

CELSIUS TO ACQUIRE PROJECT IN PROLIFIC LACHLAN FOLD BELT

HIGHLIGHTS

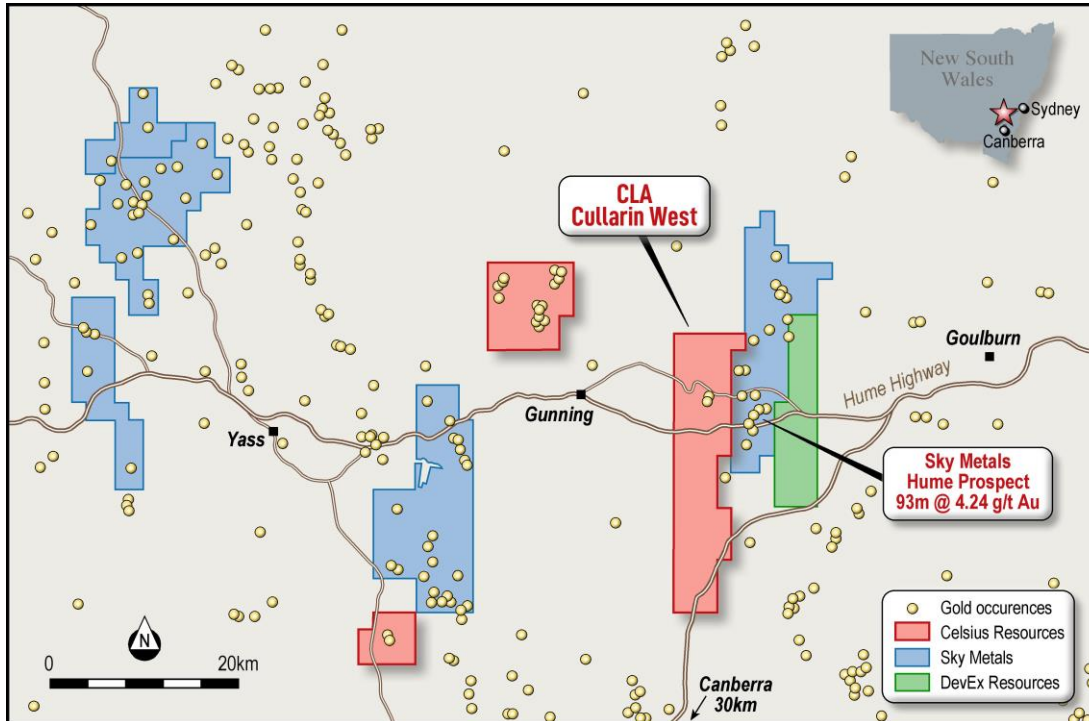
- Celsius enters Binding Heads of Agreement to acquire 100% of the Cullarin West Project in the Lachlan Fold Belt, NSW, from Syndicate Minerals for 20 million Celsius shares
- Adjacent to and along strike of Sky Metals' (ASX:SKY) Cullarin discovery (93 m @ 4.24 g/t gold)
- Initial desktop and field visit review indicates the project is underlain by similar geological and structural features to Cullarin
- Limited historical exploration due to widespread recent cover obscuring bedrock geology
- Cullarin West includes historical Gooda Creek and Daltons Goldfields:
 - Gooda Creek: High-grade, small scale gold mine. Limited shallow drilling in 1987 returned 1.95m @ 23.1 g/t gold and 1.0% copper
 - Daltons Goldfields: Small-scale, high-grade production (+10g/t Au) but little modern exploration
- Priority work to include:
 - Resampling of historical drillhole which showed elevated levels of base metals and silver but not tested for gold
 - Conducting geochemical sampling to define further drilling targets
- Appointment of highly experienced consultants to assist in exploration activities
- Celsius continues to review potential acquisitions and investments in commodities which complement or diversify the Company's current commodity exposure

Celsius Resources Limited (**Celsius** or **the Company**) (ASX: CLA) is pleased to announce it has entered into a Binding Heads of Agreement (**Agreement**) with Syndicate Minerals Pty Ltd (**Syndicate Minerals**) to acquire the Cullarin West prospect (**ELA5928** or **the Tenement**) located in the highly sought-after Lachlan Fold Belt region of NSW, Australia.

