ASX ANNOUNCEMENT

Yandal Gold Project
Corboys Update - 23 August 2016

Highlights

- **Independent Resource and Optimisation studies on the Corboys completed;**

  An updated resource extending from the surface to an average depth of 120m was calculated to contain a total of 2.14Mt @ 1.82 g/t Au for 126,000 oz, using a bottom Au cut of 1.0 g/t. This represents a 58% increase in contained gold from Metaliko's initial 20 February 2015 resource estimate (1.5Mt @ 1.65 g/t for 79,500 oz). The breakdown of the updated resource using the 1g/t cut is given below:

  - ***Indicated Resources 1.67 Mt @ 1.8 g/t Au***
  - ***Inferred Resources 0.47 Mt @ 1.91 g/t Au***

- **An optimisation analysis using this new ore block model returned a promising range of results using industry standard operating and processing costs. The optimum shell (105m vertical depth) indicated that approximately 1.98Mt @ 1.58 g/t Au could be mined and processed for 94,700 oz of recovered gold for a net profit of $32.7m (including an estimated $4.5m in Capital Cost Items). The gold price used was AUD $1600/oz.**

- **Corboys is open at depth with several shoots recording high grade RC intercepts. A number of new lodes have also been delineated at around 30-60m depth. Further resource drilling is planned at Corboys and Corboys North.**

Cautionary Statement

The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments and is insufficient to support estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. Further, the Company cautions that there is no certainty that the forecast financial information derived from production targets will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets are set out in this announcement. The estimated mineral resources underpinning the Scoping Study production targets have been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules.

Metaliko has concluded it has a reasonable basis for providing the forward looking statement included in this announcement (also see Forward Looking Statement Cautionary Statement provided as an Appendix to this Announcement).

There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated mineral resources or that the production target itself will be realised.

159 Stirling Highway, Nedlands WA 6009
PO Box 1104, Nedlands WA 6909
Tel: +61 8 9386 9527
Fax: +61 8 9386 9473
E: admin@metaliko.com.au
ACN 120 974 567

1.0 Corboys Update

Metaliko Resources Limited **(ASX: MKO)** ("Metaliko" or the "Company") is pleased to provide an update for the Yandal gold project in Western Australia. The Company has been actively exploring both new and historic prospects within the +800km^2 project area that includes the 2.3 Mtpa Bronzewing CIL/CIP treatment facility ("BZW").

Corboys is located on a granted mining lease (M53/15) and is our most advanced gold prospect having drilled 83 RC holes for 4,676m since 2015 in an effort to improve the Corboys economics. Our initial review in 2015 (prior to Metaliko drilling) showed that Corboys hosted an Indicated Resource of 1.5Mt @ 1.65 g/t for 79,500 oz Au using a 1 g/t cut (see ASX announcement - 20 February 2015). This was significantly less than the resources calculated by the previous operator. The current upgraded resource of 2.14Mt @ 1.82 g/t Au directly reflects the additional drilling by Metaliko since 2015. Despite the significant resource, Corboys has not been mined in the modern era.

Corboys comprises multiple east dipping shoots, typically hosted by thin quartz veins/stockworks and shear zones (see Figure 1, Photo 1). The average width is 2-6m, but can blow out to 10-15m in certain areas particularly where cross structures are located. The host rock is typically granite, but there are significant tonnages also located within basalts and amphibolites. The strike is dominantly NNW. Many of the lodes are open and often better grades occur at depth.

Recently Metaliko has had success at the previously undiscovered Corboys North (approximately 900m north of Corboys) where holes CBRC1579 (7m @ 2.91 g/t Au and 3m @ 3.18 g/t Au) and CBRC1603 (5m @ 2.11 g/t Au) display similarities to Corboys and provides an additional exploration opportunity.

Hawker Geological Services (HGS) were contracted to compile an updated resource estimate for Corboys. Mineralised string files were compiled by Metaliko and provided to HGS who examined them, made corrections and provided an independent appraisal. The outlines were then wireframed and block models assigned. Several methods such as Ordinary Kriging and Inverse Distance (ID2 and ID3) techniques were used for the interpolation. The results compared favourably with each other Table 1 summarises the Ordinary Kriging resource breakdown.

