



ARC ACQUIRES ADVANCED STAGE COPPER PROJECT

Highlights

- **ARC Exploration executes a binding Heads of Agreement to acquire 100% of the issued capital of Cyprium Australia Pty Ltd ("Cyprium")**
- **Cyprium has an option to earn-in and joint venture for an 80% interest in the Cue Copper Project from Musgrave Minerals Limited (ASX: MGV)**
- **Cue Copper Project includes mineral resources at Hollandaire and other high priority drill ready targets**
- **Hollandaire has a JORC compliant Mineral Resource of 39kt of contained copper with significant upside potential**
- **Highly credentialed mining executives Gary Comb and Barry Cahill to join the Board as Non-Executive Chairman and Executive Director respectively**
- **ARC Exploration is aiming to build a mid-tier copper mining business and continues to assess other advanced stage projects in Australia**
- **Commitments from the new management team and other sophisticated investors for a \$2 million equity raising will leave the company in a strong financial position with approximately \$4 million cash**

ARC Exploration Limited ("**ARX**" or "**the Company**") is pleased to advise that it has executed a binding Heads of Agreement ("**Agreement**") to acquire 100% of the issued capital of Cyprium Australia Pty Ltd ("**Cyprium**") ("**the Transaction**"). Cyprium is a privately owned Australian mineral exploration company founded by Gary Comb, Barry Cahill, Wayne Apted, Peter van Luyt and their advisors. Pursuant to an agreement between Cyprium and Musgrave Minerals Limited (ASX: MGV) ("**MGV**"), MGV has granted Cyprium an option ("**Option**") to earn-in and joint venture for an 80% interest in the non-gold rights over the tenements at the Cue Copper Project ("**Project**") ("**Option Agreement**"). A summary of the material terms of the Agreement and the Option Agreement are set out below.

The Cue Copper Project

The Project is located in the Murchison region of Western Australia which is host to a number of Volcanic Massive Sulphide ("**VMS**") deposits. VMS deposits are noted to occur in clusters when in favourable geological settings such as those in the Project area. The Exploration leases and Mining Licenses currently held by MGV are located approximately 20km to the east of Cue in Western Australia as detailed in Figure 1 below.

The Project contains the Hollandaire VMS copper resource. Hollandaire mineralisation is open to the south west and at depth. The preliminary exploration data has identified a number of high priority targets and drilling will be conducted (assuming the Option is exercised) at Hollandaire and Hollandaire West to determine the extent of the open mineralisation. In conjunction with the resource extension drilling, ARX (assuming the Option is exercised) will prioritise its other exploration drill targets and optimise feasibility study activities in order to maximise the project economics.

