

**ASX/ NEWS RELEASE**

27 September 2021

## **44g/t GOLD INTERSECTED IN GEOTECHNICAL DRILLING AT MANDILLA EAST AS DRILLING CONTINUES TO DELIVER**

**Drilling to determine rock properties in the proposed eastern pit wall at Mandilla East intersects 1.4m at 28.03g/t Au from 165m including 0.7m at 44.5g/t Au**

### **HIGHLIGHTS**

- Assays received from 11 diamond drill holes completed earlier this year, including geotechnical holes selected for their proximity to the designed pit walls at Mandilla East, plus infill drilling at Mandilla East and Mandilla South. Best new results include:
  - **1.4m at 28.03g/t Au** from 165.00m, including **0.7m at 44.5g/t Au** in MDGT004;
  - **37.33m at 0.76g/t Au** from 250.17m in MDRCD250;
  - **32.5m at 0.84g/t Au** from 217.00m in MDRCD342;
  - **15.61m at 1.22g/t Au** from 111.70m and **18.99m at 0.56g/t Au** from 48.23m in MDRCD430;
  - **19.5m at 1.11g/t Au** from 75.90m in MDRCD374; and
  - **10.05m at 1.75g/t Au** from 195.50m and **9.85m at 1.33g/t Au** from 169.50m in MDRCD375.
- Broad sections of mineralisation encountered in MDRCD342 (**32.5m at 0.84g/t Au** from 217.00m) and MDRCD250 (**37.33 at 0.76g/t Au** from 250.17m) demonstrate the potential to extend the Mandilla East mineralisation a further 120m to the south-east.
- 31 instances of visible gold observed across seven diamond drill-holes.
- Geotechnical hole MDGT004 intersected **1.4m at 28.03g/t Au** from 165.00m including **0.7m at 44.5g/t** plus **2.41m at 2.44g/t Au** from 195.79m to the bottom-of-hole (which included two visible gold observations). This hole was designed to determine rock properties for the proposed eastern pit wall.
- There is potential to add Mineral Resources and broaden the base of the proposed open pit in this location because of this high-grade intersection.
- At Mandilla South, holes MDRCD374 (**19.5m at 1.11g/t Au** from 75.90m) and MDRCD375 (**10.05m at 1.75g/t Au** from 195.50m and **9.85m at 1.33g/t Au** from 169.50m) both returned significant intersections. Where the sediment/intrusive contact was intersected, high grades were again observed along with associated calc silicate alteration.
- RC drilling is underway, with recent drill hole MDRC452 encountering significant visible gold when panned. Diamond drilling is expected to commence in early October.

AAR Managing Director Marc Ducler said: *"These recent diamond holes have revealed a number of important developments. Firstly, they have shown that high-grade gold associated with quartz veining at Mandilla East extends further to the east, as demonstrated by the very high-grade 44g/t intercept in geotechnical hole MDGT004."*

*“Secondly, Mandilla East is continuing to extend to the south-east as demonstrated by holes MDRC342 and MDRCD250. Finally, mineralisation at Mandilla South appears to have a higher-grade core associated with the sediment/intrusive contact.”*

*“Drilling is progressing well, with the south-eastern extension to Mandilla East currently being tested along strike to the north to determine if it joins to the Mandilla East mineralisation near MDGT004. In-fill drilling is also planned to follow up MDRCD342 and MDRCD250.*

*“With the recent reduction in assay turnaround times from our preferred laboratory, we are looking forward to an increasing level of news-flow in the weeks ahead.”*

Anglo Australian Resources NL (ASX: AAR) (**AAR** or the **Company**) is pleased to report recently received assay results from diamond drilling completed in the first quarter of 2021 at the Company’s 100%-owned Mandilla Gold Project (**Mandilla**), located 70km south of Kalgoorlie in Western Australia (Figure 1).

Mandilla hosts a JORC 2012 Mineral Resource Estimate (**MRE**) of **19.8Mt at 1.0 g/t Au for 664.6koz**. It lies on the western margin of a porphyritic granitic intrusion known as the Emu Rocks Granite.

The granitic intrusion intrudes volcanoclastic sedimentary rocks in the Project area which form part of the Spargoville Group as shown in Figure 2.