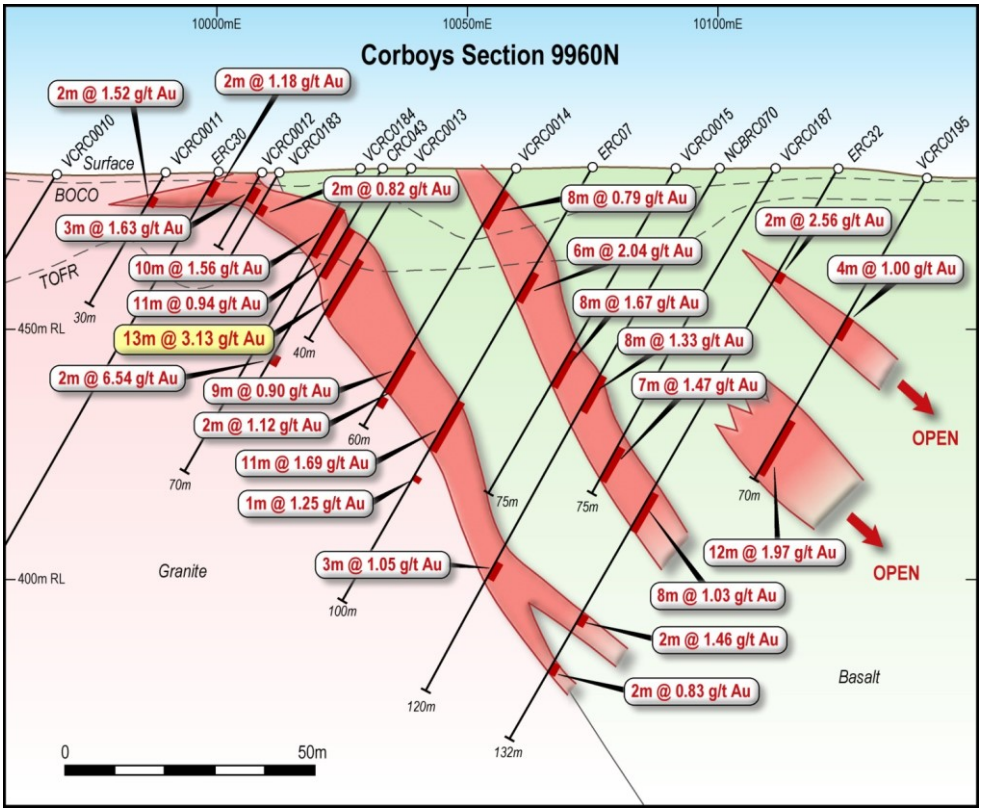

Figure 1. Typical Corboys cross section showing multiple lodes open at depth.

Photo 1. Quartz vein in granite assaying 22.2 g/t Au exposed in small costean at Corboys

Table 1. Corboys JORC 2012 Resource Breakdown (Ordinary Kriging)

Total Indicated OK - 21 g/t Upper Cut

cutoff	Tonnes	Au (g/t)	Ounces
0	3,661,653	1.16	136,482
0.1	3,657,599	1.16	136,477
0.2	3,622,990	1.17	136,294
0.3	3,495,774	1.2	135,215
0.4	3,252,336	1.27	132,467
0.5	2,989,252	1.34	128,670
0.6	2,712,678	1.42	123,770
0.7	2,458,501	1.5	118,450
0.8	2,198,736	1.59	112,195
0.9	1,925,420	1.69	104,734
1	1,676,374	1.8	97,128
1.5	846,658	2.38	64,743
2	490,388	2.85	44,996
2.5	274,982	3.35	29,642
3	149,821	3.88	18,685

Total Inferred OK - 21 g/t Upper Cut

cutoff	Tonnes	Au (g/t)	Ounces
0	1,206,676	1.11	42,872
0.1	1,199,028	1.11	42,855
0.2	1,183,301	1.12	42,781
0.3	1,141,361	1.16	42,437
0.4	1,056,995	1.22	41,499
0.5	942,748	1.31	39,857
0.6	830,443	1.42	37,860
0.7	716,342	1.54	35,483
0.8	613,237	1.67	32,997
0.9	543,465	1.78	31,083
1	467,559	1.91	28,777
1.5	253,709	2.49	20,320
2	160,027	2.94	15,128
2.5	94,482	3.42	10,388
3	59,761	3.82	7,332

The result is pleasing in that Metaliko has achieved a 58% increase in the resource inventory at a discovery cost of around $6/oz. The resource has lifted in grade due to stronger mineralisation often found in the deeper holes. Further resource upgrades are expected when recently delineated ore shoots are followed up.

Following receipt of the resource results, the OK block model was provided to Intermine Consultants for a Whittle optimisation. Standard industry costs were applied for earthmoving, drill and blast, processing, rehabilitation etc. The results are encouraging with the optimum shell (shell 36) being a maximum 105m deep and spanning over 1,050m in length.

2.0 Cost Estimates and Optimisation Results for Shell 36

The key results from the Whittle optimisation, in particular shell 36, indicated:

- Net profit of $32.7m based on a AUD$1600/oz gold price including capital costs (see below).
- 1.98Mt of ore could be mined at an average grade of 1.58 g/t Au for 94,700 oz of recovered gold.
- A production (mining/processing) cash cost of $1207/oz Au.
- The average production cost would be $57.7/tonne of milled ore.
- A strip ratio of 5.6:1.
- Depending upon external factors such as third party toll treatment or leasing the plant (see ASX announcement 30 June 2016), Metaliko tentatively suggests Corboys could be treated at a rate of 750,000 tpa.
- The percentage breakdown of Indicated ore and Inferred ore is shown below in Table 2.

Table 2. Percentage breakdown of Indicated ore and Inferred ore

RL	Indicated Ore	Inferred Ore
480-440	85%	15%
440-400	88%	12%
400-375	68%	32%

The capital costs are estimated to be around $4.5M with the main items being:

- Mobilisation of Earthmoving Equipment $0.5M
- Haul Road Construction (8.4km) and Upgrade of Barwidgee Road (36km) $1.2M
- Site Infrastructure (Workshops, Offices, Crib, Power, Water Bores, Turkeys Nest) $1.5M
- Working Capital $0.8M
- 15% Contingency $0.5M

Note Information Sheet 214 Funding Discussion: Based on anticipated expenditures before first production, additional funding will be required to bring the Corboys Gold Project into production. The Company's current market capitalisation of approximately $30 million is significantly greater than the total capital required. As a result, the entity believes there are reasonable grounds for concluding that funding will become available to the entity as and when it is required by the Project's development or production schedules.

