

## VERY POSITIVE ZULEIKA JV DRILL RESULTS

### 1. Highlights

- ✓ **Zuleika Phase 1 drill program: 7,277.9m drill program of 137 holes at Targets 18 and 19;**
  - *Target 18 contains results of up to 12m at 2.44g/t Au from 36m;*
  - *Target 19 contains results of up to 4m @ 1.83g/t Au from 32m;*
- ✓ **Phase 1 drill program at Target 20 (Paradigm Extensions) and 21 to begin in April 2017; and**
- ✓ **Torian Directors believe that Zuleika JV drilling results more than validate Cascade merger.**

Torian Resources Ltd (**ASX:TNR**) (**Torian** or **Company**) is pleased to provide further results from its recent drill program at the Zuleika JV Project. The drill program consists of a 4 phase program. The Phase 1 results comprising 7,277.9 metres and 137 holes of drilling from Targets 18 and 19 have now been received.



*Figure 1: RAB rig on site at the Zuleika JV.*

## 2. Zuleika JV Project

### 2.1 Introduction

The Zuleika JV project consists of 125 tenements covering approximately 223km<sup>2</sup> north, and partly along strike, of several major gold deposits including the 7Moz Kundana operation. The Zuleika JV Project is located 40km northwest of Kalgoorlie and is accessed by well-maintained bitumen and all weather gravel roads.

The southern boundary of the Project lies some 8km NW of the Kundana Gold Mine where in excess of 7 million ounces of gold has been discovered at an average grade of approximately 10 g/t. This region has experienced unprecedented exploration and corporate activity of late. This activity has been led by Northern Star Resources and Evolution Mining two of Australia's largest ASX listed gold miners. Additionally, Zijin, China's largest gold producer, is extremely active with mining operations in this region, two of which immediately adjoin Torian's tenements.

### 2.2 Cascade Takeover

In April 2015, Torian entered into a Heads of Agreement with Cascade Resources Ltd (**Cascade**) whereby Torian has the right to earn a 49% interest in the project by spending \$5m over 4 years. Cascade had acquired most of these tenements over the course of the last year and holds the tenements on a 100% basis. Torian has added some tenements it has recently acquired to the joint venture with various third parties holding 2% gross mineral royalties.

In November 2016, Torian announced a binding takeover bid implementation Deed with Cascade. Under the Deed, Torian has offered to acquire all the share capital in Cascade. If the acquisition is successful, Torian will acquire Cascade and all of its projects, including the remaining interest in the Zuleika JV that it doesn't already own.

### 2.3 Regional Geology

The Zuleika Project is located in the central part of the Archaean Norseman-Wiluna greenstone belt in Western Australia. The greenstone belt is approximately 600 kilometres in length, and is characterised by thick sequences of ultramafic, mafic, and felsic volcanics, as well as various intrusives and sedimentary rocks. Generally the mafic and ultramafic occur at the base of the sequence, with the felsic volcanic to volcanoclastic rocks overlying.

Research by the Geological Survey of Western Australia indicates that coarse grained sandstones and conglomerates unconformably overlie, or are in fault contact with, greenstones in synclinal basins adjacent to or overlying major regional faults.

