Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: $0.67 million

Issued Capital:
304,545,685 ordinary shares
37,222,104 listed options (ADNO)
750,000 performance rights

Directors:

Colin G Jackson
Non-executive Chairman

Chris Drown
Managing Director

Nick Harding
Executive Director and Company Secretary

Jonathan Buckley
Non-executive Director

Contact details:

69 King William Road,
Unley, South Australia 5061

PO Box 1210
Unley BC SA 5061

Tel: +61 8 8271 0600
Fax: +61 8 8271 0033

adres@adelaideresources.com.au
www.adelaideresources.com.au

Fact:
Adelaide Resources was the first company to discover gold on the Eyre Peninsula project. Prior to the commencement of its exploration effort there were no recorded gold occurrences in the area.

ASX announcement

16 October 2015

Eyre Peninsula gold project
(100% owned), South Australia

Modelling of higher grade gold zones highlights potential of Eyre Peninsula prospects

Summary

- New mineralisation modelling focused on the higher grade parts of the Barns, White Tank and Baggy Green prospects has confirmed that continuous zones of better grade mineralisation can be defined at each.
- A new Exploration Target, using the new mineralisation model, estimates that the combined Barns, White Tank and Baggy Green deposits may contain between 2.5 and 3.5 million tonnes of material at a grade ranging between 1.3g/t gold and 2.0g/t gold. The new Exploration Target is restricted to material that falls within 200 metres of the surface. The potential tonnage and grade of the new Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource, and it remains uncertain if further exploration will result in the estimation of a Mineral Resource.
- Focused exploration will proceed to a point where the target can be confirmed and potentially expanded to lead to the commencement of a scoping study.
- **Funds raised through the current Share Purchase Plan offer will in part be directed to completing this work.**
- **Shareholders are reminded that the Share Purchase Plan closes at 5:00pm (CST) on Friday 16 October.**

Chris Drown
Managing Director

Direct enquiries to Chris Drown. Ph (08) 8271 0600 or 0427 770 653.

Introduction

Adelaide Resources holds nine Exploration Licences on the Eyre Peninsula which secure a total area of 3,643 square kilometres.

The Barns, White Tank and Baggy Green gold prospects are located within 5km of each other and fall on two adjoining tenements (Figure 1). The two tenements are wholly owned by the Company and are subject to a 1.5% NSR royalty held by Newcrest Mining Limited.

On 14 May 2015 the Company announced it had commenced a drilling programme targeting both deposits and also released a combined Exploration Target for the Barns and Baggy Green prospects(1).

The May 2015 Exploration Target was estimated using historical drill results and interpreted 3-D models of the broad mineralised envelopes that enclose multiple mineralised zones at both the Barns and Baggy Green deposits.

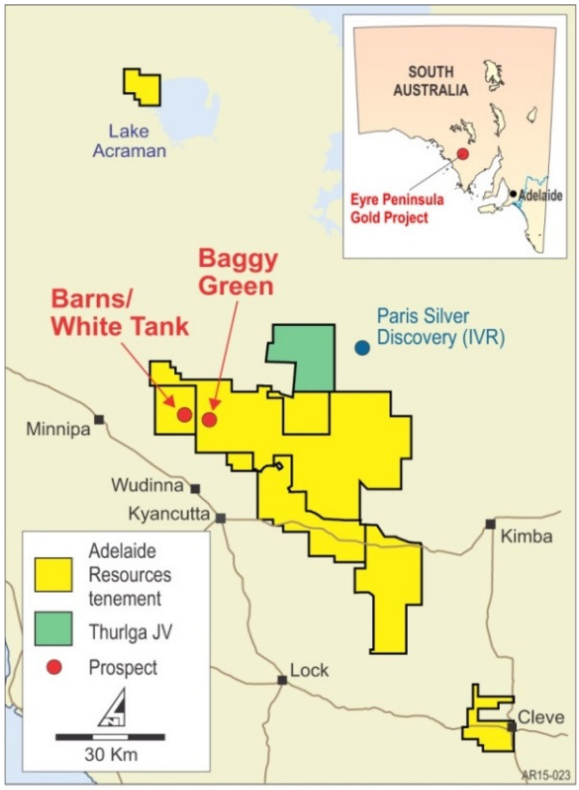

Figure 1: Eyre Peninsula Gold Project location plan.

