ASX Announcement

Friday 6th May 2016

84,000 OUNCE GOLD RESOURCE IN NANOOK PALAEOCHANNEL GRAVELS

Highlights

- **Initial Mineral Resource estimate of 2.2Mt @ 1.2g/t for 84,000oz gold in Nanook palaeochannel**
- **Gold resource hosted in quartz gravel at base of palaeochannel**
- **Source of gold bearing gravel to be investigated with drilling program co-funded by WA Government exploration incentive scheme**
- **Located 6 kilometres south along trend from recently announced Monsoon intercept and 10 kilometres south along trend from Baloo deposit**

S2 Resources Ltd ("S2" or the "Company") advises that it has completed the first Mineral Resource estimate for the palaeochannel hosted gold mineralization at the Nanook gold prospect at its 100% owned Polar Bear project in Western Australia.

The gold occurs in quartz gravels occupying the base of a paleochannel. These represent an ancient layer of gravel and rubble that appears to have been at least partly locally derived from an underlying bedrock source, largely located in a broad, northeast trending ancient valley now filled in and concealed by salt lake sediments (see Figure 1). This interpretation is supported by the recent nearby intersection of in-situ high grade gold mineralization in weathered bedrock adjacent to the highest grade part of the palaeochannel and on the same northwest trending geological contact as that beneath the highest grade part of the palaeochannel (see ASX announcement of 3rd May 2016 and Figures 1 and 2).

The resource estimation is based on 821 aircore drill holes and 12 reverse circulation (RC) drill holes. All constituent individual sample assays were subject to a top cut of 8g/t gold irrespective of their actual grade in order to ensure that the high grade intercepts in drillholes in the high grade part of the palaeochannel do not influence the overall resource estimate.

The initial Mineral Resource estimate for the Nanook palaeochannel comprises 2,200,000 tonnes grading 1.2g/t gold for a contained 84,000 ounces of gold at a lower cut-off grade (LCOG) of 0.8g/t gold.