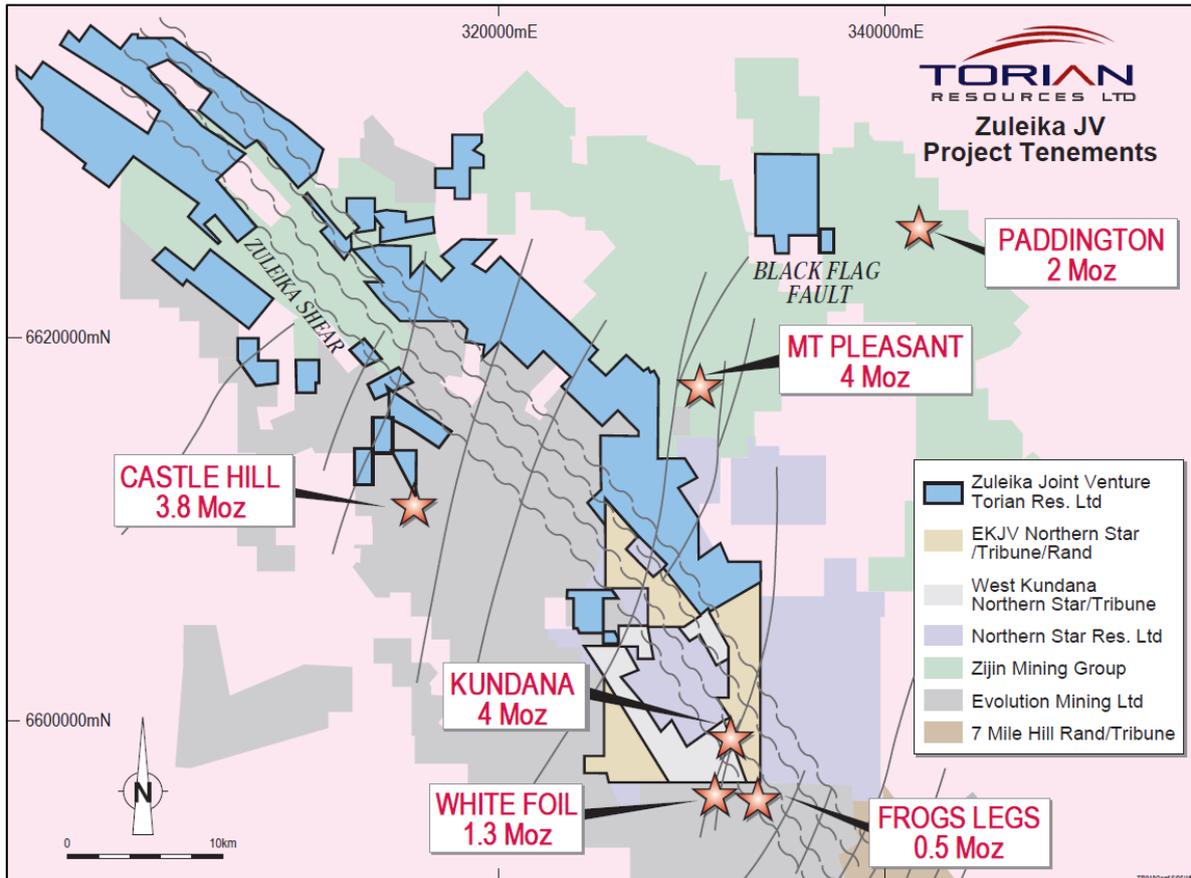


Figure 2: Map showing Torian's Zuleika Project and the location of other gold companies.

## 2.4 Mineralisation

Gold mineralisation along the Zuleika Shear occurs in all rock types, although historical and recent production is dominated by two predominant styles:

- Laminated quartz veins containing high grade gold (5-30g/t Au) and associated base metal sulphides (galena, sphalerite, and chalcopyrite) and other minerals such as scheelite). Examples of this are the high grade deposits at Kundana; and
- Quartz vein stockworks developed within granophyric gabbro within the Powder Sill and other intrusives. An example is the very high grade Raleigh Deposit (5-100g/t Au).

Mineralisation styles vary slightly from mine to mine along the Zuleika Shear indicating localised differences due to various rocks and associated minerals. Historically the previous mines have been of a medium to high grade (3-30g/t Au) and occur in clusters, for example the Hornet / Rubicon / Pegasus / Drake / Centenary / North Pit strike line at Kundana which has produced more than 5 million ounces to date.

As previously announced, Torian has developed an extensive digital database of historic and current drill results in the region. The digital data compilation remains incomplete at present, however work continues.

### 3. Recent Exploration Program

#### 3.1 Target 18

Target 18 lies about 40km northwest of the North Pit at Kundana and approximately 16km northwest of Evolution Mining’s (ASX:EVN) recent Johnson’s Rest discovery. The local geology at Target 18 is concealed by a 15-20m thick blanket of alluvium and soil. This is likely to have masked the response from previous soil sampling. This target is associated with the sheared eastern ultramafic/epiclastic sedimentary contact similar to Evolution Mining’s (ASX:EVN) Johnson’s Rest Prospect along strike to the south.

Previous exploration in this area was completed in the early 1990s and consisted of auger soil sampling, followed up by vertical and grid east angled RAB drilling on a 200m by 40m pattern. Several +1g/t Au intersections were located in these historic holes.

Torian’s recent drilling which focused on a 3,100m section has now been completed, with 400m line spaced reconnaissance RAB holes. This was successful in identifying a saprolite gold target with the best intersection being ZRB437 with 12m @ 2.44 g/t Au from 36m (as announced on the ASX by the Company on the 27 September 2016). Field inspection of this hole shows this mineralisation is hosted in a quartz veined highly sheared and weathered rock. Several other intervals in this hole contained 0.5-1g/t Au values, with some holes ending in mineralisation.