To a depth of 200 metres below surface the Company estimated a combined Exploration Target ranging from 20 to 40 million tonnes at a grade ranging from 0.4g/t gold to 0.6g/t gold within the Barns, White Tank and Baggy Green prospects.

The May 2015 announcement noted the presence of narrow but higher grade lodes separated by weakly mineralised intervals contained within the broad mineralised envelopes. It further suggested that the presence of these zones may allow the future estimation of a smaller tonnage but higher grade resource than the large low grade target.

Examples of historical intersections of such higher grade material included 5 metres at 27.4g/t gold at Barns and 10 metres at 4.82g/t gold at Baggy Green.

On 24 July 2015(2) the Company released the results of its drilling programme and confirmed that gold mineralisation had been intersected in all seven holes drilled. A best intersection of 16.1 metres at 3.06g/t gold was reported at Barns.

New modelling completed

New modelling of the Eyre Peninsula exploration drill data, incorporating the 2015 drill programme results, has been undertaken to determine if it is possible to define lower tonnage but higher grade zones within each of the three deposits.

Barns prospect

Figure 2 is a cross section at Barns that shows the typical distribution of mineralisation at the prospect. Mineralised zones include an upper, relatively flat lying, supergene zone above four primary zone lodes which dip to the west.

The boundaries of the mineralised zones shown on the section are taken from the new mineralisation model.

