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The Company Announcements Office
ASX Limited via E-Lodgement

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Yarraloola Project – Positive Initial diamond drill-core metallurgical results from the Ashburton Trough Magnetite Prospect

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Highlights

- **Diamond drilling confirms a volcanogenic-setting for the Ashburton magnetite mineralisation with no crocidolite (blue asbestos) being detected.**
- **Confidence achieved for production of a marketable concentrate product given the recovery of magnetite concentrates by low intensity magnetic separation (LIMS) and Davis Tube show similar results.**
- **Significant upside opportunity exists with follow-up work at the higher grading Spinifex Hill area, where a high proportion of the Davis Tube samples produce magnetite yields > 30% with Fe > 67% and SiO_2 < 5%.**
- **Large scalable exploration potential within the Ashburton prospect which is approximately 12 kms and 800 metres wide.**
- **The Ashburton magnetite project is close to existing and planned infrastructure along with producing mines and active port facilities.**

Commentary of Results and Implications of the study of diamond drill-core from the Ashburton Magnetite System

The recovery of the diamond-core from the Ashburton Magnetite Prospect in 2015 represented the first opportunity to view fresh mineralization and provided rock-samples for processing at bench-scale. The results reported in the following announcement indicate that there is a good correlation of mass-yield and magnetite quality at the same grain-size between the small-scale Davis Tube and larger scale recovery by ball-mill grinding and low-intensity magnetic concentration. This indicates that the utilisation of Davis Tube provides a low-cost method to assess prospectivity.

In response, a compilation of all available Davis Tube results for the Ashburton shows that there are a significant proportion of results that report greater than 30% mass recovery and SiO_2 less than 5% associated with the Spinifex Hill section (Fig 3; fully reported to the ASX 6th October 2015 and 28th of October 2015, this announcement). At Spinifex Hill, RC drill-holes have reported magnetite-mineralised intercepts almost to 200m thick at an overall Davis-Tube mass recovery of 31.9% with a weighted average Fe @ 66.8% and SiO_2 @ 6.4%. However, the quality of a LIMS-produced concentrate which would be the focus of a feasibility study could perhaps be improved with a 1% to 2% reduction in SiO_2 by step-wise grinding, recovery and cleaning. As such, future work on the Ashburton magnetite system will focus on that portion of the project associated with extensions to the Spinifex Hill mineralisation zone.

Ashburton Trough Magnetite Prospect

Exploration Summary

The 2015 work programme on the Ashburton Trough consisted of surface mapping and soil sampling, eight, paired, inclined (-60° to 050°) RC holes to 200m depth and three, inclined (-60° to 050°), diamond drill-holes each to about 500m. The RC holes were located at intervals along the magnetic anomaly system at sites which did not require significant ground disturbance (Fig 2, 3). The main purpose of the RC and diamond-drilling was to provide reconnaissance data on the geology, mineralogy, geochemistry, thickness, Fe-grades and magnetite yield and quality in the rocks from the Ashburton Prospect. The major geological implications and Davis Tube results from the RC-drilling were fully reported on 6th of October 2015 and 28th of April 2016. This announcement presents new results from a metallurgical test-work programme on magnetite-bearing intervals from diamond drill-holes YARDDH002 and YARDDH003 which represent material from the Trailer Laydown and Northern Discovery drill-sections (Fig 2). The diamond-holes were located as part of an EIS joint-funding proposal with the WA Government to provide representative geological sections across an interval of geology that has not previously been sampled.

Metallurgical Results

All the results reported below were completed at Bureau Veritas laboratories in Perth and was supervised by a consulting metallurgist from Engenium Pty Ltd. However, some additional Davis Tube sampling on deeper intervals of the drill-core was undertaken by Coziron staff and processed at Bureau Veritas using the parameters established by the Engenium-supervised metallurgical programme.

Sample Intervals from Diamond-core

The metallurgical test-work programme focused on intervals of magnetite mineralisation at relatively shallow-levels in the drilling from the Northern Discovery and Trailer Laydown sections that might represent material recovered during the early stages of a mine development. Composite intervals and their associated head-grades are reported in Table 1.

Table 1. A summary of the sample intervals and the associated significant assay results.