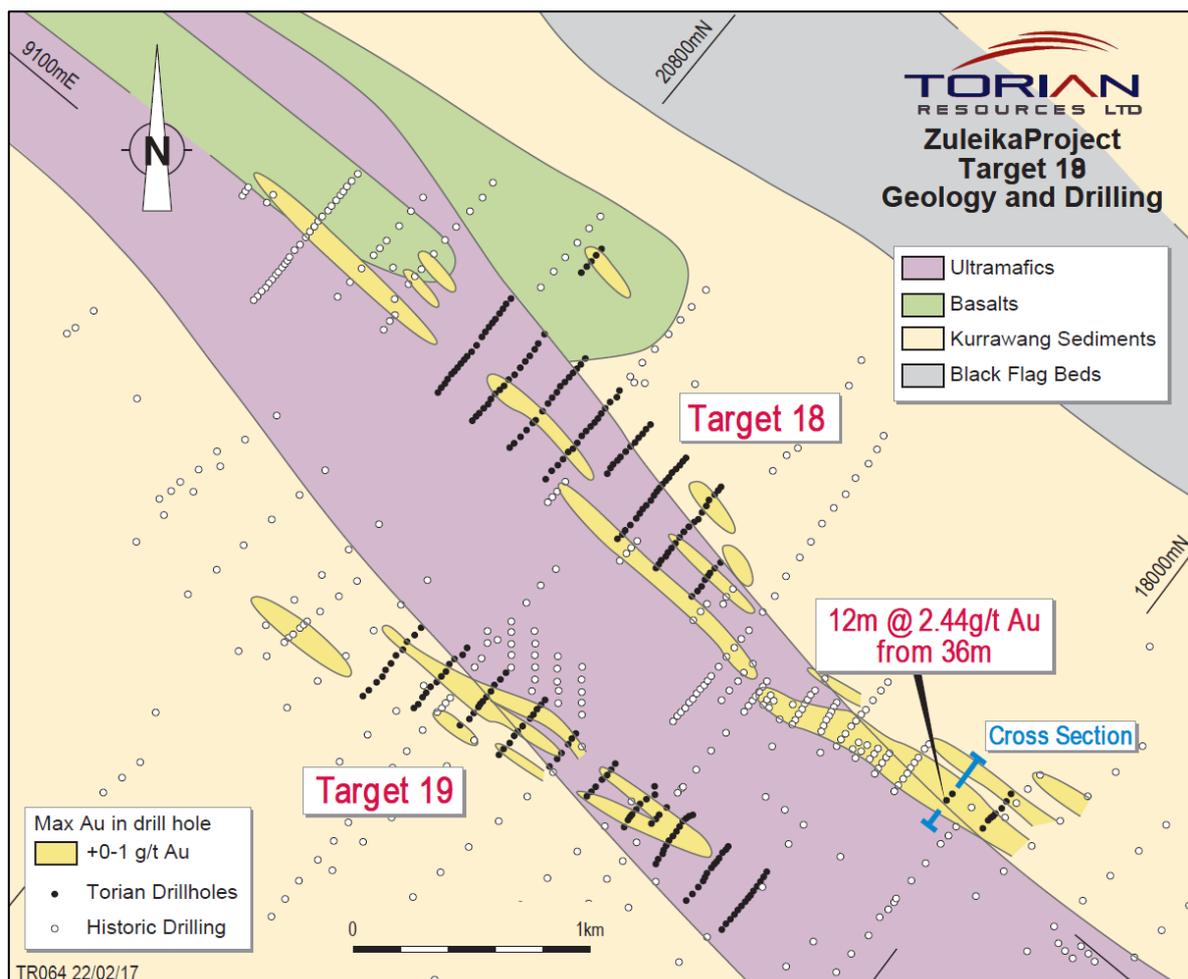


Figure 3: Map showing Geology and Drilling at Target 18 and 19.

Planning of further drilling is underway. Figure 3 above shows the geology and drilling at Targets 18 and 19.

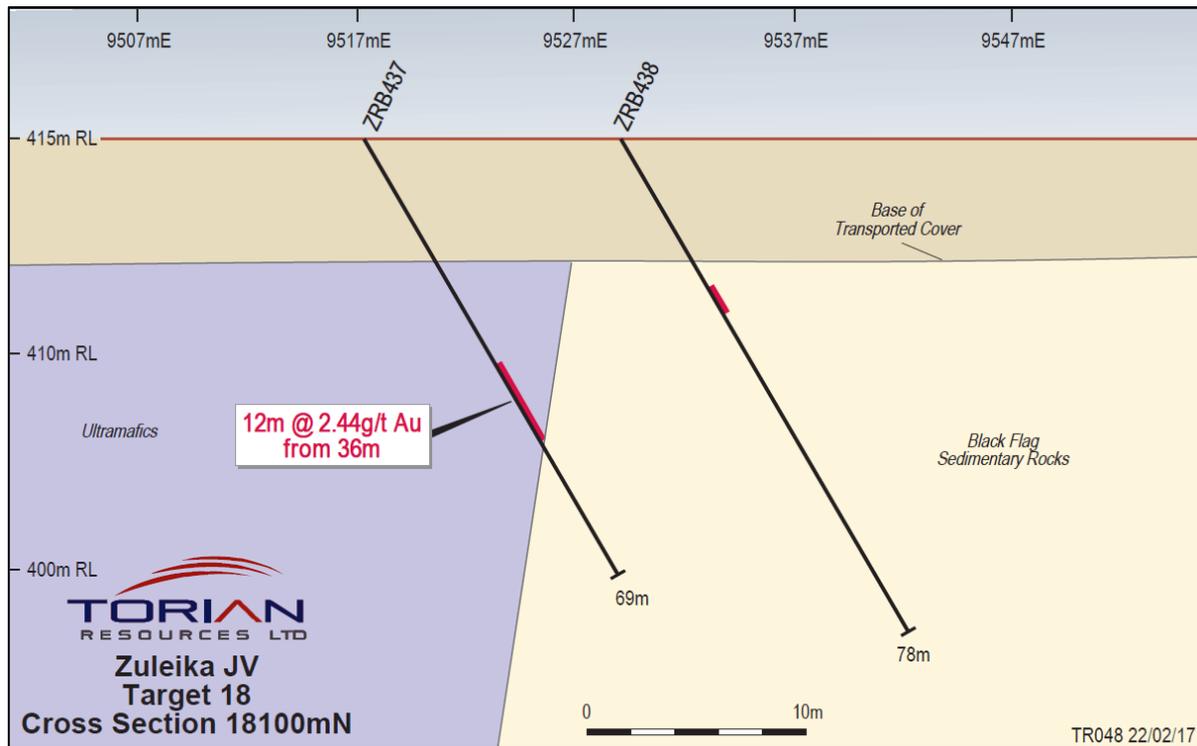


Figure 4: Cross section showing the southern area of Target 18.