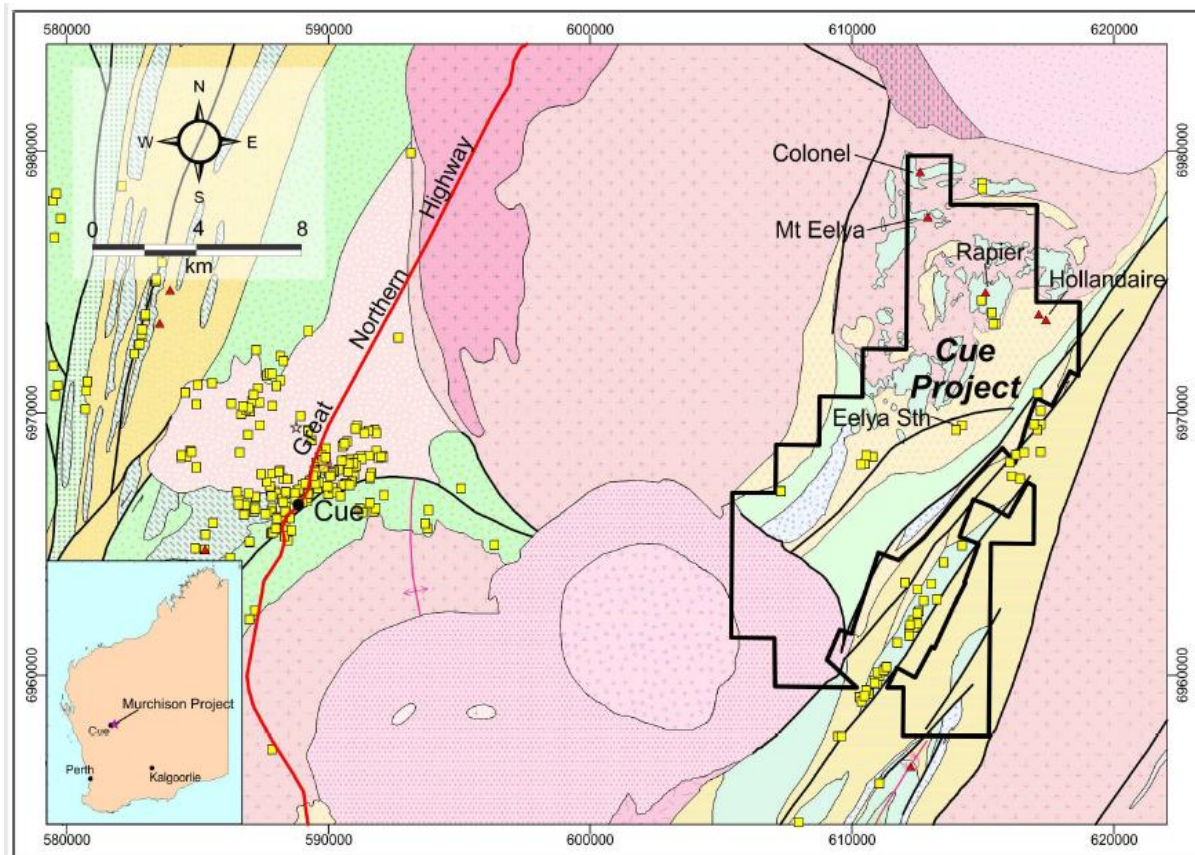


Figure 1 | Hollandaire Copper Resource and location of the Cue Copper Project tenements

Technical Overview

The Hollandaire copper resource was discovered in 2011 by Silver Lake Resources Limited (ASX: SLR) and a maiden Mineral Resource estimate was estimated in 2013. ARX believes there is potential to upgrade the remaining inferred material to indicated and to identify further mineralisation as the sulphide lodes are open down dip/plunge as detailed in Figures 2 and 3 below.

A JORC compliant Mineral Resource and Mineral Reserve estimate using a 0.5% copper cut-off completed by Silver Lake Resources Ltd in 2013. The Hollandaire Mineral Resource as reported by MGCV in June 2015 is detailed in Table 1 below and Appendix 1.

30 June 2015	Indicated Resources			Inferred Resources			Total Resources		
	Ore Tonnes '000s	Grade %	Total Tonnes Cu 000s	Ore Tonnes '000s	Grade %	Total Tonnes Cu 000s	Ore Tonnes '000s	Grade %	Total Tonnes Cu 000s
Hollandaire Copper	1,891.3	2.0	37.1	122.4	1.4	1.7	2,013.7	1.9	38.8

Table 1 | Hollandaire Copper Mineral Resource Estimate at 0.5% copper cutoff reported by Musgrave Minerals Ltd 30 June 2015

Hollandaire is a VMS deposit which is a style of base metal mineralisation associated with submarine volcanic hydrothermal systems. These frequently occur as clusters along favourable geological horizons as both modern and ancient polymetallic deposits. The Cue region has such favourable seafloor geological horizons consisting of felsic/mafic and metasedimentary sequences with the potential to host further VMS deposits related to or contemporaneous with the Hollandaire system.

