

5th August 2016

Initial geochemical sampling of WA gold projects

Kaili Resources Limited is pleased to announce the completion of the first field based surficial geochemical sampling program within the Jungle Hill, Canegrass and Gindalbie Dam gold projects in Western Australia (**Table 1**). An extended rain period meant that sampling and mapping within the 8 Mile Dam and Holey Dam projects was not initiated at this time. A total of 13 sampling and mapping traverses were completed and the collection of geochemical data at 361 sites with all geochemical data is included at the end of the announcement. All tenements are owned 100% by subsidiary company Kaili Gold Pty Ltd. The tenements are located 650km north-east of Perth as shown in **Figure 1**.

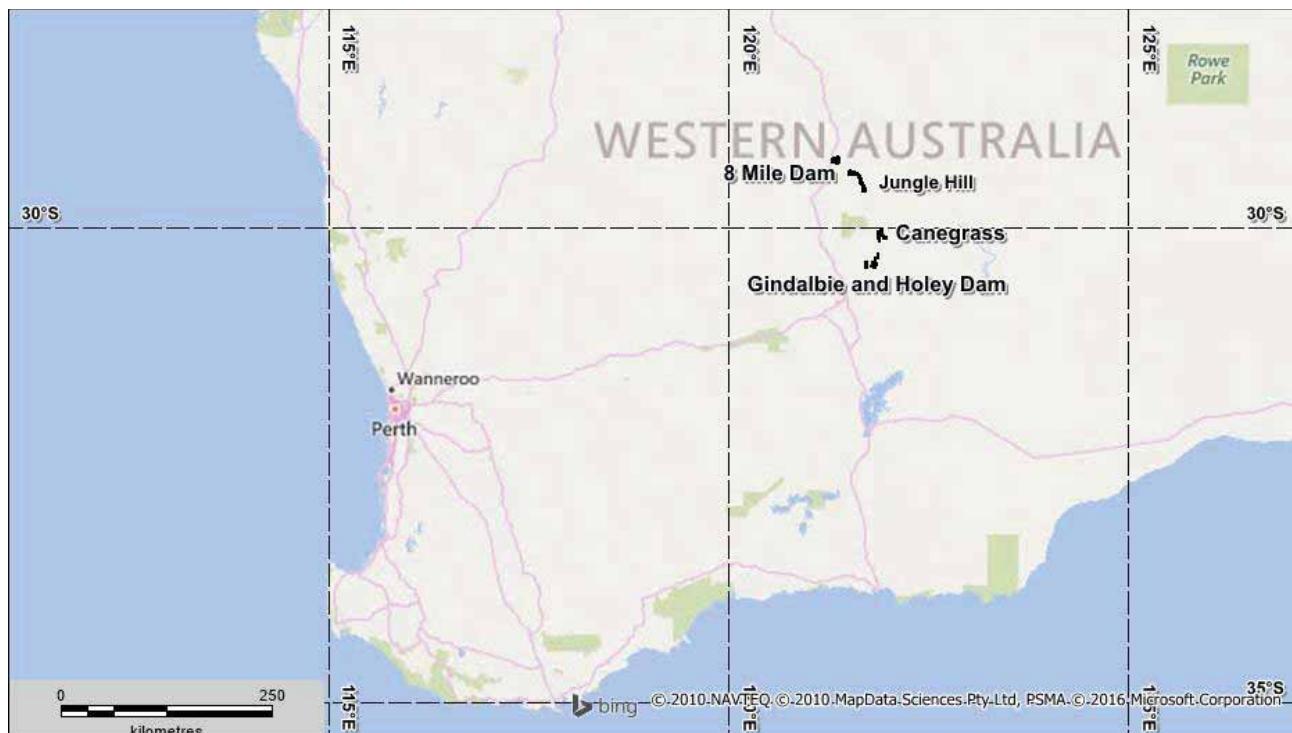


Figure 1 WA gold projects

| Region | Tenement Number | Tenement Name | Commodity | Grant Date | Expiry Date | Sub Blocks | Area (km2) |
|-----------|-----------------|---------------|-----------|------------|-------------|------------|------------|
| Gindalbie | E31/1113 | Canegrass | Gold | 30/5/2016 | 29/5/2021 | 34 | 108.8 |
| Gindalbie | E27/550 | Holey Dam | Gold | 1/7/2016 | 31/6/2021 | 21 | 67.2 |
| Gindalbie | E27/549 | Gindalbie Dam | Gold | 1/7/2016 | 31/6/2021 | 8 | 25.6 |
| Kookynie | E40/354 | 8 Mile Dam | Gold | 8/7/2016 | 7/7/2021 | 22 | 70.4 |
| Kookynie | E31/1114 | Jungle Hill | Gold | 30/5/2016 | 29/5/2012 | 47 | 150.4 |

Table 1 Tenement register

The sampling traverses were completed within the Jungle Hill, Canegrass and Gindalbie Dam project (**Figure 2**). All surficial geochemical sampling was completed using the Olympus DELTA premium portable handheld XRF analyser in soil mode with sample sites every 100m along east-west traverse lines spaced every 1km. Geological and regolith mapping was carried out along the traverse in addition to the collection of the geochemical data. The data collected by instrument are considered to be a partial assay. At the start and finish of each traverse 3 standards were measured included a silica blank standard to allow calibration of the results. Table 2 shows the typical lower detection limits for a range of elements with readings below these ranges being generally unreliable.

| | |
|---------------------------|-------------|
| Mg | ~ 0.5% |
| Al, Si | ~ 0.1% |
| P | ~ 500 ppm |
| S | ~ 100 ppm |
| K, Ca | ~ 20-30 ppm |
| Ti, V, Cr | ~ 5-10 ppm |
| Mn, Fe, Cu, Pb, Zn | ~ 3-5 ppm |
| As, Mo, Sr, Rb, Zr, U, Th | ~ 1-2 ppm |
| Ag, Cd, Sn, Sb | ~ 5-10 ppm |
| Au | ~ 5-7 ppm |

