PATERSON
RESOURCES LIMITED

ACN 115 593 005

PROSPECTUS

This Prospectus is primarily being issued for a non-renounceable pro rata offer to Eligible Shareholders of one new Share for every Share held on the Record Date, at an issue price of $0.001 each, to raise up to approximately $1.93 million (**Entitlement Offer**).

This Prospectus is also being issued for the:

- Shortfall Offer;
- Noteholder Offer;
- purposes of 708A(11) of the Corporations Act, to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date of the Offers; and
- purposes of satisfying the conditions to reinstatement to Official Quotation of the Shares imposed by ASX.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Shares.

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IMPORTANT NOTICES

Prospectus

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry date

This Prospectus expires at 5:00pm (WST) on the date which is 13 months after the Prospectus Date and no Shares will be issued on the basis of this Prospectus after this expiry date.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Speculative investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the Company's Shares.

Copies of the Prospectus and Application Forms

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the relevant Application Form (free of charge) from the offices of the Company before the Closing Date by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

The Offers constituted by this Prospectus are only available to persons receiving this Prospectus and an Application Form within Australia, or, subject to the provisions outlined in Section 1.17, certain investors located in New Zealand and the United Kingdom.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offers should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Foreign investors

No action has been taken to register or qualify the Shares the subject of this Prospectus or the Offers, or otherwise to permit the Entitlement Offering of the Company's Shares, in any jurisdiction outside Australia. Subject to the provisions outlined in Section 1.17, certain persons resident in New Zealand and the United Kingdom are eligible to participate in the Offers. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties will collect, hold and use that information to assess your Application, service your needs as a security holder and to facilitate distribution payments and corporate communications to you as a security holder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your Application and complying with applicable law, the Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any applicable regulatory authority.

If you do not provide the information required in the relevant Application Form, the Company may not be able to accept or process your Application.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of security holders, including bidders for your securities in the context of takeovers, regulatory authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the Prospectus Date, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory of this Prospectus. A fee may be charged for access.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "$" or "A$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 13.

CORPORATE DIRECTORY

Directors

Nick Johansen	Non-Executive Chairman
Brian Thomas	Non-Executive Director
Matthew Bull	Non-Executive Director

Company Secretary

Sarah Smith

Registered Office

Suite 2, 1 Altona Street
West Perth WA 6005

Phone: +61 8 6559 1792
Email: info@patersonresources.com.au
Website: www.patersonresources.com.au

ASX Code: PSL

Share Registry[1]

Computershare Investor Services Pty Limited
172 St Georges Terrace
Perth WA 6000

Lead Manager

Baker Young Stockbrokers
Level 6, 121 King William Street
Adelaide SA 5000

Lawyers

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Auditor

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

[1] This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

LETTER FROM THE CHAIRMAN

Dear Shareholder

Entitlement Offer

On behalf of the Company's Directors, it is my pleasure to invite you to participate in a non-renounceable pro-rata 1-for-1 Entitlement Offer at an issue price of $0.001 per new Share to raise up to approximately $1.93 million.

The number of new Shares you are entitled to subscribe for under the Entitlement Offer is set out in your personalised Application Form that is attached to this Prospectus. If you take up your full Entitlement, you can also apply for additional new Shares under the Shortfall Offer. The issue of Shares under the Shortfall Offer will be subject to the allocation policy described in Section 1.2.

The Entitlement Offer is non-renounceable. Your Entitlement is therefore not transferable on ASX or otherwise.

Use of funds

Funds raised under the Offers are intended to be used as follows:

- exploration activities on the Company's Grace Gold-Copper Project;
- exploration activities on the Company's Pilbara and Murchison Western Australian Gold and Base Metal Projects;
- exploration activities on the Burraga Copper-Gold Project in New South Wales;
- interest payments on Convertible Notes;
- costs of the Offers; and
- corporate administration and general working capital and management expenses.

Prospectus

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 4).

I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and if required, consult with your stockbroker, solicitor, accountant or other independent professional advisor.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

Mr Nick Johansen
Non-Executive Chairman
Paterson Resources Limited

KEY OFFER DATES

Indicative timetable	
Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX	22 May 2020
Ex date	26 May 2020
Record Date for determining Entitlements	27 May 2020
Prospectus and Application Form dispatched to Eligible Shareholders Opening Date	1 June 2020
Last day to extend Closing Date	5 June 2020
Closing Date (5pm WST)*	11 June 2020
Announcement of results of Entitlement Offer	16 June 2020
Issue date of new Shares Lodgement of Appendix 2A with ASX	18 June 2020

Dates may change

The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date without prior notice, which may have a consequential effect on the other dates.

The date for reinstatement of the Company's Shares to Official Quotation is dependent on, amongst other things, ASX approval, which is largely outside of the control of the Company. The date for reinstatement of the Company's Shares to Official Quotation is also dependent on the timing of the issue of the Shortfall Shares.

The Company also reserves the right not to proceed with any or all of the Offers at any time before the issue of Shares to Applicants. If an Offer is cancelled or withdrawn before settlement, all Application Monies provided under that Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

KEY STATISTICS OF THE OFFERS

Key details of the Offers	
Entitlement Offer (and Shortfall Offer)	
Securities offered	Shares
Offer ratio	1 for 1
Offer price per Share	$0.001
Maximum number of Shares to be issued	1,930,248,656
Maximum amount to be raised (before costs)	$1,930,249
Noteholder Offer	
Securities offered	Shares
Conversion price per Share	$0.001
Maximum number of Shares to be issued	150,000,000
Maximum value of Convertible Notes to be converted	$150,000
Amount to be raised	Nil

Capital structure	
Securities currently on issue	
Shares[1]	1,930,248,656
Options[2]	48,926,578
Convertible Notes[3]	150,000
Maximum Securities on issue on completion of the Offers	
Shares[1]	4,010,497,312
Options[2]	48,926,578
Convertible Notes[3]	Nil

Notes:

1. The figures shown above assume the Offers are fully subscribed, that no Options are exercised and that all Convertible Notes are converted under the Noteholder Offer.
2. Refer to Section 7.1 for a summary of the terms and conditions of the Shares.
3. Refer to Section 7.2 for a summary of the terms and conditions of the Options.
4. Refer to Section 7.3 for a summary of the terms and conditions of the Convertible Notes.
5. The Company has agreed to issue 20,000,000 Options to the Lead Manager for partial consideration of its services in connection with the Offers, subject to the receipt of prior Shareholder approval. Refer to Section 5.3 for additional information.

INVESTMENT OVERVIEW

The information below is a selective overview only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in the Shares the subject of the Offers.

Topic	Summary	More Information
A. Company and business overview		
Who is the issuer of this Prospectus?	Paterson Resources Limited (ACN 115 593 005) (**Company**), a company incorporated in, and registered under the laws of Western Australia.	Section 3.1
What is the Company's business?	The Company is a mineral exploration company with interests in Australia.	Section 3.1
What are the Company's projects?	The Company currently holds the following projects: • Grace Gold-Copper Project - Paterson Range, Western Australia • Pilbara Gold Exploration Projects - Pilbara, Western Australia • Horseshoe South Base Metal Project - Murchison Western Australia • Burraga Copper-Gold Project - Lachlan Fold Belt, New South Wales	Sections 3.2 and 11
Does the Company's project have any defined resources?	The Company has declared Mineral Resource estimates for the Grace Gold-Copper Project and the Burraga Copper-Gold Project. The Pilbara Gold Exploration Projects and Horseshoe South Base Metal Project remain in the exploration phase and have not yet declared Mineral Resource estimates.	Sections 3.2 and 11
What jurisdictions does the Company operate in?	The Company's corporate and operational activities are all within Australia. The Company's projects are currently located in Western Australia and New South Wales.	Sections 3 and 11
What is the Company's financial position?	Section 8 contains historical financial information regarding the Company and a pro forma balance sheet of the Company following completion of the Offers. Section 9 contains an Independent Limited Assurance Report.	Sections 8 and 9
Why is the Company seeking to raise funds?	The Company is seeking to raise funds in order to: • undertake exploration activities on its existing projects; • fund its corporate, management and working capital expenses; and • satisfy ASX that the Company's financial condition is	Section 1.5

Topic	Summary	More Information
	adequate to warrant the quotation of its Shares and its continued listing. The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.	
C. Key risks		
Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in Section 4 and other risks applicable to all securities, may affect the value of the Company's Shares in the future. Accordingly an investment in the Company should be considered highly speculative. This overview summarises only some of the risks that apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.		
Future funding	The Company anticipates that the funds raised by the Offers will provide the required working capital until the quarter ended 31 December 2020. Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.	Section 4.1(a)
Suspension	The Company's Shares have been suspended from Official Quotation on ASX since 10 September 2018. The Company anticipates that the successful completion of the Offers and satisfaction of the conditions precedent summarised in Section 7.4 will satisfy ASX that the Company's position warrants the reinstatement of its Shares to Official Quotation. However, the Company cautions that there can be no certainty that ASX will permit the reinstatement of the Shares to official quotation on completion of the Offers. In accordance with ASX policy, the Company will be removed from the Official List if its Shares are not reinstated to Official Quotation by 10 September 2020. There are limited circumstances in which a three month extension to this deadline may be provided, as described in ASX Guidance Note 33.	Section 4.1(b)
Legacy risks	The Company's records are incomplete for the period prior to the appointment of its interim Board on 15 March 2019. There is a risk that previous actions unknown to the present Board may adversely affect the Company's operations and financial position, or lead to litigation. There are also risks in respect of potential claims by or in relation to former Directors.	Section 4.1(c)
COVID-19 risk	The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Share price may be adversely affected by the economic uncertainty caused by COVID-	Section 4.1(d)

Topic	Summary	More Information
	19. Further, measures to limit the transmission of the virus implemented by the Australian Government (including travel bans and quarantining) may adversely impact the Company's operations, and are already impacting the ability of the Company to undertake exploration activities.	
Exploration risks	While more extensive exploration activities have been conducted over the Grace Gold-Copper Project and the Burraga Copper-Gold Project, resulting in the declaration of Mineral Resource estimates, further exploration is required in respect of these projects. Further, insufficient exploration activities have been completed in respect of the Pilbara Gold Projects and the Horseshoe South Project in order to declare a Mineral Resource estimate. Whilst the Company is of the view that the exploration activities on its projects to date has yielded results that justify further exploration, the Company is subject to exploration risk. Mineral exploration is a high-risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit.	Section 4.2(a)
Resource estimation risks	The Company has previously announced Mineral Resource estimates, which are also summarised in Section 11. Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code to reduce the estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, Mineral Resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.	Section 4.2(b)
Development risk	Future development of a mining operation is dependent on many factors and risks outside of the Company's control which may disrupt the Company's proposed operations and result in increased costs. There can be no assurance that the Company will achieve commercial viability through the development or mining of its projects.	Section 4.2(h)
General market risks	The Company is exposed to general market and economic condition risks including adverse changes in	Section 4.3

Topic	Summary	More Information
	levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.	
D. Overview of the Prospectus and the Offers		
Form of Prospectus	The Company is a ‘disclosing entity’ (as defined in section 111AC of the Corporations Act) and as such could issue a shorter-form ‘transaction specific prospectus’ in accordance with section 713 of the Corporations Act. However, ASX has required the Company to issue a 'full-form prospectus' as a condition to its reinstatement to Official Quotation. Accordingly, this Prospectus has been prepared in accordance with the disclosure requirements of section 710 of the Corporations Act.	Section 7.12
Entitlement Offer	This Prospectus primarily is for a non-renounceable entitlement issue of one new Share for every Share held by Eligible Shareholders on the Record Date at an issue price of $0.001 per new Share to raise up to approximately $1.93 million (before costs).	Section 1.1
Can I participate in the Entitlement Offer?	The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who: • are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or, subject to the offer restrictions in Section 1.17, New Zealand and the United Kingdom.	Section 2.6
Can I apply for Shortfall Shares?	Eligible Shareholders who apply for all of their Entitlement are may also apply for Shortfall Shares. Applications for Shortfall Shares by Eligible Shareholders must be received by the Closing Date. The allocation policy for the Shortfall Offer is outlined in Section 1.2. There is no guarantee that Eligible Shareholders will receive new Shares applied for under the Shortfall Offer. Any Shortfall Shares not subscribed for by Eligible Shareholders by the Closing Date may be placed by the Directors at their discretion during the three month period following the Closing Date, in accordance with the allocation policy described in Section 1.2.	Section 1.2
Are the Offers underwritten?	The Offers are not underwritten.	Section 1.2
What is the effect of the Offers on control of the	The Offers are not expected to give rise to control implications for the Company. Shareholders should note that if they do not participate in	Section 1.10

Topic	Summary	More Information
Company?	the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.10(b).	
Indicative capital structure and pro forma balance sheet	The indicative capital structure on completion of the Offers is in Section 1.7. The indicative pro forma balance sheet showing the effect of the Offers is in Section 8.5.	Sections 1.7 and 8.5
What rights and liabilities attach to the Shares?	A description of the Company's Shares, including the rights and liabilities attaching to them, is in Section 7.1.	Section 7.1
Will the Shares be quoted on ASX?	The Company will apply to ASX within seven days of the Prospectus Date for official quotation of the new Shares.	Section 1.15
What is the Entitlement Offer period?	An indicative timetable for the Offers is set in the "Key Offer Dates" section of this Prospectus.	Page vii
What is the Noteholder Offer?	The Company is undertaking the Noteholder Offer under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Shares issued under the Noteholder Offer.	Section 1.3
Who are the advisors to the Offers	• HWL Ebsworth is the Australian legal advisor to the Company. • RSM Corporate Australia is the Investigating Accountant to the Offers. • Baker Young is the Lead Manager to the Offers. Refer to Section 7.10 for details regarding fees payable.	Sections 7.10, 7.14 and 7.15
E. Directors and related party interests and substantial holders		
Who are the Directors?	The Directors are: • Nick Johansen (Non-Executive Chairman); • Brian Thomas (Non-Executive Director); and • Matthew Bull (Non-Executive Director).	Section 6.1
What benefits are being paid to Directors?	Each of the Directors are entitled to be paid fees of $5,000 per month pursuant to letters of appointment entered into with the Company.	Sections 5.4 and 7.7

Topic	Summary	More Information
What interests do Directors have in the Securities of the Company?	As at the Prospectus Date, the Directors do not hold any Shares or Options. Nick Johansen holds 100,000 Convertible Notes, which he has agreed to convert into 100,000,000 Shares. Matthew Bull holds 50,000 Convertible Notes, which he has agreed to convert into 50,000,000 Shares.	Section 7.5
Substantial holders	To the best of the knowledge of the Company based on the available information, as at the Prospectus Date there are no Shareholders which have a voting power of over 5% of the Shares on issue.	Section 1.9
G. Applications and other information		
How do I apply?	Applications under the Offers can be made by completing the relevant Application Form, in accordance with the instructions accompanying the relevant Application Form.	Section 2.6
Can the Offers be withdrawn?	The Company reserves the right not to proceed with any of the Offers at any time before the issue and transfer of the relevant Shares to successful Applicants. If the Offers, or any part of any Offer, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.	Section 1.22
What are the tax implications of investing in Shares?	The tax consequences of any investment in Shares will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 1.20
Will the Company pay dividends?	The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.	Section 3.7
What is the cost of the Offers?	The expenses of the Offers are estimated to be approximately $144,811.	Section 7.10
H. Further information		
How can I obtain	Further information can be obtained by reading this	Section 1.25

Topic	Summary	More Information
further information?	Prospectus and consulting your professional advisors. You can also contact the Company on +61 8 6559 1792 for further details.	

1. Details of the Offers

1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of $0.001 each to Eligible Shareholders on the basis of one new Share for every Share held at 5:00pm (WST) on the Record Date (**Entitlement Offer**).

The Company has 1,930,248,656 Shares on issue as at the Prospectus Date. The Company expects to issue up to 1,930,248,656 new Shares under the Entitlement Offer, subject to rounding.

The Company has 48,926,578 Options on issue as at the Prospectus Date. All of the Options have an exercise price which exceeds the offer price of the Shares under the Entitlement Offer. Accordingly, it is unlikely that any of the existing Options will be exercised before the Record Date.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

New Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing ordinary shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued under the Entitlement Offer are contained in Section 7.1.

1.2 Shortfall Offer

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Shares will be $0.001 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer. Shortfall Shares will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall will be as follows:

(a) To the extent there is a Shortfall (**First Shortfall**), each Eligible Shareholder who has validly applied for Shortfall Shares before the Closing Date will be allocated their proportionate share of the First Shortfall in proportion to their Shareholding as at the Record Date. If an Eligible Shareholder has made a valid Application for Shortfall Shares but has applied for a lower number of Shortfall Shares than the amount of Shares which that shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lower amount.

(b) If, following the allocation of the First Shortfall, there remains a Shortfall between the allocated new Shares and the total number of new Shares proposed to be issued under the Entitlement Offer (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent shortfalls until either all the new Shares proposed to be issued under the Entitlement Offer have been allocated or all valid Applications for Shortfall Shares have been satisfied in full.

(c) If, following allocation of the Second Shortfall and any subsequent shortfalls in accordance with the above, there remains a Shortfall between the allocated new Shares and the total number of new Shares proposed to be issued under the Entitlement Offer (**Remaining Shortfall**), that Remaining Shortfall may be placed by the Directors at their discretion during the three month period following the Closing Date. In exercising this discretion, the Board will take into consideration a number of factors, including the recommendations of the Lead Manager and ensuring the Company has an appropriate and optimal Shareholder base, which may be achieved through the introduction of new investors.

Notwithstanding the above, no Shortfall Shares will be allocated or issued to any related party of the Company (including Directors and their associates) or to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

Applications by Eligible Shareholders for Shortfall Shares are to be made by completing the appropriate section on their Application Form or by making payment for such Shares using BPAY® (refer to Section 2.2).

It is a term of the Shortfall Offer that, should the Company scale back Applications for Shortfall Shares in accordance with the allocation policy described above, the Applicant will be bound to accept such lesser number allocated to them.

Excess Application Monies for the Shortfall Offer will be refunded without interest.

The Offers are not underwritten.

Shares issued under the Shortfall Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued under the Shortfall Offer are contained in Section 7.1.

1.3 Noteholder Offer

On 8 January 2020, the Company issued a total of 150,000 Convertible Notes to Directors Nick Johansen (100,000) and Matthew Bull (50,000) at an issue price of $1.00 each, to raise a total of $150,000 (before costs). The issue of these Convertible Notes was approved by Shareholders at the annual general meeting held on 9 December 2019.

ASX has required that Mr Johansen and Mr Bull agree to convert these Convertible Notes as a condition to the reinstatement of the Company's Shares to Official Quotation. Mr Johansen and Mr Bull have agreed to such conversion, which will occur at a deemed conversion price of $0.001 per Share, being the same price at which the new Shares are offered under the Entitlement Offer.

The Company is undertaking the Noteholder Offer under this Prospectus to remove the need for additional disclosure documents to be issued upon the on-sale of the Shares issued on conversion of the Convertible Notes, if the Convertible Notes are converted under the Noteholder Offer.

Only Mr Johansen and Mr Bull are eligible to participate in the Noteholder Offer. An Application Form in respect of the Noteholder Offer will be provided to Mr Johansen and Mr Bull together with a copy of this Prospectus.

Although Mr Johansen and Mr Bull have committed to convert their respective Convertible Notes, they are not required to do so under the Noteholder Offer. Mr Johansen and/or Mr Bull may elect to convert their respective Convertible Notes (in whole or part) at any time prior to the maturity date of the Convertible Notes.

No application monies are payable under the Noteholder Offer.

Shares issued under the Noteholder Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued under the Noteholder Offer are contained in Section 7.1.

1.4 Cleansing of Placement Shares

On 24 February 2020, the Company issued 251,771,564 Shares at an issue price of $0.001 each to sophisticated and professional investors to raise $251,772 (before costs) (**Placement Shares**).

The subscribers of Placement Shares agreed not to on-sell the Placement Shares until such time as a disclosure document had been issued by the Company in accordance with section 708A(11) of the Corporations Act (that is, this Prospectus).

An additional purpose of this Prospectus is therefore to meet the requirements of section 708A(11) of the Corporations Act so that any trading restrictions on the Placement Shares may be removed.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued if securities are offered for sale within 12 months from their issue and the issue of those securities was made without disclosure (for example, under a prospectus) to investors under Chapter 6D of the Corporations Act.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from this general requirement, and accordingly, a sale offer does not need disclosure to investors if:

(a) the relevant securities are in a class of securities that are quoted securities of the body; and

(b) a prospectus is lodged with ASIC either:

  (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

  (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

As mentioned above, an additional purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act and to relieve the holders of the Placement Shares from the obligation to issue a prospectus if they wish to sell those Shares within 12 months of issue.

1.5 Purpose of Prospectus

The key purposes of this Prospectus are to:

(a) raise up to approximately $1.93 million (before costs) to enable the Company primarily to:

(i) undertake exploration activities on its existing projects;

(ii) fund its corporate, management and working capital expenses; and

(iii) satisfy ASX that the Company's financial condition is adequate to warrant the quotation of its securities and its continued listing; and

(b) satisfy the conditions imposed by ASX to the reinstatement of the Company's Shares to Official Quotation.

1.6 Funding allocation

The Company intends to apply the funds raised from the Offers together with existing funds, as detailed below. It is anticipated that this funding will be sufficient to fund the Company's proposed activities until 31 December 2020:

Source of funds	$
Funds currently available	$35,988
Maximum funds to be raised under the Offers	$1,930,249
TOTAL	**$1,966,237**

Allocation of funds	$	%
Exploration activities on the Grace Gold-Copper Project	$1,213,119	62%
Exploration activities on the Pilbara and Murchison Western Australian Gold and Base Metal Projects	$50,000	3%
Exploration activities on the Burraga Copper-Gold Project in New South Wales	$130,000	7%
Interest payments on Convertible Notes[1]	$17,607	1%
Corporate administration, management and working capital[2]	$410,700	21%
Costs of the Offers	$144,811	7%
TOTAL	**$1,966,237**	**100%**

Notes:

1. Assumes the Convertible Notes are converted into Shares on the maturity date and the interest is settled in full by a cash payment. If the Convertible Notes are converted earlier (such that less interest is payable), or the interest is settled by an issue of Shares (again,

such that less interest is payable in cash), the Company intends to reallocate this expenditure towards its exploration activities.

2. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
3. The above table assumes the maximum amount offered under the Offers is raised. In the event that a lesser amount is raised, the Company intends to reduce the scope of its anticipated exploration programmes focusing on projects which in the Company's opinion have the greatest value in the short term.
4. Refer to Section 7.10 for information regarding the expenses of the Offers.

The above is a statement of current intentions at the Prospectus Date. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including regulatory developments, the success of exploration activities, access conditions (including any restrictions applicable in response to the COVID-19 pandemic), weather and any changes in the business and economic environment.

The Board believes its available cash and the maximum net proceeds of the Offer should be sufficient to fund the Company's activities until approximately 31 December 2020. In the event that less than the maximum amount is raised under the Entitlement Offer, the Company would need to find alternative financing to meet its funding requirements.

The Board believes that the funds raised from the Entitlement Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

1.7 Capital structure

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's capital structure will be as follows:

Securities currently on issue	
Shares[1]	1,930,248,656
Options[2]	48,926,578
Convertible Notes[3]	150,000
Maximum Securities on issue on completion of the Offers	
Shares[1]	4,010,497,312
Options[2]	48,926,578
Convertible Notes[3]	Nil

Notes:

1. The figures shown above assume the Offers are fully subscribed, that no Options are exercised and that all Convertible Notes are converted under the Noteholder Offer. Although the holders of the Convertible Notes have committed to convert their Convertible Notes

(rather than require them to be redeemed), such conversion may occur at any time before the maturity date of the Convertible Notes.

2. Refer to Section 7.1 for a summary of the terms and conditions of the Shares.
3. Refer to Section 7.2 for a summary of the terms and conditions of the Options.
4. Refer to Section 7.3 for a summary of the terms and conditions of the Convertible Notes.
5. The Company has agreed to issue 20,000,000 Options to the Lead Manager for partial consideration of its services in connection with the Offers, subject to the receipt of prior Shareholder approval. Refer to Section 5.3 for additional information.

1.8 Opening and Closing Date

For the Entitlement Offer and the Noteholder Offer, the Company will accept Application Forms from the date it dispatches the Prospectus until 5.00pm (AWST) on 11 June 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Application Form to the Company by no later than the Closing Date.

The Closing Date for the Offer is 11 June 2020. All Applications by Eligible Shareholders under the Offers must be received by the Company by no later than the Closing Date.

Eligible Shareholders are encouraged to submit their Applications as soon as possible.

The Company reserves the right, subject to the Corporations Act and the Listing Rules to vary the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.9 Substantial Shareholders

Based on available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

1.10 Effect of the Offers on control of the Company

(a) **Summary**

The Offers are not expected to give rise to control implications for the Company.

The Company has not appointed a party pursuant to section 615 of the Corporations Act to act as nominee to sell the new Shares that might have otherwise been issued to Ineligible Foreign Shareholders under the Entitlement Offer.

Accordingly, Applicants under the Entitlement Offer will not be able to rely on the exception allowed by item 10 of section 611 of the Corporations Act which would otherwise permit an Applicant to increase their voting power:

(i) from 20% or below 20% to above 20%; or

(ii) from a starting point of above 20% and below 90%, as a result of accepting their Entitlement under the Entitlement Offer without breaching section 606(1) of the Corporations Act.

As a consequence, the Company will not issue new Shares to any Applicant or other person if the result of any such issue would result in any person (and that person's associates) acquiring a relevant interest contrary to section 606 of the Corporations Act. This may result in the Company scaling back Applications from Eligible Shareholders to ensure that no breach of section 606 of the Corporations Act occurs.

Without limiting the above, it is the responsibility of Eligible Shareholders to ensure that their participation under the Offers do not result in them breaching section 606 of the Corporations Act. Eligible Shareholders, by lodging Applications for new Shares, acknowledge and accept the right and obligation of the Company to not allot or issue new Shares to them which would result in any breach by them of section 606 of the Corporations Act and direct the Company to so act.

No Shareholder's voting power in the Company may increase to 20% or above as a result of the Offers.

(b) **Potential dilution**

Shareholders should note that if they do not participate in the Offers, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement	Holdings if Entitlement not taken up	% post Offers
Shareholder 1	100,000,000	5.18%	100,000,000	100,000,000	2.49%
Shareholder 2	50,000,000	2.59%	50,000,000	50,000,000	1.25%
Shareholder 3	25,000,000	1.30%	25,000,000	25,000,000	0.62%
Shareholder 4	12,500,000	0.65%	12,500,000	12,500,000	0.31%
Shareholder 5	6,250,000	0.32%	6,250,000	6,250,000	0.16%

Notes:

1. The table assumes that no Shares are issued other than those offered pursuant to this Prospectus.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Offers are fully subscribed. If the Offers are not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.11 Minimum subscription

There is no minimum subscription for the Offers.

However, ASX has advised the Company that the amount raised under the Offers must be sufficient to establish that it has at least $1.5 million of working capital secured as at the date of reinstatement. Refer to Section 7.4 for additional information.

1.12 No rights trading

The rights to new Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you under the Entitlement Offer will lapse.

1.13 Issue date and dispatch

All Shares under the Offers are expected to be issued on or before the date specified in the Indicative Timetable.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Shares under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.14 Application Monies held on trust

All Application Monies received for the Shares offered under this Prospectus will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued under the relevant Offer. All Application Monies received in respect of the relevant Offer will be returned (without interest) if the Shares under that Offer are not issued for any reason.

1.15 ASX quotation

Application has been or will be made for the official quotation of the new Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the new Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.16 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of new Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Computershare and will contain the number of new Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes.

Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.17 International offer restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) **New Zealand**

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(b) **United Kingdom**

Neither this Prospectus nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act* 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares offered under this Prospectus.

The Shares offered under this Prospectus may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing Shareholders. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares offered under this Prospectus has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons:

(i) who have professional experience in matters relating to investments falling within article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* (**FPO**);

(ii) who fall within the categories of persons referred to in article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or

(iii) to whom it may otherwise be lawfully communicated, (together, **relevant persons**). The investments to which this Prospectus relates are available only to, and offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

1.18 Ineligible Foreign Shareholders

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

(a) the number and value of the Shares that would be offered to those Shareholders; and

(b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Entitlement Offer.

1.19 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders.

Nominees and custodians must not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial shareholders. If any nominee or custodian is acting on behalf of a foreign person, that holder in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.20 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.21 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.22 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.23 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.24 Risk factors of an investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.25 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Enquiries relating to this Prospectus should be directed to the Company on +61 8 6559 1792.

2. How to apply for Shares under the Offers

2.1 Action in relation to the Offers

The Company will send this Prospectus, together with a personalised Application Form, to all Eligible Shareholders.

Should you wish to acquire new Shares as part of the Entitlement Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying personalised Application Form.

If you take up all of your Entitlement, you may also apply for Shortfall Shares under the Shortfall Offer (refer to Section 2.4).

If you do not wish to take up any of your Entitlement to new Shares, you may allow your Entitlement to lapse (refer to Section 2.5).

2.2 Acceptance of Entitlement in full

Applicants are encouraged to pay by BPAY. You will be treated as applying for as many Shares as your payment will pay for in full.

Should you wish to accept your Entitlement in full and you are not paying by BPAY, then Applications for Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Application Form.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Paterson Resources Ltd" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by post) at:

Computershare Investor Services Pty Limited
GPO Box 505 Melbourne Victoria 3001 Australia

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

2.3 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at $0.001 per Share accepted), and attach a cheque, bank draft or money order for the appropriate amount.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Paterson Resources Ltd" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by post) at the address specified in Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form. Please note that if you pay by BPAY and you subscribe for less than your Entitlement or you do not pay for your full Entitlement, you are taken to have taken up your Entitlement in respect of such whole number of Shares that is covered in full by the funds transferred.

2.4 If you wish to apply for Shortfall Shares

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant separate section of the Application Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form.

Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.2.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Paterson Resources Ltd" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by post) at the address specified in Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form. Please note that if you pay by BPAY you are taken to have applied for such number of Shortfall Shares in respect of such whole number of Shares that is covered in full by the funds transferred, less your full Entitlement.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement. The Shares representing your Entitlement may be issued as Shortfall Shares.

2.6 Application Form

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of new Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form, is final.

The Company will send this Prospectus, together with an Application Form, to all Eligible Shareholders.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

(a) agree to be bound by the terms of the relevant Offer;

(b) declare that all details and statements in the Application Form are complete and accurate;

(c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;

(d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the new Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;

(e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the offer restrictions in Section 1.17, New Zealand or the United Kingdom;

(f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and

(g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.7 Enquiries concerning your Entitlement or this Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6559 1792.

For general Shareholder enquiries, please contact Computershare on 1300 850 505.

3. Company Overview

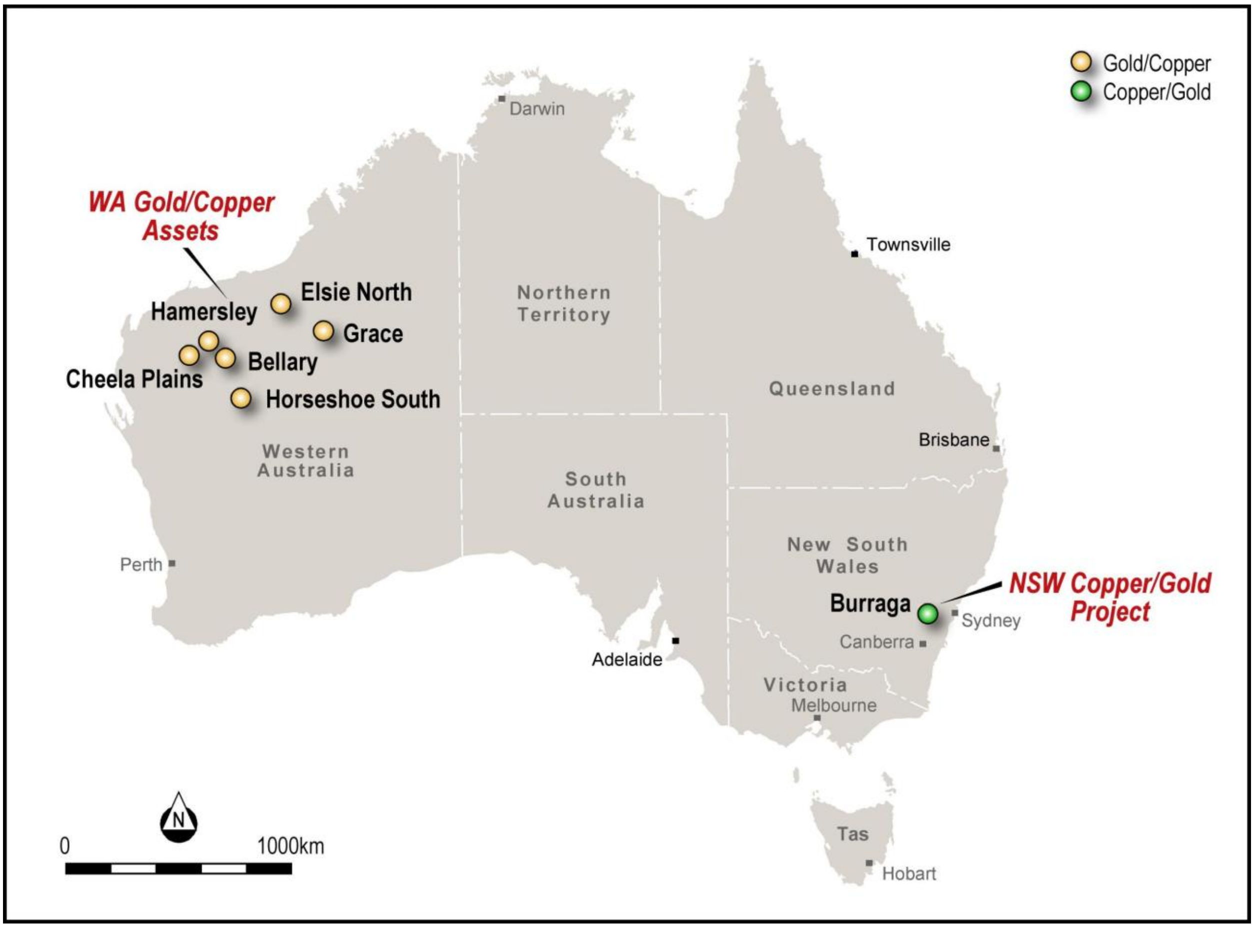
3.1 Summary

The Company was incorporated on 3 August 2005 and its Shares were admitted to the Official List of ASX on 18 October 2006.

The Company's main business undertaking is mineral exploration, with projects in Western Australia and New South Wales.

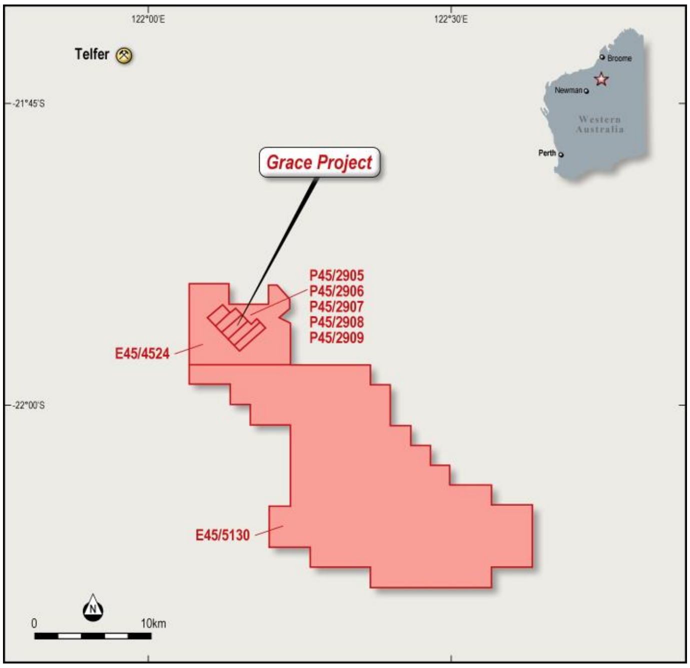
3.2 Overview of projects

The Company's current focus is on the exploration and development of gold and copper projects in Australia, with the Company having aggregated the following portfolio:



(a) **Grace Gold-Copper Project – Paterson Range, Western Australia**

The Grace Gold-Copper Project is located in the world class Paterson mineral province in Western Australia consists of two granted exploration licences and five granted prospecting licences.



The Company has reported an Inferred Mineral Resource estimate for the Grace Gold-Copper Project of 1,590,000 tonnes @ 1.35 g/t Au of 69,000 ozs. The Company has also reported an Exploration Target for the Grace Gold-Copper Project, which is proposed to be tested following completion of the Offers.

Refer to Sections 11.1 and 11.2 for detailed information regarding the Grace Gold-Copper Project.

(b) **Pilbara Gold Exploration Projects – Pilbara Western Australia**

The Pilbara Gold Projects are in the heart of the Pilbara region in Western Australia and consists consist of four exploration licences in respect of the following four prospects: Cheela Plains, Bellary, Hamersley and Elsie North.

No Mineral Resource estimate has yet been declared for the Pilbara Gold Exploration Projects.

Refer to Section 11.3 for detailed information regarding the Pilbara Gold Exploration Projects.

(c) **Horseshoe South Base Metal Project – Murchison Western Australia**

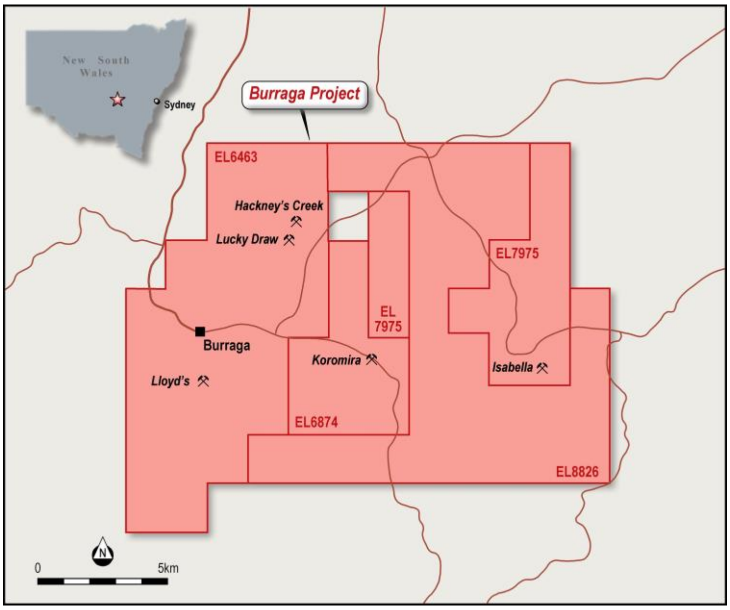
The Horseshoe South Base Metal Project is located in the Bryah Basin in the Murchison region of Western Australia and is comprised of one tenement.

No Mineral Resource estimate has yet been declared for the Horseshoe South Base Metal Project.

Refer to Section 11.3 for detailed information regarding the Horseshoe South Base Metal Project.

(d) **Burraga Copper-Gold Project – Lachlan Fold Belt, NSW**

The Burraga Copper-Gold Project, located in the recognised minerals province of the East Lachlan Fold Belt in central western New South Wales, consists of four contiguous exploration licences covering a total area of approximately 221km.



The Company has reported the below Mineral Resources for the Burraga Copper-Gold Project:

Prospect		Tonnes	Cu (%)	Au (g/t)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	800
	Indicated	910,000	0.8	0.1	7,130
	Inferred	320,000	0.7	0.1	2,200
	Total	1,310,000	0.8	0.1	10,090
Tailings	Indicated	280,000	1.2	0.3	3,490
Slag Heaps	Inferred	90,000	1.3	0.2	1,170
Burraga Combined	Measured	80,000	1.0	0.1	800
	Indicated	1,280,000	0.9	0.1	11,520
	Inferred	320,000	0.7	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**15,120**

The Lloyds Copper Mine is approximately 1.5km south of the village of Burraga.

Prospect	Tonnes	g/t Au	Au Metal ozs
Hackney's Creek	2,210,000	1.4	102,300
Lucky Draw	470,000	2.1	31,700
Total	**2,680,000**	**3.5**	**134,000**

The cut-off grade applied for reporting the Inferred Mineral Resource estimate for the Lucky Draw and Hackney's Creek prospects is 0.5g/t Au.

The Lucky Draw and Hackney's Creek deposits occur along strike from each other about 1km apart and 5km northeast of the village of Burraga.

Refer to Sections 11.4 and 11.5 for detailed information regarding the Burraga Copper-Gold Project.

3.3 Business strategy and Company objectives

(a) **Overall business strategy and focus**

Following completion of the Offers, the Company's primary focus will be on continuing exploration activities on its current projects as described below.

(b) **Grace Gold-Copper Project**

Following completion of the Offers, the Company’s plans for the Grace Gold-Copper Project are focused on:

(i) reprocessing all historical geological, drilling, and geophysical (aeromagnetic and Induced Polarisation (**IP**)) data;

(ii) carrying out an IP survey over the full strike of over 4 kilometres of the Grace Prospect using modern technology to “see” targets at a much greater depth than was possible using the technology last used to undertake an IP survey;

(iii) undertake infill drilling with deep RC to expand and upgrade the Mineral Resource estimate into higher resource category; and

(iv) undertake infill drilling on the Exploration Target to increase confidence on the currently known mineralised occurrences and increase the size of Exploration Target.

(c) **Pilbara Gold Exploration Projects – Pilbara Western Australia**

Following completion of the Offers, the Company’s plans for the Pilbara Gold Exploration Projects are focused on:

(i) geological reconnaissance and mapping followed by soil and stream sediment sampling of prospective areas identified; and

(ii) compilation of the geochemical and geophysical data bases to generate potential drill targets.

(d) **Horseshoe South Base Metal Project – Murchison Western Australia**

Following completion of the Offers, the Company's plans for the Horseshoe South Base Metal Project will involve finalising the exploration plan for the upcoming field season, subject to the assessment of the prospectivity of the project for an upcoming title extension.

(e) **Burraga Copper-Gold Project – Lachlan Fold Belt, NSW**

Following completion of the Offers, the Company's plans for the Burraga Copper-Gold Project will involve:

(i) data review and capture of all previous exploration works;

(ii) compilation and creation of databases and GIS (geological information system) platforms;

(iii) land access negotiations;

(iv) planning of phase two drilling at Lloyd's Cu mine;

(v) planning of resource definition drilling at Lucky Draw and Hackney’s Creek prospects; and

(vi) planning of possible future exploration programs on remainder of project area.

The Company notes the continued interest expressed in participation in the Burraga Copper-Gold Project by a number of companies and individuals exploring in the Lachlan Fold Belt of NSW.

(f) **Future transactions**

As with most exploration entities, the Company will evaluate future opportunities for mergers and acquisitions with a view to strengthening the Company's asset base.

The Company may also seek to farm-out or otherwise dispose of tenure that doesn’t meet corporate objectives, or is alternatively considered to be in the best interests of Shareholders.

The Company also intends to continue to lodge tenement applications on vacant ground that is complementary to the Company's existing projects.

The Company cautions that it is not presently in negotiations for any potential transactions as described above, and that the funds sought to be raised under the Offers are not intended to be applied towards future project acquisitions. Any future project acquisitions will be the subject of further funding or issues of Securities.

As previously disclosed, a number of parties have approached the Company with an interest in in participation in the Burraga Copper-Gold Project. The Company may seek to pursue a transaction with such parties in the future. No binding or indicative terms have been agreed with any such parties as at the date of this Prospectus. The Company cautions that there can be no certainty of a binding agreement being reached.

Refer to Section 4.1(g) for further information regarding the risks associated with future acquisitions and disposals.

3.4 Detailed information regarding current projects

Section 11 contains detailed information regarding each of the Company's projects. This includes, amongst other things, the Exploration Results for each of the projects, the Mineral Resource estimates and Exploration Target for the Grace Gold-Copper Project and the Mineral Resource estimates for the Lloyds and Lucky Draw/Hackney’s Creek Prospects at Burraga Copper-Gold Project.

3.5 Schedule of tenements

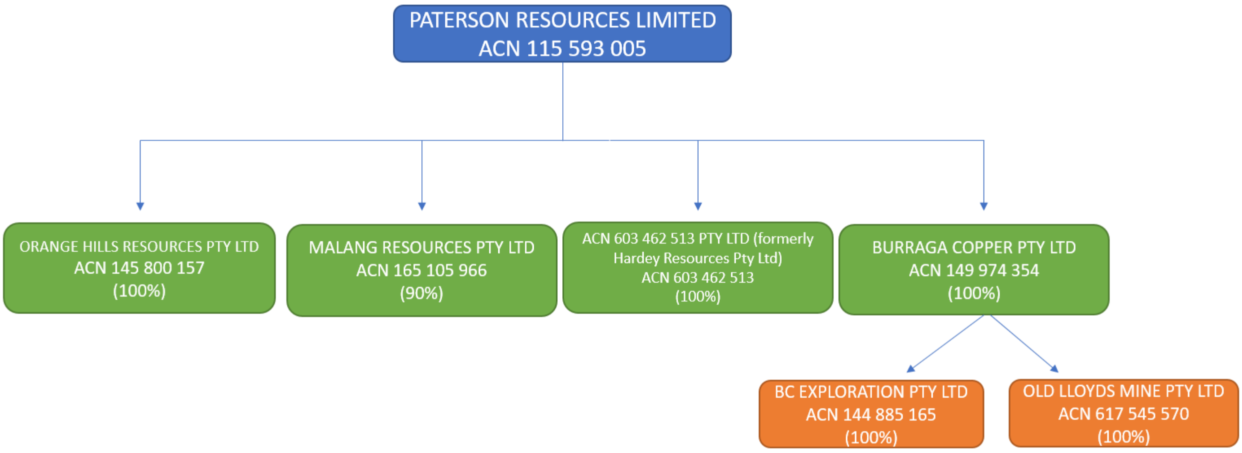
Project Name	Location	Tenement Licences	Interest held by Group
Bellary	WA	E47/3578	100%
Hamersley	WA	E47/3827	100%

Project Name	Location	Tenement Licences	Interest held by Group
Elsie North	WA	E45/5020	100%
Cheela	WA	E08/2880	100%
Grace	WA	E45/4524	100%
Grace	WA	P45/2905	100%
Grace	WA	P45/2906	100%
Grace	WA	P45/2907	100%
Grace	WA	P45/2908	100%
Grace	WA	P45/2909	100%
Grace	WA	E45/5130	100%
Horseshoe South	WA	E52/2569	100%
Burraga	NSW	EL6463	100%
Burraga	NSW	EL6874	100%
Burraga	NSW	EL7975	100%
Burraga	NSW	EL8826	100%

A summary of the status of the tenements is included in the Solicitor's Report in Section 10.

3.6 Group structure

The Company's corporate structure is as follows. All entities are incorporated in Australia.



3.7 Company history

(a) Overview

A synopsis of the Company's history is as follows:

(i) The Company was incorporated on 3 August 2005 with the name 'Uranium Oil and Gas Limited'. The Company's initial business strategy was the acquisition of a prospective portfolio of mineral and petroleum exploration properties in Western Australia and the Northern Territory which it intended to continue exploring with a view to finding significant mineral and/or petroleum discoveries. The Company no longer holds interests in these original properties but remains focused on mineral exploration.

(ii) The Company's Shares were admitted to the Official List of ASX on 18 October 2006.

(iii) The Company changed its name to 'United Orogen Limited' in December 2008, 'Elysium Resources Limited' in July 2013, 'Hardey Resources Limited' in November 2017 and 'Paterson Resources Limited' in December 2019.

(iv) The Company acquired its interest in the Burraga Copper-Gold Project by the successful off-market takeover bid of Burraga Copper Limited in November 2013.

(v) The Company acquired its initial interest in the Grace Gold-Copper Project and the Pilbara Gold Exploration Projects in November 2017 by acquiring ACN 603 462 513 Pty Ltd (then known as 'Hardey Resources Pty Ltd') (ACN 603 462 513). The Company subsequently increased its project interests by submitting complementary tenement applications.

(b) Vanadium Acquisitions

(i) On 24 August 2018, the Company announced the completion of the acquisitions of Nelly Vanadium Pty Ltd (ACN 626 056 371) (**NVPL**) and Vanadium Mining Pty Ltd (ACN 621 703 991) (**VMPL**) (together, the **Vanadium Acquisitions**).

(ii) Following completion of the Vanadium Acquisitions, the Company's Shares were placed in trading halts on 4 and 6 September 2018 and were then suspended on 10 September 2018 pending responses to ASX queries regarding the involvement of a corporate advisor and its associates in the Vanadium Acquisitions.

(iii) Numerous ASX query letters and responses were announced to the ASX in the following months, culminating in a remediation proposal as set out in the letter announced on 8 March 2019 (**Remediation Proposal**). Pursuant to the Remediation Proposal, a new interim Board of Directors was appointed on 15 March 2019, following the resignations of Messrs Terence Clee, Robin Armstrong and Robert McCauley. The overall goal of the remedial action set out in the Remediation Proposal was for the new interim Board to consider afresh whether the Vanadium Acquisitions (with any changes that may be negotiated and agreed by the new Board and the Vendors, as defined below) are in the best interests of the Company and its Shareholders.

(iv) Following the receipt of Shareholder approvals at the general meetings held on 27 September 2019, the Remediation Proposal was completed by, amongst other things:

(A) the cancellation of 537,408,750 Shares and 562,408,750 quoted Options held by the shareholders of NVPL and VMPL (together, **Vendors**), which were issued as part-consideration for the Vanadium Acquisitions;

(B) the cancellation of 433,429,988 Shares and 607,821,499 quoted Options originally issued to Vendors as part-consideration for the Vanadium Acquisitions, which were subsequently transferred to a corporate advisor and its associates; and

(C) the unwinding of the Vanadium Acquisitions by, amongst other things, the transfer of the shares in each of NVPL and VMPL held by the Company to the Vendors.

(v) As a result of completing the Remediation Proposal, the Company no longer holds any shareholdings in NVPL or VMPL.

(c) **ASX suspension**

Notwithstanding the Remediation Proposal having been completed, ASX declined to reinstate the Company's Securities to Official Quotation. ASX has confirmed to the Company that it can see no reason why the Securities should not be reinstated to Official Quotation, subject to compliance with certain conditions precedent. Refer to Section 7.4 for details of these conditions precedent.

3.8 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to undertake exploration activities on its projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

3.9 Financial information

Section 8 contains historical financial information regarding the Company and a pro forma balance sheet of the Company following completion of the Offers. Section 9 contains an Independent Limited Assurance Report. Investors should note the limitations of the Independent Limited Assurance Report (refer to Section 9 for further information).

Investors are urged to read the financial information in Section 8 and the Independent Limited Assurance Report in Section 9 in full.

4. Risk Factors

An investment in securities should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders and prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Shareholders and prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) **Future funding requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences.

The Board believes its available cash and the maximum net proceeds of the Offers should be sufficient to fund the Company's activities until approximately 31 December 2020.

There is no guarantee that the Company will be able to secure sufficient support in future capital raising initiatives.

Any equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in its tenements being subject to forfeiture and could affect the Company's ability to continue as a going concern. The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) **Suspension**

The Company's Shares have been suspended from Official Quotation on ASX since 10 September 2018.

ASX has confirmed to the Company that it can see no reason why the Shares should not be reinstated to Official Quotation, subject to compliance with certain conditions precedent. Refer to Section 7.4 for details of these conditions precedent. The Company has no reason to believe that the conditions precedent will not be satisfied.

However, the Company cautions that there can be no certainty that the Company may satisfy each of these conditions. Further, the Company cautions that ASX has the discretion to impose further conditions. ASX has expressly noted to the Company that ASX has the discretion not to reinstate the Company's Shares to Official Quotation should the Company fail to comply with the Listing Rules, the spirit of the Listing Rules or be unable to disclose information to the market as requested by ASX or required by Listing Rule 3.1.

In accordance with ASX policy, the Company will be removed from the Official List if its Shares are not reinstated to Official Quotation by 10 September 2020. There are limited circumstances in which a three month extension to this deadline may be provided, as described in ASX Guidance Note 33.

(c) **Legacy risks**

The below risks relate primarily to the Company's activities in connection with the Vanadium Acquisitions described in Section 3.7(a)(v).

(i) Incomplete records

The interim Board appointed on 15 March 2019, and the current Board, did not have oversight of the Company's activities prior to their appointment. The Company's corporate and other records are incomplete for the period prior to the appointment of the interim Board. Consequently, there may be actions that were taken by previous directors and officers of the Company that the existing Board is not aware of. There is a risk that previous actions unknown to the existing Board may adversely affect the Company's operations and financial position, or lead to litigation that could take up management's time in defending any such litigation.

(ii) Reimbursement of expenditure

The Company entered into deeds with each of the Vendors pursuant to which, amongst other things, the Vendors undertook to reimburse the Company for amounts paid by the Company in connection with the tenements the subject of the Vanadium Acquisitions. The total amount to be reimbursed to the Company is $150,000. The Company has informed the Vendors of the obligation to settle this amount outstanding, but has not yet received payment. There is a risk that this payment will not be made which may lead to the Company either commencing recovery proceedings, settling the matter or electing not to pursue the matter further. There can be no certainty that this payment will be received by the Company.

(iii) Exit deeds

Prior to the resignation of Messrs Terence Clee, Robin Armstrong and Robert McCauley (together, **Former Directors**) as Directors, each of the Directors executed 'Exit Deeds' with the Company, pursuant to which, amongst other things:

(A) the Company agreed to pay an aggregate of $197,735 to the Former Directors, in settlement of accrued salary, wages or other remuneration, directors' fees, reimbursement of expenses reasonably incurred in relation to the directorship, or anything else connected with the directorship (**Former Director Payments**); and

(B) broad and one-way releases of liability, indemnities and non-disparagement provisions, in favour of the Former Directors.

Under the terms of the Exit Deeds, the Former Director Payments were due to be paid by no later than 31 March 2019. The Company has not made these payments as at the date of the Prospectus.

The Company considers that the Exit Deeds may have been entered into by each of the Former Directors with the Company in circumstances where the Former Directors were acting in conflict of interest with the Company and making improper use of their position as directors of the Company.

The Company intends to challenge the enforceability of the Exit Deeds in the event that the Former Directors seek to enforce any provisions of the Exit Deeds. Any dispute regarding the obligations, rights and liabilities of the Company and the Former Directors may lead to litigation that could take up management's time and incur costs in commencing or defending any such litigation.

(d) **Coronavirus disease**

The outbreak of coronavirus disease (**COVID-19**) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

Further, measures to limit the transmission of the virus implemented by the Australian Government (including travel bans and quarantining) will adversely impact the Company's operations, and are already impacting the ability of the Company to undertake exploration activities.

In particular, restrictions on access to an area which covers all of the Grace Gold-Copper Project area were declared as the East Pilbara Biosecurity Zone under the Commonwealth Biosecurity Act and the Company has been unable to access this area to undertake exploration activities.

(e) **Title**

Although the Company has investigated title to all of its tenements, the Company cannot give any assurance that title to such tenements will not be challenged or impugned. Accordingly, there is a residual risk that, despite the Company's investigations, the tenements may be subject to prior unregistered agreements or transfers or title may be affected by unregistered encumbrances, third party interests or defects. Tenements are also subject to minimum expenditure requirements. In the event that these minimum expenditure requirements are not met, those tenements may be subject to forfeiture proceedings.

In particular, the Company notes that the anniversaries in respect of some of the Company's exploration tenements in Western Australia is upcoming, including in respect of E08/2880 (May 2020), E52/2569 (June 2020), E45/5020 (July 2020) and E47/3827 (July 2020). The Company expects that it will not meet its expenditure requirements in respect of all of these tenements. Where that is the case, the Company intends to seek an expenditure exemption on normal grounds and, if and where applicable, on grounds associated with an inability to meet expenditure requirements as the direct result of COVID-19 or restrictions imposed by governments in response to the COVID-19 pandemic. The Company cautions that there can be no certainty that these exemptions will be granted.

(f) **Historical exploration results**

The Company or its third-party consultants have undertaken reviews of the historical exploration information. A summary of the historical information is included in Section 11. As disclosed in Section 11, the Company cautions that in some cases, the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs, as this data is frequently not reported. Therefore, it is difficult to determine the validity of much of the historical samples, even where original assays are reported. It is common for different grid systems to be reported in exploration reports including local grids. A review of drill hole locations against large scale satellite images and historical exploration plans has identified that some holes may be mis-located, either as result of incorrect grid reference, or due to errors in original location. The inability to properly validate all the historical exploration data increases the exploration risk.

(g) **Potential acquisition and disposal**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(h) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel, including technical personnel and sub-contractors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or are incapacitated for any length of time.

On completion of the Offers and the Company satisfying the conditions to reinstatement to Official Quotation of the Shares imposed by ASX, the Company proposes to appoint Brian Thomas as Executive Director.

4.2 General mining industry risks

(a) **Exploration risks**

While more extensive exploration activities have been conducted over the Grace Gold-Copper Project and the Burraga Copper-Gold Project, resulting in the declaration of Mineral Resource estimates, further exploration is required in respect of these projects. Further, insufficient exploration activities have been completed in respect of the Pilbara

Gold Projects and the Horseshoe South Project in order to declare a Mineral Resource estimate.

Whilst the Company is of the view that the exploration activities on its projects to date has yielded results that justify further exploration, the Company is subject to exploration risk.

Mineral exploration is a high-risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit.

(b) **Resource estimation risks**

The Company has previously announced Mineral Resource estimates, which are also summarised in Sections 3 and 11. Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code to reduce the estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, Mineral Resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

(c) **Drilling and exploration programs**

There are operational risks associated with the Company's planned drilling and exploration programs. The planned surface sampling, drilling and exploration programs at the Company's mineral projects may be affected by a range of factors, including (but not limited to): geological and ground access conditions; unanticipated operational and technical difficulties encountered in sampling and drilling activities; adverse weather conditions, environmental accidents, and unexpected shortages or increases in the costs of consumables, spare parts, and labour; mechanical failure of operating plant and equipment; inability to obtain regulatory consents or approvals; terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes; and risks of default or non-performance by third parties providing essential services.

No assurance can be given that planned and future exploration will be successful or that a commercial mining operation will eventuate at any of the Company's mineral projects.

(d) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company’s viability.

(e) **Reliance on third parties**

Through the Company's use of contractors and other persons for exploration and other services generally, it is reliant upon a number of third parties for the conduct and success of its exploration and development activities. While this situation is normal for the mining industry in Australia, problems caused by third parties may arise which have the potential to impact on the performance and operations of the Company. Any failure by counterparties to perform their obligations may have a material adverse effect on the Company and there can be no assurance that the Company would be successful in attempting to enforce any of its contractual rights through legal action.

(f) **Occupational health and safety**

There is an inherent risk of work place accidents occurring during the conduct of mining activity. However, the Company is committed to providing a safe and healthy work place for its employees and contractors. The Company's safety policy is displayed prominently at all operating sites. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are provided with and required to wear personal protective equipment. Training is provided where it is needed and safety meetings are held at appropriate times in the course of the Company's exploration activities. Staff hold, or are encouraged to hold, current first aid certificates.

(g) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(h) **Development risks**

Future development of a mining operation at any of the Company's projects, is dependent on a number of factors including, but not limited to, favourable geological conditions, receiving and retaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding, and contracting risk from third parties providing essential services.

The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents.

No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(i) **Operational and technical risks**

The operations of the Company may be affected by various factors, including failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulty encountered in mining and extraction, difficulties in re-commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables spare parts, plant and equipment.

(j) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by regulatory authorities.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay or modification to anticipated exploration programmes or mining activities. There is always a risk that detailed environmental investigations will identify endangered or other protected species that may affect the ability of the Company to obtain any necessary government approvals or carry out its operations as planned.

(k) **Climate change risk**

There are a number of climate-related factors that may affect the Company's business or its assets.

Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities, should the Company's exploration and development activities be successful.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition to a lower-carbon economy.

(l) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. The Company's tenements are subject to the applicable mining acts and regulations in Western Australia, and New South Wales. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(m) **Native title and Aboriginal heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(n) **Regulatory requirements**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(o) **Legislative changes and government policy risk**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia or New South Wales may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(p) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(q) **Currency and commodity price volatility**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macroeconomic factors.

Further, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

4.3 General risks

(a) **Market conditions and other economic risks**

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's operations and any future development activities, as well as on its ability to fund those activities.

The price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(c) **Litigation risk**

All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

(d) **Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

(e) **Security risk**

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorised access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

4.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares. Shareholders should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

5. Material Contracts

5.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares under the Offers. The provisions of such material contracts are summarised in this Section. As this Section is a summary only, the provisions of each contract are not fully described. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

5.2 HRPL acquisition agreement

The Company entered into an agreement to acquire ACN 603 462 513 Pty Ltd (then known as 'Hardey Resources Pty Ltd') (ACN 603 462 513) (**HRPL**) in October 2017.

HRPL was the registered holder of the following tenements (together, **HRPL Tenements**), forming part of the Company's current project portfolio:

Project Name	Location	Tenement
Grace	WA	P45/2905
Grace	WA	P45/2906
Grace	WA	P45/2907
Grace	WA	P45/2908
Grace	WA	P45/2909
Cheela	WA	E08/2880
Bellary	WA	E47/3578
Hamersley	WA	E47/3827
Elsie North	WA	E45/5020
Grace	WA	E45/4524

As consideration for the acquisition, the Company issued a total of 277,777,777 Shares, 111,111,111 performance shares (which were subsequently converted into Shares on 6 March 2018) and 138,888,889 quoted Options exercisable at $0.02 each on or before 30 April 2020. The Company also reimbursed the vendors of HRPL for $150,000 of exploration expenditure and issued 11,111,111 Shares as payment for an initial exclusivity period.

The only material ongoing obligation under the acquisition agreement is in respect of a right of refusal granted by the Company in favour of the vendors of HRPL. If the Company wishes to sell or transfer any shares in HRPL to a third-party, or wishes to sell an interest in any of the HRPL Tenements to a third-party (either such sale referred to as a **Transfer**), the Company may only do so in compliance with the following process:

(a) No Transfer will be made by the Seller unless the consideration is cash and, before making the Transfer, the Seller has by written notice (**Offer**) first offered to transfer the whole or the relevant part of the HRPL shares or HRPL Tenements (referred to as the **Applicable Interest**) to the HRPL vendors for a specific cash consideration and on terms and conditions consistent with the below paragraphs.

(b) An Offer made in accordance with paragraph (a) must remain open for a period of 45 business days after the date on which it is made and within that offer period the HRPL vendors may accept the Offer in whole.

(c) If one or more of the HRPL shareholders (**Accepting Shareholders**) accept the Offer in whole, then the Company must transfer the Applicable Interest to the Accepting Shareholders for the cash consideration and on the terms and conditions of the Offer.

(d) If one or more of the HRPL shareholders do not accept the Offer in whole or part, the Offer will lapse and the Company may transfer the Applicable Interest to another person who is able to meet all anticipated costs and liabilities relating to the Applicable Interest, for a cash consideration and on terms and conditions not more favourable to that person than those contained in the Offer, and within 20 business days after the date when the Offer lapses.

5.3 Lead Manager Agreement

The Company entered into a mandate with Baker Young to provide corporate advisory services to the Company, including the lead management of the Entitlement Offer and placement of the Shortfall, in consultation with the Company, on a best endeavours basis.

The Company will pay the following fees to Baker Young (or its nominees) pursuant to the mandate:

(a) a corporate advisory fee of $5,000 per month for a six month period commencing on the date of reinstatement of the Company's Shares to Official Quotation;

(b) 20,000,000 options at an issue price of $0.001 each, exercisable at $0.003 each on or before the date that is three years after the date of issue, subject to the receipt of prior Shareholder approval (intended to be sought at the Company's next general or annual general meeting); and

(c) 6% (plus GST) of the gross amount raised by the Lead Manager under the Offers (in respect of Shortfall participants introduced or otherwise arranged by the Lead Manager).

5.4 Director engagement agreements

Each of the Non-Executive Directors (being Messrs Nicholas Johansen, Brian Thomas and Matthew Bull) have entered into non-executive letter agreements with the Company pursuant to which the Company agrees to pay each Director a base fee of $5,000 per month for services provided to the Company as Non-Executive Directors.

The Director engagement agreements contain additional provisions considered standard for agreements of this nature.

The Company's Constitution relevantly provides that Non-Executive Directors are to be remunerated for their services as Directors as follows:

(a) the amount of the remuneration of the Directors is a yearly sum not exceeding the aggregate sum from time to time determined by the Company in general meeting, as the Directors resolve. The maximum aggregate remuneration is currently $300,000;

(b) the amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally;

(c) the remuneration is to be provided wholly in cash unless the Directors, with the agreement of the Director concerned, determine that part is to be satisfied in the form of non-cash benefits, including the issue or purchase of shares in the Company or the grant of options or rights to subscribe for such shares (subject to the receipt of any prior Shareholder approvals required under the Corporations Act and Listing Rules);

(d) the maximum aggregate sum determined in accordance with paragraph (a) does not include:

   (i) remuneration in the form of share, option or other equity plans approved separately by the Company in general meeting; or

   (ii) payments or remuneration in recognition of additional or special interests, expenses or pursuant to an agreed indemnity and insurance policy;

Any remuneration payable to an executive Director will be determined by the Board. The Company does not presently have any executive Directors.

5.5 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any liability arising as a result of the Director or Company Secretary acting as a director or company secretary of the Company.

The Company is also required to maintain insurance policies for the benefit of the relevant Director or Company Secretary and must allow the Directors and Company Secretary to inspect board papers in certain circumstances.

The deeds are considered standard for documents of this nature.

5.6 Convertible Note Agreements

On 8 January 2020, the Company issued a total of 150,000 Convertible Notes to Directors Nick Johansen (100,000) and Matthew Bull (50,000) at an issue price of $1.00 each, to raise a total of $150,000 (before costs). The issue of these Convertible Notes was approved by Shareholders at the annual general meeting held on 9 December 2019.

ASX has required that Mr Johansen and Mr Bull agree to convert these Convertible Notes as a condition to the reinstatement of the Company's Shares to Official Quotation. Mr Johansen and Mr Bull have agreed to such conversion, which will occur at a deemed conversion price of $0.001 per Share, being the same price at which the new Shares are offered under the Entitlement Offer.

The other material terms of the Convertible Note Agreements entered into by Mr Johansen and Mr Bull are summarised below:

(a) The maturity date of the Convertible Notes is 8 January 2021.

(b) A Noteholder must convert their Convertible Notes into Shares at any time after the opening date of the Entitlement Offer and ending 10 business days before the maturity date.

(c) Interest accrues at a rate of 12% per annum, commencing from the date of issue. The interest is to be calculated up to the date of conversion or the redemption of the Convertible Notes and paid at the same time. The interest is to be paid in cash or Shares (at a deemed issue price equal to $0.001 per Share and subject to Shareholder approval), at the election of the noteholder.

(d) The Convertible Notes are unsecured.

(e) Customary representations and warranties apply.

(f) The Convertible Notes will not be quoted on ASX.

(g) The noteholder may transfer the Convertible Notes, subject to the prior written consent of the Company.

6. Board, Management and Corporate Governance

6.1 Directors' Profiles

The names and details of the Directors in office at the Prospectus Date are:

(a) **Nick Johansen - Non-Executive Chairman**

Mr Johansen was appointed as a Director on 15 March 2019.

A solicitor with extensive mining experience, ranging from junior exploration to production, across a range of commodities, Mr Johansen has expertise in transactions, resources regulation, native title and environmental law.

Mr Johansen completed his Graduate Diploma of Legal Practice at Australian National University. In addition, he holds a BA in economics from the University of Adelaide.

During the past three years, Mr Johansen held the following directorships in other ASX-listed companies:

(i) Non-Executive Chairman of Orcoda Limited (current).

(b) **Brian Thomas - Non-Executive Director**

Mr Thomas was appointed as a Director on 15 March 2019.

Mr Thomas is the Principal of a boutique corporate advisory practice providing advice on corporate finance, mergers and acquisitions, technical reviews, investor relations and market communications. Mr Thomas has partnered with and advised corporate advisors, financial advisors and high net worth investor groups in creating and investing in small to mid-market capitalisation companies. Mr Thomas has also provided Non-Executive Chairman and Director representation on their behalf. This followed a 15-year financial services career in resources banking, funds management and corporate stockbroking. Mr Thomas also has extensive professional and pre-professional experience in senior operational management in the resources industry in both production and exploration settings working in a diverse range of commodities such as precious, base and energy metals, industrial minerals, diamonds, bulk commodities plus oil and gas.

Mr Thomas graduated from the University of Adelaide with a BSc in Geology and Mineral Economics, the University of Western Australia Business School with an MBA and the Securities Institute of Australia (now FinSIA) with a Certificate in Applied Finance and Investment.

During the past three years, Mr Thomas held the following directorships in other ASX-listed companies:

(i) Non-Executive Director of Auris Minerals Ltd (resigned 31 March 2020); and

(ii) Non-Executive Director Cougar Metals NL (resigned 31 July 2019).

On completion of the Offers and the Company satisfying the conditions to reinstatement to Official Quotation of the Shares imposed by ASX, the Company proposes to appoint Brian Thomas as Executive Director. The Company notes that the terms of the appointment are yet to be agreed. Once agreed, the terms will be announced on ASX in accordance with the Company's disclosure obligations.

(c) **Matthew Bull - Non-Executive Director**

Mr Bull was appointed as a Director on 27 September 2019

Mr Bull is a geologist with over 10 years' experience in the mining and exploration industry. He has worked in a wide range of commodities including graphite, bauxite, gold, iron ore, copper and coal. He has considerable experience on the operation greenfield and resource development drilling exploration programs. His previous positions include consultant geologist working on Discovery Africa's Tanzanian Graphite Project and CEO/Chief Geologist at Baru Resources. Mr Bull was previously a director/exploration manager of Volt Resources (ASX:VRC) and is currently a Non-Executive Director/exploration manager of Lindian Resources (ASX:LIN).

6.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations will take effect for the Company's financial year commencing 1 July 2020 and ending 30 June 2021.

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at https://patersonresources.com.au/corporate/corporate-governance/.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) appointing and when necessary replacing senior executives and consultants and the determination of their terms and conditions including remuneration and termination;

(ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;

(iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

(iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

(v) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

(vi) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

(vii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(viii) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists only of non-Executive Directors.

Each of the current Directors are considered to be independent Directors.

The Board regularly reviews the balance of skills currently and as part of succession planning to ensure the appropriate level of skills, knowledge and experience along with diversity and independence are in place to best discharge its responsibilities for the shareholders in the most effective manner.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Remuneration arrangements**

The Board has determined at this time there is no requirement for a separate nomination and remunerations committee. The full Board represents the shareholders and is responsible for the nomination and remuneration of directors and the Company's senior managers.

(f) **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(g) **Diversity policy**

The Company is committed to workplace diversity. The Company recognises the benefits from diversity in the workplace and at the Board level, including access to different perspectives and ideas, benefitting from a wide range of talent.

(h) **Audit and risk**

The Company's risk management policy exists to provide a framework for the Company to monitor and assess all associated risks to the Company. The Company's audit committee consists of three members who will be appointed by the Board. To the extent possible, the Board will endeavour to appoint Non-Executive Directors to the audit committee and will aim to appoint a majority of independent Directors.

Audit committee meetings will be held at least twice a year with the external auditors expected to attend at least one meeting a year.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board (and, after such time as the audit committee is constituted, the audit committee) from time to time will review the scope, performance and fees of those external auditors. The fees for external auditors is subject to shareholder approval.

6.3 Departures from Recommendations

The Company is required to report any departures from the Recommendations on an annual basis.

The Company's compliance and departures from the Recommendations as at 30 June 2019 are detailed in its Appendix 4G announced on the ASX market announcements platform on 25 September 2019 and the corporate governance statement available on the Company's website at https://patersonresources.com.au/corporate/corporate-governance/.

7. Additional Information

7.1 Rights and liabilities attaching to Shares

A summary of the rights and liabilities attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) Issues of further Shares

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

(d) Variation of rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, a member may transfer a share by any means permitted by the Corporations Act or by law.

(f) Dividends

Subject to the Corporations Act, the Listing Rules, the Constitution and the rights attaching to Shares issued on special conditions, the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares and fix the time for payment.

(g) Winding up

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights, on a winding up of the Company, any surplus must be divided among the members in the proportions which the amount paid (including amounts credited) on the Shares of a member is of the total amounts paid and payable (including amounts credited) on the Shares of all members.

(h) Dividend reinvestment and share plans

The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a Dividend from the Company in subscribing for securities of the Company or a related body corporate of the Company.

(i) Directors

The Company must not have less than 3 Directors.

(j) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors may exercise all the powers of the Company except any powers that the Corporations Act or this Constitution requires the Company to exercise in general meeting.

(k) Unmarketable parcels

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(l) Capitalisation of profits

The Directors may capitalise any profits of the Company and distribute that capital to the members, in the same proportions as the members are entitled to a distribution by dividend.

(m) Preference Shares

The Company may issue preference Shares including preference Shares which are liable to be redeemed in a manner permitted by the Corporations Act, and preference Shares in accordance with the terms of the Constitution.

7.2 Terms and conditions of Options

A summary of the rights and liabilities attaching to the Options is below:

(a) Each Option entitles the holder to subscribe for one Share at the exercise price specified below, on or before the expiry date specified below:

Number of Options	Exercise price	Expiry date
45,525,000	$0.06	19 August 2020
3,401,578	$0.044	1 October 2020

(b) The Options may be exercised by notice in writing to the Directors accompanied by payment of the exercise price.

(c) The Company will not apply to the ASX for Official Quotation of the Options but will apply for granting of Official Quotation of Shares issued pursuant to exercise of the Options as soon as practicable after the date of allotment of the Shares.

(d) Shares issued on the exercise of the Options will rank equally with the then existing issued fully paid ordinary shares in the Company.

(e) If there is a pro rata issue (except a bonus issue) to Shareholders, the exercise price of the option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which one Option is exercisable (Note: E is one unless the number has changed because of a bonus issue).

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = the Dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security.

(f) In the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules, so that the holder will not receive a benefit that the existing holders of ordinary shares do not receive but in all other respects the terms of exercise will remain the same.

(g) Holders of the Options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the Options without first exercising their Options.

7.3 Rights and liabilities attaching to Convertible Notes

A summary of the rights and liabilities attaching to the Convertible Notes is below.

(a) Face value

Each Convertible Note has a face value of $1.

(b) Maturity date

The maturity date of each Convertible Note is 12 months after the date of issue.

(c) Conversion

A Noteholder must convert their Convertible Notes into Shares at any time after the opening date of the Entitlement Offer and ending 10 business days before the maturity date.

(d) Conversion price

The Convertible Notes will be convertible at a deemed issue price equal to the price at which Shares are offered under the Entitlement Offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for the Entitlement Offer of $0.001 per Share.

(e) Interest

Interest accrues at a rate of 12% per annum, commencing from the date of issue.

The interest is to be calculated up to the date of conversion or redemption of the Notes and paid at the same time.

The interest is to be paid as follows:

(i) if the Convertible Notes are redeemed before the opening date of the Entitlement Offer: in cash;

(ii) if the Convertible Notes are redeemed or converted after the opening date of the Entitlement Offer, at the election of the Noteholder:

(A) in cash; or

(B) subject to the receipt of the requisite shareholder approval, and such shareholder approval remaining in full force and effect, by the issue of Shares, at a deemed issue price equal to the conversion price.

(f) Security

The Convertible Notes will be unsecured.

(g) Quotation

The Convertible Notes will not be quoted on the ASX.

(h) Transferability

The Noteholder may transfer the Convertible Notes, subject to the prior written consent of the Company.

(i) Additional provisions

Additional provisions including representations and warranties considered customary for agreements of this nature have been included.

7.4 Conditions to reinstatement to Official Quotation

ASX has advised the Company that it can see no reason why the Shares should not be reinstated to Official Quotation, subject to compliance with the following conditions precedent.

(a) The release by the Company of a full form prospectus for the purposes of section 710 of the Corporations Act (i.e. this Prospectus) and that each of the following Offers having closed:

(i) $150,000 in Convertible Notes to be subscribed for by Nick Johansen and Matt Bull, who each commit to convert the Convertible Notes on the terms set out in the Prospectus;

(ii) $251,772 by the issue of 251,771,564 shares by way of placement at an issue price of $0.001 per Share (this was raised by the issue of the Placement Shares on 24 February 2020 and is being cleansed pursuant to this Prospectus);

(iii) up to $1,930,249 by the issue of up to 1,930,249,000 Shares through the Entitlement Offer on a 1:1 basis at an issue price of $0.001 per Share,

on the basis that the amount raised by the Company is sufficient to establish that it has at least $1.5 million of working capital secured as at the date of reinstatement;

(b) Confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every fully paid Security issued to every successful Applicant for fully paid securities under the Prospectus.

(c) Despatch of each of the following.

(i) In relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1.

(ii) In relation to all other holdings, issuer sponsored holding statements.

(iii) Any refund money.

(d) The Company demonstrating compliance with Chapter 12 of the Listing Rules to the satisfaction of ASX and in particular that the Company's level of operations satisfies the requirement of Listing Rule 12.1 including:

(i) confirmation that all of the Company's material tenements are in good standing;

(ii) confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking its activities as set out in the Prospectus;

(iii) the Company’s level of shareholder spread will satisfy the requirements of Listing Rule 12.4, with there being at least 300 holders each holding at least $500 worth of fully paid ordinary shares.

(e) Lodgement of all outstanding Appendices 3B, 2A and 3G (as applicable) with ASX for issues of new securities.

(f) Reinstatement of the Company's CHESS sub-register (if required).

(g) The Company having a free float (as that term is defined in Chapter 19 of the Listing Rules) of not less than 20% at the time of its reinstatement to the Official List.

(h) Lodgement of any outstanding reports for the period since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5.

(i) Lodgement of all Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.

(j) Payment of any ASX fees, including listing fees, applicable and outstanding.

(k) Provision of the following in a form suitable for release to the market.

    (i) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number and percentage of holders as set out in the Appendix 1A and Information Form and Checklist.

    (ii) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.

    (iii) A statement disclosing the terms of any waivers granted to the Company as part of its re-instatement proposal.

    (iv) A statement confirming the Company is in compliance with the Listing Rules, and in particular Listing Rule 3.1 at the time of re-instatement.

    (v) An update on all litigation and outstanding claims for payment with respect to the Company at the time of re-instatement.

    (vi) Confirmation of the responsible person for the purposes of Listing Rule 1.1 condition 13.

    (vii) A statement confirming that the Company's pre-quotation disclosure announcements have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

(l) Provision of any other information required or requested by ASX or satisfaction of any other conditions required by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise from ASX's review of the Prospectus to be issued by the Company and from ASX's review of the Company's financial reports.

7.5 Interests of Directors

No Director of the Company (or entity in which they are a partner or director) has, or has had in the 2 years before the Prospectus Date, any interests in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or

(c) the Offers, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him to become, or to qualify as, a Director; or

(e) any Director of the Company for services which he (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus and as follows.

7.6 Director holdings of Securities

As at the Prospectus Date, the Directors do not hold any Shares or Options.

Nick Johansen holds 100,000 Convertible Notes, which he has agreed to convert into 100,000,000 Shares.

Matthew Bull holds 50,000 Convertible Notes, which he has agreed to convert into 50,000,000 Shares.

7.7 Remuneration of Directors

The terms of the remuneration of the Directors is summarised in Section 5.4.

The table below summarises the remuneration provided to the current Directors and their associated companies for the financial year ended 30 June 2019, and the anticipated remuneration payable for the financial year ending 30 June 2020, inclusive of directors fees, consultancy fees, share-based payments and superannuation.

Director	Financial year ended 30 June 2019 ($)		Financial year ended 30 June 2020 (Anticipated) ($)	
	Fees & Consultancy	Share based payments	Fees & Consultancy[10]	Share based payments
Nick Johansen[1]	$17,500	Nil	$82,500	Nil
Brian Thomas[2]	$17,500	Nil	$60,000	Nil
Matthew Bull[3]	Nil	Nil	$45,000	Nil
David Izzard[4]	$17,500	Nil	$5,000	N/A
Scott Paterson[5]	$17,500	Nil	$7,500	N/A
Terence Clee[6]	$67,500	$2,215	N/A	N/A
Robin Armstrong[7]	$45,000	$3,220	N/A	N/A
Robert McCauley[8]	$43,500	Nil	N/A	N/A

Director	Financial year ended 30 June 2019 ($)		Financial year ended 30 June 2020 (Anticipated) ($)	
	Fees & Consultancy	**Share based payments**	**Fees & Consultancy[10]**	**Share based payments**
John Hannaford[9]	$35,000	Nil	$29,000	N/A

Notes:

1. Nick Johansen was appointed as a Non-Executive Director on 15 March 2019.
2. Brian Thomas was appointed as a Non-Executive Director on 15 March 2019.
3. Matthew Bull was appointed as a Non-Executive Director on 27 September 2019.
4. David Izzard was appointed as a Non-Executive Director on 15 March 2019 and resigned on 14 August 2019.
5. Scott Paterson was appointed as a Non-Executive Director on 15 March 2019 and resigned on 14 August 2019.
6. Terence Clee resigned from the position of Executive Director/Chairman on 15 March 2019.
7. Robin Armstrong resigned from the Company on 11 December 2017. However Mr Armstrong was re-appointed as a Non-Executive Director on 21 February 2018. Mr Armstrong resigned on 15 March 2019.
8. Robert McCauley was appointed as a Non-Executive Director on 20 April 2018 and resigned on 15 March 2019.
9. John Hannaford was appointed as a Non-Executive Chairman on 15 March 2019 and resigned on 27 September 2019, as he did not stand for re-election at the Company's general meeting held on 27 September 2019.
10. The total Director fees for the 2020 financial year is $229,000. The Company has paid $169,000 with an outstanding amount of $60,000.

7.8 Employee incentive plan

The Company does not presently have an employee incentive plan in place. The Company anticipates that it will adopt an employee incentive plan in due course, following completion of the Offers. The material terms of any such employee incentive plan will be disclosed to Shareholders if and when such plan is adopted.

7.9 Related party transactions

At the Prospectus Date, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

7.10 Expenses of Offers

The total estimated expenses of the Offers payable by the Company are set out below.

Item	Estimated cost ($)
ASIC fees	$3,206

Item	Estimated cost ($)
ASX quotation fee	$9,105
Legal fees	$35,000
Geologist fees for technical information included in the Prospectus	$20,000
Investigating Accountant Fees	$10,000
Lead Manager cash fees	$60,000
Printing, Postage and Administration Fees	$7,500
Total	**$144,811**

7.11 ASX waivers

No ASX waivers are required to be obtained in connection with the Offers.

7.12 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company posts this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7.13 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

7.14 Interests of Promoters, Experts and Advisers

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the Prospectus Date, or held at any time during the last two years, any interest in:

(i) the formation or promotion of the Company;

(ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or

(iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) **Share Registry**

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on industry standard terms and conditions.

(c) **Lead Manager**

Baker Young has been appointed to act as the lead manager to the Entitlement Offer and the Shortfall Offer to the Company. The fees payable to Baker Young are summarised in Section 5.3.

The Company has not paid any fees to Baker Young during the 24 months preceding lodgement of this Prospectus with ASX.

(d) **Auditor**

RSM Australia Partners has been appointed to act as auditor to the Company. The Company will not pay any additional fees to RSM Australia Partners in connection with the Offers. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Australia Partners has provided audit services to the Company, the total value of these services was $64,500.

(e) **Investigating Accountant**

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 9 of this Prospectus. The Company estimates that it will pay RSM Corporate Australia Pty Ltd $10,000 for these services.

During the 24 months preceding lodgement of this Prospectus with ASX, RSM Corporate Australia Pty Ltd has not provided any other services to the Company.

(f) **Legal Advisers**

HWL Ebsworth has acted as the Australian solicitors to the Company in relation to the Prospectus and the Offers. The Company estimates it will pay HWL Ebsworth $35,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, HWL Ebsworth has provided legal services to the Company, the total value of these services was $33,662. These services were in respect of the Offers and additional general corporate matters.

7.15 Consents

(a) **General**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

(i) does not make the Offers;

(ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

(iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

(iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) **Share Registry**

Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Share Registry of the Company in the form and context in which it is named.

(c) **Lead Manager**

Baker Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Lead Manager of the Company in relation to the Offers in the form and context in which it is named.

(d) **Auditor**

RSM Australia Partners has given its written consent to being named as auditor of the Company in this Prospectus in the form and context in which it appears. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(e) **Investigating Accountant**

RSM Corporate Australia Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and the inclusion of the Independent Limited Assurance Report in Section 9 in the form and context in which the information and report are included. RSM Corporate Australia Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(f) **Legal advisers**

HWL Ebsworth has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the lawyers to the Company in relation to the Offers.

(g) **Competent Persons**

(i) *Grace Gold-Copper Project*

Subject to the below paragraph, the Exploration Results and Mineral Resource Estimate for the Grace Gold-Copper Project disclosed in this Prospectus are based on and fairly represent information and supporting documentation prepared by Mr Bill Oliver. Mr Oliver is an employee of Billandbry Consulting Pty Ltd and a member of Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Oliver has provided his prior written consent as to the form and context in which the Exploration Results and Mineral Resource Estimate and the supporting information are presented in this Prospectus.

The Geophysical Results for the Grace Gold-Copper Project disclosed in this Prospectus are based on and fairly represent information and supporting documentation prepared by Dr Jayson Meyers. Dr Meyers is a consultant to the Company and a Shareholder. Dr Meyers is a Fellow of the Australian Institute of Geoscientists. Dr Meyers has provided his prior written consent as to the form and context in which the Geophysical Results and the supporting information are presented in this Prospectus.

(ii) *Pilbara Gold Exploration Projects*

The Exploration Results for the Pilbara Gold Exploration Projects disclosed in this Prospectus are based on and fairly represent information and supporting documentation prepared by Mr Ben Pollard. Mr Pollard is an employee of Cadre Geology and Mining Pty Ltd and a member of Australasian Institute of Mining and Metallurgy. Mr Pollard has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this Prospectus.

(iii) *Horseshoe South Base Metals Project*

The Exploration Results for the Horseshoe South Base Metals Project disclosed in this Prospectus are based on and fairly represent information and supporting documentation prepared by Mr Ben Pollard. Mr Pollard is an employee of Cadre Geology and Mining Pty Ltd and a member of Australasian Institute of Mining and Metallurgy. Mr Pollard has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this Prospectus.

(iv) *Burraga Copper-Gold Project*

The Exploration Results and Mineral Resource Estimates for the Lloyds Copper Mine and the Lucky Draw and Hackney's Creek Gold Prospects at the Burraga Copper-Gold Project disclosed in this Prospectus are based on and fairly represent information and supporting documentation prepared by Mr Kerrin Allwood (MSc., CP Geol). Mr Allwood is an employee of Geomodelling Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Allwood has provided his prior written consent as to the form and context in which the Exploration Results and Mineral Resource Estimates and the supporting information are presented in this Prospectus.

7.16 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7.17 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 7.15.

7.18 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 8 and the Independent Limited Assurance Report in Section 9, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

8. Financial Information

8.1 Introduction

The financial information in this Section 8 consists of:

(a) the historical statements of comprehensive income and statements of cash flows of the Company for the half years ended 31 December 2019 and 31 December 2018, and the years ended 30 June 2019 and 30 June 2018; and

(b) the historical statement of financial position of the Company as at 31 December 2019;

(together, the **Historical Financial Information**) and

(c) the pro forma statement of financial position of the Company as at 31 December 2019, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 of Section 8.5 had occurred as at 31 December 2019 (**Pro Forma Statement of Financial Position**),

(collectively referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. RSM Corporate Australia Pty Ltd has prepared an Investigating Accountant's Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant’s work, is set out in Section 9.

The information presented in this Section 8 should be read in conjunction with the Investigating Accountant's Report contained in Section 9, the risk factors as detailed in Section 4 and other information included in this Prospectus.

8.2 Basis of preparation and presentation of the Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and the accounting policies adopted by the Company (as detailed in note 3 of Section 8.5). The Pro Forma Statement of Financial Position has been derived from the Historical Financial Information and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer (as detailed in note 2 of Section 8.5) as if those events and transactions had occurred as at 31 December 2019.

The Financial Information contained in this Section 8 is presented in an abbreviated form and does not include all the presentation and disclosures, statements or comparative information required by Australian Accounting Standards and other mandatory reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information of the Company has been extracted from its:

(a) financial statements for the half years ended 31 December 2019 and 31 December 2018, which were reviewed by RSM Australia Partners in accordance with Australian Auditing Standards; and

(b) financial statements for the years ended 30 June 2019 and 30 June 2018, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards.

RSM Australia Partners issued unmodified audit opinions and review conclusions in relation to these financial statements. However, the financial statements for the half year ended 31

December 2019 included an emphasis of matter drawing attention to the matters set out in the "Going concern" note, indicating that a material uncertainty exists that may cast significant doubt on the ability of the consolidated entity to continue as a going concern.

Investors should note that past results are not a guarantee of future performance.

8.3 Statement of Comprehensive Income

The table below sets out the Statement of Comprehensive Income of the Company for the half years ended 31 December 2019 and 31 December 2018 and the years ended 30 June 2019 and 30 June 2018:

	6 months ended 31-Dec-19 Reviewed $	6 months ended 31-Dec-18 Reviewed $	Year ended 30-Jun-19 Audited $	Year ended 30-Jun-18 Audited $
Revenue from continuing operations				
Other income	425	3,319	4,416	8,418
Expenses				
Administrative expenses	(158,313)	(258,305)	(477,075)	(342,146)
Compliance and regulatory expenses	(51,636)	(84,573)	(114,931)	(220,486)
Corporate advisory fees	(4,618)	(288,160)	(645,088)	(1,326,946)
Depreciation	(3,221)	(8,490)	(17,204)	(12,019)
Employee benefit expenses	(127,500)	(174,715)	(325,633)	(449,471)
Exclusivity fee	-	-	-	(155,556)
Finance costs	(1,925)	(17,000)	(29,527)	-
Fair value of available for sale financial assets	(149)	74	298	821
Legal fees	(40,584)	(105,363)	(328,477)	(162,683)
Loss on disposal of fixed asset	(16,348)	-	-	-
Marketing and investor relations	(272)	(332,762)	(239,062)	(336,104)
Exploration consulting fees	(17,924)	(229,045)	(274,791)	(884,755)
Occupancy costs	(4,710)	(32,040)	(56,133)	(68,729)
Option fee	-	-	(150,000)	-
Share-based payments expense	(12,728)	(12,728)	(135,462)	(25,457)
Other expenses	(7,739)	(30,877)	(60,715)	(6,506)
Loss from continuing operations before income tax	**(447,242)**	**(1,570,665)**	**(2,849,384)**	**(3,981,619)**
Income tax expense	-	-	-	-
Loss from continuing operations after income tax	**(447,242)**	**(1,570,665)**	**(2,849,384)**	**(3,981,619)**
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	**(447,242)**	**(1,570,665)**	**(2,849,384)**	**(3,981,619)**

8.4 Statement of Cash Flows

The table below sets out the Statement of Cash Flows of the Company for the half years ended 31 December 2019 and 31 December 2018 and the years ended 30 June 2019 and 30 June 2018:

	6 months ended 31-Dec-19 Reviewed $	6 months ended 31-Dec-18 Reviewed $	Year ended 30-Jun-19 Audited $	Year ended 30-Jun-18 Audited $
Cash flows from operating activities				
Payments to suppliers and employees	(407,927)	(1,234,695)	(2,394,353)	(2,736,833)
Interest received	427	1,608	2,705	8,418
Interest paid	-	-	(14,527)	-
Net cash from/(used) in operating activities	**(407,500)**	**(1,233,087)**	**(2,406,175)**	**(2,728,415)**
Cash flows from investing activities				
Payments for plant and equipment	-	-	-	(31,447)
Payments for exploration and evaluation expenditure	(161,633)	(620,523)	(399,554)	(980,168)
Net cash from/(used) in investing activities	**(161,633)**	**(620,523)**	**(399,554)**	**(1,011,615)**
Cash flows from financing activities				
Proceeds from convertible note	100,000	-	-	-
Proceeds from borrowings (net)	-	85,000	85,000	-
Repayment of borrowings	-	-	(100,000)	-
Proceeds from issue of shares	-	-	1,276,499	5,083,000
Proceeds from issue of listed options	-	-	116,017	-
Payment of share issue costs	-	-	-	(335,189)
Net cash from/(used) in financing activities	**100,000**	**85,000**	**1,377,516**	**4,747,811**
Net increase/(decrease) in cash and cash equivalents	(469,133)	(1,768,610)	(1,428,213)	1,007,781
Cash and cash equivalents at the beginning of the period	508,225	1,936,438	1,936,438	928,657
Cash and cash equivalents at the end of the period	**39,092**	**167,828**	**508,225**	**1,936,438**

8.5 Historical and Pro Forma Statements of Financial Position

The table below sets out the Historical Statement of Financial Position of the Company as at 31 December 2019, extracted from the reviewed financial statements, and the Pro Forma Statement of Financial Position of the Company as at that date.

	Note	Paterson	Subsequent events	Pro forma adjustments	Pro forma
		Reviewed	*Unaudited*	*Unaudited*	*Unaudited*
		31-Dec-19	31-Dec-19	31-Dec-19	31-Dec-19
		$	$	$	$
Assets					
Current assets					
Cash and cash equivalents	4	39,092	301,772	1,767,831	2,108,695
Trade and other receivables		202,003	-	-	202,003
Total current assets		**241,095**	**301,772**	**1,767,831**	**2,310,698**
Non-current assets					
Plant and equipment		6,838	-	-	6,838
Available-for-sale financial assets		1,194	-	-	1,194
Deferred exploration and evaluation		17,212,885	-	-	17,212,885
Total non-current assets		**17,220,917**	**-**	**-**	**17,220,917**
Total assets		**17,462,012**	**301,772**	**1,767,831**	**19,531,615**
Liabilities					
Current liabilities					
Trade and other payables		570,138	-	-	570,138
Borrowings	5	-	150,000	(150,000)	-
Other current liabilities	6	102,813	(100,000)	-	2,813
Total current liabilities		**672,951**	**50,000**	**(150,000)**	**572,951**
Total liabilities		**672,951**	**50,000**	**(150,000)**	**572,951**
Net assets		**16,789,061**	**251,772**	**1,917,831**	**18,958,664**
Equity					
Issued capital	7	28,271,719	251,772	1,968,257	30,491,748
Reserves		5,659,913	-	8,000	5,667,913
Accumulated losses	8	(17,142,571)	-	(58,426)	(17,200,997)
Total equity		**16,789,061**	**251,772**	**1,917,831**	**18,958,664**

The unaudited Pro Forma Statement of Financial Position represents the reviewed statement of financial position of the Company as at 31 December 2019 adjusted for the subsequent events and pro forma transactions outlined in Note 2 below. It should be read in conjunction with the notes to the historical and pro forma financial information.

The Pro Forma Statement of Financial Position has been prepared on the basis that the Entitlement Offer is fully subscribed. The Company has not set a minimum subscription for the Offers. The actual gross proceeds raised by the Company will depend upon the extent to which Entitlements are taken up by Eligible Shareholders and on the Company's ability to place any Shortfall Shares. If the Company raises less than $1.93 million, its pro forma cash and cash equivalents would reduce by the difference between the amount actually raised under the Entitlement Offer and $1.93 million.

NOTES TO THE FINANCIAL INFORMATION

1. Historical Statement of Financial Position

The Historical Statement of Financial Position of the Company set out above has been extracted without adjustment from the reviewed financial statements of the Company for the half year ended 31 December 2019.

2. Pro Forma Historical Statement of Financial Position

The Pro Forma Statement of Financial Position has been compiled by aggregating the Historical Statement of Financial Position of the Company as at 31 December 2019, and reflecting the Directors' pro forma adjustments for the impact of the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offer.

The following pro forma adjustments have been made in relation to events subsequent to 31 December 2019:

(i) the issue on 8 January 2020 of 150,000 convertible notes with a face value of $1.00 each to certain directors of the Company (**Convertible Notes**), raising proceeds of $150,000 (of which $100,000 was received prior to 31 December 2019); and

(ii) the issue on 24 February 2020 of 251,771,564 ordinary shares in the Company by way of a placement to sophisticated and professional investors at $0.001 per share, raising proceeds of $251,772;

The following pro forma transactions are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

(iii) the issue of up to 1,930,248,656 fully paid ordinary shares in the Company at $0.001 each (**Entitlement Offer Shares**) by way of a non-renounceable entitlement offer to shareholders, to raise up to $1,930,249 before costs pursuant to the Offer (the **Entitlement Offer**);

(iv) the issue of 150,000,000 Shares at $0.001 each on conversion of the Convertible Notes (the **Noteholder Offer**) and payment of accrued interest of $17,607 (assuming conversion at the maturity date);

(v) the issue of 20,000,000 Options to the Lead Manager, exercisable at $0.003 each and expiring three years from the date of issue (subject to the receipt of prior Shareholder approval); and

(vi) the payment of cash costs related to the Offer estimated to be $144,811.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The Financial Information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 and complies with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB").
The financial statements have been prepared under the historical cost convention unless otherwise stated, and on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(b) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Interest Income

Interest income is recognised when the Company gains controls of the right to receive the interest payment.

All revenue is stated net of the amount of goods and services tax.

(c) Income tax

The income tax expense (or income) for each year comprises the current income tax expense (income) and deferred tax expense (income).

The current income tax expense charged to the profit or loss is the tax payable on taxable income, calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant taxation authority.

Deferred tax expense (or income) reflects movements in the deferred tax asset and deferred tax liability balances during the year, as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term high liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

(e) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Goods and Services Tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset of the assets or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST on investing and financial activities, which are disclosed as operating cash flows.

(g) Property, plant and equipment

Each asset of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Items of plant and equipment are depreciated using the straight-line or diminishing value method over their estimated useful lives to the Group. The depreciation rates used for each class of asset are as follows:

- Computer equipment 33%
- Plant & equipment 20 – 50%
- Motor vehicles 22.5%

Assets are depreciated from the date the asset is ready for use. The residual lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(h) Financial assets

Investments are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. Those financial assets classified as fair value through profit or loss, are initially measured at fair value.

