HORIZON TO ACQUIRE THE KALPINI GOLD PROJECT

Cautionary Statement

The estimates of Mineral Resources were originally reported by KalNorth Gold Mines Limited (previously Carrick Gold Limited) on 16 July 2012 and 24 October 2012 as a JORC 2004 compliant Resource by a Competent Person employed by KalNorth Gold Mines Limited. A competent person engaged by Horizon has not completed sufficient work to confirm these estimates. It is possible that following evaluation and/or further exploration work, the current reported estimates may materially change and hence will need to be reported afresh by Horizon under and in accordance with the JORC Code 2012. Nothing has come to the attention of Horizon that causes it to question the accuracy or reliability of the KalNorth estimates, but Horizon has not independently validated the KalNorth estimates. Horizon has commissioned an updated JORC 2012 resource which it will release to the market when completed. This updated resource may require additional drilling to ensure compliance with JORC Code 2012.

Kalpini offers potential to grow production and mine life at Boorara as part of the consolidated Feasibility Study

HIGHLIGHTS

- Binding Tenement Sale Agreement executed with private consortium NBT Metals Pty Ltd for the acquisition of the Kalpini gold project in the Western Australian goldfields for a total cash consideration of $2.75 million funded from existing cash reserves
- Agreement subject to standard conditions precedent for a transaction of this nature including Ministerial consent, any third party assignments and provision of mining information with Settlement expected in the current quarter [1]
- Kalpini is located 50km north east of the Company's 100% owned Boorara gold project and comprises the Gambia, Camelia and Atlas deposits covering 585 hectares on granted mining lease M27/485
- Historic JORC 2004 Mineral Resource (before depletion) currently under review by Horizon of 4.6Mt grading 1.7g/t Au for 255,600oz [2]
- Subsequent to release of the resource in 2012, Stage 1 of mining the Gambia pit was completed in 2019 producing approximately 39,000oz with a mill reconciled grade of 2.62g/t Au and a calculated gold recovery of 95.1%
- Significant exploration potential along strike and at depth with infill, validation and extensional drilling planned to commence in the current December Quarter [1]
- Acquisition aligns with Horizon's strategy of further regional consolidation and the acquisition of advanced development assets within a 75km radius of the proposed Boorara Mill [1]
- Kalpini will now join Boorara, Rose Hill, Binduli and Teal as core projects under evaluation as part of the consolidated Feasibility Study due for completion in June 2021 [1]

Commenting on the Kalpini acquisition, Managing Director Mr Jon Price said:

"Horizon's core focus remains firmly set on developing a stand-alone gold production business in the Kalgoorlie and Coolgardie regions and this acquisition aligns with this focus and our strategy of further regional consolidation of advanced development assets in close proximity of the proposed Boorara Mill."

"The Kalpini gold project has had considerable work completed in the past, including resource modelling, mining, processing and environmental studies which enables rapid advancement of the deposits for inclusion into the consolidated Feasibility Study."

"We look forward to completing the technical review of the geological models, further drilling and updating the resource. Future drilling will also test extensions along strike and at depth where we see significant opportunity to grow the deposits and reassess their development in the current high gold price environment."

[1] See Cautionary and Forward Looking Statements on Pages 1 and 11. [2] As reported by KalNorth Gold Mines Ltd to the ASX on 16 July and 24 October 2012, see also cautionary statement on Pages 1 and 8.

About the Kalpini gold project

Kalpini is located approximately 65kms north-east of Kalgoorlie in the Eastern Goldfields of Western Australia (Figure 1) and 50km by existing roads to the 100% owned Boorara gold project. The project comprises granted mining lease M27/485 and miscellaneous lease L27/88 and covers approximately 585 hectares. The main ore deposits within the project are Gambia, Atlas and Camelia (Figure 3).