Table 2 Typical Lower
test per beam using Soil and Mining modes in Silica matrix

Limits of Detection for a 120 second

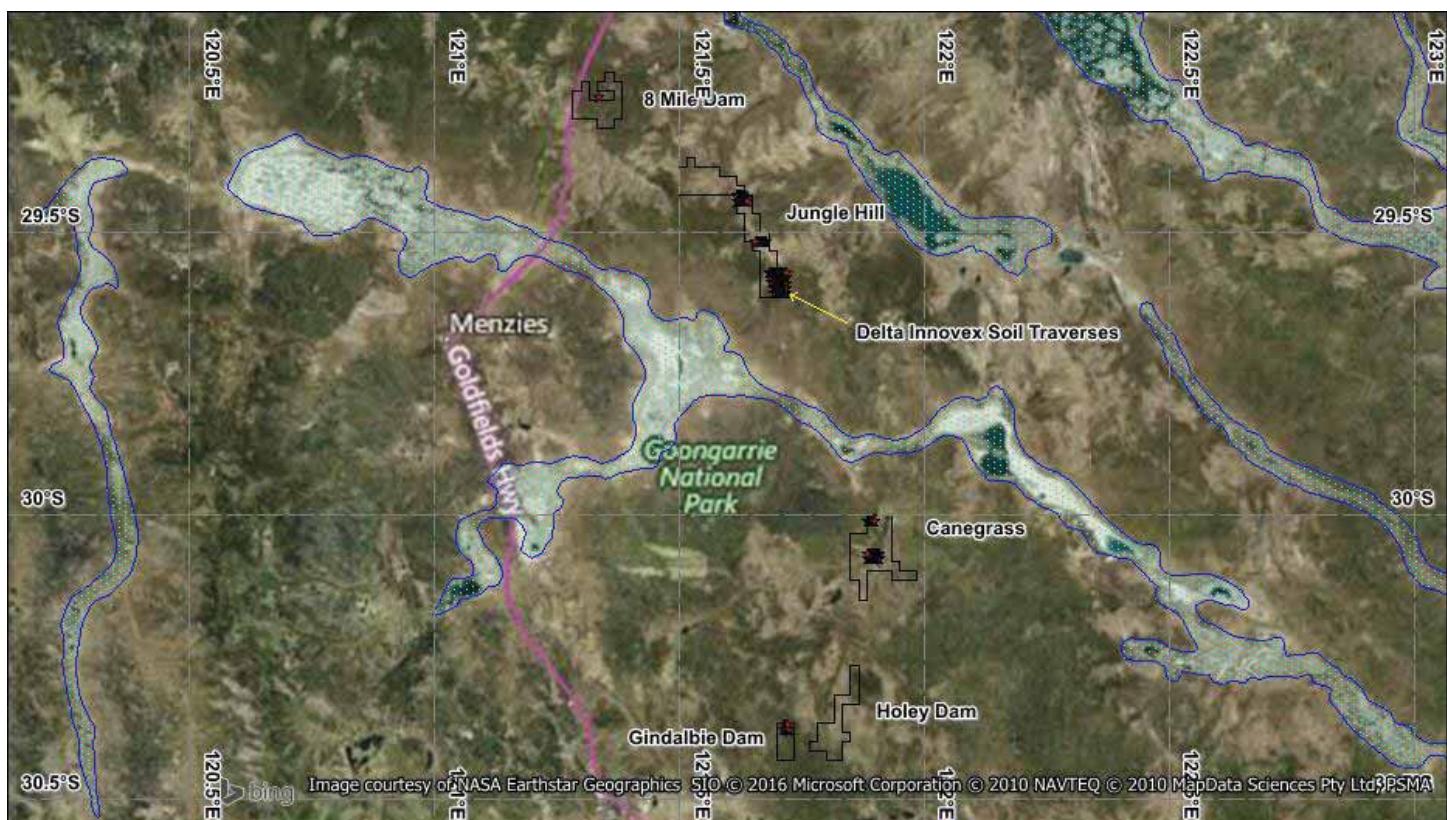


Figure 2 Satellite Image showing the location of the 13 sampling/mapping traverses

The Canegrass tenement is located in the Gindalbie Region 80km north east of Kalgoorlie as shown in **Figure 1**. The three sample traverses are shown in **Figure 2** which is an aeromagnetic image with a south east shade. The Majority of traverse was covered by a transported fine grained clayey silt with surficial fine quartz and ironstone lag. In areas of outcrop the centre of the traverses comprised well foliated felsic and mafic volcanics and one area of quartz and ironstone with an elevated gold reading and much less deformed mafic volcanics on the flanks. An elevated gold reading was also noted on traverse 9 to the south. The aeromagnetic image in Figure 2 shows distinctive linear north south features in Area 2 which are likely the result of a zone of shearing.