The fair value of investments in listed entities is assessed as the bid price on the ASX at the close of business on the reporting date.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

(i) Exploration and evaluation expenditure

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

(j) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Due to the short-term nature of these payables, their carrying value is assumed to be the same as their fair value.

(k) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(l) Provisions

Provisions are recognised when the entity has a present (legal or constructive) obligation as a result of a past event, it is probable the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(m) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(n) Financial instruments

Except for certain trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss as other income when the Group's right to receive payments is established.

(o) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

(p) Critical accounting estimates, judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and Evaluation Expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

The Directors also determines when an area of mineral exploration interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

(q) Current and non-current classifications

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(r) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(s) Application of new and revised Accounting Standards

In preparing the Financial Information, the Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period, including AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.

4. Cash and cash equivalents	**Note**	**Paterson**	**Pro forma Unaudited**
		31-Dec-19	**31-Dec-19**
		$	**$**
Cash and cash equivalents		39,092	2,108,695
Paterson cash and cash equivalents as at 31 December 2019			39,092
Subsequent events are summarised as follows:			
Proceeds from issue of Convertible Notes	2(i)		50,000
Proceeds from issue of ordinary shares	2(ii)		251,772
			301,772
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Proceeds from the Offer pursuant to the Prospectus	2(iii)		1,930,249
Capital raising costs	2(vi)		(144,811)
Payment of interest on Convertible Notes			(17,607)
			1,767,831
Pro forma cash and cash equivalents			**2,108,695**

5. Borrowings		**Paterson**	**Pro forma Unaudited**
		31-Dec-19	**31-Dec-19**
		$	**$**
Borrowings		-	-
Paterson borrowings as at 31 December 2019			-
Subsequent events are summarised as follows:			
Proceeds from issue of Convertible Notes	2(i)		150,000
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Conversion of Convertible Notes to ordinary shares	2(iv)		(150,000)
			-
Pro forma borrowings			**-**

6. Other current liabilities

		Paterson	Pro forma Unaudited
		31-Dec-19	31-Dec-19
		$	$
Other current liabilities		102,813	2,813
Paterson other current liabilities as at 31 December 2019			102,813
Subsequent events are summarised as follows:			
Issue of Convertible Notes	2(iv)		(100,000)
Pro forma other current liabilities			**2,813**

7. Issued Capital

	Note	Number of shares	$
Paterson issued share capital as at 31 December 2019		1,678,477,092	28,271,719
Subsequent events are summarised as follows:			
Issue of ordinary shares	2(ii)	251,771,564	251,772
		251,771,564	251,772
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Fully paid ordinary shares issued at $0.001 pursuant to the Offer	2(iii)	1,930,248,656	1,930,249
Conversion of Convertible Notes to ordinary shares	2(iv)	150,000,000	150,000
Capital raising cost settled through issue of Lead Manager Options	2(v)	-	(8,000)
Cash costs associated with the share issue pursuant to this Prospectus	2(vi)	-	(103,992)
		2,080,248,656	1,968,257
Pro forma issued share capital		**4,010,497,312**	**30,491,748**

Options

Under the terms of the Lead Manager Agreement (summarised in Section 5.3), the Company will issue 20,000,000 Options to Baker Young, subject to the receipt of prior Shareholder approval. Each Option entitles the holder to subscribe for one ordinary share in the Company on exercise of the Option. The Options have an exercise price of $0.003 and are exercisable at any time within three years from the date of issue.

The pro forma fair value of the Options is $0.0004 per Option. The Options have been valued using a standard binomial pricing model based on the following assumptions:

Assumptions

Share price	$0.001
Exercise price	$0.003
Expiry period	3 years
Expected future volatility	100%
Risk free rate	0.26%
Dividend yield	nil

8. Accumulated losses	Note	Paterson	Pro forma Unaudited
		31-Dec-19	31-Dec-19
		$	$
Accumulated losses		(17,142,571)	(17,200,997)
Paterson accumulated losses as at 31 December 2019			(17,142,571)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Payment of interest on Convertible Notes	2(iv)		(17,607)
Listing costs expensed	2(vi)		(40,819)
			(58,426)
Pro forma accumulated losses			**(17,200,997)**

9. Contingencies

The Company had no contingent assets or liabilities as at 31 December 2019.

9. Independent Limited Assurance Report

RSM Corporate Australia Pty Ltd

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www.rsm.com.au

21 May 2020

The Directors
Paterson Resources Limited
Suite 2, 1 Altona Street
WEST PERTH WA 6005

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Paterson Resources Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Paterson Resources Limited ("Paterson" or the "Company") to report on the historical and pro forma historical financial information of the Company for the half years ended 31 December 2018 and 31 December 2019 and the years ended 30 June 2018 and 30 June 2019 for inclusion in a prospectus ("Prospectus") of Paterson to be dated on or about 22 May 2020. The Prospectus is in connection with a non-renounceable entitlement offer and reinstatement of the Company's securities on the Australian Securities Exchange ("ASX"). The Company is making a non-renounceable pro-rata entitlement offer of one new share for every share held by an eligible shareholder, at an issue price of $0.001 per new share, to raise approximately $1.93 million before costs ("Entitlement Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The future prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Section 8.5 of the Prospectus, are not addressed in this Report. This Report also does not address the rights attaching to the shares to be issued pursuant to the Prospectus, nor the risks associated with an investment in shares in the Company.

Background

Paterson is a mineral exploration company which is engaged in a number of gold and copper projects in Australia. The Company was incorporated on 3 August 2005 and its shares were admitted to the ASX on 18 October 2006, but have been suspended from trading on the ASX since 10 September 2018. The Company was formerly known as Hardey Resources Limited and recorded a change of name to Paterson Resources Limited on 9 December 2019.

The Company is seeking to raise funds in order to progress exploration activities on its existing projects, provide additional working capital and satisfy ASX that the Company's financial condition is adequate to warrant the quotation of its securities and its continued listing.

Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the historical financial information of the Company included in Section 8 of the Prospectus, and comprising:

- the consolidated statement of comprehensive income and statement of cash flows of the Company for the half years ended 31 December 2018 and 31 December 2019 and the years ended 30 June 2018 and 30 June 2019; and
- the consolidated statement of financial position of the Company as at 31 December 2019.

(together the "Historical Financial Information").

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from:

- the financial statements of the Company for the half years ended 31 December 2018 and 31 December 2019, which were reviewed by RSM Australia Partners in accordance with Australian Auditing Standards applicable to review engagements and the *Corporations Act 2001*. The review reports issued for the half-years ended 31 December 2018 and 31 December 2019 contained unmodified review conclusions. However, the review report with respect to the 31 December 2019 financial statements included an emphasis of matter drawing attention to the matters set out in the Going Concern note, which indicated that a material uncertainty exists that may cast doubt on the ability of the consolidated entity to continue as a going concern; and
- the financial statements of the Company for the years ended 30 June 2018 and 30 June 2019, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards and the *Corporations Act 2001*. The audit reports issued for the years ended 30 June 2018 and 30 June 2019 contained unmodified audit opinions. However, the audit report with respect to the financial statements for the year ended 30 June 2019 also contained an emphasis of matter with respect to the ability of the consolidated entity to continue as a going concern.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma consolidated historical statement of financial position as at 31 December 2019, referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pro forma adjustments described in Section 8 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of financial performance.

Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of

Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- a review of the Company's and its auditors' work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of the subsequent events and pro forma adjustments described in Section 8.5 of the Prospectus; and
- performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Section 8 of the Prospectus, and comprising:

- the consolidated statement of comprehensive income and statement of cash flows of the Company for the half-years ended 31 December 2018 and 31 December 2019 and the years ended 30 June 2018 and 30 June 2019; and
- the consolidated statement of financial position of the Company as at 31 December 2019;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 8 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 8 of the Prospectus, and comprising the pro forma consolidated statement of financial position of the Company as at 31 December 2019, is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 8 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

JUSTIN AUDCENT
Director

10. Solicitor's Report

Our Ref: 966136

21 May 2020

The Directors
Paterson Resources Limited
Suite 2/1 Altona Street,
West Perth WA 6005

Dear Sirs

Paterson Resources Limited
Solicitor's Report – Mining Tenements

This report has been prepared for Paterson Resources Limited (**Company**) for inclusion in the Company's prospectus (**Prospectus**) issued in connection with the Company's application for the admission of the ordinary shares of the Company to the Official List of the ASX.

1. Scope

We have been requested to report on:

(a) seven granted exploration licences and five granted prospecting licences located in Western Australia (**WA Tenements**); and

(b) four granted exploration licences in New South Wales (**NSW Tenements**),

(together, **Tenements**), the details of which are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

(a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 19 May 2020 (**NNTT Searches**);

(b) searches of the register in respect of the WA Tenements maintained by the Department of Mines, Industry Regulation and Safety (WA) (**DMIRS**) pursuant to the Mining Act on 19 May 2020 (**DMIRS Searches**);

(c) searches of the NSW Tenements in the mining tenement register maintained by the Division of Resources and Geoscience of the Department of Planning,

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Industry and Environment (NSW) (**DPE**) under the *Mining Act 1992* (NSW) (**NSW Mining Act**) and *Mining Regulation 2016* (NSW) (**NSW Mining Regulation**) conducted on 20 May 2020;

(d) quick appraisal user searches in respect of the WA Tenements of the Tengraph system maintained by the DMIRS on 20 May 2020 (**Tengraph Searches**);

(e) searches from the online Aboriginal Heritage Inquiry System (**WA AHIS**) maintained by the Department of Planning, Lands and Heritage (WA) for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the WA Tenements on 19 May 2020; and

(f) searches of the Aboriginal Heritage Information Management System (**NSW AHIMS**) maintained by the Office of Environment and Heritage (NSW) in respect of the NSW Tenements on 17 January 2020.

3. Definitions

In this Report:

Aboriginal people has the meaning given in paragraph 7.2(a).

APL means ACN 603 462 513 Pty Ltd (formerly known as Hardey Resources Pty Ltd and Tom Langley Mineral Holdings Pty Ltd).

BC Exploration means BC Exploration Pty Ltd.

Company means Paterson Resources Limited.

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

DMIRS has the meaning given in paragraph 2.

DMIRS Searches has the meaning given in paragraph 2.

Federal Court means the Federal Court of Australia.

ILUA has the meaning given in paragraph 7.6(c).

Material Contracts means any agreements summarised in paragraph 9.1.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in paragraph 7.9(a)(ii).

NNTR has the meaning given in paragraph 7.3(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in paragraph 2.

NSW Heritage Act means the *National Parks and Wildlife Act 1974* (NSW).

NSW Mining Act has the meaning given in paragraph 2.

NSW Mining Regulations has the meaning given in paragraph 2.

NTC has the meaning given in paragraph 7.10(c).

Prospectus has the meaning given in the opening paragraph of this document.

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in paragraph 7.3(a).

RSHA has the meaning given in paragraph 7.10(c).

Searches means the searches referred to in paragraph 2.

Tenements means the WA Tenements and NSW Tenements as set out in Schedule 1.

Tengraph Searches has the meaning given in paragraph 2.

WA Heritage Act means the *Aboriginal Heritage Act 1972* (WA).

WA Mining Act means the *Mining Act 1978* (WA).

WA Mining Minister means the Minister responsible for the WA Mining Act.

WA Mining Regulations means the *Mining Regulations 1981* (WA).

4. Opinion

Subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

(a) **Company's Interest**: the Company's interest in the Tenements;

(b) **Good Standing**: the validity and good standing of the Tenements; and

(c) **Third party interests**: third party interests, including encumbrances, in relation to the Tenements.

5. Risk factors

(a) Title risk

The Company and a wholly owned subsidiary of the Company, APL, are the registered holders of WA Tenements E08/2880, E47/3578, E45/5020, E47/3827, E45/5130, E52/2569 and E45/4524. In relation to the other WA Tenements, Thomas Langley is the current registered holder of the five

Western Australian prospecting licences (P45/2905, P45/2906, P45/2907, P45/2908 and P45/2909), being the "**Langley Prospecting Licences**".

In respect of the Langley Prospecting Licences, the Company has advised that transfer forms pursuant to which Thomas Langley transfers his entire interest in the Langley Prospecting Licences to APL are signed and are awaiting duty assessment by the OSR. Following assessment and payment of any such duty, the relevant transfer forms will be registered with DMIRS.

BC Exploration Pty Ltd (**BC Exploration**), a wholly owned subsidiary of the Company, is the registered holder in respect of the NSW Tenements.

(b) **Third-party tenure risks**

Under New South Wales, Western Australian and Commonwealth legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including other mining tenure, pastoral leases or petroleum tenure.

The Searches indicate that the:

(i) WA Tenements overlap certain pastoral leases and mining tenure (see paragraph 9 for details); and

(ii) NSW Tenements overlap State Forest, Crown Land and potentially freehold and leasehold land (see paragraph 9 for details).

As such and as is customary, the Company will have to enter into access and compensation agreements in relation to the overlapping mining tenure and, depending on whether any infrastructure has been constructed and whether this interferes with any proposed mining operations, there could be delays or costs in respect of mining operations that are affected by those overlapping tenements. We have been advised by the Company that there are not currently any such agreements in place.

Any delays or costs in respect of conflicting third-party rights (for example, in relation to obtaining any access and compensation agreements, obtaining necessary consents or compensation obligations) may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

E52/2569 overlaps with a petroleum title granted under the *Petroleum and Geothermal Resources Act 1967* (WA). There is a risk that a dispute or difference with the holder of the overlapping petroleum title could arise in relation to each party's operations on the area of E52/2569. If this was to occur, this could result in delays, increased costs or operational restrictions on the Company's activities in that area.

(c) **Native title risks**

The NNTT Searches indicate that there are 3 native title applications and 7 positive native title determinations covering a number of the WA Tenements.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

However, if any of the Tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. There is nothing in our enquiries to indicate that any of the Tenements were not or will not be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

See paragraph 7 below for further details.

(d) **Aboriginal Heritage risks**

The Searches indicate that there are:

(i) 2 registered Aboriginal sites located on the area covered by the WA Tenements; and

(ii) 1 Aboriginal sites located on the area covered by one of the NSW Tenements.

However, there remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

See paragraph 8 below for further details.

6. Tenements

The Tenements comprise:

(a) seven granted exploration licences in Western Australia (prefixed '**E**');

(b) five granted prospecting licences in Western Australia (prefixed "**P**"); and

(c) four granted exploration licences in New South Wales (prefixed "**EL**").

The following provides a description of the nature and key terms of the key types of mining tenements (including potential successor tenements) that may be granted under the WA Mining Act and the NSW Mining Act.

6.1 Exploration Licences in Western Australia

(a) Licence area and authority

An exploration licence in Western Australia permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of WA and a maximum of 70 graticular blocks elsewhere. Graticular blocks range in area from approximately $2.8km^2$ to $3.3km^2$. There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. The holder of an exploration licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 1,000 tonnes over the term of the licence.

An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

(b) Term and extension

Exploration licences are granted for a term of 5 years. The WA Mining Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further exploration, or where the WA Mining Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

(c) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(d) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status, the holder of an exploration licence may have to comply with a specified programme of work. The WA Mining Minister may ask the holder of an exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

(e) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the WA Mining Minister.

(f) Right to apply for mining lease

During the term of an exploration licence, the holder may apply for and have granted subject to the WA Mining Act, one or more mining leases over any part of land subject to the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

(g) Rent and expenditure requirements

Annual rent for an exploration licence (graticular) is $138.00 per block for years 1 to 3 of the term of the licence ($361.00 if for only 1 block), $233.00 per block for years 4 and 5, $318.00 per block for years 6 and 7, and $601.00 per block for year 8 and each subsequent year of the term of the licence (based on rental rates current as at the date of this Report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than:

(i) $1,000.00 per block for years 1 to 3 of the term of the licence (subject to minimums of $10,000.00 for licences of 1 block only, $15,000.00 for licences of 2 to 5 blocks and $20,000.00 for licences of 6 or more blocks);

(ii) not less than $1,500.00 per block for years 4 and 5 of the term of the licence (subject to minimums of $10,000.00 for licences of 1 block only, $20,000.00 for licences of 2 to 5 blocks and $30,000.00 for licences of 6 or more blocks);

(iii) not less than $2,000.00 per block for years 6 and 7 of the term of the licence (subject to minimums of $15,000.00 for licences of 1 block only, $30,000.00 for licences of 2 to 5 blocks and $50,000.00 for licences of 6 or more blocks); and

(iv) not less than $3,000.00 per block for years 8 and each subsequent year of the term of the licence (subject to minimums of $20,000.00

for licences of 1 block only, $50,000.00 for licences of 2 to 5 blocks and $70,000.00 for licences of 6 or more blocks),

(based on expenditure requirements current as at the date of this Report).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the WA Mining Act or at the discretion of the WA Mining Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

Following a ministerial statement of opinion, published in the Government Gazette on 3 April 2020, the grounds for exemptions to expenditure requirements in Western Australia include where a holder is unable to meet the expenditure requirements as the direct result of COVID-19 or restrictions imposed by governments in response to the COVID-19 pandemic.

(h) Forfeiture

The WA Mining Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

(i) failure to comply with a condition of an exploration licence such as payment of rent or statutory royalty, or lodgement of a report as required by the WA Mining Act;

(ii) failure to comply with certain provisions of the WA Mining Act;

(iii) failure to satisfy expenditure conditions;

(iv) failure by the holder to satisfy a request of the WA Mining Minister; or

(v) if the holder is convicted of an offence under the WA Mining Act.

Rather than forfeiting the exploration licence, the WA Mining Minister may impose a penalty not exceeding $150,000.00 (if the holder is a body corporate), or award the whole or part of any such penalty to any person or impose no penalty on the holder.

(i) Other conditions

Exploration licences are subject to standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of DMIRS prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes, etc.) and prohibitions or restrictions on disturbing existing infrastructure such as roads, power lines, aerial landing ground, airstrips and geodetic survey stations.

In addition to these standard conditions, certain significant or non-standard conditions affecting the WA Tenements are set out in Schedule 1.

Other than some historical fines in relation to non-compliance (see Schedule 1 for further details), on the basis of the Searches, we are not aware of any material non-compliance with the conditions attaching to the WA Tenements.

6.2 Prospecting Licences in Western Australia

(a) Application

A person may lodge an application for a prospecting licence in accordance with the WA Mining Act. The Mining Registrar or Warden decides whether to grant an application for a prospecting licence.

An application for a prospecting licence cannot be legally transferred and continues in the name of the applicant.

(b) Land excluded from prospecting licences

Where an application for a prospecting relates to land that is, or was when the application was made, the subject of a granted mining tenement, any prospecting licence granted in respect of that application shall not include that land.

(c) Rights

The holder of a prospecting licence is entitled to enter the land and undertake operations for the purpose of prospecting for minerals.

(d) Term

A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted, the WA Mining Minister may extend the term by one period of 4 years and if retention status is granted (see below) by further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

(e) Retention Status

The holder of a prospecting licence may apply to the WA Mining Minister for approval of retention status for the prospecting licence. The WA Mining Minister may approve retentions status for the whole or any part of the land subject of a prospecting licence where there is an identified mineral resource within the prospecting licence, but it is impracticable to mine the resource for prescribed reasons. On the approval of retention status the WA Mining Minister may impose a condition requiring the holder to comply with a specific programme of works or require the holder to apply for a mining lease.

(f) Conditions

Prospecting licences are granted subject to various standard conditions relating to minimum expenditure, the payment of rent and observance of environment protection and reporting requirements. These standard conditions are detailed in Schedule 1.

Non-compliance with these conditions may lead to forfeiture of the prospecting licence.

(g) Relinquishment

There is no requirement to relinquish any portion of the prospecting licence.

(h) Priority to apply for a Mining Lease:

The holder of a prospecting licence has a right in priority to apply for a mining lease. The application for the mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

(i) Transfer and encumbrances

Generally, there is no restriction on transfer or other dealing in a prospecting licence under the WA Mining Act.

A mortgage is registered against the five Langley Prospecting Licences and this registered mortgage will affect the registered holder's ability to deal with the relevant WA Tenements (see Schedule 1 for more details). However, given that the transfers of the Langley Prospecting Licences have been signed by all parties and, in any case, the relevant mortgagee is APL (a wholly owned subsidiary of the Company), we do not think this poses a material risk in relation to these tenements.

6.3 Mining Leases in Western Australia

(a) Application for a mining lease

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The grant of mining leases under the WA Mining Act lies with the WA Mining Minister on recommendation of the Mining Registrar or Warden.

The application for a mining lease, where made after 10 February 2006, must be accompanied by either a mining proposal or a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

In 2017, the High Court of Australia handed down a decision, *Forrest & Forrest Pty Ltd v Wilson [2017] HCA 30*, that called into question the validity of a number of mining leases in Western Australia. In overturning the WA Court of Appeal decision, the High Court held that strict compliance with s74 of the Mining Act was a pre-condition to the grant of a mining lease. Specifically, in this case, it was held that the failure to lodge a mining proposal or a mineralisation report at the same time as the mining lease application meant that the application was invalid. The fact that a mineralisation report was subsequently lodged, prior to the Warden's consideration of the application, made no difference to the validity of the original application.

The *Mining Amendment (Procedures and Validation) Bill 2018* was tabled in State Parliament on 26 June 2018 in an attempt to validate those mining leases where the mineralisation report was not submitted concurrently with the mining application. The Bill was read to the Legislative Assembly for a second time on 28 November 2018, however as at the date of this Report it remains uncertain if and when this Bill will be passed.

(b) Authority

A mining lease entitles the holder to use, occupy and enjoy the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a programme of work being approved by DMIRS.

(c) Term and extension

A mining lease remains in force for up to 21 years from the date of grant. The holder has an option to renew for a further 21 years and then for a further 21 years with consent from the WA Mining Minister.

(d) Transfer

It is a condition of a mining lease that the holder not transfer or mortgage a legal interest in the land or any part of the land without the prior written consent of the WA Mining Minister or an officer of DMIRS acting on the authority of the WA Mining Minister.

(e) Rent and expenditure requirements

Annual rent for a mining lease is $19.80 per hectare (based on rental rates current as at the date of this Report).

Mining leases are subject to minimum annual expenditure requirements of not less than $100 for each hectare, with a minimum of $10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure of will be $5,000 (based on expenditure requirements current as at the date of this Report).

(f) Other conditions

Mining leases are granted subject to various other standard conditions, including conditions relating to the survey of the land, and the observance of environmental protection and reporting requirements.

A failure to comply with the conditions (including expenditure conditions) may lead to forfeiture of the mining lease or the WA Mining Minister imposing a penalty not exceeding $50,000 as an alternative.

(g) Royalty

Where minerals of economic significance are discovered, the holder of a mining lease is obliged to report this to the WA Mining Minister promptly.

A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the WA Mining Act. This is particularly relevant where native title agreement royalties are calculated by reference to the royalty payable to the State of Western Australia.

In Western Australia, there are two systems used to collect mineral royalties:

(i) *specific rate* - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2020 are 73 cents per tonne and 117 cents per tonne; and

(ii) *ad valorem* - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions.

The 'royalty value' components used to calculate the 'royalty value' are defined under the Mining Regulations.

(h) Mining Rehabilitation Fund

(i) The Western Australian Mining Rehabilitation Fund (**MRF Fund**) is a pooled fund to which Western Australian mining operators contribute to annually. Money in the MRF Fund will be used to rehabilitate abandoned mine sites in Western Australia.

(ii) The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013* (WA), are required to participate in the MRF Fund. This involves reporting disturbance data and contributing annually to the MRF Fund. Holders of tenements with a rehabilitation liability estimate below a threshold of $50,000 are required to report disturbance data but are not required to pay into the MRF Fund.

6.4 Exploration licences in NSW

(a) Rights of a holder of an exploration licence

The rights of a holder of an exploration licence in New South Wales (**EL**) are subject to compliance by that holder with the provisions of the NSW Mining Act and the terms and conditions of the licence.

An EL gives the holder the exclusive right to explore for minerals over a specific area of land. The holder of an EL may, in accordance with the conditions of the EL and subject to the NSW Mining Act, conduct exploration activities on the land specified in the EL for the group of minerals specified in the licence.

An EL does not permit mining, and an EL holder will not necessarily be permitted to mine in the future if a discovery is made.

(b) Term and transfer

An EL may be granted for up to six years, and may be extended by successive periods of up to six years, on application by the holder. However, ELs are generally granted and renewed for periods of three years, depending on the proposed work program and other factors.

An EL may be transferred to another person upon approval by the Minister for Energy and Environment (NSW) (**NSW Mining Minister**). In approving a transfer, the NSW Mining Minister may impose amended or additional conditions on the holder of the EL.

(c) Renewal

An EL will not usually be renewed over more than half the number of units comprising the original EL unless the NSW Mining Minister is satisfied that special circumstances exist, including that the conditions of the licence have been satisfactorily complied with, the full area of the EL has been effectively explored, and the proposed work program satisfactorily covers the full area to be renewed.

Provided the conditions of the Tenements continue to be met, we do not see any reason why the NSW Mining Minister would not grant a renewal of all of the units comprising the NSW Tenements for further periods of three years.

(d) Conditions

Each of the ELs are subject to standard conditions that must be complied with, including expenditure to meet the annual proposed work program, payment of government fees, and the requirement to lodge annual technical reports.

Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the DPE prior to conducting any ground disturbing work, and include basic environmental and rehabilitation conditions, such as the removal of all waste, capping of drill holes, etc.

The NSW Mining Minister's approval is required for a change of effective control of a licence holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange.

Holders must also comply with the Exploration Codes of Practice, including the Environmental Management Code, the Rehabilitation Code, which requires the holder to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, and the Community Consultation Code. A Review of Environmental Factors and an Agricultural Impact Statement may be required for surface-disturbing exploration activities such as drilling.

Failure by the holder of an EL to comply with these conditions may render the EL liable to cancellation.

(e) Exempted areas

Under section 30 of the NSW Mining Act the holder of an EL must obtain the consent of the NSW Mining Minister before exploration activities may be conducted in an "exempted area", which includes State Forests, State Conservation Areas and Crown Land.

Obtaining the consent of the NSW Mining Minister for exploration activities to be conducted in an "exempted area" will require environmental assessment of any proposed ground-disturbing exploration activities. The assessment will be undertaken by the DPE in consultation with the relevant government department. It would also be expected that such consent would only be granted or denied in consultation with the relevant government department and, if granted, subject to the terms of an access agreement reached with that department in addition to any owner or occupier access agreement.

(f) Annual rents and levies

An annual rental and an administrative levy are payable, based on the size of the EL. ELs are also subject to expenditure requirements in accordance with work programs approved by the DPE. These rental, levy and expenditure requirements are set out in Schedule 1. We are instructed that all rental payments and levies are up to date on the NSW tenements.

Failure to comply with expenditure requirements may render the EL liable to cancellation.

(g) Rehabilitation securities

The holder of a mining tenement in New South Wales is required to lodge with the DPE a security by way of a cash deposit or banker's undertaking for the performance of its rehabilitation and other obligations arising under the tenement.

The security for each of the NSW Tenements is $10,000.

6.5 Mining leases in New South Wales

(a) Rights of a holder of a mining lease

The rights of a holder of a mining lease in New South Wales are subject to compliance by that holder with the provisions of the NSW Mining Act and the terms and conditions of the lease.

A mining lease gives the holder the exclusive right to mine minerals from a specific area of land. The holder of a mining lease may, in accordance with the conditions of the mining lease and subject to the NSW Mining Act, conduct mining operations on the land specified in the mining lease for the group of minerals specified in the lease.

Applicants must demonstrate that there is an economically mineable mineral deposit within the area of the proposed mining lease, and they have the financial and technical resources to carry out mining in a responsible manner. A development consent under the Environmental Planning and Assessment Act 1979 (NSW) must be in place before a mining lease can be granted. A work program must be submitted, which details the proposed mining operations, community consultation, environmental management and rehabilitation.

(b) Term and transfer

A mining lease remains in force for a maximum period of 21 years or such longer period as may be determined by the NSW Mining Minister. A mining lease may be transferred to another person upon approval by the NSW Mining Minister. In approving a transfer, the NSW Mining Minister may impose amended or additional conditions on the holder of the mining lease.

(c) Conditions

Each mining lease is subject to standard conditions that must be complied with, including expenditure to meet the annual proposed work program, payment of government fees, and the requirement to lodge annual technical reports.

The NSW Mining Minister's approval is required for a change of effective control of a lease holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange.

Failure by the holder of an mining lease to comply with these conditions may render the mining lease liable to cancellation.

(d) Annual rents and levies

An annual rental and an administrative levy are payable, based on the size of the mining lease. Mining leases are also subject to minimum annual expenditure/work requirements which are set out in Schedule 1.

A failure to comply with expenditure requirements may render the mining lease liable to cancellation.

(e) Royalties

Tenement holders must pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement in New South Wales.

Royalties are payable quarterly and must be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered.[1]

(f) Rehabilitation securities

The holder of a mining tenement in New South Wales is required to lodge with the DPE a security by way of a cash deposit or banker's undertaking for the performance of its rehabilitation and other obligations arising under the tenement.

7. Native title

7.1 General

(a) The law in Australia recognises native title. In particular, it recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

(b) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 An explanation: Native title

(a) On 3 June 1992, the High Court of Australia held in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants (**Aboriginal people**) can establish that they have maintained a continuous connection with their land in accordance with their traditional

[1] Section 73, *Mining Regulation 2016* (NSW)

laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).

(b) The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1.

7.3 Native title claims

(a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (**RNTC**). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (**NNTR**).

(b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of a mining tenement.

7.4 Validation of acts (ie grant of a mining tenement)

The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by DMIRS.

7.5 'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA). It provides that all 'acts' (eg grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title. In New South Wales, that legislation is *Native Title (New South Wales) Act 1994* (NSW).

7.6 'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994

(a) Generally, a 'future act' is an 'act' (eg grant of mining tenement) occurring after 1 January 1994 which affects native title.

(b) The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.

(c) Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an Indigenous Land Use Agreement (**ILUA**), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and the 'Expedited Procedure'.

7.7 Future Acts Between 1 January 1994 and 23 December 1996

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (eg grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

7.8 ILUA

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

7.9 Right to Negotiate Procedure

(a) General

(i) The Right to Negotiate Procedure commences with the relevant State or Territory giving notice of the proposed future act (ie proposed grant of a mining tenement) (**S29 Notice**).

(ii) Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of negotiations

(i) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.

(ii) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation to the native title party.

(c) What if negotiations break down?

(i) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least six months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

(ii) Accordingly, the doing of a future act (ie granting of the mining tenement) is dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

7.10 Expedited Procedure

(a) If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the S29 Notice elect to use the Expedited Procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the Expedited Procedure.

(b) If no objection is lodged, the mining tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the Right to Negotiate Procedure outlined at paragraph 7.9 applies.

(c) Current DMIRS policy is that it will process applications for exploration and prospecting licences through the Expedited Process of the Native Title Act only once the applicant for the mining tenement provides evidence by way of a statutory declaration/affidavit that a regional standard heritage agreement (**RSHA**) exists or has been signed by the proponent and sent to any affected registered Native Title Claimant (**NTC**) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If the explorer either refuses to enter into a RSHA or an alternative heritage agreement or fails to advise DMIRS that an agreement has been signed, DMIRS will process the exploration application under the Right to Negotiate Procedure.

7.11 Compensation

(a) In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The WA Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Similarly, the NSW Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement.[2]

(b) Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined. To date, few claims have been lodged with the Federal Court for compensation and until recently no award for compensation has been made by the Federal Court. It is due to this potential risk that the applicant for a mining lease will agree to the inclusions of payment of compensation provisions during the negotiations that lead to the grant of the mining lease, as the applicant is able to agree the level of compensation payable.

(c) On 24 August 2016, the Federal Court handed down the first ever judicial assessment of native title compensation in Australia, in *Griffiths v Northern Territory (No 3)* [2016] FCA 900 (**Timber Creek**). The Federal Court ordered the Northern Territory Government to pay over $3.3 million to the Ngaliwurru and Nungali Peoples, as compensation for the impact of certain acts on their native title rights and interests in the town of Timber Creek.

(d) Importantly, as this case is the first ever litigated native title compensation determination, the Federal Court established new principles for valuing native title compensation in accordance with the Native Title Act.

(e) The Federal Court in Timber Creek held that the compensation to be awarded to the Ngaliwurru and Nungali Peoples for the extinguishment and impairment of their native title rights and interests comprised of three distinct components:

   (i) $512,400.00 for economic loss;

   (ii) $1.3 million for non-economic loss; and

   (iii) $1,488,261.00 for interest on the economic loss component of the compensation.

(f) Although the area in which compensation was claimed in Timber Creek (approximately 23km) is relatively small having regard to other areas in relation to which native title has been extinguished in Australia, the Federal Court has made it clear that the potential liability arising out of specific acts will be determined on a case by case basis. It is difficult to predict how much

[2] Section 281B *Mining Act 1992* (NSW)

compensation will be awarded in other cases, although the Federal Court has offered general guiding principles for valuing native title compensation.

(g) This decision was appealed to the Full Court of the Federal Court, which handed down its decision on 20 July 2017 in *Northern Territory of Australia v Griffiths* [2017] FCAFC 106. The Full Federal Court largely upheld the primary judge's decision although some of the grounds of appeal were upheld, namely that the discount factor should have been 65% of freehold value (down from 80%), interest on damages awarded for prior extinguishment will not be payable on and from the date of revival and damages for trespass for three invalid future acts should not be awarded. Although this appeal reduces the amount of compensation payable, the figure remains significant.

(h) Applications for special leave to appeal to the High Court from the decision in Timber Creek were granted for each of the claim group, the Northern Territory, and the Commonwealth.

(i) The High Court of Australia handed down its decision on 13 March 2019 in *Northern Territory v Griffiths* [2019] HCA 7. The Court allowed the appeal in part and reduced the quantum of compensation to $2,530,350.00. The economic value of the native title rights was reduced to 50% of the freehold value (down from 65% as determined by the Full Court). It was held that the statutory source of the entitlement to compensation and the consequences that flow from validation of an act, depend on the categorisation and timing of the compensable act.

(j) The Court affirmed the decision of the Trial Judge and Full Court with respect to interest payable on compensation for economic loss. Interest is payable on a simple interest basis at a rate sufficient to compensate the Claim Group for being deprived of using the compensation amount between the date compensation was assessed and the date of judgement. This was determined to be the sum of $910,100.00.

(k) The amount of $1.3 million for cultural loss awarded at first instance, and on appeal to the Full Court, was affirmed by the High Court. The amount was not manifestly excessive and no error was detected in the analysis used to calculate this figure.

(l) Notwithstanding the outcome of the High Court appeal of the Timber Creek case, native title compensation is an evolving area of law and it is likely that the Full Federal Court or High Court will be required to consider and determine such matters in the future.

7.12 Native title claims and determinations affecting the Tenements

The NNTT Searches in respect of the Tenements indicate that the following Tenements lie within areas subject to positive registered native title determinations, the details of which are as follows:

Tenement affected	Overlap (km²/%)	NNTT No.	Federal Court No.	Name	Determination date	Status
E08/2880	100%	WCD2015/002	WAD6007/2000	Jurruru People Part A (WCD2015/002)	01.09.2015	Registered
E45/5130	97.55%	WCD2002/002	WAD6110/1998	Martu and Ngurarra (WCD2002/002)	27/09/2002	Registered
E45/5020	39.56%	WCD2019/010	WAD20/2019	Nyamal People #1 (WCD2019/010)	24/09/2019	Registered
E52/2569	100%	WCD2000/001	WAD72/1998	Nharnuwangga Wajarri and Ngarlawangga (WCD200/001)	29/08/2000	Registered
E45/4524	37.09%	WCD2013/002	WAD141/2010, WAD6110/1998, WAD77/2006	Martu (Part B), Karnapyrri, and Martu #2 (WCD2013/002)	16/05/2013	Registered
	62.91%	WCD2002/002	WAD6110/1998	Martu and Ngurarra (WCD2002/002)	27/09/2002	Registered
E47/3578	100%	WCD2017/003	WAD216/2010, WAD340/2010	Yinhawangka People Part A and B (WCD2017/003)	18/07/2017	Registered
E47/3827	100%	WCD2015/003	WAD126/2005	Puutu Kunti Kurrama People and the Pinikura People #1 and #2 (WCD2015/003)	02/09/2015	Registered
P45/2905 P45/2906 P45/2907 P45/2908 P45/2909	100%	WCD2013/002	WAD141/2010, WAD6110/1998, WAD77/2006	Martu (Part B), Karnapyrri, and Martu #2 (WCD2013/002)	16/05/2013	Registered

The NNTT Searches in respect of the Tenements also indicate that the following Tenement lies within areas subject to native title applications, the details of which are as follows:

Tenement affected	Overlap (km²/%)	NNTT No.	Federal Court No.	Name	Date filed	Status
E45/5020	60.44%	WC1999/ 008	WAD20/2 019	Nyamal #1	07/05/1999	Active - Accepted for registration
E45/5020	60.44%	WC2018/ 022	WAD483/ 2018	Palyku #2	29/10/2018	Active - not accepted for registration

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

7.13 Indigenous Land Use Agreements

The Company has advised that there are no ILUAs that apply to the Tenements.

7.14 Validity of Tenements

The Tenements were all granted after 23 December 2006, and were therefore granted subject to the Native Title Act.

Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. There is nothing in our enquiries to indicate that the Tenements were not (or will not be) validly granted in accordance with the Native Title Act.

8. Aboriginal heritage

8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the relevant Minister may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

8.3 Western Australian legislation

The WA Heritage Act provides for the establishment of a register of Aboriginal sites in Western Australia and the assessment and registration of Aboriginal sites on that register. The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act whether the Aboriginal Site is entered on the register or not.

The register includes information on registered Aboriginal sites (which meet the criteria in section 5 of the WA Heritage Act) and "other heritage places". Other heritage places include places in respect of which information has been lodged but no assessment completed to determine if it meets section 5 of the WA Heritage Act and also places that have been assessed as not meeting section 5 of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

The WA Heritage Act accordingly applies to activities on a mining tenement. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the WA Heritage Act. A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

8.4 New South Wales legislation

Under the *National Parks and Wildlife Act 1974 (NSW)* (**NSW Heritage Act**), land containing Aboriginal objects or sites may be reserved as an "Aboriginal area" for the purpose of identifying, protecting and conserving such objects or sites.

It is unlawful to prospect or mine for minerals in an Aboriginal area unless expressly authorised by an Act of Parliament or, among other things, an authority issued under the NSW Mining Act. Subject to this exception, the NSW Heritage Act excludes the application of the NSW Mining Act to lands in an Aboriginal area.

The NSW Heritage Act also authorises the relevant Minister to declare a place that is or was of special significance to Aboriginal culture to be an 'Aboriginal place' and makes it an offence knowingly to destroy, deface or damage, or knowingly to permit the destruction, defacement of or damage to, an Aboriginal object or "Aboriginal place" without the consent of the Director-General.

8.5 Aboriginal sites and other heritage places on the WA Tenements

The WA AHIS Searches of the WA Tenements identified 2 registered Aboriginal sites located on the WA Tenements (both in respect of E47/3578), as set out in the following table:

Registered Aboriginal Site				
WA Tenement affected	**Site ID**	**Site name**	**Status**	**Type**
E47/3578	6612	ROCKLEA STATION	Registered Site	Ceremonial
	11842	BEAUROO SPRING	Registered Site	Engraving, Camp

The WA AHIS Searches of the WA Tenements identified 6 registered other heritage places located on the WA Tenements, as set out in the following table:

Other Heritage Places				
WA Tenement affected	**Site ID**	**Site name**	**Status**	**Type**
E47/3827	27640	Pinarra 03	Lodged	Quarry
E47/3827	27642	Pinarra 05	Lodged	Artefacts / Scatter
E47/3827	27643	Pinarra 06	Lodged	Artefacts / Scatter, Engraving, Grinding Patches / Grooves
E47/3827	27644	Pinarra 07	Lodged	Engraving
E47/3827	27645	Pinarra 08	Lodged	Artefacts / Scatter
E47/3827	27646	Pinarra 09	Lodged	Grinding Patches / Grooves

The WA AHIS search results summarised above do not mean that there are no other Aboriginal sites within the area of the WA Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

8.6 Aboriginal sites and other heritage places on the NSW Tenements

The NSW AHIMS Searches of the NSW Tenements identified 1 Aboriginal site located on EL6463.

Registered Aboriginal Site				
NSW Tenement affected	**Site ID**	**Site name**	**Status**	**Type**
EL/6463	44-6-0001	Burraga	Destroyed	Carved tree

The NSW AHIMS search results summarised above do not mean that there are no other Aboriginal sites within the area of the NSW Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

8.7 Aboriginal heritage agreements affecting the Tenements

As discussed above at paragraph 7.10, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered Native Title Claimant (**NTC**) (if any).

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The Company has provided us with the following information in relation to the regional standard heritage agreements (**RSHA**) that relate to the WA Tenements:

- Land Access & Mineral Exploration Agreement 2018, dated 16 February 2018, between Western Desert Lands Aboriginal Corporation and the Company (then referred to as Hardey Resources Limited), which applies to E45/4524;
- Land Access & Mineral Exploration Agreement 2014, dated 6 March 2014, between Western Desert Lands Aboriginal Corporation and Thomas Langley, which applies to P45/2905, P45/2906; P45/2907; P45/2908; P45/2909 (ie the Langley Prospecting Licences) (and this agreement will be assigned once the transfer of the Langley Prospecting Licences is ready to be registered);
- Land Access & Mineral Exploration Agreement 2019, dated on or around 12 August 2019, between Western Desert Lands Aboriginal Corporation and the Company (then referred to as Hardey Resources Limited), which applies to E45/5130; and
- the Nharnuwangga Wajarri and Ngarlawangga Heritage Agreement between the Jidi Jidi Aboriginal Corporation and the Company (then referred to as Hardey Resources Limited), which applies to E52/2569.

As is customary, these heritage agreements have compensation payments payable under them, some of which are linked by reference to a percentage of exploration expenditure.

The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act where there is an NTC or other claim group with a recognised connection to the relevant land.

In relation to the NSW Tenements, the Company has advised that it is not aware of any heritage agreements being in place.

9. Land access

9.1 Pastoral Leases in respect of the WA Tenements

The Tengraph Searches indicate that the following WA Tenements overlap pastoral leases as set out below:

WA Tenements Affected	Encroachment %	Pastoral Lease Name	Lease number
E08/2880	18.37%	Pastoral lease Kooline	PL N049418
	36.29%	Pastoral lease Cheela Plains	PL N050545
E52/2569	100%	Pastoral lease Milgun	PL N050318
E47/3827	4.69%	Pastoral lease Rocklea	PL N050372
	73.35%	Pastoral lease Cheela Plains	PL N050545
E47/3578	93.65%	Pastoral lease Rocklea	PL N050372

The WA Mining Act:

(a) prohibits the carrying out of mining activities on land:

(i) for the time being under crop, or which is situated within 100 metres of that land;

(ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;

(iii) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;

(iv) the site of or situated within 100 metres of any cemetery or burial ground; or

(v) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,

without the consent of the lessee, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;

(b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.

We have been instructed that the Company, and its subsidiaries, do not currently have any access and compensation agreements in place with the pastoral lessees in relation to the WA Tenements.

Upon commencing mining operations on the WA Tenements insofar as the operations take place on any pastoral leases, the Company should consider entering into access and compensation agreements with the pastoral lease holders to ensure the requirements of the WA Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines any compensation payable.

9.2 Overlapping mining tenure with the WA Tenements

The WA Tenements overlap with the following mining tenure:

WA Tenement	Encroachment	Overlapping mining tenure	Holder	Notes
E52/2569	100%	PGERA67 exploration permit (STP-EPA-0013)	Pangaea Resources Pty Limited	
E47/3827	2.75%	Exploration licence E47/472	Hamersley Exploration Pty Limited	The area of E47/472 is excluded from the area of E47/3827.
E45/5020	<0.01%	Miscellaneous licence L46/70	Pilbara Tungsten Pty Ltd	

We have been advised that there are no access agreements in place in relation to the overlapping tenure identified above.

E52/2569 overlaps with a petroleum title granted under the *Petroleum and Geothermal Resources Act 1967* (WA). There is a risk that a dispute or difference with the holder of the overlapping petroleum title could arise in relation to each party's operations on the area of E52/2569. If this was to occur, this could result in delays, increased costs or operational restrictions on the Company's activities in that area. The Company will need to manage this risk.

9.3 Overlapping tenure in respect of the NSW Tenements

The NSW Tenements overlap with State Forest, Crown Land and some private land and pastoral leases. Given the large number and the early stage of exploration, we have not identified all of the overlapping tenure.

However, prior to commencing exploration activities on land (including Crown land, private land and pastoral leases), an access agreement must be entered into with the owner or occupier of the land. Compensation is payable for any loss or damage caused by the activities.

The Company has advised that there are no current access and compensation agreements in place in respect of the NSW Tenements.

9.4 Biosecurity and regional travel restrictions applicable in WA

In response to the Covid-19 pandemic, certain directions and determinations have been issued which restrict the travel of persons within regions of Western Australia. These include:

- the Biosecurity (Human Biosecurity Emergency) (Human Coronavirus with Pandemic Potential) (Emergency Requirements for Remote Communities) Determination 2020 made under the *Biosecurity Act 2015* (Cth) (**2020 Biosecurity Determination**);
- the Prohibition on Regional Travel Directions, dated 31 March 2020, made under the *Emergency Management Act 2005* (WA);
- the Prohibition On Travel Between Local Government Districts In The Kimberley Directions, dated 2 April 2020, made under the *Emergency Management Act 2005* (WA); and
- the Goldfields-Esperance (Local Government District Travel Restrictions) Directions, dated 5 April 2020, made under the *Emergency Management Act 2005* (WA).

The 2020 Biosecurity Determination (and the directions issued in response to Covid-19 and any further directions) may impact on the ability of the Company to access its tenure. We are instructed that the Company is still considering whether it will request a waiver of rent liability for the period of the restriction or, if the State will not grant the waiver, an extension of time of 6 months for any rents due this calendar year, in relation to certain upcoming rent obligations. There remains some uncertainty as to whether or not any such waiver or extension would be granted.

10. Summary of material contracts

10.1 Binding Heads of Agreement

The Company, then referred to as Elysium Resources Limited, acquired 100% of APL (then referred to as Hardey Resources Pty Ltd) pursuant to a binding heads of agreement, dated on around 2017, between APL, Paterson and the former shareholders of APL (**HoA**).

In addition to various consideration shares and options issued by the Company to the former shareholders of APL pursuant to the HoA, the former shareholders have a right of first refusal in the event that APL wishes to sell an interest in any of E08/2880, E47/3578, E45/5020, E47/3827 and E08/4524 or the Langley Prospecting Licences to any third party.

10.2 Horseshoe Option Agreement

Pursuant to a tenement option and sale agreement, dated 28 October 2014, between Horseshoe Metals Limited (ACN 123 133 166) (**Horseshoe**) and the Company (**Option Agreement**), the Company granted Horseshoe an option to acquire all of the Company's right, title and interest in E52/2569. The period in which Horseshoe is required to exercise its option to acquire the interest has since expired.

10.3 Other material agreements

Except as referred to above and in section 8, the Company has advised that it is not aware of any other material contracts which apply to the WA Tenements or the NSW Tenements.

11. Qualifications and assumptions

11.1 General

This is a high level Report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

Although nothing has come to our attention to lead us to believe that any of the assumptions are incorrect, we have not made any independent investigations in respect to the matters the subject of our assumptions.

11.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

(a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;

(b) that the registered holder of a Tenement has valid legal title to the Tenement;

(c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;

(d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;

(e) all information obtained from DMIRS, DPE, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;

(f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;

(g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;

(h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently); and

(i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined.

In relation to the Material Contracts, we have assumed that:

(a) the Material Contracts have been duly executed:

    (i) if by the State of Western Australia, New South Wales or by a Minister, in accordance with valid delegated authority; and

    (ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;

(b) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;

(c) all dates, execution and seals and signatures are authentic;

(d) there are no material documents or information to be provided other than the material contracts referred to in this Report; and

(e) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts.

11.3 Qualifications

This Report is subject to the following qualifications:

(a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;

(b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;

(d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;

(e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;

(f) this Report relates only to the laws of Western Australia, New South Wales and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;

(g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;

(h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;

(i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;

(j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in paragraph 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;

(k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia or New South Wales and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;

(l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;

(m) we have not conduced searches of the Database of Contaminated Sites maintained by the Department of Water and Environmental Regulation (WA) or any records of notices or contaminated sites maintained in connection with the *Contaminated Land Management Act 1997* (NSW);

(n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and

(o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act, NSW Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant register or is the subject of a declaration under the relevant statute. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

11.4 Conclusion

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

Michael Boyce
Partner
HWL Ebsworth Lawyers

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Schedule 1 Tenement Summary

WA Tenements

Tenement	Registered Holder (100%) / Applicant (A)	Area	Grant date	Expiry date	Expenditure commitment	Conditions / endorsements (Notes)	Encumbrances or dealings registered
E45/5130	Hardey Resources Limited	98 blocks	03.09.2019	02.09.2024	$98,000	1, 2, 3, 7, 9	-
E52/2569	Hardey Resources Limited	2 blocks	18.06.2010	17.06.2020	$50,000	2, 3, 4, 5, 8, 9	Fines of $360.00, $215.00, $360.00 and $900.00 have been imposed for non-compliance with expenditure conditions, rent obligations and reporting obligations.
E45/4524	ACN 603 462 513 Pty Ltd	18 blocks	25.01.2016	24.01.2021	$30,000	1, 2, 3	-
E08/2880	ACN 603 462 513 Pty Ltd	74 blocks	25.05.2017	24.05.2022	$74,000	1, 2, 3, 4, 5	Fine of $1,637.00 has been imposed for non-compliance with expenditure conditions.
E47/3578	ACN 603 462 513 PTY LTD	51 blocks	17.10.2017	16.10.2022	$51,000	1, 2, 3, 4, 5,6, 9	-
E47/3827	ACN 603 462 513 PTY LTD	71 blocks	16.07.2018	15.07.2023	$71,000	1, 2, 3, 4, 5, 9	-
E45/5020	ACN 603 462 513 PTY LTD	38 blocks	03.07.2018	02.07.2023	$38,000	1, 2, 3, 7, 9	Fine of $2,313 has been imposed for non-compliance with expenditure conditions.

P45/2905	Thomas Langley	180 HA	13.05.2014	12.05.2022	$7,200	1, 2, 3, 8, 9	Mortgage 501818 registered on 17 March 2017 with mortgagee being APL (formerly known as Tom Langley Mineral Holdings Pty Ltd). Expenditure is yet to be lodged for tenement year end 12.5.2020.
P45/2906	Thomas Langley	197 HA	13.05.2014	12.05.2022	$7,880	1, 2, 3, 8, 9	Mortgage 501818 registered on 17 March 2017 with mortgagee being Tom Langley Mineral Holdings Pty Ltd. Expenditure is yet to be lodged for tenement year end 12.5.2020.
P45/2907	Thomas Langley	197 HA	13.05.2014	12.05.2022	$7,880	1, 2, 3, 8, 9	Mortgage 501818 registered on 17 March 2017 with mortgagee being APL. Expenditure is yet to be lodged for tenement year end 12.5.2020.
P45/2908	Thomas Langley	192 HA	13.05.2014	12.05.2022	$7,680	1, 2, 3, 8, 9	Mortgage 501818 registered on 17 March 2017 with mortgagee being APL. Expenditure is yet to be lodged for tenement year end 12.5.2020.
P45/2909	Thomas Langley	195 HA	13.05.2014	12.05.2022	$7,800	1, 2, 3, 8, 9	Mortgage 501818 registered on 17 March 2017 with mortgagee being APL. Expenditure is yet to be lodged for tenement year end 12.5.2020.

Note:

The notes below refer to particular conditions land endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the DMIRS register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. **Water resource endorsements**:
   - (a) E45/5130 is subject to certain endorsements in respect of water resource management areas and proclaimed ground water areas.
   - (b) E08/2880, E45/5020, E47/3578 and E47/3827 are subject to certain endorsements in respect of water resource management areas, proclaimed ground water areas and proclaimed surface water areas.
   - (c) E45/4524, P45/2905, P45/2906, P45/2907, P45/2908 and P45/2909 are subject to certain endorsements in respect of water resource management areas, proclaimed ground water areas, artesian aquifers and waterways.
2. **Waste**: All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings must be removed from the Tenement prior to or at the termination of the exploration program.
3. **Use of mechanised equipment:** Unless the written approval of the Environmental Officer, DMIRS, is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil must be removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
4. **Notification of geophysical surveys or ground disturbing activities:** The licensee must notify the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.
5. **Notification of grant or transfer:** The licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of the grant of the licence or registration of a transfer introducing a new licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
6. **No interference:** In respect of E47/3578, no interference with various Geodetic Survey stations and no interference with the use of the aerial landing ground;
7. **Prior Ministerial consent over certain land:**
   - (a) in respect of E45/5130, prior written consent of the WA Mining Minister, with the concurrence of the Minister for Environment, is required before commencing any prospecting or exploring activity on Karlamilyi National Park Reserve 34607.

(b) in respect of E45/5020, prior written consent of the WA Mining Minister is required before exploring on water reserve 12774

8. **Surface holes:** All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.

9. **Disturbances to the surface:** All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, must be backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation is required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.

NSW Tenements

Tenement	Holder	No units/ approx. area sq km [2] [3]	Grant Date	Expiry Date	Rental and levy [4]	Proposed expenditure [5]	Encumbrances or dealings registered
EL6463	BC EXPLORATION PTY LTD	28/ 81	05 Sep 2005	05 Sep 2022	$1,780	Year 1 (2016-2017): $200,000 Year 2 ('17-'18): $100,000 Year 3 ('18-'19): $200,000 Year 4 ('19-'20: $200,000 Year 5 ('20-'21): $200,000 Year 6 ('21-'22): $200,000	Exploration activity approval is noted as being both pending and approved.
EL6874	BC EXPLORATION PTY LTD	8/ 23	13 Sep 2007	13 Sep 2020	$580	Year 1 (2015-2016): $86,000 Year 2 ('16-'17): $50,000 Year 3 ('17-'18): $250,00 Year 4 ('18-'19): $250,000	-

[3] One unit is the area bounded by one minute of latitude by one minute of longitude and, depending on the location in NSW, comprises an area of approximately 2.9 square kilometres.
[4] Schedule 9 of the Mining Regulation sets out tenement rentals and levies. The annual rental is $60 per unit for ELs and $6.50 per hectare for mining leases. The annual administrative levy is 1% of the security deposit (1% of $10,000 = $100 for most tenements). The EL renewal application fee is $2,000 plus $12.50 per unit per year applied for, eg renewal fee for 100 unit EL for three years is $2,000 plus $37.50 x 100 = $5,750. For a mining lease the renewal application fee is $3,000 plus $36 per hectare.
[5] Proposed expenditure in the current year of the licence term, to be met through current exploration work programs approved by the DPE. Work may include geological mapping, rock chip sampling, soil geochemical surveys, geophysical surveys, modelling of results, drilling and core logging.

						Year 5 ('19-'20): $500,000	
EL7975	BC EXPLORATION PTY LTD	12/ 34	11 Oct 2012	11 Oct 2022	$820	Year 1 (2016-2017): $50,000 Year 2 ('17-'18): $50,000 Year 3 ('18-'19): $50,000 Year 4 ('19-'20): $100,000 Year 5 ('20-'21): $200,000 Year 6 ('21-'22): $200,000	-
EL8826	BC EXPLORATION PTY LTD	29/ 84	25 Feb 2019	25 Feb 2022	$1,840	Year 1 (2019-2020): $30,000 Year 2 ('20-21): $40,000 Year 3 ('21-'22): $80,000	-

11. Project Information

11.1 Grace Copper-Gold Project: Mineral Resource Estimate

Grace Gold Project Paterson Range – Western Australia

Grace Prospect Mineral Resource Estimate

Mineral Resource Category	Type	Tonnes (Mt)	Au (g/t)	Ounces
Inferred	Oxide - Transitional	1.59	1.35	69,000
TOTAL		**1.59**	**1.35**	**69,000**

Geology and Geological Interpretation

The Grace Project area is located approximately 25 km southeast of the Telfer Gold Mine within the Paterson Province where a succession of Proterozoic metasedimentary rocks, which form the Yeneena Supergroup, are locally exposed through a cover of Quaternary material. The project area consists of a sub-greenschist facies regional stratigraphic sequence of quartz rich sandstones and interbedded siltstone/dolomite units of the Malu and Isdell Formations. GSWA 1:250,000 scale SF51-06 (Paterson) and 1:100,000 scale 3354 (Paterson) geological maps cover the project area
Hydrothermal breccia's cut the layered stratigraphy and gold mineralisation is associated with quartz-dolomite-pyrite veins and hydrothermal breccias. Highly altered metosamatised dolerite intrusives, occur locally throughout the project area and play an important role in the overall fluid architecture and ultimately gold deposition.

Sampling and Sub Sampling Techniques

Reverse Circulation (RC) drilling was sampled via face sampling hammer, collected by a rig mounted cyclone on 1m intervals and split using a riffle splitter. From 1996 onwards a four metre composite samples was also taken and submitted as a preliminary indicator of mineralisation, with corresponding 1m samples then submitted for those intervals containing mineralisation.
Diamond core drilling sampled NQ core by splitting the core in half with one half sent for analysis, with 1m intervals used unless adjusted for geological intervals.
Rotary Air Blast (RAB) sampling completed on 2m composites (assumed not split)
Aircore (AC) sampling completed by collecting a 4m composite sample. 1m samples were then collected and submitted for intervals returning mineralisation.

Drilling Techniques

RAB drilling inclined and drilled to blade refusal
DDH drilling inclined, mostly using HQ core size
RC drilling using standard equipment.
AC drilling inclined and vertical, to blade refusal

Criteria Used for Classification

A Mineral Resource has been delineated in the area of the Grace Prospect where RC and DD drilling has been completed on 50m spaced sections, providing a sufficient data density of reliable samples to

enable an estimation to be made. The Mineral Resource has been classified as Inferred due to data quality and data density.
RAB drilling was initially completed on irregular spacing, approx. 100m spaced over areas of interest.
RC drilling was carried out on regular grid spacing over RAB anomalies, GR series were drilled at spacing's of 100 – 150m on sections 500m along strike.
DDH holes were drilled on irregular spacing's to test below anomalous RAB/RC intersections. 2004-2005 diamond holes were drilled approximately 1km apart to test continuity.

Sample Analysis Method

Samples were analysed at commercial laboratories (ALS, Amdel, Genalysis) using fire assay, AAS and ICP-OES.

Estimation Methodology

Eleven wireframe solids were constructed based on the geological interpretation. Samples within the wireframe were composited to 1.0m intervals.
Block grades were estimated using interpolation of the 1m composite data by the Inverse Distance squared method. An ellipsoidal search of 50m with a minimum of 4 samples and maximum of 28 samples was used.
A Surpac block model was used for the estimate with a block size of 10m E by 5m N by 5m RL.
Bulk density values used for mineralisation was 2.0. No bulk density measurements exist for the deposit, however Newcrest used an SG of 2.0 for previous modelling of the mineralisation. This is consistent with the Telfer Deposit, where density measurements used in Mineral Resource estimations range between 2.00 and 6.24.
The deposit has been classified as an Inferred Mineral Resource based on data quality, sample spacing, and geological interpretation.

Cut Off Grade(s)

The cut-off grade of 0.5g/t for the stated Mineral Resource estimate is determined from economic parameters and reflects the current and anticipated mining practices (including comparison with the active Telfer Mining Operation).

Mining and Metallurgical Methods and Parameters

The resource model assumes open cut mining is completed and a high level of mining selectivity is achieved in mining. It has been assumed that high quality grade control will be applied to ore/waste delineation processes using grade control drilling, or similar, at a nominal spacing of 10m (north –along strike) and 5m (east – across strike), and applying a pattern sufficient to ensure adequate coverage of the mineralisation zones.
No detailed metallurgical data exists; where required area analogues (e.g. Telfer) were used to determine the prospects of eventual economic extraction.
Suitable metallurgical tests will be carried out prior to any classification upgrade in confidence of the Grace Deposit.

Grace Project – Paterson Range, Western Australia

The Grace Project is located in the highly prospective Paterson Range province, home to the world class gold and copper Telfer Mine, operated by Newcrest Mining Ltd.

The Grace Project is located 25km south east of the Telfer gold copper mine in the Shire of East Pilbara, on the southwestern edge of the Great Sandy Desert, Western Australia. Telfer can be accessed by road from Port Hedland by way of Marble Bar with access to the project area by way historic exploration tracks.

The terrain of the area is covered by aeolian sand dunes, with patchy grasses, spinifex and mulga shrubland vegetation. There are limited occurrences of bedrock geology in the form of float, and patchy low-lying sub-crop/outcrop

The Grace Project is comprised of granted prospecting licences P45/2905-2909, exploration licences E45/4524 and E45/5130 (Fig 1). The tenements were originally pegged and applied for by Thomas Langley and are in the process of being transferred to the Company with the exception of E45/5130 which was applied for by and granted to the Company.

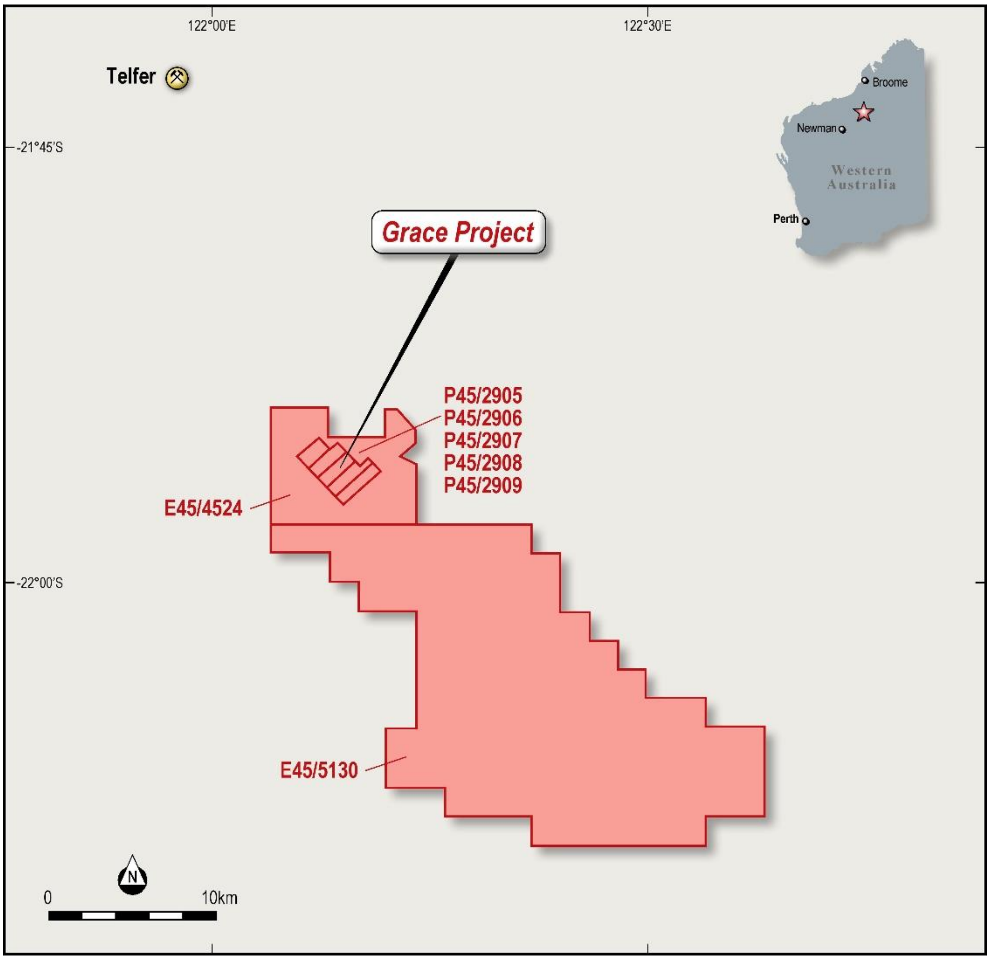

Figure 1 : Paterson Resources Tenements

The Grace Project area is located approximately 25 km southeast of the Telfer Gold Mine within the Paterson Province where a succession of Proterozoic metasedimentary rocks, which form the Yeneena Supergroup, are locally exposed through a cover of Quaternary material. The project area consists of a sub-greenschist facies regional stratigraphic sequence of quartz rich sandstones and interbedded siltstone/dolomite units of the Malu and Isdell Formations. GSWA 1:250,000 scale SF51-06 (Paterson) and 1:100,000 scale 3354 (Paterson) geological maps cover the project area

Hydrothermal breccia's cut the layered stratigraphy and gold mineralisation is associated with quartz-dolomite-pyrite veins and hydrothermal breccias. Highly altered metosamatised dolerite intrusives, occur locally throughout the project area and play an important role in the overall fluid architecture and ultimately gold deposition.

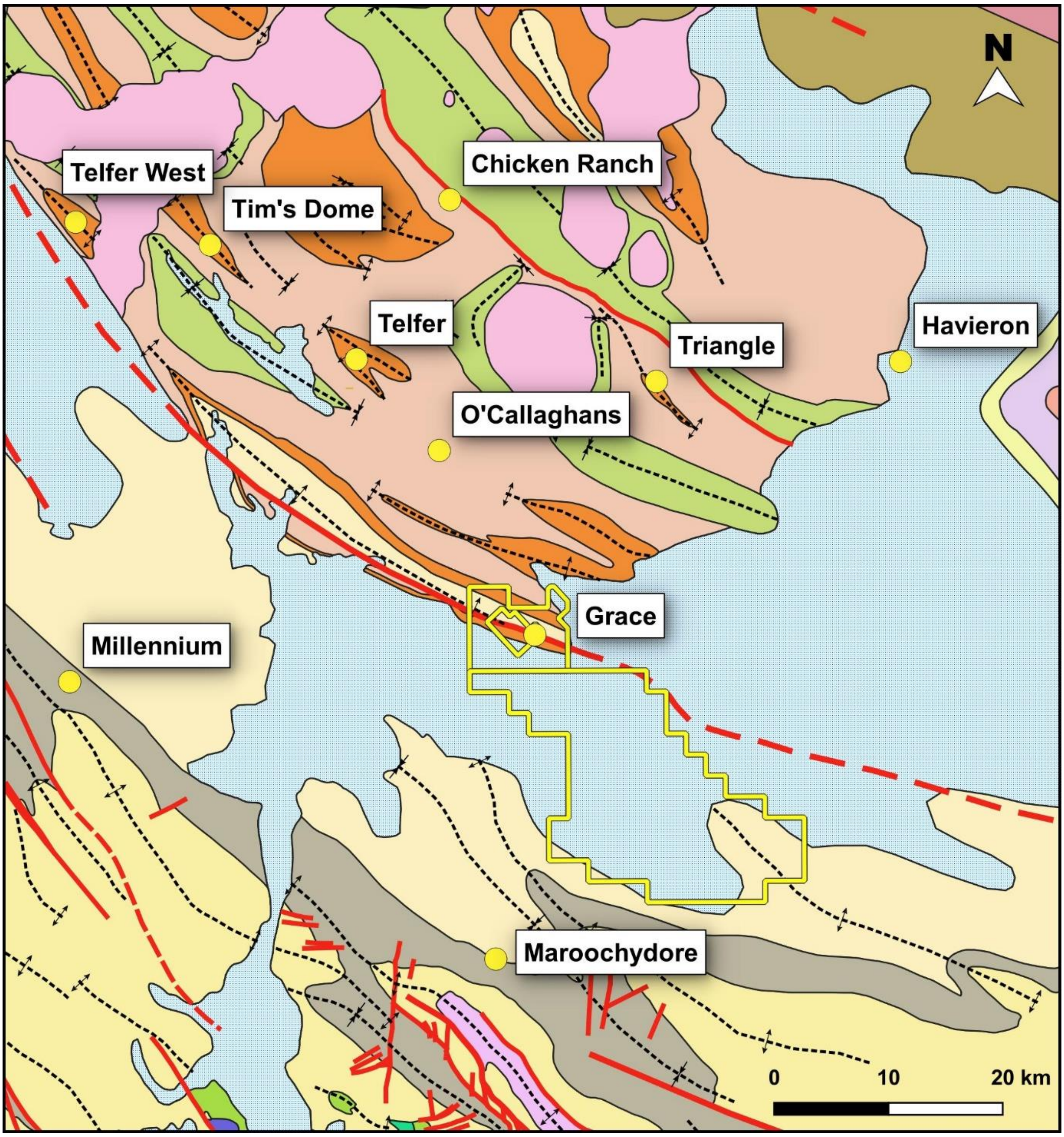

Figure 2 : Simplified Geology of the Paterson Province

Stratigraphy

The Yeneena Supergroup unconformably overlies the early to mid-Proterozoic Rudall Metamorphic Complex. Isotope age determinations (Rb-Sr) of the Rudall Metamorphic Complex (Chin and de Laeter, 1981) and the unconformably overlying sequence of glaciogene rocks of the Dowary Group (Williams, 1987) constrain the depositional age of the Yeneena Supergroup to between 1333 ± 44Ma and approximately 750Ma. The formations exposed in the area are described below:

Isdell Formation (Pyi)

This formation is the lowest stratigraphically in the immediate Telfer region. The dominant rock types are dolomite and dolomitic siltstone occurring as fine interbedded bands up to 3 centimetres thick. Extensive hornfelsing has occurred throughout this formation. The Isdell Formation hosts gold mineralisation at Telfer.

Malu Formation (Pym)

This formation is a sequence of silica altered quartz sandstone with minor interbeds of argillaceous siltstone and mudstone. The Malu Formation hosts gold mineralisation at Telfer.

Telfer Member (Pyt)

The Telfer Formation is host to the Telfer gold mineralisation. It comprises a succession of alternating quartzite, sandstone, siltstone and mudstone beds. The Malu Formation and Telfer Member are often grouped together based on sedimentological observations however, the Telfer Formation is separated due to its economic importance.

Puntapunta Formation (Pyp)

This formation consists of an extensive unit of fine to coarse grained calcareous sandstone with massive clastic carbonate beds. Extensive hornfelsing has occurred throughout this formation in the north.

Wilki Formation (Pyw)

The Wilki Formation consists of several mudstone and siltstone beds in its basal section overlain by thickly bedded silica altered sandstone.

Intrusives

Late-to-post tectonic granitoids intruded the Yeneena Supergroup at approximately 620Ma and produced extensive contact metamorphic aureoles. The Mt. Crofton and Minyari granitoid complexes have been mapped in the area using aeromagnetics, field mapping and drill data. Mafic sills and dykes occur in the Telfer area. Some are deformed, altered and cut by granitic veins and pegmatites and hence, were emplaced before the intrusion of granitoids (Goellnicht et. al. 1991).

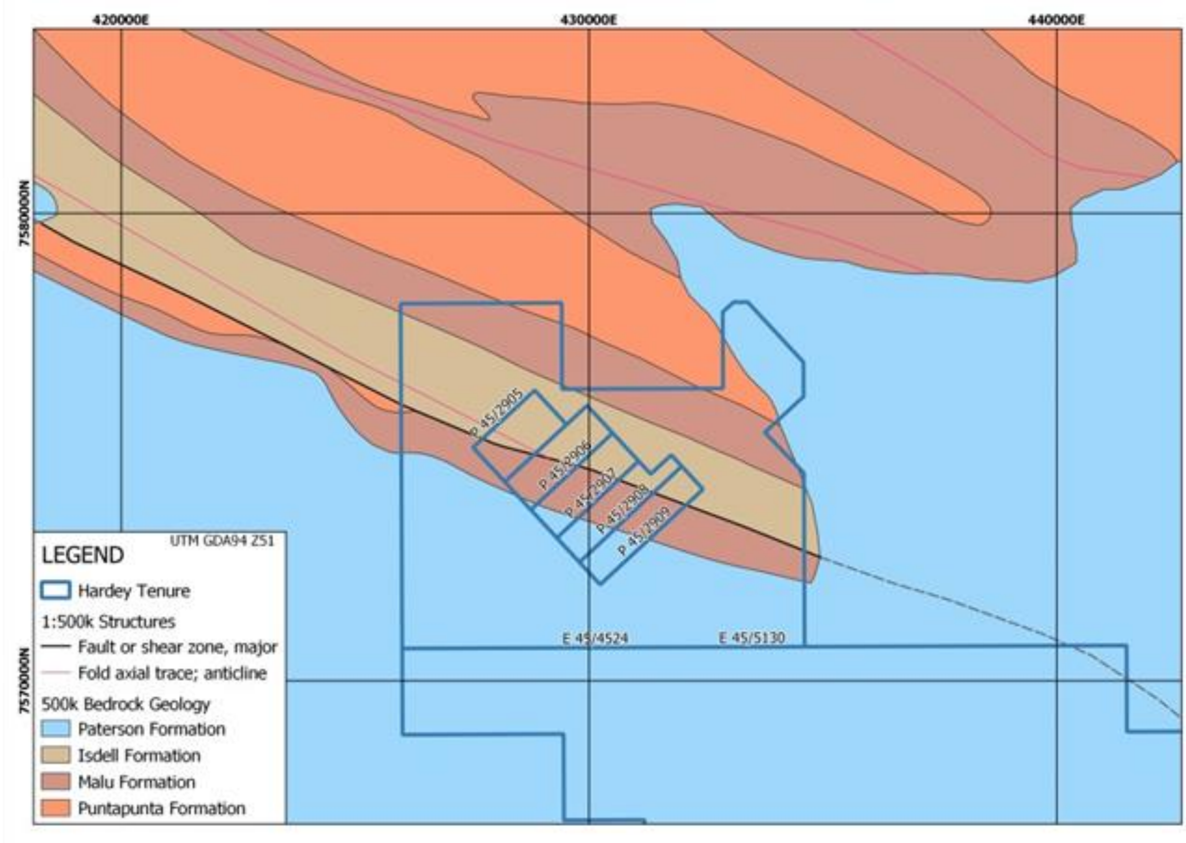

Figure 3 : The Company's tenure for P454/2905-2909, E45/4524 and E45/5130 (part) superimposed on the GSWA 1:500,000 scale bedrock geology of the area.

Previous Exploration

Historically there has been significant exploration activity across the Grace Project area, with a focus on the ground covered by the prospecting licences held by the Company. Work was predominantly completed by Newmont Australia and successor company Newcrest Mining. Newcrest first became involved in the area during the 1970s, before relinquishing the project area in 2015. The area was subsequently licenced to the Company.

Extensive work was completed by Newcrest, and included:
Desktop studies, prospectivity review and exploration targeting
Field reconnaissance
Rock-chip sampling
Drilling – Diamond, RC, RAB and Aircore
Regional Telfer Project wide Falcon airborne gravity survey
Regional data compilation

Newcrest's exploration activity resulted in five gold prospects being established, but by 2015 insufficient mineralisation had been identified to warrant continued exploration by a large company. The five prospects identified to date are:

Bemms
Halls Knob
Lakes
Grace and Grace East
Genoa

The Grace deposit has been drilled along 450-500 metres of strike and 90m across strike to an average depth of 73.4m.) High grade shallow oxide gold mineralisation commences from surface and in general transported cover (i.e. sand dune and/or colluvium) is thin over the project area. Drilling has been on a close spaced drill pattern (i.e. 25 to 100m, generally 50m, "northeast-southwest" sections with 10m to 20m "northwest-southeast" spacing on section). The base of complete oxidation generally occurs between 20 to 60m below the surface, below which transitional and primary sulphide gold-copper mineralisation occurs.

Grace oxide mineralisation is variably open along strike and at depth associated with shallow dipping en-echelon stacked vein sets and a large vertical stockwork of hydrothermal breccias along the Grace-Bemms shear. At the Grace deposit high grade primary gold remains open in all directions and the relationship for further high grade copper mineralisation remains prospective. Drilling is generally shallow and any deeper drilling is broad spaced – resulting in the data suffering from 'information effect' as many holes stop within the mineralised zone at Grace and the deeper drilling is insufficient to have adequately tested the continuity of gold mineralisation at depth.

Limited Deeper Drilling – Exploration Potential

At the Grace deposit the total number of drill holes is 362 at an average depth of 73.4m (excluding 5 +500m deep drill holes); consisting of 22 Diamond, 73 Reverse Circulation, 251 RAB and 16 Aircore drill holes, (Table 2 and Appendix 1. The large number of shallow RAB and Aircore drill holes were 'pattern' drilled over vast majority of the project area are considered to have been largely ineffective for primary mineralisation exploration along the Grace shear due to their widespread nature and shallow drill depth.

No. DDH Holes/Metres	No. RC Holes/Metres	No. RAB Holes/Metres	No. AC Holes/Metres	No. Rock Chip Samples
22/4057.3	73/10851.5	251/12509	16/289	171

Table 1 : Summary of Drilling and Sampling

Of the 5 deeper +500m diamond drill holes all intersected gold mineralisation greater than 0.5g/t gold indicating a large gold mineralised system at depth. Of note drill holes GC0502 and GC0403 hit significant gold mineralisation from 526m and 281m respectively, which are 1100m apart along strike of the major regional Grace-Bemms shear, and approximately 400m and 200m vertically below the limits of the next closest drill hole (see significant intersections listed below).

With extremely limited and widespread deeper drilling all intersecting gold mineralisation major exploration upside exists for high grade primary, and also oxide, mineralisation not just at Grace but along the major Grace-Bemms shear and broader regional dome structure. This significant potential is also supported by geophysical surveys of the project area (refer to subsequent section)

Grace Drilling Results

Grace deposit drill intersection highlights are numerous and include the following small selection of significant drill hits.

HOLE ID	Depth From (m)	Depth To (m)	Interval (m)	Gold (g/t)	Copper (%)
BR8-5	34	50	16	2.64	ND
including	34	42	8	3.96	ND
GPB0801	6	16	10	20.95	0.25
including	10	12	2	89.60	0.00

GPC9106	17.1	20.2	3.1	8.28	0.03
GPC9106	39.1	39.4	0.3	94.40	0.29
GPC9201	67.7	68.2	0.5	103.00	ND
GR037	56	68	12	14.38	ND
including	58	63	4	22.05	ND
GR124002	71	93	22	1.31	ND
including	71	72	1	7.75	ND
including	77	80	3	3.02	ND
GR124501	38	42	4	7.04	0.04
including	40	41	1	23.40	0.04
GR124502	53	86	33	1.55	0.05
GR128001	18	20	2	8.93	0.03
GR128001	28	29	1	7.48	0.35
GR128001	34	40	6	5.61	0.04
GR128001	59	73	14	1.04	0.16
GR128002	87	89	2	10.43	0.06
including	87	88	1	19.20	0.30
HK3-4	30	34	4	5.13	ND

Table 2 : Summary of Selected Significant Drill Intercepts

The Grace deposit also includes the following +250m deep downhole intersections (refer also to Appendix 1):

HOLE ID	Depth From (m)	Depth To (m)	Interval (m)	Gold (g/t)	Copper (%)
GC0502	526	528	2	5.68	0.00
including	526	527	1	10.5	0.00
GC0403	287	305	18	2.77	0.01
including	290	293	3	8.74	0.01

Table 3 : Summary of Selected +250m Drill Intersections

ND: No data or in the process of collating and verifying historical assays

Mineral Resource Estimate and Exploration Target

Mineral Resource Estimate

The Grace Project has an Inferred Mineral Resource of Oxide / Transitional Mineralisation of 1,590,000 tonnes @ 1.35 g/t Au for 69,000 ozs. The Mineral Resource estimate is based on historic drilling carried out by Newmont Australia/Newcrest with no subsequent exploration drilling since 2004.

Mineral Resource Category	Type	Tonnes (Mt)	Au (g/t)	Ounces
Inferred	Oxide - Transitional	1.59	1.35	69,000
TOTAL		**1.59**	**1.35**	**69,000**

The Mineral Resource estimate was carried out on a portion of the mineralised zone at Grace (1,140m strike length of a total strike length of 4,130m) where drilling is at an adequate spacing, and uses appropriate techniques (RC and diamond core) to support the estimate. The remainder of the mineralisation is delineated by RAB drilling and wide spaced RC and diamond core drilling.

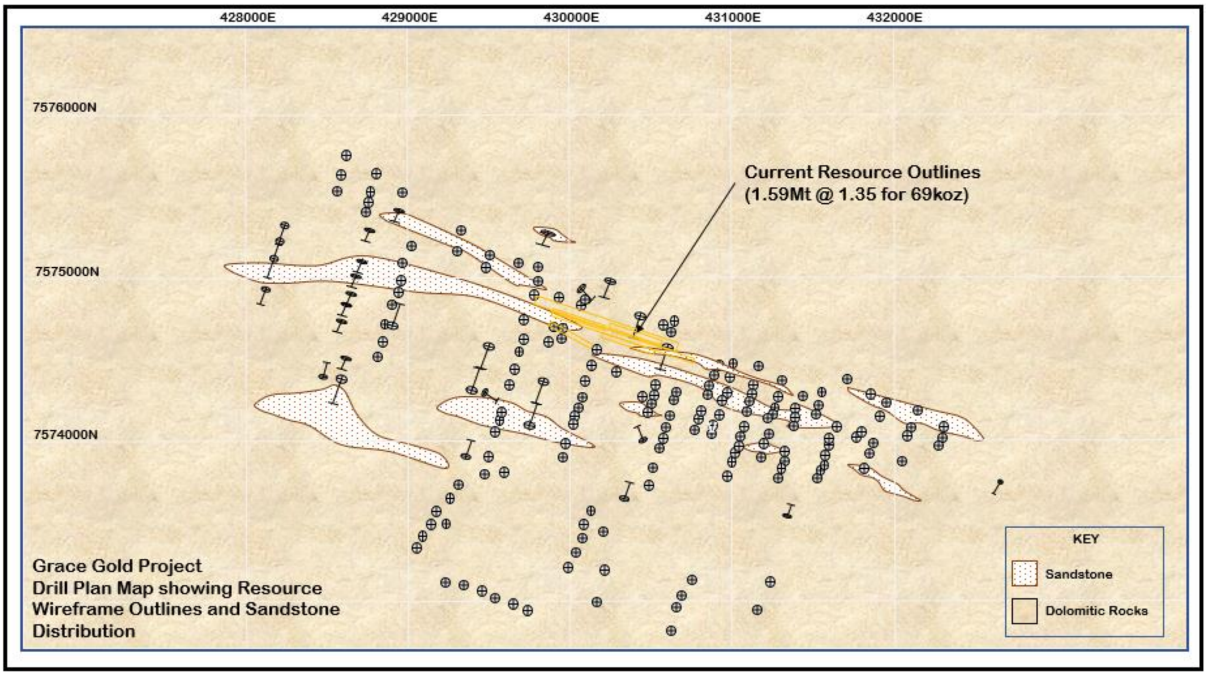

Figure 4 : Drill Plan

The Mineral Resource Estimate was completed using the following parameters:

1. The Mineral Resource extends over a strike length of 1,140m (striking to 110) and is between 50 and 140m across (210 – 030). The Mineral Resource extends up to 140m vertically below surface (160m down dip).
2. The Mineral Resource represents a portion of a mineralised zone defined by drilling to extend for 4,130m along strike and up to 500m vertically below surface (550m down dip). The portion selected to be classed as a Mineral Resource is that where RC and diamond drilling have been completed at an adequate spacing, with the balance representing an Exploration Target.
3. Mineralisation is hosted in a steeply dipping stratabound package adjacent to the Bemm Shear, which is oriented to the WNW, and current interpretations indicate that shallow to moderate NW-dipping lodes occur within this package.
4. 524 holes have been drilled at the Grace Project for a total of 47,509m. Of these 110 drill

holes were used in the resource estimate for a total of 11,465m of drilling. All drilling was completed by Newcrest.

5. Drilling utilised in the resource estimate was carried out on sections spaced approximately 50m apart, with drilling elsewhere completed on sections approximately 200m apart. Holes were drilled predominantly to direction 016 or 196 (perpendicular to the strike of the deposit).
6. RC drilling was sampled via face sampling hammer, collected by a rig mounted cyclone on 1m intervals and split using a riffle splitter. Diamond core drilling sampled NQ core by splitting the core in half, with 1m intervals used unless adjusted for geological intervals.
7. Samples were analysed at commercial laboratories (ALS, Amdel, Genalysis) using fire assay, AAS and ICP-OES.
8. Quality control protocols included the use of certified reference materials (CRMs),blanks and duplicates.
9. All drill holes were surveyed in either local grid or AMG. As part of the Mineral Resource estimation the local grid conversions were created from scratch to ensure that collar coordinates have acceptable precision.
10. Geological domains were constructed using, on average, a 0.3g/t gold cut-off grade.
11. 11 wireframe solids were constructed based on the geological interpretation. Samples within the wireframe were composited to 1.0m intervals.
12. Block grades were estimated using interpolation of the 1m composite data by the Inverse Distance squared method. An ellipsoidal search of 50m with a minimum of 4 samples and maximum of 28 samples was used.
13. A Surpac block model was used for the estimate with a block size of 10m E by 5m N by 5m RL.
14. Bulk density values used for mineralisation was 2.0. These were sourced from historical reporting and are conservative when compared to values used to estimate Mineral Resources at the adjacent Telfer Deposit.
15. The deposit has been classified as an Inferred Mineral Resource based on data quality, sample spacing, and geological interpretation.
16. Significant factors that should be addressed to increase confidence in the Mineral Resource include additional drilling and twinning/confirmation of historical holes, density measurements, and more detailed QA/QC and geostatistical studies.

These notes should be read in conjunction with the information detailed in Appendix 2.

Exploration Target

Mineral Resource Category	Type	Tonnes (Mt)	Au (g/t)	Ounces
Exploration Target	Oxide - Transitional	0.6 – 1.0	0.9 -1.3	18,000 – 41,000
Exploration Target	Fresh	1.6 – 1.8	0.9 -1.3	46,000 – 76,000
TOTAL		**2.2 – 2.8**	**0.9 -1.3**	**64,000 – 117,000**

In addition to the Mineral Resource an Exploration Target of between 2.2 and 2.8 Mt at a grade between 0.9 and 1.3 g/t has been defined. This corresponds to a potential content of between 64,000 and 117,000 ounces of gold, though it should be noted that the tonnage and grade of the Exploration Target is conceptual, that there is insufficient exploration in the area of the Exploration Target to estimate a Mineral Resource and it is uncertain if future exploration will result in the estimation of a Mineral Resource. The Exploration Target is based on mineralisation intersected in both near surface RAB drilling and deep diamond drilling.

Additional exploration and infill drilling on the full 4,130m strike along the Grace-Bemms shear zone has the potential to expand and increase the confidence level of the known Resource.

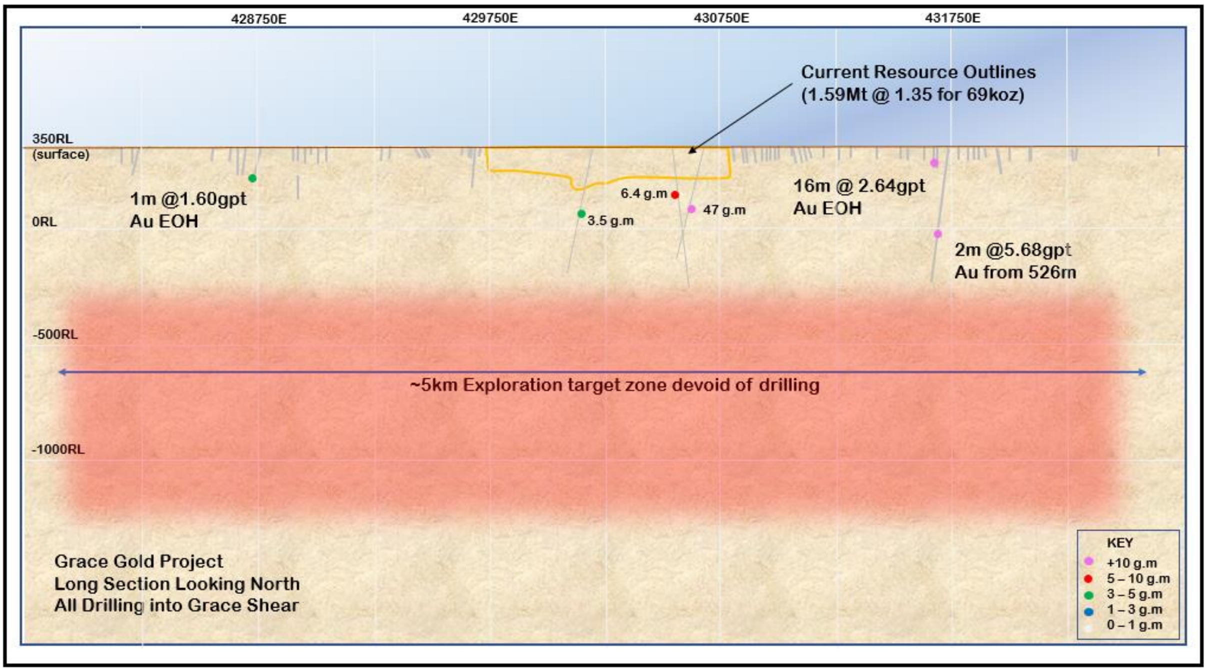

Figure 5 : Grace Shear Longitudinal Section Looking North

The copper mineralisation observed in drilling at Grace has not been modelled due to insufficient data spacing. Further drilling is anticipated to enable copper-bearing zones to be more accurately correlated with lithological or structural information and accordingly enable this to be incorporated in any future Mineral Resource estimations.

Appendix 1

Appendix 1. Significant Intersections from Drilling at the Grace Project.