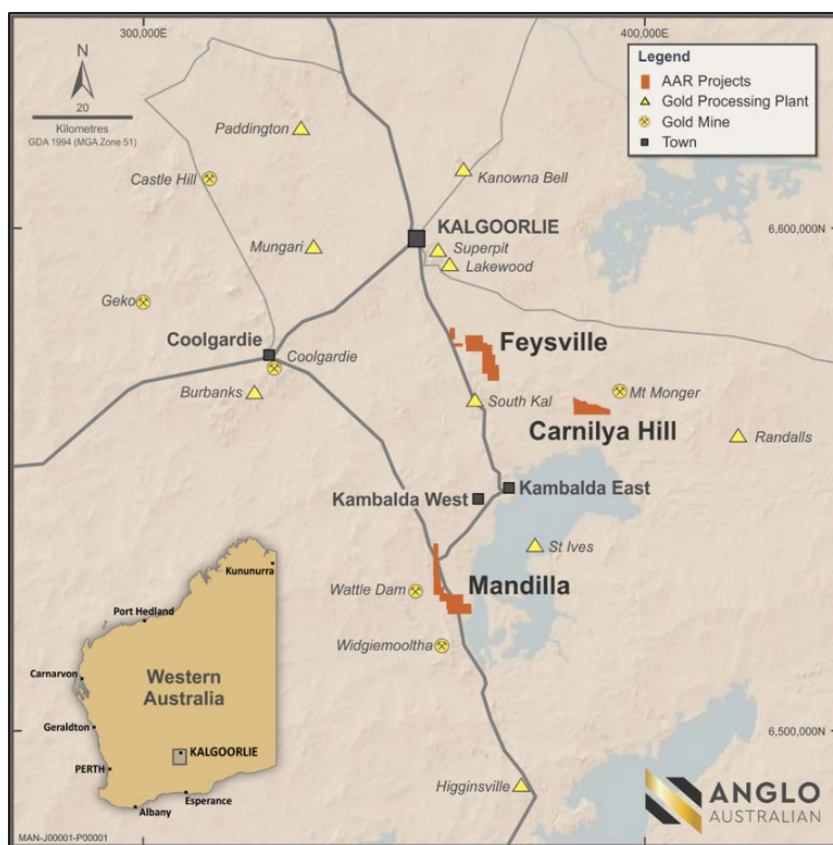


Figure 1 – Mandilla Gold Project location map

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 mineralised footprint extending over a strike length of more than 1.5km has previously been identified.

A second sub-parallel structure appears to host the gold mineralisation at Mandilla South. In this area, a mineralised footprint extending over a strike length of approximately 700m has previously been identified.

