



**SIX  
SIGMA  
METALS**

25 AUGUST 2020

## Si6 Secures Exclusive Option to Acquire Western Australian Gold Project

### HIGHLIGHTS

- Option entered to acquire 100% of the Monument Gold Project, located in the Laverton Gold District, WA
- MGP is adjacent to the Mt Morgan Project (2.1Moz Au) and in close proximity to numerous other multi-million ounce gold deposits
- Project contains initial JORC (2012) compliant inferred mineral resource estimation (Korong Resource) of 0.86Mt at 1.8g/t Au for 50,000 oz Au
- Korong Resource remains open along strike and down dip and displays repeating high-grade plunging shoots
- Previous exploration across the Project has highlighted numerous highly prospective gold exploration targets, including at least seven targets north and south of the Korong Resource
- Si6 has cash of ~\$3 million to pursue its previously stated strategy

Six Sigma Metals Limited (ASX: **Si6**, **Six Sigma** or the **Company**) is pleased to advise that it has entered into a binding and exclusive heads of agreement (**Heads of Agreement**) with DiscovEx Resources Limited (ASX: **DCX**) whereby DCX has granted Si6 with an option (**Option**) to acquire a 100% interest in the Monument Gold Project (**MGP** or **the Project**) in Western Australia.

MGP is a highly prospective gold project located in WA's world-class Laverton Gold District and comprises more than 300km<sup>2</sup> of tenure located ~40km west of Laverton. The Project is in close proximity to Dacian Gold Ltd's (ASX: **DCN** or **Dacian**) Mt Morgan Project (2.1Moz at 2g/t Au). The Laverton Gold District hosts numerous multi-million ounce gold mines operated by major gold mining companies including Goldfields' 8Moz Granny Smith & Wallaby Mines and AngloGold Ashanti's 9 Moz Sunrise Dam Mine.

Si6's Chairman, Patrick Holywell commented:

*"MGP represents an exciting gold project in a tier one jurisdiction. It is adjacent to areas which Dacian are mining and actively exploring and contains the same banded iron formations. Given the current gold price environment and forecasts, the Company is well positioned to benefit from exploration success at MGP."*

*"We have actively been seeking an acquisition target that not only complements our Botswana asset but also diversifies the company geographically in these challenging times and we believe MGP achieves both these criteria. We look forward to commencing our due diligence which will include an initial review of all of the exploration data, geophysical surveys, IP and geochemical work followed by drilling campaigns to extend the existing Korong Resource along strike and at depth and for regional target generation. We look forward to keeping shareholders updated on our activities on the ground in WA as we progress."*

**Six Sigma Metals**

### Corporate Details

ASX Code: Si6

### Directors

**Patrick Holywell**  
Chairman

**Steve Groves**  
Non-Executive Director

**Joshua Letcher**  
Non-Executive Director

**Mauro Piccini**  
Company Secretary

### Contact

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DCX's Managing Director, Bradley Drabsch commented:

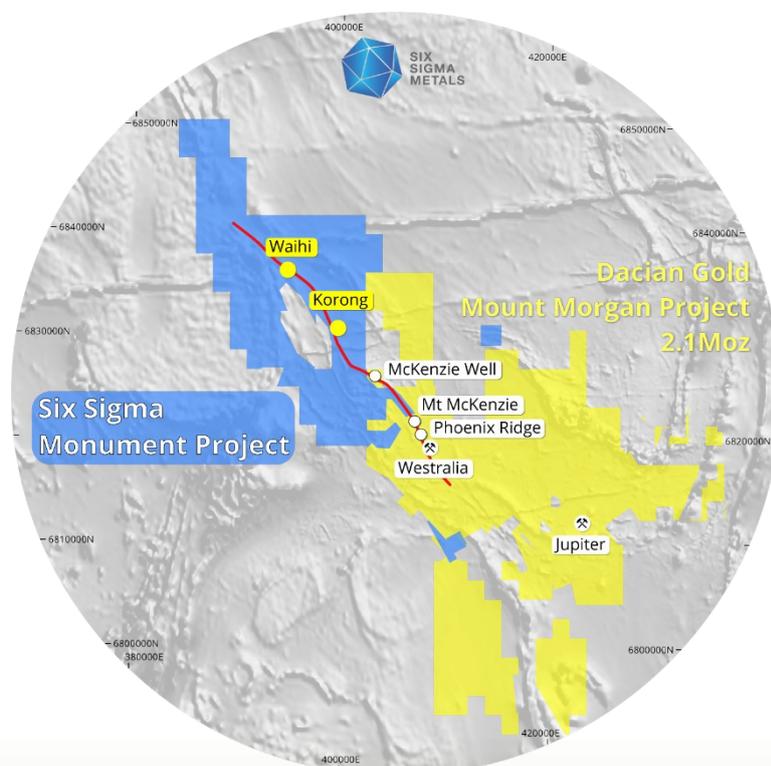
*"It's great to have Si6 continue with a dedicated exploration program at Monument. The DCX portfolio has grown to the point where we could no longer focus efforts at Monument but its prospectivity remains clear and we are excited to see what the team at Si6 can uncover."*

## The Monument Gold Project

MGP covers an area of 310km<sup>2</sup> and comprises 25 licences with the majority being contained within 6 exploration licences. The area is a well-established mining district which hosts excellent infrastructure and access including the sealed Leonora-to-Laverton Road, which runs directly through the Project, a gas pipeline and a sealed airstrip at Laverton.

