

14 December 2018



ACN 114 175 138

Mr Chris Hesford
Geologist, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Chris

This release is made in the ordinary course of business and not in response to the increased takeover Offer announced by Ramelius Resources on 13 December 2018.

The Company is pleased to have finalised the Feasibility Study update which has been compiled from studies undertaken over the past few months.

The Directors confirm that all information that shareholders require has now been released in line with their earlier commitment that we would seek to provide them with the most up to date information.

The Board will respond to the increased takeover Offer in due course.

Yours sincerely

J. J. Lawton

Managing Director
On behalf of the Board of Explaurum Ltd

EXPLAURUM LIMITED

TAMPIA FEASIBILITY STUDY UPDATE

14 December 2018

Explaurum Limited (ASX:EXU) (**Explaurum** or **the Company**) is pleased to advise the key outcomes of an updated Tampia Feasibility Study which incorporates further metallurgical test work, mine design and scheduling together with refined capital and operating cost estimates. The updated Feasibility Study also includes the addition of the Mace supergene deposit.

Summary of updated Feasibility Study outcomes¹

- Pre-tax NPV of approx. A\$156M (up from A\$125M) and pre-tax IRR of approx. 70% (up from 47%)
- Estimated average C1 operating cost of A\$825/oz (down from A\$885/oz) and all-in-sustaining-cost (AISC) of A\$917/oz (down from A\$998/oz)
- Initial capital expenditure to commercial production of approx. A\$111M (down from A\$119M)

Summary of key changes from May 2018 Feasibility Study

- Initial capital cost of standalone process plant subjected to competitive tender process
- Flotation circuit and ultra fine grind (UFG) circuit construction deferred for approximately 15 months after commencement of operations
- Mine design and mine scheduling optimised, resulting in improved gold recovery during first two years of operations
- Mace supergene gold Mineral Resource estimate incorporated in mine plan, not requiring additional development capital

Commenting on the results of the updated Feasibility Study, Explaurum Managing Director, John Lawton, said:

"Explaurum undertook to provide shareholders with critical Tampia project information in order to enable a balanced evaluation of the Company within the context of the current Ramelius takeover offer. This updated Tampia Feasibility Study delivers on this commitment and details new and relevant information not previously assessed in the Independent Expert's Report prepared by BDO."

"The updated Feasibility Study confirms that Tampia is a technically sound and robust project with forecast annual production in excess of 100,000 ounces of gold, at an all-in-sustaining-cost averaging A\$917 per ounce. This places Tampia in the lowest cost quartile of gold projects globally. It also generates an outstanding margin of over A\$800 per ounce at current spot gold prices, which are trading at A\$75 per ounce higher than the gold price used in the updated Feasibility Study."

"We have commenced targeting extensions to the Mace resource, which are planned to be drilled aggressively over the upcoming summer period. This will be coupled with advancing exploration at the highly prospective A8 target to the north."

¹ Note that there has been no change to the Tampia Ore Reserve or Indicated Mineral Resource announced in the May 2018 Tampia Feasibility Study (see ASX release dated 30 May 2018) as part of the updated Feasibility Study.

Production Target Based Partly on Inferred Mineral Resources

The Production Target referred to in this announcement is based partly (12%) on Inferred Mineral Resources. In compliance with clause 5.16.4 of the ASX Listing Rules, the Company confirms that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources, or that the Inferred component of the Production Target (12%) itself will be realised.

The Company notes that the updated Tampia mine and process schedule does not incorporate processing of the Mace Inferred Mineral Resource until after project payback has been forecast to occur.

Forward Looking Statements

Explaurum is pleased to report this summary of the updated Study in a fair and balanced way and believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any mining of mineralised material, modifying factors, production targets and operating cost estimates.

The Explaurum Board confirms that it has a reasonable basis for the view that the requisite funding for development of the Tampia Gold Project will be available when required. The grounds for this reasonable basis are as outlined in section 4.6(a) of Explaurum's First Supplementary Target's Statement (released to the ASX on 24 October 2018).

This announcement has been compiled by Explaurum from the information provided by the various contributors to the updated Study. All financial assumptions and estimates are quoted in Australian Dollars (**A\$** or **AUD**) only.

KEY OUTCOMES OF UPDATED TAMPIA FEASIBILITY STUDY

Explaurum is pleased to report the findings of the updated Tampia Feasibility Study, based on programs undertaken following completion of the Feasibility Study in May 2018.

Further studies, negotiations with contractors and discussions with consultants have resulted in variations to the May 2018 Feasibility Study outcomes. In particular, the process plant design and specifications, pit design, metallurgical recovery, mining fleet and dry hire costings, mine scheduling and accommodation are all areas that have been further assessed. The key outcomes of this additional study work are summarised below and in Table 1.

Initial capital cost of standalone process plant

The process plant construction has been put out to competitive EPC tender. This process will be completed shortly, but it is currently estimated the total initial capital cost for development will be approximately A\$111M, including contingencies ranging from 5% to 10%. Variations from the initial estimate include increases in site buildings, project management team, pre-production, site works and communications, and reductions in the process plant and capital spares.

Deferred construction of flotation and UFG circuit

Metallurgical test work has been undertaken to optimise gold recovery. A revised recovery model has been applied to the Tampia resource that has highlighted that the southern end of the Ore Reserve has lower arsenic (As) content. Consequently this material is capable of processing via standard carbon in leach (CIL), rather than flotation and ultra fine grinding (UFG), while still delivering high forecast LOM recoveries averaging 91.8%. The major capital deferral items are therefore the flotation and UFG circuit (now Year 2 of operations) and outright purchase of the accommodation village.