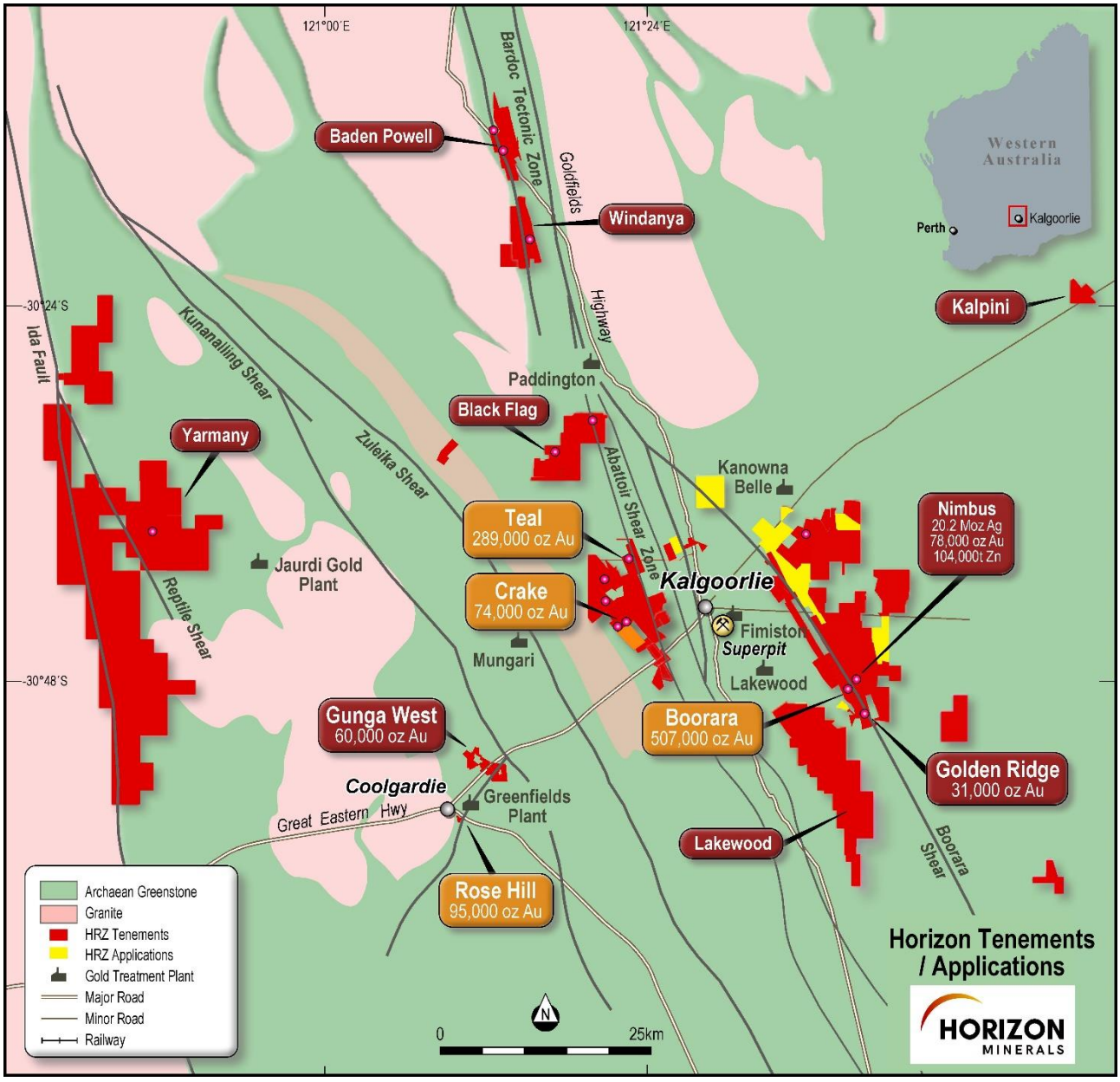

Figure 1: Horizon's Project area location, resources and surrounding infrastructure

History

There are mine workings such as shafts, open cut pits (Gambia open pit) and trenches within the Kalpini tenements. According to Hagemann (2004), the shafts were mined at the turn of the century. The Man o War shaft produced 7,806 ounces of gold from 15,218 tonnes of ore at an average grade of 16.5g/t Au.

Atlas was originally mined as an underground operation between 1898 and 1910. The workings are comprised of a series of shafts over a length of approximately 300m and a strike length 105°/295 (Paterson, 2006). These workings are located in the current Atlas prospect, and have also been referred to as the Man O' War workings in the past. The main Atlas shaft dips at an angle of 60° to the North, and extends down to ~180ft. The main stope level connects with all the shafts at a depth of approximately 26m below ground level, although the main shaft continues beyond this to approximately 60m depth (Dudfield/Bishop, 1984). Recorded figures for production from Atlas vary. Paterson (2006) states that the recorded figure is 183.1kg Au at an average grade of 15.1 g/t. Another source suggests 7,806oz of gold from 15,218 tonnes of ore (Twist 1989).

The Camelia Pit is located in the Gambia North area. Over the years this area has been referred to as the Enigma Prospect, the Camellia Prospect, and the Gambia Prospect. The Camelia Pit and surrounding workings were mined in two stages. The first stage began in 1902 and ended in 1934 (Paterson, 2006). This involved a small open pit with recorded production of 5.84kg Au at an average grade of 6.0g/t (Paterson, 2006).

The majority of exploration work completed from 1970 – 2005 was focussed on identifying nickel mineralisation. Under the ownership of KalNorth Gold Mines Ltd (previously Carrick Gold Ltd) from 2005 to 2017, several drilling programs were completed for gold and Mineral Resources compiled for the project area. Optimisation studies were completed and reserves generated for mining the Gambia pit. In 2017, the project was divested for $3.2 million to NBT Metals which completed the first stage of mining of the Gambia Pit in 2019 via contract mining and toll milling. Recorded production totalled 485,000t milled at a reconciled grade of 2.62g/t Au and a gold recovery of 95% for 38,800oz.

Geology

Kalpini is located in the Kurnalpi domain of the Norseman-Wiluna greenstone belt in the Yilgarn Craton (Figure 2). The region is characterised by a series of north-northwest trending interconnected greenstones belts which have been intruded by granitoid batholiths.

