



## ANGLO AUSTRALIAN RESOURCES NL

ACN 009 159 077

ASX / NEWS RELEASE

20 April 2021

### BROAD ZONES OF STRONG GOLD MINERALISATION IN IN-FILL DRILLING AT MANDILLA EAST MAIN ZONE

Work now underway on a maiden Mineral Resource Estimate, on track for May 2021

#### HIGHLIGHTS

- Significant new assay results from recent in-fill drilling at Mandilla East, highlighting the presence of wide zones of gold mineralisation:
  - **83m @ 1.47g/t Au** from 96m in MDRC326
  - **64m @ 1.88g/t Au** from 44m in MDRC324
  - **84m @ 1.00g/t Au** from 91m in MDRC329
  - **53m @ 0.92g/t Au** from 58m plus **36m @ 1.24g/t Au** from 124m in MDRC327
  - **37m @ 0.97g/t Au** from 113m in MDRC330
- Assay results pending for a further 87 holes of Reverse Circulation (RC) drilling for 11,693m, and 15 holes of diamond drilling for 2,654.6m.
- Numerous occurrences of visible gold in samples awaiting assay.
- Maiden Mineral Resource Estimate for Mandilla underway and expected to be completed in May 2021.
- Current RC and diamond drilling programs now completed.
- Exploration drilling expected to re-commence during June/July.

Anglo Australian Resources NL Managing Director Marc Ducler said: *"These impressive new results from in-fill drilling of the Mandilla East Main Zone demonstrate the very large-scale nature of this gold project. Work on the Mineral Resource Estimate has started, and we expect this to be completed during May 2021 – which we anticipate will provide investors with the first real insight into the scale of the commercial opportunity at Mandilla."*

*"We have been drilling almost continuously at Mandilla since last September, and our current drill programs have just come to an end. A significant number of assay results are still outstanding, and we are looking forward to receiving those results over the next few weeks, incorporating them into our database and planning the next phases of drilling at Mandilla."*

*"The diamond drilling that was recently completed is looking visually interesting, with visible gold observed in hole MDRCD342, which was testing the potential linkage of mineralisation between Mandilla East and Mandilla South. So, while AAR is having a brief hiatus in drilling – the Mandilla Gold Project is only just starting to reveal its potential. We are looking forward to what promises to be a very active and exciting time over the next few months with lots of drill results still to come, a pivotal maiden JORC Mineral Resource next month and exploration drilling set to begin by mid-year to unlock the next chapter of opportunity at Mandilla."*



Anglo Australian Resources NL (ASX: AAR) (**AAR** or the **Company**) is pleased to provide an update on the ongoing resource drilling and exploration programs at the Company's 100%-owned **Mandilla Gold Project**, located 70km south of Kalgoorlie in Western Australia (Figure 1).

