

## DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

### *Successful drilling, geophysics and sampling confirms strong potential of Colson Cobalt-Copper Project, USA with outstanding new drill targets*

#### Highlights

- Outstanding results from Phase 2 of IP surveying confirm new priority drill targets at the Colson Cobalt-Copper Project
- Very strong 750m x 750m IP anomaly delineated at the Long Tom Prospect – coinciding with soil samples that returned assays up to 0.11% Co
- Several other strong IP anomalies delineated at the Long Tom Prospect – further confirming the high-potential of this area
- Permits to undertake first-ever drilling program at the Long Tom Prospect expected in Q1 2019 with drilling to commence immediately thereafter
- Additional encouraging assays returned from maiden 12-hole/4,953m diamond drilling program targeting immediate strike extensions of the historical high-grade Salmon Canyon Deposit, including:
  - 5.5m @ 0.20% Co and 0.69 g/t Au, including
    - 0.3m @ 1.26% Co, 0.17% Cu and 2.95 g/t Au and
    - 0.7m @ 0.49% Co and 0.30 g/t Au
  - 1.1m @ 0.18% Co, 1.43% Cu and 0.74 g/t Au
  - 1.6m @ 0.12% Co, 1.42% Cu and 0.77 g/t Au
  - 1.3m @ 0.15% Co, 1.18% Cu and 0.56 g/t Au
  - 1.3m @ 0.11% Co, 0.45% Cu and 0.24 g/t Au, and
  - 3.4m @ 0.04% Co, 1.51% Cu and 0.31 g/t Au
- Acquisition of 100% of the Salmon Canyon Deposit completed, with the Company now holding a 100%-interest in the entire Colson Project, which covers a total area of >6,500 acres.

#### Colson Cobalt-Copper Project, Idaho, USA

##### **Background**

In late 2017, New World Cobalt Limited (ASX:NWC; “the Company” or “New World”) secured an option to acquire a 100% interest in the historical high-grade Salmon Canyon Cobalt-Copper Deposit, one of the most advanced prospects within the Idaho Cobalt Belt – the most endowed high-grade cobalt district in the western world.

The Company believed that the mineralisation at the Salmon Canyon Deposit was likely to be part of a much larger mineralised system; and that the deposit and surrounding area was heavily underexplored, with virtually all previous efforts focused on the deposit itself and the last significant work undertaken in the 1970s.

**New World Cobalt Limited**  
ABN 23 108 456 444

ASX Code: NWC

#### Directors and Officers

Richard Hill – Chairman

Mike Haynes – Managing Director/CEO

Scott Mison – Non-Executive Director

Ian Cunningham – Company Secretary

#### Capital Structure

Shares: 551.5m

Share Price (31/1/19): \$0.017

#### Office Address

Suite 9, 5 Centro Ave.

Subiaco WA 6008

Australia

#### Contact Details

Phone: +61 8 9226 1356

Email:  
info@newworldcobalt.com

Website:  
www.newworldcobalt.com

#### Projects

- Colson Cobalt-Copper Project, Idaho, USA
- Goodsprings Copper-Cobalt Project, Nevada, USA
- Grapevine Cobalt-Nickel-Copper Project, Arizona, USA



Since securing the rights to the Salmon Canyon Deposit, New World has been implementing a multi-pronged exploration and development program comprising:

- (i) Drilling to test for the immediate extensions of the Salmon Canyon Deposit;
- (ii) Systematic soil sampling to identify potential extensions of the mineralised system;
- (iii) Strategic expansion of the project area; and
- (iv) Ground geophysics surveying over the most prospective parts of the project area to fast track identification of thicker and/or higher grade areas of mineralisation.

As positive results from exploration programs have been received, the project area, which initially comprised just 200 acres covering the Salmon Canyon Deposit, has been progressively expanded. In January 2019, the Company completed the acquisition of 100% of the Salmon Canyon Deposit, following which the Company now holds a 100% interest in more than 6,500 contiguous acres – covering more than 6km of prospective strike.

### ***Maiden Drilling Program***

In June 2018 the Company received all permits required to commence its maiden drilling program at the project. Drilling from four pads was permitted – allowing the Company to begin testing the potential strike extensions of the Salmon Canyon Deposit. A total of twelve diamond core holes were drilled during the 4,953m drilling program (see Figure 1).

During the quarter, the Company received assay results for the final eight holes drilled during the maiden program. Multiple horizons of high-grade mineralisation were intersected, with assay results returned during the quarter including:

- **5.5m @ 0.20% Co and 0.69 g/t Au, including**
  - **0.3m @ 1.26% Co, 0.17% Cu and 2.95 g/t Au; and**
  - **0.7m @ 0.49% Co and 0.30 g/t Au (COLDD1811)**
- **1.1m @ 0.18% Co, 1.43% Cu and 0.74 g/t Au (COLDD1810)**
- **1.6m @ 0.12% Co, 1.42% Cu and 0.77 g/t Au (COLDD1810)**
- **1.3m @ 0.15% Co, 1.18% Cu and 0.56 g/t Au (COLDD1806)**
- **1.3m @ 0.11% Co, 0.45% Cu and 0.24 g/t Au (COLDD1812); and**
- **3.4m @ 0.04% Co, 1.51% Cu and 0.31 g/t Au (COLDD1808)**

All of the holes drilled during this maiden program were located on the margins of strong induced polarisation (“IP”) anomalies that were delineated after the drilling program commenced (see below and Figures 2 and 3). As the initial permits allowed drilling from only four pads (as illustrated in Figure 1), drill-testing what are now known to be the strongest parts of the IP anomalies was not possible during this initial program.