The Norseman–Wiluna greenstone belt comprises of thick successions of mafic ultramafic lava and intrusives with intercalated felsic extrusives and volcano sedimentary rocks.

The Kurnalpi domain is bounded by the Avoca shear in the west and Yilgangi shear in the east. The domain comprises of a poorly outcropping and lateralised sequence of the Mulgabbie Formation mafic volcanics, dolerite and gabbro intrusives. The greenstone is intruded by a large granitoid body in the north which forms the core of a south plunging anticline.

The Yilgarn Craton has under-gone several deformation stages. The earliest recognized deformation (D1) is recumbent folding and thrusting, followed by east-west shortening through large-scale upright D2 folding, then followed by a period of transcurrent D3 faulting and associated folding, followed by D4 transcurrent, oblique and reverse faulting (Groenewald et al 2004).

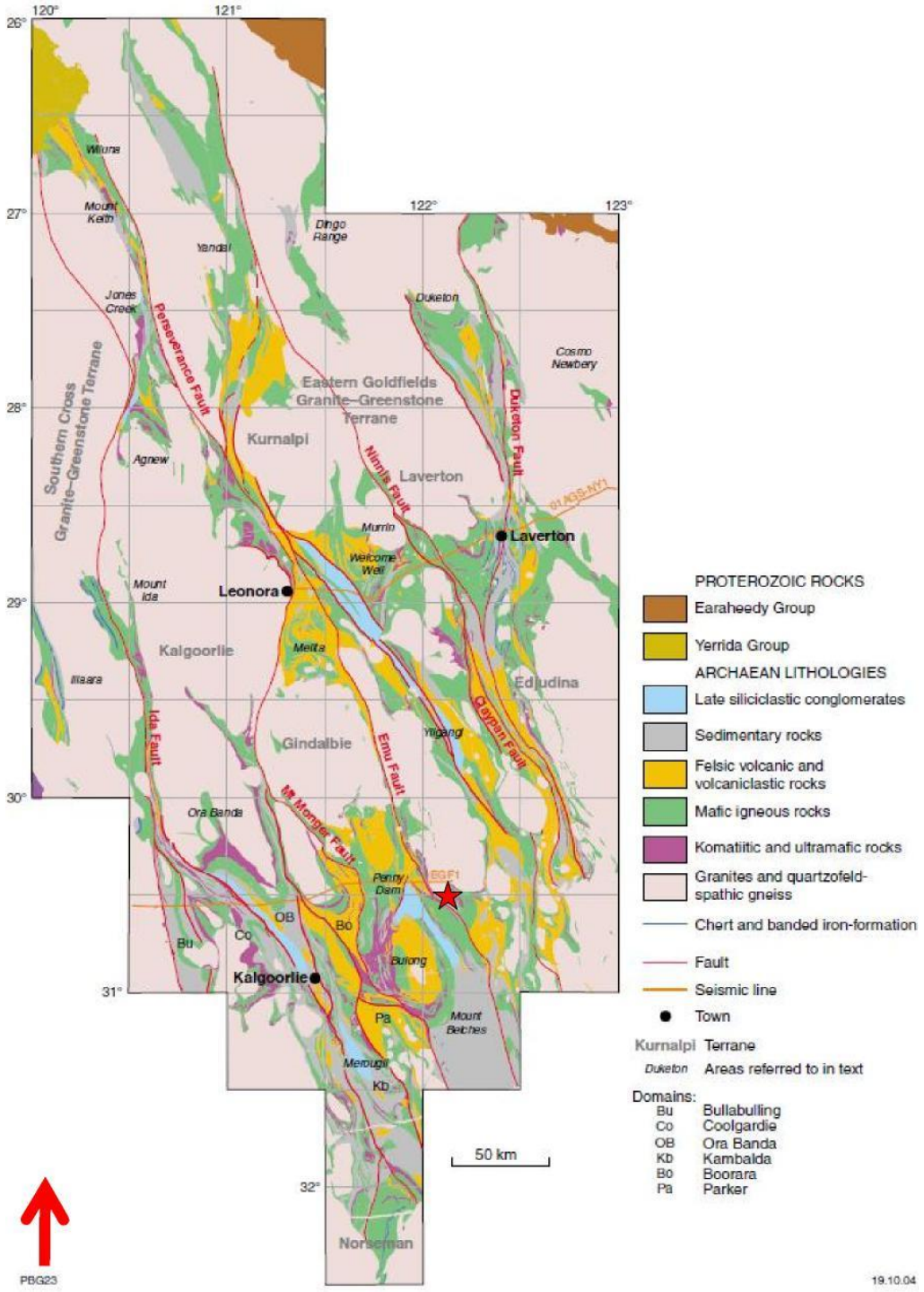

Figure 2: Kalpini project location and regional geological setting

The rock encountered in Gambia is an Archean dolerite-gabbro unit. This is leucrocratic in composition, with granophyric textures being very common. In distal zones within the dolerite-gabbro unit relict rock textures and colours are often preserved. Noticeable differences in colour are usually due to slight bleaching from strong carbonate alteration, dark green colours from chlorite alteration, and from light green coloured minerals such as epidote or zoisite. Granophyric textures are preserved within these zones, and are sometimes visible within hand specimen. Pyroxene is often replaced by fibrous amphibole and is often visible in hand specimen. Saussuritic textures are sometimes visible. Coarse leucoxene is disseminated throughout the groundmass.