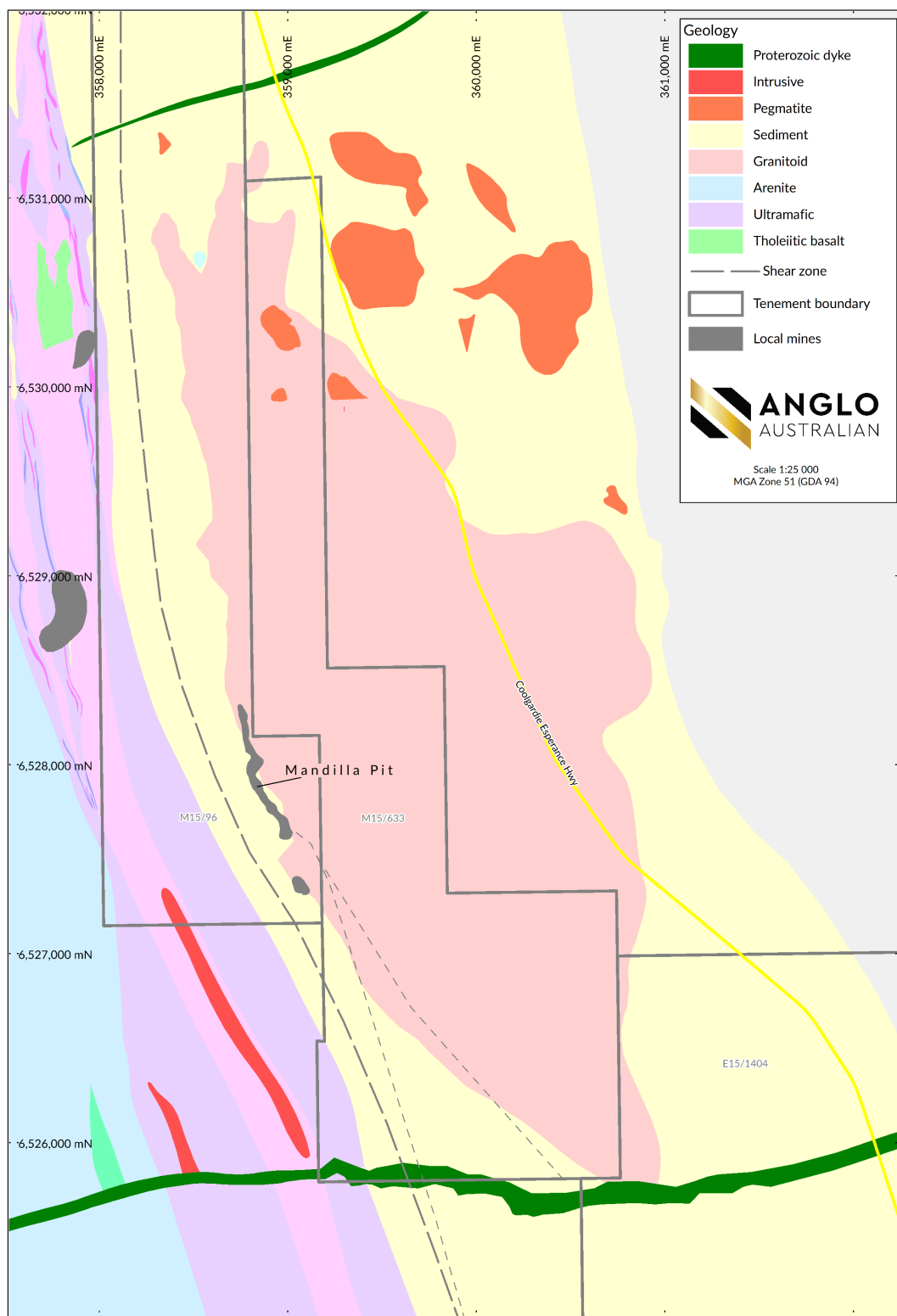


Figure 2 – Mandilla local area geology

Mandilla is covered by existing mining leases which are not subject to any third-party royalties other than the standard WA Government gold royalty.



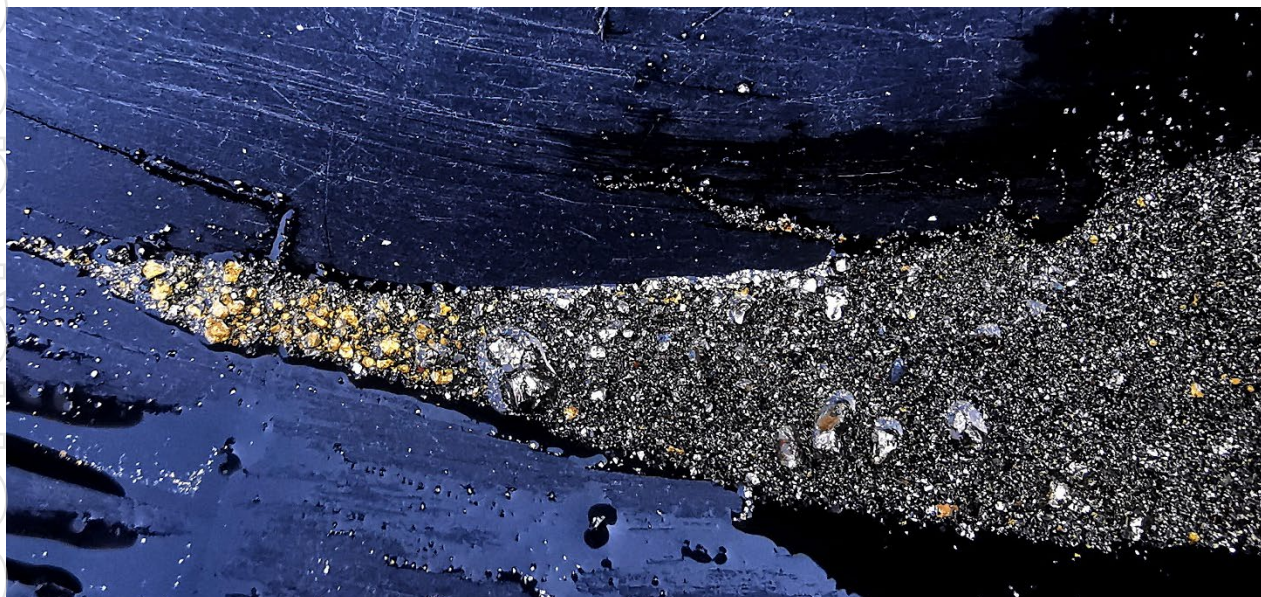
## EXPLORATION UPDATE

This announcement reports assay results from 11 diamond drill holes for an aggregate 1889.4m of drilling.