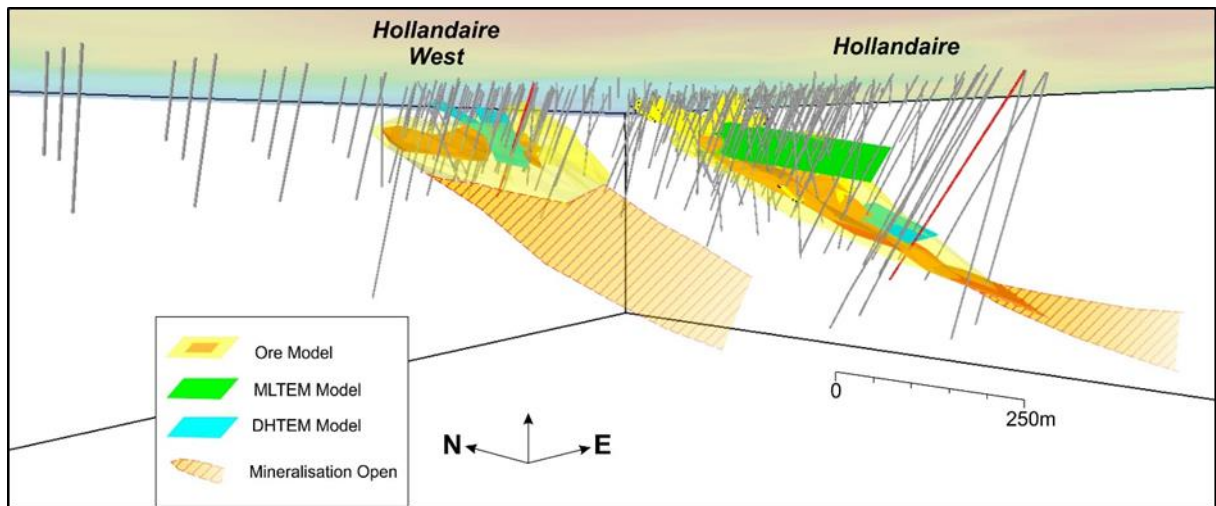


Figure 2 | Hollandaire 3d model showing mineralisation open at depth

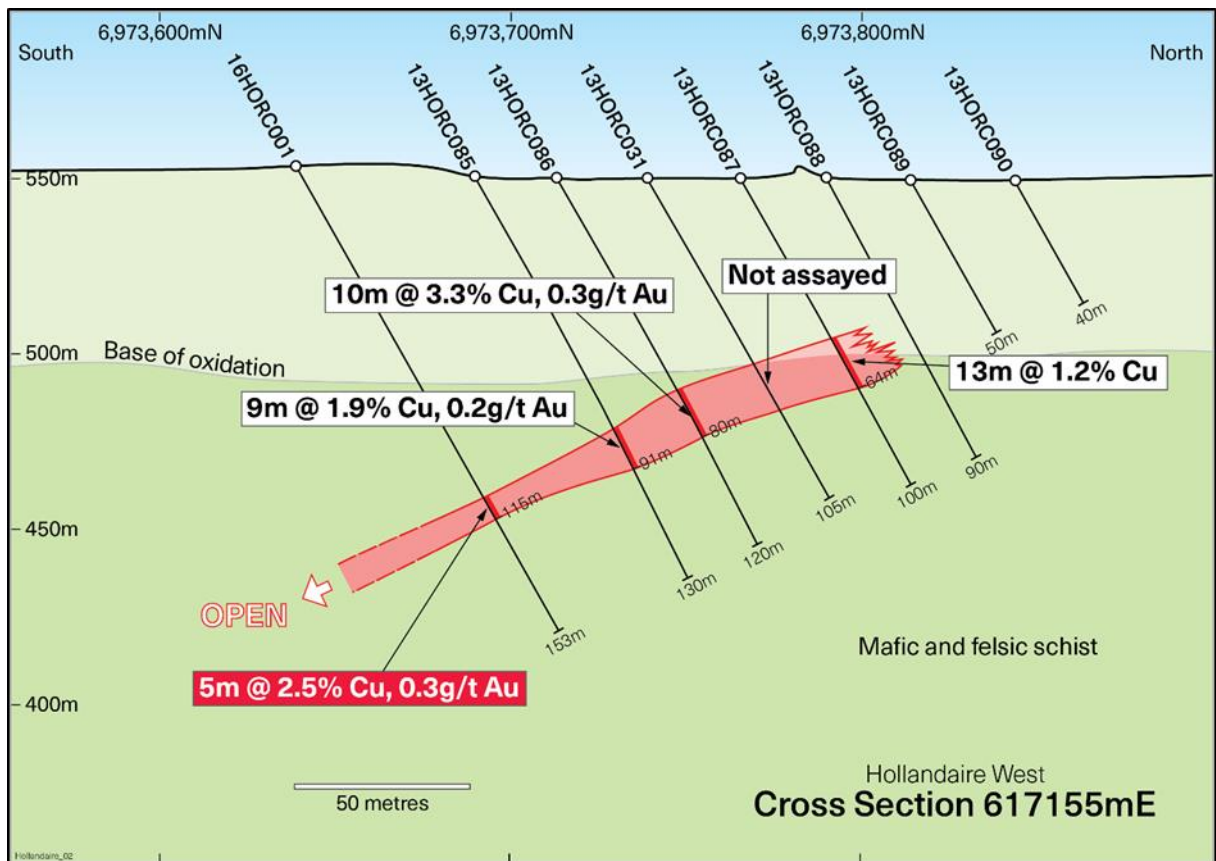


Figure 3 | Hollandaire West cross section 617155mE

Further exploration undertaken by MGV to identify further VMS base metal mineralisation in the project area included a Versatile Time Domain Electronic ("VTEM") aerial geophysical survey in January 2016 which identified the bedrock conductors outlined in Figure 4.

