

## ASX Release

26 April 2016

Great Western Exploration Limited  
ABN 53 123 631 470

ASX Code: *GTE*

*Success starts with Opportunity*

GTE is an experienced exploration company focussed on the discovery of high value base metal, nickel and gold deposits.

### Contact Details:

*Level 2, 35 Outram Street West  
Perth 6005*

*PO Box 8142, Subiaco 6008*

*T: (08) 6489 0101*

*F: (08) 6313 3997*

[info@greatwesternexploration.com.au](mailto:info@greatwesternexploration.com.au)  
[www.greatwesternexploration.com.au](http://www.greatwesternexploration.com.au)

### Board of Directors

*Kevin Somes – Chairman*

*Jordan Luckett – Managing Director*

*Craig Mathieson – Non-Executive*

*Terry Grammer – Non-Executive*

*Justin Barton – Company Secretary*

## Potential Gold Acquisition

### Highlights:

- Great Western Exploration Limited (“GTE”) has made an all script offer for unlisted public company Vanguard Exploration Limited (“Vanguard”)
- The offer is 4 GTE shares for every One Vanguard shares for a total number of 150,833,124 GTE shares
- Vanguard has two projects:
  - A promising new gold-silver discovery with bonanza grades at its Ives Find project located in the Yandal greenstone belt and;
  - Its second project called Fairbairn is located east of Doolgunna on the Jenkins/Goodin fault along strike of the Degruusa copper deposit.
- Both projects are also prospective for lithium.

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Great Western Exploration Limited (“GTE”; the Company”) is pleased to announce that it has made an all script offer for unlisted public company Vanguard Exploration Limited (“Vanguard”) that has been accepted by the Directors of Vanguard and will recommend it to Vanguard shareholders.

The offer is on the basis of four GTE shares for one Vanguard share which equates to a total of 150,833,124 GTE shares. The offer is subject to several conditions which are detailed later in this report.

Vanguard recently made a new high grade gold discovery near the historical Ives Find gold workings located in the Yandal greenstone belt. The following table are the best results from the Vanguard drilling to date using a 10 g/t gold cut-off:

*Table 1 High grade results from Vanguard Drilling at Ives Find using a 10 g/t gold cut-off.*

Hole No	Depth From	Depth to	Interval (m)	Gold Au g/t	Silver Ag g/t
IFRC004	38	39	1	19.70	27.5
	39	40	1	12.20	22.0
IFRC005	34	35	1	41.53	24.0
	35	36	1	114.90	162.0
IFRC015	47	48	1	22.40	9.0
IFRC017	55	56	1	27.90	61.0
IFRC044	12	13	1	24.40	11.4
IFRC069	33	34	1	22.16	60.4

Vanguard also have a second project called Fairbairn that is located on the Jenkins/Goodin fault. along strike from Degruessa that the Company believes to be prospective for copper and gold and is an excellent fit with the Company’s current Doolgunna focus (see fig 1).

### **Vanguard Offer**

Vanguard Exploration Limited is an unlisted public company that was incorporated in Western Australia on the 24th of July 2009. The company’s current focus is copper and gold mineral exploration with two main areas of focus.

The Managing Director of Vanguard, Ian Kerr, is a successful prospector with over 25 years of experience exploring the Eastern Goldfields of Western Australia. The remaining Vanguard Board members also have over 30 years of experience as Directors of public exploration companies.

GTE has made an all script offer for Vanguard on the basis of 4 GTE shares for 1 Vanguard share. Vanguard has 37,708,281 shares on issue which equates to 150,833,124 GTE shares. The offer is subject to the following conditions:

