HANNANS

1st Quarter Activities Report 2016/2017

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 1.626m

Market cap: $29.2M (at 1.8c)

Management

Managing Director:
Damian Hicks

Exploration Manager:
Amanda Scott

Finance & Compliance Manager:
Mindy Ku

Non-Executive Directors

Markus Bachmann

Jonathan Murray

Clay Gordon

Key Projects

Sole Funded

Forrestania (Nickel & Lithium)

Lake Johnston (Nickel)

QVR (Nickel)

Free Carried

Forrestania (Gold)

During the 1st Quarter (July – September 2016) Hannans:

Exploration

- Nickel – intersected with diamond drilling the Western Ultramafic (WUM) stratigraphy that hosts high grade nickel sulphide mines at Forrestania owned by Western Areas Ltd (ASX:WSA) confirming the prospectivity of the Stormbreaker prospect; follow up diamond drilling planned
- Lithium – appointed experienced geologist Mr. Bryan Smith to complete a review of historic Forrestania databases to identify pegmatites hosting lithium mineralisation adjacent to tenure held by Kidman Resources Ltd (ASX:KDR); field review planned this Quarter
- Gold – appointed experienced geologist Mr. John Chellew to complete a review of historic Forrestania databases to develop a gold exploration strategy within the historic gold field including the historic high grade Blue Haze gold mine

Corporate

- Strategic Collaboration with Neometals – completed strategic collaboration on 29 September 2016 whereupon Hannans took control of all exploration activities and completed the in-specie distribution of Critical Metals Ltd
- Discovery Zone – settled all litigation with Avalon Minerals Ltd (ASX:AVI) with no financial impact on Hannans

Subsequent to the end of the Quarter Hannans:

- Board of Directors – appointed Mr. Clay Gordon as non-executive director whilst Swedish based director Mr. Olof Forslund retired
- Cash – received $792,000 with the acquisition of Reed Exploration Pty Ltd and satisfied all historic long term liabilities through the issue of shares
- Nickel, Gold and Lithium (Forrestania) – acquired airborne geophysical data for the Stormbreaker North prospect to aid with mapping regional and prospect scale structures; continued auger sampling program to identify nickel, copper, platinum group and gold geochemical anomalies; continued resampling of historic reverse circulation (RC) drill samples to submit for PGE analysis
- Nickel (QVR) – re-logged two historic diamond drill holes sited within the embayment feature at the Spargos Prospect and submitted core for analysis of nickel pathfinder elements
- Served a Statutory Demand on Mine Builder Pty Ltd for failure to complete the $1M acquisition of North Ironcap gold rights