No village will be required at Corboys as personnel are housed in the Bronzewing Village approximately 45km south of Corboys and will commute daily. Contractor yards, sheds, diesel storage tanks, offices and various facilites are also available at the Bronzewing Plant.

Whittle optimisation evaluations parameters included.

- Gold price of AUD $1600/oz.
- Metallurgical recovery of 94%.
- Royalties of 5.5% including 2.5% to the State of WA.
- Mining recovery of 95% and 5% dilution of ore.
- Haulage and treatment cost of $28-$32/t ore depending on the ore type.
- Load/haul and drill/blast costs were assigned from the surface at variable rates and in line with industry standards.
- Rehabilitation, Grade Control, Dewatering, Dayworks and Administration Costs were all included.
- Shell slopes varied from 40° – 53° according to the rock (fresh/weathered) characteristics.

In terms of moving Corboys forward, an Environmental consultant has been engaged to assist in preparation of a Mining Proposal and Mine Closure Plan for submission to the Department of Mines and Petroleum. Metaliko has also commenced a PFS study which will detail the metallurgy, milling characteristics, geotechnical, hydrology, mine design and scheduling parameters. Much of this data was compiled in 2010 where a Mining Proposal was lodged but subsequently withdrawn. Some shallow drilling in the top 60m may also be undertaken later this year to enhance the economics prior to a formal pit design being generated.

At Woorana a small indicated resource has been calculated for the two areas drilled by Metaliko and are summarised in Table 3 below. Woorana remains open along strike but with diminishing grades. Several new targets in the area have been identified and will be tested in due course.

Table 3. Yandal Project Global Resource Summary August 2016

Location	Indicated		Inferred		Total		Contained Oz Au
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	
Corboys[1]	1,676,000	1.80	468,000	1.91	2,144,000	1.82	125,745
Woorana North[2]	255,700	1.68			255,700	1.68	13,813
Woorana South[2]	37,000	2.63			37,000	2.63	3,129
Total Insitu Resource	**1,968,700**	**1.80**	**468,000**	**1.91**	**2,436,700**	**1.81**	**142,687**

1. 1.0 g/t minimum cutoff
2. 0.5 g/t minimum cutoff

For further information, please contact:

Michael Ruane, Director
admin@metaliko.com.au
Office Phone +61 8 9386 9527

Modifying Factors
The mined material is based on existing Mineral Resources provided within this announcement, and there has been no conversion of the Mineral Resource to Ore Reserves as a result of this Study. Key mining parameters used in the Study are as follows.

The Corboys Mineral Resource model included the following modifying factors:

- Cut-off grade of 1.0g/t Au
- Mining dilution of 5%
- Mining loss of 5%
- Overall pit slope angles are 40-53°
-

Key Risks
Key risks identified during the course of the Study include, but are not limited to:

- USD Gold price and USD:AUD exchange rate
- Changes to capital and operating costs
- Conversion of existing Resources to Reserves
- Metallurgical recoveries
- Project financing
- Regulatory approvals

