QUEST INVESTMENTS LIMITED

ACN 004 749 044

10 June 2016

HIGHLIGHTS OF MAIDEN RESOURCE:

COMPETENT PERSON'S REPORT OF JINCHANGXI-BIZE GOLD PROJECT IN JINPING COUNTY, GUIZHOU PROVINCE, PEOPLE'S REPUBLIC OF CHINA OF ROMA OIL AND MINING ASSOCIATES LIMITED

The May 2016 Jinchangxi-Bize Gold Project Mineral Resource estimate is 1.883 million tonnes at 9.28 g/t of gold classified as Indicated or Inferred for 17,450 kg of gold, using a 2.5 g/t cut off. The resource is compliant with the 2012 JORC Code guidelines.

Category	*Tonnes ('000 t)*	*Au (g/t)*	*Au Metal (kg)*
Indicated	964,000	8.36	8,050
Inferred	919,000	10.25	9,400
Total	**1,883,000**	**9.28**	**17,450**

2016 Bize Mineral Resource estimate, 2.5 g/t Au cut-off

The Bize mining lease expired in July 2015 while the exploration license expired 28th May, 2016. A reply letter to the application for Approval from the Department of Land and Resources of Guizhou Province dated 19th April 2016, stated that the application for the mining license must be completed by the 30th August 2016. Subject to the provisions of the Agreement between Quest Investments Limited and Lok Wai Ming referred to below, the Company proposes to apply for the mining licence on or before the 30th August 2016.

Please note that the Competent Person Report should be read in its entirety.

PROPOSED ACQUISITION OF EIGHTY PER CENT (80%) OF THE ISSUED SECURITIES OF GOLD LORD INVESTMENTS INC FROM MR LOK WAI MING WHICH SECURITIES SHALL BE VALUED AT NOT LESS THAN A$124,168,000 IN CONSIDERATION OF THE ISSUE OF 620,840,000 ORDINARY FULLY PAID SHARES IN QUEST INVESTMENTS LIMITED TO MR LOK WAI MING

SUMMARY OF PROPOSED TRANSACTION

1. The Directors of Quest Investments Limited ("QST") refer to the Announcements made by QST dated 24 November 2015 and 8 March 2016 relating to the Subscription Letter dated 20 November 2015 issued to Mr Lok Wai Ming ("Mr Lok") and the Subscription Acceptance Form dated 23 November 2015 issued by Mr Lok to QST relating to, inter alia, the acquisition by QST of all the issued securities in Gold Lord Investments Inc ("Gold Lord") from Mr Lok which securities shall be valued at not less than A$124,168,000 in consideration of the issue of 620,840,000 ordinary fully paid shares in QST to Mr Lok ("Agreement").

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2. The underlying asset of the Gold Lord Group is the Jinchangxi-Bize Gold Project in Jinping County, Guizhou Province, People's Republic of China ("Project").

SUMMARY OF THE COMPETENT PERSON REPORT

3. In accordance with the provisions of the Agreement, QST commissioned a Competent Person Report dated 25 May 2016 from Steven Hodgson, Principal Geologist of Roma Oil and Mining Associates Limited – a copy of which is attached.

4. The Project is owned by Jinping County Jinlong Mining Company Limited ("Jinlong") – a subsidiary of the Gold Lord Group. The Bize mining lease expired in July 2015 while the exploration license expired 28th May, 2016. A reply letter to the application for Approval from the Department of Land and Resources of Guizhou Province dated 19th April 2016, stated that the application for the mining license must be completed by the 30th August 2016. Subject to the provisions of the Agreement, QST proposes to apply for the mining licence on or before the 30th August 2016.

5. The Project is located 16km southwest of Jinping town in Guizhou, China. It is connected by provincial roads to Jinping as well as the provincial capital Guiyang.

6. The Project is located near townships that supply labour and electricity from a nearby hydroelectric power station. Road access to and within the Project is good.

7. Infrastructure at the Project consists of a mill, offices and accommodation. No tailings dams are present, with the waste rock from the mill used for construction by local builders.

8. The Project has nearly 14 km of underground workings and is currently on standby.

9. The Project is geologically located in the Jiangnan tectonic belt, underlain by metamorphic rocks. The gold mineralisation of the Project is related to hydrothermal alteration which is associated with silicification, pyrite, carbonate, sericite and chlorite alteration.

10. The gold mineralisation within the Project area occurs in strataform quartz-veins. The mineralisation consists of six sub-horizontal stacked veins or orebodies that have been folded. The orebodies are numbered 7 to 12, with a second smaller orebody sub- parallel to orebodies 7, 8 and 9.

11. Fold axis are orientated in a NE-SW direction with the mineralisation trends in the same direction. Individual veins can occur over 1,000 m NE/SW direction and 500 m in a NE/SW direction and 200 m vertically. The individual veins are thin, being approximately 0.8 m in thickness.

12. The Mineral Resource estimate was based on 103 channel samples and 93 diamond drillholes. The sampling was taken at right angles to the orebodies, which represented the true width of the veins.

13. A bulk density of 2.70 g/cm^3 based on the processing of the ore from the mill was used and a top cut of 70 g/t was applied prior to the resource estimation.

14. The May 2016 Jinchangxi-Bize Gold Project Mineral Resource estimate is 1.883 million tonnes at 9.28 g/t of gold classified as Indicated or Inferred for 17,450 kg of gold, using a 2.5 g/t cut off, Table 1-1. The resource is compliant with the 2012 JORC Code guidelines.

Category	Tonnes (‘000 t)	Au (g/t)	Au Metal (kg)
Indicated	964,000	8.36	8,050
Inferred	919,000	10.25	9,400
Total	**1,883,000**	**9.28**	**17,450**

Table 1-1 2016 Bize Mineral Resource estimate, 2.5 g/t Au cut-off
Notes: Differences may occur due to rounding.

The resource modelling and estimation was carried out by Steven Hodgson, Principal Geologist employed by ROMA, and is the Competent Person for this report. Steven Hodgson is a member of the AusIMM and has more than five years relevant experience in resource modelling and estimation in the deposit type/mineralisation style of mineral resources included in this report.

15. There is a large amount of material that was not classified due to the distance from sample points. Given the continuous nature of the quartz veining, it should be possible to increase the size and confidence of this material with relatively minor expenditure. However the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in an increase of the estimation of a Mineral Resource.

16. The Mineral resource estimate was carried out using an Inverse Distance Squared methodology. The model was depleted by the mined-out areas and material outside of the mining and exploration licence prior to reporting.

17. The classification is based on the distance and number of samples used for the resource estimation which is a reflection of the drilling/channel sampling spacing and geological structure.

18. **PROPERTY DESCRIPTION AND LOCATION**

18.1 **Location of the Project**

The Project is located 16km from Jinping town to the east, and 260 km east of Guiyang City, the provincial capital of Guizhou, China, Figure 3-1 and Figure 3-2. Guiyang City can be accessed by daily flights from Hong Kong in 2 hours, or more than ten flights from Beijing in three and a half hour.

Access from Guiyang is good with bituminous road to the mine turn off. From the turn off a steep dirt road of about 2 km leads down to the mill. The mill is located at or below the mine portals.

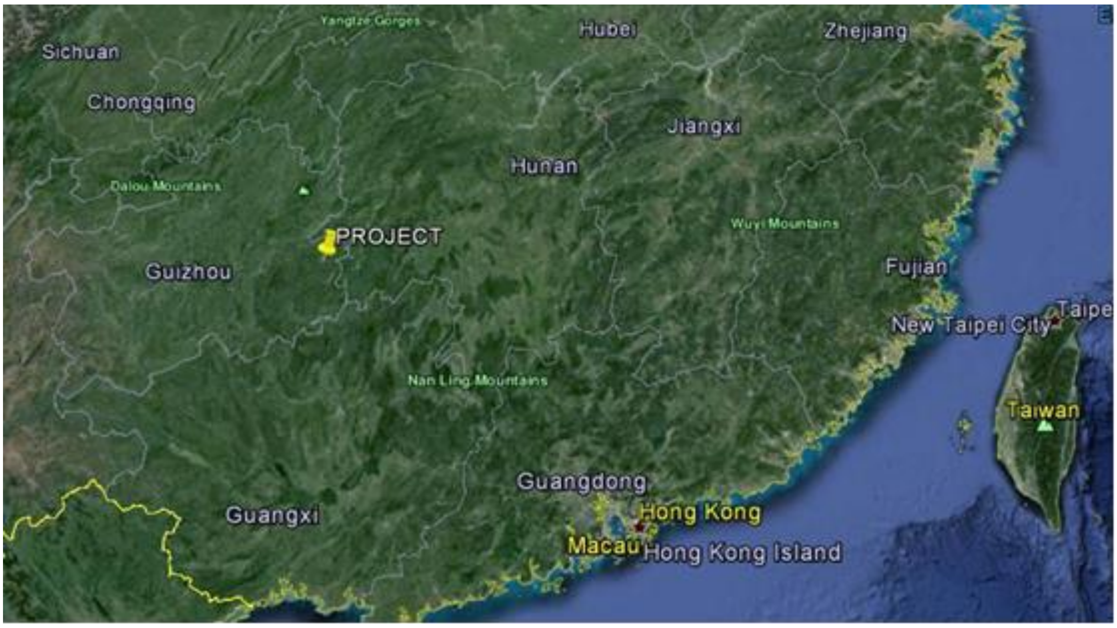


Figure 3-1 Regional Location of the Project.

Figure 3-2 Road from Jinping to the Project.

18.2 Mineral Tenure

Mining license holder is Jinping County Jinlong Mining Company Ltd. and the license expired in 2015. In a reply to the application for Approval from the Department of Land and Resources of Guizhou Province, dated 19th April 2016, stated that the application for the mining license must be completed by the 30th August 2016. The reply has been observed by ROMA.

The Bize mining license is located within the Shierpan exploration licence, also held by Jinping County Jinlong Mining Company Ltd. The mining license is summarised in Table 3-1, and the coordinates of the license area is listed in Table 3-2. The exploration license details are presented in Table 3-3 and Table 3-4.

The 2010 Shandong No. 6 Brigade report stated that the permissible mining depth is 70 m to 800 m RL. This was not observed on the mining licence, however as the known mineralisation sits between 300 m and 800 m RL, this possible restriction is not an issue.