31 October 2016

EXPLORATION

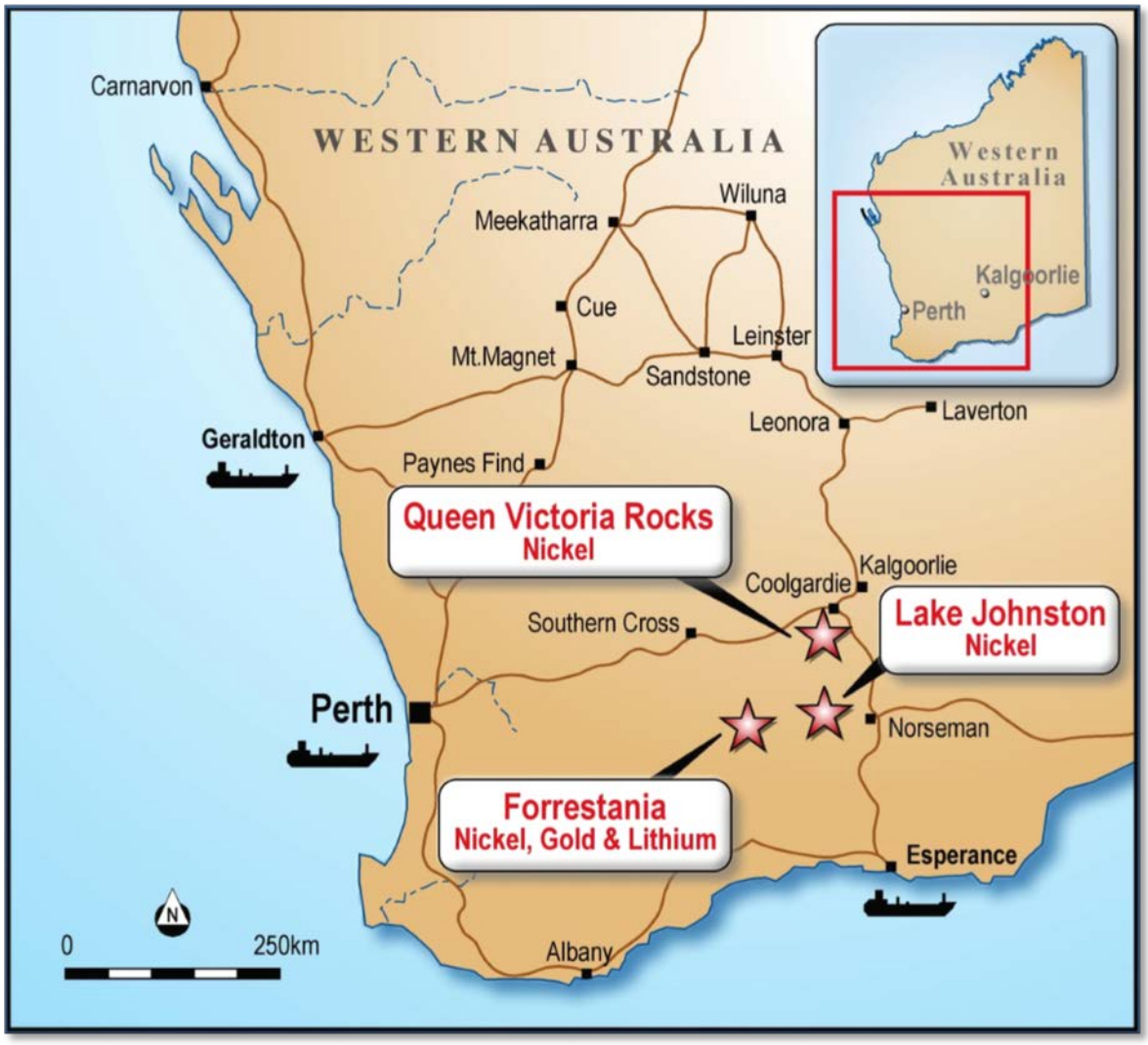

Figure 1: Hannans project location map, Western Australia.

FORRESTANIA NICKEL, WESTERN AUSTRALIA

Recent diamond drilling has confirmed that the Stormbreaker prospect covers the same stratigraphy hosting the high grade Spotted Quoll and Flying Fox nickel sulphide mines located 10kms south.

It was previously postulated that the western ultramafic (WUM) hosting the Western Areas Ltd high grade nickel sulphide mines, terminated at Beautiful Sunday (refer tenement map). Recent diamond drilling planned and managed by Neometals Ltd has however confirmed that the Stormbreaker prospect contains the WUM stratigraphy thereby confirming the inherent prospectivity of the tenement package.

The character of the WUM as seen in two holes drilled in August actually suggests a continuity and rapid thickening of the WUM in the north of the prospect. This may represent a channelised flow containing ore-grade mineralisation of the style seen elsewhere at Forrestania.

Future drilling of the WUM will therefore be targeted down dip of the existing intersections on a number of selected drill traverses. Down hole electromagnetic (EM) surveys will be completed when better thicknesses and mineralisation character show themselves.