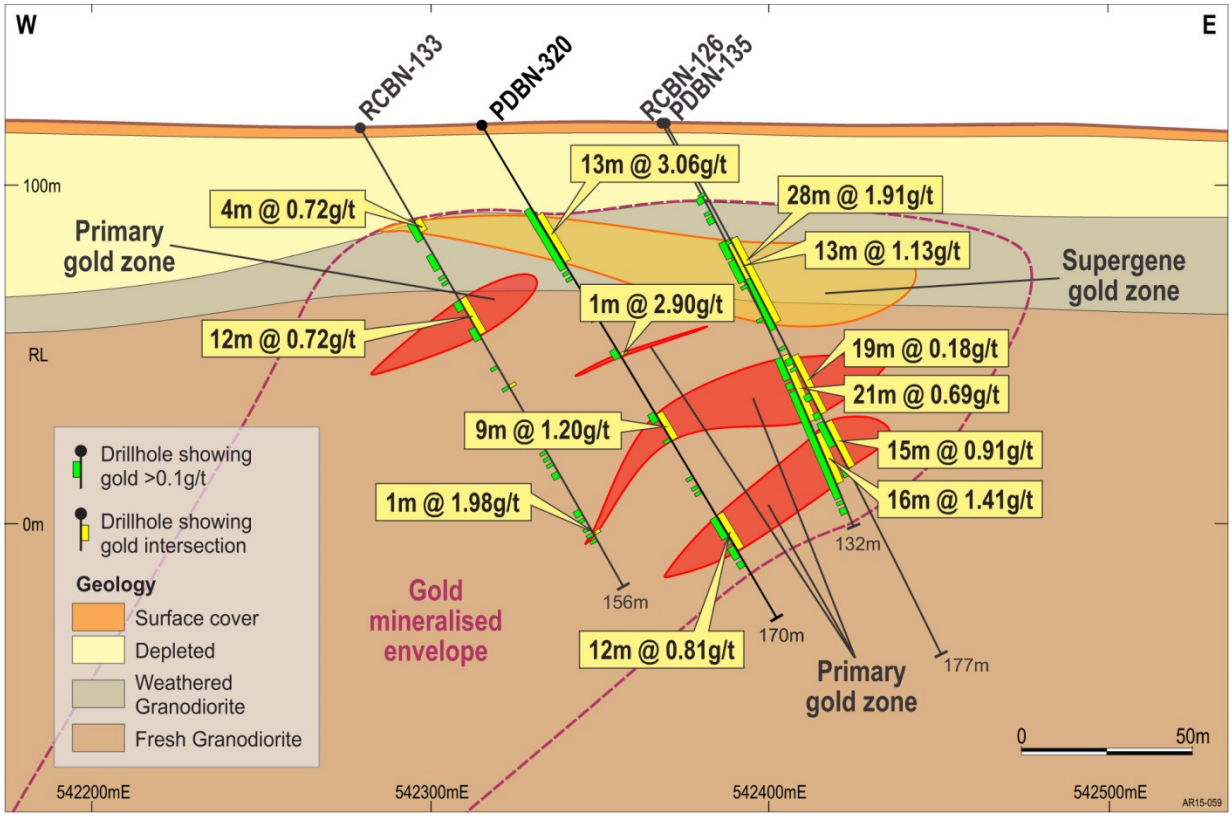

Figure 2: Barns prospect – Section 6366120mN looking north.

The supergene zone ranges from 1 metre to 20 metres in thickness, while the deeper stacked west dipping lodes also range in thickness from 1 metre to 20 metres.

Figure 3 shows an oblique 3D view of the new Barns mineralisation model which has an overall strike length of 300 metres. The supergene zone is shown in yellow, and the dipping primary lodes as red volumes.

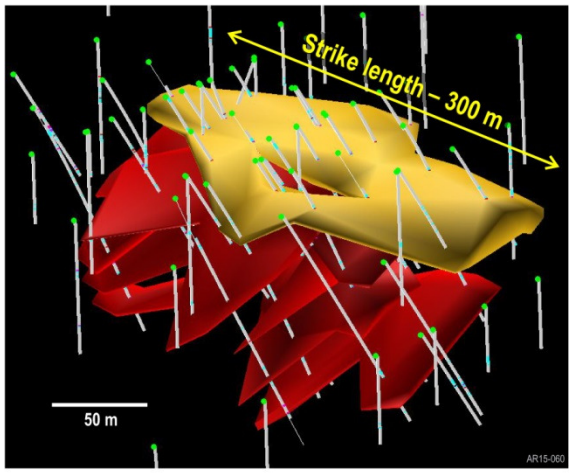

Figure 3: Barns prospect 3-D model.

White Tank prospect

The White Tank prospect lies about 1,000 metres south of the Barns prospect. Although White Tank is likely to be significantly smaller than Barns, it includes some higher grades of mineralisation and so has been included in the new model.

White Tank comprises an upper flat lying supergene blanket of gold mineralisation above a lower primary lode (Figure 4).

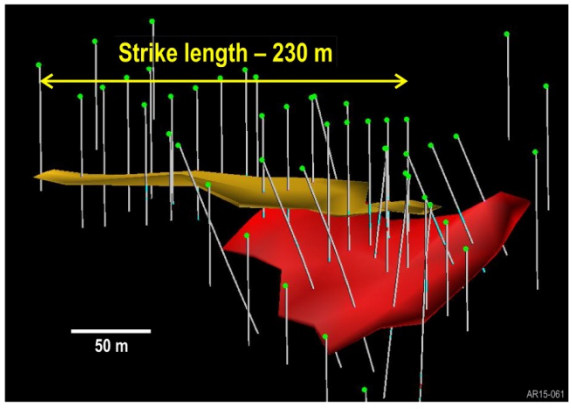

Figure 4: White Tank prospect 3-D model.

Baggy Green prospect

The Baggy Green prospect remains more coarsely drilled than Barns or White Tank and currently comprises two main sections which are 200 metres apart.

Mineralised zones at Baggy Green include a well-developed supergene zone and one or two shallowly west dipping primary zones of gold mineralisation.

Updated Exploration Target

The new higher grade mineralisation model has been used to estimate an updated combined Exploration Target.