Table 1 below lists anomalous (+.5g/t Au) drill results from the latest program.

Hole	From	To	m	g/t Au	Target
ZRB437	36	48	12	2.44	18
ZRB438	24	28	4	0.50	18
ZRB504	64	71*	7	0.64	19
including	64	68	4	1.21	
ZRB531	56	60	4	0.54	19
ZRB532	64	65*	1	0.81	19

Table 1: Anomalous intersections from the recent drilling program.

Note \* means the hole ended in mineralisation

Table 2 below lists the anomalous (+1g/t Au) values from historic drilling at Targets 18 and 19. Several other holes intersected values between 0.5 and 1g/t Au. Importantly, many holes ended in mineralisation.

Hole	N	E	RL	Depth	Dip	Mag Az	From	To	m	g/t Au	Target
ZULB380	19646	8554	425	72	-90	0	60	64	4	1.02	19
CA-494	18888	8585	420	47	-90	0	40	41	1	1.17	19
BDRAB03	20507	8035	430	55	-90	0	37	38	1	1.10	19
BDRAB43	20507	8025	430	66	-60	50	55	57	2	2.62	19
						and	59	60	1	1.50	
						and	64	65	1	2.69	

CA-389	18306	9503	414	40	-60	45	31	32	1	1.55	19
						and	37	38	1	1.12	
CA-588	18305	9493	414	62	-60	45	48	49	1	1.64	19
BLRB0059	21276	9445	426	41	-60	40	32	36	4	1.83	19
BLRB0060	21267	9365	427	43	-60	40	Surface	4	4	1.46	19

Table 2: Anomalous intersections from historic drilling at Targets 18 and 19.

### 3.2 Target 19

Target 19 lies about 1km west of Target 18. The geology is again masked by 15-20m of alluvial wash and soils. The geology of this area appears to be near the contact of the Black Flag Formation with the western contact of the ultramafic.

Previous exploration has been very light with only a broad scattering of shallow drilling. Several holes intersected values above 1g/t Au as shown in Table 2 above. This drilling dates back to the late 1990s and has located a saprock gold target with the best hole being BLRB0059 with 4m @ 1.83g/t Au from 36m. Field inspection of this hole shows this mineralisation in a quartz veined, very oxidised felsic volcanics.

### 3.3 Target 20

Target 20 is the north and south extensions of Northern Star's (ASX:NST) Paradigm Prospect. On 14 November 2016 Northern Star announced some outstanding intersections such as:

- 3.2m @ 207.00g/t Au from 189m
- 5.2m @ 156.00g/t Au from 92m
- 10m @ 54.30g/t Au from 165m
- 15m @ 15.20g/t Au from 72m
- 14m @ 14.8g/t Au from 98m
- 15m @ 7.30g/t Au from 57

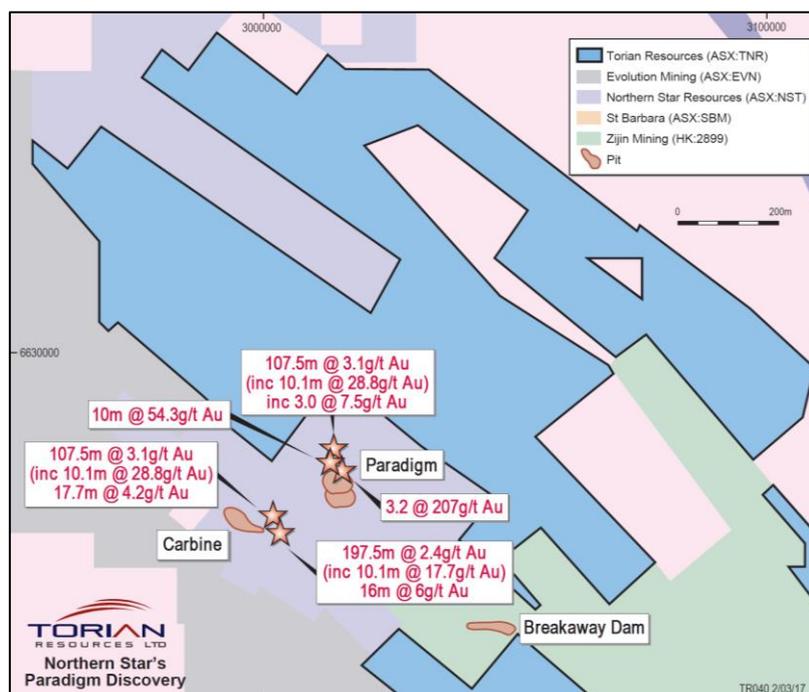


Figure 5: Recent NST drill results adjacent to Torian's Target 20.