Notwithstanding this, the Company is very encouraged that considerable high-grade cobalt-copper mineralisation has been intersected on the margins of these IP anomalies. This:

- (i) Validates that IP anomalies are arising from cobalt-copper mineralisation; and
- (ii) Increases the Company’s confidence that thicker and/or higher-grade mineralisation may be encountered when the stronger portions of the IP anomalies are tested in the next phase of drilling.

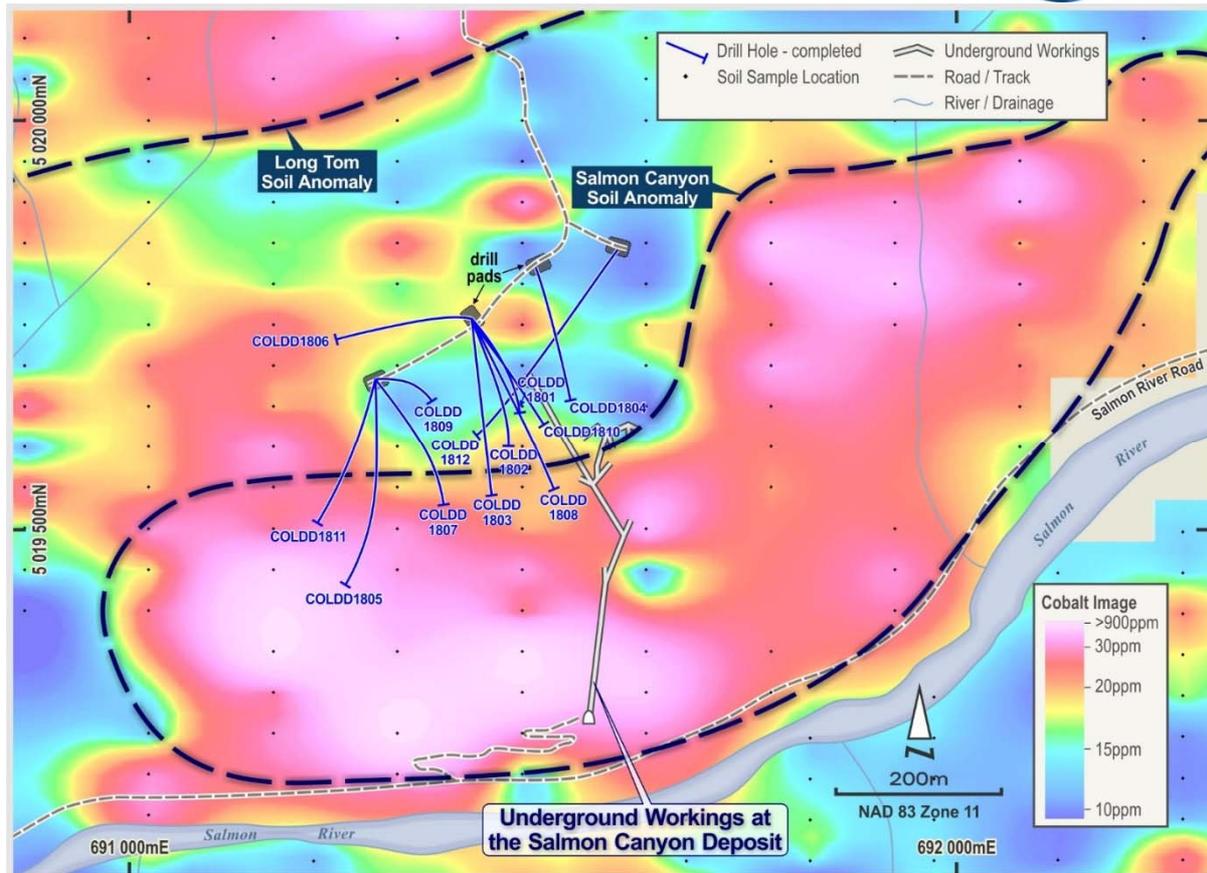


Figure 1. Location of holes drilled during the Company's maiden drilling program at the Colson Cobalt-Copper Project, relative to the historical underground workings at the Salmon Canyon Deposit and cobalt-in-soil geochemistry anomalism. Note that drilling from only four pads was permitted during this program (as illustrated).

### Soil Sampling

An initial program of soil sampling, implemented in March 2018, to help identify the potential up-dip extension of the Salmon Canyon Deposit, proved extremely effective. Accordingly three more phases of systematic soil sampling have since been undertaken. This has led to the delineation of several quality targets, with the highest priority of these being the Long Tom Prospect, located several kilometres northwest of the Salmon Canyon Deposit, where soil samples assaying up to 0.11% cobalt have been returned within a 2km-long anomalous corridor.

A fourth phase of soil sampling was undertaken during the December quarter. This comprised extending the soil sample coverage immediately north of the Long Tom Soil Anomaly (96 samples), together with some in-fill sampling within this anomaly itself, in order to better define drill targets (121 samples). Assay results are expected in February. These will be used to further refine plans for the Company's second drilling program.