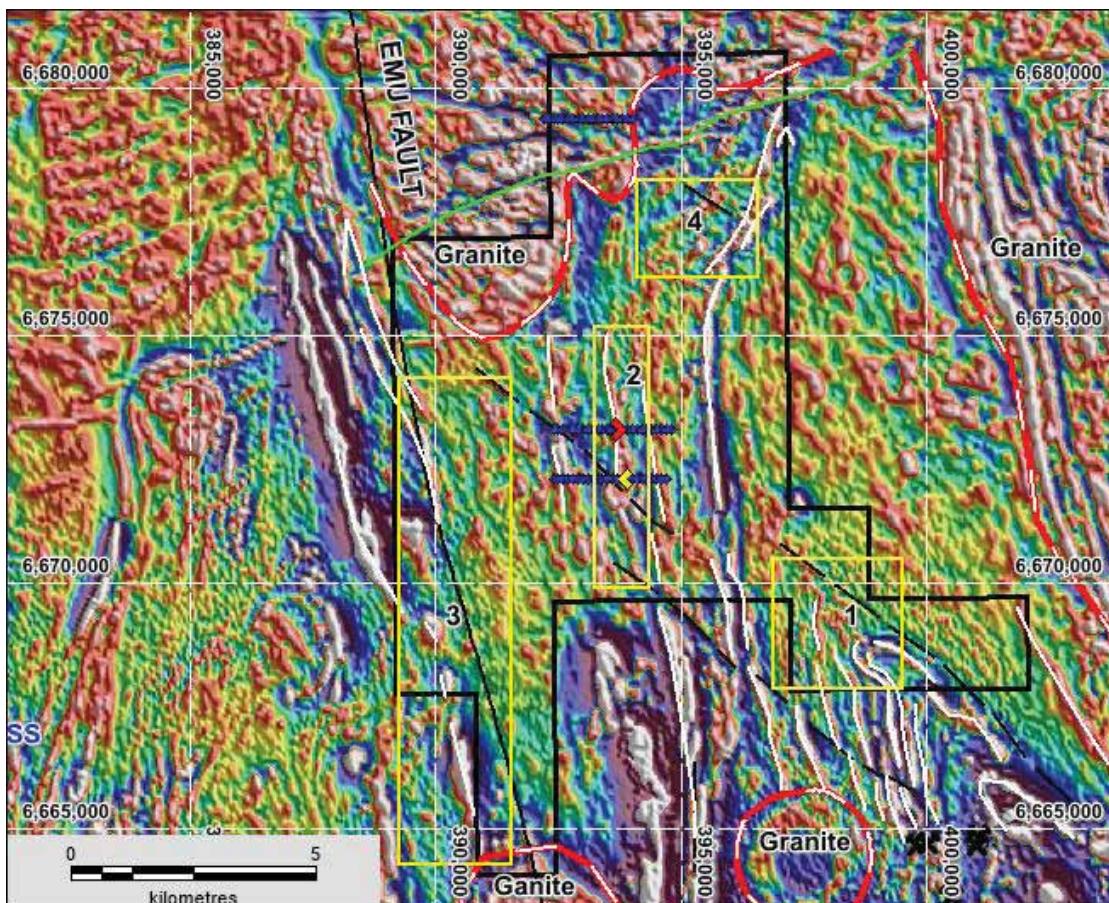


Figure 3 Satellite image of the Canegrass project showing the numbered target areas for follow up exploration

Several areas have been identified for follow up field based exploration involving further XRF sampling and collection of selected rock and soil samples for submission to ALS geochemical laboratory in Kalgoorlie. A brief description of each target area is given below:

1. An area of tightly folded mafic lithologies bounded by NW-SE faults and associated with known gold mineralisation to the south east of the tenement
2. North south oriented shear zone defined by the aeromagnetics and field based observations of highly sheared Archaean mafic units and local quartz/ironstone.
3. Tightly folded mafic stratigraphy adjacent to the regional Emu Fault which has been intruded by an internal Granite in the south of the target area.
4. Flexure in the Archaean mafic stratigraphy adjacent to a NE trending Proterozoic dyke.
5. Area of elevated potassium response as shown in the potassium radiometric image (**Figure 4**)

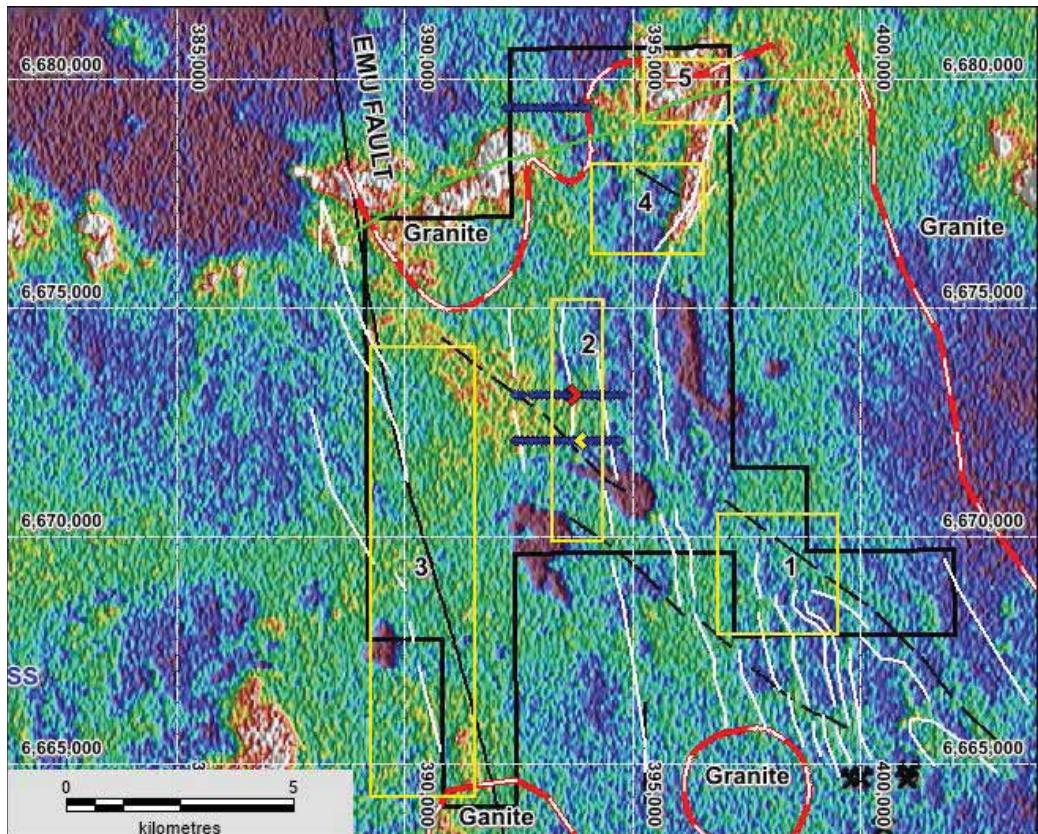


Figure 4 Potassium radiometric image showing all the target areas labelled 1 to 5

In **Figure 4 and 5** note the following:

- Stratigraphy is white
- Fault are in black
- Granites in red
- Proterozoic dykes in green
- Tenement outline in black
- Traverses 9 and 10 are in area 2 with traverse 9 to the south of traverse 10
- Traverse 11 is to the west of areas 4 and 5



Figure 5 Surficial geochemical sampling within the Canegrass project using the Delta instrument



Figure 6 foilated and sheared stratigraphy in the centre of Area 2(left) and quartz/ironstone outcrop in the centre if transverse 10

The Gindalbie Dam tenement is located to the south west of the Canegrass tenement (**Figure 1**) adjacent to the Yarrie road.