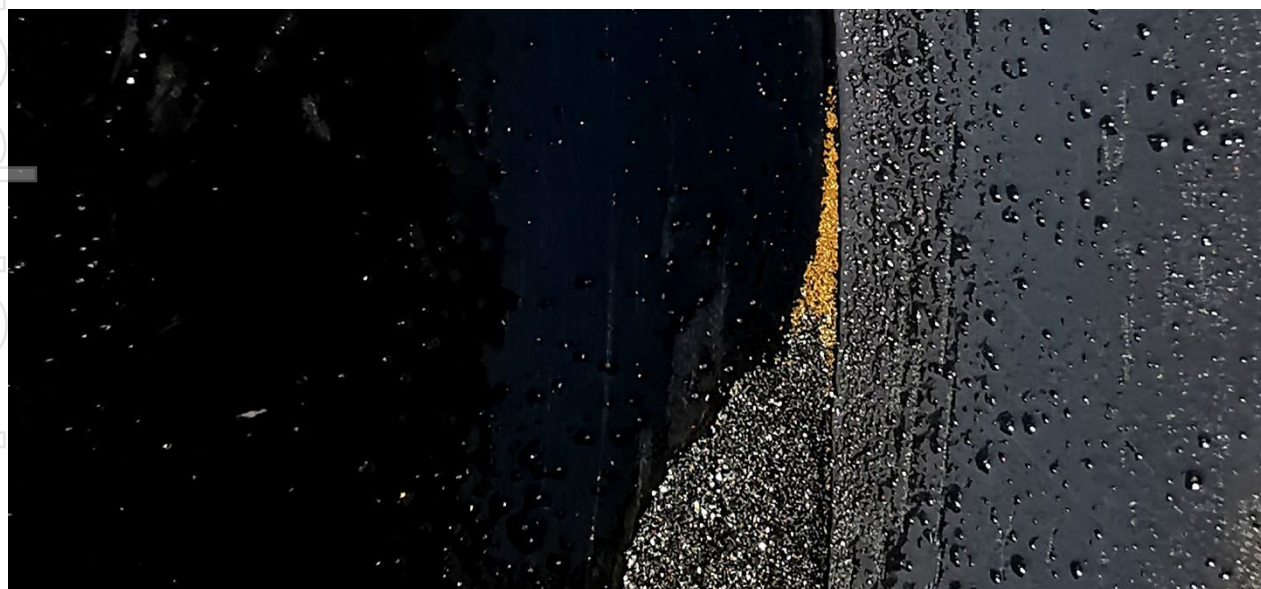
The results relate to diamond drilling completed up until April 2021 and follows previously-reported results from two diamond drill holes for an aggregate 584.5m (see ASX announcement dated 29 July 2021).

8,433m of reverse circulation (RC) drilling has been completed since drilling recommenced on 11 August 2021. Drill-hole MDRC452, which was drilled as in-fill at Mandilla East, showed significant quantities of visible gold when panned (see Image 1 and Image 2 below). This is in proximity of previously reported high-grade intercepts of **2m at 44.04g/t Au** from 88m in MDRC137 and **9m at 5.89g/t Au** from 76m in MDRC195.

Assay results for the RC drilling currently underway are expected to be available in early October.