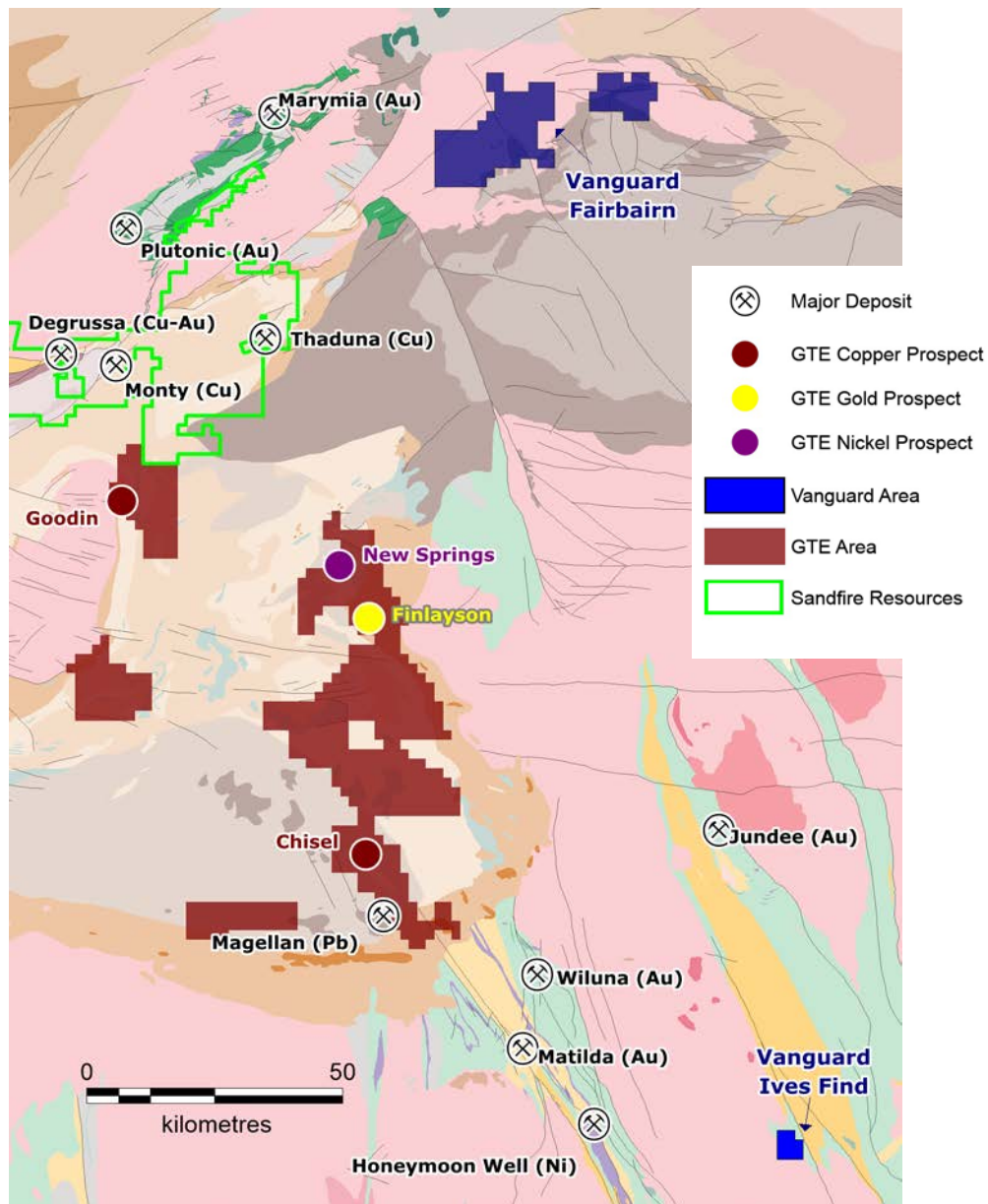


Figure 1. Location of GTE and Vanguard's North Yilgarn projects

- Acceptance of the offer by Vanguard shareholders representing more than 90% of the shares on issue which will allow GTE to proceed with a compulsory takeover;
- That GTE issues up to 100 million shares to raise a minimum of \$1 million ;
- GTE shareholders approve the issue of shares for both the acquisition and the capital raising;
- That Ian Kerr, the Managing Director of Vanguard, is appointed as an Executive Director of GTE following the completion of the transaction.

The company will enter into an Exclusivity and Due Diligence Agreement with the Directors of Vanguard that will give both companies 90 days to complete further due diligence and get their respective shareholder acceptance/approvals so that transaction can be finalised.

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## Declaration of Interest

GTE Chairman Kevin Somes is a Director of Vanguard and is also a significant shareholder in both companies. While it was Mr Somes who introduced GTE to Vanguard, he did not participate in the final negotiations and abstained from voting on any matters related to either party.

The Company will also get an independent geological report completed for GTE shareholders to consider prior to voting. In the interim Mr Somes will continue to remain at arm's length until after the transaction has been approved or accepted from shareholders of both companies.

## Ives Find Project

The Ives Find project area is located approximately 65 kilometres southeast of Wiluna and lies within the world-class Yandal Gold Province (fig 2). Exploration by Vanguard has established the presence of high-grade gold in drilling. In addition to the gold mineralisation there are also significant silver assays (table 1.)

The project is located approximately 55km from the Bronzewing mill and 6km from a main road that can connect the project to this mill. The mill is on care and maintenance and the current owners have stated their intentions to re-start milling operations as soon as possible by consolidating mill feed within a 70km radius.

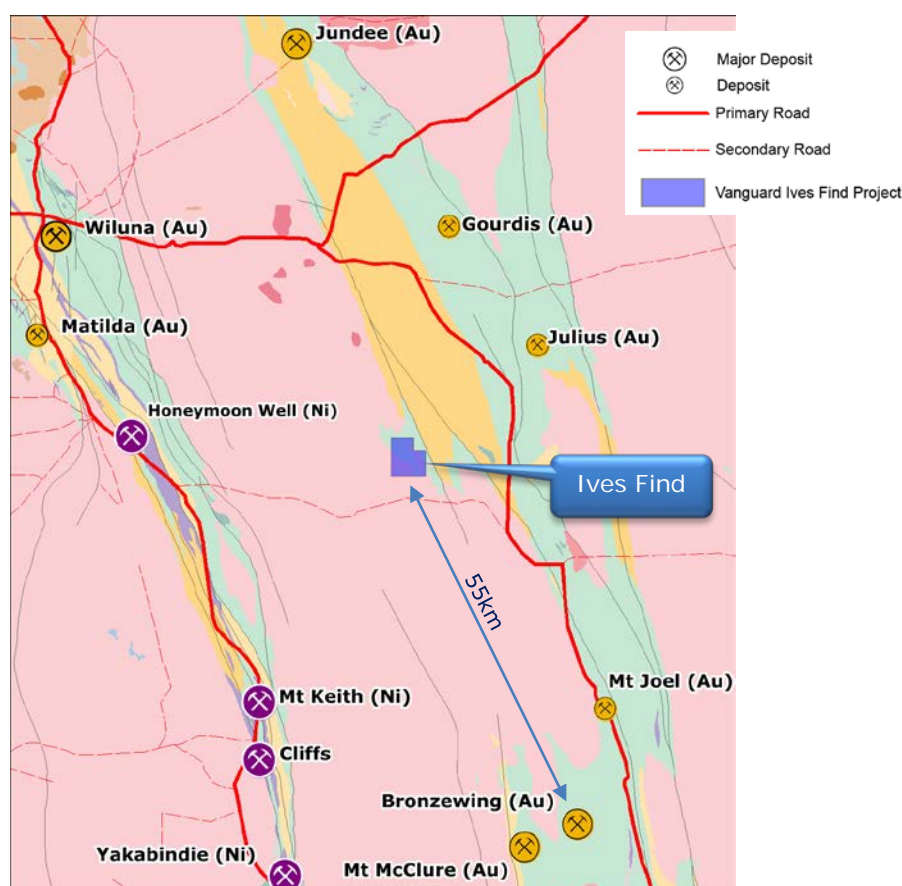


Figure 2. Location of Ives Find in the Yandal belt, Western Australia

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Previous exploration carried out on the project included 19 shallow reverse circulation (“RC”) drill holes mostly targeting the historic Ives find workings and some surrounding areas in the late 1980s. This drilling intersected the high grade veins under the workings similar to what has been observed in the recent Vanguard drilling. It was recommended in the geological reports at the time to examine the possibility for tribute mining.

