



ASX: EYM  
ASX ANNOUNCEMENT

24 October 2017

**ELYSIUM RESOURCES LIMITED ENTERS INTO BINDING AGREEMENT TO ACQUIRE PROSPECTIVE GOLD AND BASE METALS PROJECTS IN WA'S PILBARA AND PATERSON REGIONS**

Highlights:

- EYM has entered into a binding agreement pursuant to which it has conditionally agreed to acquire Hardey Resources Pty Ltd (**Hardey**).
- Hardey owns gold and base metal projects located in the Pilbara region of Western Australia, being the Bellary, Hamersley, Cheela and Elsie North Projects, covering 512km<sup>2</sup> of Fortescue Group Rocks, as well as the Grace Project located in the Paterson Province in Western Australia (together, the **Hardey Projects**).
- On completion, EYM will have a 100% ownership interest in Hardey and the Hardey Projects.
- Hardey's maiden exploration program to commence almost immediately targeting the conglomerate-hosted gold potential of Hardey's tenement portfolio, initially focussing at the Bellary Project.
- Exploration field crew currently mobilising to site to begin systematic quad bike-assisted soil and stream sediment sampling and prospecting across the Hardey Projects that outcrops within its tenement portfolio.
- Exploration will focus initially on the 46 sites of interest identified by Hardey's geologist that are located within the target stratigraphy of the Fortescue Group Rocks and, in some cases, supported by historic geochemistry gold anomalism.
- Hardey employed prospectors will be working in conjunction with EYM geological field team. Phase 1 of the program is expected to take 3-4 weeks to complete and significant results will be reported as they are received.

Elysium Resources Limited (ACN 115 593 005) (ASX: EYM) (**EYM or the Company**) is pleased to announce it has entered into a binding agreement (**Agreement**) pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in Hardey from its current shareholders (**Acquisition**).

The shareholders of Hardey are not associated with EYM or its existing Directors.

**Elysium Resources Limited**

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ASX has confirmed that the Acquisition will not constitute a change in the nature and scale of the Company's activities and accordingly ASX will not require EYM to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a condition to the Acquisition.

### **Outline of the Hardey Projects**

The Hardey Projects are located in WA as set out in Figures 1 and 2 of the Schedule.

The projects consist of:

Project ID	Region	Tenement ID	Status
Cheela	Ashburton	E08/2880	Granted
Bellary	Paraburdoo	E47/3578	Granted
Hammersley	Paraburdoo	E47/3827	Application
Elsie Creek North	Nullagine	E45/5020	Application
Grace	Telfer	P45/2905	Granted
Grace	Telfer	P45/2906	Granted
Grace	Telfer	P45/2907	Granted
Grace	Telfer	P45/2908	Granted
Grace	Telfer	P45/2909	Granted
Grace	Telfer	E45/4524	Granted

All of the Hardey Projects are prospective for gold and base metals. Elysium cautions investors that further work is required to confirm the gold-bearing nature of the prospective conglomerate sequences which have been identified within Hardey's tenure.

By way of background, in November last year, Hardey applied for an Exploration Licence covering 163km<sup>2</sup> of ground prospective for Witwatersrand-style conglomerate-hosted gold and high grade orogenic gold in the Paraburdoo region of Western Australia. Subsequent to the recent land rush in April – October this year (Figure 2), whereby Novo and other ASX listed entities pegged ground surrounding Hardey, the Hardey shareholders identified and pegged further licences resulting in a tenement package which comprises 512km<sup>2</sup> of Fortescue Group Rocks and the underlying Pilbara granite-greenstone terrain.

Subject to completion of the Acquisition, EYM will hold a significant tenement package that is prospective for Paleo-Placer "Witwatersrand-style" conglomerate-hosted gold mineralisation similar to the discoveries reported recently in the region by Novo Resources Limited (TSX-V: NVO) and Artemis Resources (ASX: ARV) at Purdy's Reward and OscarWits and, most recently, by De Grey Mining (ASX: DEG) at the Loudens Patch prospect.