Table 1. Updated Feasibility Study Summary

Area	Measure	Unit	Feasibility Study May 2018	Feasibility Study Update
Production	Annual Ore throughput	Mtpa	1.53	1.52
	Life of Mine (LOM)	Years	5.25	4.67
	Ore Mined	Mt	8.0	7.1
	Strip Ratio (W:O)		7.6	8.6
	Average gold grade	g/t	2.07	2.30
	Gold produced LOM	oz	489,517	481,398
	Avg annual gold production	oz	93,241	103,157
	Gold recovery	%	91.7	91.8
Capital	Initial development capital ¹	A\$M	119	111
	Deferred capex	A\$M	4.4	15.7
	Sustaining capex ²	A\$M	7.9	6.5
	Total life of project capital	A\$M	130.3	133.2
Operating	Total operating cost	A\$/t	53.84	55.67
	Cash cost (C1) ³	A\$/oz	886	825
	WA Govt + JV royalty ⁴	%	4.5	3.5
	Average AISC cash cost ⁵	A\$/oz	998	917
Economic assumptions	Gold price	A\$/oz	1650	1650
	AUD/USD exchange rate		0.75	0.75
	Discount factor	%	8.0	8.0
Financials	Pre-tax Net Present Value (NPV)	A\$M	125	156
	Pre-tax Internal Rate of Return (IRR)	%	47	70
	Post-tax Net Present Value (NPV)	A\$M	92	103
	Post-tax Internal Rate of Return (IRR)	%	38	46
	Payback period	Years	1.5	1.25
	Free cash flow generation	A\$M	196	226

Table notes:

¹ Initial development capital is all project capital expenditure up to commercial production

² Sustaining capital is all project capital expenditure post commercial production required to maintain operational availability and efficiency

³ C1 operating costs include all mining and processing costs, site administration and refining costs

⁴ The royalty payable to the Tampia Joint Venture partner has been reduced to 1% of total gold production within the JV tenements

⁵ AISC includes C1 costs + sustaining capital, royalties, site rehabilitation and head office corporate costs

Mine design and mine scheduling

As a result of defining the different metallurgical character of the southern portion of the Tampia orebody, the mine design was changed to allow mining of this material in the first 12 to 18 months of operations. In addition to allowing deferral of the flotation and UFC circuit construction, this also has the effect of delivering considerably lower forecast operating costs, without the 'loss' of any gold production. In addition, low grade/high arsenic material is now planned to be mined and stockpiled, rather than included in the process schedule as previously. This is the key driver of the higher average grade of ore processed, but also the higher strip ratio and slightly lower LOM gold production.

Addition of Mace Supergene Mineral Resource

The Mace deposit has been recently assessed as an addition to the Tampia Gold Project. A new Mineral Resource estimate, reported in accordance with the JORC Code (2012) and classified by a Competent Person,

based on 310 RC drill holes totalling 7,403m and 25 diamond drill holes (for 427m), was reported to ASX on 3 December 2018. Mining and processing of a significant component of that Resource is incorporated in the updated Study.¹

OTHER STUDY DETAILS

The updated Study has been prepared by senior Explaurum staff with substantial input from a number of consultants including:

ALS Metallurgy Pty Ltd	Assaying, Mineralogy & Metallurgical Testing
JT Metallurgical Services	Metallurgy program management
Kenex Pty Ltd	Geology
MBS Environmental	Environmental
Metallurgy Pty Ltd	Metallurgical Testing
MineComp	Mine Design
MinEcotech Pty Ltd	Project Management & Mining
RSC Global Pty Ltd	Geology and Resource Estimation

The updated Study has assumed an open pit mining operation using an excavator/truck mining fleet and utilising the Tampia standalone processing plant designed for treatment of 1.5Mtpa, but capable of a processing rate of up to 1.9Mtpa on weathered feed such as Mace.

¹ The information is extracted from the report entitled 'Initial Mace Resource Estimate' released on 3 December 2018 and is available to view [here](#). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the 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.

ADDITIONAL INFORMATION ON MACE

Metallurgical test work was carried out on a composite metallurgical sample of the Mace gold mineralisation to confirm its amenability to gravity and cyanidation processing as well as testing its rheological behaviour due to the presence of clays. All samples originated from a diamond drilling program. The following key findings are made from this test work:

- Gold extraction is rapid and near complete (+99%) at moderate cyanide and low lime consumptions. Gravity recoverable gold was high between 49-59%;
- All bulk tests (BLEG and Gravity/Leach tests) displayed an approximate 40% uplift in grade compared to the head assay indicating the presence of free gold and associated sampling/assaying bias when dealing with small masses;
- The presented composite contained below detectable limits of typical deleterious elements, including arsenic.

Based on the test work, the process flowsheet to be applied to Mace consists of single stage crushing, grinding (SAG mill), gravity circuit, carbon-in-leach (CIL) leaching and electrowinning to produce dore gold for refining in Perth. The flotation, ultra-fine grinding and enhanced leaching sections of the Tampia plant are not required for the Mace feed.

The Tampia financials benefit from the inclusion of the Mace Mineral Resource due to the character of the gold resource being free gold at shallow depth (all of the resource is less than 20m below surface) and hosted by unconsolidated sediments.

Modelling has been based on mining the total resource in the first year of operations and processing on an incremental basis (<100ktpa), with processing only scheduled to commence post the forecast payback period for the project.

