HIGH GRADE COPPER AND GOLD DRILL INTERSECTIONS CONFIRMED WITH CHECK SAMPLES, FYRE LAKE PROJECT, YUKON, CANADA

21 November 2014

SHARE INFORMATION

ASX Code: MEH

Issued Capital:
66.8 Fully Paid Shares
7.0M Unlisted Options
$2.3M Market Capitalisation

CONTACT INFORMATION

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Highlights:

- **Check assay samples were collected from the Fyre Lake Cu-Au Project, to confirm assay results from the original sampling completed in 1996 and 1997.**
- **Samples were collected from across the currently defined Kona Mineral Resource for QA/QC purposes prior to completing a new JORC compliant Mineral Resource, which is expected to be released in December.**
- **The check assays confirm the high-grade nature of the Cu-Co-Au mineralisation of the Kona Mineral Resource.**
- **The total Kona Mineral Resource is currently defined as 8.93 Mt @ 1.52% Cu, 0.09% Co and 0.56g/t Au, classified as Indicated and Inferred in accordance with guidelines of the 2012 JORC Code.**
- **The re-assay results include:**
  - **17.7m @ 2.1 % Cu, 0.15 % Co, 0.48 g/t Au (2.9 % CuEq*)**
  - **18.7m @ 2.2 % Cu, 0.10% Co, 0.46 g/t Au (2.8 % CuEq)**
  - **31.3m @ 2.3% Cu, 0.07% Co, 0.51g/t Au (2.8% CuEq)[1]**
    Including
    7m @ 6.0% Cu, 0.05% Co, 0.68g/t Au (6.5% CuEq) [1]
  - **19.6m @ 2.1% Cu, 0.15% Co, 0.52g/t Au (3.0% CuEq)**
  - **9.73m @ 2.9% Cu, 0.12% Co, 0.87g/t Au and 3.8% CuEq**
- **In copper equivalent terms (CuEq), the re-assays show on average a 3.7% increase over the original historical assays.**

* See Table 4 for CuEq calculation

Merah Resources Limited ("Merah" or "The Company") (ASX: MEH) is pleased to announce the results of a series of check assays completed on the Fyre Lake Project, located in the Yukon Territory, Canada. The samples for assay were collected as ¼ core from the original drill core, that is currently stored at the field camp on the shores of Fyre Lake, adjacent to the Kona Mineral Resource. The drill holes, from which the check assay samples were collected, were completed in either 1996 or 1997 by Pacific Ridge Exploration Ltd (Figure 1).

The Kona deposit is currently estimated to be 8.9 Mt @ 1.52% Cu, 0.09% Co and 0.56 g/t Au, utilizing a 1.0% Cu cut-off, has been classified under the JORC code(2012). Metallurgical studies indicate metal recoveries of 90% for copper and 70% for gold and cobalt.

The check assays have confirmed that high-grade copper-cobalt-gold mineralization occurs along the strike length of the currently defined Mineral Resource at Kona (Figure 2). Furthermore, the historical assays are of sufficient quality to allow a re-estimation of the Mineral Resource at Kona to be completed (Figures 3 and 4). Constructing the geological framework for the re-estimation of the Kona Mineral Resource has commenced and it is anticipated that the new Mineral Resource for Kona will be completed an announced before the end of December, 2014.

APEX Geosciences from Edmonton, AB was contracted to complete the re-sampling of the 1996 and 1997 drill holes. A diamond wet saw was used to cut existing half core samples into 2 – quarter core pieces. One-quarter core sample was retained in the original core box while the other was removed for assay. Industry standard sampling procedures and sample stewardship was utilised for this sampling program. ALS Laboratory of Vancouver, BC was contracted to complete the analysis.

Industry standard QAQC samples were included into the analysis including standards, blanks and duplicates. The overall performance of the QAQC samples was good with all results well within expectable ranges.

- For the copper results, a comparison of the assay results to the standards means were completed and show no bias. Most samples performing with 1 standard deviation and all are well within 2 standard deviations of the standard mean. The blank samples showed little carry over bias with the maximum amount of recorded carry over being 140ppm, representing a difference of 0.6% of the previous assay. The duplicates showed there is core heterogeneity across the sample, but was well with tolerable ranges.

- For the cobalt results, a comparison of the assay results to the standards means were completed and show no bias. All standard samples performing well within 2 standard deviations of the standard mean. The blanks showed no carry over bias. The duplicates showed there is core heterogeneity across the sample, although it is well with tolerable ranges.

- For the Au results, a comparison of the assay results to the standards means were completed and show little bias. All standard samples performing well within 2 standard deviations of the standard mean. The blanks showed little carry over bias. The duplicates showed there is core heterogeneity across the sample, although it is well with tolerable ranges.