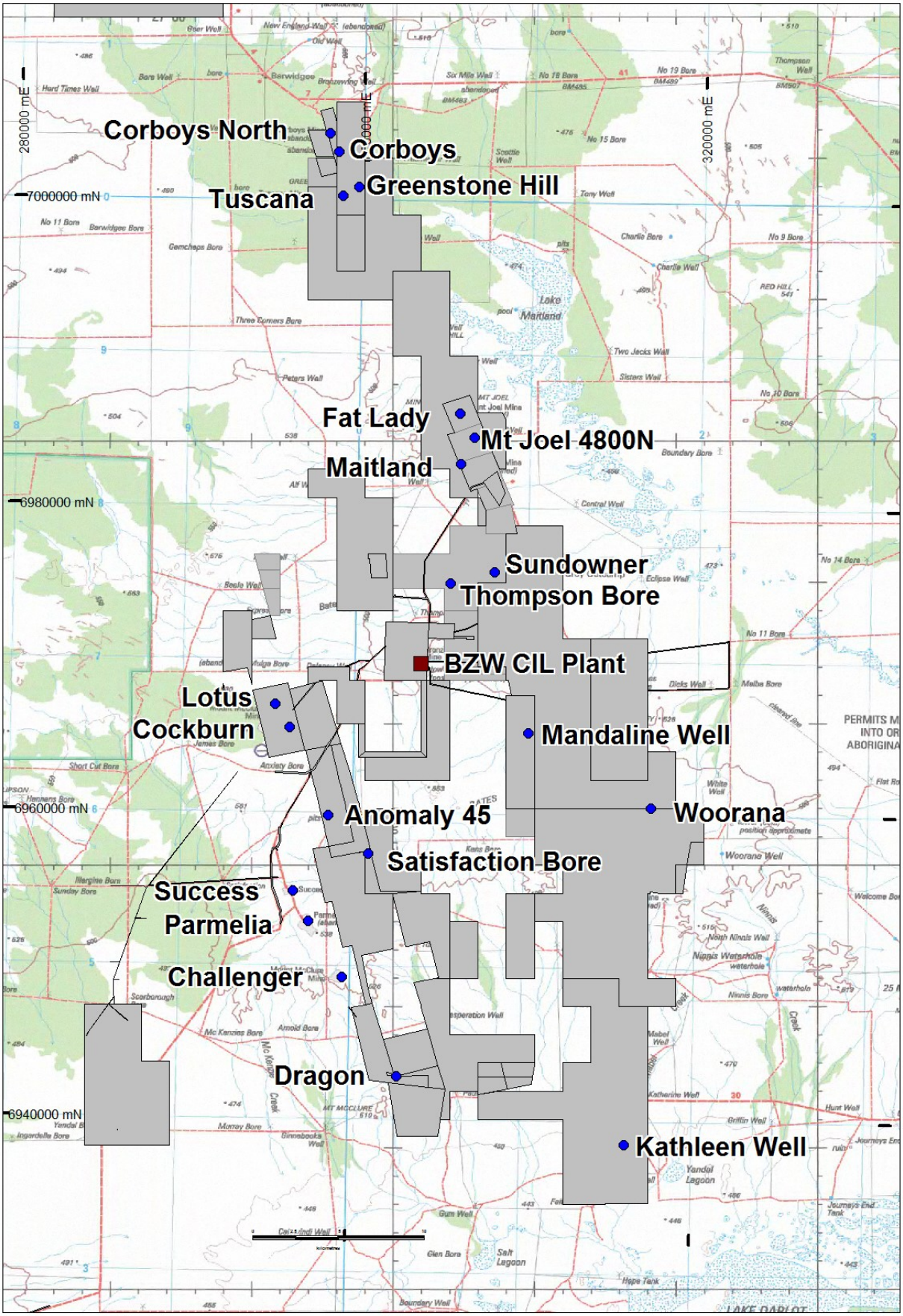

Figure 2. Yandal Project Location Diagram

3.0 Hawker Geological Services Summary Notes to the Corboys Mineral Resource Estimate

Interpretation

HGS received string interpretation based on 0.1-0.2g/t lower cuts and separated into indicated and inferred lodes. HGS checked the statistics on all data to identify a background gold value. Figure 1 confirms the background value used in the interpretation is acceptable.

Modifications to the strings were conducted to conform with post and pre sections in order to maintain structural continuity. Some strings were combined due to irregularities in the continuity and not conforming with the cutoff criteria. HGS created 4 new lodes, but are inferred only. String upper and lower extremity points required modifications to conform with previous points on the string; this also increases volume of the interpreted section slightly.

All strings were compared with pre and post sectional strings to maintain, where practicable, depth uniformity and structural continuity.

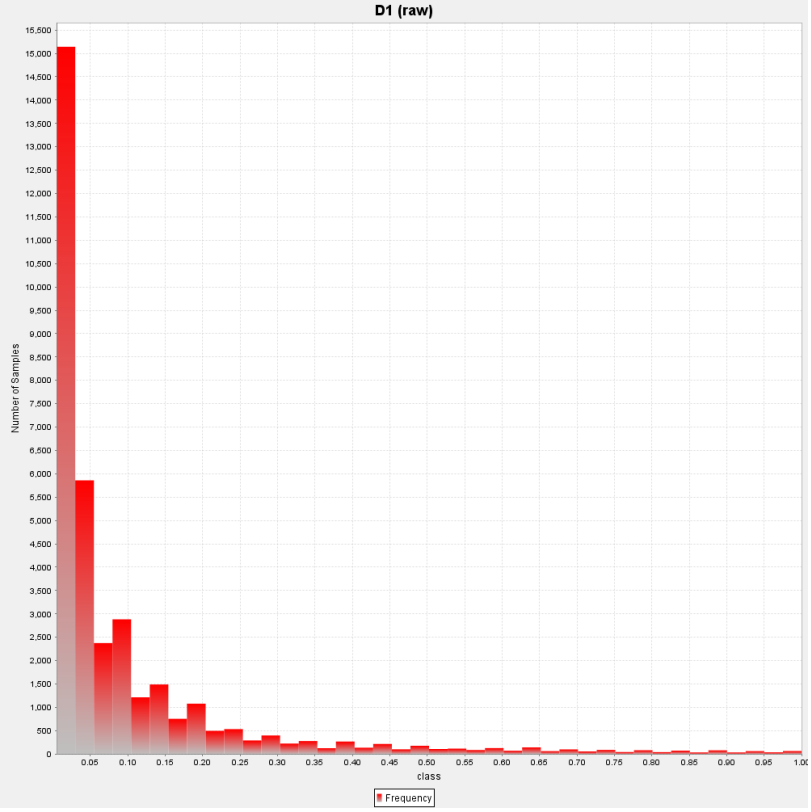

Figure 1: Histogram of all sample data to identify a natural background cutoff

Wireframing was conducted for each lode, validated and solids created. Sample data was flagged into the database for each lode and sample data extracted for each lode. The lodes were separated into indicated and inferred classifications initially based on the strings provided by Metaliko and on a lack of continuous data.

Statistics and Variography

Basic statistics were conducted on all data and individually within the preliminary identified indicated combined lodes. Both sets of data identified the upper cut to be 21g/t (Figure 2).