Drill-Hole	From	To	Interval	Fe%	SiO_2 %	Al_2O_3 %	P %	LOI %
YARDDH002	119	135	16	30.0	46.0	1.85	0.129	2.68
YARDDH002	139	186.2	47.2	30.0	45.5	1.92	0.133	2.83
YARDDH003	104	110.3	6.3	26.7	47.0	2.20	0.113	6.13
YARDDH003	110	137.6	27.6	33.3	43.4	1.72	0.098	1.57
YARDDH003	138	146.2	8.2	30.8	46.0	2.90	0.145	0.81

Magnetite Recovery by Davis Tube and LIMS from Diamond Core

The Davis Tube magnetite recovery programme on the diamond core established the standardised grind-size for the optimum concentrate and comminution controls for the mill-work studies. The grind-size evaluation reviewed the magnetite concentrate composition at a P80 target of 125, 90, 63, 45, 38 and 28 microns. The best quality concentrate was recovered at a target size of 28 microns which had a measured particle size of about 20 microns (Table 2). This was consistent with the grind-size parameters developed and reported to the ASX previously for the Davis Tube processing of RC samples from the Ashburton.

Following the Davis Tube study on the diamond-core, a staged recovery programme was undertaken on larger scale samples. This involved an initial grind to a P80 of 45 microns and recovery of a rougher concentrate using a 1000 gauss magnetic separator (LIMS). The rougher concentrate was then milled to a P80 of 20 microns with a two stage LIMS recovery and cleaning process. Results are presented in Table 3.

Table 2. Yield and quality of magnetite concentrate by Davis Tube from grind-size evaluation at a target P80 of 28 microns but with a measured P80 of 20 microns.

Drill-Hole	From	To	Yield	Fe%	SiO_2 %	Al_2O_3 %	P %	LOI %
YARDDH002	119	135	53.2	47.3	29.5	0.96	0.070	-0.75
YARDDH002	139	186.2	36.4	66.4	6.8	0.27	0.022	-2.88
YARDDH003	104	110.3	26.4	65.1	8.1	0.37	0.026	-2.54
YARDDH003	110	137.6	33.2	66.5	6.8	0.29	0.022	-2.94
YARDDH003	138	146.2	39.0	64.9	8.8	0.52	0.026	-2.89

Table 3. Yield and quality of a magnetite concentrate from a two-stage grind and LIMS recovery circuit.

Drill-Hole	From	To	Yield	Fe%	SiO_2 %	Al_2O_3 %	P %	LOI %
YARDDH002	139	186.2	35.8	65.9	7.2	0.30	0.026	-2.8
YARDDH003	104	110.3	25.9	65.6	7.6	0.40	0.030	-2.5
YARDDH003	110	137.6	32.7	67.7	5.6	0.30	0.019	-3.0
YARDDH003	138	146.2	38.9	65.1	8.4	0.60	0.028	-2.9

Commentary on LIMS vs Davis Tube Recovery of Magnetite from the Ashburton system

The two-stage grind and LIMS recovery and cleaning typically produced only 1% less mass recovery than the Davis Tube, but it upgraded the Fe by up to 1.2%. This suggests that the Davis Tube is providing representative results to assist in identifying the more prospective portions of the Ashburton system.

Additional Davis Tube samples from the Diamond Drill-Core

Following the programme of Davis Tube and LIMS recovery on the shallow intercepts in the diamond-holes from the Northern Discovery and Trailer Laydown sections, intervals of magnetite mineralisation that were outside of the scope of the metallurgical programme were sampled at approximately 5m intervals and processed by Davis Tube. These provide a more comprehensive data-base of recovery results from the Ashburton magnetite system and results are reported in (Table 3). The projected outcrop expression of these zones is currently outside of the areas that have been drilled. The results provide evidence of the variations in concentrate yield and quality at deeper levels within intersections (Fig 2).

Table 4. Yield and quality of Davis Tube samples from the Ashburton diamond drill-core processed for a target P80 of 28 microns but with a measured P80 about 22 microns.