Table 1 – Assay result from the historic drill program completed in 1996 and 1997 (historic) with the most recent results completed in October/November 2014 (2014), highlighted in yellow[1].

DDH	Mineralized Intercept		Vintage:	HISTORIC	2014	HISTORIC	2014	HISTORIC	2014	HISTORIC	2014
No.	From	To	Int	Cu	Cu	Co	Co	Au	Au	CuEq	CuEq
	(m)	(m)	(m)	(%)	(%)	(%)	(%)	(gpT)	(gpT)	(%)	(%)
96-033	12.19	29.93	17.74	1.95	2.13	0.13	0.15	0.53	0.48	2.71	2.93
96-033	16.00	26.00	10.00	2.57	2.64	0.18	0.22	0.45	0.79	3.48	3.88
96-043	75.83	94.50	18.67	2.27	2.16	0.11	0.10	0.48	0.46	2.93	2.79
96-043	86.50	93.50	7.00	3.36	3.21	0.15	0.14	0.53	0.49	4.20	4.00
96-065	428.70	460.00	31.30	2.29	2.29	0.07	0.07	0.53	0.51	2.82	2.83
96-065	453.00	460.00	7.00	6.07	6.00	0.05	0.05	0.68	0.68	6.61	6.54
96-067	96.08	116.37	20.29	1.33	1.32	0.11	0.12	0.42	0.46	1.96	2.00
96-067	97.00	102.00	5.00	1.71	1.90	0.11	0.13	0.83	0.83	2.55	2.81
97-101	250.04	269.50	19.46	1.98	2.12	0.13	0.15	0.54	0.52	2.73	2.96
97-101	251.00	267.50	16.50	2.15	2.31	0.13	0.15	0.58	0.55	2.92	3.17
97-101	260.50	265.50	5.00	2.65	2.92	0.16	0.20	0.72	0.57	3.63	3.96
97-102	341.44	351.17	9.73	3.03	2.89	0.10	0.12	0.97	0.87	3.89	3.77
97-102	342.94	351.17	8.23	3.26	3.10	0.10	0.12	1.10	0.92	4.20	4.01
97-115	703.60	719.87	16.27	1.28	1.36	0.11	0.13	0.61	0.61	2.00	2.16
97-115	711.60	719.87	8.27	1.61	1.72	0.11	0.12	0.49	0.49	2.27	2.44

Comparing the new results to the historical results shows a net increase of 2.7% for Cu, 12% increase in Co and 0.1% increase in Au (Table 1). The overall net effect is a 3.7% increase in CuEq and is considered within tolerance given the natural heterogeneity in the mineralisation.

FYRE LAKE PROJECT

Project Geology

The Fyre Lake project is located in the Finlayson Lake District, south east Yukon Territory, Canada (Figure 1). The project contains the Kona Mineral Resource, which is classified as a Volcanogenic Hosted Massive Sulphide (VMS) deposit and over nine kilometres of favourable host rocks with geochemical and geophysical targets indicative of VMS mineralization (Figure 2).

The Finlayson Lake District also hosts the Kudz ze Kayah and Wolverine VMS deposits. Wolverine occurs 25km to the north east of Fyre Lake and reached full commercial production of approximately 650,000 tonnes per annum in the first quarter of 2013. The Wolverine mine is owned by Yukon Zinc, who have reported NI 43-101 compliant proven and probable remaining reserves of 5.2Mt @ 9.66% Zn, 0.91% Cu, 1.26% Pb, 281.8 g/t Ag and 1.36 g/t Au. Wolverine was discovered in 1995, slightly preceding the commencement of the drilling to define the Kona deposit on the Fyre Lake project.

Exploration History

During 1996 and 1997 the current project owner, Pacific Ridge Exploration Ltd, focused its attention on delineating one target, the Kona deposit, through completion of 23,200m of drilling in 115 holes. The Kona Deposit consists of two parallel, fault separated, northwest trending zones of Cu-Co-Au VMS mineralization found in horizons with mineralized thicknesses varying from 8 m to 40 m over a length of 1,500 m and a width of 250 m.

The drilling delineated a total Mineral Resource at the Kona deposit, of 8.9 Mt @ 1.52% Cu, 0.09% Co and 0.56 g/t Au, utilizing a 1.0% Cu cut-off, has been classified under the JORC code(2012). Metallurgical studies indicate metal recoveries of 90% for copper and 70% for gold and cobalt.

Table 2 – Kona Deposit Mineral Resource

Resource Class	Tonnes (Mt)	Cu (%)	Co (%)	Au (g/t)	CuEq* %
Indicated	3.57	1.57	0.1	0.61	2.26
Inferred	5.36	1.48	0.08	0.53	2.05
Total	8.93	1.52	0.09	0.56	2.15

* See Table 4 for CuEq calculation

The Kona Mineral Resources are reported in accordance with the guidelines of the 2012

edition of the Australasian Code for reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code). Refer to Merah Resources Ltd announcement dated July 18, 2014, entitled "Merah Resources to Acquire Copper Project in Yukon, Canada."