To date Vanguard has completed 52 shallow RC holes within the project area for a total of 2,609m with the majority of holes between 40m and 60m depth and two holes greater than 100m depth. Table 2 at the end of this report lists all the drill holes completed by Vanguard.

The gold mineralisation intersected so far occurs as narrow very high grade veins within shears hosted in granite. The grade appears to increase where these shears contain more mafic (amphibole) material. The mineralisation does not appear to be typical Archaean lode style and the multi-element geochemistry suggests a magmatic source for the mineralising fluid with anomalous bismuth, tungsten, tin, lead, copper and molybdenite associated with the gold-silver mineralisation. In addition to the high grade gold there is also an end of hole high grade intersection of 1m @ 1.5% tungsten in hole IFRC015 from 46m depth.

Drilling to date has identified three high grade veins; Bell Miner, Duck & Duckling as well as demonstrating gold mineralisation along approximately 1km of strike (fig 4). Further drilling is required at all three veins. There is also potential for further discoveries of similar high grade veins as there are a number of geochemical anomalies that remain untested. By example, the Duckling vein was a new discovery that was a geochemical anomaly.

In terms of greenfield exploration the Company believes there is also potential for much wider zones of mineralisation along the granite – greenstone contact where surface mapping indicates is sheared in places but has not yet been drilled

The company strategy going forward is:

- Continue exploration for near surface high grade veins
- Assess the potential for a high grade – low tonnage operation and trucking the ore to the Bronzewing mill which would require low capital for start up
- Carry out greenfield exploration including targeting the granite – greenstone contact and other geochemical and/or geophysical targets identified.
- Assess the lithium potential of the pegmatites within the project area

The Company’s believes the Ives find project provides an excellent opportunity that limits downside risk but also has significant blue sky potential.



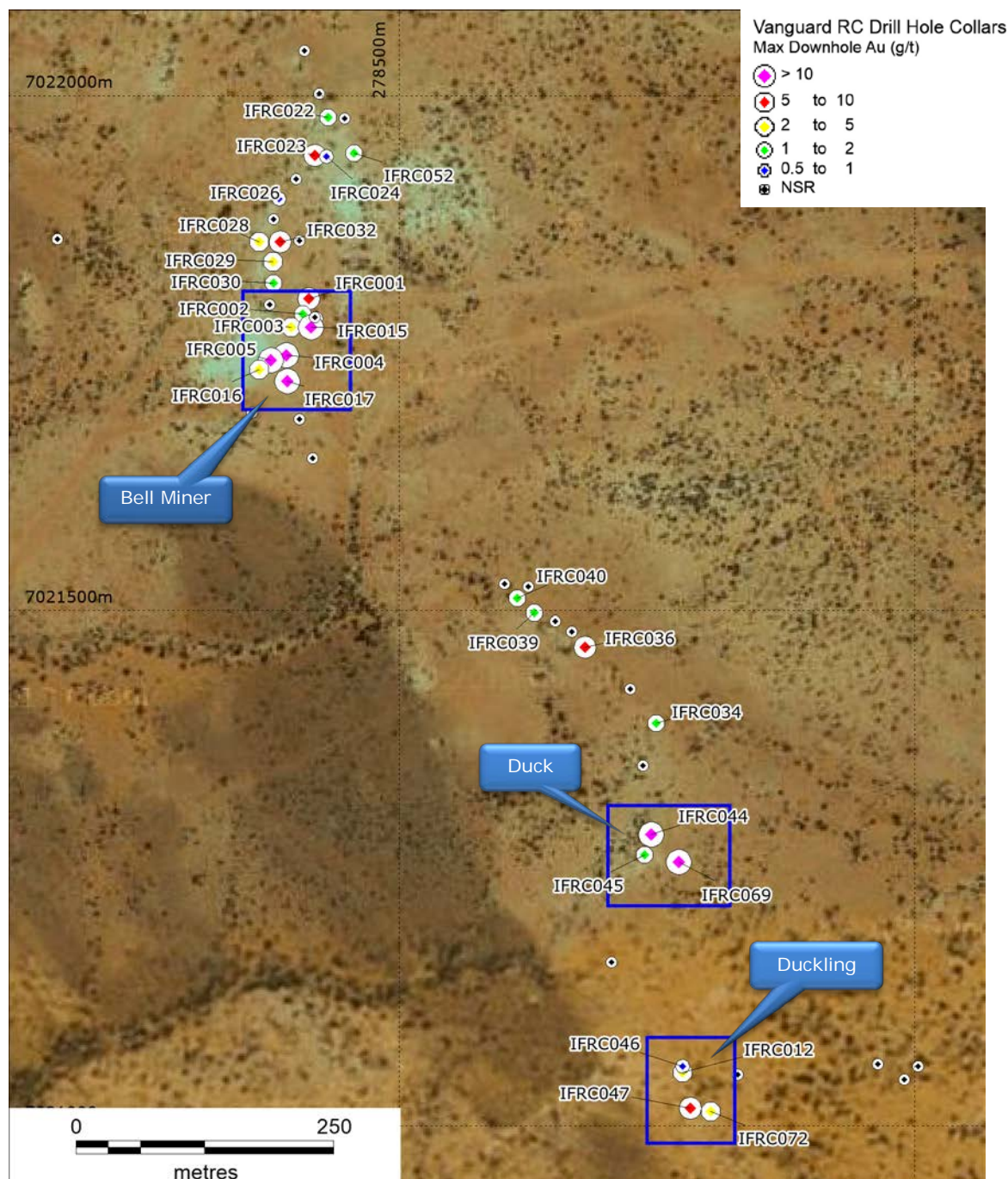


Figure 4: Drill hole collar location map for all Vanguard RC drilling at Ives Find. The collars have been coloured according to maximum downhole gold assay (1m sample; g/t Au) and Hole Nos included where there was maximum assay greater than 0.5 g/t