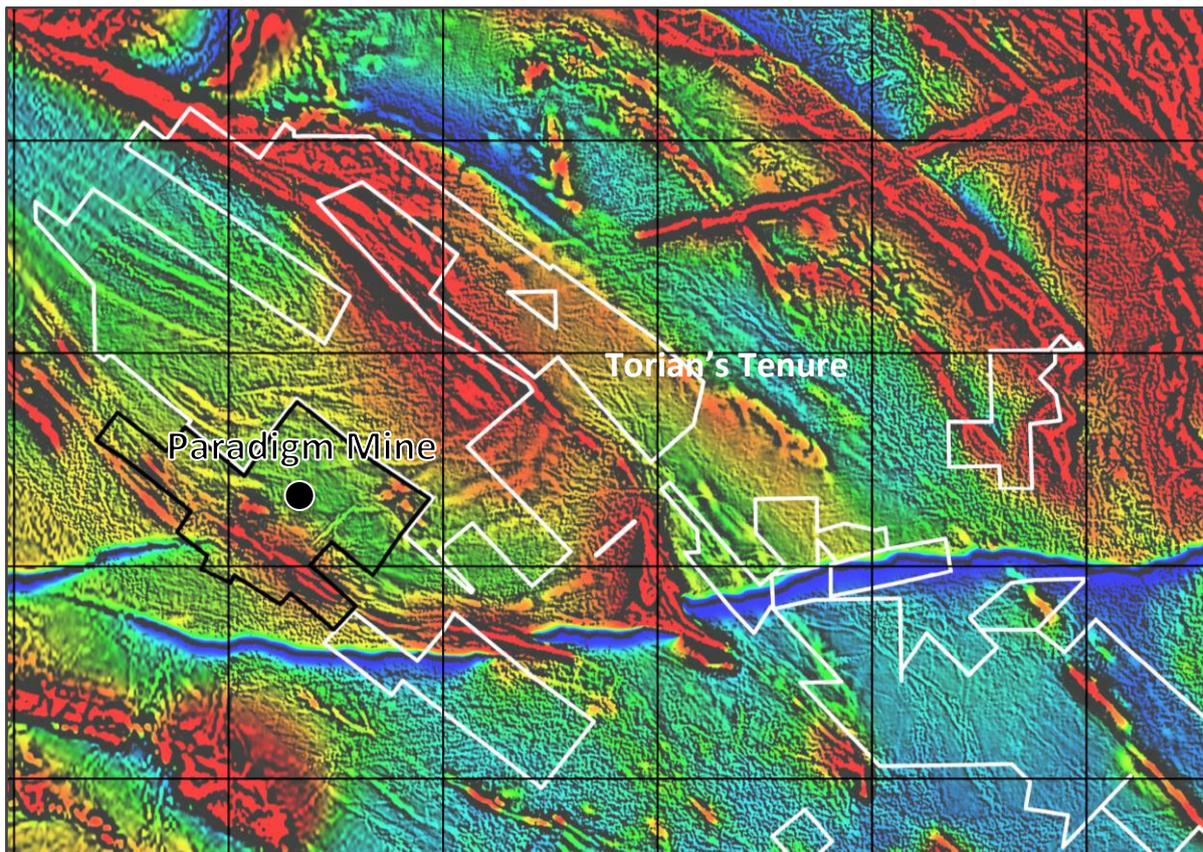


Figure 6: Map showing magnetic imagery and proximity of Torian's tenure (White) to the Paradigm mine (Black).

The Paradigm area contains a small open pit and underground operation that was active before 2000. Torian's Zuleika Project has possible strike extensions of approximately 1km south and up to 4.5km north of Paradigm.

There is no drilling known in the northern Paradigm zone and very wide spaced drilling in the south. This wide spaced drilling has outlined several anomalous zones in the 0.5-1g/t Au range with a best hole from historic drilling being SGRC005 which intersected 1m @ 2.75g/t Au from 38m (5792mE, 16355mN, 411mRL, the hole was drilled to 150m at minus 60 degrees towards 225 degrees magnetic).

### 3.4 Target 21

This new target lies approximately 500m east of Target 18. Target 21 was identified by Torian's field staff during the drilling of Targets 18 and 19. Target 21 comprises a gold in soil anomaly hosted by a black shale, analogous to Torian's Target 4, some 8km to the south. No workings are located in the area. Torian's field staff completed 5 grid east angled RAB holes to test the target. These holes intersected typical saprolitic material indicating deep weathering of more than 60m. Whilst no economic values were located, one hole intersected gold grades of 0.20g/t or better over 4m intervals at the base of oxidation. The mineralisation appears to be related to quartz veining in the sandstones and remains open in all directions.

This target will receive further drilling once the present geophysical interpretation is completed.

#### 4. Interpretation

Based upon the assays received to date, Torian's preliminary interpretations are:

- The mineralisation discovered at Targets 18 and 19 remains open at depth and along strike; and
- There are several other high priority targets within the project area that have only been lightly/under-explored that require further follow up.

Geological interpretation is showing the rocks in this Zuleika area to be more complex than previously understood. This added complexity is encouraging and suggests potential for additional mineralisation styles to be present away from the main vein structure.