The mineralisation at Kona remains open down plunge and down dip to the East and West with indications that the grade increases with depth.

No drilling has been conducted on the Fyre Lake project since 1997, despite the Kona Mineral Resource being open and exploration targets remaining untested.

Exploration Plan

Merah aims to increase the size of the Kona resource via infill and extensional drilling with a high probability of materially increasing the JORC compliant resource. The recent VTEM Airborne Survey completed over the project area shows that the potential to expand the resources through the identification of both electromagnetic ('EM') and magnetic anomalies along strike and east and west from the defined Kona Mineral Resource.

Additional significant exploration potential remains, over and above determining the ultimate size of the Kona massive sulphide deposit. A 4km long exploration target located northeast of Kona and a 3km-long exploration target lying west of Kona (both based on magnetic and conductive EM anomalies) are larger and more intense as compared to the magnetic and EM features associated with the Kona mineralization. These anomalies are hosted in the Kudz Ze Kayah (KZK) Formation, which also hosts the KZK Deposit 25km to the north, currently held by TECK. These anomalies are priority drill targets for discovery of additional VMS deposits.

Yours faithfully,

Jeremy Read

Managing Director

Table 3 – Full Assay Results for Figures 3 and 4

Map Reference	Hole ID	Vintage	From (m)	To (m)	Interval (m)	Cu (%)	Co (%)	Au (gpT)	CuEq (%)
1	97-111	Historic	419.97	423.50	3.53	0.60	0.03	0.08	0.76
2	97-111	Historic	482.42	493.25	10.83	1.41	0.12	1.15	2.44
3	97-100	Historic	391.19	406.47	15.28	2.09	0.10	1.54	3.21
4	97-100	Historic	321.60	323.90	2.15	0.96	0.09	0.17	1.41
5	96-065	Historic	374.85	379.90	5.05	1.17	0.04	0.57	1.59
6	96-065	Historic	428.70	460.00	31.30	2.29	0.07	0.53	2.82
6	96-065	2014	428.70	460.00	31.30	2.29	0.07	0.51	2.83
7	96-054	Historic	207.18	212.71	5.53	1.72	0.11	1.36	2.83
8	96-46	Historic	100.70	110.50	5.57	0.60	0.07	0.23	0.99
9	96-045	Historic	99.41	110.50	11.09	2.44	0.16	0.67	3.38
10	97-101	Historic	237.02	241.37	4.35	2.56	0.03	0.76	3.07
11	97-101	Historic	250.04	269.50	19.46	1.98	0.13	0.54	2.73
11	97-101	2014	250.04	269.50	19.46	2.12	0.15	0.52	2.96

The Copper Equivalent (CuEq) values are calculated based on the following metrics. Recovery values have been taken from preliminary metallurgy work competed on the project in 1997.

Table 4 – Values used to calculate copper equivalent

Type	*Value*	*Unit*
Cu price	*$3.00*	*$/lb*
Co Price	*$15.00*	*$/lb*
Au price	*$1,300*	*$/troy oz*
Cu Recovery	*90*	*%*
Co Recovery	*70*	*%*
Au recovery	*70*	*%*

It is the company's opinion that the metals used to calculate the copper equivalent grade have a reasonable chance of being recovered and sold.

CuEq Formula: Cu grade + (((Co grade % x Co price/tonne x Co recovery) + (Au grade % x Au price/tonne x Au Recovery))/(Cu price/tonne x Cu recovery))

1: Drill Hole 96-065: From 448m to 450m and 453m to 459m, no core available, historic assays were inserted to complete weight means.

About Merah Resources Limited

Merah was incorporated on 27th August 2010 for the purpose of identifying, evaluating and acquiring resource projects and assets in Australia and/or overseas that are considered by the Board to add potential shareholder value.

The Company plans to actively explore its Australian, Canadian and the Ghanaian projects that make up its current asset portfolio by initiating targeted and cost effective exploration programs.

The Company also intends to continue to identify, evaluate and if warranted, acquire additional resource projects and assets both in Australia and overseas.

These projects may be acquired by way of direct project acquisition, joint venture, farm-in or equity investment.