The Novo/Artemis and, most recently De Grey discoveries, including a significant quantity of gold nuggets found at surface, are associated with a regionally extensive geological formation known as the Fortescue Group of rocks (**Fortescue Group Rocks**) which includes the lower "Hardey Formation" and the Mount Roe Basalt. Importantly, the Hardey Formation

have been mapped extensively throughout the Bellary Project tenements by the Geological Survey of Western Australia.

Schedule 1 sets out further information on the Hardey Projects.

Extensive sampling and prospector-supported exploration campaigns expected to commence almost immediately to target the Hardey Formation and other prospective conglomerate-hosted gold horizons associated with Fortescue Group Rocks, further details of which are set out in the "Highlights" section above.

### **Acquisition Terms**

A summary of the key terms of the Acquisition is set out below. The Agreement also contains warranties and indemnities granted by and to EYM, among other terms.

#### **1. Consideration**

Subject to satisfaction or waiver of conditions precedent to the Acquisition (summarised in section 2 below), in consideration for acquiring 100% of Hardey's shares, EYM has agreed to issue, the following securities to the shareholders of Hardey:

- (a) 277,777,777 fully paid ordinary shares in the capital of EYM (**EYM Shares**) (the **Initial Consideration Shares**), at a deemed issue price of \$0.009 per EYM Share;
- (b) 111,111,111 performance shares that each convert into one EYM Share (**Performance Shares**) upon the announcement to ASX by EYM of upon the announcement to ASX by EYM of delineation of an Inferred Mineral Resource (as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of at least 50,000 ounces of gold on the Hardey Projects within three years of their date of issue; and
- (c) 138,888,889 options to acquire EYM Shares with an exercise price of \$0.02 and expiry date 30 April 2020, being EYM's quoted option class ASX:EYMOC (**Listed Options**) (**Consideration Options**).

In addition to the above, EYM agrees:

- (a) to reimburse the shareholders of Hardey for expenditure spent on the assets in the amount of \$150,000;
- (b) Tom Langley will be appointed as exploration manager for EYM. He will also have an option to be appointed as a director of EYM at any time in the 12 months following completion of the Acquisition;
- (c) the Hardey shareholders will have a right to nominate one director to the Board of EYM. One existing director of EYM may also resign; and
- (d) following completion of the Acquisition, the Hardey shareholders will also have a right of first refusal, if EYM wishes to sell or transfer any shares in Hardey or sell an interest in any of the Hardey Projects to a third party.

## 2. Conditions Precedent

Completion of the Acquisition will be subject to the following conditions precedent:

- (a) EYM and Hardey receiving all necessary consents and approvals (including EYM shareholder and regulatory approvals) as are desirable or required in connection with the Acquisition; and
- (b) EYM having completed satisfactory due diligence on the business and operations of Hardey and on the Hardey Projects (at the sole discretion of EYM).

If the conditions precedent are not all fulfilled or waived by 31 December 2017 then any party may terminate the Agreement.

In accordance with condition (a) above, EYM will seek to obtain shareholder approvals relating to the Acquisition for the issue of the Initial Consideration Shares, Performance Shares and Consideration Options.

The Company is currently preparing an addendum to its notice of annual general meeting for the relevant shareholder approvals and will keep the market updated accordingly.

## 3. Additional terms

Contemporaneously with execution of the Agreement:

- (a) EYM was granted an exclusive dealing period so that due diligence can be completed on Hardey and the Hardey Projects. In consideration for this exclusivity EYM will issue 11,111,111 shares to the Hardey shareholders (**Exclusivity Shares**); and
- (b) EYM has agreed to proceed with a placement of 166,666,667 EYM Shares at an issue price of \$0.009, together with a one (1) for one (1) attaching Listed Options to sophisticated and professional investors (**Capital Raising**). EYM will progress with the Capital Raising in two tranches, with the first tranche of the Capital Raising to be completed immediately under EYM's existing placement capacity and the second tranche (along with the attaching Listed Options) following the receipt of EYM shareholder approval.

