



# Adelong Gold Project

Presentation

April 2020

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# Adelong Gold Project - Background



- Historical gold production of over 800,000 ozs.
- Pre-IPO shareholder invested \$10M for 40% in late 2016 on a valuation of \$40M.
- Commenced production in 2017.
- Failed IPO/inadequate funding ultimately led to Receivership in March 2018

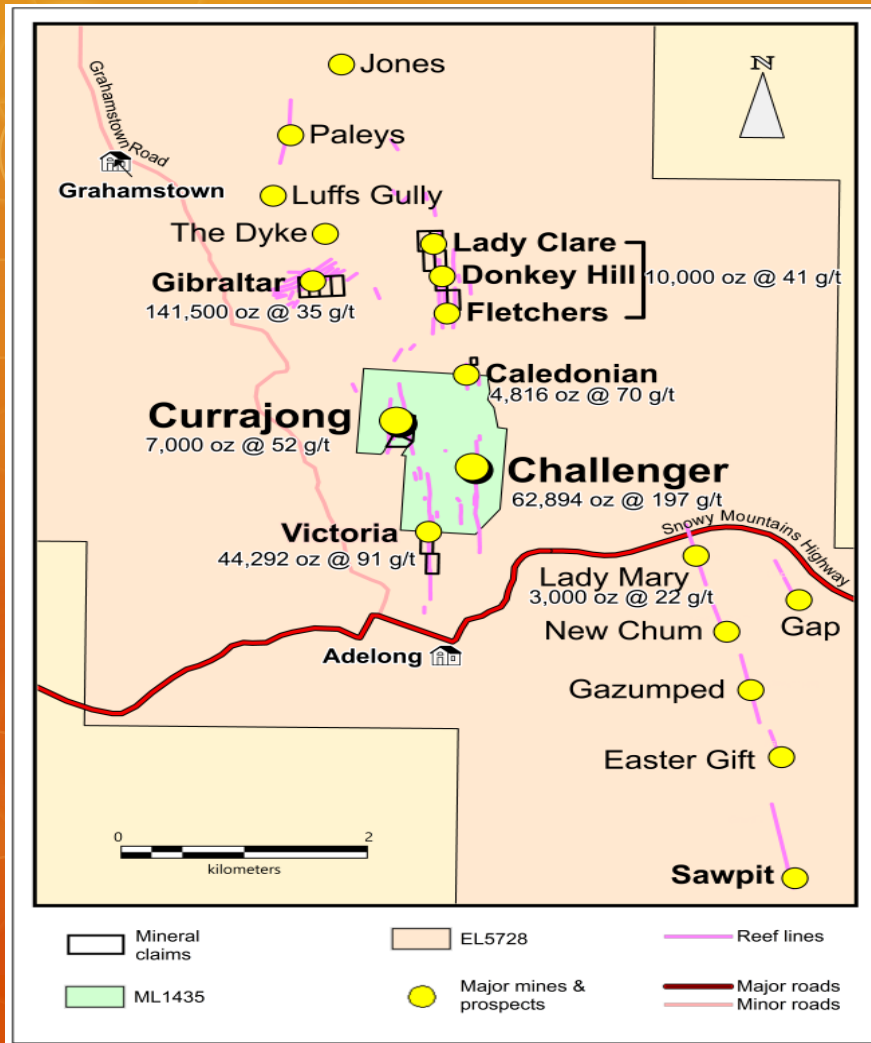
# Acquisition terms

- Total acquisition cost of \$1.410M.
- Option fee & deposit \$150K (paid).
- First payment due early May \$500k.
- Final payment due 30 June \$760K.
- 3D Resources to top up mining bonds approx. \$200k



- Outstanding opportunity to acquire a near term gold producer for a fraction of the costs.
- Company gets the following assets:
  - Environmental bonds secured by cash lodged with NSW govt. \$410k
  - 17 freehold properties NSW approx. \$200k
  - Plant & equipment that cost over \$7Million but with a written down value of \$1Million
  - 1 exploration (70km<sup>2</sup>) & 1 mining lease (1.5km<sup>2</sup>) & 16 mineral claims (leases) in a prime exploration area close to the Gilmore Suture
  - JORC Resource of 127,000 ozs of gold and underground access
  - A very extensive data base of exploration with over 36,000m of drilling, and considerable additional exploration data, feasibility studies and government approvals.