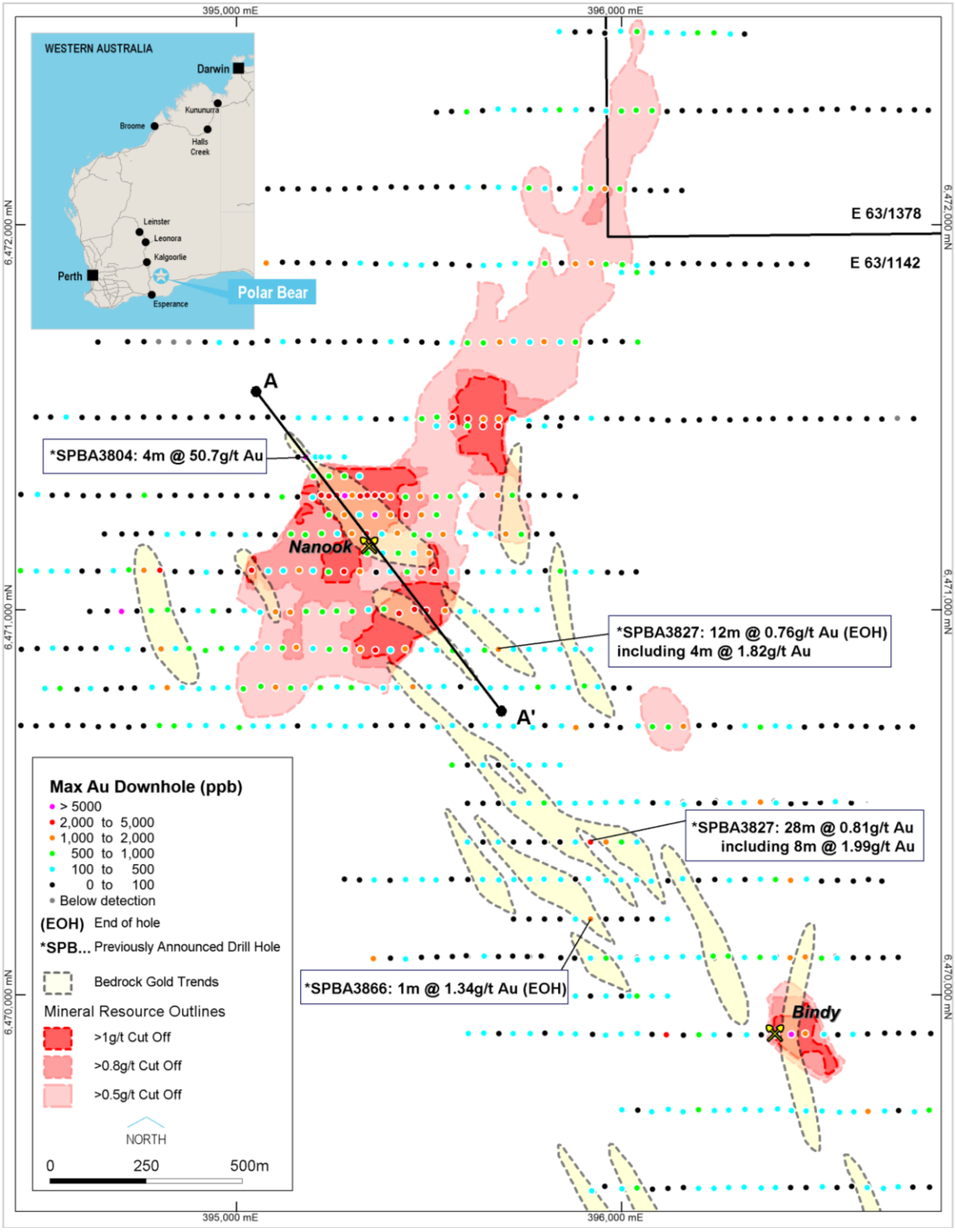

Figure 1. Plan of drilling in the Nanook palaeochannel and outline of Mineral Resource at various lower cut off grades.

