

Drilling extends mineralisation at Penny North and Magenta

Spectrum Metals Ltd (“Spectrum” or “the company”) is pleased to release further drill results from reverse circulation and diamond drilling at its Penny West Project south-east of Mount Magnet, in Western Australia.

Highlights

Significant extensional drilling results at Penny North include;

- **2.87m at 14.7 g/t gold** including **1.26m at 31.7 g/t gold** from 365.17m down hole in SPWDD007 and;
- **2m at 26.7g/t gold** with an additional **8m at 4.01 g/t gold** intersection in two 4m composite samples in a potential new zone in the hanging wall from hole SPWRC104.
- **2m at 1.73g/t gold** from 225m in SPWRC 099 approximately 100m to the north of the existing Penny North resource.

Further infill results at Penny North include:

- **1.85m at 25.4g/t gold** from 303.12m in SPWD004
- **1.65m at 11.6g/t gold** from 252.35m in SPWD002
- Hole SPWDD005 successfully intercepted the mineralised structure approximately 100m below the current resource envelope with a lower grade interval of **0.53m @ 0.7g/t gold** from 473.5m.

Drilling at Magenta and Columbia builds upon some significant historical drilling results which have not previously been reported, including;

- YGR0118 – 10m at 10.9 g/t gold from 25m.
- YGR0022 – 8m at 9.74 g/t gold from 10m.
- YGR0113 – 6m at 5.82 g/t gold from 44m.
- Results are pending for most of the Magenta and Youngarra program with early results including **1m at 9.54 g/t gold** at Magenta, which has expanded the gold mineralisation below the previous drilling with mineralisation open in all directions.

ASX CODE: SPX

CAPITAL STRUCTURE

Share Price (3/12/2019)	\$0.076
Shares On Issue	1,386m
Market Cap	\$105m
Unlisted Options	136m
Performance Rights	20m

MAJOR SHAREHOLDERS

Patina Resources PL	9.6%
1832 Asset Mgmt	9.4%
A. Barton & Assocs	7.7%
Chalice Gold	7.0%

DIRECTORS / MANAGEMENT

Alexander Hewlett
Executive Chairman

Paul Adams
Managing Director

James Croser
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- Further diamond drilling results are expected over the coming weeks as diamond drill core continues to be processed on site.
- RC drilling continues in the Magenta area to the north of Penny West with results also expected over the coming weeks.

Managing Director Mr Paul Adams commented:

“Spectrum is extremely pleased to see continued strong gold intercepts from our Penny North prospect extensional drilling. These results will feed into our JORC resource update scheduled for 1H 2020. In addition, our drilling to the north at Magenta and other prospects north of Penny North, will also be included in future resource estimates, continuing to drive our resource growth through 2020.”

Continued strong results from Penny North area

Spectrum has completed several reverse circulation and diamond drill holes at Penny North aimed at extending gold mineralisation below the existing JORC resource envelope. Drilling has been successful at extending the known gold mineralisation with assays received for four diamond holes and three RC holes. New significant intersections are detailed below:

- SPWDD004 – **1.85m at 25.4 g/t gold** from 303.12m. (Penny North)
- SPWDD007 – **2.87m at 14.7 g/t gold** from 363.56m,
including **1.26m at 31.7 g/t gold** from 365.17m. (Penny North)
- SPWRC104 – **2m at 26.7 g/t gold** from 321m and **8m at 4.01 g/t gold** from 296m (Penny North)
- SPWDD002 – **1.65m at 11.6 g/t gold** from 252.35m. (Penny North)
- SPWRC099 – **2m at 1.73 g/t gold** from 225m and **1m at 0.75 g/t gold** from 244m (Gap Zone)
- SPWDD005 – **0.53m at 0.70 g/t gold** from 473.47m. (Penny North Deeps)

The high-grade intersection in hole SPWDD007 will extend the mineralised envelope in the forthcoming JORC resource update.

The **2m at 1.73 g/t** from 225m in hole SPWRC099 is in the Gap Zone to the north of Penny North. This is of particular interest as it demonstrates that the structure that hosts the Penny North mineralisation continues to the north and is mineralised. Further drilling beneath the intersection in hole SPWRC099 will be undertaken to test whether this intersection could represent the top of another high grade shoot as the mineralisation remains open down dip in all directions.

The **8m at 4.01 g/t gold** intersection in hole SPWRC104 at Penny North is comprised of two (2) x 4m composites and represents unanticipated mineralisation within the hanging wall of the main lode. Re-

sampling of the metre splits from these composites will be required to determine the true nature of this intersection.

Hole SPWDD005 has intersected the mineralised structure approximately 100m below the current resource envelope with a lower grade interval of **0.53m @ 0.7g/t gold** from 473.5 m and demonstrates continuity in mineralisation at depth. Importantly the structure remains open down plunge and down dip.