To a depth of 200 metres below surface the new Exploration Target is estimated to contain between of 2.5 and 3.5 million tonnes at a grade ranging between 1.3g/t gold and 2.0g/t gold. The potential tonnage and grade of the new Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource, and it remains uncertain if further exploration will result in the estimation of a Mineral Resource. Details of the historical exploration information used in the target estimate are included in Appendix 1.

Potential exists to increase the size of the possible resource and other targets in the immediate vicinity may contribute additional resources.

For example historical drilling has recorded gold intersections at Barns West (7 metres at 2.23g/t gold), Barns South (8 metres at 1.81g/t gold), and Baggy Green North (10 metres at 2.56g/t gold). The location of these prospects is shown relative to the new models for Barns, White Tank and Baggy Green on Figure 5.

A drilling programme to test the validity of the Exploration Target and further explore the nearby prospects is planned, with the programme timing likely to be in early 2016 after completion of the cereal harvest.

Funds raised through the currently open Share Purchase Plan offer will in part be used to undertake this work.

Shareholders are reminded that the Share Purchase Plan closes at 5:00 pm (CST) on Friday 16 October, and are encouraged to participate.

Figure 5: Eyre Peninsula gold prospect plan.

APPENDIX 1
Details of historical exploration upon which the Exploration Target is based

Ownership
The Exploration Licences the Barns, White Tank and Baggy Green prospects are 100% owned by Peninsula Resources Limited, a wholly owned subsidiary of Adelaide Resources Limited. Newcrest Mining Limited holds a 1.5% NSR Royalty over any future production.

The Barns and White Tank prospects fall on perpetual crown leasehold land used for cereal cropping. The Baggy Green prospect is located in the Pinkawillinnie Conservation Park, a dual proclamation park where exploration and mining activities are allowed subject to meeting SA Government imposed environmental conditions.

Native Title is extinguished on perpetual crown leasehold but may exist in Pinkawillinnie Conservation Park. The Company has entered into a Native Title Agreement with the NT Claimants to Pinkawillinnie Conservation Park. Aboriginal heritage surveys have been completed over all three prospects with no sites of significance located in the immediate vicinity of the prospects.

Discovery history
The Barns prospect was discovered in 2000 when RAB drilling of a soil calcrete gold anomaly confirmed the presence of significant sub-surface mineralisation. Initial intersections included 8 metres at 3.0g/t gold and 7 metres at 1.8g/t gold. The nearby White Tank prospect was discovered in 2003 with early intersections including 7 metres at 10.0g/t gold and 7 metres at 3.1g/t gold.

A joint venture with Newmont Mining Australia commenced in 2003, with the Baggy Green prospect discovered in 2004 when drilling of a large calcrete gold geochemical anomaly returned intersections of 8 metres at 4.79g/t gold and 11 metres at 2.3g/t gold.

Historic exploration activity
Surface geochemistry at Barns, White Tank and Baggy Green comprises calcrete sampling with samples collected at various spacings down to a minimum of 100 metres x 100 metres. The discovery of all three prospects can be chiefly attributed to the testing of these geochemical gold anomalies.

Drilling, predominantly utilising rotary air blast, aircore and reverse circulation methods, has been completed at each prospect. The table below details the number of holes and metres drilled for each drill method at each of the three prospects. In some instances shallow reverse circulation holes were drilled to the base of weathering instead of RAB or aircore holes and these RC holes are therefore included in the bedrock geochem holes totals.

Prospect	No. of bedrock geochem holes (RAB, aircore, shallow RC)	No. of RC holes testing fresh rock	No. of diamond holes
Barns	132 (7767 metres)	55 (6842 metres)	7 (1328 metres)
White Tank	57 (3165 metres)	7 (934 metres)	3 (542 metres)
Baggy Green	225 (9479 metres)	34 (4569 metres)	0 (0 metres)

Drill hole collars were pegged using DGPS or occasionally GPS instruments, with most collars also surveyed with DGPS after completion of drilling. Deeper RC and diamond holes were surveyed using down hole camera/compass systems. All drill holes were geologically logged with information relating to lithology, weathering, alteration and where possible

structure captured. Representative geological samples for all aircore, RAB and RC holes were collected in chip trays which remain in the Company's possession. Drill core form the diamond holes at Barns and Baggy is also in storage.

