

24/08/2015

Great Western Gold Resource Now JORC 2012 Compliant & Project Update

Terrain Minerals Ltd is pleased to announce an updated mineral resource estimate for the Great Western (GW) gold deposit. This update includes recent drilling results and is now fully compliant with the requirements of JORC 2012. This is an important milestone for Terrain and assists with the process towards monetarising GW.

Reverse Circulation (RC) drilling completed in June 2015 has been added to the new model with the results providing additional confirmation of the continuity of the existing mineralised zones throughout the deposit. As a result the GW model is now even more robust. The mineral resource, adjusted for previous mining, is shown in the following Table.

Reportable Mineral Resource - JORC 2012 Compliant

Great Western Deposit						
Reportable in situ Mineral Resource depleted for mining						
	Open Cut (0.5g/t)		Underground (1.5g/t)		Combined	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	90,000	2.35			90,000	2.35
Indicated	166,000	2.63	77,000	3.15	243,000	2.80
Inferred	183,000	1.86	153,000	4.72	336,000	3.16
TOTAL	439,000	2.25	230,000	4.20	669,000	2.92


The tonnes have been rounded to the nearest 1000 - See resource details in Appendix 1

In the Table the mineral resource is reported above and below 100m from surface to reflect respectively areas within the model with potential for open cut and underground mining. Such reporting is not based on definitive studies at this time.

Terrain will now conduct a Prefeasibility Study. Several studies have previously been completed on GW and these findings will be utilised and new drilling data will be added.

It is important to note that JORC 2012 mineral resource estimate is only an indication of contained metal and not necessarily a true indication of the grade and tonnes that will be actually mined as mining methods vary based on many factors. Example Speechly mining study on GW September 2009, proposed the following (see diagram 2): Open pit to 65m for 113,532 tonnes at 2.74 g/t and then a 150m deep Underground containing 183,021 tonnes at 7.66 g/t **Total mined tonnes 296,552 at 5.77g/t for 53,013 ounces of gold.**

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The Prefeasibility Study will incorporate the new data, current Australian gold price and new mining costs to identify the most profitable method to mine GW.

What Now for Great Western:

Alongside the Prefeasibility Study, Terrain intends to set up a data room, as it has received many unsolicited approaches from individuals, private mining contractors and listed ASX gold companies who have shown interest in:

- The full or partial purchase of GW
- Joint venture mining proposals – various options have been proposed

Terrain does not rule out the option of mining GW itself and the Prefeasibility Study will act as an important inflection point for a valuation and how best to proceed.

Terrain has also spoken with processing facilities in the area regarding toll treating ore from GW. There is spare capacity in the area and with transport rates dropping considerably, along with the demand for high grade ore, additional processing options have opened up.

GW is located 1km from the sealed Goldfields Highway along an unsealed, gazetted road (Goldfields, Darlot access road).