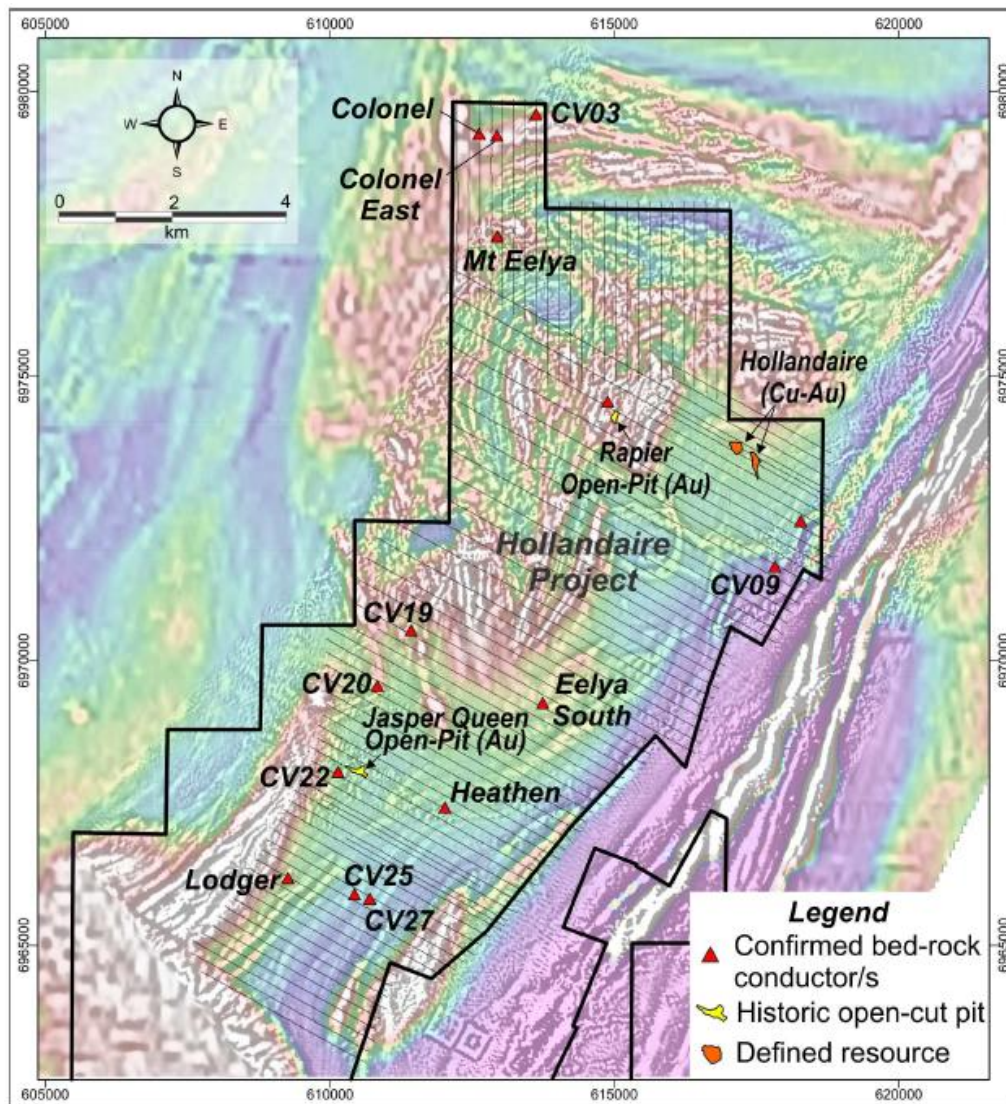


Figure 4 | Bedrock conductors identified by MG V using aerial VTEM geophysics in 2016

The conductors identified by the 2016 VTEM survey had follow up drilling and downhole electromagnetic surveys ("DHEM") undertaken by MG V in 2016 and 2017 which identified VMS associated sulphide mineralisation at Mt Eelya, Hollandaire East and West, Colonel and Colonel East all of which require further exploration work to:

- determine geological settings and relationships;
- identify alteration and sulphide mineral assemblages and their relationships to VMS mineralisation;
- conduct basement/bedrock geochemical testing; and
- Design second round drill and downhole geophysical testing programmes if appropriate.

Assuming the Option is exercised, it is anticipated that this work will commence in tandem with resource extension and definition work at the Hollandaire Mineral Resource. The programs will be aimed at immediately increasing the resource to a size to enable project scoping and subsequent feasibility studies to be undertaken. Metallurgical testwork will be aimed at determining the most efficient treatment method for the resource and final metal production at the mine site.