### IP Surveying

Mineralisation at the Salmon Canyon Deposit comprises predominantly cobaltite and chalcopyrite – cobalt and copper sulphides. Such mineralisation was expected to give rise to anomalous IP responses, with stronger IP responses expected to arise from thicker and/or higher-grade mineralisation. Accordingly, an IP survey was completed in June/July 2018. This survey was extremely successful – indicating that the Salmon Canyon Deposit lies on the margins of a much stronger IP anomaly (the "Salmon Canyon IP Anomaly"). Additional drill pads are required to suitably drill test the stronger parts of this IP anomaly, so it will be targeted in the next phase of drilling (once new drill permits are approved).

In light of the success of the first IP survey, a second IP survey was completed during the December quarter. This 3-dimensional IP survey covered the very strong Long Tom Soil Anomaly – where very high-grade assays of up to

0.11% cobalt and 0.39% copper had been returned from surface soil sampling completed earlier in 2018 (refer NWC ASX Announcement dated 19 September 2018; see Figures 2 and 3).

Several very strong anomalies have been delineated in the Phase 2 IP data, including:

- (i) A 750m x 750m anomaly that partially coincides with the Long Tom Soil Anomaly (see Figures 2 and 3). The strongest portion of the source of this “Long Tom IP Anomaly” is modelled to lie within about 250m of surface (see Figure 4; shallowest around 5,019,800N); and
- (ii) A shallower, smaller, strong “Shallow Long Tom IP Anomaly” that coincides with the strongest surface geochemistry assays (1,095 ppm Co and 724 ppm Co). This anomaly is modelled to lie within about 100m of surface and may be a shallow extension of the deeper Long Tom IP Anomaly (see Figures 2-4).

Both these anomalies will be targeted during the Company’s next drilling program.

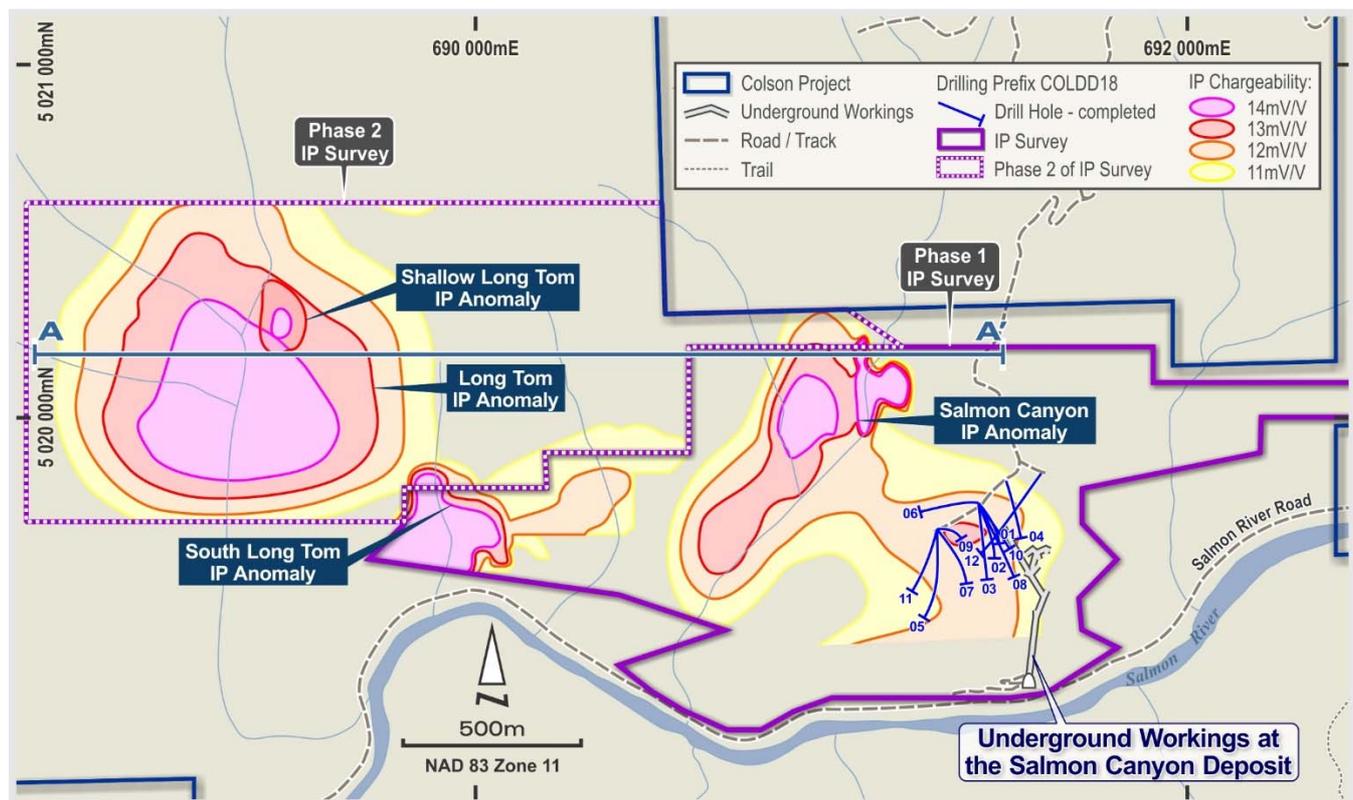


Figure 2. IP anomalies at the Colson Cobalt-Copper Project, relative to the historical underground workings at the Salmon Canyon Deposit and the traces of diamond core holes drilled during 2018 (illustrating the location of Cross Section 5,020,200N presented in Figure 4).