### *Effect of Acquisition on Capital Structure*

The impact on the EYM capital structure is set out below:

Structure	Shares	Percentage Ownership	Listed Option class EYMOC
EYM Existing Shares	449,073,966	49.64%	
Exclusivity Shares	11,111,111	1.23%	
Capital Raising	166,666,667	18.42%	83,333,333
Shares/Options Consideration – Hardey shareholders	277,777,778	30.71%	138,888,889

<b>SUB-TOTAL</b>	<b>904,629,522</b>	<b>100.00%</b>	<b>222,222,222</b>
Performance Shares – Hardey shareholders	111,111,111		
<b>TOTAL</b>	<b>1,015,740,633</b>		

EYM's Executive Director, Terence Clee, said: "This deal elevates Elysium into the Pilbara as a genuine explorer with a highly prospective tenement portfolio and experienced management team. The work undertaken by Hardey as a first mover in the Pilbara gold rush has positioned the company well with high quality gold projects prospective for conglomerate-hosted gold and high grade orogenic gold, following in the footsteps of Novo Resources."

Elysium cautions investors that further work is required to confirm the gold-bearing nature of the prospective conglomerate sequences which have been identified within Hardey's tenure.

**For further information, please contact:**

**Investors:**

Sarah Smith  
Company Secretary  
+61 8 6381 0054

**ABOUT ELYSIUM RESOURCES:** Elysium Resources (ASX: EYM) is a publicly listed, junior mineral resources company focused on the exploration and development of key demand-driven commodities. The Company's current core focus is the Burruga Copper-Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western New South Wales. The Burruga Project consist of three contiguous exploration licences (EL6463, EL6874 and EL7975) and one exploration licence application (EL5454) covering a total area of approximately 221km<sup>2</sup>. Elysium is engaged in active and ongoing exploration programs at Burruga, with the aim of discovering a valuable mineral resource and delivering shareholder value. The Company also seeks to pursue other value accretive project opportunities.

**Disclaimer and Competent Person Statement**

**COMPETENT PERSON'S STATEMENT:** The information in this announcement that relates to Exploration Results complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr Bill Oliver, a consultant to Hardey Resources Pty 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. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measures as detailed in Appendix 2.

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are

subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which EYM operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside EYM's control.

EYM does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of EYM, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by EYM. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

