

**GRACE GOLD PROJECT MAIDEN JORC RESOURCE****Highlights:**

- **Potential for up to 186,000 ounces of contained gold** at the Grace Project based on Inferred Mineral Resource and Additional Exploration Target (upper estimate)
- **Maiden Inferred Mineral Resource** of 1.59Mt at a grade of 1.35g/t for **69,000 contained ounces of gold**
- **Additional Exploration Target** of between 2.2 and 2.8 Mt at a grade between 0.9 and 1.3 g/t has been defined for a further **64,000 and 117,000 contained ounces of gold**
- **Heritage surveys scheduled for early April**
- **Geophysical contractor engaged** for extensive Induced Polarisation (IP) survey
- **Drill tender in progress** for upcoming programs

**Terence Clee, Hardey Resources Executive Director, commented:**

*"The maiden Inferred Mineral Resource is the first step in building a robust economic gold resource at Grace. The resource modelling has allowed for efficient drill planning for the upcoming drill programs to ensure targeting of the most critical areas to rapidly expand the Mineral Resource. The technical team have been diligently working with the necessary third parties to fast-track the on ground work that will deliver the most value for the company and our shareholders."*

**Hardey Resources Limited ("Hardey" or "the Company") (ASX: HDY)** is pleased to announce a maiden Mineral Resource at the 100% owned Grace Project in the Telfer Region of Western Australia. The Mineral Resource comprises 1.59Mt at a grade of 1.35g/t for 69,000 contained ounces of gold (all in the Inferred category, refer Appendix 1).

The Mineral Resource estimate has been carried out on a portion of the mineralised zone at Grace (1,140m strike length of a total strike length of 4,130m) where drilling is at an adequate spacing, and uses appropriate techniques (RC and diamond core) to support the estimate. The remainder of the mineralisation is delineated by RAB drilling and wide spaced RC and diamond core drilling.

The Mineral Resource is open along strike and at depth, and does not incorporate the results of the recent review completed by Hardey Resources which indicated the potential for high grade mineralisation to be controlled by flat lying; NW dipping structures (refer ASX Announcement 23<sup>rd</sup> January 2018).

In addition to the Mineral Resource an Exploration Target of between 2.2 and 2.8 Mt at a grade between 0.9 and 1.3 g/t has been defined (Appendix 1). This corresponds to a potential content of between 64,000 and 117,000 ounces of gold, though it should be noted that the tonnage and grade of the Exploration Target is conceptual, that there is insufficient exploration in the area of the Exploration Target to estimate a Mineral Resource and it is uncertain if future exploration will result in the estimation of a Mineral Resource. The Exploration Target is based on mineralisation intersected in both near surface RAB drilling and deep diamond drilling.

The copper mineralisation observed in drilling at Grace has not been modelled due to insufficient data spacing. Further drilling is anticipated to enable copper-bearing zones to be more accurately correlated with lithological or structural information and accordingly enable this to be incorporated in any future Mineral Resource estimations.