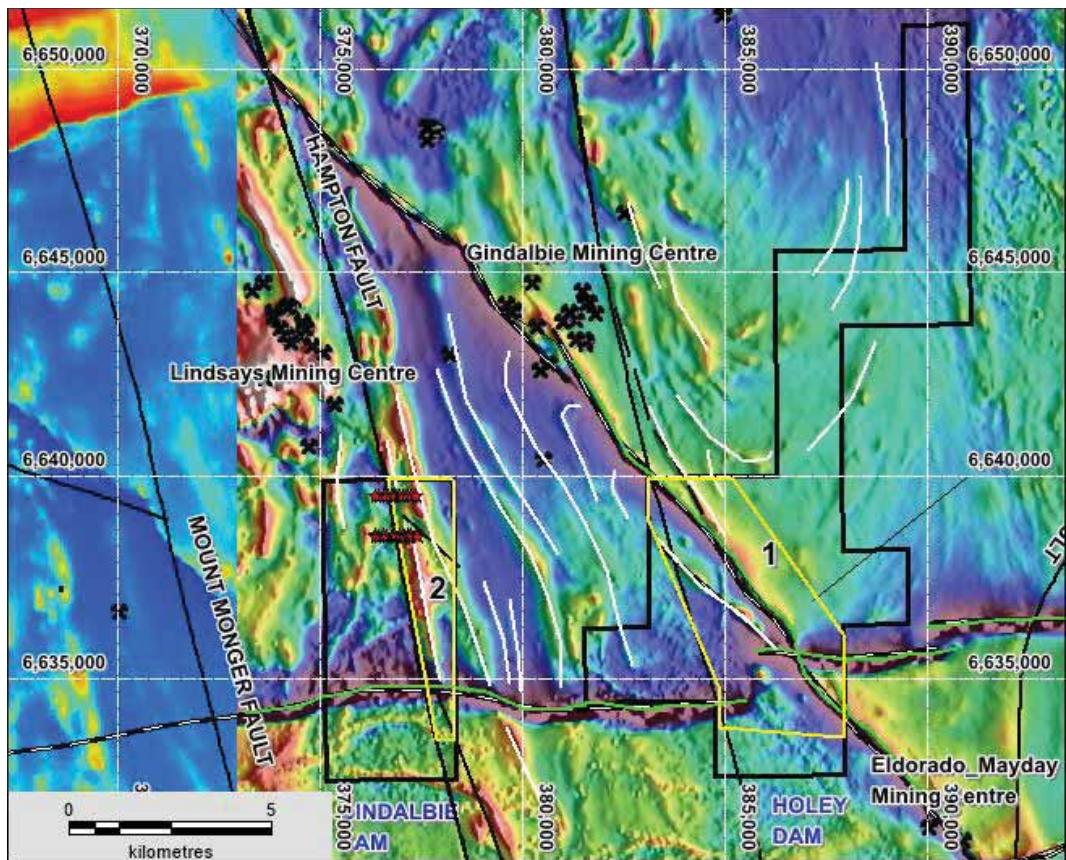


Figure 7 Aeromagnetic image of the Holey and Gindalbie Dam tenements showing the 2 sample traverses in Gindalbie Dam

Two geochemical sampling traverse were completed in the Gindalbie Dam tenement, traverse 12 in the north and 13 in the south. The entire area of the traverses is covered by a transported sandy silt with surficial fine quartz and ironstone lag with localised calcrete. During the traverses and area of drill spoil was located comprising unweathered high Mg basalt at the base of the pile. Further sampling within the Gindalbie and Holey tenements was hampered by persistent rain and inaccessible vehicular access.

The targets for follow up field based exploration include:

1. The intersection of a significant NW-SE oriented gold mineralised structure with an east-west Proterozoic mafic dyke. The Gindalbie and Mayday/Eldorado historical mining centres are located on the NW-SE structure and very limited Drilling has been carried out within the Holey Dam tenement.
2. The Hampton Fault traverses the Gindalbie Dam tenement from north to south adjacent to a linear magnetic high Region.
3. Elevated potassium response within the Holey Dam tenement which may be associated with alteration of mafic Lithologies.