Variography was conducted on all data in the same azimuth, but this failed due to the overall orientation of the data compared to the lode orientations causing the variograms not orientating correctly and too much edge interference from neighbouring lodes. This was then conducted on the largest lode, Lode 4. The results were used in the interpolation on lodes in the same orientation.

The oblique, 030° orientation, lodes has variography conducted independently and the results used for the interpolations for these lodes only.

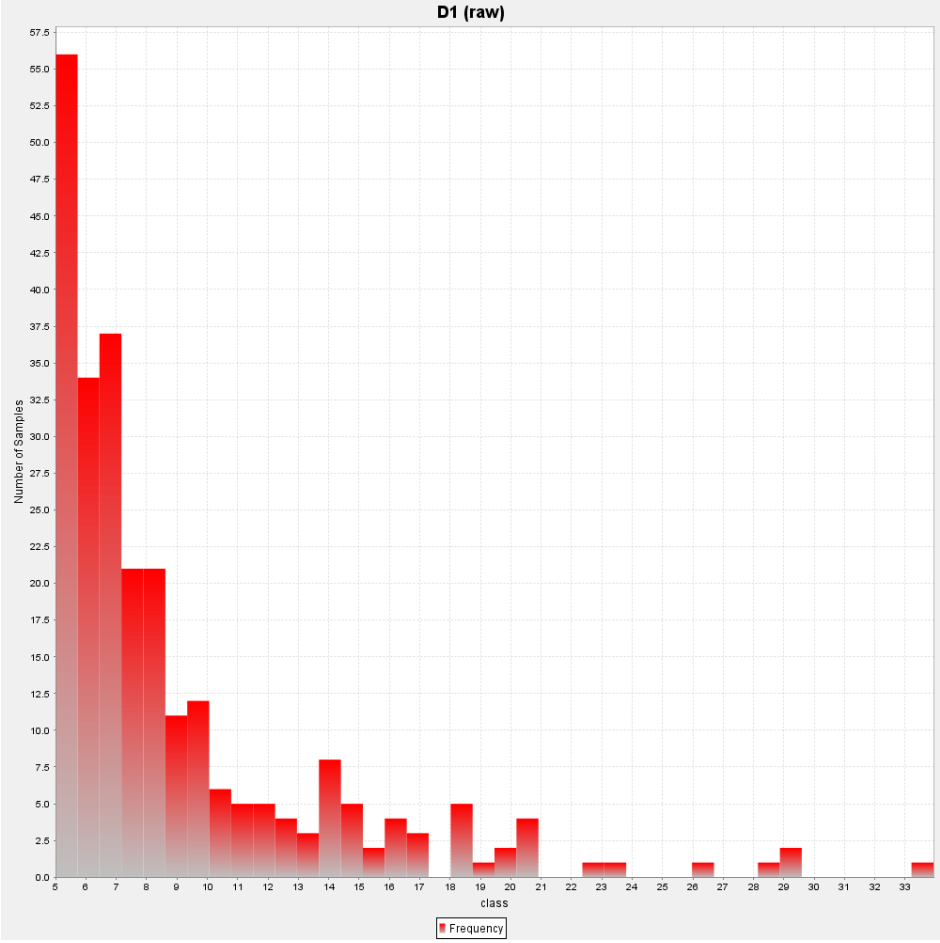

Figure 2: Histogram showing 21g/t upper cut at the point where data is no longer continuous.

Weathering Profiles

The provided profiles for TOPO, BOCO and TOFR were slightly modified to cover the dimensions of the wireframes and block model. This included extending the strings east and west and creating new strings 60m north and south. The north and south strings were copied from the previous end strings. Data terrain models (DTM's) were created for each profile.

Bulk Density

Bulk density data was taken from the supplied report *"Corboys Geology Report*" quoting the following:

- Oxidised Basalt 2.26g/cm³ used for the material above the BOCO weathering profile.
- Oxidised Granite 2.46g/cm³ used for the material between the BOCO and TOFR weathering profiles.
- Fresh Rock 2.76g/cm³ used for the fresh rock material below the TOFR weathering profile. The bulk density is an average of the fresh basalt and granite.

Block Model

A block model was created using Surpac Software version 6.6.2 with the following details and attributes:

Dimensions	North	East	RL
Minimum Coordinates	9600	9550	280
Maximum Coordinates	10700	10150	490
User Block Size	20	10	5
Min. Block Size	5	1.25	1.25

Attribute Name	Type	Decimals	Background	Description
ads	Float	3	-99	average distance to samples
au_cut_id2	Float	3	0	inverse distance squared interpolation using cut assay data
au_cut_id3	Float	3	0	inverse distance cubed interpolation using cut assaqy data
au_cut_ok	Float	3	0	ordinary Kriged interpolation using cut assay data
au_ok	Float	3	0	ordinary Kriged interpolation using uncut data
bv	Float	3	-99	Block Variance
classification	Integer	-	0	0=waste/air, 1-inferred, 2-indicated, 3-measured
dns	Float	3	-99	Distance to nearest sample
ke	Float	3	-99	Kriging efficiency
kv	Float	3	-99	Kriging variance
lode	Integer	-	0	0=waste/air. lodes are numeric based on string/solid number
nos	Integer	-	-99	Number of samples
pass_no	Integer	-	0	interpolation pass number
sg	Float	2	0	Bulk Densities: Oxide=2.26 trans=2.46 fresh=2.76
weathering	Integer	-	0	0=air, 1-oxide, 2-transition, 3=fresh