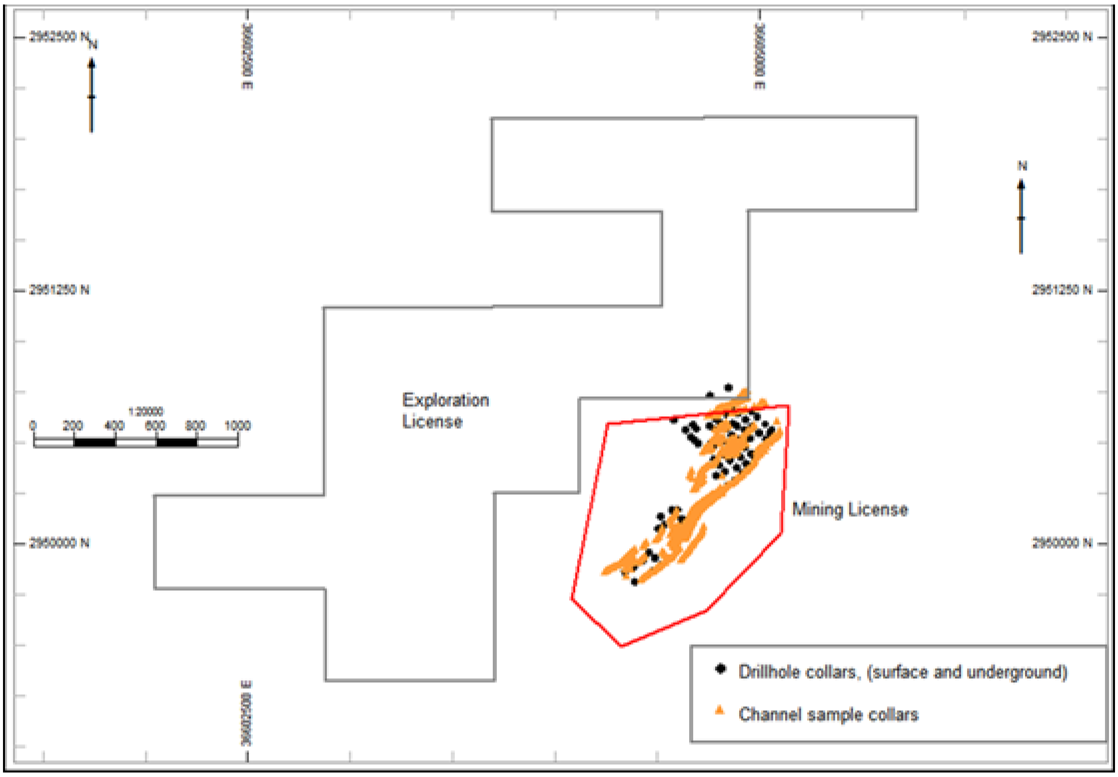


Figure 3-3 Tenement boundaries and drillhole\channel sample collars

License Type	Mining license
License Number	C5200002012024120122959/ 520000090028
Holder	Jinping County Jinlong Mining Ltd (WANG, Yong-ping)
Address	Sanjiang Town, Jinping County
Mine Name	Jinping County Jinchangxi-Bize Gold Mine
Ore Type	Gold
Mining Method	Underground mining
Mining Depth	70 to 800 m elevation
Mining Scale	20,000 tonnes per year
Area	0.8934 square kilometres
Validity	Nov 2011 to July 2015

Table 3-1 Summary of the Bize mineral tenure.

Point	1980 Xi'an system	
	X	Y
1	**2950680**	**36605140**
2	**2950050**	**36605100**
3	**2949670**	**36604740**
4	**2949490**	**36604320**
5	**2949730**	**36604080**
6	**2950590**	**36604260**

Table 3-2 Coordinates of the Bize mining license.
(From 2010 Shandong No. 6 Brigade)

License Type	Licence Number	Area (Km^2)	Date Granted	Date Expired
Exploration	T52120081202019207	2.49	28 May 2013	28 May 2016

Table 3-3 Details of the Shierpan exploration license

Point	1980 Xi'an system		Coordinates	
	Y	X	Longitude	Latitude
1	36602047	2950235	109°01′30″	26°39′30″
2	36602877	2950242	109°02′00″	26°39′30″
3	36602869	2951166	109°02′00″	26°40′00″
4	36604528	2951179	109°03′00″	26°40′00″
5	36604525	2951641	109°03′00″	26°40′15″
6	36603695	2951634	109°02′30″	26°40′15″
7	36603691	2952096	109°02′30″	26°40′30″
8	36605765	2952113	109°03′45″	26°40′30″
9	36605769	2951651	109°03′45″	26°40′15″
10	36604939	2951644	109°03′15″	26°40′15″
11	36604947	2950721	109°03′15″	26°39′45″
12	36604117	2950714	109°02′45″	26°39′45″
13	36604121	2950252	109°02′45″	26°39′30″
14	36603706	2950249	109°02′30″	26°39′30″
15	36603714	2949325	109°02′30″	26°39′00″
16	35602884	2949318	109°02′00″	26°39′00″
17	36602880	2949780	109°02′00″	26°39′15″
18	36602050	2949773	109°01′30″	26°39′15″

Table 3-4 Coordinates of Shierpan exploration license (From 2010 Shandong No. 6 Brigade report)

18.2.1 **Legal Opinion**

A legal opinion from Christine M. Koo & IP, (Tower 1, Admiralty Centre, Harcourt Road, Hong Kong), dated 31st May 2016 stated that, as of the 21st December 2015, Mr Lok Wai Ming was the sole director and shareholder of Gold Lord Investment Inc.

Gold Lord Investments Inc. holds 93.6 % of the shares of Mountain Gold Holdings Inc. and is the sole director.
Asia Gold Limited ("Asia Gold") is a wholly owned subsidiary of Mountain Gold Holdings Inc. Asia Gold holds 90 % of Shandong Yantai Sanhui Mining Co. Ltd ("Sanhui Mining"). Sanhui Mining holds 95 % of the shares to Jinping Country Jinlong Mining Co. Ltd.

19.2.2 ***Permits***

Permits observed at the site are presented in Table 3-5.

Type of license	Issuing Authority	Certificate no.	Issue day	Expiry day
Blasting operation unit license (Cover and content page)	Ministry of Public Security	5226001300009	26 Jul 2013	30 Jul 2015
Business license (Cover and content page)	Jinping Administration for Industry and Commerce	522628000003802	6 Nov 2008	No expiry
Certificate Non-Coal Mines Work Safety Standardization (Fifth grade)	State Administration of Work Safety	AQBKV (Qian) H0003	5 Jan 2011	4 Jan 2014
Mining license	Department of Land and Resources of Guizhou Province	C520000201202412 0122959	15 Nov 2011	Nov 2011 – Jul 2015
Reply on mining license extension application	Department of Land and Resources of Guizhou Province	(2016)357	19 Apr 2016	30 Aug 2016
Organization code certificate (Cover and content page)	General Administration of Quality Supervision, Inspection and Quarantine of the PRC	522628-002679		31 Jul 2015 – 30 Jul 2019
Pollutant Discharge Permit of Guizhou Province (Cover page)	Jinping County Environmental Protection Bureau	628220135002	18 Nov 2013	18 Nov 2013 – 17 Nov 2016
Tax Registration Certificate (Cover and content page)	Jinping Administration for Industry and Commerce	52262868017780-2	17 Nov 2008	No expiry
Production Safety License (Cover and content page)	Qiandongnan State Administration of production safety	(Qian) 2012 H0077	17 Oct 2012	17 Oct 2012 – 30 Jul 2015

Table 3-5 Permits sighted by ROMA

18.3 **Environmental Liabilities**

There are no known environmental liabilities or restrictions regarding the Project.

18.4 **Climate, Local Resources, Infrastructure and Physiography**

The area has a hilly topography modified by intensive weathering and erosion. The hills are generally NE striking and the overall relief is gentle in the NW side of the area, while a steeper relief is located in the SE side. Elevation ranges from 485 m to 927 m, with a difference of 442m.

The climate of the area is a sub-tropical and humid monsoon climate. Annual average temperature is 17.4°C, with the highest temperature of 38°C and the lowest temperature of -1°C. The annual precipitation of 1348 mm which is the major source of underground water. The precipitation has 80% fall in the summer and autumn (May to September), and the rest of the year (October to April) is the dry season. The annual evaporation is 1250 mm. The evaporation mainly occur in the dry season when evaporation exceeds precipitation. There is no earthquake record in the area, and the earthquake intensity index is VI, which is not a threat to mine site infrastructures.

Agriculture is the major economic activity in the area. Local people also participate in mining activities in their spare time.

Site infrastructure are of good quality. A site office facility with storage areas, an office building and two dormitory buildings, are present in the southern margin of the tenement, Figure 4-1. The site office building consists of meeting and office rooms, a kitchen and storage facilities for documentation. Dormitories are attached to the offices and above the mill. These dormitories are used by local labourers who reside on site. There is also a drillhole cores storage facility adjacent to the mining portal PD580, Figure 4-2. Mobile phone signals and data networks are available all over the scope of the tenement area. Food and other necessities for the mine site offices and camps are purchased from the city of Jinping.

Approximately 3 km of gravel/unsealed roads have been constructed covering the tenement. These roads are connected to the sealed highway. The lay-out of these roads provide access for carrying out exploration programs, smallscale mining and the transportation of ore by trucks and loaders for any operations later on.

Below the mill is a small reservoir, Figure 4-3. As the waste rock from the mill is donated to the local builders to be used for construction, there are no tailing dams which reduce the risk of mine/mill runoff into the reservoir.

The mill was constructed in 2011 and power is sourced from the town of Pingqiu's hydroelectric station, Figure 4-4 and Figure 4-5.

Adjacent to both the office building and dormitories is a small "Run of Mine" (ROM) pad where the mined ore is stock piled. A small underground portal currently exists approximately 30 m west from the site office (Figure 4-6). The portal is currently not in use.

A mineral processing plant equipped with crushing and concentrating machinery is built on the south of site office. The targeted mine production is 350 t/day. The process included 1st and 2nd stage crushing, a ball mill, floatation circuit and gravity separation tables (Figure 4-7).

The 2010 Geological Report (Shandong No.6) reported that there are nearly 14 km of underground development and stoping, Table 4-1.

Figure 4-1 Site dormitory and office.

Figure 4-2 Drillhole cores storage facility.

Figure 4-3 Mineral concentrating plant.

Figure 4-4 Mineral concentrating plant.

Figure 4-5 Site power facility**.**

Figure 4-6 Closed mining portal adjacent to the dormitory building.

Figure 4-7 Ball mill crusher and floatation circuit.

Drive	Before 2009		2009 On		Total
	Stoping (m)	Development (m)	Stoping (m)	Development (m)	M
PD700	1287	565	260	240	2352
PD630	612	0	282	144	1038
PD580	1153	1380	914	295	3742
PD570	1018	607	342	103	2070
PD560	502	200	100	228	1030
PD530	1800	960	338	619	3717
Total	6372	3712	2236	1629	13949

Table 4-1 Metres of underground workings (From Geological Brigade No.6)

18.5 HISTORY

Since the 1970's, work has been carried out at the Project by various parties, as summarised in Table 5-1 (Allmark, 2013).

Year	Work	Contractor
Before 1976	Regional geological survey on a scale of 1:200,000 and placer surveys were carried out.	Local Regional Survey Team of Geology & Mineral Bureau
From 1976 to 1978	General exploration for gold was conducted in the region and auriferous quartz veins were identified.	Geological Team No. 117
From 2000 to 2002	Further region exploration was conducted. Potential for gold mineralisation was predicted at the Jinchangxi-Bize anticline.	Local Geological Survey Institute of Geology & Mineral Bureau
From 2008 to 2010	Geological work for the mine was conducted with one drill hole completed. Underground development and surveys were completed, reporting 13,949 m of underground drives. 480 underground channel samples were collected and analysed within the drives. A non-JORC resource estimate was reported.	Guizhou Non-ferrous Geological Brigade No.6 and mine site technical staff
From 2010 to 2012	Geological works for the mine conducted with 92 drill holes, 101 underground channel re-samples, 35 new channel samples and one trench excavated. Underground development and surveys.	Geology and Mineral Resources Exploration and Development Bureau of Shandong Province Geological Brigade No. 6 and site technical staff

Table 5-1 Bize work history.
Source: Allmark, D., 2013

18.6 GEOLOGICAL SETTING AND MINERALISATION

18.6.1 Regional Geology

The Project area is located in eastern Guizhou, which is in the Jiangnan Massifs between the South China Block of Yantze Craton and the South China Fold Belt (Figure 6-1). The deposition of shallow-water carbonates from Late Proterozoic through Middle Triassic has accumulated to a thickness of up to 12,000 m, and was shaped into the nowadays well-known karst landscape in Guizhou.

The region had undergone several periods of orogenic activity with the main folding dating back to the Indosinian and Yanshanian movements in Triassic and Mesozoic. This activity resulted in high angled northeast-trending folds and strike-slip faults. The faults and folds that are parallel to the South China Fold Belt which spans the southern part of China. Structures in this area are NNE-SSW and NE-SW trending.