The Project contains significant gold mineralisation and ~30km of relatively untested gold-hosted Banded Iron Formation (BIF), which is interpreted to be the same unit that hosts the Westralia gold deposit (Dacian's Mt Morgan Project), located immediately southeast of the Project.

MGP is also highly prospective for shear-hosted, syenite intrusion-related mineralisation, with 15 felsic intrusives identified in a high-level targeting study that are yet to be thoroughly explored (see ASX: DCX announcement 13 September 2018).



**Figure 1:** Location map of MGP (in blue) adjacent to Dacian's Mount Morgan Project (in yellow)

## Laverton Tectonic Zone

The Project lies in the world class Laverton Tectonic Zone, which to date has produced more than 30 million ounces of gold and yielded some of Australia's best known gold mines. MGP is located in an overturned western limb of the Mt Margaret anticline, which plunges moderately to the south and has a north-north west trending fold axis. Rock types are dominated by mafic volcanics, mafic intrusives, minor ultramafics and metasediments, and a narrow band (<100m wide) of a regionally continuous BIF. These primary rock types have been intruded by concordant and discordant felsic porphyry dykes and sills as well as local thin lamprophyre dykes. All rocks have undergone regional greenschist facies metamorphism. Significant gold deposits associated with felsic intrusions in the Laverton Zone include Sunrise Dam (9Moz), Granny Smith & Wallaby (8Moz) and Jupiter (>1.6Moz).

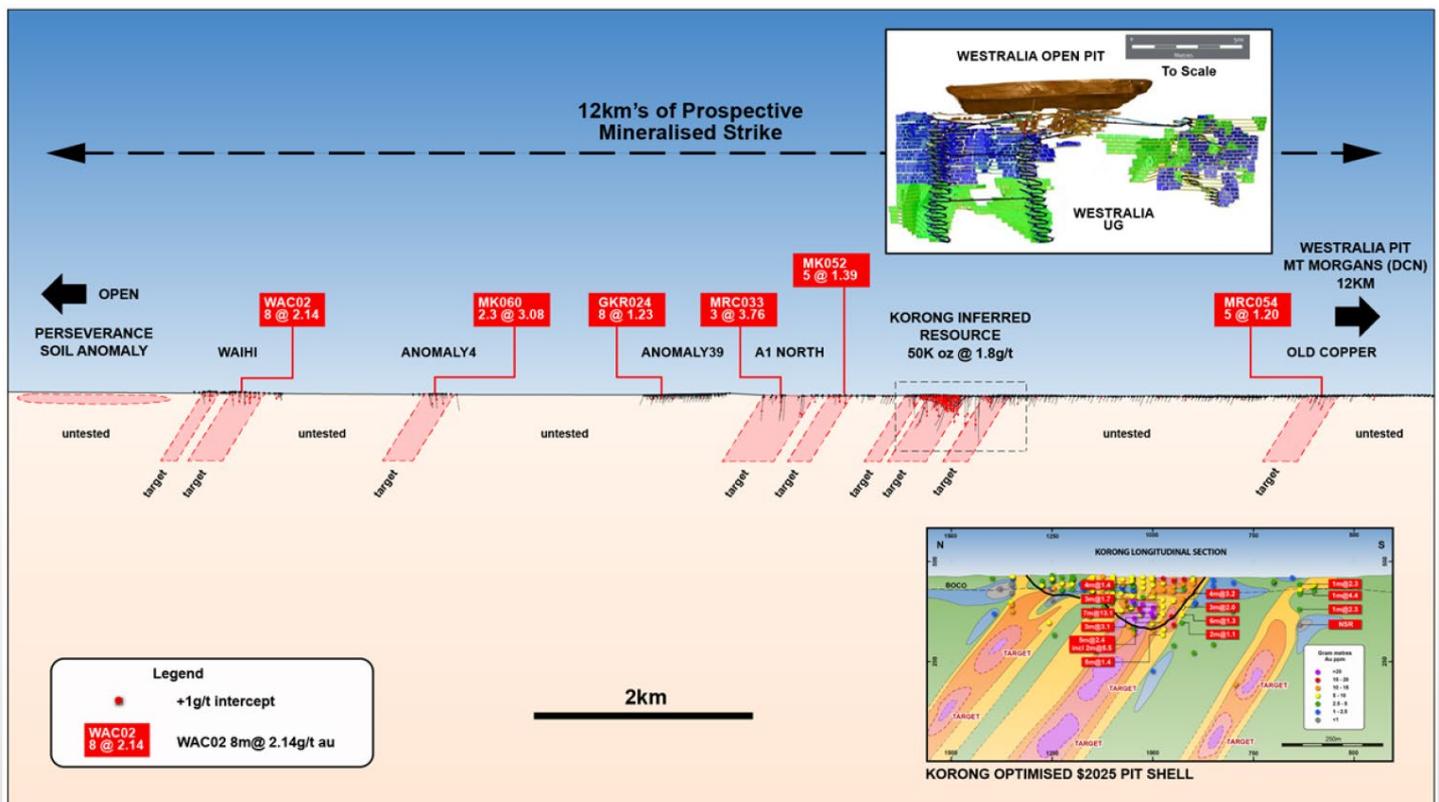
## Korong Resource

(See ASX: DCX announcement 10 & 13 September 2018)