Block Optimisation

Surpac macros were created to aid in testing the sample data for optimised block size, maximum number of samples and maximum search. The latter 2 tests are for the first pass interpolations. The test involves comparing the Kriging Efficiency against the Conditional Bias Slope at the point where they are close to 1 and the results become static or flat. Two tests were conducted in the north and south within lodes 19 and 4 respectively. The results are as follows:

- Lode 19: Test location 9838N, 10028E and 441.5RL
  - Block size = 25m
  - Max number samples = 13-28
  - Max search 25m – 30m

- Lode 4: Test location 10478N, 10028E and 456RL
  - Block size = 30m
  - Max number samples = 22 at 25m and 30m
  - Max search 24m

Interpolation

Interpolations were conducted for each lode independently using macros and applied using ordinary Kriging (OK) with cut and uncut sample data, inverse distance squared (ID2) and inverse distance cubed (ID3). The inverse distance interpolations were conducted to validate the mathematically complex Kriging method with a simple mathematical method. ID3 is a good test interpolation method where nuggetty gold exists reducing the smoothing effect outside of the sample domain.

The following interpolation protocols were used for each interpolation pass:

- Pass 1: Min 10 to max 28 samples and a max 25m search. This is normally a good test for measured categorised deposits.
- Pass 2: Min 4 to max 28 samples and max 50m search.
- Pass 3: Min 4 to max 28 samples and max 100m search.
- Pass 4: Min 1 to max 10 samples. Max distance of 100m with an isotropic search. This fills in the blocks and can only be classified as inferred.

Classification

The string data was supplied categorised as indicated and inferred. After modification and interpolations, the indicated lodes were compared using the interpolation pass number and sample point data for outlier areas that only require an inferred classification. Four lodes required scrutinisation as they either lacked structural continuity, lacked sample point data or were interpolated in the fourth pass. The modified lodes were:

- Lode 15 below 395RL
- Lode 10 below 380RL
- Lode 5 below 370RL south of 9825N
- Lode 17 below 425RL

Investor Coverage

Recent news on the Company activities can be found on the Metaliko Resources Limited website http://www.metaliko.com.au/

About Metaliko Resources Limited

Metaliko acquired the Yandal Project in 2014 which included the Bronzewing 2.3mtpa capacity CIP/CIL plant, associated infrastructure, historic open pit and underground mines, numerous historic resources/prospects, an extensive geological database and Yandal exploration tenements. The Yandal tenements have produced >3.5 million ounces of gold from a number of deposits with processing at the Bronzewing plant in the period 1988 – 2013.

Strong potential remains at the Yandal Project to extend existing resources and make new economic disoveries. Metaliko's immediate focus is:

- *An extensive reassessment of the historical data base.*
- *Consolidate tenement holdings - Third Parties.*
- *Commence targeted exploration programs.*
- *Exploration will be aimed at making new significant gold discoveries.*
- *Assess resources close to surface for potential early cash flow opportunities.*
- *Assess current plant inventory and identify items that are surplus to requirements.*

In the period 2010-2013 the Bronzewing plant operated at nameplate capacity when ore was available – treating 5.3Mt of hard ore. The plant is on care and maintenance and remains in excellent condition.

Competent Person Statement
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Metaliko Resources Limited. Mr O'Farrell 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 O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Metaliko Resources Limited advises that resource parameters for the Corboys Deposit (2016) is based on information compiled by Mr Andrew James Hawker, a Competent Person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principal Geologist employed by HGS Australia. Mr Hawker 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 Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements
No representation or warranty is made as to the accuracy, completeness or reliability of the information contained in this release. Any forward looking statements in this release are prepared on the basis of a number of assumptions which may prove to be incorrect and the current intention, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside of Metaliko Resoures Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this release include known and unknown risks. Because actual results could differ materially to the assumptions made and Metailko Resources Limited's current intention, plans, expectations and beliefs about the future, you are urged to view all forward looking statements contained in this release with caution. The release should not be relied upon as a recommendation or forecast by Metaliko Resources Limited. Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

No New Information or Data
This announcement contains references to Mineral Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Appendix 1

JORC Code, 2012 Edition – Table 1
Section 1 – Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections, note data in this section is extracted from historic reports)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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.*	• Resource based on historical drilling and sampling - mostly being RC chips and diamond core.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Regular air & manual cleaning of cyclone or RC Drilling to remove hung up clays • Standards & replicate assays taken by the laboratory.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• RC chips and diamond core were geologically logged and sampled.
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Drilling of mainly quartz-sulphide veins and shears within greenstone hosted mineralisation.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• Reverse Circulation Drilling, Diamond Core Drilling
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.*	• Based on historic reports, but appears that the RC recovery and meterage was assessed by comparing drill chip volumes (sample bags) for individual meters. Good recoveries were recorded. Routine check for correct sample depths are undertaken every rod (6m) • RC sample recoveries were visually checked for recovery, moisture and contamination. The cyclone was routinely cleaned ensuring no material build up. • Due to the good drilling conditions (dry, competent) the geologist believes the samples are homogenous and representative, some bias would occur in the advent of poor, wet, sample recovery (which was not noted). Diamond drilling was used for deeper sampling requirements.