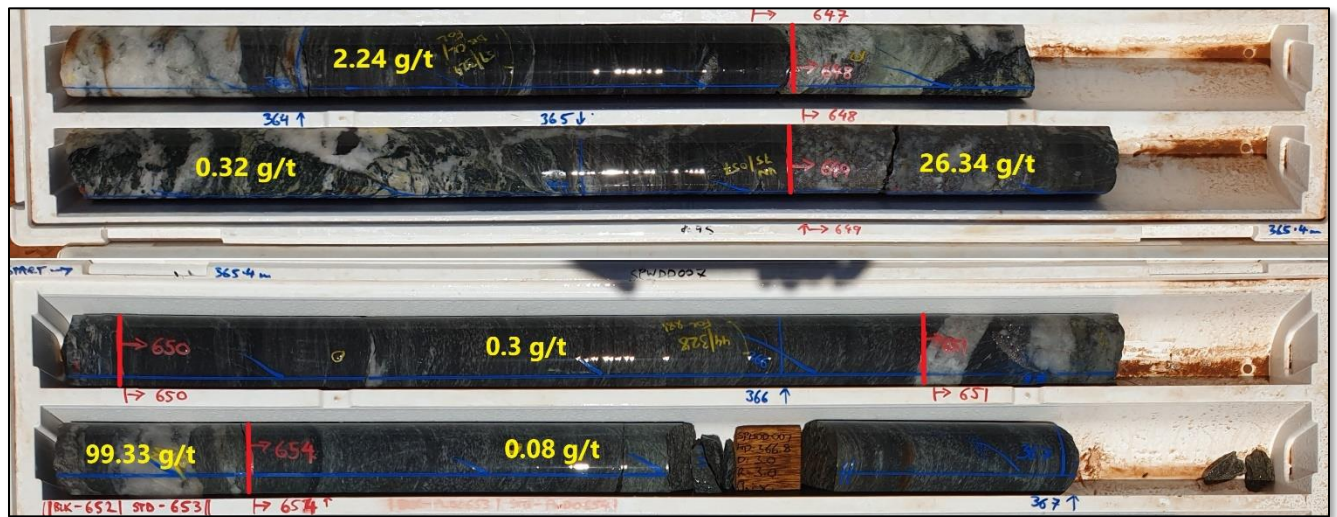


Figure 1. Diamond drill core from hole SPWDD007 at Penny North **2.87m at 14.7 g/t gold** from 363.6m down hole