Board and Management Changes

At completion of the Transaction, Mr Gary Comb will be joining the Company as Non-Executive Chairman and Mr Barry Cahill as Executive Director. Both Mr Comb and Mr Cahill are experienced mining industry professionals and the current board of ARX believes their appointment will be beneficial to the future growth and development of the Company with the aim to build a mid-tier copper business and continues to assess other copper projects in Australia.

- Mr Comb has over 35 years' experience in the mining industry, most recently as Non-Executive Chairman of Finders Resources Ltd ("**Finders**") (Mr Comb resigned in April 2018 following Eastern Field Developments Ltd ("**EFD**") attaining a majority shareholding in Finders) and was previously the Managing Director of Jabiru Metals Ltd where he oversaw the acquisition, feasibility study and construction of the Jaguar copper/zinc mine in Western Australia as well as the successful sale of the company to Independence Group NL.
- Mr Cahill is a mining engineer with over 30 years' experience in exploration, mining and management throughout Australia, most recently as Managing Director of Finders (Mr Cahill resigned in April 2018 following EFD attaining a majority shareholding in Finders). He has extensive experience in the management of all facets of mining, project development and construction. Mr Cahill has been an executive director of a number of public companies including Operations Director of Perilya Limited, Managing Director of Australian Mines Limited and Managing Director of Norseman Gold Plc. He is a member of the Australasian Institute of Mining & Metallurgy and a member of the Australian Institute of Company Directors.

Current Non-Executive Directors, Mr Nicholas Rowley and Mr Marcello Cardaci will remain on the board. Mr Wayne Apted will be appointed Chief Financial Officer and Company Secretary and Mr Peter van Luyt will be appointed as Chief Geologist. At completion of the Transaction it is anticipated that Mr Simon Taylor will resign from the ARX Board. As part of the Transaction and subject to shareholder approval, the incoming Board and Management will seek approval to participate in the Capital Raising, for a minimum of \$500,000.

It is also proposed to rename the Company "Cyprium Metals Limited".

Material Terms of the Agreement to acquire Cyprium

Pursuant to the Agreement, ARX will, subject to satisfaction or waiver of conditions precedent, acquire 100% of the issued capital of Cyprium.

Conditions precedent

Completion of the Transaction shall be subject to satisfaction or waiver of the following conditions precedent:

- ARX completing due diligence on Cyprium and its assets and being satisfied with the results of its due diligence investigations in its absolute discretion within 30 days;
- ARX completing a capital raising to raise a minimum of \$2,000,000 ("**Capital Raising**") (discussed further below);
- ARX obtaining all necessary shareholder approvals required by the Corporations Act 2001 (Cth), the Listing Rules of the Australian Securities Exchange ("**ASX**") and any other applicable laws or regulations in relation to the Transaction, including without limitation:
 - i. *ASX Listing Rule 7.1 approval for the issue of Shares pursuant to the Capital Raising and for the issue of the Consideration Shares, Introduction Fee Shares and the Option Consideration Shares (all as defined below); and*
 - ii. *any approvals as may be identified during due diligence.*
- there being no material adverse change to the assets or the business of Cyprium prior to completion of the Transaction; and
- Cyprium exercising the Option. Further details in relation to the Option are set out below.



Consideration

The consideration to be provided by ARX for all of the issued capital of Cyprum is, in aggregate 5,750,000 fully paid ordinary shares in ARX (each a "**Share**") with an issue price of \$0.20 per Share ("**Consideration Shares**"). The Consideration Shares will be subject to voluntary escrow for a period of 24 months from the date of issue.

ARX and Cyprum acknowledge that should Cyprum exercise the Option, ARX will issue to MGCV \$250,000 worth of Shares at a price equal to the 15 day VWAP per share ("**Option Consideration Shares**"). The Option Consideration Shares will be subject to voluntary escrow for a period of 12 months from the date of issue.

In addition, ARX will pay an introduction fee of 1,500,000 Shares with an issue price of \$0.001 per Share to corporate advisors in relation to the Transaction ("**Introduction Fee Shares**").

Exclusivity and maintenance of status quo

Cyprum has agreed to exclusively deal with ARX in relation to the sale of the Cyprum shares from the date of the Agreement until 31 July 2019 ("**Exclusivity Period**"). During the Exclusivity Period, Cyprum will conduct its business in the ordinary course and will not enter into a material transaction, declare dividends or change its capital structure without ARX's prior written consent.

Termination

Either party may terminate Agreement if the other party commits a material breach of any of its terms, and, if the breach is capable of being remedied, after being notified in writing by the aggrieved party, the other party fails to remedy such breach within 10 days thereafter.