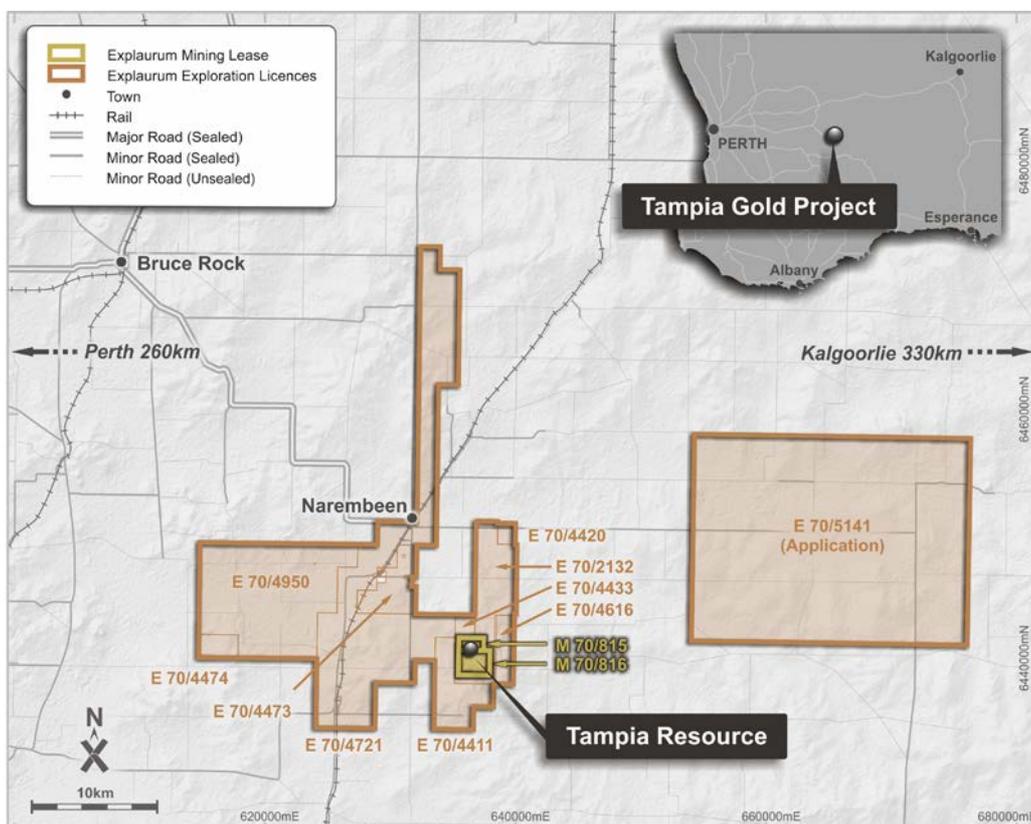


Figure 1. Tampia Gold Project Regional Location and Tenement Map

Resource Classification

A Mineral Resource model was produced by RSC Global Pty Ltd. The model was based on 10m x 5m x 2m blocks and was created using ordinary kriging methodology with a 0.1 g/t cut-off. The Mineral Resource estimate has been classified in the Inferred category (Table 2). There is no material classified as Indicated or Measured.

Table 2. Mace Mineral Resource classification

Classification	Tonnes ('000)	Grade (g/t Au)	Cont. gold (koz)
Inferred	400	1.4	20
Total	400	1.4	20

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the Mineral Resource estimate is 3 December 2018.
3. The Mineral Resource is contained within E70/2132, M70/815 and M70/816
4. Estimates are rounded to reflect the level of confidence in these resources at the present time.
5. All resources have been rounded to the nearest 100,000 tonnes
6. The Mineral Resource is reported at 0.1 g/t Au cut-off grade

Cut-off Grades and Mining Methods

A cut-off grade of 0.3g/t Au on the resource blocks at SMU scale was determined as an appropriate cut-off grade. This value was adopted from the optimisation work carried out on the weathered material at the main Tampia deposit, which has similar metallurgical recovery characteristics and processing costs, and which took into consideration all available geotechnical, metallurgical, hydrogeological parameters. Various gold price scenarios were evaluated, with the selected 0.3 g/t Au cut-off reflecting a gold price of A\$1,650oz.

The Mace deposit is planned to be mined conventionally with light blasting and using a 100 t class excavator. This approach is well suited to the nature of the Mace resource and the size, depth and configuration of the open pit.

Mining

Geotechnical Assessment

The slope parameters used for the Mace pit design have been assumed based on work done on the overlapping Tampia Pit design, and allowing for the shallow depth, and very short mine open time, and 100% backfilling.

The initial shallowest northwest stages of the Mace pit will be backfilled with Mace waste earth, while the later stages that lie underneath the footprint of the waste rock dump of the Tampia main pit will be backfilled with Tampia main pit waste.

The weathering is shallow and weakly developed with no fresh rock occurring in the Mace pit. The batter face angle used in the pit design was 60°.

A geotechnical study is being commissioned, using structural analysis of diamond drill core and laboratory testing of rock strength and shear strength to assess the physical properties of all lithologies within the proposed pit area.

Pit Design

The resource model was supplied to Minecomp for pit design. No ore loss or dilution were applied for the purposes of the mine planning work.

Due to the shallow depth of the Mineral Resource, the simple ore geometry, and the strong geological controls on the mineralisation, an open pit optimisation study was not required

The Mace pit was manually and interactively designed by MineComp. Blocks above 0.3 g/t that occurred above the oxidation boundary were included in the pit design, though any isolated blocks that would incur a higher stripping ratio were excluded. To ensure access and efficient mining, areas of subgrade or waste were included where necessary in the design. Final access ramp designs were not needed, because operational access will be by temporary or backfilled ramps, or from the adjoining Tampia pit.

The relevant pit design criteria for the Tampia pit were applied to the Mace design, including:

Minimum single lane ramp width	13.9m
Maximum ramp gradient	10%
Berm width	7m
Berm vertical spacing	20m
Maximum mining bench spacing	5m
Weathered pit wall batter slope	60°

A batter angle of 60° was applied and, because the pit walls did not exceed 20m depth, no berms were required.

The Mace Gold Resource pit design, outside the Tampia pit, is 600m long, ranging from 50m to 100m wide, and up to 18m deep. The resulting pit design has a waste to ore stripping ratio of 2.1.

The Mace pit design is shown in plan view (Figure 2) and a three dimensional view showing the relationship with the Tampia pit (Figure 3).