## Fairbairn Copper project

The Fairbairn project area is located approximately 170 kilometres north of Wiluna and is situated on the Jenkins-Goodin Fault Zone along strike from the Degrudda copper deposit (fig 3). Historical documents reported chalcopyrite within the project including 4m @ 2.43% Cu in drilling.

The company believes this prospect is prospective for Proterozoic copper (porphyry and VHMS) and Archaean lode gold. A number of prospective areas have been identified with one target granted EIS funding.

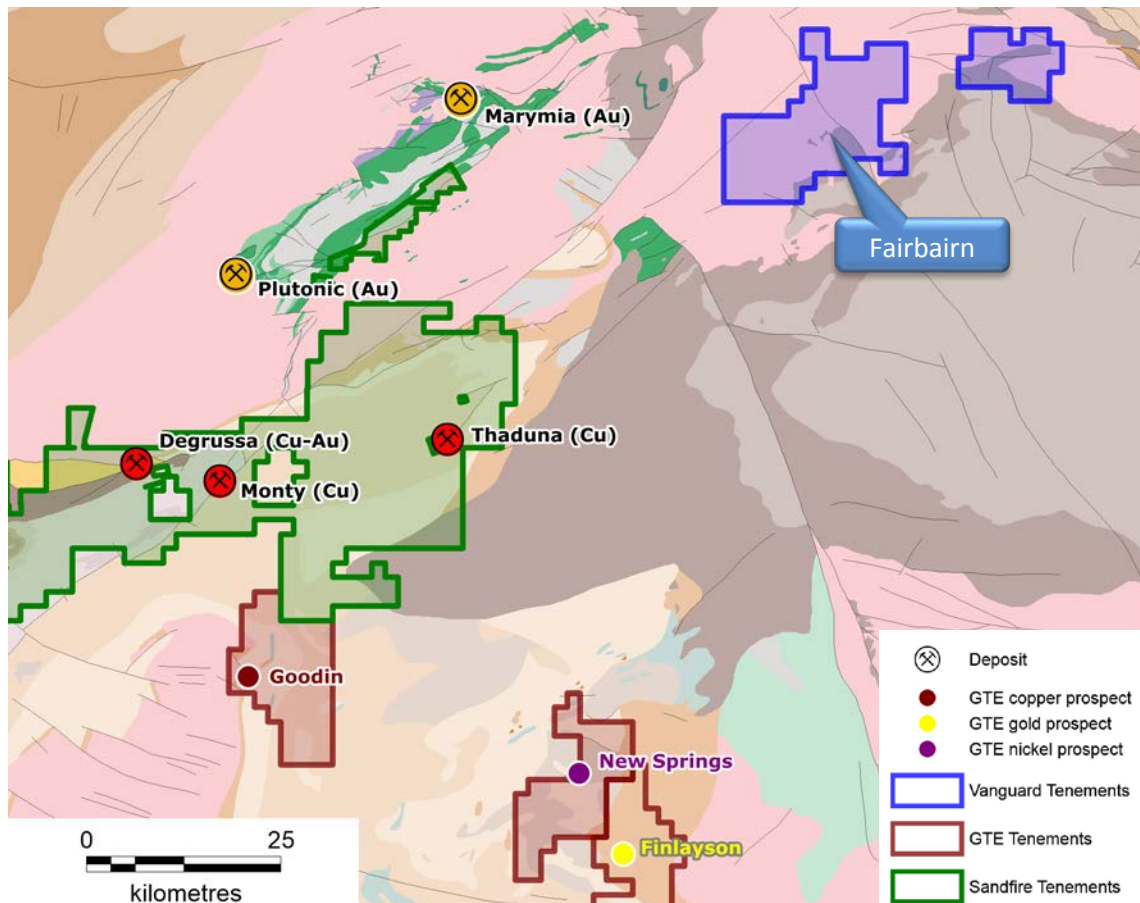


Figure 3: Location of Fairbairn along the Jenkins-Goodin fault

## Lithium Potential

Both prospects have favourable geology for lithium mineralisation.

The granite that hosts the gold mineralisation at Ives Find is rich in high field strength elements (“HFSE”) which is rare for the Goldfields. These types of granites are known to produce lithium bearing pegmatites. There are a number of pegmatites within the project area that are spatially related to this granite and are therefore prospective for lithium. There has been no previous exploration for lithium in this area.

At Fairbairn it has been documented in historical reports that drilling related to diamond exploration intersected an oxidised green mica rich rock co-incident with anomalous Rubidium (“Rb”) assays. This is consistent with the mineral lepidolite, a lithium ore mineral that is a green mica occurring in pegmatite

that also contains Rubidium. It is routine for diamond explorers to assay for Rb as it can be used to help determine the presence of kimberlites or lamphroites which are rocks known to host diamonds and the reason why the drilling was not assayed for lithium at the time.

While the company's primary focus will initially be on the Ives Find gold project it will progress these promising lithium opportunities quickly.