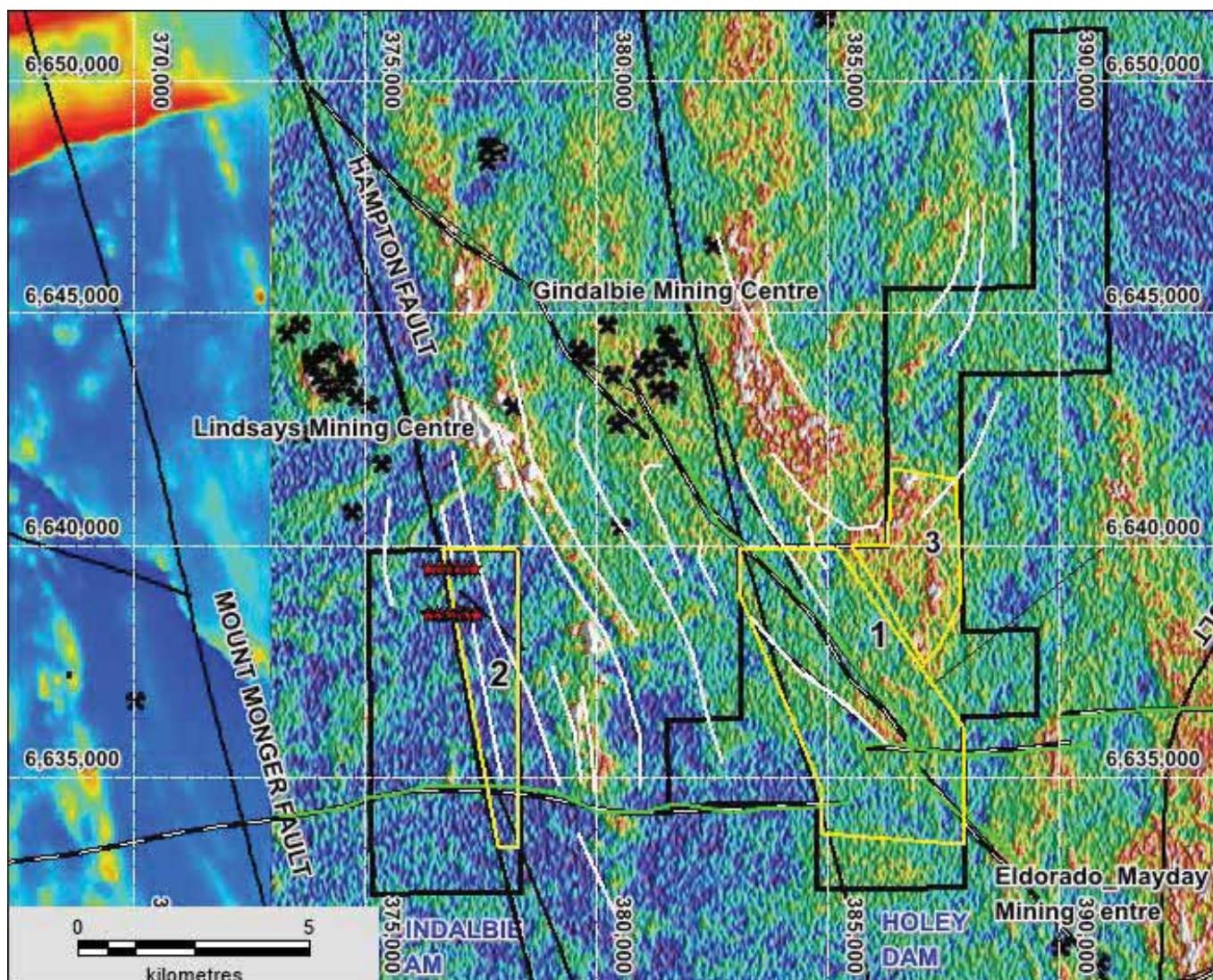


Figure 8 Potassium radiometric image of the Holey and Gindalbie Dam tenements showing the 3 target areas

The Jungle Hill tenement is part of the Kookynie project area located 60km south of Leonora and 55km north east of Menzies.

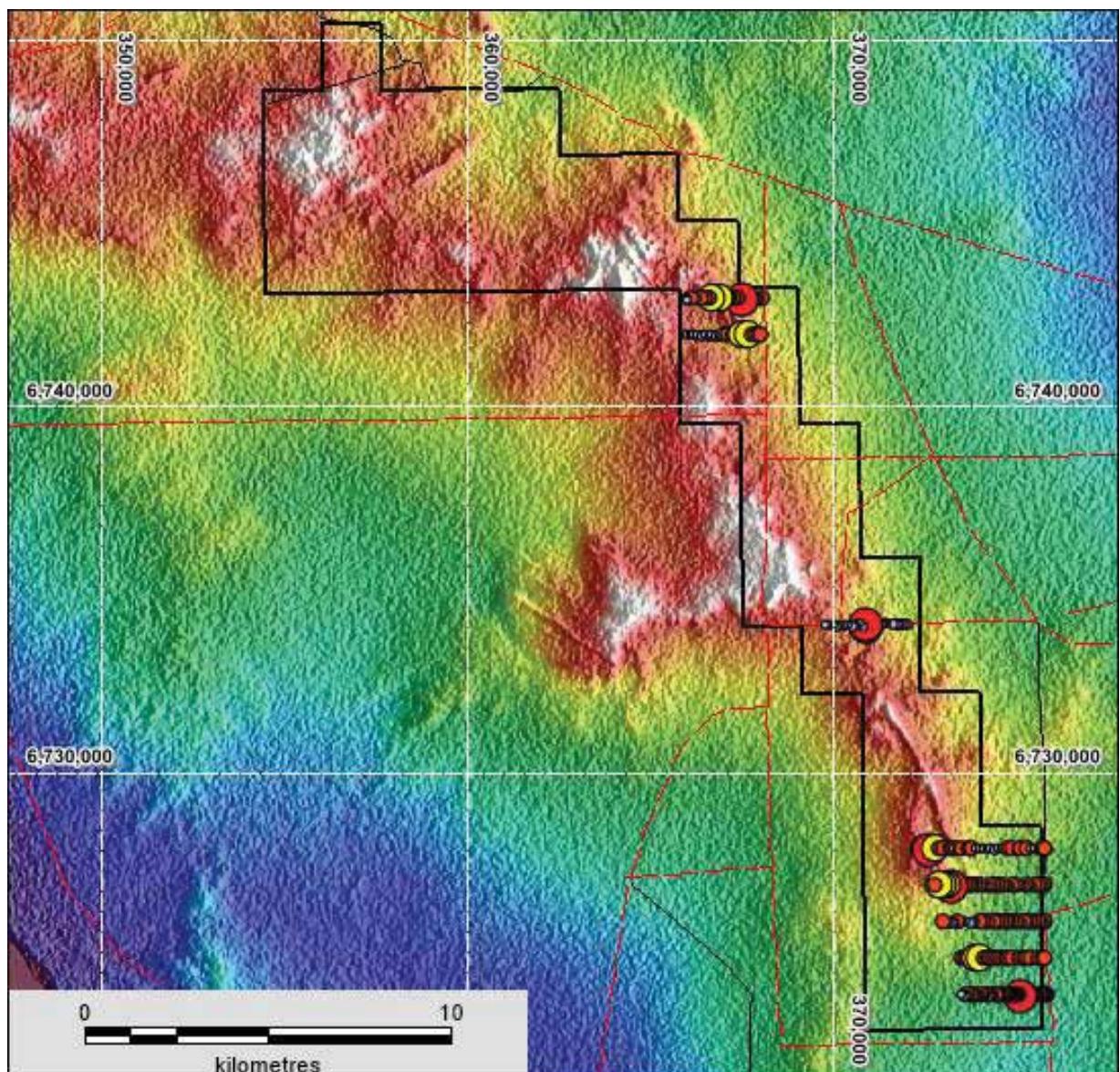


Figure 9 Digital elevation image of the Jungle Hill tenement showing the sample traverses and copper readings in ppm