Drilling at Barns is on east-west traverses spaced between 50 and 200 metres apart. Drilling at Baggy Green is on east-west traverses nominally spaced 200 metres apart. Drilling at White Tank is on east-west, north-south and northwest-southeast traverses spaced down to 50 metres apart.

Assay samples from bedrock geochemical holes were normally collected as initial 6-metre composites, with 1-metre resplit samples submitted if the composites returned anomalous metal. A significant number of assay samples were collected by riffle splitting. Assay samples from the deeper RC holes were generally collected as 1-metre samples. Where deeper RC hole return was dry, it was riffle split to deliver a sub-sample for assay. Wet samples which could not be riffle split were sampled by hand.

Diamond core was HQ or NQ2 diameter with assay samples collected by sawing the core in half. Assay sample intervals from one of the diamond holes at Barns were selected based upon geological boundaries, while assay intervals for the other diamond holes were 1-metre samples.

Samples were assayed for gold using industry standard charge weights with AAS finish. Occasional samples were assayed using screened fire methods when the presence of coarse gold was known or suspected. A suite of other elements were determined on a subset of the samples, normally the bedrock geochemical holes but also some of the deeper RC and diamond holes, using ICP-OES and ICP-MS analytical methods. Standards, blanks and duplicate QA/QC samples were introduced on a regular basis. QA/QC work suggests acceptable laboratory performance was the norm. Significant variation in gold grade was occasionally observed in multiply assayed samples and this is attributed to the presence of coarse native gold.

Metallurgy

Metallurgical testwork is limited to testing of two composited samples from Baggy Green and one from Barns. This limited work gave overall recoveries for gold from 94.4% to 97.2%. Potentially deleterious elements are low at the three prospects. Anomalous copper, generally at concentrations in the hundreds of ppm but occasionally over 0.1%, is present in the gold mineralisation at Baggy Green.

Deposit modelling and establishment of the Exploration Target

3-Dimensional modelling of the supergene and primary lodes of gold mineralisation at the three prospects was completed using Micromine software. The models extended to a maximum depth of 200 metres below surface.

A density factor of 2.2 was applied to the supergene lode modelled volumes and a density factor of 2.6 applied to the primary lode modelled volumes to arrive at a figure in the middle of the Exploration Target tonnage range. Barns contributes approximately 75%, Baggy Green approximately 18%, and White Tank approximately 7% of the total Exploration Target tonnage. The Exploration Target grade was estimated by length weighted averaging the gold grades of all samples that fall within the model volumes, then expressing this figure as a range to take account of uncertainty.

Competent Person Statement and JORC 2012 notes

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drown is employed by Drown Geological Services Pty Ltd and consults to the Company on a full time basis. Mr Drown 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 Drown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

(1) Information relating to the Exploration Target and past exploration required to ensure compliance with JORC2012 was disclosed in ADN's 14 May 2015 ASX release titled "Diamond drilling commences at Barns and Baggy Green gold prospects."

(2) Information relating to the Exploration Target and past exploration required to ensure compliance with JORC2012 was disclosed in ADN's 24 July 2015 ASX release titled "16 meters at 3g/t gold in Eyre Peninsula Drilling Results."

1 JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand held 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.*	• Aircore, RAB, RC and diamond drilling was used to obtain 6 metres composite and 1m samples which were pulverised to produce sub samples for lab assay (nominal 50g charge for gold fire assay with AA finish). Some samples were also assayed for a suite of other elements using multi-acid digest of small weight charges finished with ICP-OES and ICP-MS). • Some screened fire assays were completed were coarse gold was suspected to be present. • RC and many of the aircore and RAB samples were riffle split if dry. Wet samples were sub-sampled using trowels. • Diamond core was sawn in half, with half core submitted for assay. • The entire length of each hole was assayed.
Drilling Techniques	• *Drill type (air core, reverse circulation, open-hole hammer, rotary air blast , auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube,*	• Drill methods includes aircore and RAB in unconsolidated regolith, and aircore hammer