**Table 2: Summary of all Vanguard RC drilling at Ives Find and gold assays greater than 0.5 g/t**

Hole No	Easting	Northing	RL	Hole Depth (m)	Dip	Azimuth	From	To	Au g/t
IFRC001	278412	7021803	543	60	-60	250	43	44	<b>6.14</b>
IFRC002	278406	7021788	542	44	-60	250	36	37	0.55
							38	39	1.75
IFRC003	278395	7021775	542	54	-60	340	34	35	2.99
							35	36	4.77
							36	37	4.88
							37	38	1.54
							38	39	1.12
							39	40	1.11
							40	41	1.26
IFRC004	278390	7021748	541	48	-60	340	38	39	<b>19.70</b>
							39	40	<b>12.20</b>
							40	41	2.16
							41	42	0.63
IFRC005	278375	7021743	541	58	-60	340	34	35	<b>41.53</b>
							35	36	<b>114.90</b>
							36	37	1.16
IFRC007	278168	7021861	539	48	-60	270			NSR
IFRC011	278828	7021050	538	64	-60	180			NSR
IFRC012	278775	7021052	538	48	-60	180	25	26	3.16
IFRC014	278419	7021784	542	60	-60	250	49	50	0.82
IFRC015	278414	7021775	542	48	-60	250	47	48	<b>22.40</b>
IFRC016	278364	7021734	541	52	-60	340	33	34	4.39
							34	35	0.91
IFRC017	278391	7021723	541	68	-60	340	54	55	0.57
							55	56	<b>27.90</b>
							56	57	4.45
							57	58	0.80
							59	60	0.65
IFRC020	278408	7022044	546	31	-60	270			NSR
IFRC021	278422	7022002	546	50	-60	270			
IFRC022	278431	7021979	547	34	-60	270	10	11	1.90
							11	12	1.72
IFRC023	278418	7021942	546	50	-60	270	11	12	<b>6.78</b>
							12	13	1.37



Hole No	Easting	Northing	RL	Hole Depth (m)	Dip	Azimuth	From	To	Au g/t
IFRC024	278429	7021941	546	37	-60	270	19	20	0.94
IFRC025	278400	7021919	546	64	-60	270			NSR
IFRC026	278383	7021900	545	30	-60	270	4	5	0.95
IFRC027	278378	7021880	544	40	-60	270			NSR
IFRC028	278364	7021858	543	30	-60	270	6	7	2.32
IFRC029	278377	7021839	543	36	-60	270	6	7	0.50
							7	8	3.93
							8	9	2.52
IFRC030	278378	7021818	542	34	-60	270	2	3	0.58
							5	6	1.08
IFRC031	278374	7021797	542	40	-60	270			NSR
IFRC032	278384	7021858	543.5	58	-60	270	17	18	<b>4.98</b>
							18	19	<b>6.27</b>
							19	20	3.95
IFRC033	278403	7021859	544	58	-60	270			NSR
IFRC034	278749	7021391	541	40	-60	225	12	13	1.70
IFRC035	278736	7021350	541	48	-60	225			NSR
IFRC036	278680	7021465	543	40	-60	225	6	7	0.76
							8	9	<b>6.32</b>
							9	10	1.66
							10	11	0.82
							11	12	1.95
							12	13	0.79
							13	14	0.64
							24	25	1.32
IFRC037	278667	7021480	543	34	-60	225			NSR
IFRC038	278651	7021490	542	30	-60	225			NSR
IFRC039	278631	7021498	542	22	-60	225	10	11	1.52
IFRC040	278614	7021512	542	32	-60	225	15	16	1.88
							16	17	1.82
IFRC041	278602	7021526	542	40	-60	225			NSR
IFRC042	278625	7021523	542	64	-60	225			NSR
IFRC043	278724	7021424	542	40	-60	225			NSR
IFRC044	278744	7021283	541	28	-60	315	12	13	<b>25.10</b>
							13	14	1.41
IFRC045	278738	7021263	540	40	-60	315	13	14	1.13
IFRC046	278775	7021058	538	40	-60	270	18	19	0.65
IFRC047	278782	7021017	538	46	-60	270	5	6	0.87
							18	19	<b>5.96</b>
IFRC048	278990	7021045	537	47	-60	225			NSR
IFRC049	279003	7021058	537	58	-60	225			NSR
IFRC050	278964	7021060	538	52	-60	225			NSR
IFRC051	278447	7021978	547	64	-60	270			NSR

Hole No	Easting	Northing	RL	Hole Depth (m)	Dip	Azimuth	From	To	Au g/t
IFRC052	278456	7021944	547	52	-60	270	42	43	1.23
							44	45	0.55
IFRC060	278403	7021686	541	114	-60	340			NSR
IFRC061	278416	7021648	540	136	-60	340			NSR
IFRC065	278418	7021785	542	42	-60	340			NSR
IFRC069	278771	7021256	540	50	-60	315	32	33	1.03
							33	34	<b>22.17</b>
							34	35	0.60
							35	36	0.84
IFRC070	278357	7021692	540	92	-60	340			NSR
IFRC071	278706	7021692	540	50	-60	180			NSR
IFRC072	278802	7021014	538	64	-60	270	29	30	3.60
							33	34	0.80

\* Co-ordinates are UTM MGA94 zone 51.

\*\* Data supplied by Vanguard

\*\*\* Au g/t is calculated as average of primary and repeat assays where applicable

## Website

Vanguard have a website with the following address:

<https://vanguardex.com/>

## Competence and Disclaimer Statements

The information in this report was compiled from data provided to Great Western Exploration from Vanguard Exploration Limited and Vanguard have reported this information as being 2012 JORC compliant with the information compiled by competent persons. The author of this report Mr Luckett has relied on this information meeting 2012 JORC standards.