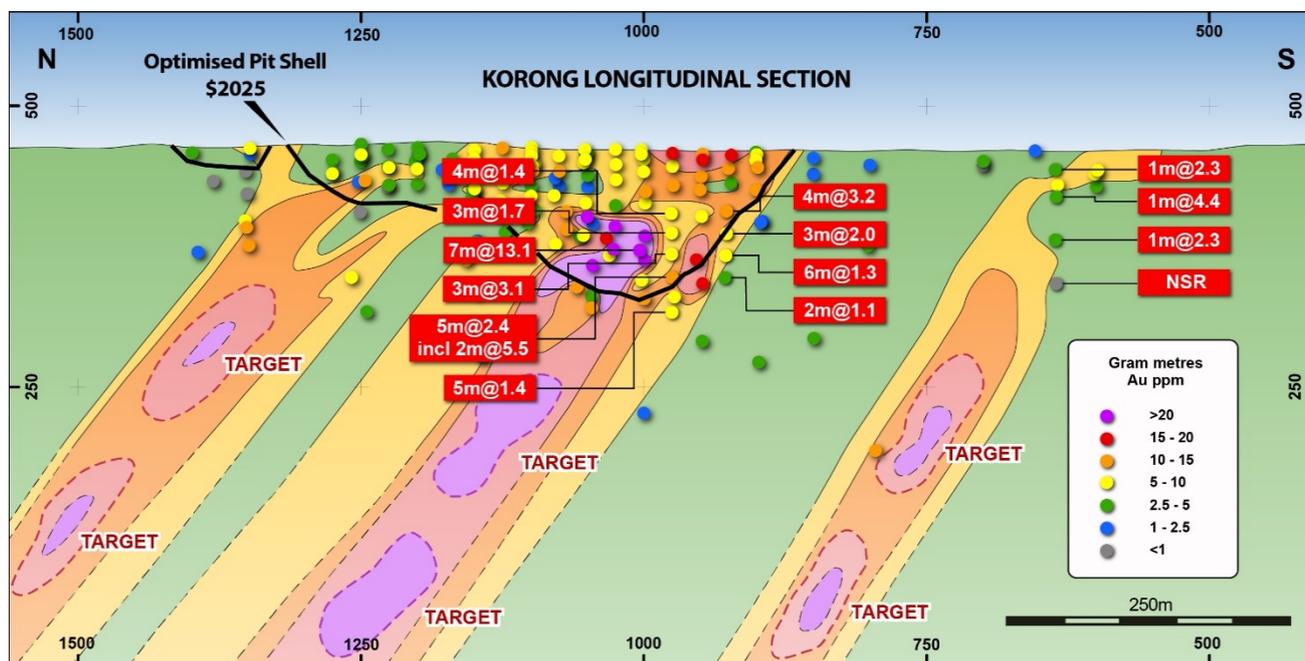
The Korong Resource is a shear hosted BIF associated with the Ninnis and Claypan Fault Zones. The north and north-west striking surface expressions of gold mineralisation indicate steep east dips associated with shear zones which vary from 2m to 15m in true thickness. The associated alteration zone is considered to be typical of shear zones and vein style gold mineralisation found elsewhere in the Laverton district. Gold mineralisation is interpreted as an easterly-dipping and north plunging lode which to date has been delineated over a strike length of approximately 500m, a down plunge extent of 200m and an average thickness of 5m. Drilling has successfully defined this horizon and also identified internal high grade shoots which are likely controlled by localised folding and faulting.

Previous drilling by the vendors has returned significant gold mineralisation at a number of targets throughout the Project. The most advanced target is at the Korong Prospect, where an initial JORC (2012) compliant inferred mineral resource estimation (**Korong Resource**) of 0.86Mt at 1.8g/t Au for 50,000 oz Au was calculated by Mining Plus Pty Ltd (see ASX:DCX announcement of 10 September 2018). The Korong Resource was calculated at a 0.5ppm cut-off within an AUD\$2,025 optimised pit shell and using a 2ppm cut-off outside of the shell. It is open along strike and down dip and displays repeating high-grade plunging shoots. Further work on density and the structural controls on mineralisation is required to increase the resource confidence to an 'Indicated' category.

Previous exploration along the 30km long BIF horizon has also revealed a number of highly prospective gold exploration targets within MGP. There are at least seven BIF-targets north and south of the Korong resource, many with drill intersections greater than 1g/t Au over several metres, including Waihi, Korong South, Perseverance (soil anomaly and never drilled, Anomaly 4, Anomaly 39, A1 North and Old Copper).



**Figure 2:** Long section of BIF exploration prospects located north and south of the Korong Resource. Inset is a 3D image of Dacian's Westralia mining operation to scale with the long section (image sourced from DCX ASX announcement 13 September 2018).