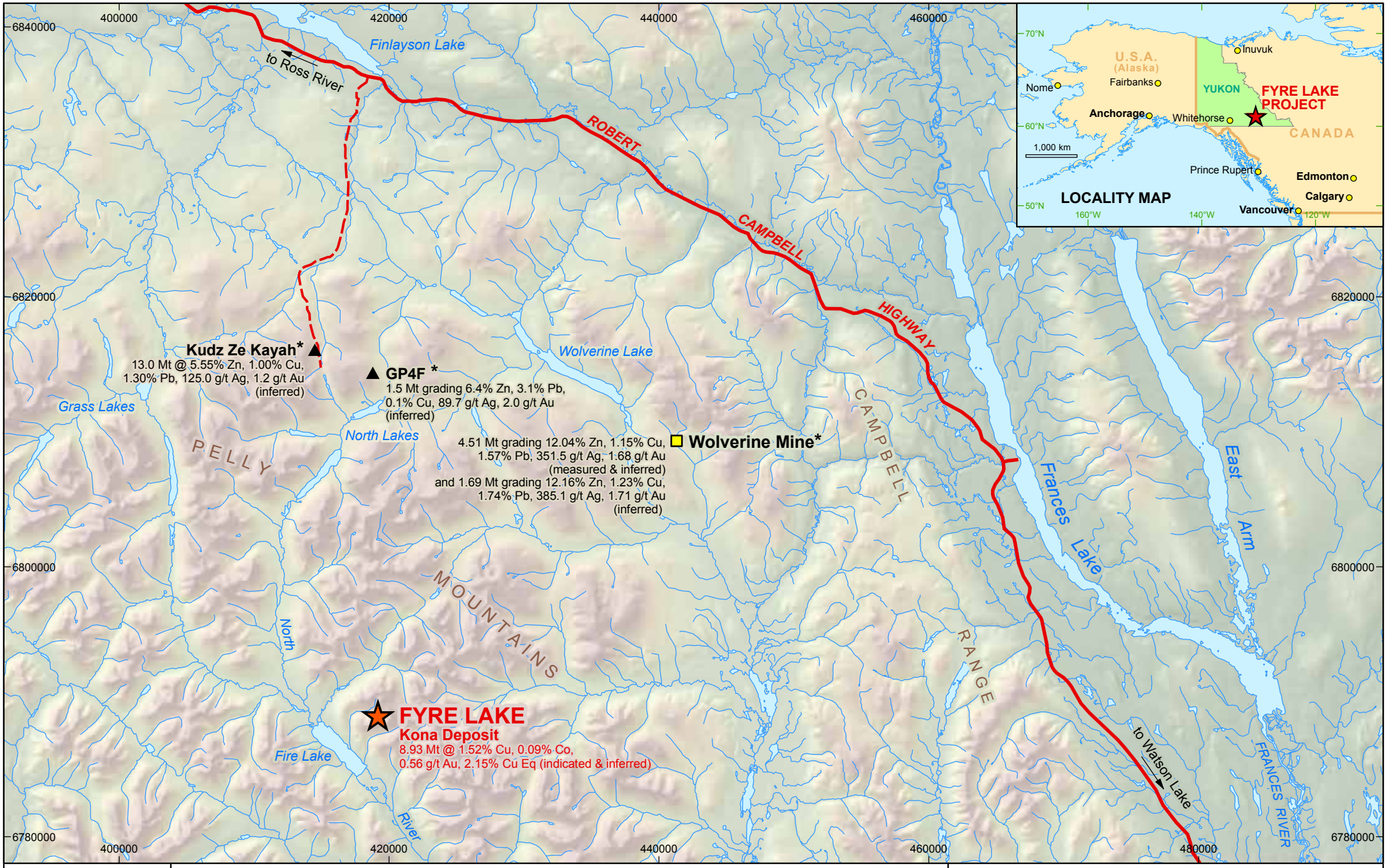
Competent Person Statement - Mineral Resource

The information in this ASX Announcement relating to the Mineral Resource estimate in Table 2 on the Kona Deposit is extracted from the ASX Release entitled "Merah Resources to Acquire Copper Project in the Yukon, Canada" announced on 18 July 2014 and is available to view on the ASX website (ASX:MEH), and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to exploration results is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read is a full time employee of Merah Resources Limited and 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 in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Read is the Managing Director of Merah Resources and currently owns 2,525,253 Fully Paid Ordinary Shares and has the entitlement to a further 2,525,253 deferred consideration shares subject to relevant milestone events being achieved.

Forward Looking Statements

This announcement contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, increased production costs and variances in resource or reserve rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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VMS Mine
VMS Deposit

* Resource figures for Finlayson VMS deposits from J.M. Peter & Others, 2007.