SCHEDULE 1 – FURTHER INFORMATION ON THE HARDEY PROJECTS

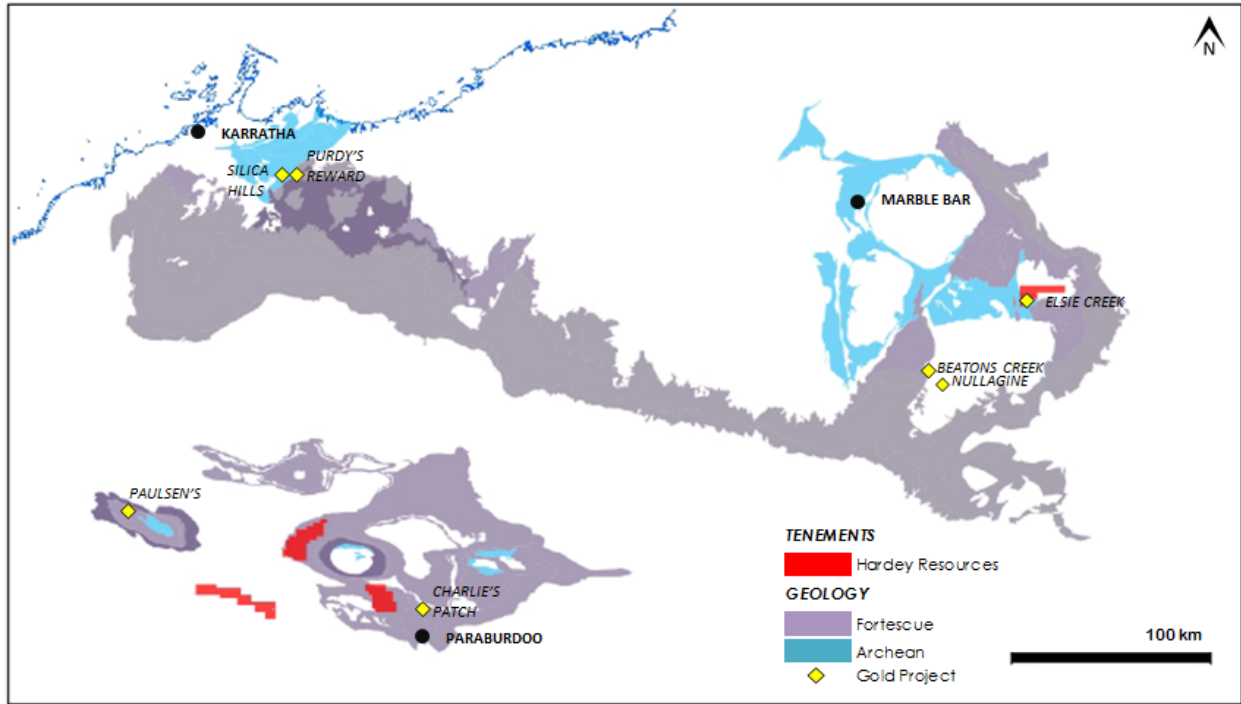


Figure 1. Prospective regional geology and tenure.

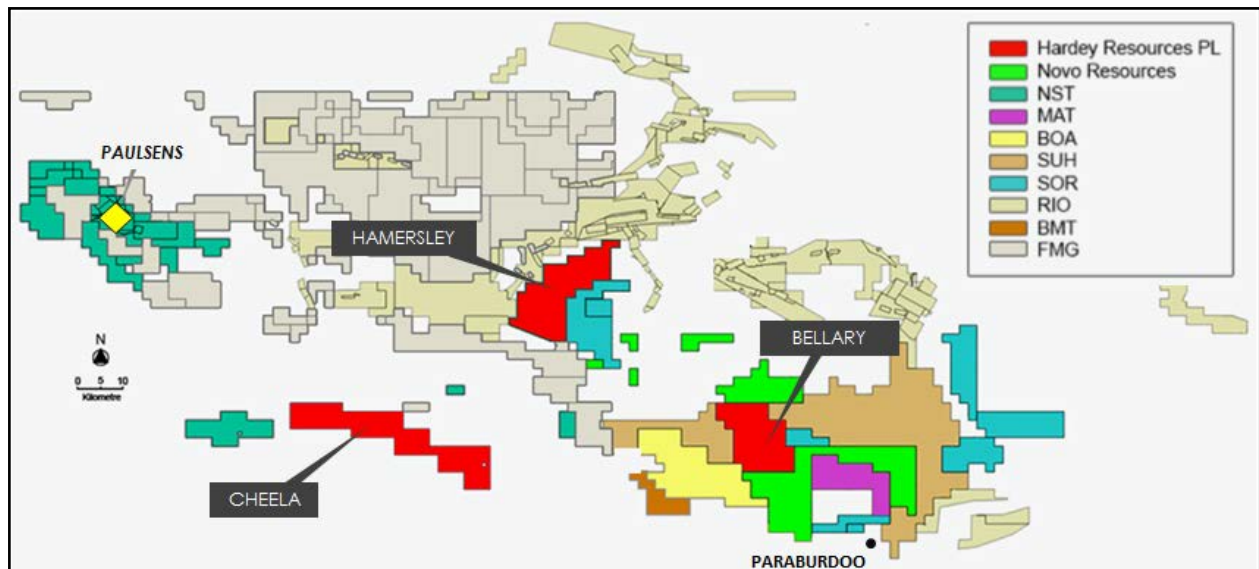


Figure 2. Project locations and tenure shown in red.

Limited historical exploration has been undertaken within the Bellary Project, with previous exploration focussed on nickel, PGE's and iron ore. Work done by Forsayth Limited, in 1989, recorded a 3.6g/t and 2.81g/t at two separate locations in stream sediment samples from heavy mineral trap sites, approximately 3km apart, (detailed in WAMEX report A30954; refer Figure 3, Appendix 1). A total of 219 samples were taken in the programme with 24 of these returning results greater than 10ppb Au. Data from other exploration activities in and around the tenement area, including geochemical surveys, is being compiled and reviewed as part of the initial assessment of the Bellary Project's tenement.