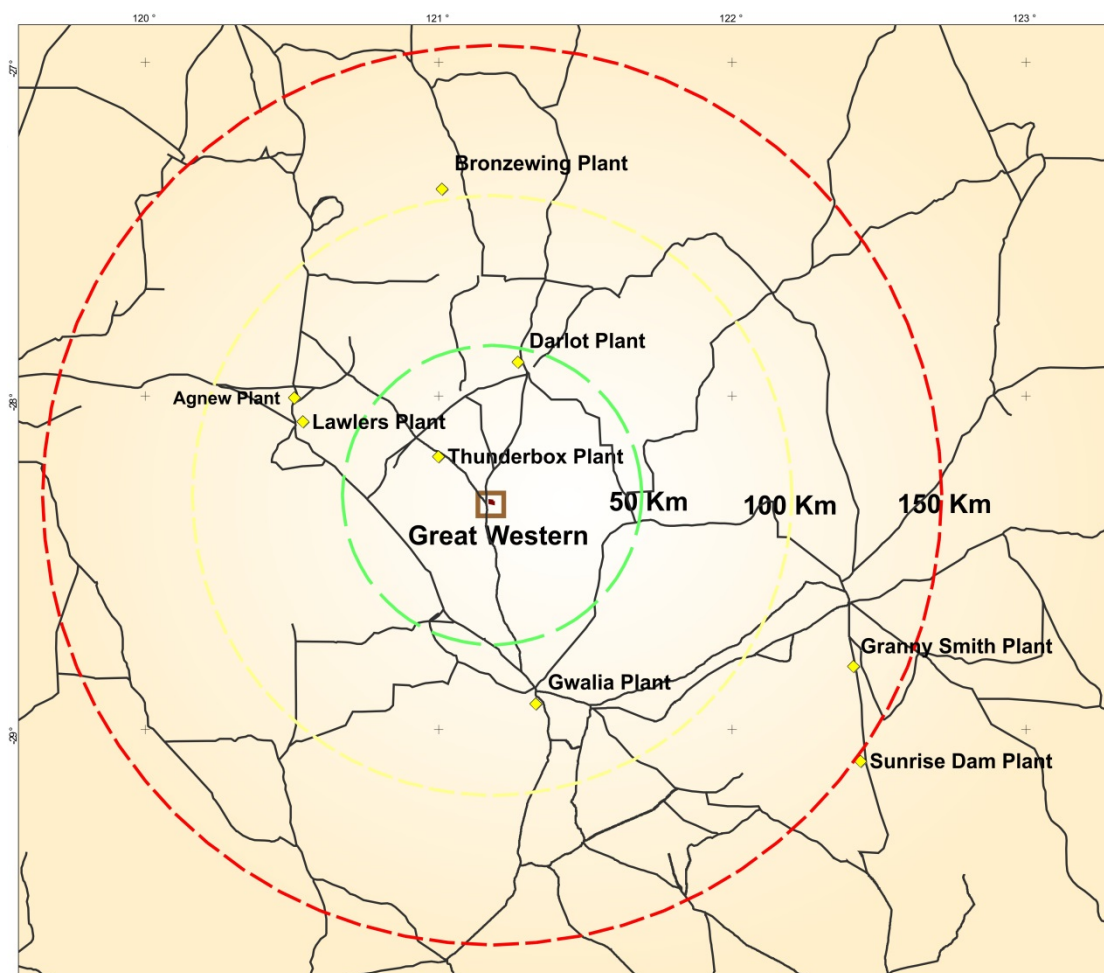


Diagram 1. Great Western location and processing facilities in the area.

Additional Information

Note: Further confirmation work required: Terrain has recently found out from a previous owner of GW that the old underground was mined using a process that back filled the old stopes to gain access to the ore above. This fill was battery sands. The battery sands came from GW and other deposits and were treated at a battery located on site. Previously, they had sampled the hang walls and battery sands along the first two underground levels, but were unable to access the other lower levels. The samples were tested at the Kalgoorlie school of mines and returned an average grade from the battery sands of 4.0g/t au and that the hang walls also contained mineralisation. It was estimated that around 20,000 tonnes of material could be contained on

these levels (this number loosely corresponds with the historic mining records). Terrain is now trying to locate this data and will look at what additional work is required to validate this information. This could present a real bonus for Terrain adding valuable ounces to a mining operation.

About Great Western:

The 100% owned project is Located 68 km north of Leonora and 1km from the Goldfields Highway on Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain has previously held this project and considers it as an advanced and ready to mine opportunity which is possibly still open down plunge and along strike. Further exploration has the potential to expand the mine life of the current mining plan

Great Western Proposed Mine Plan – Pit and Decline are proposed only and do not exist.

