12 Ironbark Gold Limited and Waratah Gold Limited (2007 to 2011)

Philosophy

Development of the intrusive model.

Work undertaken

Review of previous exploration reports, rock chip sampling and drilling of three diamond holes for 1,041 m.

Results and conclusions

Snowden observed during its site visit that the drilling was poorly targeted, based on the orientation of the holes and reportedly returned no material results.

5.3 Snowden commentary

Snowden considers that the intrusive-related gold model has not been adequately tested by previous explorers despite its first being postulated in the 1980s. Exploration has been poorly coordinated over time. The companies involved have not committed sufficient funding to drill the deep stratigraphic holes required to identify the location and nature of the inferred intrusive.

Snowden considers that remodelling of the Kanimblan Mines Pty Ltd geophysical data and compilation of the historical soil sampling results with mapping by the various explorers over time would, when compiled into a modern GIS database, provide sufficient information on which to plan and locate a stratigraphic drilling program.

Of particular interest is Waratah's intersection of 50 m at 0.3% As from RC drilling at Quartz Hill in 2010, supported by the arsenic-bismuth soil results returned by CRAE in the mid-1990s. The Competent Person considers these results to be historical in nature but attract sufficient confidence to indicate geological prospectivity.

Snowden concludes that there is evidence to support the presence of intrusive-related gold mineralisation.

6 EXPLORATION STRATEGY

Subject to a successful Initial Public Offering, KAU has an exploration budget of approximately \$2,500,000, for its first two financial years, which includes exploration expenditure, tenement rents and rates, office and administration costs and salaries.

In the event of grant of Exploration Licence Application 5854, KAU plans to expend \$25,000 on mapping of this licence in the first year and a further \$125,000 in the second year on geochemical exploration and geophysics. This is considered to be appropriate and not to represent a material increase to the overall planned budget.

KAU is aware that exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied and has explained to Snowden that it reserves the right to alter the way funds are applied.

Snowden has interviewed KAU directors and worked with them on a number of assignments over a period of some years and considers these personnel to be suitably qualified to implement the proposed exploration strategy.

Snowden comments that the most valuable asset for any mining or exploration company is its knowledge of its mineral assets and observes a significant volume of data has been collected by numerous explorers over a long period of time. Snowden further observes the effort that has been put into collating this information.

Table 6.1 KAU proposed exploration activities

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Stuart Town	Detailed mapping	60,000	20,000	80,000
	Assays	20,000	60,000	80,000
	Geophysical surveys	400,000	n/a	400,000
	Reverse circulation (RC) drilling	200,000	200,000	400,000
	Diamond drilling	n/a	700,000	700,000
Service costs	Heritage and tenement administration	50,000	40,000	90,000
	Geological services and field labour	250,000	300,000	550,000
	Administration	100,000	100,000	200,000
Total		1,080,000	1,420,000	2,500,000

Source: KAU

6.1 Snowden opinion

Snowden considers that the project has some similarities to Resolute's 6 Moz Ravenswood field³³ and is prospective for large scale intrusion-related gold systems and is encouraged by the following points:

- Significant historical production described in records kept by the NSW Department of Primary Industry³ as exceeding 170,000 ounces. Au sourced from many relatively small lode and alluvial gold sources. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide a favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysics indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow intrusive felsic unit, as does a coincident potassic radiometric signature.

³³ www.rml.com.au/ravenswood

- Mineralised brecciated rhyolites with accompanying high levels of arsenic returned by historical soil sampling and drilling observed at Quartz Hill may represent minor high level subvolcanic intrusives related to an underlying mineralised intrusive unit.
- Government mapping indicates that the Project lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

6.2 Snowden conclusions

Snowden concludes that KAU holds tenure over a prospective area near Orange, NSW that has potential to yield economic mineralisation and recommends that it proceed to implement its exploration strategy on listing.

Snowden concludes that the Stuart Town Project is at an early conceptual stage of exploration but its prospectivity is enhanced by the presence of the Cadia Project and recent Alkane discovery (Northern Molong project) in comparable geology.

KAU will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Snowden has examined the proposed exploration budget of \$2.5 million, and the proposed work program for the first two years after KAU's listing and concludes that these are reasonable and achievable.

6.3 Snowden recommendations

Snowden recommends that structural geology work should commence in parallel with the proposed detailed mapping and geochemical sampling to provide context to the results of these exercises.