Sites that are in close proximity to the Bellary Project where alluvial gold nugget occurrences have been reported; include the recorded Paraburdoo NNW site (MINEDEX S0029257) and by Matsa Resources (ASX: MAT announcement 5 Oct 2017), (Figure 3).

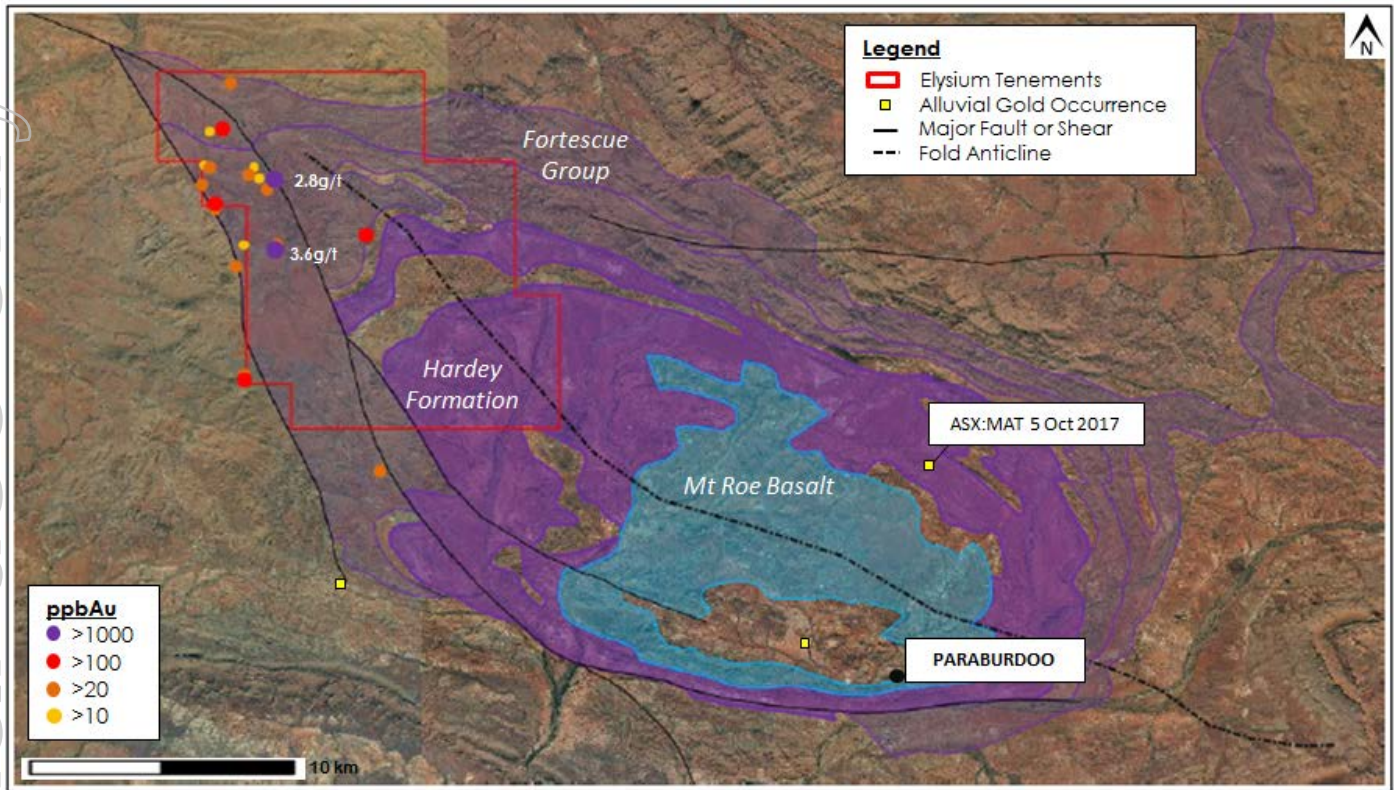


Figure 3. Historic sampling > 10ppb Au at the Bellary Project (Appendix 1).