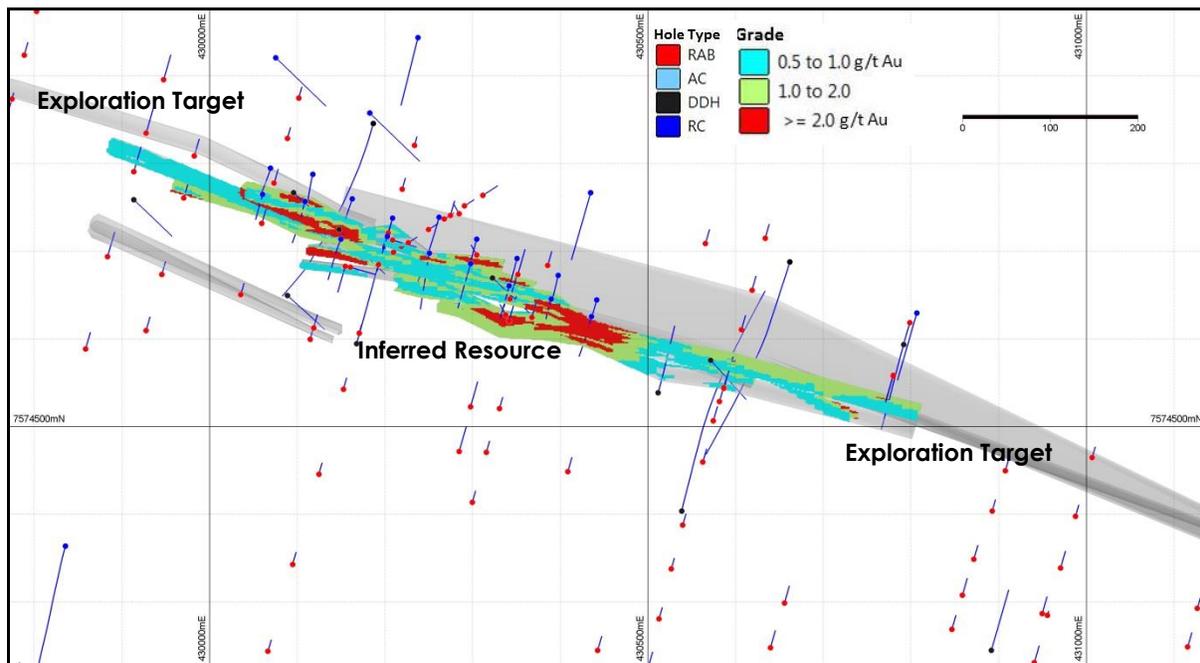
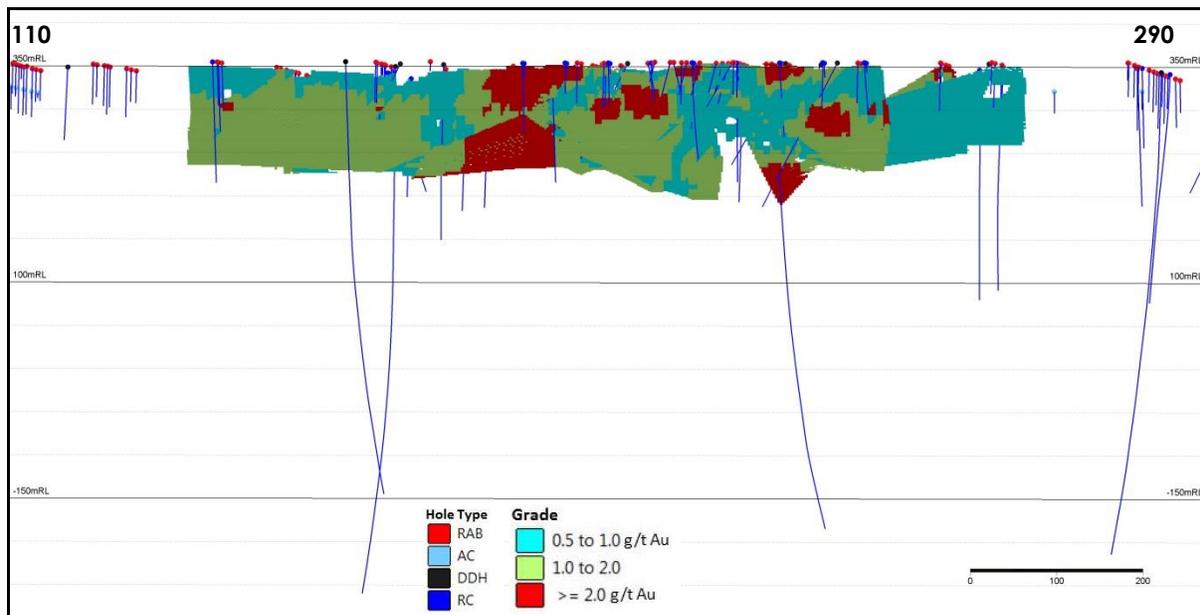
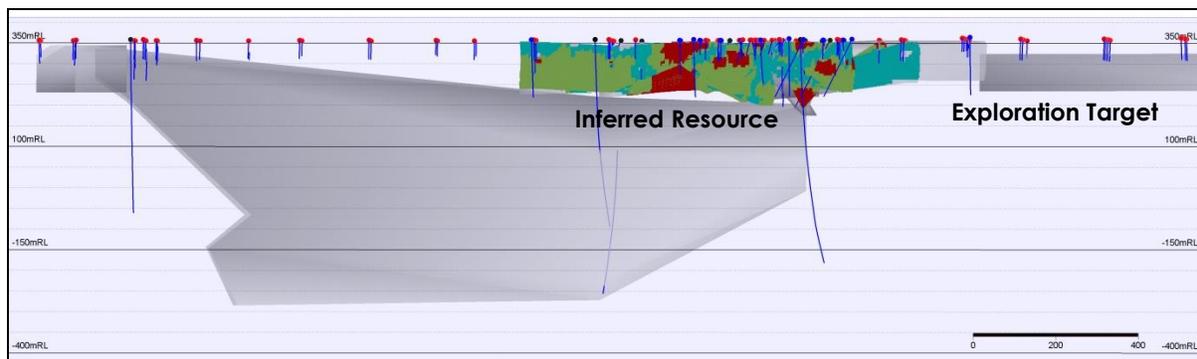


Figure 1. Plan view of the Mineral Resource Estimate at Grace



**Figure 2.** Long Section view of the Mineral Resource at Grace from the NE



**Figure 3.** Long Section view of the Mineral Resource and Exploration Target at Grace.

### Grace Gold Project - Overview

The Grace Project area is located approximately 25 km southeast of the Telfer gold mine in Western Australia and consists of a sub-greenschist facies regional stratigraphic sequence of quartz rich sandstones and interbedded siltstone/dolomite units of the Malu and Isdell Formations. Hydrothermal breccias cut the layered stratigraphy and gold mineralisation is associated with quartz-dolomite-pyrite veins and hydrothermal breccias. Highly altered metasomatised dolerite intrusives, occur locally throughout the project area and play an important role in overall fluid architecture and ultimately gold deposition.

Grace oxide mineralisation is variably open along strike and at depth associated with shallow dipping en-echelon stacked vein sets and a large vertical stockwork of hydrothermal breccias along the Grace-Bemms shear. At the Grace deposit high grade primary gold remains open in all directions and the relationship for further high grade copper mineralisation remains prospective. Drilling is generally shallow and any deeper drilling is broad spaced – resulting in the data suffering from ‘information effect’ as many holes stop within the mineralised zone at Grace and the deeper drilling is insufficient to have adequately tested the continuity of gold mineralisation at depth.