# Project Summary



- Historical production of over 800,000 ozs gold.
- Over 36,000 metres of drilling
- JORC Resource 127,000 ozs gold
- Over 12 lines of reefs have been identified associated with shear zones in granodiorites.
- 3 major historical producers with >100,000ozs of very high grade ores–
  - “Old Hill”/Challenger
  - Victoria
  - Gibraltar
- Excellent exploration potential as few of the old mines have been properly tested.

# Project History

- Mining of the hard rock resources mainly occurred between 1857 - 1916 and focused on the very high grade components with :
  - The Victoria Line Average Grade 56g/tAu
  - Challenger Line Average Grade 87g/tAu
  - Gibraltar Group Average Grade 34g/tAu
- The resources at Challenger were known to the old timers as they had been bulk sampled and tested but deemed sub-economic.
- The Adelong Goldfield has produced around 800,000 ounces of gold of which almost 50% was from hard rock sources and 50% from alluvial deposits mainly in the Adelong Creek in the western part of the EL.



# JORC and Resources Modelling

**Challenger Deposit Gold Resources – 1.0 g/t cut-off**

Resource Class	Proportion by oz	Tonnes (t)	Gold (g/t)	Gold (oz)
Measured	51%	459,000	3.07	45,000
Indicated	26%	268,000	2.67	23,000
Inferred	23%	290,000	2.16	20,000
Total	100%	1,017,000	2.71	89,000*