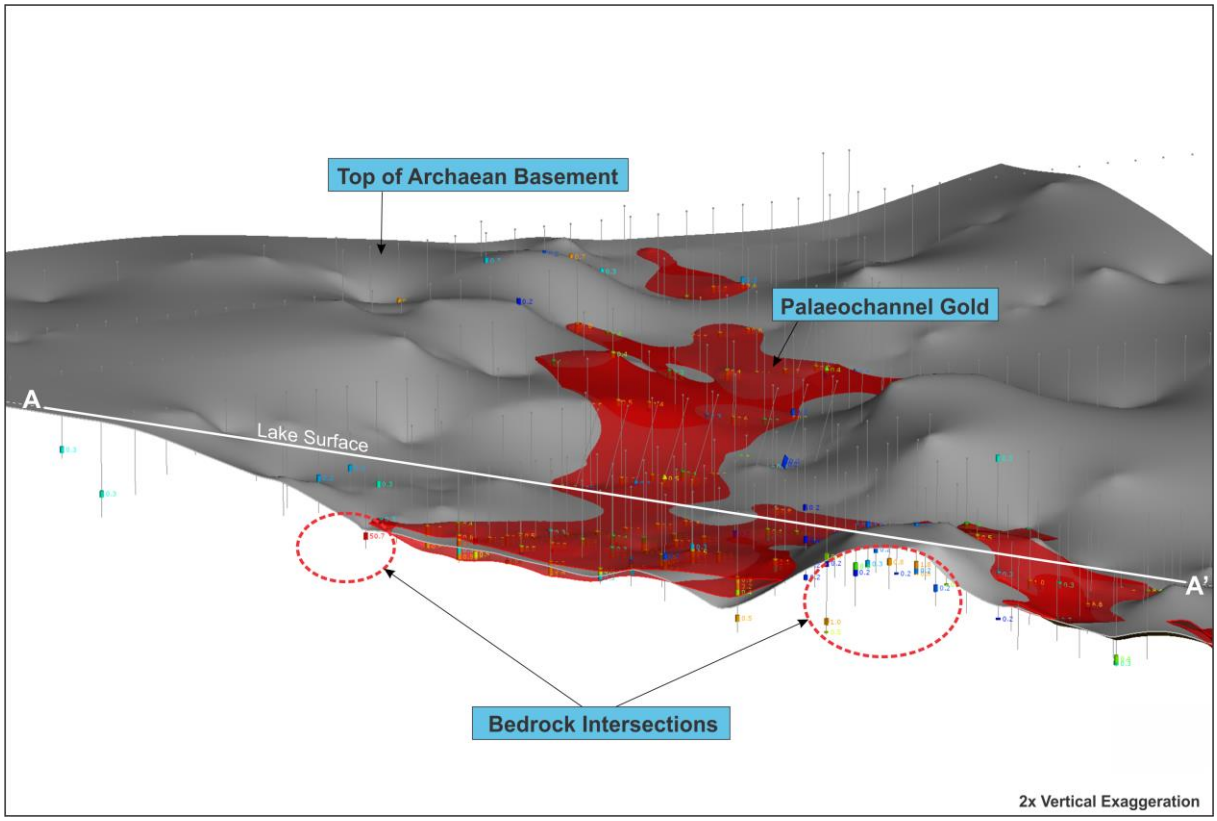

Figure 2. Three dimensional view looking northeast along the Nanook palaeochannel, showing the gold resource occupying a broad ancient valley now concealed beneath the salt lake, together with associated nearby bedrock gold intersections.

Table 1 and Figure 3 show the variation in tonnage, grade and contained gold at a variety of lower cut-off grade thresholds. At a lower LCOG of 0.5g/t gold, the resource comprises 5,300,000 tonnes at a grade of 0.9g/t gold for a contained 148,000 ounces of gold, whereas at a higher LCOG of 1.0g/t gold, the resource comprises 1,400,000 tonnes at a grade of 1.4g/t gold for a contained 61,000 ounces of gold.

Inferred			
LCOG	**Tonnes (000's)**	**g/t Au**	**Oz Au**
0.5	5,300	0.9	148,000
0.8	**2,200**	**1.2**	**84,000**
1.0	1,400	1.4	61,000

Table 1. Nanook Palaeochannel Gold Deposit - Statement of Resources May 2016. All Mineral Resources are reported to JORC 2012 standards. Nanook Mineral Resource reported at 0.8g/t Au LCOG (lower cut-off grade). All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