Drill-Hole	From	To	Yield	Fe%	SiO_2 %	Al_2O_3 %	P %	LOI %
YARDDH002	104.20	107.20	28.67	63.51	9.86	0.5	0.022	-2.46
YARDDH002	107.20	112.20	37.30	66.73	6.8	0.17	0.017	-2.9
YARDDH002	112.20	117.20	41.88	60.35	14.79	0.39	0.033	-2.38
YARDDH003	375.90	380.90	33.61	68.98	3.61	0.19	0.021	-2.98
YARDDH003	380.90	385.90	31.96	61.82	12.44	0.51	0.028	-2.5
YARDDH003	385.90	390.90	26.43	67.14	5.87	0.47	0.017	-2.98
YARDDH003	390.90	395.90	29.98	67.03	5.96	0.25	0.021	-2.89
YARDDH003	395.90	400.90	28.74	65.72	7.49	0.53	0.012	-2.9
YARDDH003	400.90	405.90	30.46	65.99	7.18	0.49	0.011	-2.84
YARDDH003	405.90	410.90	30.56	56.95	18.0	0.97	0.018	-2.07
YARDDH003	410.90	415.90	31.02	66.42	6.75	0.57	0.013	-3.09
YARDDH003	415.90	420.90	29.78	67.06	6.18	0.22	0.015	-3.03
YARDDH003	420.90	425.90	30.82	67.54	5.63	0.22	0.014	-3.02
YARDDH003	425.90	430.90	33.55	69.22	3.53	0.12	0.015	-3.15
YARDDH003	452.50	456.50	36.15	66.43	6.76	0.45	0.018	-2.94
YARDDH003	456.50	461.50	36.78	66.07	7.33	0.36	0.021	-2.92
YARDDH003	461.50	466.50	37.24	63.83	9.97	0.29	0.018	-2.63
YARDDH003	466.50	471.50	37.48	67.58	5.73	0.22	0.024	-3.11
YARDDH003	471.50	476.50	37.69	67.14	6.19	0.2	0.024	-3.02
YARDDH003	476.50	481.50	37.56	67.12	6.13	0.22	0.018	-3.04
YARDDH003	487.60	492.60	31.47	68.82	4.12	0.17	0.012	-3.21
YARDDH003	497.60	502.60	40.59	66.08	7.48	0.25	0.021	-2.93
YARDDH003	502.60	507.60	34.21	65.95	7.32	0.24	0.033	-2.87
YARDDH003	507.60	512.60	34.48	53.07	23.1	0.6	0.059	-1.94
YARDDH003	512.60	517.60	37.37	68.25	4.9	0.2	0.014	-3.21
YARDDH003	517.60	522.60	38.24	64.12	9.87	0.24	0.02	-2.73

Summary and Future Work

An overall summary of results reported to the ASX during 2015 and 2016 on the 12 km long magnetic anomaly in the Ashburton Trough across E08/1686 and E08/1826 on the Yarraloola Project has established the following.

1. The association of magnetite mineralization with highly deformed, felsic and rhyolitic volcanics confirms a setting in the Ashburton Basin.
2. Although the magnetite-bearing rocks are unconformable beneath the Ashburton Formation and are complexly folded, as a suite the system appears to steeply dip to the south-west.
3. No blue asbestos has been detected during any of the field or laboratory work to date.
4. The thickest down-hole intervals of magnetite-mineralization are recorded from the Trailer Laydown (YAR098, YAR099), Spinifex Hill (YAR100, YAR101) and Northern Discovery (YAR102 and YAR103) drill-sections. Other significant magnetic anomalies within the system are yet to be drill-tested (Fig 2).
5. The intercepts of magnetite mineralization are characterised by magnetic susceptibility in excess of 10,000 SI units and Fe contents greater than 30%.
6. Mass yields from the Davis Tube increase below 70m down-hole or about 35m vertically, which is interpreted as the base of surface oxidation. Some high-silica concentrates are produced above the base-of-oxidation.
7. All the Davis Tube concentrates are low in phosphorous (less than 0.05%) and alumina (less than 1.0%).
8. Davis Tube concentrates from all the RC samples in the Trailer Laydown, Spinifex Hill and Northern Discovery drill-sections produced an overall weighted average mass recovery of 26% with Fe @ 65.7% and SiO_2 @ 7.44%. However, samples from the thick and more central Spinifex Hill section average a mass recovery of 31.9% with Fe @ 66.8% and SiO_2 @ 6.4% (Fig 3). The Spinifex Hill section will become the focus of future work.
9. Stepwise grinding and LIMS recovery has the potential to reduce the SiO_2-content by at least 1%.

Origin and Background

Magnetite mineralisation in the Ashburton Trough is represented by a high-order magnetic anomaly distributed over an area of about 12 km long and 800 m wide on tenements E08/1686 and E08/1826 (Fig 1). The rocks hosting the magnetite outcrop intermittently as a suite of north-west, trending, strongly folded, variably siliceous, chloritic schists that dip steeply to the south-west. The schists are interbedded with volcanics and volcaniclastics that include basaltic compositions in the east, andesitic to dacitic compositions in the central part and coarse fragmental rhyolites in the west.