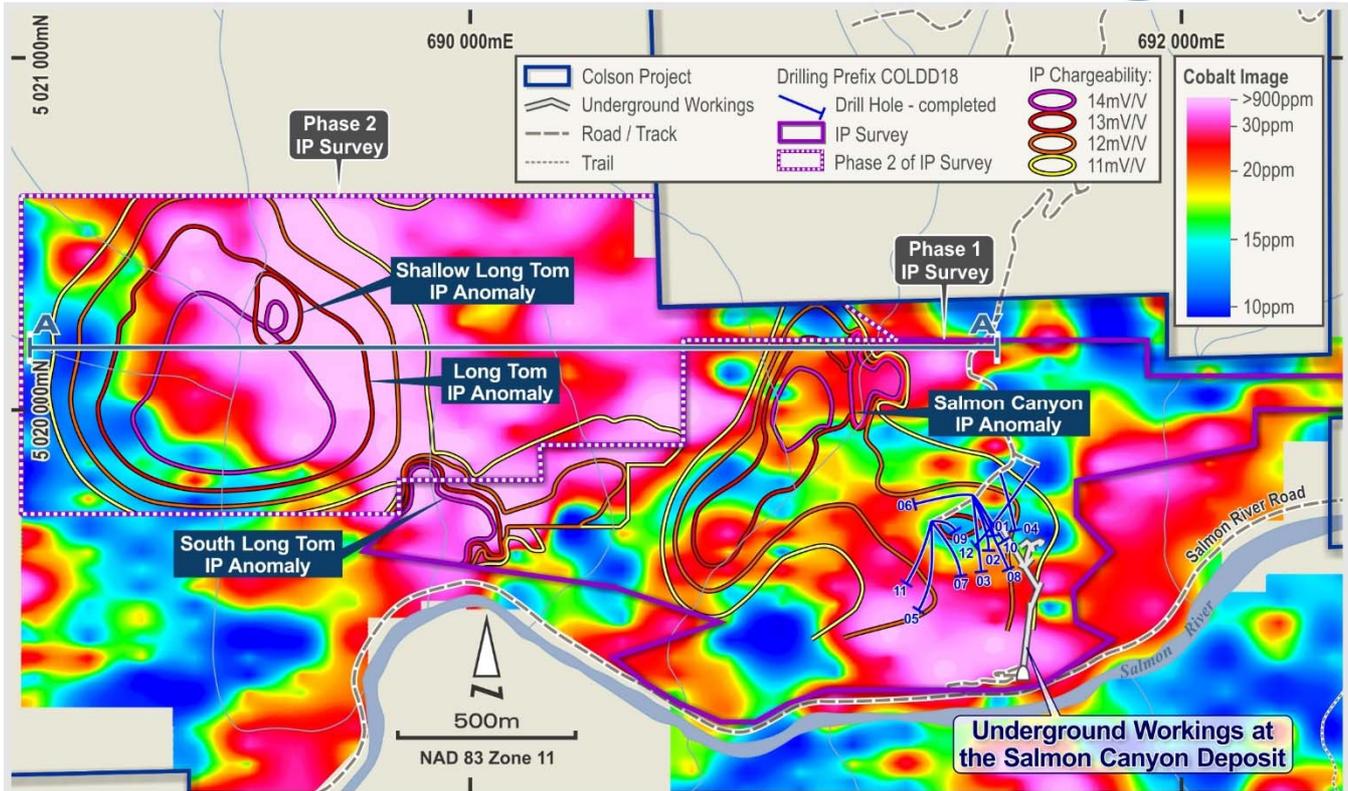


Figure 3. IP anomalies at the Colson Cobalt-Copper Project, relative to cobalt in soil geochemistry anomalism (illustrating the location of Cross Section 5,020,200N presented in Figure 4).