Celsius has acquired 100% of the right, title and interest in the Tenement for total consideration of 20 million shares in the capital of Celsius.

The Cullarin West prospect is located adjacent to and along strike of Sky Metals' (ASX:SKY) Cullarin discovery (93 m at 4.24 g/t gold from 56 m, refer ASX.SKY Announcement 10 February 2020) (See Figure 1 for Location Map). An initial review, including a site visit, indicates the project is underlain by similar geological and structural features which host mineralisation at Cullarin. Only limited historical exploration has been undertaken in the tenement area due to widespread recent cover obscuring bedrock geology.

Figure 1: Location map of tenement and Sky's Cullarin discovery



A historical diamond drillhole at Cullarin West (DDH W-1 drilled in 1978) showed elevated levels of silver and base metals in “drill sludges”. Sludge samples were not analysed for gold due to the focus being on base metals. Drill core was not cut or sampled and is stored at the NSW core library in Londonderry.

Celsius intends to access this core and resample it as a high priority, ahead of a significant programme of low detection limit geochemical sampling designed to define further drilling targets under widespread Quaternary cover in the areas of interest.

The Cullarin West project also includes the historical Gooda Creek and Daltons Goldfields:

- Gooda Creek: A high grade, small scale gold mine that averaged 6 oz/t (180 g/t) pre-1900 (government records). Limited shallow drilling at Gooda Creek in the 1987 returned **1.95 m at 23.1 g/t gold and 1.0% copper**.
- The Daltons Goldfield: Hosts multiple gold occurrences that have seen small scale, high grade production recorded (+10g/t Au) with little modern exploration conducted. A limited drill programme conducted in 2012 returned a best result of **1 m @ 27.1 g/t gold**.

Celsius recently completed a site visit as part of its due diligence and looks forward to engaging with local landholders and stakeholders prior to commencing on ground activities following tenement grant.

Figure 2: Location of historic North Broken Hill drillhole DDH W-1 at Cullarin West



Commenting on the acquisition, Celsius' Non-Executive Director & Chairman Bill Oliver said:

“With limited historical exploration and located in a highly sought-after region along strike from a noted gold discovery, Cullarin West provides an exciting opportunity for Celsius at a low cost entry price. We are eager to get on the ground as soon as practical once the tenement is granted and will update investors on activities as they progress. In parallel we continue to assess other opportunities to diversify Celsius' mineral exploration portfolio and look forward to updating shareholders should these progress into transactions.”