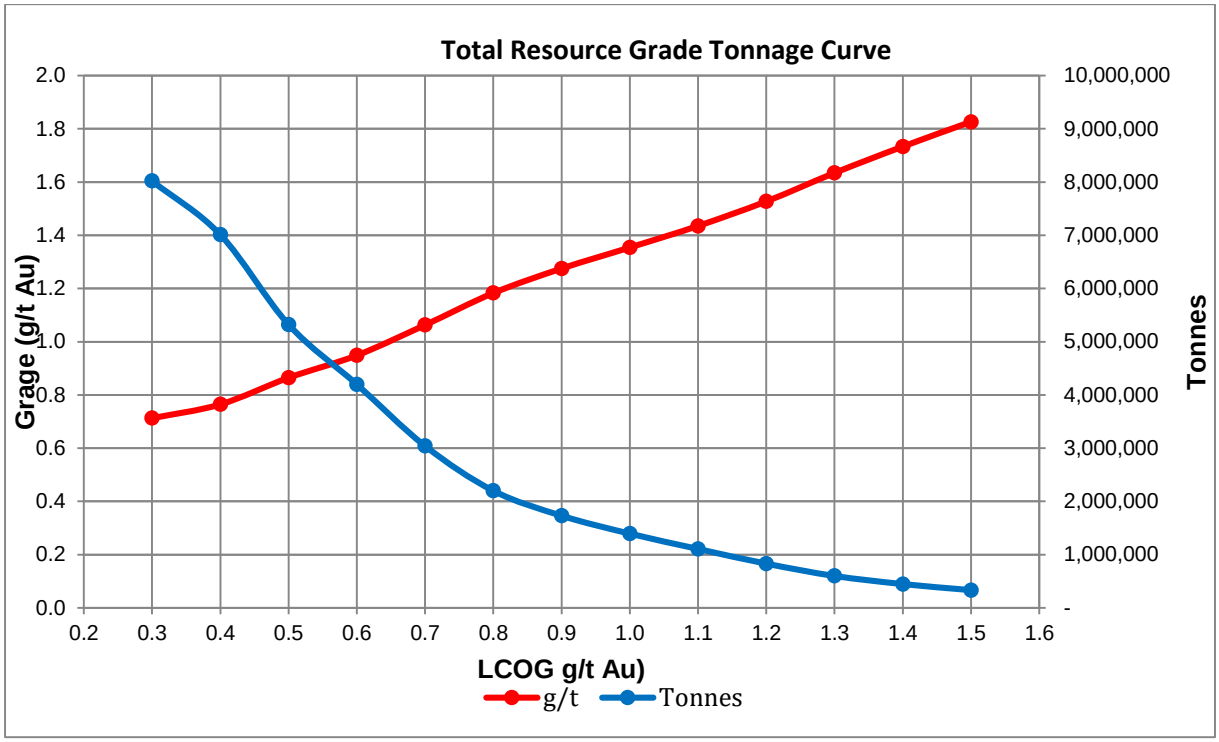

Figure 3. Grade-tonnage curve for the Nanook palaeochannel Mineral Resource. All Mineral Resources are reported to JORC 2012. LCOG is lower cut-off grade.

The Inferred classification is based on good confidence in the geological domain countered by high nugget values, sampling method of 4m composites, variable drill spacing and no direct Dry Bulk Density measurements.

S2 has now defined three gold "hotspots" over a 10 kilometre distance on a single trend at Polar Bear, with a 123,000 oz Indicated and Inferred Mineral Resource at Baloo, an 84,000 oz Inferred Mineral Resource at Nanook, and high grade gold mineralization in drilling at Monsoon in between these two (see Figure 4).

A reverse circulation (RC) drill program to search for the source of this gold is scheduled to start later in May. This drill program will be co-funded by the Government of Western Australia as part of its progressive Exploration Incentive Scheme (EIS).

S2's Managing Director, Mark Bennett, said "the presence of 84,000 ounces of transported gold in the Nanook palaeochannel is a good result in its own right but the big question is, "where has it come from"? The next step is to find the source of this gold and if so, determine how much of it remains intact. In this sense the palaeochannel resource represents a very big geochemical anomaly".