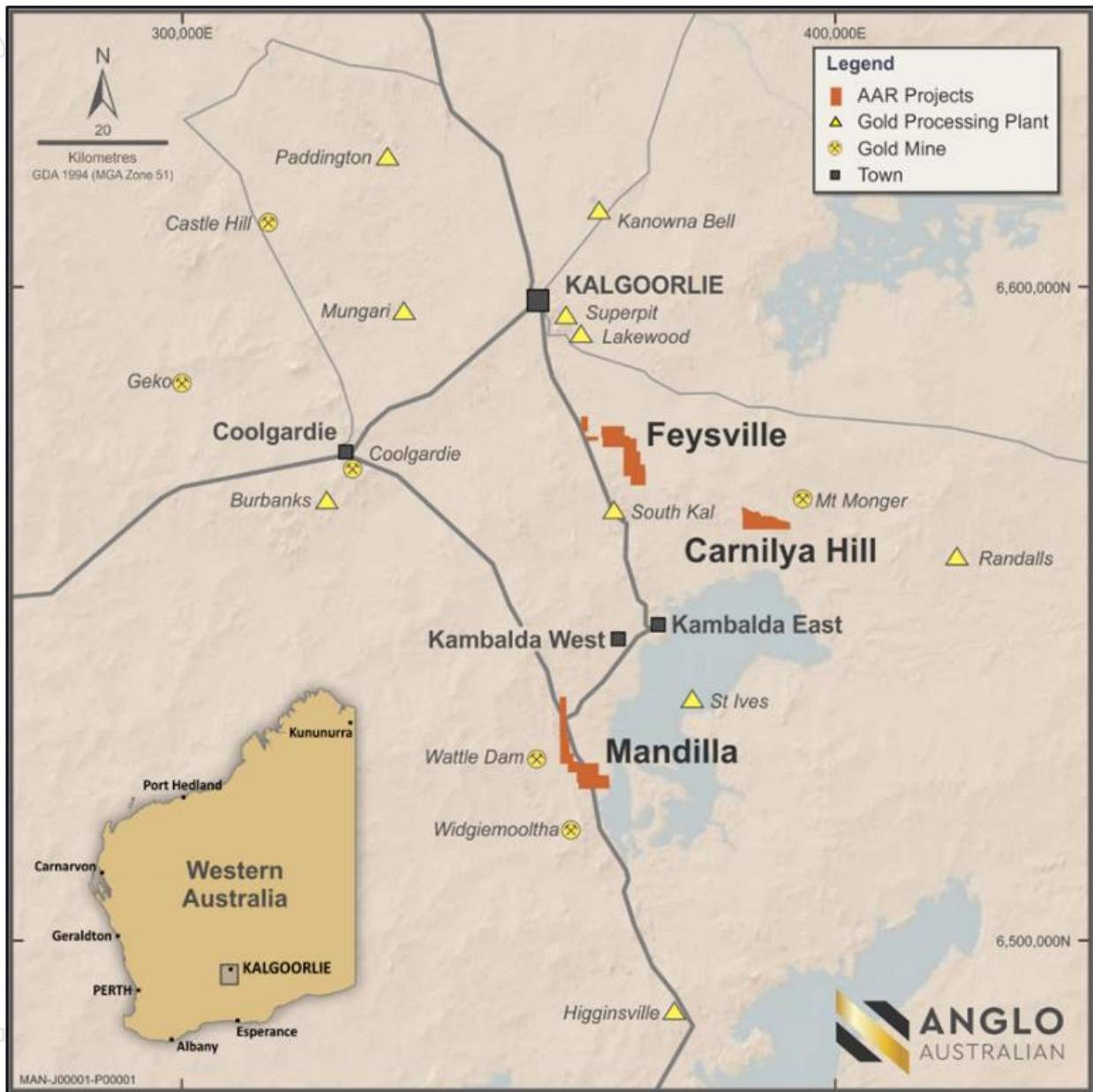


Figure 1 – Mandilla Gold Project location map

The Mandilla Gold Project lies on the western margin of a porphyritic granitic intrusion known as the Emu Rocks Granite, locally termed the Mandilla Syenite. The granitic intrusion intrudes volcanoclastic sedimentary rocks in the Project area which form part of the Spargoville Group as shown in Figure 2.

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the granitic intrusion and may be important in localising mineralisation at Mandilla East where a footprint extending over more than 1km strike length has previously been identified.

A second sub-parallel structure appears to host the gold mineralisation at Mandilla South. Here a mineralised footprint extending over a strike length of approximately 500m has previously been identified.



The Mandilla Gold Project is covered by existing Mining Leases which are not subject to any third-party royalties other than the standard WA Government gold royalty.

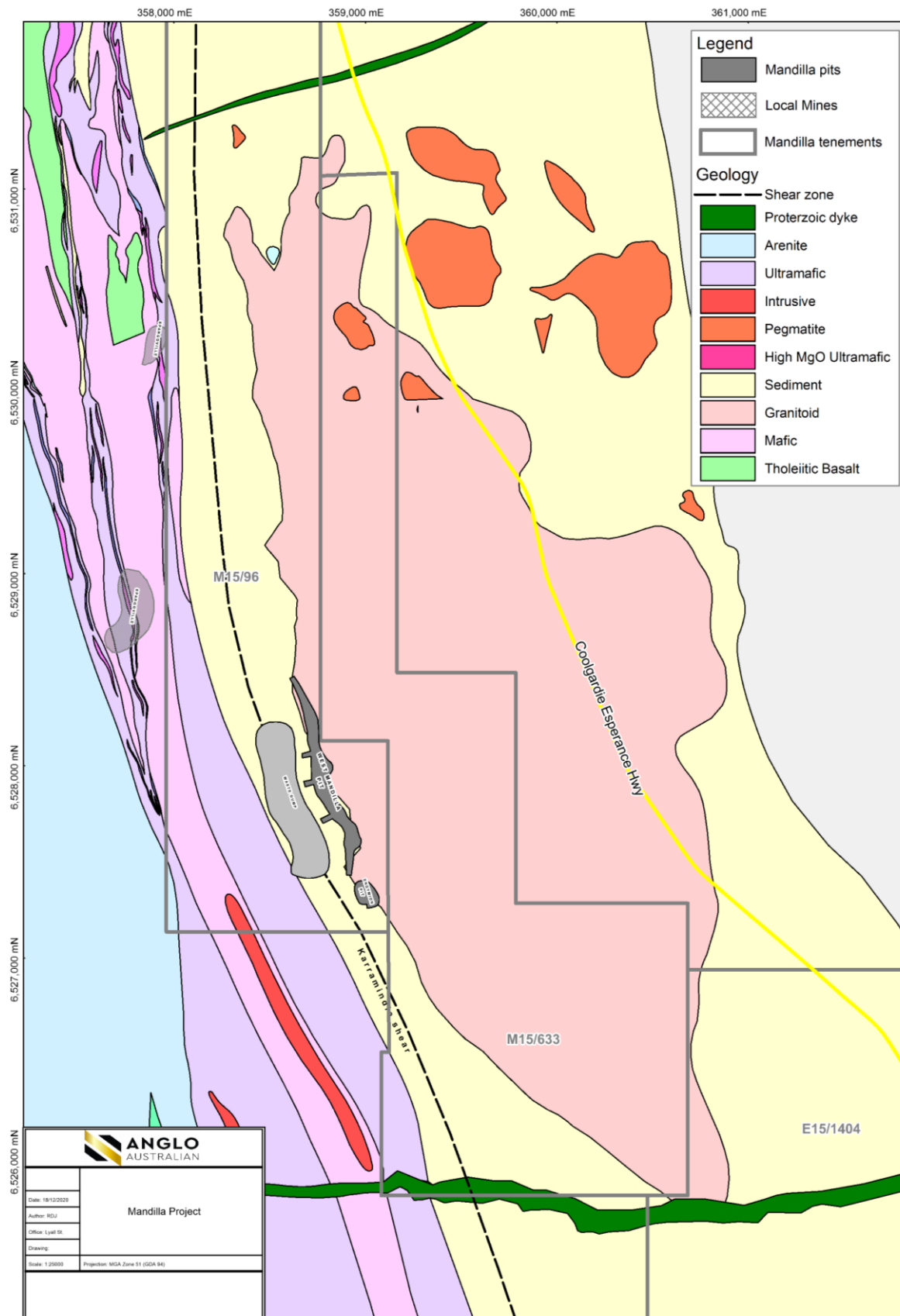


Figure 2 – Mandilla local area geology





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## DRILLING UPDATE

This announcement reports results from a total of 18 holes for an aggregate 3,061m. The results relate to drilling completed up until 31 March 2021 and follow the previously reported results from 96 holes for an aggregate 14,373m (see ASX Announcements dated 17 February 2021 and 26 March 2021).

The RC drilling campaign which commenced in September 2020 has recently been completed, with a total of 200 holes drilled for 28,932m. Assay results for a further 87 RC holes for an aggregate 11,693m remain outstanding.

The diamond drilling campaign, which began on 18 February 2021, has also recently been completed with 15 holes drilled for 2,654.7m (five holes are geotechnical). The remaining diamond core will be logged, cut and submitted for assays over the coming weeks.