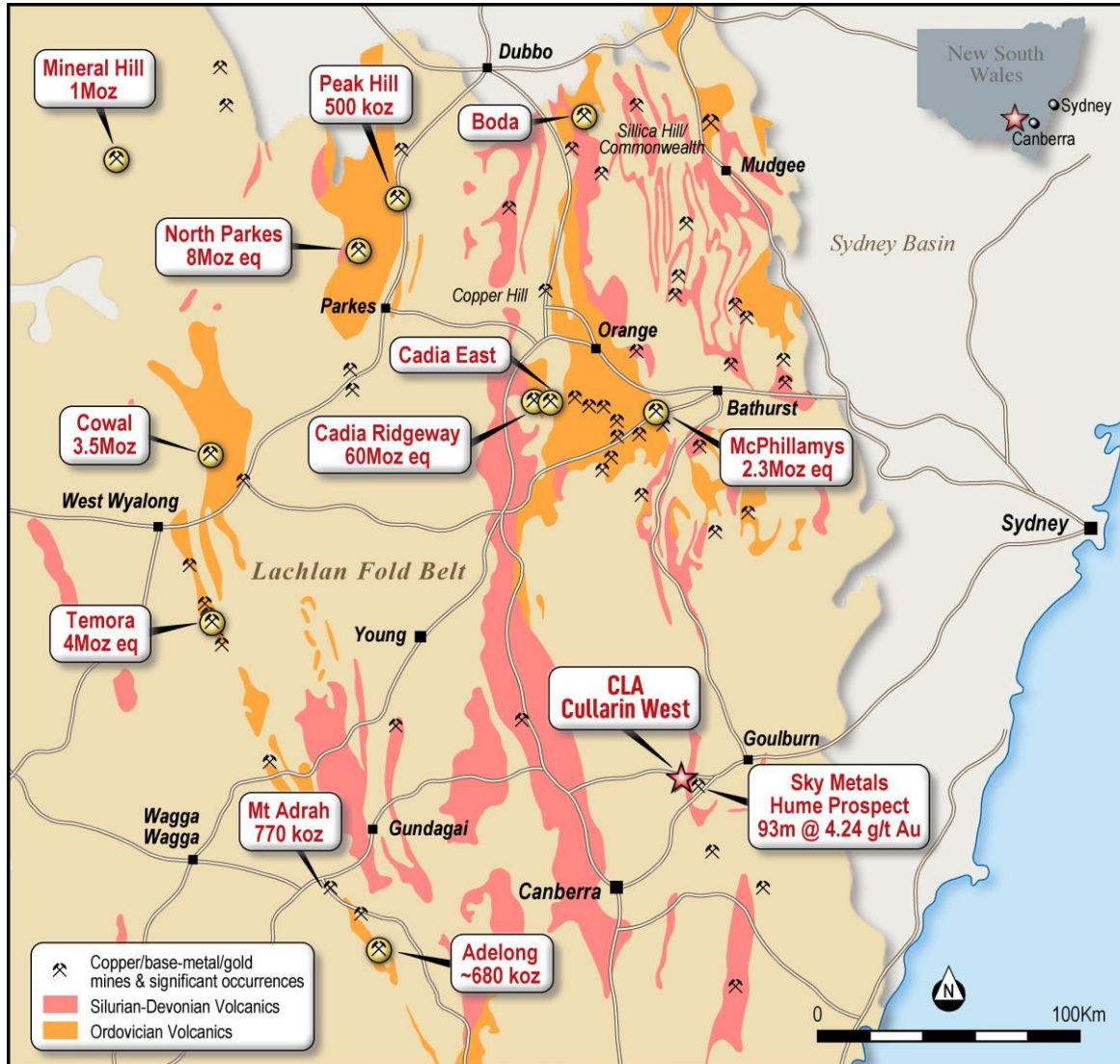
Regional Setting

Geologically, the tenement is situated near to and along the eastern margin of the Siluro-Ordovician Molong Belt; part of the Macquarie Arc of the Lachlan Fold Belt (Figure 3). Historically major copper-gold deposits in the Lachlan Fold Belt such as Cadia-Ridgeway, Northparkes and Cowal have been thought to be restricted to Ordovician volcanics, where porphyry deposits formed within a 1,000km long intraoceanic island arc.

With the discovery of the McPhillamys Deposit (2.3 Moz Au) the prospectivity of the Silurian volcanics to host gold-rich volcanic hosted massive sulphide (VHMS) deposits and epithermal and porphyry-hosted deposits became recognized. Exploration of the Silurian volcanics is not yet as extensive as exploration of the Ordovician sequence and as a consequence major discoveries such as Sky's Hume discovery are still being made.

With prevailing gold prices reaching historic highs the extensive gold mining history of the Lachlan Fold Belt has received fresh attention. In addition to Sky's intensive drilling programme at Hume historic gold mines such as Stuart Town, Mt Adrah and Adelong have been recently acquired by new owners (ASX.KAU, ASX.FRN and ASX.DDD respectively). Alkane's Boda discovery has also sparked fresh exploration for Ordovician-aged copper-gold porphyry systems by companies like Magmatic Resources, DevEx Resources, Godolphin Resources, Krakatoa Resources, Argent Minerals and Kincora Copper (in JV with Rarex Ltd).

Figure 3: Regional Map



Historical Exploration

Only limited historical exploration has been completed on the Cullarin West Project, with data not yet compiled into digital and GIS formats. Exploration data will be compiled over coming weeks to aid target generation and design of work programmes. The summary below is based on an initial review and it should be noted that further information may be identified which changes the interpretation of the data presented here.