**Figure 3: Long section of the Korong Resource with interpreted gold lodes**  
(Image sourced from DCX ASX announcement 10 September 2018)

In relation to ASX Listing Rule 5.8.1, Si6 wish to report on the following matters to assist in understanding the reported estimates of Mineral Resources. Also refer to Appendix 2.

#### *Geology & geological interpretation*

Korong is a shear hosted BIF of the Laverton belt associated with the Ninnis and Claypan Fault Zones. The north and north-west striking surface expressions of gold mineralisation indicate steep east dips associated with shear zones which vary from 2m to 15m in true thickness. The associated alteration zone is considered to be typical of shear zones and vein style gold mineralisation found elsewhere in the Laverton district.

Gold mineralisation is interpreted as an easterly-dipping and north plunging lode which to date has been delineated over a strike length of approximately 500m, a down plunge extent of 200m and an average thickness of 5m. Drilling has successfully defined this horizon and also identified internal high grade shoots which are likely controlled by localised folding and faulting.

#### *Sampling and sub-sampling techniques*

Sampling for RC and PERC drilling were typically 1m samples taken from cone splitters or riffle splitters. Approximately 2-3kg was taken per sample. Diamond drilling sampling was typically quartered core taken from mineralised zones; again these samples were typically 1m in length weighing 3-5kg. All sampling and logging was supervised by a qualified geologist who was competent in the style of mineralisation.



### *Drilling techniques*

The drillhole database provided for the Korong region contains data for 1,719 individual drillholes. A restriction has been applied to the database for the estimation of Korong between the MGA northings of 6,831,180 mN and 6,831,900 mN. Auger, air core (AC), rotary air blast (RAB) and water bore drillholes have been excluded.

In total, 22 diamond drillholes (DDH) for a total of 5,008m, 50 percussion holes (PERC) for a total of 1,788m and 72 Reverse Circulation (RC) drill-holes for a total of 5,126m have been utilised in the Mineral Resource estimate.

The surface drillhole sections have been predominately drilled on an azimuth of ~240 degrees, with a general dip of -60 degrees. A small number of deeper drillholes targeting down-dip extensions have been drilled vertically.

### *The criteria used for classification, including drill and data spacing and distribution*

The drill-hole data spacing is typically 25m by 25m with areas of extensional drilling at 50m by 50m in the down-dip and strike extents. This is sufficient to classify the minerals resource as “inferred”.

### *Sample analysis method*

Samples typically have been analysed via a 30-50g fire assay with AAS finish. Samples have been submitted to various reputable laboratories including Intertek Genalysis, SGS, Ultratrace and Australian Assay Labs.

### *Estimation methodology*

Grade estimation of Au ppm has been completed using Ordinary Kriging (OK) into 6 mineralogical domains (chert and non-chert by weathering) and 2 waste domains using Datamine Studio RM 1.3.56 software. Compositing has been undertaken within domain boundaries at a nominal 1m with no residual lengths.

Variography has been completed in Supervisor 8.9 software on a mineralogical domain basis where enough data is present. Domains have been grouped to produce reliable variography.

### *Cut-off grade(s)*

The current in situ, drill-defined resource inventory for the Korong Deposit has been reported inside an optimised pit-shell at a cut-off of 0.5g/t Au and outside the optimisation shell at a cut-off of 2.0g/t Au. The pit-shell has been generated in Whittle by Mining Plus.

The unclassified material at Korong has been considered as Exploration potential and has been reported at 0.5g/t Au. No previous mineral resource estimate block model has been announced for the Korong deposit.



## Mining and metallurgical methods and parameters, and other modifying factors

Price			Comments
Gold Price	AUD / ounce	\$ 2,025.43	
Aboriginal Heritage	AUD / ounce	\$ -	
Royalty	%	2.50%	WA Royalty
<b>Nett Metal Value</b>	<b>AUD / gram</b>	<b>\$ 63.49</b>	
<b>Mining Cost</b>			
Base Waste Mining Cost	AUD / tonne	\$ 2.50	Based on MP experience
Incremental cost per bench	AUD / tonne	\$ 0.06	
<b>Mining parameters</b>			
Mining dilution	%	0%	No additional dilution or mining recovery assumed
Mining recovery	%	100%	
<b>Geotechnical Parameters</b>			
<b>Overall wall angles</b>			
Oxide	deg	55	
Transitional	deg	55	
Fresh	deg	55	
<b>Processing Cost</b>			
Milling Cost	AUD / tonne	\$ 23.00	
Transport (mine to mill)	AUD / tonne	\$ -	Assumption
Grade Control	AUD / tonne	\$ -	Mill is to be on site
Ore Differential	AUD / tonne	\$ 1.50	
<b>Total Processing Cost</b>	<b>AUD / tonne</b>	<b>\$ 24.50</b>	includes ROM pad rehandle, grade control and difference between ore and waste contract mining cost
<b>Processing Recovery</b>			
Oxide	%	95%	Assumption
Transitional	%	95%	
Fresh	%	95%	
<b>Discounting</b>			
Annual discounting	%	10.0%	Not used.
<b>Fixed Costs</b>			
General and Admin	AUD / tonne	\$ 7.50	Guesstimate.
Whittle COSTP	AUD / tonne	\$ 32.00	Milling + Ore Haul + Ore Mining + G&A

## MGP and Dacian

(See ASX: DCN announcement 24 July 2020)

Dacian's Mt Morgan operation comprises the Jupiter open pit mine that includes the Heffernans and Doublejay sub-pits, the Westralia underground mine that includes the Beresford and Allanson deposits and a processing plant and associated infrastructure (see <https://www.daciangold.com.au/site/operations/mt-morgans-gold-project>).