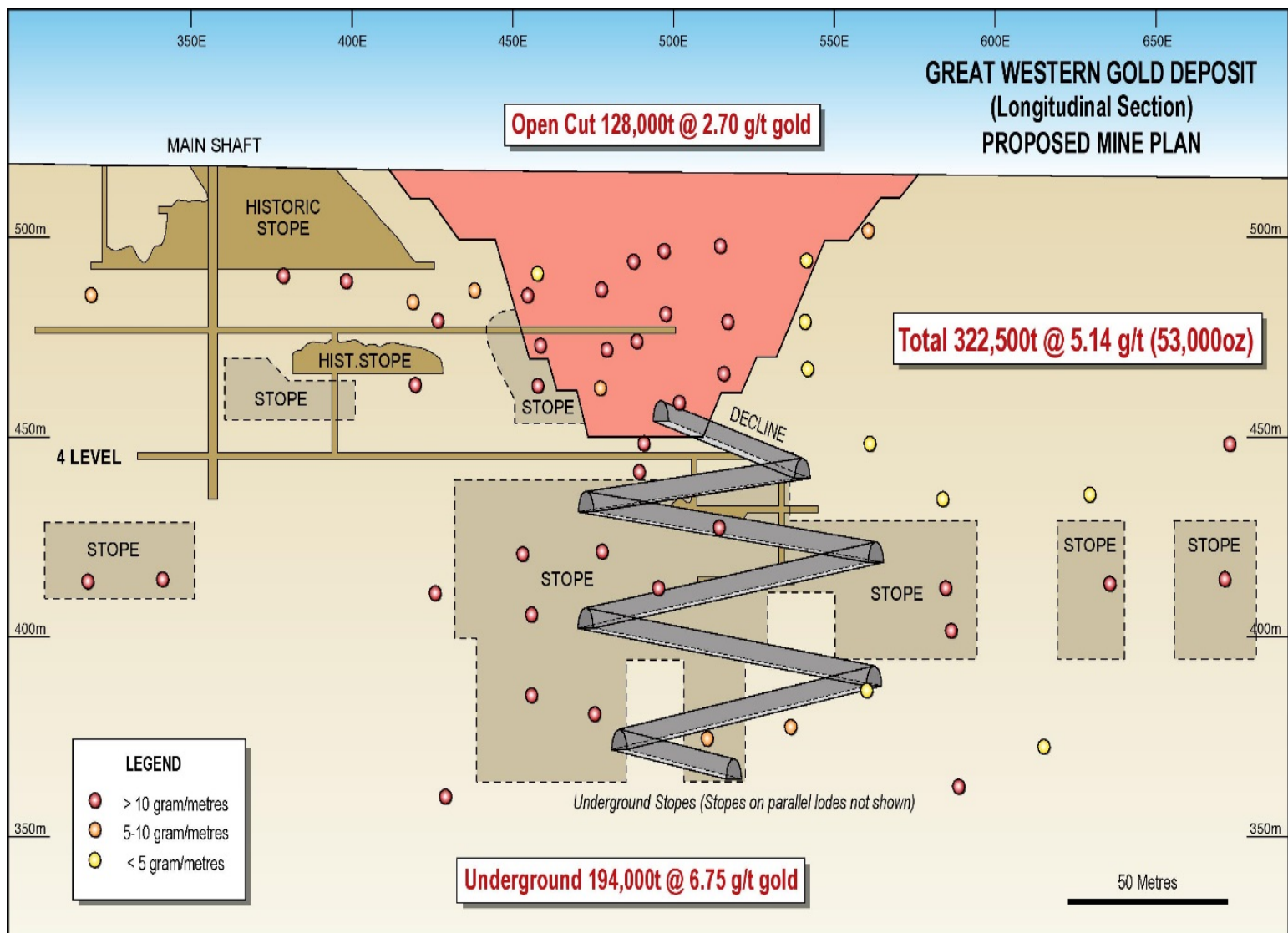


Diagram 2. June 2015 drilling not included and identified continuity of mineralisation between several of the proposed stopes shown above. Mineralisation outside of the existing resource and mining plan can be seen above. Historic underground area will be examined in the prefeasibility study to see if it is viable be incorporated the area into larger pit shell and to confirm the report of them being back filled with battery sands.

Note: Depth indicators on the side are indicative of height above sea level not proposed mining depth.

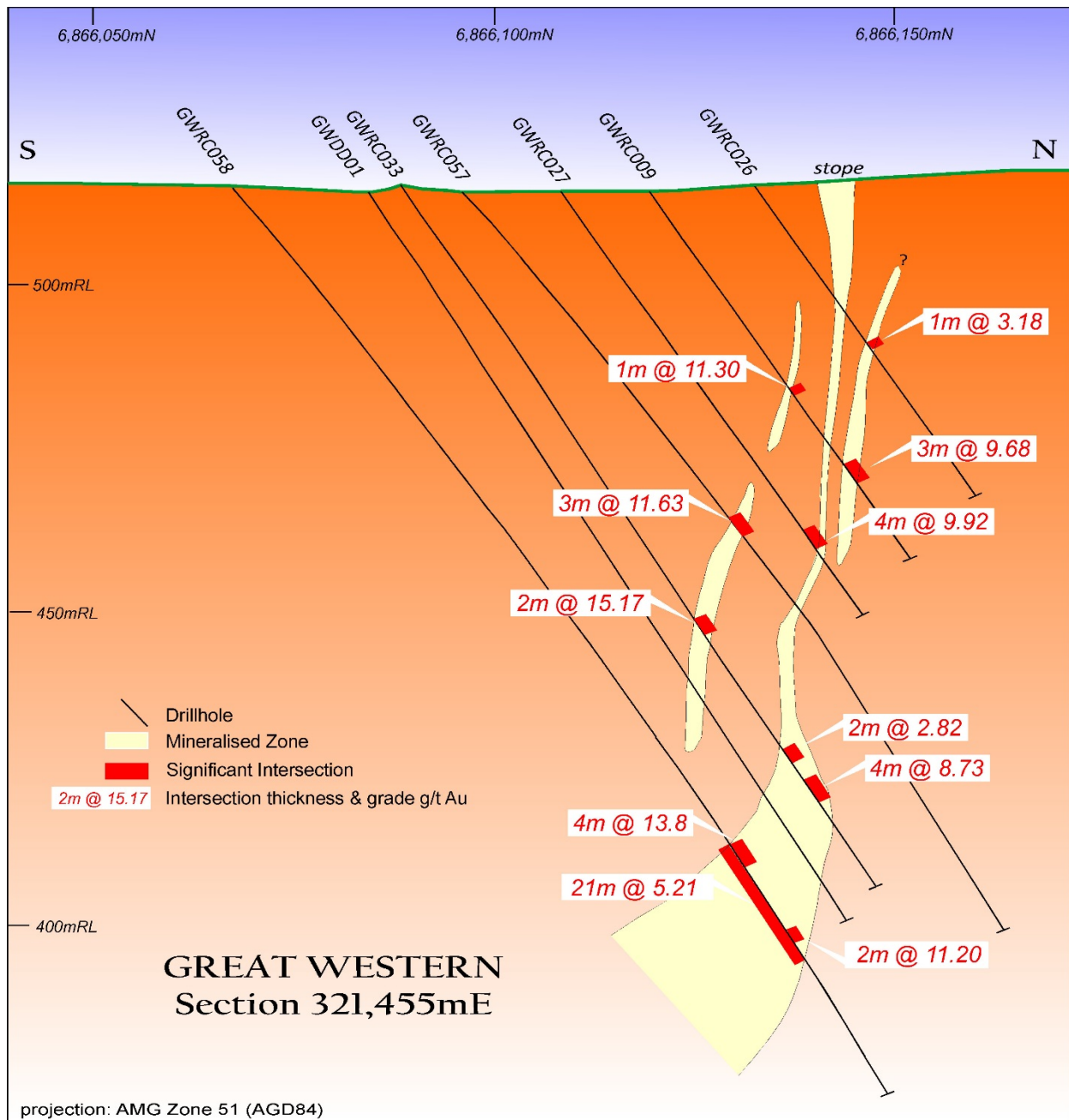


Diagram 3. Cross section which is situated around the middle of the current resource seen in Diagram 2.