At the Cullarin West prospect historical exploration has included airborne and ground magnetic surveys, a gradient array IP survey and drilling of two diamond core drill holes for 302.8m. The sampling protocol was to systematically sample the “sludges” from the drillholes (mud and rock chips collected from the outside return while drilling) but only to sample core where massive sulphides were present. Due to the focus of exploration on base metals neither sludge or core samples were routinely assayed for gold.

Figure 4 shows the assay sheets from DDH W-1 drilled in 1978 as reported to the Department of Mineral Resources in NSW (note that intervals are reported in feet). Elevated copper zinc and silver results can be observed from 150ft to 186ft (~46 – 57m). Due to the nature of sludge sampling these assays may be unrepresentative and Celsius intends to obtain access to the core from DDH W-1 for the purposes of sampling the core in a representative manner as soon as the core library re-opens to the public.

Figure 4: Assay sheet from DDH W-1 from surface to 186ft (total depth 599.9ft)

FIELD ENTRY				LABORATORY							
Date.....		Sampler / Driller.....		Order No. 2513	Sheet No.....						
Area.....		Machine.....		Project Breadalbane							
Grid DDH-W-1		Priority (urgency).....		Cost Code 249/2	Date Desp. 17-2-78						
For location see Map No..... or Air Photo No.....				Notes.....							
Co-ordinates/or	Interval/	Geological description of sample		Tube	All results in parts per million unless otherwise ind						
From	To	Depth		No.	Sample No.	Cu	Pb	Zn	Ag	Ni	Sn
0'	10'	10'	DDH W-1 SLUDGE			30	17	41	<1	19	<50
10'	20'	"				29	18	39	"	19	"
20'	30'	"				28	21	38	"	25	"
30'	40'	"				22	17	31	"	18	"
40'	50'	"				28	17	34	"	20	"
50'	60'	"				26	19	32	"	18	"
60'	70'	"				25	15	29	"	18	"
70'	80'	"				23	15	24	"	16	"
80'	90'	"				22	21	34	"	19	"
90'	100'	"				17	11	16	"	9	"
100'	110'	"				17	10	14	"	9	"
110'	120'	"				17	13	15	"	11	"
120'	130'	"				16	10	13	"	10	"
130'	140'	"				15	9	14	"	9	"
140'	150'	"				29	11	24	"	5	"
150'	156'					125	24	122	10	78	"
156'	166'					134	36	136	9	79	"
166'	176'					60	18	96	7	41	"
176'	186'					134	13	130	16	69	"

Little exploration has been completed at the Daltons and Gooda Creek goldfields since they were mined in the 1890's and 1900's. At Gooda Creek limited historical drilling has been carried out to test below the historical workings. Six diamond drill holes were drilled by Transit Mining in 1987 for 117.73 metres with holes sited in the field based on the interpreted depth and direction of the lode mined in the various shafts. Results included a very high grade result of **1.95 m at 23.1 g/t gold and 1.0% copper** in TGC-2. The exact location of the holes will require field checking due to being laid out on a local grid, however results are included here to illustrate the potential of the Gooda Creek Project. Reports noted that gold was associated with massive sulphides, analogous to other Silurian-hosted mineralisation in the Lachlan Fold Belt. The Company believes a systematic approach to exploration including mapping historical workings and utilisation of geophysical techniques will enable the potential of the Gooda Creek project to host gold mineralisation to be assessed.

At Daltons Commissioners Gold Limited conducted an 8 hole (918 m) reverse circulation drilling programme in 2012, which yielded the following significant intersections (refer Appendix 1 :

- DAL008 – 1 m @ 27.1 g/t gold, from 54 m

- DAL004 – 1 m @ 2.67 g/t gold, from 114 m
- DAL002 – 1 m @ 2.55 g/t gold, from 43 m, AND 1 m @ 0.57 g/t gold from 19 m

The results were interpreted to be confined to shear structures containing pyrite-arsenopyrite, with the intersections between the main NS shear structure and WNW trending cross structures interpreted to be the most likely zones for significant mineralisation. Further work was recommended to test this hypothesis. Additional exploration has principally comprised rock chip sampling by government and private entities. Data from this sampling will be compiled and reviewed alongside open file geophysical information to assess the potential to host porphyry-hosted and/or intrusion-related gold mineralisation. Recent advances in the understanding of these systems, especially in the Lachlan Fold Belt, are expected to aid targeting at the Daltons Prospect.