The information in this report that relates to work completed by Great Western Exploration including Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jordan Luckett who is a member of the Australian Institute of Mining and Metallurgy. Mr Luckett is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Luckett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Vanguard completed the RC drilling at Ives Find in three stages and reported using two competent persons:

The exploration results that were reported by Vanguard from stage 1 & 2 RC drilling at Ives Find were based on information compiled by Mr Peter Poole, who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 edition of the JORC Australian code for reporting of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The exploration results that were reported by Vanguard from Stage 3 RC drilling at Ives Find were based on information compiled by Mr Don Smith, who is a member of the Australasian Institute of Mining and Metallurgy and also a member of the Australian Institute Of Geoscientists, and has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 edition of the JORC Australian code for reporting of the Joint Ore

Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Poole and Mr Smith were engaged as Consultants to Vanguard Exploration Ltd at the time of these RC drilling programs. Mr Poole and Mr Smith previously provided consents at the time of publication, whereby such information relating to Exploration Results may be reasonably reproduced in the form and context in which it appeared.

## JORC Code, 2012 Edition – Table 1 report

### Section 1 Sampling Techniques and Data

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

<p><i>Sampling techniques</i></p>	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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</i></p>	<p>The drill hole sampling was carried out with the use of a Reverse Circulation (RC) drill rig, which produced 1m samples of pulverized rock material for investigation. All drill cuttings were collected via a rig mounted cyclone, using manual choke to separate intervals into 1m lengths. The sample was collected in two parts, with approximately 90% in a bulk container and 10% in a separate calico bag. Samples from the container are then placed on the ground, with the accompanying calico bag alongside.</p> <p>Stage 1 and Stage 2 Drilling</p> <p>As a first stage in the assaying process, the collection of composite samples, ranging from 3m – 4m in down hole length, were collected from the individual 1m sample drill spoils placed on the ground. Using a PVC 'spear' pipe, an equal volume of material was collected from each metre and placed in a numbered calico bag for reference. These samples were then delivered to the laboratory for multi element analysis by Aqua Regia digest.</p> <p>In the second stage, the 1m samples stored in the calico bags at time of drilling were collected and submitted for analysis. The Fire Assay method was employed for Au analysis and a Mixed Acid digest for other elements. The samples were pulverized at the Laboratory to produce a 40g charge for Fire Assay. These samples were mostly submitted without further contact, however, some samples were 'split' to enable the collection of 'umpire' samples for later quality assurance work.</p> <p>Separate 'umpire' samples from the RC drilling have been collected for later analysis.</p> <p>Stage 3 Drilling</p> <p>Samples were collected using a variety of methods. They were either obtained through the collection of composite samples, ranging from 2m – 10m in down hole length, from material in</p>
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	<p><i>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</i></p>	<p>the individual 1m sample drill spoils placed on the ground. A PVC ‘spear’ pipe was used in the collection of an approximately equal volume of material from each metre of drill spoils for composite samples. This material was then placed in a numbered calico bag for reference, Or, as an individual 1m sample, this was generated directly from the cyclone with storage in an appropriately number calico sample bag at time of drilling.</p> <p>Once all samples were bagged, company personnel had no further contact with the sample - other than to participate in assisting in their part of the delivery process to get the sample bags to the assay Lab for analysis.</p> <p>Samples were then submitted for analysis. The Fire Assay method was employed for Au analysis and a Mixed Acid digest with ICP finish was employed for all other elements (Ag, As, Bi, Cu, Mo, Pb, Sb, Te, W and Zn). The samples were pulverized at the Laboratory to produce a 50g charge for Fire Assay.</p> <p>It is intended that ‘pulp’ from the assay Lab be retained by the company for potential future qualitative testing purposes once assay procedures have been completed</p>
<i>Drilling techniques</i>	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details.</i></p>	<p>Reverse Circulation (RC) drilling was used to collect 1m pulverized rock samples.</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximize sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred to potential loss/gain of fine/coarse material.</i></p>	<p>Samples from each of the 52 RC drill holes were split approximately 10% into a calico sample bag and 90% into a container. No formal recovery studies have been undertaken. Overall sample recovery is considered reasonable to good, and in line with normal expectations for this type of drilling. The majority of drill samples were dry, with some water flows encountered. In the event of any wet samples, contamination may have occurred. Insufficient data is presently available to evaluate or make judgment on any sample bias.</p>
<i>Logging</i>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a</i></p>	<p>RC drill chips have been geologically logged to a level that is considered relevant to the style of mineralization under investigation. Drill logs were used to record: lithology, mineralogy, mineralization, weathering, colour and other appropriate features. All logging is quantitative. Selected chip</p>

	<p><i>level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc) photography.</i></p>	<p>samples from each hole were sieved, washed and placed into plastic chip trays for future reference. The chip trays are not routinely photographed, but some selective intervals have been photographed for information purposes.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<p><i>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.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality Control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>RC drill hole samples were cyclone split, with samples collected mostly dry. Samples were split approximately 10% into a calico bag and 90% into a container. Initial composite samples were collected from the 90% drill spoils and submitted for Aqua Regia analysis. In the event of further analysis, the calico bags containing the 10% sample were submitted to the Laboratory for Fire Assay.</p> <p>The sample preparation technique was considered appropriate for the type of material under investigation. The Laboratory handled and pulverized the sample prior to analysis for various elements.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and</i></p>	<p>Stage 1 Drilling</p> <p>Sample preparation (crushing, sorting and pulverising) and assaying was conducted through Bureau Veritas Laboratories,</p>