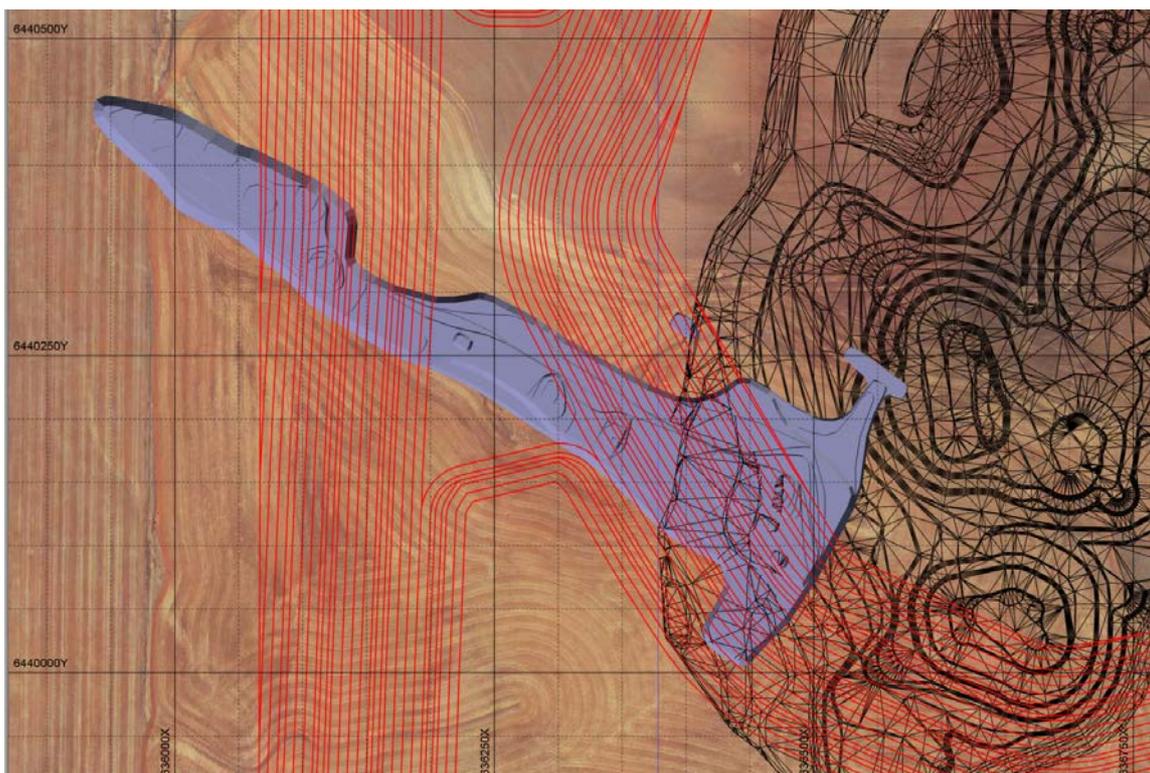


Figure 2. Mace pit design, MGA 94 Grid Plan View

The southeastern part of the Mace Mineral Resource occurs within the larger planned Tampia Pit, much of the pit lies underneath the planned Tampia waste rock dump (WRD), with a small north-western part that lies outside the WRD footprint.

Most of the waste mined from Mace is planned to be utilised in construction of the TSF embankment, or as bulk fill in the ROM pad. The NW part, after backfilling with Mace waste, is planned to be reinstated to the original natural terrain and rehabilitated as native vegetation.

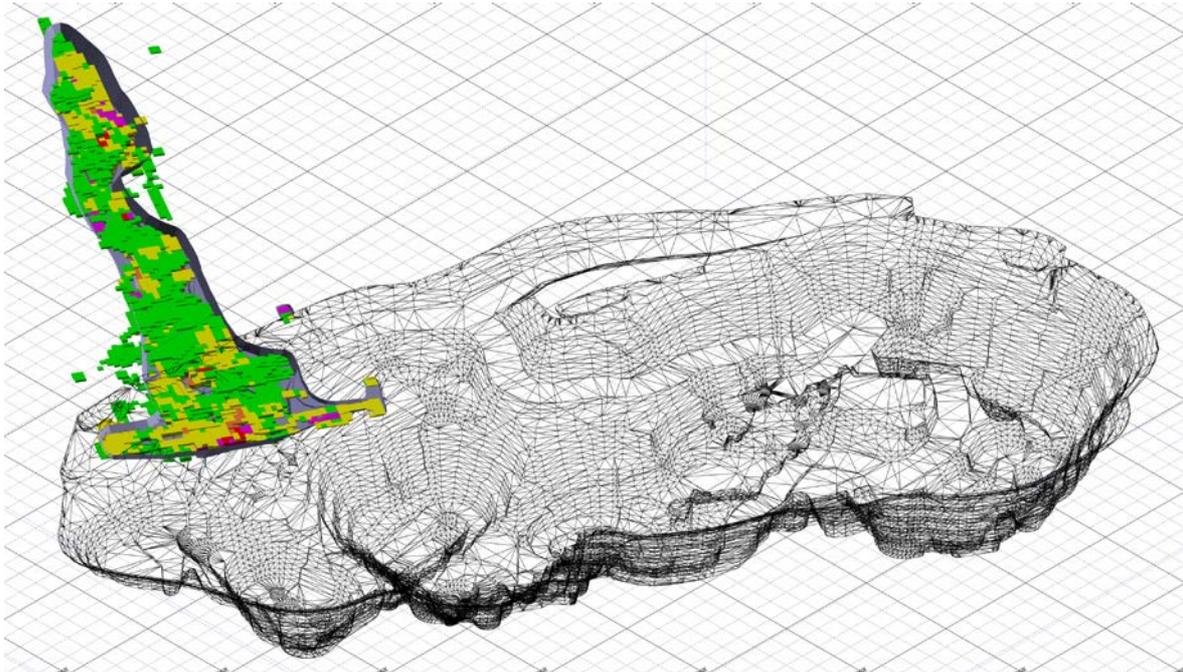


Figure 3. 3D view of Mace pit in relation to the Tampia open pit design (view toward NW).

The final pit design was evaluated using the resource model with a 0.75 g/t Au high-grade cut and 0.3 g/t Au low-grade cut, and 0.15 g/t Au mineralised waste cut (Table 3).

Table 3: Summary of Mace pit contents (Production Target Inventory) , based on the Mace Block Model, and Mace Pit Design outside the Tampia Pit

Oxidation Category	Grade Category	Cut Off Grades g/t	Volume Mined (BCM)	Dry Bulk Density t/BCM	TOTAL Tonnes Mined (t)	Grade Mined (g/t)	Gold Mined Oz
Weathered (= Oxide & Transitional together)	HG	>0.75	38,500	1.81	69,400	5.86	13,100
	LG	0.30 – 0.75	122,900	1.73	213,100	0.48	3,300
	MW	<0.30	5,100	1.67	8,500	0.26	
	WASTE		296,100	1.97	583,300		
	TOTAL		462,500	1.89	874,300		16,400

Mining Schedule

The northwestern part will be mined first, and internally backfilled, followed by the central part. The southeastern portion is included in the Tampia mining schedule.