Once the outstanding assay results at the Mandilla Gold Project have been received and interpreted, it is expected that exploration drilling will resume during June/July 2021.



*Image 1 – Diamond and RC drill rig operating in close proximity at Mandilla East*

The locations of the drill-holes reported in this announcement are set out in plan view in Figure 3.

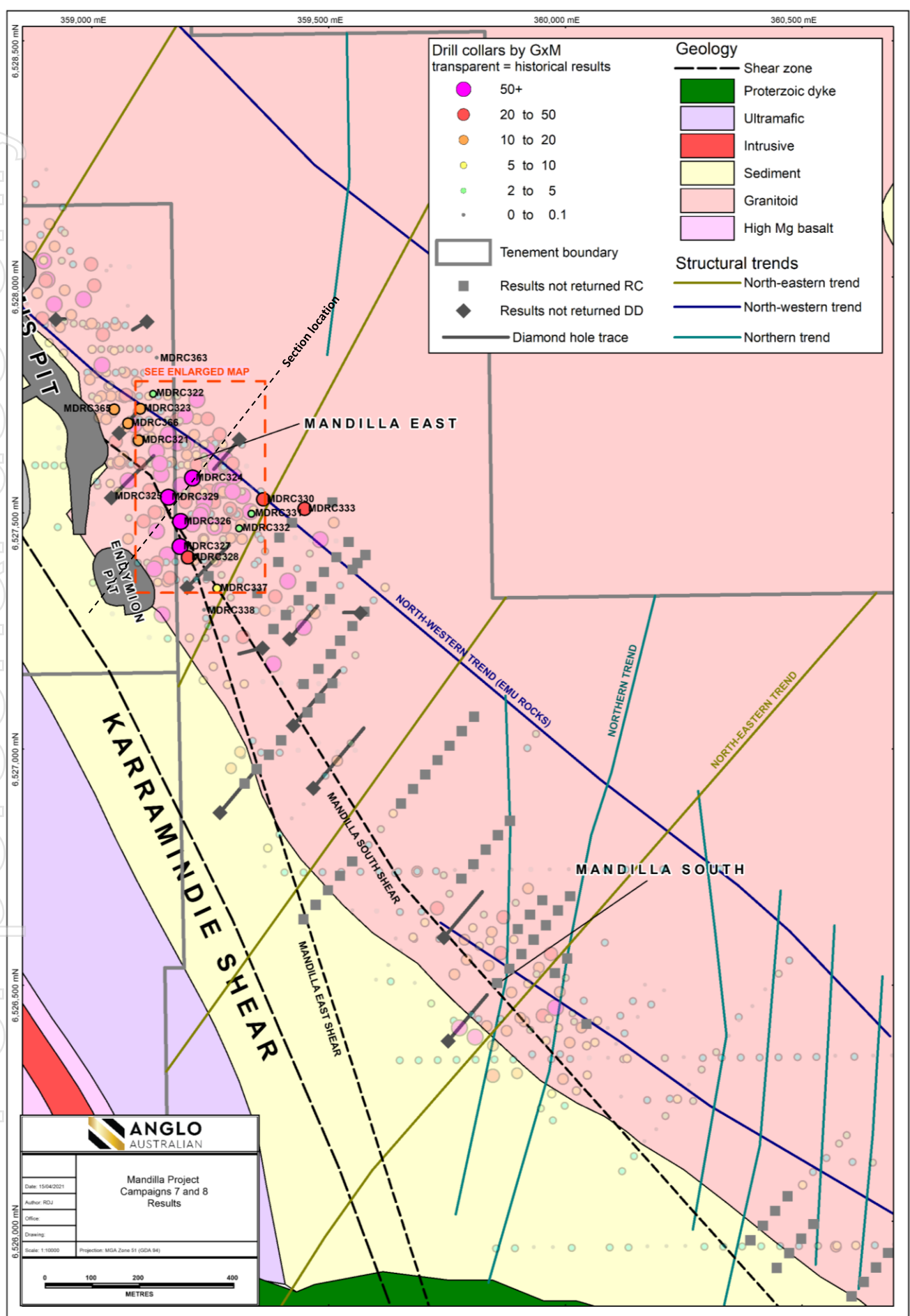


Figure 3 – Drill collar locations on local area geology

## MANDILLA EAST

AAR commenced an RC program of in-fill and extensional drilling at Mandilla East in December 2020. Results from the first 23 holes were reported on 26 March 2021. This announcement details the results from 18 holes for an aggregate 3,061m of in-fill drilling in the Mandilla East Main Zone.