*Image 1 – Coarse gold from RC drill-hole MDRC452 from 69m*



*Image 2 – Fine gold from RC drill-hole MDRC452 from 69m*

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

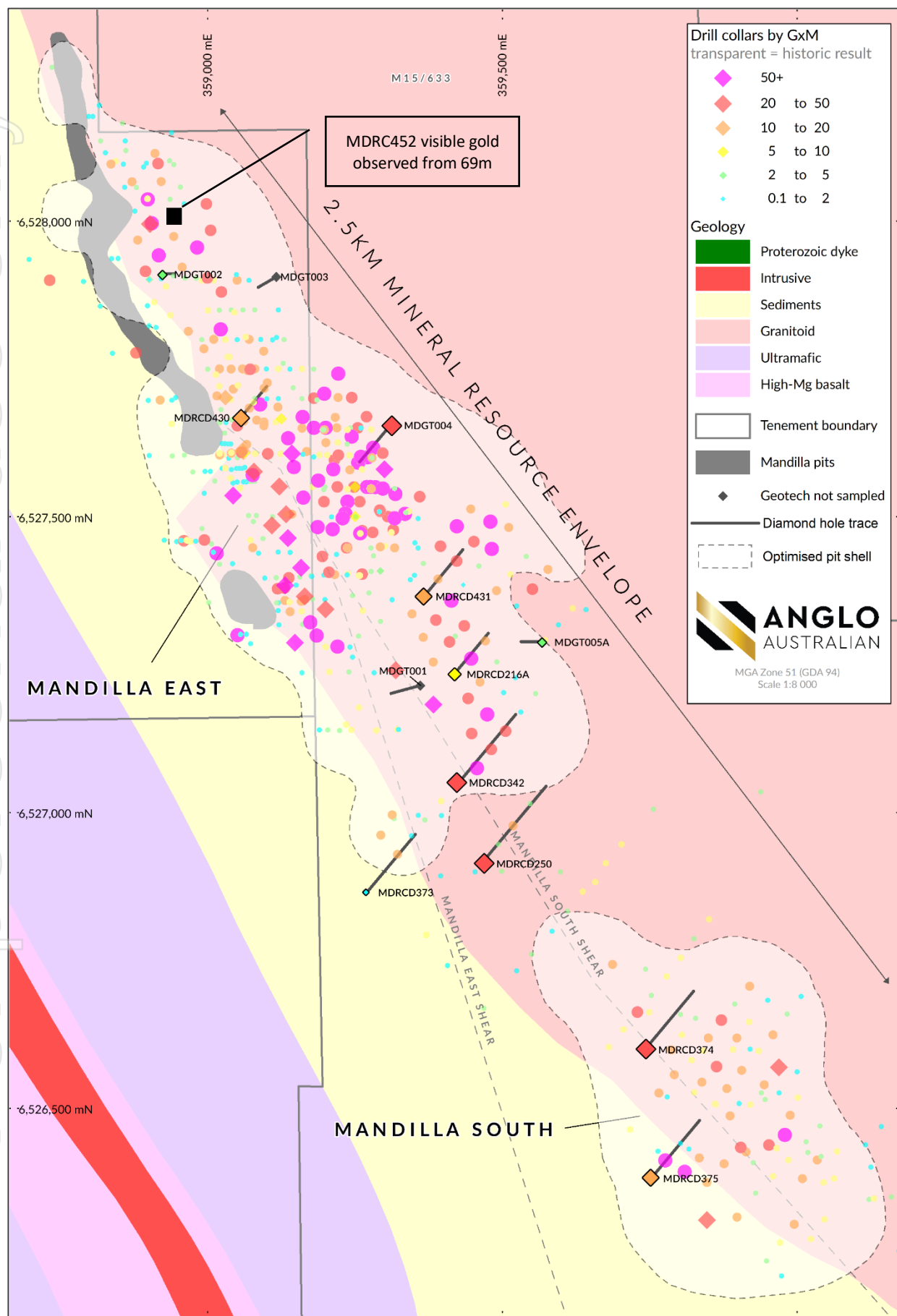


Figure 3 – Drill collar locations on local area geology for the Mandilla Gold Project

## MANDILLA EAST

At Mandilla East, drilling along strike to the south has continued to demonstrate that mineralisation remains open in this direction. Previously reported results included:

- **9m at 4.21g/t Au** from 85m in MDRC341;
- **38m at 1.06g/t Au** from 78m and **17m at 1.08g/t Au** from 124m in MDRC347; and
- **86m at 0.61g/t Au** from 105m in MDRC348.

Diamond drilling completed in April 2021 was designed to test down-dip of this mineralisation. This returned:

- **32.5m at 0.84g/t Au** from 217.00m in MDRCD342.

Another section, a further 120m to the south, was also diamond drill tested and returned:

- **37.33 at 0.76g/t Au** from 250.17m in MDRCD250.

These results continue to demonstrate the potential for the Mineral Resources at Mandilla East to continue to increase to the south.

Several geotechnical holes were drilled as part of the recent diamond drilling campaign, which were sampled sparingly. MDGT004 was drilled on a 220 azimuth (ie, drilling in a south-westerly direction) and was designed to test the rock properties of the proposed eastern pit wall, although following the release of the updated Mineral Resource Estimate, MDGT004 now sits well within the pit.