In Gambia South maghemite and clay rich alluvium is present between depths of 1m and 10m. This generally deepens to the south and to the east. Hematite rich and goethite in-situ laterite is present usually to approximately 20m depth. This is often underlain by a small mottled zone before grading into scapolite. The depth of saprolite generally varies between 15m and 40m vertical depth. This depth is deeper towards the south and east.

In Gambia North, no alluvium is present. Laterites are haematiitic and goethitic and extend down to approximately 15m depth. Saprolite extends down to approximately 35-40m depth.

Based upon assay results and observations made in hand specimen, two types of primary ore have been identified. A more common strongly bleached ore type, typified by strong silicification and often accompanied by quartz veining. Sulphides are abundant in this ore type. The second less common ore type is typified by a dark colour with very little or no bleaching, and strong carbonate alteration. Pyrite is often present in this ore type but not in high concentrations. Magnetite is sometimes present in this ore type and is usually accompanied either small, or no concentrations of pyrite. Veining in this ore type is less intense, and sometimes includes carbonate compositions.

Gold mineralisation along the Gambia-Camelia trend has been defined over a 900m strike length and confined to multiple stacked narrow (0.5-3m) high grade flat dipping lodes hosted within gabbro. The lodes are characterised by arsenopyrite-sericite-carbonate quartz breccias that have a limited leucoxene-chlorite-carbonate alteration halo in the host gabbro. Arsenopyrite content is variable but in the high grade lodes can be in the range 1-3%. Importantly, all drilling along the Gambia-Camelia trend has focussed on the flat dipping lodes which are focussed in the central portion of the gabbro, with no drilling targeting the contact with the intermediate volcanoclastic rocks. Both the hanging and footwall contacts of the gabbro may provide the locus for shear hosted gold mineralisation, the flat narrow high grade lodes being perhaps brittle link lodes.

A significant amount of drilling has been completed within the project area with the latest diamond drilling announced to the ASX by KalNorth on 8 July 2015 confirming the flat dipping high grade nature of the lodes (Figure 6).

Horizon will complete a detailed review of all historic data and geological model and assess further drilling requirements to update the historic resources to JORC 2012. Additional infill and validation drilling is planned to improve the JORC classification. The mineralisation remains open along strike and at depth (Figure 3) with extensional also drilling planned to test resource extensions.

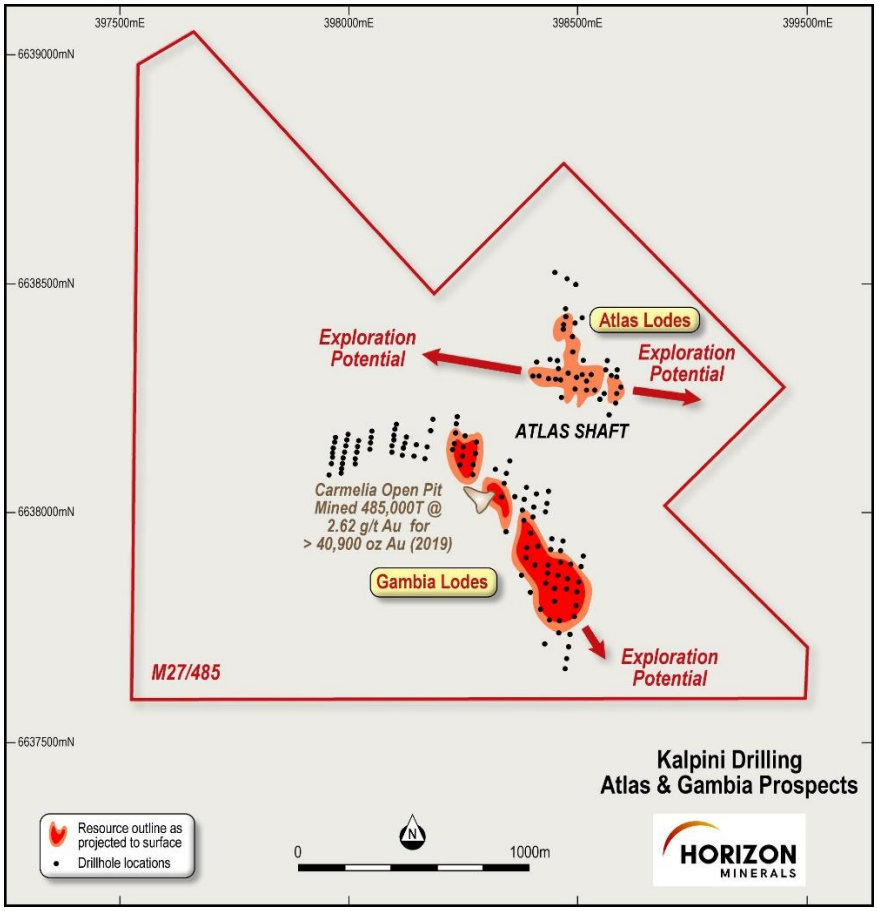

Figure 3: Deposit locations and exploration potential along strike

Mineral Resource and supporting information

The project comprises three deposits: Gambia, Camelia and Atlas which host a historic Mineral Resource (before depletion of 255,600oz Au at 1.7g/t Au. All deposits are open along strike and at depth providing exploration upside to known mineralisation (Figures 3, 4 and 5).