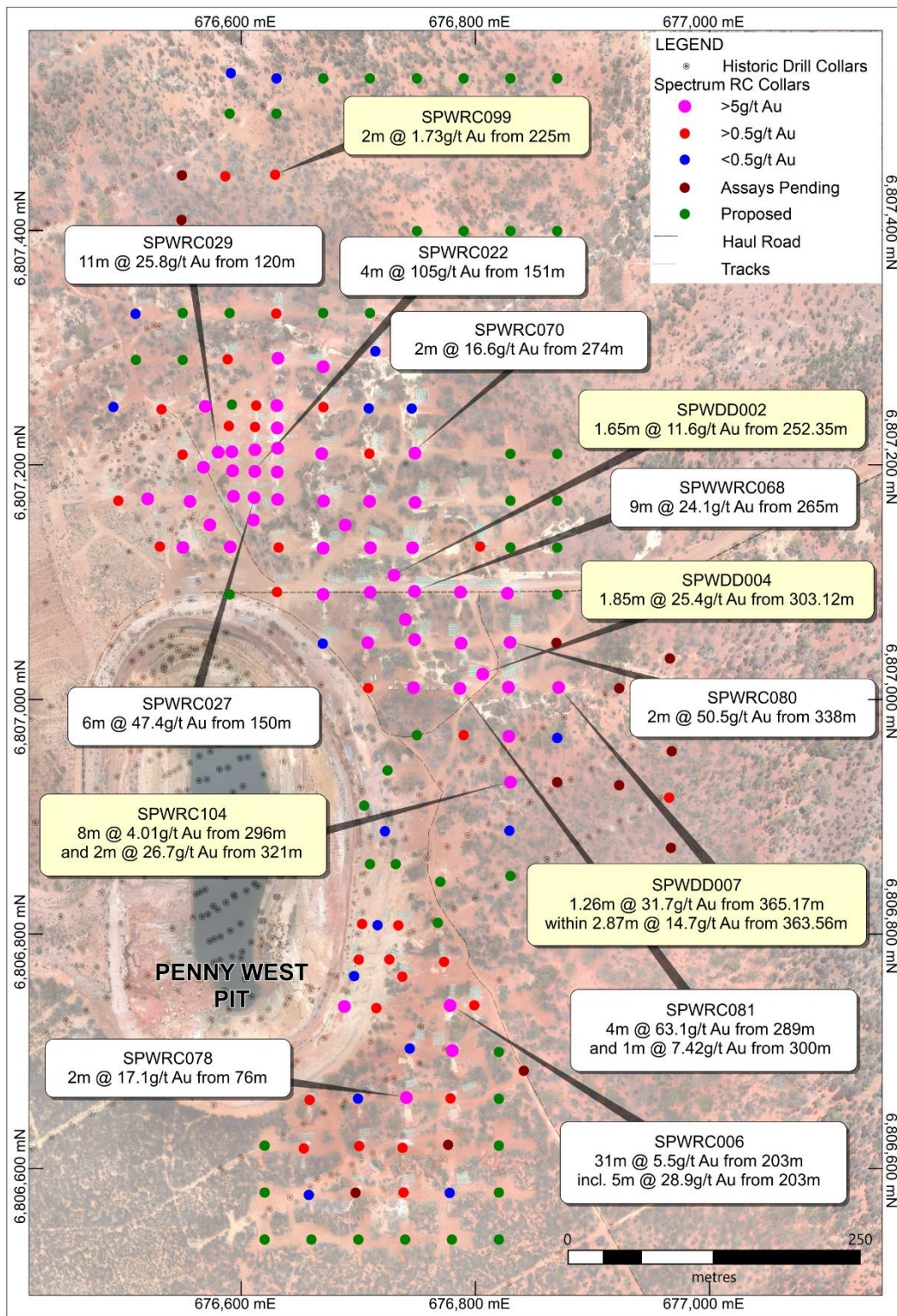


Figure 3. Drill hole collar plan at Penny North and Penny West

Results from the Magenta Prospect

Spectrum has completed several RC holes at the Magenta prospect, located 1.5km to the north of Penny North and along strike within the Penny West Shear. These holes have extended the mineralised structure down dip from the previous drilling done by Eastmet in the early 1990's and the three holes drilled by Spectrum as part of its Phase I RC drilling program in February/March of 2019.

- SPWRC112 – **5m at 2.95 g/t gold** from 124m, including **1m at 9.54 g/t gold** from 126m.
- SPWRC118 – **2m at 2.83 g/t gold** from 152m, including **1m at 4.82 g/t gold** from 152m.
- SPWRC117 – **1m at 1.71 g/t gold** from 129m.