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
BD1-1	RAB	431672	7573904	50	-70	16.0	No Significant Intersection				0.02
BD1-2	RAB	431702	7573986	64	-70	16.0	28	34	6	1.09	0.00
BD1-3	RAB	431715	7574026	50	-70	16.0	No Significant Intersection				0.00
BD1-4	RAB	431728	7574112	50	-70	16.0	No Significant Intersection				0.00
BD2-1	RAB	431559	7574021	70	-70	16.0	44	70	26	1.60	0.02
BD2-2	RAB	431566	7574047	56	-70	16.0	38	46	8	0.87	0.00
BD2-3	RAB	431574	7574074	50	-70	16.0	No Significant Intersection				0.00
BD3-1	RAB	431508	7574040	50	-70	16.0	No Significant Intersection				0.00
BD3-2	RAB	431515	7574064	64	-70	16.0	16	20	4	1.17	0.00
BD3-3	RAB	431523	7574089	50	-70	16.0	No Significant Intersection				0.00
BD4-1	RAB	431392	7573995	50	-70	16.0	No Significant Intersection				0.00
BD4-2	RAB	431407	7574051	50	-70	16.0	No Significant Intersection				0.00
BD4-3	RAB	431417	7574100	50	-70	16.0	4	10	6	1.26	0.00
BD4-4	RAB	431437	7574149	50	-90	16.0	No Significant Intersection				50
BMC9001	DDH	431561	7574022	99.5	-70	17.0	29.9	33	3.1	0.95	0.00
							41.9	51.7	9.8	1.16	0.00
							65	69	4	0.96	0.00
							74.5	77	2.5	2.07	0.00
BP1	RAB	430148	7574595	52	-70	16.0	No Significant Intersection				0.00
BR1-1	RAB	429801	7574464	48	-70	16.0	No Significant Intersection				0.01
BR1-2	RAB	429819	7574528	46	-70	16.0	No Significant Intersection				0.07
BR1-3	RAB	429844	7574615	50	-70	16.0	10	12	2	8.80	0.01
BR1-4	RAB	429856	7574663	60	-70	16.0	20	22	2	1.69	0.04
BR2-1	RAB	429933	7574586	50	-70	16.0	46	48	2	0.65	0.00
BR2-2	RAB	429947	7574632	50	-70	16.0	No Significant Intersection				0.00
BR2-3	RAB	429962	7574683	40	-70	16.0	No Significant Intersection				0.00
BR2-4	RAB	429975	7574729	40	-70	16.0	No Significant Intersection				0.00
BR2-5	RAB	429909	7574505	40	-70	16.0	10	12	2	0.73	0.00
BR2A-1	RAB	430211	7574482	40	-70	331.0	No Significant Intersection				0.00
BR2A-2	RAB	430178	7574550	40	-70	331.0	0	2	2	0.66	0.00
BR2A-3	RAB	430158	7574597	40	-70	331.0	No Significant Intersection				0.00
BR3-1	RAB	430241	7574479	50	-70	16.0	20	24	4	0.79	0.01
							32	36	4	7.59	0.01
BR3-2	RAB	430259	7574538	50	-70	16.0	No Significant Intersection				50
BR3-3	RAB	430204	7574375	40	-70	16.0	No Significant Intersection				40
BR3-4	RAB	430189	7574325	40	-70	16.0	No Significant Intersection				0.00
BR3-5	RAB	430173	7574268	40	-70	16.0	No Significant Intersection				0.00
BR4-1	RAB	430436	7574314	46	-70	16.0	6	12	6	0.73	0.02
							40	44	4	1.22	0.03
BR4-10	RAB	430439	7574563	50	-70	16.0	No Significant Intersection				50
BR4-11	RAB	430374	7574081	50	-70	16.0	No Significant Intersection				0.00
BR4-12	RAB	430360	7574022	50	-70	16.0	2	4	2	1.02	0.00
							26	28	2	0.76	0.00
BR4-13	RAB	430282	7574303	50	-70	16.0	24	26	2	2.39	0.00
BR4-14	RAB	430316	7574099	50	-70	16.0	No Significant Intersection				0.00
BR4-2	RAB	430448	7574361	50	-70	16.0	No Significant Intersection				50
BR4-3	RAB	430460	7574399	60	-70	16.0	26	32	6	0.96	0.02
							44	60	16	1.68	0.09
BR4-4	RAB	430413	7574242	40	-70	16.0	16	18	2	0.57	0.00
BR4-5	RAB	430400	7574192	38	-70	16.0	4	6	2	1.10	0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
BR4-6	RAB	430386	7574135	40	-70	16.0	34	36	2	2.47	0.00
BR4-7	RAB	430480	7574465	50	-70	16.0	No Significant Intersection				0.00
BR4-8	RAB	430492	7574510	50	-70	16.0	No Significant Intersection				0.00
BR4-9	RAB	430507	7574569	50	-70	16.0	No Significant Intersection				0.00
BR5-1	RAB	430720	7574123	50	-70	16.0	18	28	10	0.91	0.07
							38	42	4	1.08	0.02
BR5-1A	RAB	430732	7574162	60	-70	16.0	No Significant Intersection				0.00
BR5-2	RAB	430745	7574203	50	-70	16.0	No Significant Intersection				0.06
BR5-2A	RAB	430766	7574258	40	-70	16.0	No Significant Intersection				0.00
BR5-3	RAB	430781	7574304	50	-70	16.0	No Significant Intersection				0.01
BR5-4	RAB	430677	7574019	60	-70	16.0	No Significant Intersection				0.00
BR5-5	RAB	430658	7573959	40	-70	16.0	No Significant Intersection				0.00
BR5-6	RAB	430638	7573898	40	-70	16.0	No Significant Intersection				0.00
BR5A-1	RAB	430746	7573872	38	-70	16.0	No Significant Intersection				0.00
BR5A-2	RAB	430766	7573937	40	-70	16.0	No Significant Intersection				0.00
BR5A-3	RAB	430783	7573993	60	-70	16.0	No Significant Intersection				0.00
BR5A-4	RAB	430814	7574085	60	-70	16.0	24	26	2	0.83	0.00
							36	40	4	1.28	0.00
BR5A-5	RAB	430829	7574139	16	-70	16.0	No Significant Intersection				0.00
BR5A-5-1	RAB	430823	7574141	60	-70	16.0	22	24	2	1.37	0.00
BR5A-6	RAB	430844	7574193	60	-70	16.0	No Significant Intersection				60
BR5A-7	RAB	430861	7574252	40	-70	16.0	No Significant Intersection				0.00
BR5A-8	RAB	430880	7574319	38	-70	16.0	No Significant Intersection				0.00
BR6-1	RAB	430969	7574027	50	-70	16.0	14	16	2	0.67	0.04
BR6-1A	RAB	430979	7574063	40	-70	16.0	No Significant Intersection				0.00
BR6-2	RAB	430989	7574103	50	-70	16.0	0	12	12	0.64	0.04
							48	50	2	0.87	0.24
BR6-2A	RAB	431000	7574147	40	-70	16.0	No Significant Intersection				0.00
BR6-3	RAB	431012	7574191	48	-70	16.0	No Significant Intersection				0.02
BR6-4	RAB	431044	7574308	50	-70	16.0	No Significant Intersection				0.00
BR6A-1	RAB	431053	7573754	40	-70	16.0	No Significant Intersection				40
BR6A-2	RAB	431070	7573810	40	-70	16.0	No Significant Intersection				0.00
BR6A-3	RAB	431087	7573868	44	-70	16.0	No Significant Intersection				0.00
BR6A-4	RAB	431110	7573955	48	-70	16.0	24	38	14	0.89	0.00
BR6A-5	RAB	431124	7574000	40	-70	16.0	No Significant Intersection				0.00
BR6A-6	RAB	431139	7574046	40	-70	16.0	No Significant Intersection				40
BR6A-7	RAB	431158	7574104	40	-70	16.0	No Significant Intersection				0.00
BR6A-8	RAB	431179	7574168	40	-70	16.0	26	28	2	0.55	0.00
BR6A-9	RAB	431196	7574218	48	-70	16.0	No Significant Intersection				0.00
BR7-1	RAB	431246	7573920	50	-70	16.0	No Significant Intersection				0.00
BR7-1A	RAB	431258	7573965	40	-70	16.0	No Significant Intersection				0.00
BR7-2	RAB	431269	7574006	50	-70	16.0	8	10	2	0.63	0.01
BR7-2A	RAB	431281	7574053	40	-70	16.0	No Significant Intersection				0.00
BR7-3	RAB	431293	7574096	50	-70	16.0	No Significant Intersection				0.01
BR8-1	RAB	431473	7573818	36	-70	16.0	No Significant Intersection				0.00
BR8-2	RAB	431485	7573863	27	-70	16.0	No Significant Intersection				0.00
BR8-3	RAB	431505	7573927	40	-70	16.0	No Significant Intersection				0.00
BR8-4	RAB	431522	7573988	40	-70	16.0	No Significant Intersection				0.00
BR8-4A	RAB	431534	7574030	60	-70	16.0	No Significant Intersection				0.00
BR8-5	RAB	431541	7574055	50	-70	16.0	34	50	16	2.64	0.00
BR8-6	RAB	431548	7574082	50	-70	16.0	No Significant Intersection				50
BR8-7	RAB	431568	7574150	50	-70	16.0	No Significant Intersection				0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
BR8-8	RAB	431584	7574217	50	-70	16.0	No Significant Intersection				0.00
GA001	AC	430080	7573281	18	-90	359.0	No Significant Intersection				0.00
GA002	AC	430627	7572995	21	-90	359.0	No Significant Intersection				0.00
GA016	AC	431052.6	7572792	7	-90	359.0	No Significant Intersection				0.00
GA017	AC	430536.4	7572813	7	-90	359.0	No Significant Intersection				0.00
GA018	AC	430559.7	7572889.5	27	-90	359.0	No Significant Intersection				0.05
GA019	AC	430500.1	7572693	9	-90	359.0	No Significant Intersection				0.00
GA020	AC	430052	7572842	27	-90	359.0	No Significant Intersection				0.03
GA021	AC	429600	7572790	21	-90	359.0	No Significant Intersection				0.00
GA022	AC	429520	7572840	24	-90	359.0	No Significant Intersection				0.00
GA023	AC	429420	7572880	24	-90	359.0	No Significant Intersection				0.00
GA024	AC	429325	7572910	25	-90	359.0	No Significant Intersection				0.00
GA025	AC	429230	7572950	21	-90	359.0	No Significant Intersection				0.00
GA026	AC	429120	7572960	22	-90	359.0	No Significant Intersection				0.00
GA033	AC	430434.8	7572478	6	-90	359.0	No Significant Intersection				6
GA034	AC	430463.8	7572573.5	9	-90	359.0	No Significant Intersection				9
GA035	AC	429962	7572473	21	-90	359.0	No Significant Intersection				0.01
GC0401	RC_DDH	430060	7574700	582.8	-70	196.0	305	306	1	0.66	0.00
							306	307	1	0.24	0.00
							307	308	1	0.54	0.00
							316	319	3	0.51	0.00
							379	380	1	0.75	0.00
GC0402	RC_DDH	429462	7574108	604.35	-70	16.0	279	280	1	0.90	0.89
							320	323	3	1.69	0.01
							349	352	3	0.65	0.01
GC0403	RC_DDH	430535	7574542	552.7	-70	196.0	287	305	18	2.77	0.00
							320	323	3	0.66	0.00
GC0501	DDH	430402	7574243	672.8	-70	13.5	268	270	2	3.26	0.00
							288	289	1	2.86	0.01
							298	299	1	2.70	0.00
GC0502	DDH	431606	7574202	656.3	-68	195.0	526	528	2	5.68	0.00
							566	567	1	1.62	0.00
GPB0101	RAB	428511	7575613	60	-60	196.0	No Significant Intersection				0.00
GPB0102	RAB	428474	7575487	60	-60	196.0	No Significant Intersection				0.00
GPB0103	RAB	428441	7575377	60	-60	196.0	2	6	4	0.71	0.00
GPB0201	RAB	428690	7575502	58	-60	196.0	No Significant Intersection				0.00
GPB0202	RAB	428653	7575380	60	-60	196.0	No Significant Intersection				0.00
GPB0203	RAB	428627	7575295	62	-60	196.0	No Significant Intersection				0.00
GPB0203B	RAB	428635	7575323	60	-60	196.0	No Significant Intersection				0.00
GPB0301	RAB	428860	7575382	60	-60	196.0	No Significant Intersection				0.00
GPB0302	RAB	428828	7575273	60	-60	196.0	32	34	2	1.73	0.00
GPB0302B	RAB	428819	7575242	70	-60	196.0	No Significant Intersection				0.01
GPB0401	RAB	429205	7575131	60	-60	196.0	No Significant Intersection				0.00
GPB0402	RAB	429190	7575078	60	-60	196.0	No Significant Intersection				0.01
GPB0403	RAB	429170	7575007	60	-60	196.0	No Significant Intersection				0.01
GPB0501	RAB	429375	7575009	60	-60	16.0	No Significant Intersection				0.01
GPB0502	RAB	429352	7574925	60	-60	16.0	No Significant Intersection				0.01
GPB0503	RAB	429337	7574882	60	-60	16.0	32	34	2	4.12	0.01
GPB0504	RAB	429315	7574809	60	-60	16.0	No Significant Intersection				0.01
GPB0601	RAB	429563	7574922	60	-60	16.0	No Significant Intersection				0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
GPB0602	RAB	429541	7574848	59	-60	16.0	8	10	2	0.69	0.02
GPB0603	RAB	429497	7574702	50	-60	16.0	No Significant Intersection				0.01
GPB0701	RAB	429821	7574750	60	-60	16.0	No Significant Intersection				0.00
GPB0702	RAB	429801	7574689	60	-60	16.0	No Significant Intersection				0.00
GPB0703	RAB	429787	7574645	60	-60	16.0	22	24	2	1.52	0.02
GPB0704	RAB	429757	7574548	59	-60	16.0	40	42	2	6.36	0.15
							56	59	3	1.21	0.05
GPB0705	RAB	429732	7574443	40	-60	16.0	4	6	2	0.95	0.04
							18	20	2	3.51	0.03
GPB0801	RAB	429992	7574467	32	-60	16.0	6	16	10	20.95	0.25
GPB0802	RAB	429988	7574454	36	-60	16.0	12	20	8	1.10	0.18
GPB0803	RAB	430034	7574536	60	-60	106.0	10	12	2	2.02	0.00
							18	26	8	1.15	0.00
							30	34	4	1.66	0.00
GPB0804	RAB	430028	7574537	62	-60	196.0	14	16	2	0.72	0.00
GPB0805	RAB	430082	7574567	58	-60	106.0	6	8	2	0.83	0.00
							22	26	4	1.11	0.00
GPB0901	RAB	430225	7574528	60	-60	16.0	No Significant Intersection				0.02
GPB0902	RAB	430216	7574500	60	-60	16.0	12	16	4	2.10	0.03
GPB0903	RAB	430215	7574475	60	-60	16.0	42	44	2	1.21	0.05
							48	52	4	0.82	0.04
GPB0904	RAB	430171	7574377	60	-60	16.0	No Significant Intersection				0.01
GPB0905	RAB	430158	7574326	60	-60	16.0	42	44	2	0.82	0.04
GPB1001	RAB	430672	7574473	58	-60	196.0	No Significant Intersection				0.00
GPB1002	RAB	430653	7574413	73	-60	196.0	56	73	17	1.92	0.10
GPB1005	RAB	430653	7574412	64	-50	196.0	No Significant Intersection				0.02
GPB1101	RAB	431301	7574121	50	-60	16.0	No Significant Intersection				50
GPB1102	RAB	431511	7574046	60	-60	16.0	28	30	2	0.63	0.01
							44	46	2	1.30	0.02
GPB1103	RAB	431522	7574088	58	-60	196.0	No Significant Intersection				0.00
GPB1201	RAB	431655	7573844	60	-60	16.0	No Significant Intersection				0.01
GPB1301	RAB	431815	7574090	66	-60	196.0	No Significant Intersection				0.00
GPB1302	RAB	431790	7573996	46	-60	196.0	36	38	2	0.62	0.00
GPB1303	RAB	431743	7573835	56	-60	16.0	No Significant Intersection				0.02
GPB1304	RAB	431722	7573759	70	-60	16.0	No Significant Intersection				0.00
GPB1305	RAB	431696	7573676	60	-60	16.0	No Significant Intersection				0.00
GPB1401	RAB	432007	7574018	49	-60	196.0	No Significant Intersection				0.00
GPB1402	RAB	431983	7573934	60	-60	196.0	26	28	2	0.60	0.01
GPB1403	RAB	431970	7573894	54	-60	196.0	No Significant Intersection				0.01
GPB1404	RAB	431917	7573709	60	-60	16.0	No Significant Intersection				0.01
GPB1502	RAB	432192	7573937	69	-60	196.0	No Significant Intersection				0.00
GPB1503	RAB	432168	7573850	60	-60	196.0	12	14	2	0.60	0.02
							28	30	2	0.50	0.05
GPB1504	RAB	432158	7573821	60	-60	196.0	4	10	6	0.65	0.03
GPB1901	RAB	430460	7574398	75	-60	16.0	44	46	2	3.03	0.07
							50	52	2	0.85	0.05
							60	68	8	2.20	0.04
GPB1902	RAB	430455	7574383	75	-60	16.0	36	40	4	1.01	0.07
							50	52	2	1.12	0.06
GPB2001	RAB	431435	7573672	61	-60	16.0	No Significant Intersection				0.00
GPB2101	RAB	431706	7574002	70	-60	196.0	No Significant Intersection				0.01
GPB2201	RAB	431739	7573652	24	-60	16.0	No Significant Intersection				0.01

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
GPB2202	RAB	431734	7573628	62	-60	16.0	No Significant Intersection				0.01
GPB2203	RAB	431772	7573621	60	-60	16.0	No Significant Intersection				0.01
GPB2204	RAB	431803	7573622	60	-60	16.0	44	46	2	0.51	0.01
GPB2205	RAB	431835	7573594	62	-60	16.0	34	48	14	0.96	0.01
							56	58	2	8.92	0.01
GPB2206	RAB	431879	7573601	60	-60	16.0	No Significant Intersection				0.01
GPB2207	RAB	431808	7573644	64	-60	196.0	No Significant Intersection				0.02
GPB2208	RAB	431872	7573577	56	-60	16.0	No Significant Intersection				0.01
GPC001	DDH	428776	7574582	249.6	-60	16.0	No Significant Intersection				0.00
GPC9101	DDH	430385	7574393	122.6	-50	16.0	19	20	1	0.75	0.02
							25	26	1	0.87	0.12
							30	31	1	1.24	0.04
GPC9102	DDH	430665	7574448	148.7	-50	196.0	113	116	3	0.56	0.59
							129	130	1	5.50	0.01
GPC9103	DDH	430765	7574099	112	-50	16.0	96	98	2	2.89	0.00
GPC9104	DDH	432524	7573567	94	-60	196.0	32	33	1	0.65	0.00
GPC9105	DDH	430041	7574449	205.5	-50	16.0	94.7	96	1.3	1.17	0.00
							156	158	2	3.08	0.00
							165.5	166.7	1.2	3.16	0.00
							185.7	188.2	2.5	0.86	0.01
GPC9106	DDH	430021	7574579	138	-60	135.0	2.2	3.2	1	18.20	0.12
							17.1	20.2	3.1	8.28	0.03
							31.2	35	3.8	2.48	0.03
GPC9107	DDH	431528	7574016	118.8	-55	16.0	72	74	2	0.82	0.02
GPC9201	DDH	429969	7574621	193	-60	131.0	24.1	29	4.9	1.28	0.01
							47.4	53.1	5.7	1.41	0.00
							67.7	68.2	0.5	103	0.00
							159.4	168.6	9.2	2.50	0.00
							180	181	1	1.12	0.00
GPC9202	DDH	429962	7574504	114.5	-60	132.0	37.4	40	2.6	0.69	0.10
							92	94.4	2.4	1.35	0.04
GPC9203	DDH	430445	7574430	118.2	-60	138.0	No Significant Intersection				0.02
GPC9204	DDH	430196	7574524	134.9	-60	133.0	94.2	97.8	3.6	3.65	0.21
GPC9205	DDH	429787	7574613	120.5	-60	133.0	No Significant Intersection				0.02
GPC9206	DDH	429573	7574446	185.2	-60	196.0	142	144.4	2.4	4.95	0.03
GPEC001	DDH	431831	7573646	96.2	-65	196.0	65	80	15	1.00	0.00
GPEC002	DDH	431831	7573646	111	-80	196.0	No Significant Intersection				0.00
GPEC003	DDH	431821	7573596	83	-50	16.0	21.5	27.5	6	0.83	0.00
GPEC004	DDH	431808	7573549	148	-50	16.0	86.8	88.1	1.3	1.17	0.00
GPEC005	DDH	431765	7573590	135	-50	16.0	97.3	106	8.7	1.40	0.00
GR001	RC	428455	7574573	126	-60	196.0	No Significant Intersection				0.00
GR002	RC	428484	7574669	102	-60	196.0	No Significant Intersection				0.00
GR003	RC	428513	7574764	144	-60	196.0	24	28	4	0.86	0.01
GR004	RC	428542	7574860	150	-60	196.0	No Significant Intersection				0.01
GR005	RC	428571	7574956	119	-60	196.0	No Significant Intersection				0.02
GR006	RC	428629	7575147	150	-60	196.0	146	150	4	0.93	0.01
GR007	RC	428107	7575149	132	-60	196.0	No Significant Intersection				0.00
GR008	RC	428078	7575053	90	-60	196.0	No Significant Intersection				0.00
GR009	RC	428049	7574957	150	-60	196.0	No Significant Intersection				0.06
GR010	RC	428020	7574862	151	-60	196.0	No Significant Intersection				0.00
GR011	RC	427991	7574766	150	-60	196.0	No Significant Intersection				0.00
GR021	RC	428563.9	7573923.5	120	-60	196.0	No Significant Intersection				0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
GR022	RC	428568.4	7573945	120	-60	196.0	No Significant Intersection				0.00
GR023	RC	428665.1	7573878	120	-60	196.0	103	104	1	1.35	0.00
GR024	RC	428757.1	7573823	125	-60	196.0	No Significant Intersection				0.00
GR025	RC	428491.7	7573995.5	121	-60	196.0	No Significant Intersection				0.00
GR026	RC	429733	7575116	160	-60	194.0	No Significant Intersection				160
GR027	RC	430111	7574798	160	-60	194.0	No Significant Intersection				0.00
GR028	RC	430308	7574621	160	-60	196.0	No Significant Intersection				0.00
GR029	RC	430680	7574484	160	-60	196.0	No Significant Intersection				160
GR030	RC	430056	7574712	160	-60	134.0	No Significant Intersection				160
GR031	RC	429949	7574775	160	-60	134.0	No Significant Intersection				0.00
GR032	RC	429371.1	7574138.5	160	-60	134.0	No Significant Intersection				0.00
GR033	RC	429255	7573755.5	166	-60	16.0	No Significant Intersection				0.00
GR034	RC	428713.0	7573839.5	160	-60	219.0	96	100	4	1.04	0.00
GR035	RC	428587.9	7573761.5	160	-60	39.1	No Significant Intersection				160
GR036	RC	428499.0	7573809.5	160	-60	39.1	No Significant Intersection				0.00
GR037	RC	428617.5	7573921	160	-60	219.0	56	68	12	14.38	0.00
							72	76	4	2.94	0.00
GR038	RC	428356.1	7574237.5	160	-60	16.0	No Significant Intersection				0.00
GR045	RC	429863.4	7572317	148	-60	16.0	No Significant Intersection				0.00
GR054	RC	431110.7	7572983.5	160	-90	16.0	No Significant Intersection				
GR056	RC	430081.25	7573034.5	178	-90	16.0	No Significant Intersection				0.00
GR057	RC	429965.0	7572652	160	-60	16.0	No Significant Intersection				0.01
GR061	RC	429124.3	7573325	200	-90	16.0	No Significant Intersection				0.00
GR062	RC	430220.6	7573494	160	-60	16.0	No Significant Intersection				0.01
GR063	RC	430328.0	7573848	160	-60	339.0	No Significant Intersection				0.00
GR064	RC	431226.9	7573366	160	-60	16.0	No Significant Intersection				0.00
GR073	RC	428608.4	7574035.5	160	-60	196.0	No Significant Intersection				0.00
GR074	RC	428634.5	7574121.5	180	-60	196.0	No Significant Intersection				0.00
GR075	RC	428667.9	7574231.5	180	-60	196.0	No Significant Intersection				0.00
GR076	RC	428437.3	7574160.5	180	-60	196.0	No Significant Intersection				0.00
GR077	RC	428463.4	7574246.5	180	-70	196.0	No Significant Intersection				0.00
GR078	RC	428496.8	7574356.5	180	-60	196.0	144	147	3	1.49	0.01
GR079	RC	428641.1	7573947	162	-60	219.0	No Significant Intersection				0.00
GR080	RC	428598.3	7573906	162	-60	219.0	52	58	6	5.69	0.00
GR081	RC	428583.1	7573917.5	160	-60	219.0	No Significant Intersection				160
GR082	RC	428562.1	7573966	160	-60	219.0	No Significant Intersection				0.00
GR083	RC	428649.2	7573905	108	-60	219.0	No Significant Intersection				0.00
GR121001	RC	429556	7574395	108	-60	196.0	No Significant Intersection				0.02
GR124001	RC	429934	7574619	60	-60	196.0	13	17	4	0.97	0.08
GR124002	RC	429943	7574649	114	-60	196.0	71	93	22	1.31	0.01
							98	103	5	0.90	0.01
GR124501	RC	429982	7574611	100	-60	196.0	20	21	1	2.85	0.43
							38	42	4	7.04	0.04
GR124502	RC	429991	7574642	100	-60	196.0	53	86	33	1.55	0.05
							90	92	2	1.82	0.01
							96	97	1	1.15	0.01
GR125001	RC	430023	7574568	100	-60	196.0	36	37	1	13.70	0.02
							69	70	1	1.30	0.01
GR125002	RC	430036	7574614	100	-60	196.0	0	1	1	1.10	0.00
							35	38	3	2.61	0.63
							47	49	2	0.94	0.04
GR125501	RC	430076	7574571	82	-60	196.0	11	13	2	1.34	0.04

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
							13	38	25	0.15	0.07
							38	39	1	1.07	0.02
GR125502	RC	430082	7574592	146	-70	196.0	42	44	2	2.48	0.17
							133	134	1	1.27	0.03
GR126001	RC	430124	7574552	130	-60	196.0	12	16	4	3.18	0.05
							87	88	1	2.10	0.01
GR126002	RC	430135	7574593	144	-60	196.0	3	5	2	1.19	0.16
							135	142	7	1.06	0.01
GR126501	RC	430171	7574540	120	-60	196.0	23	24	1	0.66	0.02
							105	110	5	1.16	0.03
GR126502	RC	430178	7574568	126	-60	196.0	52	53	1	11.40	0.02
							67	71	4	0.83	0.00
							84	85	1	1.26	0.00
							90	99	9	1.12	0.03
							109	113	4	1.50	0.06
GR127001	RC	430215	7574515	100	-60	196.0	67	68	1	2.60	0.03
							68	78	10	0.14	0.03
							78	80	2	7.35	0.16
							88	100	12	1.33	0.06
GR127002	RC	430224	7574546	115	-60	196.0	55	58	3	3.76	0.15
							63	75	12	1.29	0.05
							84	97	13	2.22	0.04
							103	115	12	0.59	0.04
GR127501	RC	430263	7574500	84	-60	196.0	14	15	1	9.50	0.02
							29	31	2	1.81	0.22
							48	54	6	1.14	0.03
							61	62	1	3.59	0.01
							70	79	9	2.22	0.09
GR127502	RC	430271	7574527	110	-60	196.0	70	82	12	1.93	0.25
							108	109	1	1.55	0.00
GR128001	RC	430309	7574480	100	-60	196.0	18	20	2	8.93	0.03
							28	29	1	7.48	0.35
							34	40	6	5.61	0.04
							59	73	14	1.04	0.06
GR128002	RC	430315	7574499	100	-70	196.0	87	89	2	10.43	0.16
							89	100	11	0.09	0.01
GRC04_001	RC	429437	7574015	300	-60	16.0	264	268	4	0.50	0.00
GRC04_002	RC	429265	7574144	300	-60	16.0	No Significant Intersection				0.00
GRC04_003	RC	429351	7574431	300	-60	196.0	No Significant Intersection				0.00
GRC04_004	RC	429617	7573929	300	-60	16.0	No Significant Intersection				0.00
GRC04_005	RC	429709	7574218	300	-60	196.0	No Significant Intersection				
HK1-1	RAB	428921	7575186	68	-70	16.0	8	10	2	1.14	0.00
HK1-10	RAB	428713	7574460	40	-70	16.0	No Significant Intersection				0.00
HK1-11	RAB	428686	7574362	30	-70	16.0	No Significant Intersection				0.00
HK1-12	RAB	428659	7574263	64	-70	16.0	No Significant Intersection				0.00
HK1-13	RAB	428632	7574167	50	-70	196.0	No Significant Intersection				0.00
HK1-14	RAB	428619	7574119	40	-70	196.0	No Significant Intersection				0.00
HK1-15	RAB	428605	7574071	40	-70	196.0	No Significant Intersection				0.00
HK1-16	RAB	428577	7573974	30	-70	196.0	No Significant Intersection				0.00
HK1-17	RAB	428566	7573937	52	-70	196.0	No Significant Intersection				0.00
HK1-2	RAB	428909	7575145	70	-70	16.0	No Significant Intersection				0.00
HK1-3	RAB	428887	7575063	62	-70	16.0	No Significant Intersection				0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
HK1-4	RAB	428881	7575043	82	-70	16.0	14	20	6	0.59	0.00
HK1-5	RAB	428854	7574945	40	-70	16.0	No Significant Intersection				0.00
HK1-6	RAB	428819	7574824	60	-70	16.0	No Significant Intersection				0.00
HK1-7	RAB	428798	7574752	40	-70	16.0	No Significant Intersection				0.00
HK1-8	RAB	428769	7574653	60	-70	16.0	No Significant Intersection				0.00
HK1-9	RAB	428742	7574556	78	-70	16.0	No Significant Intersection				0.00
HK2-1	RAB	429726	7575002	36	-70	16.0	No Significant Intersection				0.00
HK2-10	RAB	429522	7574282	40	-70	16.0	No Significant Intersection				0.00
HK2-11	RAB	429494	7574182	50	-70	16.0	No Significant Intersection				0.00
HK2-12	RAB	429471	7574096	40	-70	16.0	No Significant Intersection				0.00
HK2-13	RAB	429458	7574051	68	-70	16.0	No Significant Intersection				68
HK2-14	RAB	429443	7574002	40	-70	16.0	No Significant Intersection				0.00
HK2-15	RAB	429429	7573953	60	-70	16.0	No Significant Intersection				0.00
HK2-16	RAB	429410	7573884	40	-70	16.0	No Significant Intersection				40
HK2-17	RAB	429371	7573751	60	-70	196.0	No Significant Intersection				34
HK2-18	RAB	429344	7573655	40	-70	196.0	No Significant Intersection				0.00
HK2-2	RAB	429704	7574925	34	-70	16.0	No Significant Intersection				0.00
HK2-3	RAB	429676	7574828	30	-70	16.0	No Significant Intersection				0.00
HK2-4	RAB	429662	7574778	46	-70	16.0	No Significant Intersection				10
HK2-5	RAB	429648	7574728	22	-70	16.0	8	10	2	0.78	0.00
HK2-6	RAB	429643	7574711	42	-70	16.0	No Significant Intersection				0.00
HK2-7	RAB	429606	7574576	40	-70	16.0	14	16	2	0.63	0.00
HK2-8	RAB	429579	7574479	50	-70	16.0	No Significant Intersection				0.00
HK2-9	RAB	429558	7574379	72	-90	16.0	No Significant Intersection				0.00
HK3-1	RAB	430107	7574675	32	-70	16.0	No Significant Intersection				32
HK3-10	RAB	429921	7574034	66	-70	16.0	No data				
HK3-11	RAB	429907	7573986	60	-70	16.0	No data				
HK3-12	RAB	429889	7573929	70	-70	16.0	No data				
HK3-13	RAB	429854	7573814	32	-70	16.0	No data				
HK3-14	RAB	429834	7573747	30	-70	16.0	No data				
HK3-2	RAB	430093	7574625	40	-70	16.0	No Significant Intersection				0.00
HK3-3	RAB	430077	7574575	40	-70	16.0	10	18	8	0.69	0.00
HK3-4	RAB	430066	7574539	40	-70	16.0	8	18	10	0.82	0.00
							30	34	4	5.13	0.00
HK3-5	RAB	430044	7574461	30	-70	16.0	No Significant Intersection				0.00
HK3-6	RAB	430026	7574397	40	-70	16.0	No Significant Intersection				0.00
HK3-7	RAB	429998	7574300	40	-70	16.0	No Significant Intersection				0.00
HK3-8	RAB	429968	7574197	44	-70	16.0	No Significant Intersection				0.00
HK3-9	RAB	429940	7574098	40	-70	16.0	No Significant Intersection				0.00
HK4-1	RAB	430529	7574153	60	-70	16.0	No Significant Intersection				0.00
HK4-2	RAB	430513	7574102	60	-70	16.0	No Significant Intersection				0.00
HK4-3	RAB	430483	7574000	60	-70	16.0	No Significant Intersection				0.00
HK4-4	RAB	430454	7573901	46	-70	16.0	No Significant Intersection				0.00
HK4-5	RAB	430439	7573854	42	-70	16.0	No Significant Intersection				0.00
HK4-6	RAB	430438	7573846	60	-70	16.0	No data				
HK4-7	RAB	430423	7573798	24	-70	16.0	No data				
HK4-8	RAB	430383	7573664	52	-70	16.0	No data				
HK4-9	RAB	430354	7573568	60	-70	16.0	No data				
HK5-1	RAB	430945	7573925	62	-70	16.0	22	24	2	1.91	0.00
HK5-2	RAB	430925	7573855	36	-70	16.0	No Significant Intersection				0.00
HK5-3	RAB	430912	7573806	40	-70	16.0	No Significant Intersection				0.00
HK5-4	RAB	430898	7573758	60	-70	16.0	No Significant Intersection				0.00

Appendix 1

Hole ID	Hole Type	Easting (AMG z50)	Northing (AMG z50)	Total Depth	Dip	Azimuth	From	To	Length	Au (g/t)	Cu (%)
HK5-5	RAB	430882	7573711	50	-70	16.0	No data				
HK5-6	RAB	430859	7573634	40	-70	16.0	No data				
HK6-1	RAB	431207	7573760	30	-70	16.0	No Significant Intersection				0.00
HK6-2	RAB	431193	7573710	12	-70	16.0	No Significant Intersection				0.00
HK6-3	RAB	431182	7573668	40	-70	16.0	No Significant Intersection				0.00
HK6-4	RAB	431164	7573615	26	-70	16.0	No data				
HK7-1	RAB	431449	7573724	22	-70	16.0	No Significant Intersection				0.00
HK7-2	RAB	431440	7573696	18	-70	16.0	10	14	4	1.84	0.00
HK7-3	RAB	431425	7573647	34	-70	16.0	No Significant Intersection				0.00
HK7-4	RAB	431412	7573604	34	-70	16.0	No Significant Intersection				0.00
HK8-1	RAB	430185	7574618	60	-70	57.0	No Significant Intersection				0.00
HK8-2	RAB	430164	7574606	40	-70	57.0	No Significant Intersection				0.00
HK8-3	RAB	430141	7574591	40	-70	57.0	4	6	2	0.55	0.00
HK8-4	RAB	430123	7574579	40	-70	57.0	No Significant Intersection				0.00
HK8-5	RAB	430100	7574564	36	-70	57.0	22	24	2	0.63	0.00
HK8-6	RAB	430083	7574553	50	-70	57.0	16	22	6	0.66	0.00
							32	34	2	6.00	0.00
HK8-7	RAB	430091	7574557	38	-70	57.0	2	6	4	1.28	0.00
							20	26	6	0.81	0.00
LP1	RAB	428531	7573932	42	-70	106.0	No Significant Intersection				0.00
LP2	RAB	428544	7573921	50	-70	106.0	No Significant Intersection				0.00
LR1-6	RAB	428151	7574080	50	-70	16.0	No Significant Intersection				0.00
LR2-1	RAB	429873	7573056	50	-70	16.0	No Significant Intersection				0.00
LR2-2	RAB	429907	7573150	50	-70	16.0	No Significant Intersection				0.00
LR2-3	RAB	429938	7573235	50	-70	16.0	No Significant Intersection				0.00
LR2-4	RAB	429967	7573330	50	-70	16.0	No Significant Intersection				0.00
LR2-5	RAB	429998	7573415	50	-70	16.0	No Significant Intersection				0.00
LR3-1	RAB	428941	7573171	50	-70	16.0	No Significant Intersection				0.00
LR3-2	RAB	428974	7573245	50	-70	16.0	No Significant Intersection				0.00
LR3-3	RAB	429010	7573328	50	-70	16.0	No Significant Intersection				0.00
LR3-4	RAB	429046	7573411	50	-70	16.0	No Significant Intersection				0.00
LR3-5	RAB	429132	7573490	50	-70	16.0	No Significant Intersection				0.00
LR3-6	RAB	429180	7573579	50	-70	16.0	No Significant Intersection				0.00

Notes:

1. All intersections > 1m at 0.5g/t gold are shown.
2. Internal waste has been included.
3. These results should be reviewed in conjunction with the information detailed in Appendix 2

Appendix 1

Results from Rock chip Sampling at the Grace Project.

Hole ID	Easting (AMG z50)	Northing (AMG z50)	Au (g/t)	Cu (ppm)
AW03_010	429459	7574222	0.004	9
AW03_011	429554	7574150	0.001	13
AW03_012	429497	7574181	0.004	18
AW03_013	429002	7574904	0.002	15
AW03_014	429885	7574629	0.005	120
AW03_015	430091	7574557	0.016	505
AW03_016	430091	7574560	4.221	294971
AW03_017	430156	7574181	0.015	740
AW03_018	430186	7574165	0.083	17288
AW03_019	431809	7573608	0.623	731
AW03_020	431826	7573605	0.372	435
AW03_022	429858	7572715	0.003	112
AW03_023	430215	7572579	0.004	28
AW03_024	429204	7573263	0.003	78
AW03_025	429195	7573270	0.002	77
AW03_026	430880	7572955	0.005	90
AW04_013	430560	7572358	-0.001	6
AW04_014	430320	7572599	-0.001	12
AW04_050	429450	7574425	0.318	14
AW04_051	429450	7574450	0.023	11
AW04_052	429500	7574425	0.014	13
AW04_053	429500	7574400	0.01	19
AW04_054	429500	7574375	0.011	16
AW04_055	429550	7574375	0.033	14
AW04_056	429550	7574425	0.006	28
AW04_057	429200	7574350	0.001	6
AW04_058	429200	7574325	0.001	7
AW04_059	429200	7574300	0.004	11
AW04_060	429200	7574250	0.001	14
AW04_061	429250	7574275	0.001	112
AW04_062	429250	7574200	-0.001	11
AW04_063	429200	7574150	0.004	72
AW04_064	429300	7574175	0.001	15
AW04_065	429300	7574200	0.001	6
AW04_066	429300	7574225	0.003	166
AW04_067	429350	7574275	0.02	13
AW04_068	429350	7574300	0.065	12
AW04_069	429350	7574325	0.057	8
AW04_070	429350	7574350	0.003	5
AW04_071	429350	7574200	0.006	86
AW04_072	429350	7574175	0.004	115
AW04_073	429350	7574150	0.003	134
AW04_074	429400	7574225	0.002	42

Appendix 1

Hole ID	Easting (AMG z50)	Northing (AMG z50)	Au (g/t)	Cu (ppm)
AW04_075	429450	7574275	0.002	9
AW04_076	429450	7574250	-0.001	11
AW04_077	429450	7574225	-0.001	9
AW04_078	429450	7574200	0.01	11
AW04_079	429500	7574300	0.005	9
AW04_080	429500	7574325	0.068	37
AW04_081	429500	7574250	0.018	15
AW04_082	429500	7574225	0.002	8
AW04_083	429500	7574200	0.007	11
AW04_084	429500	7574175	0.003	12
AW04_085	429500	7574150	0.003	9
AW04_086	429550	7574350	0.079	18
AW04_087	429550	7574325	0.03	12
AW04_088	429550	7574300	0.036	10
AW04_089	429550	7574275	0.003	9
AW04_090	429550	7574175	0.004	20
AW04_091	429550	7574150	0.002	11
AW04_092	429550	7574125	0.001	11
AW04_093	429600	7574380	0.098	27
AW04_094	429600	7574355	0.028	11
AW04_095	429600	7574300	0.028	16
AW04_096	429600	7574275	0.022	7
AW04_097	429600	7574250	0.021	9
AW04_098	429600	7574225	0.024	3
AW04_099	429650	7574350	0.023	6
AW04_100	429650	7574300	0.01	5
AW04_101	429650	7574275	0.008	6
AW04_102	429650	7574250	0.009	5
AW04_103	429650	7574225	0.01	16
AW04_104	429650	7574200	0.016	5
AW04_105	429700	7574300	0.003	5
AW04_106	429700	7574275	0.002	2
AW04_107	429650	7573850	0.002	6
AW04_108	429700	7573825	0.014	3
AW04_109	429700	7573850	0.032	5
AW04_110	429750	7573875	0.001	-1
AW04_111	429750	7573850	0.002	4
AW04_112	429750	7573825	0.011	3
AW04_113	429750	7573800	0.004	3
AW04_114	429800	7573925	-0.001	4
AW04_115	429800	7573900	0.003	3
AW04_116	429800	7573875	0.002	1
AW04_117	429800	7573850	0.008	2
AW04_118	429800	7573825	0.001	3
AW04_119	429800	7573800	0.004	7
AW04_120	429850	7573925	0.001	-1
AW04_121	429850	7573900	-0.001	4

Appendix 1

Hole ID	Easting (AMG z50)	Northing (AMG z50)	Au (g/t)	Cu (ppm)
AW04_122	429850	7573875	-0.001	2
AW04_123	429850	7573850	0.001	3
AW04_124	429850	7573825	-0.001	-1
AW04_125	429850	7573800	0.002	3
AW04_126	429850	7573775	0.001	4
AW04_127	429850	7573750	0.002	3
AW04_128	429900	7573900	0.002	2
AW04_129	429900	7573875	0.01	2
AW04_130	429900	7573850	0.005	2
AW04_131	429900	7573825	0.004	5
AW04_132	429900	7573800	-0.001	2
AW04_133	429900	7573775	0.002	3
AW04_134	429900	7573750	0.001	2
AW04_135	429950	7573850	0.02	6
AW04_136	429950	7573825	0.002	29
AW04_137	429950	7573800	0.019	5
AW04_138	429950	7573775	0.004	3
AW04_139	429950	7573750	0.002	5
AW04_140	429950	7573725	-0.001	2
AW04_141	430000	7573825	0.008	46
AW04_142	430000	7573800	0.001	3
AW04_143	430000	7573775	0.029	4
AW04_144	430000	7573750	0.009	3
AW04_145	430000	7573725	-0.001	6
AW04_146	430050	7573825	0.002	15
AW04_147	430050	7573800	0.007	8
AW04_148	430050	7573775	0.005	6
AW04_149	430050	7573750	0.002	12
AW04_150	430100	7573775	-0.001	11
AW04_151	430100	7573750	0.002	10
AW04_152	430050	7574225	0.014	14
AW04_153	430050	7574200	0.016	5
AW04_154	430050	7574175	0.013	1
AW04_155	430050	7574150	0.003	8
AW04_156	430100	7574225	0.023	10
AW04_157	430100	7574200	0.01	5
AW04_158	430100	7574175	0.003	3
AW04_159	430100	7574150	0.001	5
AW04_160	430100	7574125	0.003	3
AW04_161	430100	7574100	0.002	4
AW04_162	430150	7574200	0.003	590
AW04_163	430150	7574175	0.013	11
AW04_164	430150	7574150	-0.001	10
AW04_165	430150	7574125	0.002	9
AW04_166	430150	7574100	0.002	8
AW04_167	430150	7574075	0.005	7
AW04_168	430150	7574050	-0.001	9

Appendix 1

Hole ID	Easting (AMG z50)	Northing (AMG z50)	Au (g/t)	Cu (ppm)
AW04_169	430200	7574175	0.007	12
AW04_170	430200	7574150	0.008	13
AW04_171	430200	7574125	0.008	14
AW04_172	430200	7574100	0.006	7
AW04_173	430200	7574075	0.008	6
AW04_174	430200	7574050	0.004	7
AW04_175	430200	7574025	-0.001	79
AW04_176	430250	7574100	0.024	14
AW04_177	430250	7574075	0.037	15
AW04_178	430250	7574025	0.036	7
JM0043	430630	7574520	0.001	7
JM0044	430690	7574515	0.001	3.5
JM0047	430445	7574575	0.001	9.5
JM0076	430605	7572965	-0.001	3.4
JM0077	430415	7573015	-0.001	8.2
JM0078	430145	7572915	0.018	5.6
JM0079	429180	7573290	0.001	50.1
JM0080	429270	7573320	-0.001	15.3
JM0081	430250	7572865	-0.001	3.7
JM0082	430370	7572755	0.001	106.8
JM0083	430530	7572695	-0.001	21.2
JM0084	430630	7572620	-0.001	20.2
JM0094	427915	7574325	0.003	6.1
MM042	428628.8	7573855	0.026	13
MM043	428634.1	7573859	0.003	10
MM044	428558.8	7573903	5.6	20
MM045	428568.3	7573904	0.28	62
MM046	428582.1	7573897	0.015	40
MM047	428597	7573885	0.001	13
MM048	428584.9	7573876	0.002	22
MM049	428621.3	7573865	0.002	12
MM050	428690.2	7573854	0.003	22
MM051	428495.6	7573960	0.02	5
MM052	428624.3	7573778	0.008	9
A340	428650	7575300	-0.01	6
A341	428550	7575350	-0.01	6
A342	428700	7575300	-0.01	8
A343	428800	7575300	-0.01	3
A344	428900	7575300	-0.01	6
A348	428800	7575165	0.36	42
A349	428980	7575000	-0.01	14
A350	428940	7575000	-0.01	13
A351	428925	7575043	-0.01	5
A353	430450	7574850	-0.01	12
A354	430400	7574800	-0.01	5
A355	430350	7574800	-0.01	4
A356	430350	7574950	-0.01	2

Appendix 1

Hole ID	Easting (AMG z50)	Northing (AMG z50)	Au (g/t)	Cu (ppm)
A357	428875	7575040	-0.01	13
A357	430350	7575000	-0.01	3
A358	430250	7575050	-0.01	7
A359	430250	7574950	-0.01	2
A360	430300	7574800	-0.01	14
A361	430250	7574800	-0.01	11
A362	430200	7574850	-0.01	12
A363	430200	7575000	-0.01	7
A1418	429450	7574200	-0.01	35
A1419	429494	7574182	-0.01	26
A1420	429494	7574182	-0.01	12
A1421	429494	7574182	-0.01	8
A1422	429494	7574182	-0.01	6
A1423	429494	7574182	-0.01	-2
A1428	429375	7574150	-0.01	5
A1429	429400	7574150	-0.01	92
A1430	429400	7574100	-0.01	24
A1431	429400	7574100	-0.01	20
A1432	429350	7574150	0.02	33
A1433	429400	7574200	0.03	24
A1434	429400	7574200	0.02	40
A1435	429875	7573850	-0.01	20
A1436	429875	7573850	-0.01	21
A1437	428475	7573937	4.57	52
A1438	428475	7573937	27.1	48
A1439	428475	7573937	3.3	93
A1440	428525	7573937	1.61	33
A1441	428475	7573937	0.65	46
A1442	430123	7574579	1.5	111000
A1443	430123	7574579	1.06	98000
A1444	430123	7574579	0.1	3100
A1452	429450	7574300	1.02	58
A1453	429450	7574300	0.94	396
A1454	430150	7574675	0.06	33
A1455	429726	7575002	0.00	67

Note:

- These results should be reviewed in conjunction with the information detailed in Appendix 3 Results from Rock chip Sampling at the Grace Project.

Appendix 2

Competent Person Statement

COMPETENT PERSON'S STATEMENT: The information in this Prospectus that relates to Mineral Resources and Exploration Results for the Grace Project is based on and fairly represents information and supporting documentation prepared by Mr Bill Oliver, a consultant to Paterson Resources Ltd and director of Billandbry Consulting Pty Ltd. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Oliver has provided his prior written consent as to the form and context in which the Exploration Results and Mineral Resource estimate and the supporting information are presented in this Prospectus.

The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Mineral Resources for the Grace Project.

Appendix 2

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where • 'industry standard' work has been done this would be relatively simple (eg • 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• RAB, RC, and diamond core drilling completed by Newcrest Mining Limited (**Newcrest**) along with rock chip sampling and geophysical surveys. • RAB drilling (BR, GPB prefixes) sampled on 2m intervals • RC drilling (GR, GRC04 prefixes) sampled on 1m intervals • Aircore drilling (GA prefix) sampled on 1m and 4m intervals • Diamond drill holes (BMC, GPC, GC prefixes) – recovered core normally sampled on 1m intervals except where adjusted for geological features.

Appendix 2

Criteria	JORC Code explanation	Commentary
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• RAB drilling inclined and drilled to blade refusal • DDH drilling inclined, mostly using HQ core size • RC drilling using standard equipment. • AC drilling inclined and vertical, to blade refusal
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• For RAB drilling acceptable recovery assumed as no poor recovery recorded in logs or discussed in text. Not material assumption given follow up drilling has been completed. • For DDH drilling recovery was recorded for each interval including intervals of poor recovery. Reports note that steps were taken (increasing core size) to improve recoveries after the initial DDH holes. • RC drilling returned acceptable recoveries. • No relationship observed between sample recovery and mineralised intersections.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Geological logging completed on a 2m basis for RAB holes and 1m for RC holes including lithology, alteration, weathering/oxidation and other key parameters. Both qualitative and quantitative logging utilised. • Historical diamond drilling (BMC, GPC series) logged in detail using graphic logs which are included with historical reports. More recent diamond drilling logged using Newcrest logging codes to geological intervals. • All logging was compiled into Newcrest codes and information available from surrender report. • Logging would be in sufficient detail to support a MRE once compiled and standardised. • 100% of all metres drilled has been logged.

Appendix 2

Criteria	JORC Code explanation	Commentary
Sub- sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• RAB sampling completed on 2m composites (assumed not split). • Diamond core samples taken by slabbing core in half with one half sent for analysis. Core normally sampled on 1m intervals except where adjusted for geological features • RC sampling completed by riffle splitting each 1m interval. • From 1996 onwards a four metre composite samples were also taken and submitted as a preliminary indicator of mineralisation, with corresponding 1m samples then submitted for those intervals containing mineralisation. • Aircore sampling completed by collecting a 4m composite sample. 1m samples were then collected and submitted for intervals returning mineralisation. • All samples believed to be representative except for rock chip samples which by their nature are selective. • QA/QC protocols detailed below, based on review of reports they are deemed to be industry standard and appropriate. • Laboratory duplicates (sample preparation split) were also completed to assess the analytical precision of the laboratory. Acceptable level of repeatability and precision has been noted.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Samples were sent to ALS, Amdel and Genalysis Laboratories, industry accepted and recognised commercial laboratories. • RAB samples were assayed at ALS for Au by fire assay (method PM209) and Cu, Pb, Zn, As, Co, Bi by AAS (method G001 AAS). • DDH samples from 1992 (BMC, GPC series) were sent to ALS and analysed for Au, Cu, Pb, Zn, As, Ni, Co, Bi • DDH samples from 2004 (G04 series) were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Bi, Te, W, As, Co, Cu, K, Mo, Na, Ni, Pb, S, Sn, Zn by AAS (AT/OES). • DDH samples from 2005 (GC05 series) were sent to Amdel and analysed for Au by fire assay and As, Ca, Cu, K, Mg, Na, Pb, S, Zn, Bi, Co, Mo, Ni, Sn, and W by ICP. • 1992 RC samples were sent to ALS and analysed for Au and Cu only • RC samples from 1996 - 2000 were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Cu, As, Pb, Bi by AAS. • RC samples from 2004 were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Bi, Te, W, As, Co, Cu, K, Mo, Na, Ni, Pb, S, Zn by AAS (AT/OES).

Appendix 2

Criteria	JORC Code explanation	Commentary
		• Aircore samples were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Cu, As, Pb, Bi by AAS. • The laboratory inserted its own standards and blanks and completed its own QAQC for each batch of samples. For the Genalysis samples checks on the analysis method were also done by analysing selected samples by fire assay. No significant discrepancies were noted save for the 2004 drilling (GC, GRC004 series) where significant upgrade was noted in the fire assay results. • Certified Reference Materials (CRMs, or standards) were inserted approximately every 100 samples in first pass RAB drilling, then in every hole for follow up drilling. 20 samples in RC drilling and every 10 samples in DD drilling. • Duplicate field samples were approximately every 100 samples in first pass RAB drilling, then in every hole for follow up drilling.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections generated by previous explorers were re-calculated as part of this review. • Drilling data was reviewed by inspection of statutory reporting to the WA Department of Mines (now the Department of Mines, Industry Regulation and Safety). In most cases these included the original log sheets. All data has been loaded into Leapfrog and Micromine software, with validation checks completed prior to use.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill holes except GR26 – 31 were drilling on the Grace local grid, which is oriented to 014 magnetic. • GR26 – 31 were laid out using AMG grid (Zone 51). • All holes have been converted to AMG grid. • The datum is used is AMG 1984 Zone 51. • Open file topographic data is being utilised. Relief in the deposit is minimal therefore this is considered adequate.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• RAB drilling was initially completed on irregular spacing, approx. 100m spaced over areas of interest. • RC drilling was carried out on regular grid spacing over RAB anomalies, GR series were drilled at spacing's of 100 – 150m on sections 500m along strike. • DDH holes were drilled on irregular spacing's to test below anomalous RAB/RC intersections. 2004-2005 diamond holes were drilled approximately 1km apart to test continuity. • The data spacing is considered sufficient for Mineral Resource Estimation. • Sample compositing was not used for Exploration Results
Orientation of data in relation	• Whether the orientation of sampling achieves unbiased	• Drilling has been completed perpendicular to the NW- trending regional stratigraphy, which is also the orientation of the main

Appendix 2

Criteria	JORC Code explanation	Commentary
to geological structure	sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	structure. • There is support for mineralisation to be hosted in shallow NW-dipping lodes as well as in S-plunging shoots, which may not have been tested adequately by the historical drilling. • Further drilling will increase the understanding of the distribution of mineralisation and its grades.
Sample security	• The measures taken to ensure sample security.	• No measures have been detailed with regards to sample security. It is understood the samples were submitted by personnel of the entity which collected them to either the laboratory or to a contractor to be freighted to the laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No reviews or audits have been conducted.

Section 2 Reporting of Exploration Results

Criteria	JORC Code 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. • 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.	• P45/2905-2909, E45/4524 & E45/5310 are held directly or by entities controlled by Paterson Resources. • All tenements are contained completely within land where the Martu People have been determined to hold native title rights. To the Company's knowledge no historical or environmentally sensitive sites have been identified in the area of work. • The tenements are in good standing and no known impediments exist.

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Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous exploration was completed by Newcrest Mining Limited (**Newcrest**), including its predecessor Newmont Mining Australia, owners of the Telfer Gold Mine. • Exploration completed included geological mapping, geophysical surveys (IP, ground magnetics and ground gravity), rock chip sampling and drilling (RAB, RC and diamond core drilling). • WAMEX reports reviewed and utilised to complete the data compilation include A29118, A30479, A31642, A34922, A37495, A43922, A46877, A50323, A53741, A79774. • Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed.
Geology	• Deposit type, geological setting and style of mineralisation.	• The geological setting is the Paterson Province Proterozoic aged meta-sediment hosted hydrothermal shear, fault and strata/contact controlled precious and/or base metal mineralisation which is typically sulphide bearing. The mineralisation in the region is interpreted to be granite related. The Paterson is a low-grade metamorphic terrane but local hydrothermal alteration and/or contact metamorphic mineral assemblages and styles are indicative of a high-temperature local environment. Mineralisation styles include vein, stockwork, breccia and skarns. • The Grace Gold-Copper Project, gold-copper mineralisation is hosted by laminated and banded carbonaceous pyritic dolomitic siltstones and micritic dolomite. Intrusive dolerite units are also known to be associated with mineralisation within the sequence. The host rocks are variably contorted and brecciated with intense albite alteration. High grade gold, chalcopyrite, +/-arsenopyrite, +/- pyrite occur as veins which appear linear features and are spaced up to 50 m apart. Based on recent Leapfrog modelling of past work undertaken by Criterion there appears to be ore shoots associated with secondary structures cutting the veins that have a plunge and have not been adequately tested. • Two principal targets are being targeted. Stacked reefs associated with domal structure similar to the Telfer Gold– Copper Mine. The second target is gold mineralisation associated with shear zones cross cutting dolerite units intruding the sedimentary sequence.
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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the	• All location data is included in the tables in Appendix 1 above.

Appendix 2

Criteria	JORC Code explanation	Commentary
	drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • 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.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut- off grades are usually Material and should be stated. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Reported aggregated intervals have been length weighted. • No density or bulk density is available and so no density weighting has been applied when calculating aggregated intervals. • No top-cuts have been applied. • A nominal 0.50g/t gold lower cut-off grade is applied. • Higher grade intervals of mineralisation internal to broader zones of mineralisation are reported as included intervals. • Metal equivalence is not used in this report.
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 (eg 'down hole length, true width not known').	• Grace Deposit: The interpreted stratabound/reef vein breccia (oxide and primary) mineralisation is interpreted to be dominantly shallow to moderate northwest dipping (and west- northwest striking) within a steeply dipping lithological package and all drill holes are typically vertical or less frequently inclined between -50˚ and -60˚toward the southwest and northeast. • In general, the intersection angles for the variety of drilling programs appear to be at a moderate angle to the overall mineralised zones. Therefore, the reported downhole intersections are estimated to approximate 60-80% true width. • All intersections reported are down hole intervals no suggestion of true widths is implied.

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Criteria	JORC Code explanation	Commentary
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.	• Refer to figures in the text which show plans and sections of drilling, interpretation and resource model.
Balanced reporting	• Where 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.	• All drilling intersections are reported in Appendix 1
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.	• All meaningful and material information has been included in the above text or can sometimes be found in previous WA DMP WAMEX publicly available reports. Data from these reports is still being compiled and verified. • The details of the Grace Project area Induced Polarisation surveys, including IP Chargeability and resistivity anomalies can be found in the WA DMP publicly available WAMEX reports A24465 (1988) and A53751 (1997). • Zones of mineralisation and associated waste material have not been measured for their bulk density. • Multi element assaying was conducted variously for a suite of potentially deleterious elements including arsenic, sulphur, lead, zinc and magnesium. • No Geotechnical logging (eg Recovery, RQD and Fracture Frequency) was obtained from the WAMEX reports. • No information on structure type, dip, dip direction, alpha angle, beta angle, gamma angle, texture and fill material was obtained from the WAMEX reports. • Metallurgical test-work results available for the Grace Project area include metallurgical tests conducted by Oretest Pty Ltd in December 1997 outlined in WAMEX report A53751 (1997). • Bottle roll cyanidation test were conducted on two (2) samples of gold bearing ore from the Lakes prospect that graded 26.1g/t gold (sample 4129) and 8.72g/t gold (sample 4130). Gold recoveries were excellent at 96.1% and 98.5% respectively. Leach kinetics curves for both samples displayed continuing leaching beyond the 24 our period which suggests the presence of coarse/slow leaching gold which is consistent with the spotty head assays. A gravity pre-treatment step was advised for these ores to increase initial cyanide and/or oxygen concentration.

Appendix 2

Criteria	JORC Code explanation	Commentary
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	• At this stage mineralisation identified by diamond, RC, Aircore and RAB drilling within the Grace Project area (ie Grace, Bemms, Grace East, Genoa, Lakes and Halls Knob) have a range of drill defined limits along strike , across strike and down dip and each remain open in all directions and require further work/drilling to test for lateral (in particular west-northwest) and vertical extensions and continuity beyond the limits of existing historic drilling limits.
	• 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 the text above and the following text of targets generated by geophysical studies.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Following importation, the data goes through a series of digital and visual checks for duplication and non-conformity, followed by manual validation by the competent person • The database has been systematically audited by the CP. • Original drilling records were compared to the equivalent records in the database. No major discrepancies were found.
Site visits	• 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.	• No site visits have been undertaken due to the remote location of the project area. All drill collars have been rehabilitated and it is felt there is adequate documentation in the WAMEX reports to support an Inferred Resource.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The confidence in the geological interpretation is considered to be moderate to high. • A geological model was established by previous explorers. The mineralisation geometry has a very strong relationship with the lithological interpretation and structure and was confirmed by deep holes intersecting extensions to mineralisation. • Additional drilling will improve the definition of the key control on mineralisation (i.e. interpreted flat structures vs the controlling Bemm Shear) and increase the confidence in the geological interpretation.

Appendix 2

Criteria	JORC Code explanation	Commentary
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The dimensions of the mineralised zone based on drilling are 4130m along strike (110°) and 50 – 140m across (210° – 030°). The fresh mineralisation has been drilled up to 500m vertically below surface (550m down-dip). • The dimensions of the Mineral Resource are 1140m along strike (110°) and 50 – 140m across (210° – 030°). The Mineral Resource extends up to 140m vertically below surface (160m down-dip).
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	• Grade estimation using Inverse Distance Squared (ID2) was undertaken using Surpac software. Detailed statistical and geostatistical investigations have been completed on the captured estimation data set (1m composites). • One element, Au g/t was estimated using parent cell estimation, with density being assigned by lithology and oxidation state. Drill hole data was coded using three dimensional domains reflecting the geological interpretation based on the structural, lithological, alteration and oxidation characteristics of the Mineral Resource. One metre composited data was used to estimate the domains. The domains were treated as hard boundaries and only informed by data from the domain. The impact of outliers in the sample distributions used to inform each domain was reduced by the use of grade capping. Grade capping was applied on a domain scale and a combination of analytical tools such as histograms of grade, Coefficient of Variation (COV) analysis and log probability plots were used to determine the grade caps for each domain. • A top cut of 11.83g/t was used • A Parent block size was selected at 10mE x 5mN x 5mRL for both the deposits, with sub-blocking down to 2.5 x 1.25 x 1.25. • A single ellipsoidal Search Pass was used with a search distance of 150m along strike (to 285), and 75m in the vertical and horizontal directions. A minimum of 4 samples and a maximum of 28 samples were used in the estimation pass with an ellipsoid search. • No previously released JORC compliant Mineral Resource • Estimates have been completed on the Grace Deposit. • No assumption of mining selectivity has been incorporated into the estimate. • Only Au was estimated in the Mineral Resource. • The deposit mineralisation was constrained by wireframes constructed using a 0.3g/t Au cut-off grade.

Appendix 2

Criteria	JORC Code explanation	Commentary
	• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• Visual validation of grade trends for each element along the drill sections was completed and trend plots comparing drill sample grades and model grades for northings, eastings and elevation were completed. These checks show reasonable correlation between estimated block grades and drill sample grades. • No reconciliation data is available as no mining has taken place.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages have been estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The cut-off grade of 0.5g/t for the stated Mineral Resource estimate is determined from economic parameters and reflects the current and anticipated mining practices (including comparison with the active Telfer Mining Operation). • Further drilling will enable more robust cut off grades based on economic studies.

Appendix 2

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• The resource model assumes open cut mining is completed and a high level of mining selectivity is achieved in mining. It has been assumed that high quality grade control will be applied to ore/waste delineation processes using grade control drilling, or similar, at a nominal spacing of 10m (north –along strike) and 5m (east – across strike), and applying a pattern sufficient to ensure adequate coverage of the mineralisation zones.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• No detailed metallurgical data exists; where required area analogues (e.g. Telfer) were used to determine the prospects of eventual economic extraction. • Suitable metallurgical tests will be carried out prior to any classification upgrade in confidence of the Grace Deposit.

Appendix 2

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No assumptions have been made regarding environmental factors. The Company will work to mitigate environmental impact as a result of any future mining or mineral processing.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• No bulk density measurements exist for the deposit, however Newcrest used an SG of 2.0 for previous modelling of the mineralisation. • This is consistent with the Telfer Deposit, where density measurements used in Mineral Resource estimations range between 2.00 and 6.24 (source: Newcrest Technical Report on Telfer Project Dec 31 2013). • As a consequence an SG of 2.0 has been used in the MRE

Appendix 2

Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as an Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. • Significant factors that should be addressed to increase confidence in the Mineral Resource include additional infill and extensional drilling and twinning/confirmation of historical holes, density measurements, and more detailed QA/QC and geostatistical studies. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on a good geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill and extensional drilling which supported the interpretation. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No audits or review of the Mineral Resource estimate has been conducted.

Appendix 2

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource 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 resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that 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. • These statements of relative accuracy and confidence of the estimate should be compared with production data where available.	• The lode geometry and continuity has been adequately interpreted to reflect the level of Inferred Mineral Resource. • The data quality is good and all drill holes have detailed logs produced by qualified geologists. A recognized laboratory has been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The deposits are not currently being mined.

11.2 Grace Copper-Gold Project: Geophysics

Geophysics - Induced Polarisation

Newcrest Mining completed two Induced Polarisation dipole-dipole (DPIP) surveys at Grace during 1988 and 1997. In 1988, a 50m DPIP survey was undertaken over the Grace East Prospect (WAMEX Report A24465), and in 1997 a 100m DPIP survey was undertaken over the Lakes Prospect (WAMEX Report A53741). The IP survey line locations are shown in Figure 3 below, with re-processed and depth modelled IP chargeability anomaly cross-sections for survey lines 11300mE, 14500mE and 14800mE shown in Figures 4, 5 and 6, respectively. No digital data were recovered, so the IP data were digitised from raw data pseudo-sections provided in historic reports and plans. The digitised IP data were then modelled using UBCDCIP2D inversion software.

An IP anomaly responses of chargeability highs occurs in all re-processed and re-modelled cross sections at depth, forming northwest-southeast trends between survey lines. Chargeability anomalies at depth suggest the presence of sulphide minerals, predominately pyrite, pyrrhotite, chalcopyrite and arsenopyrite, occurring within dolomitic siltstone host rocks. Gold-copper mineralisation is associated with sulphide minerals zones, and the chargeability anomalies clearly shown in Figures 3, 4, 5 and 6 represent excellent drilling targets. Furthermore, the potential sulphide zones are generally associated with higher resistivity values below a less resistive (more conductive) zone of weathered bedrock, where the lower resistivity at depth is interpreted to be caused by intense quartz and carbonate brecciation and silica alteration. A depth slice of chargeability anomalism at 225m RL, or about 75m to 100m below land surface, was generated from 2D inversion model results, and is shown in Figure 3 as coloured image areas. The mineralised Grace-Bemms shear corridor is clearly defined by a chargeability high trend in the eastern survey area, with a similar chargeability zone evident over the Lakes area which is parallel and offset to the south of the Grace-Bemms shear zone, potentially increasing the overall width of the gold mineralised corridor at Grace. Both IP anomaly trends remain open along strike.

The IP chargeability anomalies have not been fully drilled both along strike and at depth. The historical IP survey results have limited depth extent, with the 50m DPIP detection to only approximately 150m in depth, and the 100m DPIP detecting to approximately 300m in depth. Better data quality and depth penetration can be achieved with modern IP survey systems, and the Company is planning further IP surveys over the project area, such as gradient array and offset DDIP surveys, to comprehensively map the two parallel chargeability anomaly trends and identify the scale of deeper IP anomaly responses to help target for much larger scale gold-copper mineralised systems in the project area.

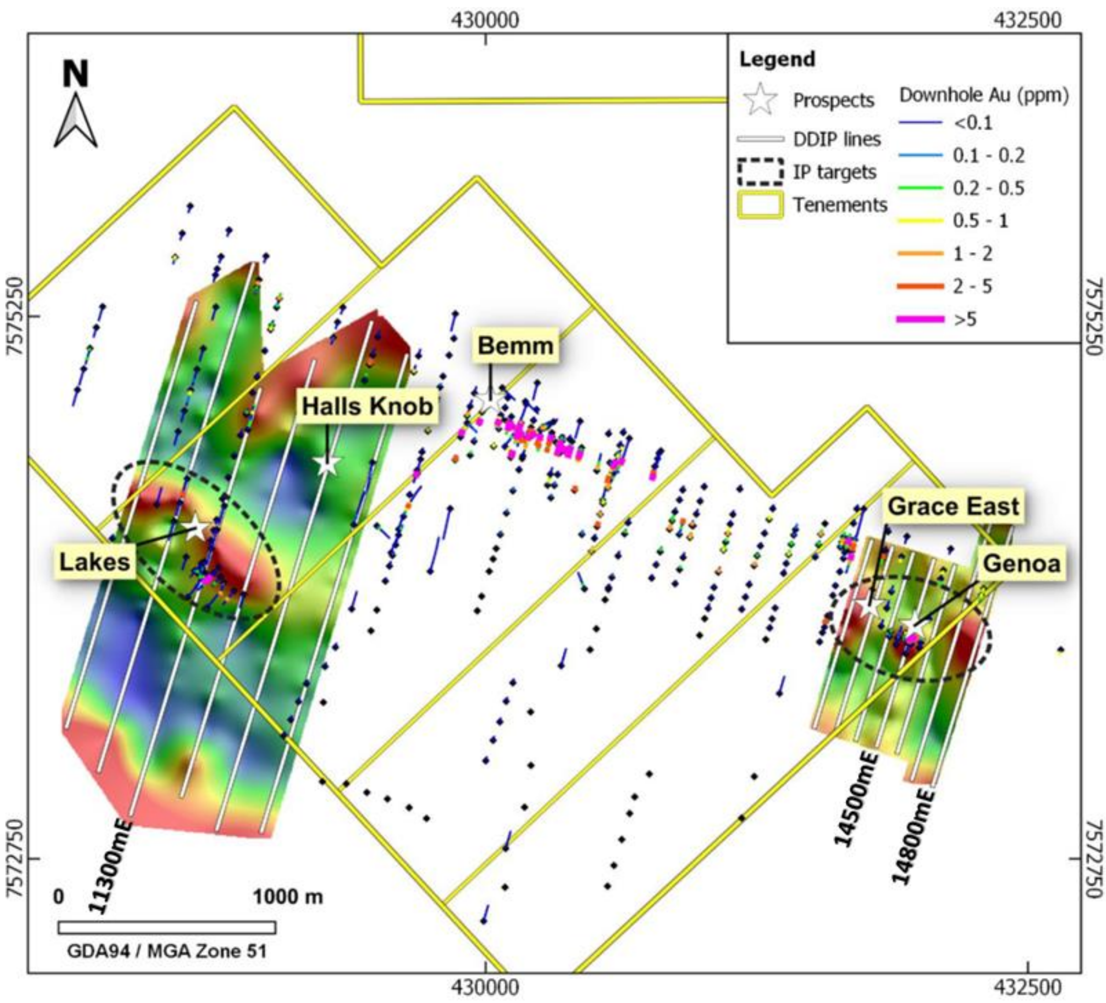


Figure 3. Plan view of two historic IP surveys at the Grace Project, with 100m dipole spaced data on the left and 50m dipole spaced data on the right. IP survey lines shown in white, with lines annotated showing locations of IP model cross sections in Figures 4 to 6. The colour image is a depth slice through IP chargeability inversion model results, indicating anomaly trends starting at 75m to 100m depth, which have not yet been tested by deep enough drilling. The maximum gold in hole assay values are shown at the drill collar position as coloured dots.

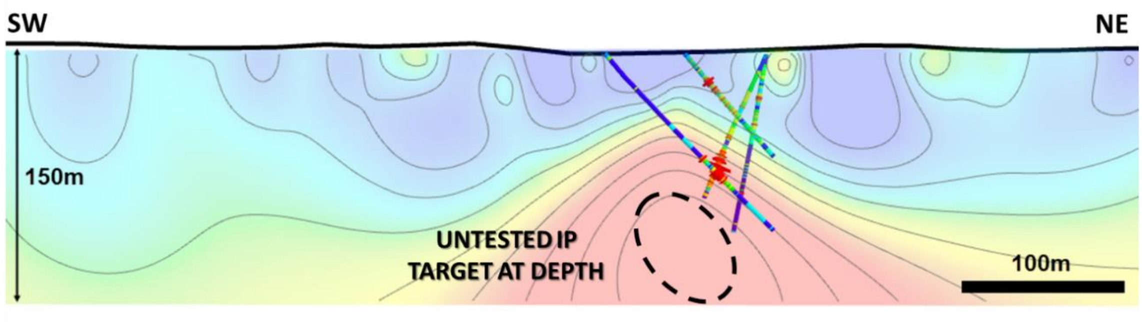


Figure 4. Grace historic IP survey line 14500mE chargeability model cross section with drilling and downhole gold assays represented by colour bars.

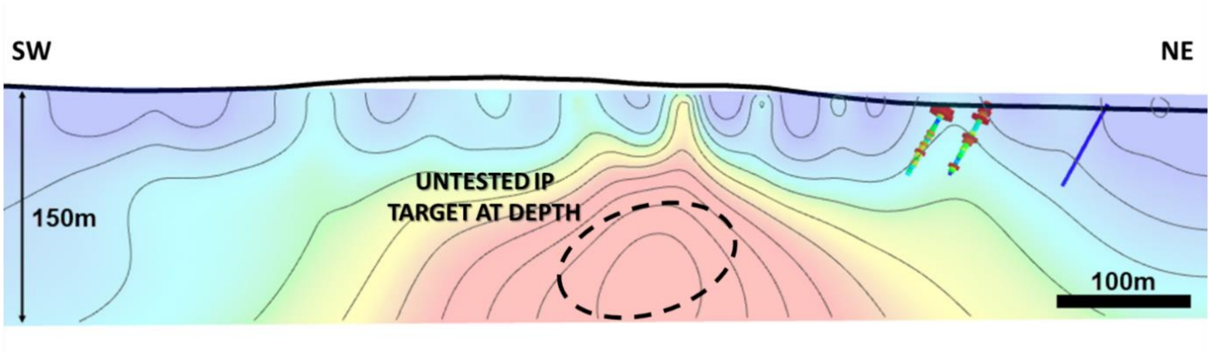


Figure 5. Grace historic IP survey line 14800mE chargeability model cross section with drilling and downhole gold assays represented by colour bars.

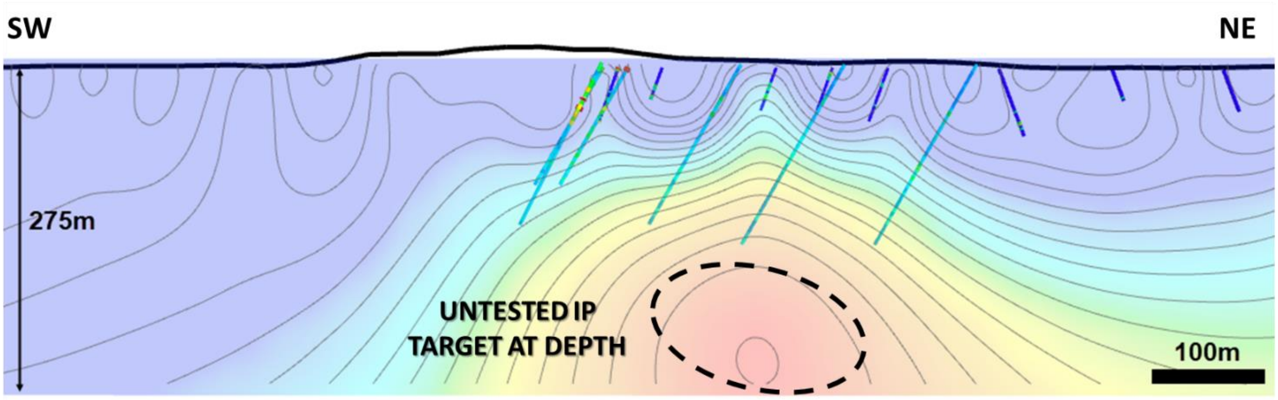


Figure 6. Grace historic IP survey line 11300mE chargeability model cross section with drilling and downhole gold assays represented by colour bars. Grace historic IP survey line 11300mE model cross section, looking towards azimuth 300˚.

Geophysics - Aeromagnetics

High resolution aeromagnetic survey data acquired at 100m survey line spacing show an anomaly high trend following the Grace-Bemms shear zone, indicating hydrothermal magnetite and pyrrhotite altering the dolomitic siltstone host rocks, and this is possibly related to intrusive igneous rocks or intense hydrothermal alteration of host rocks at greater depth (Figure 7). Just south of this magnetic anomaly trend is a parallel magnetic anomaly trend with very strong magnetic anomalism (Figure 7). This large magnetic anomaly zone has not yet been tested by deep enough drilling identify the source for the anomalies, which could be caused by magnetite and/or pyrrhotite related to hydrothermal alteration or igneous intrusive rocks forming a skarn contact with the host rocks, and both of these potential sources for the magnetic anomalies could be associated with gold-copper mineralisation at depth.

Similar magnetic anomalies in the Paterson region are associated with hydrothermal gold-copper mineralisation, such as Havieron (Newcrest - Greatland Gold JV) and Calibre (Rio Tinto – Antipa Minerals JV), or tungsten-zinc-lead skarn mineralisation at O'Callaghan's (Newcrest).

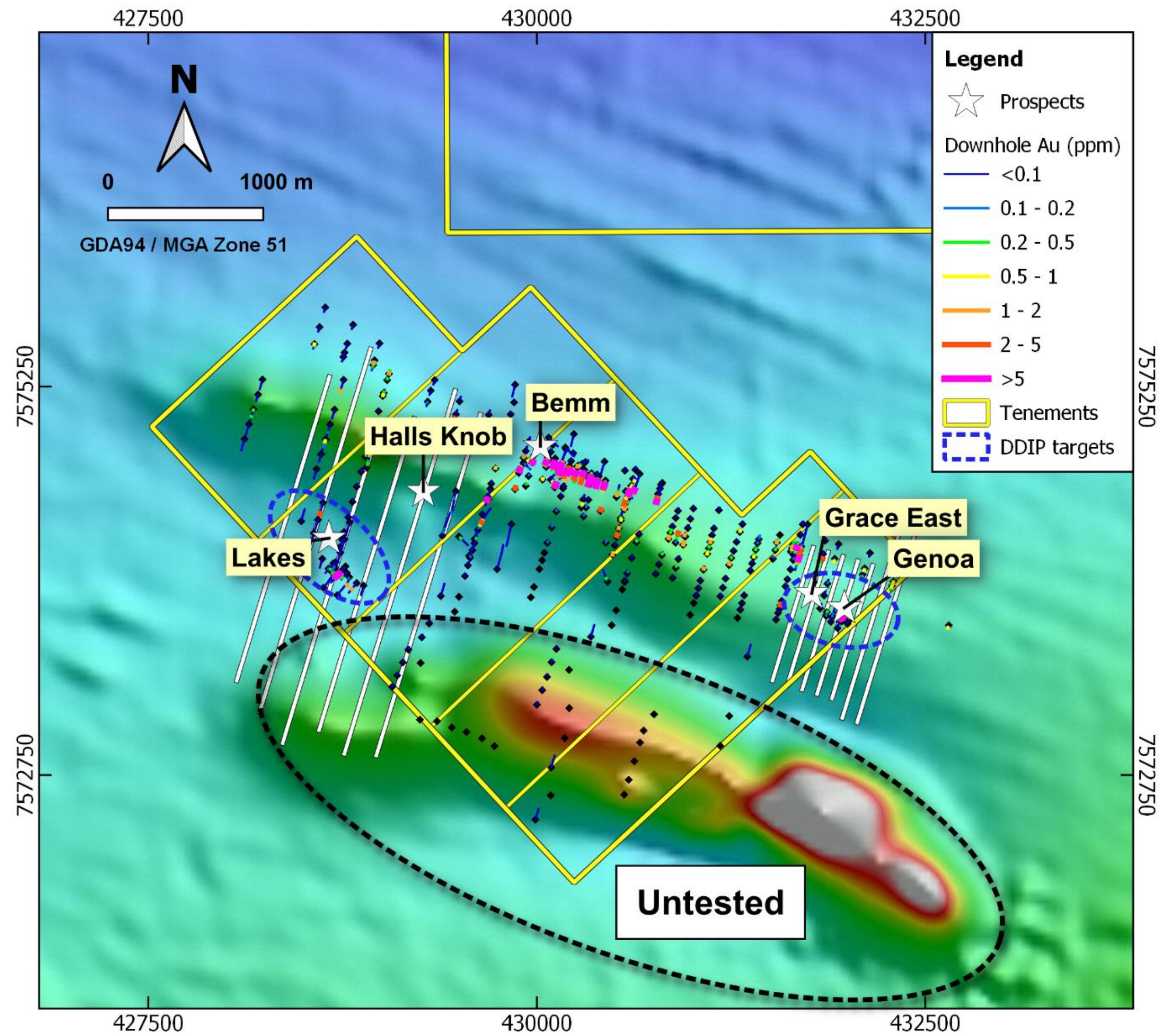


Figure 7. Grace magnetic anomaly image (TMI reduced to the magnetic pole and NE sun angle) showing a moderate strength anomaly trend following the Grace-Bemms shear zone in the north, and a much stronger intensity magnetic anomaly trend in the south and running parallel to the Grace-Bemms shear zone trend (dashed black outline). This large and intense magnetic anomaly zone has not yet been tested by deep enough drilling, and it could be related to hydrothermal or igneous intrusive rocks associated gold-copper mineralisation at depth.

A review of the regional aeromagnetics has also identified targets of interest not previously fully tested. The figure below highlights two targets in the southeast sector of E45/5130 that that have only been covered by broad spaced (400m line spacing) aeromagnetics and also a further target in the northeast corner of the tenement that has been covered by 250m line spacing aeromagnetics.

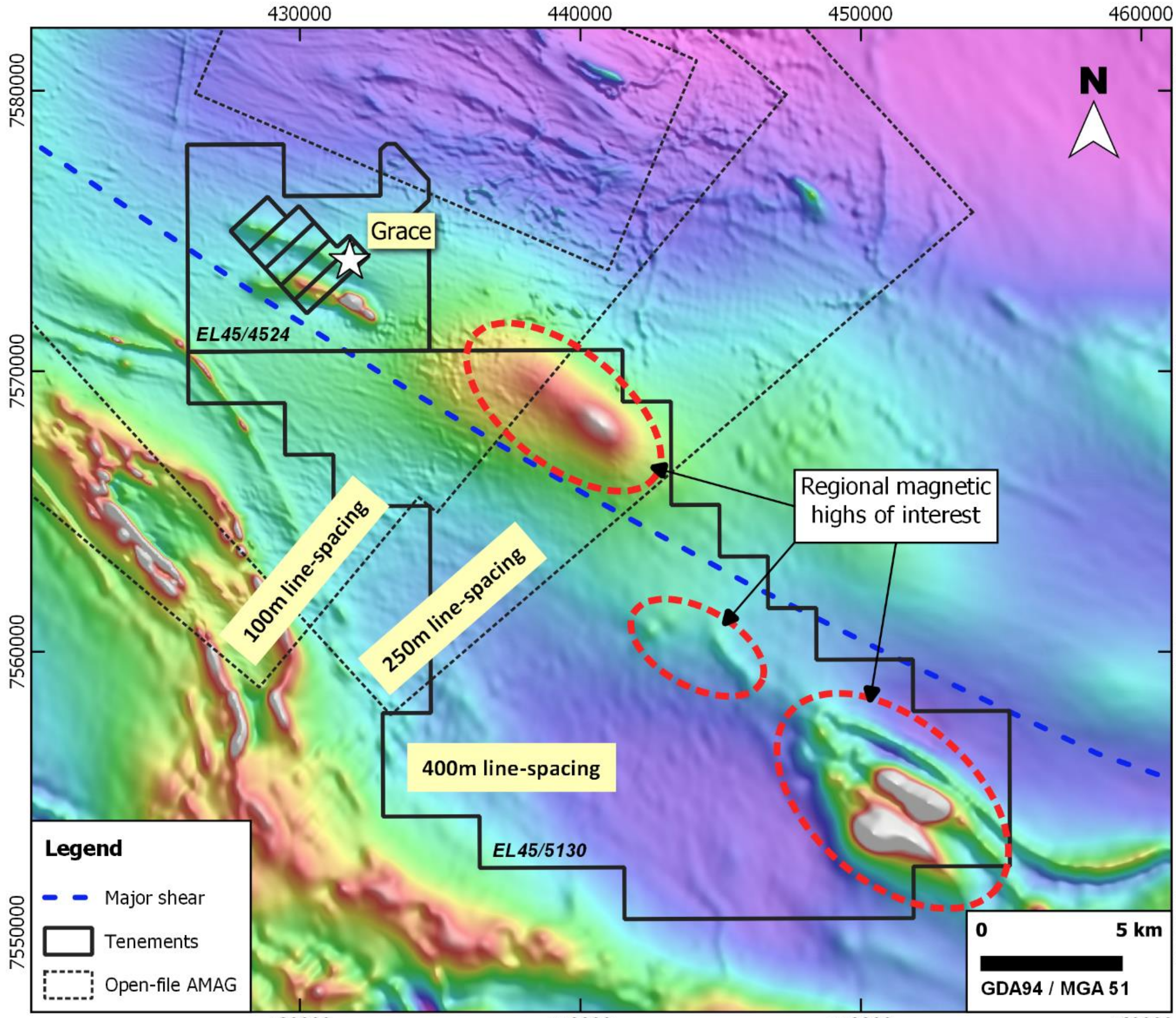


Figure 8. Merged aeromagnetic anomaly image (TMI reduced to the pole with NE sun angle) showing survey line spacing coverage for different survey areas ranging from 100m to 400m (dashed black outlines), and Paterson tenement outlines (black). Note large magnetic anomaly zones highlighted for follow up exploration work (dashed red outlines).

Disclaimer and Competent Person Statement

Competent Person's Statement

The information in this report that relates to Geophysical Results is based on information compiled by Dr Jayson Meyers who is a Fellow of the Australian Institute of Geoscientists. Dr Meyers is a consultant to Paterson Resources Limited and and a Director of Resource Potentials Pty Ltd 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 as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Meyers consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears. Dr Meyers is also a shareholder in the Company.

Appendix 1. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Grace Project.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Not Applicable– No Drilling or Sampling Completed
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not Applicable– No Drilling or Sampling Completed
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Not Applicable– No Drilling or Sampling Completed

Criteria	JORC Code explanation	Commentary
	• *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.*	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not Applicable– No Drilling or Sampling Completed
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not Applicable– No Drilling or Sampling Completed
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not Applicable– No Drilling or Sampling Completed
Verification of sampling and	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Not Applicable– No Drilling or Sampling Completed

Criteria	JORC Code explanation	Commentary
assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Not Applicable– No Drilling or Sampling Completed
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not Applicable– No Drilling or Sampling Completed
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not Applicable– No Drilling or Sampling Completed
Sample security	• *The measures taken to ensure sample security.*	• Not Applicable– No Drilling or Sampling Completed
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not Applicable– No Drilling or Sampling Completed

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code 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.*	• P45/2905-2909, E45/4524 & E45/5310 are held directly or by entities controlled by Paterson Resources. • All tenements are contained completely within land where the Martu People have been determined to hold native title rights. To the Company’s knowledge no historical or environmentally sensitive sites

Criteria	JORC Code explanation	Commentary
	• *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.*	have been identified in the area of work. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration was completed by Newcrest Mining Limited (Newcrest), including its predecessor Newmont Mining Australia, owners of the Telfer Gold Mine. • Exploration completed included geological mapping, geophysical surveys (IP, ground magnetics and ground gravity), rock chip sampling and drilling (RAB, RC and diamond core drilling). • WAMEX reports reviewed and utilised to complete the data compilation include A29118, A30479, A31642, A34922, A37495, A43922, A46877, A50323, A53741, and A79774. • Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geological setting is the Paterson Province Proterozoic aged meta-sediment hosted hydrothermal shear, fault and strata/contact controlled precious and/or base metal mineralisation which is typically sulphide bearing. The mineralisation in the region is interpreted to be granite intrusion related. The Paterson is a low grade metamorphic terrane, but local hydrothermal alteration and/or contact metamorphic mineral assemblages and styles are indicative of a high-temperature local environment. Mineralisation styles include vein, stockwork, breccia and skarns. • The Grace Gold-Copper Project, gold-copper mineralisation is hosted by laminated and banded carbonaceous pyritic dolomitic siltstones and micritic dolomite. Intrusive dolerite sill units are also known to be associated with mineralisation within the sequence, but granitic intrusion could occur at depth below the project area. The host rocks are variably contorted and brecciated with intense albite alteration. High grade gold, chalcopyrite, +/-arsenopyrite, +/- pyrite occurs as veins which appear linear features and are spaced up to 50m apart. Based on recent Leapfrog modelling of past work undertaken by Criterion, there appears to be ore shoots associated with secondary structures cutting the veins that have a plunge and have not been adequately tested. • Two principal targets are being targeted. Stacked reefs associated

Criteria	JORC Code explanation	Commentary
		with domal structure similar to the Telfer Gold– Copper Mine. The second target is gold mineralisation associated with shear zones cross cutting dolerite units intruding the sedimentary sequence.
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:* ○ *easting 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.* • *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.*	• Not Applicable– No Drilling or Sampling Completed
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not Applicable– No Drilling or Sampling Completed
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 (eg 'down hole length, true width not known').*	• Not Applicable– No Drilling or Sampling Completed
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.*	• Not Applicable– No Drilling or Sampling Completed

Criteria	JORC Code explanation	Commentary
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.*	• Not Applicable– No Drilling or Sampling Completed
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.*	• All meaningful and material information has been included in the body of the text or can sometimes be found in previous WA DMP WAMEX publicly available reports. Data from these reports is still being compiled and verified. • The details of the Grace Project area Induced Polarisation surveys, including IP Chargeability and resistivity anomalies can be found in the WA DMP publicly available WAMEX reports A24465 (1988) and A53751 (1997).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out 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.*	• Future work includes desk top studies to interpret existing geological, drilling, geophysical and geochemical data sets for immediate drill targeting, twinning of selected historical drill holes to validate geology and assay results, and planning additional exploration programs, mainly soil geochemical surveying, IP surveying, aeromagnetic surveying in the southeast part of the project area covered only by regional spaced surveys, drilling target areas with air-core followed by reverse circulation and diamond drilling, and carry out studies to increase confidence in existing gold resources.

11.3 Pilbara Gold Exploration Projects & Murchison Base Metal Project

CADRE
Geology and Mining Pty Ltd

Paterson Resources – Pilbara and Murchison Projects West Australia

Prepared by: David Drabble

Authorised by: Ben Pollard

Date of Report: 28/03/2020

Geology and Mining Pty Ltd

1 Introduction

This report is to detail the geological information for Paterson Resources Limited's Western Australia assets, with the exception of the Grace Project which is dealt with in a separate section.

The company's Western Australian assets comprise of three separate packages: Pilbara Gold Projects, the Horseshoe South Project and the Grace Project. The Pilbara Gold Projects (PGP) can be further broken down into four distinct projects: Cheela Plains, Bellary, Hamersley and Elsie North, whereas Horseshoe Shoe and Grace are standalone projects. Figure 1 displays the company's projects in Western Australia.

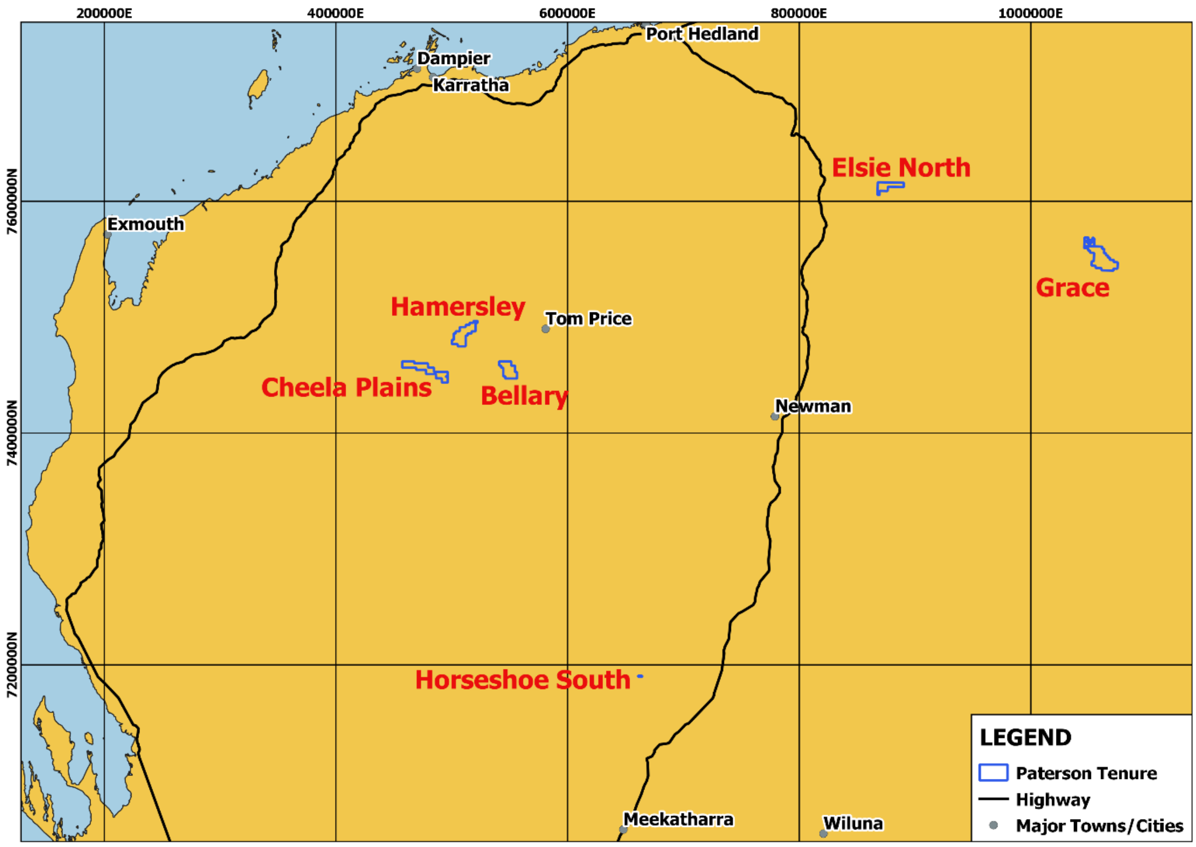


Figure 1 – Plan of Paterson's Projects in Western Australia

2 Pilbara Gold Projects

2.1 Cheela Plains

2.1.1 Introduction

The Cheela Plains (Cheela) project is located approximately 80km northwest of Paraburdoo and 70km southeast of Northern Star Resources' Paulsens Gold mine in the Shire of Ashburton, Western Australia. Cheela forms part of Paterson Resources' Pilbara Gold Projects.

Geologically, the project is located between the Yilgarn and Pilbara Craton. It is wholly positioned in the Ashburton basin which forms part of the Capricorn Orogen. Greywackes of the Ashburton Formation, a part of the Wyloo Group, cover the majority of the tenement.

Significant gold anomalies have been identified around the Big Sarah and Slate Bore prospects of the project, including from a 2019 field reconnaissance programme by the company.

2.1.2 Location, Access & Infrastructure

Cheela is located approximately 80km northwest of Paraburdoo and 70km southeast of Northern Star Resources' Paulsens Gold mine in the Shire of Ashburton, Western Australia.

The project area can be accessed through the Cheela Plains station, 20 km north of the tenement (Figure 2) and involves several creek crossings. Access around the site itself is aided by limited existing exploration and station tracks. As with a lot of the Pilbara region, access can be challenging during seasonal periods of heavy rain, with January, February and March historically being the wettest.

The terrain of the area is characterised by thickly vegetated creeks which cut into steep valleys, along with areas of flat, open alluvial plains dotted with quartz float and mulga shrubland. The valley slopes are covered in spinifex with patchy alluvium and good exposures of weathered outcrops

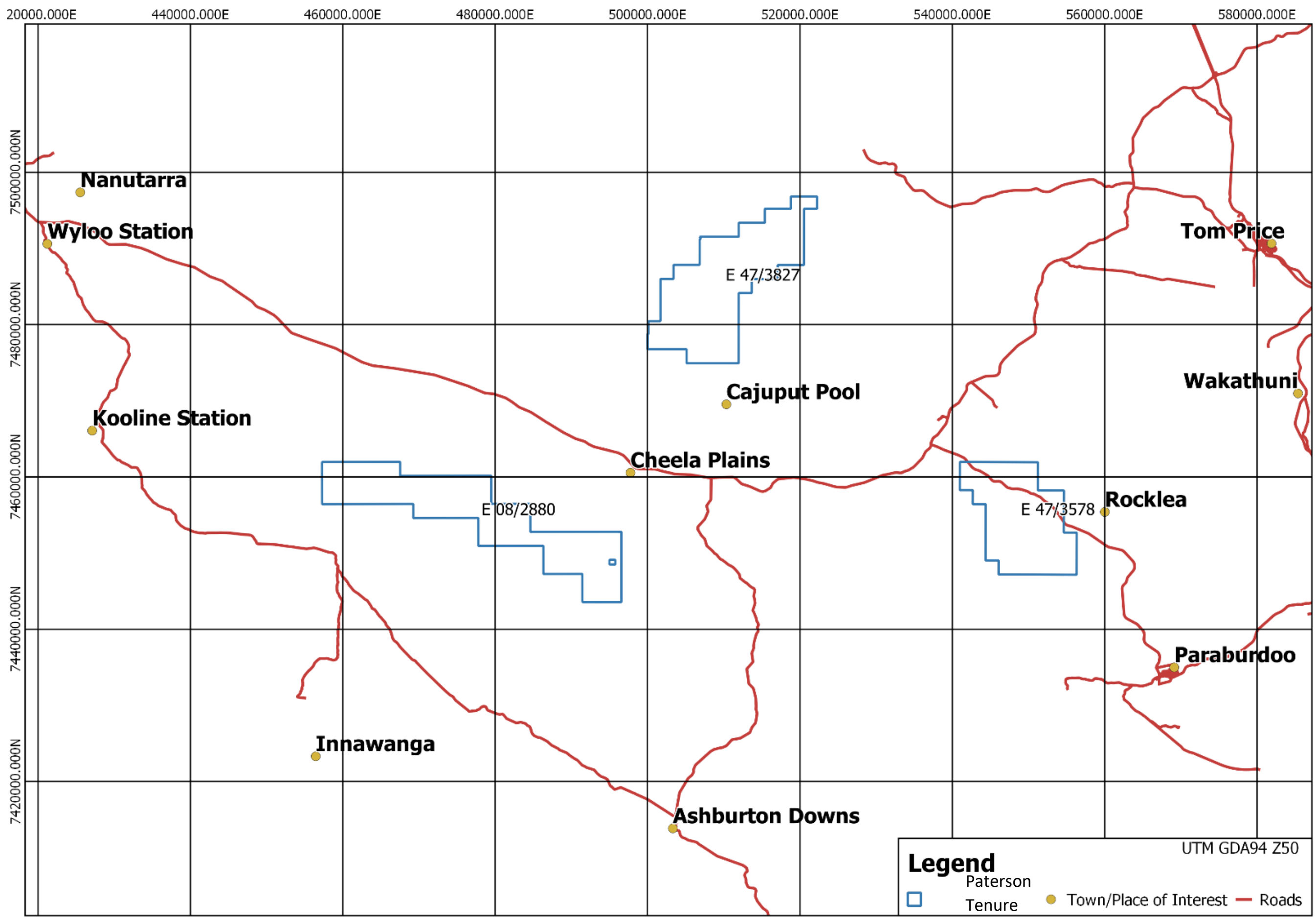


Figure 2 – Cheela Plains, Hamersley and Bellary tenure with local infrastructure

2.1.3 Ownership and Tenure

2.1.3.1 History of Ownership

The Cheela Plains project is comprised of exploration licence E08/2880, which is listed as being held by Topdrill Pty Ltd. Ownership is currently in the process of being transferred to Paterson Resources, following a transaction to purchase Topdrill's Pilbara assets.

2.1.3.2 Tenure

The exploration licence: E08/2880 was granted on 25th May 2017 and covers a total area of 74 Blocks. The licence was granted for a 5-year term and is scheduled to expire on 24th May 2022. In the east of the tenement, two mining leases (M08/98 and M08/197), not owned by the company, excise a small area of E08/2880.

2.1.3.3 Agreements and Encumbrances

To the knowledge of the author there are no agreements or encumbrances relating to the Cheela exploration licence E08/2880.

2.1.3.4 Royalties

To the knowledge of the author there are no royalty agreements relating to the Cheela exploration licence E08/2880.

2.1.4 Geological Setting

2.1.4.1 Regional Geology

Regionally, Cheela is positioned in the Ashburton Basin, which, along with the Gascoyne Province and overlying sedimentary rocks of the Blair, Edmund and Collier Basins form the Capricorn Orogen. The Capricorn Orogen is a major zone of deformation, metamorphism and granite emplacement between the Pilbara and Yilgarn Cratons (Figure 3). The Ashburton Basin is situated in the north of the Capricorn Orogen and lies along the southern edge of the Fortescue and Hamersley Basins, key members of the Mount Bruce Supergroup. The basin is the oldest of the sedimentary basins in the Capricorn Orogen and is stratigraphically dominated by the Lower Proterozoic Wyloo Group, of which the project area sits wholly in the Ashburton Formation.

According to Tyler & Thorne (1990), the deformed Ashburton Basin and adjacent parts of the Hamersley Basin form the Ashburton Fold Belt. Two periods of deformation are recognised: early recumbent folding (D1a, post-Ashburton Basin-pre-Blair Basin), and later dextral wrench faulting and associated folding (D2a, syn- or post-Blair Basin).

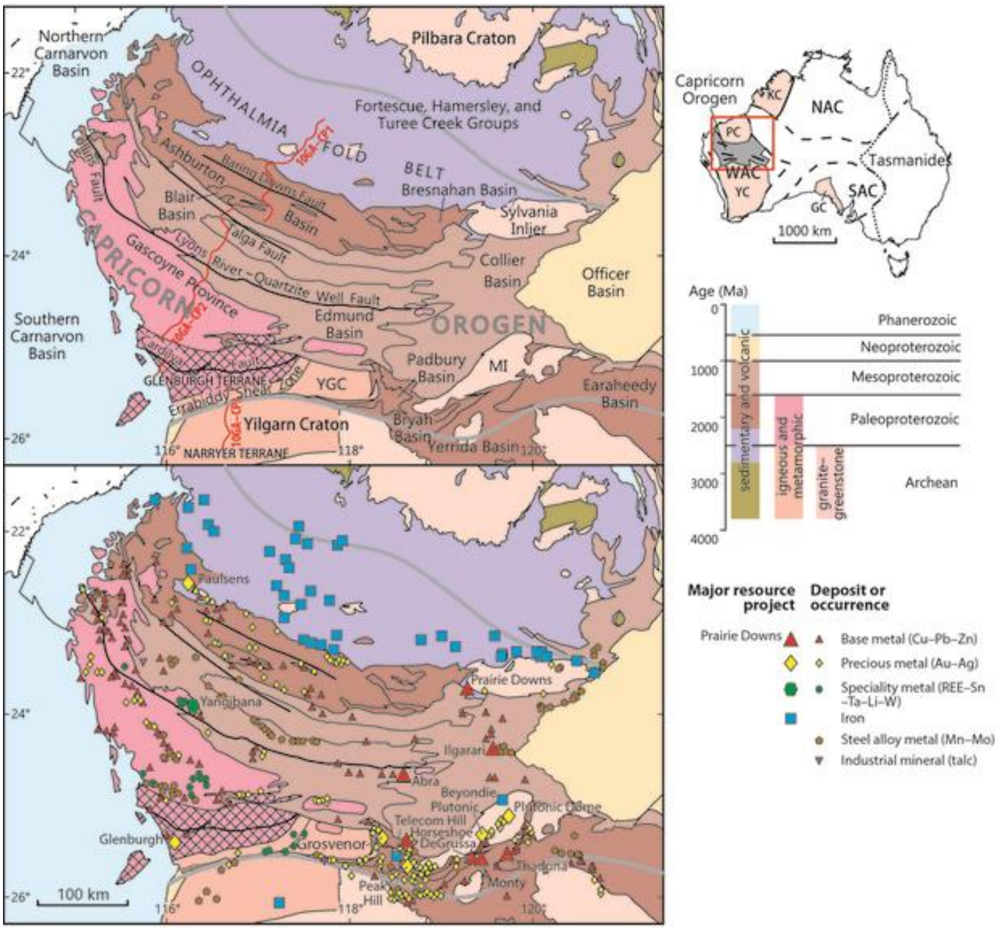


Figure 3 - Simplified geological map of the Capricorn Orogen showing the distribution of major structures, mineral deposits and occurrences (GSWA Projects, 2019)

2.1.4.2 Local Geology

The following extract detailing the tenements local geology is taken from the Cheela Geological Reconnaissance Report (Newman & Pollard, 2019).

An extensive unit of greywacke and interbedded, finely banded schist covers the tenement area. Exposure is good (>80 %) and only sparsely covered by spinifex and alluvium. Water erosion has caused sharply incised creeks commonly seen in the Pilbara.

Greywacke is the dominant lithology with only minor intercalations of schist up to 10 metres in thickness. Discontinuous chert lenses are observed within schist and greywacke units up to 50 cm in width. Quartz veining is common in the Big Sarah area, typically seen in prominent expressions and forming vein sets up to 5-10 metres in width. Veins are typically bucky in nature, weakly oxidised, containing coarse inclusions of goethite and minor sulphide. Veins vary from 1cm to 15 cm in thickness. In limited instances, quartz blows are hosted in banded schist. Little evidence of folding was seen at the outcrop scale – a single dominant fabric pervasive through the terrain trending NW-SE (~170°). This fabric dips sub-vertically between 75 – 90°. Towards the western end, 4 km NW of the historic Big Sarah workings, lithology is dominated by schistose rocks. Units remain sub vertical, trending the same NW-SE. Quartz veining is also more abundant, which is reflected in the composition of float material. Minor zones of sericite alteration were observed around larger bucky vein sets (up to 10 metres in width). Limited disseminated sulphides are seen within the country rock host.

The area is metamorphosed to an intermediate degree and has undergone regional deformation and shearing, creating anticlinal folding and uplift as well as transcrustal straining - factors conducive to mineralisation. Major faults and rock fabric within the area is concordant with the dominant NW-SE trend. Minor faults and shears appear to be thrusts/reverse in nature. These are considered to have undergone multiple phases of re-activation.

According to Joyce, R.M. (1991), in the Slate Bore area, in the west of the tenement, a zone of thinly bedded cherts forms an area of subdued topography. A large sheeted quartz vein system and an associated silica-pyrite alteration zone is developed within the slate, arenite and chert sequence.