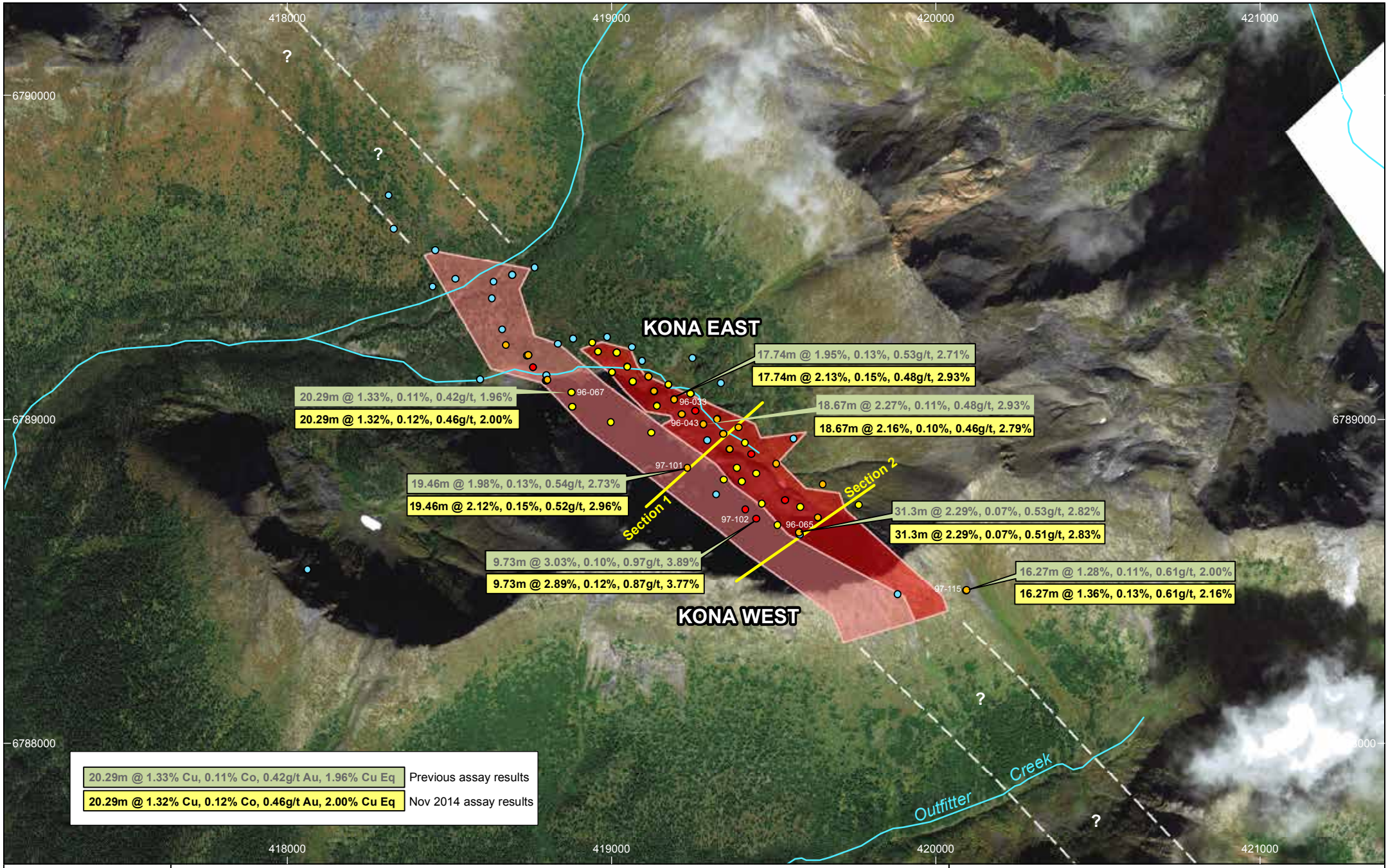
Highway
Other road
Lake
River

0 5 10 15 20 km

UTM Projection. Zone 9. NAD83 Datum.

FYRE LAKE PROJECT - YUKON, CANADA
REGIONAL LOCATION MAP

Drawn: RRM	Date: 06.10.2014	Revision:	Figure 1
Checked: C. Doornbos	Drawing No.: FL-006.mxd		



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Diamond drill hole - weighted mean