Material Terms of the Option Agreement

The principal terms of the Option Agreement are as follows:

- The Option period is 90 business days, capable of a 30 business day extension upon payment of a \$10,000. If Cyprum elects to exercise the Option, ARX must issue the Option Fee Consideration Shares to MGCV.
- Cyprum must spend \$2,000,000 on development of the Project over two years from the date of exercise of the Option to earn an 80% interest in the Project ("**Earn In Period**"). At any time prior to Cyprum spending \$2,000,000 on development of the Project ("**Expenditure Condition**"), Cyprum may, for the balance of the \$2,000,000:
 - i. pay the balance in cash; or
 - ii. subject to ARX shareholder approval required under the applicable listing rules, issue the value of the balance in Shares at an issue price equal to the 15 day VWAP per Share, to MGCV, with such payment or issue of Shares being deemed to constitute expenditure in order for Cyprum to earn its 80% interest in the Project.
- Cyprum will be the manager of the Project during the Earn In Period.
- Upon satisfaction of the Expenditure Condition ("**Earn In Date**"), Cyprum and MGCV will form an 80:20 unincorporated joint venture.
- MGCV will be free carried from the Earn In Date to the completion of a definitive feasibility study. Following the free carry period, each of Cyprum and MGCV must contribute to expenditure in proportion to their respective participating interests at the relevant time and if they do not, their participating interests will be diluted in accordance with an agreed formula.
- MGCV will be entitled to the following payments at satisfaction of the following hurdles:
 - i. upon the delineation of 80,000t of contained copper (within any Mineral Resource category), payment of \$200,000 cash or the issue of \$200,000 worth of Shares at an issue price equal to the 15 day VWAP per Share to MGCV; and
 - ii. upon a decision to mine, payment of \$300,000 cash or the issue of \$300,000 worth of Shares at an issue price equal to the 15-day VWAP per Share to MGCV,



in both cases, the payment of cash or issue of Shares ("Conditional Shares") will be at Cyprium's election and the issue of Shares will be subject to ARX shareholder approval (if required).

- In the event that MGCV's participating interest is diluted to 10% or less, MGCV's participating interest will automatically convert into a 1% net smelter royalty ("NSR"). Cyprium may at any time acquire or cancel the 1% NSR by paying MGCV \$1,000,000.

Capital Raising

Subject to ARX shareholder approval and as a condition precedent to the Transaction, the Company intends to complete a placement to institutional and sophisticated investors of at least 10,000,000 Shares at an issue price of 20 cents per share, to raise at least \$2,000,000.

Ashanti Capital will act as Lead Manager of the Capital Raising.

Capital Structure

The indicative effect of the Transaction on the capital structure of ARX is anticipated to be as follows:

Particulars	Currently on Issue	Agreement and Option exercise ¹	Capital Raising	Proforma at Completion
Ordinary Shares	25,250,732	8,500,000	10,000,000	43,750,732
Options (unquoted)	1,230,000		-	1,230,000

1. Note: this figure comprises 5,750,000 Consideration Shares, 1,250,000 Option Fee Consideration Shares (\$250,000 worth of Shares (assumed to be at \$0.20 per Share)) and 1,500,000 Introduction Fee Shares.

Shareholder Approval

Shareholder approval will be sought for the issue of Consideration Shares and Option Consideration Shares, a Placement of at least \$2 million, appointment of Mr Gary Comb and Mr Barry Cahill as Directors and change of Company name to Cyprium Metals Ltd.

A notice of meeting is to be dispatched to shareholders for their approval, ARX will keep shareholders updated on the timing of the implementation of the Transaction as it progresses.

For further information:

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Non-Executive Director
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E info@arcexploration.com.au

Competent Persons

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and/or Mineral Reserves is an accurate representation of the available data and is based on information compiled by Mr Peter van Luyt who is a member of the Australian Institute of Geoscientists. Mr Peter van Luyt is the Chief Geologist of Cyprium Australia Pty Ltd, in which he is also a shareholder. Mr van Luyt 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 (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

Notes relating to the Hollandaire 2013 Mineral Resource Inventory:

1. Geology

The Hollandaire deposit is hosted within a sedimentary andesitic turbidite sequence, now metamorphosed to a chlorite muscovite schist. The footwall consists of a dacite/rhyolite porphyry now metamorphosed to a chlorite muscovite schist. Copper, gold and silver are within massive to matrix sulphides consisting of dominantly pyrite and chalcopyrite with minor chalcocite.