Gold mineralisation at the Westralia deposit is hosted in a BIF and Porphyry sequence adjacent to and within ultramafic rock types. High-grade gold associated with quartz and sulphide minerals occurs at the contacts between BIF/Porphyry and the ultramafic. The same geological setting has been recognised at the Korong Prospect which is contained within the MGP.

Dacian is currently focusing on resource growth and have embarked on an aggressive \$15M exploration program targeting BIF horizons along strike from MGP including the McKenzie Well, Mt McKenzie and the high-grade Phoenix Ridge prospects. This BIF is the same horizon that hosts the Westralia Deposit and extends north west into the Project area where the Korong Resource lies, in addition to a number of other highly prospective exploration targets.

Recent drilling by Dacian has intersected strong BIF-hosted gold mineralisation, including:

McKenzie Well (~11km from Korong Resource and surrounded by MGP tenure):

- 7m @ 2.8g/t Au from 78m in 20MWRC0043
- 8m @ 2.3g/t Au from 53m in 20MWRC0037
- 6m @ 2.4g/t Au from 47m in 20MWRC0035
- 9m @ 1.9g/t Au from 92m in 20MWRC0038
- 7m @ 2.0g/t Au from 85m in 20MWRC0036

Phoenix Ridge (~15km from Korong Resource) – Infill drilling within Inferred Mineral Resource:

- 8.6m @ 74.7g/t Au from 286.4m in 20MMDD0625W1
- 14.9m @ 12.5g/t Au from 258m in 20MMDD0624
- 5.2m @ 9.0g/t Au from 309.6m in 20MMDD0625
- 5.4m @ 8.4g/t Au from 259m in 20MMDD0619
- 8.5m @ 4.0 g/t Au from 239.6m in 20MMDD0618

Hanging wall to the Phoenix Ridge deposit – High-grade intercepts outside of the Inferred Mineral Resource:

- 1.1m @ 70.4g/t Au from 288m in 20MMDD0560
- 0.5m @ 715g/t Au from 299m in 20MMDD0518
- 2.0m @ 23.1g/t Au from 205.3m in 20MMDD0624
- 0.5m @ 87.2g/t Au from 246m in 20MMDD0625

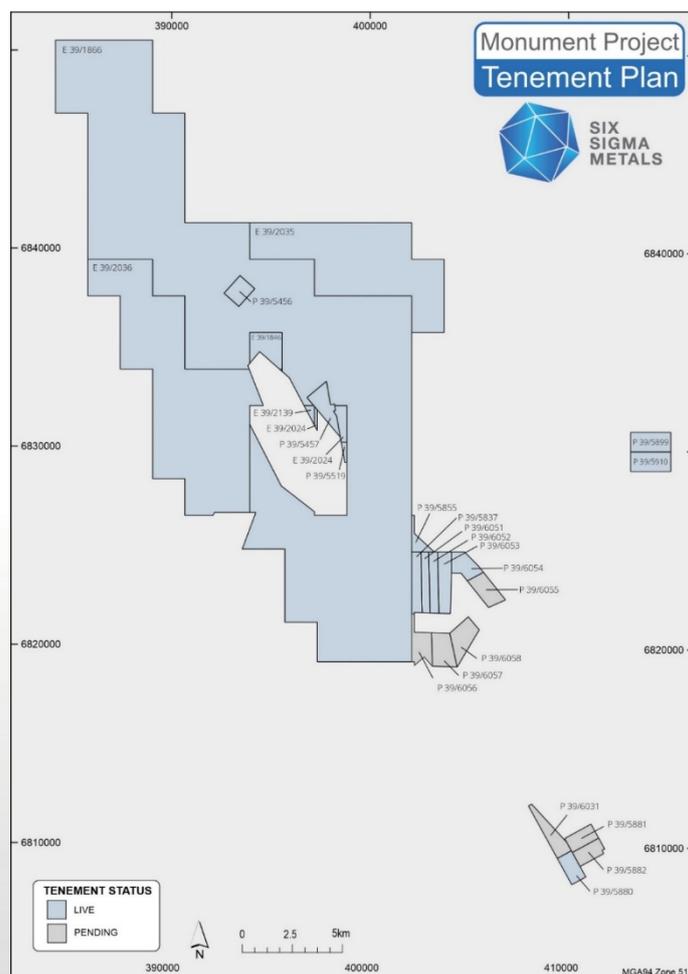


Figure 4: MGP Tenure map



## Transaction Terms

A summary of the material terms and conditions of the proposed acquisition, pursuant to the binding exclusive heads of agreement (**Heads of Agreement**), are as follows:

- DCX has agreed to grant Si6 an exclusive option (**Option**) to acquire a 100% interest in the Project by way of acquisition of 100% of the issued capital of Monument Exploration Pty Ltd, a wholly owned subsidiary of DCX. In consideration for DCX granting Si6 the Option, Si6 must pay an option fee of \$25,000 cash and \$50,000 in cash and/or shares (**Cash/Share Payment**, split at Si6's election), payable within 10 Business Days of execution of the Heads of Agreement. Shares issued as part of the Cash/Share Payment will be issued under Listing Rule 7.1 placement capacity.
- Si6 has a 12-month option and due diligence period (**Option Period**).
- During the Option Period, Si6 must maintain the Project tenements in good standing by spending at least \$250,000 on the Project tenements.
- Within 6 months of the date of execution of the Heads of Agreement, Si6 will pay further consideration of \$50,000 cash and another \$50,000 Cash/Share Payment (split at Si6's election). Shares issued as part of the Cash/Share Payment will be issued under Listing Rule 7.1 placement capacity.
- Upon exercise of the Option (to occur at Si6's sole discretion), Si6 to pay further consideration of \$100,000 cash and \$300,000 in cash and/or shares (at Si6's election).
- The price of all Si6 shares to be issued under the Heads of Agreement will be equal to the VWAP of Si6's shares at the close of trading for 15 trading days immediately prior to the execution of the Heads of Agreement.
- All shares issued pursuant to the Heads of Agreement will be voluntarily held in escrow for a period of 12 months following the respective issue dates.
- All other consideration shares will be issued subject to shareholder approval with the date of the shareholders meeting to be advised in due course.
- Prior owners of the Project to retain existing royalties of up to 2% of gross revenue (**Existing Royalties**). Following settlement of the acquisition, DCX will retain a royalty of up to 1.5% of gross revenue (calculated after the payment of any applicable Existing Royalties, whereby if Existing Royalties of greater than 1.5% are paid in respect of certain Project areas, no additional royalty will be paid to DCX).
- Settlement of the acquisition is subject to and conditional upon satisfaction of the following conditions precedent:
  - the Parties obtaining any necessary ministerial, governmental, native title or other third-party consents for the transfer of the Project tenements;
  - Si6 completing legal, financial and technical due diligence on Monument Exploration Pty Ltd and the Project to Si6's sole satisfaction within 12 months of the Heads of Agreement;
  - Si6 and DCX obtaining all necessary shareholder approvals pursuant to the Corporations Act and Listing Rules to give effect to the acquisition;
  - execution of all voluntary restriction agreements required by Si6;
  - the parties obtaining any other necessary third-party consents to allow the parties to lawfully complete the acquisition, including but not limited to:
    - assignment of any material contracts for the Project in accordance with their terms;
    - amendment, assignment or transfer (as applicable) of the Existing Royalties to reflect the royalty arrangement described above; and
    - all necessary third-party consents and approvals pursuant to the existing royalty agreements (to the extent required); and
  - Si6 exercising the Option; and
  - the parties entering into a formal definitive agreement for the acquisition.



The Heads of Agreement contains terms, conditions and warranties which are considered standard for an agreement of this type.

The Heads of Agreement was entered into at arms length and DCX is not a related party of Si6.

## Next steps

Throughout the option period, Si6 proposes to undertake the following activities:

- Review of all exploration data and interpretations to verify mineralisation models and identify all priority exploration targets
- Ground work programs that would include geophysical surveying such as Induced Polarisation and geochemical sampling
- RC and diamond drilling to extend the Korong Resource along strike and at depth, particularly focusing on high grade shoot
- Drill testing of regional exploration targets

**This ASX announcement has been authorised for release by the Board of Si6.**

***For further information please contact:***

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### About Six Sigma Metals

Six Sigma Metals (ASX: Si6) is an exploration company currently operating in Botswana in Southern Africa.

### Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical exploration information compiled by Mr Steven Groves, who is a Competent Person and a Member of the Australian Institute of Geoscientists. Mr Groves is a Director of Six Sigma Metals Limited. Mr Groves 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 the reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information announced to the market by Dacian Gold Limited on 27 February 2020 (Mt Morgan Gold Operation) and Syndicated Metals Limited on 10 September 2018 (Korong). Si6 confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The information in this announcement that relates to the Estimation and Reporting of Mineral Resources has been reviewed by Mr Toby Wellman who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 (the "JORC Code"). Mr Wellman consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.



## Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Six's mineral properties, planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

## Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above announcement. No exploration data or results are included in this document that have not previously been released publicly. The source of all data or results have been referenced.

## References

1. Dacian's Mt Morgans: <https://www.daciangold.com.au/site/operations/resources-and-reserves>
2. AngloGold's Sunrise Dam: <https://www.goldfields.com/pdf/investors/integrated-annual-reports/2019/mrr-2019-latest.pdf>
3. Goldfields' Granny Smith & Wallaby: <http://www.aga-reports.com/19/download/AGA-RR19.pdf>
4. ASX: DCX announcements of 10 September 2018 titled "Maiden Gold Resource at Monument Project" and 13 September 2018 titled "Exploration Review Confirms Potential for both Syenite and BIF-hosted Gold".
5. ASX: DCN announcement of 24 July 2020 titled "Mt Morgans Gold Exploration Update".