159 Stirling Highway, Nedlands WA 6009
PO Box 1104, Nedlands WA 6909
Tel: +61 8 9386 9527
Fax: +61 8 9386 9473
E: admin@metaliko.com.au
ACN 120 974 567

Criteria	JORC Code explanation	Commentary
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.*	• Drill chip logging was completed on one metre intervals at the rig by the geologist. The log was made to standard logging descriptive sheets, and transferred into the Surpac computer once back at the office. • Logging was qualitative in nature • 100% of all meterages were geologically logged.
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.*	• Complete one metre section RC samples were collected in a plastic bag fitted to the base of the rig cyclone. An internal splitter provided a 1-2kg single metre split which was collected in a calico bag. • One metre split samples were generally dry and of consistent 1.5-2.0kg in weight.
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were submitted to a variety of Perth laboratories over the years. • Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. • QC results (blanks, duplicates, standards) were in line with commercial procedures, reproducibility and accuracy. Aqua regia digestion and Fire Assay techniques were used.
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.*	• Analytical work was supervised by senior lab staff experienced in metals assaying. QC data reports confirming the sample quality are supplied. • Data storage as Access/PDF/XL files on company PC in Perth office. • No adjustment to 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.*	• All drill collar locations were surveyed by the Mine Surveyor and are accurate. Holes were drilled on an approximate 10m x 20m grid. The grid system used is MGA94, Zone 51. All reported coordinates are referenced to this grid.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Topography outside the 135m pit is fairly flat in the resource area, Small differences in elevation between drill holes will have little effect on mineralisation widths on initial interpretation.
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 classifications applied.* • *Whether sample compositing has been applied.*	• 10m x 20m to an average depth of 100-300m, spacing sufficient for the Indicated resource. • Yes, as discussed previously. • Only single meter intervals and diamond core were used in the resource calculation
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.*	• No, drilling 60 degree angle holes is routine in the eastern goldfields, true widths are often calculated depending upon the geometry. In this case the intercept width is close to the true width.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected on site under supervision of the responsible geologist. The work site is on pastoral station. Visitors need permission to visit site. Once collected samples were transported to Leinster for loading and sent to Perth laboratories. Some historical assay work was also done on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No new Audits have been commissioned by Metaliko. Reports detailing the QA/QC of the historical work has been viewed.

Section 2 – Reporting and Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Mining Lease M53/15. No third party JV partners involved. Royalties totalling 5.5% are payable. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous workers in the area include Great Central Mines, Normandy Mining, Newmont, View Resources and Navigator Mining
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Archaean greenstones where a series of quartz veins and shears lie close to lithological contacts. The veins dip to the east at about 30-70^0. The mineralised intervals can be up to 20m width, with internal higher grade (+2perfectg/t Au zones). The resource is open in all directions.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not applicable. Resource calculated from 1900 drill holes and 150,000m of sampling were used to assist in the estimation.
		• No information is excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting or averaging calculations were made, assays reported and compiled on the “first assay received” basis. • Cut off grades were routinely applied and was incorporated in the resource calculation. • No metal equivalent calculations were applied.

Criteria	JORC Code explanation	Commentary
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 (e.g. 'down hole length, true width not known').*	• Drill intercepts and true width appear to be very close to each other, or within reason allowing for the minimum intercept width of 1m. • Given the nature of RC drilling, the minimum width and assay is 1m. Diamond core is best used to determine cm scale mineralisation widths.
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.*	• Not applicable. Corboys is not a new discovery, but has been detailed by several previous operators including View Resources (2008) and Navigator Resources (2010-2012)
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.*	• Not Applicable. Drill intercept grades mentioned in this announcement are included in this JORC resource. Further drilling is required.
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, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Navigator completed a mining proposal in May 2010. This was based on reports that covered the environmental flora/fauna, stake holders, site and mine design, rehabilitation, treatment routes etc.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further resource calculations and pit optimization studies are scheduled. Additional drilling will be completed in due course. • Not applicable, commercially sensitive.

Section 3 – Estimating and Reporting of Mineral Resources

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Database Integrity	• *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.*	• Historical drilling data has been captured from historical logs.
	• *Data validation procedures used.*	• The data is verified by company geologists and consultants. The resource is based on a reasonable level of accuracy in the historical work, there have been several reports and independent due diligence and QA/QC studies that have lent credibility to the previous work.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• MKO Mine Geologists have visited the Corboys Deposit several times to supervise the drilling and review diamond core. The results were as expected. Relevant reports from previous workers were reviewed.
	• *If no site visits have been undertaken indicate why this is the case.*	• Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• The confidence in the geological interpretation is reasonable, gold mineralisation is associated with quartz veins in shear zones and weak to moderate developed quartz stockworks and veins. The mineralisation zones are typically defined by a 0.2 g/t Au mineralised envelope which was then wireframed. Continuity between sections is considered reasonable.
	• *Nature of the data used and any of the assumptions made.*	• The data used to construct the geological model included was based on historic assay and geological data. This was imported into Micromine.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• CoxRocks resource estimation was conservative relative to the Navigator Resource (2010)
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• It was difficult to consistently rely upon geology observations as many geologists had worked on the project, each having their own interpretation. Sometimes quartz was observed, sometimes it wasn't. The geology was useful for weathering profiles and the getting a feel of where the gold was located.
	• *The factors affecting continuity both of grade and geology.*	• Faulting, stoping by intrusives such as porphyry, coarse gold and pinching out.
Dimensions	• *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.*	• The Ore Body Model strikes intermittently and spans 2,000m, dipping at 45-70 degrees to the west. The mineralisation is contained within multiple lodes from between 5-40m thick. The extent of mineralisation is 2,000m long, up to 600m in width (of all domains) and to a depth of 350m. The deposit remains open at depth with strike potential. Other potential gold lenses have not been tested adequately.
Estimation and modelling techniques	• *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*	• Grade estimation using Ordinary Kriging (OK) and Inverse Distance squared and cubed (ID2, ID3) was completed using Surpac modelling software 6.62 for the resource interpolation. Drill grid spacing ranges is typically 20 metres. The individual techniques were in close agreement with each other. Drillhole sample data was flagged using domain codes generated from three dimensional