The Mace pit has been scheduled to be mined simultaneously with the Tampia pit over a six-month period. The Mace mining schedule comprises 100% Inferred Resources.

Mining Operations

The Study assumes technical and managerial direction will be controlled by Explaurum, using a drill and blast contractor, while the load, haul and support operations will be conducted by Explaurum using a fully maintained dry hire mining fleet.

Metallurgy and Processing

Metallurgical test work has been carried out on composited diamond drill samples taken along the Mace paleo channel in the Tertiary sediments and adjacent weathered bedrock in the northwest part of the deposit.

A single composite sample composed of 28 separate 1m mineralised intervals and weighing approximately 110kg was homogenised at <2mm grain size for rheological, gravity and cyanidation test work. A separate composite sample (+2mm – 6mm) was used for ore hardness test work. All leach and rheological test work utilised Tampia site water (Figure 4).

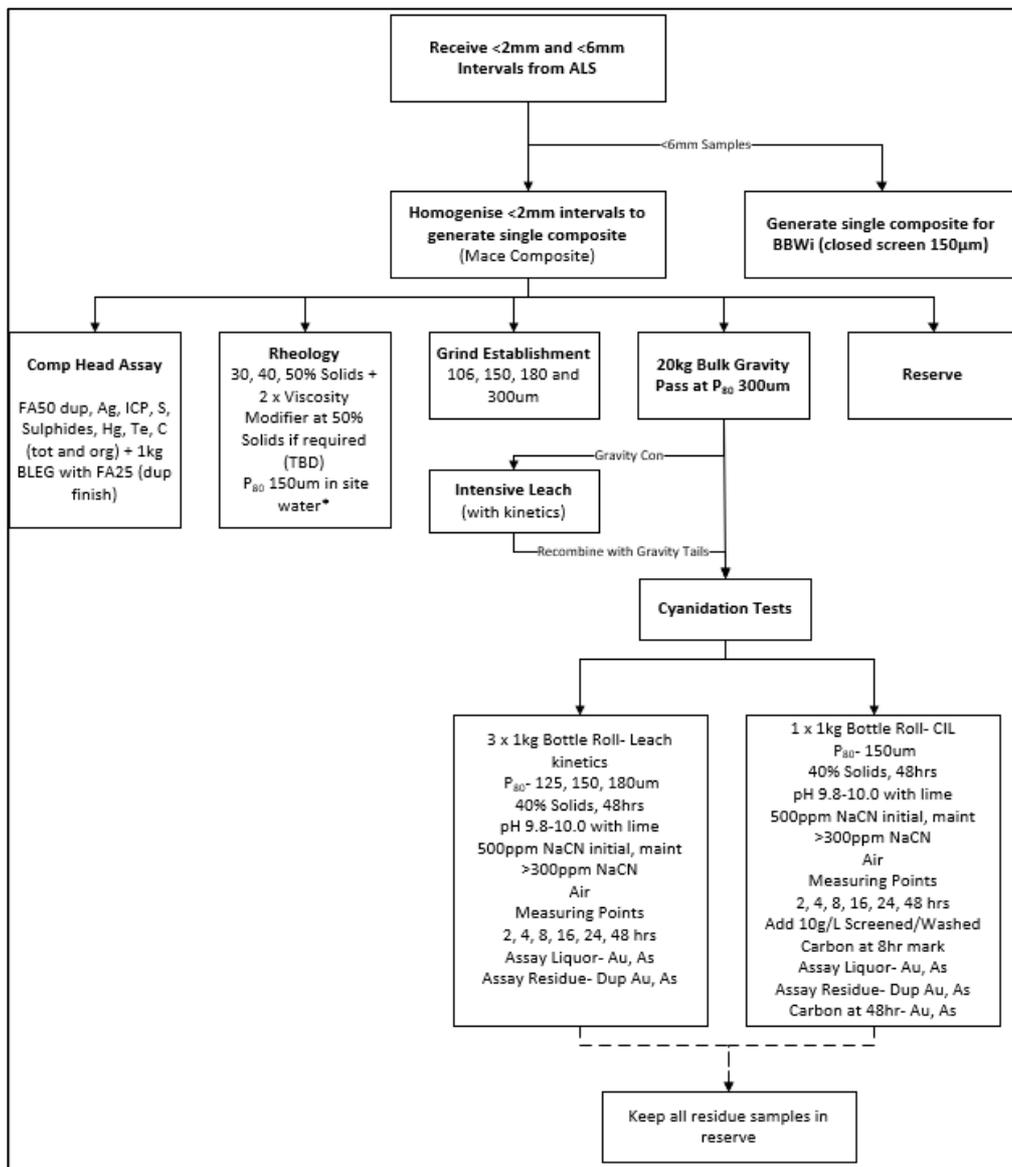


Figure 4. Metallurgical test work flow sheet

The key results from the test work were as follows:

- A significant disparity between assay grade and (higher) recalculated grade in the leach test work caused by the presence of free gold
- No silver or deleterious elements present (As, Cu, Sb, Te, Hg or C);intensive cyanide leaching resulted in near complete dissolution (99.7%) within 12 hours
- Bond Ball Work Index (BBWi) of 13.6 kWhr/t conducted on <6mm composite at a closed screen size of 150µm
- Gravity concentrate (Knelson) ranged between 48.9% and 59.4%
- Cyanide leach tests were conducted at P₈₀ 106µm, 150µm and 180µm with similar recoveries at 106µm and 150µm of over 99%, and slightly slower at 180µm of 97.7%
- Lime consumption (4.5kg/t) was low and cyanide consumption (0.31kg/t) was moderate
- Slimes may affect carbon adsorption rates, but the effect can be minimised by reducing feed density or using a viscosity modifier

Test work has confirmed that gravity and cyanidation are effective for the gold extraction as rapid and near complete dissolution of gold will result in greater than 96% gold recovery at moderate cyanide and low lime

consumptions. Any sulphur in the Mace mineralisation is present as sulphates indicating a low likelihood of the deposit being refractory. Concentrations of arsenic and other deleterious elements (copper, antimony, tellurium, carbon and mercury) are low.