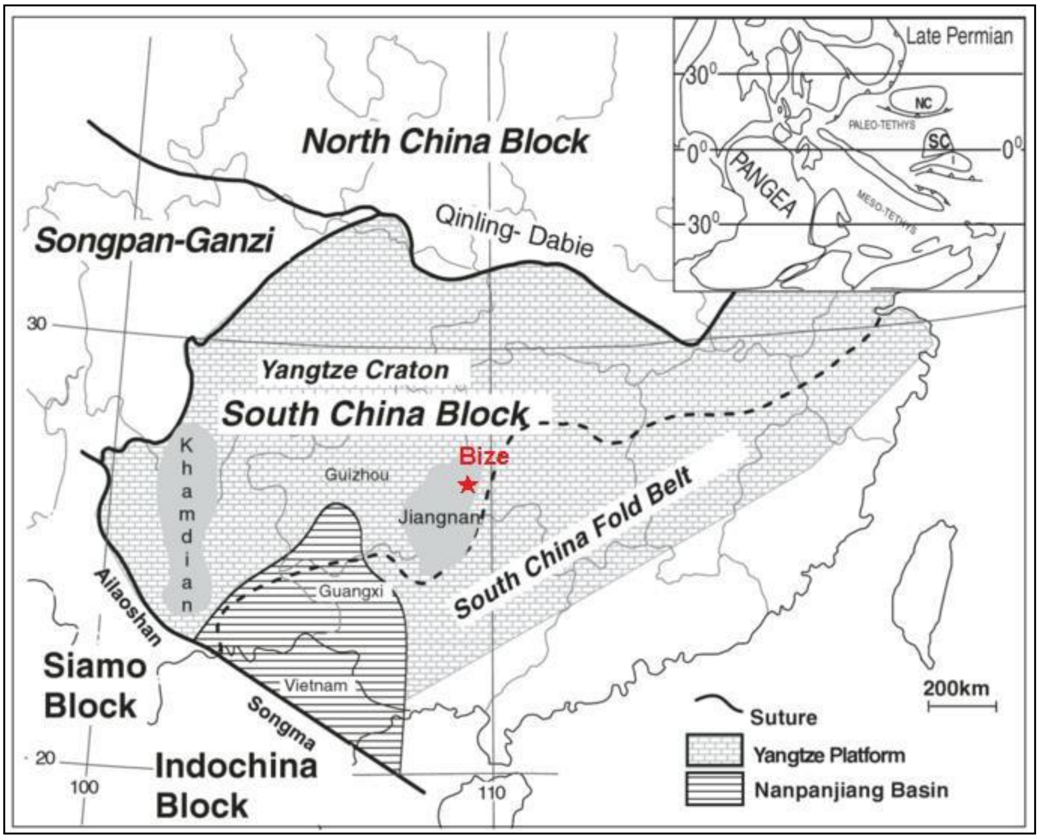


Figure 6-1 Regional setting of the Project area (after Enos et al., 2006)

Sediments of the Xiajing Group comprise the prevalent strata in this region and consist of mainly Proterozoic slates, lacustrine tuffaceous sandstones, tuffs and some carbonaceous rocks. Major formations in this group include: Jialu, Niaoye, Fanzhao, Zhangjiaba, Qingshuijiang, Pinglue and Longli. The prevalent formation in the Project area is the Fanzhao Formation.

18.6.2 **Local Geology**

Stratigraphy in this area consists of three sub-members of the second member of Fanzhao Formation, Xiajiang Group. The lithologies of the three sub-members, from the oldest to the youngest:

- The first sub-member (Qbf2-1) is thin to medium thick layered sericite slates with a thickness of more than 97 m;
- The second sub-member (Qbf2-2) has a thickness of about 204 m. The lithology comprises of thin to medium thick layered sericite slate intercalated with medium thick meta-siltstone. This siltstone is the ore-bearing strata;
- The third sub-member (Qbf2-3) is more than 103 m thick and consists of thin to medium thick sericite slate intercalated with medium to thick layers of meta- sandstone.

The oldest strata in the area ((Qbf2-3) is exposed on the northwest limb of Taozi'ao anticline in an elongated shape and is parallel to the NE-SW orientated hinge of the anticline complex. The strata becomes younger in both northwest and southeast directions.

Locally the major structures consist of an anticline fold complex, two major faults and some secondary faults, Figure 6-2. These structures are parallel to the regional NE-SW striking structure. The anticline fold complex lies across the Project area and includes two anticlines which lie very close and parallel to each other. These are named the Taozi'ao anticline and Jinchangxi anticline. The Taozi'ao anticline lies northwest of the Jinchangxi anticline. This anticline fold complex is asymmetric with the steeper limb dipping 58° to 80° towards the northwest and a relatively gentle limb with a dipping of 15° to 36° toward southeast. The orebodies are located in the limbs as hidden orebodies and controlled by the major faults.

Two major faults lies parallel to the hinge of this fold complex:

- Fault F1 is a reverse fault that strikes northeast and dips to northwest at an angle of 80°. The fault is located on the northwest limb of the Taozi'ao anticline. A shear zone of 1-5 m wide is accompanied with reidel shear structures on both walls. The fault defines the southeast boundary of the oldest strata outcrop.
- Fault F2 strikes northeast and dips to southeast at about 75°. It is located between the two anticline hinges, on the southeast limb of the Taozi'ao anticline. A shear zone of 1-10 m is formed between the two walls and quartz veins are observed in the zone. Several secondary faults are also observed on the northwest limb of the anticline complex which are north and north- northeast trending and

dip to northwest.

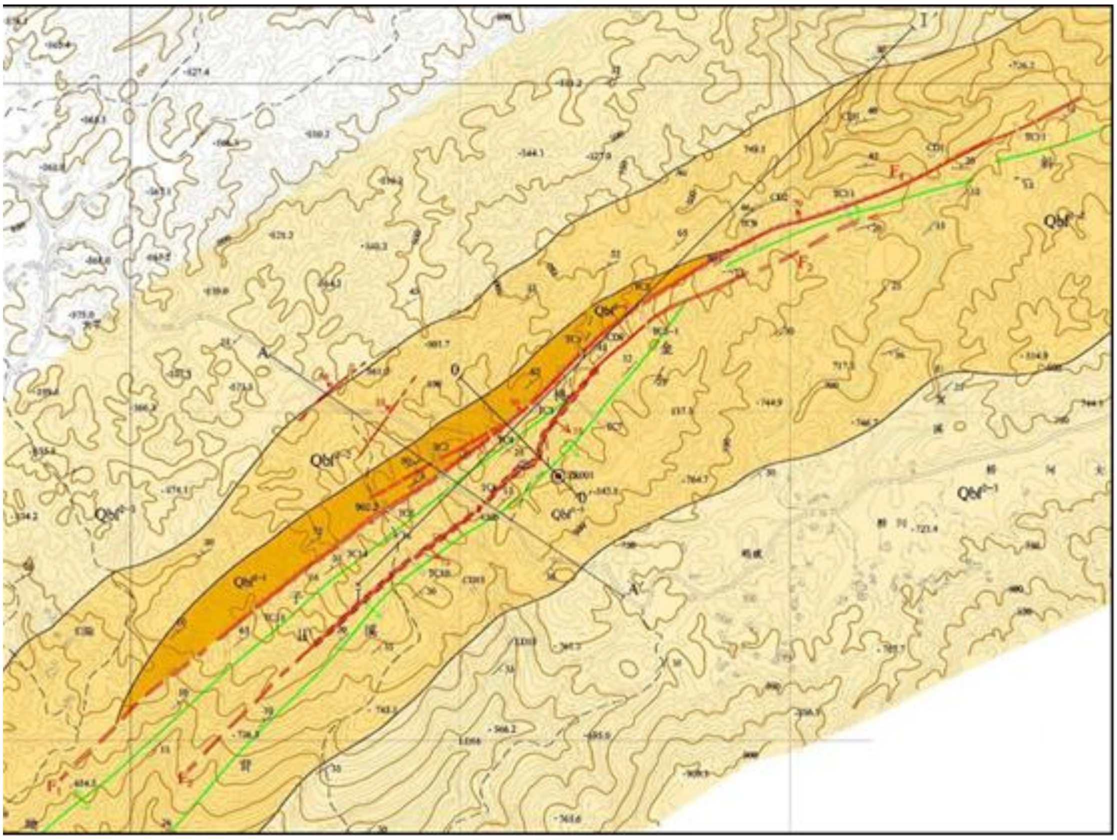


Figure 6-2 Local Geology Map of Project (After Shandong No.6, 2010).

Hydrothermal alteration in the area includes silicification with pyrite, arsenopyrite, and sphalerite alteration. They are closely related to the gold mineralisation in the area.

18.6.3 **Deposit Type**

The mineralisation style of the Project is epithermal veining. The gold mineralisation is a result of intensive tectonic activities include folding and faulting during Late Jurassic and Cretaceous. This resulted in high temperature metamorphism and the introduction of hydrothermal fluids containing gold. The hydrothermal fluids formed the gold-bearing quartz veining along lines of weaknesses such as bedding planes, shear zones and faults. At the Project, the resultant orebodies lie between beddings in the anticline complex and in the shear zones associated with faults. The orebodies vary in thicknesses and range from 0.4 m to 2.6 m and average 0.8 m.

The structurally formed orebodies M5 and M6 are related to the F1 fault which extended about 3 km. F5 was formed along rock beddings with an average thickness of around 0.81 m. F6 was formed along F1, and the average thickness is 1.8 m approximately. The interbedded vein-type orebodies are formed parallel to bedding planes in the anticline fold complex and includes M7, M8, M9, M10, M11 and M12. Their distance from each other varies from 50 m to 100 m.

18.7 DRILLNG

Drilling activities were undertaken by Shangdong Brigade No. 6 within the Project area from 2010 to 2012. The Shangdong No.6 Brigade drilled 93 holes comprised of 67 underground diamond drillholes with an aggregate length of 8,356 m and 26 surface holes with an aggregate length of 9,458 m. The average length was 125 m and 365 m respectively. Drillhole collars and depth of holes are presented in Appendix F.

Of the underground holes, 11 were drilled at 135°, 8 holes were drilled at 315° and 46 holes were drilled vertically. Twelve of the surface drillholes were drilled at 135°, 3 were drilled at 115°, 10 were vertical and 1 was drilled at 190°.

The drilling was done in accordance to Chinese Standard. All the holes were surveyed at the start and end of the holes and cores were logged geologically. The drill core is NQ in size.

Out of the 666 mineralised intercepts, 623 samples had a recovery > 90%, 21 samples had a recovery of 80 to 89 % and 21 samples had a core recovery of < 80 %. Samples with core recovery of < 80 % were used for interpretation but removed for the resource estimation.

The cores have been stored in a core sheds, Figure 8. While some of the markings on the core trays had been lost and some wooden core trays had fallen apart, most of the core were in reasonable conditions, Figure 7-1. However poor organisation of the trays made it difficult to find particular surface drillholes core. The underground drilling core trays were better maintained and organised.

Sampled intervals of quartz veining in the core trays had been broken using a hammer and then samples taken from the selected interval.

Figure 7-1 Surface drillhole core trays

The Shangdong Brigade also took 101 underground channel re-samples, 35 new channel samples and excavated one trench.

ROMA verified the existing drilling by submitting 17 drillhole core samples and 30 underground channel samples.

The initial sampling of the drillhole core by the Shandong Brigade was to place the core in a jig and break the core with a hammer. Samples were then taken from the broken core. Much of the remaining quartz veining from the 17 intervals was taken by ROMA during the verification work. An example of the broken quartz veining is presented in Figure 7-2. As the core was broken and not cut for sampling, a greater variation between the historical and ROMA samples was expected.