The increasing recognition of extensive conglomerate-hosted gold across the entire Pilbara region at several different horizons within the Fortescue Group Rocks is, in EYM's' view, confirming the long recognised potential for Witwatersrand-style gold in the area. It is worth noting that gold in the age-equivalent Witwatersrand Basin of South Africa occurs mostly within the middle part of the 6km thick sedimentary sequence (as opposed to the basal units) mostly as fine to coarse gold associated with carbon seams as well as the characteristic "watermelon seed" nuggets.

In the East Pilbara, gold-bearing conglomerates were first recognised and mined 130 years ago in the Beatons Creek area and form part of the Hardey Formation in the lower to middle parts of the Fortescue Group Rocks. Novo has been exploring the Beatons Creek area with two geological models being, that of conglomerate-hosted gold, and high grade orogenic gold. Elysium will use the work done by Novo, Artemis and De Grey to understand the complex mineralisation controls and minimise exploration risk in doing so.



## Appendix 1

Table 1. Stream Sediment samples >10ppb Au taken by Forsayth Limited, 1990.  
Surrender Report, Exploration Licence E47/482 (WAMEX Report A30954) – Bellary Project

Sample ID	Sample Type	AGD_84 Easting	AGD_84 Northing	Au ppb
CKS2211	Heavy Mineral Trap Site	545500	7454600	3600
CKS1477	BLEG	545500	7457500	2810
CKS2245	Heavy Mineral Trap Site	543500	7459600	263
CKS2253	Heavy Mineral Trap Site	549000	7455200	242
CKS2302	Heavy Mineral Trap Site	544310	7449200	227
CKS2168	Heavy Mineral Trap Site	543200	7456500	191
CKS2210	Heavy Mineral Trap Site	545600	7454800	84.8
CKS2303	Heavy Mineral Trap Site	544300	7449400	70.2
CKS2178	Heavy Mineral Trap Site	544000	7453900	61.8
CKS2160	Heavy Mineral Trap Site	543000	7458000	61.1
CKS2278	Heavy Mineral Trap Site	549500	7445400	58.7
CKS2169	Heavy Mineral Trap Site	543200	7456300	50
CKS2165	Heavy Mineral Trap Site	542700	7457300	47.8
CKS2241	Heavy Mineral Trap Site	544500	7457700	37.5
CKS1702	BLEG	543800	7461500	28.4
CKS2239	Heavy Mineral Trap Site	545200	7457100	24.9
CKS1469	BLEG	543000	7459500	14.7
CKS1475	BLEG	544900	7457550	14.1
CKS2315	Heavy Mineral Trap Site	0	0	12.5
CKS2313	Heavy Mineral Trap Site	0	0	12
CKS2177	Heavy Mineral Trap Site	544300	7454800	11.9
CKS2242	Heavy Mineral Trap Site	544700	7458000	11
CKS2159	Heavy Mineral Trap Site	542800	7458100	10.6

## Appendix 2

The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Bellary Project.

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"><li>• <i>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.</i></li><li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li><li>• <i>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.</i></li></ul>	<ul style="list-style-type: none"><li>• Stream sediment sampling were taken from suitable sites within drainage systems in the tenement area, refer to WAMEX report A30954 (Forsayth Limited).</li><li>• 2kg of -2mm sediment were collected at each BLEG site and 1kg of -2mm was collected from each heavy mineral trap site as reconnaissance sampling (43 sites). Following this the heavy mineral trap site at a further 176 sites were sampled (WAMEX A30954).</li><li>• Based on reported sampling protocols industry standard practices for stream sediment, soil and rock chip sampling were followed (refer to WAMEX report – A30954).</li></ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"><li>• <i>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).</i></li></ul>	<ul style="list-style-type: none"><li>• Not applicable as no drilling undertaken.</li></ul>