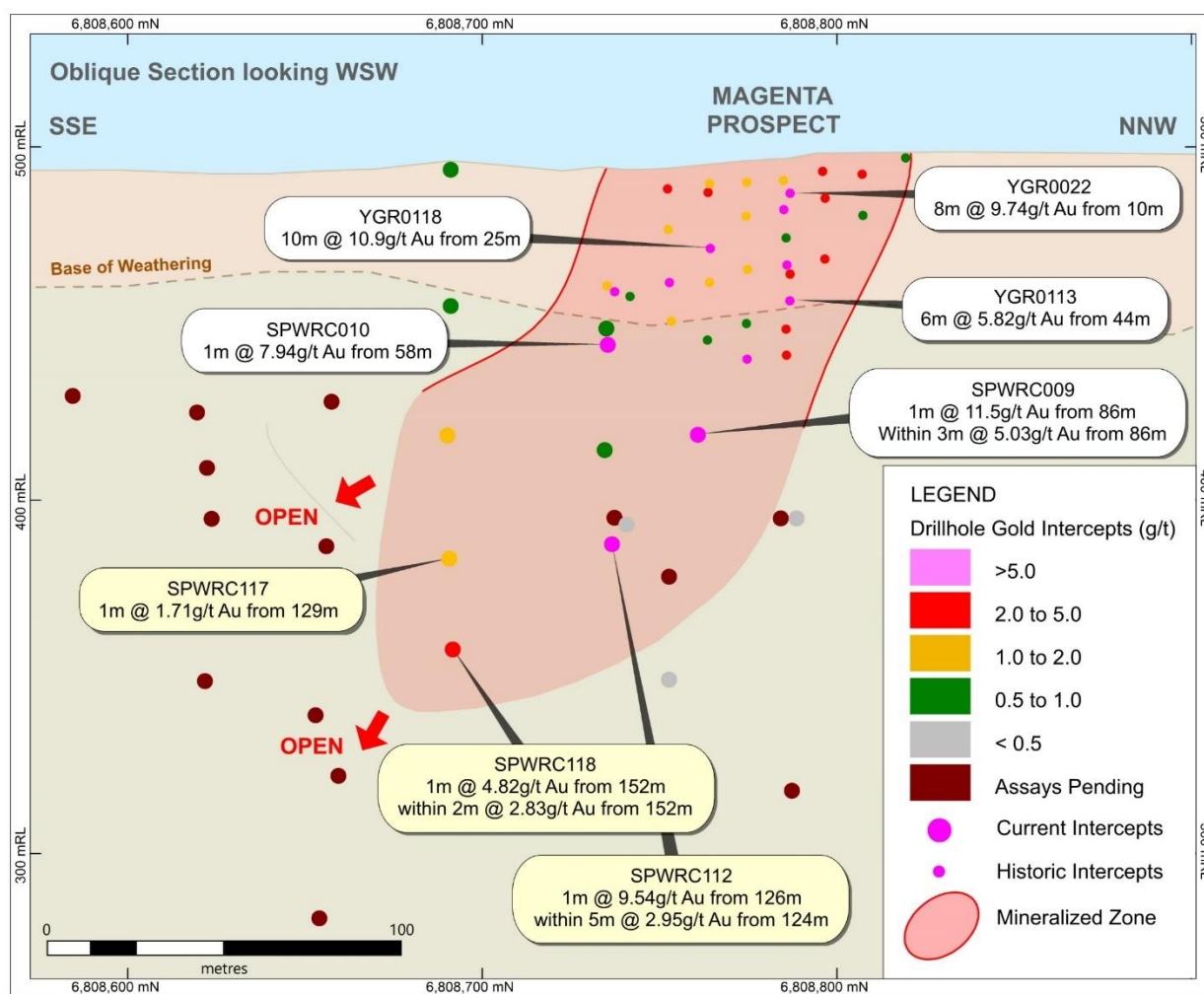


Figure 4. Long Section through the Magenta Prospect with significant intersections

(refer ASX Announcement 30 April 2019 for previously reported information)

These results build on the previous results from Spectrum and Eastmet which included:

- YGR0118 – **10m at 10.9 g/t gold** from 25m (Eastmet).
- YGR0022 – **8m at 9.74 g/t gold** from 10m (Eastmet).
- YGR0113 – **6m at 5.82 g/t gold** from 44m (Eastmet).
- SPWRC009 – **3m at 5.03 g/t gold** from 86 including **1m at 11.5 g/t gold** from 86m (Spectrum).