Assay results from MDGT004 included:

- **1.4m at 28.03g/t Au** from 165.00m including **0.7m at 44.5g/t** and **2.41m at 2.44g/t Au** from 195.79m in MDGT004.

In-fill drilling in Mandilla East also returned best results of:

- **15.61m at 1.22g/t Au** from 111.70m and **18.99m at 0.56g/t Au** from 48.23m in MDRCD430; and
- **7.3m at 0.95g/t Au** from 62.75m (with visible gold observed at 63.34m, 67.54m & 68.40m), **6.26m at 1.30g/t Au** from 98.96m and **30.7m at 0.43g/t Au** from 119.80m (with visible gold observed at 124.90m, 126.55m & 137.80m).

Petrography was recently completed on a suite of samples on previously reported diamond drill holes MDRCD191, MDRCD231, MDRCD237 and MDRCD377 at Mandilla East. The aim is to identify the mineralogy of the alteration assemblages associated with gold mineralisation. Key findings include:

- Sodic alteration (albitisation) of igneous feldspars appears to be almost pervasive in the Emu Rocks porphyry and is present in both barren and well-mineralised samples; and
- High-grade gold is commonly associated with quartz veins and radiating aggregates of stiplnomelane (a metamorphic phyllosilicate) in wall rock alteration. The presence of pyrrhotite (or pyrite-marcasite after pyrrhotite) more so than crystalline pyrite also appears an indicator of elevated gold grades.

Further petrography work is planned for Mandilla East.

## MANDILLA SOUTH

At Mandilla South, two diamond drill-holes (MDRCD374 and MDRCD375) were drilled.

Best results included:



- **19.5m at 1.11g/t Au** from 75.90m in MDRCD374; and
- **10.05m at 1.75g/t Au** from 195.50m and **9.85m at 1.33g/t Au** from 169.50m in MDRCD375;

Within the reported interval of MDRCD374, an intercept of **0.93m at 12.42g/t Au** from 89.27m was recorded, interestingly with no visible quartz veining observed. This intercept showed calc silicate alteration and biotite.

Within the reported interval of MDRCD375 of **9.85m at 1.33g/t Au** from 169.50m, an intercept of **3.6m at 3.03g/t Au** from 169.50m was recorded at the sediment / intrusive contact. Included within this intercept was **0.75m at 3.79g/t Au** from 171.60m, also reported with no visible quartz veining, although calc silicate alteration, biotite and disseminated pyrrhotite/pyrite was observed.

Further down-hole in MDRCD375, an intercept of **10.05m at 1.75g/t Au** from 195.50m was reported, including an interval of **0.45m at 32.34g/t Au** from 202.85m. In this intercept, gold associates with quartz veining, calc silicate alteration, biotite and semi massive pyrrhotite/pyrite. Within the same interval an intercept of **0.5m at 2.97g/t Au** from 200.50m was also recorded with no visible quartz veining, although calc silicate alteration, biotite and disseminated pyrrhotite/pyrite was observed.

Given the recent petrography observations at Mandilla East, stiplnomelane may be present in the mineralised intervals where biotite has been logged (as it resembles biotite); however, this cannot be confirmed by logging with the naked eye. Additional petrography will be required at Mandilla South to confirm whether calc silicate alteration and the presence of stiplnomelane are an important vector to gold mineralisation.

As reported to the ASX on 26 August 2021, there is the potential for a new style of gold mineralisation at Mandilla based on the greater percentage of calc silicate veining observed at Mandilla South and these high-grade intervals present further evidence of this potential.

Additionally, at Mandilla South, it has been observed that a high-grade zone of mineralisation appears associated with the sediment/intrusive contact.

Furthermore, visible gold was observed in direct association with coarse grained pyrrhotite +/- pyrite in MDRCD375.