Criteria	JORC Code explanation	Commentary
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable as no drilling undertaken.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable as no drilling undertaken.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• The sample is sieved to the desired fraction in the field; ensuring adequate sample is collected for analysis</li> <li>• The entire field sample was submitted to the laboratory for preparation (crushing / pulverising) prior to any sub sampling</li> <li>• During the reconnaissance stream sampling several duplicate samples were obtained and two samples from the laboratory round robin analytical check program run by GEOCHEMEX (sample B &amp; C) were submitted as standards.</li> <li>• Refer to WAMEX report A30954</li> <li>• Sampling is appropriate for this early stage of exploration.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory</li> </ul>	<ul style="list-style-type: none"> <li>• Stream sediment samples were analysed by Analabs, a quality certified independent laboratory.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>procedures used and whether the technique is considered partial or total.</i></p> <ul style="list-style-type: none"> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Analysis for Au, Pt and Pd used fire assay Pb collector; Ag, Cu, Zn, Pb, Ni, Co was by multi-acid digestion and AAS; As and Sb was by XRF pressed powder discs and Bi was by ICP-MS. Refer to WAMEX report A30954.</li> <li>Standards and laboratory checks have been assessed. Most of the standards show adequate precision and repeatability. Refer to WAMEX report A30954.</li> <li>These assay methods are considered appropriate for the metals being investigated.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No verification has been completed at this stage of the project development.</li> <li>Primary information was recorded in the field. Information reported in this announcement is based on data submitted as part of statutory reporting (WAMEX A30954) and has been cross-checked against topographic, cadastral and geological mapping.</li> <li>The company has not adjusted any assay data</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Stream sample locations digitised from location plans in historic reports (Refer to WAMEX A30954). Accuracy is therefore +/- 20m and initial field work will seek to confirm sampling locations and increase the precision by which they are located.</li> <li>Data collected in AGD84 Zone 50 and has been converted to MGA94 Zone 50 for usage going forward.</li> <li>Topographic control is provided by publically available data and is fit for purpose.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing</li> </ul>	<ul style="list-style-type: none"> <li>Data spacing used for stream sediment samples is dictated by drainage systems and is relatively wide spread, indicating the first pass nature of this survey.</li> <li>Sampling method inappropriate for determining grade of mineralised system (if any).</li> <li>No compositing has been applied</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>has been applied.</i>	
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Stream sediment sampling does not give an indication of the orientation of the mineralised system.</li> <li>Exploration is at too early a stage to determine orientation of key mineralised zones and therefore assess the orientation of sampling</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Refer WAMEX Report A30954.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Refer WAMEX Report A30954.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The sampling reported in this document is within E47/3578, which is an exploration licence under application.</li> <li>The tenement is located approximately 30km NW of Paraburdoo, WA.</li> <li>Title is registered in the name of Topdrill Pty Ltd.</li> <li>The exploration licence is within an area of Native Title claimed land by the Yinhawangka Claimant Group.</li> <li>At the time of this Statement the exploration licence application complies with all requirements. To the best of the Company's knowledge, should the application be granted, there are no impediments to the Company's operations within the tenement other than industry standard permits to operate and access requirements</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>This report refers to data generated by Forsayth Limited (refer to WAMEX report A30954).</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Sediments prospective for conglomerate-hosted gold.</li> <li>Orogenic hosted gold.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all</li> </ul>	<ul style="list-style-type: none"> <li>No drilling was carried out at the Bellary Project.</li> <li>All geochemical data is included in Appendices 1 and 2.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>Material drill holes:</p> <ul style="list-style-type: none"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> </ul> <ul style="list-style-type: none"> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable as no drilling undertaken.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable as no drilling undertaken.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery</li> </ul>	<ul style="list-style-type: none"> <li>• Maps and appropriate plans are included in this announcement.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Of the total 219 stream sediment samples taken by Forsayth Limited (1990, WAMEX A30954); all results greater than 10ppb Au from A30954 have been shown in Table 1 and plotted on Figure 3.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Open file data including historical exploration reports by companies listed below will be reviewed as part of the evaluation of the Bellary Tenement:  CRA Exploration Pty Ltd  St Francis Mining NL  Outokumpu Exp Aust Pty Ltd  St Francis Mining NL  Bacome Pty Ltd  Winterfall Pty Ltd  AusQuest Ltd  Fortescue Metals Group</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>As detailed in this announcement.</li> </ul>