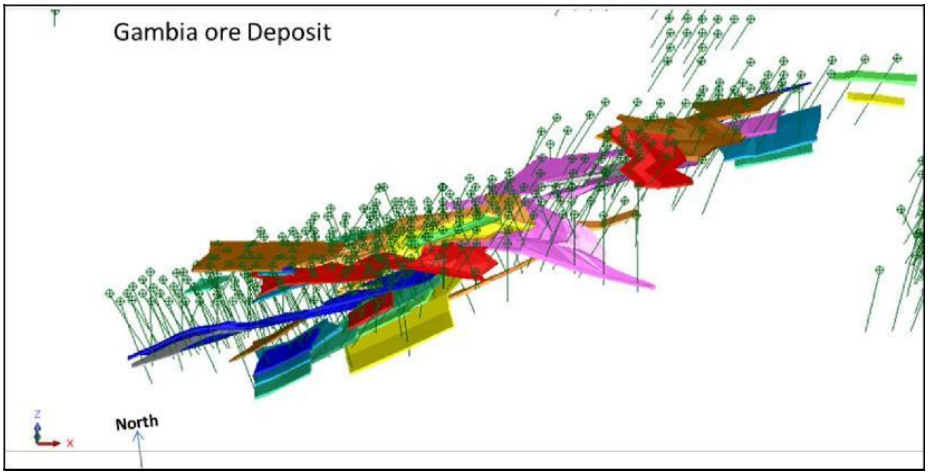

Figure 4: Oblique view of mineralised envelopes

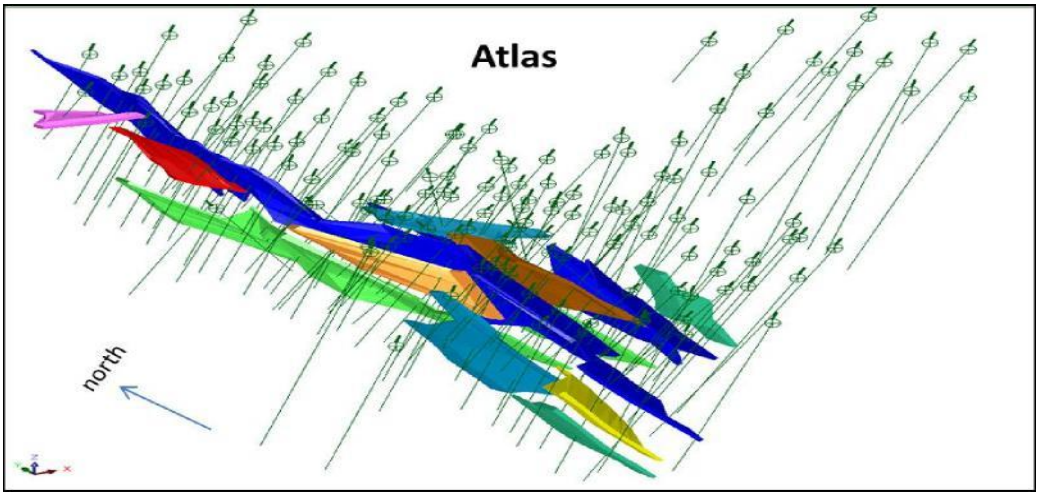

Figure 5: Oblique view of mineralised envelopes

A summary of the historic Mineral Resource estimate before depletion from mining (JORC 2004) is shown below at a 0.5g/t Au lower cut-off grade:

Project	Indicated			Inferred			Total Resource		
	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Gambia/Camelia	3.07	1.90	183,700	1.07	1.60	53,900	4.15	1.80	237,600
Atlas	0.17	1.30	6,900	0.30	1.20	11,100	0.47	1.20	18,000
TOTAL	**3.24**	**1.80**	**190,600**	**1.37**	**1.50**	**65,000**	**4.61**	**1.70**	**255,600**

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ASX recognises the potential conflict between the detailed reporting requirements in Chapter 5 of the Listing Rules, and an acquirer's obligation under Listing Rule 3.1 to disclose immediately information that a reasonable person would expect to have a material effect on the price or value of its securities. To address this potential conflict ASX has, in collaboration with ASIC and JORC developed disclosure requirements which allow resources reported by other entities to be reported in accordance with Listing Rule 3.1, notwithstanding that the acquiring entity (being Horizon), has not yet had sufficient opportunity to report the resources in accordance with Chapter 5 of the Listing rules. Accordingly, Horizon makes the below disclosure in accordance with Listing Rule 3.1.