(a) Process Plant Design

Processing of oxide ore allows the Tampia process rate to be increased to 1.9Mtpa from 1.6Mtpa, providing the extra plant capacity for treating Mace feed.

Though a grind requirement of only P_{80} 180 μ m is needed for the Mace feed, the Tampia SAG mill and gravity / CIL circuits can handle 190 tpa at 125 μ m grind of the harder Tampia feed, so there is ample processing capacity for the added soft Mace feed.

Mace is considered suitable feed for the Tampia weathered ore flow chart, which has sequential gravity, and CIP processing (Figures 5 and 6). A high-intensity cyanide reactor is planned to further treat the gravity concentrate, and conventional elution and gold room processes will produce gold dore bars.

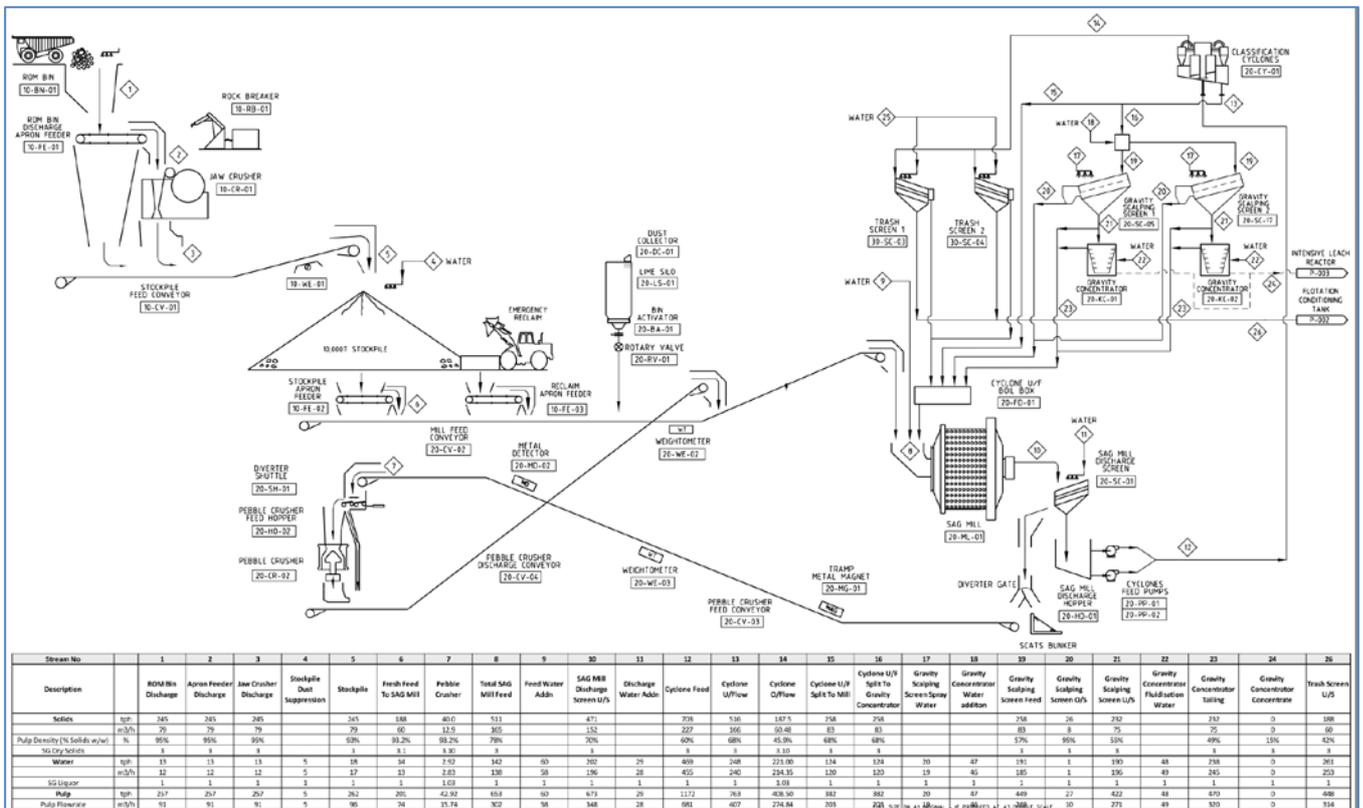


Figure 5. Flow Sheet – Crushing, Grinding and Gravity circuits

Environmental Impact and Approvals

Being immediately adjacent to, or overlapping the main Tampia project, Mace has no significant additional environmental impact. Mace will have no change in the impact on the visual amenity.

Subterranean fauna and troglofauna are expected to be present in the Mace groundwater, and to be affected by the mining and pit dewatering. The overall species impact is however expected to be low, because the species have been sampled downstream of Mace, and Mace is located near the upstream limit of the hosting paleochannel.

A waste rock characterisation study has not been done because the Mace ore and waste is redeposited weathered material that is similar to, or more benign than, the weathered lithologies found in the Tampia pit.

Additional test work may be required to assess potential for clay dispersion of the highly weathered Mace waste rock. Test methods would include particle size distribution, Emerson Aggregate Test (clay dispersion) and exchangeable cation (calcium, magnesium, sodium and potassium) measurements.

Mace is not expected to have any significant effect on the environmental approvals process currently underway, because it is fully covered by the completed baseline surveys and is highly integrated with the main project.

The Mace resource covered by this study requires no clearing of native vegetation.

The mining of Mace requires no change to the currently planned Groundwater Licences.

No significant changes to the Tampia Works Approvals and Environmental Licences are required.

No significant changes are required to the Tampia Project Management Plan (PMP) that identifies the hazards and associated risks with the proposed operation from a health and safety perspective.

No significant changes are required to the Tampia Dangerous Goods Licence, nor to the Shire development applications, or building and sewerage Permits.

Social Impact

The Mace study area falls within the Shire of Narembeen Town Planning Scheme 2 on land zoned as, and predominantly used for farming.