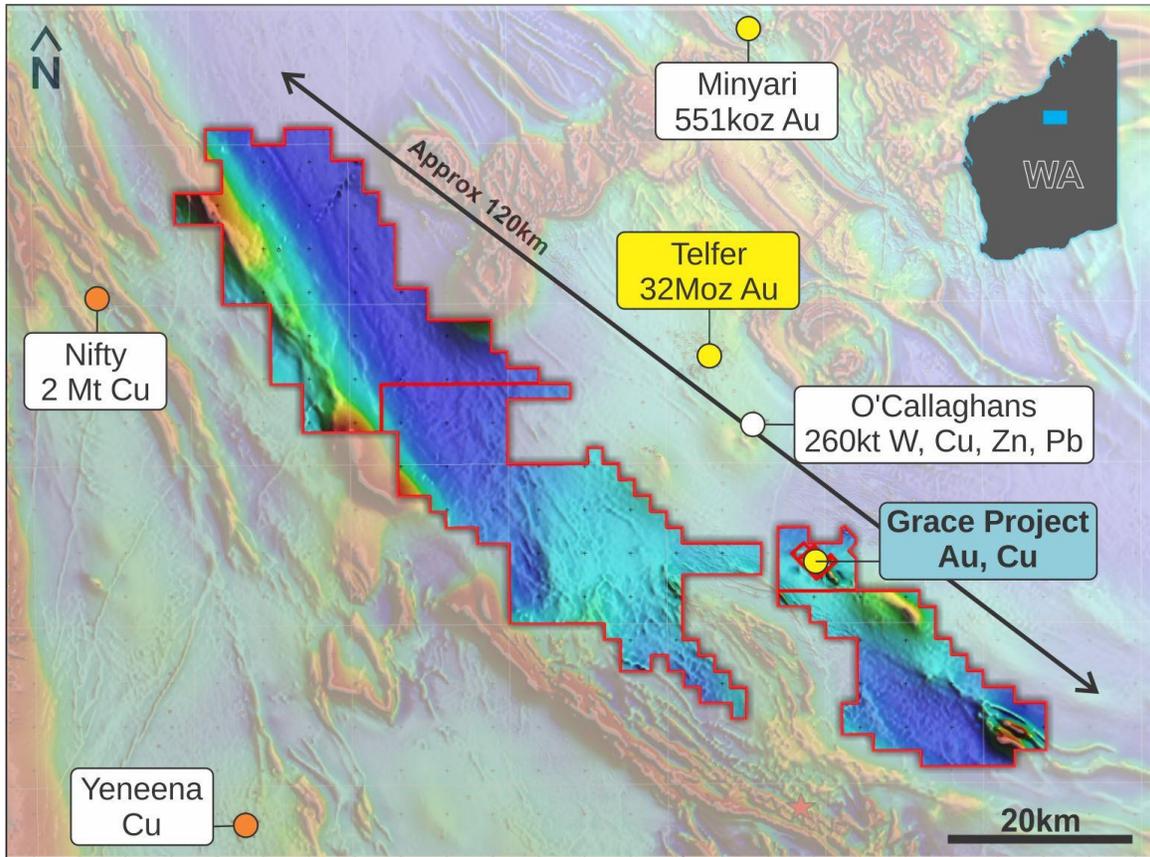
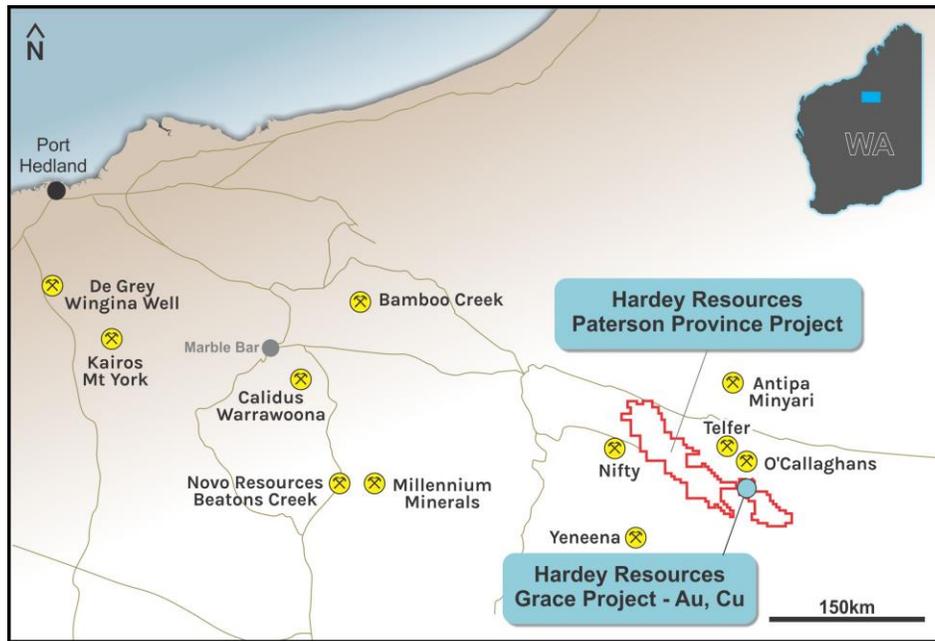


Figure 1. Hardey's Telfer District tenements identifying major deposits and mines overlaid with Regional Magnetics Image.