This estimate, disclosed in a news release dated 16 July and 24 October 2012 issued by KalNorth Gold Mines Ltd ("KalNorth") and in the mineral resource statement (KalNorth Estimate) issued by KalNorth on the same date on pages 6 and 7, are stated to have been reported in accordance with the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 JORC Code) (KalNorth Announcement)

The KalNorth Estimate has been reported by former owner (being KalNorth – which then sold the project to a private consortium, NBT Metals) rather than Horizon. Ore Reserves were also reported by KalNorth on 20 March 2013 and these were mined out by NBT Metals in 2019 with reported production of 38,800oz. An updated resource statement has not been released and is part of the resource review being undertaken by Horizon in the December Quarter to update to JORC 2012.

The KalNorth Announcements dated 16 July, 24 October 2012 and 20 March 2013 are available at:

- 16 July 2012 – Resource update
- 24 October 2012 - Quarterly Report - September 2012
- 20 March 2013 - KalNorth announces Kalpini to be its second mine

and was reported under the 2004 JORC Code. Horizon has not yet undertaken sufficient work on the Kalpini project and the material assumptions underpinning the resource contained in the KalNorth Announcement to determine with sufficient confidence that the estimate conforms to the requirements set out in the 2012 JORC Code. However, Horizon has undertaken a detailed due diligence assessment including the following:

- A review of the exploration results underpinning the resource including the latest diamond drilling, which is set out in JORC Table 1, sections 1 and 2 of this announcement
- A review of the mine optimisation work undertaken by NBT Metals Pty Ltd subsequent to the release of the resource and reserve by KalNorth
- A review of the mining practises and actual dilution, mining recovery and reconciliation from the mining of Stage 1 of the Gambia open pit
- A review of the metallurgical performance of the ore through the processing plant
- A review of environmental, tenement status, native title, geotechnical, hydrogeology and site access work completed

Save for the information set out in the geology summary and actual mining and milling performance set out in this announcement, Horizon makes no comment on the reliability of the KalNorth estimates.

Competent Persons Statement

The information in this announcement that relates to exploration results is based on and fairly represents information compiled by Mr David O'Farrell, a competent person who is a member of the AusIMM. Mr O'Farrell is employed by Horizon Minerals Limited and has sufficient experience that is relevant to this style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr O'Farrell consents to the inclusion in this announcement of the matters based on his work in the form and

context in which it appears. Mr O'Farrell confirms that the information in this market announcement is an accurate representation of the available data for the Kalpini gold project.

References

1. KalNorth Gold Mine Limited announcement entitled "Total Gold Resource Now Exceeds 1Moz Following Substantial Kalpini Upgrade" dated 16 July 2012

2. KalNorth Gold Mine Limited announcement entitled "Quarterly Report September 2012" dated 24 October 2012

3. KalNorth Gold Mine Limited announcement entitled "KalNorth announces Kalpini to be its second mine" dated 20 March 2013

4. KalNorth Gold Mine Limited announcement entitled " Diamond drilling intercepts high grade gold mineralisation" dated 8 July 2015

Transaction Details

The Company has executed a binding Tenement Sale Agreement ("TSA") to acquire the mining lease and miscellaneous Licence for a total cash consideration of $2.75 million payable at settlement. Conditions precedent to settlement include:

- Consent of the Minister required under the Mining Act for the transfer of the tenements having been obtained
- The execution of any third party agreements required
- The provision of all mining information

Settlement of the transaction is expected in the current December Quarter 2020.

Approved for release by the Board of Directors.

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Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) where applicable and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements.