A total of 8 sampling traverses were completed within the Jungle Hill tenement and numbered 1 to 8 from south to north. A variety of surface types were encountered from depositional unconsolidated sediments to outcropping Archaean mafic to Felsic volcanics and very localised residual laterite. The image in Figure 9 shows the copper readings in ppm:

- \ Red 100 to 442ppm
- Yellow 50-100ppm
- Brown < 50ppm

The digital elevation image shows higher topographic areas in red/white and lower topographic areas in yellow to blue.



Figure 10 Surface landform types showing ironstone gravel on the right and coarse white quartz on the left

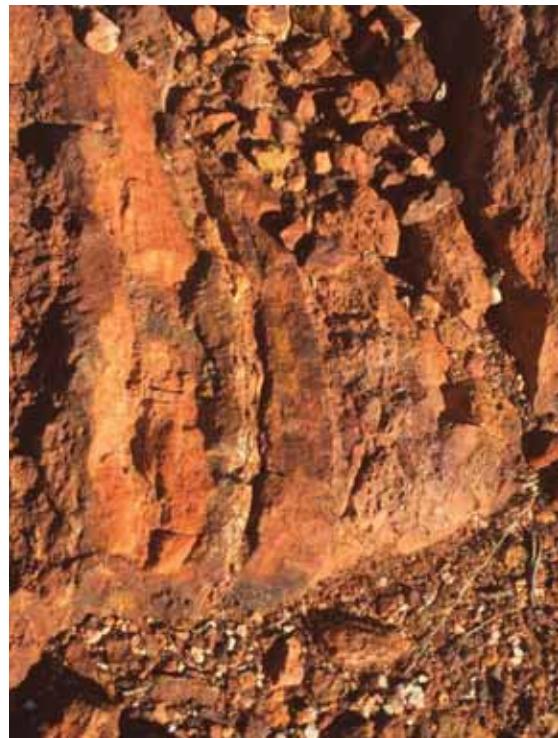
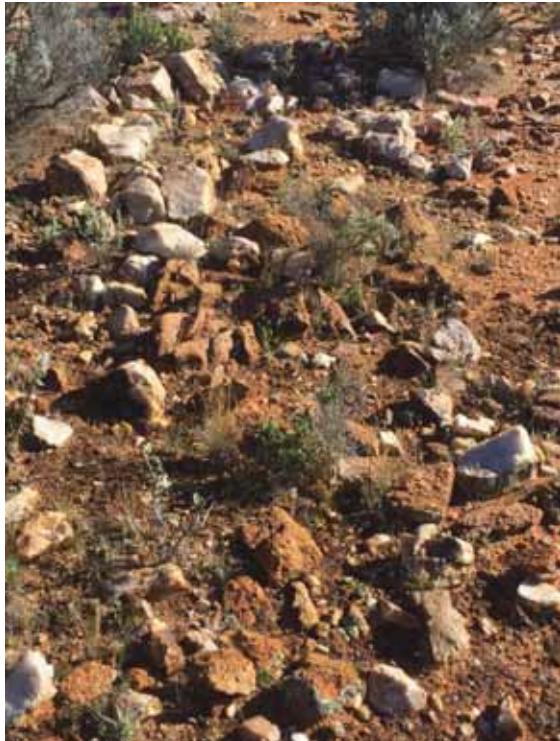


Figure 11 Surface landform types showing ferruginous vein quartz at the granite/basalt contact(left) and gossanous BIF(right)