2. Data Density

The majority of the deposit is drilled to a 25 x 25m drill spacing with only the lower 25% of the deposit drilled to a 50 x 50m spacing.

3. Geological Interpretation

Resource outlines are generated by creating wireframes of interpreted zones of grade continuity. The wireframes are snapped to drill holes and converted in to an ore body solid model. This interpretation was carried out by Silver Lake Resources personnel. Mineralised outlines were prepared using a 0.5% Cu; 0.5 g/t Au; and 2 g/t Ag outline with a minimum width of 2m unless constrained by geological boundaries. Constrained 'high' grade domains were constructed inside the main boundaries where applicable where the outline cutoff is 7.5% Cu and 20 g/t Ag. Mineralisation was extended 7.5m or half way between the last mineralised cross section. Mineralisation was extended 10m down dip from the last mineralised intercept.

4. Drilling Technique

Only RC and Diamond holes were used in the current resource update.

5. Accuracy of Location of Sampling Points

Majority of drill collars have been accurately located by either a licensed surveyor using a total station or DGPS. The Hollandaire deposit is drilled on the National Grid system. The majority of drillholes completed surveyed down hole using either an Eastman camera, electronic multi-shot or gyroscopic device.

6. Sampling Techniques

RC samples are collected every 1m. Diamond drillholes are subsampled down to geological intervals up to 20cm. Details of the sampling techniques from the historic drilling are not known.

7. Drill Core Recovery

Drill core recovery was > 90% for 82% of drillhole samples.

8. Specific Gravity

Specific Gravity has been assigned to oxide and transitional sections of the resource using interpreted weathering surfaces determined from drill hole logging. The following values were used for the respective zones.

- Oxide 1.8t/m³
- Transitional 2.1t/m³
- Fresh (waste) 2.80 t/m³

Values for the fresh zone were based on calculated densities using the combined analysed percentage of Copper, Iron and Sulphur. Actual measured densities replaced calculated densities where applicable and then inverse distance estimation density calculated for each mineralised block.

9. Quality of Assay Data

Assay methods were 40g charge Fire Assay at Ultratrace laboratories, Perth with base metals analysed with a 4 acid digest and finished with ICPOES or ICPMS depending on specific elements. This method has an Au detection limit of 0.01 ppm with an accuracy of +/- 10% for assays of greater than 0.5 ppm Au; Cu detection limit of 5 ppm; and Ag detection limit of 0.5 ppm.



10. Quality of Data Description

All drill holes were logged by onsite geologists. Features relating to lithology, alteration type, alteration intensity, vein type are captured and stored in an electronic database.

11. Estimation Techniques

A three dimension block model was created and copper, gold and silver grade estimated into the interpreted mineralised outlines using Ordinary Kriging grade estimation. Only RC and Diamond drill data was used and sample lengths were all composited to even 1m lengths before estimation.

12. Cut-off Grades

Statistical analysis was used to determine high grade cuts to apply to the composite data. Top cuts varied from 4 to uncut g/t for Au domains; 2% to 27% for Cu; and from 6 to 60 g/t for Ag.

The resource was reported at a 0.5g/t cut off for Au; 0.5% for Cu; and 1 g/t for Ag.

13. Metallurgical Considerations

Metallurgical testing of the Hollandaire core was undertaken in 2013. Recoveries of 95% for Cu; 66% for Au; and 91% for Ag were reported from test work.

JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<i>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.</i>	Sampling is undertaken using standard industry practices including the use of duplicates and standards at regular intervals. Reverse circulation (RC) samples were collected at 1m intervals with samples riffle split to 3-5kg in weight.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Soil sample co-ordinates are in UTM grid (GDA94 Z50) and have been measured by hand-held GPS with an accuracy of ± 5 metres.
Drilling techniques	<i>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).</i>	A combination of aircore, RC and diamond drilling has been used.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Diamond core recoveries are logged and recorded in the database. RC bulk sample weights are observed and noted.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Diamond core is reconstructed into continuous intervals on angle iron racks for orientation and reconciliation against core block markers. Rod and metre counts are routinely carried out by the driller.
	<i>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.</i>	No significant sample loss or bias has been noted..
Logging	<i>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.</i>	All geological, structural and alteration related observations are stored in the database.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of lithology, structure, alteration, mineralisation, colour and other features of core or RC chips is undertaken on a routine 1m basis. Photography of diamond core is undertaken prior to cutting and sampling.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes are logged in full on completion.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Diamond core is cut and sampled on geological intervals. A diamond core saw is used to cut the core and selected half core intervals are submitted for analysis.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples are routinely riffle split if dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Drill sample preparation and base metal and precious metal analysis is undertaken by a registered laboratory. Sample preparation by dry pulverisation to 90% passing 75 micron.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of certified reference standards, duplicates and blanks at appropriate intervals.
	<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>	Sampling is carried out using standard protocols and QAQC procedures as per industry best practice. Duplicate samples are inserted and routinely checked against originals.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate for grain size of sample material. Sample collected from full width of sample interval to ensure it is representative of samples lithology.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Drill sample analysis is undertaken by a registered laboratory, multi element analysis by acid digest and ICP-OES and ICP-MS to acceptable detection limits. Standard 40g Fire Assay analysis is undertaken for gold. Internal certified laboratory QAQC is undertaken including check samples, blanks and internal standards.