Figure 7-2 Broken quartz from ZK205, 176.5 to 177.2 m

The 30 channel samples were taken using a hammer and chisel and at the same sites as the Shandong Brigade channel samples. Examples of the veining are presented in Figure 7-3.

Figure 7-3 Quartz veining, 530 level

18.8 DATA VERIFICATION

During the site visit ROMA confirmed the location of 6 surface drillholes collars ZK101, ZK102, ZK303, ZK305, ZK503 and ZK905) using a handheld GPS, Figure 8-1.

Figure 8-1 Collar of ZK503

ROMA verified the existing drill assays by submitting 17 drillhole core samples (surface and underground drilling) and 30 underground channel samples.

Of the 7 surface and 10 underground samples, only 7 samples had a difference of 2 g/t or less, indicating that the correlation between the historical and validation samples was poor, Figure 8-2. One sample, R012, is not shown as including the sample would hide the variation of the samples in the 0 to 15 g/t range.

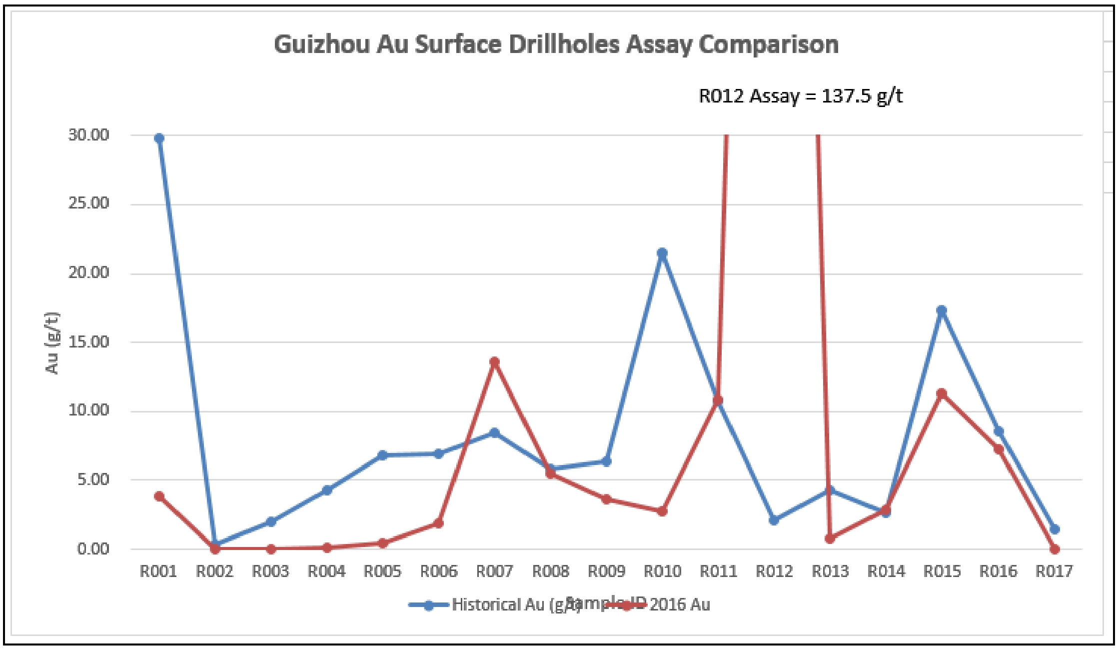


Figure 8-2 Drilling validation

The 30 channel samples were taken as close to the site of the Shandong Brigade as possible. The 2016 resampling showed a larger variation in Au grade compared with the historical one. The average grade of the 2016 channel samples was 8.02 g/t which is higher than the 4.21 g/t in the historical result, Figure 8-3. One sample, RU24, is not shown as including the sample would hide the variation of the samples in the 0 to 10 g/t range.

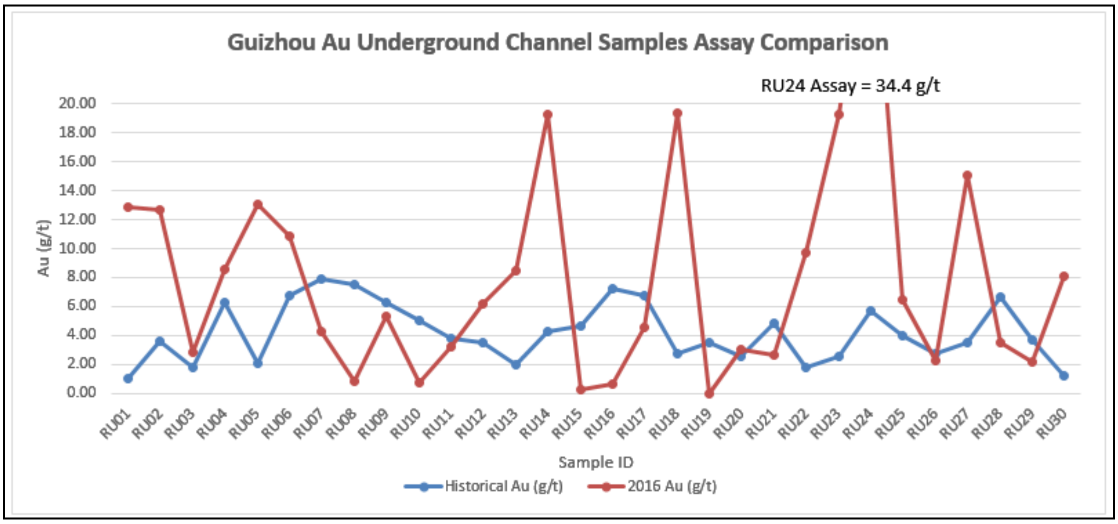


Figure 8-3 Channel sample validation

Repeat analysis to 5 out of the 47 validation samples indicated a moderate to poor correlation, indicating that the gold is nuggety in nature, Table 8-1 and Figure 8-4.

Method	Au-GRA21	
SAMPLE	Au (ppm)	Au Duplicate (ppm)
R010	2.77	17.15
RU03	2.8	2.86
RU13	8.52	10.3
RU23	19.3	13.75
RU30	8.12	12.25

Table 8-1 Laboratory duplicates

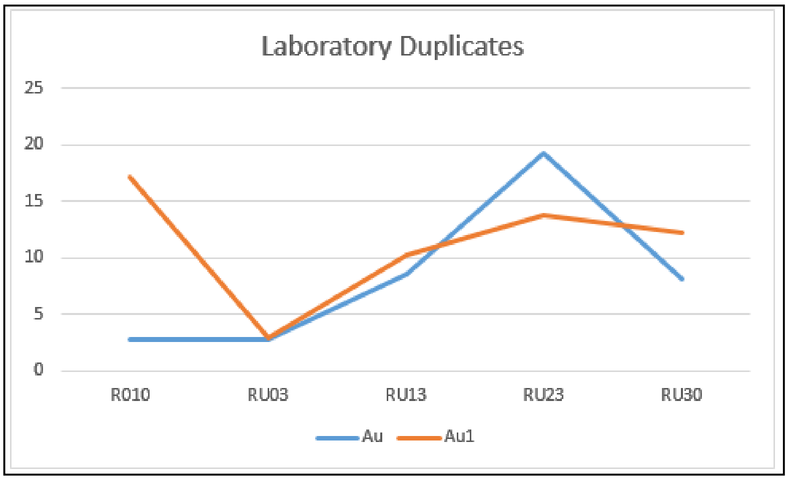


Figure 8-4 Laboratory duplicates

Two bulk density tests were carried out, one on the drillhole core sediments and one barren quartz veining. The results were 2.72 g/cm^3 and 2.62 g/cm^3 respectively.

Validation work showed that the area has a large variation in the gold grade and that the gold is nuggety in nature. The validation samples showed poor correlation to the original samples.

18.9 RESOURCE MODELLING AND PARAMETERS

All the resource modelling and estimation was carried by Steven Hodgson, Principal Geologist employed by ROMA. Steve Hodgson is a member of the AusIMM and has more than five years relevant experience in resource modelling and estimation in the type of mineral resources included in this report.

18.9.1 Wireframing

The mineralisation was constrained by wireframes that were created by snapping to the drillholes or channel samples based on a 1.0 g/t cut-off.

The mineralisation consists of six sub-horizontal stacked veins or orebodies that have been folded/sheared, Figure 9-1. The orebodies are numbered 7 to 12, with a second smaller orebody sub-parallel to orebodies 7, 8 and 9.

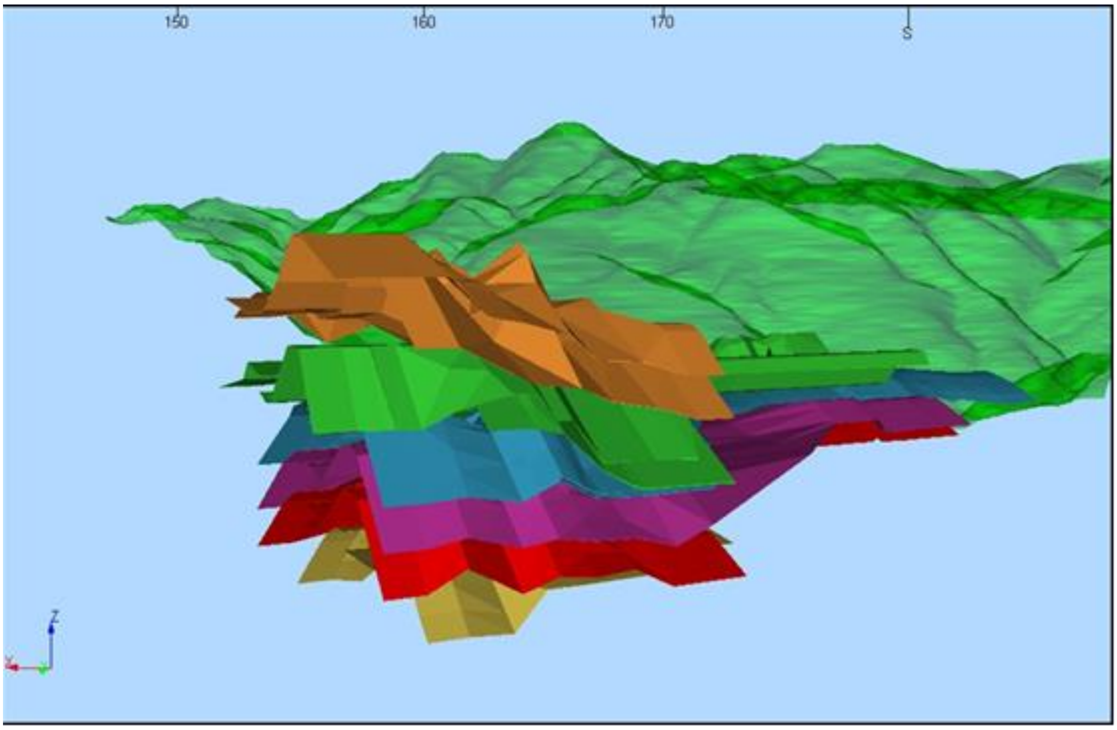


Figure 9-1 Stacked lodes and topography looking south

During wireframing, it was observed that the surface drillholes did not always relate spatially to the channel samples. This was attributed to a slightly different datum points between the underground and surface surveys. This resulted in an uneven appearance of the wireframe, mostly in the north-eastern area.

Several channel samples appear to have the wrong elevations by 2 to 5 m. These were corrected.

The wireframes showed minor folding and displacement by faulting. Figure 9-2. The faulting offset appears to decrease with depth.