Experienced consultants join the CLA team

To aid in the exploration of the Cullarin West Project as well as other opportunities the Company has added two highly experienced geologists to the Celsius team on a consultant basis.

Bruce Wilson is a 30+ year experienced exploration geologist with broad experience across a range of geological environments and commodities. He is a specialist greenfields/grass-roots explorationist with expertise in lithological mapping (prospect and regional scale), prospecting/prospect generation, landowner liaison, cultural heritage surveys and government liaison. Recent work for listed companies includes exploration for exploration for epithermal Au/Ag, porphyry Cu/Au and IRGS in the New England Fold Belt (NSW), Connors Magmatic Arc and Georgetown Block (Queensland) along with battery minerals (Li, Co & V) in Queensland and WA.

Leo Horn is an experienced geologist with over 20 year's experience in exploration and mining for precious, base and rare earth metals, diamonds and uranium across Australia, North and South America, Africa and Southeast Asia. Leo was formerly Chief Operating Officer for Impact Minerals Limited where discovery success was achieved at the Silurian-aged Commonwealth and Silica Hill deposits in NSW as well as epithermal and porphyry focused exploration in the Drummond Basin in Queensland. Leo is currently a consulting geologist for various companies on a wide range of projects including large porphyry- and skarn-hosted gold-copper systems in Eastern Europe and Southeast Asia.

Transaction Overview

- Cullarin Metals Pty Ltd (**Cullarin**) (a wholly owned subsidiary of Celsius Resources) is to purchase the Tenement from Syndicate Minerals (the **Acquisition**).
- Consideration will be satisfied by the issue of 20,000,000 fully paid ordinary shares in the capital of Celsius (**Consideration Shares**) (to be issued under CLA's existing placement capacity pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A).
- The Acquisition is subject to and conditional upon satisfaction of the following conditions precedent:

- Syndicate Minerals nominating Cullarin as the new applicant of the Tenement (**Nomination Application**);
- Syndicate Minerals submitting to the NSW Department of Planning and Environment any documents that may be required to give effect to the Nomination Application and providing Cullarin with evidence of the same.
- As part of the Acquisition, Cullarin will grant Syndicate Minerals a 1.5% royalty in accordance with a separate royalty agreement.
- Celsius will pay a transaction fee of 3,000,000 fully paid ordinary shares to Mr. Jack Johns, Mr. Mark Sandford and Nascent Capital Partners Pty Ltd (to be issued under CLA's existing placement capacity pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A).

This announcement has been authorised by the Board of Directors of Celsius Resources Limited.

Celsius Resources Contact Information

Level 2, 22 Mount Street
Perth WA 6000
PO Box 7054
Cloisters Square Perth WA 6850
P: +61 8 6188 8181
F: +61 8 6188 8182
E: info@celsiusresources.com.au
www.celsiusresources.com.au

Competent Persons Statement

Information in this report relating to Exploration Results is based on information reviewed by Bruce Wilson, who is a Member of the Australian Institute of Geoscientists and a consultant to Celsius Resources. Mr. Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Wilson consents to the inclusion of the data in the form and context in which it appears.

Drill Collar Information

Cullarin West:

- DDH W-1 is located at 718113mE 6126959mN (MGA Zone 55).
- The hole was drilled on a bearing of 81.5° and dip of 60°.
- Total depth of DDH W-1 was 599.5ft (~183m)

Gooda Creek:

- Drill hole locations are not known accurately at this time due to local grid being used, and holes being sited in the field. The results reported here are to give an impression of the potential of the project only therefore the absence of accurate collar location is not believed to be material.