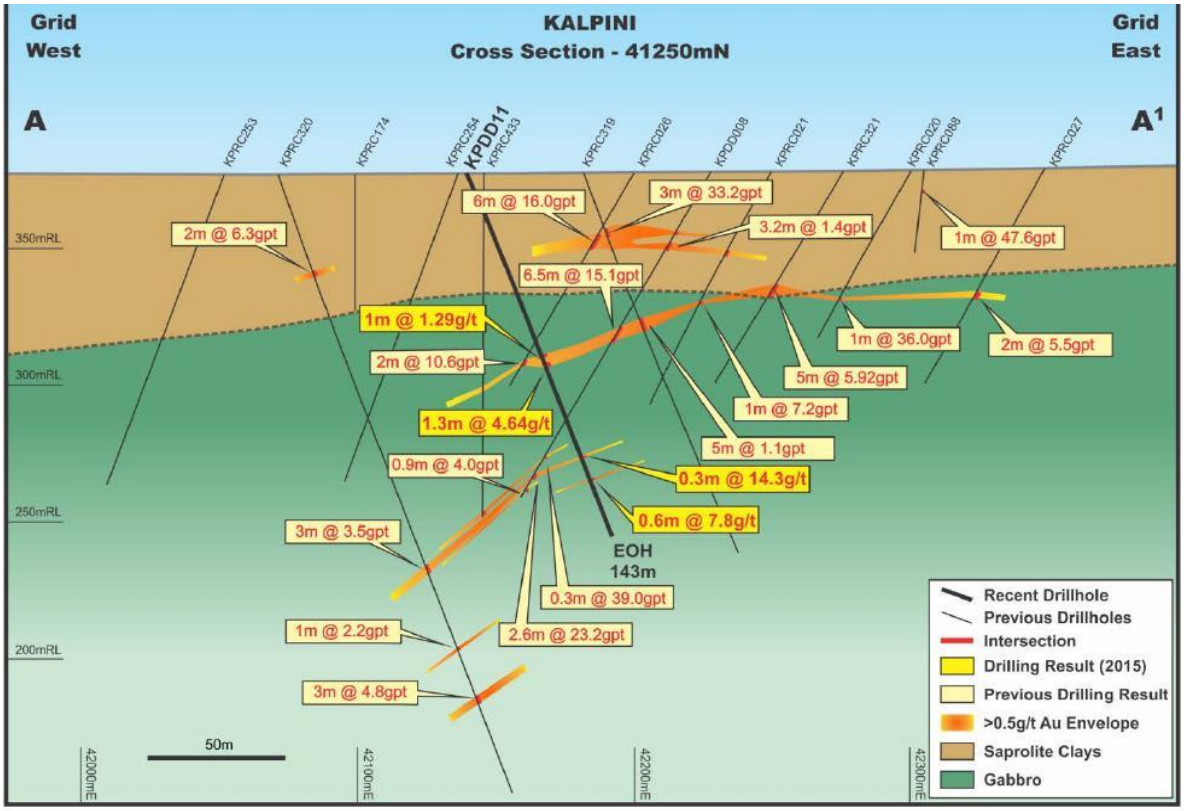

Figure 6: Results from the most recent diamond drilling program at Kalpini

Table 1: Kalpini Project- Significant Intersections (All gold intercepts >1.00 g/t gold)

Hole	Northing(m) (Mine Grid)	Easting(m) (Mine Grid)	Drill Collar RL (Mine Grid)	Dip (Deg.)	Azimuth (magnetic)	Final Hole Depth	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut
KPDD009	41550.71	42517.40	381.84	72	190	123	64.10	64.55	0.45	2.33
							93.40	94.56	1.16	1.52
KPDD010	41566.39	42624.52	383.08	62	190	133	80.0	81.1	1.10	2.13
KPDD011	41251.08	42139.34	377.56	67	010	143	72.0	73.0	1.0	1.29
							75.43	76.73	1.30	4.64
							112.1	112.4	0.30	14.3
							120.7	121.3	0.60	7.8
KPDD012	41202.04	42234.62	377.48	62	190	81	46.53	47.17	0.64	10.7
KPRCD371	41525.62	42503.34	381.00	60	190	122.5	117.55	119.0	1.45	15.2
						including	117.55	118.54	0.99	21.5

Note: Hole Co-ordinates in presented as Local Grid but acquired in MGA Grid GDA94 Zone 51 and transformed. Hole KPRCD371 was drilled in May 2012 to 94.6m. The hole was re-entered and drilled to 122.5m with NQ2 size diamond.

JORC CODE, 2012 Edition-Table 1 Report – Kalpini Project

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.*	• Five angled RC precollared diamond holes drilled totaling 508m. Diamond core holes drilled using NQ2 sized rods. Half core cut, and samples collected at varying intervals based on geological logging and sample length varied from a minimum of 0.31m to a maximum of 1m. Due to nature of the mineralisation intervals less than 1m intervals were collected through the interpreted ore zone and standard 1m length intervals sampled in geological intervals adjacent to the ore zone. Each drill hole location (Easting and Northing) was surveyed by Differential GPS by Cardno Surveys from Kalgoorlie. Detailed recording (logging) of collar, drilling, survey, lithology, and sample information was completed as necessary for each drill hole.
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).*	• Reverse Circulation (RC) drilling was used to complete precollars for each diamond drill hole by Raglan Drilling Contractors. RC face-sampling hammer bit achieved hole diameter size of 125mm (~5 inch). All samples were dry. Diamond core tails drilled using NQ2 sized bit and rods by Raglan Drilling (Kalgoorlie) using dedicated diamond drill rig.
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.*	• Core recoveries were measured at the drill site and also reconciled by the logging geologist at time of logging, then noted on the geological logging sheets. Overall core recovery ~100%. • Ensured all Diamond tails commenced in fresh rock to maximise core recoveries. • No relationship has been identified.

