

29 September 2016

## Orion drills significant zinc intersection at Kantiengan Deposit and exercises option to acquire 50% interest in Masiqhame

**ASX Code:** ORN

**Issued Capital:**

Ordinary Shares: 484M

Options: 85M

**Directors:**

**Denis Waddell**  
Chairman

**Errol Smart**  
Managing Director, CEO

**Bill Oliver**  
Technical Director

**Alexander Haller**  
Non-Executive Director

**Management:**

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**Highlights:**

- Results from Orion's first drill hole at Kantiengan have returned 7 metres at 6.44% zinc and 0.43% copper hosted in massive sulphides.
- Orion has exercised its option to acquire an initial 50% interest in Masiqhame.
- Under the option agreement, Orion can earn up to a 73% interest in Masiqhame.
- Masiqhame holds prospecting rights over a large, highly prospective area located approximately 80 km north of the Prieska Copper Project.
- Known occurrences of sulphide zinc-copper and nickel are recorded on the prospecting rights, including the Kantiengan Deposit.
- Prospective for VMS, SEDEX and mafic intrusive hosted base metal mineralisation, as well as lithium and rare earth element bearing pegmatite.
- High powered ground electro-magnetic (EM) survey underway at Kantiengan to map sub surface conductors for drill testing.
- Further drilling will aim to target these conductors as well as test strike and depth extensions to historical drill intersections.

Orion Gold NL (ASX: ORN) is pleased to advise that following positive initial results from its maiden drilling program at the Kantiengan Deposit, it has exercised the Option it holds with Masiqhame Trading 855 Pty Ltd (**Masiqhame**), for Orion to acquire an initial 50% interest in Masiqhame.



**Figure 1:** Massive sulphides in OKNR014 which returned 7m at 6.44% Zn and 0.43% Cu from 60m. Note each divider shows chips from a 1m interval.

Masiqhame holds a large prospecting right located 80km north of the historical Prieska Copper Mine Zinc - Copper Project at Copperton in which the Kantienpan Deposit lies, along with a number of other recorded zinc-copper occurrences.

The Kantienpan Deposit was discovered by Iscor with a total of 14 historical diamond core holes for 3,199m previously drilled (Figure 2, ASX Release 31 May 2016). Drilling at the Kantienpan Deposit was curtailed soon after discovery, due to a corporate decision by Iscor to stop all exploration and focus on iron ore production. Significant intersections from the Iscor drilling include the following results:

- 8.84 metres at 6.32% zinc and 1.02% copper (KN005);
- 6.15 metres at 4.74% zinc and 0.49% copper (KN010);
- 7 metres at 3.15% zinc and 0.57% copper (KN007);
- 13 metres at 3.96% zinc and 0.36% copper (KN003); and
- 2.6 metres at 6.59% zinc and 0.35% copper (KN011).