Daltons:

Hole	Easting	Northing	RL	Dip	Azimuth (MGA grid)	Depth (m)	Start Date	End Date
DAL001	702987	6157993	666	-70	282	106	08/02/2012	22/02/2012
DAL002	703025	6157875	669	-70	269	115	22/02/2012	24/02/2012
DAL003	702913	6157695	651	-60	280	123	24/02/2012	25/02/2012
DAL004	702366	6156843	634	-70	302	139	25/02/2012	26/02/2012
DAL005	702299	6156034	614	-70	297	118	26/02/2012	27/02/2012
DAL006	702296	6156105	630	-60	089	118	27/02/2012	28/02/2012
DAL007	702331	6156091	645	-70	277	79	29/02/2012	07/03/2012
DAL008	702377	6156196	653	-70	282	120	08/03/2012	09/03/2012

References

North Broken Hill Ltd. 6 months report for period ended 25th May 1978. EL1064 Collector.

Transit Mining Pty Ltd. Report for six months to 27th May 1987. EL2429 Murrumbateman Project.

Appendix 1: The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Cullarin West Project.

Section 1: Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> Sludge samples from historical diamond drilling reported in NSW statutory reporting. Sludge samples may not be representative of mineralization and are being presented here to indicate the potential of Cullarin West only <p>Gooda Creek:</p> <ul style="list-style-type: none"> Core samples from historical diamond drilling reported in NSW statutory reporting. Core samples were taken in accordance to industry procedure however holes were sited based on historical workings and therefore may not represent be representative of mineralisation and intersections may not be true widths. <p>Daltons:</p> <ul style="list-style-type: none"> RC chip sampling to produce approximately 20 kg samples, that were then sub-sampled as per description below.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<p>Cullarin West:</p> <ul style="list-style-type: none"> Diamond core drilling. <p>Gooda Creek:</p> <ul style="list-style-type: none"> Diamond core drilling. <p>Daltons:</p> <ul style="list-style-type: none"> Reverse circulation (RC) drilling

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> Recoveries measured and reported as percentages. Generally good recoveries (>75%) save for some broken intervals. <p>Gooda Creek:</p> <ul style="list-style-type: none"> Recoveries measured and reported as percentages. Recoveries reported to be 100%. <p>Daltons:</p> <ul style="list-style-type: none"> Not discussed.
Logging	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> All intervals have been geological logged. Logging is sufficiently detailed to be incorporated in a Mineral Resource. Logging is qualitative in nature, no core photography is present. <p>Gooda Creek:</p> <ul style="list-style-type: none"> All intervals have been geological logged. Logging is sufficiently detailed to be incorporated in a Mineral Resource. Logging is qualitative in nature, no core photography is present. <p>Daltons:</p> <ul style="list-style-type: none"> Each hole was geologically logged on 1 metre intervals, focused on lithology, colour, weathering, alteration and mineralisation.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> Core has not been cut and is stored in the NSW core library Sludge samples from diamond drilling were taken. Sludge samples are only appropriate as a first pass indicator of mineralization and may not be representative. QA/QC procedures are not detailed and are likely not to have been undertaken for these preliminary samples. <p>Gooda Creek:</p> <ul style="list-style-type: none"> Core samples from diamond drilling, assumed to be sawn half core. QA/QC procedures are not detailed but laboratory standards and duplicates are reported. Due to the high grade vein nature of mineralisation “nugget effects” may be

		<p>present and more work may need to be completed to confirm how representative these samples are.</p> <p>Daltons:</p> <ul style="list-style-type: none"> • Samples were collected from each 1 metre interval via a cyclone. • Sub-samples were taken using a three tier splitter or by spearing with a length of PVC pipe, to produce a smaller sample of approximately 3 kg for assay. • Samples for individual assay were selected based on visual estimates of sulphide content, quartz veining and alteration. • Remaining samples were composited to 4 metres for analysis.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>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.</i> 	<p>Cullarin West:</p> <ul style="list-style-type: none"> • Sludge samples were analysed at the North Broken Hill Limited laboratory for Cu, Pb, Zn and As, with Sn and Ni also analysed for in certain samples. Assay method is not detailed. • QA/QC procedures are not detailed and are likely not to have been undertaken for these preliminary samples. <p>Gooda Creek:</p> <ul style="list-style-type: none"> • Core samples from diamond drilling were analysed at SGS Sydney, an independent, certified analytical laboratory. • Samples were dried, jaw or roll crushed, split and pulverised in a chromium steel mill • Analysis for Au and Ag was carried out using an aqua regia digestion and AAS-flame measurement. • Cu, As and Pb were digested with nitric and perchloric acids prior to leaching with HCl and analysis by AAS. • Ba was analysed for by pressed disc XRF. <p>Daltons:</p> <ul style="list-style-type: none"> • Samples were assayed at ALS laboratories in Orange, NSW. • Samples were assayed by fire assay/AAS finish for gold and aqua regia digest/ICP for a further suite of 34 elements • Duplicate samples were analysed for QA/QC purposes.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> 	<p>Cullarin West:</p> <ul style="list-style-type: none"> • Original assay data and drill logs contained within statutory reporting to NSW Department of Mines. <p>Gooda Creek:</p> <ul style="list-style-type: none"> • Original assay data and drill logs contained within statutory reporting to