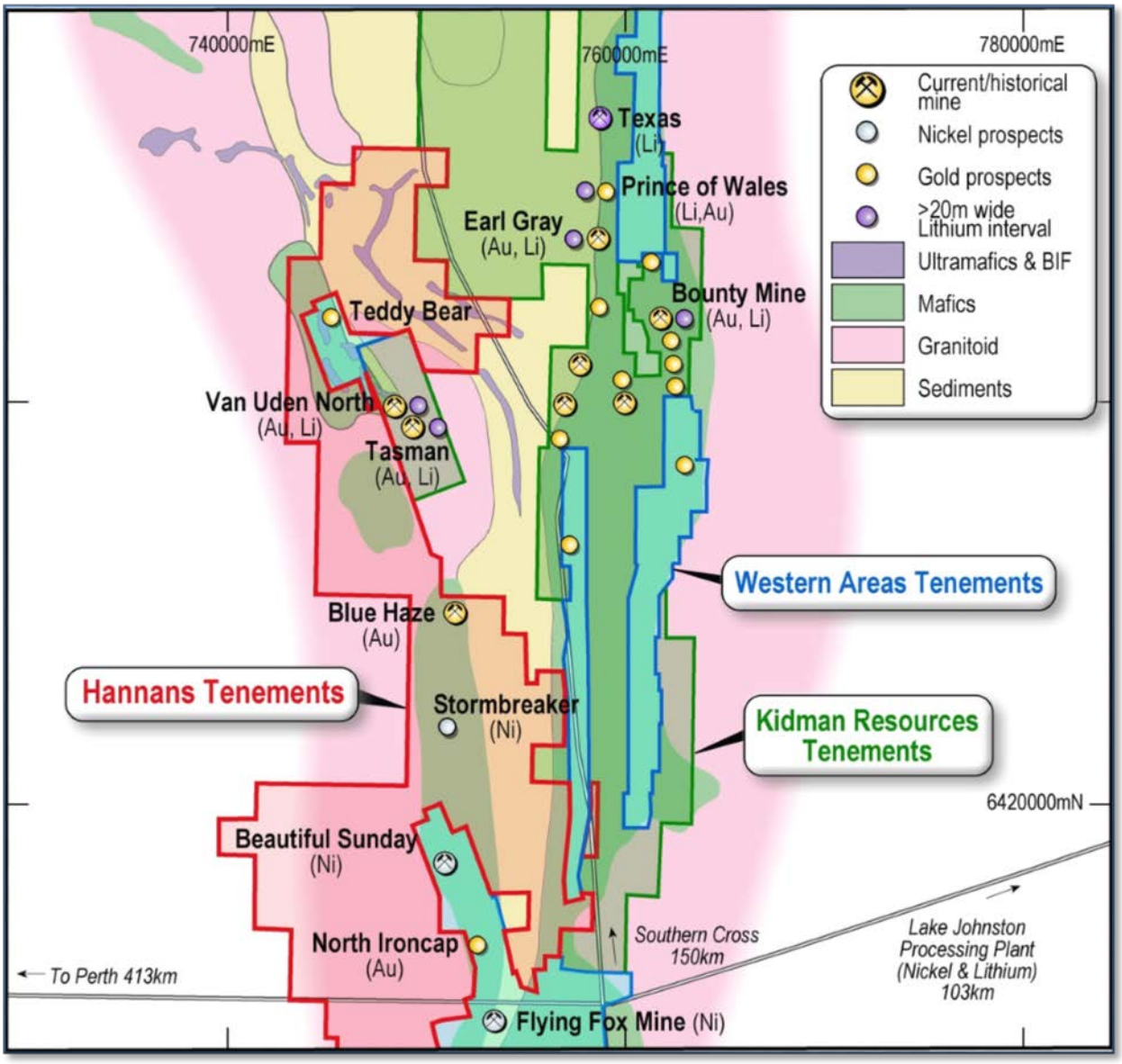

Figure 2: Forrestania project location map, Western Australia.

The background to the recent diamond drilling program is that in February 2016, a detailed auger soil sampling programme was completed by Reed Exploration Pty Ltd (REX) over the Stormbreaker prospect which replicated historic base metal anomalism in auger soils and importantly generated very strong platinum group element (PGE) anomalism and significant gold and arsenic anomalism.[1] The elevated PGE response reported from the auger survey was interpreted to be responding to the existence of now-weathered trace nickel sulphides hosted within the WUM, geochemically remobilised up-dip to surface along with strong base metal anomalism. The intensity of the response was considered consistent with sulphide mineralisation at depth and down plunge.

[1] At that time REX was a wholly owned subsidiary of Neometals Ltd. As of 1 October 2016 REX is a wholly owned subsidiary of Hannans.

Multiple recent induced polarisation (IP) geophysical surveys and reviews of historic surveys also established the existence of strong, continuous and deep seated conductors located east of the WUM surface contact. The geophysical responses were considered consistent with the geological model of an easterly-dipping sequence and therefore were the focus of the drill program. The best geophysical targets on IP traverses were also coincident with the best PGE response in the surface auger soil survey lines and hence were the focus of the diamond drill program.

The two discrete targets were therefore tested with diamond core drilling to depths of approximately 400m.

Drill holes SBD001 and SBD002 were drilled on traverse 6420900mN, designed to test multiple IP targets. Shallow depths (100-200m) to target were predicted but all drilling was extended to approximately 350m in order to test for thrust repetitions of the WUM, based on previous, reliable structural predictions.

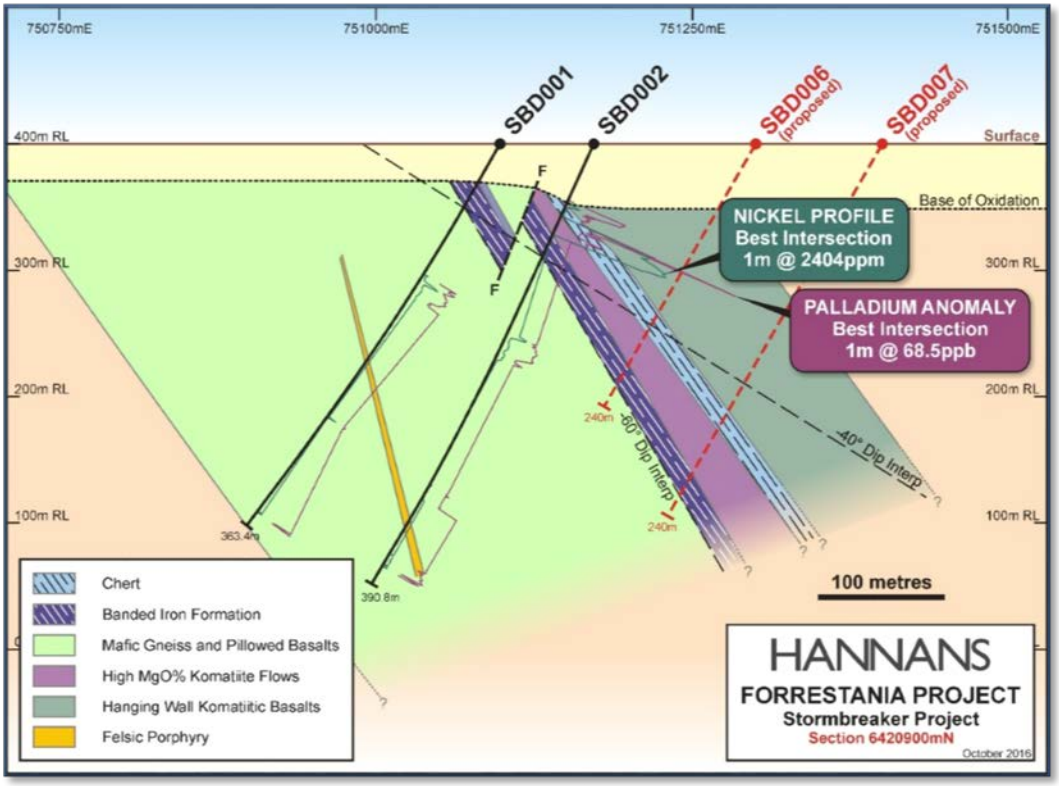

Figure 3: Drillhole cross-section for SBD001 and SBD002 located on traverse 6420900mN, Stormbreaker prospect, Forrestania project, Western Australia.