This volcanic-associated setting for the magnetite is typical of Algoma-style deposits, which are attributed to an oceanic sea-floor setting. The magnetite-bearing schists also appear to be contained within an inlier in the Ashburton Trough. This is highlighted by the irregular, unconformable on-lap of the more gently folded Ashburton Formation which is of Paleoproterozoic age along the western boundary. The magnetite-bearing units are also covered in parts by the much younger (Cretaceous-age) flat-lying Yarraloola Conglomerate. Work is focussing on the most prospective parts of the mineralised system which are either outcropping or appear to have less than 20m of oxidised overburden cover.

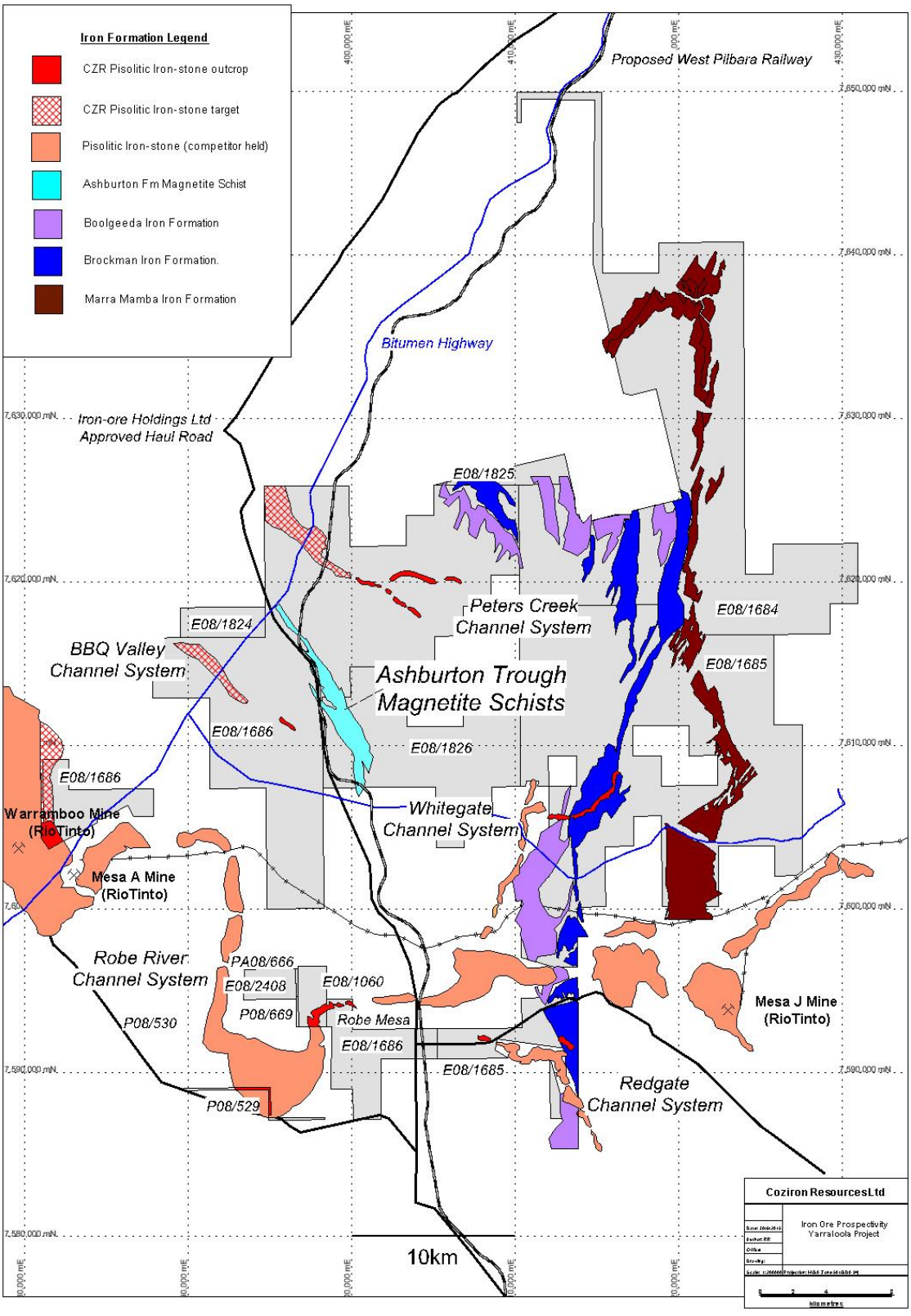

Fig 1. Location of magnetite-schists in the Ashburton Trough on the Yarraloola Project, West Pilbara of Western Australia.