For further information, please visit [www.hardeyresources.com.au](http://www.hardeyresources.com.au) or contact:

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### ABOUT HARDEY RESOURCES:

Hardey Resources (ASX:HDY) is a publicly listed, junior mineral resources company focused on the exploration and development of gold and copper projects. Hardey has aggregated a diversified portfolio of assets that are at multiple stages, commodities and jurisdictions. The Grace Gold Project located in the world class Paterson mineral province in Western Australia consists of one granted exploration licence and five granted prospecting licences (E45/4524, P45/2905, P45/2906, P45/2907, P45/2908, and P45/2909) with additional applications pending (E45/5130, E45/5131, E45/5132). The Burraga Copper-Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western New South Wales consists 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>. The Company also has an extensive landholding prospective for Pilbara conglomerate-hosted gold in Western Australia, with three exploration licences (E47/3578, E47/3827, and E45/5020). Hardey is an active explorer with the aim of discovering a valuable mineral resource and delivering shareholder value.

### Disclaimer and Competent Person Statement

**COMPETENT PERSON'S STATEMENT:** The information in this announcement that relates to Mineral Resources and 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 Mineral Resources and 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 Hardey 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 Hardey Resources (HDY) control.

The Company 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 HDY, 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 HDY. 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.

#### Appendix 1. Mineral Resource Statement for the Grace Project.

Class	Type	Tonnes (Mt)	Au (g/t)	Ounces (koz)
Inferred	Oxide / Transitional	1.59	1.35	69
	<b>TOTAL</b>	<b>1.59</b>	<b>1.35</b>	<b>69</b>
Exploration Target	Oxide / Transitional	0.6 – 1.0	0.9 -1.3	18 - 41
Exploration Target	Fresh	1.6 – 1.8	0.9 -1.3	46 - 76
	<b>TOTAL</b>	<b>2.2 – 2.8</b>	<b>0.9 -1.3</b>	<b>64 - 117</b>

The Mineral Resource Estimate was completed using the following parameters:

- The Mineral Resource extends over a strike length of 1,140m (striking to 110) and is between 50 and 140m across (210 – 030). The Mineral Resource extends up to 140m vertically below surface (160m down dip).
- The Mineral Resource represents a portion of a mineralised zone defined by drilling to extend for 4,130m along strike and up to 500m vertically below surface (550m down dip). The portion selected to be classed as a Mineral Resource is that where RC and

diamond drilling have been completed at an adequate spacing, with the balance representing an Exploration Target.

- Mineralisation is hosted in a steeply dipping stratabound package adjacent to the Bemm Shear, which is oriented to the WNW, and current interpretations indicate that shallow to moderate NW-dipping lodes occur within this package.
- 524 holes have been drilled at the Grace Project for a total of 47,509m. Of these 110 drillholes were used in the resource estimate for a total of 11,465m of drilling. All drilling was completed by Newcrest.
- Drilling utilised in the resource estimate was carried out on sections spaced approximately 50m apart, with drilling elsewhere completed on sections approximately 200m apart. Holes were drilled predominantly to direction 016 or 196 (perpendicular to the strike of the deposit).
- RC drilling was sampled via face sampling hammer, collected by a rig mounted cyclone on 1m intervals and split using a riffle splitter. Diamond core drilling sampled NQ core by splitting the core in half, with 1m intervals used unless adjusted for geological intervals.
- Samples were analysed at commercial laboratories (ALS, Amdel, Genalysis) using fire assay, AAS and ICP-OES.
- Quality control protocols included the use of certified reference materials (CRMs), blanks and duplicates.
- All drillholes were surveyed in either local grid or AMG. As part of the Mineral Resource estimation the local grid conversions were created from scratch to ensure that collar coordinates have acceptable precision.
- Geological domains were constructed using, on average, a 0.3g/t gold cut-off grade.
- 11 wireframe solids were constructed based on the geological interpretation. Samples within the wireframe were composited to 1.0m intervals.
- Block grades were estimated using interpolation of the 1m composite data by the Inverse Distance squared method. An ellipsoidal search of 50m with a minimum of 4 samples and maximum of 28 samples was used.
- A Surpac block model was used for the estimate with a block size of 10m E by 5m N by 5m RL.
- Bulk density values used for mineralisation was 2.0. These were sourced from historical reporting and are conservative when compared to values used to estimate Mineral Resources at the adjacent Telfer Deposit.
- The deposit has been classified as an Inferred Mineral Resource based on data quality, sample spacing, and geological interpretation.
- Significant factors that should be addressed to increase confidence in the Mineral Resource include additional drilling and twinning/confirmation of historical holes, density measurements, and more detailed QA/QC and geostatistical studies.

These notes should be read in conjunction with the information detailed in Appendix 2.