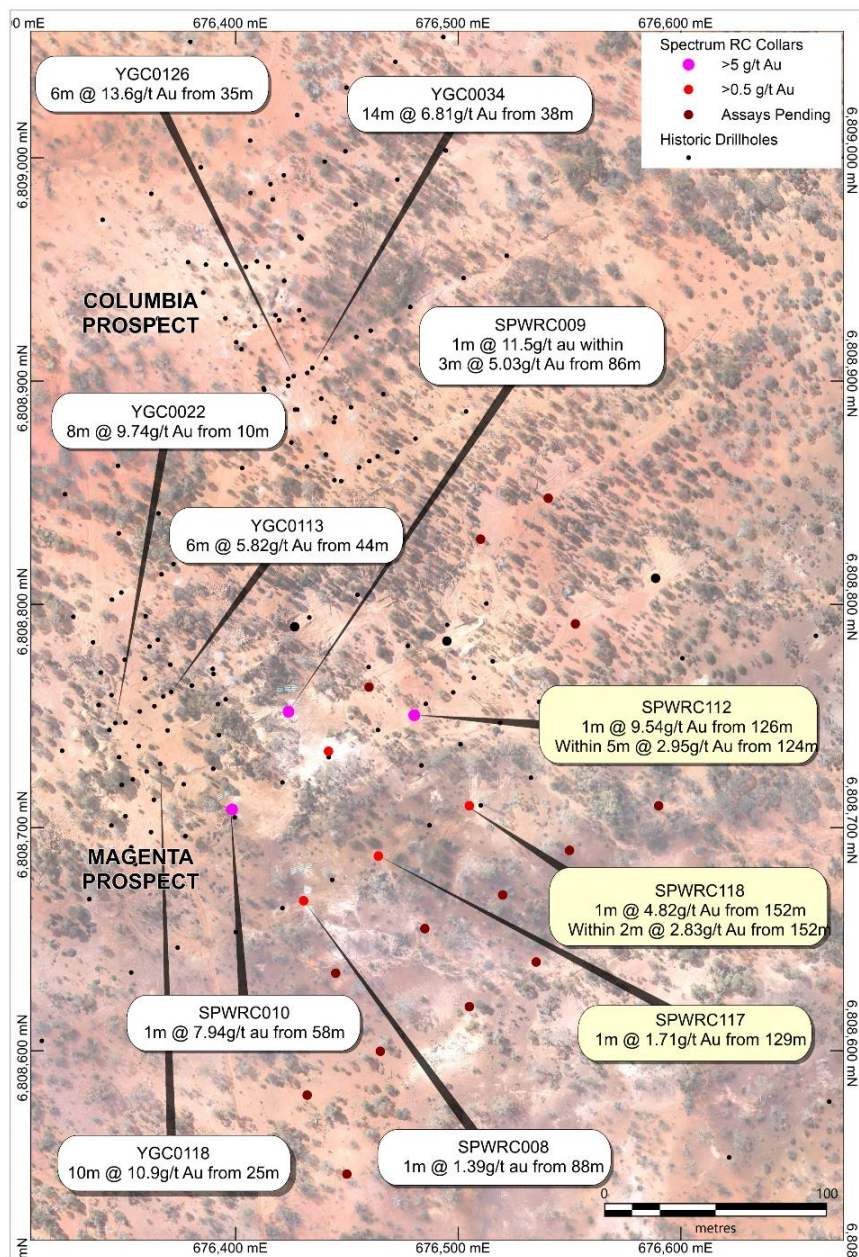


Figure 5. Drill hole location plan at Magenta with significant intersections

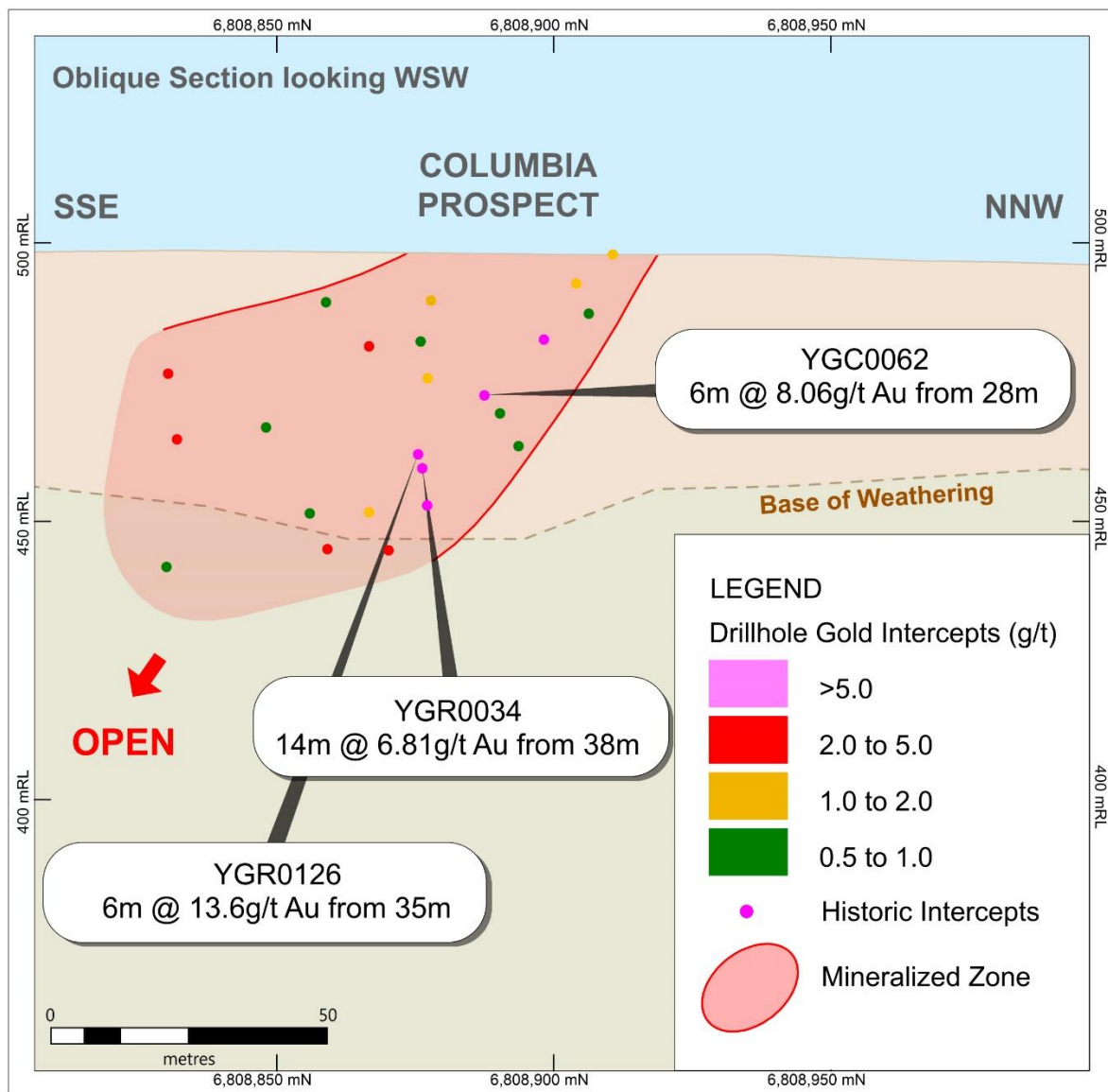


Figure 6. Long Section through the Columbia Prospect with significant intersections