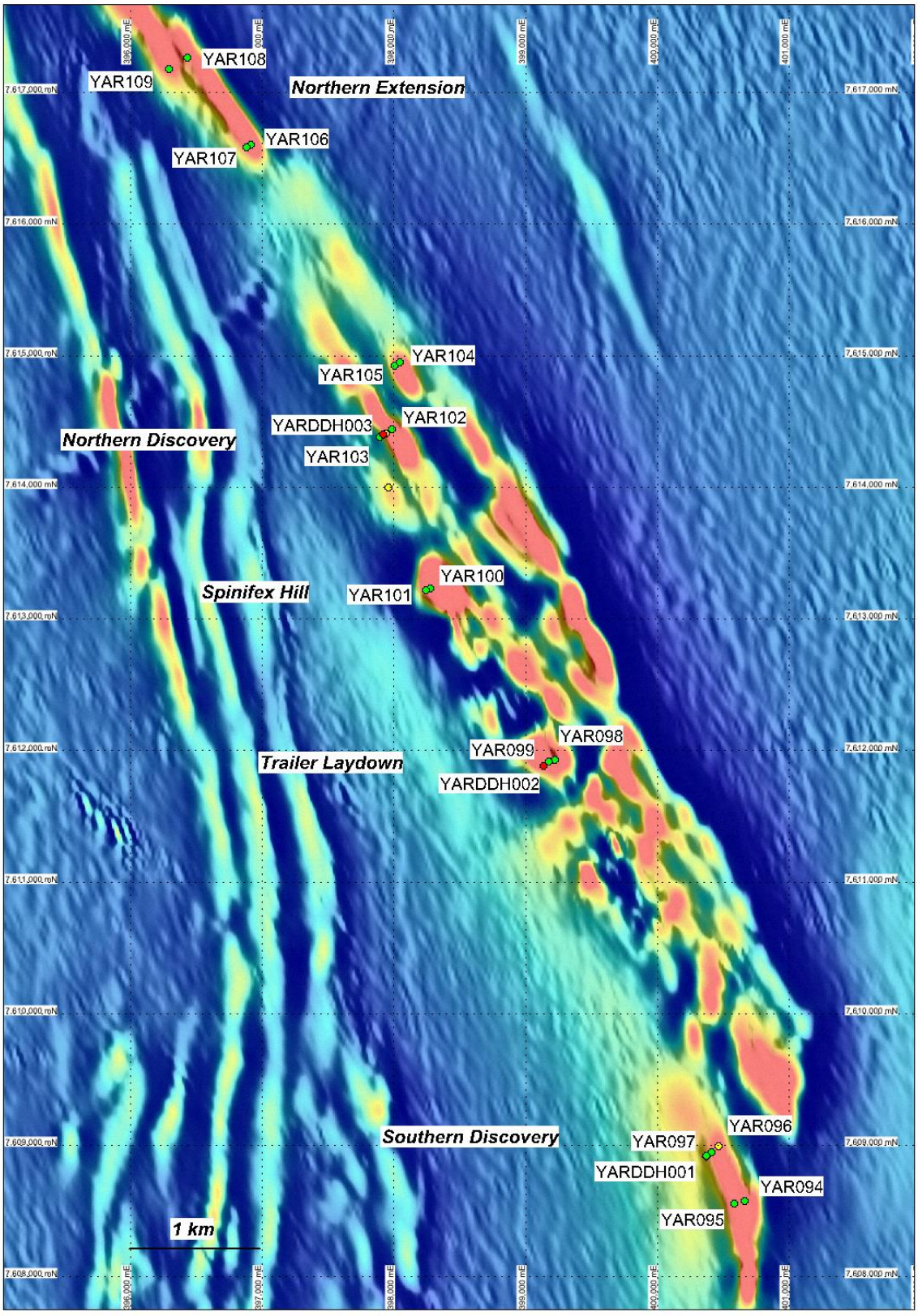

Fig 2. RC and diamond drill-collars for the magnetite-bearing sequence in the Ashburton Trough overlain on the first vertical derivative magnetic imagery. (Green circles = 2015 RC, Yellow = 2014 RC, Red = 2015 diamond hole).