Note: Mineralisation at depth is not understood but appears to be coming up towards surface in multiple high grade shoots. More work is required to ascertain the down plunge exploration potential.

Competent Person's Statement

The information in this announcement that relates to the Mineral Resource estimate is based on information compiled by Peter Ball, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy, membership number 109775.

Mr Ball is employed by and is a Director of DataGeo Geological Consultants and was contracted by Terrain Minerals Ltd to estimate the mineral resource stated within this announcement.

Mr Ball has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ball consents to the use of the information within this report in the form and context in which it appears.

Appendix 1

The information in this appendix is taken from the mineral resource report prepared by DataGeo.

DATAGEO Geological Consultants
Providing Technical Services to the Mining Industry

Terrain Minerals Limited Great Western Deposit Mineral Resource Update August 2015

DataGeo Geological Consultants (DataGeo) was contracted by Terrain Mineral Limited (Terrain or the client) to update the mineral resource for the Great Western Deposit located approximately 70Km north of Leonora in Western Australia.

The estimate was undertaken to incorporate the results from new drilling which necessitated interpretative changes to the mineralisation extent when compared to previous (DataGeo, March 2011) and to make the reporting comply with JORC 2012 Standards.

The relevant data for this deposit was either provided by the client (drill hole data in digital form) or recovered from DataGeo's backup. This information was imported into the Vulcan application.

The new drilling (12 RC holes) targeted infill and extension to the deposit and the mineralisation interpretation was updated as required. In addition inconsistency in the previous interpretation in terms of strike and dip continuity in some lodes (particularly the smaller ones) was addressed in some instances. The mineralisation interpretation is based on 147 RC and diamond holes, totalling 15,000m, drilled mostly from surface and occurs over a strike length of 450m to a depth of 200m below surface. In all seven lodes have been defined within an overall east-west striking, steeply southerly dipping shear zone.

The mineralisation was solid modelled and loaded into a block model with parent block size of 10mE x 5mN x 5m RL. The mineralisation was intersected with the drill holes and 1m down hole composites established with un-sampled intervals given a default low grade. The grade was estimated using Ordinary Kriging techniques based on geostatistical parameters those lodes with sufficient composite information. The resource tonnes have been determined by default specific gravity values by weathering profile position.

The mineral resource was validated against the input data and classified according to geological confidence, grade continuity and proximity to old underground mine workings from which production of 27,000 tonnes at 13.85g/t Au had been recorded.

In assessing the reportable mineral resource the economic viability of mining the in situ material has to be considered. Without any support by mining or processing studies DataGeo has considered that open cut mining to a maximum of 100m below the surface and underground mining below that could potentially be economic at grades of 2g/t+ for open cut and 4+g/t for underground. These assumptions on grade and the ability to process the material are based on the knowledge of similar mined deposits in the general vicinity, the likely metal recovery and the likely amenability of the deposit to conventional processing.

The following Table summarises the Reportable Mineral Resource.

Great Western Deposit Reportable in situ Mineral Resource depleted for mining						
	Open Cut (0.5g/t)		Underground (1.5g/t)		Combined	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	90,000	2.35			90,000	2.35
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TOTAL	439,000	2.25	230,000	4.20	669,000	2.92

The tonnes have been rounded to the nearest 1000

The depletion for mining is purely numeric.

This estimate differs for the 2011 estimate in two ways: -

- Larger lode dimensions in some cases to improve strike and down dip continuity
- Inclusion of un-sampled intervals at default low grade instead of assuming that such intervals were in the positions of the stopes.

There are some refinements, in random order, which could be undertaken to improve resource confidence: -

- Gather more historic and continue review of current QAQC information to support confidence in the underlying drill data.
- Re-enter the underground workings to confirm location, extent of mining and gather supporting sample information. Failing this create a “best estimate” mined model which supports the production identified from underground. *Note – the requirement for this mined model will be more important if the client wishes to optimise the mineral resource model to determine ore reserves.*
- Determine specific gravity for representative positions within the deposit
- Incorporate a geological model to assist with the definition of the mineralisation
- Review of the influence of weathering on the grade continuity

There is potential for additional mineral resource as evidenced by anomalous gold identified in the current drilling but not included in the mineralisation model. Also there is an indication that the fill (sands) within the underground workings may grade at an average of 4g/t Au, apparently these sands was sampled by previous operators.

This report is an update and references the two previous mineral resource reports prepared for this deposit.

Resource Reporting Criteria, Risk and Comments

Reporting Criteria

The data and interpretation utilised and the resultant mineral resource estimate for the Great Western Deposit is summarised as follows: -

- Geology and Mineralisation Interpretation
 - The deposit consists of a steeply southerly to vertical dipping east-west striking shear zone which contains anomalous gold. There is evidence of numerous similarly orientated lodes within this zone. The system is mineralised over a strike length of 450m, a depth of 200m and a true width which varies between 5 and 40m narrowing with depth. The Deposit remains open at depth but is closed along strike.