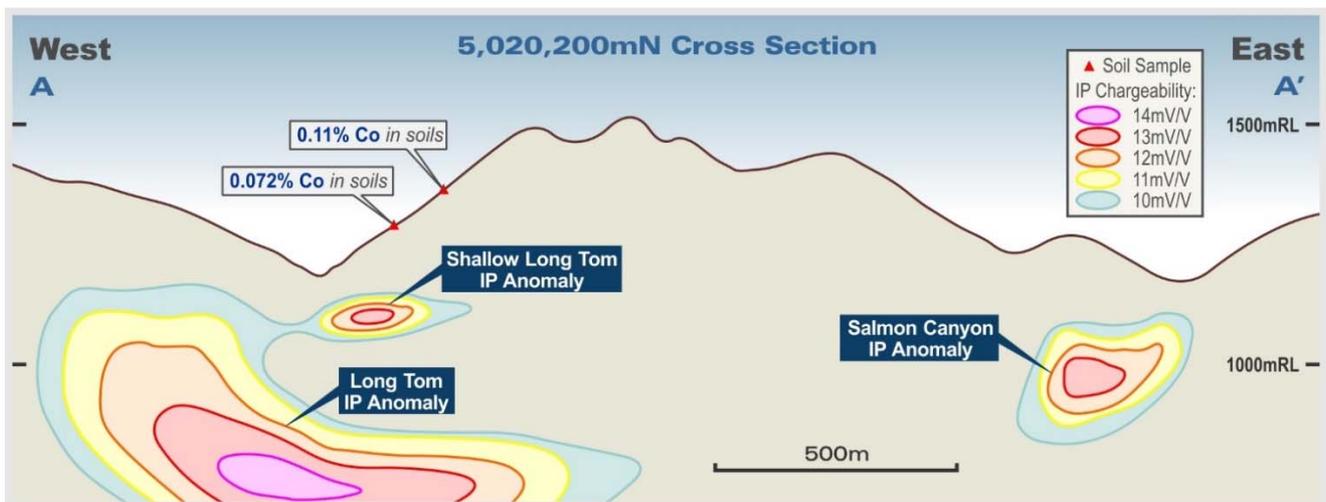


Figure 4. Cross-section 5,020,200N showing the Long Tom, Shallow Long Tom and Salmon Canyon IP anomalies at the Colson Cobalt-Copper Project.

Data collected during the second phase of IP surveying has also confirmed and refined the location of the undrilled Salmon Canyon IP Anomaly (see Figures 2-4). This is a very strong IP anomaly located in a very prospective position – immediately along strike from the Salmon Canyon Deposit. It will also be targeted during the Company’s next drilling program.

**Application for Permit to Undertake a Second Drilling Program**

An application for a permit that will allow the Company to drill-test the recently defined strong IP anomalies and the Long Tom soil geochemistry anomaly was submitted to regulatory authorities in September 2018. Approval is expected during the first quarter of 2019. A second phase drilling program is expected to follow immediately thereafter.

### ***Completion of the Acquisition of 100% of the Salmon Canyon Deposit***

Since September 2017 the Company has held an option to acquire a 100% interest in 10 Federal mining claims that encompass the Salmon Canyon Deposit (covering 200 acres in the central portion of the Colson Cobalt-Copper Project).

A final payment of US\$50,000 cash and US\$250,000 of NWC shares was made on 25 January 2019 to complete the acquisition of these mineral rights. The Company now holds a 100% interest in the entire Colson Cobalt-Copper Project, which covers more than 6,500 contiguous acres – extending over more than 6km of prospective strike.

### ***Future Work Program***

Going forward, the Company intends continuing its multi-pronged approach, including:

- (i) In the near-term, once drill permits are approved, undertaking the first ever drill testing of the very high-priority Long Tom and Salmon Canyon IP anomalies (permit approval is expected during the current quarter). These are stronger IP anomalies than those evident over the Salmon Canyon Deposit itself, hence thicker and/or higher grade mineralisation is postulated;
- (ii) Undertaking further drilling to follow up the extensions of the mineralisation at the Salmon Canyon Deposit; and
- (iii) Continuing to undertake further soil and IP surveys – as these have proven to be extremely effective in identifying additional mineralisation within the project area.

### **Elkhorn Creek Project, Idaho**

During the quarter, the Company received assay results from its initial reconnaissance exploration program at the Elkhorn Creek Project, located approximately 9km south-east of the Company's Colson Cobalt-Copper Project (see Figure 5).

Significant Co-Cu-As-Ag anomalism is evident in assays returned from the Company's initial limited program of soil and rock chip sampling.

Further work is being planned for the 2019 field season.

### **Badger Basin Project, Idaho**

During the quarter, the Company received assay results from the soil sampling program it completed in late 2018 at Badger Basin. 165 soil samples were collected on a systematic grid that covered the project.

Moderate cobalt and copper anomalism is evident (maximum 35ppm Co and 256ppm Cu). Further evaluation of anomalous areas will be undertaken during the 2019 field season.

### **Iron Dyke Project, Idaho**

During the quarter, the Company received assay results for the 13 rock samples it collected during initial reconnaissance at the Iron Dyke Project in late 2018. Six of these samples assayed >1.0% Cu, with results to 38.7% Cu (other assays included 20.6% Cu, 9.99% Cu, 8.52% Cu, 3.96% Cu and 1.17% Cu).

The maximum cobalt assay returned was 0.22% Co (this sample assayed 1.17% Cu, 0.17% Ni and 1.1% Pb). Another sample assayed 0.11% Co, 8.5% Cu, 5.3 g/t Ag and 0.2% Zn.

Further work is being planned for the 2019 field season.