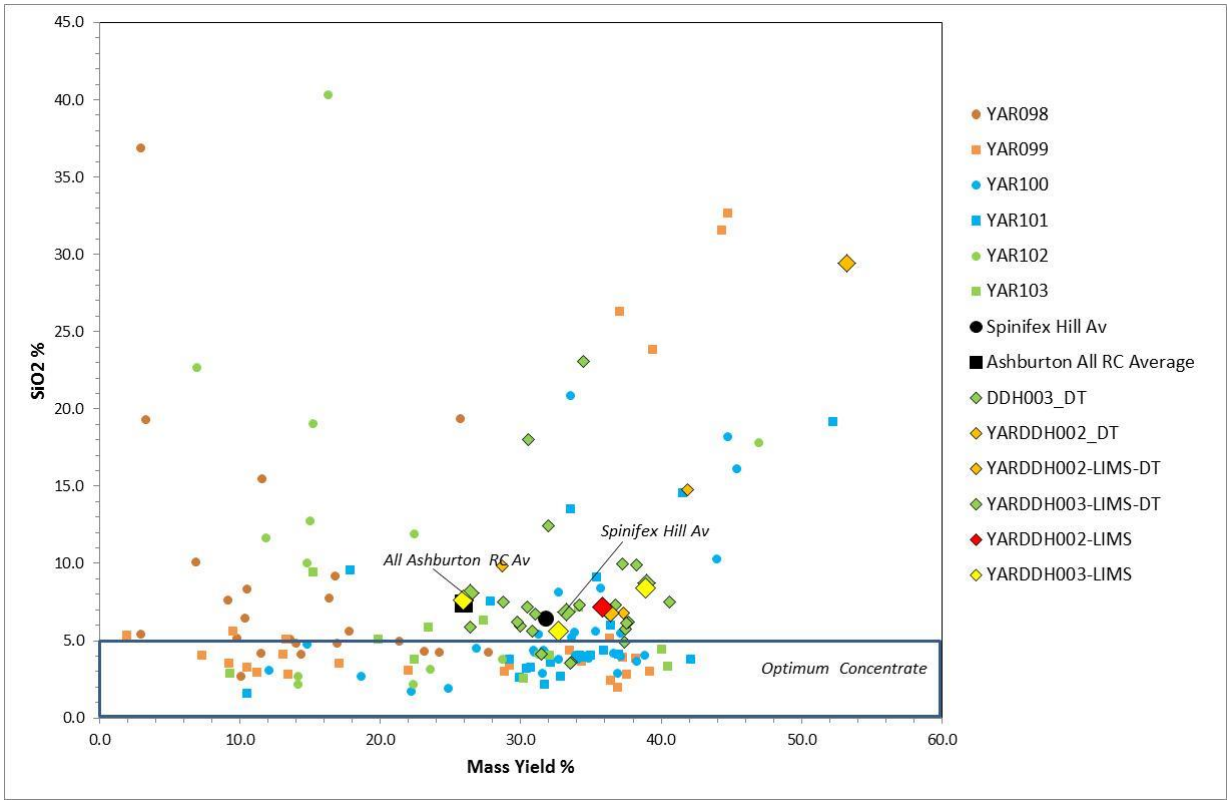

Fig 3. A summary of the mass-yield versus silica results for all the Davis Tube (DT) and LIMS (low intensity magnetic separation) concentrates from the Ashburton system with YAR098-099 and YARDDH002 representing the Trailer Laydown section, YAR100-101 the Spinifex Hill and YAR102-103 and YARDDH003 the Discovery Sections on Fig 2.

For further information regarding this announcement please contact Adam Sierakowski on 08 6211 5099.