**Appendix 2.** The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Mineral Resources for the Grace Project.

*Section 1 Sampling Techniques and Data*

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. 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</li> </ul>	<ul style="list-style-type: none"> <li>RAB, RC, and diamond core drilling completed by Newcrest Mining Limited (<b>Newcrest</b>) along with rockchip sampling and geophysical surveys.</li> <li>RAB drilling (BR, GPB prefixes) sampled on 2m intervals</li> <li>RC drilling (GR, GRC04 prefixes) sampled on 1m intervals</li> <li>Aircore drilling (GA prefix) sampled on 1m and 4m intervals</li> <li>Diamond drill holes (BMC, GPC, GC prefixes) – recovered core normally sampled on 1m intervals except where adjusted for geological features.</li> </ul>

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Criteria	JORC Code explanation	Commentary
	submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>RAB drilling inclined and drilled to blade refusal</li> <li>DDH drilling inclined, mostly using HQ core size</li> <li>RC drilling using standard equipment.</li> <li>AC drilling inclined and vertical, to blade refusal</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>For RAB drilling acceptable recovery assumed as no poor recovery recorded in logs or discussed in text. Not material assumption given follow up drilling has been completed.</li> <li>For DDH drilling recovery was recorded for each interval including intervals of poor recovery. Reports note that steps were taken (increasing core size) to improve recoveries after the initial DDH holes.</li> <li>RC drilling returned acceptable recoveries.</li> <li>No relationship observed between sample recovery and mineralised intersections.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Geological logging completed on a 2m basis for RAB holes and 1m for RC holes including lithology, alteration, weathering/oxidation and other key parameters. Both qualitative and quantitative logging utilised.</li> <li>Historical diamond drilling (BMC, GPC series) logged in detail using graphic logs which are included with historical reports. More recent diamond drilling logged using Newcrest logging codes to geological intervals.</li> <li>All logging was compiled into Newcrest codes and information available from surrender report.</li> <li>Logging would be in sufficient detail to support a MRE once compiled and standardised.</li> <li>100% of all metres drilled has been logged.</li> </ul>
Sub-sampling techniques	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core</li> </ul>	<ul style="list-style-type: none"> <li>RAB sampling completed on 2m composites (assumed not split).</li> <li>Diamond core samples taken by slabbing core in half with</li> </ul>

Criteria	JORC Code explanation	Commentary
and sample preparation	<p>taken.</p> <ul style="list-style-type: none"> <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>	<p>one half sent for analysis. Core normally sampled on 1m intervals except where adjusted for geological features</p> <ul style="list-style-type: none"> <li>• RC sampling completed by riffle splitting each 1m interval. From 1996 onwards a four metre composite samples was also taken and submitted as a preliminary indicator of mineralisation, with corresponding 1m samples then submitted for those intervals containing mineralisation.</li> <li>• Aircore sampling completed by collecting a 4m composite sample. 1m samples were then collected and submitted for intervals returning mineralisation.</li> <li>• All samples believed to be representative except for rockchip samples which by their nature are selective.</li> <li>• QA/QC protocols detailed below, based on review of reports they are deemed to be industry standard and appropriate.</li> <li>• Laboratory duplicates (sample preparation split) were also completed to assess the analytical precision of the laboratory. Acceptable level of repeatability and precision has been noted.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack</li> </ul>	<ul style="list-style-type: none"> <li>• Samples were sent to ALS, Amdel and Genalysis Laboratories, industry accepted and recognised commercial laboratories.</li> <li>• RAB samples were assayed at ALS for Au by fire assay (method PM209) and Cu, Pb, Zn, As, Co, Bi by AAS (method G001 AAS).</li> <li>• DDH samples from 1992 (BMC, GPC series) were sent to ALS and analysed for Au, Cu, Pb, Zn, As, Ni, Co, Bi</li> <li>• DDH samples from 2004 (G04 series) were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Bi, Te, W, As, Co, Cu, K, Mo, Na, Ni, Pb, S, Sn, Zn by AAS (AT/OES).</li> <li>• DDH samples from 2005 (GC05 series) were sent to Amdel and analysed for Au by fire assay and As, Ca, Cu, K, Mg, Na, Pb, S, Zn, Bi, Co, Mo, Ni, Sn, and W by ICP.</li> <li>• 1992 RC samples were sent to ALS and analysed for Au and Cu only</li> <li>• RC samples from 1996 - 2000 were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Cu, As, Pb, Bi by AAS.</li> <li>• RC samples from 2004 were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Bi, Te, W, As, Co, Cu, K, Mo, Na, Ni, Pb, S, Zn by AAS (AT/OES).</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>of bias) and precision have been established.</i>	<ul style="list-style-type: none"> <li>Aircore samples were sent to Genalysis and analysed for Au by AAS with carbon rod finish (method B/ETA) and Cu, As, Pb, Bi by AAS.</li> <li>The laboratory inserted its own standards and blanks and completed its own QAQC for each batch of samples. For the Genalysis samples checks on the analysis method were also done by analysing selected samples by fire assay. No significant discrepancies were noted save for the 2004 drilling (GC, GRC004 series) where significant upgrade was noted in the fire assay results.</li> <li>Certified Reference Materials (CRMs, or standards) were inserted approximately every 100 samples in first pass RAB drilling, then in every hole for follow up drilling. 20 samples in RC drilling and every 10 samples in DD drilling.</li> <li>Duplicate field samples were approximately every 100 samples in first pass RAB drilling, then in every hole for follow up drilling.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections generated by previous explorers were re-calculated as part of this review.</li> <li>Drilling data was reviewed by inspection of statutory reporting to the WA Department of Mines (now the Department of Mines, Industry Regulation and Safety). In most cases these included the original log sheets. All data has been loaded into Leapfrog and Micromine software, with validation checks completed prior to use.</li> </ul>
Location of data points	<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>All drillholes except GR26 – 31 were drilling on the Grace local grid, which is oriented to 014 magnetic.</li> <li>GR26 – 31 were laid out using AMG grid (Zone 51).</li> <li>All holes have been converted to AMG grid.</li> <li>The datum is used is AMG 1984 Zone 51.</li> <li>Open file topographic data is being utilised. Relief in the deposit is minimal therefore this is considered adequate.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for</li> </ul>	<ul style="list-style-type: none"> <li>RAB drilling was initially completed on irregular spacing, approx. 100m spaced over areas of interest.</li> <li>RC drilling was carried out on regular grid spacing over RAB anomalies, GR series were drilled at spacing's of 100 – 150m on sections 500m along strike.</li> <li>DDH holes were drilled on irregular spacing's to test below anomalous RAB/RC intersections. 2004-2005 diamond holes</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• Whether sample compositing has been applied.</li> </ul>	<p>were drilled approximately 1km apart to test continuity.</p> <ul style="list-style-type: none"> <li>• The data spacing is considered sufficient for Mineral Resource Estimation.</li> <li>• Sample compositing was not used for Exploration Results</li> </ul>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling has been completed perpendicular to the NW-trending regional stratigraphy, which is also the orientation of the main structure.</li> <li>• There is support for mineralisation to be hosted in shallow NW-dipping lodes as well as in S-plunging shoots, which may not have been tested adequately by the historical drilling.</li> <li>• Further drilling will increase the understanding of the distribution of mineralisation and its grades.</li> </ul>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No measures have been detailed with regards to sample security. It is understood the samples were submitted by personnel of the entity which collected them to either the laboratory or to a contractor to be freighted to the laboratory.</li> </ul>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No reviews or audits have been conducted.</li> </ul>