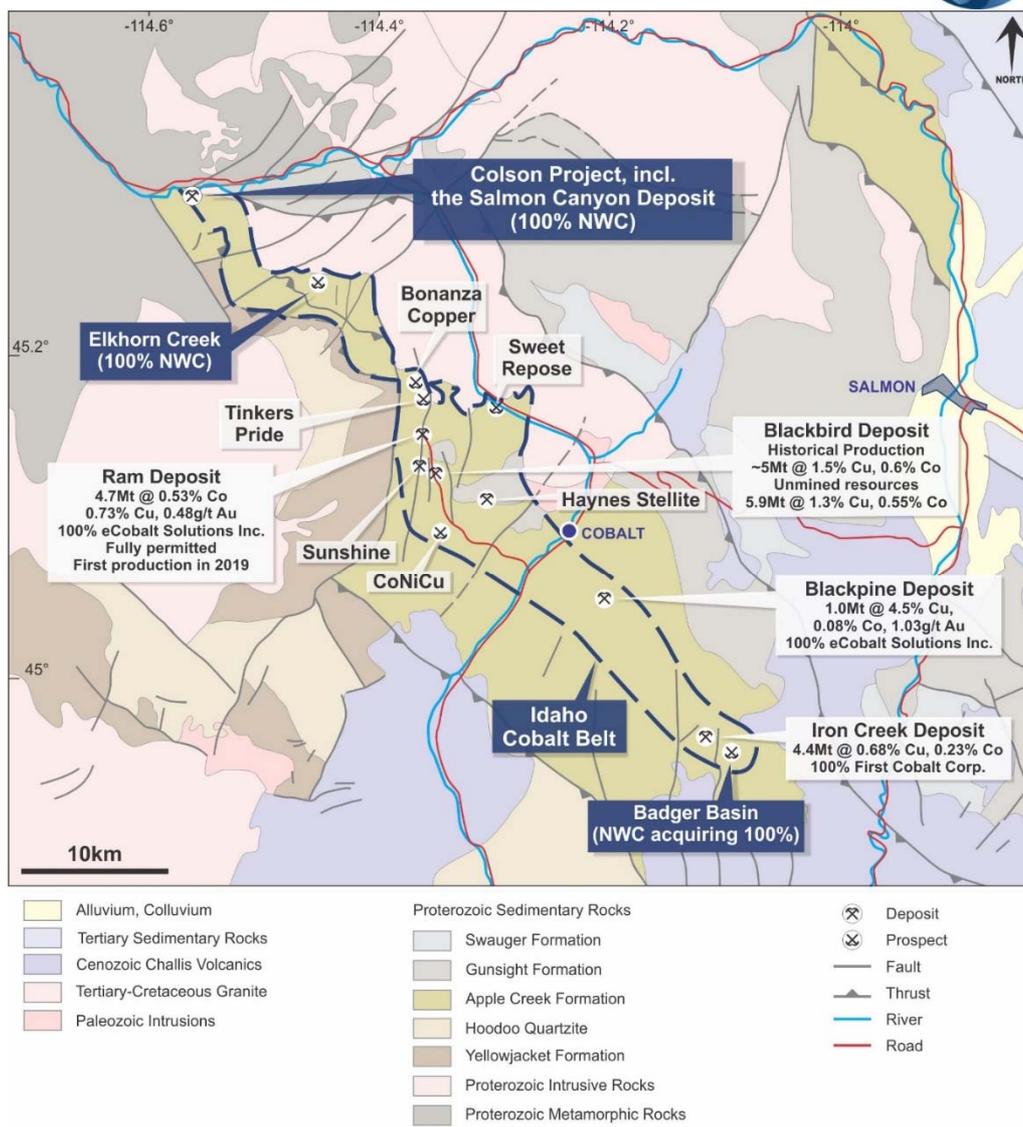


Figure 5. Geology of the Idaho Cobalt Belt, USA, including the location of New World Cobalt's projects.

### Goodsprings Copper-Cobalt Project, Nevada

During the quarter, the Company completed further mapping at the Columbia Prospect to refine plans for its maiden drilling program at the Goodsprings Project. The Company now intends submitting a drill permit application during the current quarter.

### Grapevine Cobalt-Nickel-Copper Project, Arizona

During the December quarter, 204 soil samples were collected over the main corridor of historical workings at the Grapevine Project. Maximum assays returned were 42ppm Co, 516ppm Cu and 38ppm Ni. Further work may be undertaken during 2019 within other parts of the project area, where the Company returned anomalous stream sediment samples prior to staking its claims in 2018.

### Hazelton Cobalt-Copper-Gold-Project, British Columbia

During the quarter the Company relinquished its rights to the Hazelton Project.

### **West Kimberley Project, Western Australia**

During the quarter, the Company entered into an agreement whereby Buxton Resources Limited (“Buxton”) will acquire 100% of the Company’s interest in the West Kimberley Project (“WK Project”).

Consideration payable to New World comprises:

- (i) The issue of 1,333,333 fully paid ordinary shares in the capital of the Buxton (“Shares”);
- (ii) Within 5 days of Buxton announcing it has intersected in drilling on the WK Project, on a grade-thickness basis,  $\geq 20\%$  Ni equivalent, providing the grade of the mineralisation intersected is  $\geq 1.5\%$  Ni equivalent (e.g.  $\geq 10\text{m}$  @  $2.0\%$  Ni, or  $\geq 13.33\text{m}$  @  $1.5\%$  Ni), the issue of an additional number of Shares equal to \$250,000;
- (iii) Within 5 days of Buxton announcing that it has a JORC compliant resource (inferred, indicated and/or measured; of any size and/or grade; for any commodity) within the WK Project, the issue of an additional number of Shares equal to \$250,000; and
- (iv) Within 5 days of Buxton announcing that it has a JORC compliant resource that exceeds 15,000 tonnes of contained nickel equivalent within the WK Project, the issue of additional Shares equal to \$500,000.

### **Corporate**

At 31 December 2018 the Company held approximately \$1.07 million cash at bank.