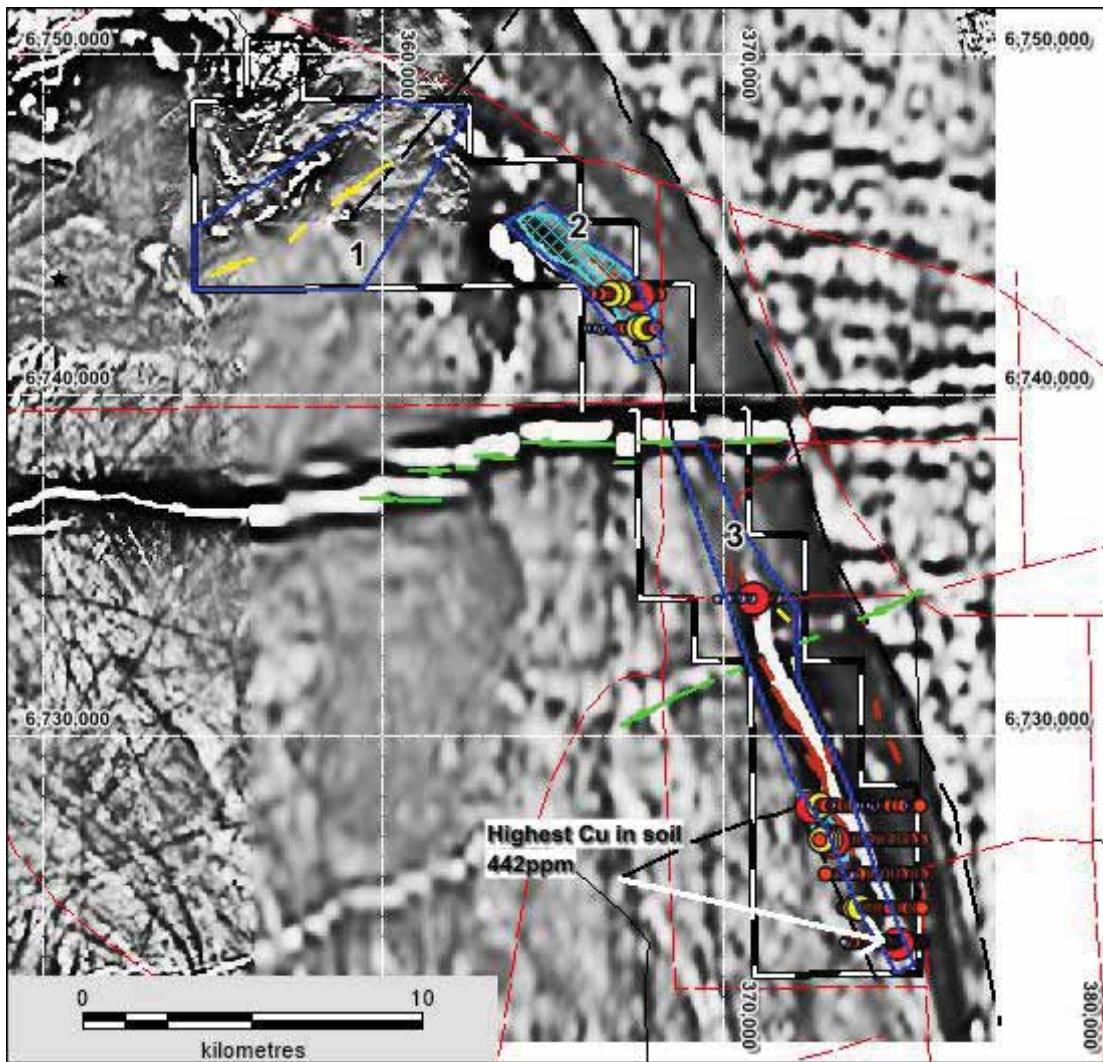


Figure 12 Aeromagnetic image of the Jungle Hill tenement showing the proposed target areas

The features to note in **Figure 12** are:

- The target areas for future exploration are blue and numbered from 1 to 3
- The tenement area is black and white
- Quartz veins are yellow
- BIF (Banded Iron Formation) units are brown
- Proterozoic dykes are light green
- Areas of anomalous iron response from the ASTER satellite data are light blue
- Faults are in black
- The sampling traverses are annotated the same as **Figure 9 – Cu ppm**

The target areas are described below:

1 A 6km north east trending quartz vein associated with a prominent north east fault on the eastern limb of a south west plunging syncline comprising basalt and gabbro.

2 An area of elevated Cu geochemistry associated with an iron enrichment from processing of ASTER satellite imagery. This target area is located on the faulted contact between granite and basalt. At the contact ferruginous vein quartz was noted (**Figure 11**).

3 A linear north south trend comprising a BIF flanked by basalt and granite with elevated Cu and Au associated with a locally brecciated and gossanous ironstone (**Figure 11**). The zone appears to be terminated by an east west Proterozoic mafic dyke in the north.

(The information in the report above that relates to Exploration Results is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566).

Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

Jianzhong Yang
Chairman

5th August 2016

| | | | | | | | | | | | | | | | |
|-----|------------|----------|-----|-----------|---------------|---------|--------|------|---|-----------------|--------------|--------------|--------|---|------------------------------|
| 320 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393500 | Soil | 0 | | gr | laterite | | E | |
| 321 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393600 | Soil | 1 | | gr | laterite | | E | |
| 322 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393700 | Soil | 7 | | gr | | | E | |
| 323 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393800 | Soil | 0 | | fn_qtz | | | D | fine qtz sand |
| 324 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393900 | Soil | 0 | | fn_qtz | | | D | |
| 325 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393400 | Soil | 0 | | fn_qtz | | | D | |
| 326 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393500 | Soil | 0 | | fn_qtz | | | D | |
| 327 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393600 | Soil | 2 | felsic volcanic | fv | | | E | sheared fv |
| 328 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393700 | Soil | 0 | | fv | | | D | sheared fv |
| 329 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393800 | Soil | 0 | felsic volcanic | fv | | | E | sheared fv |
| 330 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 393900 | Soil | 0 | felsic volcanic | fv | vn_qtz | | E | sheared fv |
| 331 | 19/07/2016 | E31/1113 | T11 | Gindalbie | Cane Grass | 6679400 | 394000 | Soil | 0 | felsic volcanic | fv | | | E | sheared fv |
| 332 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 377350 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 333 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 377250 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 334 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 377150 | Soil | 1 | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 335 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 377050 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 336 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376950 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 337 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376850 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 338 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639521 | 376812 | Soil | 2 | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 339 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376750 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 340 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376650 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 341 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376550 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 342 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376450 | Soil | | | fn_qtz | fn_ironstone | Chert? | D | trace coarser white qtz |
| 343 | 20/07/2016 | E27/549 | T12 | Gindalbie | Gindalbie Dam | 6639500 | 376350 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | trace coarser white qtz |
| 345 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638500 | 376350 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | |
| 346 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638500 | 376450 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | |
| 347 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638500 | 376550 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | |
| 349 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638500 | 376650 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | |
| 350 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638500 | 376750 | Soil | | | fn_qtz | fn_ironstone | vn_qtz | D | |
| 353 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 376850 | Soil | | | fn_ironstone | | | D | fine black rounded ironstone |
| 354 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 376950 | Soil | | | fn_ironstone | | | D | fine black rounded ironstone |
| 355 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 377050 | Soil | 1 | | fn_ironstone | | | D | fine black rounded ironstone |
| 357 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 377150 | Soil | | | fn_ironstone | | | D | fine black rounded ironstone |
| 360 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 377250 | Soil | | | fn_ironstone | | | D | fine black rounded ironstone |
| 361 | 20/07/2016 | E27/549 | T13 | Gindalbie | Gindalbie Dam | 6638530 | 377350 | Soil | | | fn_ironstone | | | D | fine black rounded ironstone |