- The lodes are represented by wireframe solids with a boundary condition of 0.5g/t Au. The weathering profile is represented by wireframed surfaces.
- Drill Information and Sampling
 - The deposit has been drilled from surface and underground primarily by reverse circulation (RC) and diamond coring. A total of 147 RC and diamond holes containing 15,066m has been used in the mineral estimate.
 - The core recovery is unknown whilst the RC sample recovery from the most recent program is described as good (thought to be >80% recovery) in the almost exclusively dry conditions
 - Recent holes collar locations have been located using GPS and older holes checked randomly using the same method. The hole orientation and inclination at collar is set out using compass and clinometer. Down hole survey varies from single shot camera, to multishoot camera to gyroscopic measurement.
 - The drilling and sample collection techniques consisted of RC chips collected at 1m intervals via the cyclone and split (manually or by rig mounted cone splitter) into sample bags with some duplicates collected. Areas of little obvious mineralisation potential had 4 consecutive 1m samples composited by spear or scoop. Samples were sent to a commercial laboratory for preparation and analysis. If the 4m composites returned an assay above a threshold then the retained large samples were re-speared or the rotary splitter sample was taken and submitted individually. The RC chips are logged for mineral content and geology. No core has been observed but logging information indicated that it was stored in core boxes labelled with the hole number and length contained. The core was logged geologically and intervals for analysis had the core 1/2ed at site to be sent for preparation and analysis. Some programs had Standards and Blanks included with the samples despatched for analysis.
- Sample Preparation and Analysis
 - Drill samples have been prepared and analysed at commercial accredited laboratories in Western Australia
 - the preparation is by drying, crushing, riffing and pulverising.
 - gold content is determined FA techniques with atomic absorption or ICP finish. Some SFA comparison analysis work has been carried out.
 - When utilised QAQC protocols included standards and blanks at a rate of 2 to 4% of the total routine samples submitted to the laboratory.
- Estimation Methodology
 - The drill hole information is composited within the mineralisation interpretation to the most common sample length within the dataset – 1m down hole
 - Grade is estimated by ordinary kriging for the largest lodes with demonstrated continuity and sufficient composite information from composite data top-cut if required, ranging from 50 to 6g/t. Other lodes are estimated by inverse distance to the power of 3 techniques or when there is < 10 composites by assigning a grade of the average of the composites. The estimation is constrained by a hard boundaries representing the extent of the mineralisation and in lodes with distorted population statistics (even after top-cutting) grade restrictions on the higher grade. The grade is estimated into a block model with a cell size of 10mE x 2mN x 5mRL.
 - Specific gravity is assigned to the block model using a default according to weathering profile position.
- Validation and Classification
 - The block grade estimates are validated against the composites both globally (for all lodes) and spatially for the largest lodes
 - The block estimates are classified according to geological confidence, length of search, number of composites, number of holes, quality of the input data and proximity to old workings.

- Reporting
 - Reporting cut-off has been determined to include all material which may be by grade and position suitable for open cut mining to produce a head grade of +2g/t Au to a depth of 100m below surface, taken as 0.5g/t. Below 100m the cut-off was raised to identify material which may be suitable for underground mining, a cut-off of 1.5g/t was used.
 - Previous mining has been allowed for in the reporting.
- Mining and metallurgy
 - There is no known metallurgical test work however the Deposit has similar geological and mineralisation characteristics to nearby Deposits which have been successfully processed using industry standards techniques.
 - There have been no scoping studies that DataGeo is aware of to support a mining scenario. The Deposit was mined previously (pre 1940) from underground.

Tables 22 and 23 summarise the assessment and reporting criteria for this estimate and refers only to the data used for such.

Table 22: Sampling Techniques and Data		
Criteria	Explanation	Comments
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> 	<p>The deposit has been drilled and sampled by diamond coring and reverse circulation methods with holes on spacings varying from 50mE x 20mN to 10m x 10m over a 450m strike length. In total the 147 RC and diamond holes used in mineral resource estimation contained 15,066m. The holes are drilled mostly to the north to intersect the very steeply south dipping east-west orientated mineralisation.</p>
	<ul style="list-style-type: none"> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> 	<p>The RC and diamond drilling targeted the areas of old workings, along strike and below. Some diamond holes have been drilled from a development level but most holes are from the surface within the Great Western Shear zone. The RC samples are collected from the more recent drilling program using face sampling bit from the rig mounted cone splitter with an approximate 3Kg sample collected for each metre drilled, sample recovery was 80 to 100% and the ground was mostly dry. Previous RC programs utilised similar methods with holes drilled using open face bit from holes up to 120mm in diameter, sample recovery was observed as good with overall RC sample representivity considered good given the ground conditions and lack of water. The limited diamond core is thought to be NQ2, no core was observed at site. All holes were located and orientated using a GPS and a compass.</p>