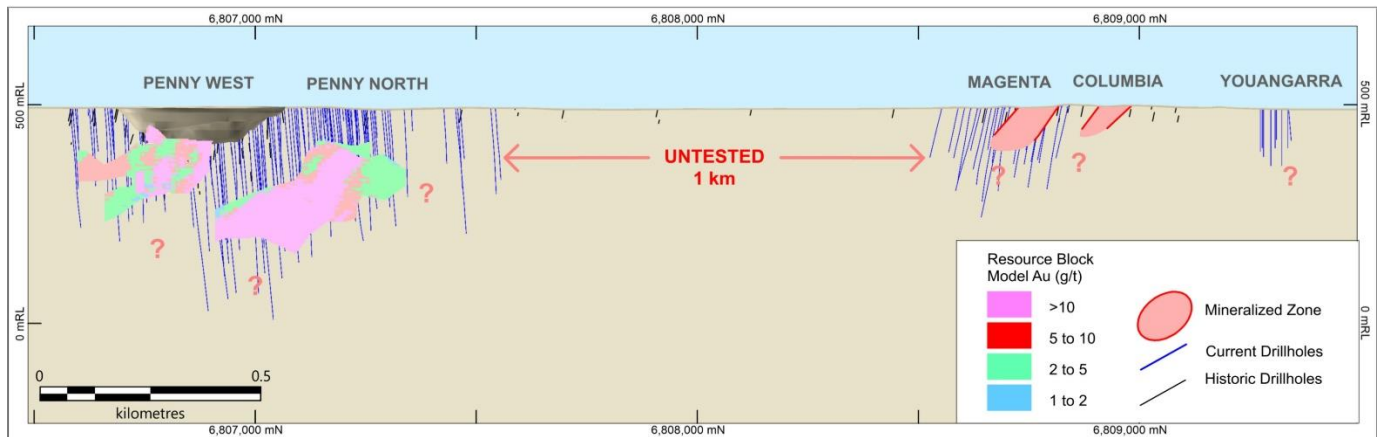


Figure 7. Long Section from Penny West past the Columbia Prospect looking West.

(refer ASX Announcement 24 October 2019 for previously reported information)

Work program through to 2020

Spectrum will advance several objectives over the coming months including:

- Continue extensional drilling to grow the resource base;
- Continue infill drilling to convert inferred resources to indicated status for subsequent conversion to ore reserves;
- Completion of pilot study geophysical programs to choose suitable techniques to rank Spectrum’s Sub Audio Magnetic (SAM) anomalies;
- Completion of baseline flora and fauna studies;
- Completion of material classification test work for acid mine drainage studies;
- Completion of additional metallurgical test work to feed into recovery models;
- Completion of initial mining studies to determine the optimal development scenario; and
Completion of ore reserves on the indicated portion of the resource along with initial financial model including NPV.

For further information please contact:

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About Spectrum Metals Ltd

Spectrum Metals Limited (ASX: SPX) is a domestic West Australian focused gold exploration and development company. Concentrating on high-grade, brown fields assets, that can leverage off existing infrastructure and add value through exploration and development. Spectrum will continue to identify and explore under explored terrain and brown fields assets through the use of modern techniques and technology to maximise success.

Forward Looking Statements

Statements regarding Spectrum's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Spectrum's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Spectrum will be able to confirm the presence of additional Mineral Resources/Ore Reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Spectrum's mineral properties. The performance of Spectrum may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors.

Competent Person's statements

The Information in this report that relates to Mineral Resources is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Data and Exploration Results is based on information compiled and reviewed by Mr John Downing, a Competent Person who is a Member of the Australian Institute of Geoscientists (MAIG) and a consultant to Spectrum. Mr Downing, who is also a shareholder, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Downing consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The inclusion of intercepts from historic drilling by Eastmet at the Magenta and Columbia prospects is designed to lend context to exploration intercepts from current drilling by Spectrum. Entries in the JORC table below describes material differences in the methodology and level of data capture for the historic drilling.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

Table 1: Penny West Gold Deposit October 2019 Mineral Resource Estimate

Lode	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Penny North	414,000	18.6	247,000	155,000	12	59,800	569,000	16.8	306,800
Penny West	54,000	12.1	21,100	93,000	5.1	15,400	147,000	7.7	36,400
Minor Zones				82,000	4.6	12,300	82,000	4.6	12,300
Total	468,000	17.8	268,000	331,000	8.2	87,500	799,000	13.8	355,500

(2.0g/t Au cut-off)

Table 2. Collar Table

COLLAR ID	East (GDA94_z50)	North (GDA94_z50)	RL (Ausgeoid09)	LOCATION METHOD	EOH DEPTH	COLLAR DIP	COLLAR AZIMUTH
SPWDD002	676730	6807106	494	DGPS	294.6	-60	269
SPWDD004	676806	6807022	492	DGPS	348	-60	268
SPWDD005	676965	6806917	490	DGPS	507.8	-60	269
SPWDD007	676871	6807011	490	DGPS	450.7	-60	269
SPWRC099	676629	6807448	495	DGPS	340	-61	270
SPWRC101	676629	6807529	493	DGPS	232	-60	269
SPWRC104	676829	6806930	491	DGPS	359	-60	270
SPWRC107	676495	6808784	493	DGPS	208	-60	240
SPWRC108	676442	6808734	494	DGPS	148	-60	240
SPWRC110	676829	6806889	492	DGPS	371	-60	270
SPWRC111	676589	6808812	492	DGPS	143	-60	240
SPWRC112	676480	6808751	494	DGPS	192	-60	240
SPWRC114	676427	6808790	496	DGPS	148	-60	240
SPWRC117	676464	6808687	496	DGPS	148	-61	241
SPWRC118	676505	6808710	493	DESIGN	214	-62	240
HISTORIC DRILLHOLES							
YGC0062	676432	6808904	499	Unknown	45	-60	332
YGR0022	676346	6808747	499	Unknown	46	-60	242
YGR0034	676434	6808906	499	Unknown	52	-60	242
YGR0113	676371	6808761	498	Unknown	70	-60	242
YGR0118	676366	6808729	498	Unknown	50	-60	242
YGR0126	676426	6808902	499	Unknown	80	-90	332