	<p><i>whether the technique is considered partial or total.</i></p> <p><i>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</i></p>	<p>Canningvale, WA.</p> <p>For the initial 3m and 4m composite drill samples, Gold was digested with Aqua Regia and determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. This was also the case for elements Pt, Pd, Ag, As, Bi, Cu Mo Pb Sb Sn &amp; W. Determination of elements Fe Mn &amp; S were made by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry.</p> <p>For the 1m individual drill samples, a 40gm sample was subject to fire assay and determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry for Au Pd and Pt. A sample was also digested and refluxed with a mixture of acids. This extended digest approaches a total digest for many elements, however, some refractory minerals are not completely attacked. Cu and Zn have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry and Ag As Bi Pb and W have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry</p> <p>Two samples, composited by the Laboratory, were treated with a Cyanide solution in which the PH has been maintained by addition of lime. The samples are tumbled continuously over a 24 hour period. Au (BLEG 1kg) was determined by Inductively Coupled Plasma (ICP) Mass Spectrometry.</p> <p>Check samples were inserted by Vanguard into batches containing the 3m and 4m drill samples. No check samples were included in the 1m drill samples, Bleg or rock chip samples. 'Umpire' samples were collected from a number of the 1m samples for delivery to another Laboratory for analysis at a later time.</p> <p>No Company standards were used. The Company has relied upon Bureau Veritas Laboratory for standards and QA/QC.</p> <p>Stage 2 Drilling</p> <p>Sample preparation (crushing, sorting and pulverising) and assaying was conducted through Bureau Veritas Laboratories, Canningvale, WA.</p> <p>For the initial composite drill samples, Gold was digested with Aqua Regia and determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. This was also the case for elements Ag, As, Bi, Cu, Pb, W &amp; Zn.</p> <p>For the 1m individual drill samples, a 40gm sample was subject to fire assay and determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry for Au, Pd and Pt. A sample was also digested and refluxed with a mixture of acids. This extended digest approaches a total digest for many elements, however, some refractory minerals are not</p>
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		<p>completely attacked. Cu and Zn have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry and Ag, As, Bi, Pb and W have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry</p> <p>No check samples were included in the 1m drill samples. 'Umpire' samples were collected from a number of the 1m samples for delivery to another Laboratory for analysis at a later time.</p> <p>No Company standards were used. The Company has relied upon Bureau Veritas Laboratory for standards and QA/QC.</p> <p>Stage 3 Drilling</p> <p>Sample preparation (crushing, sorting and pulverising) and assaying was conducted through Nagrom Mineral Processors, Kelmscott WA.</p> <p>For all drill spoils, a 50gm sample was subject to Fire Assay and determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry for Au, Fire Assay fluxes are designed to optimize gold recovery for each particular sample type.</p> <p>For all drill spoils, a Mixed Acid Digest with ICP finish was employed for elements Ag, As, Bi, Cu, Mo, Pb, Sb, Te, W and Zn. This method is a near total digestion, most mineral species will be decomposed under these conditions.</p> <p>No check samples or company standards were used. The Company has relied upon Nagrom Mineral Processors Laboratory for standards and QA/QC.</p>
<i>Verification of sampling and assaying</i>	<p><i>The verification of significant intersections by either independent or alternative company personnel</i></p> <p><i>The use of twinned holes</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>The Managing Director reviewed sampling techniques in the field. RC drill chips, covering significant intersections, were visually inspected and verified by a Consulting Geologist.</p> <p>Drilling, for the most part, was orientated to investigate true width intersections. However, some geological structures are not fully understood to date. Factors including dip, direction etc. still requires further evaluation, therefore all reported intercepts are based on down hole lengths.</p> <p>There were no twinned holes drilled during this RC drill programme.</p> <p>Data was collected by the Company from various sources and entered into various computer files for collation and reporting purposes.</p> <p>Sample storage involved retention in numbered, calico bags. This information is hand written in the field.</p>
<i>Location of data</i>	<i>Accuracy and quality of surveys used to locate drill</i>	Drill hole collars, soil sample and rock chip sample locations were determined using a hand held GPS (+/- 6m accuracy in

<i>points</i>	<p><i>holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>all directions).</p> <p>The grid system used is GDA 94 (Zone 51). Various topographic data was noted for mapping purposes. No RL readings were collected.</p> <p>RL readings reported are 'notional' and have been derived using the Google Earth mapping system. The variation of RL information, available through the use of a hand held GPS, was considered to erratic for inclusion in reports at this time.</p>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>The sampling method is considered to be unbiased. The 1m drill samples have been cone split and are considered to be representative. The relationship to geological structures and orientation is unknown apart from local geological information that was recorded at the sample point. The nature of the results could support Mineral Resource and Ore Reserve estimate procedures. At present, mineralization at Ives Find has not yet been demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification to be applied.</p> <p>The drill holes were placed to target various geological structures of interest. No set pattern was applied. All drilling employed used the RC method.</p> <p>Stage 1 and Stage 2 Drilling</p> <p>Compositing of samples was confined to the first batch of drill samples, which comprised lengths of 3m and 4m, and were subject to Aqua Regia analysis. The assay values obtained from this first pass process were then used as a guide to determine individual metres for further Fire Assay investigation.</p> <p>Stage 3 Drilling</p> <p>Various 1m samples were submitted for analysis, together with various composite samples ranging in composition from 2m – 10m of drill spoil material. All samples were subject to the same analysis process of Fire Assay for Au and Mixed Acid Digest for all other elements.</p>
<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between</i></p>	<p>A Competent Person, using their experience and interpretation, considers the orientation of key structures and any relationship to mineralisation at Ives Find as preliminary and inferred.</p> <p>No sampling bias resulting from a structural orientation is known to occur at Ives Find at this stage.</p> <p>Theoretically some bias may have occurred, however, knowledge is too preliminary to have any certainty at this</p>

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	<i>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.</i>	stage.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	The chain of custody was managed by the Company, which ended when samples were delivered to the depot of a transport company for transport to a Perth based Laboratory. Beyond this, there were no specific security measures.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews were undertaken due to the early stage of exploration.