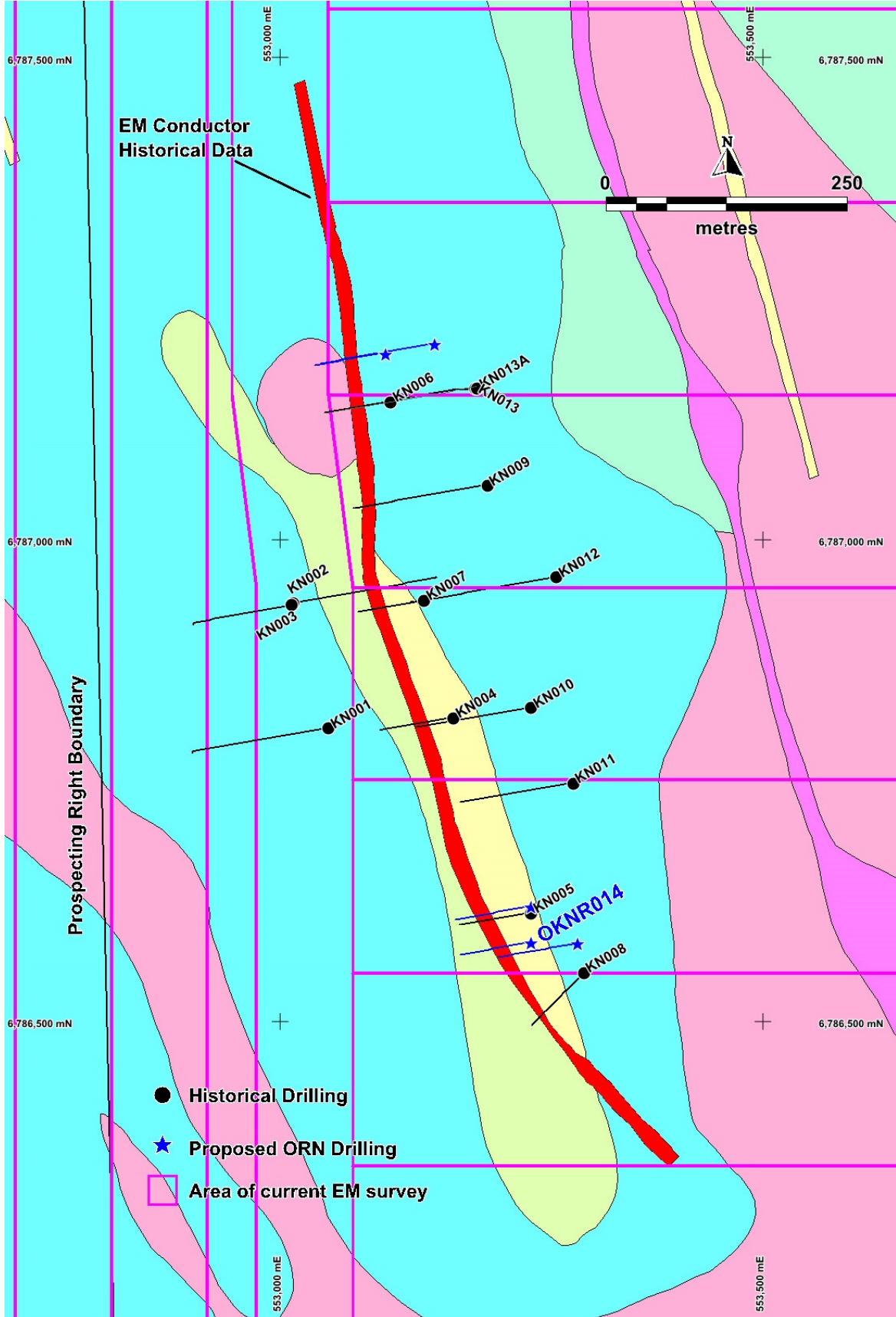
(Refer ASX Release 31 May 2016)

The current drilling program is designed to test strike and depth extensions to mineralisation at the Kantienpan Deposit, which is open to the south and north as well as down dip. In addition, certain holes will be drilled as confirmatory test of historical drilling.

OKNR014 was drilled to test the southern extension of mineralisation from historical drill hole KN005, and is located 50m south of that hole (Figure 2). Assays have been received from massive sulphides intersected in that hole with an intersection of **7m at 6.44% Zn and 0.43% Cu from 60m including 3m at 7.94% Zn from 63m** (Appendix 1 and 2).

Drilling at Kantienpan has been temporarily suspended while high power fixed loop ground electromagnetic surveys (**HP\_FLEM**) are being completed. These surveys will enable the strike and dip extensions of the mineralisation previously drilled, and now extended by results in OKNR014, to be traced out. Potential for additional lenses in the footwall of the current known mineralisation will also be tested with down hole EM to be carried out on both historical and Orion drill holes.

Following completion of the HP\_FLEM survey drilling will re-commence targetting sub-surface conductors defined by the survey as well as completing the holes planned to test extensions to historical drilling.



**Figure 2:** Plan showing historical and proposed drilling at Kantienpan along with area being covered by the current ground EM survey.

## Key Terms of the Term Sheet

Key terms of the amended binding term sheet (**Term Sheet**) are as follows:

- Orion has the opportunity to earn up to a 73% interest in Masiqhame.
- Masiqhame is a privately owned South African company with 100% Historically Disadvantaged South African ownership. Masiqhame is thus black economic empowerment (**BEE**) compliant from the outset and Orion will earn in to an incorporated joint venture, partnering with a BEE partner via Masiqhame.
- Orion will have an exclusive option to undertake due diligence on the corporate entity and the prospecting rights until no later than 30 September 2016 (**Option**), failing which the parties will be released from their obligations under the Term Sheet. As noted above, Orion has exercised the Option.
- Upon exercise the Option:
  - Orion will pay Masiqhame ZAR1,500,000 less all expenditure by Orion on the exploration program currently underway, to invest in new fully paid Masiqhame shares (**Masiqhame Shares**). As a result of exploration activities currently underway, Orion will not be required to make any cash payment to Masiqhame upon Completion; and
  - Masiqhame will issue Orion with Masiqhame Shares which shall result in Orion being the holder of 50% of the total Masiqhame Shares on issue immediately following such issue of Masiqhame Shares.