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Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>E45/4524, P45/2905-2909 inclusive is held by entities controlled by Thomas Edwards Langley in agreement with Hardey Resources.</li> <li>Hardey Resources has legally executed agreement with Thomas Edward Langley to acquire 100% interest in the tenements.</li> <li>All tenements are contained completely within land where the Martu People have been determined to hold native title rights. To the Company's knowledge no historical or environmentally sensitive sites have been identified in the area of work.</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Previous exploration was completed by Newcrest Mining Limited (<b>Newcrest</b>), including its predecessor Newmont Mining Australia, owners of the Telfer Gold Mine..</li> <li>Exploration completed included geological mapping, geophysical surveys (IP, ground magnetics and ground gravity), rock chip sampling and drilling (RAB, RC and diamond core drilling).</li> <li>WAMEX reports reviewed and utilised to complete the data compilation include A29118, A30479, A31642, A34922, A37495, A43922, A46877, A50323, A53741, A79774.</li> <li>Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The geological setting is the Paterson Province Proterozoic aged meta-sediment hosted hydrothermal shear, fault and strata/contact controlled precious and/or base metal mineralisation which is typically sulphide bearing. The mineralisation in the region is interpreted to be granite related. The Paterson is a low grade metamorphic terrane but local hydrothermal alteration and/or contact metamorphic mineral assemblages and styles are indicative of a high-temperature local environment. Mineralisation styles include vein, stockwork, breccia and skarns.</li> <li>The Grace Gold-Copper Project, gold-copper mineralisation is hosted by laminated and banded carbonaceous pyritic dolomitic siltstones and micritic dolomite. Intrusive dolerite units are also known to be associated with mineralisation within the</li> </ul>

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Criteria	JORC Code explanation	Commentary
		<p>sequence. The host rocks are variably contorted and brecciated with intense albite alteration. High grade gold, chalcopyrite, +/-arsenopyrite, +/- pyrite occur as veins which appear linear features and are spaced up to 50 m apart. Based on recent Leapfrog modelling of past work undertaken by Criterion there appears to be ore shoots associated with secondary structures cutting the veins that have a plunge and have not been adequately tested.</p> <ul style="list-style-type: none"> <li>Two principal targets are being targeted. Stacked reef's associated with domal structure similar to the Telfer Gold-Copper Mine. The second target is gold mineralisation associated with shear zones cross cutting dolerite units intruding the sedimentary sequence.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>All location data is included in the ASX Announcement of 23<sup>rd</sup> January 2018.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade</li> </ul>	<ul style="list-style-type: none"> <li>Reported aggregated intervals have been length weighted.</li> <li>No density or bulk density is available and so no density weighting has been applied when calculating aggregated intervals.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <ul style="list-style-type: none"> <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>No top-cuts have been applied.</li> <li>A nominal 0.50g/t gold lower cut-off grade is applied.</li> <li>Higher grade intervals of mineralisation internal to broader zones of mineralisation are reported as included intervals.</li> <li>Metal equivalence is not used in this report.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the 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><u>Grace Deposit</u>: The interpreted stratabound/reef vein breccia (oxide and primary) mineralisation is interpreted to be dominantly shallow to moderate northwest dipping (and west-northwest striking) within a steeply dipping lithological package and all drillholes are typically vertical or less frequently inclined between -50° and -60° toward the southwest and northeast.</li> <li>In general the intersection angles for the variety of drilling programs appear to be at a moderate angle to the overall mineralised zones. Therefore the reported downhole intersections are estimated to approximate 60-80% true width.</li> <li>All intersections reported are down hole intervals no suggestion of true widths is implied.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to figures in the text which show plans and sections of drilling, interpretation and resource model.</li> </ul>
Balanced	<ul style="list-style-type: none"> <li>Where comprehensive</li> </ul>	<ul style="list-style-type: none"> <li>All drilling intersections have been reported in ASX</li> </ul>