	<i>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.</i>	No geophysical tools were used to estimate mineral or element percentages.
	<i>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.</i>	Standards, duplicates, blanks, and repeats are utilised as a standard procedure. Certified reference materials that are relevant to the type and style of mineralisation targeted are inserted at regular intervals.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Samples are verified by the geologist before importing into the main database (Datashed).
	<i>The use of twinned holes.</i>	Few twin holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected using a standard set of templates. Geological sample logging is undertaken on one metre intervals for all RC drilling and geological intervals for diamond drilling with colour, structure, alteration and lithology recorded for each interval. Data is verified before loading to the database. Geological logging of all samples is undertaken.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations are made to any assay data reported.
<i>Location of data points</i>	<i>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.</i>	All maps and locations are in UTM grid (GDA94 Z50) and have been measured by hand-held GPS with an accuracy of ± 5 metres. Down hole surveys are undertaken at nominal 30m intervals using a digital down hole camera and spear.
	<i>Specification of the grid system used.</i>	Drill hole co-ordinates are in UTM grid (GDA94 Z50) and commonly plotted using local grid reference.
	<i>Quality and adequacy of topographic control.</i>	Drill hole collars and RL's are surveyed by qualified surveyors.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Variable drill hole spacings are used to adequately test targets.
	<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>	Existing drill hole spacings at Hollandaire is 20m x 20m. This spacing has sufficient continuity to support the definition of Mineral Resource and Reserves under the classification applied under the 2012 and 2014 JORC Code.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been undertaken on diamond core or soil samples.
<i>Orientation of data in relation to geological structure</i>	<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>	Drilling is designed to cross the mineralisation as close to perpendicular as possible. Most drill holes are designed at a dip of approximately 60 degrees, however the Hollandaire deposit dips at ~ 35 degrees.
	<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>	No orientation based sampling bias is known at this time.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by internal staff. Drill samples are stored on site and transported by a licenced reputable transport company to a registered laboratory in Perth. When at the laboratory samples are stored in a locked yard before being processed and tracked through preparation and analysis.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external audits or reviews of modelling techniques and data have been undertaken.

Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	All drilling and soil sampling is within the project tenement (Hollandaire E20/699). The primary tenement holder is Musgrave Minerals Ltd. The tenements are subject to standard Native Title heritage agreements and state royalties.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Some historical drilling has been undertaken in different areas on the tenements by third parties. Some previous soil sampling and geophysical surveys have been undertaken by historical explorers.
Geology	Deposit type, geological setting and style of mineralisation.	Geology comprises typical Archaean Yilgarn greenstone belt lithologies and granitic intrusives. The main style of mineralisation present is volcanogenic massive sulphide (VMS) base metal and gold mineralisation.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: eastings and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.	All drill hole information has previously been reported.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No new exploration data is reported in this release.
	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.	No new exploration data is reported in this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No new exploration data is reported in this release.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	No new exploration data is reported in this release.
Diagrams	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.	No new exploration data is reported in this release. Some diagrams referencing historical data can be found in the body of this report.
Balanced reporting	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.	No new exploration data is reported in this release.
Other substantive exploration data	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.	No new exploration data is reported in this release. All material results from geochemical and geophysical surveys and drilling related to these prospects has been reported or discussed previously.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	A range of exploration techniques will be considered to progress exploration including additional drilling.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to figures in the body of this announcement.



Section 3 Reporting of Mineral Resource Estimates

The information in this report that relates to the Hollandair Mineral Resource Estimate is extracted from the report created by Silver Lake Resources Limited entitled "Mineral Resources and Ore Reserves Update", 26 August 2016 and is available to view on Silver Lake's website (www.silverlakeresources.com.au) and the ASX (www.asx.com.au).

The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and in the case of estimates of Minerals Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original market announcement.