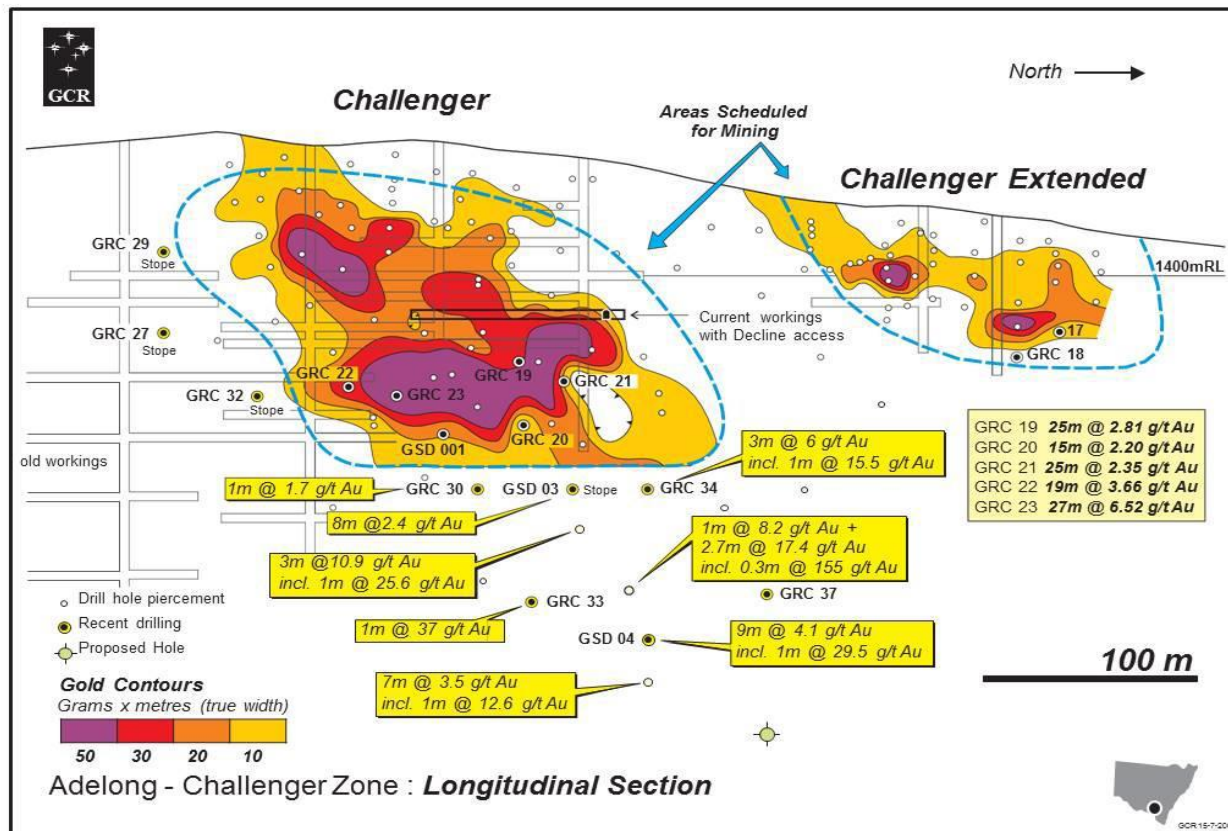
\* errors due to rounding

**Currajong Deposit Gold Resources – 1.0 g/t cut-off**

Resource Class	Proportion by oz	Tonnes (t)	Gold (g/t)	Gold (oz)
Measured	-	-	-	-
Indicated	22%	106,000	2.42	8,000
Inferred	78%	232,000	3.97	30,000
Total	100%	338,000	3.48	38,000

**Table of JORC Resources**

- In 2018, the then Competent Person undertook a re-assessment of the Challenger deposit with better definition of the ore shoots.
- The reassessment showed that the JORC resource incorporated substantial waste, therefore with selective mining gold could be mined at a much higher grade with minimal loss in ounces.
- The Currajong deposit is located 1km west of the processing plant and so has ready access to this plant.



This longitudinal section shows the distribution of gold mineralisation in the Challenger Mine.

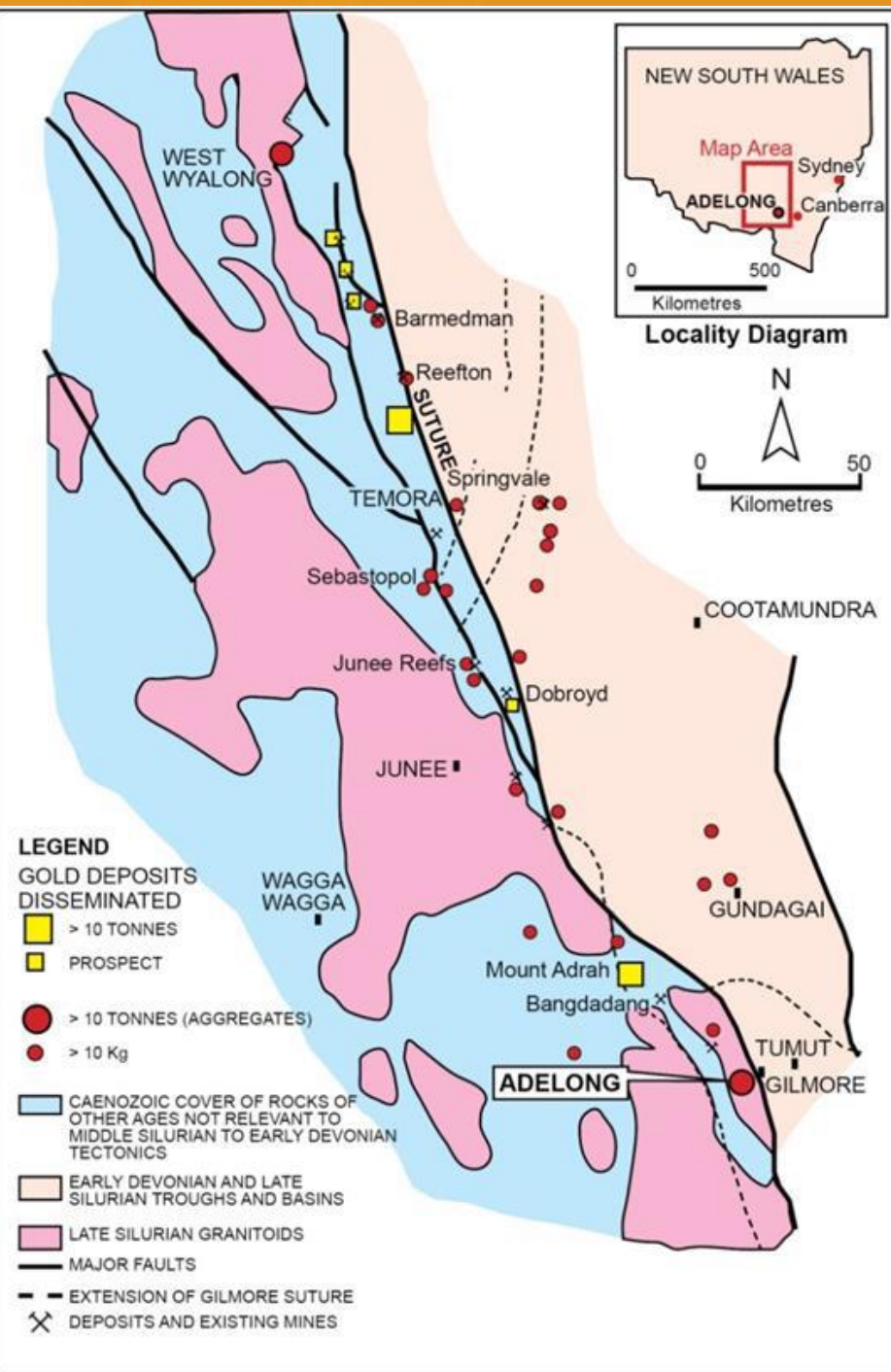
Currently the decline has provided access to the 1380mLevel as shown on this section.