Table 3. Assay Table

COLLAR ID	FROM	TO	INCL	INTERVAL (m)	Au (ppm)
SPWDD002	245.05	248.2		3.15	1.41
SPWDD002	252.35	254		1.65	11.60
SPWDD004	303.12	305		1.85	25.40
SPWDD005	473.47	474		0.53	0.70
SPWDD007	363.56	366.4		2.87	14.70
	365.17	366.4	Incl	1.26	31.70
SPWRC099	225	227		2	1.73
SPWRC099	244	245		1	0.75
SPWRC101	208	209		1	NSI
SPWRC104	296	304		8	4.01
SPWRC104	321	323		2	26.70
SPWRC107	163	165		2	NSI
SPWRC108	92	93		1	0.70
SPWRC110	309	311		2	NSI
SPWRC111	118	120		2	NSI
SPWRC112	124	129		5	2.95
	126	127	Incl	1	9.54
SPWRC114	115	117		2	NSI
SPWRC117	127	130		3	0.97
	129	130	Incl	1	1.71
SPWRC118	152	154		2	2.83
	152	153	Incl	1	4.82
HISTORIC DRILLHOLES					
YGC0062	28	34		6	8.06
YGR0022	10	18		8	9.74
YGR0034	38	52		14	6.81
YGR0113	44	50		6	5.82
YGR0118	25	35		10	10.90
YGR0126	35	41		6	13.60

Appendix 1 - JORC Table 1 Checklist of Assessment and Reporting Criteria

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"> <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> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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> 	<ul style="list-style-type: none"> Reverse circulation (RC) drilling using standard drilling equipment and rig mounted sampling system. No electronic measurement tools used in this program. Diamond drilling sampling techniques in the usual manner, based on one-meter sample intervals outside the mineralised zones but on geological/mineralogical contacts for the mineralised zones A pilot study has been completed on a northing section line using portable XRF techniques. P-XRF appears to be a suitable technique to constrain broad geological zones within the stratigraphy. Emphasis placed on sample mass (approximately 3kg) and quality from the RC drilling. A lot of effort was put into ensuring that the splitter was level and clean during the drilling, particularly on entering an anticipated mineralised zone. Logging identifies mineralisation in the RC drill chips and diamond core. In addition, panning of RC chips is used to gain qualitative insights into the tenor of gold mineralisation within the main lode. Industry standard RC drilling with 1 metre samples collected from a rig mounted sampling system. Sample intervals determined by anticipated intersection of lode. Four (4) meter composite samples taken from zones not expected to contain mineralisation. Geological logging used as the final determinant as to whether to under-take 1m splits on 4m composites. Standard 50 g sample for assay by fire assay method for gold after pulverisation at a Perth certified laboratory. Historic Eastmet drill samples were pulverized and analyzed for gold at Metana Minerals Perth

Criteria	JORC Code explanation	Commentary
		Laboratory, primarily by 25g charge Aqua Regia digest with AAS finish.
Drilling techniques	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • RC drilling using downhole hammer and face sampling button bit • Stabiliser rods used above the hammer to provide directional control • Diamond drilling undertaken with standard diamond drilling equipment including a UDR650 multi-purpose diamond rig utilizing a 3 meter chrome barrel in HQ core size. All core is orientated with a standard DDH1 orientation tool and diamond tails range in length from 100m to over 200m
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • RC Sample recovery estimated by mass of sample in the calico sample bag and from the plastic residue bag under the rig mounted sample system • Diamond drill core sample recovery estimated during logging by comparing length of intact core to depth gauge on the rig. Core recovery is very high and the core is extremely competent, even within the mineralised zones. • A lot of emphasis has been placed on correct levelling of the sample system to ensure optimal sample representivity. Differences in sample weight between original sample and duplicates can provide a quantitative estimate of representative sampling • It is unknown at this stage whether there is any relationship between sample recovery and grade in RC drilling • Historic Eastmet drill samples were consistently dry, with only three wet samples from a 42 hole program. Wet samples were left to dry before riffle splitting.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<ul style="list-style-type: none"> • All of the logging to a very high standard by an experienced and well qualified geologist and would be appropriate for later inclusion in a mineral resource estimate • Logging is qualitative in RC chips and qualitative and quantitative in diamond drill core. • The whole of hole has been logged to the same standard.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> RC samples collected by on-board rotary cyclone. In some case composite samples collected by spear sampling in the case of 4m composites. However, if composite display elevated mineralisation, 1m splits are immediately available from existing 1m samples collected directly from the cyclone Diamond drill core is subsampled based on geology / mineralisation Historic Eastmet samples were collected in total at one metre intervals from the rig cyclone and then split to 2 to 3kg using an 8:1 riffle splitter. The QA/QC program has been appropriate in terms of numbers of blanks, standards and duplicates. Two standard grades have been used in addition to blanks. This is applied to both RC chips and diamond drill core. Field duplicate sampling has been conducted for the RC drilling program Sample sizes and techniques were appropriate for homogenous distribution and for grain size. Mass estimates for the samples from the cyclone are appropriate for the diameter of the drill rods employed Historic Eastmet sample QAQC protocols and data are not available to the author at this time.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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, 	<ul style="list-style-type: none"> Assays have been conducted on a 50 g fire assay charge for both drilling methods Historic Eastmet drill samples were analyzed for gold primarily by 25g charge Aqua Regia digest with AAS finish. This is considered an incomplete digestion method in this context, likely to slightly under-estimate gold content. No geophysical tools have yet been applied to the RC chips or diamond holes