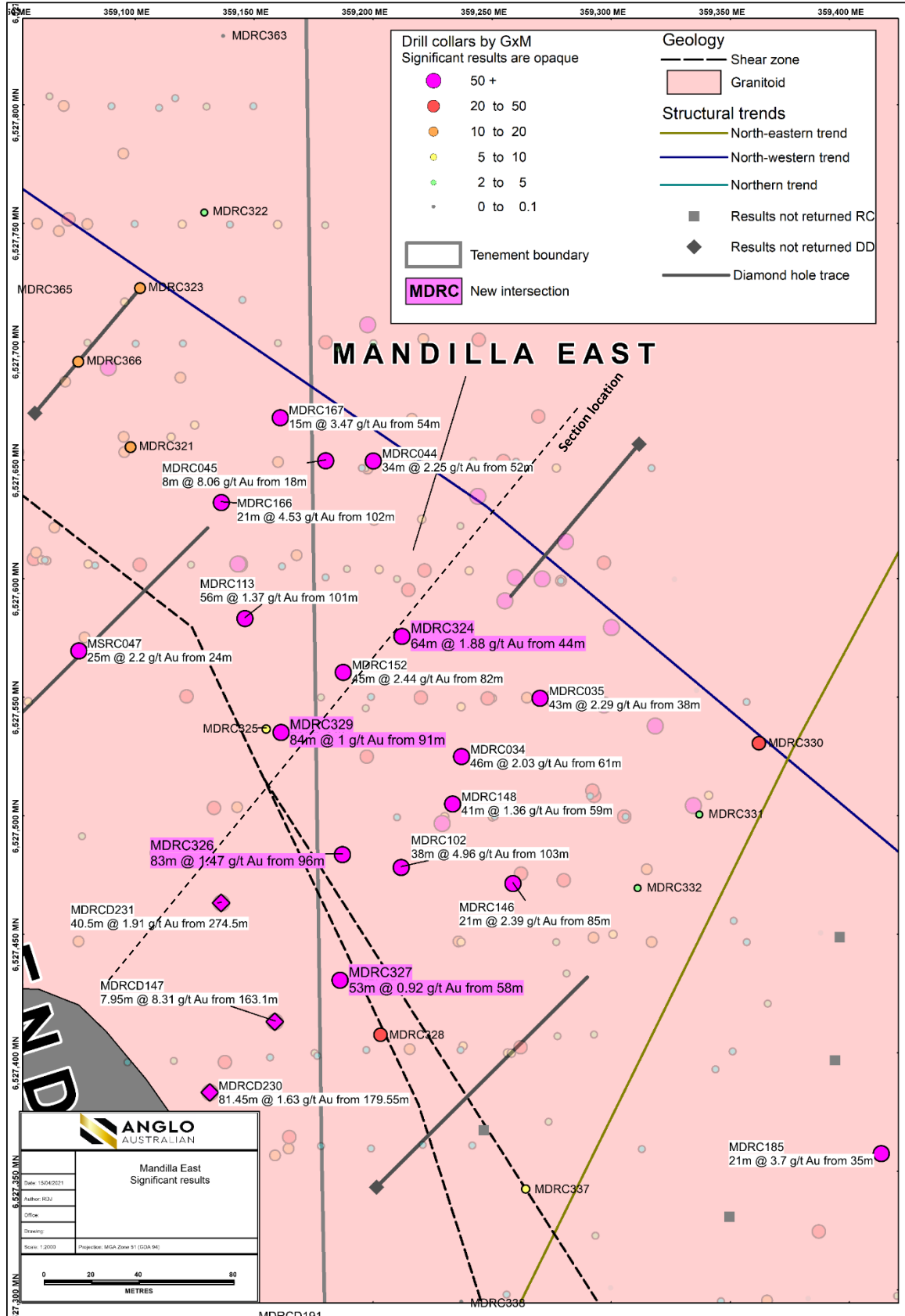


Figure 4 - Plan view of Mandilla East Main Zone

Best results from the Mandilla East Main Zone included:

- **83m @ 1.47g/t Au** from 96m in MDRC326
- **64m @ 1.88g/t Au** from 44m in MDRC324
- **84m @ 1.00g/t Au** from 91m in MDRC329
- **53m @ 0.92g/t Au** from 58m plus **36m @ 1.24g/t Au** from 124m in MDRC327
- **37m @ 0.97g/t Au** from 113m in MDRC330.

The Mandilla East in-fill results demonstrate a continuous wide zone of gold mineralisation. Historically this area has delivered the widest and highest-grade intersections and the most recent in-fill results continue to build on this high-grade zone within the broader Mandilla Gold Project. See Figure 4 above.