### (Completion)

Upon Masiqhame obtaining all requisite regulatory approvals to the extent required, Completion will occur by no later than 30 days following the exercise of the Option.

- At Completion, Orion shall have the right to appoint the majority of directors to the board of Masiqhame and shall be appointed manager and operator of the prospecting rights;
- Once Orion has earned the initial 50% interest in Masiqhame through the issue of Masiqhame Shares to Orion, Orion can elect to increase its interest by a further 23% (to 73% in total) via:
  - provision of a shareholder loan to Masiqhame (**Loan**) on the following terms:
    - The principal amount of the Loan shall be the ZAR equivalent of A\$100,000 in each 12 month period commencing from the 12<sup>th</sup> month following Completion (**Principal**);
    - Proceeds from the Loan shall be used to progress exploration programs and feasibility study works;
    - The Loan interest rate shall be nil;
    - The Loan shall only be repaid from operating surplus from future operations of Masiqhame;
    - In addition to the Principal, Orion may elect at its sole discretion to provide additional finance by means of the Loan in order to progress exploration works and complete feasibility study works and if applicable, apply for a mining right;
    - Masiqhame shareholders as at the date of execution of the Term Sheet will be free carried until such time that a mining right is granted; and
    - If Orion fails to advance the Principal in any 12 month period, Masiqhame may subject to notice periods demand that all of the Shares held by Orion be transferred back to the Masiqhame shareholders (excluding Orion) for nil consideration and remove Orion as manager.

- finalisation of a feasibility study; and
- lodgement of an application for the grant of a mining right over some or all of the area of the prospecting rights.

Following the above terms being satisfied, Masiqhame shall immediately issue further new Masiqhame Shares to Orion which shall result in Orion being the holder of 73% of the total Masiqhame Shares on issue immediately following such issue.



Errol Smart  
**Managing Director and CEO**

#### **Company Enquiries:**

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#### **About Orion**

Orion Gold is focused on acquiring, exploring and developing large tenement holdings or regional scale mineral opportunities in world-class mineral provinces. The Company has acquired quality projects in proven mineral provinces.

Recently, the Company has secured an outstanding growth and diversification opportunity in the global gold and base metals sectors and has secured options and earn-in rights over a combined area of 1790km<sup>2</sup> on the highly prospective Areachap belt, North Cape Province of South Africa. These include:

- An option to acquire an advanced volcanic massive sulphide copper-zinc project with near-term production potential. The option gives Orion the right to acquire an effective 73.33% interest in a portfolio of projects including an exploration project at the Prieska Copper Project, located near Copperton in the Northern Cape province of South Africa, and the Marydale Prospecting Right, a virgin gold discovery of possible epithermal origin, located 60 km from the Prieska Copper Project. The Company is progressing extensive due diligence investigations. (refer ASX release 18 November 2015).
- An earn in right to ultimately earn a 73% interest to a 980km<sup>2</sup> prospecting right area located approximately 80 km north of the Prieska copper Project. The project area contains several VMS and VHMS zinc and copper targets including the advanced stage Kantienpan zinc – copper project. (refer ASX releases 29 April 2016 and 31 May 2016).
- An earn in right to ultimately earn an 80% interest, via a South African registered special purpose vehicle which will be 74% owned by Orion, to prospecting and mining right applications covering a combined and partially overlapping area of 626km<sup>2</sup>. The mineral rights areas include an advanced stage ultramafic hosted nickel – copper project, analogous to the geology of the Fraser Range, Western Australia. Several VMS and VHMS copper-zinc targets are also located within this mineral rights package. (refer ASX release 14 July 2016).

The Company also continues to explore a large tenement package on the Connors Arc in Queensland, where a significant intermediate sulphidation, epithermal gold and silver system has been identified at Aurora Flats. The project lies between the Cracow and Mt Carlton epithermal deposits. The Company is increasing its focus on this project, following promising reports from expert consultants, and its fieldwork has led to the discovery of substantial epithermal systems at the Veinglorious and Chough Prospects.



The Company also holds a substantial tenement holding in the Albany-Fraser Belt, host to Australia's two most significant discoveries of the last decade (the Tropicana Gold Deposit and the Nova Nickel-Copper-Cobalt Deposit). Part of this tenement holding was acquired from entities associated with Mark Creasy who is a major shareholder in Orion. Orion's intensive, systematic exploration programs have successfully defined 34 targets to date by a combination of geological, geochemical and geophysical methods.