For further information please contact:

**Mike Haynes**  
**Managing Director/CEO**  
**New World Cobalt Limited**  
**Phone: +61 419 961 895**  
**Email: [mhaynes@newworldcobalt.com](mailto:mhaynes@newworldcobalt.com)**

**Media Inquiries:**  
**Nicholas Read – Read Corporate**  
**Phone: +61 419 929 046**  
**Email: [nicholas@readcorporate.com.au](mailto:nicholas@readcorporate.com.au)**

### **Qualified and Competent Person**

The information in this report that relates to exploration results is based on information compiled by Mr Ben Vallerine, who is a consultant to, and shareholder of, the Company. Mr Vallerine is a Member of the Australian Institute of Geoscientists. Mr Vallerine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results (JORC Code). Mr Vallerine consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

### **Previously Reported Results**

There is information in this report relating to exploration results which were previously announced on 7 February, 22 March, 6 April, 23 May, 30 July, 5 September, 19 September 2018, 20 December 2018 and 23 January 2019. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

### **Forward Looking Statements**

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, New World Cobalt does not intend, and does not assume any obligation, to update this forward-looking information.

**Appendix 1 - Tenement Schedule**

Tenement	Project	Location	Ownership	Change in Quarter
<b>USA</b>				
<b>Idaho</b>				
10 x BLM claims: Jeep #1 – Jeep #10	Colson Cobalt-Copper Project	Idaho, USA	Right to acquire 100% from the Salmon Canyon Copper Company	Nil
46 x BLM claims: Codaho 1 – Codaho 46	Colson Cobalt-Copper Project	Idaho, USA	100% interest	Nil
96 x BLM claims: Codaho 47 – Codaho 142	Colson Cobalt-Copper Project	Idaho, USA	100% interest	Nil
169 x BLM claims: Codaho 143 – Codaho 242 Codaho 244 – Codaho 312	Colson Cobalt-Copper Project	Idaho, USA	100% interest	Nil
24 x BLM claims: Codaho 313 – Codaho 336	Colson Cobalt-Copper Project	Idaho, USA	100% interest	Acquired
19 x BLM claims: Elk 2 – Elk 7, Elk 11 – Elk 19 Elk 26 – Elk 29	Elkhorn Project	Idaho, USA	100% interest	Nil
9 x BLM claims: Elk 8 – 10 Elk 20 – 25	Elkhorn Project	Idaho, USA	100% interest	Nil
60 x BLM claims Grizzly 1 – Grizzly 60	Iron Dyke Project	Idaho, USA	100% interest	Nil
20 BLM claims Badger 1 – Badger 20	Badger Basin Project	Idaho, USA	Option to acquire 100% interest	Acquired
<b>Nevada</b>				
165 x BLM claims: GS 1 – GS 9, GS 16 – GS 25, GS 29 – GS 46, GS 53 – GS 57, GS 62 – GS 64, GS66 – GS89, GS 92 – GS 138, GS 151 - GS160, GS 167 – GS 185, GS 197 – GS 199, GS 214 – GS 230	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest	Nil
6 x Patented Mineral Claims: Columbia St Anthony St Patrick Commercial Frederickson Dividend	Goodsprings Copper-Cobalt Project	Nevada, USA	Granted lease to explore for and process 100% of specific minerals	Nil

Tenement	Project	Location	Ownership	Change in Quarter
<b>Nevada (cont.)</b>				
211 x BLM claims: GS 231 – GS 236, GS 243 – GS 274, GS 279 – GS 295, GS 303 – GS 316, GS 328 – GS 336, GS 345 – GS 354, GS 358 – GS 363, GS 390 – GS 397, GS 399, GS 401, GS 403 – GS 413, GS 416 – GS 431, GS 433, GS 435, GS 437, GS 439 – GS 446, GS 448 – GS 452, GS 454 – GS 468, GS 472 – GS 481, GS 503 – GS 515, GS 522 – GS 529, GS 532 – GS 533, GS 563 – GS 577	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest	Nil
38 x BLM claims: GS 603 – GS 615 GS 617 – GS 627 GS 633, GS 638, GS 640, GS 642, GS 644, GS 646, GS 648, GS 650, GS 652, GS 671 – GS 675	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest	Nil
<b>Arizona</b>				
40 x BLM claims: GC 1 – GC 40	Grapevine Cobalt-Nickel-Copper Project	Arizona, USA	Right to acquire 100% from the Grapevine Resources LLC	Nil
104 x BLM claims: GC 41 – GC 54 GC 63 – GC 72 GC 81 – GC 118 GC 159 – GC168 GC 223 – GC 254	Grapevine Cobalt-Nickel-Copper Project	Arizona, USA	100% interest	Nil
44 x BLM claims: GC 255 – GC 283 GC 192 – GC 198 GC 200 GC 202 – GC 208	Grapevine Cobalt-Nickel-Copper Project	Arizona, USA	100% interest	Nil

Tenement	Project	Location	Ownership	Change in Quarter
<b>Ireland</b>				
6 x Prospecting Licences for areas 184 580-581, 666-667, 3634	Longford Zinc	County Longford, Ireland	100% interest	Nil