Following their Lead – Copper exploration drilling, Jododex concluded that the Slate Bore Mineralisation appears to be confined to a concordant lithologic unit, rather than controlled by a transgressive structure. However, within the Slate Bore horizon, mineralisation is frequently transgressive (Martz, P.W. 1972).

Figure 4 displays the Paterson Resources tenure and 500k bedrock geology of the area.

2.1.4.3 Mineralisation

The understanding of the mineralisation at Cheela is still developing due to the early stage nature of the project. Anomalously high gold results have been returned from sampling of quartz veins in schistose rocks along the Big Sarah trend. Observations of minor sericite alteration and disseminated sulphides were observed around the buck white quartz vein sets, which are up to 10 metres in width. Anomalous results include samples of 24.5 and 6.8g/t Au.

2.1.4.4 Mineralisation Model

As the project is currently at an early grassroots stage of exploration, with no recent drilling yet completed, there is no mineralisation model.

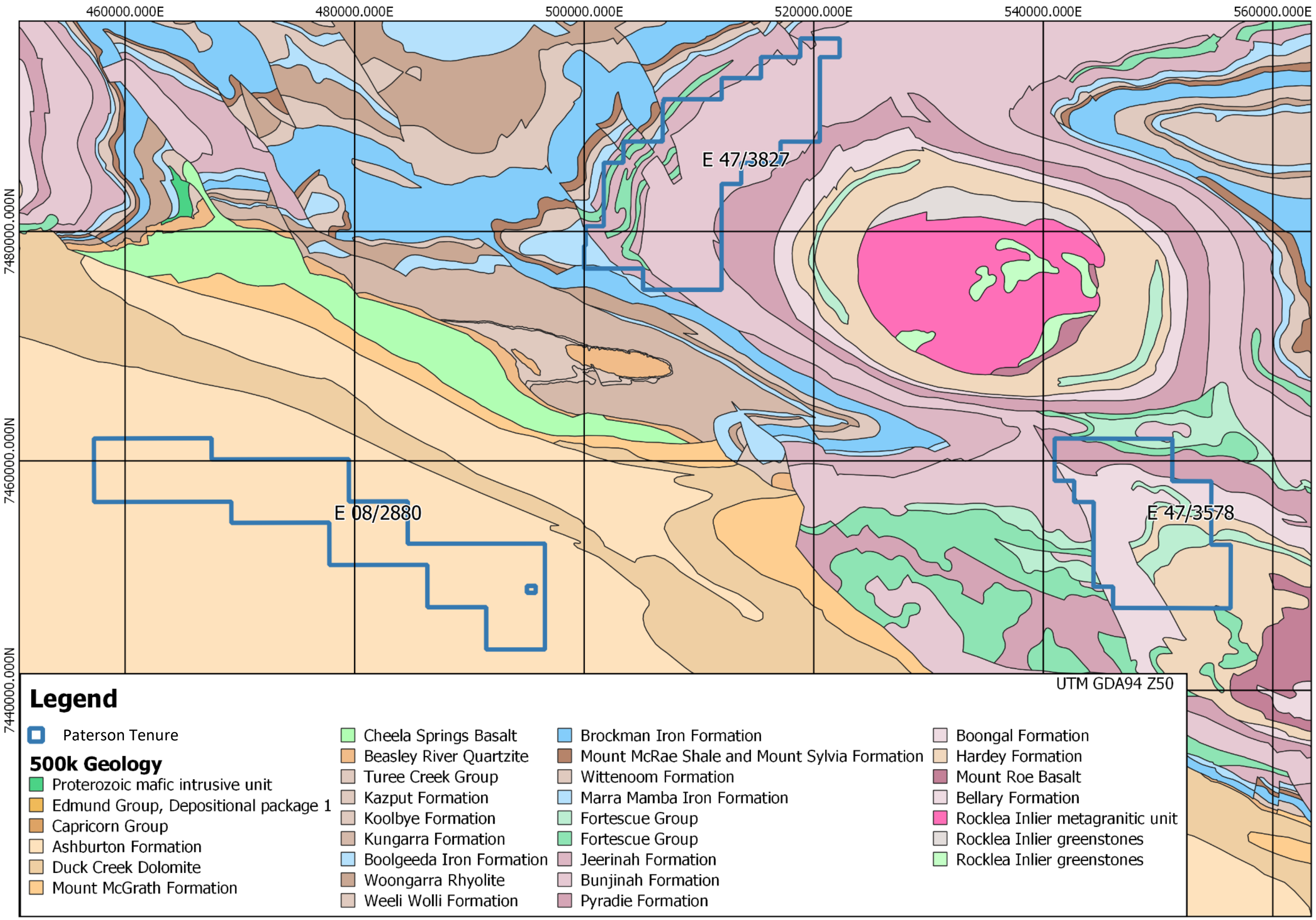


Figure 4 - 500k Bedrock Geology Plan of the Cheela, Bellary and Hamersley Projects (GSWA Geological Dataset)

2.1.5 Historical Mining Activities

All information in sections 2.1.5 and 2.1.6 is compiled from historic reports from the GSWA WAMEX system.

The Cheela Plains area has seen limited amounts of small-scale mining during its history, with focus being on the Slate Bore and Big Sarah prospects (the location of which can be seen on Figure 6).

According to Aberfoyle Resources, there are several small pits at Slate Bore, with malachite and galena showing, which were possibly dug during the 1930's.

As outlined in Section 2.1.3.2, a small portion of the tenement is excised via two mining leases. These mining leases are not owned by the company and cover the historically mined portion of the Big Sarah prospect. Remains of underground workings can be seen (Figure 5) and the current holders have erected minor infrastructure to facilitate their activities. Production records for Big Sarah were not available to the author.

Figure 5 - Entrance to the Big Sarah underground mine within excised mining leases located within the Cheela Plains Project tenement

2.1.6 Historical Exploration Activities

The following summary details key programmes of exploration that have previously taken place on the tenement area.

- 1974 - Jododex
    - A five-hole diamond drilling programme on the western edge of the tenement, near to Slate Bore. The programme targeted base metals with a focus on lead and copper, with only occasional sampling for gold. No significant gold results were recorded. There were a few intercepts with slightly anomalous base metals measurements, including highs of 900ppm Cu, 25,000 ppm Pb and 1,150 ppm Zn.
- 1980 – Newmont

  - As part of a joint venture with Mallina Holidings they costeaned the area around Slate Bore and resampled some of the Jododex core for Au analysis. Results of this programme have not been seen.
- 1989 – 1992 Aberfoyle Resources
  - BLEG stream sediment sampling and soil sampling around the Slate Bore area defined a major Au, As & Pb anomaly. Contoured results show an elongated Au anomaly (>30ppb) striking east-southeast for 4.5 km. Geological mapping and rock chip sampling indicated the presence of a major hydrothermal system. Preliminary RAB drilling produced disappointing results.
  - Follow-up sediment and soil sampling was completed in 1990, further west of the area that was RAB tested. This confirmed the anomaly and showed evidence of higher Au values to the west. Additional work was recommended.
  - No further exploration was completed, and the ground was relinquished in 1993 after no significant targets were generated when considering the economics of the time.
- 1993 Stockdale Prospecting
  - Stream sediment sampling as part of a diamond exploration programme. The ground was relinquished due to the lack of sufficient positive results.
- 2011 - 2016 Fortescue Metal Group & Northern Star Resources
  - FMG and Northern Star conducted a variety of programmes, individually as well as part of a joint venture. Aeromagnetic and radiometric surveys were flown to infill existing 400m government survey to 200 m line spacing. Significant numbers of soil, stream sediment and rock samples were collected across the area, with a focus on the Big Sarah prospect in the east of the tenement. Soil samples peaked at 135 ppb and rock chip 21 ppm Au. The tenements were relinquished due to the belief that the gold occurrences did not indicate significant enough mineralisation to warrant further work, as mineralisation was restricted to narrow vein sets. Figure 6 displays the gold results from their various surface sampling campaigns.

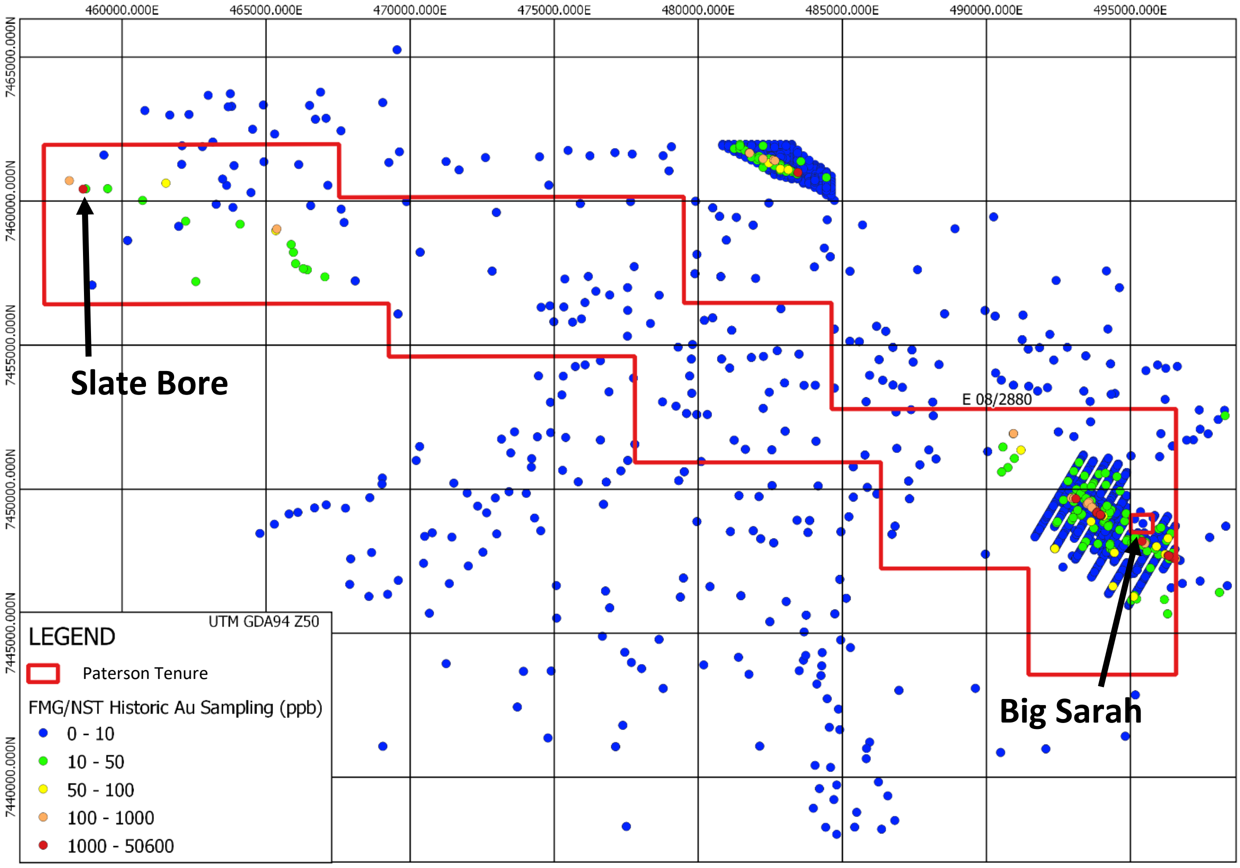


Figure 6 - Historic FMG and Northern Star Gold Surface Sampling Results

2.1.7 Current Exploration Activities

Since Paterson Resources took over control of E08/2880, exploration activities have involved initial desktop studies and a subsequent field reconnaissance programme.

During August/September 2018, the company engaged Queensland based mining services provider Xplore to complete a desktop review of the potential for mineralisation at its PGP projects. This was followed by a historic data review in early 2019 by Cadre Geology and Mining. Both studies highlighted potential for primary gold and base metal mineralisation around the Slate Bore and Big Sarah prospects.

Following on from their historic data review, Cadre were contracted to complete a geological field reconnaissance programme during May 2019. Big Sarah and Slate Bore prospects were selected for the focus of the trip due to anomalous results from historic exploration. Once on site, reconnaissance was limited to Big Sarah due to pastoral activity preventing access to Slate Bore. Along a 5 km stretch of the northwest-southeast trend from the Big Sarah mine, regular quartz veining was observed. Though veins were relatively thin (5-10 cm) they were often present in sets up to 10 m wide (Figure 7). Sericite alteration and disseminated sulphides were often found around vein margins and within the country rock. During the visit a total of 23 grab samples were collected along 4 km of strike. Following analysis, several samples confirm the presence of gold along the Big Sarah trend, with a highlight of 24,510 ppb, equivalent to 24.5g/t.

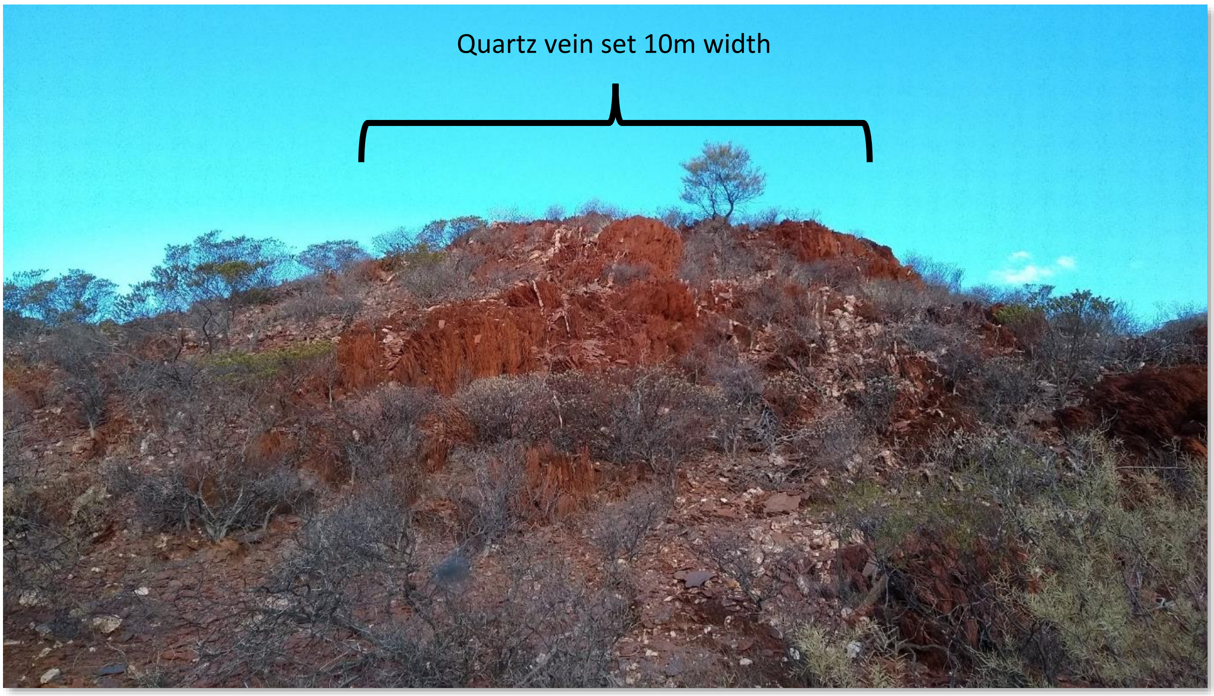


Figure 7 - Quartz vein set measuring 10 metres in width seen in an outcrop of weathered banded schist

2.1.8 Exploration Potential and Targets

2.1.8.1 Exploration within the Historical Drilling Footprint

Minimal historic drilling has taken place at Cheela, with drilling being limited to a small number of RAB and diamond holes around Slate Bore, and only auger drilling at Big Sarah. In all cases the drilling was solely used to test and identify anomalies, which often were not satisfactorily followed up. Therefore, the author regards the Cheela Plains project as largely untested when it comes to drilling.

2.1.8.2 Extension Exploration

All exploration to date has been limited to grassroots level anomaly testing and target generation, therefore the project is not at the stage of extensional exploration work.

2.1.8.3 Regional Exploration

Due to the early stage of the project, the company’s focus is on following up the known anomalies around Slate Bore and Big Sarah, rather than pursuing further regional exploration.

2.2 Bellary

2.2.1 Introduction

The Bellary project is located approximately 20km northwest of Paraburdoo and 40km southwest of Tom Price in the Shire of Ashburton, Western Australia. Bellary forms part of Paterson Resources' Pilbara Gold Projects.

Geologically, the project is positioned in the southern part of the Pilbara Craton. It is wholly comprised of formations of the Fortescue Group which forms part of the Mt. Bruce Supergroup. A mixture of overlying formations of mafic/ultramafic volcanic flows and intrusives as well as sedimentary/metasedimentary units make up the geology of the project area.

Following a review of historic data and a 2019 field reconnaissance programme, several priority gold and copper targets have been defined which warrant further work.

2.2.2 Location, Access & Infrastructure

The Bellary project is located approximately 20km northwest of Paraburdoo and 40km southwest of Tom Price in the Shire of Ashburton, Western Australia.

The project area can be accessed from the Paraburdoo-Tom Price Road which runs northwest-southeast through the northern part of the tenement. Three north-south tracks run south from the main road to the southern part of the tenement, and access to the north is via old drilling tracks. As with a lot of the Pilbara region, access can be challenging during seasonal periods of heavy rain, with January, February and March historically being the wettest.

The project area is comprised of steep sided ridges and hills with moderately vegetated creeks that cut into steep valleys. Flat alluvial plains are interspersed amongst. Several very large hills can be found throughout. The dominant vegetation is mulga shrubland and spinifex, with large eucalypts around the creeks.

2.2.3 Ownership and Tenure

2.2.3.1 History of Ownership

The Bellary project is comprised of exploration licence E47/3578, which is listed as being held by Topdrill Pty Ltd. Ownership is currently in the process of being transferred to Paterson Resources, following a transaction to purchase Topdrill's Pilbara assets.

2.2.3.2 Tenure

The exploration licence: E47/3578 was granted on 17th October 2017 and covers a total area of 51 Blocks. The licence was granted for a 5-year term and is scheduled to expire on 16th October 2022.

2.2.3.3 Agreements and Encumbrances

To the knowledge of the author there are no agreements or encumbrances relating to the Bellary exploration licence E47/3578.

2.2.3.4 Royalties

To the knowledge of the author there are no royalty agreements relating to the Bellary exploration licence E47/3578.

2.2.4 Geological Setting

2.2.4.1 Regional Geology

The following regional geology is based on Ovenden (2016).

Regionally the project lies within the late Archaean – Lower Proterozoic age (2800 - 2300 Ma) sediments of the Mt. Bruce Supergroup, situated between Archaean granitoid basement complexes of the Yilgarn and Pilbara blocks. The Mt. Bruce Supergroup is a sequence of volcanic and sedimentary rocks comprising the Fortescue, Hamersley, and Turee Creek Groups, overlain by remnants of the Wyloo Group (Trendall 2002). The project is wholly on the Fortescue Group rocks, within the South Pilbara Sub-basin of the Fortescue Basin, and positioned between the Rocklea and Bellary domes.

Figure 8 shows the geological setting of the Pilbara Craton.

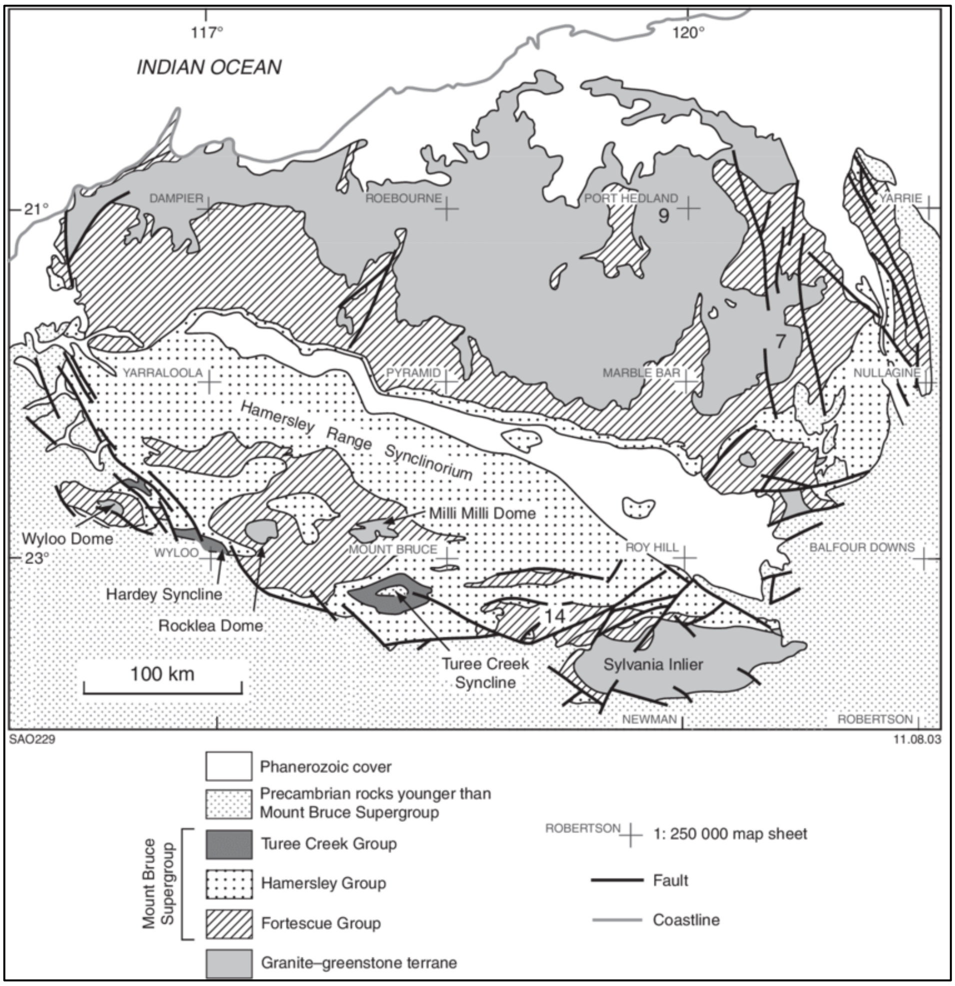


Figure 8 – Geological Setting of the Pilbara Craton, GSWA

2.2.4.2 Local Geology

Bellary is positioned on the northeast edge of the Bellary dome, just southeast of the Rocklea dome. The project area is covered exclusively by rocks of the Fortescue Group; including the Pyradie, Boongal and Hardey Formations, along with several intrusive mafics. The Boongal Formation is dominated by pillowed and massive basalts, with moderate mafic breccias and occasional tuffs and meta-sediments. The units of the Pyradie Formation are similarly pillowed and massive basalts, but with a greater degree of associated ultramafics. Locally the Hardey Formation is present in the form of sedimentary units including quartz sandstone and carbonaceous shales.

At project scale the geology is extremely variable with regular alternation between basalts (massive, pillowed and brecciated), meta-sediments (including BIFs and tuffs), ultramafics (including pyroxenites and komatiites) and sedimentary rocks (including sandstone and shale), all crosscut by a series of predominantly northwest-southeast dolerite dykes.

Several areas exhibit shearing and a moderate level of, predominantly northwest-southeast, faulting is evident from aerial photography and geophysics, as well as in the field. Quartz veining is present but not massively so. Often buck white quartz but sometimes heavily sheared and brecciated.

Outcrop occurrences are numerous thanks largely to the seasonal heavy rain fuelled creeks cutting through, and exposing outcrops, with rocks often present in a moderate-fresh state once the thin weathered crust is broken away.

Figure 4 displays the 500k Bedrock Geology of the project area.

2.2.4.3 Mineralisation

The understanding of the mineralisation at Bellary is still developing, due to the early stage nature of the project. Anomalous gold and copper results have been measured from the sampling of quartz veins as well as soil and stream sediment sampling. Some mineralisation is believed to be associated with the Kara Well Fault, a major northwest-southeast trending fault that runs through the western half of the tenement.

2.2.4.4 Mineralisation Model

As the project is currently at an early grassroots stage of exploration, with no recent drilling yet completed, there is no mineralisation model.

2.2.5 Historical Mining Activities

There are no records or evidence of historical mining within the Bellary tenement.

2.2.6 Historical Exploration Activities

The area covered by E47/3578 is been moderately explored since the late 1980's, with the majority of work focussing on grassroots exploration and only one company completing a small, limited drilling programme. The following summary details key programmes of exploration that have previously taken place on the tenement area. All information in this section is compiled from historic reports from the GSWA WAMEX system.

- 1989 – 1990 Forsayth
    - Large stream sediment sampling programme covering much of the tenement, discovered a number of areas with elevated levels of Au, base metals & PGEs, but not always in correlation with each other. Despite this no further work was done due to the small scale of the anomalies not being enough to warrant working in the difficult terrain
- 1992-1994 CRA Exploration – Ni, Cu, PGE
    - 1992 Stream sediment sampling – large programme with some sampling in the area covered by E47/3578, but all anomalies and targets generated lie off the tenement to the southwest
    - 1993 Aeromagnetic survey over project, including area covered by E47/3578
    - 1993 Follow up stream sediment, soil and rock chip sampling. With focus shifted to PGE horizons. Soil traverse 23 – 26 sit within E47/3578. Extensive, but weak Pd and or Pt anomalies on most traverses around the Bellary Dome, but were deemed not high enough to warrant further work
- 2004-2009 AusQuest
    - Stream sediment sampling 2004-2007
    - Rock Chip Sampling 2004-2007
    - 2006-2007 Geological mapping
    - Geophysics
        - 2006 Airborne Magnetics ("West1 + 2" partially cover E47/3578)

        - 2006 Heli VTEM ("NorthWest" & "West" partially cover E47/3578)
        - Down Hole TEM – 7 of the 8 diamond drill holes surveyed
    - 2007 Soil sampling
    - Drilling
        - May-June 2007 11 hole programme, 3 water bores, 8 diamond drill holes (2 of which are off tenure) targeting Ni-Cu-PGM massive sulphides
            - No massive sulphides were intersected in any of the drill holes. In all cases the TEM response was found to be due to a variably graphitic, shaly, sulphidic sediment and mafic tuff unit that occurred between an average of 14m and 31m below the base of the Mt Jope komatiite
            - Disseminated sulphides were intersected in a number of the drill holes but in most cases assay results indicated that they were of metamorphic and not igneous origin.
- 2008-2009 Empire Resources
    - Very small tenement, covering part of the south west corner of E47/3578
    - Stream sediment and rock chip sampling only displayed weakly anomalous Au and Cu. No further work completed
- 2010-2015 FMG
    - The project group was assessed for an unconventional iron ore model – potential for channel iron mineralisation derived from an iron rich basaltic volcanic terrane, rather than the conventional iron formation source substrate
    - Ground gravity survey with medium and low density coverage of E47/3578
    - Small number of stream sediment and rock chip samples collected, with multi-element analysis. No significant anomalous results, no further work completed

2.2.7 Current Exploration Activities

Since acquiring the tenement, Paterson completed a small 2017 field trip which unearthed some gold nuggets near Billie Camp Well. Additionally, they have contracted Cadre Geology and Mining to complete a historic data review as well as a subsequent geological reconnaissance programme.

As part of the historical data review, 13 targets were generated (Figure 9Figure 1**Error! Reference source not found.**), each classified by commodity and ranked according to priority. These formed the basis of the subsequent reconnaissance programme which was undertaken in October 2019. The programme was successful in investigating key anomalies on the ground. Three areas were identified as warranting further work:

- **High Priority**
    - **South of Kara Well** – A significant historic copper-gold anomaly which has not been fully explained by the 2019 work. The Cu Au Pd target remains to be concluded and the Cu2/Au targets show potential for copper and silver mineralisation following positive 2019 samples, including 27% Cu, 75ppb Au and 358g/t Ag.
    - **North-West of Billie Camp Well** – Very promising gold and copper results from a partially exposed quartz vein at Cu Au Pt Pd, including 1.2g/t Au. The vein is low lying and partially exposed but appears to be 0.5-2 metres wide and occurs over 15 metres strike before becoming buried. Additionally, there is also the still undefined source of gold nuggets and anomalous copper results at Cu Au2, found during the 2017 field trip.
        - **Low Priority**
        - **Central** – Anomalous copper result from the sheared footwall of a large quartz vein at Cu Pb Zn2, but potentially only in the form of copper phosphate minerals.

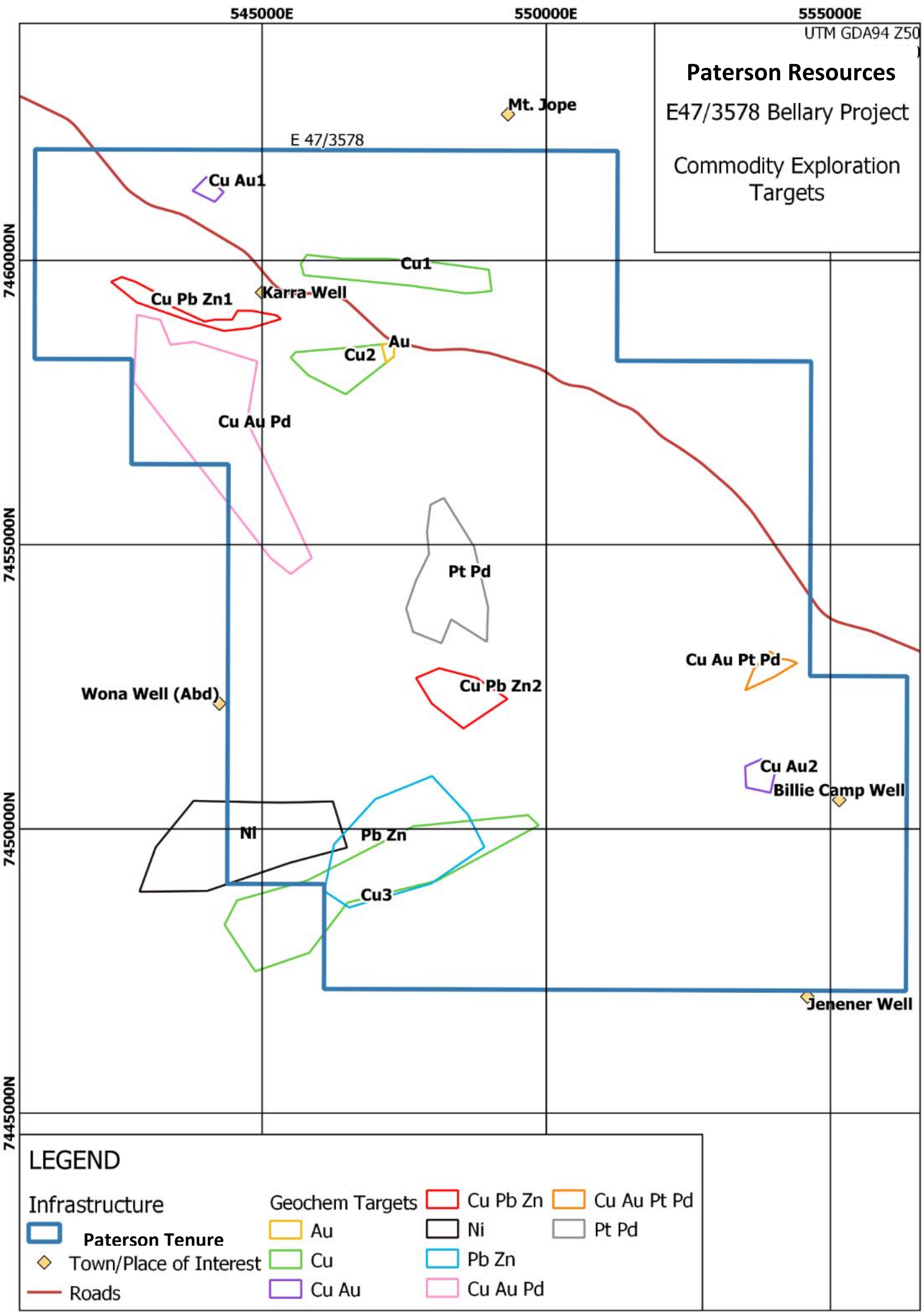


Figure 9 - Bellary Reconnaissance Targets

2.2.8 Exploration Potential and Targets

2.2.8.1 Exploration within the Historical Drilling Footprint

Minimal historic drilling has taken place at Bellary, with only a small diamond drilling programme being conducted in the north of the project by AusQuest in 2007, away from the company's areas of interest. Therefore, the author regards the Bellary project as largely untested when it comes to drilling.

2.2.8.2 Extension Exploration

All exploration to date has been limited to grassroots level anomaly testing and target generation, therefore the project is not at the stage of extensional exploration work.

2.2.8.3 Regional Exploration

Due to the early stage of the project, the companies focus is on following up the known anomalies South of Kara Well and North-West of Billie Camp Well, rather than pursuing further regional exploration.

2.2.8.4 Proposed Exploration Program

A programme of geophysical and soil sampling has been proposed to further investigate the priority targets, with the aim of producing drilling targets.

The work focuses on the two high priority areas, South of Kara Well and North-West of Billie Camp Well. Both areas will be subject to geophysical surveys and soil sampling. A combination of detailed resistivity, electromagnetic and magnetic surveys will be completed. Approximately 1,000 soil samples will be collected with the aim of expanding areas that have already been subject to soil sampling programmes. Once completed, these two datasets should provide a detailed image of the two priority areas, paving the way for drilling.

2.3 Hamersley

2.3.1 Introduction

The Hamersley project is located approximately 65km west of Tom Price and 10km southwest of Rio Tinto's Brockman 4 Iron Ore mine in the Shire of Ashburton, Western Australia. Hamersley forms part of Paterson's Pilbara Gold Projects.

Geologically, the project is positioned in the southern part of the Pilbara Craton. It is predominantly comprised of formations of the Fortescue Group which forms part of the Mt. Bruce Supergroup. A mixture of overlying formations of mafic/ultramafic volcanic flows and sedimentary/metasedimentary units make up the geology of the project area.

To date exploration has been limited to a broadscale desktop review which has identified prospective geology, coupled with the presence of two significant northwest-southeast faults running through the area, which may be conducive to precious and base metal mineralisation.

2.3.2 Location, Access & Infrastructure

The Hamersley project is located approximately 65km west of Tom Price and 10km southwest of Rio Tinto's Brockman 4 Iron Ore mine in the Shire of Ashburton, Western Australia.

The project area can be accessed from the Nanutarra-Munjina Road which runs east-west to the south of the tenement (Figure 2). Then on local tracks to Cajuput Pool, before continuing on local tracks into the southern part of the tenement. Access to the northern and central parts of the tenement appears limited. As with a lot of the Pilbara region, access can be challenging during seasonal periods of heavy rain, with January, February and March historically being the wettest.

The terrain of the area is characterised by thickly vegetated creeks which cut into steep valleys, along with areas of flat, open alluvial plains dotted with various float and mulga shrubland. The valley slopes are covered with a mixture of spinifex and mulga with patchy alluvium/colluvium and good exposures of weathered to near-fresh outcrops.

2.3.3 Ownership and Tenure

2.3.3.1 History of Ownership

The Hamersley project is comprised of exploration licence E47/3827, which is listed as being held by Topdrill Pty Ltd. Ownership is currently in the process of being transferred to Paterson Resources, following a transaction to purchase Topdrill's Pilbara assets.

2.3.3.2 Tenure
The exploration licence: E47/3827 was granted on 16th July 2018 and covers a total area of 71 Blocks. The licence was granted for a 5-year term and is scheduled to expire on 15th July 2023.

2.3.3.3 Agreements and Encumbrances
To the knowledge of the author there are no agreements or encumbrances relating to the Hamersley exploration licence E47/3827.

2.3.3.4 Royalties
To the knowledge of the author there are no royalty agreements relating to the Hamersley exploration licence E47/3827.

2.3.4 Geological Setting

2.3.4.1 Regional Geology
The following regional geology is taken from Ovenden (2016).

Regionally the project lies within the late Archaean – Lower Proterozoic age (2800 - 2300 Ma) sediments of the Mt. Bruce Supergroup, situated between Archaean granitoid basement complexes of the Yilgarn and Pilbara blocks. The Mt. Bruce Supergroup is a sequence of volcanic and sedimentary rocks comprising the Fortescue, Hamersley, and Turee Creek Groups, overlain by remnants of the Wyloo Group (Trendall 2002). The project is located on Hamersley and Fortescue Group rocks, within the Hamersley Basin and the South Pilbara Sub-basin of the Fortescue Basin.

The Fortescue Group is a sequence of basalts, interbedded clastic sediment, minor chemical sediment and doleritic intrusions, with a total maximum thickness in excess of 4.5km.

The overlying Hamersley Group consists of a 2.5km thick, conformable sequence of BIF, dolomite, pyroclastic/hemipelagic shale, and acid volcanics, intruded by syn/late-sedimentary dolerite sills and suites of post-sedimentary dykes (Kneeshaw 2004). This Group can be subdivided into the following formations (from oldest to youngest): Marra Mamba Iron Formation, Wittenoom Formation, Mount Sylvia Formation, Mount McRae Shale, Brockman Iron Formation, Weeli Wolli Formation, Woongarra Rhyolite, and the Boolgeeda Iron Formation.

Within the Cenozoic sequence across the Pilbara there occur Paleo-channel systems infilled with iron rich sediment which are generally known as Channel Iron Deposits (CID). In the Hamersley province of the Pilbara granular CID are a major source of export iron ore (Morris & Ramanaidou 2007).

Figure 8 shows the geological setting of the Pilbara Craton.

2.3.4.2 Local Geology
Hamersley is located on the western edge of the Rocklea dome, almost wholly covered by formations of the Fortescue group; Pyradie, Bunjinah and Jeerinah, in addition to Fortescue dolerite dykes and sills. A small portion, along the southwest fringe is covered by the Marra Mamba Iron Formations of the Hamersley group.

Pyradie Formation, at 2715-2725 Ma, is formed of the oldest lithologies at the project, including pyroxene spinifex-textured metabasalt flows and pillow lava; metatuff, and minor chert; with local komatiite.

The rocks of the Bunjinah Formation cover the majority of the ground at Hamersley and are the second oldest at 2715-2718 Ma. It is a formation of subaqueous basaltic lavas made up of pillowed and massive basaltic flows, with areas of basaltic breccias and minor basaltic volcanic sediments.

The Jeerinah Formation (2629-2715 Ma) is predominantly sedimentary in makeup and overlies the Bunjinah Formation in the west of the project area. The formation is comprised of shale, sandstone, siltstone, mudstone, dolomite, local microbanded chert, jaspilite, conglomerate; fine-grained massive rhyolite; mafic tuff with local accretionary lapilli and agglomerate; thin basalt/dolerite and andesitic basalt flows. Fortescue group dolerite sills and dykes intrude the Jeerinah.

Marra Mamba Iron Formation is a collection of sedimentary and meta-sedimentary units within the Hamersley Group, which at 2596-2629 Ma, overlies the Fortescue Group. The formation is comprised of chert, ferruginous chert, jaspilite, banded iron-formation, minor shale, siltstone, mudstone.

Structurally, there is a collection of approximately southeast-northwest minor and major fault and shears running through the project area, cutting through all units. Regionally the Rocklea dome forms an approximately east-west anticline.

Figure 4 displays the Paterson Resources tenure and 500k bedrock geology of the area.

2.3.4.3 Mineralisation

Exploration is at a very early stage with only a broadscale desktop review having been completed. This has identified prospective geology, coupled with the presence of two significant northwest-southeast faults running through the area, which may be conducive to precious and base metal mineralisation.

2.3.4.4 Mineralisation Model

As the project is currently at an early grassroots stage of exploration, with no drilling yet completed, there is no mineralisation model.

2.3.5 Historical Mining Activities

There are no records or evidence of historical mining within the Hamersley tenement.

2.3.6 Historical Exploration Activities

The area covered by E47/3827 is very much underexplored when compared to the majority of the surrounding region. Historic exploration is very limited and is restricted to a small portion of the south of the tenement. The following summary details key programmes of exploration that have previously taken place on the tenement area. All information in this section is compiled from historic reports from the GSWA WAMEX system.

- 1984 – Australian Anglo American
    - Their Woongarra gold reconnaissance project to the southeast, partially overlapped E47/3827. A small number of stream sediment samples were collected, and geological mapping was also completed (WAMEX report A18860). No significant results were produced therefore the tenement was surrendered.
- 2011 – 2016 – Fortescue Metals Group
    - As part of their Mt. Brockman and Cheela Plain projects, FMG completed grassroots iron, gold and base metals exploration. This included helicopter supported gravity survey for channel iron deposit identification and stream sediment sampling for non-iron mineralisation identification.
    - In 2016 the tenements covering E47/3827 were surrendered after the area was classed as low-priority in their Pilbara-wide gold and base metal review.

2.3.7 Current Exploration Activities

Exploration is at a very early stage for the company with only a broadscale desktop review having been completed. This has identified prospective geology, coupled with the presence of two significant northwest-southeast faults running through the area, which may be conducive to precious and base metal mineralisation.

2.3.8 Exploration Potential and Targets

2.3.8.1 Exploration within the Historical Drilling Footprint

Hamersley is currently untested with respect to drilling, with no records of historic drilling within the tenement.

2.3.8.2 Extension Exploration

All exploration to date has been limited broadscale desktop studies, therefore the project is not at the stage of extensional exploration work.

2.3.8.3 Regional Exploration

The current work focus is at a broadscale project wide level, aimed at identifying anomalies and generating exploration targets.

2.3.8.4 Proposed Exploration Program

The Hamersley project is very much untested, neither by historic work nor Paterson's own. It therefore warrants a programme of geological reconnaissance to identify whether the tenement holds potential for precious and base metal mineralisation.

The proposed work programme involves a short programme of geological reconnaissance, mapping and stream sediment sampling. Due to the nature of the terrain of the tenement (Figure 10), it makes it ideal for stream sediment sampling, as a means of searching for anomalous mineral signatures over a large area.

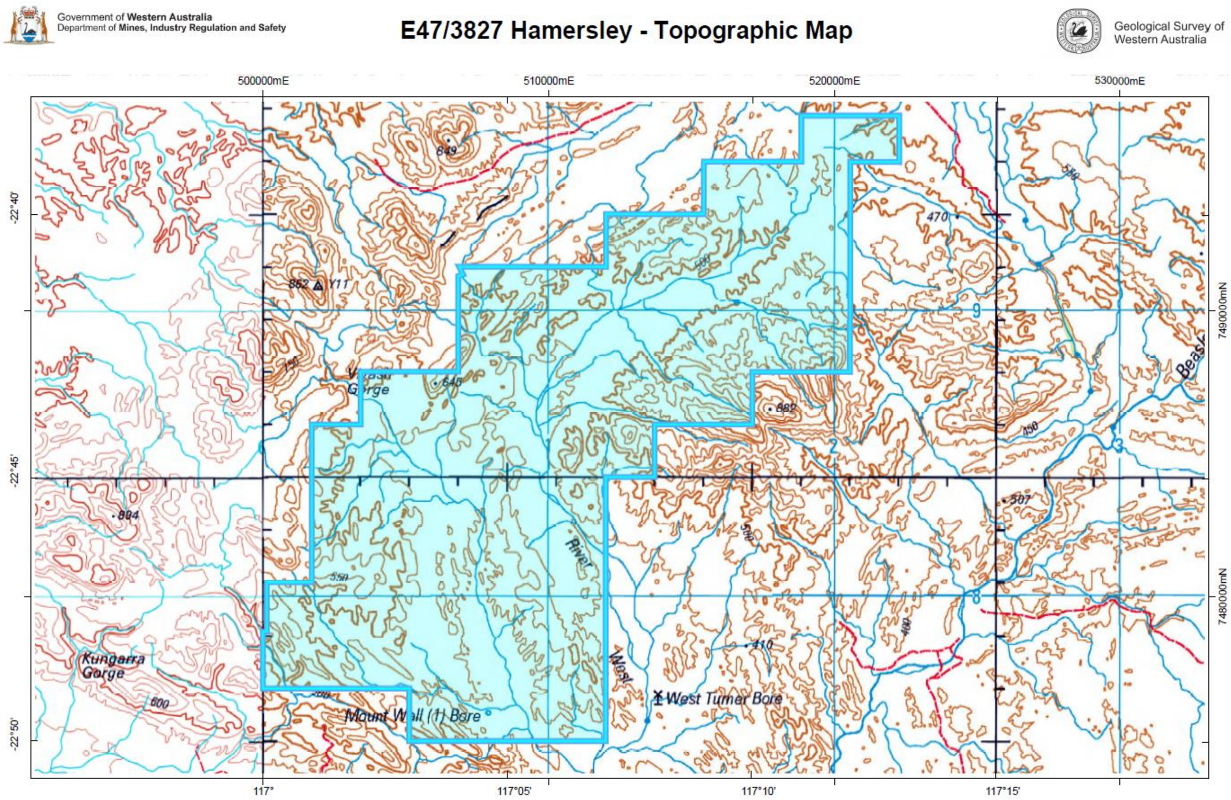


Figure 10 – Topographic Plan of the Hamersley Project Area

2.4 Elsie North

2.4.1 Introduction

The Elsie North project is located approximately 95 km southeast of Marble Bar and 55 km northeast of Millennium Minerals' Nullagine Gold mine in the Shire of East Pilbara, Western Australia. Elsie North forms part of Paterson Resources' Pilbara Gold Projects.

The project is regionally situated in the Eastern Pilbara Craton, with the local geology dominated by the Elsie Creek Tonalite and Euro Basalt, part of the Mount Elsie Greenstone belt. Small scale historic gold workings can be found off tenure to the south at the Mount Elsie Gold Mining Centre.

To date work has been limited to a review of historical data, of which there is a significant amount. From this, potential for gold and molybdenum mineralisation have been identified that warrant further investigation in the field.

2.4.2 Location, Access & Infrastructure

The Elsie North project is located approximately 95 km southeast of Marble Bar and 55 km northeast of Millennium Minerals' Nullagine Gold mine in the Shire of East Pilbara, Western Australia.

The project area can be accessed from Nullagine, east via the Skull Springs road, before heading north via local tracks (Figure 11). According to Farrell (2006) easy access to the Mount Elsie Greenstone belt is limited to areas adjacent to the track between Mount Elsie and Warrawagine homestead. As with a lot of the Pilbara region, access can be challenging during seasonal periods of heavy rain, with January and February historically being the wettest.

The terrain of the tenement differs between the Euro Basalt, which is characterised by creeks in steep sided, narrow valleys, separating long, resistant greenstone ridges. Whereas the Elsie Creek Tonalite terrain is more subdued, rolling hills, with exposures of rubbly weathered felsics. Vegetation is sparse throughout, with a slight increase around creeks.

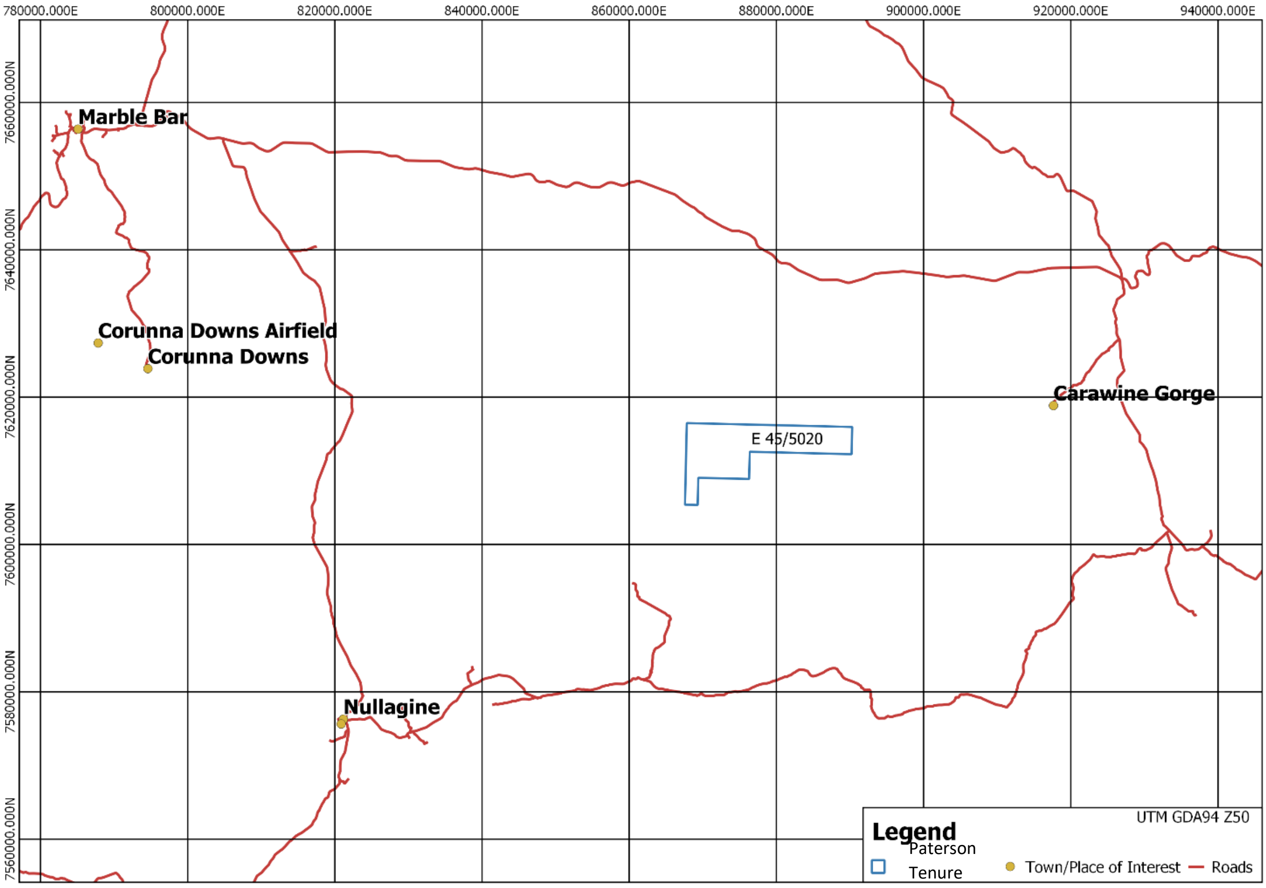


Figure 11 – Elsie North Tenure with Local Infrastructure

2.4.3 Ownership and Tenure

2.4.3.1 History of Ownership

The Elsie North project is comprised of exploration licence E45/5020, which is listed as being held by Topdrill Pty Ltd. Ownership is currently in the process of being transferred to Paterson Resources, following a transaction to purchase Topdrill's Pilbara assets.

2.4.3.2 Tenure

The exploration licence: E45/5020 was granted on 3rd July 2018 and covers a total area of 38 Blocks. The licence was granted for a 5-year term and is scheduled to expire on 2nd July 2023.

2.4.3.3 Agreements and Encumbrances

To the knowledge of the author there are no agreements or encumbrances relating to the Elsie North exploration licence E45/5020.

2.4.3.4 Royalties

To the knowledge of the author there are no royalty agreements relating to the Elsie North exploration licence E45/5020.

2.4.4 Geological Setting

2.4.4.1 Regional Geology

Regionally, Elsie North is positioned in the eastern part of the Pilbara Craton, the oldest tectonic unit in the area. Granite-greenstone terrane and units of the Mt Bruce Supergroup dominate the region. The granite-greenstone terrane contains areas of considerable shearing and large regional faults. The greenstone belt in the immediate area is the Mt Elsie greenstone belt.

Units of the Kelly Group and Emu Pool Supersuite comprise the granite-greenstone terrane, which are overlain by the Fortescue Group. Regionally, the Fortescue Group is predominantly comprised of the Kylena and Hardey Formations and the Mt Roe Basalt. To the south lies the Mosquito Creek Formation, part of the Nullagine Group a sub-group of the De Grey Supergroup.

Figure 12 displays the regional geological setting of the project area, which is found in the Eastern Creek area.

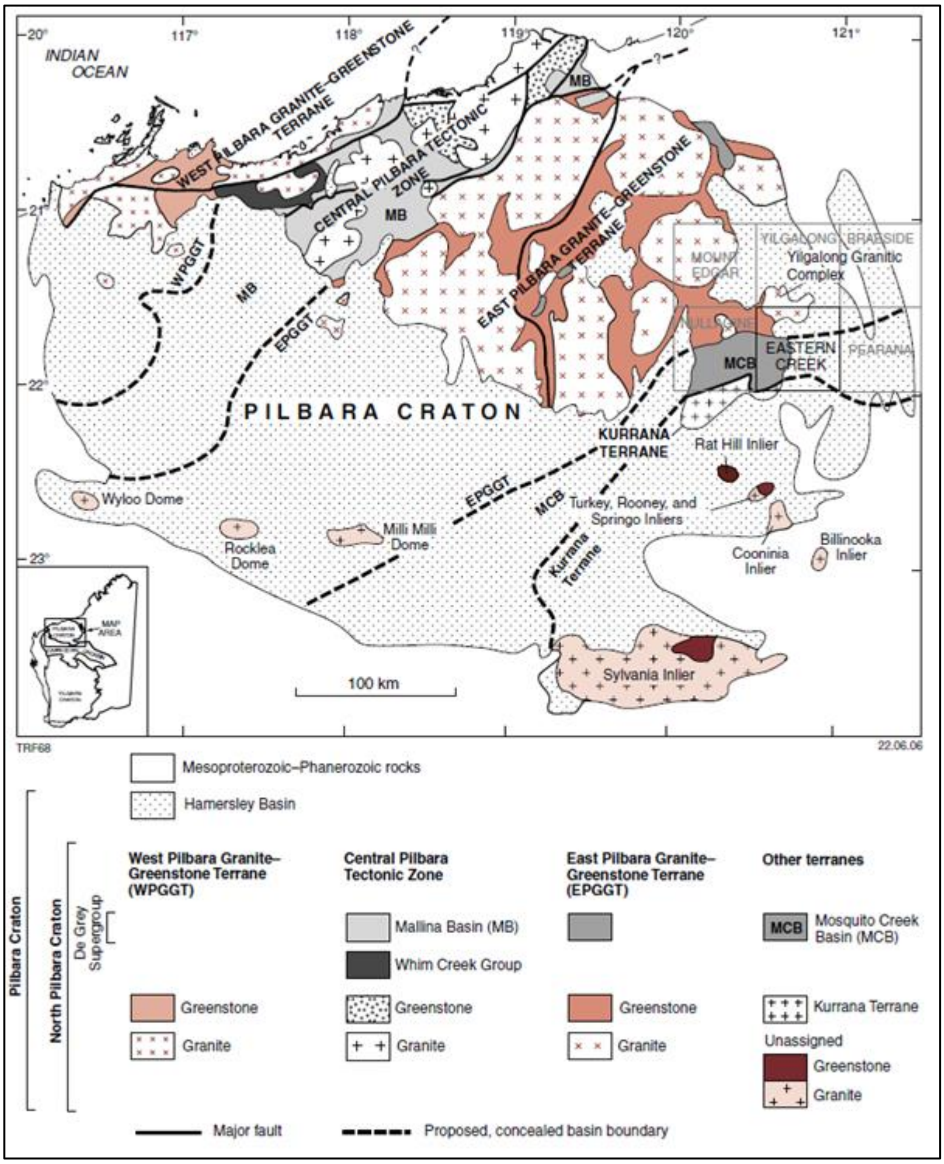


Figure 12 - Location of the Eastern Creek Map Sheet and Regional Geology (Farrell, 2006)

2.4.4.2 Local Geology

The local geology is summarised from the GSWA 100k Eastern Creek Map Sheet and current GSWA geological GIS datasets. The tenement is comprised of two main units; Euro Basalt and Elsie Creek Tonalite. Euro Basalt is the oldest of the two and is a formation within the Kelly Group, having previously been classified in the Warrawoona Group. It is predominantly metamorphosed komatiitic basalt, mafic schist, fine grained gabbro and slate. The metamorphosed komatiitic basalt dominates and is variously foliated, grey-green in colour and contains locally abundant varioles and vesicular zones. Pyroxene-spinifex textures are recognisable in many outcrops. Carbonate alteration is widespread and strongly affected rocks are typically foliated and deeply weathered. Pillow structures are well preserved in many locations, commonly with chilled margins. Mt Elsie greenstone belt has mostly been metamorphosed to lower greenschist facies, and basalts and ultramafic rocks commonly display well-preserved primary igneous textures. Amphibolite-facies rocks are restricted to a narrow zone along the contact with the Elsie Creek Tonalite. Quartz veins are abundant.

Elsie Creek Tonalite is a formation within the Emu Pool Supersuite, which intrudes the Euro Basalt locally. The formation is characterised by metatonalite and metagranodiorite with local sills of monzogranite and orthogneiss xenoliths, all of which is strongly foliated to gneissic. Pegmatite zones are common throughout.

The Elsie Creek Tonalite occupies the north-eastern two thirds of the tenement, whereas Euro Basalt takes up the remaining third in the south west. Numerous quartz veins and dolerite dykes are present throughout the Elsie Creek Tonalite, running in a variety of directions.

According to Weber (2001), the area has been deformed intensely by numerous brittle-ductile deformation phases that overprint a strong north-northwest D2 parallel schistosity. The D2 parallel deformation is thought to be as late as D5 resulting from re-activation of D2 structures during the formation of the Patterson Province (Hickman, 1983).

Large shear zones have formed at the contact between ultramafic and mafic lithologies and especially where interflow chert exists. Some of these cherts may be tectonic cherts formed as a result of intense shearing. Due to the stratigraphic controls on shearing, the shears have the same arcuate geometry as the greenstone belt.

Figure 3 displays the Paterson Resources tenure and 500k bedrock geology of the area.

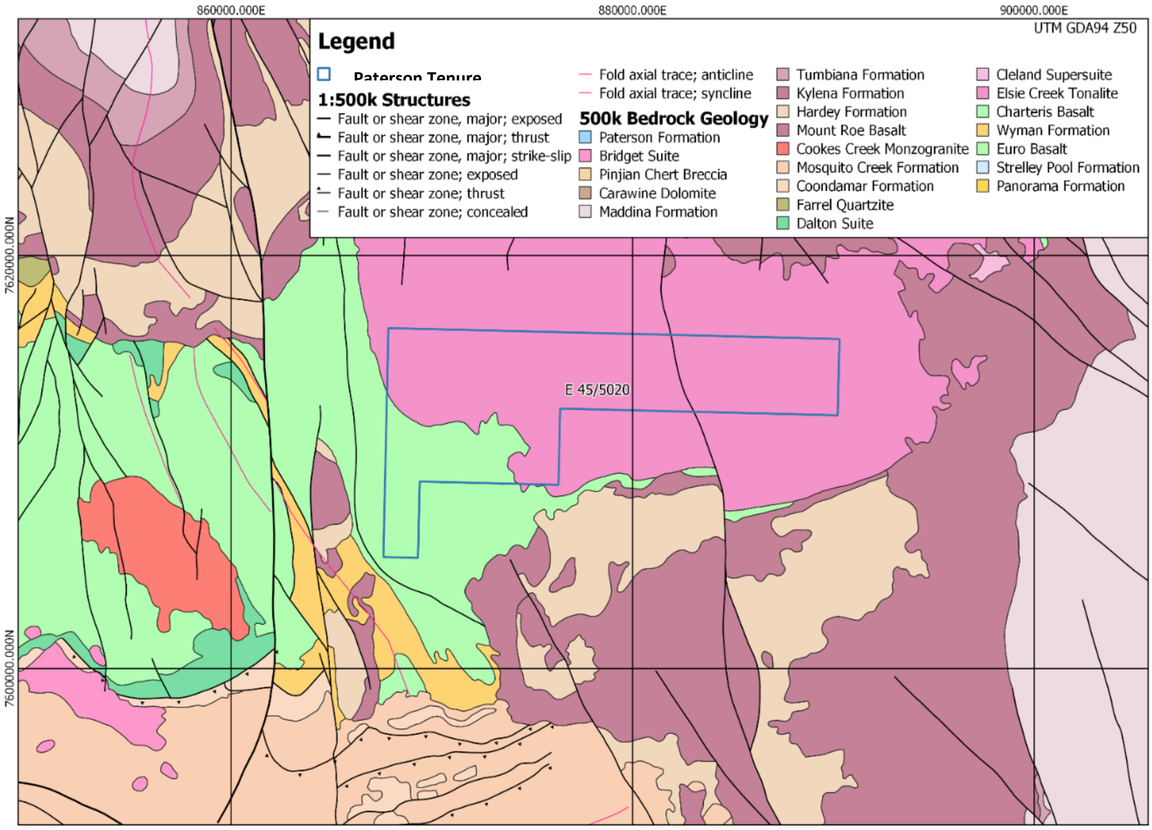


Figure 13 - 500k Bedrock Geology Plan of the Elsie North project (GSWA Geological Dataset)

2.4.4.3 Mineralisation

Exploration within the Elsie North tenement is at an early stage, but part of the exploration model centres around identifying the continuation of the gold mineralisation found just to the south at the Mt Elsie Gold Mining Centre. Here gold was found in quartz veins in foliated metabasalt and mafic schist with carbonate alteration.

2.4.4.4 Mineralisation Model

As the project is currently at an early grassroots stage of exploration, with no recent drilling yet completed, there is no mineralisation model.

2.4.5 Historical Mining Activities

Numerous small-scale historic gold workings can be found just off the tenement to the south at the Mt Elsie Gold Mining Centre, with the first recorded find in 1898 (Mindat.org). Mining activity occurred mainly between 1899 and 1906 and was focussed on quartz veins in foliated metabasalt and mafic schist with carbonate alteration (Finucane, 1939).

2.4.6 Historical Exploration Activities

The following summary details key programmes of exploration that have previously taken place on the tenement area. All information in this section is compiled from historic reports from the GSWA WAMEX system.

- 2000 – 2002 Mines and Resources Australia
  - Numerous soil, rock chip and sediment sampling programmes, mostly low level within the current tenement area, but occasional anomalous samples including 45.9 ppb gold from stream sediment in 2000.
  - 54 hole, 1,792 m RAB drill programme returned only a minor gold anomaly of 42ppb in 2001-2002. Programme included detailed geological mapping from aerial photography.
- 2010 – 2016 Bookaburna Minerals
  - Identified a molybdenum mineralised system within the southwest corner of the Elsie Creek Tonalite, where it abuts mafic/ultramafic rocks, via stream sediment, soil and rock chip sampling. Rock chip sampling returned peak Mo assays of 2.5% and stream sediment at 201ppm. With mineralisation present in breccias and quartz veining. This was later determined to be and localised, suggesting the potential for economic size was limited.
  - Further stream sediment sampling identified a potential gold source or tail from the Mt Elsie Mining Centre.
  - Following a project review, the tenement was surrendered in 2016 due to insufficient targets generated.

2.4.7 Current Exploration Activities

To date, work has been limited to a desktop review of historic data, which has highlighted potential for gold and molybdenum mineralisation at Elsie North. Two key areas of interest have been established from the review of historic data (Figure 14). Firstly, the potential for gold mineralisation related to the Mt Elsie Gold Mining Centre (MEGMC). Despite being located just off tenure, to the south, MEGMC shares similar geology to that within the southwest third of E45/5020. Second is the molybdenum mineralisation located near the tonalite-basalt contact as identified by Bookaburna Minerals. An approximate 4.5 km stretch of the tornalite-basalt contact within E45/5020 was not covered by the historic molybdenum sampling, therefore becomes a current focus along with the gold mineralisation.

The potential for lithium mineralisation also exists and remains historically un-investigated. The greenstone-tonalite contact, which includes pegmatites, is geologically similar to other Pilbara lithium projects. The company is yet to complete any on-ground exploration activities.

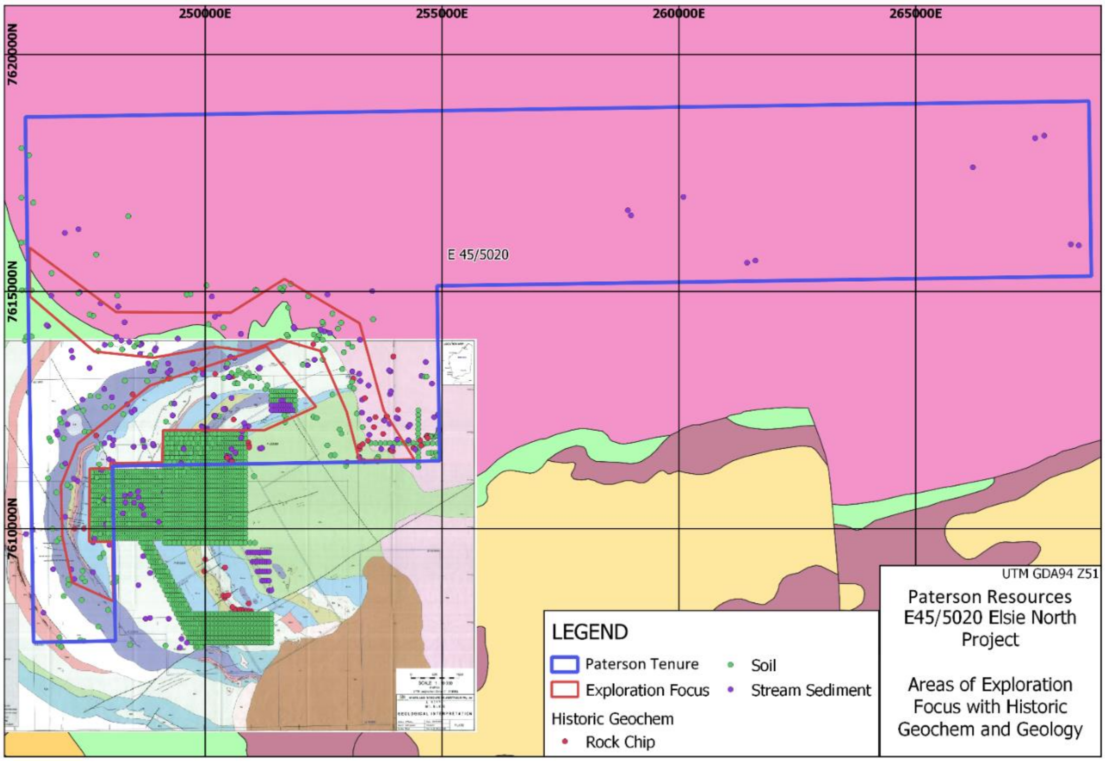


Figure 14 – Elsie North Areas of Exploration Focus

2.4.8 Exploration Potential and Targets

2.4.8.1 Exploration within the Historical Drilling Footprint

Minimal historic drilling has taken place at Bellary, with only a limited RAB drilling programme being conducted in the southwest of the project in 2001-2002. Therefore, the author regards the Bellary project as largely untested when it comes to drilling.

2.4.8.2 Extension Exploration

All exploration to date has been limited to grassroots level anomaly identification, therefore the project is not at the stage of extensional exploration work.

2.4.8.3 Regional Exploration

Due to the early stage of the project, the companies focus is on following up the known anomalies associated with the MEGMC and the tornalite-basalt contact, rather than pursuing further regional exploration.

2.4.8.4 Proposed Exploration Program

A maiden field reconnaissance programme at Elsie North is proposed, with the aim of investigating the greenstone belt for gold and lithium potential and the tonalite for molybdenum. The work will comprise of two stages, which can be completed concurrently on the same trip. Firstly, a geological reconnaissance programme should be completed. This would then be followed by a campaign of soil and stream sediment sampling. This would be designed to fill in gaps from, and compliment the historic data, thus producing a comprehensive geochemical dataset from which drilling and geophysical survey targets can be generated.

3 Horseshoe South Project

3.1 Introduction

The Horseshoe South project is located approximately 140 km north of Meekatharra and 3 km south of the historic Horseshoe Lights Copper-Gold mine in the Shire of Meekatharra, Western Australia.

The project lies within the Palaeoproterozoic-aged Bryah Basin. A narrow zone of Narracoota Formation surrounded by Ravelstone Formation comprises much of the project area. The Narracoota Formation is strongly associated with Volcanogenic Massive Sulphide deposits in the area.

Paterson Resources have only undertaken desktop studies, historic data reviews and an airborne geophysical survey over the project. There is a great quality and quantity of historic geophysical and geochemical data which has allowed the definition of two key, drill ready targets for the company to investigate.

3.2 Location, Access & Infrastructure

The Horseshoe South project is located approximately 140 km north of Meekatharra and 3 km south of the historic Horseshoe Lights Copper-Gold mine in the Shire of Meekatharra, Western Australia.

The project can be accessed by heading north on the Great Northern Highway from Meekatharra, for approximately 75km, before leaving it and heading north-northwest on unsealed Ashburton Downs - Meekatharra road, before turning right and heading north on the Horseshoe Lights access road, which passes through the project tenement (Figure 15).

The area is characterised by largely flat terrain with alluvial plains, thinly covered with mulga shrubland. Several small seasonal drainage channels head approximately north through the tenement.

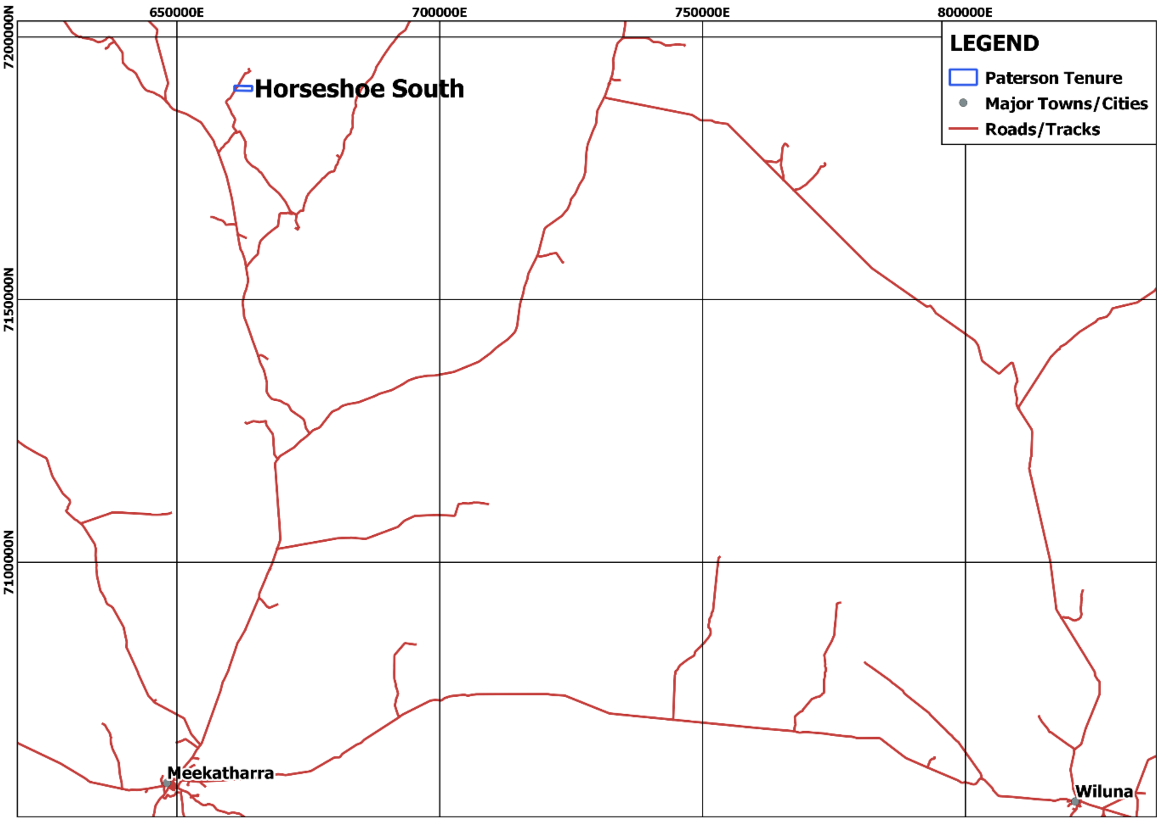


Figure 15 – Location of the Horseshoe South project with local Infrastructure

3.3 Ownership and Tenure

3.3.1 History of Ownership

The Horseshoe South project is comprised of exploration licence E52/2569, which is listed as being held by Hardey Resources Ltd. Hardey Resources is the previous trading name of Paterson Resources. Prior to Hardey Resources the tenement was held by Elysium Resources Ltd and United Orogen Ltd, all of which are previous trading names of Paterson Resources. Ownership is currently in the process of being transferred to Paterson Resources.

3.3.2 Tenure

The exploration licence: E52/2569 was granted on 18th June 2010 and covers a total area of 2 Blocks. The licence was granted for a 5-year term, before being extended for a further 5 years. It is scheduled to expire on 17th June 2020.

3.3.3 Agreements and Encumbrances

To the knowledge of the author there are no agreements or encumbrances relating to the Horseshoe South exploration licence E52/2569.

3.3.4 Royalties

To the knowledge of the author there are no royalty agreements relating to the Horseshoe South exploration licence E52/2569.

3.4 Geological Setting

3.4.1 Regional Geology

The following section on regional geology is modified from Willets (2013).

The Horseshoe South project lies within the Palaeoproterozoic-aged Bryah Basin which, along with the Yerrida Basin and Padbury Basins, were formerly known as the Glengarry Basin. These basins are situated along the northern margin of the Yilgarn Craton within the Capricorn Orogen which formed between 2,200 and 1,800 million years ago during the collision between the Archaean Pilbara and Yilgarn Cratons.

The Bryah and Padbury Groups are flanked to the north by the Bangemall Basin, with rock suites of the Yilgarn Craton to the west and younger Proterozoic-aged rocks to the south. The Bryah Group consists of mafic-ultramafic volcanic rocks with intercalated clastic units throughout the sequence. It is interpreted as a rift basin succession formed during cratonic collision. The Padbury Group predominantly comprises a clastic turbiditic sequence of sedimentary units deposited in a foreland basinal setting. The Padbury Group unconformably overlies the Bryah Group.

The Bryah-Padbury Basins were subjected to regional compression under two distinct deformation regimes. The earliest regime involved predominantly north-south compression and resulted in the formation of broad, typically east-west trending structural arches extending through the core of the region. A later compressional event generated north-south trending folds and thrust belts. The metamorphic grade in the region increases from east to west where it grades up to greenschist facies.

Mineralisation styles within the Bryah and Padbury Groups include mesothermal gold-only lodes, volcanogenic massive sulphide (VMS) copper-gold, shear-hosted copper and sedimentary-hosted lead deposits.

3.4.2 Local Geology

A narrow zone of Narracoota Formation consisting of ultramafic to mafic basalts transgress the tenement in a north west direction. A steeply dipping fault trending north west is centred on the

Narracoota Formation and it is this sequence which has attracted concentrated historical exploration. The younger surrounding sequence of Ravelstone Formation is composed mainly of interbedded pelites and psammites (Taylor 2011).

Figure 16 displays the 500k geology of the project area.

3.4.3 Mineralisation

Exploration is still at an early stage with no deep drilling having been completed, but the conceptual model, based on the geological setting, historic drilling, surface sampling and geophysics within the tenement, is for a VMS hosted copper-gold deposit akin to the Horseshoe Lights deposit just north of the project.

3.4.4 Mineralisation Model

Due to the drilling within the tenement being limited to historic shallow RAB drilling, which do not test the target sufficiently, a mineralisation model is yet to be produced.

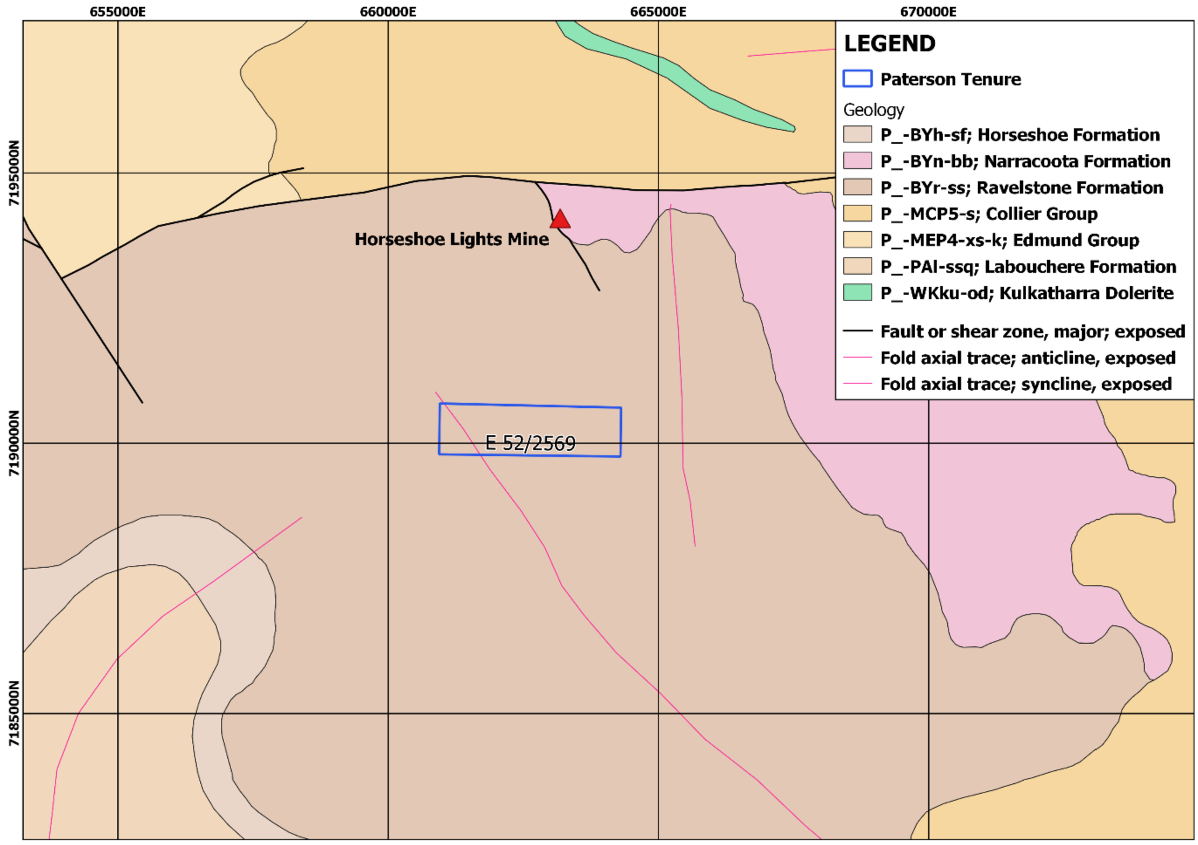


Figure 16 - 500k Geology Plan of the Horseshoe South Project Area

3.5 Historical Mining Activities

No mining activities have taken place within the tenement, but it is located in an actively mined area with the currently inactive Horseshoe Lights mine just 3 km to the north.

3.6 Historical Exploration Activities

The following summary details key programmes of exploration that have previously taken place on the tenement area. All information in this section is compiled from historic reports from the GSWA WAMEX system.

- 1980 Broken Hill Pty Co Ltd
    - Cu-Pb-Zn exploration involving mapping and surface geochemistry. One hole drilled which was slightly anomalous for Cu, but no Au assays.
- 1993-1995 Sabminco
    - Completed shallow RAB and RC drilling over part of the Western anomaly. Many holes only had one sample collected from each hole.
    - The RAB programme intercepted several anomalous intervals, including one drill hole which ended with 3m @ 0.42ppm Au

3.7 Current Exploration Activities

Paterson's exploration activities have mostly been limited to desktop studies and historic reviews to date, as well as a 2010 airborne geophysical survey, which collected EM and magnetic data over the tenement. The geology, magnetics and previous drilling within E52/2569 has drawn the company's focus on two anomalies, the M1 and Western Anomaly. The Western Anomaly has previously been tested via RAB drilling, but subsequent analysis shows that the drilling was too shallow to test the magnetic anomaly. Despite this, the RAB programme intercepted several anomalous intervals, including one drill hole which ended with 3m @ 0.42ppm (Hoschke, 2013), which justifies exploration to better investigate the Western Anomaly.

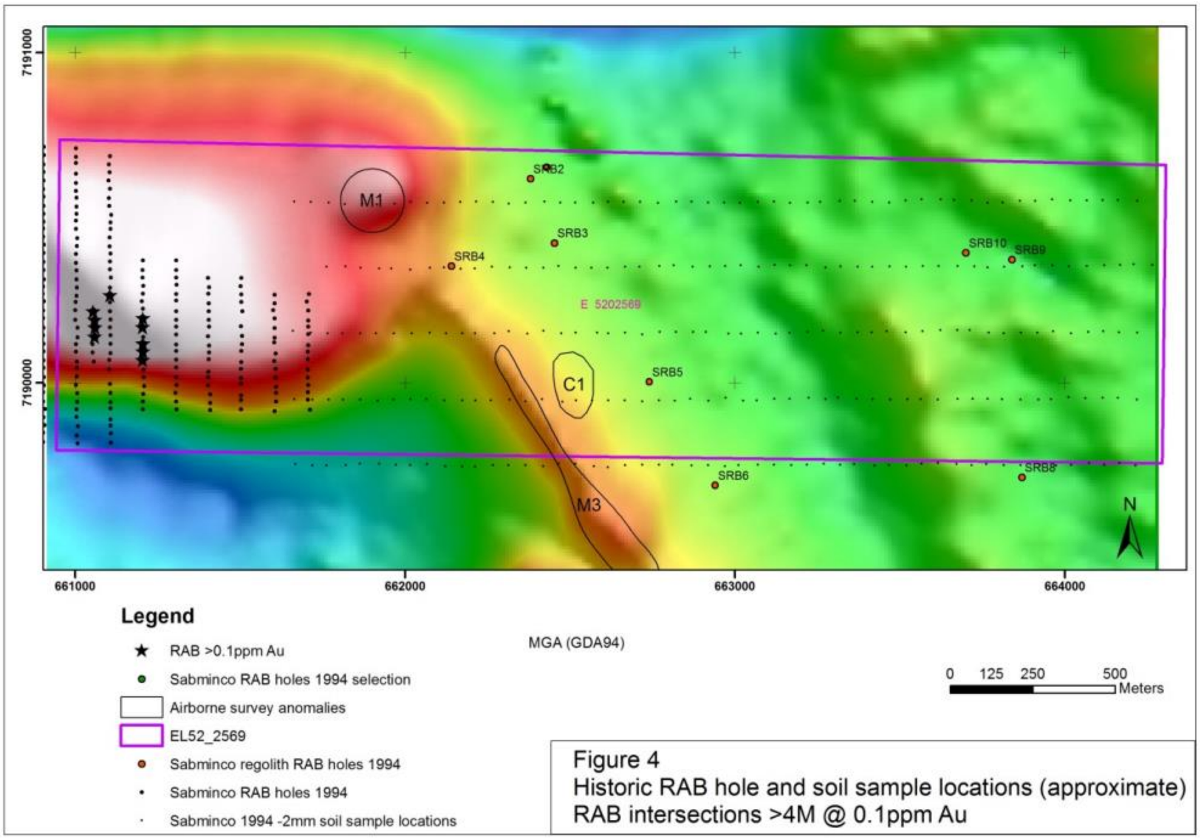


Figure 17 – Historic Exploration at Horseshoe South with Magnetics (Hoschke, 2013)

3.8 Exploration Potential and Targets

3.8.1 Exploration within the Historical Drilling Footprint

A detailed, shallow RAB and RC drilling programme was completed over the Western anomaly in the 1990's. Recent geophysical modelling shows that the historic drilling was too shallow to test the geophysical anomaly, therefore deeper drilling is required within the historic drilling footprint to reliably test it.

3.8.2 Extension Exploration

Until a body of mineralisation has been defined, drilling will remain as exploratory rather than extensional.

3.8.3 Regional Exploration

As the company have two very strong geophysical and geochemical anomalies to pursue, the focus will remain on these rather than further regional exploration.

3.8.4 Proposed Exploration Program

A maiden RC drilling programme is proposed to test the Western magnetic anomaly at depth (Figure 18). Three ~300m drill holes should be sufficient to test the anomaly, with the option of using one of the three holes to also test the M1 anomaly, depending on the results of the first two drill holes.

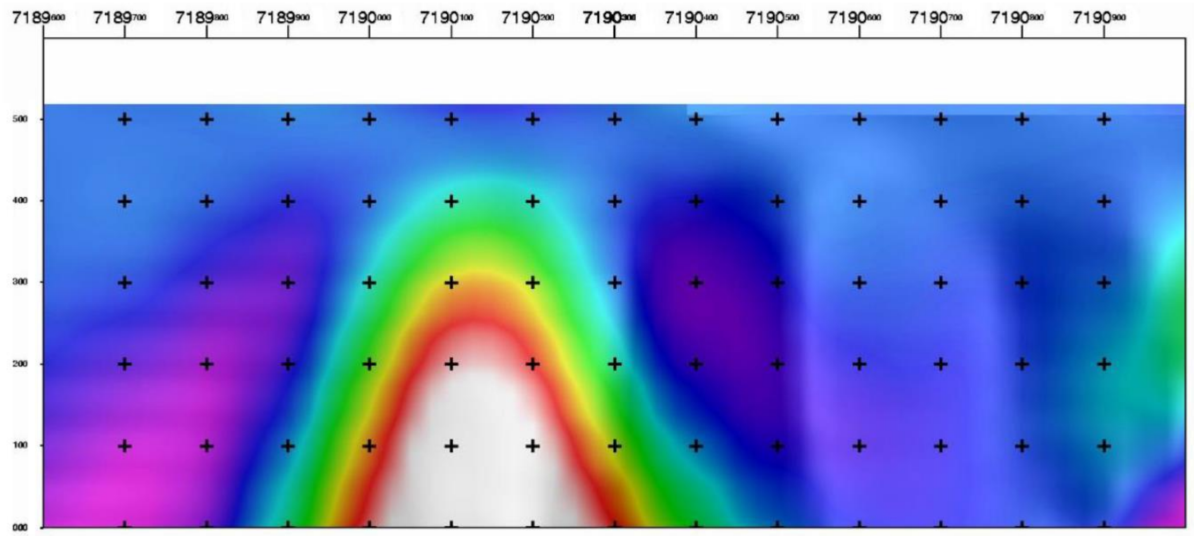


Figure 18 – North-South Section along 661150E with Western Magnetic Anomaly 200-300m below Surface.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Geological Interpretation, Historical Exploration Results, or Historical Mineral Resources is based on information compiled by Ben Pollard, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pollard has been a Member of the Australian Institute of Mining and Metallurgy for 14 years. Mr Pollard is a director of Cadre Geology and Mining Pty Ltd. Mr Pollard 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 Pollard consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

4 JORC Code, 2012 Edition – Table 1 for Paterson Resources - Pilbara and Murchison Projects WA

4.1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Historical – Diamond RC & RAB drilling, rock chip, stream sediment and soil sampling. • Recent rock chip samples • Systematic and representative of the surface and near-surface. • Shear, quartz vein & VMS hosted mineralisation • Historical reporting not sufficient to demonstrate whether the results meet industry standards. Horseshoe S. - 1-2m samples taken from RC drilling. RAB drilling samples taken at 1m and composited to 4m for assaying.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling Reverse Circulation (RC) & Rotatory Air Blast (RAB) – historical therefore details unknown
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Unknown • Unknown • Unknown
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or*	• Each sampling interval was geological logged

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	• Unknown • Unknown & Horseshoe S. - 1,316m of RC (SW1-12) and 20,514 of RAB (MRB1-534)
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Unknown • Unknown • Unknown • Unknown • Unknown • Unknown
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Unknown & Horseshoe S. - All samples prepared and assayed at the commercial laboratory AMDEL (Meekatharra). God is fire assayed on a 50g charge. Other elements assayed using ICP optical spectrometry. • Unknown & Horseshoe S. - Heliborne time-domain electromagnetic system called XTEM which used time-domain technique and has an in-loop geometry. • Unknown
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Unknown
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations*	• N/A, no Mineral Resource estimate

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• GDA94 • Unknown
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Appropriate for surface sampling. Horseshoe S. - RC drilling variable, targeting specific geologies. The RAB drilling is reported as being spaced at 25m on 100m lines. • N/A, no Mineral Resource estimate • Unknown for drilling. No composites for surface sampling. Horseshoe S. - First 4 RC holes composited to 2m, remainder assayed as 1m. The 1m RAB samples composited to 4m intervals for assaying.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling and surface sampling designed to best represent the knowledge of each project's geology. Orientation and dimensions of mineralisation unknown at this stage. • Unknown
Sample security	• *The measures taken to ensure sample security.*	• Unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Unknown

4.2 Section 2 Reporting of Exploration Results

Criteria	JORC Code 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.* • *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.*	• E08/2880, 80km northwest of Paraburdoo in Western Australia, a subsidiary of Paterson, ACN 603 462 513 Pty Ltd holds 100%. • E47/3578, 20km northwest of Paraburdoo in Western Australia, a subsidiary of Paterson, ACN 603 462 513 Pty Ltd holds 100%. • E45/5020, 95km southeast of Marble Bar in Western Australia, a subsidiary of Paterson, ACN 603 462 513 Pty Ltd holds 100%. • E47/3827, 65km west of Tom Price in Western Australia, a subsidiary of Paterson, ACN 603 462 513 Pty Ltd holds 100%. • E52/2569, 140km N of Meekatharra in Western Australia, Paterson

Criteria	JORC Code explanation	Commentary
		holds 100% • All tenements are in good standing
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• E47/3578 - Historically various operators have held tenure over the area including AusQuest and CRA Exploration • E08/2880 - Historically various operators have held tenure over the area including Nothern Star Resources • E45/5020 - Historically various operators have held tenure over the area including Mines and Resources Australia • E47/3827 - A few operators have held tenure over the area including Fortescue Mineral Group • E52/2569 - Historically various operators have held tenure over the area. Sabminco completed most work.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• E47/3578 - The project is positioned in the southern part of the Pilbara Craton. It is wholly comprised of formations of the Fortescue Group which forms part of the Mt. Bruce Supergroup. A mixture of overlying formations of mafic/ultramafic volcanic flows and intrusives as well as sedimentary/metasedimentary units make up the geology of the project area. • E08/2880 - The project is located between the Yilgarn and Pilbara Craton. It is wholly positioned in the Ashburton basin which forms part of the Capricorn Orogen. Greywackes of the Ashburton Formation, a part of the Wyloo Group, cover the majority of the tenement. • E45/5020 - The project is regionally situated in the Eastern Pilbara Craton, with the local geology dominated by the Elsie Creek Tonalite and Euro Basalt, part of the Mount Elsie Greenstone belt. Small scale historic gold workings can be found off tenure to the south at the Mount Elsie Gold Mining Centre. • E47/3827 - • The project is positioned in the southern part of the Pilbara Craton. It is wholly comprised of formations of the Fortescue Group which forms part of the Mt. Bruce Supergroup. A mixture of overlying formations of mafic/ultramafic volcanic flows and intrusives as well as sedimentary/metasedimentary units make up the geology of the project area.

Criteria	JORC Code explanation	Commentary
		• E52/2569 - The project lies within the Palaeoproterozoic-aged Bryah Basin. A narrow zone of Narracoota Formation surrounded by Ravelstone Formation comprises much of the project area. The Narracoota Formation is strongly associated with Volcanic Massive Sulphide deposits in the area.
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:* ○ *easting 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.* • *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.*	• Unknown precise locations as historical • The majority of exploration results reported are not current and are only important in supporting of exploration and drill target generation
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Unknown • Unknown • No metal equivalents reported
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 (eg 'down hole length, true width not known').*	• Reported results are relevant in the context that economic mineralisation in the area is plausible • Geometry not defined • True widths unknown
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being*	• To the extent relevant included in the report

Criteria	JORC Code explanation	Commentary
	reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
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.*	• Reference made to both significant and insignificant results over the area in question and in the context of the relevance to drill targeting
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.*	• Data considered most comprehensive and most relevant has been reported
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out 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.*	• RC drill testing of geochemical & geophysical anomalies, geological reconnaissance, geophysical surveys, soil sediment and stream sediment sampling. • Drill locations to be confirmed following site visits

11.4 Burraga Copper-Gold Project: Lucky Draw & Hackneys Creek Gold Resource Estimate

Lucky Draw and Hackney's Creek Gold Resources, Burraga NSW

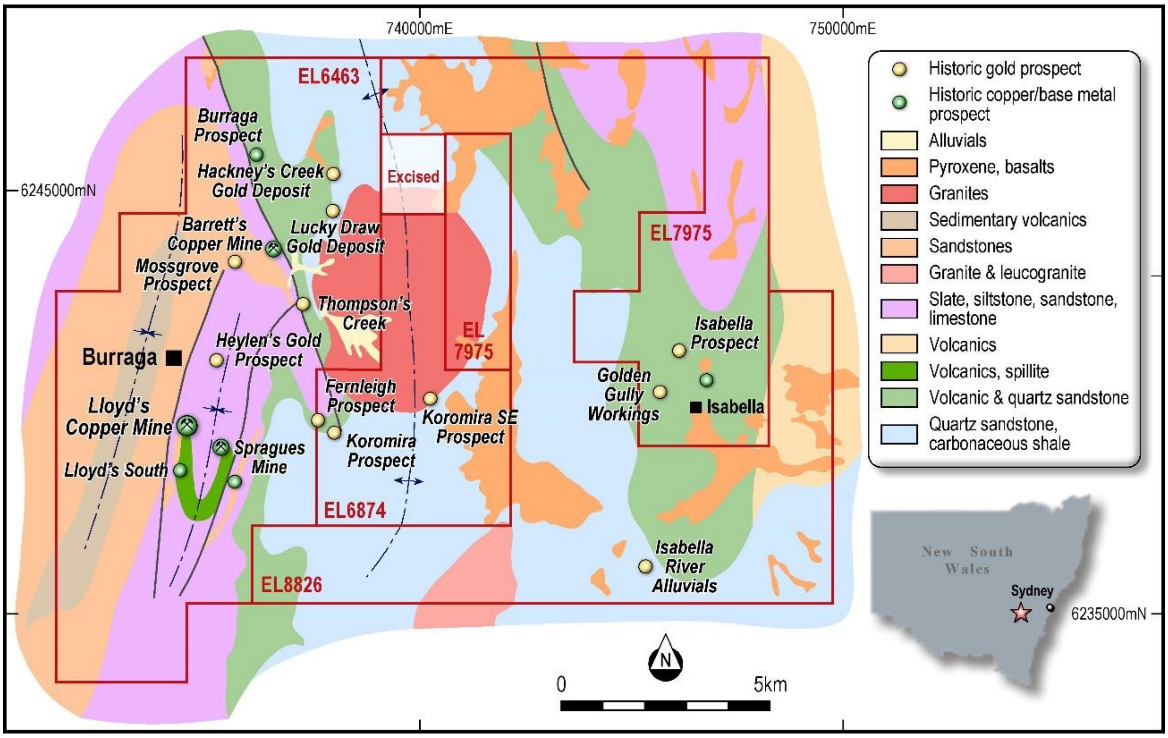
Gold Mineral Resources (above 0.5 g/t Au cutoff)				
		Tonnes	**g/t Au**	**Au Metal ozs**
Hackney's Creek	Measured			
	Indicated			
	Inferred	2,210,000	1.4	102,300
	Total	2,210,000	1.4	102,300
Lucky Draw	Measured			
	Indicated			
	Inferred	470,000	2.1	31,700
	Total	470,000	2.1	31,700
Gold Total	Measured			
	Indicated			
	Inferred	2,680,000	1.6	134,000
	Total	**2,680,000**	**1.6**	**134,000**

Table 1. Lucky Draw and Hackney's Creek Mineral Resources by model and resource category

The Lucky Draw and Hackney's Creek deposits occur along strike from each other about 1km apart and 5km northeast of the village of Burraga.

Geology and Geological Interpretation

The Lucky Draw and Hackneys Creek gold deposits occur in metasomatised sediments of the Ordovician Triangle Formation immediately below the contact with mafic volcanic rocks inferred to belong to the Rockley Volcanics and very close to the contact with the Carboniferous Burraga Granite. The skarn-like ore displays a gold – bismuth - tellurium association (an "intrusion-related gold" signature) but is generally sulphur-poor with a very low sulphide mineral content. Skarn-like mineral assemblages (including garnet and gedrite), alteration and mineralisation at Lucky Draw including are considered by Sheppard *et al*. (1995) to be the product of contact metamorphism and hydrothermal activity associated with the intrusion of the Burraga Granite.



Weathering and associated oxidation of sulphide minerals extends to about 30m below surface.

The Lucky Draw deposit comprises multiple 2 m to 15m thick zones within an overall package about 70 m thick. Both the individual zones and the package strike north south and dips gently (20° - 30°) to the west. Gold mineralisation at Lucky Draw has been defined by drilling over a strike length of 400 m and 200 m down dip to a depth of about 100 m below surface.

At Hackney's Creek gold mineralisation also occurs in multiple 2 m to 20m thick zones within an overall package about 120 m thick. Mineralisation also strikes north and dips 50° to 60° to the west. Drilling has defined gold mineralisation over a strike length of 220 m and 250 m down dip to about 250 m below surface.

Sampling and Sub Sampling Techniques

DD core was cut using a diamond core saw and half core sub-sampled. The procedure was to take DD core samples geological contacts to a maximum of 1.0 m.

The RC sub-sampling method was not recorded.

The trenches were logged and sampled at 2.5 intervals.

Drilling Techniques

These resources have been estimated from trenching, reverse circulation (RC) drilling and diamond drilling (DD) carried out by Renison Goldfields (RGC) from 1986 until 1993 and by Werrie Gold in 1999 as described in the table below.

Prospect	Company	Method	Prefix	Number of holes	Total metres	% of Drilling by Prospect
Lucky Draw	RGC	DD	LDD	151	11,444.30	73.5%
		RC	LDR, LRC	111	3,416.10	21.9%
		RCDD	LXD	7	707.26	4.5%
Hackney's Creek	RGC	DD	LDD	35	5,833.62	23.3%
		RC	LRC	127	4,101.65	16.4%
		trench	HAK	59	11,033.70	44.2%
		RCDD	LXD	16	2,242.97	9.0%
	Werrie	RC	HRC	3	320.00	1.3%
		RCDD	HXD	6	1,456.75	5.8%
Grand Total				**515**	**40,556.35**	

Table 2 Drilling data used in resource estimates by company and drilling method

DD drilling (including holes with RC pre-collars) comprises 78.1 % of Lucky Draw and 38.2% of Hackney's Creek data. All DD drilling used a triple tube core barrel which maximises core recovery. The hole size data has only been located for 19% of the Lucky Draw and 54% of the Hackney's Creek DD drilling. At Lucky Draw where hole size was recorded, 62% of the DD drilling was HQ, 10% "HQNQ" and 28% PQ. At Hackney's Creek the recorded DD hole sizes were 58% HQ and 42% NQ.