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## Section2 Reporting of Exploration Results

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

<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>  <i>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.</i>	<p>The Ives Find prospect is located within Exploration License E53/1369. Vanguard has a 100% interest in the tenement. The current expiry date of this tenement is 24/09/2018.</p> <p>No third party royalties are applicable. Standard Government Royalties apply in the event of future gold and/or other mineral production.</p> <p>The tenement area is at all times subject to various State and Federal Government legislation that may vary from time to time.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgement and appraisal of exploration by other parties</i>	<p>Over time, the land contained within the confines of tenement E53/1369 has been worked by various parties. Some of that work may have been reported, some may not. Issues affecting accuracy and quality of data may also have occurred during this period.</p> <p>In 1988, Sabre Resources NL conducted an RC drilling programme around the main Ives Find workings and surrounds. This drilling reported the presence of gold mineralization, particularly around the Bell Miner target zone area.</p> <p>Although the drilling data was likely relevant at that time, based on current requirements and reporting standards, these results may not be incorporated into any future resource</p>



		calculations.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The project area is located within the Archaean Yandal Greenstone Belt and is considered prospective gold mineralization.</p> <p>Current focus of exploration by Vanguard has been the investigation of gold bearing quartz vein systems present within a predominantly granite host rock environment.</p> <p>To date, exploration has been at a preliminary stage of investigation and ore controls are not properly understood.</p>
<i>Drill hole Information</i>	<p><i>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:</i></p> <p><i>Easting and northing of the</i></p>	<p>Easting and northing coordinates were obtained using a hand held GPS (+/- 6m accuracy in all directions).</p> <p>Elevation or RL of the drill hole collar was not accurately determined through the use of a hand held GPS unit. It is envisaged this information will be obtained with more accurate equipment in the future.</p>

	<p><i>drill hole collar.</i></p> <p><i>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>Dip and azimuth of the hole.</i></p> <p><i>Down hole length and interception depth.</i></p> <p><i>Hole length.</i></p> <p><i>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.</i></p>	<p>Dip, azimuth and down hole length were initially determined prior to drilling. Down hole length may have been varied during drilling, subject to results obtained at that time.</p> <p>The drilling contractor, through the use of their specialized equipment, set the drill settings for the Dip and produced the single metre drill spoils (intersections) for possible assay.</p> <p>The azimuth of each hole was established using a compass.</p> <p>A tabulation of results for each material hole is provided in the release.</p> <p>Stage 2 and Stage 3 Drilling</p> <p>The drilling contractor undertook various down-hole dip measurements during the drilling process using a Reflex Ez-Trak multi shot down-hole camera. The dip and azimuth readings from this unit appear in the body of the report.</p>
<i>Data aggregation methods</i>	<p><i>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.</i></p> <p><i>Where aggregate intercepts</i></p>	<p>Individual grades are reported as down hole length weighted averages.</p> <p>No top cuts have been applied.</p> <p>In the context of the table of drill results a nominal 0.5 g/t Au lower cut has been applied in some instances.</p>

	<p><i>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.</i></p>	<p>Internal dilution may entail an interval or intervals of no more than 1m with grades below the nominal cut.</p> <p>No metal equivalents are stated</p> <p>Assays results are reported in summary form only, which is considered appropriate for this early stage of exploration.</p> <p>Other than Au and Ag values, other elements that were subject to assay have been reported in terms of minimum, maximum and average values.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the</i></p>	<p>All reported intercepts are based on down hole lengths. The detailed geometry of the mineralized zones is not fully understood at this stage.</p> <p>Accordingly, the reported intercept lengths may not reflect true mineralization widths.</p>

	<i>down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known')</i>	
<i>Diagrams</i>	<i>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.</i>	Maps relevant for current phase of exploration are included in the release.
<i>Balanced reporting</i>	<i>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.</i>	Various intervals >0.10 g/t Au regarding gold analysis have been reported in the table of drill results related to this release.
<i>Other substantive exploration data</i>	<i>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</i>	Various data sets have been presented in a number of historical reports that are available by open file search with the Department of Mines and Petroleum. Additionally, some geophysical information is also available on an open file search basis.  In 1988, Sabre Resources NL conducted an RC drilling programme around the main Ives Find workings and surrounds. This

	<i>characteristics; potential deleterious or contaminating substances.</i>	<p>drilling reported the presence of gold mineralization, particularly around the No2 Shaft area.</p> <p>Although the drilling data was likely relevant at that time, based on current requirements and reporting standards, these results may not be incorporated into any future resource calculations.</p>
<i>Further work</i>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is commercially sensitive.</i></p>	<p>Further extensional and infill RC drilling is planned to test for possible down-dip/down-plunge extensions of gold mineralization previously encountered in the area of the 'Bell Miner', 'Duck' and 'Duckling' target zones.</p> <p>In each case, this drilling will target the depth potential of earlier reconnaissance drilling conducted by Vanguard. Details of those earlier Vanguard drilling results are covered in this release.</p> <p>RC drilling of other target zones may also be considered.</p> <p>Drilling data will also be collated to enable entry into an appropriate mining/exploration software program. Interpretation of various data sets may lead to further fieldwork and/or additional sample information being</p>



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		<p>required. In addition, other drill targets not directly covered in this report may be considered for further evaluation.</p> <p>Commencement of any future drilling will at all times be dependent upon a number of factors. These factors may be outside of the control of Vanguard and therefore there is no guarantee that any proposed drilling program may take place.</p> <p>Future exploration activities will at all times be subject to prevailing constraints and conditions imposed upon the company at that time.</p>
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