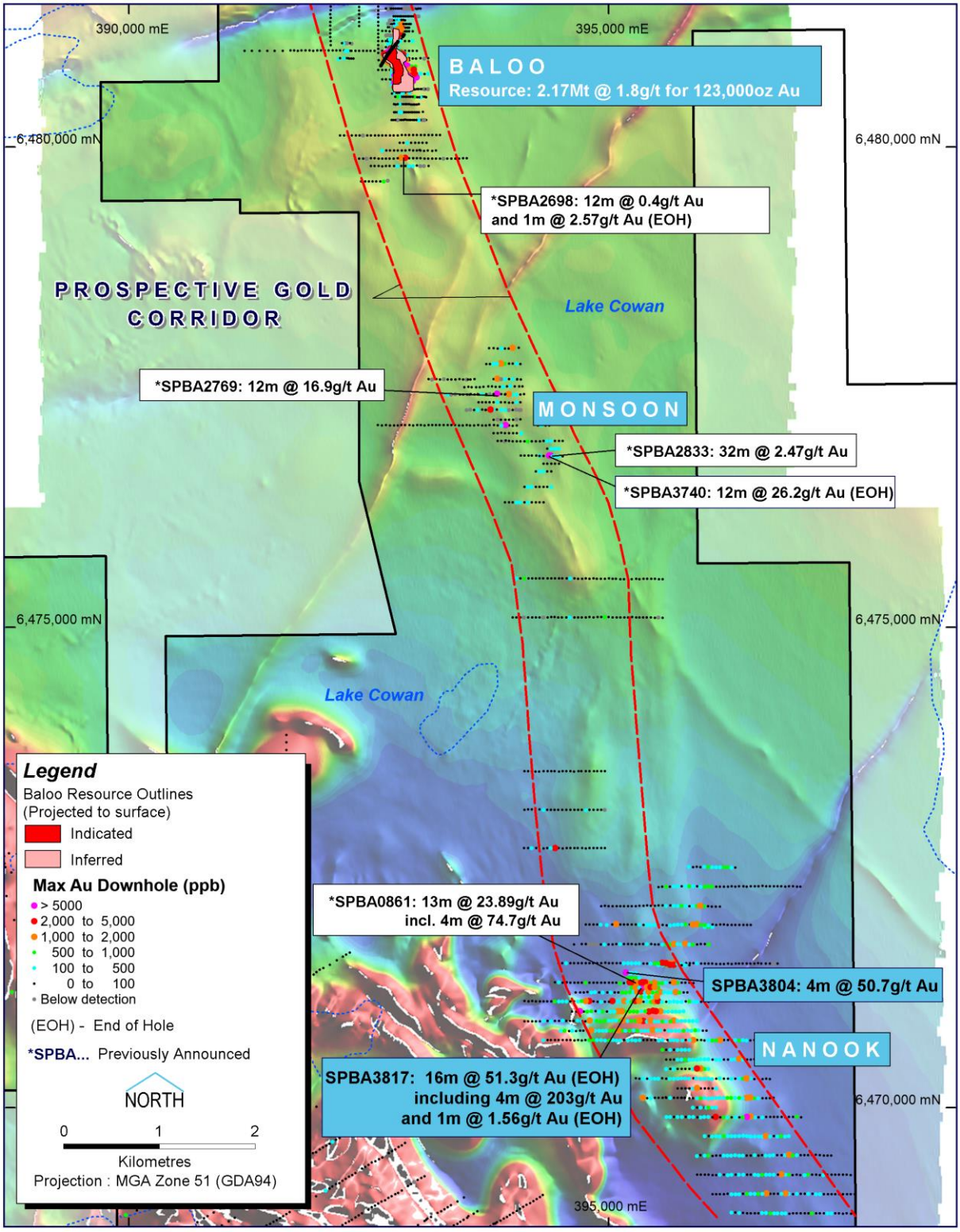

Figure 4. Location of Nanook palaeochannel resource relative to the Monsoon prospect and the Baloo deposit

For further information, please contact:

Mark Bennett
Managing Director
+61 8 6166 0240

Anna Neuling
Executive Director
+61 8 6166 0240

Competent Persons statement

The information in this report that relates to Exploration Results is based on information compiled by John Bartlett who is an employee of the company. Mr Bartlett is a member of the Australasian Institute of Mining and Metallurgy. Mr Bartlett has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bartlett consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The information in this report that relates to the Nanook Mineral Resource estimation is based on information compiled by Mr Brian Wolfe, Principal Consultant Geologist – International Resource Solutions Pty Ltd and Mr Andrew Thompson, an employee and shareholder of the Company. Mr Wolfe and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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" (JORC Code). Mr Wolfe and Mr Thompson consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Annexure 1

The following Tables are provided to ensure compliance with the JORC code (2012) edition requirements for the reporting of exploration results.

SECTION 1 SAMPLING TECHNIQUES AND DATA

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.*	The mineralised trend at Nanook is sampled by RC and aircore drilling on a nominal 40 m hole spacing and 100 m lines, with local infill to 100m x 20m and 50m x 20m spacing. All holes drilled to refusal. For RC sampling, a 1 metre split is taken directly from a cone splitter mounted beneath the rigs cyclone. The cyclone and splitter are cleaned regularly to minimise any contamination. A second reference split is also taken from each metre and stored on site. Aircore holes are sampled using an aluminium scoop to produce a four metre composite sample.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Sampling and QAQC procedures is carried out using S2 protocols as per industry best practice.