Drillhole SBD002 on traverse 6420900mN was collared 80 metres to the east of hole SBD001 and drilled at -60 degrees towards the west (EOH 390m). **The drilling intersected 25m of the WUM (from 63m) which consisted of moderate magnesian flows at the top with a high magnesian, fully serpentinised olivine adcumulate base.** Within the 25m wide WUM, one section contained ~14m averaging ~2,100ppm nickel. PGE values were moderately enriched throughout. Beneath the WUM the hole intercepted a 20m thick magnetite-rich banded iron formation (BIF) which extended down to 98m.

Initial interpretation of the dip of the contact is ~ 45º degrees to the east however more drillhole intersections are required to reliably fix the dip at Stormbreaker. Below the BIF, the footwall mafic stratigraphy extended down to the end of hole. The geological understanding of the Stormbreaker prospect was significantly enhanced by the results from this hole.

Drillhole SBD001 on traverse 6420900mN was collared at 751098mE and angled at -60 degrees towards the west (EOH 363m). Drilling intersected narrow, bedded massive pyrite, intimately associated with narrow basaltic tuffs and reworked volcanic sediments. The “pyritic zones” are considered

responsible for the spiky IP response on this traverse; ultimately this hole was collared too far west to intersect significant widths of the WUM.

Drillhole SBD003 located on traverse 6421600mN was collared at 751120mE angled at -60 degrees towards the west and ended at 309m. **Drilling penetrated similar stratigraphy to that intersected in SBD002 drilled some 700m to the south. Of significance was a ~17m intersection of intact, spinifex textured, komatiite flow top within the WUM.** Assaying returned ~17m averaging 2,100ppm nickel from 108m.

Future drilling at Forrestania will target the down-dip extensions (refer proposed holes on Figures 3 & 4) of the WUM.

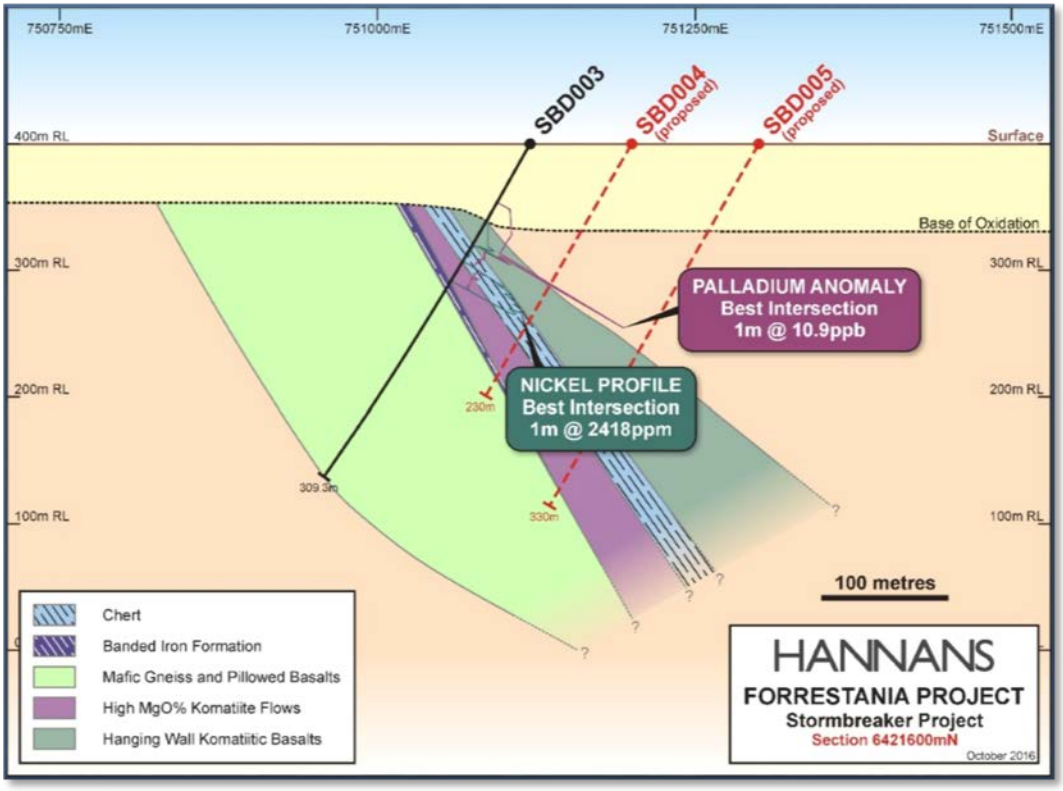

Figure 4: Drillhole cross-section for SBD003 located on traverse 6421600mN, Stormbreaker prospect, Forrestania project, Western Australia.