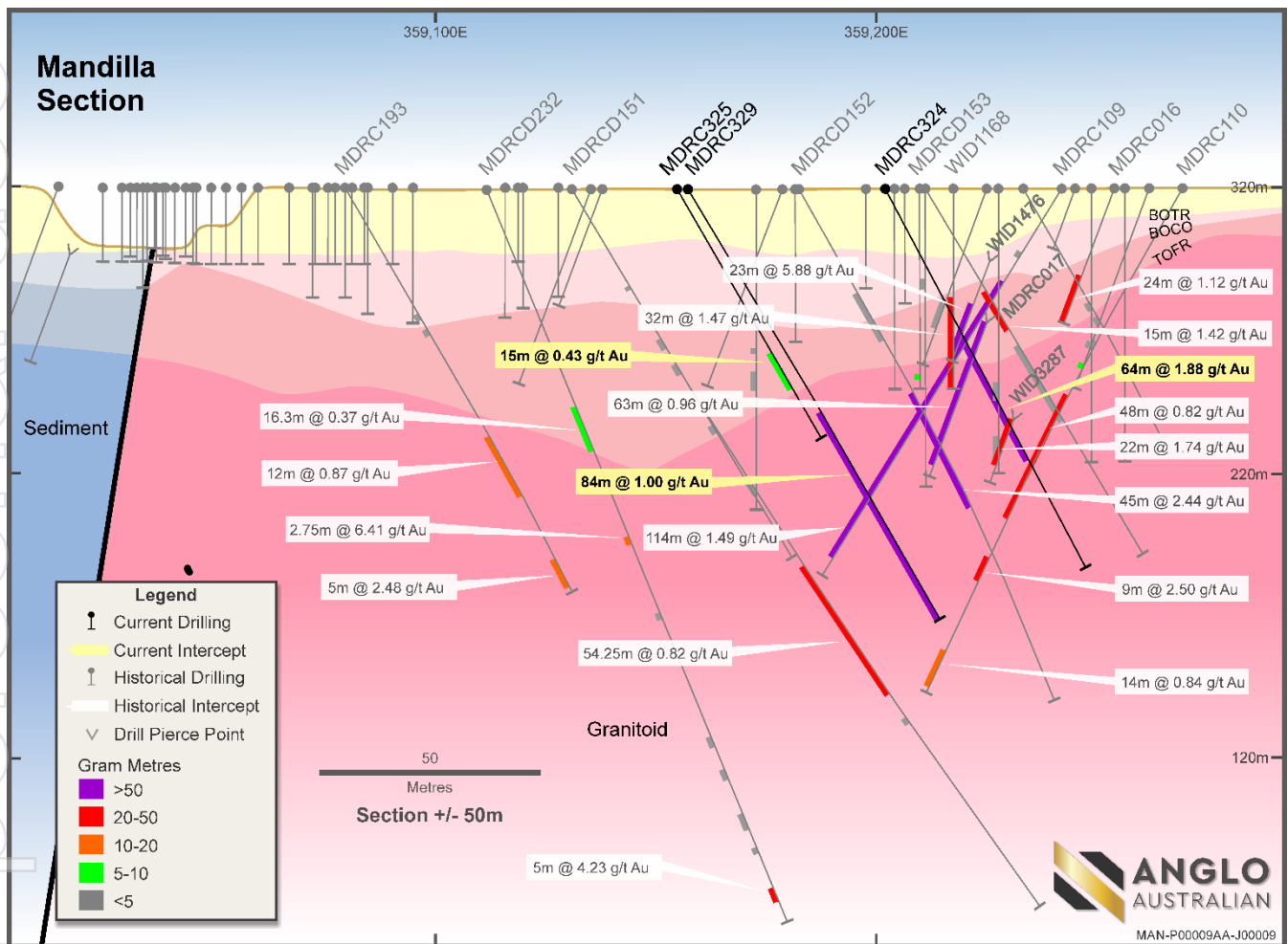


Figure 5 – Mandilla East cross-section (refer Figure 3 for section location)

The cross-section shown in Figure 5 is located in the central portion of Mandilla East. In-fill drilling to date has confirmed the wide high-grade nature of the Mandilla East Main Zone as well as extending this to the south.

MDRC324 which returned an intersection of **64m at 1.88g/t Au** from 44m, also demonstrated significant quantities of visible gold when panned (see Image 2 below). The interval from 102 to 103m assayed 8.02g/t Au and is further testament to the significant quantities of visible gold evident at the Mandilla Gold Project.





*Image 2 - Visible gold in MDRC324 from 102m - 103m*





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## COMPLETED RC DRILLING WORK PROGRAM

Further to the Mandilla East in-fill drilling reported in this announcement, 43 RC drill holes have been completed, 27 holes for an aggregate 3,927m to test the south-eastern extension to Mandilla East and 16 holes for an aggregate 2,345m to test the potential linkage of Mandilla East to Mandilla South.

Assay results for these holes are awaited.

The Mandilla South in-fill program has also recently been expanded, with a further 19 holes for an aggregate 2,768m drilled. Assay results are also outstanding for these holes.

The supergene zone located south-east of Mandilla South, which was identified from a historic air-core drilling campaign, has been followed up with a shallow 13-hole RC drill program for an aggregate 1,040m. Assay results are pending.

A potential repeat of Mandilla East / Mandilla South style mineralisation well to the north of Mandilla East has also been drill tested with a 4-hole RC program. This program was designed to test the intersection of the granite / sediment contact and an identified north-western trend. Assay results are pending.



*Image 3 - RC drilling at Mandilla East*

## COMPLETED DIAMOND DRILLING WORK PROGRAM

At the conclusion of the diamond drilling program, a total of 15 holes were completed for an aggregate 2,654.6m. This included five geotechnical holes for 537.8m.



*Image 4 - Nightshift diamond drilling at Mandilla East*

MDRCD377 which was drilled in the Mandilla East Main Zone has been logged cut and submitted for assay.

As reported previously (see ASX Announcement dated 26 March 2021), MDRCD377 intersected a zone of mineralisation from 120m to 230m downhole with 15 observed instances of visible gold.

The remaining drill holes have only been briefly inspected as part of the process of relocating the drill core from the site location to our core farm in Kambalda. Logging and cutting of the diamond core commenced following conclusion of the RC drill program.

Geotechnical hole MDGT004, drilled on a 220° azimuth, intersected visible gold at 166m with multiple observations of visible gold from 166m to the bottom of hole (198.7m). This is illustrated in Image 5 below.