- <0.50% Cu
- 0.50 - 1.49% Cu
- 1.50 - 2.50% Cu
- >2.50% Cu

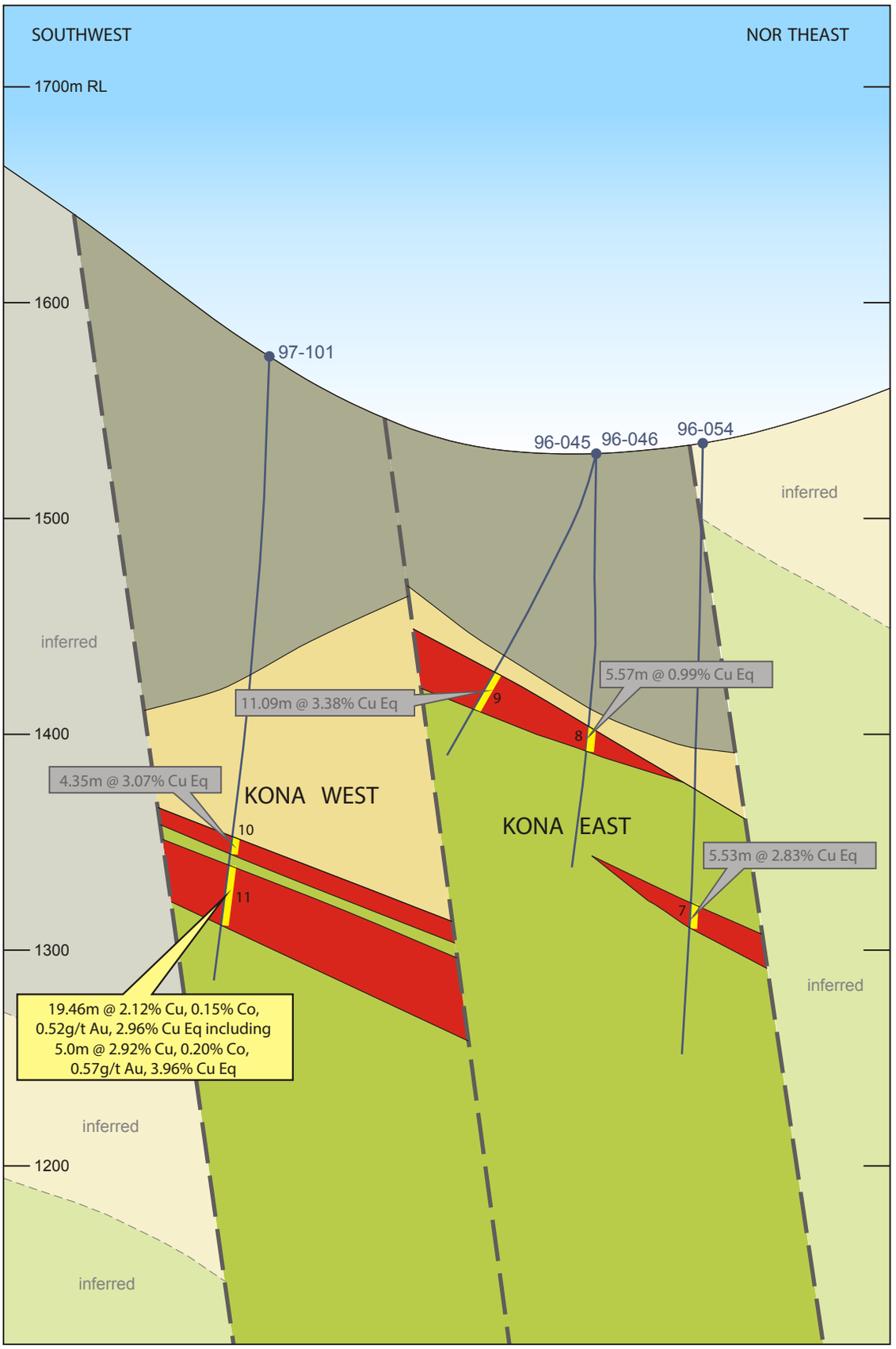
Volcanogenic Massive Sulphide mineralisation

0 200 400 600 800 m

UTM Projection. Zone 9. NAD83 Datum.

KONA VMS DEPOSIT - YUKON, CANADA
DRILL HOLE LOCATIONS

Drawn: RRM	Date: 11.11.2014	Revision:	**Figure 2**
Checked: C. Doornbos	Drawing No.: FL-004a.mxd		