Hole ID	Prospect	Northing	Easting	Dip	Azi	EOH Depth
SBD001	Stormbreaker	6420900	751098	-60	270	363.4
SBD002	Stormbreaker	6420900	751172	-60	270	390.8
SBD003	Stormbreaker	6421600	751120	-60	270	309.3

Table 1: Drillhole collar file for recent diamond drilling at the Stormbreaker nickel sulphide prospect. All co-ordinates are MGA (GDA94).

QUEEN VICTORIA ROCKS (QVR) NICKEL, WESTERN AUSTRALIA

QVR is Hannans' most advanced nickel sulphide exploration project and is located on the southern extension of the Ida Fault, host to the Mt Alexander North nickel sulphide project owned by St George Mining Ltd (ASX:SGQ).

QVR and in particular the Spargos prospect has a long exploration history; nickel sulphides were discovered at Spargos during the 1970's and considerable effort has been put into finding a new mineralised position since then. **The Spargos prospect remains a stand out nickel sulphide occurrence in the area** with data compilation and geological interpretation suggesting there is potential for a nickel sulphide discovery at depth.

Exploration using direct detection methods within the Spargos prospect is however problematic as surface electromagnetic (EM) surveys have proven to be ineffective due to conductive regolith in the area. Ongoing exploration at the Spargos prospect will therefore need to rely heavily on geological and geochemical interpretation in three dimensions.

The nickel sulphides at Spargos were discovered using surface sampling over what is a well exposed high magnesium oxide (MgO) ultramafic body. **The best analogy for comparison with the Spargos prospect is the Silver Swan and Black Swan nickel deposits.** The Silver Swan orebody has a felsic footwall and sits in an embayment on the footwall contact. The Black Swan mineralisation sits in a flanking or hangingwall position and the Cygnet mineralisation is a disseminated body internal to the ultramafic. **All of these features can be recognised to a degree within the Spargos prospect area.**

Down-hole electromagnetic (DHEM) surveys have been completed on four of the eleven historic diamond drill holes which intersected the basal contact and two of the four holes have off-hole EM anomalies associated with them; these conductors remain untested to date and require follow up.

Subsequent to the end of the Quarter, two historic diamond holes were re-logged with the objective of mapping out the basal ultramafic flow unit that is host to the disseminated nickel sulphides in historic hole QVD010. These two holes were then cut and submitted for assay to collect multi-element data to be used for interpreting the komatiitic flow facies. Subject to the outcomes of the chemical analysis it is proposed to test down dip and down plunge of the basal contact with 3 or 4 deep diamond holes at 100 metre spacing, using DHEM in each hole. Refinement of the location of the proposed deep diamond holes will be undertaken this Quarter and will be tested as a priority; all required drilling approvals are granted and valid.

At this point in time the Spargos prospect at QVR is the most advanced, highest priority nickel sulphide target within Hannans' exploration portfolio; these targets are currently an order of magnitude more advanced than targets at the Forrestania project.