Criteria	JORC Code explanation	Commentary
reporting	<i>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.</i>	Announcement dated 23 January 2018.
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>All meaningful and material information has been included in the ASX Announcement of 23 January 2018 or can sometimes be found in previous WA DMP WAMEX publically available reports. Data from these reports is still being compiled and verified.</li> <li>The details of the Grace Project area Induced Polarisation surveys, including IP Chargeability and resistivity anomalies can be found in the WA DMP publically available WAMEX reports A24465 (1988) and A53751 (1997).</li> <li>Zones of mineralisation and associated waste material have not been measured for their bulk density.</li> <li>Multi element assaying was conducted variously for a suite of potentially deleterious elements including arsenic, sulphur, lead, zinc and magnesium.</li> <li>No Geotechnical logging (eg Recovery, RQD and Fracture Frequency) was obtained from the WAMEX reports.</li> <li>No information on structure type, dip, dip direction, alpha angle, beta angle, gamma angle, texture and fill material was obtained from the WAMEX reports.</li> <li>Metallurgical test-work results available for the Grace Project area include metallurgical tests conducted by Orestest Pty Ltd in December 1997 outlined in WAMEX report A53751 (1997). <ul style="list-style-type: none"> <li>Bottle roll cyanidation test were conducted on two (2) samples of gold bearing ore from the Lakes prospect that graded 26.1g/t gold (sample 4129) and 8.72g/t gold (sample 4130). Gold recoveries were excellent at 96.1% and 98.5% respectively. Leach kinetics curves for both samples displayed continuing leaching beyond the 24 our period which suggests the presence of coarse/slow leaching gold which is consistent with the spotty head assays. A gravity pre-treatment step was advised for these ores to increase initial cyanide and/or oxygen concentration.</li> </ul> </li> </ul>
Further work	<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> </ul>	<ul style="list-style-type: none"> <li>At this stage mineralisation identified by diamond, RC, Aircore and RAB drilling within the Grace Project area (ie Grace, Bemms, Grace East, Genoa, Lakes and Halls Knob) have a range of drill defined limits along strike , across strike and down dip and each remain open in all directions and require further work/drilling to test for lateral (in particular west-northwest) and vertical extensions and continuity beyond the limits of existing</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>	historic drilling limits.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> <li>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.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>Following importation, the data goes through a series of digital and visual checks for duplication and non-conformity, followed by manual validation by the competent person</li> <li>The database has been systematically audited by the CP. Original drilling records were compared to the equivalent records in the database. No major discrepancies were found.</li> </ul>
Site visits	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No site visits have been undertaken due to the remote location of the project area. All drill collars have been rehabilitated and it is felt there is adequate documentation in the WAMEX reports to support an Inferred Resource.</li> </ul>
Geological interpretation	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>The confidence in the geological interpretation is considered to be moderate to high.</li> <li>A geological model was established by previous explorers. The mineralisation geometry has a very strong relationship with the lithological interpretation and structure and was confirmed by deep holes intersecting extensions to mineralisation.</li> <li>Additional drilling will improve the definition of the key control on mineralisation (i.e. interpreted flat structures vs the controlling Bemm Shear) and increase the confidence in the geological interpretation.</li> </ul>

	<p>estimation.</p> <ul style="list-style-type: none"> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	
Dimensions	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The dimensions of the mineralised zone based on drilling are 4130m along strike (110) and 50 – 140m across (210 – 030). The fresh mineralisation has been drilled up to 500m vertically below surface (550m down-dip).</li> <li>The dimensions of the Mineral Resource are 1140m along strike (110) and 50 – 140m across (210 – 030). The Mineral Resource extends up to 140m vertically below surface (160m down-dip).</li> </ul>
Estimation and modelling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other non-grade</li> </ul>	<ul style="list-style-type: none"> <li>Grade estimation using Inverse Distance Squared (ID2) was undertaken using Surpac software. Detailed statistical and geostatistical investigations have been completed on the captured estimation data set (1m composites).</li> <li>One element, Au g/t was estimated using parent cell estimation, with density being assigned by lithology and oxidation state. Drill hole data was coded using three dimensional domains reflecting the geological interpretation based on the structural, lithological, alteration and oxidation characteristics of the Mineral Resource. One metre composited data was used to estimate the domains. The domains were treated as hard boundaries and only informed by data from the domain. The impact of outliers in the sample distributions used to inform each domain was reduced by the use of grade capping. Grade capping was applied on a domain scale and a combination of analytical tools such as histograms of grade, Coefficient of Variation (COV) analysis and log probability plots were used to determine the grade caps for each domain.</li> <li>A top cut of 11.83g/t was used</li> <li>A Parent block size was selected at 10mE x 5mN x 5mRL for both the deposits, with sub-blocking down to 2.5 x 1.25 x 1.25.</li> <li>A single ellipsoidal Search Pass was used with a search distance of 150m along strike (to 285), and 75m in the vertical and horizontal directions. A minimum of 4 samples and a maximum of 28 samples were used in the estimation pass with an ellipsoid search.</li> <li>No previously released JORC compliant Mineral Resource Estimates have been completed on the Grace Deposit.</li> <li>No assumption of mining selectivity has been incorporated into the estimate.</li> <li>Only Au was estimated in the Mineral Resource.</li> <li>The deposit mineralisation was constrained by wireframes</li> </ul>