RC drilling was not well described. The hole diameter was 4.5 inches. When dry sample could not be maintained the hole was stopped and finished with a DD tail. There is no information on the hammer type, rod size or compressor capacity.

Surface Ditchwitch trenches at Hackney's Creek were dug to about 1 m depth. The trench locations were surveyed by tape and compass from grid pegs.

Criteria Used for Classification

All resources reported were classified as inferred.

The Lucky Draw resource estimate was classified largely taking into account the limited data available to assess sample quality and also the limited understanding of the geological controls on gold mineralisation. The drill spacing is very close in places and so a small amount of additional drilling has the potential to re-classify some of the resources as measured or indicated if the data quality can be demonstrated.

The current drill spacing at Hackney's Creek is quite wide relative to the variogram model ranges and so further infill drilling will be required to upgrade the deposit to Indicated and Measured resources categories.

Sample Analysis Method

All samples were dried, crushed, milled to 150um, a 500g riffle split taken and further milled to 100um. A 50g charge was then assayed for Au by fire assay with AAS finish. The lower detection limit was 0.01 g/t.

Estimation Methodology

Lucky Draw Resource Estimation

The data was domained using a wireframe interpreted at a nominal 0.2 g/t Au.

A regularised block model was constructed using blocks of 10 m by 10 m by 2.5 m (XYZ). This model was in turn coded for proportions of blocks below / inside the topography and inside the gold grade domain.

The maximum extrapolation at Lucky Draw was 22.5m and at Hackney's Creek 25m. In both deposits this was half the section spacing. With the resource estimation software package used it is not possible to calculate (or even define) the proportion of extrapolated resource. A visual estimate is that no more than 10 % of the resource estimates are based on extrapolated grades.

All raw assay samples were composited to 2.5 metres prior to statistical analysis and grade interpolation.

The Lucky Draw resource was estimated by ordinary kriging of composited gold grades cut to 25 g/t Au within the gold grade domain as a hard boundary. No other elements were estimated due to a lack of data.

An assumed bulk density of 2.6 t/m^3 was assigned globally because there was no density data available at the time the resource estimate was made. The bulk density value was based on a typical bulk density of the mineralisation host rock (predominantly un-weathered garnet schist).

The Lucky Draw resources were reported from below both a wireframe of the final mine survey and a topographic surface constructed by triangulating pre-mining drill collars.

The block model was validated visually and against alternative interpolation methods. The resource estimate was also reconciled to the Lucky Draw open pit production data.

Hackney's Creek Resource Estimation

The Hackney's Creek resource estimate largely followed the methods used at Lucky Draw, however no top cut was applied as there was no statistical evidence that is was necessary.

Cut Off Grade

The Mineral Resource cut-off grade for reporting of global gold resources for the Lucky Draw and Hackney's Creek deposit chosen as 0.5g/t gold for open cut mining. This was based upon economic parameters utilised at comparable projects where deposits of the same style, commodity, similar size and mining methodology are currently being extracted.

Mining and Metallurgical Methods and Parameters

Open pit mining is assumed based on the width and near surface location of the mineralisation. Current gold prices would likely result in a significantly deeper optimal pit at Lucky Draw than the pit design mined by RGC during the early 1990's.

High metallurgical recovery (>90%) is assumed at Lucky Draw based on the successful operation of the Lucky Draw gold processing plant (conventional crushing and milling followed by CIP leach and electrowinning).

Preliminary metallurgical test work was carried out on 3 samples of ore from the Hackney's Creek Deposit by RGC NSW Ltd, showing a work index ranging from 7.4-8.0 kWh/t and a potential gold extraction of 89-95% in a 24 hour cyanide leach. These results compared favourably to the Lucky Draw ore, with slightly higher recoveries potentially indicated.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Mineral Resources and exploration results is based on and fairly represents information and supporting information prepared by Kerrin Allwood (M.Sc., CP Geol), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Allwood is employed by Geomodelling Ltd. Mr. Allwood has sufficient experience that is relevant to the styles of mineralisation and types 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 Mineral Resources and Ore Reserves". Mr. Allwood has provided his prior written consent as to the form and context in which the exploration results and Mineral Resources and the supporting information are presented in this report.

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Report on an Estimate of Gold Mineral Resources at Hackneys Creek and Luck Draw.

16 April, 2020.

1 Summary

An estimate was made of gold mineral resources at the Lucky Draw and Hackney's Creek deposits for Elysium Resources Ltd (EYM) in 2011. Following a re-structure EYM has changed name to Paterson Resources Ltd (PSL). This report describes the 2011 resource estimate.

The Lucky Draw and Hackney's Creek deposits occur along strike from each other about 1km apart and 5km northeast of the village of Burraga.

The Lucky Draw and Hackneys Creek gold deposits occur in metasomatised sediments of the Ordovician Triangle Formation immediately below the contact with mafic volcanic rocks inferred to belong to the Rockley Volcanics and very close to the contact with the Carboniferous Burraga Granite. The skarn-like ore displays a gold – bismuth - tellurium association (an "intrusion-related gold" signature) but is generally sulphur-poor with a very low sulphide mineral content. Skarn-like mineral assemblages (including garnet and gedrite), alteration and mineralisation at Lucky Draw including are considered by Sheppard *et al*. (1995) to be the product of contact metamorphism and hydrothermal activity associated with the intrusion of the Burraga Granite.

Weathering and associated oxidation of sulphide minerals extends to about 30m below surface.

These resources have been estimated from trenching, reverse circulation drilling and diamond drilling carried out by Renison Goldfields (RGC) from 1986 until 1993.

There is limited data describing the drilling, sampling and assaying methods used in these resource estimates. There is almost no QAQC data to confirm the quality of these data. All the mineral resources reported here are classified as inferred because of the uncertainty regarding the data quality into account

RGC mined an open pit at Lucky Draw from December 1988 until 1991, producing 1.48 million tonnes grading 3.53 g/t gold.

1.1. Lucky Draw Resource Estimation

The data was domained using a wireframe interpreted at a nominal 0.2 g/t Au.

A regularised block model was constructed using blocks of 10 m by 10 m by 2.5 m (XYZ). This model was in turn coded for proportions of blocks below / inside the topography and inside the gold grade domain,

All raw assay samples were composited to 2.5 metres prior to statistical analysis and grade interpolation.

The Lucky Draw resource was estimated by ordinary kriging of composited gold grades cut to 25 g/t Au within the gold grade domain as a hard boundary. No other elements were estimated due to a lack of data.

An assumed bulk density of 2.6 t/m^3 was assigned globally because there was no density data available at the time the resource estimate was made. The bulk density value was based on a typical bulk density of the mineralisation host rock (predominantly un-weathered garnet schist).

The Lucky Draw resources were reported from below both a wireframe of the final mine survey and a topographic surface constructed by triangulating pre-mining drill collars.

The block model was classified in accordance with the JORC (2012) code largely taking into account the limited data available to assess sample quality and also the limited understanding of the geological controls on gold mineralisation. The drill spacing is very close in places and so if the data quality can be demonstrated and the geology well understood then it could be possible to re-classify some of the resources as measured or indicated.

The block model was validated visually and against alternative interpolation methods. The resource estimate was also reconciled to the Lucky Draw open pit production data.

1.2. Hackney's Creek Resource Estimation

The Hackney's Creek resource estimate largely followed the methods used at Lucky Draw.

The only significant difference in method is that no top cut was applied as there was no statistical evidence that a top cut may be necessary.

The current drill spacing at Hackney's Creek is quite wide relative to the variogram model ranges and so there is no possibility of indicated resources without infill drilling as well as demonstrating the data quality and developing a sound understanding of the geology.

1.3. Results

The Lucky Draw and Hackney's Creek mineral resources are presented in Table 1.

The gold resources are reported at a cutoff of 0.5 g/t Au.

Gold Mineral Resources (above 0.5 g/t Au cutoff)				
		tonnes	**Au (g/t)**	**Au Metal (koz)**
Hackney's Creek	Measured			
	Indicated			
	Inferred	2,210,000	1.4	102.3
	Total	2,210,000	1.4	102.3
Lucky Draw	Measured			
	Indicated			
	Inferred	470,000	2.1	31.7
	Total	470,000	2.1	31.7
Gold Total	Measured			
	Indicated			
	Inferred	2,680,000	1.6	134.0
	Total	**2,680,000**	**1.6**	**134.0**

Table 1. Lucky Draw and Hackney's Creek Mineral Resources by model and resource category

Recommendations have been made to reduce the resource estimation risk and to increase the resource size.

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2 Introduction

2.1. Location

The Lucky Draw and Hackney's Creek deposits are located in central NSW, approximately 40 km southwest of Oberon and 80 km southeast of Orange (see Figure 2-1). The village of Burraga lies about 5km to the southwest of Lucky Draw.

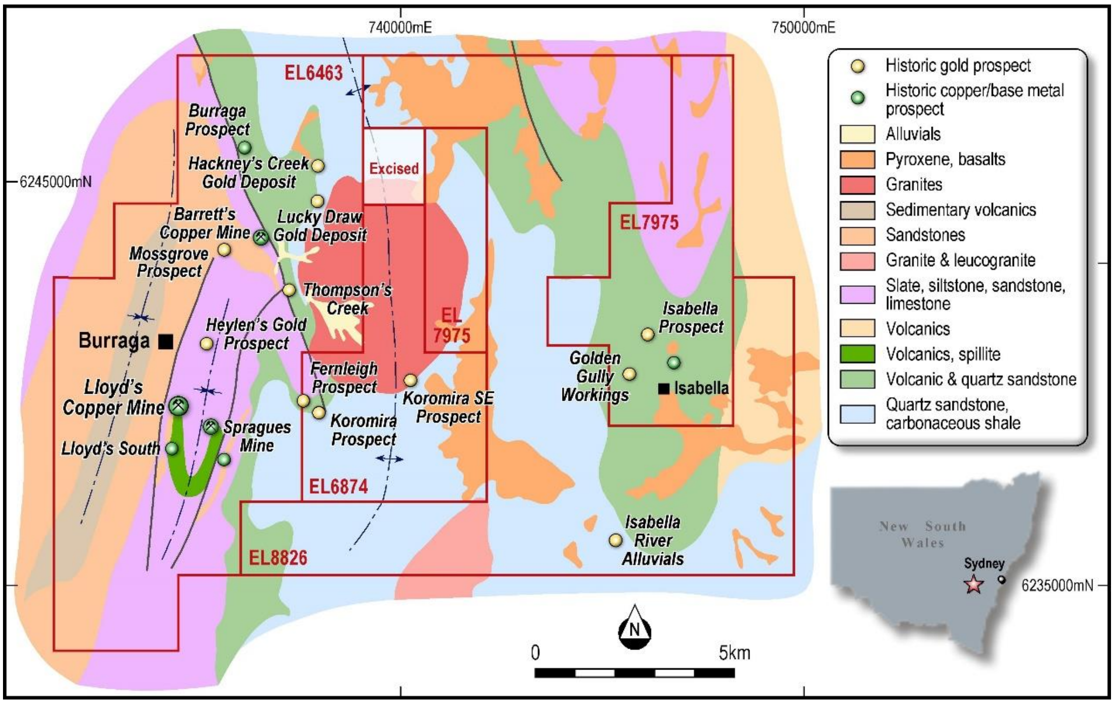

Figure 2-1 Geological setting and location of EL6463 and prospects (after Harley, 2011).

2.2. Context

This resource estimate will be used for public reporting of mineral resources by Paterson Resources Limited (PSL).

The mineral resource estimates reported on here were completed by GML in 2011 for Burraga Copper Ltd, at that time controlled by Elysium Resources Ltd. (EYM). This work was not publicly announced at the time and so no supporting report describing the resource estimation processes was made at the time. This report describes the work completed in 2011 and is intended to support the public reporting of the gold mineral resource estimates at Lucky Draw and Hackney's Creek by PSL.

2.3. Tenement

The Lucky Draw and Hackney's Creek deposits are located within EL6463, held by BC Exploration Propriety Limited (BCEL). BCEL is a 100% owned subsidiary of PSL.

2.4. Other

2.4.1. <u>Software</u>

All the geological and block modelling was completed using Minesight software.

Statistical and geostatistical analysis was completed using Minesight MSDA software.

2.4.2. Grids

All work reported on here was completed in AMG66 as that was the only coordinates provided for the drilling data. There is no local mine grid.

3 Geology

3.1. Regional Geology

The recent discovery of substantial gold mineralisation at McPhillamys Hill between Blayney and Bathurst has altered the perspective of key structural controls on gold mineralisation and the prospectivity of sections of the Lachlan Fold Belt. The McPhillamys deposit (2.3 million ounces gold resource) lies on the southwestern margin of the Hill End Trough adjacent to the Godolphin Fault within strongly deformed sediments and acid volcanics (Anson Formation) belonging to the Late Silurian Mumbil Group. The Godolphin Fault separates the Mumbil Group rocks that host the McPhillamys deposit on the northeastern side of the fault from Late Ordovician volcanics, sediments and intrusives of the Blayney Volcanics to the west.

3.1.1. Stratigraphy

Bedrock within the area covered by EL 6874 is dominated by Middle and Late Ordovician meta-sediments and the Carboniferous Burraga Granite. Figure 3-1 shows the geology of EL6463 and is based on the geological mapping of the Oberon 1:100,000 geological sheet area by the Australian Geological Survey Organisation and the NSW Geological.

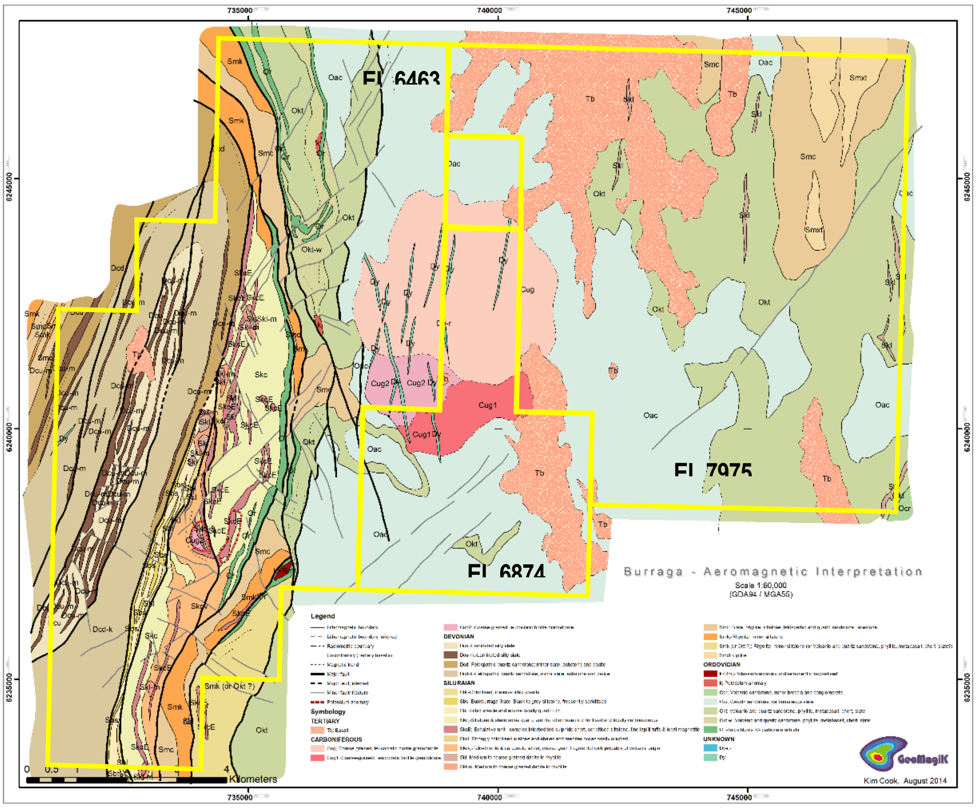

Figure 3-1 Geological Map of EL6463 and surrounding tenements.

The stratigraphy of EL6463 is poorly understood with different workers providing substantially different interpretations, especially with respect to the relationship of the Burraga sequence to the rest of the stratigraphy. The following descriptions of the rocks with EL6463 is a summary of the 'consensus' stratigraphy.

The oldest rocks in the tenement are the middle Ordovician Adaminaby Group which is comprised mainly of variably deformed quartz sandstone and carbonaceous shale. The Adaminaby Group underlies the south eastern parts of the licence area, east of the 'Lloyds syncline'.

Conformably overlying the Adaminaby Group is the Triangle Formation of the middle Ordovician Kenilworth Group. The Triangle Formation consists of mafic volcaniclastic sandstone, meta-basalt, slate, phyllite, schist, siliceous carbonaceous slate, chert, quartzite and sandstone. The Triangle Group is host to the Lucky Draw and Hackney's Creek gold deposits in the north eastern part of EL6463.

The Triangle Formation rocks are unconformably overlain by the Middle to Late Silurian Campbells Formation of the Mumbil Group. Typically, the formation comprises siltstones overlain by interbedded slate and fine to coarse grained feldspathic meta-sandstone. The Campbells Formation is broadly correlatable with the Anson Formation; host to the McPhillamys Hill gold deposit in the Blayney-Orange district to the northwest.

In faulted contact above the Triangle Formation are sediments of the Early Devonian Crudine Group. The Crudine Group comprises the Dunchurch Formation (feldspathic quartz sandstone with minor slate, ashstone and dacite) and the Buckburraga Slate (laminated silty slate).

Within the 'Lloyds syncline' is a sequence of strongly deformed rocks with complex structural and stratigraphic relationships. This sequence comprises a basal slate mapped as the Buckburraga slate overlain by the Excelsior Porphyry. Petrographic analysis of the Excelsior Porphyry shows that is in fact a highly altered volcanic tuff. Above the Excelsior Porphyry is the Hanrahan's Agglomerate which is actually a polymict breccia of tectonic origin. The Hanrahan's Agglomerate includes clasts of limestone, amorphous silica and Excelsior Porphyry. Most of the Burraga copper mineralisation occurs in the Hanrahan's Agglomerate. Fine grained schist, phyllite and minor limestone of the Lovett's Formation occurs above the Hanrahan's Agglomerate.

The age and stratigraphic relationship of the 'Lloyds syncline' sequence to rocks outside the 'syncline' have not been resolved. The sequence is variably interpreted as part of the Late Ordovician Rockley Volcanics or as part of the Silurian Mumbil Group.

In the northeast of EL 6463 is the western margin of the Carboniferous Burraga Granite that has intruded rocks of the Adaminaby Group and Triangle Formation. The Burraga Granite is described as a medium to coarse-grained leucocratic biotite granodiorite that comprises two phases; a massive medium-grained two mica I-type granodiorite and a medium-grained garnet-muscovite granodiorite that has S-type affinities. The garnet-muscovite phase occurs in the northwest part of the pluton (within EL 6463) adjacent to the Lucky Draw gold deposit. Intruded Ordovician Adaminaby Group sediments have been contact metamorphosed to micaceous quartzite and pelitic quartz-mica schists containing quartz-albite-biotite ± cordierite and quartz-biotite-muscovite-albite-andalusite-cordierite assemblages. Intruded Ordovician Triangle Formation sediments have been contact metamorphosed to quartz-feldspar-biotite schist and tremolite-chlorite schist (Rockley Volcanics?). The contact metamorphic aureole associated with the intrusion of the Burraga Granite is reported to be 75-100 metres wide.

Minor Quaternary alluvium and gravels are located adjacent to streams in the central part of the tenement where these streams drain part of the Burraga Granite.

3.1.2. Structure

The tenement area has undergone a complex structural and metamorphic history.

Recent re-interpretation of airborne magnetic data suggests that the Godolphin Fault, (a significant control on the 2.3 Moz McPhillamys gold deposit) extends through EL6463 where it juxtaposes Silurian Campbells Formation (to the west) and Ordovician Triangle Formation (to the east; see Figure 3-1 Geological Map of EL6463 and surrounding tenements.).

3.1.3. Gold Mineralisation

The Lucky Draw gold deposit occurs in metasomatised sediments of the Ordovician Triangle Formation immediately below the contact with mafic volcanic rocks inferred to belong to the Rockley Volcanics and very close to the contact with the Carboniferous Burraga Granite. The skarn-like ore displays a gold – bismuth - tellurium association (an "intrusion-related gold" signature) but is generally sulphur-poor with a very low sulphide mineral content. Skarn-like mineral assemblages (including garnet and gedrite), alteration and mineralisation at Lucky Draw including are considered by Sheppard *et al.* (1995) to be the product of contact metamorphism and hydrothermal activity associated with the intrusion of the Burraga Granite.

3.2. Local Geology

3.2.1. Lucky Draw

The Lucky Draw deposit occurs within Triangle Group sediments, just below the contact with the overlying Rockley Volcanics.

The primary control on gold mineralisation is modelled as gently west dipping which is presumably bedding / foliation parallel.

It is not visually clear if there are ore shoots and, if so, what the plunge of such ore shoots is.

The controls on the high grade gold zones at Lucky Draw are also unclear. It may be that the high grade zones are structurally controlled, possibly by east striking, moderately south dipping structures although steep east – west structures and steep north south structures may also be important. Alternatively, structure may be unimportant and high grade zones are following some sort of chemical (carbonate rich zones?) or physical (grain size?) zones within a stratigraphically favourable unit.

The gold mineralisation is intruded by an un-mineralised granitoid stock and associated dykes / sills.

3.2.2. Hackneys Creek

The geology of gold mineralisation at Hackney's Creek is very similar to that at Lucky Draw. The main difference is that the Hackney's Creek mineralisation dips more steeply (40° - 70°) to the west.

3.3. Previous Mining and Exploration

Lucky Draw was discovered by Renison Goldfields Consolidated Ltd (RGC) in the mid-1980s and that company mined a total of 1.48 million tonnes grading 3.53 g/t gold between 1988 and 1991. The current resource at Lucky Draw is largely contained in the pod of un-mined mineralisation to the northwest of the pit. This material was not economic in the gold price and cost environment of the early 1990's. The pit remains open and is reported to be in good condition.

RGC drilled 111 RC holes totalling 3,416.1 metres, 151 DD holes totalling 11,444.3 metres and 7 DD holes with RC pre-collars for 707.26 m at Lucky Draw.

RGC also drilled a large number of RAB holes and tool hand augur samples for a regional geochemistry survey as well as carrying out ground and aerial magnetic surveys and ground gravity surveys.

Mining grade control was by 1 m deep ditchwitch trenches 5 m apart in oxide material on 2.5 m flitches. Below about 25m below surface grade control was by blasthole sampling initially on a 4 m by 4 m grid and later on a 3 m by 3 m grid.

Similar mineralisation to Lucky Draw was also discovered by RGC in the late 1980's at the Hackneys Creek prospect, located some 800 metres north of the Lucky Draw deposit. Hackney's Creek was discovered by drilling a Au-Bi soil geochemistry anomaly. RGC drilled 127 RC totalling 4,101.85 metres, 35 DD holes totalling 5,833.62 metres, 16 DD holes with RC pre-collars for 2242.97m and also dug 59 surface trenches totalling 11,033.7m.

After RGC ceased mining Werrie Gold drilled 9 holes to test for down dip extensions to mineralisation at Hackney's Creek.

4 Data

4.1. Data Provided

4.1.1. Databases

EYM provided the Lucky Draw and Hackney's Creek drilling data as a series of excel spreadsheets which had originally been compiled by Brewer Geological Services in 2002 for Marlborough Resources NL from publicly available data held by the NSW Department of Resources and Energy (now Resources and Geoscience NSW; Brewer, 2002). These spreadsheets included collar information (coordinates, total depth, azimuth and hole dip), assays (holeID, from, to, Au and Bi), downhole surveys (holeID, depth, azimuth and dip) and summary geology (HoleID, from, to, lithology). No meta-data such as hole type, hole size, QAQC data, assay method, laboratory, sampling method etc was provided.

GML was able to establish some meta-data from reports and inference of HoleID.

4.1.2. Topography

No topographic data was provided.

The local topography at Lucky Draw and Hackney's Creek areas is (at least prior to mining) subdued. Therefore, a pre-mining topography surface was created by triangulating hole collar coordinates (excluding holes clearly drilled from within the Lucky Draw pit).

The topographic surfaces are considered acceptable for the resource category reported here (inferred) but would need to be upgraded for higher resource categories.

4.1.3. Lucky Draw Open Pit final survey

EYM provided a text file of points digitised from the pit closure survey plan.

GML triangulated these points to create a final pit surface wireframe used to constrain the Lucky Draw resource.

GML is not aware of any back-fill in the Lucky Draw pit.

4.2. Drilling and Trenching Programmes

4.2.1. RGC

The vast majority of the data used in these resource estimates was completed by RGC.

All downhole surveys were by Eastman single shot.

4.1.2.1 Diamond Drilling

All DD drilling was wireline drilling. All PQ and HQ drilling utilised triple tube core barrels.

The LXD Series holes were NQ DD holes with RC pre-collars. The pre-collars were drilled to the 'water table' and then the holes were converted to NQ DD drilling.

The LDD holes were a series vertical PQ/HQ DDs drilled 1987-89, mostly at Lucky Draw but also at Hackney's Creek. A few LDD holes had short (< 20 m) RC pre-collars. Downhole surveys (unknown method) were taken every 50 m and at the end of hole.

4.1.2.2 Reverse Circulation Drilling

The LRC & LDR series were RC holes.

RC drilling used a 4.5 inch hammer, presumably with a cross-over as face sample hammers had not been invented at this time. There is no other information recorded about the RC drilling methods. Note that RC drilling was a relatively recent development in the late 1980s and many technologies common today were not in use including mast dump, rod carousels, face sample hammers, high capacity compressors, high pressure boosters and dust suppression / sampling.

4.1.2.3 Ditchwitch Trenching

The HAK series are surface ditchwitch trenches at Hackney's Creek dug to about 1 m depth. The trench locations were surveyed by tape and compass from grid pegs. The trenches were logged and sampled at 2.5 intervals.

HAK041-059 were closely spaced ditchwitch trenches designed to test grade control methods and to inform the short range parts of the variogram.

4.2.2. Werrie Gold

Werrie Gold drilled 6 DD holes (HXD005-HXD010) and 3 RC holes (HRC011-HRC013)

prospect	Company	method	prefix	Number of holes	Total metres
Lucky Draw	RGC	DD	LDD	151	11,444.30
		RC	LDR, LRC	111	3,416.10
		RCDD	LXD	7	707.26
Hackney's Creek	RGC	DD	LDD	35	5,833.62
		RC	LRC	127	4,101.65
		trench	HAK	59	11,033.70
		RCDD	LXD	16	2,242.97
	Werrie	RC	HRC	3	320.00
		RCDD	HXD	6	1,456.75
Grand Total				**515**	**40,556.35**

Table 2 Drilling data used in resource estimates by company and drilling method

4.3. Drilling Recovery

RC drilling recovery was not recorded.

RC sample moisture content was not recorded.

Diamond drilling recovered was reported to be logged, but no diamond drilling recovery data has been located for Lucky Draw to date. RGC (1988) state that core recovery was poor in the oxide zone within 30m of the surface. RGC (1988) reported 26 intervals of diamond drilling recovery less than 90%.

Four intervals of diamond drilling recovery at Hackney's Creek of less than 90% was reported by Arundell (1989). It is assumed that all other diamond drilling at Hackney's Creek was greater than 90%.

4.4. Sub-Sampling Methods

DD core was cut using a diamond core saw and half core sub-sampled. The procedure was to take DD core samples geological contacts to a maximum of 1.0 m.

The RC sub-sampling method was not recorded.

Table 4 shows that within the gold domains the samples are predominantly DD samples.

prospect	Hole type	Number of Au Assays	Number of Bi Assays	prospect
Lucky Draw	DD	(blank)	6,555	5,704
		HQ	757	688
		HQNQ	117	61
		PQ	467	467
	RC	RC 4.5	1,205	570
	RCDD	RC 4.5	29	29
		(blank)	5	5
		HQ	11	6
	trench	ditchwitch	299	299
Hackney's Creek	DD	HQ3	1,482	1,482
		NQ	952	952
		PQ3	12	12
		RC 4.5	4	4
		(blank)	132	132
		HQ	157	157
	RC	RC 4.5	1,107	767
		RC 4.25	39	39
	RCDD	NQ	156	156
		RC 4.5	49	49
		(blank)	2,062	1,056
	trench	ditchwitch	1,116	598
Grand Total			16,713	13,233

Table 3 Samples by drill type

prospect	Hole type	Number of Au Assays	Number of Bi Assays	prospect
Lucky Draw	DD	(blank)	1,338	1,196
		HQ	112	102
		HQNQ	44	44
		PQ	106	106
	RC	RC 4.5	140	80
Hackney's Creek	DD	HQ3	129	129
		NQ	182	182
		HQ	59	59
	RC	RC 4.5	88	60
	RCDD	NQ	12	12
		(blank)	254	139
	trench	ditchwitch	165	4
Grand Total			2,629	2,113

Table 4 Samples by drill type within gold domains.

4.5. Assay Methods

RGC (1988) reported that the assays were all carried out by Australian Assay Laboratories Ltd Orange (AAL, later Analabs, now SGS), however the available data sheets (not laboratory certificates) in various RGC annual EL returns to the NSW mines department show that while the majority of the assays were carried out by Analabs, with some Genalysis assays and a very small number of SGS results (see Table 5).

At Analabs / AAL / SGS the samples were dried on receipt, crushed, if necessary riffle split to – 4kg, hammer milled to 150um, riffle split a 500g sub-sample, milled to -100um. After sample preparation a 50g charge was fire assayed and Au determined by AAS (presumably after aqua regia digest). The lower detection limit for Au was 0.01 ppm.

The sample preparation and analytical methods used by Genalysis are not known, but likely very similar to Analabs given that Genalysis were used as an umpire laboratory.

A separate SGS laboratory carried out umpire laboratory check (pulp?) duplicates.

deposit	laboratory	Number of Au assays	Percent of all assays in deposit
Lucky Draw	Analabs	1,659	17.6%
	Genalysis	3,459	36.6%
	SGS	73	0.8%
	(blank)	4,254	45.0%
Hackney's Creek	Analabs	723	9.9%
	Genalysis	674	9.3%
	(blank)	5,871	80.8%
Grand Total		**16,713**	**100.0%**

Table 5 Assay samples by laboratory.

deposit	laboratory	Number of Au assays	Percent of all assays in deposit
Lucky Draw	Analabs	284	16.3%
	Genalysis	815	46.8%
	(blank)	641	36.8%
Hackney's Creek	Analabs	173	19.5%
	Genalysis	67	7.5%
	(blank)	649	73.0%
Grand Total		**2,629**	**100.0%**

Table 6 Assay samples within gold domains by laboratory.

4.6. Surface Survey methods

All RGC drill collars were surveyed to a precision of +/- 0.01 m by Geospectrum (Australia), but the method was not stated. Given the timing it is likely that either a theodolite or a total station instrument was used.

All RCG surveying was to the AGD66 datum.

Collar locations are considered to be accurate to +/- 0.1 m.

4.7. Assay QAQC

No QAQC data have been located for the Lucky Draw or Hackney's Creek data. Therefore, no conclusions can be made about the quality of data used in these resource estimates.

RGC (1988) report that a standard was submitted every 10 samples. These results have not been located to date.

Arundell, (1989) reports umpire laboratory check samples for 235 pairs of coarse rejects for Hackney's Creek. The Check laboratory was Analabs (Perth). The original samples (AAL) average 2.17 g/t Au and the check results 2.16 g/t Au. The data reported on by Arundell have not been located to date.

It is known that the Lucky Draw drilling data was used as the input data for the reserve estimate used to design the RGC open pit mined 1988-93 and that this reserve model reconciled adequately to grade control data. This shows that the drilling assays are not significantly biased and were of adequate precision for mine planning.

The resource categorisation reflects the lack of QAQC data.

4.8. Data Validation and Import into Minesight

Prior to use in Minesight software, all the data was compiled from the provided spreadsheets into collar, downhole survey, assay and logging spreadsheets. Checks were performed for minimum values, maximum values, out of range values (e.g. azimuth > 360°) and overlaps. Any such flagged data were checked against the original data (log sheets, downhole surveys, assay certificates) and fixed as appropriate.

Any values provided as -9999 or -99 (missing data) were converted to -1 (null) on import into the Minesight. Below detection limit data were imported as half the detection limit.

Minesight performs additional checks for out of range data, overlapping and missing intervals on import.

5 Domaining

5.1. Lucky Draw Gold Grade Domain

The geological controls on gold mineralisation at the Lucky Draw not well understood. It is known that gold mineralisation is restricted to quartz absent Mg-Fe-Al rich schists and is associated with a chlorite-geedrite-garnet-biotitie-staurolite-hercynite assemblage. The controls on the orientation and intensity gold mineralisation are poorly understood.

In view of this very limited understanding of the controls on gold mineralisation it was decided to interpret gold grade domains from gold grade data only. The lack of geological understanding of the gold mineralisation increases the risk that the gold grade domains are poorly / incorrectly interpreted. This risk is reflected in the resource classification (see section 8).

The Luck Draw gold grade domain was modelled at a nominal 0.2 g/t to a minimum width of 2 m and a maximum internal dilution of 2 m. 0.2 g/t was selected as the nominal interpretation grade purely on economic grounds because visual inspection of the drilling data and cumulative probability plots show no natural lower cutoff to gold mineralisation. 0.2 g/t is approximately 50% of a likely open mining cut off grade (~0.5 g/t Au) and so the domain interpretation should be robust at such a mining cutoff grade.

There is only one Au grade domain. Higher grade mineralisation (above 0.5 g/t to 2.0 g/t) is continuous and could be interpreted as a high grade domain. There is no statistical evidence of mixed populations. With additional data and / or improved geological understanding it may be that more than one gold grade domain may be interpreted.

The gold grade domain was not interpreted in the granitoid stock.

The gold grade domain was interpreted as polygon strings on drill sections. The strings were snapped to assay intervals so that later coding of the assay data would honour the interpreted domain boundary.

The strings were later linked to form the domain wireframe. Not all strings were linked as an assessment in 3D showed that the continuity observed in section did not extend between sections.

5.2. Hackney's Creek Gold Grade Domain

The Hackney's Creek gold domain interpolation largely followed the methods used for Lucky Draw.

The Hackney's Creek gold mineralisation is generally lower grade than at Lucky Draw.

The primary control on gold mineralisation is modelled as moderately (~50°) west dipping which is presumably bedding / foliation parallel. Secondary control is a series of inferred north striking, steeply east dipping faults with normal movement offsetting stratigraphy and mineralisation and also commonly bounding mineralisation.

5.3. Oxidation Domains

No oxidation domains were interpreted at Lucky Draw or Hackney's Creek because no weathering or oxidation logging was available.

5.4. Assay coding

The raw assays were coded for DOM (gold grade domain) from the domain wireframes,

The coding of the assays was validated using the filtering function in the Minesight drillview to show all samples meeting the domain criteria (i.e. > 0.20 g/t Au) and not coded as in the gold grade domain wireframe. The visible samples were investigated to ensure that they had been deliberately excluded from the wireframe (usually because they did not show sufficient geological continuity for inclusion in a resource). Similarly, all samples not meeting the domain criteria and coded as inside the domain wireframe were viewed and checked.

6 Statistics

The statistical analysis and variography were completed using the Minesight Data Analyst (MSDA) module of the Minesight software package.

6.1. Lucky Draw Gold Domain

6.1.1. Compositing

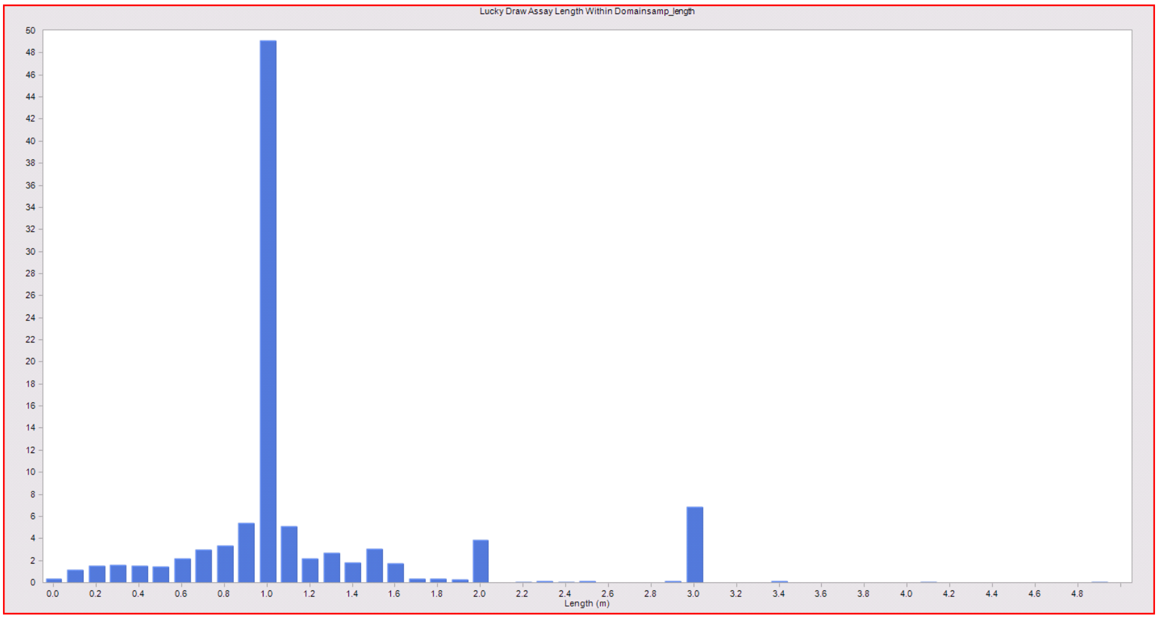

Figure 6-1. Raw sample length where DOM=1 and Au not null.

A composite length of 2.5 m was selected as this requires the splitting of few raw samples (127 or 7.2% of the 1760 raw samples; see Figure 6-1).

6.1.2. Univariate statistics

Univariate statistics of the 2.5 m composite data show a high coefficient of variation (CV).

	Au (g/t)	Au cut 25 (g/t)	Bi (ppm)
Count	818	822	689
Minimum	0	0	0
Maximum	46.51	25.00	7,000.0
Mean	3.40	3.22	285.3
1st Quartile	0.58	0.59	41.4
Median	1.40	1.41	101.6
3rd Quartile	3.68	3.66	259.6
Std. Devn.	5.66	4.70	686.1
Variance	32.04	22.06	470,748.9
Co. of Variation	1.66	1.46	2.40

Table 7. Summary univariate statistics for Au and Bi composites within the Lucky Draw gold domain.

6.1.3. Extreme Values

Cumulative probability plots of the composite data within the Lucky Draw gold domain show a slope change above about 25 g/t Au, suggestive of a separate high grade population (see Figure 6-2).

A histogram of the gold composites within the Lucky Draw gold domain is continuous to about 21 g/t Au.

Visual examination of the gold grades showed that the very high (> 25 g/t Au) zones do not form continuous zones and so may not be estimated separately.

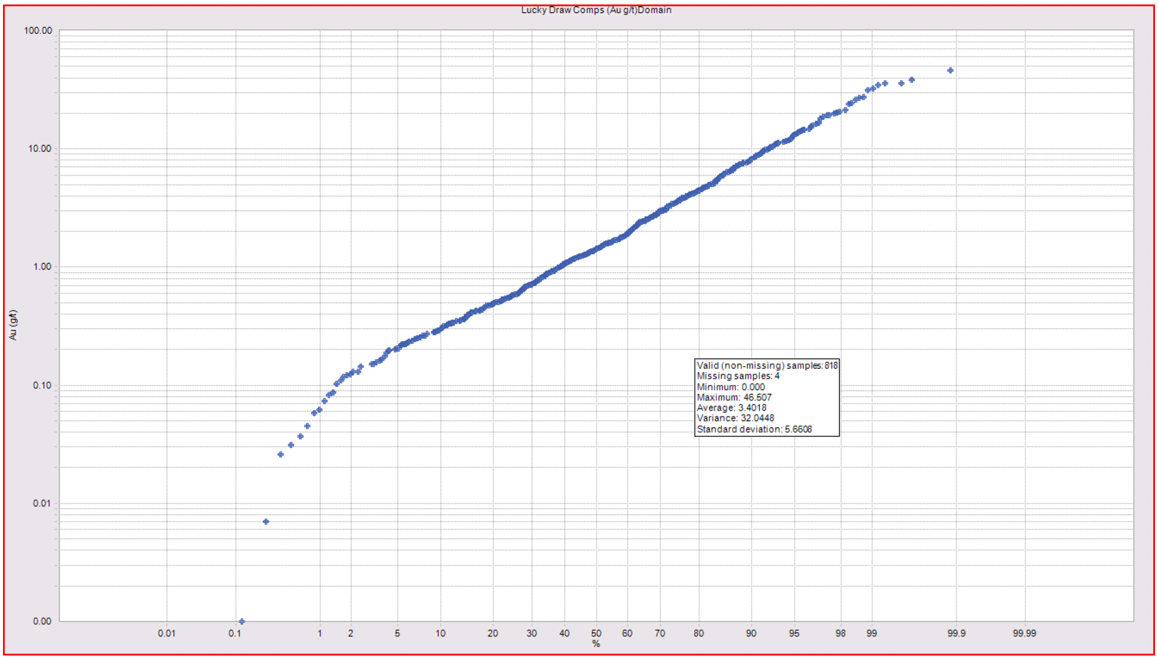

Figure 6-2. Au Composite Cumulative Probability Plot (not length weighted), of all Au composite data within the Lucky Draw gold grade domain.

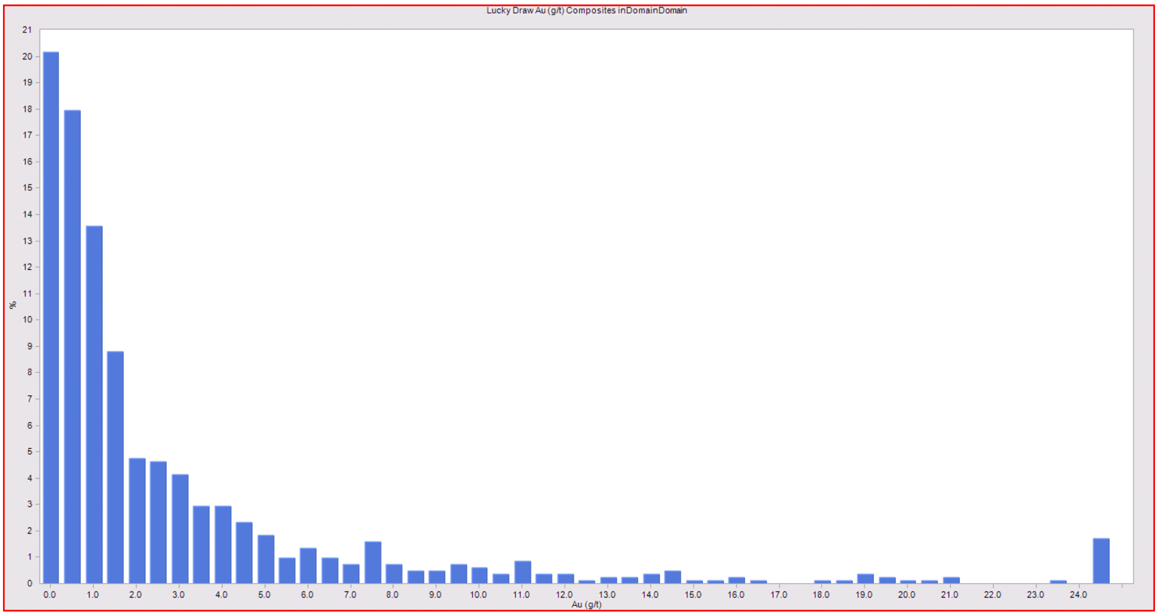

Figure 6-3. Histogram of all Au composite data within the Lucky Draw gold grade domain.

6.1.4. Variography

All the experimental variograms were correlograms of the composited data with no top cut. The lag tolerance was always set to half the lag.

Initially a downhole variogram was generated using 2.5 m lags and used to determine the nugget from a single sill spherical model largely honouring the first two lags.

Next a fan of experimental variograms at 10° increments was created in the plane of the mineralised vein. The variogram with the maximum continuity in this plane was designated the major axis. A second fan of experimental variograms was then created in the plane normal to the major axis and the minor axis designated as the direction of least continuity with the semi-major axis being the direction normal to both the major and minor axes.

The lag distance and angular tolerance (maximum 22.5°) were then varied for each axis in order to get the best structured experimental variogram for each axis.

MSDA was then used to simultaneously view the experimental variograms in the major, semi-major and minor axes. The nugget as determined from the downhole variogram was fixed and spherical variogram models manually fitted. It was found that only a single sill was necessary to model the experimental variograms.

The experimental variograms (Figure 6-4 to Figure 6-7) show shoots plunging gently towards the southwest (240°), but fairly isotropic within the plane of mineralisation (240/20W).

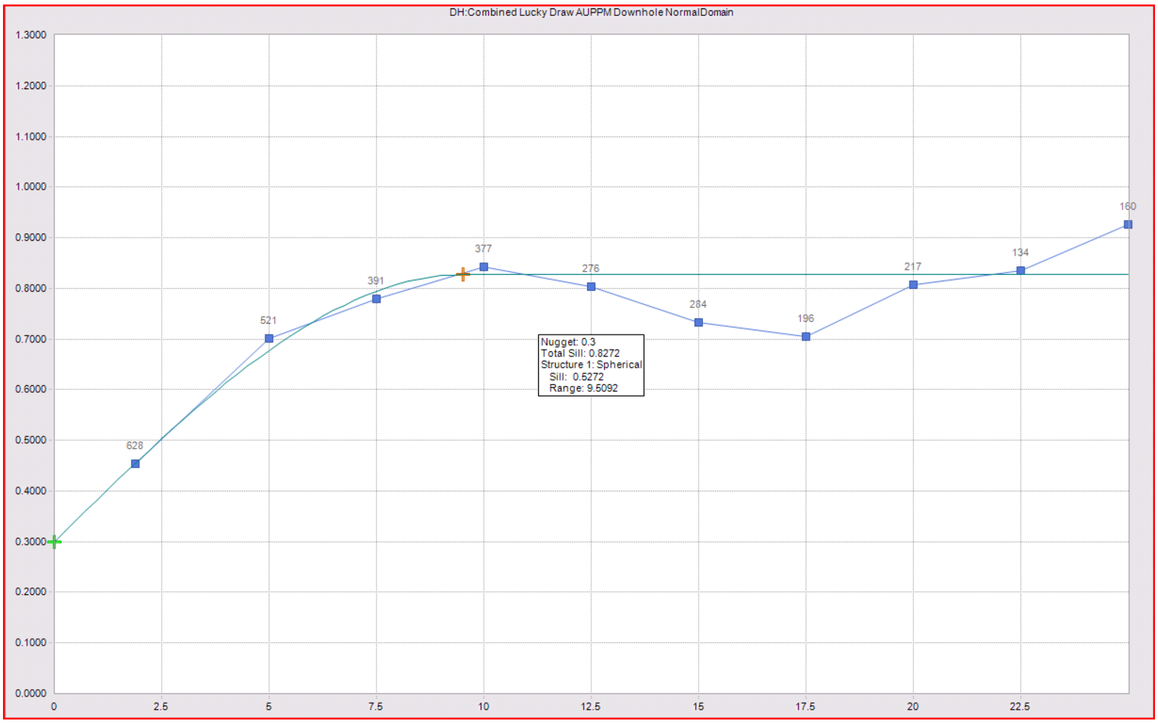

Figure 6-4. Downhole variogram (2.5 m absolute tolerance).

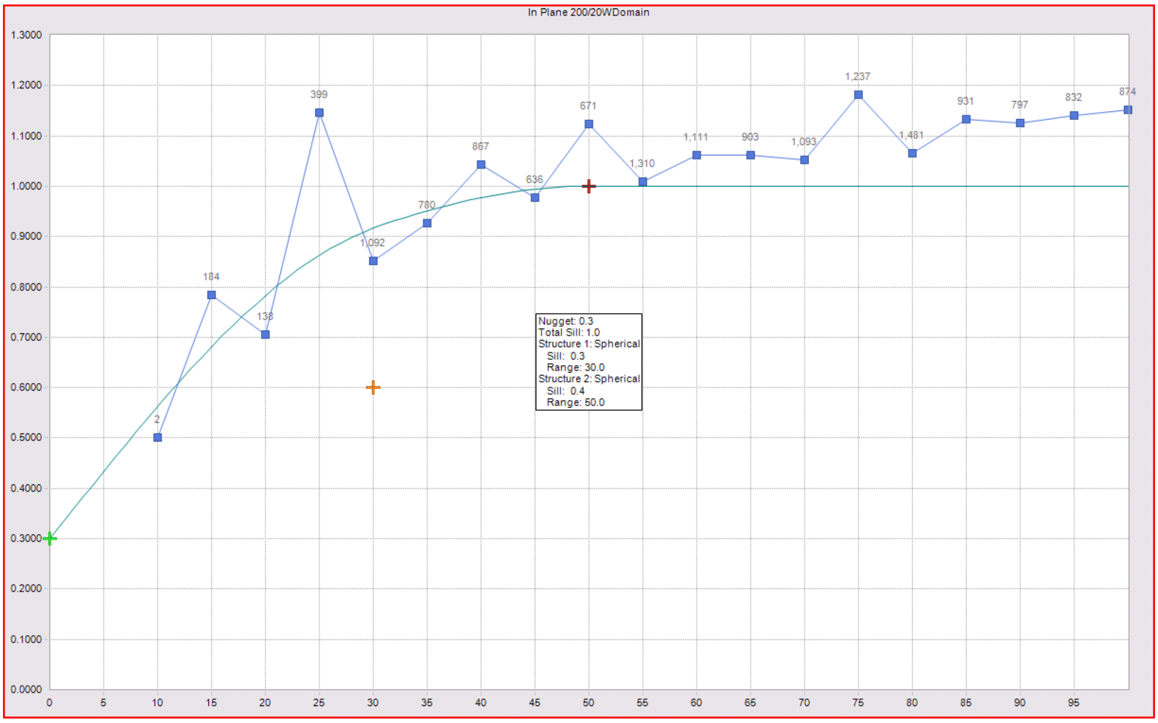

Figure 6-5 Major axis experimental variogram and model

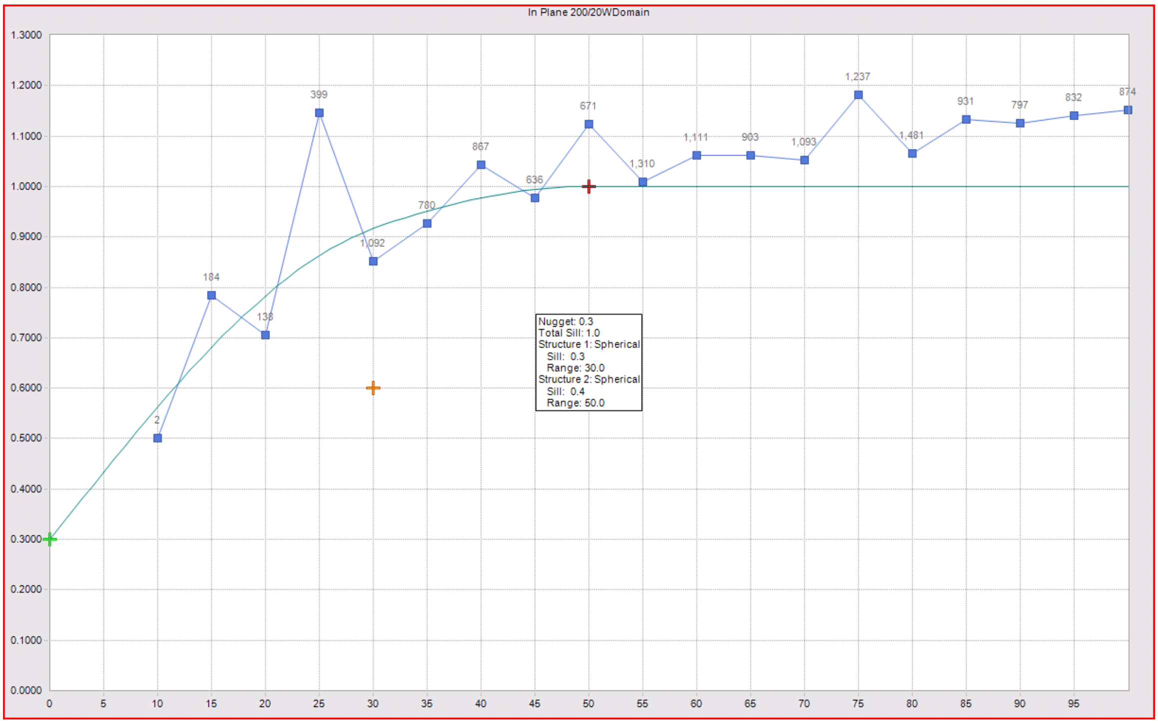

Figure 6-6. Semi-major axis experimental variogram and model

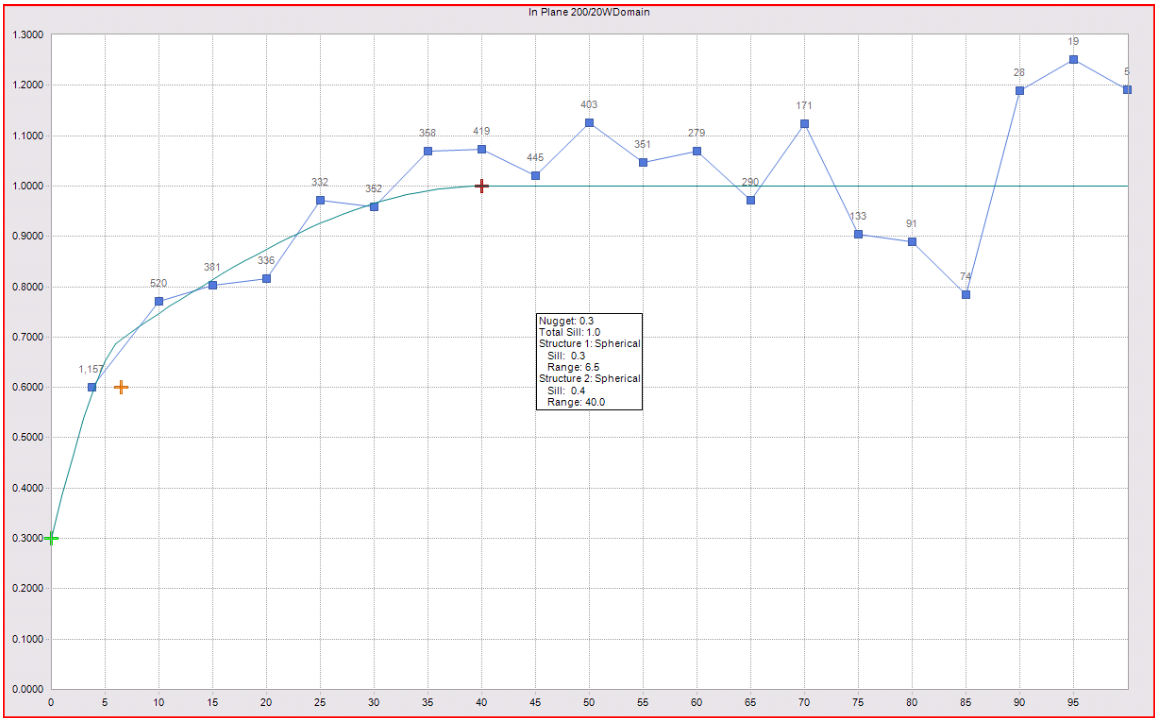

Figure 6-7. Minor axis experimental variogram and model

Mineralisation Domain	**DOM**	1
Nugget Variance	**C0**	0.3
	%C0	30%
Sill 1 (Spherical)	**C1**	0.3
Range (m)	**Maj**	30
	Semi	20
	Min	6.5
Sill 2 (Spherical)	**C1**	0.4
Range (m)	**Maj**	50
	Semi	25
	Min	40
Rotation	**Z**	240
	X	0
	Y	-20

Table 8. Lucky Draw Gold Domain variogram model.

6.1. Hackney's Creek Gold Domain

6.1.1. Compositing

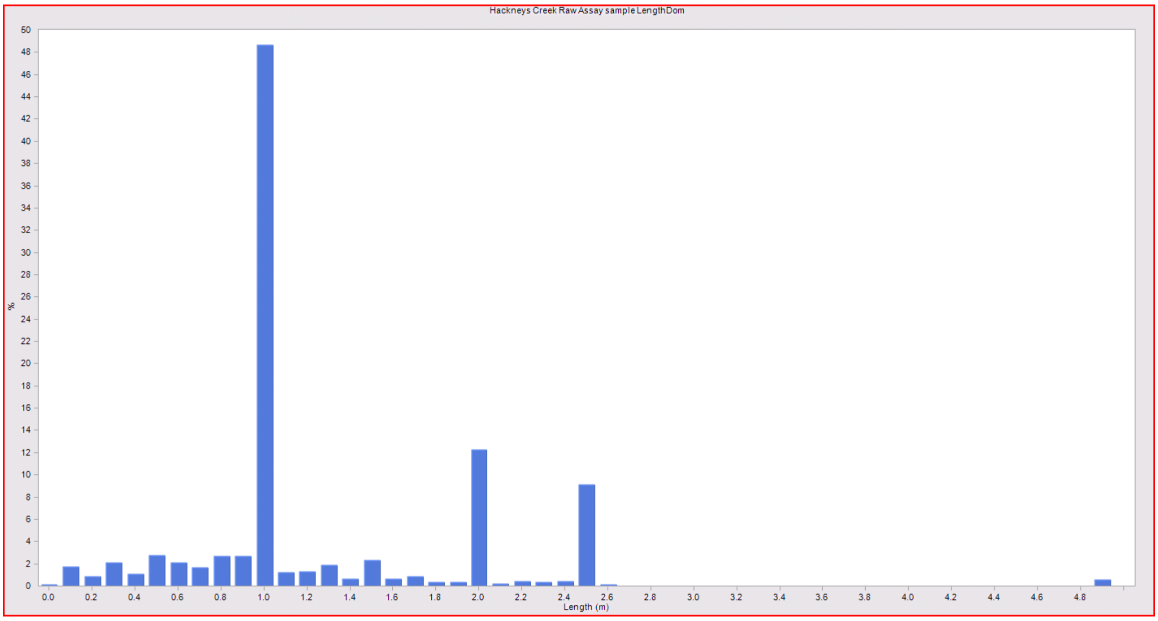

Figure 6-8. Raw sample length where DOM=1 and Au not null.

A composite length of 2.5 m was selected as this requires the splitting of few raw samples (6 or 0.7% of the 894 raw samples; see Figure 6-8).

6.1.2. Univariate statistics

Univariate statistics of the 2.5 m composite data show a high coefficient of variation (CV).

	Au (g/t)	Bi (ppm)
Count	439	265
Minimum	0.005	0.5
Maximum	50.79	7,524.0
Mean	1.62	196.2
1st Quartile	0.42	41.4
Median	0.86	86.5
3rd Quartile	1.75	184.3
Std. Devn.	3.03	545.8
Variance	9.16	297,929.6
Co. of Variation	1.87	2.78

Table 9. Summary univariate statistics for Au and Bi composites within the Hackney's Creek gold domain.

6.1.3. Extreme Values

Cumulative probability plots of the composite data within the Hackney's Creek gold domain show a straight line indicative of a single log normally distributed population with no extreme values (see Figure 6-2).

Similarly, the histogram of the gold composites within the Hackney's Creek gold domain is continuous to about 10 g/t Au.

In view of these observations no topcut was applied to the gold composites prior to geostatistical analysis or grade interpolation.

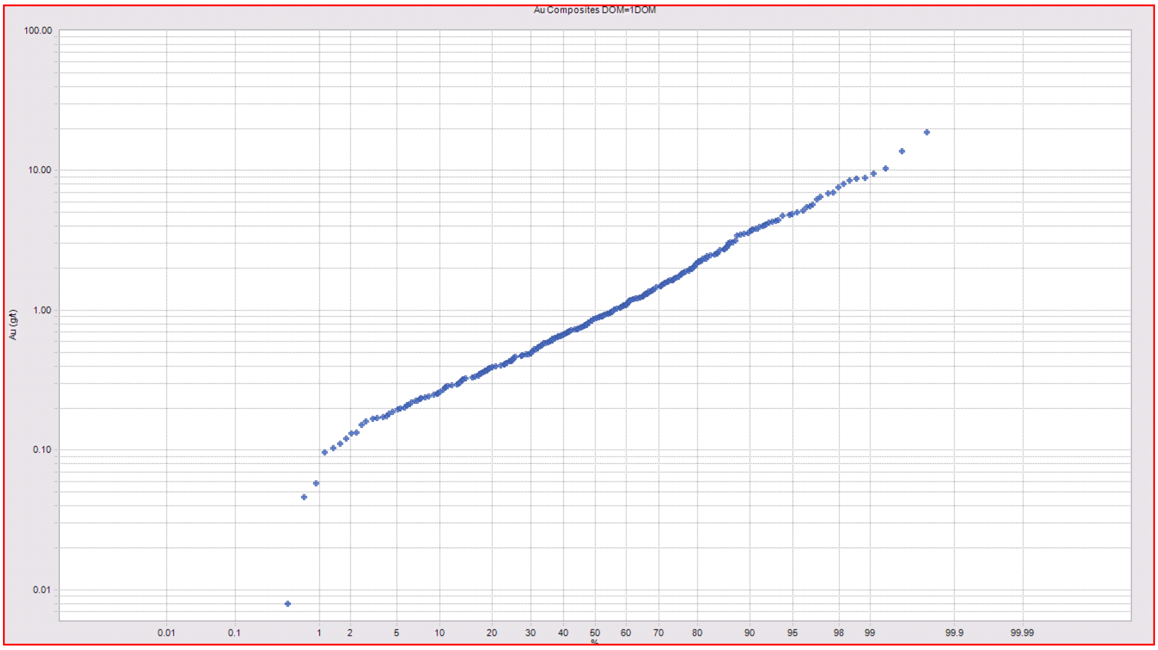

Figure 6-9. Au Composite Cumulative Probability Plot (not length weighted), of all Au composite data within the Hackney's Creek gold grade domain.

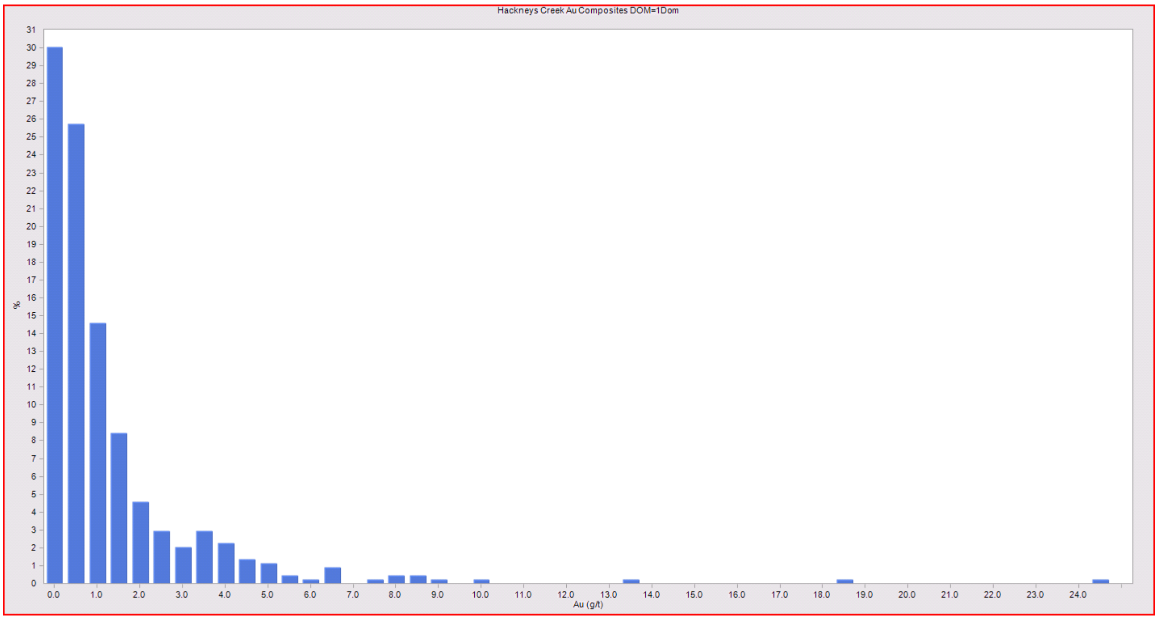

Figure 6-10. Histogram of all Au composite data within the Hackney's Creek gold grade domain.

6.1.4. Variography

All the experimental variograms were correlograms of the composited data with no top cut. The lag tolerance was always set to half the lag.

Initially a downhole variogram was generated using 2.5 m lags and used to determine the nugget from a single sill spherical model largely honouring the first two lags.

Next a fan of experimental variograms at 10° increments was created in the plane of the mineralised vein. The variogram with the maximum continuity in this plane was designated the major axis. A second fan of experimental variograms was then created in the plane normal to the major axis and the minor axis designated as the direction of least continuity with the semi-major axis being the direction normal to both the major and minor axes.

The lag distance and angular tolerance (maximum 22.5°) were then varied for each axis in order to get the best structured experimental variogram for each axis.

MSDA was then used to simultaneously view the experimental variograms in the major, semi-major and minor axes. The nugget as determined from the downhole variogram was fixed and spherical variogram models manually fitted. It was found that only a single sill was necessary to model the experimental variograms.

The experimental variograms (Figure 6-4 to Figure 6-7) show that most of the variance occurs within the first 10 m.

The minor axis variogram was very poorly structures, so the downhole variogram model was used as a proxy for the minor axis.

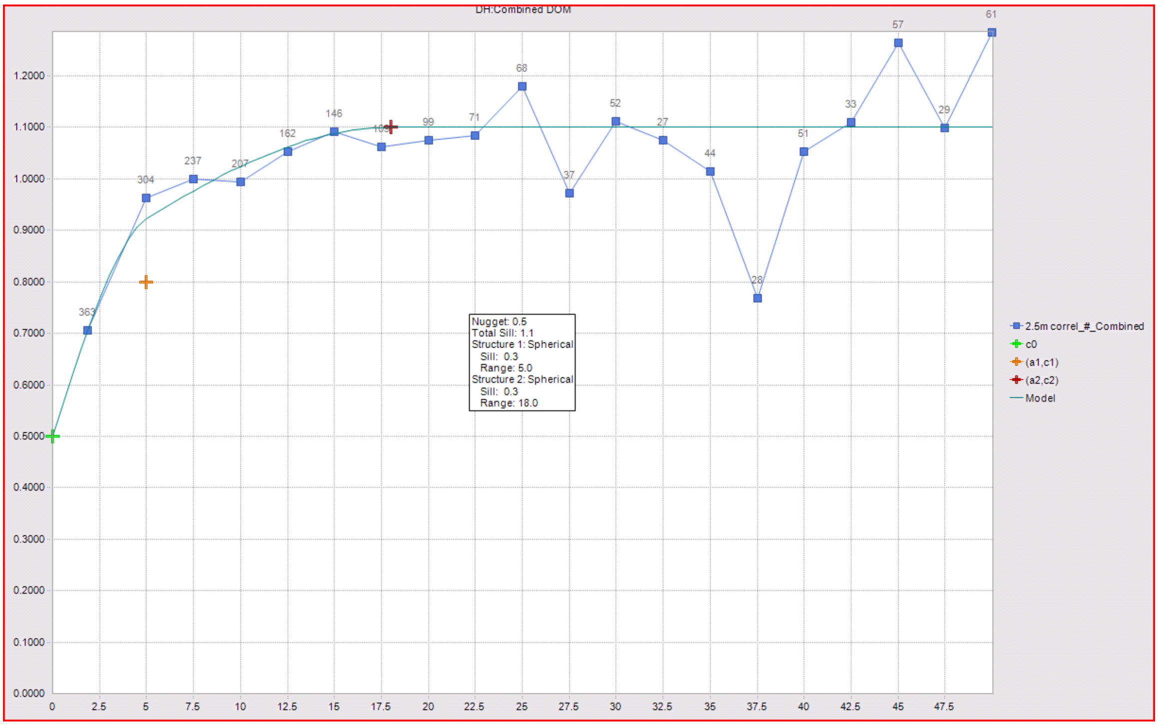

Figure 6-11. Downhole variogram (2.5 m absolute tolerance).

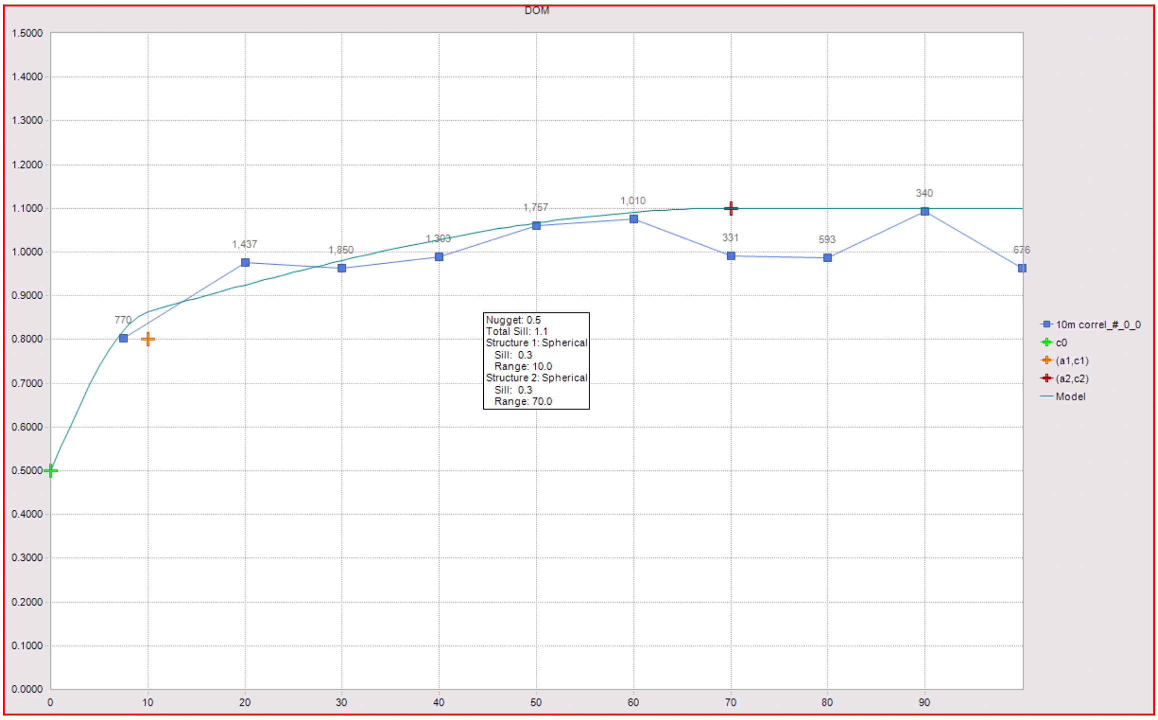

Figure 6-12 Major axis experimental variogram and model

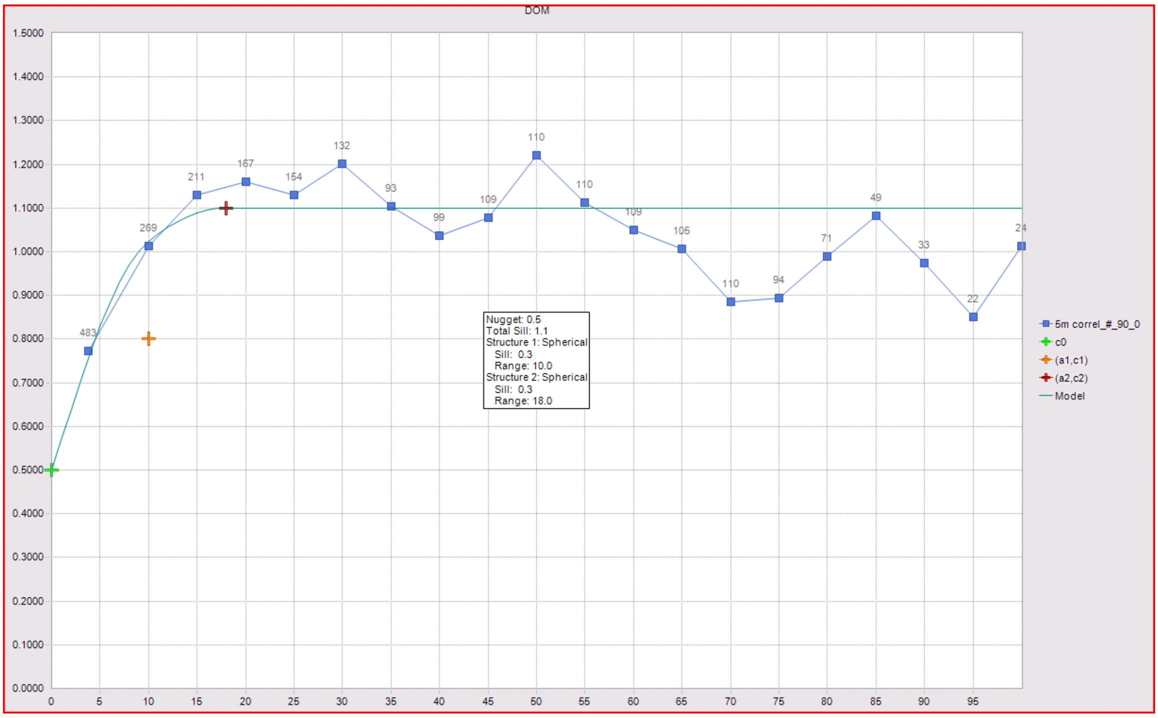

Figure 6-13. Semi-major axis experimental variogram and model

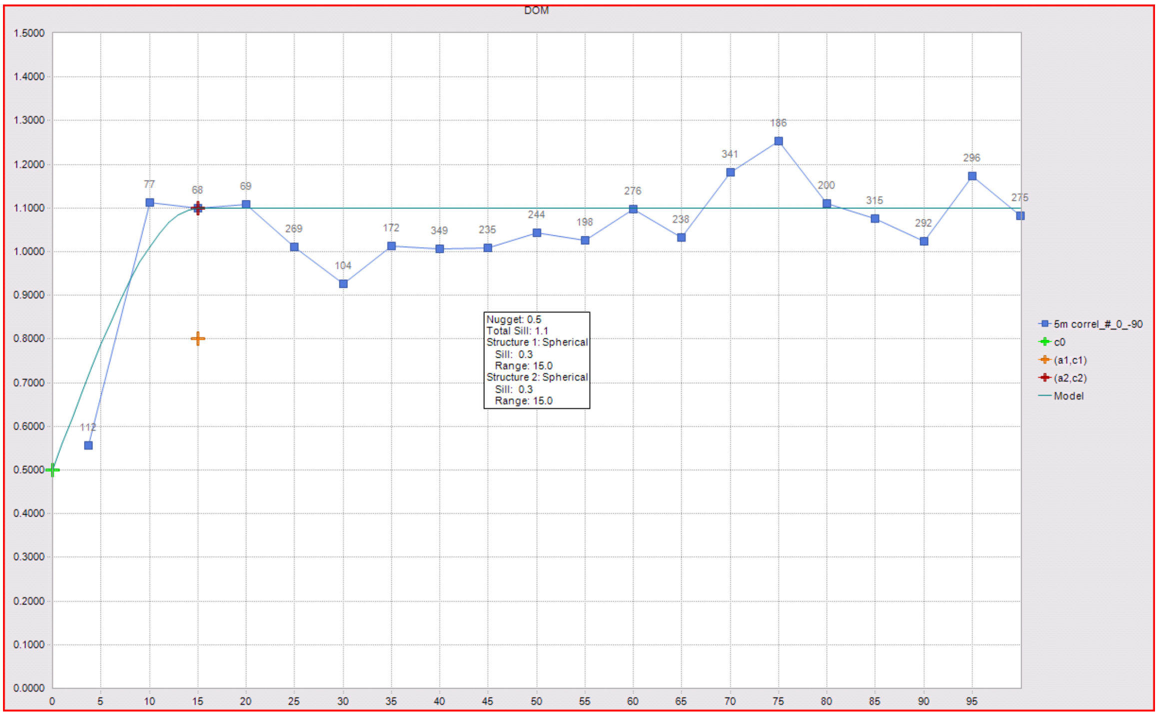

Figure 6-14. Minor axis experimental variogram and model

Mineralisation Domain	**DOM**	1
Nugget Variance	**C0**	0.5
	%C0	45%
Sill 1 (Spherical)	**C1**	0.3
	Maj	10
Range (m)	**Semi**	10
	Min	5
Sill 2 (Spherical)	**C1**	0.3
	Maj	140
Range (m)	**Semi**	50
	Min	36
	Z	180
Rotation	**X**	0
	Y	-50

Table 10. Hackney's Creek Gold Domain variogram model.

6.2. Density

No density data was available for Lucky Draw.

At Hackney's Creek density data of 260 samples from 24 Diamond holes have been reported in aggregate by Arundell (1989; see Table 11). The density values were determined by core immersion, but the exact equipment used, the laboratory used and whether the core was wax coated were not recorded.

	Average (t/m^3)	Median (t/m^3)	Maximum (t/m^3)	Minimum (t/m^3)	number of samples
Upper pod (ox / pri)	2.50	2.51	2.72	2.04	34
Upper pod (pri)	2.72	2.69	2.90	2.63	27
Lower pod (Pri)	2.87	2.83	4.05	2.08	199

Table 11 Summary of Hackney's Creek density data

In both the Lucky Draw and Hackney's Creek models a density of 2.6 t/m^3 has been assumed, based on a typical mineralisation lithology (quartz and schist) and the vague memories of Russell Hooper, the processing manager for RGC.

It is likely that the bulk density varies significantly with weathering and also to a lesser degree varies with lithology and depth.

7 Block Model

7.1. Lucky Draw Model

The Minesight filename for the Lucky Draw block model is LD15.dat.

7.1.1. Extents and items

The Lucky Draw block model was constructed using the block sizes, extents and items described in Table 12and

item	min	max	precision	description
TOPO	0	100	0.1	% of block below topo
ORIG%	0	100	0.1	% of block below pre-mining topo
DOM	0	9	1	Au domain code
ORE%	0	100	0.1	% of block in Au domain
CODE1	0	99	1	
MATL	0	9	1	oxidation domain code
BULKD	0	9	0.01	bulk density (t/m3)
AUKR1	0	99	0.01	Au grade (g/t) OK variant 1
AUKR2	0	99	0.01	Au grade (g/t) OK variant 2
AUKR3	0	99	0.01	Au grade (g/t) OK variant 3
AUID	0	99	0.01	Au grade (g/t) IDW2 variant
AUNN	0	99	0.01	Au grade (g/t) nearest neighbour variant
BIKR	0	9999	1	
BIID	0	9999	1	
RSCAT	0	9	1	resource category; 1= measured, 2=indicated, 3=inferred; 4= not resource
KREG	0	9	0.001	kriging slope of regression
KVAR	0	99	0.01	kriging variance
DIST	0	999	0.1	distance to nearest composite (AUKR1)
#CMP	0	99	1	number of composites used (AUKR1)
#DH	0	99	1	number of drillholes used (AUKR1)

Table 13.

	min	max	block size (m)	# blocks
X	737,550	737,950	10	40
Y	6,243,700	6,244,300	10	60
RL	900	1,050	2.5	60

Table 12. The Lucky Draw block model extents.

The block dimensions were not determined quantitatively but were selected with consideration of the closest spaced drilling (12.5 m by 12.5 m) and likely open pit mining SMU.

The block model uses ore percentages (proportions) for volume determinations.

item	min	max	precision	description
TOPO	0	100	0.1	% of block below topo
ORIG%	0	100	0.1	% of block below pre-mining topo
DOM	0	9	1	Au domain code
ORE%	0	100	0.1	% of block in Au domain
CODE1	0	99	1	
MATL	0	9	1	oxidation domain code
BULKD	0	9	0.01	bulk density (t/m3)
AUKR1	0	99	0.01	Au grade (g/t) OK variant 1
AUKR2	0	99	0.01	Au grade (g/t) OK variant 2

AUKR3	0	99	0.01	Au grade (g/t) OK variant 3
AUID	0	99	0.01	Au grade (g/t) IDW2 variant
AUNN	0	99	0.01	Au grade (g/t) nearest neighbour variant
BIKR	0	9999	1	
BIID	0	9999	1	
RSCAT	0	9	1	resource category; 1= measured, 2=indicated, 3=inferred; 4= not resource
KREG	0	9	0.001	kriging slope of regression
KVAR	0	99	0.01	kriging variance
DIST	0	999	0.1	distance to nearest composite (AUKR1)
#CMP	0	99	1	number of composites used (AUKR1)
#DH	0	99	1	number of drillholes used (AUKR1)

Table 13. Lucky Draw block model items.

7.1.2. Interpolation Methods

Gold was interpolated using ordinary kriging (OK) into the block model item AUKR1 using composite data with a top cut of 25 g/t Au applied.

The minimum, maximum samples and block discretisation were determined by assessing the kriging variance in sparsely and closely drilled areas.

- Search ellipsoid at variogram range (50 m x 25 m x 40 m)
- Minimum 5 composites
- Maximum 15 composites (limits negative kriging weights)
- Maximum of 5 composites per hole
- Gold grade domain as hard boundary
- Block discretisation of 3x3x2 (XYZ)

No additional de-clustering methods such as quadrant restriction or limiting the number of composites per hole was employed because the data is not particularly clustered.

The block model items AUKR2, AUID and AUNN were interpolated as check models using the same parameters as AUKR1 except that AUKR2 used un-cut data, AUID used inverse distance squared weighting and AUNN nearest neighbour interpolation.

7.1.3. Density

Dry Bulk Density (DBD) of 2.6 t/m3 was assigned to all blocks in the block model below the topographic surface.

7.2. Hackney's Creek Model

The Minesight filename for the Hackney's Creek block model is HC15.dat.

7.2.1. Extents and items

The Hackney's Creek block model was constructed using the block sizes, extents and items described in Table 12and

item	min	max	precision	description
TOPO	0	100	0.1	% of block below topo
ORIG%	0	100	0.1	% of block below pre-mining topo
DOM	0	9	1	Au domain code
ORE%	0	100	0.1	% of block in Au domain
CODE1	0	99	1	
MATL	0	9	1	oxidation domain code
BULKD	0	9	0.01	bulk density (t/m3)
AUKR1	0	99	0.01	Au grade (g/t) OK variant 1
AUKR2	0	99	0.01	Au grade (g/t) OK variant 2
AUKR3	0	99	0.01	Au grade (g/t) OK variant 3

AUID	0	99	0.01	Au grade (g/t) IDW2 variant
AUNN	0	99	0.01	Au grade (g/t) nearest neighbour variant
BIKR	0	9999	1	
BIID	0	9999	1	
RSCAT	0	9	1	resource category; 1= measured, 2=indicated, 3=inferred; 4= not resource
KREG	0	9	0.001	kriging slope of regression
KVAR	0	99	0.01	kriging variance
DIST	0	999	0.1	distance to nearest composite (AUKR1)
#CMP	0	99	1	number of composites used (AUKR1)
#DH	0	99	1	number of drillholes used (AUKR1)

Table 13.

	min	max	block size (m)	# blocks
X	737,400	737,800	20	20
Y	6,244,700	6,245,100	20	20
RL	700	1,050	5	70

Table 14. The Hackney's Creek block model extents.

The block dimensions were not determined quantitatively but were selected with consideration of the closest drilling (25 m by 25 m) and likely open pit mining SMU.

The block model uses ore percentages (proportions) for volume determinations.

item	min	max	precision	description
TOPO	0	100	0.1	% of block below topo
ORIG%	0	100	0.1	% of block below pre-mining topo
DOM	0	9	1	Au domain code
ORE%	0	100	0.1	% of block in Au domain
CODE1	0	99	1	
MATL	0	9	1	oxidation domain code
BULKD	0	9	0.01	bulk density (t/m3)
AUKR1	0	99	0.01	Au grade (g/t) OK variant 1
AUKR2	0	99	0.01	Au grade (g/t) OK variant 2
AUKR3	0	99	0.01	Au grade (g/t) OK variant 3
AUID	0	99	0.01	Au grade (g/t) IDW2 variant
AUNN	0	99	0.01	Au grade (g/t) nearest neighbour variant
BIKR	0	9999	1	
BIID	0	9999	1	
RSCAT	0	9	1	resource category; 1= measured, 2=indicated, 3=inferred; 4= not resource
KREG	0	9	0.001	kriging slope of regression
KVAR	0	99	0.01	kriging variance
DIST	0	999	0.1	distance to nearest composite (AUKR1)
#CMP	0	99	1	number of composites used (AUKR1)
#DH	0	99	1	number of drillholes used (AUKR1)

Table 15. Hackney's Creek block model items.

7.2.2. Interpolation Methods

Gold was interpolated using ordinary kriging (OK) into the block model item AUKR1 using composite data.

The minimum, maximum samples and block discretisation were determined by assessing the kriging variance in sparsely and closely drilled areas.

- Search ellipsoid at twice the variogram model range (140 m x 50 m x 36 m)
- Minimum 5 composites
- Maximum 25 composites (limits negative kriging weights)
- Maximum of 5 composites per hole
- Gold grade domain as hard boundary
- Block discretisation of 5x5x3 (XYZ)

No additional de-clustering methods such as quadrant restriction or limiting the number of composites per hole was employed because the data is not particularly clustered.

The block model items AUID and AUNN were interpolated as check models using the same parameters as AUKR1 except that AUID used inverse distance squared weighting and AUNN nearest neighbour interpolation.

7.2.3. Density

Dry Bulk Density (DBD) of 2.6 t/m3 was assigned to all blocks in the block model below the topographic surface.

8 Resource Classification

8.1. Method

Both the Lucky Draw and Hackney's Creek gold resource estimates are classified as inferred in accordance with the JORC 2012 code.

While the (drilling) data density would commonly allow higher resource categories at Lucky Draw, the lack of geological understanding, QAQC data to demonstrate the sampling and assay quality and density data preclude the possibility of higher confidence resource categories.

8.2. Economic Justification

Open pit mining is assumed based on the width and near surface location of the mineralisation. Current gold prices would likely result in a significantly deeper optimal pit than the pit design mined by RGC during the early 1990's.

High metallurgical recovery (>90%) is assumed at Lucky Draw based on the successful operation of the Lucky Draw gold processing plant (conventional crushing and milling followed by CIP leach and electrowinning).

Preliminary metallurgical test work was carried out on 3 samples of ore from the Hackney's Creek Deposit by RGC NSW Ltd, showing a work index ranging from 7.4-8.0 kWh/t and a potential gold extraction of 89-95% in a 24 hour cyanide leach. These results compared favourably to the Lucky Draw ore, with slightly higher recoveries potentially indicated.

9 Results

Gold Mineral Resources (above 0.5 g/t Au cutoff)				
		tonnes	Au (g/t)	Au Metal (koz)
Hackney's Creek	Measured			
	Indicated			
	Inferred	2,210,000	1.4	102.3
	Total	2,210,000	1.4	102.3
Lucky Draw	Measured			
	Indicated			
	Inferred	470,000	2.1	31.7
	Total	470,000	2.1	31.7
Gold Total	Measured			
	Indicated			
	Inferred	2,680,000	1.6	134.0
	Total	**2,680,000**	**1.6**	**134.0**

Table 16. Lucky Draw and Hackney's Creek Mineral Resources by model and resource category.

10 Validation

10.1. Comparison to Historical Production records

The Lucky Draw model was compared to historical production from the open pit reported by RGC (RGC, 1992). and the RGC pre-mining reserve estimate (Arundell, 1989). RGC did not report the cutoff grade used for mining and so a cutoff grade of 0.5 g/t Au has been assumed). The resource estimate was reported from between a pre-mining topographic surface and the final pit survey surface. The pre-mining topographic surface was created by triangulating the collars of drillholes drilled prior to mining.

The current resource estimate compares favourably to the RGC grade control

	Cut off (g/t Au)	ore tonnes	Au	ounces
Actual Mined (from mill data)		1,410,000	4.2	190,394
Pre-mining RGC Reserve		1,410,000	3.7	167,728
this resource estimate	**0.5**	**1,490,000**	**3.6**	**171,681**
this resource estimate as a percentage of:				
Actual Mined (from mill data)		106%	85%	90%
Pre-mining RGC Reserve		106%	97%	102%

Table 17 Comparison of Lucky draw resource estimate to RGC grade control within RGC pit

10.2. Variants

The variants in Table 18 were estimated in order to assess the criteria used to estimate block Au grades.

Model	Variant	Description
Lucky Draw	AUKR1	Base case reported
	AUKR2	As base case but no top cut
	AUID	Inverse distance squared weighted interpolation within the same search neighbourhood as base case
	AUNN	Nearest neighbour interpolation within the same search neighbourhood as base case
Hackney's Creek	AUKR1	Base case reported
	AUID	Inverse distance squared weighted interpolation within the same search neighbourhood as base case
	AUNN	Nearest neighbour interpolation within the same search neighbourhood as base case

Table 18 Golf grade interpolation variants used

10.2.1. Variant Grade Tonnage Curves

Grade tonnage curves of the variants were plotted to assess the degree of smoothing in the model introduced by the various interpolation variants.

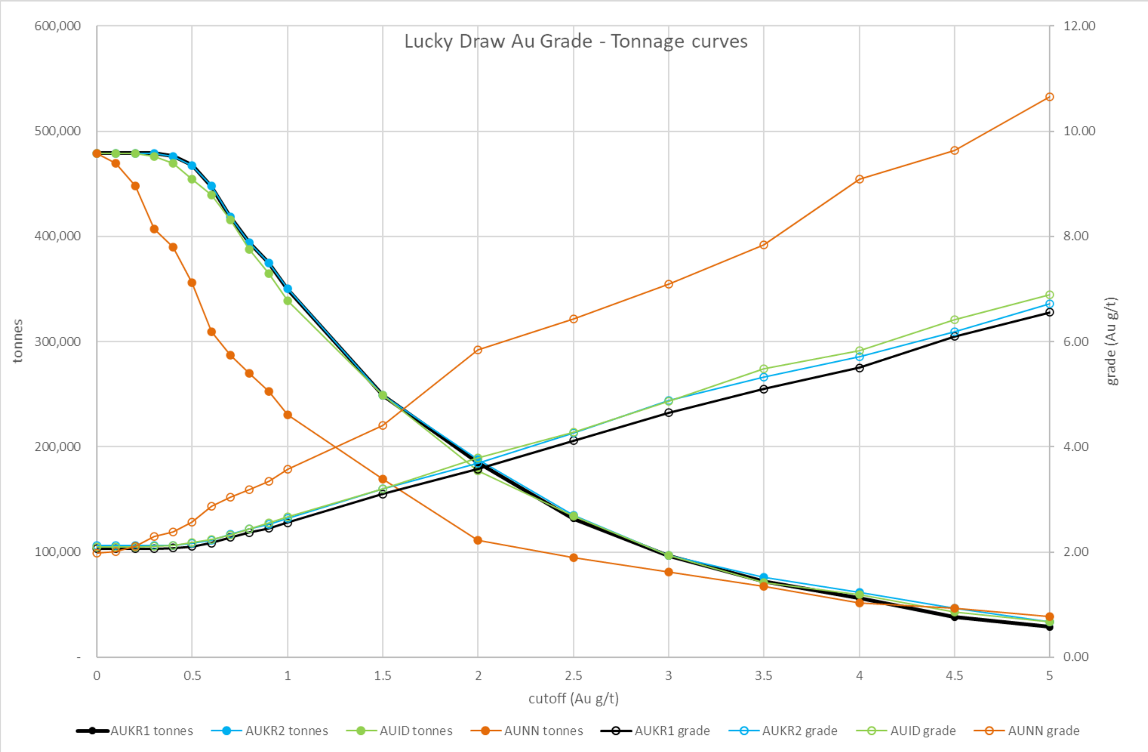

Figure 10-1. Grade-tonnage curves for Lucky Draw interpolant variants.

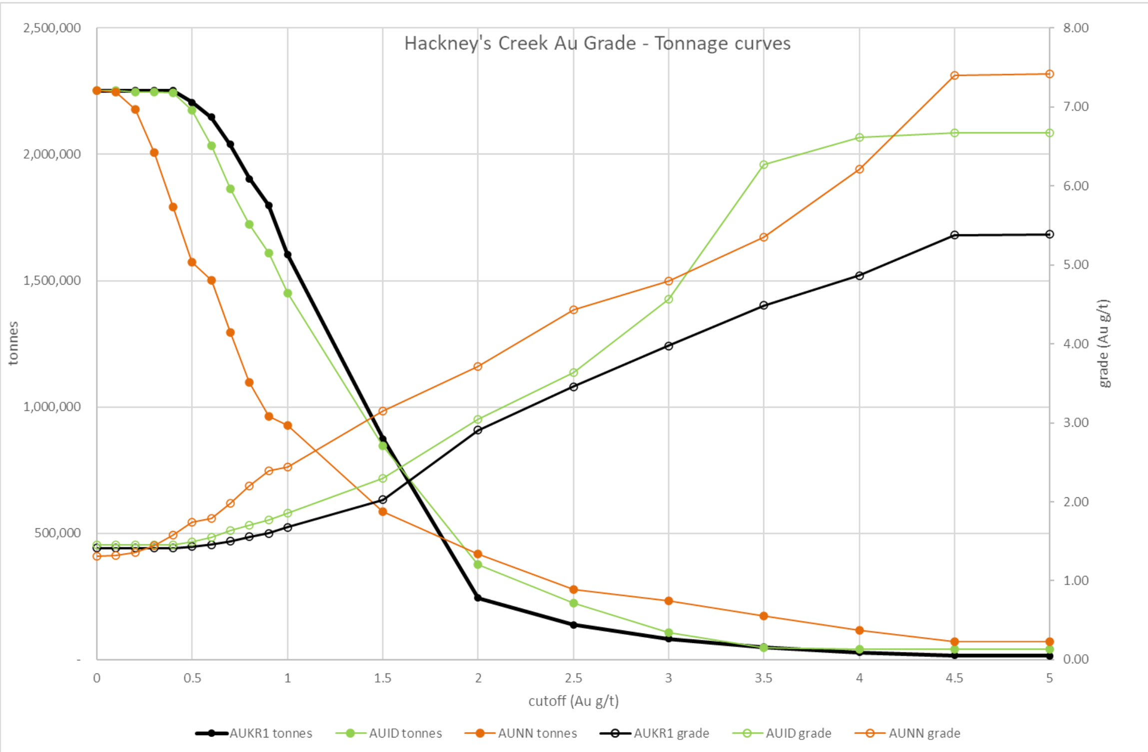

Figure 10-2. Grade-tonnage curves for Hackney's Creek interpolant variants.

11 Recommendations

11.1. To reduce resource estimation risk:

11.1.1. Lucky Draw

- Twin about 10 holes with oriented diamond holes to validate the existing data and to help understand the geological controls on mineralisation
- Acquire high quality topographic survey (Lidar?) over the project area
- Separate sub-domains (definitely needed)
- Use oriented drill core and surface geological mapping to develop a robust geological model of the controls on mineralisation
- Develop an assay and sampling QAQC system that results in demonstrably reliable assays suitable for resource estimation
- Assay a multi-element suite for an infill drilling to better determine and geochemical associations, for metallurgical characterisation of potential ore and for waste characterisation
- Acquire sufficient bulk density data to allow modelling of bulk density
- Use logged geology to improve gold domains
- Find & use oxidation logging

11.1.2. Hackney's Creek

- Twin about 6 holes with diamond holes to validate the existing data
- Acquire high quality topographic survey (Lidar?) over the project area
- Separate sub-domains (definitely needed)
- Infill drill to 20m by 20 m with at least 25% of this drilling oriented diamond core
- Use oriented drill core and surface geological mapping to develop a robust geological model of the controls on mineralisation
- Develop an assay and sampling QAQC system that results in demonstrably reliable assays suitable for resource estimation
- Assay a multi-element suite for an infill drilling to better determine and geochemical associations, for metallurgical characterisation of potential ore and for waste characterisation
- Acquire sufficient bulk density data to allow modelling of bulk density
- Use logged geology to improve gold domains
- Find & use oxidation logging

11.2. To increase the resource:

- Geophysics – IP, ground mag,
- Drilling along strike, especially between Lucky Draw and Hackney's Creek
- Use geological model of controls on mineralisation as a template for targeting brownfields exploration

12 References

Arundell, A.M. (1989):	Estimate of Indicated and Inferred Resources, Hackney's Creek Gold deposit, Burraga, EL2337, NSW.
Brewer, A. (2002):	A Review of the Exploration Potential of the Hackney's Creek Gold Prospect, Bathurst District, Central NSW. *Unpublished report to Marlborough Resources NL.*
RGC (1988):	Preliminary Estimate of Indicated and Inferred resources, Burraga Gold Deposits, EL2337, NSW..
RGC (1992):	Lucky Draw Mine Mining Lease 1212 Final Progress report Geology.