## APPENDIX 1: Table of Mineral Resource

### Korong Resource

Deposit	Cut-Off (g/t)	Inferred		
		Tonnes	Grade (g/t)	Au Ounces
Korong	0.5	650,000	1.6	33,000
Korong UG	2.0	205,000	2.5	17,000
<b>Total</b>		<b>855,000</b>	<b>1.8</b>	<b>50,000</b>

*Note: For details of the Korong Mineral Resources used in this document, please refer to DCX's ASX announcement dated 10 September 2018 titled "Maiden Gold Resource at Monument Project".*



## APPENDIX 2: Estimation and Reporting of Mineral Resources (JORC CODE, 2012 Edition – Table 1)

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Toby Wellman who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 (the “JORC Code”). Mr Wellman is a director of DiscovEx Resources Ltd and consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr Matthew Karl BSc/MSc. Mr Karl is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Korong Deposit Mineral Resource estimation. Mr Karl is a Member of the Australasian Institute of Mining and Metallurgy and of the Australian Institute of Geologists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities 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 (the “JORC Code”). Mr Karl consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.

The following table was first reported by DCX on 10 September 2018 “Maiden Gold Resource at Monument Project”. Mr Wellman confirms that he is not aware of any new information or data that materially affects the information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

NOTE: Syndicated Metals Ltd changed its name subsequently to DiscovEx Resources Ltd.

Criteria	JORC Code Explanation	Commentary
<b>Section 3 – Estimation and Reporting of Mineral Resources</b>		
<b>Database integrity</b>	<i>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.</i>	Syndicated Metals personnel have validated the database during the interpretation of the mineralisation, with any drill-holes containing dubious data excluded from the mineral resource estimate. RAB and AC have also been excluded from the mineral resource estimate.
	<i>Data validation procedures used.</i>	Data validation processes are in place and run upon import into the database to be used for the mineral resource estimate in Datamine Studio RM v1.3 by Mining Plus. This process includes top-collar checks, overlaps and duplicates.
<b>Site visits</b>	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	No site visit has been undertaken by Mining Plus staff.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	No site visit took place because there is no mining activity or drilling currently being undertaken.
<b>Geological interpretation</b>	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	The geological interpretation is considered robust due to the consistent geometry and nature of the geology and the mineralisation.
	<i>Nature of the data used and of any assumptions made.</i>	Surface diamond, reverse circulation (RC) and PERC drill holes have been logged for lithology, structure, alteration and mineralisation data.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	Chert lithology wireframes were produced as a vein system in Leapfrog using logging code criteria (STO, STF and STZ). These were validated against lithological logging data, and structural data from diamond core. Weathering surfaces have been generated in Leapfrog from geological logging data.  Due to the consistent nature of the chert identified in the area, no alternative interpretations have been considered.

	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	The mineralisation interpretation is contained within and externally to the chert geological unit.
	<i>The factors affecting continuity both of grade and geology.</i>	The cherts are found to be generally consistent in strike and dip extent over the length of the deposit, and of relatively regular thickness.
<b>Dimensions</b>	<i>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.</i>	The Korong complex's resource extent consists of 800m strike in a Northwest – Southeast direction; 300m across strike; and ~500m down dip and open at depth. The mineralisation is an interpreted average width of 5 metres.
<b>Estimation and modelling techniques</b>	<i>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.</i>	Grade estimation of Au ppm has been completed using Ordinary Kriging (OK) into 6 mineralogical domains (chert and non-chert by weathering) and 2 waste domains using Datamine Studio RM 1.3.56 software.  Compositing has been undertaken within domain boundaries at a nominal 1m with no residual lengths.  Variography has been completed in Supervisor 8.9 software on a mineralogical domain basis where enough data is present. Domains have been grouped to produce reliable variography.
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	The Mineral Resource estimate has been validated using visual validation tools, mean grade comparisons between the block model and composite grade means and swath plots comparing the composite grades and block model grades by Northing, Easting and RL.
	<i>The assumptions made regarding recovery of by-products.</i>	No assumptions have been made regarding recovery of any by-products.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	No deleterious elements have been included in the model.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	The drill-hole data spacing is typically 25m by 25m with areas of extensional drilling at 50m by 50m in the down-dip and strike extents.  The block model parent block size is 12.5m (X) by 12.5m (Y) by 5m (Z). A sub-block size of 2.5m (X) by 2.5m (Y) by 2.5m (Z) has been used to define the mineralisation edges, with the estimation undertaken at the parent block scale using 3 search passes: <ul style="list-style-type: none"> <li>o Pass 1 estimations have been undertaken using a minimum of 12 and a maximum of 24 samples into a search ellipse of varying sizes by area. A sample per drill-hole limit of 2 samples/drill-hole has been applied in all domains.</li> <li>o Pass 2 estimations have been undertaken using a minimum of 8 and a maximum of 24 samples into a search ellipse 50% larger than the pass 1 ellipse in all 3 directions. A sample per drill-hole limit of 3 samples/drill-hole has been applied in all domains.</li> <li>o Pass 3 estimations have been undertaken using a minimum of 2 and a maximum of 12 samples into a search ellipse 50% larger than pass 2.</li> </ul> The search ellipses and variographic rotations applied during the estimation are set due to the consistent nature of the geological structures.