#### 5. Next Steps

Over the next two months Torian plans the following work:

- Carry out further interpretation of current and historical drilling;
- Conduct reconnaissance RAB drilling at Paradigm; and
- Plan additional RC drilling to determine the extent of the mineralisation.

#### 6. Commentary

Matthew Sullivan, Torian's Managing Director made the following comments:

*"These results are very encouraging and reinforce the geological interpretation, especially the definition of the targets on both contacts of the ultramafic unit, over a strike length of about 2-3km at Targets 18 and 19.*

*The wide spaced nature of the holes means that these results are very encouraging and further work will be planned for Phase 2 exploration of these targets."*

*Torian's next drilling program at Target 20, the north and south extensions to Paradigm, is a priority for the company."*

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**About Torian:**

*Torian Resources Ltd (ASX:TNR) is an Australian gold exploration and development Company. The Company has three advanced projects located in the Goldfields region of Western Australia.*

*Torian's Zuleika JV Project is located along the world class Zuleika Shear. The Project lies north and partly along strike of several major gold deposits including Northern Star (ASX:NST), Tribune Resources (ASX:TBR) and Rand Mining's (ASX:RND) 7Moz East Kundana Joint Venture (EKJV) and Evolution's (ASX:EVN) Frogs Legs and White Foil deposits.*

*Since May 2015, Torian has increased its landholding by approximately 85% in this region via a number of separate acquisitions. The total land position at the Zuleika JV is now approximately 223km<sup>2</sup>, making Torian the third largest landholder in this highly sought after region.*

*Torian has commenced a large, 4 Phase, exploration program that is targeting the Zuleika Shear and intends to further consolidate ground in this region.*

*Torian's exploration team has an enviable track record of exploration success which includes a number of multi-million ounce gold discoveries in this region. Torian is commencing an exciting phase in its development and we look forward to updating the market on our progress in due course.*

**Target 18 and 19 RAB Drill Collar Details:**

Hole	Local E	Local N	RL	Depth	Dip	Azimuth
ZRB429	9546	17910	417	77	-60	40
ZRB430	9585	17916	417	60	-60	40
ZRB431	9608	17921	417	19	-60	40
ZRB432	9617	17920	417	18.4	-60	40
ZRB433	9624	17919	417	74	-60	40
ZRB434	9664	17917	417	69	-60	40
ZRB435	9696	17926	417	73	-60	40
ZRB436	9735	17937	416	70.5	-60	40
ZRB437	9517	18104	415	69	-60	40
ZRB438	9551	18106	415	78	-60	40
ZRB439	8451	18352	421	63	-60	40
ZRB440	8480	18357	421	66	-60	35
ZRB441	8506	18360	421	49	-60	42
ZRB442	8535	18363	421	47	-60	38
ZRB443	8558	18368	421	42	-60	42
ZRB444	8580	18370	421	36	-60	39
ZRB445	8599	18372	421	39	-60	38
ZRB446	8616	18375	421	35	-60	40
ZRB447	8637	18380	421	43	-60	39
ZRB448	8660	18385	421	33	-60	41
ZRB449	8675	18386	420	27	-60	40
ZRB450	8686	18389	420	27	-60	39
ZRB451	8701	18387	420	26	-60	39
ZRB452	8712	18392	420	27	-60	40
ZRB453	8727	18396	420	46	-60	40
ZRB454	8752	18401	420	68	-60	40
ZRB455	8421	18546	423	72	-60	40
ZRB456	8458	18547	422	80	-60	40
ZRB457	8499	18551	422	80	-60	40
ZRB458	8535	18558	422	24	-60	37
ZRB459	8547	18564	422	26	-60	39
ZRB460	8561	18569	422	57	-60	38
ZRB461	8594	18578	421	45	-60	39
ZRB462	8613	18581	421	31	-60	40
ZRB463	8630	18577	420	27	-60	39
ZRB464	8644	18582	420	29	-60	40
ZRB465	8662	18585	420	29	-60	40
ZRB466	8670	18592	420	26	-60	40
ZRB467	8683	18591	420	26	-60	38
ZRB468	8696	18592	420	20	-60	38
ZRB469	8709	18594	420	24	-60	40
ZRB470	8431	18746	422	50	-60	40
ZRB471	8453	18759	422	50	-60	39