Previous assay: 4.35m @ 3.07% Cu Eq

November 2014 assay: 4.35m @ 3.07% Cu Eq

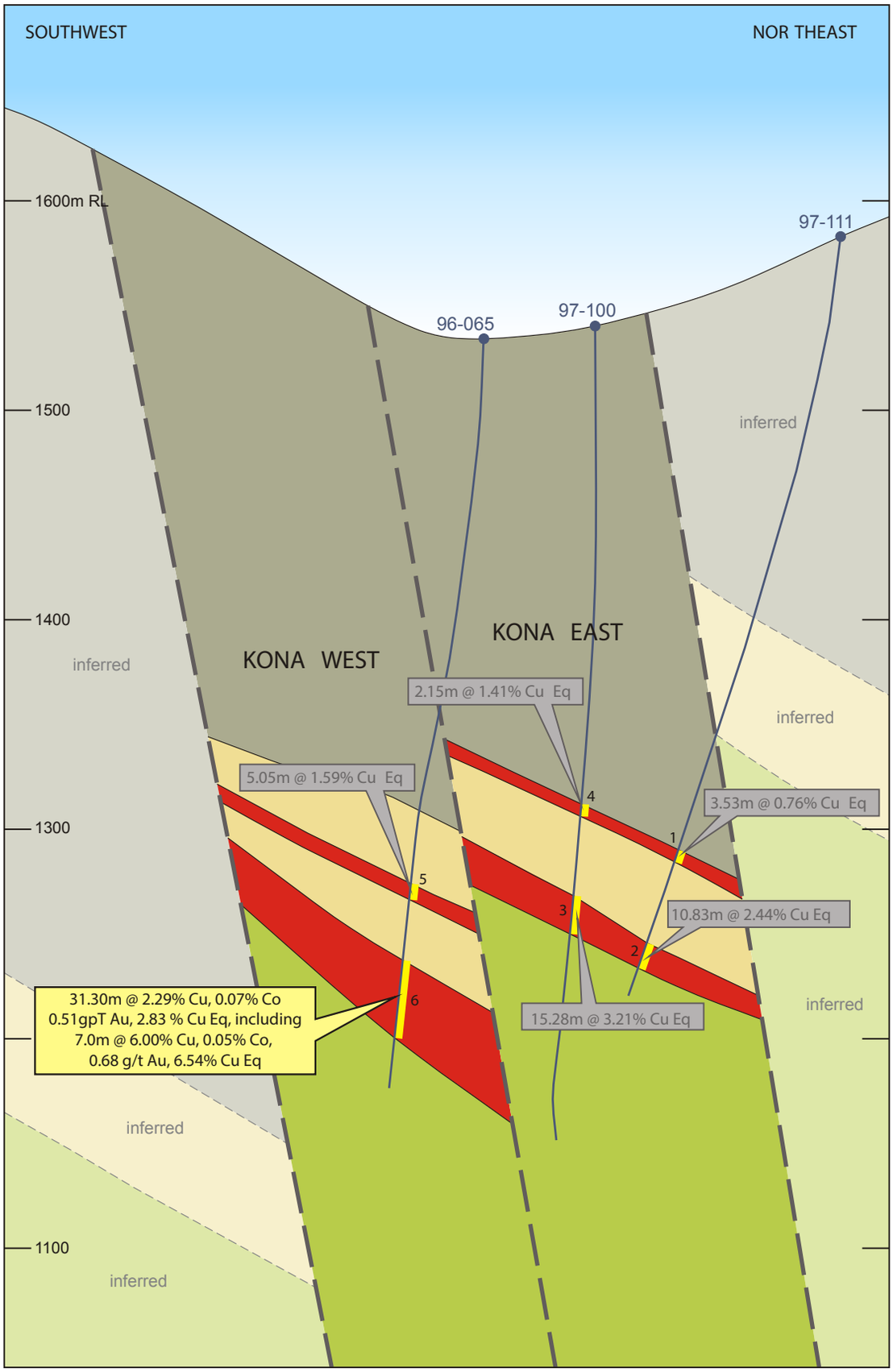
6 Number refers to item in assay table. See Table 3 for detailed assay results.

KONA DEPOSIT - FYRE LAKE PROJECT

CROSS-SECTION 1

Drawn: RRM	Date: 11.11.2014	Revision:
Checked: C. Doornbos	Drawing No.: FL-CD-002.cdr	

Figure 3



Previous assay: 4.35m @ 3.07% Cu Eq

November 2014 assay: 4.35m @ 3.07% Cu Eq

6 Number refers to item in assay table. See Table 3 for detailed assay results.

KONA DEPOSIT - FYRE LAKE PROJECT

CROSS-SECTION 2

Drawn: RRM	Date: 11.11.2014	Revision:
Checked: C. Doornbos	Drawing No.: FL-CD-002.cdr	

Figure 4

JORC Code, 2012 Edition – Table 1

FYRE LAKE PROJECT – November 19, 2014

Section 1 – Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were collected from the historic core stored on the project site that had been previously assayed. As such, the mineralised intersections were known from assay results and selected on that basis. • Continuous drill core samples of less than 1 metre drilling length were adjusted firstly to the lithologic boundaries and secondly to the mineralogy of massive sulphide mineralization.
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).*	• The drilling occurred in 1996 and 1997 with two Super 38 diamond drilling rigs and personnel who were contracted from J.T. Thomas Diamond Drilling to provide NQ2. The drill core was not oriented.
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.*	• All recovered drill core was thoroughly measured, and the recoveries and rock quality data ('RQD') were recorded first as hand-written logs and later this data were entered daily into a spreadsheet-style database on site. • Drill core recoveries were consistently more than 90%. Reduced core recoveries were only encountered within structurally incompetent zones. Reduced drilling speeds and head pressures plus drilling media additives were used to improve core recoveries in such zones.
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*	• The drill core was geologically and geotechnically logged in detail, exceeding industry standards at the time. The level of logging detail was and is appropriate for mineral resource estimation.