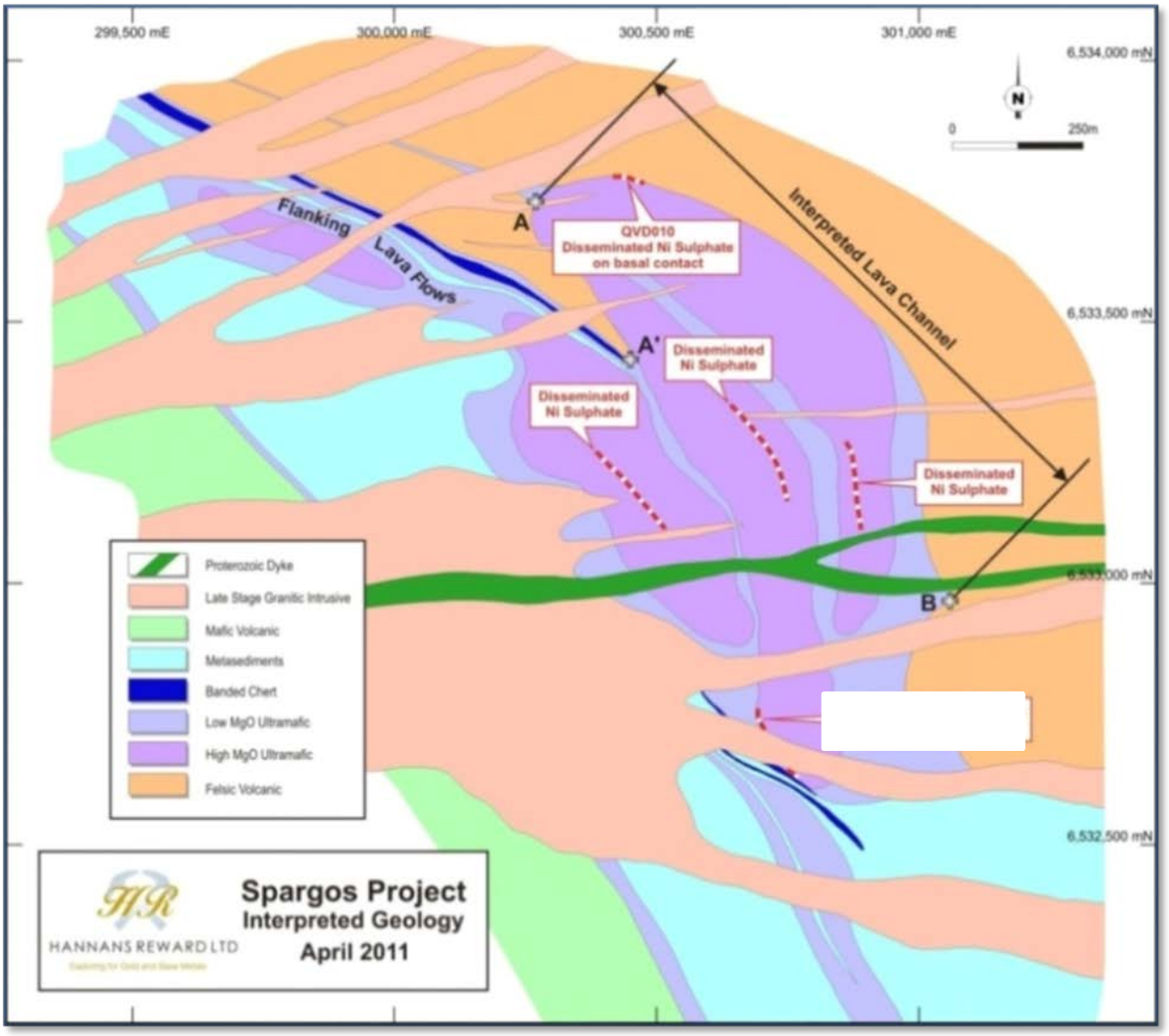

Figure 5: Geological interpretive map for the Spargos nickel sulphide prospect, QVR project, Western Australia.

Continued…

CORPORATE

STRATEGIC COLLABORATION WITH NEOMETALS LTD

Settlement of the strategic collaboration with Neometals was completed during the Quarter. The in-specie distribution of shares in Critical Metals Ltd which holds the Swedish lithium, copper-gold and iron projects was also completed during the Quarter. For further information please refer to criticalmetals.eu.

DISCOVERY ZONE COPPER PROJECT, SWEDEN

During the Quarter all outstanding litigation was settled with Avalon Minerals Ltd (SX:AVI) with no financial impact on Hannans.

ASX ANNOUNCEMENTS FOR 1st QUARTER 2016/2017

Date	Announcement
20 October	Notice of Annual General Meeting
10 October	Ceasing to be a substantial holder
05 October	Corporate Update
30 September	Change in substantial holding - ERI
30 September	Change in substantial holding from NMT
30 September	Appendix 4G
30 September	2016 Annual Report
29 September	Strategic Collaboration Completion
27 September	In-Specie Distribution Completed
15 September	Voting Results from General Meeting
15 September	In-specie Presentation
15 September	General Meeting Presentation
15 August	Updated Capital Structure
12 August	Notice of General Meeting
11 August	Update on Neometals Transaction
01 August	4th Quarter Activities Report
29 July	4th Quarter Cashflow Report
27 July	Drilling at Forrestania
27 July	Update on Neometals Transaction
22 July	Change in substantial holding

20 July	Exercise of options
19 July	Response to ASX Price Query
15 July	Exercise of options
8 July	Becoming a substantial holder

Table 2: ASX Announcements for 1st Quarter 2016/2017

CONTACTS

For further information, please contact:

Damian Hicks
Managing Director
+61 419 930 087
damianh@hannansreward.com

Amanda Scott
Exploration Manager
+46 703 221 497
amanda@hannansreward.com

Tel: +61 8 9324 3388
Web: www.hannansreward.com
Email: admin@hannansreward.com
Twitter: @hannansreward
Facebook: Hannans Reward

COMPLIANCE STATEMENTS

The information in this document that relates to exploration results is based on information compiled by Mr Gordon Kelly, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Kelly is a consultant to Hannans Ltd and its subsidiary companies. Mr Kelly has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Kelly consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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	∂ *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* ∂ *Include reference to measures taken to ensure representative samples and the appropriate calibration of any measurement tools or systems used.* ∂ *Aspects of the determination of mineralisation that are Material to the Public Report.* ∂ *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	**GEOLOGICAL EXPLORATION** **Diamond Drilling Targeting based on IP Targets** ∂ Traverses selected were on 6419850mN from 751550mE to 752050mE; 6420300mN from 751450mE to 751950mE; 6420700mN from 751250mE to 752250mE; 6420900mN from 751100mE to 752200mE; 6421600mE from 751100mE to 751600mE; 6421700mE from 751100mE to 751600mE; 6422300mN from 751100mE to 751600mE. ∂ The IP targets have been discussed in general last ASX release. ∂ The 3D target was used to locate and target a series of diamond drill holes. **GEOCHEMICAL SURVEYS** ∂ The geochemical surveys in progress as the second phase of geochemical exploration; intermittently since May 2016, are being enabled by Quad-bike powered/towed auger sampling equipment, operated by Pathfinder Exploration Pty Ltd personnel. ∂ North Stormbreaker prospect is currently being assessed, but field progress has been severely confined due to unseasonal wet weather, road closures and equipment breakdown. Sampling details have still to be reported-on from the contractor. ∂ Historic orientation surveys by the author had validated the appropriate regolith horizon and sample type to sample in nickel sulphide exploration. ∂ Initial grid spacing was 100m x 20m over amenable regolith units, as partial infill to earlier auger soils base metals responses. A total of 932 samples were collected in this phase. ∂ Samples are being air dried and have been archived before being