7 REFERENCES

Author	Date	Title	GSNSW data reference
ASARCO (Australia) Pty Ltd	1980	Annual Report Burrendong Project	1980/428
AuriCula Mines Pty Ltd	2006	Final Report EL 6185	2006/277
		Final Report EL 6185	2006/276
CEC	1984	Final Report EL2242 & EL2243	1984/385
Cluff Resources Pacific Limited	1988	Reports, EL2890	1988/014
		Reports, EL2890, 2139 & 2631	1988/238
CNGM Resources Limited	2014	Annual Report EL 8044	2014/329
Compass Resources NL	1990	Reports, EL3373	1990/165
CRAE	1992	Stuart Town Group of ELs: Annual Report	1982/459
	1993		1993/084
	1994		1996/105
	1995		1996/108
	1996		1996/109
	1997		1997/140
Freeport of Australia Inc.	1984	Reports EL 1439	1983/279
Ironbark Gold Limited	2007	Annual Report EL 6575	2007/422
	2008	Annual Report EL 6575	2008/545
	2006	Information Memorandum (unpublished)	2008/545
LFB Resources Limited	1999	Final Report EL5249	1999/333
	1998	Final Report EL4023	1998/316
	1999	Annual Report EL4225	1999/331
	1998	Annual Report EL4023 & 41265	1999/332
	1998	Annual Report EL 4023, 4126 and 4225	1998/395
	2000	Final Report EL4126	2000/015
NSW Department of Primary Industry	2007	Stuart Town Gold	Primefact 562
NSW Geological Survey	1999	Dubbo 1:250,000 Geological Sheet	ARC066
	2014	Bathurst 1:250,000 Metallogenic Sheet	
	1975	Dubbo 1:250,000 Metallogenic Sheet	
	1999	Dubbo 1:250,000 Geological Sheet Explanatory Notes	
	1975	www. minview.geoscience.nsw.gov Annual Report Compilation, Stuart Town 1875 - 1975	
PLD Corporation Limited	2013	Annual Report EL7948	2014/361
Kanimblan Mines Pty Ltd	2002	Annual Report EL 5877	2002/698
	2002	Final Report EL 5877	2003/359
Kratos-Stellar Exploration Group Limited	1980	Reports, Stuart Town	1981/185
	1983		1983/279
Newmont Holdings Limited	1982	EL1839 Annual Report	1982/459
Rio Tinto Exploration	1998	EL 4199: Final Report	1998/397
Sunshine Gold Search Pty Ltd	1984	Reports, EL2153	1984/206
Waratah Gold Limited	2009	Annual Report EL6575	2010/891
Waratah Resources Limited	2013	Annual Report EL6575	2013/1267

8 ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
%	percent
Ag	silver
Alkane	Alkane Resource Limited (ASX: ALK)
As	arsenic
ASX	Australian Securities Exchange
Au	gold
Bi	bismuth
CEC	Carpentaria Exploration Company Limited (formerly a subsidiary of Mount Isa Mines Limited)
Chase	Chase Metals Pty Ltd
cm	centimetre(s)
IGR	Competent Person's Report
CRAE	CRA Exploration Limited (now Rio Tinto)
Cu	copper
EL	exploration licence
ELA	exploration licence area
GSNSW	Geological Survey of New South Wales
g/t	grams per tonne
IP	Induced Polarity, gravity and magnetics; geophysical exploration techniques; For a brief explanation: www.en.wikipedia.org/wiki/Exploration_geophysics
kg	kilogram(s)
km	kilometre(s)
km ²	square kilometres
Kratos	Kratos Uranium NL
KAU	Kaiser Reef Limited
m	metre(s)
mH	metre high
Moz	million ounces
mW	metre wide
Newcrest	Newcrest Mining Limited (ASX: NRL)
Pb	lead
pXRF	Portable X-Ray Fluorescence, a field analytical technique; for a brief explanation: www.thermofisher.com.au
Resolute	Resolute Mining Limited (ASX: RES)
RC	Reverse circulation – a pneumatic percussion drilling technique. For an explanation refer: www.castledrill.com/an-introduction-to-reverse-circulation-drilling/
Sb	antimony
Snowden	Snowden Mining Industry Consultants Pty Ltd
Zn	zinc

Appendix A JORC Code Table 1

The background of the page features a large, abstract graphic composed of numerous overlapping triangles in various shades of blue, ranging from light sky blue to deep navy blue. This graphic is positioned on the left side and extends towards the center, creating a modern, geometric aesthetic.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

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.	Information on sample collection was not recorded but the Competent Person considers that the documentation referenced in the text for each operator indicates that samples were collected in accordance with then-current standards and forms a reasonable basis on which to form an opinion.
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).	1984 Drilling conducted by Freeport of Australia was Reverse Circulation Drilling. - Drilling conducted by Waratah gold Limited was non-oriented standard NQ Diamond Core Drilling.
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.	Drilling recoveries not recorded but the Competent Person considers that the documentation referenced in the text for each operator indicates that samples were collected in accordance with then-current standards and forms a reasonable basis on which to form an opinion.
Logging	- 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. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All drill holes were logged in their entirety. - Logging was qualitative.