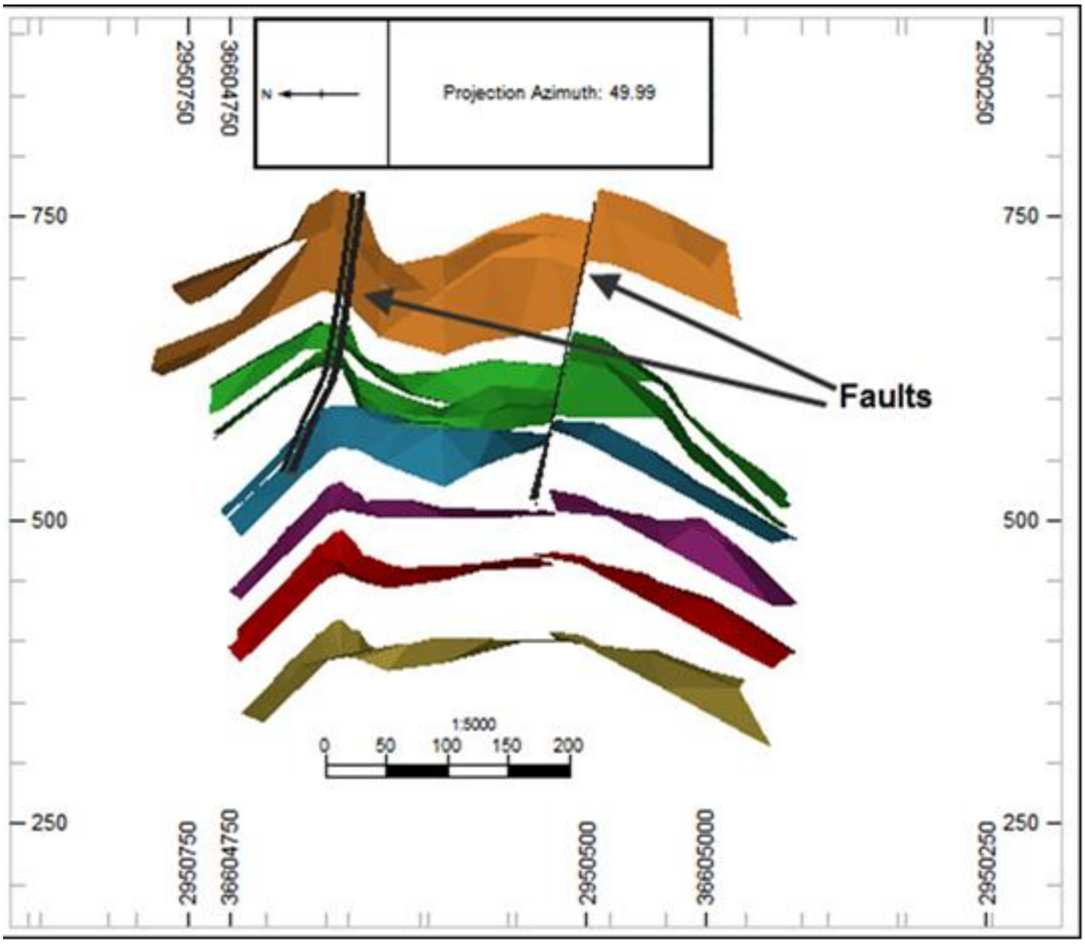


Figure 9-2 Northern area, mineralisation and faults, 70 m clipping

The extents of the wireframed lodes are presented in Table 9-1.

	M07_0	M07_1	M08_1_	M08_2_
	Length (m)	Length (m)	Length (m)	Length (m)
Easting	660	535	890	595
Northing	540	480	890	490
RL	160	195	155	150

	M09_1_	M09_2_	M10_1_	M11_1_	M12_1_
	Length (m)	Length (m)	Length (m)	Length (m)	Length (m)
Easting	260	1,035	935	915	575
Northing	190	1,130	1,085	1,065	605
RL	125	145	120	160	195

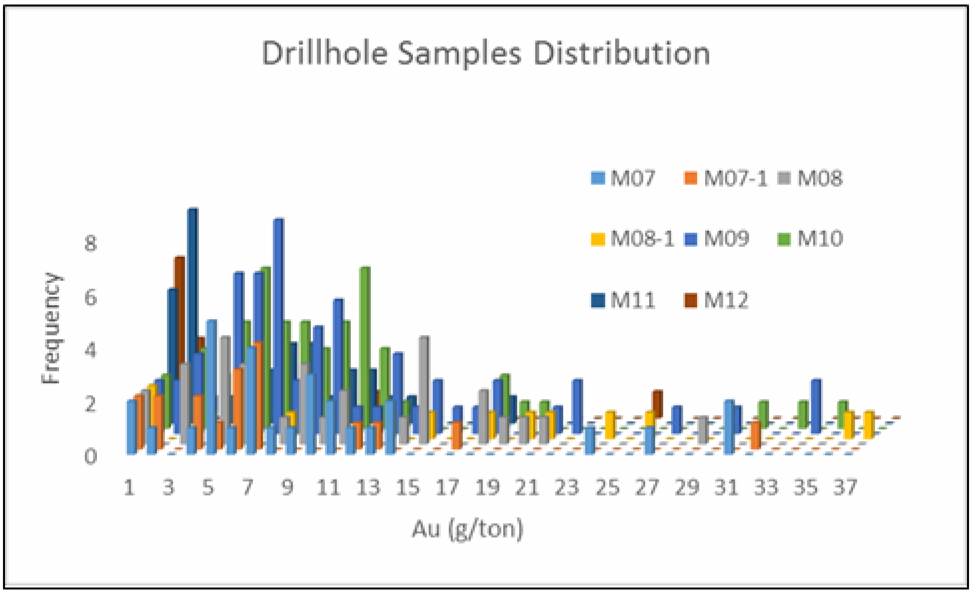
Table 9-1 Mineralised wireframe extents

18.9.2 **Statistics**

A total of 255 drillhole samples were used in the resource estimation. Drillhole samples with a hole ID starting with "H" were excluded due to lack of interval information. The drillhole samples taken from ore vein M07, M08, M08-1 and M09 have average Au grades of over 13 g/t. The ore vein M12 drillhole samples have the lowest average Au grade, Table 9-2 and Figure 9-3.

Hole ID	Count	Average Au (g/ton)	Maximum Au (g/ton)
M07	30	13.55	118.03
M07-1	18	7.19	31.38
M08	34	17.81	95.08
M08-1	15	17.59	39.83
M09	59	13.70	156.75
M10	51	9.24	34.01
M11	35	7.21	42.16
M12	13	4.34	24.23
Total	**255**	**11.74**	**156.75**

Table 9-2 Drillhole Au statistics



A total of 460 channel samples were used during the resource estimation. The channel samples taken from ore vein M07, M08, M10 and M12 have average Au grades of over 5 g/t, Table 9-3 and Figure 9-4. It is notable that the average Au grades are lower than the drillhole samples.

Hole ID	Count	Average Au (g/t)	Maximum Au (g/ton)
M07	24	5.12	32.42
M08	183	5.91	20.8
M09	172	2.99	10.2
M10	12	6.15	12.3
M11	8	2.55	3.5
M12	61	5.92	30.56
Total	**460**	**4.73**	**32.42**

Table 9-3 Channel samples Au statistics

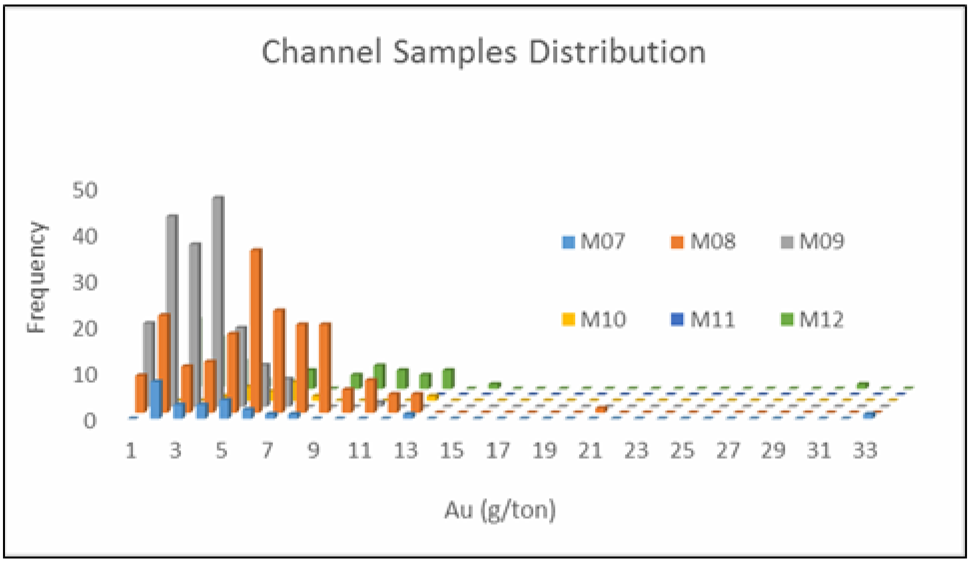


Figure 9-4 Channel samples distribution

A log probability plot, Figure 9-5, shows the differences in the channel and drillhole samples. The difference in the grades may be due to:

- Poor sampling practices. The drillhole core was not cut longitudinally with a core saw, but broken in a jig and samples selected from the interval. The channel samples were taken using a chisel and hammer with the sampled material collected on a plastic sheet. This may cause a bias to the softer material, which may have different grade than the harder, more competent material.
- The location of samples. The drillhole samples collected at fold limbs were reported have higher Au grade than the channel samples collected away from the fold axis, however this was not that apparent when examine the data in 3D.
- High nuggety nature of the gold.

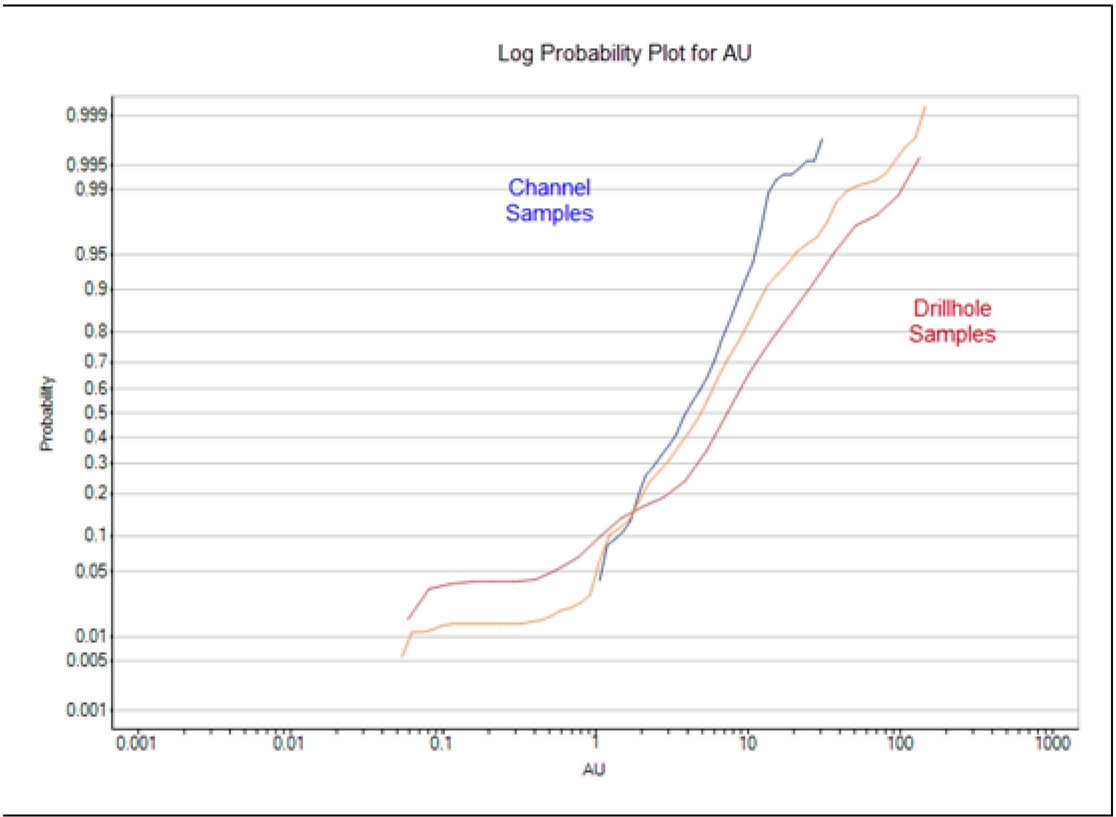


Figure 9-5 Log probability plot of drillhole and channel samples

(a) **Compositing Interval**

The drillhole and channel sample orientation meant that the samples generally represented the true width of the veins with an average of 0.8 m, Figure 9-6.