ZRB472	8486	18758	422	41	-60	39
ZRB473	8500	18769	422	48	-60	40
ZRB474	8525	18777	423	45	-60	39
ZRB475	8547	18782	423	45	-60	40
ZRB476	8569	18782	423	42	-60	40
ZRB477	8592	18786	423	20	-60	38
ZRB477A	8591	18778	422	44	-60	39
ZRB478	8617	18784	422	13	-60	39
ZRB478A	8613	18790	422	42	-60	39
ZRB479	8631	18801	422	4	-60	40
ZRB479A	8632	18804	422	42	-60	40
ZRB480	8659	18794	422	59	-60	40
ZRB481	8688	18794	422	55	-60	38
ZRB482	8449	18955	424	65	-60	39
ZRB483	8481	18964	424	63	-60	39
ZRB484	8514	18968	424	54	-60	40
ZRB485	8538	18973	424	51	-60	40
ZRB486	8565	18978	424	54	-60	40
ZRB487	8590	18976	424	99	-60	40
ZRB488	8633	18966	423	52	-60	40
ZRB489	8654	18995	423	52	-60	40
ZRB490	8412	19157	425	69	-60	42
ZRB491	8448	19158	426	57	-60	41
ZRB492	8472	19160	426	68	-60	40
ZRB493	8514	19165	425	65	-60	41
ZRB494	8541	19166	425	61	-60	40
ZRB495	8572	19169	425	58	-60	40
ZRB496	8601	19177	424	76	-60	40
ZRB497	8400	19356	428	69	-60	39
ZRB498	8435	19360	427	73	-60	40
ZRB499	8466	19366	426	80	-60	40
ZRB500	8513	19372	426	79	-60	42
ZRB501	8537	19378	426	55	-60	42
ZRB502	8566	19382	426	62	-60	41
ZRB503	8271	19541	428	61	-60	42
ZRB504	8302	19548	428	71	-60	43
ZRB505	8333	19547	428	77	-60	43
ZRB506	8373	19557	428	61	-60	43
ZRB507	8396	19561	428	61	-60	42
ZRB508	8428	19563	429	86	-60	42
ZRB509	8469	19566	429	63	-60	43
ZRB510	8495	19569	429	37	-60	41
ZRB511	8514	19575	429	50	-60	41
ZRB512	8539	19575	429	71	-60	43
ZRB513	8567	19580	429	65	-60	40
ZRB514	8233	19747	430	66	-60	40

ZRB515	8275	19736	430	60	-60	43
ZRB516	8304	19745	430	67	-60	45
ZRB517	8332	19750	430	67	-60	45
ZRB518	8369	19754	431	69	-60	45
ZRB519	8393	19757	431	35	-60	45
ZRB520	8411	19761	431	39	-60	45
ZRB521	8425	19763	431	68	-60	45
ZRB522	8454	19771	431	69	-60	45
ZRB523	8487	19770	431	78	-60	45
ZRB524	8526	19776	431	83	-60	45
ZRB525	8146	19933	430	59	-60	45
ZRB526	8170	19932	430	55	-60	45
ZRB527	8201	19939	430	59	-60	45
ZRB528	8226	19943	431	74	-60	45
ZRB529	8260	19950	431	76	-60	45
ZRB530	8289	19947	431	64	-60	45
ZRB531	8322	19952	432	64	-60	45
ZRB532	8350	19953	433	65	-60	45
ZRB533	8379	19963	433	77	-60	45
ZRB534	8409	19966	433	80	-60	45
ZRB535	8449	19958	433	60	-60	45
ZRB536	8482	19971	433	61	-60	45
ZRB537	8022	20114	432	76	-60	45
ZRB538	8054	20119	431	93	-60	45
ZRB539	8100	20119	431	77	-60	45
ZRB540	8131	20120	432	69	-60	45
ZRB541	8167	20132	433	68	-60	45
ZRB542	8199	20135	433	23	-60	45
ZRB543	8239	20144	434	76	-60	45
ZRB544	8277	20147	434	80	-60	45
ZRB545	8312	20153	434	80	-60	45
ZRB546	8350	20159	434	86	-60	45
ZRB547	8394	20161	434	71	-60	45
ZRB548	9136	20855	432	20	-60	45
ZRB549	9145	20849	432	23	-60	45
ZRB550	9158	20854	431	21	-60	45
ZRB551	9167	20853	431	15	-60	45
ZRB552	9178	20852	431	32	-60	45
ZRB553	9192	20855	430	22	-60	45
ZRB554	9204	20859	430	32	-60	45
ZRB555	9221	20866	429	25	-60	45
ZRB556	9236	20868	428	27	-60	45
ZRB557	9248	20870	428	21	-60	45
ZRB558	9261	20869	428	24	-60	45
ZRB559	9273	20868	427	39	-60	45
ZRB560	9292	20871	427	47	-60	45

<b>ZRB561</b>	9315	20874	427	27	-60	45
<b>ZRB562</b>	9328	20873	426	66	-60	45

*Table 3: North Kundana RAB drill collar details.*

Information in this report pertaining to mineral resources and exploration results was compiled by Mr MP Sullivan who is a member of AusIMM Mr Sullivan is the chief geologist of Jemda Pty Ltd, geological consultants to the Company. Mr Sullivan has sufficient experience which is relevant to the style of mineralisation and the type of deposit that is under consideration and to the activity that 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 Sullivan consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.