Land ownership of the study area is freehold, and the Mace Resource applicable to this Study, is as with all of Tampia, fully within a single ownership.

Native Title and Cultural Heritage

No Native Title applies at Tampia because all property that would be impacted by mine development is privately owned. As with Tampia, there is no Aboriginal and European Cultural heritage present.

Operating Cost Estimate

Mining Costs

The mining operating cost estimate is based on the Tampia Feasibility Study mining cost model for conventional open pit mining using the 100t excavator and 100t trucks.

The Mace ore is very soft but the material properties observed in the diamond core indicate the UCS is too high to be consistently 'free dig', and light blasting to loosen the ground for high excavator productivity appears

necessary. A blasting powder factor of 0.25 kg/BCM of wet ground emulsion explosive, 102mm diameter holes, and 5m deep blasts has been applied.

The same excavator and truck productivity and costs have been applied as for the weathered zone of the Tampia pit. Because the underlying Tampia mining operation covers the monthly fixed mining costs, and because Mace has a lower stripping ratio, the cost per tonne of ore mined is lower than the equivalent mining cost of Tampia ore.

Incremental Drill & Blast (A\$0.81 /BCM) and Load & haul (A\$1.47 /BCM) costs have been applied, as shown in Tables 4 and 5.

Table 4. Mace Incremental Drill and Blast costs

Depth below Surface(m)	Drill and Blast Cost (A\$/bcm)	
	Waste	Ore
0 - 20	0.81	0.81

Table 5. Mace Incremental Load & haul costs

Depth below Surface(m)	Mining Cost (A\$/bcm)	
	Waste	Ore
0 - 20	1.47	1.47

Processing Costs

The processing cost of Mace is based on processing costs in the Tampia Feasibility Study for the 1.6 Mtpa weathered ore processing by gravity CIL throughput of weathered ore. The cost is adjusted for the higher annual throughput (1.9 Mtpa) with the incremental Mace material, and the lower grinding power requirements of the Mace material, giving an incremental CIL processing cost of A\$12.96/t.

A large front end loader is proposed to be added to the mining fleet to complement the scheduled loading capacity of the excavators. This machine is also available as a backup ROM loader, and it will be retained on site after the end of mining as the main low-grade loader, allowing the new weathered processing rate to be supported on LG feed.

Administration

The administration cost of Mace is fully covered by the weathered ore processing G&A costs applied to the base load Tampia ore in the Feasibility Study.

Sustaining Costs

There is no required sustaining capital cost required for the six months of mining the Mace Mineral Resource.

Because most of Mace underlies the Tampia Waste rock dump (except a small northwestern section) and will be consumed within 6 months of mining, no additional provision for rehabilitation is required.

Corporate

No additional project related corporate costs are required for the mining and processing of the Mace Mineral Resource.

Capital Costs

No additional capital cost is required for the mining and processing of the Mace resource.

For further information, visit the Company's website at www.explaurum.com or contact:

John Lawton
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Competent Person's Statement – Mineral Resources

The information in this report that relates to Mineral Resources is based on information announced to the ASX on December 3 2018. Explaurum confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Person's Statement – Ore Reserves

The information in this report that relates to Ore Reserves and Modifying Factors is based on information compiled by Mr Paul Griffin, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Griffin is employed as a consultant with MinEcoTech Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Griffin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Metallurgy

The information in this report that relates to Metallurgy is based on information compiled by Mr Brant Tapley, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tapley is employed as a consultant with JT Metallurgical Services Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tapley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 3. JORC Code 2012 Edition – Table 1

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve</i>	The most recent Mineral Resource estimate for Tampia (April 2018) was used for reporting the Tampia Ore Reserves (May 2018). Both are unchanged.
	<i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves</i>	Mineral Resources are reported inclusive of Ore Reserves.
<i>Site visits</i>	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.</i>	The Competent Person (Engineering) has visited the Tampia project site on six occasions through 2017 and 2018.
<i>Study status</i>	<i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>	A The Ore Reserve statement is based upon the May 2018 Project Feasibility Study. Financial modelling completed as part of this December 2018 Feasibility Study Update shows that the project remains economically viable under current assumptions. Modifying Factors (mining, processing, infrastructure, environmental, legal, social and commercial) have been considered during the original Ore Reserve estimation process and this study Update.
<i>Cut-off parameters</i>	<i>The basis of the cut-off grade(s) or quality parameters applied.</i>	An economic cut-off of 0.30 g/t Au cut-off for weathered and 0.45 g/t Au cut-off for fresh material was applied to the Resource modelling from which the Ore Reserve was estimated. These cut-off grades were calculated in consideration of the following parameters: gold price, operating costs, process recovery, transport and refining costs, general and administrative costs and royalty costs, and they remain valid in this Study Update.
<i>Mining factors or assumptions</i>	<i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes etc) grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and slope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and</i>	While an allowance for edge dilution was made during the Tampia Reserve optimisation process with a global dilution of 2.5% being applied, no dilution has been applied to the Mace inferred resource. Metallurgical parameters were applied to the Mace resource model in order to model product grades and yields. Minor and non-material modifications have been made to the Tampia detailed pit designs with due consideration of geotechnical, geometric, and access constraints. These pit designs were used as the basis for production scheduling and economic evaluation. Conventional mining methods (truck and excavator), were selected. The geotechnical parameters have been applied based on geotechnical studies. Inferred Mineral Resources were excluded from the estimation of the Ore Reserve.