13 Appendix One: JORC Table 1.

13.1. Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Hackney's Creek resource estimate is based on diamond (DD) and RC drilling and surface trench channel samples. • The Lucky Draw resource estimate is based on DD and RC drilling • The exploration drilling is DD and RC drilling • All DD drilling was sampled to either 1.0m to geological contacts as appropriate. The drill core was cut using a diamond core saw and half of the core submitted to the laboratory for analysis. • No description of the RC drilling methods has been located. • No description of the channel sampling used in the Hackney's Creek resource has been located. • No description of the sub-sampling methods has been located.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The only information on the drilling method is the distinction between diamond drilling and RC drilling. • DD was both PQ and HQ sized, but the depths at which the hole size changed were not recorded. These hole sizes suggest a standard tube configuration of the core barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade*	• DD core recovery data has not been located. • RC drilling recovery was not recorded. • No relationship between grade and core recovery can be determined due to the lack of drilling recovery data

Criteria	JORC Code explanation	Commentary
	and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Both core and percussion holes were geologically logged in their entirety. Features logged include lithology, weathering, alteration, veining and structure. The logging is sufficient to allow geological interpretation to a level sufficient to support resource estimation. • Core photos have not been found • The logging is qualitative (descriptive).
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All DD core was cut using a diamond saw with one half bagged and dispatched to the laboratory. • No description of the RC drilling methods has been located. • No description of the channel sampling used in the Hackney's Creek resource has been located. • The quality control measures (if any) taken to ensure representivity of the samples were not recorded. • The sample size was not recorded
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• To date, no QAQC data have been found for this data • The lack of data verification was one factor leading to the reporting of inferred resources only

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The data have not been verified. • The Lucky Draw data was verified to a degree by mining during the 1990s. • The lack of data verification was one factor leading to the reporting of inferred resources only
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collar locations were surveyed by total station instrument to 0.01m precision. • The accuracy of the collar locations is +/- 0.1m • The collars were surveyed using the AMG66 grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The Hackney's Creek drilling ranges from 25m (N) by 25m (E) in the upper 50m of the resource to 50 m by 50 m at depths greater than 50m. There are also 'ditchwitch' traverses at 5m spacing (N) across the outcrop of the Hackney's Creek mineralisation. • The Lucky Draw drilling ranges from 12.5m (N) by 5 m (E) to 25m (N) by 25m (E) • The exploration drilling is not systematically spaced • The data spacing is sufficient for resource estimation at Hackney's Creek and Lucky Draw • Sample compositing was not used
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• At Hackneys Creek the drilling is drilled towards 090 (east) and is mostly inclined at 60 degrees. This drilling orientation adequately defines the geometry of the approximately 50 degree west dipping mineralisation at Hackney's creek. No bias is introduced by the drilling orientation. • The drilling at Lucky Draw is largely vertical with a small number of inclined holes. The vertical holes adequately define the geometry of the shallowly dipping mineralisation at Lucky Draw. No bias is introduced by the drilling orientation. • The geometry of the mineralisation intersected by the exploration holes is not known and so no conclusion can be drawn regarding the

Criteria	JORC Code explanation	Commentary
		appropriateness of the orientation of these holes.
Sample security	• *The measures taken to ensure sample security.*	• The measures (if any) taken to ensure sample security were not recorded.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data has not been audited. This is because the projects are at an early stage of assessment and because it is possible that further data may be recovered from the archives resulting in a change to the assessment of the quality of the base data.

13.2. Section 2 Reporting of Exploration Results

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

Criteria	JORC Code 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.* • *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 data reported on are located in EL6463, EL6874 and EL7975. All tenements are 100% owned by EYM through it's subsidiary BC Exploration Pty Ltd. • There are no known impediments to development of a mining operation on these leases other than the usual granting of a mining licence and the various permits required to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All data was reported on was acquired by RGC from 1985 to 1991
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The gold mineralisation at all deposits appears to be similar. It occurs as Gold-Bi-Te-Mo mineralization in retrogressed chlorite-biotite-siderite schists of the Triangle Group. The mineralisation is spatially associated with granitoid intrusives. The style of mineralisation is enigmatic, having in the past been classed as skarn related but the lack of carbonate rocks makes this interpretation uncertain.
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:*	• See attached table

Criteria	JORC Code explanation	Commentary
	○ *easting 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.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results reported are length weighted averages of assay results. • Only results that are considered to be economically significant due to their grade, width and or geological setting are reported. The grade cutoff applied to intercepts varies, but is generally 0.2 g/t Au with up to 2.0 m of internal dilution. • No metal equivalents are reported.
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 (eg 'down hole length, true width not known').*	• For the exploration results the mineralisation is generally hit at a high angle, with true widths at least 70% of downhole widths • This is not relevant to the Hackney's Creek and Lucky Draw resource estimates
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.*	• Included in announcement
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*	• For the exploration results only significant exploration results are reported. The intercepts reported include appropriate amounts of internal dilution such that the grades of the intercepts should be

Criteria	JORC Code explanation	Commentary
	Exploration Results.	indicative of the grade of mineralisation intersected at that point.
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.*	• Other exploration data has been collected from within the tenement areas. This work is summarised in the announcement and includes airborne magnetic surveys, regional geochemical surveys and regional geological mapping.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out 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.*	• Further work is planned but has not been planned in detail.

13.3. Section 3 Estimation and Reporting of Mineral Resources

This section applies to the Hackney's Creek and Lucky Draw mineral resource estimates only.
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• A database of historical drilling and other exploration work carried out over the tenement areas has been compiled from archived NSW Department of Industry data. This database has been manually entered into an access database • The data was validated by checking for sample overlaps, gaps, extreme values and out of range values.
Site visits	• *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.*	• The competent person visited the site for 10 days during March 2015. This visit focussed on the Lloyds Copper project and assessment of general procedures including drilling, logging, sampling and core storage. The site practices were found to comply with EYM procedures.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• Hackney's Creek: ○ A gold grade domain was interpreted for the Hackney's

Criteria	JORC Code explanation	Commentary
	• *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	Creek deposit at a nominal 0.2 g/t Au using a minimum width of 2.0 m and a maximum internal dilution of 2.0 m. ○ The gold grade domain was not geologically constrained as the controls on gold mineralisation at Hackney's Creek are poorly understood. It is assumed that the gold mineralisation is due to a single event that created a continuous body of mineralisation. ○ Alternative interpretations are not possible for the gross structure (ie moderately west dipping tabular body) but alternative small scale structures are possible. Any such minor alternative interpretations would not significantly affect the global grade or tonnage but would impact locally (ie <10 m scale). ○ Large scale grade and geological continuity appears to be strataform and lithologically controlled. The controls on small scale variability, especially of high grade zones, are not known. • Lucky Draw ○ A gold grade domain was interpreted for the Lucky Draw deposit at a nominal 0.2 g/t Au using a minimum width of 2.0 m and a maximum internal dilution of 2.0 m. ○ The gold grade domain was not strictly geologically constrained but the domain is sub-parallel to the interpreted granite contact. ○ Alternative interpretations are not possible for the gross structure (ie gently west dipping tabular bodies) but alternative small scale structures are possible. Any such minor alternative interpretations would not significantly affect the global grade or tonnage but would impact locally (ie <10 m scale). ○ Large scale grade and geological continuity appears to be strataform and lithologically controlled with mineralisation sub-parallel to the granite contact. The controls on small scale variability, especially of high

Criteria	JORC Code explanation	Commentary
		grade zones, are not known.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Hackney's Creek mineralisation occurs as a series of moderately west dipping stacked lenses. The mineralisation has been defined by drilling over a strike length of 220m and 250m down dip. The thickest lens is up to 20 m thick and the entire package of stacked lenses about 100 m thick. • The Lucky Draw mineralisation occurs as stacked sub-parallel tabular bodies dipping gently to the west. The largest bodies extend about 150 m (N) by 150 m by (E) and are up to 45m thick. The entire mineralised zone extends 400 m (N) by 180 m (E) and up to 75 m thick.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.*	• Hackney's Creek ○ Only gold grades were estimated ○ The raw assay data was composited to 2.5m and coded to a gold domain interpreted at a nominal 0.2 g/t Au. ○ The gold domain nominal interpretation grade was selected based on a likely open pit mining cutoff grade. Log cumulative probability plots showed that the gold grade distribution was continuous in the range of domain grades (0.1 – 0.5 g/t Au) and so was not useful for selecting an interpretation grade. ○ Experimental variograms show little anisotropy within the plane of mineralisation. The nugget was 30% with 2 spherical structures to a total sill of 1.0. The total range on the major axis was 70m. ○ Gold grades were interpolated into a regularised block model with blocks 20m x 20m x 5m (XYZ; compared to the closest spaced data of 25m by 25m by 2.5m.) by ordinary kriging. A gold domain interpreted at a nominal 0.2 g/t was used as a hard boundary. Composites were selected for interpolation from within an ellipsoid with

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	axes of 140m x 50m x 36m rotated to the variogram model directions. A minimum of 5 and a maximum of 25 composites were used, with a maximum of 13 per quadrant. • Lucky Draw ○ Only gold grades were estimated ○ The raw assay data was composited to 2.5m and coded to a gold domain interpreted at a nominal 0.2 g/t Au. ○ The gold domain nominal interpretation grade was selected based on a likely open pit mining cutoff grade. Log cumulative probability plots showed that the gold grade distribution was continuous in the range of domain grades (0.1 – 0.5 g/t Au) and so was not useful for selecting an interpretation grade. ○ Experimental variograms show little anisotropy within the plane of mineralisation. The nugget was 30% with 2 spherical structures to a total sill of 1.0. The total range on the major axis was 50m. ○ Gold grades were interpolated into a regularised block model with blocks 10m x 10m x 2.5m (XYZ compared to the closest spaced data of 12.5m by 5m by 2.5m) by ordinary kriging. A gold domain interpreted at a nominal 0.2 g/t was used as a hard boundary. Composites were selected for interpolation from within an ellipsoid with axes of 50m x 25m x 40m rotated to the variogram model directions. A minimum of 5 and a maximum of 15 composites were used, with a maximum of 8 per quadrant.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are reported on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The cutoff grade for reporting is based on the competent person's estimate of likely costs for open pit mining operations

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Open pit mining is assumed. • It is assumed that a minimum mining width of 2.0 m can be achieved on 2.5 m flitches with a maximum dilution skin of 0.5 m. • The economic base of mineralisation has not been defined by pit optimisation or similar methods. There is an implicit assumption that open pit mining may be possible to the base of the resource model. This is a reasonable assumption for the Lucky Draw deposit where the base of the resource estimate is only 100 m below surface and the thickness of mineralisation would make open pit mining costs low. At Hackney's Creek it is not clear where the economic depth limits of open pit mining may be. If the deeper parts of the Hackney's Creek resource are not economic to mine by open pit then part of the resource (at a higher cutoff grade) would still be amenable to underground mining.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• RGC conducted preliminary metallurgical testwork on Hackney's Creek mineralisation which indicated that it has very similar metallurgical characteristics to the Lucky Draw ore mined during the early 1990's. • Past production at Lucky Draw indicates that the ore is amenable to be recovered in a conventional CIL gold plant. There is no evidence (mineralogical or chemical) that the ore in the Lucky Draw resource will be any different to that previously mined there.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions were made regarding environmental factors • The potential waste material is low in both metal and sulphur content suggesting that little, if any, waste will be potentially acid forming. • The area has subdued topography with many possible sites for waste rock and tailings disposal sites. • No significant watercourses cross either deposit.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Dry bulk densities were assigned due to a lack of test results. The assigned bulk density was 2.6 t/m3 for all mineralisation and waste at both Hackney's Creek and Lucky Draw. This density assume that the mineralisation is predominantly quartz with low porosity (~3%). • No allowance has been made for varying density between weathered (oxide) and fresh material. This assumption is likely wrong but unlikely to have a material effect on the total tonnage. • Uncertainty in bulk density is reflected in the resource classification.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• All resources are classified as inferred. Whilst the data density relative to the geological and grade uncertainty could allow high levels of classification, a lack of information on assay quality, drilling recovery and bulk density means that all resources were classified as inferred. • The classification reflects the competent person's view of the deposits
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• There have been no reviews or audits of the mineral resource estimates. This is because the projects are at an early stage of assessment and because it is possible that further data may be recovered from the archives resulting in a change to the assessment of the quality of the base data.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource 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 resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that 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*	• The accuracy of these mineral resource estimates is low and that is reflected in the resource classification. • Geostatistical methods have not been used to assess the uncertainty in the estimates because one of the major sources of uncertainty (insufficient data about the quality of the data) is not explicit in geostatistical methods • Local estimate uncertainties are likely very high. • No production data is available for comparison

Criteria	JORC Code explanation	Commentary
	relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

14 Appendix Two – Drillhole List

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	HAK001	736750.00	6244502.00	975.00	200.66	90	0
Hackney's Creek	RGC	HAK002	737102.00	6244497.00	987.50	199.14	84.05	0
Hackney's Creek	RGC	HAK003	737170.00	6244400.00	987.50	154.65	0	0
Hackney's Creek	RGC	HAK004	737743.50	6244995.50	1025.40	216.00	248.21	-4.8
Hackney's Creek	RGC	HAK005	737742.50	6244935.00	1023.00	243.50	131.83	-4.85
Hackney's Creek	RGC	HAK006	737732.50	6244920.00	1016.00	140.00	270	2.87
Hackney's Creek	RGC	HAK007	737805.91	6245007.43	1030.24	58.00	253	-6
Hackney's Creek	RGC	HAK008	738208.00	6246908.00	1060.00	556.00	277	0
Hackney's Creek	RGC	HAK009	737739.38	6244999.42	1022.85	241.50	268	-7.3
Hackney's Creek	RGC	HAK010	737847.95	6244303.28	1025.42	248.50	267	0
Hackney's Creek	RGC	HAK011	737774.26	6245124.46	1022.50	290.00	246	-3.1
Hackney's Creek	RGC	HAK012	737768.91	6245052.30	1021.96	270.00	284	-6.65
Hackney's Creek	RGC	HAK013	737842.18	6244360.01	1021.67	244.00	260	0
Hackney's Creek	RGC	HAK014	737750.18	6244421.00	1016.01	458.00	280	-2.3
Hackney's Creek	RGC	HAK015	737753.92	6245343.72	1002.18	408.00	283	0
Hackney's Creek	RGC	HAK016	737749.36	6244468.19	1014.17	88.00	280	0
Hackney's Creek	RGC	HAK017	737849.30	6244241.80	1025.60	422.00	280.3	0
Hackney's Creek	RGC	HAK018	737743.07	6244949.64	1022.51	124.00	107	2.4
Hackney's Creek	RGC	HAK019	737899.97	6245001.00	1037.15	100.00	264	0.4
Hackney's Creek	RGC	HAK020	737950.09	6245050.39	1035.65	187.75	266	-2.6
Hackney's Creek	RGC	HAK021	737950.34	6245098.39	1029.95	177.50	257	-3.2
Hackney's Creek	RGC	HAK022	737951.41	6245150.86	1025.50	164.00	269	-1.4
Hackney's Creek	RGC	HAK023	737950.51	6245201.62	1030.93	152.00	268	-7
Hackney's Creek	RGC	HAK024	738159.43	6245258.18	1053.85	484.00	258	0
Hackney's Creek	RGC	HAK025	737674.32	6245351.68	992.18	237.00	164	0
Hackney's Creek	RGC	HAK026	738000.00	6245300.00	1036.50	176.50	269	0

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	HAK027	737945.00	6245770.00	1048.75	591.00	255	0
Hackney's Creek	RGC	HAK028	737778.70	6245150.06	1020.80	214.00	267	-3.45
Hackney's Creek	RGC	HAK029	737580.00	6245950.00	1010.00	358.00	65	0
Hackney's Creek	RGC	HAK030	737584.00	6244200.00	1017.24	335.00	270	0
Hackney's Creek	RGC	HAK031	737564.00	6244100.00	1023.13	333.00	270	0
Hackney's Creek	RGC	HAK032	737476.00	6244000.00	1021.95	260.00	270	0
Hackney's Creek	RGC	HAK033	737435.00	6244255.00	1007.32	264.50	90	0
Hackney's Creek	RGC	HAK034	737768.00	6246078.00	1020.00	198.00	98	2.87
Hackney's Creek	RGC	HAK035	737656.00	6246222.00	1022.00	121.00	270	-4.74
Hackney's Creek	RGC	HAK036	737684.00	6246296.00	1026.00	246.00	68	4.23
Hackney's Creek	RGC	HAK037	737732.00	6246561.00	1026.00	141.00	296	4
Hackney's Creek	RGC	HAK038	737974.00	6247338.00	1060.00	176.00	90	-8
Hackney's Creek	RGC	HAK039	738034.00	6247710.00	1061.00	265.00	105	-5
Hackney's Creek	RGC	HAK040	737743.76	6245430.92	1000.00	289.00	296	0
Hackney's Creek	RGC	HAK041	737685.24	6244965.00	1020.15	40.50	270	-7.22
Hackney's Creek	RGC	HAK042	737685.25	6244960.00	1020.40	47.50	270	-7.97
Hackney's Creek	RGC	HAK043	737690.21	6244955.00	1020.78	51.50	270	-5.41
Hackney's Creek	RGC	HAK044	737700.31	6244950.00	1021.21	76.50	270	-4.4
Hackney's Creek	RGC	HAK045	737690.39	6244945.00	1020.80	56.50	270	-6.06
Hackney's Creek	RGC	HAK046	737690.37	6244940.00	1020.58	57.50	270	-4.86
Hackney's Creek	RGC	HAK047	737691.48	6244935.00	1020.30	57.00	270	-4.54
Hackney's Creek	RGC	HAK048	737691.76	6244930.00	1019.95	57.50	270	-3.76
Hackney's Creek	RGC	HAK049	737691.25	6244925.00	1019.47	58.00	270	-3.96
Hackney's Creek	RGC	HAK050	737690.92	6244920.00	1018.92	51.50	270	-4.21
Hackney's Creek	RGC	HAK051	737691.53	6244915.00	1018.47	58.00	270	-3.19
Hackney's Creek	RGC	HAK052	737691.71	6244910.00	1017.94	57.50	270	-3.22
Hackney's Creek	RGC	HAK053	737691.36	6244905.00	1017.45	56.50	270	-2.24

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	HAK054	737690.97	6244900.00	1016.45	60.00	270	1.48
Hackney's Creek	RGC	HAK055	737691.57	6244895.00	1015.84	58.00	270	-2.14
Hackney's Creek	RGC	HAK056	737690.11	6244890.00	1015.32	50.00	270	0
Hackney's Creek	RGC	HAK057	737690.62	6244885.00	1014.70	40.00	270	0
Hackney's Creek	RGC	HAK058	737690.11	6244880.00	1013.59	35.00	270	0
Hackney's Creek	RGC	HAK059	737691.43	6244875.00	1012.61	32.50	270	0
Hackney's Creek	Werrie	HRC011	737502.00	6244773.70	1001.20	120.00	83	-65
Hackney's Creek	Werrie	HRC012	737550.40	6244775.80	1001.00	100.00	83	-65
Hackney's Creek	Werrie	HRC013	737601.50	6244746.30	1002.50	100.00	83	-65
Hackney's Creek	Werrie	HXD005	737484.40	6244949.40	993.50	179.90	83	-60
Hackney's Creek	Werrie	HXD006	737449.50	6244950.20	993.00	231.10	83	-75
Hackney's Creek	Werrie	HXD007	737500.15	6244900.81	995.50	282.20	90	-75
Hackney's Creek	Werrie	HXD008	737450.30	6244903.40	994.50	306.20	83	-85
Hackney's Creek	Werrie	HXD009	737473.30	6244850.00	997.00	205.25	90	-75
Hackney's Creek	Werrie	HXD010	737450.00	6244849.30	998.50	252.10	88	-85
Lucky Draw	RGC	LDD100	6244164.58	737643.67	1021.91	21.00	89.0	-51.5
Lucky Draw	RGC	LDD101	6244062.39	737611.74	1031.86	125.50	90.0	-54.5
Lucky Draw	RGC	LDD102	6243912.91	737630.79	1030.90	98.10	96.0	-49.5
Lucky Draw	RGC	LDD103	6244061.03	737660.51	1034.65	107.40	87.5	-52.5
Lucky Draw	RGC	LDD104	6244167.44	737589.29	1020.11	119.20	99.8	-60.0
Lucky Draw	RGC	LDD105	6243818.04	737574.02	1020.79	103.10	93.8	-50.0
Lucky Draw	RGC	LDD106	6243913.67	737668.65	1032.34	89.00	90.5	-51.5
Lucky Draw	RGC	LDD107	6243913.56	737707.49	1032.79	23.00	87.5	-50.5
Lucky Draw	RGC	LDD108	6243912.43	737579.54	1028.51	110.00	91.5	-50.0
Lucky Draw	RGC	LDD109	6244164.54	737692.04	1022.11	66.00	90.0	-50.0
Lucky Draw	RGC	LDD110	6244062.38	737541.16	1024.72	126.20	94.0	-50.0
Lucky Draw	RGC	LDD111	6244167.81	737729.62	1022.83	73.65	123.0	-50.0
Lucky Draw	RGC	LDD112	6244162.12	737510.61	1014.32	123.20	90.5	-50.0
Lucky Draw	RGC	LDD113	6244164.26	737640.92	1022.91	86.20	91.0	-50.0
Lucky Draw	RGC	LDD114	6244078.18	737755.43	1031.41	84.00	127.0	-50.0
Lucky Draw	RGC	LDD115	6243914.26	737745.01	1032.79	45.00	119.0	-49.0
Lucky Draw	RGC	LDD116	6243813.31	737669.69	1022.79	49.50	117.0	-51.0
Lucky Draw	RGC	LDD117	6243769.80	737957.25	1019.40	58.70	0.0	-90.0
Lucky Draw	RGC	LDD118	6244009.91	737663.54	1038.07	106.50	123.0	-49.0
Lucky Draw	RGC	LDD119	6244100.09	737472.92	1015.86	133.00	116.0	-50.0
Lucky Draw	RGC	LDD142	6243950.33	737749.92	1035.22	50.42	0.0	-90.0
Lucky Draw	RGC	LDD143	6243950.70	737700.05	1036.59	81.53	0.0	-90.0
Lucky Draw	RGC	LDD144	6243950.05	737649.80	1035.57	102.00	0.0	-90.0
Lucky Draw	RGC	LDD145	6243899.78	737649.47	1030.55	79.30	0.0	-90.0

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Lucky Draw	RGC	LDD146	6243899.60	737674.70	1030.33	66.83	0.0	-90.0
Lucky Draw	RGC	LDD147	6243900.18	737724.94	1031.04	36.50	0.0	-90.0
Lucky Draw	RGC	LDD148	6243875.34	737699.49	1027.89	42.90	0.0	-90.0
Lucky Draw	RGC	LDD149	6244049.94	737575.62	1029.68	106.77	0.0	-90.0
Lucky Draw	RGC	LDD150	6244100.35	737599.50	1026.14	99.25	0.0	-90.0
Lucky Draw	RGC	LDD151	6244125.17	737599.68	1023.90	90.64	0.0	-90.0
Lucky Draw	RGC	LDD152	6244025.16	737599.91	1033.64	109.00	0.0	-90.0
Lucky Draw	RGC	LDD153	6244024.27	737749.53	1035.26	65.45	0.0	-90.0
Lucky Draw	RGC	LDD154	6244024.77	737649.70	1037.58	100.23	0.0	-90.0
Lucky Draw	RGC	LDD155	6244024.00	737800.62	1033.03	51.07	0.0	-90.0
Lucky Draw	RGC	LDD156	6244049.35	737625.32	1034.02	103.00	0.0	-90.0
Lucky Draw	RGC	LDD157	6244050.20	737675.10	1035.56	88.00	0.0	-90.0
Lucky Draw	RGC	LDD158	6244025.20	737699.82	1036.49	81.91	0.0	-90.0
Lucky Draw	RGC	LDD159	6244049.89	737724.91	1034.47	74.51	0.0	-90.0
Lucky Draw	RGC	LDD160	6244100.17	737574.87	1024.07	111.80	0.0	-90.0
Lucky Draw	RGC	LDD161	6244000.00	737725.00	1036.72	80.23	0.0	-90.0
Lucky Draw	RGC	LDD162	6244099.97	737650.05	1029.24	89.72	0.0	-90.0
Lucky Draw	RGC	LDD163	6244099.98	737699.95	1028.36	75.45	0.0	-90.0
Lucky Draw	RGC	LDD164	6244075.09	737650.00	1032.37	89.50	0.0	-90.0
Lucky Draw	RGC	LDD165	6244074.88	737699.67	1032.34	73.13	0.0	-90.0
Lucky Draw	RGC	LDD166	6244050.00	737750.00	1032.45	62.00	0.0	-90.0
Lucky Draw	RGC	LDD167	6243999.92	737649.75	1037.94	99.30	0.0	-90.0
Lucky Draw	RGC	LDD168	6243974.70	737674.73	1037.99	96.45	0.0	-90.0
Lucky Draw	RGC	LDD169	6243950.00	737740.00	1035.22	55.30	0.0	-90.0
Lucky Draw	RGC	LDD170	6244125.10	737524.90	1019.80	106.50	0.0	-90.0
Lucky Draw	RGC	LDD171	6244099.95	737750.05	1030.48	62.87	0.0	-90.0
Lucky Draw	RGC	LDD172	6243925.00	737775.00	1034.80	28.00	0.0	-90.0
Hackney's Creek	RGC	LDD173	737748.70	6245000.11	1023.66	205.45	0.00	-90
Hackney's Creek	RGC	LDD174	737600.32	6244700.33	1004.90	201.77	0.00	-90
Hackney's Creek	RGC	LDD175	738000.60	6244600.14	1016.06	73.56	0.00	-90
Lucky Draw	RGC	LDD176	6244302.18	737425.70	1006.25	137.11	0.0	-90.0
Hackney's Creek	RGC	LDD177	737502.63	6244998.67	994.19	201.13	0.00	-90
Hackney's Creek	RGC	LDD178	737700.12	6244800.50	1002.18	193.48	0.00	-90
Hackney's Creek	RGC	LDD179	737845.88	6244700.99	1011.66	145.47	0.00	-90
Lucky Draw	RGC	LDD180	6243899.71	737699.80	1031.18	54.30	0.0	-90.0
Lucky Draw	RGC	LDD181	6243875.29	737675.08	1026.71	56.20	0.0	-90.0
Lucky Draw	RGC	LDD182	6243925.00	737675.00	1033.76	79.38	0.0	-90.0
Lucky Draw	RGC	LDD183	6243900.00	737750.00	1031.58	24.00	0.0	-90.0
Lucky Draw	RGC	LDD184	6243925.00	737700.10	1033.85	70.40	0.0	-90.0
Lucky Draw	RGC	LDD185	6243874.87	737725.04	1029.65	30.18	0.0	-90.0
Lucky Draw	RGC	LDD186	6243950.25	737675.10	1036.44	91.30	0.0	-90.0
Lucky Draw	RGC	LDD187	6243900.00	737775.00	1031.19	15.40	0.0	-90.0
Lucky Draw	RGC	LDD188	6243925.00	737725.00	1033.95	55.81	0.0	-90.0
Lucky Draw	RGC	LDD189	6243974.90	737725.17	1037.05	74.25	0.0	-90.0
Lucky Draw	RGC	LDD190	6243949.82	737775.16	1034.87	31.35	0.0	-90.0
Lucky Draw	RGC	LDD191	6243999.92	737699.95	1037.53	89.03	0.0	-90.0
Lucky Draw	RGC	LDD192	6244000.24	737750.05	1036.22	60.44	0.0	-90.0

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Lucky Draw	RGC	LDD193	6243974.84	737699.91	1037.82	92.13	0.0	-90.0
Lucky Draw	RGC	LDD194	6244050.00	737700.00	1034.94	76.71	0.0	-90.0
Lucky Draw	RGC	LDD195	6243975.00	737750.00	1036.23	39.00	0.0	-90.0
Lucky Draw	RGC	LDD196	6244075.76	737749.60	1031.95	63.91	0.0	-90.0
Lucky Draw	RGC	LDD197	6244050.34	737650.31	1035.55	94.48	0.0	-90.0
Lucky Draw	RGC	LDD198	6243999.89	737674.90	1038.83	98.29	0.0	-90.0
Lucky Draw	RGC	LDD199	6244050.14	737600.07	1032.05	105.62	0.0	-90.0
Lucky Draw	RGC	LDD200	6244124.97	737650.32	1026.61	85.58	0.0	-90.0
Lucky Draw	RGC	LDD203	6244124.67	737700.51	1025.01	61.45	0.0	-90.0
Lucky Draw	RGC	LDD204	6244149.71	737599.94	1022.08	91.00	0.0	-90.0
Lucky Draw	RGC	LDD205	6244075.30	737599.90	1029.37	100.12	0.0	-90.0
Lucky Draw	RGC	LDD206	6244125.00	737750.46	1028.20	60.18	0.0	-90.0
Lucky Draw	RGC	LDD207	6243874.92	737650.42	1027.72	67.49	0.0	-90.0
Lucky Draw	RGC	LDD208	6243874.75	737750.25	1029.33	19.34	0.0	-90.0
Lucky Draw	RGC	LDD209	6243925.33	737650.55	1033.11	88.90	0.0	-90.0
Lucky Draw	RGC	LDD210	6244200.18	737600.08	1018.60	85.91	0.0	-90.0
Lucky Draw	RGC	LDD211	6243924.73	737749.65	1033.61	34.96	0.0	-90.0
Lucky Draw	RGC	LDD212	6244124.60	737574.89	1021.74	106.51	0.0	-90.0
Lucky Draw	RGC	LDD213	6244249.90	737599.94	1016.37	94.07	109.0	-85.5
Lucky Draw	RGC	LDD214	6243974.98	737775.19	1036.23	36.51	0.0	-90.0
Lucky Draw	RGC	LDD215	6244075.88	737575.18	1026.46	107.93	0.0	-90.0
Lucky Draw	RGC	LDD216	6243974.00	737799.89	1036.14	24.16	0.0	-90.0
Lucky Draw	RGC	LDD217	6243949.79	737799.75	1035.05	19.31	0.0	-90.0
Lucky Draw	RGC	LDD218	6243924.75	737800.17	1033.32	11.40	0.0	-90.0
Lucky Draw	RGC	LDD219	6244200.31	737550.05	1014.35	78.68	0.0	-90.0
Lucky Draw	RGC	LDD220	6243925.00	737795.00	1033.50	10.82	0.0	-90.0
Lucky Draw	RGC	LDD232	6244025.00	737625.14	1035.82	102.73	0.0	-90.0
Lucky Draw	RGC	LDD233	6243950.08	737725.14	1035.85	66.25	0.0	-90.0
Lucky Draw	RGC	LDD234	6244149.88	737749.88	1025.03	53.06	0.0	-90.0
Lucky Draw	RGC	LDD235	6244150.21	737550.15	1017.33	97.29	0.0	-90.0
Lucky Draw	RGC	LDD236	6244074.64	737625.10	1030.87	94.23	0.0	-90.0
Lucky Draw	RGC	LDD237	6244149.55	737799.86	1026.26	49.44	0.0	-90.0
Lucky Draw	RGC	LDD238	6244100.21	737624.75	1028.12	91.34	0.0	-90.0
Lucky Draw	RGC	LDD239	6244100.34	737550.17	1021.96	109.83	0.0	-90.0
Lucky Draw	RGC	LDD240	6244125.11	737799.85	1027.08	51.21	0.0	-90.0
Lucky Draw	RGC	LDD241	6244149.67	737774.88	1025.61	57.16	0.0	-90.0
Lucky Draw	RGC	LDD242	6244125.00	737625.16	1025.67	82.23	0.0	-90.0
Lucky Draw	RGC	LDD243	6244024.87	737724.83	1036.01	73.80	0.0	-90.0
Lucky Draw	RGC	LDD244	6244174.92	737750.02	1023.52	44.70	0.0	-90.0
Lucky Draw	RGC	LDD245	6244024.86	737674.97	1037.84	93.24	0.0	-90.0
Lucky Draw	RGC	LDD246	6244074.94	737725.15	1031.31	64.91	0.0	-90.0
Lucky Draw	RGC	LDD247	6244175.25	737775.25	1024.32	42.90	0.0	-90.0
Lucky Draw	RGC	LDD248	6244075.35	737675.21	1033.13	84.87	0.0	-90.0
Lucky Draw	RGC	LDD249	6244100.32	737725.28	1028.34	61.04	0.0	-90.0
Lucky Draw	RGC	LDD250	6244050.07	737899.56	1036.32	32.00	0.0	-90.0
Lucky Draw	RGC	LDD251	6244100.05	737676.37	1029.32	78.14	0.0	-90.0
Lucky Draw	RGC	LDD252	6244024.85	737875.55	1036.72	48.44	0.0	-90.0
Lucky Draw	RGC	LDD253	6244125.00	737725.00	1026.61	55.06	0.0	-90.0
Lucky Draw	RGC	LDD254	6243849.91	737649.55	1025.77	55.92	0.0	-90.0
Lucky Draw	RGC	LDD255	6244125.30	737675.49	1025.81	77.71	0.0	-90.0
Lucky Draw	RGC	LDD256	6243849.97	737674.88	1024.60	49.89	0.0	-90.0
Lucky Draw	RGC	LDD257	6244150.02	737725.66	1024.50	55.68	0.0	-90.0

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Lucky Draw	RGC	LDD258	6244049.80	737549.86	1026.53	105.18	0.0	-90.0
Lucky Draw	RGC	LDD259	6243950.05	737599.73	1032.93	103.60	0.0	-90.0
Lucky Draw	RGC	LDD260	6244199.70	737750.65	1022.00	40.70	0.0	-90.0
Lucky Draw	RGC	LDD261	6244150.25	737697.13	1023.31	62.07	0.0	-90.0
Lucky Draw	RGC	LDD262	6244174.95	737724.58	1023.70	49.76	0.0	-90.0
Lucky Draw	RGC	LDD263	6244074.81	737550.02	1024.24	111.21	0.0	-90.0
Lucky Draw	RGC	LDD264	6244149.89	737624.64	1023.04	85.16	0.0	-90.0
Lucky Draw	RGC	LDD265	6244175.03	737575.40	1018.26	74.87	0.0	-90.0
Lucky Draw	RGC	LDD266	6244225.00	737624.53	1018.27	88.53	0.0	-90.0
Lucky Draw	RGC	LDD267	6243900.31	737599.73	1028.19	97.00	0.0	-90.0
Lucky Draw	RGC	LDD268	6244200.13	737624.93	1019.45	94.53	0.0	-90.0
Lucky Draw	RGC	LDD269	6243849.59	737599.90	1024.35	82.87	0.0	-90.0
Lucky Draw	RGC	LDD270	6244225.10	737575.16	1015.78	81.42	0.0	-90.0
Lucky Draw	RGC	LDD271	6243850.13	737549.94	1022.34	78.84	0.0	-90.0
Lucky Draw	RGC	LDD272	6244174.17	737625.16	1020.60	90.02	0.0	-90.0
Lucky Draw	RGC	LDD273	6243825.00	737625.14	1023.57	74.05	0.0	-90.0
Lucky Draw	RGC	LDD274	6243825.34	737649.89	1024.10	61.34	0.0	-90.0
Lucky Draw	RGC	LDD275	6243975.12	737650.14	1036.75	102.77	0.0	-90.0
Lucky Draw	RGC	LDD276	6243800.08	737625.07	1021.59	62.57	0.0	-90.0
Lucky Draw	RGC	LDD305	6243969.46	737745.90	1036.23	57.10	0.0	-90.0
Lucky Draw	RGC	LDD306	6244290.36	737549.44	1013.71	121.50	0.0	-90.0
Hackney's Creek	RGC	LDD307	737550.00	6244349.40	1009.85	114.27	0.00	-90
Hackney's Creek	RGC	LDD308	737545.06	6244402.20	1008.27	117.45	0.00	-90
Hackney's Creek	RGC	LDD309	737549.88	6244800.95	999.23	160.98	0.00	-90
Hackney's Creek	RGC	LDD310	737552.69	6244456.29	1007.66	124.52	0.00	-90
Hackney's Creek	RGC	LDD311	737549.27	6244750.34	1001.98	277.82	0.00	-90
Hackney's Creek	RGC	LDD312	737556.45	6244499.61	1005.82	136.16	0.00	-90
Hackney's Creek	RGC	LDD313	737547.31	6244597.64	1007.36	180.89	0.00	-90
Hackney's Creek	RGC	LDD314	737554.02	6244698.95	1004.50	193.84		-90
Hackney's Creek	RGC	LDD315	737548.02	6244653.74	1006.35	160.80		-90
Hackney's Creek	RGC	LDD316	737525.69	6244800.51	998.80	196.28	90	-55
Hackney's Creek	RGC	LDD325	737575.63	6244800.49	999.37	196.32	90	-55
Hackney's Creek	RGC	LDD326	737475.16	6244799.53	1000.28	196.51	90	-55
Hackney's Creek	RGC	LDD327	737524.58	6244849.84	996.25	190.56	90	-55
Hackney's Creek	RGC	LDD328	737474.27	6244849.79	997.66	231.90	90	-55
Hackney's Creek	RGC	LDD329	737550.98	6244750.40	1001.85	154.33	90	-55
Hackney's Creek	RGC	LDD330	737499.46	6244749.85	1002.34	210.57	90	-55

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LDD331	737594.90	6244904.40	997.20	200.65	90	-55
Hackney's Creek	RGC	LDD332	737449.63	6244749.83	1002.98	123.81	90	-55
Hackney's Creek	RGC	LDD333	737601.90	6244952.30	1007.40	247.00	90	-55
Hackney's Creek	RGC	LDD334	737399.83	6244699.25	1004.06	148.46	90	-55
Hackney's Creek	RGC	LDD335	737650.92	6244953.26	1016.05	128.58	90	-54
Hackney's Creek	RGC	LDD336	737600.93	6244999.08	1007.84	145.09	90	-55
Hackney's Creek	RGC	LDD337	737576.43	6244850.06	996.87	145.43	90	-55
Hackney's Creek	RGC	LDD338	737550.48	6244999.69	999.80	162.10	90	-55
Hackney's Creek	RGC	LDD346	737619.15	6244850.08	998.25	124.50	90	-55
Hackney's Creek	RGC	LDD349	737551.49	6244899.74	995.30	112.38	90	-55
Hackney's Creek	RGC	LDD350	737668.98	6244841.94	1001.18	100.00	90	-55
Hackney's Creek	RGC	LDD366	737619.62	6244871.85	998.62	80.93	90	-55
Hackney's Creek	RGC	LDD371	737501.22	6244898.87	994.26	250.63	90	-55
Lucky Draw	RGC	LDD514	6243937.52	737732.72	1010.00	52.93	360.0	-90.0
Lucky Draw	RGC	LDD515	6243962.30	737737.20	1010.20	73.70	360.0	-90.0
Lucky Draw	RGC	LDD516	6244096.53	737752.07	1007.92	43.98	270.0	
Lucky Draw	RGC	LDD517	6244125.00	737734.00	1007.50	37.69	0.0	-90.0
Lucky Draw	RGC	LDD518	6244062.40	737562.50	1025.30	109.45	0.0	-90.0
Lucky Draw	RGC	LDD519	6244087.50	737562.50	1024.60	115.62	0.0	-90.0
Lucky Draw	RGC	LDD520	6244087.50	737563.20	1024.60	106.35	90.0	-65.0
Lucky Draw	RGC	LDD521	6244112.30	737562.10	1020.70	109.22	0.0	-90.0
Lucky Draw	RGC	LDD522	6244113.70	737587.20	1023.90	102.94	0.0	-90.0
Lucky Draw	RGC	LDD523	6244113.60	737587.70	1023.90	97.98	90.0	-69.0
Lucky Draw	RGC	LDD524	6244138.90	737587.80	1021.90	100.50	0.0	-90.0
Lucky Draw	RGC	LDD525	6244186.90	737587.30	1018.50	79.30	0.0	-90.0
Lucky Draw	RGC	LDD526	6244212.30	737587.40	1016.90	85.06	0.0	-90.0
Lucky Draw	RGC	LDR001	6243793.00	738009.00	1021.00	21.00	0.0	-90.0
Lucky Draw	RGC	LDR002	6243795.00	737985.00	1021.50	27.00	0.0	-90.0
Lucky Draw	RGC	LDR003	6243806.00	737773.00	1023.20	26.00	0.0	-90.0
Lucky Draw	RGC	LDR004	6243901.00	737877.00	1031.00	38.00	0.0	-90.0
Lucky Draw	RGC	LDR005	6243909.00	737728.00	1033.20	29.00	0.0	-90.0
Lucky Draw	RGC	LDR006	6243910.00	737703.00	1033.20	31.00	0.0	-90.0
Lucky Draw	RGC	LDR007	6243911.00	737677.00	1033.00	30.00	0.0	-90.0
Lucky Draw	RGC	LDR008	6243913.00	737653.00	1032.50	17.00	0.0	-90.0
Lucky Draw	RGC	LDR009	6243914.00	737627.00	1032.00	3.00	0.0	-90.0
Lucky Draw	RGC	LDR010	6243916.00	737603.00	1031.50	2.00	0.0	-90.0
Lucky Draw	RGC	LDR011	6244015.00	737607.00	1035.20	12.00	0.0	-90.0
Lucky Draw	RGC	LDR012	6244014.00	737633.00	1037.60	20.00	0.0	-90.0
Lucky Draw	RGC	LDR013	6244012.00	737658.00	1038.00	21.00	0.0	-90.0
Lucky Draw	RGC	LDR014	6244011.00	737683.00	1038.00	18.00	0.0	-90.0
Lucky Draw	RGC	LDR015	6244010.00	737707.00	1037.70	18.00	0.0	-90.0

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Lucky Draw	RGC	LDR016	6244009.00	737719.00	1037.50	38.00	0.0	-90.0
Lucky Draw	RGC	LDR017	6244008.50	737732.00	1037.50	21.00	0.0	-90.0
Lucky Draw	RGC	LDR018	6244007.00	737757.00	1037.10	24.00	0.0	-90.0
Lucky Draw	RGC	LDR019	6244006.00	737782.00	1036.50	25.00	0.0	-90.0
Lucky Draw	RGC	LDR020	6244004.00	737807.00	1036.00	26.00	0.0	-90.0
Lucky Draw	RGC	LDR021	6244003.00	737832.00	1036.00	17.00	0.0	-90.0
Lucky Draw	RGC	LDR022	6244001.00	737857.00	1037.40	25.00	0.0	-90.0
Lucky Draw	RGC	LDR023	6244000.00	737883.20	1038.00	39.00	0.0	-90.0
Lucky Draw	RGC	LDR024	6243907.50	737753.00	1033.20	32.00	0.0	-90.0
Lucky Draw	RGC	LDR025	6243906.00	737777.00	1033.20	35.00	0.0	-90.0
Lucky Draw	RGC	LDR026	6243817.00	737573.00	1022.00	4.00	0.0	-90.0
Lucky Draw	RGC	LDR027	6243815.50	737597.00	1023.50	18.50	0.0	-90.0
Lucky Draw	RGC	LDR028	6243815.00	737623.00	1023.50	14.00	0.0	-90.0
Lucky Draw	RGC	LDR029	6243813.00	737647.30	1024.00	19.00	0.0	-90.0
Lucky Draw	RGC	LDR030	6243811.00	737673.00	1024.20	27.00	0.0	-90.0
Lucky Draw	RGC	LDR031	6243810.50	737697.00	1025.10	36.00	0.0	-90.0
Lucky Draw	RGC	LDR032	6243809.00	737723.00	1025.50	29.00	0.0	-90.0
Lucky Draw	RGC	LDR033	6243807.00	737748.00	1024.90	24.00	0.0	-90.0
Lucky Draw	RGC	LDR034	6243714.00	737618.00	1018.00	24.00	0.0	-90.0
Lucky Draw	RGC	LDR035	6243715.00	737593.00	1017.90	23.50	0.0	-90.0
Lucky Draw	RGC	LDR036	6243716.00	737568.00	1017.70	18.50	0.0	-90.0
Lucky Draw	RGC	LDR037	6243718.00	737543.00	1017.50	13.50	0.0	-90.0
Lucky Draw	RGC	LDR038	6243719.00	737518.00	1016.00	13.50	0.0	-90.0
Lucky Draw	RGC	LDR039	6244114.00	737612.00	1026.00	29.00	0.0	-90.0
Lucky Draw	RGC	LDR040	6244113.00	737637.00	1027.60	21.00	0.0	-90.0
Lucky Draw	RGC	LDR041	6244112.00	737662.00	1028.50	32.00	0.0	-90.0
Lucky Draw	RGC	LDR042	6244111.00	737687.00	1028.00	30.00	0.0	-90.0
Lucky Draw	RGC	LDR043	6244109.00	737712.00	1027.50	24.00	0.0	-90.0
Lucky Draw	RGC	LDR044	6244108.50	737725.00	1028.00	36.00	0.0	-90.0
Lucky Draw	RGC	LDR045	6244108.00	737737.00	1029.70	33.00	0.0	-90.0
Lucky Draw	RGC	LDR046	6244107.00	737762.00	1031.50	3.00	0.0	-90.0
Lucky Draw	RGC	LDR047	6244106.00	737787.00	1028.50	39.00	0.0	-90.0
Lucky Draw	RGC	LDR048	6244104.00	737812.00	1030.20	31.50	0.0	-90.0
Lucky Draw	RGC	LDR049	6244103.00	737837.00	1032.20	27.00	0.0	-90.0
Lucky Draw	RGC	LDR050	6244101.00	737863.00	1034.00	24.00	0.0	-90.0
Lucky Draw	RGC	LDR051	6244100.00	737887.00	1034.30	24.00	0.0	-90.0
Lucky Draw	RGC	LDR052	6244195.00	737967.00	1031.00	15.00	0.0	-90.0
Lucky Draw	RGC	LDR053	6244197.00	737942.00	1030.70	9.00	0.0	-90.0
Lucky Draw	RGC	LDR054	6244198.00	737917.00	1029.90	16.00	0.0	-90.0
Lucky Draw	RGC	LDR055	6244199.00	737892.00	1029.00	24.00	0.0	-90.0
Lucky Draw	RGC	LDR056	6244201.00	737867.00	1028.20	30.00	0.0	-90.0
Lucky Draw	RGC	LDR057	6244201.00	737842.00	1026.20	39.00	0.0	-90.0
Lucky Draw	RGC	LDR058	6244203.00	737792.00	1023.00	42.00	0.0	-90.0
Lucky Draw	RGC	LDR059	6244207.00	737742.00	1021.50	36.50	0.0	-90.0
Lucky Draw	RGC	LDR060	6244209.00	737717.00	1021.00	39.00	0.0	-90.0
Lucky Draw	RGC	LDR061	6244211.00	737667.00	1019.00	36.00	0.0	-90.0
Lucky Draw	RGC	LDR062	6244213.00	737643.00	1019.90	24.00	0.0	-90.0
Lucky Draw	RGC	LDR063	6244063.00	737660.00	1033.50	34.50	0.0	-90.0
Lucky Draw	RGC	LDR064	6244062.00	737685.00	1033.30	33.00	0.0	-90.0
Lucky Draw	RGC	LDR065	6244061.00	737710.00	1032.60	41.00	0.0	-90.0
Lucky Draw	RGC	LDR066	6244060.20	737722.00	1033.00	36.20	0.0	-90.0
Lucky Draw	RGC	LDR067	6244059.00	737735.00	1033.50	36.00	0.0	-90.0

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Lucky Draw	RGC	LDR068	6244058.00	737760.00	1033.70	40.00	0.0	-90.0
Lucky Draw	RGC	LDR069	6243962.00	737655.00	1037.60	45.00	0.0	-90.0
Lucky Draw	RGC	LDR070	6243961.00	737681.00	1037.60	36.00	0.0	-90.0
Lucky Draw	RGC	LDR071	6243960.00	737706.00	1037.60	30.00	0.0	-90.0
Lucky Draw	RGC	LDR072	6243959.00	737730.00	1037.45	26.00	0.0	-90.0
Lucky Draw	RGC	LDR073	6243957.00	737755.00	1037.45	35.00	0.0	-90.0
Lucky Draw	RGC	LDR074	6243956.00	737781.00	1037.40	28.00	0.0	-90.0
Lucky Draw	RGC	LDR075	6243864.50	737625.00	1027.40	13.00	0.0	-90.0
Lucky Draw	RGC	LDR076	6243863.00	737651.00	1027.50	21.00	0.0	-90.0
Lucky Draw	RGC	LDR077	6243862.00	737675.00	1027.60	30.00	0.0	-90.0
Lucky Draw	RGC	LDR078	6243860.00	737700.00	1028.50	6.00	0.0	-90.0
Lucky Draw	RGC	LDR079	6243859.00	737725.00	1029.00	32.00	0.0	-90.0
Lucky Draw	RGC	LDR080	6243857.00	737750.00	1029.00	36.00	0.0	-90.0
Lucky Draw	RGC	LDR081	6243856.50	737775.00	1028.20	24.00	0.0	-90.0
Lucky Draw	RGC	LDR082	6243711.00	737668.00	1018.00	33.00	0.0	-90.0
Lucky Draw	RGC	LDR083	6243708.00	737717.00	1022.00	21.00	0.0	-90.0
Lucky Draw	RGC	LDR084	6243903.00	737827.00	1032.30	33.00	0.0	-90.0
Lucky Draw	RGC	LRC085	6243812.63	738007.95	1020.46	72.00	99.5	-50.0
Lucky Draw	RGC	LRC086	6243820.56	737956.55	1019.06	30.00	101.0	-50.0
Lucky Draw	RGC	LRC087	6243828.55	737907.28	1019.54	35.90	0.0	-90.0
Lucky Draw	RGC	LRC088	6243835.60	737857.47	1021.28	29.00	0.0	-90.0
Lucky Draw	RGC	LRC089	6243844.47	737810.55	1024.06	24.00	0.0	-90.0
Lucky Draw	RGC	LRC090	6243853.63	737758.26	1026.37	31.00	0.0	-90.0
Lucky Draw	RGC	LRC091	6243860.89	737708.51	1027.56	36.50	0.0	-90.0
Lucky Draw	RGC	LRC092	6243950.50	737931.40	1030.07	91.00	94.5	-50.0
Lucky Draw	RGC	LRC093	6243976.77	737618.70	1035.39	93.00	106.8	-50.0
Lucky Draw	RGC	LRC094	6243984.61	737569.15	1031.23	128.00	105.0	-50.0
Lucky Draw	RGC	LRC095	6243991.12	737529.67	1026.50	98.00	100.0	-50.0
Lucky Draw	RGC	LRC096	6243999.72	737479.36	1021.80	128.00	100.0	-50.0
Lucky Draw	RGC	LRC097	6244008.26	737431.18	1018.67	125.00	100.0	-50.0
Lucky Draw	RGC	LRC277	6243825.27	737699.76	1024.80	20.00	0.0	-90.0
Lucky Draw	RGC	LRC278	6243975.74	737823.11	1036.80	14.00	0.0	-90.0
Lucky Draw	RGC	LRC279	6243824.59	737675.09	1023.60	20.00	0.0	-90.0
Hackney's Creek	RGC	LRC289	737649.96	6245000.31	1014.19	48.60		-90
Lucky Draw	RGC	LRC290	6243924.18	737825.10	1032.43	5.00	0.0	-90.0
Lucky Draw	RGC	LRC291	6243949.82	737824.41	1034.85	5.00	0.0	-90.0
Lucky Draw	RGC	LRC292	6244000.16	737849.61	1036.12	24.50	0.0	-90.0
Lucky Draw	RGC	LRC293	6244024.77	737850.26	1033.48	48.50	0.0	-90.0
Lucky Draw	RGC	LRC294	6244049.69	737849.90	1031.98	30.00	0.0	-90.0
Lucky Draw	RGC	LRC295	6244073.07	737871.46	1034.08	28.00	0.0	-90.0
Lucky Draw	RGC	LRC296	6244075.32	737899.62	1034.16	3.00	0.0	-90.0
Lucky Draw	RGC	LRC297	6244049.93	737875.20	1034.90	33.50	0.0	-90.0
Lucky Draw	RGC	LRC298	6244000.65	737875.05	1037.18	34.00	0.0	-90.0
Lucky Draw	RGC	LRC299	6243976.06	737848.12	1036.97	16.00	0.0	-90.0
Lucky Draw	RGC	LRC303	6243849.88	737699.86	1026.42	20.00	0.0	-90.0
Hackney's Creek	RGC	LRC340	737701.92	6245002.49	1018.48	70.00	90	-55
Hackney's Creek	RGC	LRC341	737701.73	6244952.53	1021.52	74.00	90	-55
Hackney's Creek	RGC	LRC342	737751.00	6244951.92	1022.67	68.00	90	-55

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LRC343	737684.23	6244910.50	1017.95	87.00	90	-55
Hackney's Creek	RGC	LRC344	737623.74	6244798.28	999.78	52.00	90	-55
Hackney's Creek	RGC	LRC345	737701.55	6245049.27	1017.22	74.00	85	-55
Hackney's Creek	RGC	LRC347	737650.35	6245049.81	1011.09	50.00	85	-55
Hackney's Creek	RGC	LRC348	737605.39	6245043.44	1005.73	52.00	90	-55
Hackney's Creek	RGC	LRC351	737674.52	6244978.62	1018.19	60.00	90	-55
Hackney's Creek	RGC	LRC352	737652.36	6244978.84	1016.06	46.00	90	-55
Hackney's Creek	RGC	LRC353	737627.56	6244955.77	1011.30	64.00	90	-55
Hackney's Creek	RGC	LRC354	737618.39	6244902.39	1003.92	46.00	94.5	-54
Hackney's Creek	RGC	LRC355	737643.68	6244873.39	1004.70	42.00	95	-55
Hackney's Creek	RGC	LRC356	737644.39	6244901.02	1009.71	47.00	90	-55
Hackney's Creek	RGC	LRC357	737681.16	6244951.38	1020.24	82.00	90	-54
Hackney's Creek	RGC	LRC358	737603.56	6244933.63	1004.48	76.00	90	-55
Hackney's Creek	RGC	LRC362	737670.89	6244875.64	1010.80	63.00	90	-55
Hackney's Creek	RGC	LRC363	737674.71	6244900.14	1015.84	46.00	94	-54.7
Hackney's Creek	RGC	LRC364	737654.08	6244931.97	1015.47	50.00	90	-55
Hackney's Creek	RGC	LRC365	737679.45	6244932.84	1019.35	67.00	91	-54
Hackney's Creek	RGC	LRC401	737425.00	6244700.00	1004.20	28.00	90	-60
Hackney's Creek	RGC	LRC402	737450.00	6244700.00	1004.32	30.00	89	-60
Hackney's Creek	RGC	LRC403	737475.00	6244700.00	1004.32	28.00	86	-60
Hackney's Creek	RGC	LRC404	737500.00	6244700.00	1004.32	10.00	90	-60
Hackney's Creek	RGC	LRC405	737525.00	6244700.00	1004.39	20.00	90	-60
Hackney's Creek	RGC	LRC406	737525.00	6244750.00	1002.07	18.00	90	-60
Hackney's Creek	RGC	LRC407	737525.00	6244600.00	1007.21	29.00	90	-60
Hackney's Creek	RGC	LRC408	737550.00	6244600.00	1007.44	23.00	90	-60
Hackney's Creek	RGC	LRC409	737575.00	6244600.00	1007.79	21.75	90	-60
Hackney's Creek	RGC	LRC410	737600.00	6244600.00	1008.13	55.00	90	-60

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LRC411	737650.00	6244600.00	1009.59	30.00	90	-60
Hackney's Creek	RGC	LRC412	737400.00	6244500.00	999.66	30.00	90	-60
Hackney's Creek	RGC	LRC413	737425.00	6244500.00	1001.28	24.60	90	-60
Hackney's Creek	RGC	LRC414	737450.00	6244500.00	1002.91	20.00	90	-60
Hackney's Creek	RGC	LRC415	737475.00	6244500.00	1003.51	24.00	90	-60
Hackney's Creek	RGC	LRC416	737500.00	6244500.00	1004.12	26.00	90	-60
Hackney's Creek	RGC	LRC417	737525.00	6244500.00	1004.99	30.00	90	-60
Hackney's Creek	RGC	LRC418	737575.00	6244500.00	1006.83	24.00	90	-60
Hackney's Creek	RGC	LRC419	737600.00	6244500.00	1007.80	21.50	90	-60
Hackney's Creek	RGC	LRC420	737625.00	6244500.00	1009.05	32.00	90	-60
Hackney's Creek	RGC	LRC421	737650.00	6244500.00	1010.31	30.00	90	-60
Hackney's Creek	RGC	LRC422	737600.00	6244800.00	999.45	30.00	90	-60
Hackney's Creek	RGC	LRC423	737625.00	6244800.00	999.94	15.50	90	-60
Hackney's Creek	RGC	LRC424	737650.00	6244800.00	1000.44	28.00	90	-60
Hackney's Creek	RGC	LRC425	737675.00	6244800.00	1001.31	20.00	90	-60
Hackney's Creek	RGC	LRC426	737400.00	6244400.00	1002.97	26.00	90	-60
Hackney's Creek	RGC	LRC427	737425.00	6244400.00	1003.62	24.00	90	-60
Hackney's Creek	RGC	LRC428	737450.00	6244400.00	1004.27	27.00	90	-60
Hackney's Creek	RGC	LRC429	737475.00	6244400.00	1005.21	30.00	90	-60
Hackney's Creek	RGC	LRC430	737500.00	6244400.00	1006.16	30.00	90	-60
Hackney's Creek	RGC	LRC431	737525.00	6244400.00	1007.35	30.00	90	-60
Hackney's Creek	RGC	LRC432	737550.00	6244400.00	1008.54	24.00	90	-60
Hackney's Creek	RGC	LRC433	737575.00	6244400.00	1009.36	30.00	90	-60
Hackney's Creek	RGC	LRC434	737600.00	6244400.00	1010.18	30.00	90	-60
Hackney's Creek	RGC	LRC435	737625.00	6244400.00	1010.83	30.00	90	-60
Hackney's Creek	RGC	LRC436	737650.00	6244400.00	1011.49	30.00	90	-60
Hackney's Creek	RGC	LRC437	737675.00	6244400.00	1012.73	30.00	90	-60

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LRC438	737700.00	6244400.00	1013.97	30.00	90	-60
Hackney's Creek	RGC	LRC439	737400.00	6244300.00	1004.78	30.00	90	-60
Hackney's Creek	RGC	LRC440	737425.00	6244300.00	1006.03	30.00	90	-60
Hackney's Creek	RGC	LRC441	737450.00	6244300.00	1007.28	30.00	90	-60
Hackney's Creek	RGC	LRC442	737475.00	6244300.00	1008.69	30.00	90	-60
Hackney's Creek	RGC	LRC443	737500.00	6244300.00	1010.11	30.00	90	-60
Hackney's Creek	RGC	LRC444	737525.00	6244300.00	1011.65	30.00	90	-60
Hackney's Creek	RGC	LRC445	737575.00	6244300.00	1014.07	30.00	90	-60
Hackney's Creek	RGC	LRC446	737600.00	6244300.00	1014.94	30.00	90	-60
Hackney's Creek	RGC	LRC447	737625.00	6244300.00	1015.58	20.00	90	-60
Hackney's Creek	RGC	LRC448	737650.00	6244300.00	1016.22	30.00	90	-60
Hackney's Creek	RGC	LRC449	737675.00	6244300.00	1018.01	30.00	90	-60
Hackney's Creek	RGC	LRC450	737700.00	6244300.00	1019.79	30.00	90	-60
Hackney's Creek	RGC	LRC451	737725.00	6244300.00	1020.91	30.00	90	-60
Hackney's Creek	RGC	LRC452	737725.00	6244400.00	1014.99	30.00	90	-60
Hackney's Creek	RGC	LRC453	737750.00	6244400.00	1016.01	30.00	90	-60
Hackney's Creek	RGC	LRC454	737650.00	6244350.00	1013.90	30.00	90	-60
Hackney's Creek	RGC	LRC455	737675.00	6244350.00	1015.42	30.00	90	-60
Hackney's Creek	RGC	LRC456	737600.00	6244450.00	1008.52	30.00	90	-60
Hackney's Creek	RGC	LRC457	737575.00	6244450.00	1008.30	30.00	90	-60
Hackney's Creek	RGC	LRC458	737625.00	6244450.00	1009.28	30.00	90	-60
Hackney's Creek	RGC	LRC459	737650.00	6244450.00	1010.05	30.00	90	-60
Hackney's Creek	RGC	LRC460	737675.00	6244450.00	1010.97	27.00	90	-60
Hackney's Creek	RGC	LRC461	737675.00	6244500.00	1011.70	30.00	90	-60
Hackney's Creek	RGC	LRC462	737700.00	6244500.00	1013.09	30.00	90	-60
Hackney's Creek	RGC	LRC463	737575.00	6244550.00	1006.77	26.30	90	-60
Hackney's Creek	RGC	LRC464	737600.00	6244550.00	1007.51	21.00	90	-60

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LRC465	737625.00	6244550.00	1008.98	10.00	90	-60
Hackney's Creek	RGC	LRC466	737650.00	6244550.00	1010.46	30.00	90	-60
Hackney's Creek	RGC	LRC467	737400.00	6244600.00	1001.33	30.00	90	-60
Hackney's Creek	RGC	LRC468	737425.00	6244600.00	1002.59	28.00	90	-60
Hackney's Creek	RGC	LRC469	737450.00	6244600.00	1003.86	27.00	90	-60
Hackney's Creek	RGC	LRC470	737475.00	6244600.00	1005.42	27.00	90	-60
Hackney's Creek	RGC	LRC471	737500.00	6244600.00	1006.98	24.00	90	-60
Hackney's Creek	RGC	LRC472	737625.00	6244600.00	1008.86	28.00	90	-60
Hackney's Creek	RGC	LRC473	737300.00	6244700.00	1000.17	30.00	90	-60
Hackney's Creek	RGC	LRC474	737325.00	6244700.00	1002.21	30.00	90	-60
Hackney's Creek	RGC	LRC475	737350.00	6244700.00	1004.26	30.00	90	-60
Hackney's Creek	RGC	LRC476	737375.00	6244700.00	1004.17	28.40	90	-60
Hackney's Creek	RGC	LRC477	737575.00	6244700.00	1004.68	20.00	90	-60
Hackney's Creek	RGC	LRC478	737625.00	6244700.00	1005.51	14.00	90	-60
Hackney's Creek	RGC	LRC479	737650.00	6244700.00	1006.13	8.00	90	-60
Hackney's Creek	RGC	LRC480	737675.00	6244700.00	1006.97	12.00	90	-60
Hackney's Creek	RGC	LRC481	737700.00	6244700.00	1007.36	18.00	90	-60
Hackney's Creek	RGC	LRC482	737725.00	6244800.00	1002.93	6.00	90	-60
Hackney's Creek	RGC	LRC483	737525.00	6245150.00	996.96	22.00	90	-60
Hackney's Creek	RGC	LRC484	737550.00	6245150.00	999.56	25.00	90	-60
Hackney's Creek	RGC	LRC485	737575.00	6245150.00	1016.28	24.00	90	-60
Hackney's Creek	RGC	LRC486	737600.00	6245150.00	1005.29	30.00	90	-60
Hackney's Creek	RGC	LRC487	737625.00	6245150.00	996.96	30.00	90	-60
Hackney's Creek	RGC	LRC488	737600.00	6245250.00	1001.46	8.00	90	-60
Hackney's Creek	RGC	LRC489	737625.00	6245250.00	1002.94	22.00	90	-60
Hackney's Creek	RGC	LRC490	737650.00	6245250.00	1004.41	22.00	90	-60
Hackney's Creek	RGC	LRC491	737675.00	6244550.00	1011.45	24.00	90	-60

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LRC492	737600.00	6244650.00	1007.02	24.00	90	-60
Hackney's Creek	RGC	LRC493	737625.00	6244650.00	1007.52	32.50	90	-60
Hackney's Creek	RGC	LRC494	737650.00	6244650.00	1008.02	28.00	90	-60
Hackney's Creek	RGC	LRC495	737675.00	6244650.00	1008.85	14.00	90	-60
Hackney's Creek	RGC	LRC496	737700.00	6244650.00	1007.02	32.50	90	-60
Hackney's Creek	RGC	LRC497	737675.00	6244600.00	1010.40	32.50	90	-60
Hackney's Creek	RGC	LRC498	737700.00	6244600.00	1011.21	32.50	90	-60
Hackney's Creek	RGC	LRC499	737725.00	6244600.00	1012.11	32.50	90	-60
Hackney's Creek	RGC	LRC500	737750.00	6244600.00	1013.01	32.50	90	-60
Hackney's Creek	RGC	LRC601	737625.00	6244550.00	1008.99	32.50	90	-60
Hackney's Creek	RGC	LRC602	737700.00	6244550.00	1012.44	32.50	90	-60
Hackney's Creek	RGC	LRC603	737725.00	6244550.00	1013.44	32.50	90	-60
Hackney's Creek	RGC	LRC604	737750.00	6244550.00	1014.43	32.50	90	-60
Hackney's Creek	RGC	LRC605	737725.00	6244500.00	1014.21	32.50	90	-60
Hackney's Creek	RGC	LRC606	737750.00	6244500.00	1015.32	32.50	90	-60
Lucky Draw	RGC	LXD098	6244289.44	737559.43	1014.28	110.10	100.0	-60.0
Lucky Draw	RGC	LXD099	6244299.11	737504.18	1010.42	132.10	96.0	-60.0
Hackney's Creek	RGC	LXD135	737595.74	6244901.17	997.33	169.60		-90
Hackney's Creek	RGC	LXD136	737700.83	6244917.26	1019.18	161.80		-90
Lucky Draw	RGC	LXD137	6244301.25	737749.90	1022.03	82.40	0.0	-90.0
Lucky Draw	RGC	LXD138	6244301.80	737651.25	1016.22	91.20	0.0	-90.0
Lucky Draw	RGC	LXD139	6244301.90	737849.50	1025.42	83.30	0.0	-90.0
Hackney's Creek	RGC	LXD280	737601.99	6244955.42	1007.28	174.15		-90
Hackney's Creek	RGC	LXD281	737656.37	6244899.42	1013.27	208.00		-90
Hackney's Creek	RGC	LXD282	737650.73	6244950.15	1016.09	198.15		-90
Hackney's Creek	RGC	LXD283	737538.68	6244839.46	996.86	183.07		-90
Hackney's Creek	RGC	LXD284	736850.83	6244495.36	969.75	124.46		-90
Hackney's Creek	RGC	LXD287	737988.87	6244881.30	1011.89	79.81		-90
Hackney's Creek	RGC	LXD288	737508.84	6244799.32	999.45	237.64		-90
Hackney's Creek	RGC	LXD304	737551.31	6244550.73	1006.31	151.78		-90

prospect	Company	Hole_ID	AMG 66 North	AMG 66 East	RL	Depth (m)	Azimuth	Dip
Hackney's Creek	RGC	LXD339	737652.43	6244998.19	1014.71	149.06	90	-55
Hackney's Creek	RGC	LXD359	737628.70	6244930.71	1009.08	86.47	90	-55
Hackney's Creek	RGC	LXD360	737604.55	6244981.68	1006.42	99.90	90	-55.2
Hackney's Creek	RGC	LXD361	737629.07	6244978.69	1011.56	89.74	94	-51
Hackney's Creek	RGC	LXD367	737601.13	6244849.48	997.62	38.64	90	-55
Hackney's Creek	RGC	LXD368	737625.20	6244999.74	1010.56	90.70	90	-55
Lucky Draw	RGC	LXD369	6244023.54	737547.68	1024.98	105.33	0.0	-90.0
Lucky Draw	RGC	LXD370	6244024.49	737574.92	1022.79	102.83	0.0	-90.0

11.5 Burraga Copper-Gold Project: Copper Resource Estimate

Lloyds Copper Mineral Resources, Burraga NSW

Model		Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps	Inferred	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 1. Lloyds Copper Mineral Resources by model and resource category

The Lloyds Copper Mineral Resources comprise in situ remnant mineralization and associated tailings and slag heaps at the historically mined Lloyds Mine located about 1.5 km south of the village of Burraga in New South Wales.

Geology and Geological Interpretation

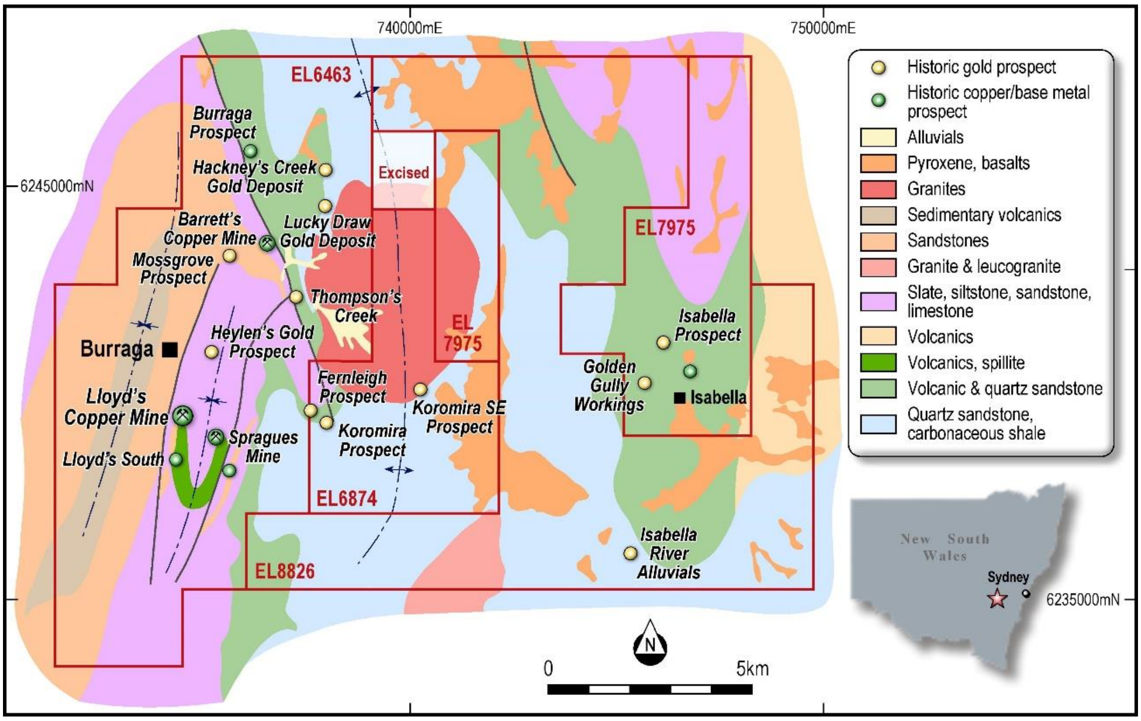

Figure 1 Regional Geological map of the Burraga area showing PSL tenements and prospects.

The project area is located in a structurally complex geological setting within the southern part of the Hill End Trough. Bedrock within the area covered by EL 6874 is dominated by Middle and Late Ordovician meta-sediments and the Carboniferous Burraga Granite. The oldest rocks in the tenement are the middle Ordovician Adaminaby Group which is comprised mainly of variably deformed quartz sandstone and carbonaceous shale. The Adaminaby Group underlies the south eastern parts of the licence area, east of the 'Lloyds syncline'.

Conformably overlying the Adaminaby Group is the Triangle Formation of the middle Ordovician Kenilworth Group. The Triangle Formation consists of mafic volcaniclastic sandstone, meta-basalt, slate, phyllite, schist, siliceous carbonaceous slate, chert, quartzite and sandstone. The Triangle Group is host to the Lucky Draw and Hackney's Creek gold deposits in the north eastern part of EL6463. The Triangle Formation rocks are unconformably overlain by the Middle to Late Silurian Campbells Formation of the Mumbil Group. Typically, the formation comprises siltstones overlain by interbedded slate and fine to coarse grained feldspathic meta-sandstone. In faulted contact above the Triangle Formation are sediments of the Early Devonian Crudine Group. The Crudine Group comprises the Dunchurch Formation (feldspathic quartz sandstone with minor slate, ashstone and dacite) and the Buckburraga Slate (laminated silty slate).

Within the 'Lloyds syncline' is a sequence of strongly deformed rocks with complex structural and stratigraphic relationships. This sequence comprises a basal slate mapped as the Buckburraga slate overlain by the Excelsior Porphyry (tuff). Above the Excelsior Porphyry is the Hanrahan's Agglomerate which is actually a polymict breccia of tectonic origin. The Hanrahan's Agglomerate includes clasts of limestone, amorphous silica and Excelsior Porphyry. Most of the Burraga copper mineralisation occurs in the Hanrahan's Agglomerate. Fine grained schist, phyllite and minor limestone of the Lovett's Formation occurs above the Hanrahan's Agglomerate. The age and stratigraphic relationship of the 'Lloyds syncline' sequence to rocks outside the 'syncline' have not been resolved. The sequence is variably interpreted as part of the Late Ordovician Rockley Volcanics or as part of the Silurian Mumbil Group.

The in situ mineralisation at the Lloyds mine comprises high grade (1% - 5% Cu), 0.5 m - 3.0 m wide quartz – sulphide (dominantly chalcopyrite) veins in a lower grade (0.1% - 1% Cu) matrix. The mineralisation is hosted in a sequence of Ordovician to Silurian meta-sediment and meta-volcanic rocks. The copper mineralisation strikes east – west and dips moderately to the north. North striking, east dipping post-mineralisation faults have truncated and offset the mineralisation giving rise to an apparent northeast plunge. The mineralisation is typically 5 m to 15 m thick and has been demonstrated by historical mining and drilling to have a strike length of about 200 m. The mineralisation is open down dip. Completely oxidised mineralisation does not occur at Lloyds. A transition zone comprising mixed sulphide (chalcopyrite), carbonate (malachite) and oxide (azurite and native copper) copper minerals occurs near surface.

Sampling and Sub Sampling Techniques

Most of the pre-Renison Goldfields Ltd (RGL) percussion drilling was open hole, with sampling methods, sample quality (moisture etc) and recovery not stated. The percussion drilling was sampled continuously at 1.0 m intervals. The Dominion Mining RC drilling was sampled using a Jones Riffle splitter.

The pre-RGL Diamond Drilling (DD) is all described as having been split, but it is not clear whether it was split by saw or with a hammer. In the drill logs some intervals are logged as having chalcopyrite mineralisation but not sampled. Presumably this was because the amount of mineralisation observed was considered not to be potentially economic at the time. Therefore all un-sampled intervals in the pre-RGL drilling cannot be considered barren of copper mineralisation.

The RGL and Elysium Mining Ltd (EYM) Reverse Circulation (RC) drilling was sub-sampled using a Jones Riffle splitter at 1.0 m intervals.

The EYM DD drilling was sub-sampled as half core cut using a diamond core saw.

The RGL augur drilling sub-sampling method was not stated.

The slag heaps were sampled at surface as composite grab samples from within a 2 metre radius of the sample point on a nominal 10 m by 10 m grid. Each grab sample weighed about 10kg in total.

Drilling Techniques

The Lloyds Mine area has been subject to numerous exploration programmes over the last 50 years including the multiple drill programmes utilizing a variety of drilling methods. The drilling data used to estimate the mineral resources reported here are summarized in Table 2.

Drilling Group	Company	Drilling Method	Number of Holes	Total Length (m)	Length as % of all data	Number Cu assays	Number Au assays	Number S assays
pre-RGL	**CRA**	DD	3	236.8	1.6%	8	8	
	Dominion Mining	OHP	22	3925.6	26.8%	441	231	
		RC	8	882	6.0%	1583	594	344
	General Resources	DD AX	2	43.7	0.3%	85		
		OHP	2	147.9	1.0%	11		
	Getty Oil	DD	10	2281	15.6%	817	817	
		OHP	3	500	3.4%	250	250	
	Platina	DD	4	559.3	3.8%	38		
Sub Total			**54**	**8576.3**	**58.5%**	**3233**	**1900**	**344**
RGL	**RGL**	Auger	22	87.6	0.6%	73	73	73
		RC	10	1331.3	9.1%	846	846	675
Sub Total			**32**	**1418.9**	**9.7%**	**919**	**919**	**748**
EYM	**Burraga Copper**	DD	1	447	3.1%	447	447	447
		RC	44	4205	41.4%	4151	4151	2368
Sub Total			**45**	**4652**	**45.8%**	**4598**	**4598**	**2815**
Grand Total			**131**	**14648.2**	**100.0%**	**8750**	**7417**	**3907**

Table 2 Summary of drilling methods for all drilling intersecting a copper domain and therefore used for grade estimation.

The pre-RGL drilling is a combination of open hole percussion (OHP), diamond (DD) and reverse circulation (RC) drilling. There is limited information about the drilling, sampling and assaying methods from these drilling programmes.

The pre-RGL drilling comprises approximately 60% of the metres drilled, but only 15% (by length) of the samples used for interpolation in the Lloyds in situ resource. Most of the percussion drilling was open hole, with sampling methods, sample quality (moisture etc) and recovery not stated.

RGL RC drilling was all completed using a face sample hammer and sampled (12.5%) with a Jones Riffle splitter at 1.0 m intervals. Downhole surveys were carried out at 30 m intervals downhole in the open hole upon completion of the hole. The RGL RC drilling is notable for having commonly deviated.

RGL carried out auger drilling of the tailings on a nominal 10 m by 20 m grid (RLT series), although access to planned drilling sites was limited by the slope. The drilling was completed using a power auger with samples collected from a plywood platform at 1.0 m intervals. The maximum depth achieved was 7.5 m. Most holes did not penetrate the full thickness of the tailings. The RGL auger drilling is the only data source for the tailings resource estimate, however historical production records provide high quality validation of this data.

The EYM DD drilling was HQ3 (triple tube), reduced to NQ3 as necessary. The EYM RC drilling was completed using similar practices to those used by RGL. 12.5% sub-samples were taken using a Jones riffle splitter. RC drilling recovery has not been recorded. DD drilling recovery has been recorded run by run for the RGL and EYM drilling. The average DD drilling recovery for all EYM DD drilling is 97.4%. The RGL DD drilling recovery averages 94.5%, however no RGL DD drilling intersects a copper domain.

Criteria Used for Classification

The Lloyds In situ resource was classified in accordance with the JORC (2012) code largely taking into account geological continuity and data (drillhole) spacing, but also modified for data sample quality and statistical measures of grade estimation uncertainty. Measured, Indicated and Inferred resources have been reported. Resources were only reported from within the 0.2% copper domain.

All of the tailings were classified as Indicated as there is very little geological uncertainty, grades have low statistical and spatial variability, the material has been sampled at an appropriate spacing and because the grade and tonnage can be validated with a high degree of confidence from the historical production records.

All of the slag was classified as Indicated because very little geological uncertainty, grades have low statistical variability and because the grade can be validated with a high degree of confidence from the historical production records.

Sample Analysis Method

The copper assay method is not stated for the pre-RGL drilling except for the Dominion RC drilling (AAS, digestion method not stated). 311 of the Dominion pulps were located by EYM and re-assayed by 4 acid ICP-AES (ME-ICP61). For the remainder of the pre-RGL drilling the likely assay method would be AAS following aqua regia digest, as was common for the time. The only QAQC data found for this drilling are field duplicates (duplicate splits) of the Dominion RC drilling.

The ME-ICP41s multi-element assay method used by ALS (Brisbane) for the RGL drilling involved weighing on receipt, drying, crushing to 70% passing 2 mm in a jaw crusher, sub-sampling 250 g using a riffle splitter (with remainder stored as a coarse reject), milling to 85% passing 75 µm. A 0.25g sub-sample was taken with a spatula and digested in aqua regia and analysed by ICP-AES. A second 50 g sub-sample was analysed for Au with fire assay preparation followed by AAS analysis (Au-AA22).

The 4 acid ICP-AES (ME-ICP61) multi-element assay method used by ALS (Brisbane) for the EYM and Dominion re-assays used the same sample preparation methods. A 0.25g sub-sample was taken with a spatula, digested in perchloric, nitric, hydrofluoric and hydrochloric acids and analysed for a 33 element suite (including S) by ICP-AES. Any samples returning over 0.5 % Cu, Pb or Zn were re-analysed by 4 acid digest with AAS analysis for the relevant elements. A second 30 g sub-sample was analysed for Au with fire assay preparation followed by AAS analysis (Au-AA25). Note that all S assays are by ICP-AES.

ICP analytical methods are known to under-report total sulphur above about 5% sulphur due to instrumental interference from other elements. Infra-red spectroscopy from electric arc furnace (e.g. LECO brand) is the best method for total sulphur analysis. Therefore the sulphur assay method is not optimal but not likely to pose a significant economic risk as the sulphur grade is not a major economic input.

Cu Domain	Group	Cu Assay Method	Total Length (m)	Length as a % of data by Cu domain	Number Cu assays	Number Au assays	Number S assays
Lloyds In Situ (DOM = 1)	**pre-RGL**	ME-ICP61	34	1.1%	34	34	34
		unknown	436.7	13.9%	316	60	
	RGL	ME-ICP61	145.8	4.6%	148	148	147
	EYM	Not assayed	52	1.7%			
		ME-ICP61	1103	35.0%	1102	1102	1102
		OG62	1380	43.8%	1380	1380	39
Lloyds In Situ Total			**3151.5**	**100.0%**	**2980**	**2724**	**1322**
Tailings	**RGL**	ME-ICP61	79.6	100.0%	70	70	70
Tailings Total			**79.6**	**100.0%**	**70**	**70**	**70**
Not in a Cu domain	**pre-RGL**	ME-ICP61	311	4.5%	310	310	310
		unknown	2482.2	35.9%	2132	1265	
		AAS	882	12.8%	441	231	
	RGL	ME-ICP61	1124.7	16.3%	701	701	531
	EYM	Not assayed	1	0.0%			
		ME-ICP61	1667	24.1%	1667	1667	1667
		OG62	449	6.5%	449	449	7
Not in a Cu domain Total			**6916.9**	**100.0%**	**5700**	**4623**	**2515**
Grand Total			**10148**	**100.0%**	**8750**	**7417**	**3907**

Table 3 Summary of assay methods by Cu domain for all samples

Estimation Methodology

Lloyds In Situ Resource Estimation

The data was domained using a wireframe interpreted at a nominal 0.2% Cu. A regularised block model was constructed using blocks of 10 m by 10 m by 2 m (XYZ). This model was in turn coded for proportions of blocks below / inside the topography. All raw assay samples were composited to 2.0 metres prior to statistical analysis and grade interpolation.

The Lloyds in situ resource was estimated by ordinary kriging of copper grades using a copper domain interpreted at a nominal a 0.2% Cu as a hard boundary.

Other elements (Au, Ag, Pb, Zn and S) were interpolated into blocks using with inverse distance squared weighting also using the 0.2% copper domain as a hard boundary.

Completely oxidised mineralisation does not occur at Lloyds. A transition zone comprising mixed sulphide, carbonate and oxide copper minerals occurs near surface. The lower surface of this transition zone was interpreted from drill logs and used to create transition and fresh oxidation domain wireframes. These wireframes were used to classify blocks as either transition or fresh.

Bulk density was assigned by oxidation domain. Analysis of the bulk density data showed no significant difference in density between mineralised and un-mineralised material. There is currently insufficient density data to allow interpolation of density.

The proportion of each block depleted by historical mining was coded from a wireframe digitised from historical mining plans and block volumes adjusted accordingly. The block model was validated visually and using several statistical methods.

Tailings Resource Estimation

Most of the historically mined ore was processed through a flotation plant. The tailings from this plant were deposited in a dam to the west of the mine. These tailings are generally sand sized particles.

The tailings resource was estimated into a separate block model also with 10 m by 10 m by 2 m (XYZ) blocks.

A wireframe of the tailings was created from surface DGPS surveys at a 10 m by 10 m grid and from an IP inversion model surface of the base of tailings. This wireframe excludes higher grade tailings sludge mapped as part of the surface survey. The tailings dam was drilled using a power auger on a nominal 10 m by 20 m grid, with samples collected at 1.0m intervals downhole.

All grades (Cu, Au, Ag, Pb, Zn and S) were interpolated into blocks using inverse distance squared weighting using the topographic surface as 'un-folding' surface. 'Un-folding' was used to replicate the probable deposition of the tailings in layers parallel to topography. The tailings wireframe was used as a hard boundary for grade interpolation.

A bulk density of 1.8 t/m^3 was assigned to all blocks in the tailings wireframe. No density data exists for the tailings, so this value was calculated assuming the tails comprise a combination of 95% quartz sand at 1.6 t/m^3 and 5% chalcopyrite at 4.2 t/m^3 for a total bulk density of 1.8 t/m^3.

Slag Heaps Resource Estimation

Two slag heaps have been identified, the north heap and the south heap. These heaps comprise accumulations of very coarse crucible waste (porous glass similar to vesicular obsidian). Most of the particles are about 0.7m across, however some breakage occurred during dumping resulting in the formation of smaller particles which have infilled some of the pore space between the larger crucible particles.

It is not possible to reliably drill the slag heaps due to the highly friable nature of the slag heaps. Therefore the slag heaps were sampled by grab sampling on a nominal 10 m by 10 m grid. A block model covering both slag heaps was created with 10 m by 10 m by 2 m (XYZ) blocks.

Average de-clustered (nearest neighbour) grades were assigned to all blocks for Cu, Au, Ag, Pb, Zn and S. Grade interpolation was not used because no spatial correlation was expected due to the way the slag was dumped, therefore local grade estimation was not considered possible.

A Dry Bulk Density (DBD) of 2.0 t/m^3 was assigned based on the range of reported gravel densities (Berkman, 1995). The higher end of the range was used because of the high metal content of the slag likely resulting in higher particle density compared to most gravels.

Cut Off Grade

The Mineral Resource cut-off grade for reporting of copper resources in the Lloyds in situ deposit was 0.3% Cu. This is based on the cutoff grade from a previous pre-feasibility level study factored for reasonable foreseeable increases in metal recovery and reductions in capital, mining and processing costs. The increased metal recovery and reduced capital, mining and processing costs are based on preliminary results from a feasibility study completed in 2015. The copper price used in the 2011 PFS (Pike, 2011) was AUD $10,000 per tonne, the current copper price is about USD$2.35/lb which equates to about AUD $8,000 per tonne at an AUD:USD exchange rate of 0.65.

No cutoff grades have been applied to the tailings or slag heap resources as selective mining is not considered possible. These resources have been reported on an ‘all or nothing’ basis.

Mining and Metallurgical Methods and Parameters

A feasibility study into open pit mining of the Lloyds in situ, tailing and slag heaps with on site crushing, milling and flotation followed by road transport of concentrates to a NSW port was completed by EYM in 2015.

The proposed mining method was conventional open pit mining using excavators and an off road truck fleet with the tailings and slag heaps free dig with drill and blast required for the in situ Lloyds resource.

Metallurgical testwork as part of this study demonstrated copper recoveries of 60% - 70% to a concentrate grading 22% - 27% Cu from tailings and 54% to a 21% Cu concentrate from a single slag sample. A recovery of 90% was assumed for the primary in situ resource based on the experience of the metallurgical consultant and a single flotation test (83% recovery) completed in 1969.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the above report. All material assumptions and technical parameters pertaining to the resource estimate continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Mineral Resources and exploration results is based on and fairly represents information and supporting information prepared by Kerrin Allwood (M.Sc., CP Geol), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Allwood is employed by Geomodelling Ltd. Mr. Allwood has sufficient experience that is relevant to the styles of mineralisation and types 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 Mineral Resources and Ore Reserves". Mr. Allwood has provided his prior written consent as to the form and context in which the exploration results and Mineral Resources and the supporting information are presented in this report.

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Report on an Estimate of Copper Resources, Lloyds Mine Area.

10 June, 2015.

1 Summary

An estimate has been made of copper - gold – silver - zinc mineral resources at the Burraga project for Elysium Resources Ltd (EYM). EYM are currently completing a study into the feasibility of a facility to produce copper concentrates from a combination of in situ mineralisation mined by open pit and from re-processing of tailings and slag heaps from historical production.

The Burraga project comprises four separate resources, an in situ resource at the historically mined Lloyds mine as well as resources in the tailings dam and in two slag heaps.

The in situ mineralisation at the Lloyds mine comprises high grade (1% - 5% Cu), 0.5 m - 3.0 m wide quartz – sulphide (dominantly chalcopyrite) veins in a lower grade (0.1% - 1% Cu) matrix. The mineralisation is hosted in a sequence of Ordovician to Silurian meta-sediment and meta-volcanic rocks. The copper mineralisation strikes east – west and dips moderately to the north. North striking, east dipping post-mineralisation faults have truncated and offset the mineralisation giving rise to an apparent northeast plunge. The mineralisation is typically 5 m to 15 m thick and has been demonstrated by historical mining and drilling to have a strike length of about 200 m. The mineralisation is open down dip.

These resources have been estimated largely from recently completed RC and diamond drilling, but also from historical diamond and open hole percussion drilling at the Lloyds mine and from surface grab samples for the slag heaps.

1.1. Lloyds In Situ Resource Estimation

The data was domained using a wireframe interpreted at a nominal 0.2% Cu.

A regularised block model was constructed using blocks of 10 m by 10 m by 2 m (XYZ). This model was in turn coded for proportions of blocks below / inside the topography,

All raw assay samples were composited to 2.0 metres prior to statistical analysis and grade interpolation.

The Lloyds in situ resource was estimated by ordinary kriging of copper grades using a copper domain interpreted at a nominal a 0.2% Cu as a hard boundary.

Other elements (Au, Ag, Pb, Zn and S) were interpolated into blocks using with inverse distance squared weighting also using the 0.2% copper domain as a hard boundary.

Completely oxidised mineralisation does not occur at Lloyds. A transition zone comprising mixed sulphide, carbonate and oxide copper minerals occurs near surface. The lower surface of this transition zone was interpreted from drill logs and used to create transition and fresh oxidation domain wireframes. These wireframes were used to classify blocks as either transition or fresh.

Bulk density was assigned by oxidation domain. Analysis of the bulk density data showed no significant difference in density between mineralised and un-mineralised material. There is currently insufficient density data to allow interpolation of density.

The proportion of each block depleted by historical mining was coded from a wireframe digitised from historical mining plans and block volumes adjusted accordingly.

The block model was classified in accordance with the JORC (2012) code largely taking into account geological continuity and data (drillhole) spacing, but also modified for data sample quality and statistical measures of grade estimation uncertainty. Measured, indicated and inferred resources have been reported. Resources were only reported from within the 0.2% copper domain.

The block model was validated visually and using several statistical methods.

1.2. Tailings Resource Estimation

Most of the historically mined ore was processed through a flotation plant. The tailings from this plant were deposited in a dam to the west of the mine. These tailings are generally sand sized particles.

The tailings resource was estimated into a separate block model also with 10 m by 10 m by 2 m (XYZ) blocks.

A wireframe of the tailings was created from surface DGPS surveys at a 10 m by 10 m grid and from an IP inversion model surface of the base of tailings. This wireframe excludes higher grade tailings sludge mapped as part of the surface survey.

The tailings dam was drilled using a power auger on a nominal 10 m by 20 m grid, with samples collected at 1.0m intervals downhole.

All grades (Cu, Au, Ag, Pb, Zn and S) were interpolated into blocks using inverse distance squared weighting using the topographic surface as 'un-folding' surface. 'Un-folding' was used to replicate the probable deposition of the tailings in layers parallel to topography. The tailings wireframe was used as a hard boundary for grade interpolation.

A bulk density of 1.8 t/m^3 was assigned to all blocks in the tailings wireframe. No density data exists for the tailings, so this value was calculated assuming the tails comprise a combination of 95% quartz sand at 1.6 t/m^3 and 5% chalcopyrite at 4.2 t/m^3 for a total bulk density of 1.8 t/m^3.

All of the tailings were classified as indicated because there is very little geological uncertainty, grades have low statistical and spatial variability, the material has been sampled at an appropriate spacing and because the grade and tonnage can be validated with a high degree of confidence from the historical production records.

1.3. Slag Heap Resource Estimation

Two slag heaps; the north heap and the south heap have been identified. These heaps comprise accumulations of very coarse crucible waste (porous glass similar to vesicular obsidian). Most of the particles are about 0.7m across, however some breakage occurred during dumping resulting in the formation of smaller particles which have infilled some of the pore space between the larger crucible particles.

It is not possible to reliably drill the slag heaps due to the highly friable nature of the slag heaps. Therefore the slag heaps were sampled by grab sampling on a nominal 10 m by 10 m grid.

A block model covering both slag heaps was created with 10 m by 10 m by 2 m (XYZ) blocks.

Average de-clustered (nearest neighbour) grades were assigned to all blocks for Cu, Au, Ag, Pb, Zn and S. Grade interpolation was not used because no spatial correlation was expected due to the way the slag was dumped, therefore local grade estimation was not considered possible.

A Dry Bulk Density (DBD) of 2.0 t/m^3 was assigned based on the range of reported gravel densities (Berkman, 1995). The higher end of the range was used because of the high metal content of the slag likely resulting in higher particle density compared to most gravels.

All of the slag was classified as indicated because very little geological uncertainty, grades have low statistical variability and because the grade can be validated with a high degree of confidence from the historical production records.

1.4. Results

The Burraga Project mineral resources are presented in Table 1-1.

The in situ Lloyds copper resources are reported at a cutoff of 0.3% Cu. No cutoff grades have been applied to the tailings or slag resource estimates because, if economic, these will be mined in their entirety.

Model		tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps	Indicated	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 1-1. Burraga Project Mineral Resources by model and resource category

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Recommendations have been made to reduce the resource estimation risk and to increase the resource size.

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2 Introduction

The Burraga Project comprises in situ copper – gold – silver resources at the Lloyds Mine as well as tailings and slag heaps from historical mining.

2.1. Location

The Burraga project is located in central NSW, approximately 40 km southwest of Oberon and 80 km southeast of Orange (see Figure 2-1).. The village of Burraga lies about 1.5km to the north of the Lloyds Mine.

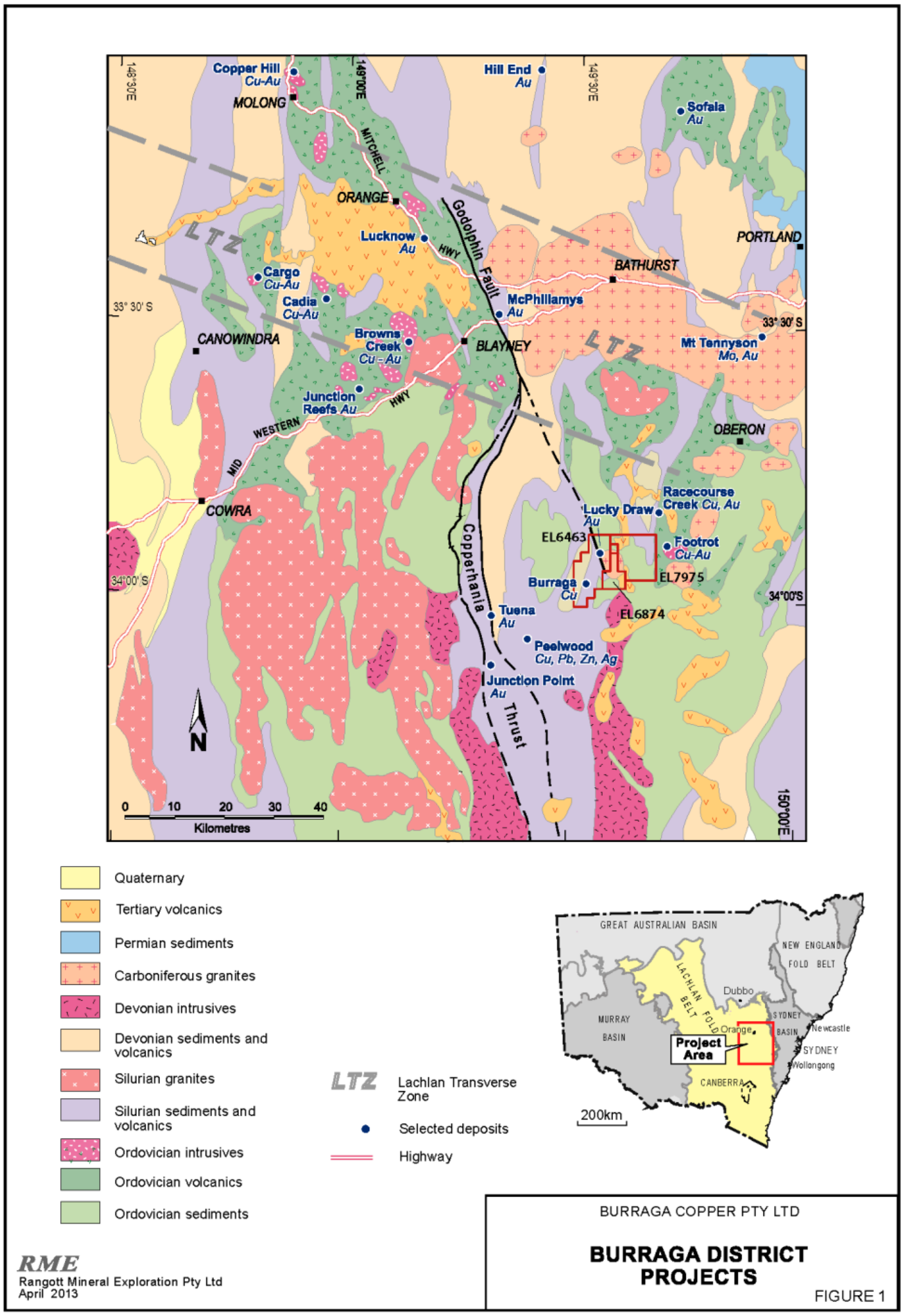


Figure 2-1 Geological setting and location of EL6463 (after Harley, 2011).

2.2. Context

This resource estimate will be used for public reporting of mineral resources and as the basis of a feasibility study being completed by Elysium Resources Limited (EYM).

2.3. Tenement

The Burraga project occurs within EL6463, held by Burraga Copper Exploration Propriety Limited (BCEL). BCEL is a 100% owned subsidiary of EYM.

A mining licence application over the project area is currently being prepared pending completion of an EIS and DGRS. These studies are expected to be completed early 2016.

2.4. Other

2.4.1. Software

All the geological and block modelling was completed using Minesight (v 9.20) software.

In addition, a database of all the drilling data was compiled using Minesight MSTorque software over a SQL database.

Statistical and geostatistical analysis was completed using Minesight MSDA software.

2.4.2. Grids

All work reported on here was completed in the GDA94 grid. There is no local mine grid.

2.4.3. Cutoff Dates

The cutoff date for data used in this resource estimate was 1 March, 2015.

3 Geology

3.1. Regional Geology

The project area is located in a structurally complex geological setting within the southern part of the Hill End Trough.

The recent discovery of substantial gold mineralisation at McPhillamys Hill between Blayney and Bathurst has altered the perspective of key structural controls on gold mineralisation and the prospectivity of sections of the Lachlan Fold Belt. The McPhillamys deposit (at least 2.96 million ounces of gold) lies on the southwestern margin of the Hill End Trough adjacent to the Godolphin Fault within strongly deformed sediments and acid volcanics (Anson Formation) belonging to the Late Silurian Mumbil Group. The Godolphin Fault separates the Mumbil Group rocks that host the McPhillamys deposit on the northeastern side of the fault from Late Ordovician volcanics, sediments and intrusives of the Blayney Volcanics to the west.