	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<p>NSW Department of Mines.</p> <p>Daltons:</p> <ul style="list-style-type: none"> Original laboratory reports have not been sighted. Data sourced from statutory reporting to NSW Department of Mines.
Location of data points	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> Drill hole locations reported in statutory reports and shown on plans. Locations have been field checked to +/- 10m accuracy. <p>Gooda Creek:</p> <ul style="list-style-type: none"> Drill hole locations reported in statutory reports and shown on plans. Due to local grid being used, and holes being sited in the field, locations are not accurate at this time. <p>Daltons:</p> <ul style="list-style-type: none"> Collar positions were recorded using a Garmin hand held GPS Coordinate system used was MGA94 (Zone 55) No down hole surveys were completed.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drillholes at each prospect were sited to test specific targets and are not laid out on a specific grid spacing. Data spacing is not sufficient to establish continuity for the purposes of a Mineral Resource at this time No sample compositing has been applied
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> It is unknown if the orientation of drilling has been located to achieve unbiased sampling of mineralisation, further review will determine whether this is the case.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All samples are reported to have been delivered directly to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have been undertaken.

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Cullarin West Project comprises a single Exploration License Application ELA5928. To the Company's knowledge no environmental or culturally significant sites are located within the application area A number of private properties are located across the application area and access will need to be negotiated with landowners
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous work referred to in this announcement was carried out by North Broken Hill Limited (subsequently North Ltd), Transit Mining and Commissioners Gold Limited. Historical exploration in the area has occurred over a number of years with data to be compiled as part of initial exploration into the project.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The tenement is situated near to and along the eastern margin of the Siluro-Ordovician Molong Belt; part of the Macquarie Arc of the Lachlan Fold Belt. Major copper-gold deposits occur in the Ordovician volcanics in the Lachlan Fold Belt where porphyry deposits formed within a 1,000km long intraoceanic island arc. The Silurian volcanic sequence is now understood to host gold mineralisation associated with volcanic hosted massive sulphide deposits (VHMS deposits) and sub-volcanic porphyries. Mineralisation models for Silurian-hosted mineralisation is still evolving aided by recent discoveries such as Sky's Hume Deposit.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	<p>Cullarin West:</p> <ul style="list-style-type: none"> DDH W-1 is located at 718113mE 6126959mN (MGA Zone 55). The hole was drilled on a bearing of 81.5° and dip of 60°. Total depth of DDH W-1 was 599.5ft (~183m) <p>Gooda Creek:</p> <ul style="list-style-type: none"> Drill hole locations are not known accurately at this time due to local grid being used, and holes being sited in the field. The results reported here are to give an impression of the potential of the project only therefore the absence of accurate collar location is not believed to be material. <p>Daltons:</p>