#### Mining Tenements Disposed during the Quarter

Tenement	Project	Location	Change in Quarter
<b>Canada</b>			
2 x Mining claims: 510469, 856170	Hazelton Cobalt-Copper-Gold Project	British Columbia, Canada	Relinquished right to earn a 60% interest
<b>Australia</b>			
E04/2423, E04/1972 and E04/2314	Western Kimberley	Kimberley, WA	Entered into sale agreement to dispose of all of its tenement interests, subject to conditions

**APPENDIX 2 –**

**JORC CODE 2012 EDITION, TABLE 1 REPORT**

**JORC Code, 2012 Edition – Table 1**

**Section 1: Sampling Techniques and Data**

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none"><li>• 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 downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li><li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li><li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li><li>• In cases where ‘industry standard’ work has been done, this would be relatively simple (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</li></ul>	<ul style="list-style-type: none"><li>• Soil samples were collected by experienced personnel at approximately 50m intervals on lines spaced approximately 200m apart. Approximately 0.5kg of soil was collected at each sample location, hand-sorting the sample onsite to ensure large fragments weren’t sent to the laboratory. The entire sample was sent to the laboratory for further screening and assay.</li><li>• Rock samples were deliberately selected from areas that appeared to be altered and/or mineralised.</li></ul>

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	<ul style="list-style-type: none"> <li>• 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.).</li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results are being reported.</li> </ul>
Drill Sample Recovery	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material</li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results are being reported.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged</li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results are being reported.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Sub-Sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Whole soil and rock samples were sent to the laboratory for analysis.</li> <li>• Blanks, duplicates and standards are included in every 20 samples submitted to the laboratory for analysis.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established</li> </ul>	<ul style="list-style-type: none"> <li>• Soil and rock samples were dried and screened to -80# (180 microns). They were then assayed for multi-elements using ALS Global's ME-MS61 methodology. This is considered appropriate for this stage of exploration and targeted style of mineralisation. Blanks, standards and duplicate samples were assayed during this program.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data</li> </ul>	<ul style="list-style-type: none"> <li>• More credence is placed on clusters of anomalous samples, with further preference afforded to such clusters that demonstrate anomalism across multiple key indicator elements.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Soil and rock sample locations were determined with hand-held GPS utilising the UTM NAD 83 datum and projection.</li> </ul>
Data Spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were collected at approximately 50m intervals on lines spaced approximately 200m apart. This spacing is considered suitable for first-pass sampling. More credence is placed on clusters of anomalous soil samples, with further preference afforded to such clusters that demonstrate anomalism across multiple key indicator elements (as opposed to single point anomalies).</li> <li>• Rock samples were deliberately selected from areas that appeared to be altered and/or mineralised.</li> </ul>

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were collected on lines oriented perpendicular to the strike of local geology, hence the orientation is considered appropriate to detect significant anomalies.</li> <li>• Rock samples were deliberately selected from areas that appeared to be altered and/or mineralised.</li> </ul>
Sample Security	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security</li> </ul>	<ul style="list-style-type: none"> <li>• Soil and rock samples were placed in individual bags as they were collected and the bags were immediately tied closed to ensure there was no contamination of samples.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data</li> </ul>	<ul style="list-style-type: none"> <li>• Not undertaken. Follow-up sampling and mapping within anomalous areas will now be undertaken.</li> </ul>

## Section 2: Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section)

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• The Elkhorn Project comprises 28 US Federal Mining Claims covering approximately 560 acres, in which the Company holds a 100% interest.</li> <li>• The Badger Basin Project comprises 20 US Federal Mining Claims covering approximately 400 acres, in which the Company holds an option to acquire a 100% interest.</li> <li>• The Iron Dyke Project comprises 60 US Federal Mining Claims covering approximately 1,200 acres, in which the Company holds a 100% interest.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> <li>• Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited exploration was undertaken at the Elkhorn Project by Noranda in the early 1980s.</li> <li>• The Company is not aware of any previous exploration activities at the Badger Basin Project.</li> <li>• Historical small-scale mining is evident at multiple locations within the Iron Dyke Project. But the Company is not aware that any modern exploration has been undertaken at the project previously.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation</li> </ul>	<ul style="list-style-type: none"> <li>• The Company is exploring for stratabound sediment-hosted copper-cobalt-gold-silver mineralisation.</li> </ul>
Drillhole Information	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> <li>• easting and northing of the drillhole collar</li> <li>• elevation or RL (Reduced Level elevation above sea level in metres) of the drillhole collar</li> <li>• dip and azimuth of the hole</li> <li>• downhole length and interception depth</li> <li>• hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case</li> </ul>	<ul style="list-style-type: none"> <li>• The Company is not aware that any drilling has been undertaken previously at the Elkhorn, Badger Basin or Iron Dyke Projects.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has previously released to the ASX summaries of all material information in its possession relating to the Elkhorn, Badger Basin and Iron Dyke Projects.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</li> <li>• If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results are being reported.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views</li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results are being reported.</li> </ul>

Criteria	JORC Code Explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results</li> </ul>	<ul style="list-style-type: none"> <li>The Company has previously released to the ASX summaries of all material information in its possession relating to the Elkhorn, Badger Basin and Iron Dyke Projects.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to) geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Other than the summaries of previous work undertaken at the Elkhorn, Badger Basin and Iron Dyke Projects reported to the ASX previously by the Company on 31 October 2018, no other exploration data is available from these areas at this time.</li> </ul>
Further Work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work programs are yet to be determined.</li> </ul>