3.1.1. Stratigraphy

Bedrock within the area covered by EL 6874 is dominated by Middle and Late Ordovician meta-sediments and the Carboniferous Burraga Granite. Figure 3-1 shows the geology of EL6463 and is based on the geological mapping of the Oberon 1:100,000 geological sheet area by the Australian Geological Survey Organisation and the NSW Geological.

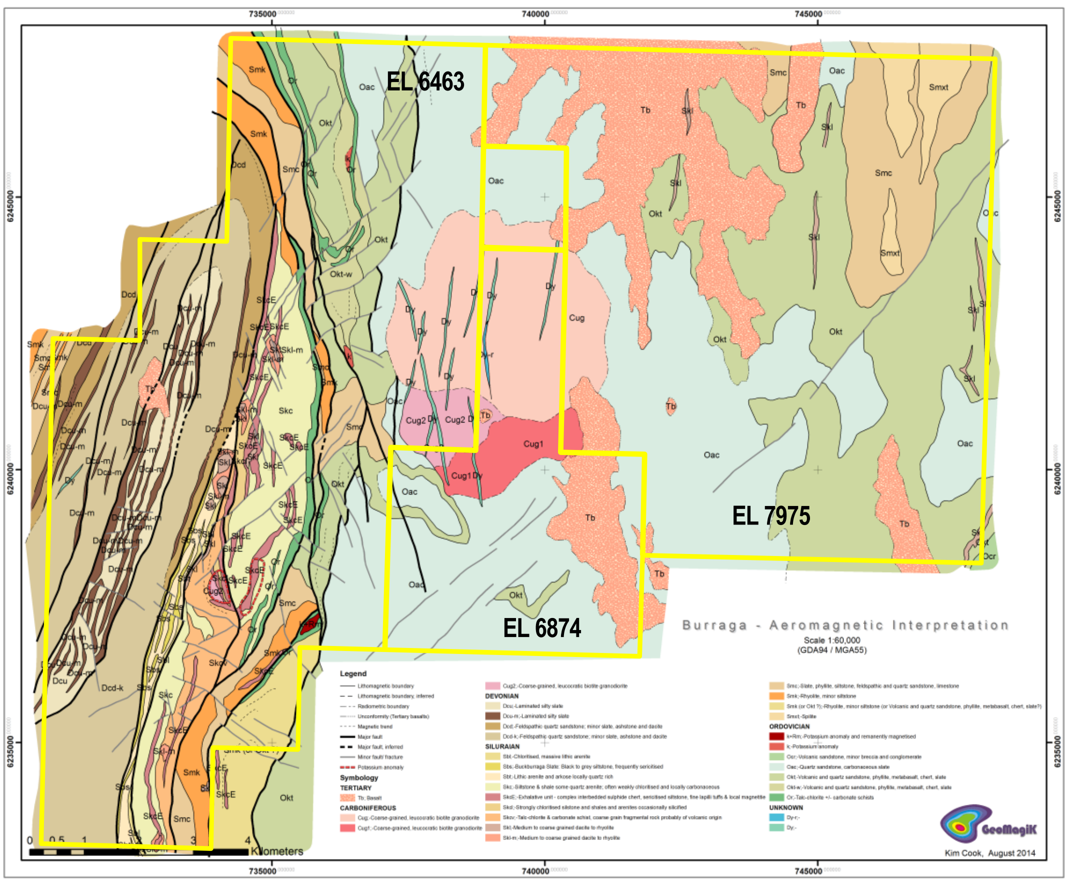


Figure 3-1 Geological Map of EL6463 and surrounding tenements.

The stratigraphy of EL6463 is poorly understood with different workers providing substantially different interpretations, especially with respect to the relationship of the Burraga sequence to the rest of the stratigraphy. The following descriptions of the rocks with EL6463 is a summary of the 'consensus' stratigraphy.

The oldest rocks in the tenement are the middle Ordovician Adaminaby Group which is comprised mainly of variably deformed quartz sandstone and carbonaceous shale. The Adaminaby Group underlies the south eastern parts of the licence area, east of the ‘Lloyds syncline’.

Conformably overlying the Adaminaby Group is the Triangle Formation of the middle Ordovician Kenilworth Group. The Triangle Formation consists of mafic volcaniclastic sandstone, meta-basalt, slate, phyllite, schist, siliceous carbonaceous slate, chert, quartzite and sandstone. The Triangle Group is host to the Lucky Draw and Hackney’s Creek gold deposits in the north eastern part of EL6463.

The Triangle Formation rocks are unconformably overlain by the Middle to Late Silurian Campbells Formation of the Mumbil Group. Typically, the formation comprises siltstones overlain by interbedded slate and fine to coarse grained feldspathic meta-sandstone. The Campbells Formation is broadly correlatable with the Anson Formation; host to the McPhillamys Hill gold deposit in the Blayney-Orange district to the northwest.

In faulted contact above the Triangle Formation are sediments of the Early Devonian Crudine Group. The Crudine Group comprises the Dunchurch Formation (feldspathic quartz sandstone with minor slate, ashstone and dacite) and the Buckburraga Slate (laminated silty slate).

Within the ‘Lloyds syncline’ is a sequence of strongly deformed rocks with complex structural and stratigraphic relationships. This sequence comprises a basal slate mapped as the Buckburraga slate overlain by the Excelsior Porphyry. Petrographic analysis of the Excelsior Porphyry shows that is in fact a highly altered volcanic tuff. Above the Excelsior Porphyry is the Hanrahan’s Agglomerate which is actually a polymict breccia of tectonic origin. The Hanrahan’s Agglomerate includes clasts of limestone, amorphous silica and Excelsior Porphyry. Most of the Burraga copper mineralisation occurs in the Hanrahan’s Agglomerate. Fine grained schist, phyllite and minor limestone of the Lovett’s Formation occurs above the Hanrahan’s Agglomerate.

The age and stratigraphic relationship of the ‘Lloyds syncline’ sequence to rocks outside the ‘syncline’ have not been resolved. The sequence is variably interpreted as part of the Late Ordovician Rockley Volcanics or as part of the Silurian Mumbil Group.

In the northeast of EL 6463 is the western margin of the Carboniferous Burraga Granite that has intruded rocks of the Adaminaby Group and Triangle Formation. The Burraga Granite is described as a medium to coarse-grained leucocratic biotite granodiorite that comprises two phases; a massive medium-grained two mica I-type granodiorite and a medium-grained garnet-muscovite granodiorite that has S-type affinities. The garnet-muscovite phase occurs in the northwest part of the pluton (within EL 6463) adjacent to the Lucky Draw gold deposit. Intruded Ordovician Adaminaby Group sediments have been contact metamorphosed to micaceous quartzite and pelitic quartz-mica schists containing quartz-albite-biotite ± cordierite and quartz-biotite-muscovite-albite-andalusite-cordierite assemblages. Intruded Ordovician Triangle Formation sediments have been contact metamorphosed to quartz-feldspar-biotite schist and tremolite-chlorite schist (Rockley Volcanics?). The contact metamorphic aureole associated with the intrusion of the Burraga Granite is reported to be 75-100 metres wide.

Minor Quaternary alluvium and gravels are located adjacent to streams in the central part of the tenement where these streams drain part of the Burraga Granite.

3.1.2. Structure

The tenement area has undergone a complex structural and metamorphic history.

Recent re-interpretation of airborne magnetic data suggests that the Godolphin Fault, (a significant control on the recently discovered 2.96 Moz McPhillamys gold deposit) extends through EL6463 where it juxtaposes Silurian Campbells Formation (to the west) and Ordovician Triangle Formation (to the east; see Figures 1 & 2).

A recent structural interpretation of the Burraga area (King, 2013) suggests that the ‘Lloyds syncline’ is not a syncline, but a NNE trending structural corridor (Lloyds corridor) and that the synformal shape suggested by the outcrop pattern and magnetic signature of the Hanrahan’s agglomerate (breccia) is in fact two separate shear / alteration zones that intersect in the Burraga South area giving rise to a synform like outcrop pattern (see figure 3 below). There is no evidence for a synformal structure in the Lloyds corridor. There is good evidence for polyphase folding and faulting within the Lloyds corridor.

3.1.3. Burraga Style Copper – Gold – Silver +/- Zinc +/- Lead Mineralisation

Within EL6463 copper – gold – silver +/- zinc +/- lead mineralisation is generally restricted to the Lloyds corridor, although localised anomalous base metal values also occur in the Mossgrove North prospect. The mineralisation is best developed in the Hanrahan's Agglomerate but also occurs in the upper part of the Excelsior Porphyry.

3.1.4. Gold Mineralisation

The Lucky Draw gold deposit occurs in metasomatised sediments of the Ordovician Triangle Formation immediately below the contact with mafic volcanic rocks inferred to belong to the Rockley Volcanics (Sheppard *et al*., 1995) and very close to the contact with the Carboniferous Burraga Granite. The skarn-like ore displays a gold – bismuth - tellurium association (an "intrusion-related gold" signature), but is generally sulphur-poor with a very low sulphide mineral content. Skarn-like mineral assemblages (including garnet and gedrite), alteration and mineralisation at Lucky Draw including are considered by Sheppard *et al*. (1995) to be the product of contact metamorphism and hydrothermal activity associated with the intrusion of the Burraga Granite.

Lucky Draw was discovered by Renison Goldfields Consolidated Ltd (RGC) in the mid-1980s and that company mined a total of 1.48 million tonnes grading 3.53 g/t gold between 1988 and 1991. The current resource at Lucky Draw (31,600oz; see http://www.elysiumresources.com.au/projects/burraga/mineral-resource-statement) is largely contained in the pod of un-mined mineralisation to the northwest of the pit. This material was not economic in the gold price and cost environment of the early 1990's. The pit remains open and is reported to be in good condition.

Similar mineralisation to Lucky Draw is located at the Hackneys Creek prospect some 800 metres north of the Lucky Draw deposit was also discovered by RGC in the late 1980s. EYM currently estimate the Hackney's Creek resource at 102,000 ounces of gold.

3.2. Local Geology

The Burraga copper deposits were mined mainly during the late 19th century. The largest producer was the Lloyds Copper Mine which produced 19,443 tonnes of copper (470,000 tonnes of ore at 3.6% Cu) from a complex quartz – carbonate - sulphide vein system located within a significant altered shear zone. Recent drilling by EYM has confirmed the presence of significant widths of moderate grade copper - silver - gold ± zinc ± lead mineralisation on the margins of the historically mined vein. The style of mineralisation in the Burraga deposits is also somewhat ambiguous, showing characteristics typical of both large carbonate-base metal (deep epithermal) mineralised systems and volcanic hosted massive sulphide (VHMS) systems.

At Lloyds mine copper mineralisation was mined in two quartz – sulphide veins, although most production was from the main vein. The predominant sulphide mineral in the veins was chalcopyrite with sphalerite on the vein walls and pyrrhotite disseminated in the wall rocks. Galena and tetrahedrite were also reported, but not at economically important levels. Disseminated base metal mineralisation was reported as forming a halo to the veins. The main vein varied in width from 0.3m to 12 m, striking roughly east - west and dipping moderately north. The main vein has a typical strike extent of 180m, terminating in faults at both ends. The intersection of the terminating faults with the vein results in the ore plunging to the northeast.

Various workers have proposed an exhalative or volcanic hosted massive sulphide (VHMS) model for the Burraga base – precious metal mineralisation. This interpretation is based on the largely stratiform nature of the mineralisation and sulphur isotopic evidence.

Work on the mineralisation and alteration in and near Lloyds Mine (Corbett, 2008) concluded that the Burraga deposits represent structurally controlled, deep, low sulphidation epithermal Cu - Au grading to a carbonate - base metals mineralised system which in turn may be part of a larger porphyry system. The evidence for a porphyry system includes the presence of deep, low sulphidation epithermal mineralisation, monzonite dykes, skarnoid rocks and biotite (potassic) alteration.

Recent studies of the structural geology at Lloyds mine (Jackson *et al*., 2010; King, 2013) shows that the Hanrahan Agglomerate and upper part of the Excelsior Porphyry form a NNE striking, moderately east dipping shear zone and that anomalous copper soil geochemistry and alteration are coincident with this shear zone. The bounding structures of this shear zone form the limiting faults to the Lloyds mine veins. These faults were historically named the 'city' faults, with the Melbourne fault forming the western limit of mineralisation. The shear zone exhibits evidence for early sinistral reverse movement associated with foliation development and later dextral strike slip movement associated with quartz veining and copper mineralisation. The shear zone on the eastern side of the Lloyds corridor is less well developed.

The mineralised copper veins strike east-west and dip shallowly to the north. The city faults appear to be post-mineralisation and offset the quartz sulphide veins. The intersection of the city faults and the quartz sulphide veins plunges about 20° towards 050°.

3.2.1. Tailings

The Lloyds mine tailings were dumped down slope from the historic flotation plant, presumably in a similar fashion to a pro-grading river delta. The tailings were prevented from flowing downslope by a series of buttresses formed from sludge fines (see Figure 3-2 & Figure 3-3). These tailings are generally sand sized particles.

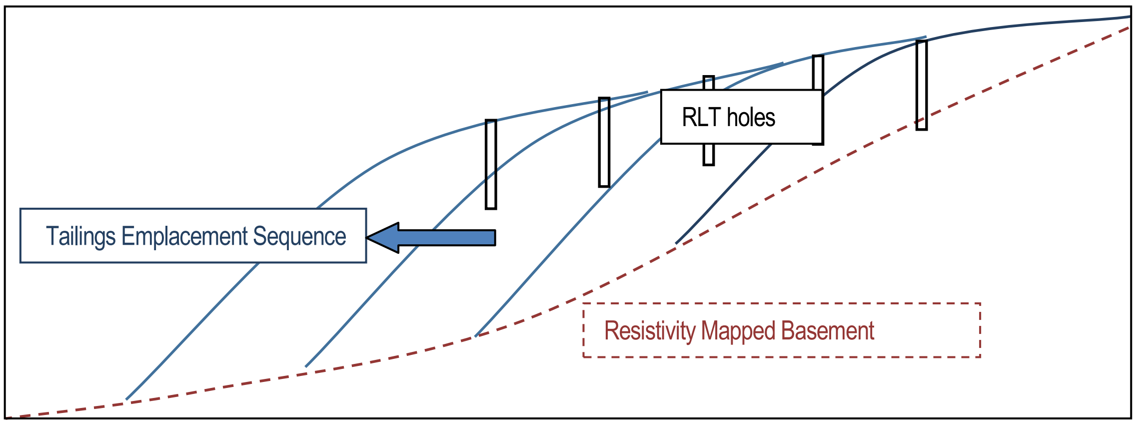


Figure 3-2 Schematic section through tailings, showing emplacement method.

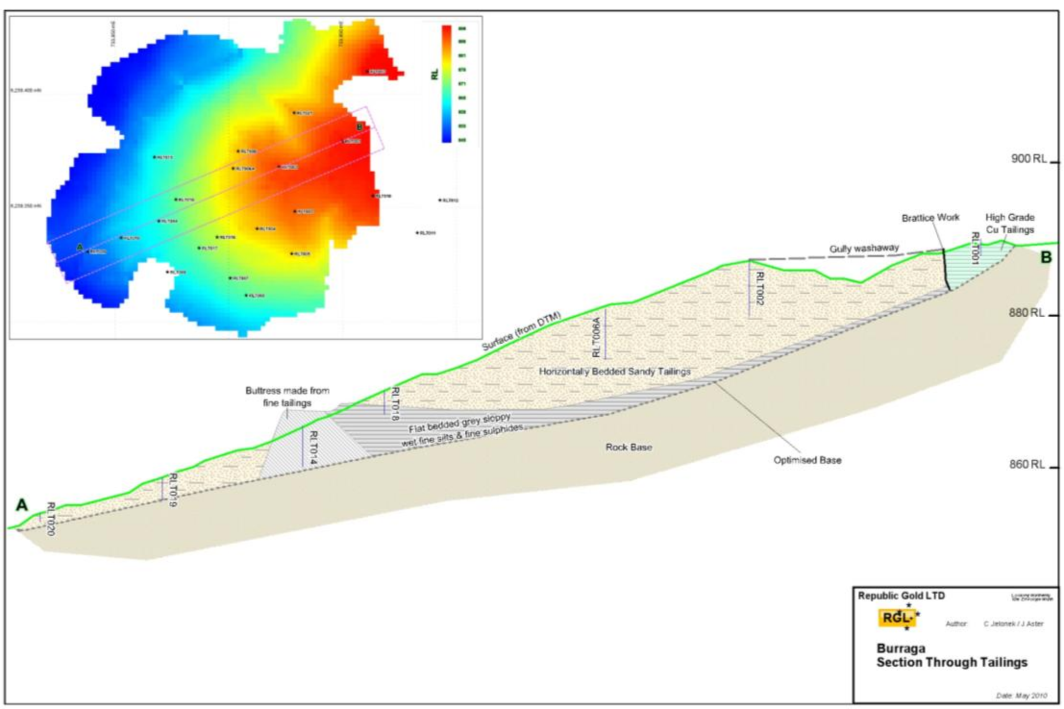


Figure 3-3 Cross Section through the tailings dam.

3.2.2. Slag Heaps

The slag heaps comprise dumps of very coarse crucible waste (porous glass similar to vesicular obsidian). Most of the particles are about 0.7m across, however some breakage occurred during dumping resulting in the formation of smaller particles which have infilled some of the pore space between the larger crucible particles.

The slag dumping method is not known, but appears to be similar to paddock dumping on a modern waste dump.

During the intervening years since the operation of the smelter an unknown amount of slag has been removed for various uses such as road base.

Pyke (ref) estimated that 185,000t of slag was produced. However since the mine closed it is clear that a significant amount of slag has been removed from the dumps for various purposes. This is especially so for the south dump where several metres of material has been removed.

3.3. Previous Mining and Exploration

Copper was discovered at the Lloyds Mine prior to 1877. Underground mining of a narrow, high grade vein commenced in 1878 and ceased in 1919. Mining occurred on 14 levels accessed by an incline shaft. Further minor production from remnant ore in the upper levels occurred from 1919 to the late 1960s. Recorded production totals 469,626t processed from which 19,443t of copper was produced, implying a recovered grade of 4.14% copper.

Mineral exploration has been carried out at Burraga by a large number of companies since the Second World War, with major programmes conducted by the Getty Oil Development Company Limited, and Dominion Mining Ltd., in its various guises.

In 1949, Broken Hill South Ltd. undertook geological mapping and SP surveying at the Lloyds Mine, and in 1958 New Consolidated Goldfields Australia carried out geological mapping of the mine.

In 1962, CRA Ltd. carried out geological mapping, IP surveying and geochemical sampling on 3.5kms of strike extension of the Lloyds Mine, and drilled one diamond hole at the mine and two about 1km to the south.

General Resources Ltd. drilled four surface percussion and fifteen underground holes at the mine between 1964 and 1965, with a best intercept of 34.6 metres at 1.49% Cu (Au and Ag not assayed).

In 1969-1970, Dominion Mining drilled fourteen holes at the mine, which were used to calculate a (non JORC compliant) 'reserve'.

During the period 1969-1972, Mines Search Pty. Ltd. (a subsidiary of Pacific Copper Ltd.) carried out regional and local exploration north of Burraga township. Subsequently (1973-1976), another subsidiary of Pacific Copper, Platina Developments N.L. did stream sediment sampling, geological mapping, magnetic and IP surveying, soil geochemical sampling, and drilled four diamond holes east of the township.

During the period 1980-1984, Getty Oil and its joint venture partners carried out comprehensive programmes for VHMS-style mineralisation, including a compilation, review and evaluation of prior exploration and mining data; grid installation, geological mapping, rock chip sampling and petrological studies, colour aerial photography, ground magnetic surveying, and flying of a DIGHEM electromagnetic/magnetic survey. All DIGHEM anomalies were followed up on the ground, including further mapping, soil and rock sampling, EM surveying, and three percussion and ten diamond holes were drilled 800 – 2000 metres south of Lloyds Mine to test combined EM / magnetic / geochemical / geological targets.

Getty's diamond holes (DB1-9A) intersected widespread pyrrhotite - pyrite - (chalcopyrite - galena - sphalerite) mineralisation, with copper, lead and zinc values strongly anomalous over broad intervals, reaching the low percents (lead and zinc dominated).

Getty showed that mineralisation occurred in a number of stratigraphic positions, and concluded that the mineralisation was transgressive and epigenetic in character, with a high temperature magmatic vein f genesis, with some indications of skarn development.

Partly as a result of Getty's work on their retained mining leases, in 1984 Dominion Mining and Oil N.L. pursued stratabound base metal mineralisation around and to the north of the Lloyds Mine. They drilled fourteen vertical open percussion holes (P16-P29) to depths ranging from 120 to 300 metres.

Significant mineralisation was evident in a number of the holes with all holes intersecting anomalous base and precious metal grades. In particular, two holes drilled in the North Shaft area returned significant copper intersections, including 5m @ 1.87% Cu from 59m (P27) and 6m @ 1.48% Cu from 150m (P22). These were followed up with EYM-024 which returned 3m @ 1.87% Cu from 31m and 5m @ 1.38% Cu from 47m. Together, these three holes define a resource development target of similar grade and size to Lloyds located along the Melbourne Fault some 500m north of Lloyds.

During 1991 and 1992, Dominion Mining Ltd. and Southern Ventures Ltd., undertook a major assessment programme within the Lloyds Syncline area. The target emphasis of this programme was on stratiform / stratabound VMS base metal deposits, but gold mineralisation was also a major consideration. Mapping and detailed soil sampling was completed over much of the syncline area.

Dominion carried out some ground magnetic surveying, then drilled eight RC percussion holes at the Heylens Prospect, of which three tested base metal potential in the basal Lloyds Syncline stratigraphy, and five tested gold mineralisation in a cross-cutting shear zone. Low grade base metal and gold intersections were obtained in each case.

During 1994, Telminex N.L undertook a brief review of drilling conducted in the Lloyds Mine and North Shaft areas, and mapped the area immediately south of Dominion's EL. Telminex subsequently entered in to a joint venture arrangement with Michelago Resources, who checked data, and carried out very limited sampling of selected core from Getty drillholes, supplemented by petrological work.

In 1998, Geoinstruments Pty. Ltd. (now part of the Fugro group) flew a free airborne EM / magnetics survey over much of the Lloyds Syncline area with the permission of Telminex and Michelago, to demonstrate their then recently-developed Hummingbird system. This survey provided high quality data, and being DGPS-controlled, it was the first accurately/reliably located dataset of the syncline area (navigational problems are evident with some of the earlier DIGHEM data).

In October, 2002, Marlborough Resources and Michelago Ltd. (EL 5777) reviewed previous work and re-logged selected core, focussing on understanding the stratigraphy of the Lloyds.

EL 6463 was granted to Republic Gold Limited (RGL) on September 5, 2005. In 2007 RGL drilled three reverse circulation holes into the upper part of the Lloyds Mine workings four holes between Lloyds Mine and the North shaft, one hole in the South Burraga area and one hole into the eastern 'limb' of the 'Lloyds syncline'.

The three holes drilled at the Lloyds Mine are effectively a single hole as only the third hole (RCR002) was able to penetrate the old workings.

Of the holes drilled on the regional targets, all intersected broad zones of anomalous Cu – Au – Ag – Zn +/- Pb, but with only narrow intervals of sub-economic mineralisation. The best result was 5.8m at 0.51% Cu in RCR006 drilled on the eastern side of the Lloyds corridor. Several of the holes showed a distinct base metal zonation, typical of VHMS style deposits.

RGL also drilled 22 auger holes into the Lloyds Mine tailings. The holes were drilled to the limit of the equipment, averaging 4.0m deep with a maximum depth of 7.5m. The holes were sampled at one metre intervals and assayed for a 60 element suite. All 73 samples contained significant Cu (0.46% to 5.59%, average 1.30%), Au and Ag (see Resources section below).

RGL also conducted geological mapping, structural interpretation, rock chip sampling, infill soil geochemistry over the Burraga South and Mossgrove North prospects, re-logging of previously drilled holes, petrography, re-processing and interpretation of the 1998 aerial geophysics survey and compiled all drilling data into a database.

In June 2011 EYM drilled five vertical RC holes in the Lloyds Mine area. All five holes intersected significant Cu – Au – Ag – Zn +/- Pb mineralisation marginal to the historically mined vein.

In February 2012 EYM conducted a second drilling campaign. Ten RC drill-holes were drilled at the surface of the old Lloyd's Mine (ZRC-006 to ZRC-009 and ZRC011 to ZRC-028) to establish a resource potentially amenable to open pit mining. The results were in line with previous drilling in the Lloyd's shoot with narrow high grade intersections enveloped in a broader low grade halo.

ZDD-018 was drilled some 700m from the surface of Lloyd's to intersect the shoot down plunge. This hole intersected the Lloyds structure approximately 180m down plunge of the deepest historical workings. At the target depth anomalous copper, gold and associated elements were intersected over a 39 m interval grading 0.12% Cu, 0.14% Zn and 1.7 g/t Ag from 335.0 m downhole depth. This intercept included two one metre wide zones: 1.0 m at 1.04% Cu and 6.4 g/t Ag from 340.0 m and 1.0 m at 1.03% Cu, 8.6 g/t Ag, 0.35 g/t Au and 0.20% Zn from 365.0 m. The latter is interpreted to be the historically mined vein.

Six RC drill-holes (ZRC-022 to ZRC-028) were completed at the northern Lloyd's look-a-like shoot with the best results being ZRC-023, 8m @ 1.1% Cu (including 3m @ 2.9% Cu) from 45m and ZRC-026, 3m @ 1.8% Cu from 29m. The orientation of this shoot is still in question but it remains an exploration target for future drilling.

Two RC drill-holes (ZRC-020 and ZRC-021) were completed at the NE surface geochemistry target. These holes deviated considerably and only managed to pick up broad low grade mineralisation near surface, the best being ZRC-021: 13m @ 0.2% Cu from 4m. Whilst this is not considered economic, it does show that a mineralising system is present and that this is a viable drilling target.

RC drilling in the area deviated considerably due to highly altered lithologies.

4 Data

4.1. Data Provided

4.1.1. Databases

EYM provided two drilling databases, 'Compiled EYM Burraga Drillhole Data.mdb' and 'EYM Drillhole Database Master.mdb'. These databases contain all the drill collar, assay and downhole survey information for the Burraga area.

These databases did not contain all logging, density or assay QAQC data.

The raw data imported into the databases were also provided as excel spreadsheets and as laboratory csv files and pdf assay certificates. As part of the data compilation process, checks were performed for duplicate and overlapping intervals.

GML compiled all the provided data into master collar, downhole survey, assay, logging and density files. These files were then imported into a Minesight MSTorque SQL database. All below detection limit results were converted to 50% of the detection limit before import.

4.1.2. Topography

A topography wireframe was provided by EYM. This wireframe was created from a digital terrain model (DTM) acquired as part of a regional airborne geophysics survey carried out for EYM.

In areas where more detailed topography was necessary (tailings, slag heaps and potential plant site) surface differential GPS traverses were completed on roughly 10 m by 10 m grid with infill traverses of ridges and gullies as necessary. These survey points were triangulated to form a wireframe which was 'stitched' into the DTM wireframe to provide a final topography wireframe.

4.1.3. Underground workings

Level plans of historical underground workings were digitised from microfiche scans of the original paper plans from the DPI library. The plans were originally surveyed to local datums which have since been lost. Therefore the plans were located using points which could be located by DGPS; these included the portal of the incline shaft, the Excelsior shaft and the foundations of the processing plant. The elevation of the underground mining levels was taken from the recorded level depth and the elevation of the incline shaft portal.

The stoped areas were digitised from a geological plan similarly located. A wireframe of the mined vein was created from the digitised stopes.

4.1.4. Base of Tailings

The tailings auger holes did not generally penetrate to the top of in situ material. As there is no pre-deposition surface survey a surface was created from inverted IP data. This probably reflects a change in clay and moisture content of the basal tailings compared to the underlying in situ rock.

4.2. Drilling Programmes

4.2.1. Data Omitted

The following data was not used for any purpose in this resource estimate for the reasons described in Table 4-1.

Note that hole BC-6 was inadvertently omitted due to the initially 'missing' sample intervals being found, but the omit list was not updated. BC-6 should be used in future resource estimate updates.

HoleID	comment
UP series	collar location un-certain, sampling & assaying unknown
D6	un-sampled intervals that are probably mineralised within the Cu 0.2% domain
D7	
D8	
D13	
D14	
BC-6 *	
EYMMT series	no assays
MET series	no assays
RLT series	tailings, therefore not part of the natural population
DB, BHRC, 62B, BG & PB series	not near Lloyds

Table 4-1 Omitted drilling data. ** Inadvertently omitted.*

The remainder of this section describes only those drillholes used as inputs into the resource estimates (i.e. excludes the omitted drilling data).

As would be expected with the long exploration history at Burraga, there have been several drilling campaigns. For the purposes of this report, the drilling data has been amalgamated into 3 groups, based on like drilling, sampling and assaying methods. These groups are termed pre-RGL, RGL and EYM.

4.2.2. Pre-RGL Drilling

The pre-RGL drilling is a combination of open hole percussion (OHP), diamond (DD) and reverse circulation (RC) drilling. There is limited information about the drilling, sampling and assaying methods from these drilling programmes.

The pre-RGL drilling comprises approximately 60% of the metres drilled, but only 15% (by length) of the samples used for interpolation in the Lloyds in situ resource.

Most of the percussion drilling was open hole, with sampling methods, sample quality (moisture etc) and recovery not stated. The percussion drilling was sampled continuously at 1.0 m intervals. The Dominion RC drilling was sampled using a Jones Riffle splitter.

The diamond drilling is all described as having been split, but it is not clear whether it was split by saw or with a hammer.

The drill logs some intervals are logged as having chalcopyrite mineralisation but not sampled. Presumably this was because the amount of mineralisation observed was considered not to be potentially economic at the time. Therefore all un-sampled intervals in the pre-RGL drilling cannot be considered barren of copper mineralisation.

The copper assay method is not stated except for the Dominion RC drilling (AAS, digestion method not stated). 311 of the Dominion pulps were located by EYM and re-assayed by 4 acid ICP-AES (ME-ICP61). For the remainder of the pre-RGL drilling the likely assay method would be AAS following aqua regia digest, as was common for the time. The only QAQC data found for this drilling are field duplicates (duplicate splits) of the Dominion RC drilling.

4.2.3. RGL Drilling

In 2007 RGL completed an RC drilling exploration programme aimed at discovering repeats of the Lloyds Mine mineralisation. The RC drilling was all completed using a face sample hammer and sampled (12.5%) with a Jones Riffle splitter at 1.0 m intervals. All copper assays were completed by ALS (Brisbane) by 4 acid ICP-AES (ME-ICP61). QAQC data comprises limited standards, field duplicates and pulp duplicates.

Downhole surveys were carried out at 30 m intervals downhole in the open hole upon completion of the hole. The RGL RC drilling is notable for having commonly deviated.

The RGL RC drilling comprises approximately 10% of the metres drilled, but only 5% (by length) of the samples used for interpolation in the Lloyds in situ resource.

RGL carried out auger drilling of the tailings on a nominal 10 m by 20 m grid (RLT series), although access to planned drilling sites was limited by the slope. The drilling was completed using a power auger (see Figure 4-1) with samples collected from a plywood platform at 1.0 m intervals. The maximum depth achieved was 7.5 m. Most holes did not penetrate the full thickness of the tailings. The sub-sampling method (if any) is not stated. All copper assays were completed by ALS (Brisbane) by 4 acid ICP-AES (ME-ICP61).

The RGL auger drilling is the only data source for the tailings resource estimate, however historical production records provide high quality validation of these data.

Figure 4-1 Power auger sampling of Lloyds Mine tailings.

4.2.4. EYM Drilling

EYM carried out three drilling programmes. The first comprises holes ZCRC001, ZCRC003 to ZCRC005 and ZCRC010 were drilled in 2011. ZCRC002, ZCRC006 to ZCRC009, ZCRC011 to ZCRC026 and ZCDD018 were drilled in 2012 and the latest holes BC1-6, EYMRC001-026, EYMDD001-002 and EYMMT001-003 (the latter three being metallurgical holes and so not assayed) were drilled in late 2014 through to early 2015.

Hole locations are set out by DGPS. The hole azimuth is set up using a hand held sighting compass. Instructions to the driller are communicated by a standard form.

The EYM RC drilling was completed using similar practices to those used by RGL. 12.5% sub-samples were taken using a Jones riffle splitter.

EYM DD drilling was HQ3 (triple tube), reduced to NQ3 as necessary. All samples were taken as half core cut using a diamond core saw.

All multi-element assays (33 element suite) were completed by ALS (Brisbane) by 4 acid ICP-AES (ME-ICP61).

Downhole surveys of both RC and DD holes were carried out at 30 m intervals downhole with an additional survey at 6m to confirm the rig setup. RC holes were surveyed in the open hole upon completion of the hole. The down surveys were taken using an electronic magnetic compass and inclinometer with the results hand written by the driller onto a paper form.

Whilst the EYM drilling comprises only 32% of the metres drilled, it accounts for 80% (by length) of the samples used for interpolation in the Lloyds in situ resource.

Drilling Group	Company	Drilling Method	Number of Holes	Total Length (m)	Length as a % of all data	Number of Cu assays	Number of Au assays	Number of S assays
pre-RGL	**CRA**	DD	3	236.8	1.6%	8	8	
	Dominion Mining	OHP	22	3925.6	26.8%	441	231	
		RC	8	882	6.0%	1583	594	344
	General Resources	DD AX	2	43.7	0.3%	85		
		OHP	2	147.9	1.0%	11		
	Getty Oil	DD	10	2281	15.6%	817	817	
		OHP	3	500	3.4%	250	250	
	Platina	DD	4	559.3	3.8%	38		
pre-RGL Total			**54**	**8576.3**	**58.5%**	**3233**	**1900**	**344**
RGL	**RGL**	Auger Hole	22	87.6	0.6%	73	73	73
		RC	10	1331.3	9.1%	846	846	675
RGL Total			**32**	**1418.9**	**9.7%**	**919**	**919**	**748**
EYM	**BURRAGA COPPER**	DD	1	447	3.1%	447	447	447
		RC	44	4205	41.4%	4151	4151	2368
EYM Total			**45**	**4652**	**45.8%**	**4598**	**4598**	**2815**
Grand Total			**131**	**14648.2**	**100.0%**	**8750**	**7417**	**3907**

Table 4-2 Summary of drilling methods for all drilling intersecting a copper domain and therefore used for grade estimation.

Cu Domain	group	Drilling Type	Total Length (m)	Length as a % of data by Cu domain	Number of Cu assays	Number of Au assays	Number of S assays
Lloyds In Situ (DOM = 1)	**pre-RGL**	OHP	427.5	13.6%	339	94	34
		DD AX	43.2	1.4%	11		
	RGL	RC	145.8	4.6%	148	148	147
	EYM	RC	2535	80.4%	2482	2482	1141
Lloyds In Situ Total			**3151.5**	**100.0%**	**2980**	**2724**	**1322**
Tailings	**RGL**	Auger Hole	79.6	100.0%	70	70	70
Tailings Total			**79.6**	**100.0%**	**70**	**70**	**70**
Not in a Cu domain	**pre-RGL**	DD	967	14.0%	863	825	
		RC	882	12.8%	441	231	
		OHP	1826.2	26.4%	1579	750	310
	RGL	Auger Hole	7	0.1%	3	3	3
		RC	1117.7	16.2%	698	698	528
	EYM	DD	447	6.5%	447	447	447
		RC	1670	24.1%	1669	1669	1227
Not in a Cu domain Total			**6916.9**	**100.0%**	**5700**	**4623**	**2515**
Grand Total			**10148**	**100.0%**	**8750**	**7417**	**3907**

Table 4-3 Summary of drilling methods by Cu domain for all samples

4.3. Drilling Recovery

RC drilling recovery has not been recorded.

DD drilling recovery has been recorded run by run for the RGL and EYM drilling.

The average DD drilling recovery for all EYM DD drilling is 97.4%.

The RGL DD drilling recovery averages 94.5%, however no RGL DD drilling intersects a copper domain.

4.4. Drilling configuration

Sites suitable for drill pads are limited due to the topography. Therefore the drilling has been oriented according to the available drill sites rather than using a consistent orientation. EYM have tried to maintain a consistent 25 m by 25 m drilling pattern at the intersection of the vein, however this is still compromised by the topography in some places especially where the vein is closer to surface.

4.5. Slag Sampling

The slag heaps were grab sampled on a nominal 10 m by 10 m grid.

The grab samples were taken as a composite of several clasts within a 2 metre radius of the sample point. Each grab sample weighed about 10kg in total.

4.6. Assay Methods

The ME-ICP41s multi-element assay method used by ALS (Brisbane) for the RGL drilling involved weighing on receipt, drying, crushing to 70% passing 2 mm in a jaw crusher, sub-sampling 250 g using a riffle splitter (with remainder stored as a coarse reject), milling to 85% passing 75 µm. A 0.25g sub-sample was taken with a spatula and digested in aqua regia and analysed by ICP-AES. A second 50 g sub-sample was analysed for Au with fire assay preparation followed by AAS analysis (Au-AA22).

The 4 acid ICP-AES (ME-ICP61) multi-element assay method used by ALS (Brisbane) for the EYM and Dominion re-assays used the same sample preparation methods. A 0.25g sub-sample was taken with a spatula, digested in perchloric, nitric, hydrofluoric and hydrochloric acids and analysed for a 33 element suite (including S) by ICP-AES. Any samples returning over 0.5 % Cu, Pb or Zn were re-analysed by 4 acid digest with AAS analysis for the relevant elements. A second 30 g sub-sample was analysed for Au with fire assay preparation followed by AAS analysis (Au-AA25). Note that all S assays are by ICP-AES.

ICP analytical methods are known to under-report total sulphur above about 5% sulphur due to instrumental interference from other elements. Infra-red spectroscopy from electric arc furnace (e.g. LECO brand) is the best method for total sulphur analysis. Therefore the sulphur assay method is not optimal but not likely to pose a significant economic risk as the sulphur grade is not a major economic input.

Cu Domain	Group	Cu Assay Method	Total Length (m)	Length as a % of data by Cu domain	Number of Cu assays	Number of Au assays	Number of S assays
Lloyds In Situ (DOM = 1)	**pre-RGL**	ME-ICP61	34	1.1%	34	34	34
		unknown	436.7	13.9%	316	60	
	RGL	ME-ICP61	145.8	4.6%	148	148	147
	EYM	Not assayed	52	1.7%			
		ME-ICP61	1103	35.0%	1102	1102	1102
		OG62	1380	43.8%	1380	1380	39
Lloyds In Situ Total			**3151.5**	**100.0%**	**2980**	**2724**	**1322**
Tailings	**RGL**	ME-ICP61	79.6	100.0%	70	70	70
Tailings Total			**79.6**	**100.0%**	**70**	**70**	**70**
Not in a Cu domain	**pre-RGL**	ME-ICP61	311	4.5%	310	310	310
		unknown	2482.2	35.9%	2132	1265	
		AAS	882	12.8%	441	231	
	RGL	ME-ICP61	1124.7	16.3%	701	701	531
	EYM	Not assayed	1	0.0%			
		ME-ICP61	1667	24.1%	1667	1667	1667
		OG62	449	6.5%	449	449	7
Not in a Cu domain Total			**6916.9**	**100.0%**	**5700**	**4623**	**2515**
Grand Total			**10148**	**100.0%**	**8750**	**7417**	**3907**

Table 4-4 Summary of assay methods by Cu domain for all samples

4.7. Surface Survey methods

All surface surveying carried out by RGL and EYM is by differential GPS (DGPS).

EYM had some doubt as to the precision of the surveying completed by RGL and so re-surveyed the collars of the RGL drilling using a new device. The new EYM DGPS survey data was always used where multiple data exists.

Collar locations are considered to be accurate to +/- 0.1 m.

4.8. Assay QAQC

The QAQC data received required significant work to put into a format suitable for analysis. The documentation of the QAQC samples is poor; the main standards have not been certified, many standard results were not labelled with a standard name, there is no procedure for assessing data quality prior to import into the database, performance gates have not been defined and some standards were described in the database as duplicates and vice versa. Fortunately the original sampling sheets and laboratory assay certificates were available and it was possible to re-construct the QAQC data from these.

The QAQC data were reviewed for copper and gold only. Copper being the element of primary economic importance for this project and gold being of secondary importance and, because of the low gold grades, suitable for assessing potential laboratory contamination.

The pre-RGL drilling has very limited QAQC data. Dominion collected duplicate riffle split samples on the drilling completed in 1984. In addition, EYM re-analysed 311 coarse reject samples from the 1984 Dominion drilling. No other QAQC data relating to the pre-RGL drilling has been located.

RGL appear to have used an undocumented system of standards and field duplicates.

The EYM quality control system requires the insertion of un-labelled, standards every 30 samples with the laboratory instructed to re-assay from pulp every 20 samples. Field duplicates of RC drilling are carried out on an ‘as needs’ basis targeting logged mineralisation. Blank samples are not inserted. No samples have been sent to an umpire laboratory.

4.8.1. Standards

Many standards have been used over the life of the project; however most standards have only been used once or twice (see Table 4-5 and Table 4-6) and so cannot be used for analysis. In addition, some of these standards are clearly gold standards and so of limited use for a copper project.

There are results for 148 standards submitted by EYM from 2011 to 2015; however these data are not labelled with a standard name. Site staff state that there are two standards used, both derived from pulps of tailings samples used in the 2011 metallurgical testwork. Plots of copper versus various elements were used (e.g. Figure 4-2) to separate the EYM data into two sets, labelled EYM UNK1 and EYM UNK2.

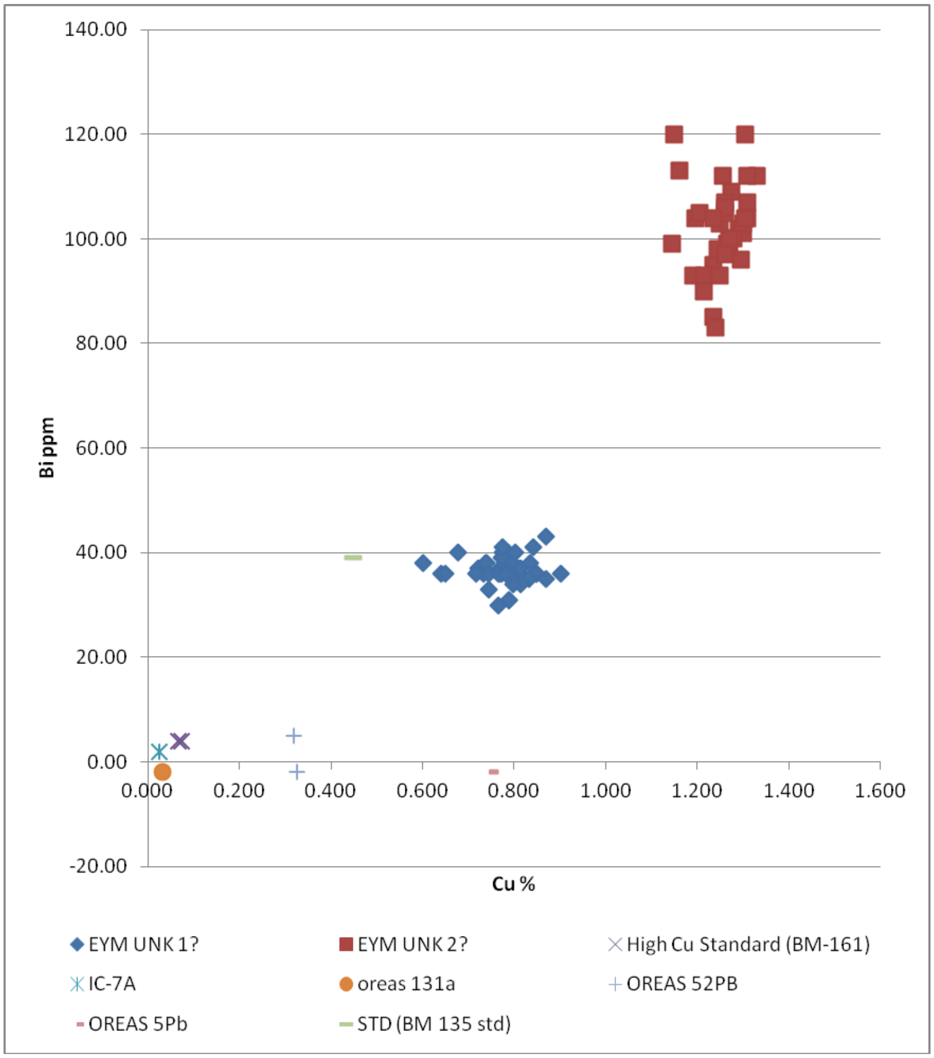


Figure 4-2 Scatter plot of Cu versus Bi, one of several graphs used to distinguish un-labelled standards.

The dates of the standard results were not recorded, however an analytical sequence was established using drillhole and sample numbering which are known to be sequential.

The results are presented in Table 4-5 and Table 4-6 and in Figure 4-3 and Figure 4-4. Only the results for EYM UNK1 and EYM UNK2 are plotted on the graphs.

Standard	Number of results	Average Cu (ppm)	Standard deviation
EYM UNK 1	46	7,787	579
EYM UNK 2	102	12,041	672
High Cu Standard (BM-161)	2	698	47
IC-7A	1	250	#DIV/0!
oreas 131a	1	329	#DIV/0!
OREAS 52PB	2	3,235	49
OREAS 5Pb	1	7,460	#DIV/0!
STD (BM 135 std)	1	4,490	#DIV/0!

Table 4-5 Summary Cu standards results.

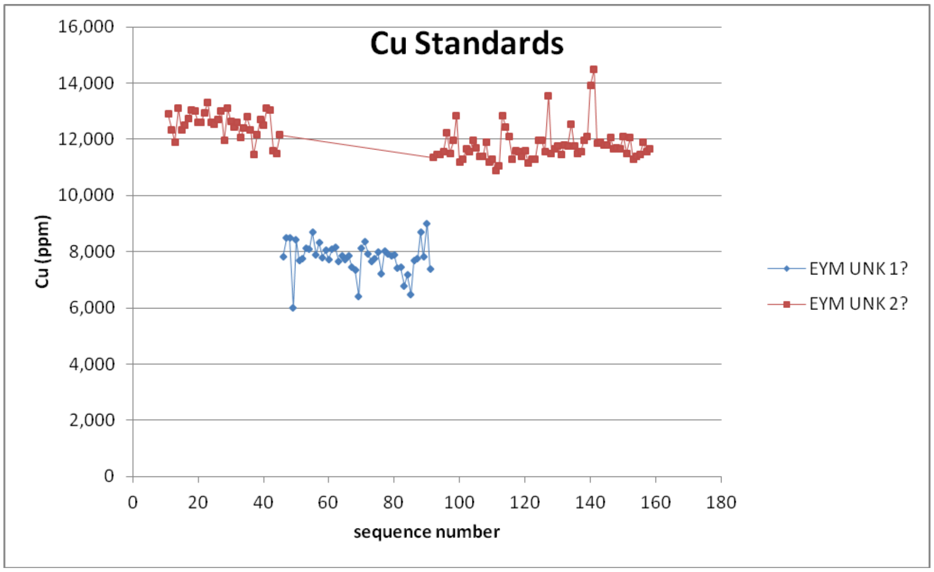


Figure 4-3 Sequential plot of Cu standards EYM UNK1 and EYM UNK2

Standard	Number of results	Average Au (g/t)	Standard deviation
EYM UNK 1?	46	0.14	0.07
EYM UNK 2?	102	0.33	0.15*
High Cu Standard (BM-161)			
IC-7A	1	3.34	#DIV/0!
oreas 131a	1	0.04	#DIV/0!
OREAS 52PB	2	0.30	0.02
OREAS 5Pb	1	0.91	#DIV/0!
STD (BM 135 std)			

Table 4-6 Summary Au standards results. **Note: standard deviation of EYM UNK2 without probable mislabelled sample is 0.11.*

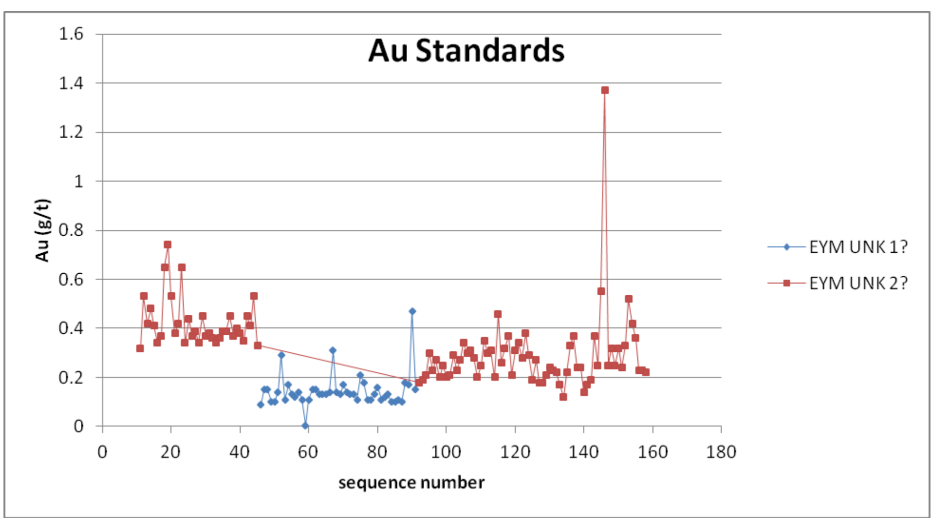


Figure 4-4 Sequential plot of Au standard standards EYM UNK1 and EYM UNK2

As the certified values are unknown only limited conclusions can be drawn.

The copper values are reasonably consistent with relative standard deviations of 7% and 5%, There are a few samples which vary more than would be expected, but without certified values it is difficult to say whether these variations are significant.

The gold results for EYM UNK1 are also reasonably consistent with a few 'flyers'. The relative standard deviations are much higher than the copper values, but these are low grade gold standards, so greater errors would be expected. The EYM UNK2 values appear to show some variation with time, with the newer data (greater than sequence number 91) returning significantly lower grades than the ealier data. One sample (EYM-1650) has a gold value which is so far out of range that it is likely a sample numbering error in the laboratory.

4.8.2. Coarse rejects

31 pairs of Dominion coarse reject samples were assayed twice by EYM. The results are presented in Figure 4-5. These results show acceptable reproducibility (coefficient of regression, $R^2 = 0.88$) and acceptable bias (-7%).

The gold results are not presented as the 31 pairs are uniformly low and so of no use in assessing data quality.

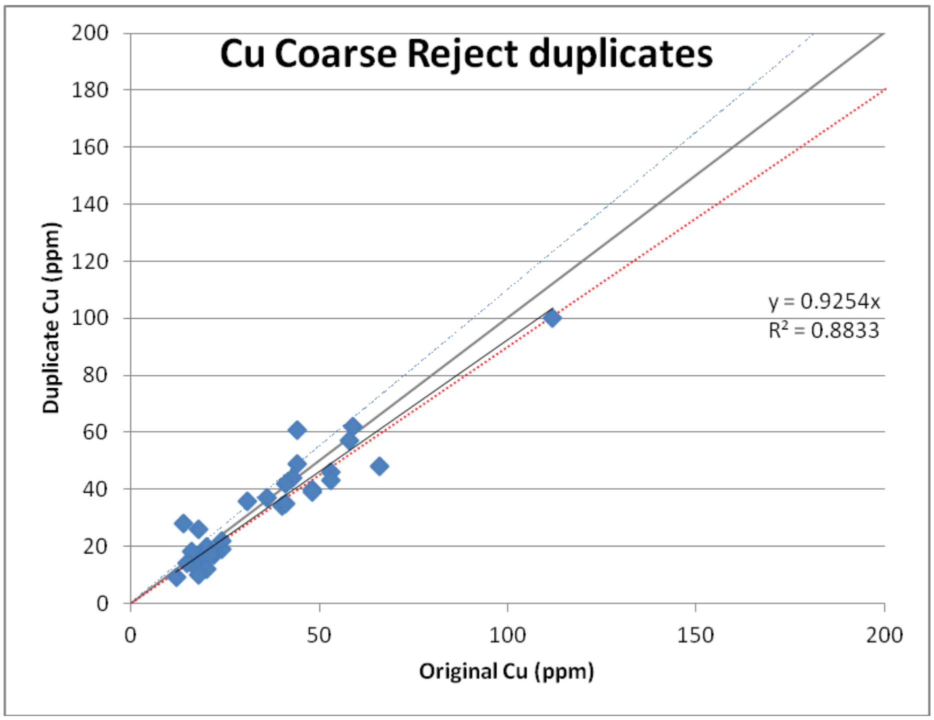


Figure 4-5. Scatter plot of original and duplicate Cu assays for coarse rejects.

4.8.3. Field Duplicates

Field duplicates are a second sub-sample taken from the riffle splitter at the same time as the original sample and submitted for assay at the same time as the original sample. Variation in field duplicate results is a combination of the natural inherent grade variability at the sample scale plus sampling errors.

The EYM field duplicates (39 pairs; Figure 4-6) show good reproducibility (coefficient of regression, $R^2 = 0.94$) and acceptable bias (+9%). Similarly, the RGL data (22 pairs) also show good reproducibility ($R^2 = 0.99$) and acceptable bias (-9%).

The Dominion field duplicates (33 pairs; see Figure 4-6) show poor reproducibility (coefficient of regression = 0.32) but acceptable bias (+7%). This is probably due to the drilling method (OHP) which is prone to downhole contamination. The Dominion data forms a small proportion of the total dataset used for grade interpolation. Any such sampling variability inherent in the Dominion data contributes to the nugget effect in the variogram model and so is accounted for during ordinary kriging grade estimation.

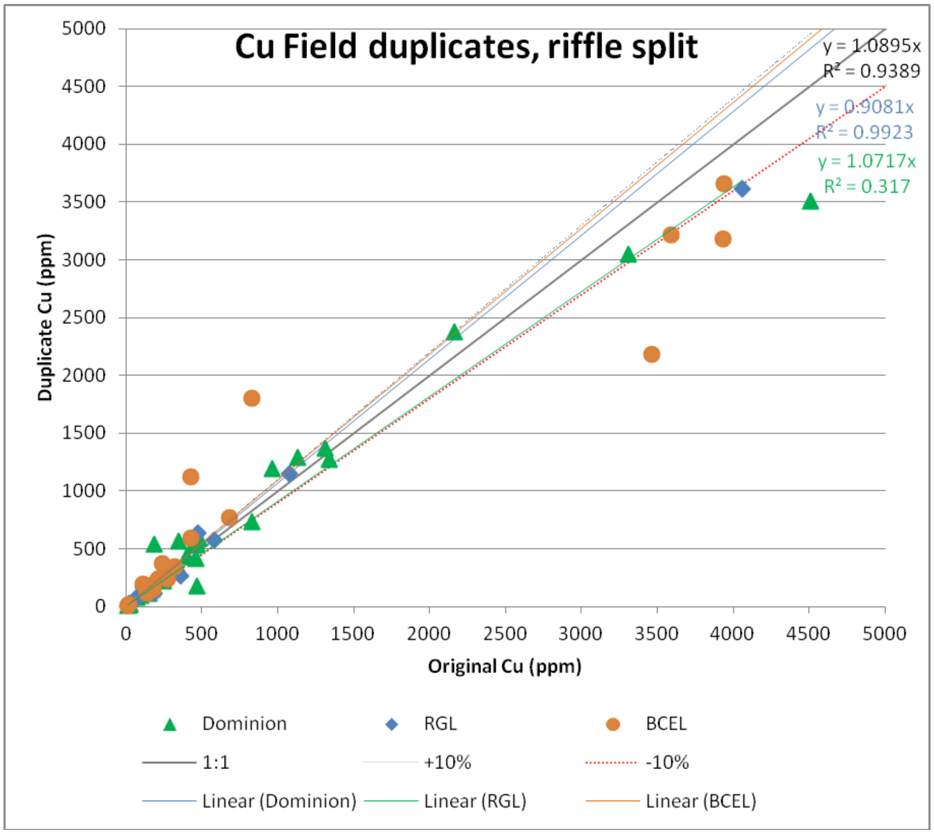
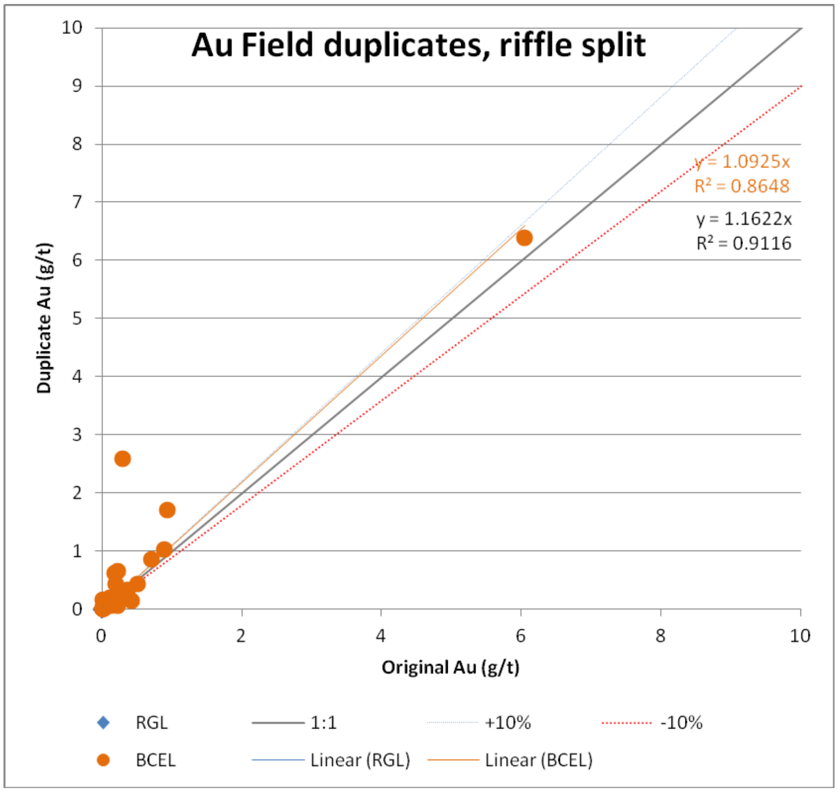
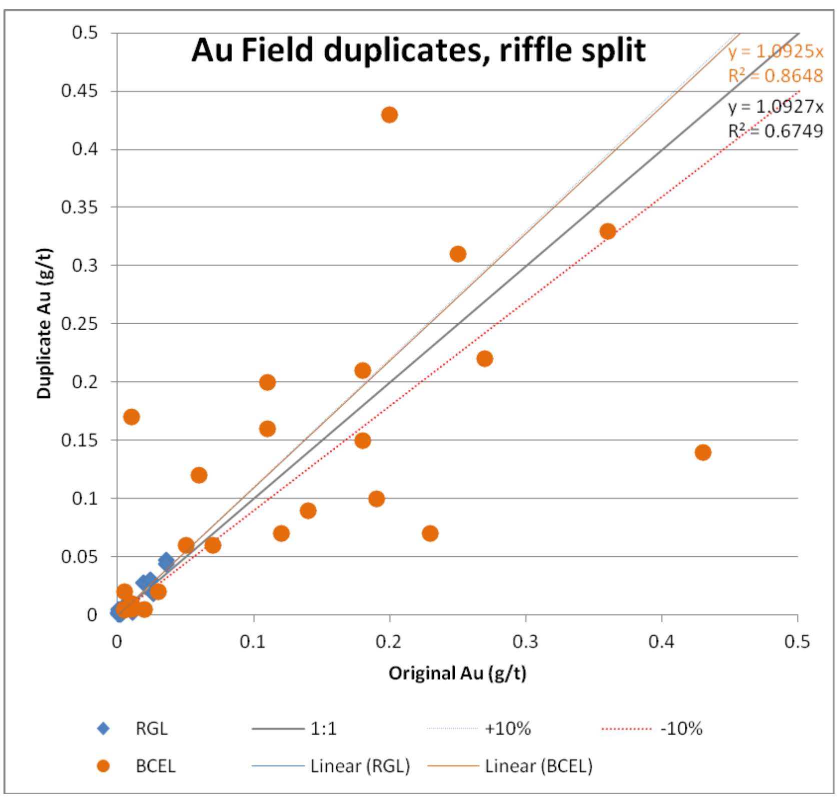


Figure 4-6. Scatter plot of original versus duplicate results for Cu field duplicates by company.

There are only field duplicate gold data available for the EYM and RGL data. Both datasets show some variability (R^2 = 0.86 and 0.67 respectively) and weak positive biases (+9% for both datasets). Part of the variability can be explained by the greater natural variability of gold grades due to the low grades. The RGL data is all less than 0.05 g/t which is approaching the lower detection limit and so much (almost all?) of the variability may be due to random analytical errors.



A.



B.

Figure 4-7. A. Scatter plot of original versus duplicate results for Au field duplicates by company. B. Close up on low grade samples.

4.8.4. EYM re-assays of Dominion coarse rejects

EYM conducted re-analysis of Dominion 1984 OHP drilling coarse rejects In order to assess the quality of the Dominion drilling data.

The copper results of the 35 pairs (Figure 4-8) show poor reproducibility and a bias high in the original Dominion data. However, this is strongly influenced by three samples from one hole (P17). As all the other elements also show substantial differences, it may be that the stored coarse reject samples have been incorrectly labelled. When the three P17 pairs are removed (Figure 4-9), the data shows much better reproducibility (R^2 = 0.87) and bias (4%).

The gold grades of the 35 pairs are uniformly low and so of no use in assessing data quality.

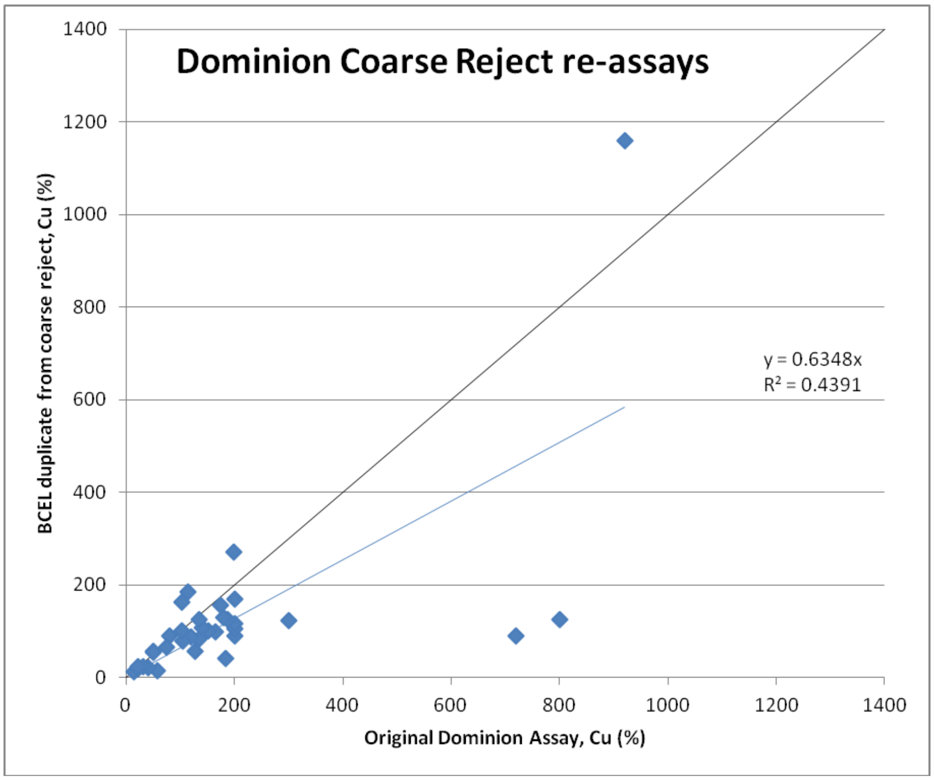


Figure 4-8. Scatter plot of Original Dominion Cu assay versus EYM coarse reject duplicate.

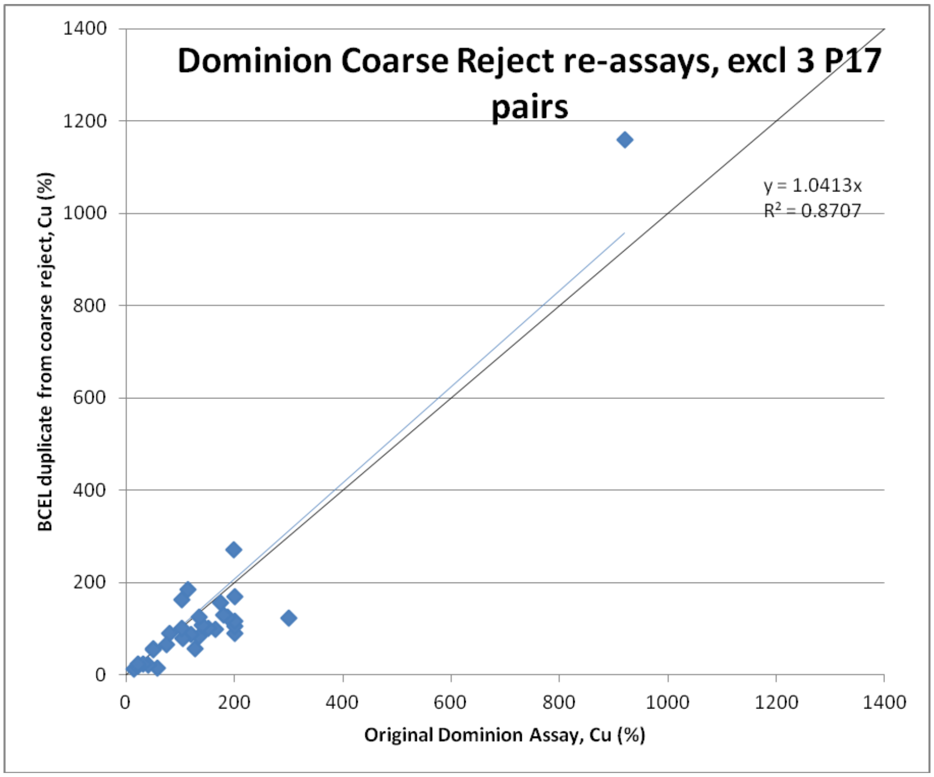


Figure 4-9 Scatter plot of Original Dominion Cu assay versus EYM coarse reject duplicate with 3 samples removed.

4.8.5. Conclusions

The available QAQC data shows no evidence of unacceptable assay data quality, however the quantity of available QAQC data is limited and so it is not possible to say that the data definitely is of acceptable quality.

There is very limited QAQC data for the historical drilling datasets, however these form a small portion of the data used for resource estimation and so this issue is not considered material.

4.8.6. Recommendations

Determine laboratory cleanliness with the systematic use of blank samples inserted at a rate of 1 in 10 samples within logged mineralised zones only.

Determine laboratory precision by instructing the laboratory to conduct duplicate analyses from pulps at a rate of 1 per 20 samples.

Assess laboratory bias by the use of umpire laboratory analyses. All samples greater than 0.1% Cu from 1 in 10 batches should be sent to an independent umpire laboratory.

A QC system is only of use when the QAQC data are assessed prior to be accepted as suitable for import into a drilling database. It is recommended that EYM documents and implements a QA system that has clearly defined thresholds for acceptable data and clear instructions on how to follow up results not meeting the thresholds. This should include a formally defined reporting procedure (monthly when drilling).

4.9. Data Validation and Import into MSTorque Database

Prior to use in Minesight software, all the data was compiled from the provided databases and spreadsheets into collar, downhole survey, assay and logging spreadsheets. Checks were performed for minimum values, maximum values, out of range values (e.g. azimuth > 360°) and overlaps. Any such flagged data were checked against the original data (log sheets, downhole surveys, assay certificates) and fixed as appropriate.

Where more than one assay result was available for a sample the assays were ranked and the highest ranked result imported. The ranking priority for Cu was OG63 > ME-ICP61 > UNK (unknown).

Any values provided as -9999 or -99 (missing data) were converted to -1 on import into the MSTorque database. Below detection limit data were imported as half the detection limit.

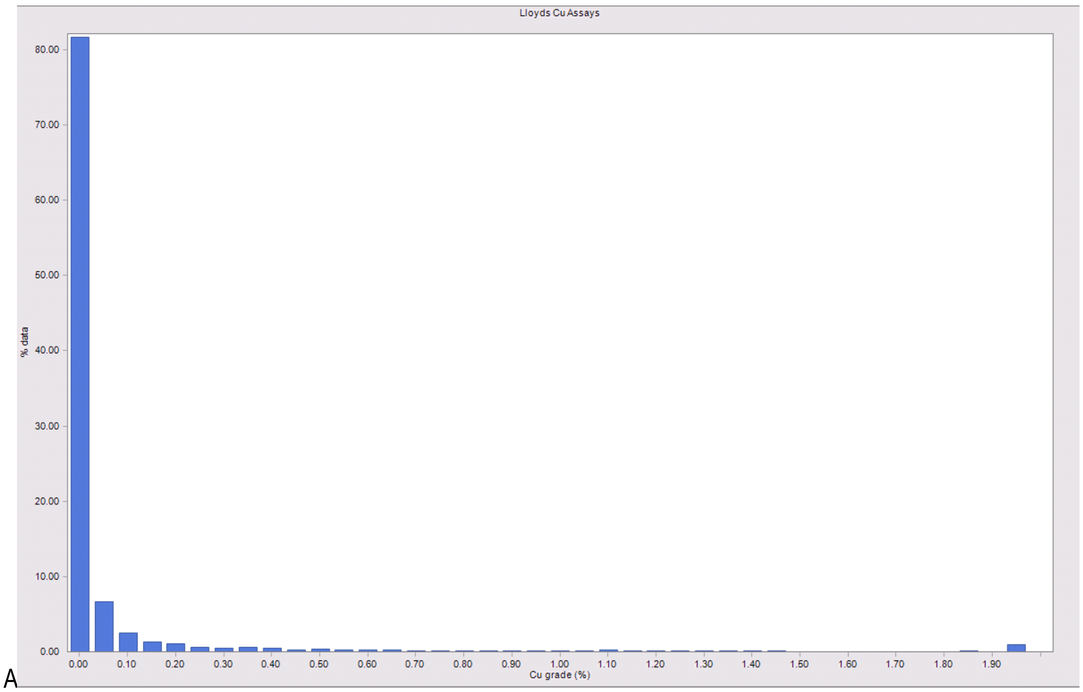
Prior to import all lengths in feet were converted to metres by multiplying by 0.305 and then rounding to 0.1m.

This data was then imported into an *'MSTorque'* SQL database. MSTorque performs additional checks for out of range data, overlapping and missing intervals on import.

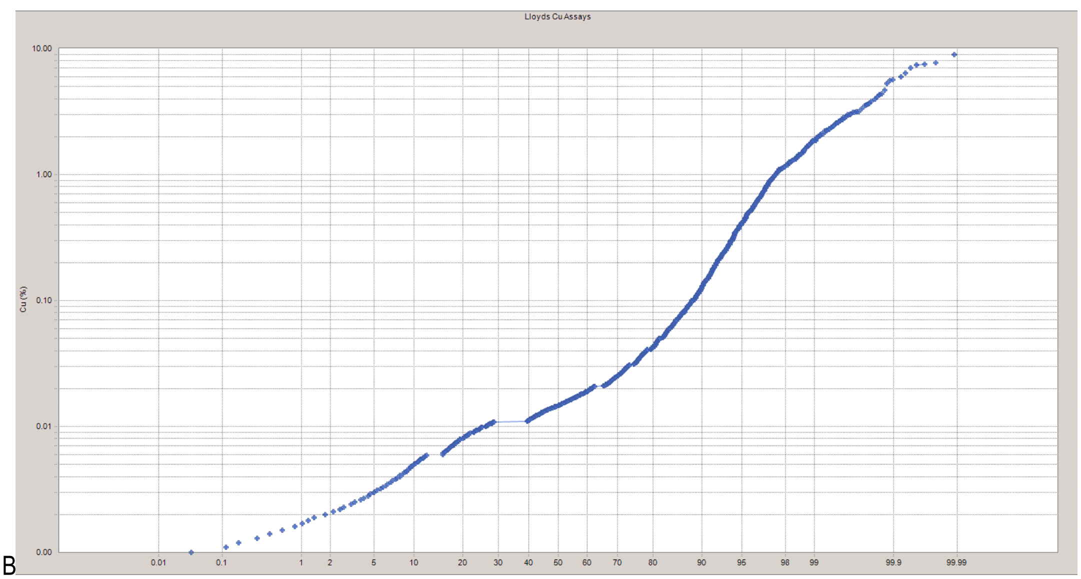
5 Domaining

5.1. Lloyds Copper Mineralisation (DOM = 1)

The geological controls on in situ copper mineralisation in the Lloyds Mine area not well understood. It is known that mineralisation occurs in, and as a halo to, quartz – sulphide veins. These veins have been offset and compartmentalised by post-mineralisation faults. The quartz – sulphide veins are broadly stratiform, but the stratigraphic setting of these veins is not well understood.



A



B

Figure 5-1. A. Cu histogram and B. Cu Cumulative Probability (not length weighted, all data excluding the RLT, UP, DB, BHRC, 62B, BG, PB, EYMMT, MET series and D12).

Histograms and cumulative probability plots (CPPs) of all the raw assay data showed no natural lower cutoff of copper grade distribution, however it should be noted that these plots included a large amount of data from outside the Lloyds mine area. The CPP does show a gradual slope change between 0.02% Cu and 0.05% Cu and a second slope change at about 1.0% Cu. These slope changes are suggestive of mixed Cu grade populations.

Visual assessment of grade continuity indicated that copper grade was spatially continuous above about 0.2% Cu. Therefore a copper grade domain was interpreted at nominal 0.2% Cu. Logged voids were assumed to represent pre-mining mineralisation and so were included within the domain.

The domain was interpreted as polygon strings on 25m spaced sections on 070°. The strings were snapped to assay intervals so that later coding of the assay data would honour the interpreted domain boundary.

The strings were later linked to form the domain wireframe. Not all strings were linked as an assessment in 3D showed that the continuity observed in section did not extend between sections.

The domain includes a minimum downhole width of 2.0 metres, with maximum internal dilution of 4.0 metres.

The copper grade domain was limited in the west by the Melbourne Fault, elsewhere the copper domain was projected a maximum of about 60 metres down dip and 25 metres along strike.

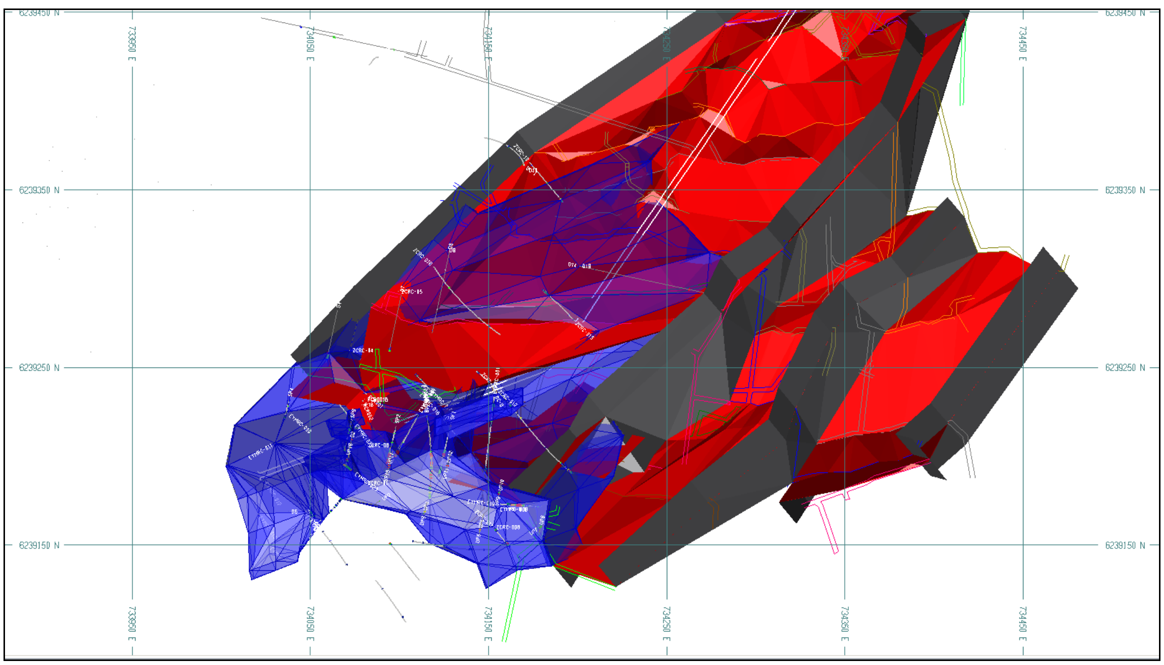


Figure 5-2. Plan view of Copper grade domain (blue) showing limiting faults (grey) and historically mined vein (red).

5.2. Tailings (DOM = 2)

The tailings domain wireframe was created between the upper and lower surfaces.

The upper tailings surface was triangulated from surface DGPS traverses on a 10 m by 10 m grid with infill traverses of ridges and gullies as necessary. This upper surface excluded sludge areas.

The auger drilling of the tailings rarely penetrated to the in situ ‘basement’, therefore an alternative method was required to define the base of the tailings. An IP survey carried out on a 30 m by 30m grid clearly delineated the base of the tailings. Presumably the IP survey was picking up the higher moisture content at the base of the tailings. The IP data was inverted to locate the base of the tailings in true space and this was used as the lower tailings surface.

5.3. Slag (DOM = 3)

The slag domain wireframes were created between upper and lower surfaces.

The upper slag surfaces were triangulated from surface DGPS traverses on a 10 m by 10 m grid with infill traverses of ridges and gullies as necessary. The lower surface of the slag wireframes were created from the topography DTM surface adjusted in the slag heap areas to match logged base of slag in three holes drilled through the slag heaps.

5.4. Oxidation Domains

Two oxidation domains were created, the near surface transition domain and the fresh domain.

The transition domain comprises partially weathered rocks and includes mixed copper sulphides (mainly chalcopyrite) and secondary copper minerals (mainly malachite but also rare azurite and native copper). There is no completely oxidised zone as sulphide minerals occur at surface, albeit in conjunction with oxide and carbonate minerals.

The fresh domain is un-weathered rocks in which the main copper mineral is chalcopyrite.

The base of transition surface was created from logged oxidation at the highest occurrence where logged oxidation is fresh. Note that oxidation logging was only available for the ZCRC, ZCDD and EYM series of holes. Where no logging data is available the base of transition surface was interpreted at about 15m below topography which is the typical depth of fresh material observed in the logging.

The transition domain was created as a wireframe solid between the topography and base of transition surfaces.

A fresh domain wireframe was not created, instead all material below topography and not in the transition wireframe was coded as fresh.

5.5. Assay coding

The raw assays in the MSTorque database were coded for DOM (copper domain) and DOX (oxidation domain) from the domain wireframes,

The item DOM was coded as 1 in the in situ Lloyds 0.2% Cu wireframe, as 2 in the tailings wireframe and as 3 in the slag wireframes.

The coding of the assays was validated using the filtering function in the Minesight drillview to show all samples meeting the domain criteria (i.e. > 0.20% Cu) and not coded as in the 0.2% Cu wireframe. The visible samples were investigated to ensure that they had been deliberately excluded from the wireframe (usually because they did not show sufficient geological continuity for inclusion in a resource). Similarly all samples not meeting the domain criteria and coded as inside the domain wireframe were viewed and checked .

The item DOX was coded as 1 in fresh material and 2 in the transition zone.

6 Statistics

The statistical analysis and variography were completed using the Minesight Data Analyst (MSDA) module of the Minesight software package.

6.1. Lloyds Copper Domain

6.1.1. Compositing

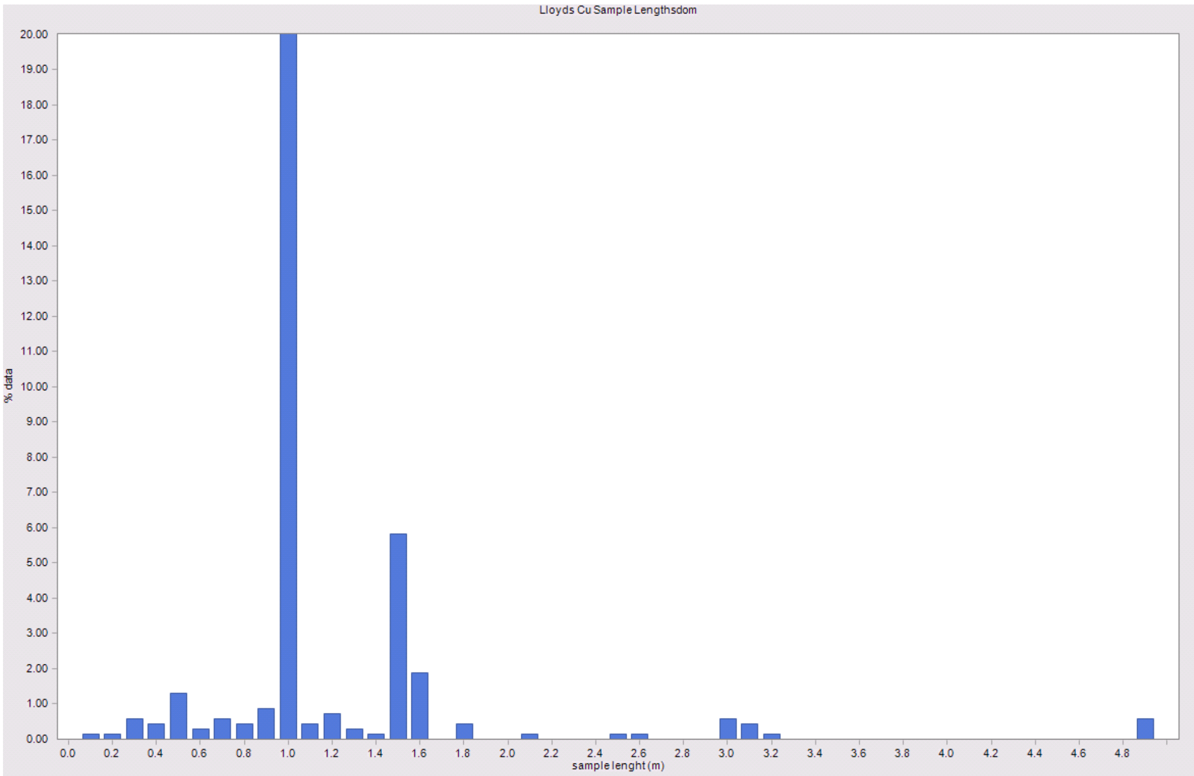


Figure 6-1. Raw sample length where DOM=1 and Cu not null.

A composite length of 2.0m was selected as this requires the splitting of very few raw samples (15 or 2.4% of the raw samples; see Figure 6-1) and also because it is the likely mining flitch height (most holes were drilled sub-vertically). Compositing to 1.0m would have resulted in the splitting of 11.9% of the data within the Lloyds copper domain.

6.1.2. Univariate statistics

Table 6-1 presents the statistics for the main elements of possible economic importance within the Lloyds copper domain.

In the fresh oxidation domain the CV (coefficient of variation) is low for S, moderate for Cu and high for Ag, Au, Pb and Zn.

There is much less data in the transition oxidation domain. Cu, Au, Pb and S have significantly different average grades in the transition material compared to fresh. The CV in the transition material is lower for all elements, however there are limited data.

		In Lloyds in situ 0.2% Cu Domain (DOM=1); 2.0m composites						
	Oxidation domain	Count	Minimum	Maximum	Mean	Std. Devn.	Variance	C.V.
Ag	fresh	302	0.02	79.12	6.79	9.71	94.26	1.43
	transition	37	0.10	21.15	5.83	5.48	30.02	0.94
Au	fresh	255	0.00	1.45	0.07	0.13	0.02	1.82
	transition	33	0.01	0.16	0.03	0.04	0.00	1.22
Cu	fresh	332	0.01	5.71	0.76	0.82	0.67	1.08
	transition	45	0.13	1.18	0.46	0.28	0.08	0.61
Pb	fresh	287	0.00	1.19	0.08	0.14	0.02	1.70
	transition	38	0.01	0.59	0.17	0.17	0.03	0.98
S	fresh	95	0.14	5.27	1.51	1.15	1.33	0.77
	transition	1	0.47	0.47	0.47			
Zn	fresh	292	0.01	4.18	0.23	0.36	0.13	1.59
	transition	38	0.05	0.92	0.21	0.20	0.04	0.93

Table 6-1. Summary univariate statistics for Ag, Au, Cu, Pb, S and Zn composites within the Lloyds copper domain by oxidation domain.

6.1.3. Extreme Values

Analysis of extreme values was only completed for copper as it drives most of the economic value in the project.

Cumulative probability plots of fresh and transition composite data within the Lloyds copper domain show no evidence of a separate high grade population (see Figure 6-2).

Visual examination of the higher copper grades showed that these formed continuous zones that are supported by surrounding moderate grade samples.

It is concluded that no manipulation (capping or similar) of high grade copper samples is necessary as they clearly form part of the main population of copper samples.

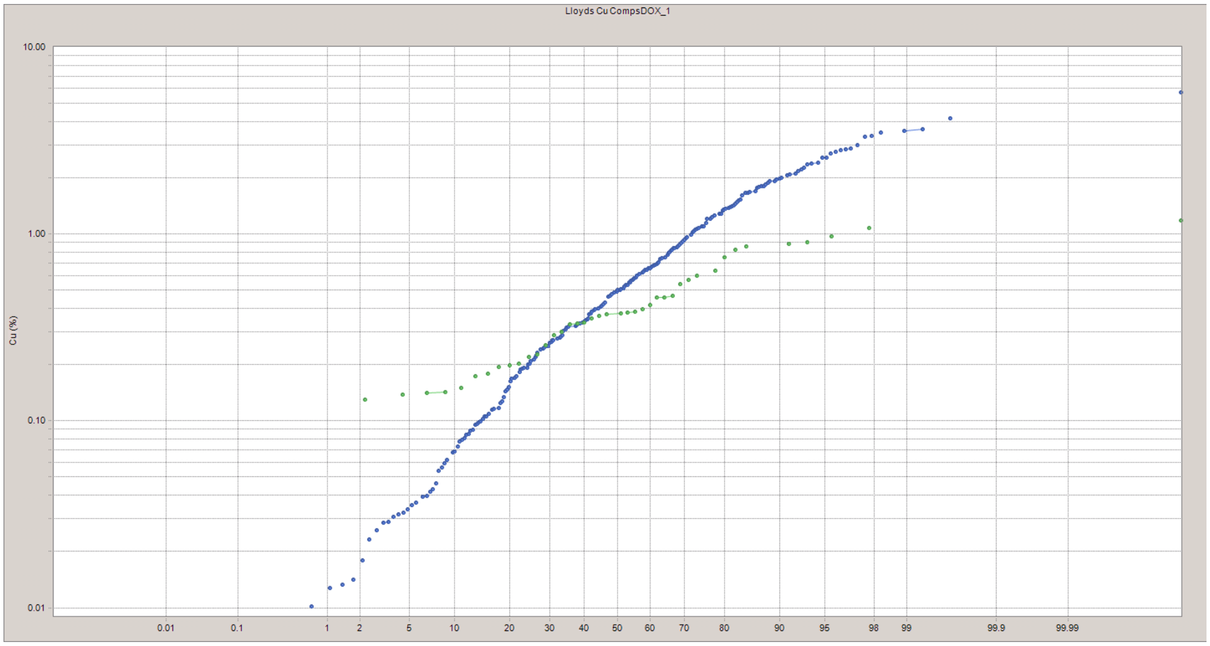


Figure 6-2. Cu Composite Cumulative Probability Plot (not length weighted), Fresh (DOX=1) is blue and transition (DOX=2) is green.

Histograms of fresh and transition composite data within the Lloyds copper domain also show no evidence of a separate high grade population (see Figure 6-3 and Figure 6-4). The data is close to log-normally distributed, but with a negative skew.

All Cu inside DOM=1 copper domain and in transition domain (DOX=2):

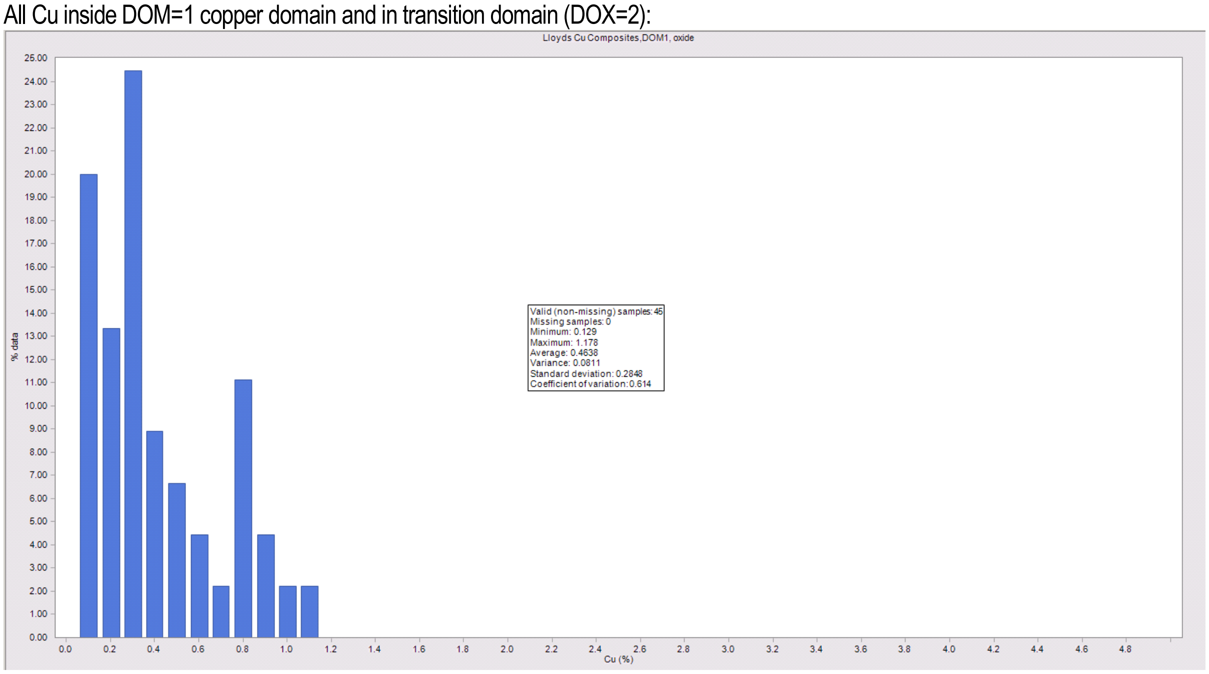


Figure 6-3. Histogram of all Cu composite data within the Lloyds copper domain and transition oxidation domain.

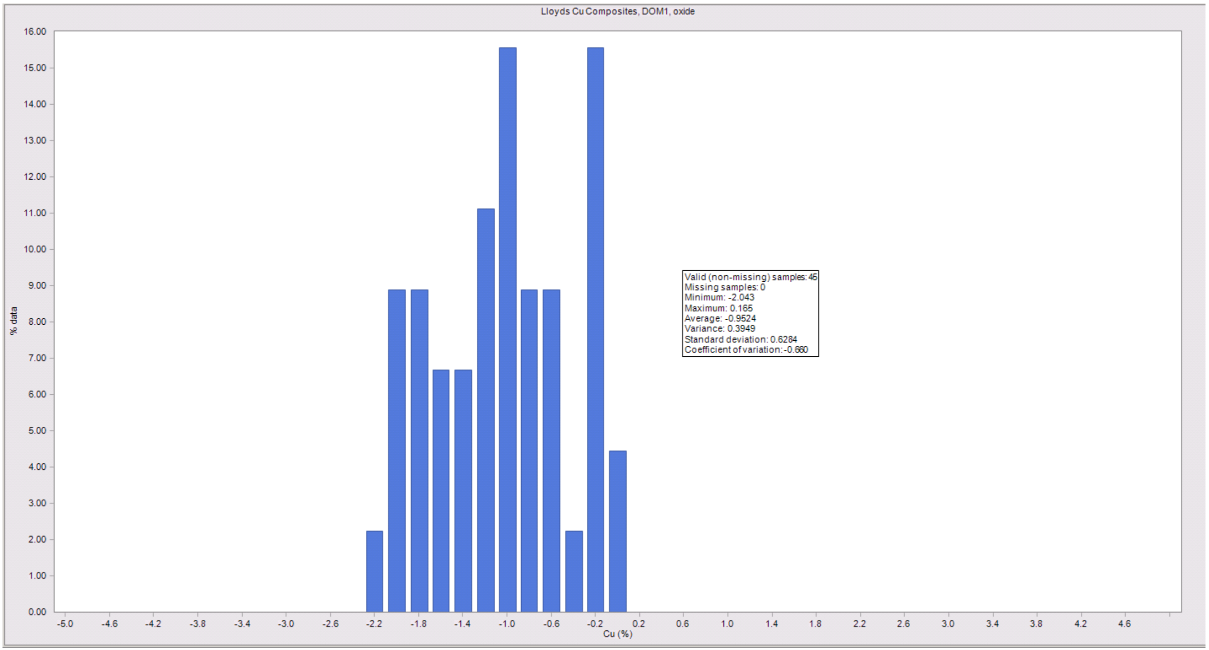


Figure 6-4. Log Histogram of all Cu composite data within the Lloyds copper domain and transition oxidation domain:

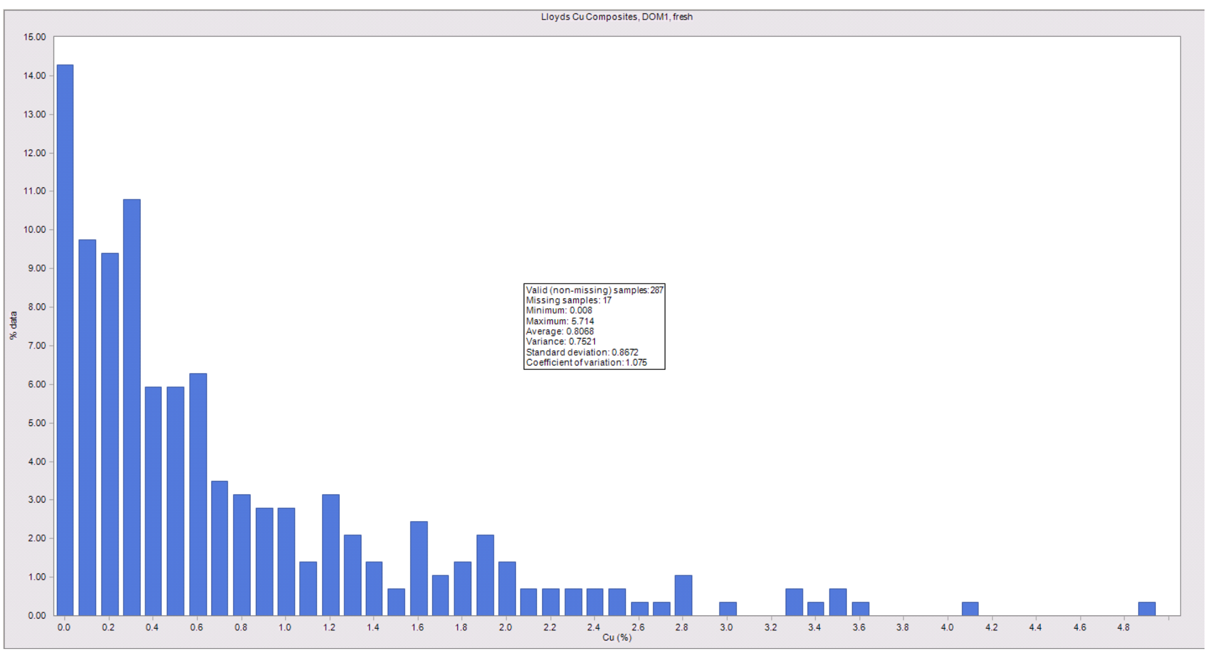


Figure 6-5. Histogram of all Cu composite data within the Lloyds copper domain and fresh oxidation domain:

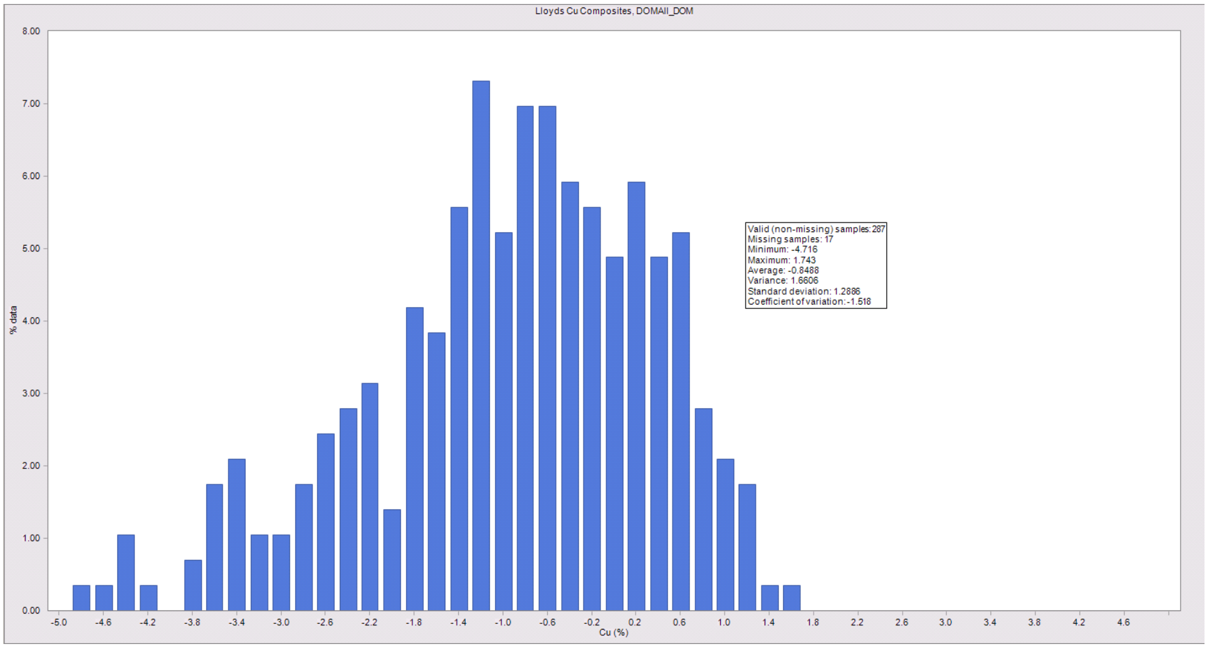


Figure 6-6. Log Histogram of all Cu composite data within the Lloyds copper domain and fresh oxidation domain:

6.2. Tailings

6.2.1. Compositing

A composite length of 2.0m was selected because it is the likely mining flitch height (most holes were drilled sub-vertically).