	<ul style="list-style-type: none"> • <i>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.</i> 	<p>The diamond core was thought to be NQ2 diameter. Report evidence indicated that the core was halved with 1/2 sent for sample preparation by crushing, pulverising and splitting to produce either a 30gm or 40gm charge size for FA analysis. RC drilling collected samples at 1m intervals down hole. These 1m samples were either composited to 4m intervals by spear sampling or submitted as 1m samples each of approximately 2.5 to 3Kg. Selected samples (based on mineral and geology content) were sent to a commercial laboratory where they were dried, crushed and pulverised and either a 30gm, 40gm or 50gm sub-sample (dependant on laboratory) selected for FA assay.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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).</i> 	<p>Diamond drilling (4 surface, 6 underground and 1 tail to an RC) is mostly NQ2 sized through the mineralised zone and totalled 595m. The core was not orientated. The RC holes from the latest programs were all between 120 and 135mm diameter and drilled with a face or open sampling bit, the total number of holes is 137 and the totalled 14471m.</p>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<p>The core recovery is unknown. The RC sample recovery for the GWRC series holes is considered to be good with for the latest holes, by weight, the recovery being between 80 and 100%.</p>
	<ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<p>For RC drilling the collar was sealed and air pressure was used to maximise return. The cyclone was cleaned between samples.</p>
	<ul style="list-style-type: none"> • <i>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.</i> 	<p>No assessment has been made of grade v RC sample recovery but based on the descriptive assessment the majority of mineralisation was returned dry and thus usually with good recovery. No observations were made regarding the core.</p>
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining</i> 	<p>Core and chips have been geologically logged for holes GWRC050 onwards; recording lithology, mineralisation, veining, alteration and weathering. The geological logging is appropriate to the style of the Deposit.</p>

	<i>studies and metallurgical studies.</i>	
	<ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography</i> 	the geological logging for these holes is detailed by interval for the information listed above.
	<ul style="list-style-type: none"> • <i>The total length and percentage of the relevant intersections logged.</i> 	for these holes the entire length of all diamond and RC holes, apart from surface casing, has been logged.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> 	all core to be sampled was 1/2ed using a mechanical saw. It is not known if the core was consistently taken from one side of the stick.
	<ul style="list-style-type: none"> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	The most recent drilling collected sample from the rig mounted cone splitter into calico bags of size appropriate for despatch to the laboratory. The previous program RC samples (GWRC series) were collected from the cyclone into a plastic bucket and then transferred to a large sample bag. If the interval was to be sent for analysis it was reduced in volume using a 1 to 4 ratio splitter with the 1/4 sample placed in a labelled calico bag. . The cyclone and splitter equipment was regularly cleaned with air and any loose material scrapped off between samples. Sometimes 4 adjacent samples were composited with sub-samples of the larger samples are taken with a scoop or pipe. For holes prior to the GWRC series there is no information.
	<ul style="list-style-type: none"> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> 	All samples (approx 2.5 to 3Kg for the RC samples and 1/2 NQ core up to 1.2m long) are provided to a commercial accredited laboratory facility for the preparation of samples using industry standard practises of drying, crushing and pulverising to allow sub-sampling by riffle or rotary splitter to a 30 to 50gm charge size.
	<ul style="list-style-type: none"> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> 	Standards and/or Blanks were included with the routine samples submitted to the Laboratory for the GWRC series holes. The results are considered in line with expectations. For the most recent drilling Standards and Duplicates were included at the rate of 2 and 4% respectively compared to the number of sample submitted, results were acceptable. SFA v FA comparisons also supported the FA results.
	<ul style="list-style-type: none"> • <i>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.</i> 	Duplicate RC sampling results provided acceptable comparison to the original results.

	<ul style="list-style-type: none"> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	Whilst there is coarse gold in the system the outlier grades returned are not excessive as such the sampling appears to be representative and thus the global grade is being fairly represented.
<i>Quality of assay data and laboratory tests</i>	<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> 	The assay techniques applied for the measurement of gold content is appropriate for the determination of the level of gold in the sample. Comparison between SFA and FA methods are reasonable this indicating that the analytical methods adopted report total gold content.
	<ul style="list-style-type: none"> <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> 	none conducted
	<ul style="list-style-type: none"> <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> 	Standards, Blanks and Duplicates and SFA comparison were included with all of the previous RC drilling in the GWRC series up to hole GWRC0105. The most detail related to hole GWRC051 to 105 in which Standards and Blanks were included at a rate of 2% and 1% of the total samples submitted to the laboratory. The results whilst mixed were generally acceptable. 6% of the samples submitted were Duplicates and the results were poor with the Duplicates having approximately 30% less grade. A SFA v FA comparisons using 3% of the samples was poor with the original samples higher grade on average than the Duplicates. The 2015 drilling contained Standards, Duplicates and an SFA v FA40 comparison which was basically supportive but a very small program.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> 	mineralisation intercepts have been determined by previous and current company personnel and appear correct
	<ul style="list-style-type: none"> <i>The use of twinned holes.</i> 	No specific twinning program has been conducted.
	<ul style="list-style-type: none"> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols</i> 	primary field data was recorded onto hard copy and then entered into electronic spread sheets and validated against expected codes. Assay information in electronic form from the laboratories was merged with sample interval data on sample number
	<ul style="list-style-type: none"> <i>Discuss any adjustment to assay data.</i> 	none applied
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations</i> 	It is not known how the collar positions were surveyed for the pre 2015 drilling. These holes have been located against the AMG 84 Zone 51 Datum and the AHD. Random checks indicated that the positions are accurate. For the 2015 drilling the location was recorded on a