Criteria	JORC Code explanation	Commentary
	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 (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	Aircore samples are composited at 4 m to produce a bulk 3 kg sample. Samples were dried, pulverised (total prep), and split to produce a 25 g sub sample which is analysed using aqua-regia digestion with ICP-MS finish with a 1 ppb detection limit. High grades were repeated using 25g or 50g Lead Collection fire assay with an ICP/MS finish. RC drilling is sampled a 1m "cone" split sample, to produce a bulk 3 kg sample. Sample preparation was the same as for the aircore drilling. A nominal 50gram sub-sample was collected and analysed by Samples were to produce a sub sample for analysed by fire assay with an AA finish. A 1m end of hole sample was collected for all aircore holes. Sample preparation was the same as above and were analysed using a four acid digest with an ICP/OES and fire assay. The following elements are included in the assay suite: Ag, Al, As, Au, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sc, Sr, Te, Ti, Tl, V, W, Zn.
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).*	RC drilling is carried out using a face sampling hammer with a nominal diameter of 140mm. Aircore drilling is carried out using a 3 ½ inch blade bit. Where necessary a 3 ½ inch face sampling hammer is employed to penetrate through hard zones.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC and aircore sample recoveries are visually estimated qualitatively on a metre basis and are recorded in the database.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Sample quality is qualitatively logged on a metre basis, recording sample condition and contamination. Various drilling additives (including muds and foams) have been used to condition RC and aircore drill holes to maximise recoveries and sample quality. Drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down hole and/or cross-hole contamination.
	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.	Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Aircore drilling samples are occasionally wet which may have resulted in sample bias due to preferential loss/gain of fine/coarse material. The limited RC drilling with 1m sampling through the mineralized gravels shows a good correlation with the AC results
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.*	Lithology, alteration and veining is recorded directly to a digital format and imported into S2 Resources central database. The logging is considered of sufficient standard to support a geological resource.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of aircore and RC records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples, and is qualitative in nature.
	The total length and percentage of the relevant intersections logged	All drillholes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable.

Criteria	JORC Code explanation	Commentary
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Aircore samples consist of a 4 metre composite pled 1 metre samples are collected via an on-board cone splitter. Samples were collected both wet and dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation follows industry best practice in sample preparation All samples are pulverised utilising Essa LM1, LM2 or LM5 grinding mills determined by the size of the sample. Samples are dried, crushed as required and pulverized to produce a homogenous representative sub-sample for analysis. A grind quality target of 85% passing 75µm has been established and is relative to sample size, type and hardness.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Quality control procedures include submission of Certified Reference Materials (CRM's), blanks and duplicate samples with each batch of samples. Selected samples are also re-analysed to confirm anomalous results. Grind size checks are routinely completed to ensure samples meet the industry standard of 85% passing through a 75µm mesh.
	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.	Field duplicates are taken at regular intervals. Samples are selected to weigh less than 3kg to ensure total preparation at the pulverisation stage.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for gold mineralisation.
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.*	4m composite samples from AC drilling are analysed for Au only using a 25g aqua-regia digestion with an ICP/MS finish. The method gives a near total digestion of the regolith intercepted in aircore drilling and is suitable for the estimation of palaeochannel gold deposits. High grades were repeated using 25g or 50g Lead Collection fire assay with an ICP/MS finish. All aircore holes have a 1m end-of-hole sample is collected for all AC holes. An extensive multi-element suite (including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sc, Sr, Te, Ti, Tl, V, W, Zn) is analysed using a four acid digest with an ICP/OES and ICP/MS finish. Au, Pt And Pd is analysed for using 25g or 50g Lead Collection fire assay with an ICP/MS finish.
	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.	No geophysical tools were used to determine any element concentrations used in this resource estimate.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The Exploration Manager of S2 has visually verified significant intersections.
	The use of twinned holes.	No twin holes have been drilled on the project to date.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected using a set of standard Excel templates using lookup codes. The information was sent to an external database consultant for validation and compilation into a Perth based SQL database.

Criteria	JORC Code explanation	Commentary
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data reported.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drillhole collars were located GPS with an accuracy is +/- 5m.
	Specification of the grid system used.	The grid system used at Polar Bear is GDA94 (MGA), zone 51.
	Quality and adequacy of topographic control.	A topographic surface has been created from aerial geophysical data, This has been calibrated with DGPS survey data. All reconnaissance drill holes have been corrected to this surface where DGPS pickup is not available.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Data spacing is currently defined by the geological criteria regarded appropriate to determine the extents of mineralisation. Reconnaissance AC drilling is on a nominal spacing of between 100m x 40m and 50m x 40m drill pattern.
	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.	Drilling is considered to be of sufficient spacing to allow an inferred mineral resource to be estimated.
	Whether sample compositing has been applied.	No compositing has been applied to the exploration results.
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.*	The drilling is not necessarily drilled perpendicular to the orientation of the intersected mineralisation. All reported intervals are downhole intervals and not calculated true width. This will be established with further drilling.
	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 orientation biased sampling bias has been identified in the data at this point.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by S2 Resources. Samples are stored on site and either delivered by S2 personnel to Perth and then to the assay laboratory, or collected from site by Centurion Transport and delivered direct to the assay laboratory. Whilst in storage, they are kept on a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted at this stage.