Criteria	JORC Code explanation	Commentary
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.	- Half Core samples were sawn using a core saw - No recorded information for non-core 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.	Industry standard assay techniques used that are appropriate for gold exploration. The Competent Person considers that the documentation referenced in the text for each operator indicates that samples were collected in accordance with then-current standards and forms a reasonable basis on which to form an opinion
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. - Discuss any adjustment to assay data.	- Historic reports have been reviewed by independent and company personnel. - No holes have been twinned. - Data entered onto paper logs - There have been no adjustments 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.	- Holes have not been surveyed. - Kaiser Reef has recorded all data point in MGA 1994 Z 55 coordinates.
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.	No Mineral Resource has been estimated.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	- 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.	Orientation of sampling is not considered by the Competent Person to have introduced biases for the purpose of early-stage exploration results.
<i>Sample security</i>	The measures taken to ensure sample security.	Sample security measures unknown but the Competent Person considers that the documentation referenced in the text for each operator indicates that samples were collected in accordance with then-current standards and forms a reasonable basis on which to form an opinion.
<i>Audits or reviews</i>	The results of any audits or reviews of sampling techniques and data.	Available data has been reviewed by independent and company personnel.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</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. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The Stuart Town Project lies within Exploration Licence 8491 held in trust for Kaiser Reef Limited in the name of Jonathan Charles Downes. The adjacent Exploration Licence Application 5854 is held in trust for Kaiser Reef Limited in the name of Adrian Byass Limited. The Licences lie 40km south east of Wellington in NSW, adjacent to the township of Stuart Town. - Both the Licence and Licence Application are in good standing.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	- Previous exploration has been completed by: - Kratos Uranium NL (1980-1982) - Kratos-Stellar Exploration Group (1983) - Kratos Uranium JV with Freeport of Australia (1984) - Carpentaria Exploration (194-1986) - CRA Exploration (1992-1996) - LFB Resources NL (1997-1999) - Kanimblan Mines (2002-2003) - Ironbark Gold Limited / Waratah Resources Limited (2007-2011) - Exploration included mapping, rock chip and soil sampling, limited geophysics and limited drilling.
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	- The Project lies within the Northern part of the Hill end Trough, within largely Devonian volcano-sedimentary rocks of the Crudine Group and Cunningham Formation. - The primary gold is structurally controlled

Criteria	JORC Code explanation	Commentary
		and hosted in quartz veins. There are many alluvial workings documented within the Licence.
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: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - 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.	Refer Appendix B
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 reported assays have been length weighted. - No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - 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').	The geometry of the mineralisation is not well understood.
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.	Refer to: - Figure 4.2 - Figure 4.3 - Figure 4.4 - Figure 5.1
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and	All results have been reported.

Criteria	JORC Code explanation	Commentary
	<i>high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<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>	Limited exploration has been conducted on the site and work is ongoing to compile some of the data from geophysics and soil surveys.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <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>	Kaiser Reef is planning detailed mapping, sampling geophysics and drilling.



Appendix B **Historic drill hole locations**

Hole ID	licence_holder	Easting	Northing	EOH (m)	Dip	Azi	Significant Intercept
PH-1	Kratos Exploration Pty Ltd	697355	6369595	92.5	55	49	NSI
PH-2	Kratos Exploration Pty Ltd	697710	6369050	136	50	49	NSI
PH-3	Kratos Exploration Pty Ltd	697690	6369190	79.5	50	49	NSI
PH-4	Kratos Exploration Pty Ltd	697715	6369150	47.5	50	49	NSI
PH-5	Kratos Exploration Pty Ltd	697540	6369520	60	60	49	NSI
PH-6	Kratos Exploration Pty Ltd	697780	6369335	200.3	50	202	17.3m @ 0.23 g/t Au from 36
WSD1	Waratah Gold Limited	698163	6369819	339.2	60	180	NSI
WSD2	Waratah Gold Limited	697896	6368911	351.3	60	205	1m @ 2.3g/t Au from 259
WSD3	Waratah Gold Limited	698904	6366860	351.6	65	75	NSI
RC96ST006	CRA Exploration Pty Limited	695123	6369294	105	60	235	NSI
RC96ST007	CRA Exploration Pty Limited	695123	6369334	99	60	235	NSI
RC96ST008	CRA Exploration Pty Limited	696333	6363924	99	60	258	6m @ 0.43g/t Au from 24m
RC96ST009	CRA Exploration Pty Limited	696443	6363944	117	60	258	3m @ 0.78g/t Au from 84m
RC96ST010	CRA Exploration Pty Limited	696333	6364094	99	60	258	NSI