The intervals were composited to a sample length of 0.8 m.

Figure 9-6 Drillhole and channel samples intervals

(b) **Bulk Density**

ROMA submitted two samples for bulk density analysis to ALS Chemex (Guangzhou) Co. Ltd in Guangzhou.

The first sample was NQ drill core of unmineralised slate which had a bulk density of 2.72 t/m^3. The second sample was a grab sample of quartz veining from the 530 level which had a bulk density of 2.62 t/m^3 which is slightly lower than the industry average of 2.65 t/m3. Both bulk densities are within the expected range for their rock type.

The Chinese brigade reported a bulk density of 2.70 t/m^3 based on the results from the processing plant.

A bulk density of 2.70 t/m^3 was used.

(c) **Top Cuts**

A top cut of 70 g/t was applied to the composited Au assays. This resulted in 5 samples being cut, 3 samples from the underground drilling and 2 samples from the surface drilling.
The top cut was selected based on the log histogram and log probability plot, Figure 9-5 (orange line).

(d) **Block Model**

Due to the folded nature of the mineralised lodes and the small average width of the lodes, the wireframes and the assays data were rotated to an orthogonal plane prior to construction of the block model. The rotation coordinates are presented in Table 9-4 and Figure 9-7.

Parameters	Value
Angel of rotation	-43
Axis of rotation	Z
Point of Rotation X	3,6604,000
Point of Rotation Y	2,949,500
Point of Rotation Z	550

Table 9-4 Rotation parameters

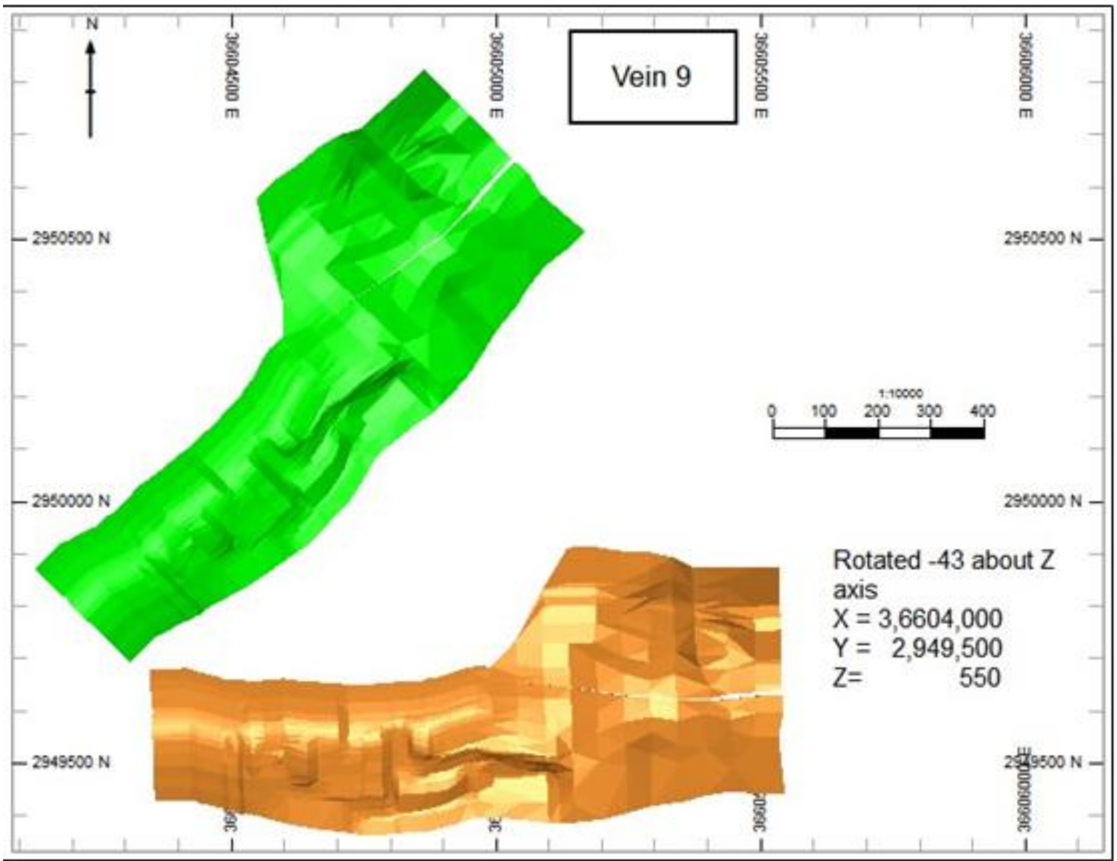


Figure 9-7 Vein 9 showing rotation, green lode is not rotated

The block model was constructed in Datamine Studio 3 with the parameters presented in Table 9-5.

Parameters	X	Y	RL
Minimum Coordinates	36,604,200	2,949,100	250
Maximum Coordinates	36,605,800	2,949,500	900
Extents	1,600	400	650
User Block Size	100	20	10
Min. Block Size	5.0	0.8	0.5

Table 9-5 Block model parameters

The block model was visually checked to ensure that the blocks were coded by wireframes correctly.

(e) **Methodology**

The Mineral Resources estimation for the Project was done by using an inverse distance squared algorithm. While ordinary kriging would be a more appropriate estimation methodology, the variograms were of poor quality.

A 1.0 g/t Au boundary was used to constrain the mineralisation. Each of the lode or secondary lode (i.e. 8.1 and 8.2) as defined by the 1.0 g/t Au wireframes were treated as a "hard boundary" or separate zone, in order to prevent assay values in adjacent wireframes influencing the grades of the separate wireframes.

Seven hundred and ninety three samples comprised of 531 channel samples, 127 surface drillholes samples and 135 underground drillhole samples were used in the resource estimation.

(f) **Search ellipse**

One spheroid search ellipse was used for all lodes. The size of each axis was the same at 50 m by 50 m by 50 m. As each wireframe was estimated separately and only with the samples for that wireframe, the spheroid nature of the ellipse was acceptable.

The search parameters and the number of samples used to estimate each block are presented in Table 9-6. An octant based search was not used and a maximum of three samples per drillhole was used for each cell estimate.

Deposit	Ellipse Multiplying Factor					
	1st Pass, Factor = 1		2nd Pass, Factor = 2		3rd Pass, Factor = 4	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum

All lodes	3	10	3	10	1	10

Table 9-6 Number of samples used per cell estimation.

(g) **Mined Out Material**

Part of the resource has been mined out. The mined out areas plus development drives and cross cuts, Figure 9-8, has been excluded from the resource figures.

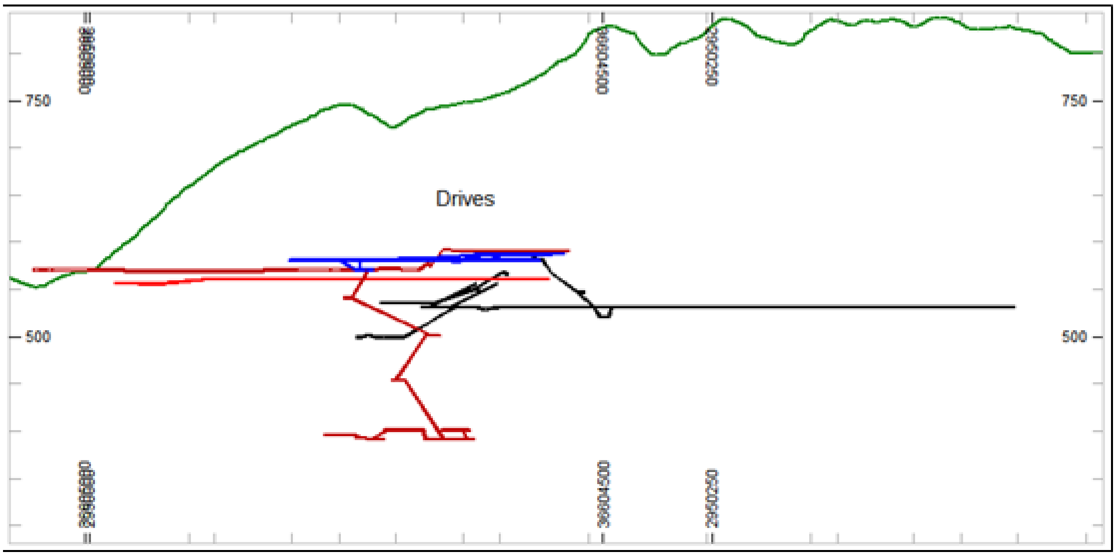


Figure 9-8 Underground workings

(h) **Validation**

An inverse distance cubed resource was competed as a check estimation and the results were similar.

A visual comparison was also made between the drill hole grades on cross sections and the block models grades by colour coding the drill assays and resource model blocks with the same colour ranges and stepping through cross sections. The model grades were found to honour the drillhole composite grades.

The wireframe volume by lode was compared to the volume in the block model and the difference was less than 1% for each of the lodes or sub lodes.

A statistical comparison of the average drillhole assays and model grade of lodes is presented in Table 9-7. Only lode 9.1 has a significant variation between the model Au grade and the drilling Au average. This may due to an increased number of high assays in the drillhole/channel samples, elevating the block model mean. Statistics analyses of the other lodes are acceptable.

Lode	Drillhole Mean	Model Mean	Drillhole Maximum	Model Maximum	Drillhole Standard Deviation	Model Standard Deviation
7.1	8.73	8.67	70.00	33.27	11.16	5.41
7.2	7.19	7.54	31.38	19.50	7.24	4.35
8.1	7.31	8.67	70.00	35.40	8.43	5.39
8.2	13.64	14.20	39.83	33.09	12.04	8.04
9.1	5.13	9.42	70.00	39.58	7.50	7.20
9.2	5.84	5.66	8.98	6.92	2.22	0.48
10.1	8.56	8.64	34.01	22.95	6.69	3.67
11.1	6.31	7.15	42.16	37.55	8.52	6.14
12.1	5.64	4.71	30.56	9.78	5.44	2.60

Table 9-7 Average drillhole assays and model grade by lode.

Swath plots were generated to compare the model grade and tonnage with the drillhole grades and the amount of the samples over various directions, i.e. bench, E- W direction and N-S direction. Only model grades estimated within first search volume were used, as these are the grades with the greatest level of confidence.

The swath plots of all the data, presented in Figure 9-9, indicate that overall there is a good correlation between the drill hole/channel samples assay and estimated grade.

Swath plots were also generated for lode 9.1, which indicates overestimation appears to the east of 36,605,200 mE of the rotated data. This area is the north-eastern areas of the un-rotated data and is structurally more complex with faulting and folding. This area also has most of the drillhole data.