6.2.2. Univariate statistics

Summary univariate statistics for the tailings composites are presented in Table 6-2. All elements have low CVs and minimum values typically 30% to 50% of the median values due to the low grade variance for all elements. This demonstrates the relative homogeneity of the tailings. This is further illustrated by the Cu composite histogram in Figure 6-7.

	Count	Minimum	Maximum	Mean	Median	Std. Devn.	Variance	Co. of Variation
Cu%	50	0.49	5.59	1.32	1.15	0.74	0.55	0.56
Pb%	50	0.02	0.08	0.04	0.04	0.01	0.00	0.30
Zn%	50	0.04	0.43	0.16	0.15	0.09	0.01	0.54
S%	50	0.32	2.80	1.16	1.08	0.53	0.28	0.45
Au g/t	50	0.09	0.67	0.29	0.27	0.12	0.02	0.43
Ag g/t	50	4.2	17.3	9.5	8.7	2.4	5.8	0.25

Table 6-2. Tailings composite summary statistics.

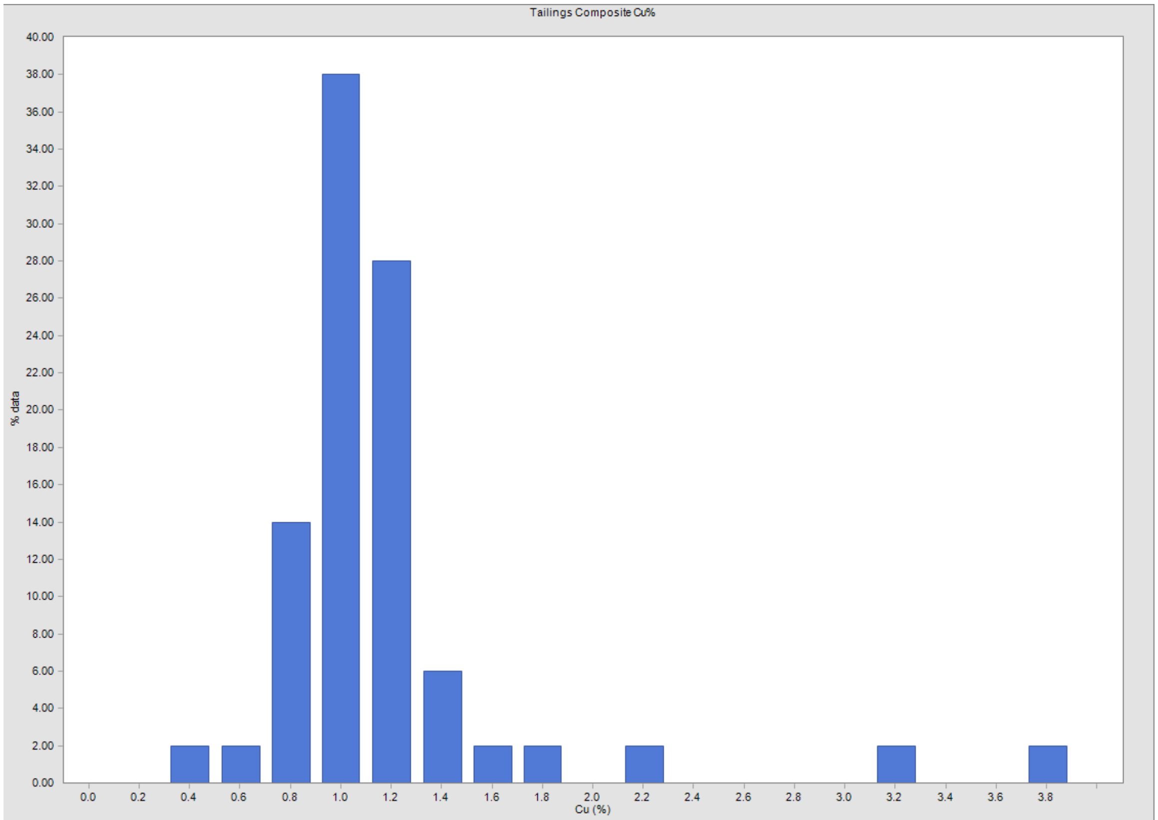


Figure 6-7. Histogram of composite Cu grades in tailings.

6.3. Slag Heaps

6.3.1. Compositing

The slag grab sample data was not composited because it all has the same support.

6.3.2. Univariate statistics

Summary univariate statistics for the slag are presented in Table 6-3. The slag grades are significantly higher for Cu, Au, Ag and S in the north slag heap.

	North Cu	South Cu
count	52	43
min	0.68	0.48
max	4.93	1.67
average	2.22	0.93
median	2.17	0.89
SD	0.71	0.29
CV	0.32	0.31
median Au	0.28	0.10
median Ag	11.55	5.20
median Pb (%)	0.07	0.11

median Zn (%)	0.45	0.71
median S (%)	0.62	0.35

Table 6-3. Summary univariate statistics for Ag, Au, Cu, Pb, S and Zn samples within the slag heaps.

6.4. Variography

Variography was only completed for copper and only in the fresh oxidation domain. Variography was not attempted for the transition material because there were so few copper composites in the transition domain. This meant that the chance of experimental variograms being both well structured and fair representations of the underlying true variogram were low.

It was decided to use inverse distance squared weighting for interpolation of the other elements because they were of considerably lesser economic importance. Inverse distance squared weighting was also used for interpolation of all elements in the 'waste' (i.e. not in the Lloyds copper domain).

Variography was not attempted for the tailings or slag heaps because these are not naturally occurring features with (geological) controls on mineralisation. The interpolation of these domains is described in sections 7.1.2 and 7.2.2.

All the experimental variograms were normal variograms of the composited data with no top cut and normalised to total variance. The lag tolerance was always set to half the lag.

Initially a downhole variogram was generated using 2 m lags and used to determine the nugget from a single sill spherical model largely honouring the first two lags.

Next a fan of experimental variograms at 10° increments was created in the plane of the mineralised vein. The variogram with the maximum continuity in this plane was designated the major axis. A second fan of experimental variograms was then created in the plane normal to the major axis and the minor axis designated as the direction of least continuity with the semi-major axis being the direction normal to both the major and minor axes.

The lag distance and angular tolerance (maximum 22.5°) were then varied for each axis in order to get the best structured experimental variogram for each axis.

MSDA was then used to simultaneously view the experimental variograms in the major, semi-major and minor axes. The nugget as determined from the downhole variogram was fixed and spherical variogram models manually fitted. It was found that only a single sill was necessary to model the experimental variograms.

The experimental variograms (Figure 6-8 to Figure 6-11)showed no significant anisotropy within the plane of mineralisation with the ranges the same for the major and semi-major axes. The minor axis range is 10% of the major axis. This variogram model suggests that the offsetting 'city' faults are not significant in localising copper grade, consistent with the interpretation that the 'city' faults are post-mineralisation.

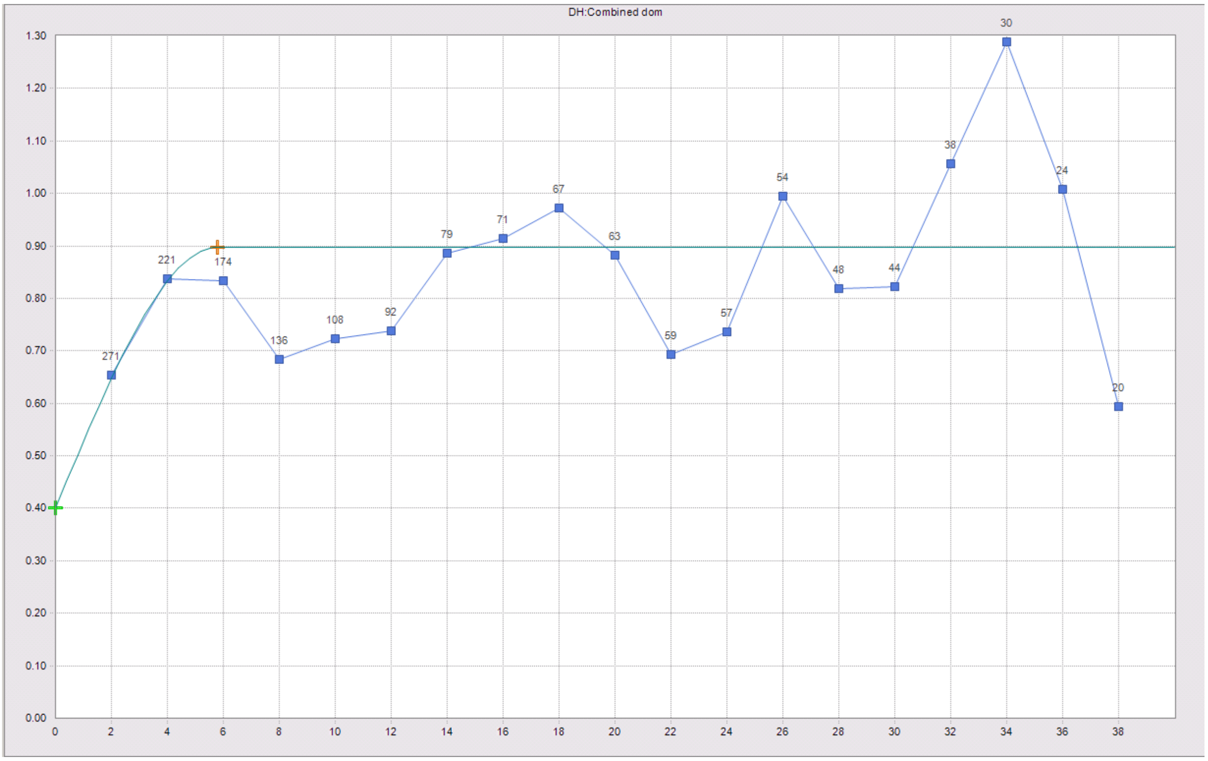


Figure 6-8. Downhole variogram (2m absolute tolerance).

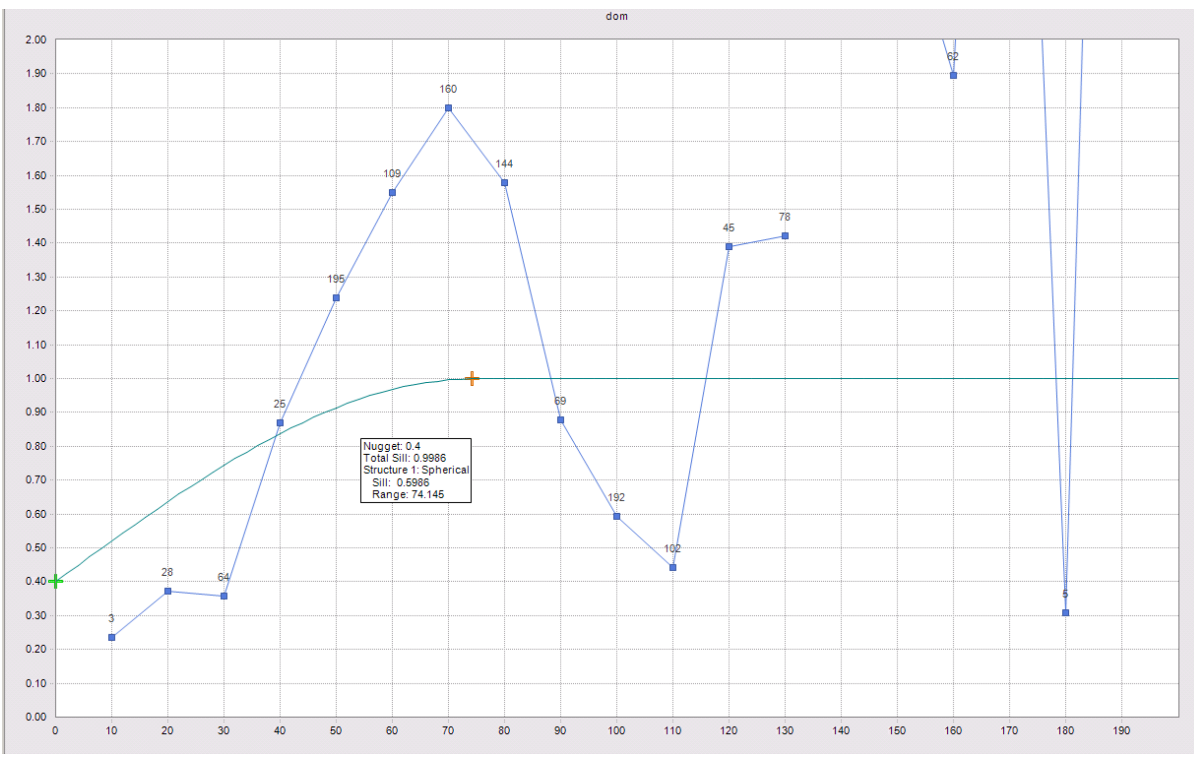


Figure 6-9. Major axis experimental variogram and model (23/158, 10m lag, 10 deg window)

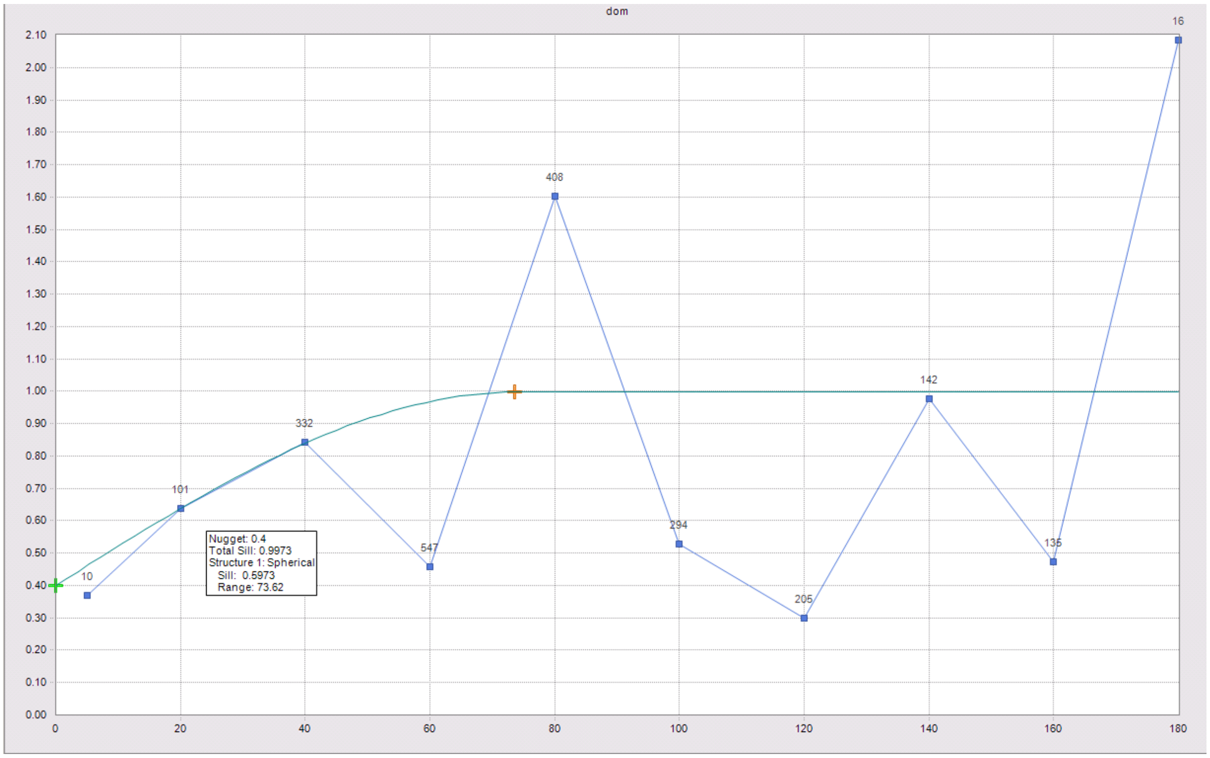


Figure 6-10. Semi-major axis experimental variogram and model (08/252, 20m lag, 10 deg window)

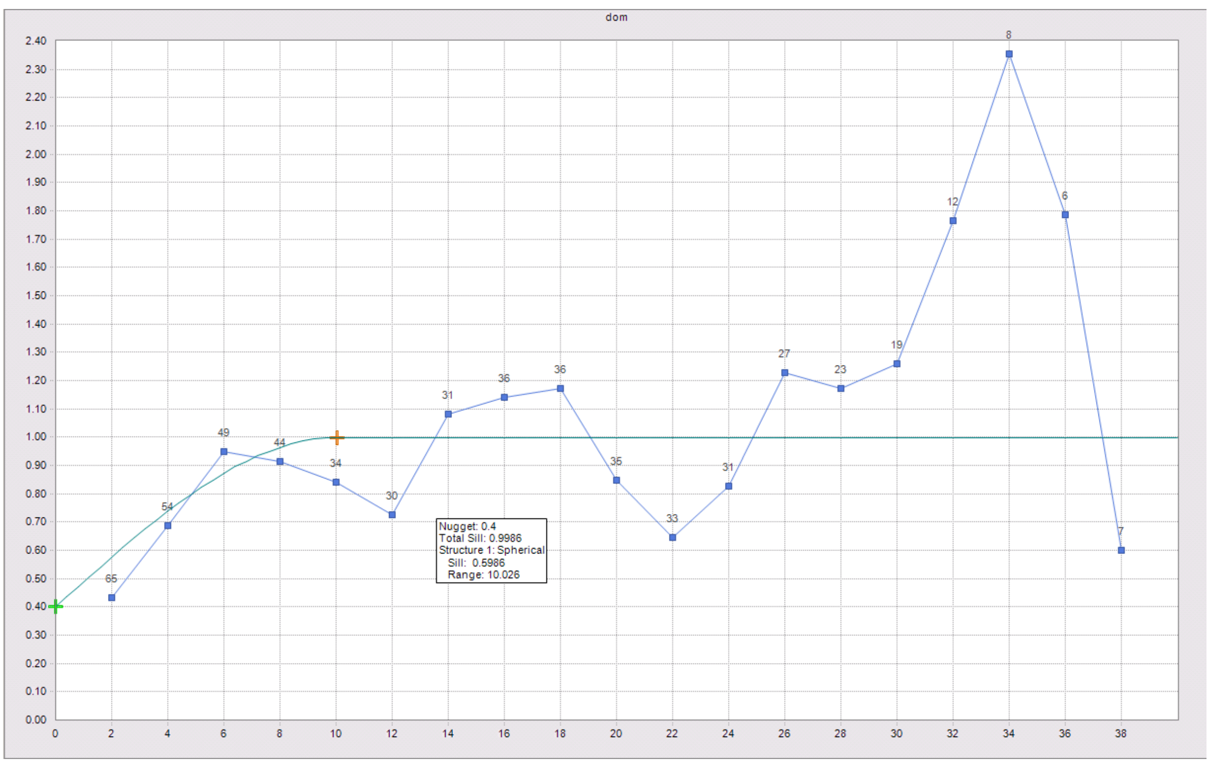


Figure 6-11. Minor axis experimental variogram and model (-65/180, 2m lag, 10 deg window)

Mineralisation Domain	Nugget Variance		Sill (Spherical)	Range (m)			Actual Direction (plunge/trend)		
DOM	C0	%C0	C1	Maj	Semi	Min	Maj	Semi	Min
1	0.4	40%	0.6	100	100	10	23/158	08/252	-65/180

Table 6-4. Lloyds Copper Domain variogram models.

6.5. Density

6.5.1. Tray Data

The main source of bulk density data was determined by the whole tray method from EYM DD drilling. This data was collected from 5 holes (see Figure 6-12).

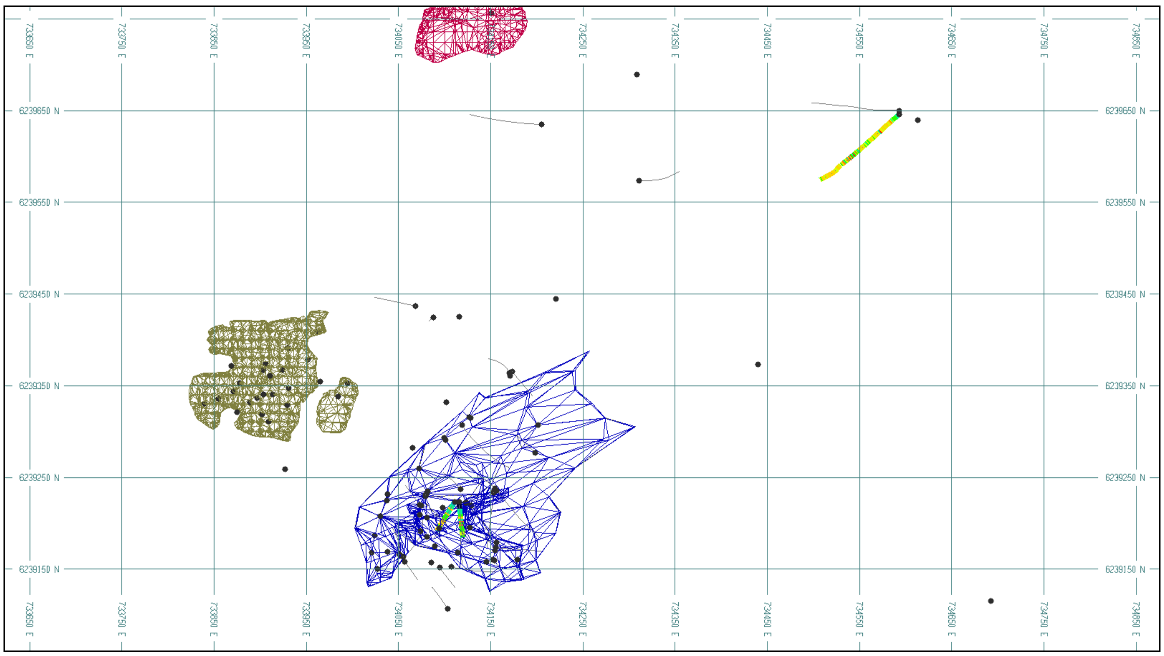


Figure 6-12. Location map of tray density samples (coloured drill traces), Lloyds copper domain is blue wireframe at south of map.

The tray method involves measuring the average core diameter, the total length of core in a tray, weighing the combined tray, core and core blocks and then subtracting the weight of the tray and core blocks. Note that this method does not account for moisture content, however all the samples measured were from fresh material with probable very low moisture contents.

The raw tray density data provided was not adjusted for drilling recovery. The raw data ("DBD") was combined with the drilling recovery from the drill plods and the density adjusted accordingly ("DBDx").

There are no tray density data within the transition part of the Lloyds copper domain.

In the fresh material there is no significant difference between the mineralised (within Lloyds copper domain) and un-mineralised material. This is somewhat unexpected given that the mineralised material has an elevated sulphide mineral content.

Oxidation domain	Copper domain	Number of samples	Average raw tray density	Average tray density adjusted for drilling recovery
transition	waste	7	1.31	2.16
fresh	min	20	2.62	2.64
	waste	195	2.63	2.68

Table 6-5. Bulk density data determined using the 'tray' method.

The tray density data show some correlation with depth to about 100m depth (see Figure 6-13). Below 100m the density appears to be constant, although this data comes from a single hole, ZCDD018.

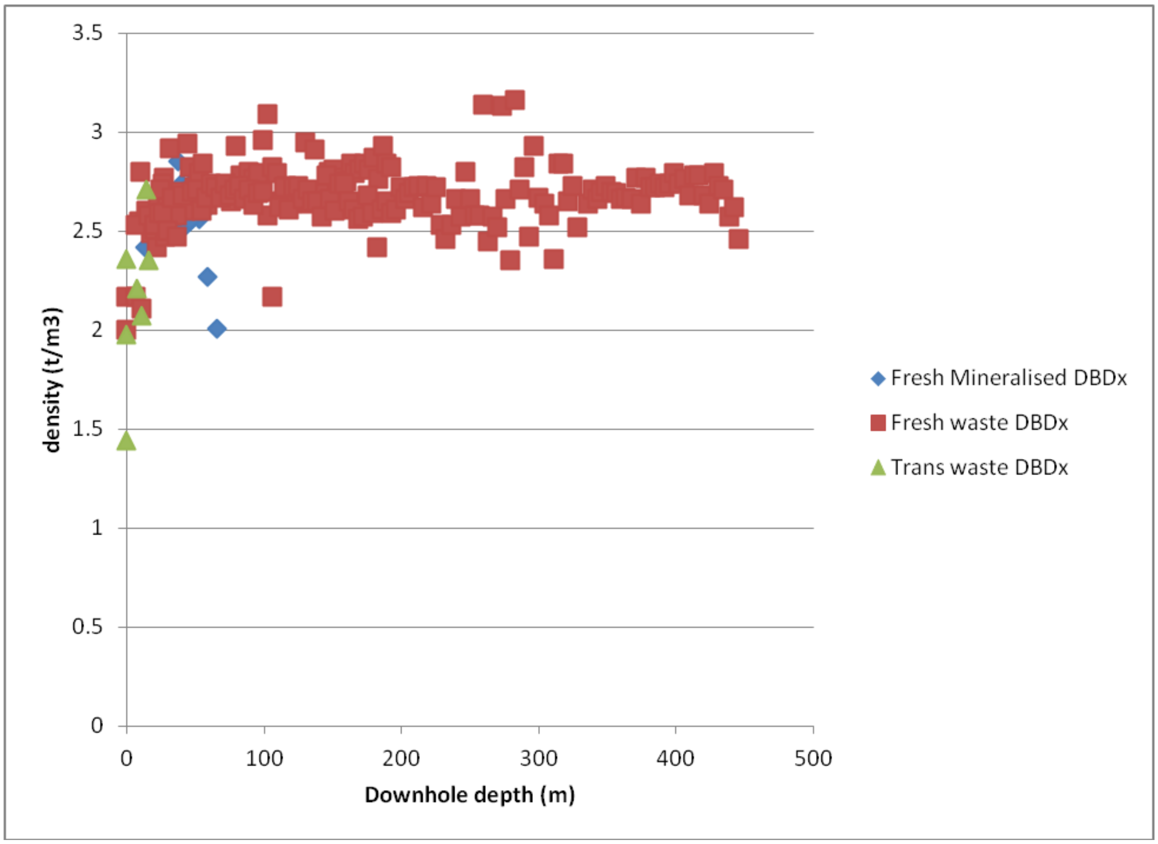


Figure 6-13. Graph of tray density versus depth.

6.5.2. Metallurgy Samples SG

The specific gravity (SG) of 6 composite samples was determined as part of the current metallurgical testwork programme. The results of this work are presented in Table 6-6.

			Calculated bulk density	
sample	type	SG	5% porosity	10% porosity
EYMMT-008	Transition	2.67	2.54	2.40
EYMMT-008	Transition	2.59	2.46	2.33
Average Transition		**2.63**	**2.50**	**2.37**
EYMMT-001	Fresh	2.74	2.60	2.47
EYMMT-002	Fresh	2.79	2.65	2.51
EYMMT-006	Fresh	2.78	2.64	2.50
EYMMT-007	Fresh	2.84	2.70	2.56
EYMMT-009	Fresh	2.76	2.62	2.48
EYMMT-010	Fresh	2.77	2.63	2.49
Average Fresh		**2.78**	**2.64**	**2.50**

Table 6-6. Specific gravity data from metallurgical testwork.

The SG data for the transition material is significantly higher than the tray method data, even when adjusted for 10% porosity which is probably high. It should be noted that there are only 2 SG samples from the transition material and so may not be representative.

The fresh SG data are a little higher than the tray data. The fresh material likely has a low porosity, in the range of 0.5% - 3%. Therefore the SG data indicate that the tray data are robust for the fresh material.

7 Block Model

7.1. Lloyds In Situ Model

The Minesight filename for the Lloyds block model is LLYD15.035.

7.1.1. Extents and items

The Lloyds block model was constructed using the block sizes, extents and items described in Table 7-1and Table 7-2.

	min	max	block size (m)	# blocks
X	733900	734400	10	50
Y	6239000	6239500	10	50
RL	700	1000	2	150

Table 7-1. The Lloyds block model extents.

The block dimensions were not determined quantitatively, but were selected with consideration of the closest drilling (25 m by 25 m) and likely open pit mining SMU.

The block model uses ore percentages (proportions) for volume determinations.

item	min	max	precision	comment
TOPO	0	100	0.1	Proportion of block below topographic surface (%)
D05	0	99	1	0.05% Copper domain (not used)
D05%	0	100	0.1	% of block in 0.05% Copper domain (not used)
DOM	0	99	1	0.2% Copper domain
DOM%	0	100	0.1	% of block in 0.2% Copper domain
DOX	0	99	1	Oxidation domain; 1=fresh, 2=transition
CU%	0	99	0.001	OK copper grade (Base case reported)
CU05%	0	99	0.001	not used
AU	0	99	0.01	Au grade (g/t; IDW2)
AG	0	999	0.1	Ag grade (g/t; IDW2)
PB%	0	99	0.0001	Pb grade (%; IDW2)
ZN%	0	99	0.0001	Zn grade (%; IDW2)
S%	0	99	0.0001	S grade (%; IDW2; assigned where insufficient data)
BULKD	0	9	0.01	Dry bulk density
#CMP	0	99	1	number of composites used to estimated CU%
#DH	0	99	1	number of drillholes used to estimated CU%
DIST	0	999	0.1	distance to nearest composite used to estimated CU%
KVAR	0	99	0.001	kriging variance CU%
KREG	0	9	0.001	kriging slope of regressions CU%
RSCAT	0	9	1	resource category; 1=measured, 2=indicated, 3=inferred
MATL	0	9	1	not used
ROCK%	0	100	0.1	% of block in 0.2% Copper domain and not mined **USE THIS INSTEAD OF TOPO**
CUEQ	0	100	0.001	Copper equivalent

item	min	max	precision	comment
CUNN	0	100	0.001	Cu variant: nearest neighbour
CUIDW	0	100	0.001	Cu variant: inverse distance squared
CUV1	0	100	0.001	Cu variant:
CUV2	0	100	0.001	Cu variant:
CUV3	0	100	0.001	not used
QLTY	0	1	0.001	OK weighting given to high quality samples
ZONE	0	999	1	not used
QUAD	0	99	1	number of split, rotated quadrants containing composites used to estimated CU%
VEIN%	0	100	0.1	% of block in vein solid

Table 7-2. Lloyds block model items.

7.1.2. Interpolation Methods

7.2.1.1 Copper

Copper was interpolated using ordinary kriging (OK) from the composited data into the block model item CU%.

No pre-processing changes (such as top cutting) were applied to the data.

CU% was only interpolated within the Lloyds copper domain.

The search neighbourhood was determined from the drill spacing and variogram range, allowing a block to 'see' across drill sections in the major axis direction.

The minimum, maximum samples and block discretisation were determined by assessing the kriging variance in sparsely and closely drilled areas.

- Search ellipsoid at variogram range (100m x 100m x 10m)
- Minimum 5 composites
- Maximum 15 composites (limits negative kriging weights)
- Maximum of 10 composites per quadrant
- Copper and oxidation domains as hard boundaries
- Block discretisation of 3x3x1 (XYZ)

No additional de-clustering methods such as quadrant restriction or limiting the number of composites per hole was employed because the data is not particularly clustered.

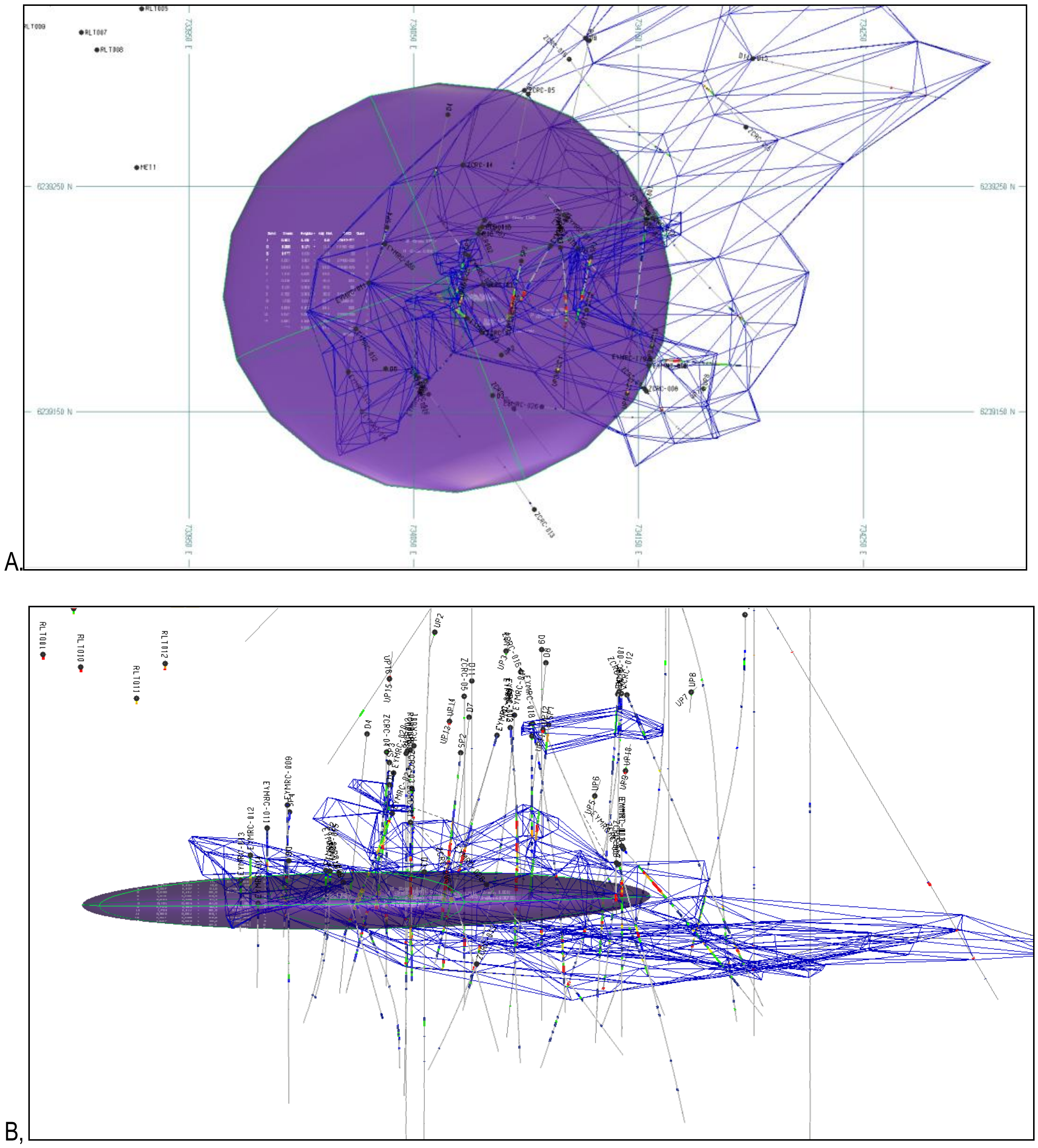


Figure 7-1. Plan (A) and oblique (towards 000/-25; B) views of search ellipsoid, drilling and Lloyds copper domain.

7.2.1.2 Other elements

Au, Ag, Pb, Zn and S were interpolated using inverse distance squared weighting using the same search neighbourhood as the OK copper into the block model items AU, AG, PB%, ZN% and S% respectively. The oxidation domain boundary was not a hard boundary for these elements.

S% was interpolated into both inside and outside the Lloyds copper domain.

Where no S% grade was interpolated, S% was assigned by oxidation domain based on average values. This was done in order to ensure a sulphur grade in every block for assessment of waste characteristics. The assigned values (Table 7-3) were based on average S grades by copper and oxidation domains.

Oxidation domain	inside Lloyds Cu domain	outside Lloyds Cu domain
Transition	0.5%	0.2%
fresh	1.5%	0.5%

Table 7-3. Assigned sulphur grades.

7.2.1.3 QLTY

The composite data was coded with the item QLTY such that QLTY = 1 for all ZCRC and EYM holes and QLTY=0 for all other holes.

The item QLTY was interpolated using the same methods as for CU% so that the resultant value shows the weighting given to composites from ZCRC and EYM holes when estimating CU%.

7.1.3. Density

Dry Bulk Density (DBD) was assigned to the item BULKD because the available density data is spatially clustered, meaning that any interpolation method would give very poor local estimates of DBD.

The assigned values (Table 7-4) were based on average bulk density values by copper and oxidation domains.

	Copper domain (DOM)	
Oxidation domain	**1 (Mineralised)**	**9 ('waste')**
Transition	2.4	2.4
Fresh	2.7	2.7

Table 7-4. Assigned Bulk Densities (t/m^3). Lloyds model.

7.1.4. ROCK%

In the Lloyds block model (LLYD15.035) the block proportion of in situ rock is described by the item ROCK%. ROCK% is the block proportion below the topographic surface (TOPO) adjusted for historic mining.

ROCK% = TOPO – VEIN% where VEIN% was coded from a wireframe of the historic mining voids.

The vein wireframe was created from digitised mine plans with the thickness calculated using records of historic production (469,000t), the area of the historic voids (81,700m2) and an assumed density of 2.6 t/m^3 giving a thickness of 2.99m. This thickness is in line with the reported historical mining thicknesses 10 feet (3.0 m). Note that only a portion of the historically mined vein occurs within the extents of the block model.

7.2. Tailings

The Minesight filename for the tailings block model is TAIL15.dat.

7.2.1. Extents and items

The Lloyds block model was constructed using the block sizes, extents and items described in Table 7-5 and Table 7-6.

	min	max	block dim	# blocks
X	733800	734050	10	25
Y	6239250	6239450	10	20
RL	820	900	2	40

Table 7-5. The Lloyds block model extents.

The block dimensions were not determined quantitatively, but were selected with consideration of the closest drilling (20 m by 20 m) and likely mining SMU.

The block model uses ore percentages (proportions) for volume determinations.

item	min	max	precision	comment
TOPO	0	100	0.1	Proportion of block below topographic surface (%)
DOM	0	99	1	0.2% Copper domain
DOM%	0	100	0.1	% of block in 0.2% Copper domain
BULKD	0	10	0.01	Dry bulk density
RSCAT	0	9	1	resource category; 1=measured, 2=indicated, 3=inferred
RELEV	0	9999	0.01	relative elevation', for un-folding
DOX	0	9	1	Oxidation domain; 1=fresh, 2=transition
CU%	0	100	0.01	OK copper grade (Base case reported)
PB%	0	100	0.01	Pb grade (%; IDW2)
ZN%	0	100	0.01	Zn grade (%; IDW2)
S%	0	100	0.01	S grade (%; IDW2; assigned where insufficient data)
AU	0	100	0.01	Au grade (g/t; IDW2)
AG	0	100	0.01	Ag grade (g/t; IDW2)
CUEQ	0	100	0.01	Copper equivalent
CUNN	0	100	0.01	Cu variant: nearest neighbour
PASS#	0	9	1	interpolation pass number

Table 7-6. Tailings block model items.

7.2.2. Interpolation Methods

Cu, Au, Ag, Pb, Zn and S were interpolated from composited samples using inverse distance squared weighting into the block model items AU, AG, PB%, ZN% and S% respectively.

No pre-processing changes (such as top cutting) were applied to the data.

Grades were only interpolated within the tailings wireframe (which excluded the higher grade sludge).

Copper and oxidation domains were used as hard boundaries for grade estimation.

Grades were interpolated using unfolding parallel to the topographic surface. This was done so as to approximate the spatial grade trends expected from the inferred deposition of the tailings (see Figure 3-2).

A search neighbourhood was used to limit the data selected for grade interpolation. The search neighbourhood was determined from the drill spacing, allowing a block to 'see' across drill sections in the major axis direction.

Grades were interpolated in two passes, the first pass within a 30m by 30 m by 5m ellipsoid and the second in a 100m x 100m x 10m ellipsoid. This was done to provide a better local grade estimate where there is more data, but still interpolate all blocks within the tailing wireframe.

A minimum of 4 and a maximum of 20 composites were used to interpolate grades. These values were selected based on the experience of the author.

No additional de-clustering methods such as quadrant restriction or limiting the number of composites per hole was employed because the data is not particularly clustered.

7.2.3. Density

There are no reliable density data available for the tailings and no economically feasible method of determining bulk density.

Am attempt was made to determine the bulk density of the tailings by simply filling a bucket of known volume with hand dug tailings. This method returned un-feasibly low bulk densities and so this data was not used.

A Dry Bulk Density (DBD) of 1.8 t/m3 was assigned to the item BULKD. This value was calculated assuming the tails comprise a combination of 95% quartz sand (bulk density typically 1.6 t/m^3, Berkman, 1995) and 5% chalcopyrite (specific gravity 4.2 t/m^3, Berkman, 1995) for a total bulk density of 1.8 t/m^3.

7.3. Slag

The Minesight filename for the slag block model is SLAG15.dat.

7.3.1. Extents and items

The Slag block model was constructed using the block sizes, extents and items described in Table 7-7 and Table 7-8.

	min	max	block dim	# blocks
X	734050	734250	10	20
Y	6239650	6240250	10	60
RL	850	950	2	50

Table 7-7. The Slag block model extents.

The block model SLAG15.dat covers both the north and south slag heaps.

The block dimensions were not determined quantitatively, but were selected with consideration likely mining SMU.

The block model uses ore percentages (proportions) for volume determinations.

item	min	max	precision	comment
TOPO	0	100	0.1	Proportion of block below topographic surface (%)
DOM	0	99	1	0.2% Copper domain
DOM%	0	100	0.1	% of block in 0.2% Copper domain
BULKD	0	10	0.01	Dry bulk density
RSCAT	0	9	1	resource category; 1=measured, 2=indicated, 3=inferred
RELEV	0	9999	0.01	relative elevation', for un-folding, not used
DOX	0	9	1	Oxidation domain; 1=fresh, 2=transition
CU%	0	100	0.01	OK copper grade (Base case reported)
PB%	0	100	0.01	Pb grade (%; assigned)
ZN%	0	100	0.01	Zn grade (%; assigned)
S%	0	100	0.01	S grade (%; assigned)
AU	0	100	0.01	Au grade (g/t; assigned)
AG	0	100	0.01	Ag grade (g/t; assigned)
CUEQ	0	100	0.01	Copper equivalent
CUNN	0	100	0.01	Cu variant: nearest neighbour
PBNN	0	100	0.01	Pb variant: nearest neighbour
ZNNN	0	100	0.01	Zn variant: nearest neighbour
SNN	0	100	0.01	S variant: nearest neighbour
AUNN	0	100	0.01	Au variant: nearest neighbour

item	min	max	precision	comment
AGNN	0	100	0.01	Ag variant: nearest neighbour
PASS#	0	9	1	interpolation pass number

Table 7-8. Slag block model items.

7.3.2. Grade Assignment Method

Grades were assigned (not interpolated) in the slag model. This was because the slag heaps were formed by dumping of very coarse material resulting in dumps with no spatial grade correlation. Therefore a local grade estimate was not considered possible and the decision was made to assign the same grades to the entire heaps.

The assigned grades (Table 7-9) were determined from average nearest neighbour grades for the north and south slag heaps separately. Nearest neighbour grades were used in order to de-cluster the data. The nearest neighbour grades were interpolated from the raw slag samples.

	Average Nearest neighbour grade	
Item	**North Slag Heap**	**South Slag Heap**
CU%	2.1	0.9
PB%	0.1	0.1
ZN%	0.5	0.8
S%	0.6	0.4
AU	0.3	0.1
AG	11	5

Table 7-9. Assigned grades for the Slag model.

7.3.3. Density

There are no density data available for the slag heaps and no economically feasible method of determining bulk density.

A Dry Bulk Density (DBD) of 2.0 t/m^3 was assigned to the item BULKD based on the range of reported gravel densities (Berkman, 1995). The higher end of the range was used because of the high metal content of the slag likely resulting in higher particle density compared to most gravels.

8 Resource Classification

8.1. Lloyds in Situ

Classification took into account

- geological continuity,
- the plausibility of alternative geological interpretations,
- data (drilling) density and configuration (distance to nearest samples, number holes & quadrants used)
- kriging slope of regression

Mineral resources were only classified within the Lloyds in situ copper domain.

Blocks classified as measured must have high geological confidence with no plausible alternative geological interpretation. In addition, measured blocks generally met the criteria described in Table 8-1.

Blocks classified as indicated have high geological confidence with possible, but unlikely, plausible alternative geological interpretations. In addition, indicated blocks generally met the indicated criteria described in Table 8-1.

All other blocks in the Lloyds in situ copper domain were classified as inferred.

The classification was coded directly from wireframes created from 25m spaced sectional strings enclosing continuous zones meeting the relevant resource category criteria.

In practice, the distance to the nearest sample and possible geological alternatives were given the highest weight when assessing resource categorisation.

Criteria	**Measured**	**Indicated**	**Inferred**
Geological Confidence	High	High	Moderate
Geological alternatives	None	Possible	Likely
Distance to nearest sample	<15m	15m-30m	>30m
Number of drillholes used	>6	>4	Any
Kriging slope of regression	>0.95	>0.8	Any
Number of quadrants containing data	>6	>4	Any
QLTY (proportion of data from ZCRC or EYM holes)	>0.5	>0.5	Any

Table 8-1. Resource classification criteria.

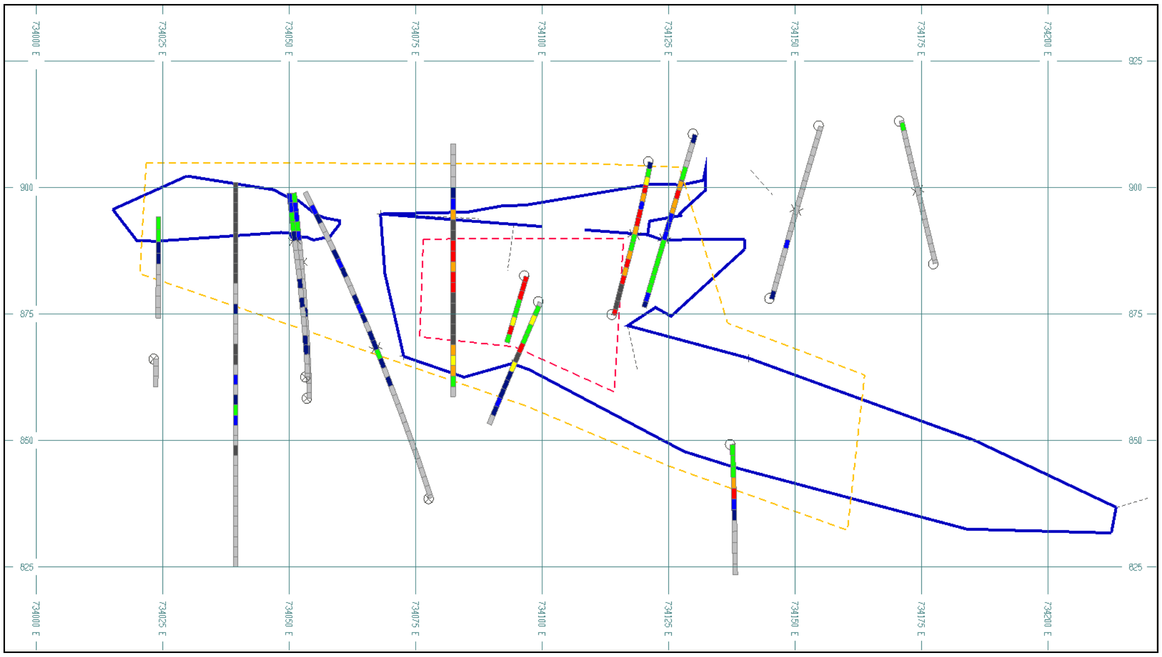


Figure 8-1. Cross section showing drilling with copper grades, copper domain (heavy blue line), measured string (red dashes) and indicated string (orange dashes). Note that whilst the classification strings extend beyond the copper domain, only blocks within the copper domain were assigned resource categories.

8.2. Tailings

All of the tailings were classified as indicated. This was because the geological risk is considered very low and the tailings tonnage is well known from historical production data. However the sample quality is only moderate and the configuration of the samples (i.e. the deeper parts of the tailings could not be sampled due to equipment limitations) means that the grades in the lower parts are extrapolated from the overlying samples. The risk due to this extrapolation is considered low due to the tailings emplacement method and low variability of the grade data. The classification is the same throughout the tailings as the quality of the local grade estimate is not considered to vary much spatially.

8.3. Slag

All of the slag was classified as indicated for the similar reasons as the tailings classification. The geological risk is considered very low. However the sample quality is only moderate and the configuration of the samples (i.e. surface samples only) means that the global grades are extrapolated from overlying samples. The risk due to this extrapolation is considered low due to the slag dumping method and low variability of the grade data. The classification is the same throughout the slag heaps because no local grade estimate has been made and so the risk must be the same throughout the slag heaps.

9 Results

The in situ Lloyds copper resources are reported at a cutoff of 0.3% Cu. This is based on the cutoff grade from a previous pre-feasibility level study factored for reasonable foreseeable increases in metal recovery and reductions in capital, mining and processing costs. The increased metal recovery and reduced capital, mining and processing costs are based on preliminary results from the current feasibility study. The copper price used in the 2011 PFS (Pike, 2011) was AUD $10,000 per tonne, the current copper price is about USD$2.75/lb which equates to about AUD $7,800 per tonne at an AUD:USD exchange rate of 0.78.

No cutoff grades have been applied to the tailings or slag resource estimates because, if economic, these will be mined in their entirety.

Model		tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps	Indicated	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 9-1. Burraga Project Mineral Resources by model and resource category.

10 Validation

Note that other than volume checks no other validation was performed on the slag model because grade was simply assigned.

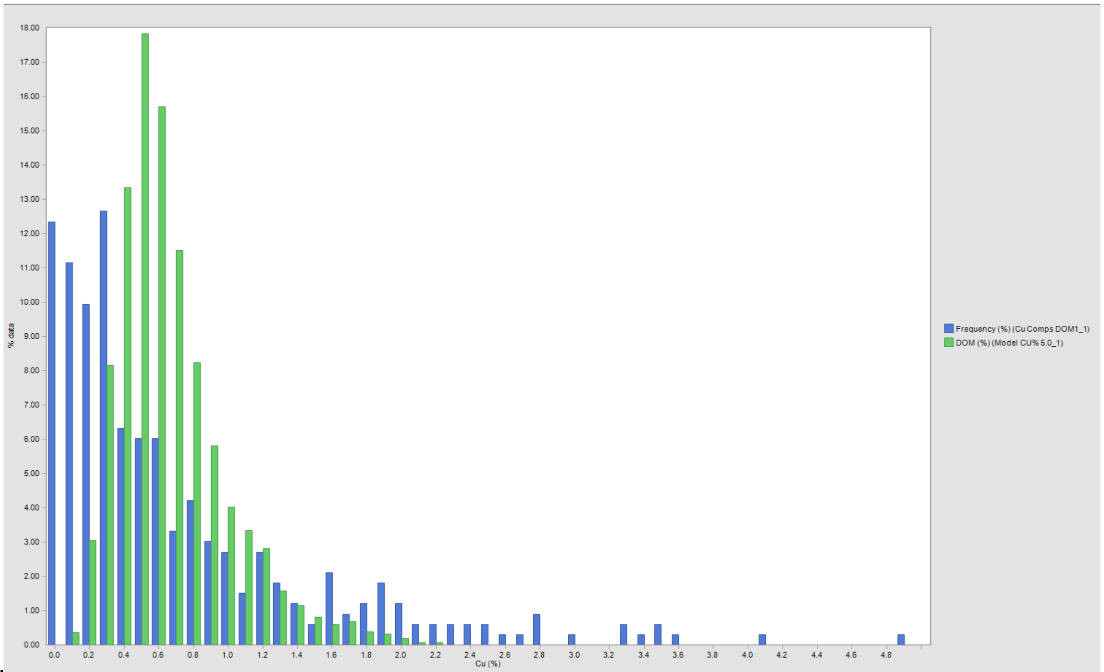
10.1. Statistical

The average estimated grade at a 0.0% Cu cutoff was compared to the average nearest neighbour grade. The nearest neighbour grade represents a de-clustered average grade. Table 10-1 shows that the model and nearest neighbour grades agree closely.

Model	Model grade (Cu %)	Nearest neighbour grade (Cu %)
Lloyds	0.72	0.74
Tailings	1.25	1.22

Table 10-1. Comparison of block model and de-clustered composite grades for Lloyds and Tailings models at 0.0% Cu cutoff.

Histograms of composite and block grades for the Lloyds model are presented in Figure 10-1. These show that the block model honours the composite grade whilst reducing variance and yet retaining the positive skew.

A.


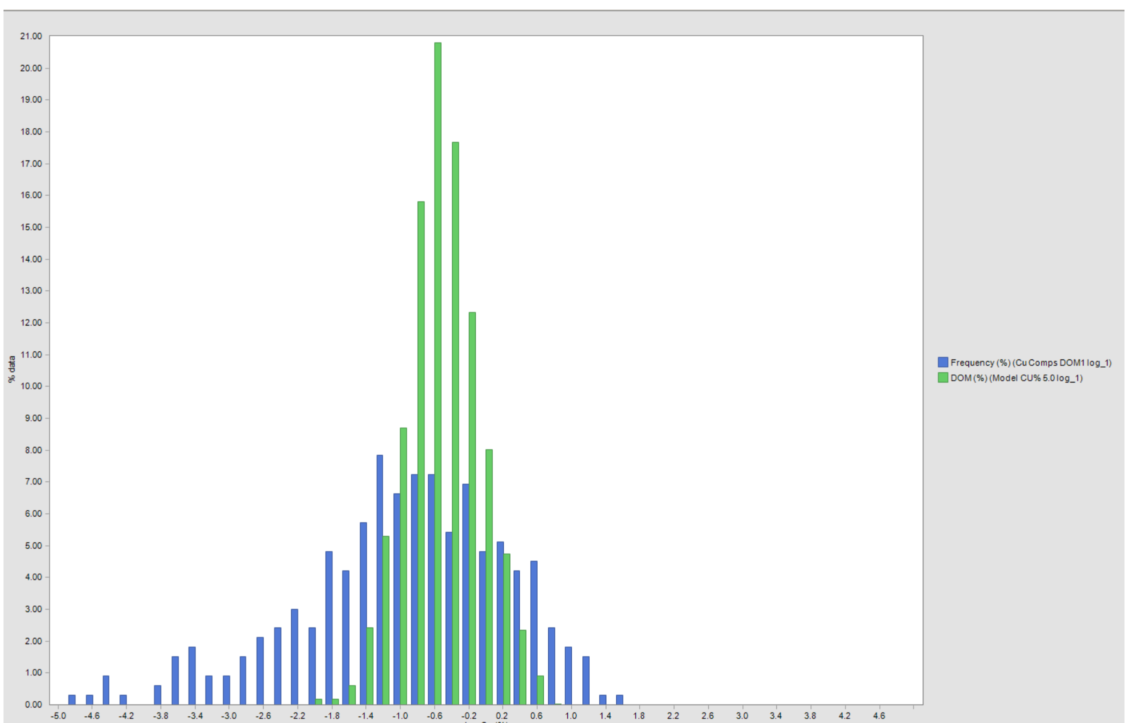
B.


Figure 10-1. Lloyds model histograms of composite and block grades. A is natural data and B is log data.

10.2. Volume

To assess the coding of the block models the volumes of the copper domain wireframes were compared to the volumes reported from the block models.

The tailings and slag domain wireframes compare very closely to the block model (see Table 10-2). The Lloyds block model volume is 4% lower than the wireframe volume. This is because there are some un-interpolated blocks at the northern and eastern (down plunge) margins of the wireframe. These blocks were not interpolated because there was insufficient data.

Model	Copper Domain Wireframe Volume (BCM)	Block model Volume (BCM) at 0.0% Cu cutoff	Difference (BCM)	comment
Lloyds	529,208	509,743	19,465	Un-interpolated blocks at periphery of domain
Tailings	154,229	154,121	108	
Slag	45,236	45,178	58	

Table 10-2. Comparison of copper domains with block model volumes.

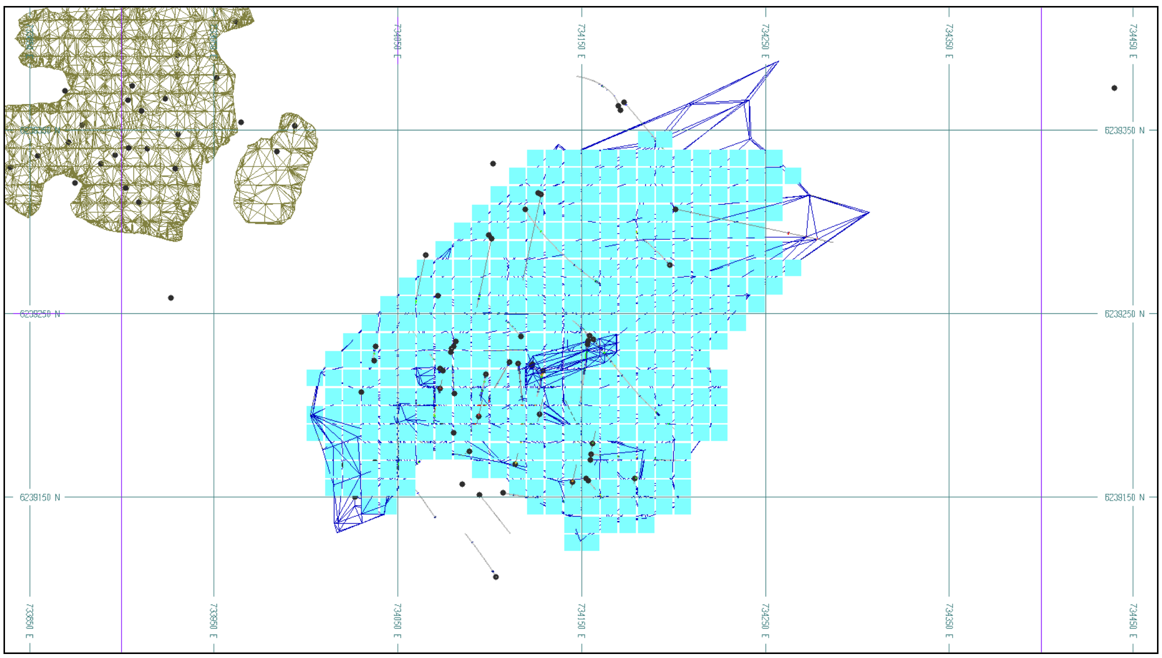


Figure 10-2. Plan view of Lloyds model showing interpolated blocks (pale blue) and copper domain wireframe. Note that there are no interpolated blocks in the northern and eastern (down plunge) margins of the wireframe.

10.3. Comparison to Historical Production records

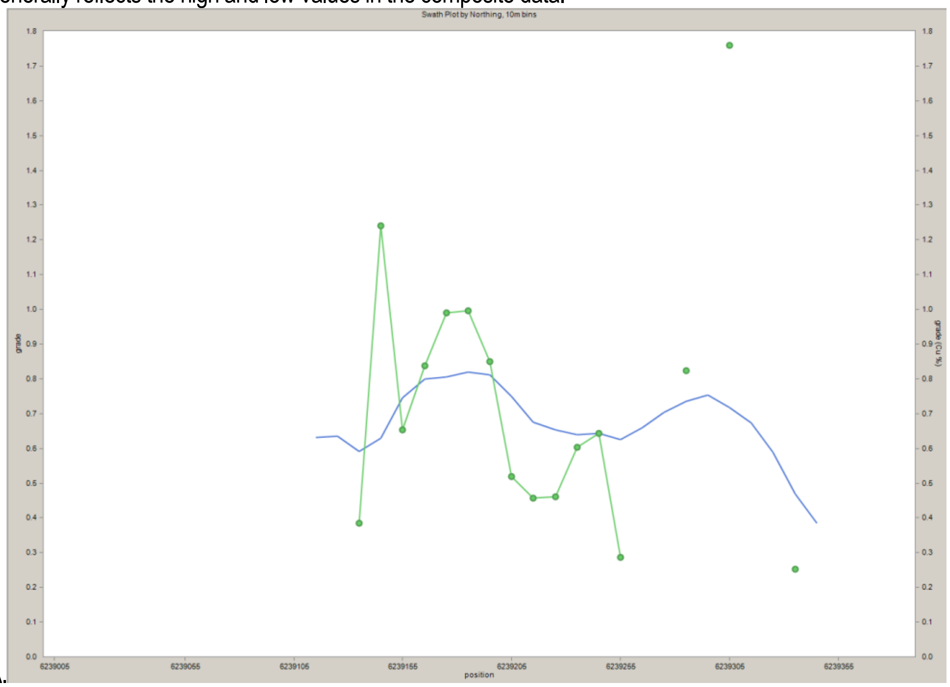
Pyke (ref) used historical production records to estimate historical tailings at 255,000t and slag at 185,000t. These estimates include several assumptions about the historical processing methods and so probably have errors in excess of 10%.

The estimated tailings resource of 280,000t is within the range of likely historical tailings production, albeit at the upper end.

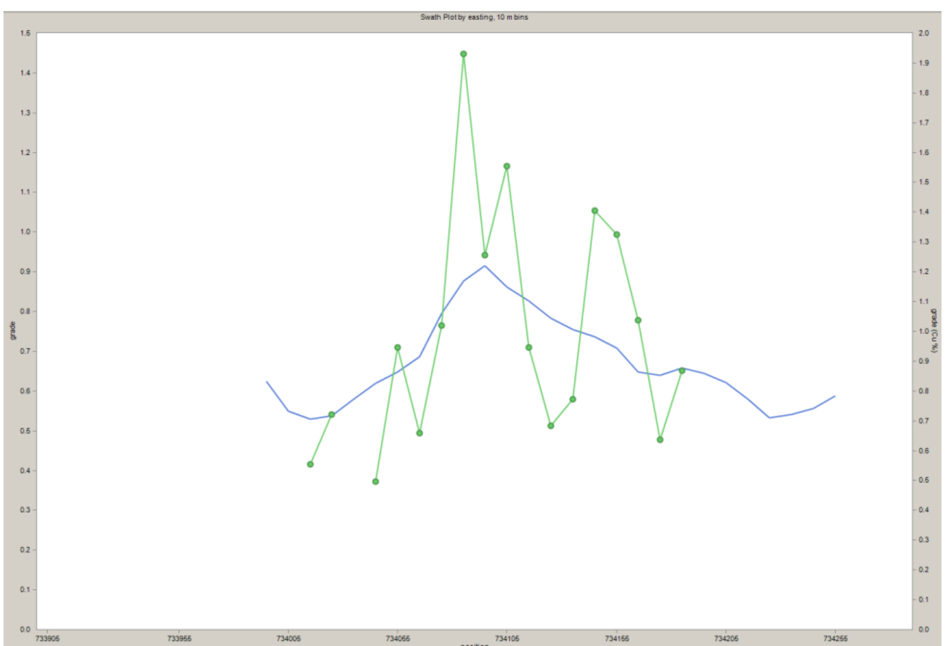
The estimated slag resource of 90,000t is significantly less than the estimated historical production of slag.

10.4. SWATH Plots

Swath plots (plots of average grade in directional swaths) were created in 10 m bins oriented north=south, east-west and vertically for the Lloyds model only. The results are presented in Figure 10-3and show a broad coherence between the input composite data and the block model grades with the block grades showing greater smoothing . Even so, the block model generally reflects the high and low values in the composite data.



A.



B.

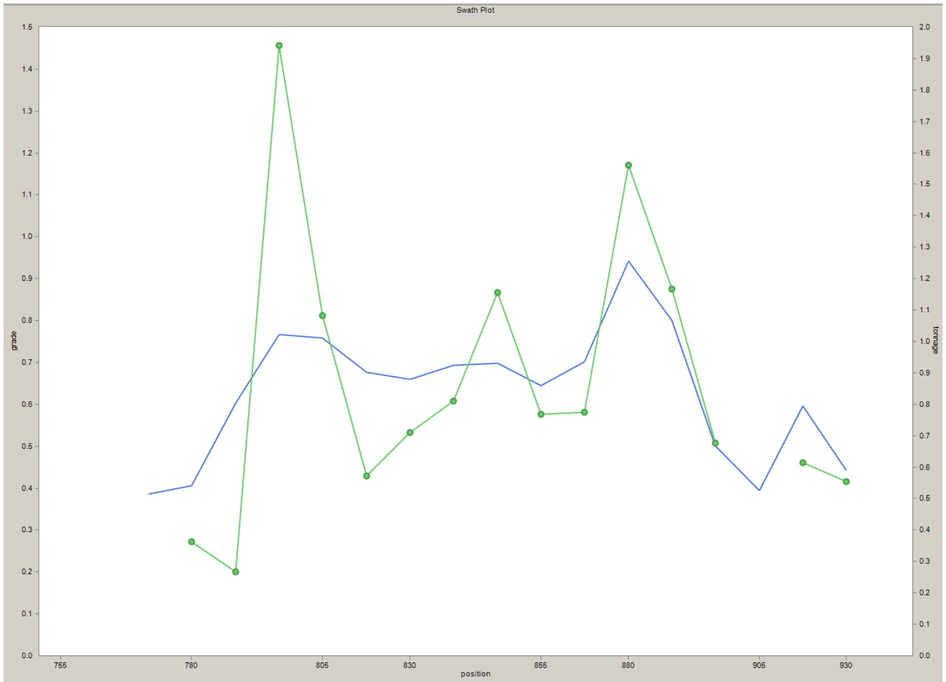
C.


Figure 10-3. Swath plots of composite (green) and block (blue) grades in 10 m bins. A, by northing, B. by easting and C. by elevation.

10.5. Variants

The variants in Table 10-3 were estimated in order to assess the criteria used to estimate Cu grade.

Variant	Description
CUV1	Max composites = 10, no quadrant / octant restriction
CUV2	Max composites = 20, no quadrant / octant restriction
CUNN	Nearest neighbour, same search neighbourhood
CuIDW	Inverse distance squared weighting, same search neighbourhood

Table 10-3 Copper variants used

10.5.1. Variant Grade Tonnage Curves

Grade tonnage curves of the variants were plotted to assess the degree of smoothing in the model.

Figure 10-4shows the effect of changing the maximum number of composites used to interpolate each block on volume – variance. The nearest neighbour grade tonnage curve is also shown for reference. These curves demonstrate that decreasing maximum number of composites used for OK interpolation decreases the degree of volume variance correction (i.e. decreases the smoothing in the model). Increasing the maximum number of composites from 15 in the base case to 20 had little effect but likely introduced negative kriging weights.

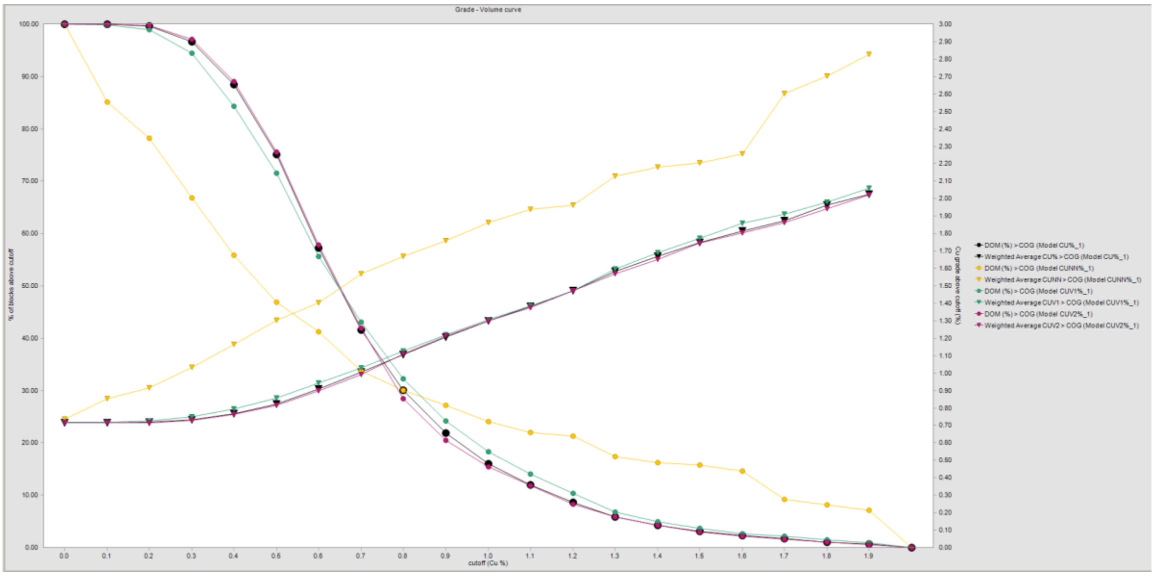


Figure 10-4. Grade-tonnage curves for Lloyds model base case, (black) variants with varying maximum composites and nearest neighbour interpolation (orange).

11 Recommendations

11.1. To reduce risk:

- Store all drilling data in a relational database with inbuilt validation on import
- Infill near surface to de-risk start up phase of project and better define metallurgical characteristics of the start up ore
- QAQC needs to be systematic
  - Standards need to be quantified
  - Blanks need to be routinely inserted in mineralised zones
  - Conduct umpire laboratory analyses on > 0.1% Cu samples for about 1 in 20 batches
  - Request the laboratory to complete duplicate analyses from pulp at a rate of 1 in 20 samples.
  - Document and implement a QA system that has clearly defined thresholds for acceptable data and clear instructions on how to follow up results not meeting the thresholds. Include a formally defined reporting procedure (monthly when drilling).
- Acquire more density data, especially from the transition zone.
- Standardise logging codes, re-logging old core and chips as necessary.
- Carry out detailed geological modelling, focussing on structure and stratigraphy to provide better control on the copper grade domain interpretation.
- Estimate As and any other economically important variables

11.2. To increase the resource:

- Drill near surface, up-dip projections of the historically mined mineralisation in the south east of the mine area.
- Continue near mine exploration targeting repeats of the Lloyds mine mineralisation
- Complete a conceptual analysis of underground mining of higher grade portions to determine whether further drilling of possible underground resources is warranted

12 References

Berkman, D. A. (1995): *Field Geologists' Manual*. (The Australasian Institute of Mining and Metallurgy, third edition).

Pike, P. (2011): *Burraga Copper Project Prefeasibility Study*. Unpublished report to Burraga Copper Pty. Ltd.

13 Appendix One: JORC Table 1.

13.1. Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized 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.*	• Samples are collected using standard industry practice sampling, assay methods and QAQC. • Reverse Circulation (RC) samples weighing approximately 2kg are collected as individual 1m samples through a cyclone which are riffle split (12.5%) for analysis. • Diamond core is cut with a diamond saw to 1.0 m or geological intervals and half sampled. • For the slag heaps, grab samples were taken by collecting handfuls from a 2m radius to a total of about 10kg
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Nominal 1m down the drill-hole samples are taken unless geology intervals dictate otherwise.
	• *Aspects of the determination of mineralization that are Material to the Public Report.*	• Gold by fire assay method and Base metals by 4 acid digest with ICP-AES analysis. • Analytical methods unknown for historical data (14% of data within copper domain)
	• *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 pulverized 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 mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Best industry practise used with drill samples crushed to 2mm, split in a riffle splitter to obtain a 250g which was milled to 75 µm. 0.5g of the pulp was analysed for a multi-element suite (4 acid digest, ICP-AES analysis). For gold analysis a nominal 30g sample charge was by analyse by fire assay with AAS finish. • Mineralisation is mostly disseminated with moderate variability and no known sampling difficulties.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple*	• 85% of drilling in copper domain was modern reverse circulation which used a face-sampling bit of 126mm

Criteria	JORC Code explanation	Commentary
	or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	diameter • 14% of drilling in copper domain was historical open hole percussion, no further details recorded • 1% of drilling in copper domain was historical diamond, AX core. • Modern core drilling was HQ3 and NQ3 (triple tube) in order to maximise core recovery

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Visual inspection of the sample volume indicates sample recovery is better than 90%. Any poor sample recovery or condition is noted in the logs. • Diamond core recovery is recorded as run by run • RC sample bags are weighed prior to splitting
	• *Measures taken to maximize sample recovery and ensure representative nature of the samples.*	• RC samples are visually checked for recovery, moisture and contamination. A riffle splitter is used to provide a uniform sample and is routinely cleaned. Air is used at the beginning of each drill rod to remove excess water and maintain dry samples where possible.
	• *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.*	• Ground conditions are conducive for RC drilling and drilling returned consistent sized samples. RC recoveries are high enough to preclude the potential for sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Logging of RC drilling identifies all aspects of lithology, colour, weathering, texture, alteration and mineralization including percentage estimates of sulphide content. During logging, part of the RC sample was sieved, logged and placed in RC chip trays which is also photographed and included with the logging. The logging includes references to wet samples if present, voids and other information important to the resource estimation process.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging is qualitative. Magnetic susceptibility is quantitative. Chip trays are stored for reference and photos are included in the logs.
	• *The total length and percentage of the relevant intersections logged.*	• All drilling is logged over the full length of the hole.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Diamond core was sampled as half core, cut by diamond saw.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Sampling was dry off the cyclone / riffle splitter.

Criteria	JORC Code explanation	Commentary
preparation	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation techniques are appropriate to the style, grade and grain size of mineralisation
	• *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.*	• Sub-sampling is done with a riffle splitter in the field and laboratory until the sample has been reduced to a pulp
	• *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.*	• Duplicate samples are inserted at a rate of approximately 1: 20 as a check on the sampling process
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples sizes are to industry standard and considered appropriate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The analytical methods used are appropriate to the mineralogy of the samples and return total results for all elements of economic importance.
	• *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.*	• Geophysical tools not used to determine grade.
	• *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.*	• In addition to the internal laboratory checks the Company submits standards on a 1: 30 ratio and one field duplicate for the strongest mineralised interval visualised for every drill hole.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• None undertaken as this was not considered material
	• *The use of twinned holes.*	• A proportion of the RC program reported here was in part intended to verify historical significant grade widths. While not close enough to be considered “twins” due to the access issues, the holes trace closely to the historical holes which are now considered appropriate for inclusion into future resource estimates.

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data is stored both as a hard copy and entered into a database.
	• *Discuss any adjustment to assay data.*	• No adjustments were made to the data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar locations are determined by DGPS. • Down-hole surveys are electronically recorded magnetic compass and inclinometer readings obtained at 6m and every 30m intervals thereafter except for vertical holes where fewer readings are taken.
	• *Specification of the grid system used.*	• GDA94 (Zone 55)
	• *Quality and adequacy of topographic control.*	• Topographic surface in areas of likely development is from closely spaced (<10m) DGPS traverses in a grid pattern and on ridges and gullies. Elsewhere a DTM obtained from airborne geophysical surveys was used.
Data spacing and distribution	• *`Data spacing for reporting of Exploration Results.*	• Scout drilling into anomalous areas defined by geochemistry and geophysics does not consider drill spacing. • Drilling into Lloyds for resource estimation purposes targets a 25 x 25m lateral spacing for the highest confidence. Due to terrain, drilling is carried out from common pads in a "fan" which generally harnesses the highest variance grade reasonably well given the relatively flat nature of the mineralised shoot.
	• *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.*	• The resource development drilling is targeting a spacing of between 25-50m, is considered sufficient to harness the geological and grade continuity for Mineral Resource and subsequent Ore Reserve estimation.
	• *Whether sample compositing has been applied.*	• No sample compositing is carried out.
Orientation of data in	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to*	• Drilling is oriented as close to perpendicular to the interpreted mineralised shoot as practically

Criteria	JORC Code explanation	Commentary
relation to geological structure	*which this is known, considering the deposit type.*	possible (and therefore, across the direction of greatest variance).
	• *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• As per above. No bias suspected.
Sample security	• *The measures taken to ensure sample security.*	• All samples prior to submission are under the supervision of the Project Geologist. • Following submission to the laboratory (by Company personnel), reference material are stored at the Company's warehouse in Oberon.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits completed on current drill program.

13.2. Section 2 Reporting of Exploration Results

Criteria	JORC Code 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.*	• EL6463 • ~60km South of Oberon in NSW. • EYM through a subsidiary holds 100%
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Tenement is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Various operators have held tenure over the area; the following companies have recorded work in the area to varying capacities: • CRA Ltd • General Resources Ltd • Pacific Copper Ltd • Southern Ventures Ltd • Telminex N.L. • Michelago Resources • Marlborough Resources • Getty Oil • Dominion Mining • Republic Gold N.L. The final three in the list have carried out the majority of the most recent work and upon which EYM has based its exploration programs.
Geology	• *Deposit type, geological setting and style of mineralization.*	• At Lloyds mine copper mineralisation occurs as quartz – sulphide veins, and as a halo of disseminated mineralisation in the wall rocks. The predominant sulphide mineral is chalcopyrite with sphalerite on the vein walls and pyrrhotite disseminated in the wall rocks. Galena and tetrahedrite have also reported, but not at economically important levels. The mineralisation

Criteria	JORC Code explanation	Commentary
		varied in width from 0.3m to 12 m, striking roughly east - west and dipping moderately north. The mineralisation has a typical strike extent of 180m, terminating in faults at both ends. The intersection of the terminating faults with the mineralisation results in the ore plunging to the northeast.

Criteria	JORC Code explanation	Commentary
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:* ○ *easting 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.*	• Refer to the body of the text of this report and Appendix 2.
	• *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.*	• No exclusions of information have occurred.
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.*	• Not material as exploration results are not reported.
	• *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.*	• Not used / applied.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents reported.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• Not material as exploration results are not reported.
	• *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.*	• Close to perpendicular.

Criteria	JORC Code explanation	Commentary
	• *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').*	• Close to true width.
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.*	• To the extent relevant, maps are included in the main body of the 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.*	• Not material as exploration results are not reported.
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.*	• Not material as exploration results are not reported.
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).*	• Geotechnical diamond core drilling • Metallurgical diamond core drilling • Resource estimate • Scout exploration / sterilization drilling • Resource definition drilling of new areas
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The full extent of the planned drill programs have been previously reported through announcements or Company presentations.

13.3. Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• A portion of the data used was compared to original logging and laboratory certificates • The databases used include checks on holeID between data types • Anomalous element ratios were checked for possible sample number errors
Site visits	• *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.*	• A site visit was made for 10 days during March 2015, allowing inspection of the site, drilling, sampling, logging and data handling methods, Talks were held with key site personnel.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation is of high confidence due to the simple geology, high data density and high quality underground mapping • The Lloyds copper grade domain was interpreted using copper assays, drill logging and historical underground level mapping • The tailings and slag heaps domain wireframes were constructed from surface topography and inverted IP data (base of tailings). The resultant volumes were validated against historical production records • Geological constraints (especially offsetting faults) were used to guide and limit the interpretation of the Lloyds copper grade domain. • Geological and grade continuity are controlled by post-mineralisation faulting
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Lloyds copper mineralisation extends over an east – west strike length of about 200m, is 2m – 30 m thick. The resource extends about 300m down plunge, although historical workings went about 500m down plunge.
Estimation and	• *The nature and appropriateness of*	• Minesight mine planning software

Criteria	JORC Code explanation	Commentary
modeling techniques	*the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	was used for all data analysis, geostatistics, block modelling and grade interpolation. • In the Lloyds model copper grades were interpolated into a block model (10m x 10m x 2m blocks) by ordinary kriging within a copper grade domain interpreted at a nominal 0.2% Cu. Only the copper grade domain was used as a hard boundary. Each block grade was estimated using a minimum of 5 and a maximum of 15 2.0 metre composites with a maximum of 10 within a quadrant. No extreme copper grades were identified and so no measures taken to deal with such. Other elements (Au, Ag, Zn, Pb % S) were interpolated using the same parameters as copper except that inverse distance squared weighting was used instead of ordinary kriging. The block size was chosen as about half the closest drilling. The vertical block extent reflects the likely open pit mining flitch height. • In the tailings model the grades of all elements were interpolated by inverse distance squared weighting with the topographic surface used as an 'un-folding' surface. • In the slag model average de-clustered grades were assigned to the block model because it was not considered possible to make a local grade estimate due to the way the slag was dumped. • The block models were created assuming that mining would be by open pit methods at a rate of 150kt to 500kt per annum • In the Lloyds model (total) sulphur grades were estimate into all blocks to allow assessment of possible acid rock drainage characteristics of both tailings and waste rock. • No deleterious elements have been estimated. Arsenic averages 100ppm in the Lloyds copper domain and has not been identified by metallurgical

Criteria	JORC Code explanation	Commentary
		testwork as a problematic element. • The Lloyds model was validated by comparison of average de-clustered composite (input) grades to average block grades, by volume checks of wireframes to the block model, by swath plots and by comparison of grade – tonnage curves with alternative interpolation methods. • There is no reconciliation data available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnages are on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The reporting cutoff (0.3% Cu) is based on a 2011 pre-feasibility study factored for subsequent changes in copper price and exchange rate and preliminary capex and opex costs from studies in progress
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Open pit mining at 150kt to 500kt is assumed. This resulted in a minimum copper domain width of 2.0m. Dilution up to a maximum of 4.0 m was included in the copper domain
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the*	• A flowsheet comprising crushing, milling and flotation to produce a copper concentrate with Au, Ag and possibly Zn credits • Metallurgical testwork for the 2011 PFS and the current study show that flotation copper recoveries in excess of 70% should be easily achieved for the tailings and 50% for the slag. • Current studies are suggesting in

Criteria	JORC Code explanation	Commentary
	case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	excess of 95% should be achievable in the fresh hard-rock mineralisation.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is assumed that it will be possible to place all waste rock and tailings produced as a result of any mining project on site. Some sulphur grades in likely waste rock are such that acid rock drainage may occur if not managed appropriately.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density in the Lloyds model was assigned from the average of data collected from 5 diamond holes using the tray method. The tray method takes into account voids but not moisture content. The moisture content of fresh mineralisation is likely very low (<3%), however moisture in the transition mineralisation may be higher. These data show little variation with depth, but are spatially clustered and so may not be representative of the entire Lloyds resource. • The bulk density in the tailings and slag models was assigned from assumed values.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity*	• Resource categorisation of the Lloyds model was mostly influenced by geological continuity and data (drillhole) spacing, but was also modified for data sample quality and statistical measures of grade estimation uncertainty. Wireframes enclosing zones of like confidence were used to apply classification to the blocks. Resources were only

Criteria	JORC Code explanation	Commentary
	and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	reported from within the 0.2% copper domain • The tailings and slag models were both completely categorised as indicated as the level of risk to grade and tonnage was considered to be equal throughout these models.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews of the resource estimation process have been completed
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource 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 resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that 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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The accuracy of the resource categories cannot be quantified • The resource categorisation relates to confidence in the local (block scale) estimate for the Lloyds model • The tailings and slag models are categorised globally reflecting the fact that selective mining will not be possible • No production data is available to test the accuracy of these estimates.

14 Appendix Two – Drillhole List

Hole_id	GDA94 Easting	GDA94 Northing	MGA RL	MGA Azimuth	Hole dip	Maximum depth	Hole type	Company
62B1	734068.3	6239437	912.63	282	-50	73	Diamond	CRA
62B2	734028	6238053	830	252	-50	130	Diamond	CRA
62B3	734053.1	6238353	846.94	282	-60	153	Diamond	CRA
BC-1	734169.97	6239364	915.90	0	-90	180	RC	EYM
BG01	735058	6242187	931	282	-45	183	Diamond	Platina
BG02	735058	6242341	948	282	-45	183	Diamond	Platina
BG03	734897	6241858	950	282	-45	183	Diamond	Platina
BG04	734848.7	6241680	957.35	282	-45	183	Diamond	Platina
BHRC1	734819	6240854	990	270	-59	92	RC	Dominion Mining
BHRC2	734783	6240880	985	270	-60	82	RC	Dominion Mining
BHRC3	734556	6240866	970	286	-60	120	RC	Dominion Mining
BHRC4	734857	6240780	988	259	-60	90	RC	Dominion Mining
BHRC5	734868	6240683	1000	261	-60	90	RC	Dominion Mining
BHRC6	734458	6240668	950	286	-70	126	RC	Dominion Mining
BHRC7	734856	6240860	991	287	-60	108	RC	Dominion Mining
BHRC8	734622	6240847	977	286	-60	174	RC	Dominion Mining
D1	734123	6239222	925	0	-90	64	Diamond	Dominion Mining
D10	734171	6239361	920	0	-90	149	Diamond	Dominion Mining
D11	734102	6239332	895	0	-90	118	Diamond	Dominion Mining
D15	734115.5	6239425	926.43	282	-60	131	Diamond	Dominion Mining
D2	734073	6239209	912	192	-60	44.12	Diamond	Dominion Mining
D3	734085.2	6239157	902.37	0	-90	107	Diamond	Dominion Mining
D4	734065.1	6239282	897.73	192	-60	92	Diamond	Dominion Mining
D9	734126.4	6239316	914.7	0	-90	144	Diamond	Dominion Mining
DB1	734375.5	6237408	730.68	102	-60	251	Diamond	Getty Oil
DB2	734543.7	6238055	893.56	102	-60	296	Diamond	Getty Oil
DB3	734483.4	6237654	819.7	132	-60	250	Diamond	Getty Oil
DB4	734029.2	6238085	832.6	282	-60	295	Diamond	Getty Oil
DB5	734761.2	6238549	889.14	102	-60	251	Diamond	Getty Oil
DB6	734575.1	6238222	884.31	102	-60	250	Diamond	Getty Oil
DB7	733994.1	6237856	857	297	-60	298	Diamond	Getty Oil
DB8	734319.3	6238431	904.15	282	-60	299	Diamond	Getty Oil
DB9	734185	6238060	899.17	282	-60	174	Diamond	Getty Oil
DB9A	734185	6238060	899.17	282	-70	433.4	Diamond	Getty Oil
EYMRC-001	734153.22	6239233	935.79	185	-55	124	RC	EYM
EYMRC-003	734115.45	6239223	927.84	170	-50	120	RC	EYM
EYMRC-005	734110.78	6239223	924.40	210	-55	84	RC	EYM

Hole_id	GDA94 Easting	GDA94 Northing	MGA RL	MGA Azimuth	Hole dip	Maximum depth	Hole type	Company
EYMRC-007	734150.88	6239756	938.7	0	-90	100	RC	EYM
EYMRC-008	734088.10	6239425	916.23	0	-90	162	RC	EYM
EYMRC-009	734037.11	6239224	897.04	0	-90	52	RC	EYM
EYMRC-010	734154.62	6239170	906.21	0	-90	74	RC	EYM
EYMRC-011	734029.98	6239207	895.90	0	-90	30	RC	EYM
EYMRC-012	734024.17	6239187	895.11	0	-90	28	RC	EYM
EYMRC-013	734020.83	6239168	894.15	0	-90	20	RC	EYM
EYMRC-014	734026.85	6239150	893.57	0	-90	33	RC	EYM
EYMRC-015	734052.11	6239165	898.82	0	-70	64	RC	EYM
EYMRC-016	734055.25	6239163	898.77	46	-60	108	RC	EYM
EYMRC-017	734116.9	6239237	925.80	340	-85	126	RC	EYM
EYMRC-018	734123.20	6239222	929.65	140	-75	108	RC	EYM
EYMRC-019	734155.13	6239173	903.66	90	-50	80	RC	EYM
EYMRC-020	734074.49	6239219	911.94	325	-80	100	RC	EYM
EYMRC-022	734050.69	6239166	898.75	2	-70	80	RC	EYM
EYMRC-023	734073.87	6239191	909.03	312	-70	60	RC	EYM
EYMRC-026	734107.13	6239152	899.68	97	-50	80	RC	EYM
P16	734440	6239373	1009	0	-90	380	Percussion	Dominion Mining
P17	734220.7	6239445	948.09	0	-90	300	Percussion	Dominion Mining
P18	734078.8	6239229	914.87	0	-90	283	Percussion	Dominion Mining
P19	734056	6238942	870	0	-90	211	Percussion	Dominion Mining
P20	734308.9	6239690	953.87	0	-90	300	Percussion	Dominion Mining
P21	734613	6239640	995	0	-90	296	Percussion	Dominion Mining
P22	734374	6239896	950	0	-90	300	Percussion	Dominion Mining
P23	734341	6240117	941	0	-90	271	Percussion	Dominion Mining
P24	734514	6240139	938	0	-90	277	Percussion	Dominion Mining
P25	734692.8	6239115	980.48	0	-90	289	Percussion	Dominion Mining
P26	735340	6239445	965	0	-90	241	Percussion	Dominion Mining
P27	734206.2	6239926	919.4	0	-90	103	Percussion	Dominion Mining
P28	735142	6239971	1000	0	-90	288	Percussion	Dominion Mining
P29	734190	6240070	915	0	-90	120	Percussion	Dominion Mining
PB10	735458	6239331	950	42	-60	150	Percussion	Getty Oil
PB11	735521	6239308	930	62	-60	150	Percussion	Getty Oil
PB12	736072	6239363	950	259.5	-60	200	Percussion	Getty Oil
RCR001	734081.5	6239235	914.93	0	-90	70	DDH	RGL
RCR001B	734080.3	6239232	914.89	0	-90	22.1	DDH	RGL

Hole_id	GDA94 Easting	GDA94 Northing	MGA RL	MGA Azimuth	Hole dip	Maximum depth	Hole type	Company
RCR002	734079.4	6239231	914.85	0	-90	135	DDH	RGL
RCR003	734337.8	6239978	940.17	271	-60	180.3	DDH	RGL
RCR004	734302.4	6239842	940.56	271	-60	171.3	RC/DDH	RGL
RCR005	734205.5	6239635	943.79	271	-60	144	RC	RGL
RCR006	734853.9	6238727	951.92	99	-50	201	RC/DDH	RGL
RCR008	734311.2	6239574	651.41	93	-65	150.3	RC/DDH	RGL
RCR009	733987.4	6238132	826.66	235	-60	150	RC	RGL
RCR010	734005.5	6237588	842.37	305	-60	150	RC	RGL
RLT001	733951.31	6239379	883.47	0	-90	2	AUGER	RGL
RLT002	733923.44	6239367	880.58	0	-90	7.5	AUGER	RGL
RLT003	733930.39	6239348	881.28	0	-90	6.5	AUGER	RGL
RLT004	733913.88	6239340	876.43	0	-90	6.5	AUGER	RGL
RLT005	733929.07	6239329	876.41	0	-90	6	AUGER	RGL
RLT006	733905.51	6239374	874.77	0	-90	2.5	AUGER	RGL
RLT006A	733903.35	6239367	874.42	0	-90	6.5	AUGER	RGL
RLT007	733902.04	6239318	867.75	0	-90	2.5	AUGER	RGL
RLT008	733909.06	6239311	865.33	0	-90	2.5	AUGER	RGL
RLT009	733874.45	6239321	865.1	0	-90	2.5	AUGER	RGL
RLT010	733964.65	6239355	889.84	0	-90	2	AUGER	RGL
RLT011	733984.19	6239338	885.37	0	-90	2.5	AUGER	RGL
RLT012	733994.13	6239353	892.09	0	-90	2.5	AUGER	RGL
RLT013	733962.16	6239409	887.16	0	-90	2.5	AUGER	RGL
RLT014	733870.69	6239344	860.63	0	-90	5.3	AUGER	RGL
RLT015	733868.76	6239372	865.39	0	-90	2.5	AUGER	RGL
RLT016	733896.30	6239336	870.22	0	-90	6.5	AUGER	RGL
RLT017	733888.38	6239332	866.35	0	-90	4	AUGER	RGL
RLT018	733878.17	6239353	864.08	0	-90	3	AUGER	RGL
RLT019	733854.12	6239336	853.43	0	-90	3.3	AUGER	RGL
RLT020	733839.42	6239330	847.97	0	-90	1.1	AUGER	RGL
RLT021	733930.11	6239391	875.45	0	-90	7.4	AUGER	RGL
SP1	734129	6239219	930.59	193	-60	62.4	Percussion	General Resources
SP2	734098	6239217	920.59	193	-60	59	Percussion	General Resources
SP3	734073	6239220	915.59	193	-60	39.6	Percussion	General Resources
SP4	734038	6239232	890.59	193	-67	32	Percussion	General Resources
ZCDD-018	734592.8	6239646	1000.9	230	-75	446.8	DIAMOND	BURRAGA COPPER
ZCRC-006	734094.43	6239151	898.79	140	-60	60	RC	BURRAGA COPPER
ZCRC-007	734153.56	6239159	904.50	140	-60	96	RC	BURRAGA COPPER
ZCRC-008	734152.63	6239160	904.47	140	-90	20	RC	BURRAGA COPPER

Hole_id	GDA94 Easting	GDA94 Northing	MGA RL	MGA Azimuth	Hole dip	Maximum depth	Hole type	Company
ZCRC-009	734056.68	6239158	897.99	140	-60	50	RC	BURRAGA COPPER
ZCRC-01	734080.43	6239185	908.61	0	-90	50	RC	BURRAGA COPPER
ZCRC-011	734156.28	6239236	934.42	140	-50	120	RC	BURRAGA COPPER
ZCRC-012	734154.42	6239238	934.01	140	-90	162	RC	BURRAGA COPPER
ZCRC-013	734103.57	6239106	890.29	330	-60	60	RC	BURRAGA COPPER
ZCRC-014	734319.78	6239990	935.64	320	-80	120	RC	BURRAGA COPPER
ZCRC-015	734197.98	6239277	946.64	0	-90	147	RC	BURRAGA COPPER
ZCRC-016	734119.21	6239307	910.32	140	-50	132	RC	BURRAGA COPPER
ZCRC-017	734593.45	6239650	1000.89	230	-90	300	RC	BURRAGA COPPER
ZCRC-020	734626.53	6239846	977.44	140	-60	80	RC	BURRAGA COPPER
ZCRC-021	734673.42	6239873	966.42	320	-55	72	RC	BURRAGA COPPER
ZCRC-022	734099.84	6239871	923.30	320	-60	80	RC	BURRAGA COPPER
ZCRC-023	734202.01	6239921	917.04	330	-70	100	RC	BURRAGA COPPER
ZCRC-024	734094.96	6239803	931.04	320	-50	80	RC	BURRAGA COPPER
ZCRC-025	734205.46	6239925	917.08	360	-70	100	RC	BURRAGA COPPER
ZCRC-026	734304.91	6240002	933.0	330	-80	126	RC	BURRAGA COPPER
ZCRC-03	734080.75	6239206	911.87	0	-90	75	RC	BURRAGA COPPER
ZCRC-04	734071.96	6239260	901.19	0	-90	91	RC	BURRAGA COPPER
ZCRC-05	734099.34	6239293	907.35	0	-90	120	RC	BURRAGA COPPER
ZCRC-10	734173.17	6239365	916.10	140	-60	162	RC	BURRAGA COPPER

12. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act, and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

Nick Johansen
Non-Executive Chairman

13. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A$ or $	means Australian dollars.
Applicant	means a person who submits an Application Form.
Application	means a valid application for securities Shares under the Offers made pursuant to an Application Form.
Application Form	means an application form attached to this Prospectus.
Application Monies	means application monies for Shares under the Offers received and banked by the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Securities Exchange Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ACN 008 504 532).
Au	means gold.
Board	means the board of Directors of the Company as constituted from time to time.
CHESS	means the Clearing House Electronic Subregister System.
Closing Date	means the date specified as the closing date of the Offers in the Indicative Timetable (as varied by the Company).
Company	means Paterson Resources Limited (ACN 115 593 005).
Constitution	means the constitution of the Company as at the Prospectus Date.
Convertible Note	means an equity security convertible into Shares or redeemable by a cash payment, on the terms and conditions summarised in Section 7.3.
Corporations Act	means the *Corporations Act 2001* (Cth).
Cu	means copper.
Directors	means the directors of the Company.
Eligible Shareholder	means a person registered as the holder of Shares as at 5:00pm (WST) on the Record Date whose registered address is in Australia or, subject to the offer restrictions in Section 1.17, New Zealand and the United Kingdom.

Entitlement	means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one new Share for every existing Share held on the Record Date.
Exploration Results	has the meaning given to that term in the JORC Code.
Exploration Target	has the meaning given to that term in the JORC Code.
Independent Limited Assurance Report	means the report contained in Section 9.
Indicative Timetable	means the indicative timetable for the Offer on page vii of this Prospectus.
Ineligible Foreign Shareholder	means a person registered as the holder of Shares as at 5:00pm (WST) on the Record Date who is not an Eligible Shareholder.
Ineligible Shareholder Shares	means the Shares that would have been offered to an Ineligible Foreign Shareholder under the Entitlement Offer if they had been entitled to participate in the Entitlement Offer.
Investigating Accountant	means RSM Corporate Australia Pty Ltd (ACN 050 508 024).
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.
Listing Rules	means the listing rules of ASX.
Mineral Resource	has the meaning given to that term in the JORC Code.
Noteholder Offer	means the offer of up to 150,000,000 Shares to the holders of the Convertible Notes under this Prospectus.
Offer Price	means the price at which each Share is offered under the Entitlement Offer, of $0.001.
Offers	means the Entitlement Offer, Shortfall Offer and Noteholder Offer made pursuant to this Prospectus, and **Offer** means any one of such Offers, as applicable.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date specified as the opening date of the Offers in the Indicative Timetable (as varied by the Company).

Option	means an option to acquire a Share.
Prospectus	means this prospectus dated the Prospectus Date.
Prospectus Date	means 22 May 2020.
Record Date	means 5:00pm (WST) on the record date identified in the Indicative Timetable.
Relevant Interest	has the meaning given in the Corporations Act.
Section	means a section of this Prospectus.
Securities	means Shares, Options or Convertible Notes, as the context requires.
Share	means an ordinary fully paid share in the capital of the Company.
Share Registry or Computershare	means Computershare Investor Services Pty Limited (ACN 078 279 277).
Shareholder	means any person holding Shares.
Shortfall Offer	means the offer of Shortfall Shares under this Prospectus.
Shortfall or Shortfall Shares	means the Entitlements not applied for under the Entitlement Offer before the Closing Date and the Ineligible Shareholder Shares.
WST	means Western Standard Time, being the time in Perth, Western Australia.