	<i>used in Mineral Resource estimation.</i>	handheld GPS with an accuracy of +/- 3m, it was recorded on MGA94 Zone 51 Datum. The orientation and dip at the start of the all holes was set out using compass and inclinometer and recorded on the logs. Down hole information for the earliest drilling was recorded using an Eastman single shot camera that measured dip only, for the GWRC series holes drilled from 2007 it was recorded using gyroscopic techniques with a very high accuracy of 0.15° in azimuth and 0.2° in dip. For the 2015 drilling a digital Reflex multi shot tool was used.
	<ul style="list-style-type: none"> <i>Specification of the grid system used.</i> 	The regional grid is MGA94 Zone 51 and the Deposit is laid out on an AMG84 grid for convenience.
	<ul style="list-style-type: none"> <i>Quality and adequacy of topographic control.</i> 	Topographic control is taken the drill hole collar information, field observations indicate that whilst this is not ideal it will not introduce any significant inaccuracy.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> 	Drill spacing varies with position in the deposit from 10mN x 10mE to in excess of 50m.
	<ul style="list-style-type: none"> <i>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.</i> 	Successive drilling programs have in filled and extended (at depth) the previous drilling and on the majority of occasions drilling has returned mineralisation in the expected locations. This provides a high degree of confidence in the geological continuity of the overall Shear. Closer spaced drilling provides good support for positioning of the mineralisation by zone.
	<ul style="list-style-type: none"> <i>Whether sample compositing has been applied.</i> 	The sampling reflects the geological conditions. For mineral resource estimation a 1m composite length was chosen given that this is the dominant sample length.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	The drilling is oriented as best as possible to perpendicular to the structure/geology containing or controlling the mineralisation.
	<ul style="list-style-type: none"> <i>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.</i> 	No sampling bias is considered to have been introduced.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	The chain of custody adopted by operators of the project appears appropriate and is based on responsibility and documentation.

<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	A brief audit of assay records revealed no data errors.
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Table 23: Estimation and Reporting of Mineral Resources		
Criteria	Explanation	Comments
<i>Database integrity</i>	<ul style="list-style-type: none"> <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> 	There is a data storage system in place in the form of an Access Database however there is limited metadata and the fields are not exhaustive in terms of requirements. Data from logging, sample submission and the assay laboratory is entered into spreadsheets which are checked against hard copy prior to loading. Previous audits have revealed no transcription errors and a very brief review of the 2015 data did not find any errors. There is confidence that the data to be utilised is accurate with respect to the supporting information.
	<ul style="list-style-type: none"> <i>Data validation procedures used.</i> 	Data is validated when combined from the various sources described above. The small audit described above provided sufficient confidence in the data contents to state that it most likely accurately represents the drill information.
<i>Site visits</i>	<ul style="list-style-type: none"> <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> 	DataGeo visited the site on June 30th 2015 and was able to establish that the drill holes were correctly positioned and the old working and the overall location of the mineralisation was appropriate; the topography was generally flat with limited fall over the area. Also RC chips (in the bulk bags) from the 2015 drilling supported the logged observations.
	<ul style="list-style-type: none"> <i>If no site visits have been undertaken indicate why this is the case.</i> 	no applicable
<i>Geological interpretation</i>	<ul style="list-style-type: none"> <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> 	The confidence in the geological interpretation is considered good as it is supported by surface exposures of old workings with corroboration of the surface positions with the closer spaced drilling.
	<ul style="list-style-type: none"> <i>Nature of the data used and of any assumptions made.</i> 	Only physical data obtained in the field was utilised.
	<ul style="list-style-type: none"> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> 	The application of hard boundaries to reflect the position of the zones which host the mineralisation is supported by the field and drilling observations and appropriate in a global sense. No other interpretation is thought to be appropriate.
	<ul style="list-style-type: none"> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> 	The presence or absence of gold and quartz in an appropriate orientation both in and around the old workings provides the geological control to constrain the interpretation.

	<ul style="list-style-type: none"> <i>The factors affecting continuity both of grade and geology.</i> 	<p>The higher-grade gold zones appears to plunge to the east and occur in repeated lodes as supported by the interpretation of the stoped out areas. The position and style of mineralisation impacts the grade continuity.</p>
<i>Dimensions</i>	<ul style="list-style-type: none"> <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i> 	<p>The main mineralisation within the Deposit occurs over a 450m strike length and extends some 200m down dip and the combined width of the lodes varies between 5 and 40m in width, noticeably thinning at depth. The main deposit remains open at depth but appears closed off along strike.</p>
<i>Estimation</i>	<ul style="list-style-type: none"> <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> 	<p>The largest lodes contained sufficient composites to enable assessment of a reasonable continuity model which supported the use of ordinary kriging. The 1m composites were top-cut and search restricted. Lodes with fewer composites which demonstrated no continuity had grade estimated using inverse distance to the power of 3 to reflect the relatively high nugget within the Deposit. If there were < 10 composites the grade was assigned as the average of the composites. In all cases if appropriate composites were top-cut. Grade estimation was carried out in Vulcan™ application. Density was assigned as a default based on position within the weathering profile using values from similar deposits within the general area. 1m composites were created within each lode and input to the grade estimation (or assigning) was restricted to those composites which were within the lode being assessed. Estimated blocks were informed in a three step strategy with orientation set to the orientation of the lode being estimated. The initial (primary) search was 30m x 20m x 5m in strike, dip and across dip-strike plane. This search range was expanded by double the length for blocks were not informed in the primary search and again in the final search strategy. This strategy informed on average 95% of the blocks within the lodes to be estimated in the primary and secondary search.</p>
<i>and modelling techniques</i>	<ul style="list-style-type: none"> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> 	<p>There is an underground mining history from pre 1940 with overall production tonnes and grade known which was allowed for the reporting. Previous models exist with similar outcomes therefore check estimates for this model were not considered necessary.</p>
	<ul style="list-style-type: none"> <i>The assumptions made regarding recovery of by-products.</i> 	<p>No assumptions made.</p>