SECTION 2 REPORTING OF EXPLORATION RESULTS

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 Nanook prospect is located within Exploration License *E63/1142,* which is located within the Polar Bear Project, 100% owned by Polar Metals Pty Ltd, a wholly owned subsidiary of S2 Resources Ltd. A very minor portion of the reported Mineral Resource is situated in E63/1738, which is 80% owned by Polar Metals. The balance is held by Shumwari Pty L:td as part of the Eundynie Joint Venture. All projects are situated within the Ngadju Native Title Claim (WC99/002).

Criteria	JORC Code explanation	Commentary
	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.	The tenement is in good standing and no known impediments exist on tenement actively explored.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	*Gold Exploration* Plutonic Operations Limited and Homestake Gold of Australia Limited conducted reconnaissance AC drilling (PBAC prefix) over Lake Cowan on predominantly 100 m drillhole spacing and 800 m line spacing from 1997-1999. Location of these drillholes cannot be verified as the collars are now mostly obscured. AC sampling was done by 4 m composites with 1 m re-splits on samples greater than 0.1 g/t. Samples were assayed by aqua-regia digest with AAS finish although this cannot be verified as the original laboratory.
Geology	Deposit type, geological setting and style of mineralisation.	The Polar Bear project is situated within the Archaean Norseman-Wiluna Belt which locally includes basalts, komatiites, metasediments, and felsic volcanoclastics. The primary gold mineralisation is related to hydrothermal activity during multiple deformation events. Indications are that gold mineralisation is focused on or near to the stratigraphic boundary between the Killaloe and Buldania Formation. The mineralisation modelled at Nanook is situated at or close to the Tertiary / Archaean unconformity, primarily within unconsolidated quartz rich sands and gravel. The mineralisation is interpreted to be either elluvial or alluvial in nature, although a supergene overprint is present. It may be derived from a nearby basement source. Recent drilling has defined a number of potential gold trends to the Northwest associated with sheared mafic and mafic-shale contact as well as to the southwest in and adjacent to the Nanook granodiorite body.
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.	Refer to Annexure1 in body of text.
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.	All reported assays have been length weighted. A nominal 0.2 g/t Au lower cut-off is used to report AC intersections.
	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.	High grade gold intervals internal to broader zones of mineralisation are reported as included intervals.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
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').	The bedrock trend of mineralisation at Nanook is not known at present due to the lack of deeper drilling and the early stage of exploration. Alluvial/elluvial gold has been defined within two discrete palaeochannel systems trending roughly N-S and NNE. Downhole thicknesses can be regarded as true thickness due to the flat orientation of the palaeochannel deposit. Refer to Annexure 1 and Figures in body of text.
Diagram	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.	Refer to Figures in body of text.
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 accompanying document is conserved to represent a balanced report with grades and/or widths reported in a consistent manner.
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.	No other exploration data collected to date is considered material or meaningful at this stage.
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	RC follow-up of high grade intercepts to establish the controls and geometry of mineralization is proposed.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

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.	Data templates with lookup tables and fixed formatting are used for logging, spatial and sampling data. Data transfer is electronic via e-mail. Sample numbers are unique and pre-numbered bags are used. These methods all minimise the potential of these types of errors.
	Data validation procedures used.	Data validation checks are run by the database management consultant.