	<i>Any assumptions behind modelling of selective mining units.</i>	No selective mining units are assumed in this estimate.
	<i>Any assumptions about correlation between variables.</i>	No correlation between variables has been assumed.
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	The chert lithology, mineralisation and weathering wireframes generated within LeapFrog have been used to define the domain codes by concatenating the three codes into one. The drill-holes have been flagged with the domain code and composited using the domain code to segregate the data. Hard boundaries have been used at all domain boundaries.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	The influence of extreme sample distribution outliers has been reduced by top-cutting where required. The top-cut levels have been determined using a combination of histograms, log probability and mean variance plots. Top-cuts have been reviewed and applied on a domain by domain basis.
	<i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i>	Model validation has been carried out, including visual comparison between composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drill-hole data and graphical plots.
<b>Moisture</b>	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	Tonnages are estimated on a dry basis.
<b>Cut-off parameters</b>	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	Based on mining assumptions, an indicative cut-off of 2.0 g/t gold is used for reporting purposes for outside the optimisation shell, and 1.0 g/t for inside the optimisation shell.
<b>Mining factors or assumptions</b>	<i>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.</i>	For the assumption of reasonable prospect of mining refer to Appendix 3 for the parameters selected for the generation of an optimisation shell.
<b>Metallurgical factors or assumptions</b>	<i>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.</i>	No assumption or factors have been applied to the resource estimate regarding the metallurgical amenability.
<b>Environmental factors or assumptions</b>	<i>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</i>	No environmental assumptions have been made during the mineral resource estimate.

	<p><i>environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></p>	
<b>Bulk density</b>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></p>	<p>Bulk densities have been assumed based on densities from similar lithologies. No measured or calculated densities have been used in the Mineral Resource Estimate.</p>
<b>Classification</b>	<p><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></p> <p><i>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 and distribution of the data).</i></p> <p><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></p>	<p>The resource classification has been applied to the mineral resource estimate based on the drilling data spacing, mineralogy, mineralisation/grade and geological continuity, and data integrity.</p> <p>The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.</p> <p>The classification reflects the view of the Competent Person.</p>
<b>Audits or reviews</b>	<p><i>The results of any audits or reviews of Mineral Resource estimates.</i></p>	<p>This Mineral Resource estimate for Korong has not been audited by an external party.</p>
<b>Discussion of relative accuracy/confidence</b>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	<p>The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</p> <p>The statement relates to a local estimate of tonnes and grade within the pit shell at a cut-off of 1.0 g/t Gold.</p> <p>No production records exist.</p>

## APPENDIX 2: HISTORICAL KORONG DRILL-HOLE SUMMARY

Company	Hole Type	Size	Sampling	Year	No. Holes	Metres
Carpentaria Exploration Pty Ltd	DDH	Unknown	Generally 1.0m Half or Quarter Core	1979 - 1985	15	3,151
	PERC	Unknown	Generally 1.0m crossover samples, Cone/Riffle split	1979 - 1987	50	1,788
	RC	5 1/4" - 5 1/2"	Generally 1.0m face samples, Cone/Riffle split	1985	28	639
Marengo Mining Ltd	RC	5 1/4" - 5 1/2"	Generally 1.0m face samples, Cone/Riffle split	2003	5	690
<b>TOTAL</b>					<b>98</b>	<b>6,268</b>

## APPENDIX 3 – PARAMETERS SELECTED FOR OPTIMISATION SHELL

Price	Unit	Amount
Gold Price	AUD / ounce	\$ 2,025.43
Aboriginal Heritage	AUD / ounce	\$ -
Royalty	%	2.50%
<b>Nett Metal Value</b>	<b>AUD / gram</b>	<b>\$ 63.49</b>
<b>Mining Cost</b>		
Base Waste Mining Cost	AUD / tonne	\$ 2.50
Incremental cost per bench	AUD / tonne	\$ 0.06
<b>Mining parameters</b>		
Mining dilution	%	0%
Mining recovery	%	100%
<b>Geotechnical Parameters</b>		
<b>Overall wall angles</b>		
Oxide	deg	55
Transitional	deg	55
Fresh	deg	55
<b>Processing Cost</b>		
Milling Cost	AUD / tonne	\$ 23.00
Transport (mine to mill)	AUD / tonne	\$ -
Grade Control	AUD / tonne	\$ -
Ore Differential	AUD / tonne	\$ 1.50
<b>Total Processing Cost</b>	<b>AUD / tonne</b>	<b>\$ 24.50</b>
<b>Processing Recovery</b>		
Oxide	%	95%
Transitional	%	95%
Fresh	%	95%
<b>Discounting</b>		
Annual discounting	%	10.0%
<b>Fixed Costs</b>		
General and Admin	AUD / tonne	\$ 7.50
Whittle COSTP	AUD / tonne	\$ 32.00