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Dr Rob Ramsay (BSc Hons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Dr Ramsay is a full-time Consultant Geologist for Coziron. Dr Ramsay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they have undertaken to qualify as a Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Ramsay has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Appendix 1 – Reporting of exploration results from the Ashburton Prospect in the Yarraloola Project - JORC 2012 requirements.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Samples are derived from 5.5" (140mm) reverse circulation drilling holes with continuous down-hole sampling available from HQ and NQ diamond drill-core. The diamond core is diamond sawn length-wise in half and then one side of the half-core is quartered as appropriate for the test-work programme. Half-core was retained and lodged with the Geological Survey of Western Australia as per the requirements of the EIS co-funding arrangement.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	All RC drill cuttings pass through a continuously operating rotary cone splitter and samples are collected on 1m intervals. During the drilling of each meter, 2-3kg of drill chips were split off and collected in a labelled calico sample bag. Diamond core is continuous.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	An entire 2-3kg RC drill-chip sample or a minimum of a quarter of the diamond-core over the sample interval has previously been crushed, dried and pulverized at Bureau Veritas Laboratories in Perth. Western Australia. A sub sample was fused for the "extended iron-ore suite" of major oxide and selected trace-element analysis obtained by XRF Spectrometry and laser ablation ICPMS on the disk. Au, Pt Pd is by fire assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Reverse circulation (RC) holes using a 5.5" (140mm) face-sampling percussion hammer. Diamond drilling uses HQ and NQ recovery.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	Sample size was monitored by Geologists during the drilling programme. The volume of sample derived from each meter drilled was approximately equal.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Standard RC sampling techniques were employed and deemed adequate for sample recovery. Some water was injected into the sample stream during drilling to minimise the loss of fine particles. All diamond-core is measured between the drill-depth marker blocks. Any core loss is quantified. Core recovery beneath the shallow-interval of surface weathering has typically been 100%.
	• *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.*	The loss of fine RC material has been minimized during drilling. There is no loss of fine material during diamond drilling. Sample recovery is regarded as being representative.
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.*	Each metre of reverse circulation chips is described geologically for mineralogy, colour and texture and magnetic susceptibility measured by hand held MagRock metre. Diamond core is logged by geological interval. No mineral resource estimates are included in this report.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging is qualitative.
	• *The total length and percentage of the relevant intersections logged.*	All RC drill holes were logged at 1m intervals, for the entire length of each hole. All diamond-core is logged and described for geology.

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was cut in half length-wise and one half was then quartered length-wise if required. Smaller-scale Davis tube and associated geochemical work used quarter core. Larger-scale mill test-work used half-core.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Reverse circulation drill chip samples were collected and split by a rig-mounted static cone splitter during drilling.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Reverse circulation drilling is an appropriate method of recovering representative samples though the interval of mineralization. The drilling contractor used suitable sample collection and handling procedures to maintain sample integrity.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Duplicate RC samples were simultaneously collected in mineralized intervals, using the cone splitter. Approximately 1 in 20 duplicate samples were analysed to ensure representivity. Approximately 1 in 10 of the Davis Tube concentrates is routinely checked for particle size.
	• *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.*	The reverse circulation method samples continuously and the rotary splitter selects a representative proportion of the sample, providing an indication of compositional variations associated with each lithology or mineralized interval. Diamond drill-holes are located to provide representative recovery of the intervals of geology intercepted by the RC drilling.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	The 2-3kg of homogenized drill chips that was recovered for each geochemical sample is sufficient to provide a representative indication of the material being sampled. A minimum of 2-3kg of quarter diamond-core is used to obtain representative analysis through mineralised intervals.
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.*	XRF analysis of fused disks is used to provide a total analysis technique. Davis Tube involves pulverising 150g of the 5m composite sample to a p80 of -38 microns, then about 20g is placed in the tube and washed for approximately 20 mins across a magnetic field of 3000 gauss. The dried concentrate is weighed to determine mass yield and analysed by fused disk extended iron-ore suite XRF as a total analysis technique.
	• *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.*	A hand-held magnetic susceptibility meter was used to record the response from the drill-chips and diamond-core and a response of greater than 10,000 SI units highlights the highly magnetic intercepts of magnetite mineralization in drill-holes.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The Davis Tube composite results are compared to the 1m interval down-hole geochemical samples and magnetic susceptibility. The results in this report are part of an early-stage exploration programme to establish relative prospectivity within a large-scale mineralised system. Internal laboratory checks are sufficient at this stage.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	No independent of alternative company personnel were used to verify the intersections.
	• *The use of twinned holes.*	The drill intercepts reported are from a first-phase exploratory drill programme.

	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	All data is transferred from the laboratory electronically and imported directly into a Microsoft access database and checked periodically against the pdf files.
	• *Discuss any adjustment to assay data.*	There has been no adjustment to any analytical data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole locations were surveyed independently by differential GPS.
	• *Specification of the grid system used.*	The grid system is MGA GDA94, zone 50, all easting's and northing's are reported in MGA co-ordinates
	• *Quality and adequacy of topographic control.*	SRTM90 data is used to provide topographic control and is regarded as being adequate for early stage exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	The drill holes are located to examine the sub-surface geology associated with different magnetic targets within the Ashburton Trough sequence.
	• *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.*	No Mineral Resources or Ore Reserve estimations are being presented in this report.
	• *Whether sample compositing has been applied.*	Davis tube samples are typically composited in the field on 5m down-hole intervals. The composite interval is reported with the assay results table. LIMS samples are composited after the drill-core is sawn and the intervals are reported with the 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.*	Mineralization is contained within a sequence that dips at about 70 to the south-west
	• *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 drill orientation was selected to minimise any sampling bias.
Sample security	• *The measures taken to ensure sample security.*	Samples are collected, labelled, packed in bulka bags and transported by RGR Transport from site directly to Bureau Veritas laboratories in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the sampling techniques and data have been obtained.
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.*	All exploration licenses and prospecting licenses owned 85% by Zanthus Resources Ltd and 15% by ZanF Pty Ltd. The tenements are covered by the Kuruma Marthudunera Native Title Claim and relevant heritage agreements are in place.
	• *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 tenements are in good standing and no known impediments exist.