Criteria	JORC Code explanation	Commentary
	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 geotechnical aspects of the drill core, including recovery and rock quality features, were logged prior to logging its lithology and mineralogy. The geologist then designated sampling intervals based upon its geological features and the entire drill core was photographed wet prior to sampling.
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.*	• A diamond wet saw was used to cut existing half core samples into 2 – quarter core pieces. One-quarter core sample was retained in the original core box while the other was removed for assay. • Industry standard sampling procedures and sample stewardship was utilized for this sampling program. ALS Laboratory of Vancouver, BC was contracted to complete the analysis.
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.*	• From the mineralized subsamples, 0.5 to 2.00 gram splits were analyzed using ALS Chemex ME-ICP61a including copper, cobalt, zinc and others. Methods Au-ICP21 was utilized from fire assay results to analyze the gold content. Methodologies for these analysis suits can be requested from ALS Chemex. • Industry standard QAQC samples were included into the analysis including standards, blanks and duplicates. The overall performance of the QAQC samples was good with all results well within expectable ranges. • For the copper (Cu) results, a comparison of the assay results to the standards means were completed and show no bias. Most samples performing with 1 standard deviation and all are well within 2 standard deviations of the standard mean. The blank samples showed little carry over bias with the maximum amount of recorded carry over being 140ppm, representing a difference of 0.6% of the previous assay. The duplicates showed there is core heterogeneity across the sample, but was well with tolerable ranges. • For the cobalt (Co) results, a comparison of the assay results to the

Criteria	JORC Code explanation	Commentary
		standards means were completed and show no bias. All standard samples performing well within 2 standard deviations of the standard mean. The blanks showed no carry over bias. The duplicates showed there is core heterogeneity across the sample, although it is well with tolerable ranges. • For the gold (Au) results, a comparison of the assay results to the standards means were completed and show little bias. All standard samples performing well within 2 standard deviations of the standard mean. The blanks showed little carry over bias. The duplicates showed there is core heterogeneity across the sample, although it is well with tolerable ranges.
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.*	• Comparing the new results to the historical results shows a net increase of 2.7% for Cu, 12% increase in Co and 0.1% increase in Au (Table 1). The overall net effect is a 3.7% increase in CuEq and is considered within tolerance given the natural heterogeneity in the mineralization. • For drill hole 96-065, no core was available for resampling of intervals 448m to 450m and 453m to 459m. The original assays were inserted when calculating weighted means over these intervals.
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.*	• A qualified surveyor was contracted during 1996 and 1997 drilling campaigns to survey in proposed drill sites and completed drill collars to an accuracy of 1 cm. Predetermined benchmarks on the property were surveyed in from Federal geodetic points. Downhole surveys were carried out an usually 30-metre intervals using a mechanical downhole instrument measuring azimuth and inclination deviation. • Initial drill hole collar surveying was carried out using the UTM NAD27 coordinate system but all surveying data were later converted to UTM NAD 83 coordinates after airborne photogrammetry survey was completed. • The topographic control is very good considering the local mountainous terrain. Drill hole collars were surveyed with an accuracy of 1 cm and the aerial photogrammetry work resulted in topographic control to less than 5 m contours
Data spacing and	• *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*	• The 1996 drilling was generally carried out on sections spaced 25 to 50 meters apart. Once the continuity of the mineralization had been established the drilling sections were 100 to 200 meters apart to

Criteria	JORC Code explanation	Commentary
distribution	*Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	delineate the 1,500-metre strike length of the buried mineralization. Surface holes were sited and directed to intersect each of the six horizons of VMS mineralization as perpendicular as possible to establish true thicknesses. • The drill spacing and distribution is sufficient to establish the geometry and continuity of the stratabound VMS mineralization within its drill-tested strike length. • No sample compositing was applied during intercept reporting or during the use of assay results for 3D geomodelling. One-metre composites were utilized during mineral resource interpolation to standardize sample lengths within the mineralized lenses.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• It is the opinion of the Competent Person that there is no obvious bias between the sampling and the orientation of drilling along the trend and plunge of the six main mineralized lenses. Each mineralized lens was pierced and sampled multiple times by several drill holes.
Sample security	• *The measures taken to ensure sample security.*	• The samples were collected, labeled and double bagged, first in individual 6-mil poly bags with an assay tag and then 5 to 7 bagged samples were placed in woven rice bags that were wired closed. The bagged samples were then securely stored on site until they were flown to Watson Lake, Yukon where they were then driven directly to the preparation laboratories in Whitehorse, YT. The laboratory shipped the samples using internal methods to Vancouver, BC for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• All sampling and data collection was overseen and verified by competent people as classified by the JORC Code 2012. Sampling methodology was reviewed by a third party prior to beginning the sampling program.