Criteria	JORC Code explanation	Commentary
	computer software and parameters used.	mineralisation domains and then used to create the composite files. 1m assay composites were used. The influence of extreme grade outliers was reduced by top-cutting. The top cut was determined by using a combination of grade histograms, log probability plots and CV's. Wireframe domains were based on a 0.2g/t Au mineralised envelope. Minimum block size was 5m x 1.25m x 1.25m.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• The Navigator Resource was completed to a professional standard. Ore interpretation is not subjective and can vary according to geologists' interpretations and experience. Given the previous history of Bronzewing, Metaliko consider a conservative approach the best, hence our interpretation ignores many of the single or isolated grade intercepts. In accordance with JORC 2012 guidelines, the ore must have a fairly reasonable correlation between sections. If this was not observed, the ore was ignored, and mention made that further drilling is required in that instance.
	• *The assumptions made regarding recovery of by-products.*	• No by-products were considered.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• No deleterious elements are present.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• Minimum block size was 5m x 1.25m x 1.25m. A 21g/t cut was universally applied, regardless of the domain.
	• *Any assumptions behind modelling of selective mining units.*	• No selective mining units were assumed in this estimate.
	• *Any assumptions about correlation between variables.*	• There was no correlation between variables (only gold estimated).
,	• *Description of how the geological interpretation was used to control the resource estimates.*	• Geological interpretations were completed on 20m sections, using historic resource drilling. 3D wireframes were then constructed around these interpretations, creating multiple domains. In addition to these mineralised domains, a base of oxidation and top of fresh rock was also used.
	• *Discussion of basis for using or not using grade cutting or capping.*	• The grade cut of 21 g/t Au was based on the grade distribution characteristics of the single split assays. Log-probability graphs revealed an inflection point around 21g/t where the high grade samples deviated. Consultants to Navigator used top cuts ranging from 10-30 g/t depending upon the ore type.
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Metaliko block model was compared against the historic resource/block model from Navigator and its consultants. Where the block models overlapped, there was generally a reasonable level of comparison and hence confidence. The Metaliko Block Model was also compared with the untrimmed block model (i.e. ore blocks within and outside the wireframes), with the results looking to be in agreement with the 3D observations.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The resource tonnage is reported using in situ dry bulk density and is based on typical values seen elsewhere in the eastern goldfields. Metaliko used 2.26, 2.46, 2.76 for oxide, transitional and fresh rock respectively.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Gold Mineral Resources has been reported inside the mineralisation wireframe that was constructed at a 0.2g/t Au cut-off..
Mining factors or assumptions	• *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.*	• No definitive mining method has been proposed. Open cut mining is the preferred option.
Metallurgical factors or assumptions	• *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.*	• Sighter metallurgical test work has been conducted by Metaliko and previous operators with satisfactory results. Reference was made to the possibility of treating the ore at the Bronzewing CIL plant.
Environmental factors or assumptions	• *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.*	• Ore would be mined from Corboys and transported to the Bronzewing plant 45km away. An existing tailings storage facility is located in close proximity to the mill. The Corboys mining lease has adequate room to build a waste dump.
Bulk Density	• *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.*	• Assumed.
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	between rock and alteration zones within the deposit.	
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Values for the ore categories as determined are: - Oxide 2.26 t/m^3 - Transitional 2.46 t/m^3 - Fresh 2.76 t/m^3
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• Mineral Resources have been classified on the basis of confidence in the geological and grade continuity using the drilling density, geological model, pass in which the gold was estimated and the distance to sample selections. Indicated Mineral Resources have been defined generally in areas where the OK interpolation made 1 - 2 passes and a maximum 50m search. Inferred resources were classified from 3-4 passes with a 100m maximum search
	• *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).*	• As described above the Mineral Resource classification has been based on the quality of the data collected (geology, survey and assay data) the density of the data, grade estimation quality and geological/ mineralisation model.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The reported resource is consistent with the view of the deposit by the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• An external review has been carried out by Mr Andrew Hawker, which include wireframe validation and resource estimation methodology and validation.
Discussion of relative accuracy/ confidence	• *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.*	• The relative accuracy of the Mineral Resource Estimate is reflected in the reporting of the Mineral Resource as per the guideline of the 2012 JORC code. The classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, historic mining data and a reasonable dataset supporting the density used in the resource model. Both competent persons have over 20 years' experience, with several years working in the region.
	• *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.*	• The statement relates to the global estimate of tonnes and grade.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No Production at Corboys.