## Appendix Zuleika Project

### JORC Code, 2012 Edition – Table 1

#### 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>Data and results referred to in this report date from the late 1980s to the present day. The historic data has been judged to be reliable following independent research, including discussions with some previous operators and explorers in person.</li> <li>Samples were collected via Rotary Air Blast (RAB) drill chips.</li> <li>All drilling yielded samples on a metre basis. RAB drilling samples were commonly composited into intervals of 4 or 5m, with selected individual or 2m resamples collected, from which approx. 2-3 kg is pulverised to produce a 50 g charge for fire assay.</li> <li>Sample preparation method is total material dried and pulverized to nominally 85% passing 75 µm particle size. Gold analysis method is generally by 50g Fire Assay, with Atomic Absorption Spectrometry (AAS) finish (DL 0.01 – UL 50 ppm Au) for RC samples. Analysis of RAB samples is generally by Aqua Regia digest, followed by an AAS finish. Samples exceeding the upper limit of the method were automatically re-assayed utilizing a high grade gravimetric method.</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>RAB holes were typically 100mm in diameter.</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>Recoveries were logged onto paper logs during drilling. Recoveries were visually assessed.</li> <li>Sample recoveries were maximised in RAB drilling via collecting the samples in a cyclone prior to sub sampling. RAB drillholes were stopped if significant water flows were encountered.</li> <li>No relationship appears from the data between sample recovery and grade of the samples.</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 Mineral Resource estimation, mining studies and metallurgical studies.</li> </ul>	<ul style="list-style-type: none"> <li>All drillholes were geologically logged. This logging appears to be of high quality and suitable for use in further studies.</li> <li>Logging is qualitative in nature.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<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>All samples / intersections are logged. 100% of relevant length intersections are logged.</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>Non-core drill chip sample material is riffle split, where sample is dry. In case of wet sample a representative 'grab' sample method is utilized.</li> <li>The sample preparation technique is total material dried and pulverized to nominally 85% passing 75 µm particle size, from which a 50g charge was representatively riffle split off, for assay.</li> <li>Standard check (known value) sample were not often used in all historic drilling but were used in the recent drilling. Where used the known values correspond closely with the expected values. A duplicate (same sample duplicated) were commonly inserted for every 20 or 30 samples taken.</li> <li>The sample size is industry standard and appears suitable for the current programme.</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>Various independent laboratories have assayed samples from the project over the years. In general they were internationally accredited for QAQC in mineral analysis.</li> <li>No geophysical tools have been used to date.</li> <li>The laboratories inserted blank and check samples for each batch of samples analysed and reports these accordingly with all results.</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>Selected significant intersections were resampled from original remnant sample material and analysed again.</li> <li>No twinned holes have been used to date.</li> <li>Documentation of primary data is field log sheets (hand written). Primary data is entered into application specific data base. The data base is subjected to data verification program, erroneous data is corrected. Data storage is retention of physical log sheet, two electronic backup storage devices and primary electronic database.</li> </ul>
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>Survey control used is hand held GPS. No down hole surveys were completed to date. As these areas contain drillholes to no more than 100m significant deviations are not expected.</li> <li>Grid systems are various local grid coordinates.</li> <li>Topographic control is accurate to +/- 0.5 m.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drill spacing is variable but generally no greater than 400m by 40m, with some areas infilled to 200m by 40m.</li> <li>• The areas do not have drilling density sufficient for JORC Inferred category. Further infill will be required.</li> <li>• Apart from the reconnaissance RAB drilling, no sample compositing has been used.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Apart from some historic vertical reconnaissance RAB drilling, the orientation of the drilling is approximately at right angles to the known mineralisation and so gives a fair representation of the mineralisation intersected.</li> <li>• No sampling bias is believed to occur due to the orientation of the drilling.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were delivered to the laboratory in batches at regular intervals. These are temporarily stored in a secure facility after drilling and before delivery</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The company engages independent consultants who regularly audit the data for inconsistencies and other issues. None have been reported to date.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Zukleika JV project is contained within a large number of tenements. Generally, these are Prospecting Licences, but some Mining Leases are part of the tenement package. The details of the tenements have been released to the market in previous announcements.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All work relating to previous exploration contained within this report was completed by other parties. Details are included in the references.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Details of the geology are found elsewhere in this report.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <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> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Details of the drilling, etc are found within the various tables and diagrams elsewhere in this report.</li> <li>• No material information, results or data have been excluded.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ hole length.</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>	
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 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.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>● Weighted averages were calculated by a simple weighting of from and to distances down each hole. Most samples are 4 or 5 metre samples, with a limited number of shorter intervals, such as at the end of a hole, etc. No top cuts were applied. Lower cut-offs used were 0.5g/t Au.</li> <li>● No aggregations of higher grade mineralisation have been used.</li> </ul> <p>No metal equivalent values are used</p>
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>● Details of geology, and selected cross sections are given elsewhere in this report</li> <li>● The tables above show drill widths not true widths.</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>● Details of geology, and selected cross sections are given elsewhere in this report.</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>● Details of the results, drilling, etc are reported elsewhere in this report.</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>● Details of geology, and selected cross sections are given elsewhere in this report.</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>● Proposed work included drilling of selected twin holes followed by infill and step out RC drilling across all targets. The aim of such work is to increase confidence in the data and also to test for extensions to the known resources. Budgets are being prepared for this work at present.</li> <li>● In addition a significant number of additional prospects are known to exist within the projects as defined by previous RAB and RC drilling intersections. These will form the second phase of exploration.</li> <li>● Various maps and diagrams are presented elsewhere in this report to highlight</li> </ul>

Criteria	JORC Code explanation	Commentary
		possible extensions and new targets.