Criteria	JORC Code explanation	Commentary
		transported to Intertek Laboratories in Maddington, Perth. ∂ The samples will be processed by routine oven drying, pulverization and digestion in *aqua regia* acids before determination on either ICPMS or ICPOES equipment.
Drilling techniques	∂ *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	∂ All geochemical drilling involved shallow auger machine mounted on a lightweight rig. ∂ Sampling of the drill cuttings involved scooping up sufficient material, up to 1kg maximum, that was sampled from the correct regolith horizon. An acid bottle was used to detect maximum carbonate content, if present. If laterite pioliths were dominant, then hand selected specimens were taken. Size was not an important criterion. ∂ Geological exploration involved completion of 3 diamond drill holes, with both HQ core and NQ2 core being collated onto labelled plastic core trays, then being transported off-lease down to Perth for processing. ∂ Drill core types and details are standard mining industry types. Both HQ core and NQ2 core was recovered.
Drill sample recovery	∂ *Method of recording and assessing core and chip sample recoveries and results assessed.* ∂ *Measures taken to maximise sample recovery and ensure representative nature of the samples.* ∂ *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	∂ All 3 drill holes were roller-cone or drag bit drilled from surface, with all muds and weathered rock material being lost to standard drill sumps. ∂ After refusal, the drill crew from Westralian Diamond Drillers started coring with HQ bits, and demarcated each drill run with wooden blocks, upon which they wrote run-to depth, run-metres drilled and core recovery, in metres. ∂ After driller decisions on technical merits, the crew changed to NQ2 bits when the “ground” became more stable and intact. ∂ Sample runs, core drilled and recovery lengths continued on each block, to end of hole in NQ2 core size. ∂ All core was washed at rig and placed neatly on the core trays for delivery to the mining company client, who arranged their own transport off lease and back to Perth.
Logging	∂ *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* ∂ *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* ∂ *The total length and percentage of the relevant intersections logged.*	∂ All geochemical drilling samples are given a field description, along with coordinates and operator comments. ∂ All geological drilling has been logged by the author, Gordon Kelly, up to the standard established by Kambalda Nickel Operations and subsequent academic break throughs in the understanding of komatiite volcanism and its alteration. This is accepted by all workers as being industry best practice and is quantitative in nature, more than sufficient to qualify for any appropriate Mineral Resource estimations and

Criteria	JORC Code explanation	Commentary
		ongoing mining feasibility studies. ∂ All core trays have been digitally photographed by core tray numbers and the imagery stored in appropriate files within the REX database systems. ∂ The entire recovered core was geologically logged and selected zones marked-up for quarter core cutting at Intertek laboratories. ∂ Briefly, this meant all of the ultramafic rock types were marked up, selected sulphide-bearing zones within the footwall stratigraphy marked up and any quartz veins and pegmatite units. The latter were selected for a complementary study on the potential for lithium-bearing pegmatites.
Sub-sampling techniques and sample preparation	∂ *If core, whether cut or sawn and whether quarter, half or all core taken.* ∂ *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* ∂ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ∂ *Quality control procedures adopted for all sub-sampling stages to maximise representative sampling.* ∂ *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* ∂ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	∂ All quarter core diamond cut samples with sample intervals were geologically defined by rock type and any mineralisation therein distribution. Sample lengths rarely exceed 100cm and are usually less than 100cm where mineralisation was tested. Rare cutting lengths in excess of 100cm were due to preservation of the core, for example, intense fracturing of a rock type selected from start to finish of the fracturing. ∂ Total sample weight varies from 50g to 3000g. ∂ Sample preparation would consist of diamond saw quarter core cutting, then crushing and total pulverisation by LM5 disk mill prior to subsampling for fire assay and wet chemistry techniques. All procedures demanded manual control and no robotic processing was permitted. ∂ Sample processing specifics are defined by Intertek Laboratories protocols for fresh rock material total analyses by fire assay and 4-acid digest routes; which are accepted industry-wide as being best possible, with adequate QA/QC controls inserted. ∂ Intertek laboratories specify random duplicate selection of samples, taken from the pulp stage. There were no replicate sampling of the core, for example, another quarter core taken form the trays. ∂ This replication can, of course, be done at some future date from the archived core trays at REX core farm. ∂ The sample size of the quarter core, the weight and the very fine grain size of serpentinites ensure that the analyses will be at a standard appropriate to all possible ore reserve calculations. ∂ Grain size of the rare pyritic sulphides intersected in the footwall mafic stratigraphy was coarse, but pulverisation removed that possible bias by taking the whole mineralised length as one sample.