Most of the high grade ores lie immediately below this level and will require extending the decline.

The above diagram shows the distribution of mineralisation remaining in the Challenger Mine and excludes the ore mined in the past. The shaft at Challenger was sunk to around 200m below which you are in virgin ground.

# Additional Potential

- The Adelong Project has had over 36,000m of drilling
- More than 90% of the drilling has been on the Challenger line of reefs.
- There have been some very significant historical drilling results (non- JORC) that the company expects to confirm
- With some additional drilling 3D Resources also believes that it can quickly generate additional Inferred Resources for Donkey Hill, Gibraltar, Sawpit and some of the parallel structures to Curragong that are currently excluded from the resource estimates.



Adelong Goldfield forms part of a much larger structural feature known as the Gilmore Suture. This major fault zone can be traced for several hundred kilometres and is associated with a number of significant gold deposits over at least 200km of this structure.

In the Adelong area the shear zone bifurcates with a western fault following the Adelong Creek (west of the gold deposits) and with main structure to the east of the main mines. The gold mineralisation occurs in a series of sub-parallel faults that can be traced through the Wondalga Granodiorite for more than 4km north of Adelong.

Interestingly, 10km north of the Adelong Goldfield is a significant disseminated deposit at Mt Adrah that has reportedly a JORC Compliant resource of 20.5 Million tonnes at 1.1g/t Au ( 770,000oz contained gold) located in a quartz diorite stock that is similarly associated with parallel faults to the Gilmore Suture. A similar style of deposit has been located in the Adelong exploration license area



The acquisition includes all the plant and equipment from the past operation.

Currently the plant is designed to produce a gravity concentrate and a flotation concentrate that can be cyanided.

Various studies have shown the plant will require upgrading and reconfiguring to operate efficiently. 3D Resources plans to review these studies as well as alternate options for processing the ores before investing in re-opening the mine



# Development Options

3D Resources plans to undertake a program over the next 12 months to fully assess and prepare the project for development with all necessary government approvals.

Development options to be considered are:

- Continue exploration activity to expand Resources
- Truck ore to an available unused mill for toll processing
- Contract mining from either underground or open cuts operations
- Upgrade the Adelong mill and expand its approved throughput capacity

# Next steps

- Shareholders meeting 21 April to approve acquisition.
- Capital raising to complete the acquisition and provide working capital.
- Build management team.
- Evaluate development options
- Seek approvals to enable commencement of the development on the best commercial basis.

## **Competent Person**

Information in this “ASX Announcement” contains a summary of resource estimates published and released in an announcement by 3D Resources Ltd on 31 January 2020 with full disclosure of the JORC Table 1. Mr Peter Mitchell has also summarised the exploration results and geological data for the purpose of this presentation. Mr Peter Mitchell is a Member of the Australian Institute of Mining and Metallurgy and is Managing Director of 3D Resources Ltd. Peter Mitchell has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code 2012 Edition).