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	<p><i>the sensitivity of the outcome to their inclusion.</i></p> <p><i>The infrastructure requirements of the selected mining methods.</i></p>	<p>The Feasibility Study Production Target incorporated a minor portion of Inferred Mineral Resources which do have a measurable positive impact but are not material to the economic viability of the production schedule.</p>
<p><i>Metallurgical and mineral processing factors or assumptions</i></p>	<p><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></p> <p><i>Whether the metallurgical process is well tested technology or novel in nature.</i></p> <p><i>The nature, amount and representativeness of the metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical factors applied.</i></p> <p><i>Any assumptions or allowances made for deleterious elements.</i></p> <p><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></p> <p><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></p>	<p>Conventional gravity and CIL processing is proposed as the basis of both the weathered and fresh ore. Fresh ore processing will also utilise ultra-fine grinding of a flotation concentrate. All these processes have been successfully tested at laboratory scale on the Tampia mineralisation and are currently being used at plant scale in the gold industry.</p> <p>Representative samples of mineralisation types suited to the three processing approaches above have been obtained by metallurgical diamond drilling and tested in metallurgical laboratories.</p> <p>Weathered material was processed initially followed by fresh material, with fresh 'low grade' being stockpiled for processing at the end of the mine life.</p> <p>A scheduled plant throughput of 1.9Mtpa is applied to weathered and fresh low grade feed and a throughput of 1.5Mtpa is applied to the fresh high grade feed.</p>
<p><i>Environmental</i></p>	<p><i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></p>	<p>All primary environmental, heritage and tenure approvals required under State and Commonwealth legislation are being progressed.</p> <p>The mine is to be developed under the Mines Act 1978.</p>
<p><i>Infrastructure</i></p>	<p><i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.</i></p>	<p>Tampia minesite is readily accessible from Perth by multiple sealed highways and Shire graded roads locally. The workforce will be housed in Company accommodation in Narembeen on a drive-in drive-out (DIDO) basis. Infrastructure is plentiful and readily available in the region.</p> <p>The mine development will be on private land acquired by the Company. Power and water supply studies have identified appropriate solutions for mining operations.</p>
<p><i>Costs</i></p>	<p><i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></p>	<p>Projected capital costs have been provided predominantly based on quoted estimates by specialist suppliers as well as current knowledge and industry experience where applicable.</p>
	<p><i>The methodology used to estimate operating costs.</i></p>	<p>Operating cost estimates were developed by Explaurum from first principles, based on a dry hire mining and contract drill and blast model, and updated to reflect current operating costs.</p>
	<p><i>Allowances made for deleterious elements.</i></p>	<p>Gold mineralisation at Tampia is associated with arsenic which may affect metallurgical recovery and have environmental consequences. These issues were fully addressed in the Feasibility Study and there are no material changes.</p>
	<p><i>The source of exchange of exchange rates used in the study.</i></p>	<p>Capital cost estimates for process plant and infrastructure are made in 2018 Australian dollars, using an exchange rate of USD:AUD = 0.75 where applicable.</p>
	<p><i>Derivation of transportation charges.</i></p> <p><i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification etc.</i></p>	<p>Gold dore transportation and refining charges at the Perth Mint Refinery have been used in the Study.</p> <p>The WA Government retains a 2.5% gross royalty on all gold produced. A further 1.0% gross royalty is payable to the</p>

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	<i>The allowances made for royalties payable, both Government and private.</i>	project JV partner. Both charges are accounted for in the Study's financial assessment.
<i>Revenue factors</i>	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>	The mined ore head grades are estimated utilising industry accepted geostatistical techniques with the application of relevant Modifying Factors. The gold price assumed for LOM operations is A\$1650 oz. The price has been set by the Company based on a 5 year historic average price of A\$1600 oz. The A\$1650 price assumes a LOM USD:AUD exchange rate of 0.75.
<i>Market assessment</i>	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>	The international market for gold is highly liquid and transparent.
<i>Economic</i>	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>	An overarching financial model of the Tampia project, prepared by Explaurum, using mining inputs prepared by AMC Consultants, and other inputs, indicates the project is economically viable with a positive Net Present Value (NPV). A discount rate of 8% has been used in the financial analysis, and the inflation rate has been assumed at 0%, with a fixed price for gold produced through LOM. Sensitivity of the Tampia Project to changes in the key drivers of sales price, mining cost and processing cost was carried out and showed the project NPV to be most sensitive to significant changes in sales price.
<i>Social</i>	<i>The status of agreements with key stakeholders and matters leading to social licence to operate</i>	Explaurum continues to negotiate a range of commitments with private landowners through the Land Access Agreement process. Further negotiation is required with the affected landowners, as well as regulatory approvals from the Shire Council and state authorities to enable project construction and complete the transition from exploration and development activities, to operational status. The Company has occupied the site for the last 6 years and engaged with the local community extensively over that period. The Narembeen community supports the mine development and the contribution it will make both economically and socially.
<i>Other</i>	<i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility Study. Highlight and discuss the materiality of any unresolved matter that is dependent on a</i>	There are no identified material naturally occurring risks affecting the project or the Ore Reserve estimate and classification. This Study has confined itself to determining the economic viability of developing the Tampia Gold Project, and its potential material impacts on the environment. The Company holds current Mining Leases over the resource area. Access to the site is subject to a Land Access Agreement with the immediate landowner. A new Agreement is required to enable construction of the project to proceed. Arranging finance to develop the project is required and will commence soon after completion of this Study. Tendering for suitable contractors to construct the process plant and associated infrastructure will commence on completion of this Study A range of governmental agreements and licences are required prior to the decision to commence construction

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	<i>third party on which extraction of the reserve is contingent.</i>	can be made, in particular the Mining Proposal and Mine Closure Plan. It is expected all necessary approvals and licences will be forthcoming when applied for progressively over the next phase of the project.
<i>Classification</i>	<i>The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>	The estimated Ore Reserve is based on the underlying Mineral Resource classification of Indicated and Inferred Mineral Resources. Consequently, the Ore Reserve estimate consists entirely of Probable Reserves in accordance with JORC Code (2012) guidelines. There are no Probable Ore Reserves derived from Measured Mineral Resources and no Inferred Mineral Resources are included in the Ore Reserve. The Competent Person is satisfied that the stated Ore Reserve classification reflects the outcome of technical and economic studies.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of Ore Reserve estimates.</i>	The Ore Reserve estimate was prepared by AMC based on inputs from a number of other independent consulting groups and EXU personnel. The estimate has subsequently been externally reviewed by CSA Global with no fatal flaws identified.
<i>Discussion of relative accuracy/confidence</i>	<i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any Modifying Factors that may have a material impact on the Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	The confidence in the Ore Reserve is reflected by the classifications shown above. The estimate is supported by a ±15% level of accuracy technical study.