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	In 1990-1991, Aberfoyle Resources held tenements covering the Ashburton Trough which partially overlapped Yarraloola. They collected 26 rock-chip and 73 stream sediment samples for gold and base-metal exploration but encountered no significant results and surrendered the ground.
		In 1991-1992, Poseidon Exploration Ltd held exploration tenements covering the Ashburton Trough which partially overlapped Yarraloola for base-metals, gold and iron-ore. They collected 54 rock-chips, 236 soil samples, 492 stream sediment samples and completed 159 RAB holes for 2410m but encountered no significant mineralisation and surrendered the tenements.
		In 1997-1998, Sipa Resources NL held tenements over the Ashburton Trough that partially covered Yarraloola for gold and base-metals. A field trip after the interpretation of LANDSAT and air-photos collected six rock-chip samples which failed to detect mineralisation and the tenements were surrendered.
		In 2005-2009, Red Hill Iron Ltd held a tenement 15km northwest of Pannawonica which partially overlapped Yarraloola for gold and base-metal prospectivity. Following and aeromagnetic survey and air-photo interpretation, 16 rock-chips and 207 soil samples were collected but no targets were generated and the ground was surrendered.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The eastern section of the Yarraloola tenements covers Archaean-age chemical and clastic sediments overlying basalts in the Hamersley Basin. The western part of the tenements covers deformed Palaeoproterozoic mostly clastic sediments of the Ashburton Trough which are overlain by more recent undeformed detritus associated with the Carnarvon Basin. Sediments of the Hamersley and Carnarvon Basins are known to host economic deposits of iron-ore. The magnetite mineralization described in this report is hosted within a sequence of chlorite schists that are interbedded with intermediate and rhyolitic volcanics in the Ashburton Trough.
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*	Drill-hole collar Eastings and Northings are independently surveyed by DGPS and reported using map projection GDA Zone50, entered into an Access database. The map locations have been checked by the competent person.
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	The area has only minor relief and SRTM90 is used for elevation. Drill-hole elevations are independently surveyed by DGPS.
	○ *dip and azimuth of the hole*	The diamond holes are -60 to 050.
	○ *down hole length and interception depth*	Down hole lengths and intercept depths are calculated from 1m interval samples that are progressively collected as the holes are drilled.
	○ *hole length.*	Hole lengths are reported both on the geological and driller logs, entered into the access database and have been checked by a competent person.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Reported down-hole intercepts have magnetic susceptibility greater than 10000 times the host-rock sequence. The reported intervals provide guidance for future drilling to determine true thickness. No upper cut has been applied.
	• *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.*	Davis Tube samples are aggregated into approximately 5m down-hole intervals in the field by splitting approximately 1kg from each RC sample bag. Intervals are reported with results. Diamond-core LIMS and Davis Tube samples are aggregated after the core is sawn and the intervals are reported with the results.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No metal equivalents are presented
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	The -60 inclined drill-holes are designed to intercept the moderately to steeply dipping geology and obtain sections across the geological units.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The relationship of the down-hole widths and the true thickness is yet to be determined.
	• *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.*	A map of drill-hole locations is shown in Figure 2. There is insufficient data to yet be able to construct geological cross sections.
Diagrams	• *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 intervals reported represent the down-hole intercepts of magnetite rich rocks which are the focus zones for future work
Balanced reporting	• *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.*	Intervals are samples with elevated magnetic susceptibility.
Other substantive exploration data	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Additional RC and diamond drilling, geochemical analysis, quantitative mineralogical studies, Davis Tube and LIMS recoveries of magnetite concentrates and their analysis, along with infill and extensional drilling are being planned.
Further work	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Areas with high magnetic responses have been identified in Fig 2.