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> Blanks, standards, duplicates and laboratory quality control have all been monitored and are acceptable.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> All logging and sample preparation in the field has been conducted by qualified company geologists, independent consulting geologists and field personnel. No twinned holes. This drilling is located in a new zone of mineralisation following up a small, but high-grade intersection. All drilling data is extremely well documented. Primary data for current exploration work is available electronically from the laboratory reports. There has been no adjustment to the data.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drill-hole collar, locations located by survey +/- 1m. Holes have down-hole surveys every 30m using a gyroscopic downhole tool Location data is set out on GDA94 Zone 50 grid and location set out performed by DGPS Topographic control adequate with an accuracy of around 1m vertical. Digital topographic data provided by DTM from Landgate supported by DGPS survey. A new survey has been flown over the entire Penny West lease and has been tied in to known survey markers by an independent consulting survey firm. Historic Eastmet drillholes were located by tape and compass relative to a local grid established by qualified surveyors.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The intersections described in this announcement are from Penny North and Magenta prospects. More drilling will be required in order to determine a resource estimate, however continuity of the geological structure appears reasonable at this stage Sampling on 1 m increments has been used above, within and below the high-grade intersections. Compositing has only been applied

Criteria	JORC Code explanation	Commentary
		<p>to the hanging wall part of the sequence in RC holes.</p> <ul style="list-style-type: none"> Diamond hole pre-collars have not been sampled at this point where diamond holes are designed within the known parts of the Penny North mineral envelope.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill intercepts at Penny West have historically been orthogonal to the plane of the mineralisation. Holes into the Penny North Structure appear to be orthogonal also to the strike of the structure. There is no obvious sampling bias from the information gathered so far
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples collected from the rig and organised by independent geologists and field personnel. Samples collected from site and driven directly to accredited laboratory in Perth
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Reviews are regularly undertaken at the rig to ensure no sample bias between the primary and secondary samples from the dust collector

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Mining leases M57/180 and 196 originally held by Plateaux Resources Pty Ltd and Patina Resources Pty Ltd in a 30/70 Joint venture. Tenement acquisition agreement between Plateaux, Patina, and Spectrum Metals Limited provides 100% ownership to Spectrum through a 100% owned subsidiary Zebra Minerals Pty Ltd. Royalty provisions are 0.5% NSR after the first 7,500 ozs of production, which can be bought out at any time at SPX's election for \$750,000. No native title or environmental issues. Tenements are in good standing with no known impediments

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The project area has been explored and mined by previous parties. The results of this work including past production is described in Spectrum's ASX Announcement dated 16 October 2018. Appraisal of this previous exploration occurred during the due diligence period and continues
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Penny West deposit is typical structurally controlled gold-quartz vein in a brittle-ductile shear zone associated with a sulphide complex containing pyrite, pyrrhotite, galena, sphalerite and chalcopyrite.
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> See Table 1 and Table 2 in the ASX announcements
Data aggregation methods	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> A gold upper cut-off grade of 170 g/t has been used historically. These intersections calculated using a lower cut-off of 0.5 g/t but no top cut has been used Internal high-grade intercepts are based on grades above 5.0 g/t No metal equivalent values used.

Criteria	JORC Code explanation	Commentary
	<p><i>typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Down hole lengths have been used. True width not yet known The Penny West lode dips to the east at 65° to 80°. The geometry of the Penny North lode dips variably between 45 and 65°.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Maps and sections are contained within announcement, with an interpreted trace of the extensional mineralisation with respect to the known Penny North lode located within the historic Penny West Pit, at the same RL
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All data has been reported.
Other substantive exploration data	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> A Sub-Audio Magnetic survey has been completed over the interpreted Penny West Shear zone over a strike length of approximately 4km. Several geophysical anomalies have been generated by this work. Sighter metallurgical test work has been performed on selected composite samples from the upper parts of the Penny North Lode. Those composite show excellent bench-scale test work recoveries, in the order of 99%, via standard crush-grind-gravity-leach flow sheet by an independent metallurgical laboratory, based in Perth.

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Further drilling will be necessary to establish the potential for this area to host additional high-grade mineralisation. More work needs to be performed to define high priority targets for this additional drilling.