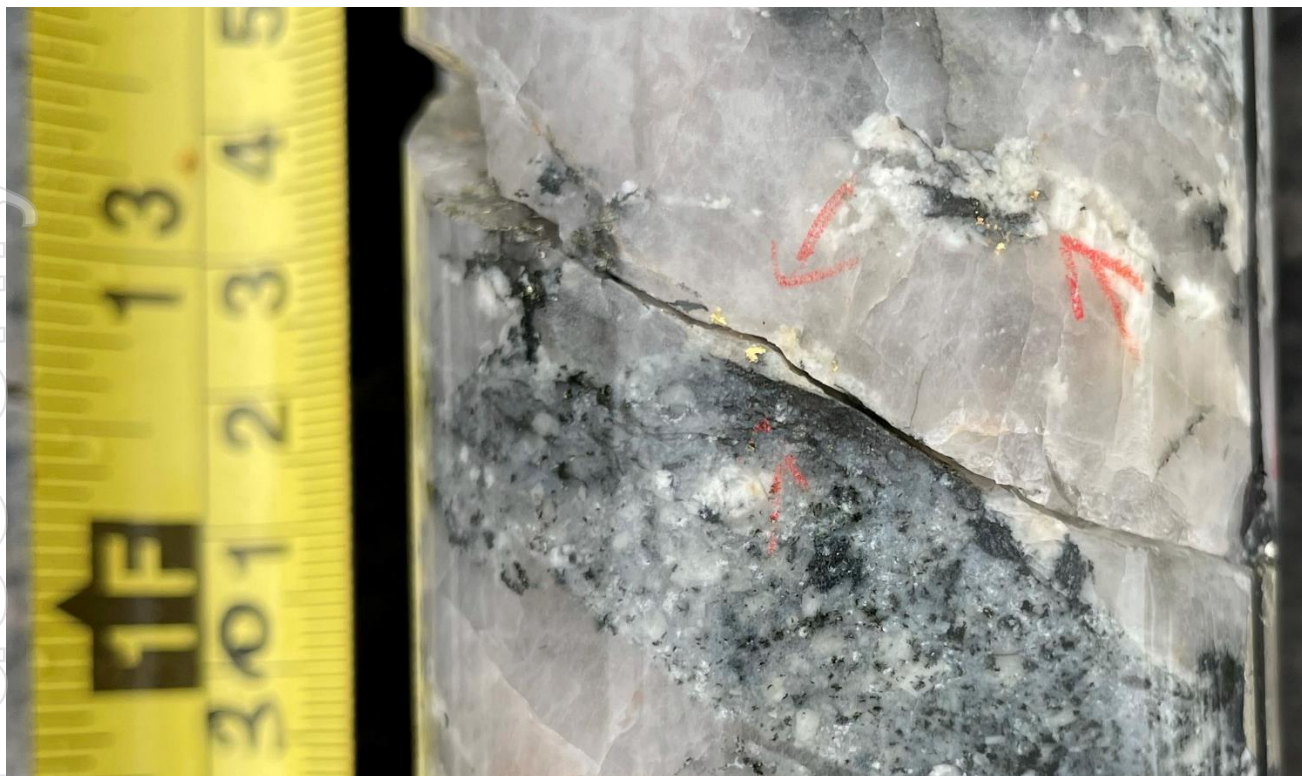


*Image 5 – Visible gold in MDGT004 from 166.0m*

Diamond drill hole MDRCD342, drilled to test for mineralisation between Mandilla East and Mandilla South, was drilled to a depth of 300.7m. This intersected visible gold at 243.7m, further strengthening the potential linkage of mineralisation between Mandilla East and Mandilla South.

This is shown in Image 6 below.





*Image 6 – Visible gold in MDRCD342 from 243.7m*

#### **MINERAL RESOURCE ESTIMATION AND FUTURE WORK PROGRAM**

Work has commenced on the Mandilla Gold Project Mineral Resource Estimate (MRE). Assay results from the extensional drilling to the south-east of Mandilla East will be incorporated once received. The MRE is expected to be completed during May 2021.

As a result of the significant delay in assay turnaround times, the results of 11,693m of RC drilling (including 4 pre-collars) and 2654.6m of diamond drilling will not be included in the maiden Mineral Resource Estimate but will be incorporated in future updates.

Exploration drilling is expected to re-commence during June/July 2021. The drill program will be determined pending the outcome of the MRE which is underway and the additional drill results from the recently completed RC and diamond drilling programs.

This announcement has been approved for release by the Managing Director. For further information:

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## **Compliance Statement**

*The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL. Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. Ms Reid 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'. Ms Reid consents to the inclusion in this announcement of the material based on this information, in the form and context in which it appears.*

## **Previously Reported Results**

*There is information in this announcement relating to exploration results which were previously announced on 19 June 2020, 11 August 2020, 15 September 2020, 17 February 2021 and 26 March 2021. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.*



## APPENDIX 1 - DIAMOND DRILL HOLE DETAILS

**Table 1 - Drill hole data**

Hole ID	Type	Hole Depth (m)	GDA (North)	GDA (East)	GDA RL	Dip	MGA Azmith
MDRC321	RC	195	359,098	6,527,656	321	-65	40
MDRC322	RC	120	359,129	6,527,755	320	-70	40
MDRC323	RC	170	359,102	6,527,723	321	-70	40
MDRC324	RC	150	359,212	6,527,576	319	-60	40
MDRC325	RC	100	359,155	6,527,537	320	-60	40
MDRC326	RC	190	359,187	6,527,484	320	-60	40
MDRC327	RC	200	359,186	6,527,431	319	-60	40
MDRC328	RC	200	359,203	6,527,408	318	-62	40
MDRC329	RC	175	359,161	6,527,536	320	-60	40
MDRC330	RC	150	359,362	6,527,531	320	-60	40
MDRC331	RC	171	359,337	6,527,501	320	-60	40
MDRC332	RC	150	359,311	6,527,470	320	-60	40
MDRC333	RC	155	359,449	6,527,511	320	-60	40
MDRC337	RC	205	359,264	6,527,343	320	-65	40
MDRC338	RC	200	359,237	6,527,295	320	-60	40
MDRC363	RC	130	359,137	6,527,829	322	-60.5	40
MDRC365	RC	200	359,047	6,527,722	321	-60.5	40
MDRC366	RC	200	359,076	6,527,692	321	-69	40





**Table 2 - Diamond drilling intersections**

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
MDRC321	Mandilla East	42	43	1	0.59
		<b>99</b>	<b>125</b>	<b>26</b>	<b>0.69</b>
		162	173	11	0.21
MDRC322	Mandilla East	42	47	5	0.44
		111	116	5	0.20
MDRC323	Mandilla East	55	56	1	0.48
		88	89	1	0.56
		94	97	3	0.40
		103	116	13	0.12
		<b>124</b>	<b>133</b>	<b>9</b>	<b>1.87</b>
		<i>Includes 1m at 14.36g/t Au from 126m</i>			
		151	163	12	0.07
MDRC324	Mandilla East	<b>44</b>	<b>108</b>	<b>64</b>	<b>1.88</b>
		<i>Includes 1m at 32.19g/t Au from 77m</i>			
		<i>Includes 1m at 26.66g/t Au from 90m</i>			
		149	150	1	0.59
MDRC325	Mandilla East	<b>66</b>	<b>81</b>	<b>15</b>	<b>0.43</b>
		92	93	1	0.52
MDRC326	Mandilla East	<b>96</b>	<b>179</b>	<b>83</b>	<b>1.47</b>
		<i>Includes 1m at 29.79g/t Au from 103m</i>			
		<i>Includes 1m at 25.62g/t Au from 138m</i>			
MDRC327	Mandilla East	37	42	5	0.19
		<b>58</b>	<b>111</b>	<b>53</b>	<b>0.92</b>
		<b>124</b>	<b>160</b>	<b>36</b>	<b>1.24</b>
		<b>177</b>	<b>190</b>	<b>13</b>	<b>0.55</b>
MDRC328	Mandilla East	42	51	9	0.46
		63	73	10	0.20
		<b>96</b>	<b>157</b>	<b>61</b>	<b>0.54</b>
		<i>Includes 1m at 12.35g/t Au from 113m</i>			
		173	198	25	0.11
MDRC329	Mandilla East	64	78	14	0.26
		<b>91</b>	<b>175</b>	<b>84</b>	<b>1.00</b>
		<i>Includes 1m at 11.72g/t Au from 93m</i>			
		<i>Includes 1m at 16.07g/t Au from 161m</i>			
MDRC330	Mandilla East	<b>113</b>	<b>150</b>	<b>37</b>	<b>0.97</b>
		<i>Includes 1m at 11.97g/t Au from 145m</i>			
MDRC331	Mandilla East	77	87	10	0.27
MDRC332	Mandilla East	42	44	2	0.55
		125	132	7	0.69
MDRC333	Mandilla East	<b>67</b>	<b>94</b>	<b>27</b>	<b>0.49</b>
		<b>110</b>	<b>121</b>	<b>11</b>	<b>0.48</b>
		144	151	7	0.70
MDRC337	Mandilla East	<b>44</b>	<b>61</b>	<b>17</b>	<b>0.34</b>