	depth of diamond tails, face sampling bit or other type, whether core is orientated and if so, by what method, etc).	(slimline RC) in hard rock. Some shallow RC holes were drilled in place of aircore and RAB • Hole diameter for aircore was 90mm. RC hole diameters were generally 5 to 5.5 inch and face sampling hammers were employed. • Diamond core was NQ2 diameter. Efforts to orient the drill core were made using ezymark tools with varying success
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 sample.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of coarse/fine material.*	• Qualitative assessment of sample recovery and moisture content of all drill samples was recorded. • Sample system cyclone cleaned at end of each hole and as required to minimise down-hole and cross-hole contamination. • Core recovery was not calculated, but was very high. • No relationship is known to exist between sample recovery and grade. • Results of three twinned RC-diamond hole pairs indicates that RC samples may be under-sampling gold, as the diamond holes returned between 30% and 70% higher grades for equivalent intervals.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were geologically logged by on-site geologist, with lithological, mineralogical, weathering, alteration, mineralisation and veining information recorded. The holes have not been geotechnically logged. • Geological logging is qualitative. • Chip trays containing 2m geological sub-samples of aircore, RAB and RC holes were collected and photographed at the completion of the drilling programme. • 100% of any reported intersections (and of all metres drilled) have been geologically logged.
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary*	• Samples from aircore, RAB and "bedrock" RC holes were collected as 6 metre

and sample preparation	*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 representativity 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.*	composites followed by 1 metre resplits. Many of the 1 metre resplits were collected by riffle splitting. RC samples were collected by riffle splitting if dry, or by trowel if wet. Diamond core was sawn in half to present a1/2 core assay sample. • Laboratory sample preparation included drying, crushing if ½ core, and pulverising of submitted sample to target of P80 at 75um. • Pulverised samples were routinely checked for size after pulverising.. • Duplicate and standard samples were introduced into sample stream by the Company, while the laboratory completed double assays on many samples. • Both Company and laboratory introduced QAQC samples indicated acceptable analytical accuracy. • Laboratory analytical charge sizes were standard sizes and considered adequate for the material being assayed, although the presence of coarse gold was suspected in some samples based on variability in grade of multiply assayed samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and mode, reading times, calibration factors applied and their derivation, etc.* • *Nature and 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.*	• Standard laboratory analyses completed for gold (fire assay). • The laboratory analytical methods used are considered to be total. • For laboratory samples the Company introduced QA/QC samples (standards, blanks, duplicates) at a ratio of one QA/QC sample for every 24 drill samples. The laboratory additionally introduced QA/QC samples (blanks, standards, checks). • Both the Company introduced and laboratory introduced QA/QC samples indicate acceptable levels of accuracy and precision have been established.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.*	• A Company geologist has checked the calculation of the

and assaying	• *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.* • *Discuss any adjustment to assay data.*	quoted intersections in addition to the Competent Person. • Three twinned holes (RC-diamond pairs) were drilled at the Barns prospect. Assay results show that the grade of diamond holes is significantly higher than the grade of equivalent intervals in the adjacent RC holes. • No adjustments have been made to the laboratory assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars were normally pegged using DGPS with an accuracy of +/- 0.5 metres. • Downhole surveys were completed for deeper RC and diamond holes. • The co-ordinate system used during the historic exploration programs was AMG84(Z53). • The co-ordinates have been converted to MGA94 datum and all the tables and plans presented in the report use MGA94(Z53) co-ordinates. • Collar RLs are estimates based upon a high resolution DTM acquired as part of an historic airborne geophysical survey.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification applied.* • *Whether sample compositing has been applied.*	• Drill lines at Barns are spaced 50 metre apart with variable along line drill spacing. • Drill lines at Baggy Green are nominally 200 metres apart with variable along line drill spacing. • Hole spacings are considered adequate to allow confident interpretation of lithological and grade boundaries used in estimation of the Exploration Target. • No sample compositing has been applied.
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*	• Drill lines oriented east-west across NNE-SSW trending mineralised zones at both Barns and Baggy Green. • It remains unknown if there