Additionally, the Company owns the Walhalla Project located in Victoria, which is prospective for gold, copper – nickel and PGEs.

The Company has an experienced management team with a proven track record in exploration, development and adding shareholder value.

## Competent Persons Statement

The information in this report that relates to Orion's Exploration Results at the Masiqhambe Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled and assessed under the supervision of Mr Errol Smart, Orion Gold NL's Managing Director. Mr Smart (PrSciNat) is registered with the South African Council for Natural Scientific Professionals, a ROPO for JORC purposes and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Smart consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measure as detailed in Appendix 3.

## Disclaimer

This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements inherently involve subjective judgement and analysis and are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Orion. Actual results and developments may vary materially from those expressed in this release. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Orion makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. All information in respect of Exploration Results and other technical information should be read in conjunction with Competent Person Statements in this release. To the maximum extent permitted by law, Orion and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

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- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this release, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

**Appendix 1: Significant Intersections from drilling at the Kantienpan Deposit.**

Hole ID	Collar Location (WGS84 Zone 34S)		Dip / Azimuth	Total Depth (m)	Intercept Data			Assay Data	
	Easting	Northing			From (m)	To (m)	Length (m)	Zn (%)	Cu (%)
OKNR014	553260	6786583	-60 / 260	78	60	67	7.0	6.44	0.43
				<i>including</i>	63	66	3.0	7.94	0.50
OKNR015	553308	6786582	-60 / 260	135	<i>Drilling suspended to facilitate EM survey</i>				

1. All intersections > 1% Zn.
2. It is recommended that the supporting information contained in Appendix 3 is read in conjunction with these results.

**Appendix 2: Significant Assay Results from OKNR014.**

<b>Drill hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Cu (%)</b>	<b>Zn (%)</b>	<b>Pb (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>
OKNR014	60	61	0.365	5.73	0.02	0.08	4
OKNR014	61	62	0.345	6.66	0.04	0.09	7
OKNR014	62	63	0.541	6.7	0.04	0.08	6
OKNR014	63	64	0.484	8.01	0.05	0.11	10
OKNR014	64	65	0.508	8.26	0.04	0.13	7
OKNR014	65	66	0.508	7.55	0.03	0.04	7
OKNR014	66	67	0.269	2.14	0.07	0.05	6



**Appendix 3: The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results.**

**Section 1 Sampling Techniques and Data**

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RC drilling sampled every metre by splitting at the sampling yard.</li> <li>Historical drilling was carried out on sections spaced between 100 and 200 metres, with holes drilled at 50 metre spacing on section. Current drilling is also being carried out at 50m spacing on section, with sections either stepping out 50 or 100 metres from historical results.</li> <li>Sampling carried out under supervision using procedures outlined below including industry standard QA/QC.</li> <li>Samples submitted for analysis by ALS is pulverized in its entirety and split to obtain a 0.2g sample for digestion and analysis.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse circulation drilling using a face sampling hammer.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are individually weighed to quantify recovery and variations in recovery are recorded on the sample ledger (e.g. small samples).</li> <li>Cyclone, splitters and sample buckets cleaned regularly.</li> <li>No grade variation with recovery noted.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</li> </ul>	<ul style="list-style-type: none"> <li>All holes logged on 1m intervals using visual inspection of washed drill chips and both full and split core.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Qualitative logging of colour, grainsize, weathering, structural fabric, lithology, alteration type and sulphide mineralogy carried out.</li> <li>• Quantitative estimate of sulphide mineralogy and quartz veining.</li> <li>• Logs recorded at the drill site and entered into digital templates at the project office.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• 1m samples from RC drilling collected by passing entire 1 metre sample through a splitter.</li> <li>• Sampling on site aims to generate a &lt; 2kg sub sample to enable the entire sample to be pulverised without further splitting.</li> <li>• Sample preparation was undertaken at ALS Laboratory Johannesburg, an ISO accredited laboratory. ALS utilises industry best practise for sample preparation for analysis involving drying of samples, crushing to &lt;5mm if required and then pulverising so that +85% of the sample passes 75 microns.</li> <li>• CRM's, blanks and replicates are inserted every 30 samples and analysed with each batch.</li> <li>• Lab supplied CRM's, blanks and replicates are analysed with each batch.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples from drilling were submitted to ALS Chemex in Johannesburg. Samples were analysed for base metals using a four acid digest and ICP-OES and for gold by fire assay with AAS finish.</li> <li>• External quality assurance of the laboratory assays is monitored by the insertion of blanks, duplicates and certified reference materials (<b>CRM</b>)</li> <li>• Coarse field duplicates consisting of a split sub-sample of the original crushed sample material.</li> <li>• Three CRMs are alternated through the sample stream and where possible matched to the material being drilled.</li> <li>• Two blank are used (pulp and chips).</li> <li>• No external laboratory checks have been carried out at this stage, apart from the bias test mentioned above.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• The Competent Person is personally supervising the drilling and sampling along with experienced geologists. The Managing Director is regularly on site to inspect drilling and sampling activities.</li> <li>• Both the Managing Director and the Technical Director have reviewed the raw laboratory data and independent geologists have confirmed the calculation of the significant intersections.</li> </ul>