		72	74	2	0.27
		184	191	7	0.23
		197	200	3	0.29
MDRC338	Mandilla East	74	75	1	2.84
		154	155	1	0.86
MDRC363	Mandilla East	NSI			
MDRC365	Mandilla East	42	45	3	0.81
		<b>75</b>	<b>80</b>	<b>5</b>	<b>1.12</b>
		<b>126</b>	<b>150</b>	<b>24</b>	<b>0.24</b>
MDRC366	Mandilla East	<b>37</b>	<b>61</b>	<b>24</b>	<b>0.24</b>
MDRC366		134	139	5	0.33
MDRC366		144	163	19	0.14



## APPENDIX 2 – JORC 2012 TABLE 5

### Section 1: Sampling Techniques and Data - Mandilla

Criteria	JORC Code Explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>The project has been sampled using industry standard drilling techniques including diamond drilling (DD) and RC drilling. The sampling described in this release has been carried out on the last 2019, all 2020 and 2021 Reverse Circulation (RC) drilling. The 18 RC holes were drilled and sampled. The samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half-inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p> <p>All RC samples were collected in bulka bags in the AAR compound and trucked weekly to MinAnalytical in Kalgoorlie via Hannans Transport. All samples transported were submitted for analysis. Transported material of varying thickness throughout project was generally selectively sampled only where a paleochannel was evident. All samples were assayed by MinAnalytical with company standards blanks and duplicates inserted at 25 metre intervals.</p> <p><i>Historical - The historic data has been gathered by a number of owners since the 1980s. There is a lack of detailed information available pertaining to the equipment used, sample techniques, sample sizes, sample preparation and assaying methods used to generate these data sets. Down hole surveying of the drilling where documented has been undertaken using Eastman single shot cameras (in some of the historic drilling) and magnetic multi-shot tools and gyroscopic instrumentation. All Reverse Circulation (RC) drill samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample. All Aircore samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample. 1m samples were then collected from those composites assaying above 0.2g/t Au.</i></p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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>	<p>All RC holes were drilled using face sampling hammer reverse circulation technique with a four-and-a-half inch bit. Aircore Drilling - blade bit. For a 4.5 inch diameter hole</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>Definitive studies on RC recovery at Mandilla have not been undertaken systematically, however the combined weight of the sample reject and the sample collected indicated recoveries in the high nineties percentage range. Poor recoveries are recorded in the relevant sample sheet. No assessment has been made of the relationship between recovery and grade. Except for the top of the hole, while collaring there is no evidence of excessive loss of material and at this stage no information is available regarding possible bias due to sample loss.</p> <p>RC: RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited on the ground, and the samples for the lab collected to a total mass optimised for photon assay (2.5 to 4 kg).</p>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>All chips were geologically logged by company geologists, using their current company logging scheme. The majority of holes (80%+) within the mineralised intervals have lithology information which has provided sufficient detail to enable reliable interpretation of wireframe.</p> <p>The logging is qualitative in nature, describing oxidation state, grain size, an assignment of lithology code and stratigraphy code by geological interval.</p>





		<p>RC: Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray.</p>
<p><b>Sub-sampling techniques and sample preparation</b></p>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>The 18 RC holes were drilled and sampled. The samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p> <p><i>Historical - The RC drill samples were laid out in one metre intervals. Spear samples were taken and composited for analysis as described above. Representative samples from each 1m interval were collected and retained as described above. No documentation of the sampling of RC chips is available for the Historical Exploration drilling</i></p> <p>Recent RC drilling collects 1 metre RC drill samples that are channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the rejects cone. Wet samples are noted on logs and sample sheets.</p> <p>Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage.</p> <p>MinAnalytical assay standards, blanks and checks were inserted at regular intervals. Standards, company blanks and duplicates were inserted at 25 metre intervals.</p> <p>RC: 1 metre RC samples are split on the rig using a cone-splitter, mounted directly under the cyclone. Samples are collected to 2.5 to 4kg which is optimised for photon assay.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p> <p>Unable to comment on the appropriateness of sample sizes to grain size on historical data as no petrographic studies have been undertaken. Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight below a targeted 4kg mass which is the optimal weight to ensure representivity for photon assay. There has been no statistical work carried out at this stage.</p>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>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.</i></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<p>Photon Assay technique at MinAnalytical Laboratory Services, Kalgoorlie. Samples submitted for analysis via Photon assay technique were dried, crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3512R)</p> <p>The 500g sample is assayed for gold by PhotonAssay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates.</p> <p>The MinAnalytical PhotonAssay Analysis Technique: - Developed by CSIRO and the Chrysos Corporation, This Photon Assay technique is a fast and chemical free alternative to the traditional fire assay process and utilizes high energy x-rays. The process is non-destructive on and utilises a significantly larger sample than the conventional 50g fire assay. MinAnalytical has thoroughly tested and validated the PhotonAssay process with results benchmarked against conventional fire assay.</p> <p>The National Association of Testing Authorities (NATA), Australia's national accreditation body for laboratories, has issued Min Analytical with accreditation for the technique in compliance with TSO/TEC 17025:2018-Testing.</p> <p>Certified Reference Material from Geostats Pty Ltd submitted at 75 metre intervals approximately. Blanks and duplicates also submitted at 75m intervals giving a 1:25 sample ratio.</p> <p><i>Historical - Sample receipt – LIMS Registration – Sample sorting and Reconciliation. Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours Samples are pulverised to 85% passing 75um using a LM5 Pulveriser. Pulps sent to Intertek Perth with a 25 gram sample split off. Assayed for Au, As Co, Cu, Ni, Pb, Zn by method AR25/MS, Samples assaying greater than 1000ppb Au assay by AR25hMS. Standard Intertek Minerals protocols re blanks, standards &amp; duplicates applied.</i></p> <p>Referee sampling has not yet been carried out.</p>