	<p>variables of economic significance (eg sulphur for acid mine drainage characterisation).</p> <ul style="list-style-type: none"> <li>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>• Any assumptions behind modelling of selective mining units.</li> <li>• Any assumptions about correlation between variables.</li> <li>• Description of how the geological interpretation was used to control the resource estimates.</li> <li>• Discussion of basis for using or not using grade cutting or capping.</li> <li>• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<p>constructed using a 0.3g/t Au cut-off grade.</p> <ul style="list-style-type: none"> <li>• Visual validation of grade trends for each element along the drill sections was completed and trend plots comparing drill sample grades and model grades for northings, eastings and elevation were completed. These checks show reasonable correlation between estimated block grades and drill sample grades.</li> <li>• No reconciliation data is available as no mining has taken place.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li>• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>• Tonnages have been estimated on a dry in situ basis. No moisture values were reviewed.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>• The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>• The cut-off grade of 0.5g/t for the stated Mineral Resource estimate is determined from economic parameters and reflects the current and anticipated mining practices (including comparison with the active Telfer Mining Operation). Further drilling will enable more robust cut off grades based on economic studies.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>• Assumptions made regarding possible mining methods, minimum mining dimensions and</li> </ul>	<ul style="list-style-type: none"> <li>• The resource model assumes open cut mining is completed and a high level of mining selectivity is achieved in mining. It has been assumed that high quality grade control will be applied to ore/waste delineation processes using grade control drilling, or similar, at a nominal spacing of 10m (north –</li> </ul>

	<p><i>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></p>	<p>along strike) and 5m (east – across strike), and applying a pattern sufficient to ensure adequate coverage of the mineralisation zones.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>No detailed metallurgical data exists; where required area analogues (e.g. Telfer) were used to determine the prospects of eventual economic extraction.</li> <li>Suitable metallurgical tests will be carried out prior to any classification upgrade in confidence of the Grace Deposit.</li> </ul>
<p><i>Environmental factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible waste and process residue disposal options. It is always</i></li> </ul>	<ul style="list-style-type: none"> <li>No assumptions have been made regarding environmental factors. The Company will work to mitigate environmental impact as a result of any future mining or mineral processing.</li> </ul>

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	<p>necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</p>	
<p>Bulk density</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Discuss assumptions for</li> </ul>	<ul style="list-style-type: none"> <li>• No bulk density measurements exist for the deposit, however Newcrest used an SG of 2.0 for previous modelling of the mineralisation.</li> <li>• This is consistent with the Telfer Deposit, where density measurements used in Mineral Resource estimations range between 2.00 and 6.24 (source: Newcrest Technical Report on Telfer Project Dec 31 2013).</li> <li>• As a consequence an SG of 2.0 has been used in the MRE</li> </ul>

	<p><i>bulk density estimates used in the evaluation process of the different materials.</i></p>	
<p><i>Classification</i></p>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as an Inferred Mineral Resource based on data quality, sample spacing, and lode continuity.</li> <li>Significant factors that should be addressed to increase confidence in the Mineral Resource include additional infill and extensional drilling and twinning/confirmation of historical holes, density measurements, and more detailed QA/QC and geostatistical studies.</li> <li>The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on a good geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill and extensional drilling which supported the interpretation.</li> <li>The Mineral Resource estimate appropriately reflects the view of the Competent Person.</li> </ul>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>No audits or review of the Mineral Resource estimate has been conducted.</li> </ul>
<p><i>Discussion of relative accuracy/confidence</i></p>	<ul style="list-style-type: none"> <li><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</i></li> </ul>	<ul style="list-style-type: none"> <li>The lode geometry and continuity has been adequately interpreted to reflect the level of Inferred Mineral Resource.</li> <li>The data quality is good and all drill holes have detailed logs produced by qualified geologists. A recognized laboratory has been used for all analyses.</li> <li>The Mineral Resource statement relates to global estimates of tonnes and grade.</li> <li>The deposits are not currently being mined.</li> </ul>

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	<p><i>of the factors that could affect the relative accuracy and confidence of the estimate.</i></p> <ul style="list-style-type: none"><li><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></li><li><i>• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li></ul>	
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