Criteria	JORC Code explanation	Commentary
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	A site visit was made to the Nanook deposit by Andy Thompson during AC drilling to verify sampling integrity and recovery. No issues were encountered. Brian Wolfe has not undertaken a site visit as of the data of reporting.
	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 considered good. The deposit is a palaeochannel elluvial / alluvial gold deposit style typical of the Higginsville area.
	Nature of the data used and of any assumptions made.	Geological logging of the Tertiary sediments and their contact with Archaean basement has been used to model the channel fill deposit. The assays data consists of dominantly 4m composites through the mineralization.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The deposit is well constrained and predictable with clear boundaries which define the mineralised domains. Infill drilling has supported and refined the model and the current geological interpretation is thus considered to be robust.
	The use of geology in guiding and controlling Mineral Resource estimation.	Key features are quartz rubble and sands logged at the Tertiary / Archaean unconformity.
	The factors affecting continuity both of grade and geology.	Geological continuity is strong in the interpreted horizon at the current scale of the drilling. Grade continuity appears good but requires top cutting to reduce the impact of extremely high local grades. A top cut of 8 g/t was used.
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 Mineral Resource area has overall dimensions of dimensions of 2700 m (north) by 1100 m (east) with a central core of 900m (north) by 400m (east). The deposit has approximately 40m of cover.
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 computer software and parameters used.*	The Mineral Resource estimate was generated via OK. Mineralised domain interpretation was completed as described above and as such does not incorporate a lower cutoff grade. The interpretation was coded to the drill hole database and 4m length composites were generated within the mineralisation boundary. A single omni-directional semi-variogram was calculated and was input in preparation for kriging of the gold grade data. Hard boundaries were applied to the kriging. A horizontally orientated search neighbourhood was applied with radii of 150m in the horizontal direction and 25m in the vertical directions respectively. Sample counts for the estimates were set at a minimum of 8 and a maximum of 12. Any blocks not estimated in the first estimation pass were estimated in a second pass with an expanded search neighbourhood to allow the domains to be fully estimated. Extrapolation of the drillhole composite data is generally limited to approximately 50m to 100m beyond the edges of the interpreted mineralization however is commonly constrained by drilling on adjacent sections. Change of support has not been applied to emulate selectivity at the mining stage.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	This is a maiden Mineral Resource for the Nanook Palaeochannel and no previous mining activity has taken place in this area.
	The assumptions made regarding recovery of by-products.	No by-products are assumed.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	No other elements have been assayed.

Criteria	JORC Code explanation	Commentary
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The parent block size within the estimated domain is 25mN x25mE x 4mRL, with sub-celling to 5mE x 5mN x 1.0mRL for domain volume resolution. The parent block size was chosen based on mineralised bodies dimension and orientation, estimation methodology and relates to a drill section spacing of 100m to 50m and an on-section drill spacing of approximately 40m. The search ellipse was horizontally oriented as previously described. Search ellipse dimensions were chosen to encompass adjacent drillholes on sections and adjacent lines of drilling along strike
	Any assumptions behind modelling of selective mining units.	No assumption on selective mining were made.
	Any assumptions about correlation between variables.	Not applicable
	Description of how the geological interpretation was used to control the resource estimates.	The geological model domained the mineralized elluvial material which is situated at the Tertiary / Archaean boundary.
	Discussion of basis for using or not using grade cutting or capping.	A number of extremely high grade composites have been identified which are considered true outliers to the data. Given the relative lack of numbers of very high grade composites and their potential impact on the grade estimate, these samples have been cut to 8g/t Au
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	No mining has taken place; therefore no reconciliation data is available.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied*	A 0.8g/t Au cut-off grade was used to report the Mineral Resources. This cut-off grade is estimated to be the minimum grade required for economic extraction. Additional cut-off grades have been reported at 0.5g/t and 1.0g/t Au
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 assumptions have been made as to possible mining method
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.*	No metallurgical testwork has been performed.

Criteria	JORC Code explanation	Commentary
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*	No assumptions have been made.
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.*	Dry Bulk Densities have been assumed as 1.8 gm/cm3. No direct measurements have been taken.
	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,	Dry Bulk Densities have been estimated as 1.8 gm/cm3. No direct measurements have been taken.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	The bulk density values were assigned as a single value in the gravels using data accepted as typical for such deposits.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories*	The Mineral Resource has been entirely classified as Inferred. The classification is based on good confidence in the geological domain countered by high nugget values,sampling method of 4m composites, variable drill spacing and no direct Dry Bulk Density measurements.
	Whether appropriate account has been taken of all relevant factors (i.e. 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).	The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The validation of the block model shows good correlation of the input data to the estimated grades.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	This is the maiden Nanook Palaeochannel gold deposit Mineral Resource estimate.
	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 guidelines of the 2012 JORC Code.

Criteria	JORC Code explanation	Commentary
	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 global estimates of tonnes and grade.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available	No production data is available.