JORC Code, 2012 Edition – Table 1 WA Gold Projects surficial geochemical sampling– July 2016

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"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> • A portable X-Ray Fluorescence (pXRF) soil geochemical survey was conducted • An Olympus Premium Delta handheld XRF analyzer was used to obtain soil geochemical readings. • 3 standards (including a silica blank) were read at the start and end of each sampling traverse |
| Drilling techniques | <ul style="list-style-type: none"> • 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). | <ul style="list-style-type: none"> • Drill hole data is not being reported |
| Drill sample recovery | <ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | <ul style="list-style-type: none"> • Drill hole data is not being reported |
| Logging | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Drill hole data is not being reported |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • 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"> • Soil sample sites were prepared by clearing a 10cm2 area to remove any light vegetation and immediate top soil. The instrument was then directly placed on the soil to analyse the area directly. • The elements analysed by the instrument were Cu, Pb, Zn, As, Sb, Bi, Hg, P, S, Cl, K, Ca, Ti, V, Cr, Mn, Fe, Co, Ni, Rb, Sr, Y, Zr, Mo, Cd, Sn, W, Th, U, Te, Nb, Sc, Au and Ag • Portable XRF sampling carried out using an Olympus Premium Delta handheld XRF analyzer on "Soil" mode, using three beams, each with 30 second duration to give a total analyzing time of 90 seconds. • Handheld XRF analysers are considered to be partial assays • 3 standards including a silica blank were routinely measured at the start and finish of each sampling traverse. |
| 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, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | |
| Verification of sampling and assaying | <ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. | |
| Location of data points | <ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation • Specification of the grid system used. • Quality and adequacy of topographic control. | <ul style="list-style-type: none"> • All sample locations surveyed using a hand held GPS accurate to 3 meters. • The grid system used in MGA 94, Zone 51. • Refer to body of report for location of XRF sampling traverses |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. | <ul style="list-style-type: none"> • Sample spacing along the traverses was 100m apart from one line which has a 50m sample interval. The sample lines were spaced at 1km intervals |
| <i>Orientation of data in relation to geological structure</i> | <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"> • The portable XRF sampling lines were oriented E-W and approximately perpendicular to the orientation of the target stratigraphy. |
| <i>Sample security</i> | <ul style="list-style-type: none"> • The measures taken to ensure sample security. | <ul style="list-style-type: none"> • The Olympus Premium Delta handheld XRF analysers generates unique identifier fields to accompany the readings which cannot be tampered with in any way. • All readings were collected in the field and downloaded at the end of the day by the project geologist. Copper readings were collected at each sample point as a reference point during the data download phase. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> • The sampling techniques were reviewed by the principal of geological consulting company Rocktiger who supervised the work program. |
| Section 2 Reporting of Exploration Results | | |
| (Criteria listed in the preceding section also apply to this section.) | | |
| Criteria | JORC Code explanation | Commentary |
| <i>Mineral tenement and land tenure status</i> | <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"> • Sampling was completed in E31/1114, E31/1113 and E27/549 • The tenements are owned by Kaili Gold Pty Ltd, a subsidiary of Kaili Resources Ltd. • The tenements are located in Western Australia approximately 80 to 150km north of Kalgoorlie which is 600km east of Perth. • The towns of Menzies within the Shire of the Menzies and Kalgoorlie in the City of Kalgoorlie-Boulder are nearest major towns. • There no JVs and Royalties • There are no Native Title claimants • The tenements are located in the Goldfields Esperance Development |

| Criteria | JORC Code explanation | Commentary |
|---|-----------------------|---|
| Exploration done by other parties <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties | | <p>Region.</p> <ul style="list-style-type: none"> Mt Kersey Mining completed 2 lines of RAB drilling for 40 holes at an average depth of 60m per hole across E27/549. The samples were assayed for Au, Ag, Ni, Cu, Pg, Zn. Jubilee Mines carried out soil sampling over a small grid in the centre of E31/1113 and assayed for a multi element suite. Gutnick Resources carried out soil sampling in a small area in the SW of E31/1113 and assayed for Au Condor Nickel collected soil samples in the extreme SW corner of E31/1113 and assayed for Co, As, Cu, Ni, Pb, Zn, Pt, Pd, Au and Ag. Jubilee Mines completed a few E-W soil traverses in the southern half of E31/1114 and assayed 3 rock samples. Kookynie Resources completed E-E and N-S soil traverses in the NW section of E31/1114 and assayed the samples for Au and As Mt Kersey Mines completed a soil grid in the NE corner of E31/1114 and assayed for Au, Ag, As, Cu, Pb, Zn, Ni White Cliff Minerals completed 4 RC drill holes for Au and base metals in the NW corner of E31/1114 Rubianna Resources completed 12 RC drill holes for Au and base metals in the NW corner of E31/1114 |
| Geology <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | | <ul style="list-style-type: none"> The gold exploration target is the Archaean Yilgarn Craton greenstone sequences comprising felsic to ultramafic volcanics intrusives, extrusives and sediments. The target type is shear/vein hosted gold mineralisation. |
| 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 | | <ul style="list-style-type: none"> Drill hole data is not being reported |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| Data aggregation methods | <ul style="list-style-type: none"> • Explain why this is the case. • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> • No data aggregation has been applied. |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | <ul style="list-style-type: none"> • Drill hole data is not being reported |
| Diagrams | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • A map showing all sample locations within E31/1113, E31/1114 and E27/549 are included in the announcement. |
| Balanced reporting | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Drill hole data is not being reported |
| Other substantive exploration data | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Refer to the body of the report for additional geological observations |
| Further work | <ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> • Further superficial geochemical exploration is planned to complete the initial program. In addition soil and rock samples will be collected at certain sites and submitted to ALS in Kalgoorlie as part of the next phase of surficial sampling. |