<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<p>Geology Manager or Senior Geologist verified hole position on site.</p> <p>MDRCD151 diamond RC precollar to 150m, subsequent DD drilling speared away from precollar and diamond core was produced from 46m down hole, producing a twin hole to 150m. MDRCD236 was drilled to test oxide or and twin the previously drilled MDRC201. MDRCD216A and MDRC216 is a twinned hole down to 126m.</p> <p>Standard data entry used on site, backed up in South Perth WA.</p> <p>No adjustments have been carried out. However work is ongoing as samples can be assayed to extinction via the PhotonAssay Analysis Technique</p>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<p>Drill holes have been picked up by Leica RTK GPS. Minecomp were contracted to pick up all latest drilling collars.</p> <p>Grid: GDA94 Datum UTM Zone 51</p>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<p>RC Drill hole spacing is 40m on section, with 40m sectional spacing in the Mandilla East area increasing to up to 120m by 80m away from the main mineralisation. Diamond drilling is at 80m spacing with only 6 AAR DD holes drilled in the area.</p> <p>AC Drill hole spacing is 50 to 100m on section, with 200 and 400m sectional spacing (approximate).</p> <p>NO Sample compositing was undertaken</p>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p>All drill holes have been drilled normal to the interpreted strike. Most of the current holes drilled on a 040 azimuth, with a few still at 220 azimuth as dip had been interpreted as steep.</p>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<p>All samples taken daily to AAR yard in Kambalda West.</p>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<p>No audits have been carried out at this stage.</p>



## Section 2: Reporting of Exploration Results – Mandilla

Criteria	JORC Code Explanation	Commentary			
		Tenement	Status	Location	Interest Held (%)
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	E 15/1404	Granted	Western Australia	100
		M 15/96	Granted	Western Australia	Gold Rights 100
		M 15/633	Granted	Western Australia	Gold Rights 100
		<p>The tenements are in good standing with the Western Australian Department of Mines, Industry Regulation and Safety.</p> <p>No royalties other than the WA government 2.5% gold royalty.</p>			
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>Several programs of RC percussion, diamond and air core drilling were completed in the area between 1988-1999 by Western Mining Corporation (WMC). In early 1988 a significant soil anomaly was delineated, which was tested late 1988 early 1989 with a series of 4 percussion traverses and diamond drilling. Gold mineralisation was intersected in thin quartz veins within a shallowly dipping shear zone. 1989-90- limited exploration undertaken with geological mapping and 3 diamond holes completed. 1990-91- 20 RC holes and 26 AC were drilled to follow up a ground magnetic survey and soil anomaly. 1991-94 - no gold exploration undertaken</p> <p>1994-95 – extensive AC programme to investigate gold dispersion. A WNW trending CS defined lineament appears to offset the Mandilla granite contact and surrounding sediments, Shallow patchy supergene (20-25m) mineralisation was identified, which coincides with the gold soil anomaly</p> <p>During 1995- 96 - Three AC traverses 400m apart and 920m in length were drilled 500m south of the Mandilla soil anomaly targeting the sheared granite felsic sediment contact.</p> <p>1996-97 - A 69 hole AC program to the east of the anomaly was completed but proved to be ineffective due to thin regolith cover in the area. WID3215 returned 5m @7g/t from 69m to EOH.</p> <p>1997-1998- 17 RC infill holes to test mineralisation intersected in previous drilling was completed. A number of bedrock intersections were returned including WID3278 with 4m @ 6.9g/t Au from 46m.</p>			
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>Mandilla is situated on the margins of the Emu Rocks Granite (a high level stock of porphyritic monzogranite/syenite) intruding the Spargoville Felsics. The Mandilla deposit was defined by a 50ppb Au soil anomaly. The regolith consists of a surface veneer of ferruginous, pisolitic gravelly alluvium up to 15m thick, overlying a partially stripped saprolitic monzogranite and felsic pyroclastics up to 40m thick (Clarke 1991). Mineralisation is associated with narrow flat lying quartz veining within the granite and to a lesser extent the felsicpyroclastics. Pyrite generally associated with the quartz veining in weakly foliated shears.</p>			
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all 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</li> </ul>	<p>This Information has been summarised in Table 1 and 2 of this ASX announcement.</p>			





	Competent Person should clearly explain why this is the case.	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>No data aggregation methods have been used.</p> <p>A 100ppb Au lower cut off has been used to calculate grades for AC drilling</p> <p>A 0.3g/t Au lower cut off has been used to calculate grades for RC drilling, with maximum internal dilution of 5m.</p> <p>A cutoff grade of &gt;0.5g*m has been applied for reporting purposes in the tables of results.</p> <p>This has not been applied.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	Not known at this stage.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	Applied
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	Balanced reporting has been applied.
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	No other substantive exploration data.
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>Follow up Reverse Circulation &amp; Diamond Drilling is planned.</p> <p>No reporting of commercially sensitive information at this stage.</p>