Criteria	JORC Code explanation	Commentary																																																																																	
	explain why this is the case.	<table border="1"> <thead> <tr> <th>Hole</th> <th>Easting</th> <th>Northing</th> <th>RL</th> <th>Dip</th> <th>Azimuth (MGA grid)</th> <th>Depth (m)</th> <th>Start Date</th> <th>End Date</th> </tr> </thead> <tbody> <tr> <td>DAL001</td> <td>702987</td> <td>6157993</td> <td>666</td> <td>-70</td> <td>282</td> <td>106</td> <td>08/02/2012</td> <td>22/02/2012</td> </tr> <tr> <td>DAL002</td> <td>703025</td> <td>6157875</td> <td>669</td> <td>-70</td> <td>269</td> <td>115</td> <td>22/02/2012</td> <td>24/02/2012</td> </tr> <tr> <td>DAL003</td> <td>702913</td> <td>6157695</td> <td>651</td> <td>-60</td> <td>280</td> <td>123</td> <td>24/02/2012</td> <td>25/02/2012</td> </tr> <tr> <td>DAL004</td> <td>702366</td> <td>6156843</td> <td>634</td> <td>-70</td> <td>302</td> <td>139</td> <td>25/02/2012</td> <td>26/02/2012</td> </tr> <tr> <td>DAL005</td> <td>702299</td> <td>6156034</td> <td>614</td> <td>-70</td> <td>297</td> <td>118</td> <td>26/02/2012</td> <td>27/02/2012</td> </tr> <tr> <td>DAL006</td> <td>702296</td> <td>6156105</td> <td>630</td> <td>-60</td> <td>089</td> <td>118</td> <td>27/02/2012</td> <td>28/02/2012</td> </tr> <tr> <td>DAL007</td> <td>702331</td> <td>6156091</td> <td>645</td> <td>-70</td> <td>277</td> <td>79</td> <td>29/02/2012</td> <td>07/03/2012</td> </tr> <tr> <td>DAL008</td> <td>702377</td> <td>6156196</td> <td>653</td> <td>-70</td> <td>282</td> <td>120</td> <td>08/03/2012</td> <td>09/03/2012</td> </tr> </tbody> </table>	Hole	Easting	Northing	RL	Dip	Azimuth (MGA grid)	Depth (m)	Start Date	End Date	DAL001	702987	6157993	666	-70	282	106	08/02/2012	22/02/2012	DAL002	703025	6157875	669	-70	269	115	22/02/2012	24/02/2012	DAL003	702913	6157695	651	-60	280	123	24/02/2012	25/02/2012	DAL004	702366	6156843	634	-70	302	139	25/02/2012	26/02/2012	DAL005	702299	6156034	614	-70	297	118	26/02/2012	27/02/2012	DAL006	702296	6156105	630	-60	089	118	27/02/2012	28/02/2012	DAL007	702331	6156091	645	-70	277	79	29/02/2012	07/03/2012	DAL008	702377	6156196	653	-70	282	120	08/03/2012	09/03/2012
Hole	Easting	Northing	RL	Dip	Azimuth (MGA grid)	Depth (m)	Start Date	End Date																																																																											
DAL001	702987	6157993	666	-70	282	106	08/02/2012	22/02/2012																																																																											
DAL002	703025	6157875	669	-70	269	115	22/02/2012	24/02/2012																																																																											
DAL003	702913	6157695	651	-60	280	123	24/02/2012	25/02/2012																																																																											
DAL004	702366	6156843	634	-70	302	139	25/02/2012	26/02/2012																																																																											
DAL005	702299	6156034	614	-70	297	118	26/02/2012	27/02/2012																																																																											
DAL006	702296	6156105	630	-60	089	118	27/02/2012	28/02/2012																																																																											
DAL007	702331	6156091	645	-70	277	79	29/02/2012	07/03/2012																																																																											
DAL008	702377	6156196	653	-70	282	120	08/03/2012	09/03/2012																																																																											
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<p>Cullarin West:</p> <ul style="list-style-type: none"> No data aggregation has been used. <p>Gooda Creek:</p> <ul style="list-style-type: none"> Intercepts for TGC-2 are presented based on length weighted averages. <p>Daltons:</p> <ul style="list-style-type: none"> Intercepts presented are based on length weighted averages. 																																																																																	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Downhole lengths only are presented, true widths are not known. 																																																																																	
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> See relevant maps in the body of this announcement. 																																																																																	
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All known results have been disclosed. 																																																																																	

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Exploration data for the project is being compiled currently and will be reported if material.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further work is detailed in the body of the announcement.