Criteria	JORC Code explanation	Commentary
		∂ The grain sizes of possible pegmatites was also an issue for representivity and would have required resolution in the future, if there had been any significant lithium analyses. Since the values were at background level, this was not an issue for the present.
Quality of assay data and laboratory tests	∂ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ∂ *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ∂ *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	∂ All geochemical and geological samples/core was submitted to Intertek Laboratories, 15 Davison Street, Maddington WA for processing. The pathways that Intertek take are no-compromise industry-standard ones on quality, reproducibility and highest precision possible at present. ∂ The geochemical samples will be pulverised, subsampled and the aliquot digested in aqua regia that combines high digestibility for weathered regolith material and reasonable cost and throughput. The element suite selected was low level Au_ppb, Pd_ppb, Pt_ppb, Co_ppm, Cr_ppm, Cu_ppm, Ni_ppm & Zn_ppm. The ICPMS instrument was used for all determinations, reported as ARU codes. ∂ The geological samples (mainly from quarter core intervals) were crushed in a low-Cr steel crusher, pulverised and an aliquot taken for the PbO fire assay pathway, with ICPMS finish, reported as FA25/MS codes, for Au_ppb, Pd_ppb & Pt_ppb.. ∂ The second aliquot was digested in 4 acids and determined by ICPOES or ICPMS instrumentation; reported as 4A/OE or 4A/MS codes. The suite determined was Ag_ppm, Al_ppm, As_ppm, Ba_ppm, Bi_ppm, Ca_ppm, Co_ppm, Cr_ppm, Cu_ppm, Fe_ppm, K_ppm, Li_ppm, Mg_ppm, Mn_ppm, Mo_ppm, Ni_ppm, Pb_ppm, Rb_ppm, S_ppm, Sb_ppm, Se_ppm, Sn_ppm, Sr_ppm, Te_ppm, Ti_ppm, V_ppm, W_ppm & Zn_ppm. ∂ Check samples' analyses and sample blanks were compiled at the end of the sample strings.
Verification of sampling and assaying	∂ *The verification of significant intersections by either independent or alternative company personnel.* ∂ *The use of twinned holes.* ∂ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ∂ *Discuss any adjustment to assay data.*	∂ Nil significant intersections sampled, no validation required.
Location of data points	∂ *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ∂ *Specification of the grid system used.* ∂ *Quality and adequacy of topographic control.*	∂ ZONGE survey employed MGA coordinates based on GDA '94 datum in Zone 50. ∂ Hand held GPS equipment located the IP survey pits. ∂ Pick-up of completed drill hole collars will employ same GPS parameters, with extended reading times to average out precision drift.

Criteria	JORC Code explanation	Commentary
		More accurate drill collar pick-ups may be justified in the event of successful results and succeeding programs. ∂ Topography is assumed flat at this stage, for this greenfields exploration. Profile pick-ups may be required for ore body definition.
Data spacing and distribution	∂ *Data spacing for reporting of Exploration Results.* ∂ *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ∂ *Whether sample compositing has been applied.*	∂ The spacing and data recording specifics are considered appropriate for the advanced nature of this survey and have been applied by a well-recognised industry provider (ZONGE). ∂ Depth penetration specifics are considered appropriate for the reconnaissance nature of this traverse IP survey. ∂ The ongoing auger soil geochemical survey will cover a grid of 100m x 20m at first pass scale. More detailed infill sampling would only be justified in the future for highly anomalous PGE values associated with predicted WUM contact positions.
Orientation of data in relation to geological structure	∂ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ∂ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	∂ The auger soil surveys are oriented in an E-W orientation, using MGA coordinates, based on the GDA'94 datum. The strike of the stratigraphy within the Stormbreaker Prospect varies from approximately 345 degrees in the south to 355 degrees magnetic in the north. The nature of the geochemical survey at the Stormbreaker Prospect does not involve sampling bias because of structural fabric or offset to potential mineralisation ∂ The diamond drilling was targeted on the interpretation of the traverse IP conductor anomalies. An initial geological interpretation based on rare structural data collected from historic mapping suggests a -60 degrees to the east dip to stratigraphy. This was consistent with geophysical interpretation of asymmetry to ground magnetic profiles and aspects of the IP anomalies. ∂ The results of drill holes SBD001 to 3 were a consistent very high angle of structures with long hole axes. Records of 80 degrees or greater alpha angles are unambiguous indicators of the essentially insignificant difference between down-hole depths, as a proxy for the weak intersections, and the true thicknesses of same. ∂ This validates the initial -60 degrees eastwards dip of stratigraphy, at least where it has been intersected by the 3 drill holes. ∂ The dip does not remove any possibilities of thrust offsets to stratigraphy and hence an apparent flatter dip between contact points from hole to hole. A flatter dip between SBD001 and SBD002 – approximately 45 degrees, is thus inconsistent with the overall -60 degrees dip interpreted, but does not take into account structural

Criteria	JORC Code explanation	Commentary
		complications between the holes.
Sample security	∂ *The measures taken to ensure sample security.*	∂ Sample security of the auger soil samples will be considered complete after transport of all sample bags by Pathfinder Exploration to Perth. Archived pulps will consist of dried powder in numbered paper bags and are considered anonymous and secure. ∂ Security for future diamond drilling at Stormbreaker will be maintained at the same level, with all core transported to Perth at earliest convenience.
Audits or reviews	∂ *The results of any audits or reviews of sampling techniques and data.*	∂ Nil audits were applicable.