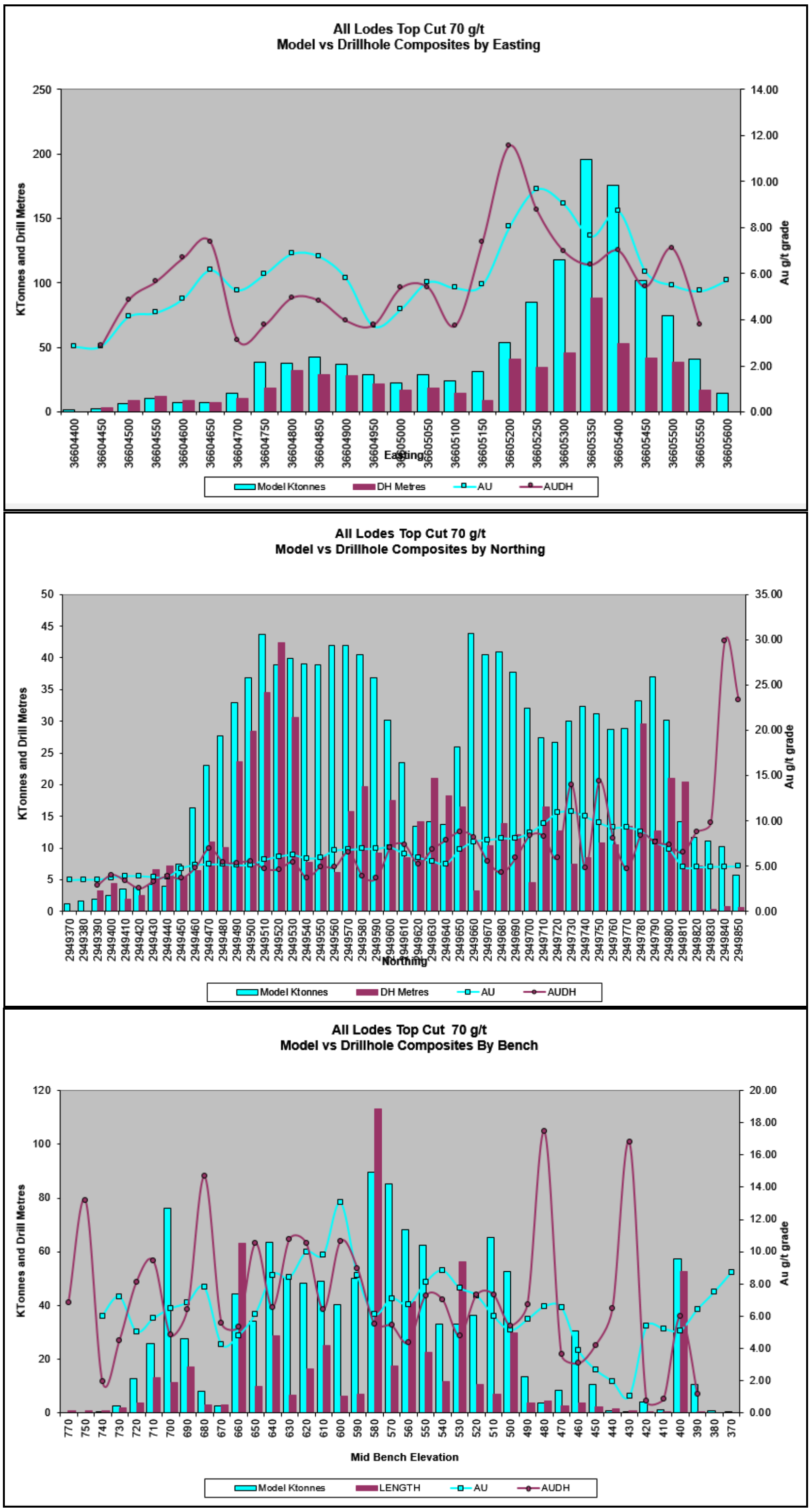


Figure 9-9 Swath plots for all data.

18.10 **MINERAL RESOURCE ESTIMATE**

18.10.1 **Resource classification**

The JORC Code states the three classifications on reporting resource based on the level of confidence:

- Measured: Tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

- Indicated: Tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques form locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

- Inferred: Tonnage and mineral quality can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or quality continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, which may be limited or uncertain quality and reliability.

In addition to the classification there is the Exploration Target. An Exploration Target is conceptual in nature in that there has been insufficient exploration to estimate a Mineral Resource and the potential quantity and grade is uncertain.

Classification of the Jinchangxi-Bize Gold Project is based on the distance and number of samples used for the resource estimation, which is a reflection of the drillhole sampling, channel sampling spacing and geological structure.

Blocks estimated within the first search ellipse were classified as Indicated, while blocks estimated within the second search ellipse were classified as Inferred. Care was taken to prevent a spotted dog effect during classification. Figure 10-1 show the classification for vein 8.1.

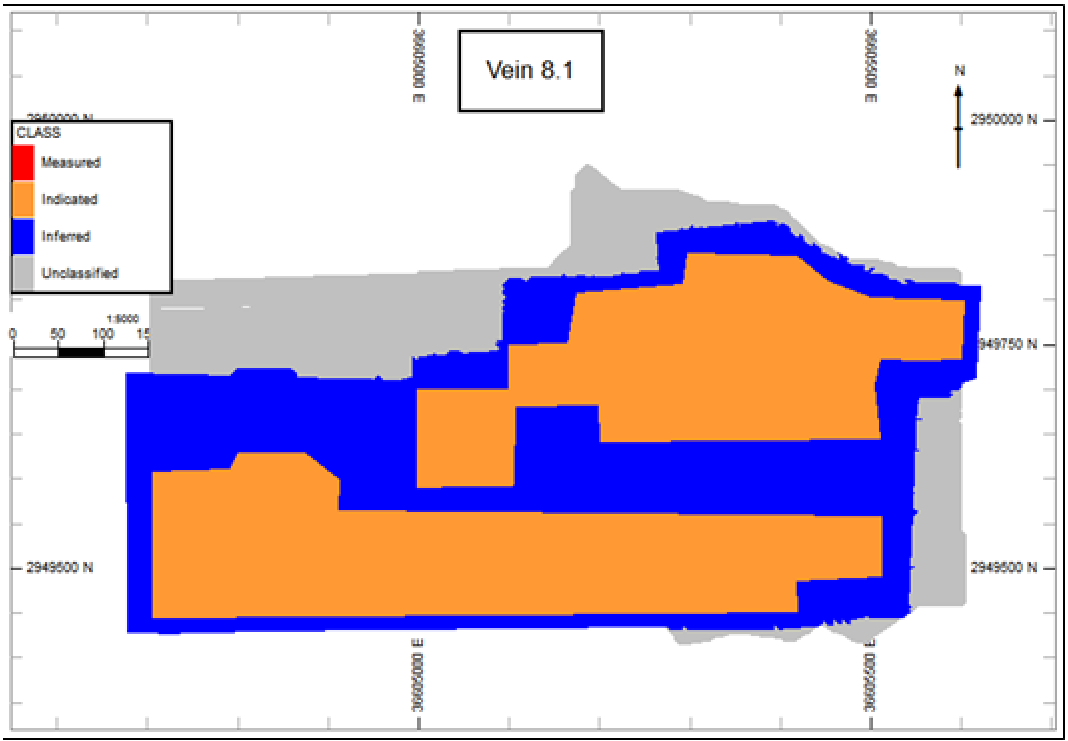


Figure 10-1 Vein 8.1 rotated blocks coloured by Classification

18.10.2 Mineral Resource estimate resource

ROMA's May 2016 Mineral Resource estimate resource for the Project is 1.883 million tonnes at 9.28 g/t of gold classified as Indicated and Inferred for 17,450 kg of gold metal and based on a 2.5 g/t Au lower cut off, Table 10-1. The resource is compliant with the 2012 JORC Code guidelines.

The model has been depleted of mined material and material outside of the tenements prior to reporting the mineral resource.

Category	Tonnes (t)	Au (g/t)	Au Metal (kg)
Indicated	964,000	8.36	8,050
Inferred	919,000	10.25	9,400
Total	**1,883,000**	**9.28**	**17,450**

Table 10-1 Unmined Resource at 2.5 g/t Au lower cut off, all lodes.

Note: Au metal rounded to nearest 50 kg.

All the resource modelling and estimation was carried out by Steven Hodgson, Principal Geologist employed by ROMA, and is the Competent Person for this report. Steven Hodgson is a member of the AusIMM and has more than five years relevant experience in resource modelling and estimation in the deposit type/mineralisation style of mineral resources included in this report.

The resource estimate for the Project by lode based on a 2.5 g/t cut off is presented in Table 10-2.

Lode	Tonnes (t)	Au (g/t)	Au Metal (kg)
7.1	247,000	9.33	2,300
7.2	71,000	6.96	500
8.1	661,000	8.93	5,900
8.2	117,000	16.28	1,900
9.1	232,000	11.02	2,550
9.2	25,000	5.90	150
10.1	322,000	8.38	2,700
11.1	97,000	8.55	850
12.1	111,000	5.75	650
Total	**1,883,000**	**9.28**	**17,450**

Table 10-2 May 2016 Mineral Resource estimate, 2.5 g/t Au lower cut off.

Note: Au metal rounded to nearest 50 kg.

The combined estimated resource for material inside and outside the tenements with a sufficient level of confidence to be classified as Indicated or Inferred under JORC (2012) is 2.186 million tonnes at 8.82 g/t of gold classified as for 19,250 kg of gold using a 2.5 g/t cut off. The 98% of the estimated resource lies within the mining licence, Table 10-3

Tenement	Tonnes (t)	Au (g/t)	Au Metal (kg)
Exploration	57,000	4.72	250
ML	1,825,000	9.42	17,200
Outside	303,000	5.94	1,800
Total	2,186,000	8.82	19,250

Table 10-3 Unmined Resource by tenement at 2.5 g/t Au lower cut off, all lodes.

Note: Only that resource that may be classified as Indicated or Inferred is presented

There is a large amount of material that was not classified due to the distance from sample points. However given the continuous nature of the quartz veining, it may be possible to increase the size and confidence of the resource with a relatively minor expenditure.

18.11 MINING METHODS

The main factors affecting choice of mining method are the dip, thickness of the ore body and the stability of rock.

The dip of ore body is estimated to be gentle which is less than 15° and with average thickness of 0.45 m to 0.97 m.

The author considers short-hole room and pillar method to be suitable for the style of mineralisation, i.e. flat dipping veining of the Project. This mining method has been used previously. However, the author strongly recommends the Company to carry out mining feasibility study or detailed mining design before any mining operation recommences.

18.12 **ORE RESERVE ESTIMATES**

No Ore Reserves has been estimated in this Report.

18.13 **RECOMMENDATIONS**

The Competent Person recommends the following:

- The surface and underground drillhole collars should be surveyed to ensure matching datum's.
- The underground workings should be surveyed.
- Further drilling by competent drillers should be undertaken using best practices and a proper QAQC sampling program. Downhole surveys should be taken every 50 m to 60 m to allow for accurate modelling of the geology. To save drilling costs, as much of the drilling as possible should be collared from the underground development.
- Further channel sampling should be carried out. The sampling should be done with a diamond channel saw that cuts 2 parallel cuts 5 cm apart and to a depth of 3 to 4 cm. The results should be compared to the historical channel samples.
- Bulk density samples should be taken of the mineralised quartz veining at different locations throughout the mine.
- Structural mapping is recommended in the north eastern area due to the faulting and folding.
- The mining and exploration licenses should be renewed and the mining license should be expanded to include the mineral resource between the two tenements.
- Once mining recommences, the location and tonnage of ore mined should be recorded daily.