	<ul style="list-style-type: none"> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> 	No assessment of deleterious elements has been made.
	<ul style="list-style-type: none"> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> 	The block model was constructed using blocks which were 10mE x 2mN x 5mRL with sub-celling to 1/2 the block size in each direction adopted to ensure accurate volume representation. Grade estimation was to the parent block size.
	<ul style="list-style-type: none"> <i>Any assumptions behind modelling of selective mining units.</i> 	not applicable
<i>Estimation</i>	<ul style="list-style-type: none"> <i>Any assumptions about correlation between variables.</i> 	no assessment undertaken
<i>and modelling techniques (continued)</i>	<ul style="list-style-type: none"> <i>Description of how the geological interpretation was used to control the resource estimates.</i> 	Hard boundaries were applied to the lodes. Grade was estimated within these boundaries.
	<ul style="list-style-type: none"> <i>Discussion of basis for using or not using grade cutting or capping.</i> 	Statistical analysis indicated that some zones in particular the largest ones had elevated coefficients of variation and thus to minimise the influence of outlier grades top-cuts were applied, high-grade influence was restricted in some circumstances
	<ul style="list-style-type: none"> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	Volume validation was carried out by comparison of the solids representing the mineralisation to the block model. Grade validation was carried by both global comparison of the average estimated grade to the average input grade and spatially by comparison of the estimated grades to the input grades by position. Also visual comparison was used.
<i>Moisture</i>	<ul style="list-style-type: none"> <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	The tonnages were determined using default specific gravity according to position relative to the weathering profile.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	The margin of the mineralisation is a combination of grade and lithology. Anomalous gold is considered to be the 0.5g/t and above.

<p><i>Mining factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> 	<p>DataGeo is unaware of any mining studies and has assumed that any economic extraction of gold will be by open cut and could occur to 100m below the surface. Higher grade material below this could be mined using underground methods.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i> 	<p>DataGeo is unaware of any metallurgical test work conducted on samples from the Deposit. It is likely given the lack of obvious sulphides that gold recovery using industry standard methods would be sufficient to support an economic processing operation.</p>

<p><i>Environmental factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i> 	<p>The Deposit is located on a granted mining license. DataGeo is unaware of any studies relating to environmental impacts of a potential mining and processing operation in the location. These are numerous mining and processing operations within 50Km of the site thus it is considered likely that environmental impacts would be manageable.</p>
<p><i>Bulk density</i></p>	<ul style="list-style-type: none"> • <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> 	<p>Density has been assumed based on other nearby deposits and applied to the model according to position within the weathered profile.</p>
	<ul style="list-style-type: none"> • <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> 	<p>No measurement have been taken.</p>
	<ul style="list-style-type: none"> • <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i> 	<p>Whilst the assumed default values appear reasonable, support by sampling needs to occur.</p>

Classification	<ul style="list-style-type: none"> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> 	The classification is based on the quality and amount of input data; the spatial arrangement of the drill data and its supported position; the position relative to known underground workings, the grade continuity for the largest zone and confidence in the geological interpretation which is supported by field observation and drilling. What QAQC information is available is only somewhat supportive of the assay information. Higher confidence areas have more supporting data, areas of lower geological support reflect a lower classification.
	<ul style="list-style-type: none"> <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> 	The input data particularly the more recent is consistent and closely spaced enough to support the projection of the geological interpretation at depth which in terms of style of mineralisation is consistent with other deposits within the same or similar geological setting. Later drilling programs have successfully filled earlier programs in mineralised locations predicted by the initial program. The estimated grade correlates reasonably well with the input data given the nature of the mineralisation.
	<ul style="list-style-type: none"> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	The Mineral Resource estimate reflects the Competent Persons understanding of the Deposit.
Audits or reviews.	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	None undertaken
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> 	The mineral resource is volume constrained by the geological interpretation thus in a global sense there is no sensitivity. As would be expected there is sensitivity to the estimated resource grade related to be the top-cut applied with indication that grade could be influenced by 10 to 15% in the main mineralised zone. Whilst DataGeo is comfortable this the top-cut applied (based on what appears to be a distinct change in population statistics) the influence of the higher-grade needs additional review. The confidence in the mineral resource is defined by the classification adopted as per the guidelines of the 2012 JORC code.

	<ul style="list-style-type: none"> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> 	The statement relates to global estimates of tonnes and grade.
	<ul style="list-style-type: none"> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	the previous production is according to a different data set and thus comparison at the estimate level is not appropriate.

End.