	and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	exist internal mineralised structures at different orientations to the overall strike of mineralisation.
Sample security	• *The measures taken to ensure sample security.*	• Company staff collected or supervised the collection of all laboratory samples. • Samples submitted to the laboratory samples were transported by a local freight contractor. • There exists no suspicion that the historic samples were tampered with at any stage.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• Three twinned holes (RC-diamond pairs) were drilled at the Barns prospect. Assay results show that the grade of diamond holes is significantly higher than the grade of equivalent intervals in the adjacent RC holes.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section may apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements of material issues with third parties such as joint ventures, overriding royalties, native titles 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 license to operate in the area.*	• The Barns prospect falls in EL 5092 and the Baggy Green prospect falls in EL 5120. Both tenements are owned 100% by Peninsula Resources limited, a wholly owned subsidiary of Adelaide Resources Limited. • Newcrest Mining Limited retains a 1.5%NSR royalty over future mineral production from both licences. • The Barns prospect falls on Perpetual leasehold land used for cereal cropping • The Baggy Green prospect is located within Pinkawillinnie Conservation Park, a dual proclamation park where exploration and mining activities are allowed subject to meeting environmental conditions imposed by the SA Govt. • Native Title is extinguished on Perpetual Leasehold land (Barns) but may exist in Pinkawillinnie Conservation Park (Baggy Green). A Native Title Agreement has been negotiated with the NT

		Claimant and has been registered with the SA Govt. • Aboriginal heritage surveys have been completed over both prospects with no sites located in the immediate vicinity of the prospects. • A Compensation Agreements is in place with the relevant agricultural landowner. • ELs 5092 and 5120 are in good standing.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• On-ground exploration completed prior to Adelaide Resources' work was limited to 400 metre spaced soil geochemistry completed by Newcrest Mining Limited over the Barns prospect.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Barns and Baggy Green prospects are considered to be either lode gold or intrusion related gold deposits related to the 1590Ma Hiltaba/GRV tectonothermal event. Gold mineralisation is structurally controlled and associated with significant alteration of host rocks.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting and northing of the drill collar* o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* o *Dip and azimuth of the hole.* o *Down hole length and interception depth.* o *Hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A summary of the number of holes and metreage broken down into the different types of historic drilling appears in the table in Appendix 1. • Tables 1 and 2 in the Appendix list historic drill intersections, with the notes below the tables including the details of their construction. The tables include information on Easting, Northing, elevation, dip, azimuth, intersection length and position down hole, and total hole depth. • The collar locations of programme drill holes the subject of the report are shown on Figures 2 to 6 of the report, with MGA94 co-ords listed in Tables 1 and 2 of the Appendix.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical*	• Intersections are calculated by length weighted averaging of individual (normally 1-metre) assays. • No cutting of assays has been employed. • Sub-intervals of higher grade are contained in Table 2 of the Appendix.

	examples of such aggregations should be shown in some detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Figures 2 to 4 of the report illustrate the orientation of drilling with respect to interpreted mineralisation orientation, while the interpreted orientation of the mineralisation is also discussed in the report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate plans and sections with scales appear as Figures 1 to 6 in the report. Tabulations of historic intersections appear as Tables 1 and 2 in the Appendix.
Balanced Reporting	• *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.*	• The listing of intersection in Table 1 includes all holes that intersect the interpreted mineralised envelopes at the Barns and Baggy Green irrespective of grade. The criteria used to determine if an intersection is listed in Table 2 is disclosed in the footnote to the table.
Other substantive exploration data	• *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, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The results of limited historical metallurgical testwork are summarised in the Appendix. The absence of potentially deleterious elements in the mineralisation is reported in the Appendix. • The results of historical geophysical surveys (magnetics and IP) are not reported as they are not considered to be material at the scale of the two prospects
Further work	• *The nature and scale of planned further work (eg tests of 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.*	• The report advises that a program of diamond drilling has commenced as a first step in validating the Exploration Target included in the report.