Criteria	JORC Code Explanation	Commentary
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.*	• Detailed logging of lithology, structure, mineralisation and recoveries recorded in each hole by qualified geologist with Archaean experience using KalNorth Gold Mines Ltd logging manual. Logging was peer reviewed by Exploration Manager • Geological logs are qualitative in nature. Photos of the core are taken for the entire hole. • Every hole was logged for the entire length.
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.*	• Half core cut and samples collected at varying intervals based on geology from a minimum of 0.31m to a maximum of 1m. • The sample preparation of the diamond drill core follows industry best practice, involving oven drying, crushing and pulverising. Samples analysed at Bureau Veritas laboratory in Kalgoorlie using gold analysis code FA001 and a suite of multielements using ICP-MS. • Along with core samples, standards and blanks were inserted (around every 10 samples) and were included in the laboratory analysis. Standards were certified reference material prepared by Geostats Pty Ltd. Blanks were also prepared by Geostats from historical RC drill residues. The company did not submit duplicate samples. Sample pulps and half core have been retained for each hole. Laboratory repeat, standard, blank and check sampling completed as standard procedure.
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 routinely analysed for gold using the 40gram Fire Assay digest method (code FA001 with an AAS finish at Bureau Veritas's Kalgoorlie Laboratory. • Gold intercepts calculated with primary Au gold values with Au1 repeat values excluded. • Quality control process and internal laboratory checks demonstrate acceptable levels of accuracy.

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 results have been reviewed in geological context and verified by alternative company personnel and external consultants No twin holes were drilled. • Geology and sample data was recorded on hard copy log sheets during logging in the company's Kalgoorlie yard using the KalNorth Gold Mines Ltd logging manual. Sample data was then loaded into the Company's DATASHED database and validation checks completed to ensure data accuracy. • There has been no adjustment to the 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.*	• Drill collars were surveyed using a Differential GPS by Cardno Surveys to cm accuracy and presented as both MGA and Mine grid co-ordinates. Down-hole surveys were completed at time of drilling using an electronic GyroSmart survey instrument provided by Downhole Surveys. • Grid System – MGA94 Zone 51. • Topographic elevation acquired by Cardno Survey as noted above to cm accuracy.
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.*	• Five RC precollared holes were drilled on selected 25m spaced sections. The holes were located on sections that had been previously drilled by predominantly reverse circulation methods since 2002 at a nominal 25m by 20m pattern. • No sample composting has been applied.
Orientation of data in relation to	• *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.*	• The trend of the gold mineralised structure has been well determined from exposures in the historical (1980's) open pit and from intersections in previous drilling. Each drill hole is orientated approximately perpendicular to the mineralized trend and holes dip at a range of 60-72 degrees.
Sample Security	• *The measures taken to ensure sample security.*	• Samples of the core were prepared, collected and personally delivered to the Laboratory by the Exploration Manager. Half drill core is retained at the Company's Kalgoorlie Yard.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling and analysis procedures are industry standard and all results of this drill program were reviewed by the Exploration Manager and Managing Director. No negative issues were identified during these reviews.

SECTION 2: REPORTING OF EXPLORATION RESULTS – Kalpini gold project

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 KALPINI PROJECT is located approximately 70 km north east of Kalgoorlie, Western Australia and is part of a package of three contiguous wholly owned tenements. The work described in this report was undertaken on Mining Lease 27/485 held 100% by KalNorth Gold Mines Limited. The tenement. The tenement encompasses the Kalpini mining operation which remains under suspension. The company signed a mining agreement in December 2012 with the Central East Native Title group. • The tenement is current and in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Modern exploration has been completed at Kalpini by KalNorth Gold Mines Limited since 2010 and has estimated a JORC 2004 Compliant resource of 4.6Mt grading 1.7gpt Au. • Kurnalpi Gold NL undertook exploration at Kurnalpi during the mid-1990. Kalpini is the site of the historical Atlas Shaft and associated a foundation which was mined during the turn of the century.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kalpini Project is located in the Eastern Goldfields Province of Western Australia and is hosted by Archaean age dolerite and gabbro. Gold mineralisation at the Gambia and Camelia 0.5m-2m) flat dipping brecciated arsenopyrite-sericite-carbonate quartz lodes within a narrow (1-2m) leucoxene-chlorite carbonate alteration envelope in the host dolerite/gabbro.

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*
	• *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.*
		• A summary of the diamond drilling referred to in this announcement is presented in Table 1 of the report and within Figures in this announcement.
		• No information has been excluded.
		• There is significant previous RC (2010-2013) drilling within the area of interest and these are depicted on the sections and drill hole plan in accompanying announcement

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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.*	• All report grades have been length weighted. High grades have not been cut. A lower cu off of 1gpt Au has been used to identify significant results. • Where present, higher grade values are included in the intercepts table and assay values equal to or > 1.0 g/t Au have been stated on a separate line below the intercept assigned with the text 'includes' • No metal equivalent values or formulas used.
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).*	• All results are based on down-hole metres. • Structural logging of the orientated drill core has confirmed the nature and geometry of the mineralisation and the geology is depicted in the figures attached to this announcement. • The geometry of the mineralised lode with respect to the drill hole is well constrained. • All holes have been planned such that downhole widths are very close to the actual 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.*	• Appropriate summary diagrams (cross section Figures 3&4 and plan Figures 1&2) are included in the accompanying 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 Exploration Results.*	• Significant assay results are provided in Table 1 for the five holes. • All target zone intercepts for all five holes have been reported for this drill program
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 relevant data has been included within this report.
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.*	• The recent drilling will be incorporated into and utilised to constrain an amended resource model focussing on the Gambia and Camelia zones. Additional shallow diamond drilling maybe completed upon completion of this model.