COMPETENT PERSON STATEMENT

19. The information in this Announcement that relates to Mineral Resource and exploration results is based on, and fairly represents, information and supporting documentation prepared by Mr Steven Hodgson as the Principal Geologist of his employer Roma Oil & Mining Associates Limited, located at Unit 3806, 38/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

Mr Hodgson obtained a BAppSc (Geology) from Curtin University, Perth, Australia in 1989 and has over twenty years of experience as a geologist in exploration, prospect evaluation, project development, open pit mining, and resource estimation. Mr Hodgson is a Member of the Australasian Institute of Geology, member number 3635 and the AusIMM, member number 108283. Mr Hodgson has sufficient experience which 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 Hodgson and Roma Oil & Mining Associates Limited have neither present nor prospective interests in the Company, the Project or the values reported in the Competent

Person Report. Mr Hodgson is not aware of any material fact or material change with respect to the subject matter of the Report that is not reflected in the Report.

Mr Hodgson consents to the inclusion in this Announcement of the information in the form and context in which it appears.

INDICATIVE TIMETABLE

20. We anticipate that the ASX Listing Committee will consider that ASX Listing Rule 11.1.3 applies to the transactions envisaged pursuant to the Agreement and that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

21. In the circumstances, the Company does not believe that compliance with Chapters 1 and 2 of the ASX Listing Rules will place any significantly material additional obligations than those envisaged under the Agreement.

22. The parties are progressing with the matters required of each of them under the Agreement. Periodic announcements updating shareholders of the progress of this matter will be made as required from time to time.

CAUTIONARY COMMENT

23. Naturally, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

ABOUT QUEST INVESTMENTS LIMITED

24. QST is an Australian registered company that is listed and whose securities are quoted on the Australian Securities Exchange (“ASX”)(ASX Code: QST).

25. QST carries on business as a diversified financial services group with, inter alia,:
    - 25.1 corporate advisory activities in Australia through QSA; and,
    - 25.2 stockbroking activities in Hong Kong through Quest Stockbrokers (HK) Limited (“QSB”). QSB is a Hong Kong company and the holder of a Type 1 licence issued by the Securities & Futures Commission of Hong Kong.

ABOUT GOLD LORD INVESTMENTS INC

26. QST has been advised by Mr Lok as follows:
    - 26.1 Mr Lok is the legal and beneficial owner of all the issued shares of Gold Lord;
    - 26.2 Gold Lord is the legal and beneficial owner of 93.6% of the issued shares of Mountain Gold Holdings Inc. (“Mountain Gold”) (a company incorporated in the Republic of Vanuatu);
    - 26.3 Mountain Gold is the legal and beneficial owner of 100% of the issued shares of Asia Gold Limited (“Asia Gold”) (a company incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China);
    - 26.4 Asia Gold is the legal and beneficial owner of 90% of the issued shares of Shandong Yantai Sanhui Mining Co. Ltd (“SYSM”) (a company incorporated in the People’s Republic of China); and
    - 26.5 SYSM is the legal and beneficial owner of 95% of the issued shares of Jinping County Jinlong Mining Co., Ltd (“JCJM”) (a company incorporated in the People’s Republic of China);

26.6 JCJM is the owner and operator of the gold mine known as JINCHANGXI-BIZE Gold Mine, Guizhou in China.

26.7 a diagram of the Gold Lord Group is set out in the Table at Annexure 1 hereof;

For further information contact:

Chiang Wee Tiong
Chairman
Quest Investments Limited
Email : cwt@murchisongroup.com

or

Grant A Robertson
Director/Company Secretary
Quest Investments Limited
Email: garobertson@murchisongroup.com

By order of the Board of Directors
Chiang Wee Tiong
Chairman

APPENDIX TO MARKET ANNOUNCEMENT

In accordance with ASX Listing Rule 5.8.2, the Company provides the separate report seeking to provide all information that is material to understanding the estimates of mineral resources in relation to each criteria in section 1 (sampling techniques and data); section 2 (reporting of exploration results), and section 3 (estimation and reporting of mineral resources) of Table 1 of Appendix 5A (JORC Code).

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. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (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.	• *All the sampling strictly followed the Chinese Standard DZ/T0205-2002* • *The intervals between channel samples was generally 10m. The samples were geologically controlled with samples collected from between the hanging and footwall contacts.* • *The drilling samples were all collected under the supervision of a site geologist by geological intervals. The core was broken in a jig with a hammer and grab samples taken over the interval.* • *There were no specific quality control measures enforced by the Company during the sampling process.* • *Channel samples were taken with a hammer and chisel.*

Section 1 Sampling Techniques and Data		
Criter	**JORC Code explanation**	**Commentary**
	submarine nodules) may warrant disclosure of detailed information.	
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.).	• *Drilling method was diamond drilling.* • *The core was NQ in size.*
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.	• *According to the log record provided by the Guizhou Geological Brigade 117, Brigade No. 6 of Guizhou Nonferrous Geological Bureau, the average recovery of drill samples is around 97%.* • *The drillhole and channel samples show a significant difference in average grade. This is believed to be a combination of poor sampling practices and the nuggety effect of the gold.*
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	• *All the cores were logged geologically. The core was not photographed and logging quality is suitable only to provide information for the next drilling program.* • *67 underground drilling a total length of 8,356 m* • *26 surface holes with a total length of 9,458 m.*

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
	(or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections 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.	• *Cores were split using a hammer and chisel in a jig and approximately half the sample submitted for analysis.* • *Sample preparation followed the standard Chinese analysis methodologies.* • *The sampling was not representative due to the poor sampling and nuggety nature of the gold.* • *The laboratory duplicates of the validation samples had a moderate to poor correlation.*
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	• *The historic assays were conducted by Shandong Brigade No. 6's laboratory in Zhaoyuan, Shandong Province which is a state accredited laboratory for minerals analysis.*

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
	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 (i.e. lack of bias) and precision have been established.	• *No standards, blanks were inserted as QA/QC procedure.* • *10% of the samples were re-assayed (replicates) by the laboratory internally.* • *5% of the samples were submitted to another state-accredited laboratory in Jinan, Shandong Province for external check.* • *Validation samples were submitted to ALS Chemex.*
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.	• *17 drillhole samples and 30 channel samples were submitted to verify the historical drilling. The results indicate that the historical channels sampling underestimated the gold by approximately half. Due to the initial sampling method of the historical core, the 2016 verification samples confirm that there is high grade gold but the results did not correlate.*
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used.	• *There is a minor vertical discrepancy between the drillhole and channel samples, possibly due to a different datum origin.* • *Downhole surveys were only taken at the start and end of the drillholes.*

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
	• Quality and adequacy of topographic control.	• *The coordinates of samples taken were surveyed.* • *The underground working was surveyed.* • *The grid system used is the Chinese Beijing 54 coordinate system.* • *Topographic map is in digital format.*
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.	• *Channels samples were every 10m along the drives.* • *Surface drilling was on a 40m by 30m grid with allowances for topography.* • *Underground drilling was on a 30m to 40 m by 25 m grid.* • *The sampling was sufficient to establish the continuous nature of the geology and grade.*
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.	• *The orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
Sample security	• The measures taken to ensure sample security.	• *No specific measure for sample security was provided.*
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• *No specific audits or review for the sampling techniques and data.*

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 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 ownership of the Mining License 520000090028 is Jinping County Jinlong Mining Co. Ltd.* • *The Mining License, granting the full mining rights according to the Chinese Mining Law, has been expired in July 2015. Renewal application has been submitted.* • *The Company had obtained all the necessary permits for the Project while the mine was operating.* • *There are no known restriction on mining due to, historical sites, wilderness or national park and environmental settings.*
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• *Guizhou Geological Brigade 117, Brigade No. 6 of Guizhou Nonferrous Geological Bureau and Brigade No. 6 of the Geology and Mineral Resources Exploration and Development Bureau of Shandong Province have been involved in the exploration of the Project.*
Geology	• Deposit type, geological setting and style of mineralisation.	• *The gold mineralisation is associated with quartz veining and hydrothermal alterations.*

Section 2 Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
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.	• *A summary of all information material to the understanding of the exploration results was provided.* • *Collars and depth of drillholes are provided.*
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	• *The data was composited to 0.8m intervals and a top cut of 70 g/t was applied to all veins.*

Section 2 Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
	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.	
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 mineralisation is mainly flat dipping and the drillholes were vertical, giving a true width of the mineralisation.* • *Channel samples represent the true width of the veining.*
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• *Appropriate maps are attached in the Report*

Section 2 Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
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.	• *Both high and low grades are report and the reported assays are representative*
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.	• *Other relevant exploration data has been summarized in the Report*
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 work consist of survey and samples collection (drilling and channel samples) to improve the classification and mining of the ore.* • *Structural mapping is recommended for the north east area.*

Section 3 Estimation and Reporting of Mineral Resource		
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 validation procedures used.	• *Data validation procedures are included in the Report.*
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• *The Competent Person performed a site visit in April 2016. The drives and mill were inspected and samples collected for validation purposes.*
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• *The style and geological controls of the mineralisation is well understood.* • *The quartz veining is continuous and is strataform.* • *Only the quartz veining was sampled and the hanging and footwalls were used to constrain the mineralisation.* • *Nuggety nature of the gold plus the sampling practices employed resulted in a low confidence of the final grade.*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
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 veining can be traced over 1,200m by 500m with a vertical range of 400m.* • *Each vein is narrow, 0.8m vertically with some thickening in the fold hinges.*
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 availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic	• *Inverse distance squared methodology was used for Resource Estimation. The area of the gold bearing quartz vein sets were constrained using wireframes.* • *All the parameters used is based on the experience of the Competent Person, discussions with the Company and reference to the similar projects* • *Due to the nugget effect, ordinary kriging would be more appropriate method, however the variograms were of poor quality.* • *The results compare poorly to the 2010 Shandong Brigade no. 6's resource with less tonnes but a higher average grade.* • *The model was depleted of mined areas prior to reporting the resource estimate.* • *A smaller block size than normal was used due to the narrow vertical veining width*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
	significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	*and the use of parent cell estimation.* • *A spheroid search ellipse of 50 by 50 by 50 m was used to cover any local variations in the orientation of the quartz veining.* • *Each vein and were present sub vein, was estimated separately. No other domaining was applied.*
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 dried basis.*
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• *The cut-off parameters applied were in accordance to the Chinese Standard.*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
		• *Cut-off grade for domaining was 1.0g/t and the resource estimate reported on 2.5 g/t.*
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.	• *The Competent Person considers short-hole room and pillar method is suitable for the style of mineralisation, i.e. flat dipping.* • *This mining method has been used previously.* • *The Competent Person strongly recommends the Company to carry out a mining feasibility study or detailed mining design before further mining recommences.*
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	• *No metallurgical factors or assumptions were made.*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
	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.	
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.	• *All the mining operation will need to comply with all relevant Chinese Laws and regulations.* • *The lack of a tailings dam, limited foot print of the mine and that gold concentrate is transported off site for refining means that less environmental and government permits are required.* • *The required permits were valid prior to the mining moving to standby.*
Bulk density	• Whether assumed or determined. If assumed, the	• *Bulk density was based on the density reported by the*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
	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. • 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. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	*mill. The average bulk density used was 2.7kg/m^3.*
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • 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). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• *The classification of the Mineral Resource is according to the number of samples used for a block estimate. Inferred material required there to be at least 3 samples from the same vein within 50 m.* • *The confidence in tonnage is higher than the confidence in the grade due to the poor sampling practices employed historically.*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• *No audits were done for the Mineral Resource Estimates*
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 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. • These statements of relative accuracy and confidence of the estimate	• *A second resource estimation was carried out using Inverse Distance Cubed and compared to the current resource. There was only a minor difference in the global estimate.* • *The resource is acceptable as a global estimate. Due to the nuggety gold effect and variations between the historical and 2016 sampling, local estimates based on the current resource model should not be used.* • *Production data was not provided.*

Section 3 Estimation and Reporting of Mineral Resource		
Criteria	**JORC Code explanation**	**Commentary**
	compared with production data, where available.	