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Collar data has been laid out using a handheld GPS and these coordinates are reported here.</li> <li>All of the Orion drill hole collars will be surveyed by a qualified surveyor using a differential GPS which may result in minor adjustments to coordinate data.</li> <li>Downhole surveys are completed using an electronic multi-shot instrument.</li> <li>All data is collected in UTM WGS84 Zone 34 (Southern Hemisphere) and these coordinates are reported above.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient data to map grade distribution at this time, once further drilling is carried out the appropriate data spacing to accurately estimate grade distribution will be better understood.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling carried out perpendicular or at high angle to mineralisation defined in historical drilling.</li> <li>No orientation based sampling bias has been identified in the data at this point.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody was managed by the Competent Person.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have been carried out at this stage.</li> </ul>

### **Section 2 Reporting of Exploration Results**

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The mineral rights to the property are vested in the State and the Act regulates the exploration and mining industry in South Africa. A prospecting right in accordance with the Act was granted to Masiqhame to prospect for all minerals for a period of five years effective from 12 March 2014.</li> <li>The Prospecting Right was granted in respect of the farm Koegrabe 117 comprising Portions 2 – 11; Bokspuits 118 Portions 1, 7, 8, 9, 10; Kantien Pan 119 Portions 1 and 2; Wan Wyks Pan Portions 1 – 5; and Zonderpan Portions 1, 5, 6,</li> </ul>

Criteria	JORC Code explanation	Commentary
		7, 8 situated in the Magisterial/ Administrative District of Kenhardt, Northern Cape Province. The total area measures 98435.8548 Ha in extent.
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Much of the background information in this announcement is sourced from: <ul style="list-style-type: none"> <li>Roussouw, D, 2003. A technical risk evaluation of the Kantienpan volcanic-hosted massive sulphide deposit and its financial viability. M.Sc. thesis, University of Pretoria, 118 pp.</li> <li>Du Toit, M.C, 1998. The metallogeny of the Upington-Kenhardt Area. Explanation: Metallogenic Sheets 2820 and 2920, South African Council for Geoscience, 108p.</li> </ul> </li> <li>Previous exploration in the northern Areachap belt including at the Kantienpan Deposit was carried out by Iscor, with exploration also carried out by Anglo American, Phelps Dodge, Anglovaal and Newmont.</li> <li>Exploration activities across the Project area included surface geochemical sampling, geophysical surveying and diamond core drilling.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Kantienpan Deposit is a Volcanogenic Massive Sulphide (<b>VMS</b>) deposit, a globally significant and well studied mineralisation style</li> <li>The deposit lies in the Areachap Group, a volcano-sedimentary belt hosting other VMS deposits including Areachap, Bokspuits, Kielder and Prieska (or Copperton).</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Appendix 1 lists all the intersections and drilling data from drilling at Kantienpan, including location data.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> <li>Where aggregate intercepts incorporate short lengths of high grade</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts in Appendix 1 were calculated by averaging the length weighted assay results for Cu and Zn.</li> <li>Intercepts presented are all intersections &gt; 1% Zn.</li> <li>Individual assay results are reported in Appendix 2.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>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.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>All intersections to be reported are downhole widths.</li> <li>True widths are unknown at this time as the geometry of the mineralisation has not been determined.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drillhole location plans shown as Figure 2.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All significant results are reported in Appendix 1.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's previous ASX releases have detailed historical exploration works on the Areachap Project and surrounds.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further drilling planned as detailed in announcement.</li> <li>More detail on further work will be available following completion of the EM survey.</li> </ul>