## **FUTURE WORK PROGRAM**

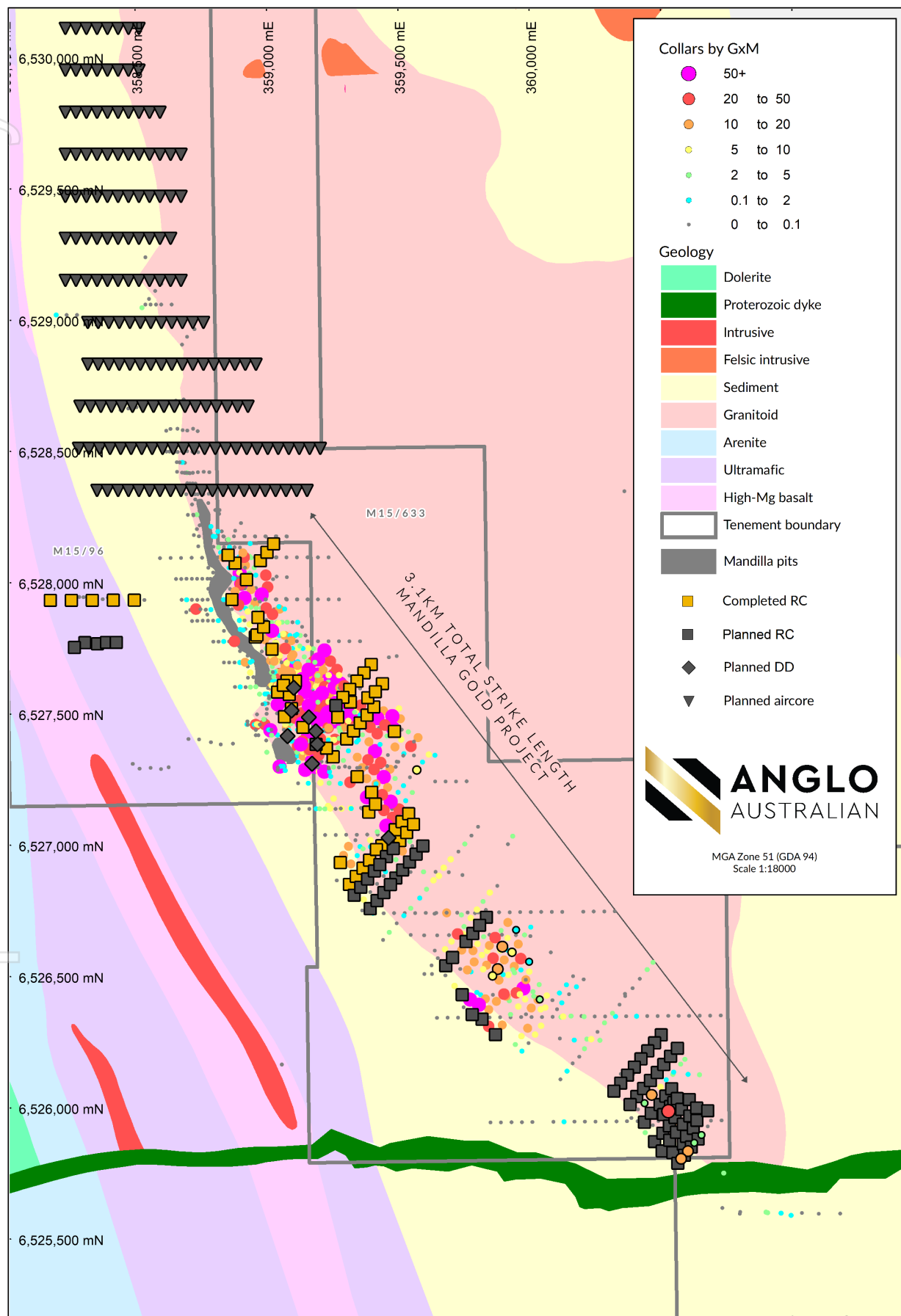
8,433m of the current 55,000m drilling program has been completed.

Diamond drilling is expected to recommence in early October with in-fill drilling at Mandilla East as the initial priority. 1,300m of geotechnical drilling has also been planned.

Air-core drilling is expected to commence at Mandilla late in the 4<sup>th</sup> Quarter.

An update of the planned Phase 1 drilling at Mandilla is illustrated in Figure 4 below.

As the current phase of drilling at Mandilla is completed, the Company's exploration effort is expected to switch to the Feysville Project, subject to rig and geological resourcing availability.





This announcement has been approved for release by the Managing Director.

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**Compliance Statement**

*The information in this announcement that relates to Estimation and Reporting of Mineral Resources is based on information compiled by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Job consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*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, 26 March 2021, 20 April 2021, 20 May 2021, 29 July 2021 and 26 August 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 - DRILL HOLE DETAILS

**Table 1 - Drill hole data**

Hole ID	Type	Hole Depth (m)	GDA (North)	GDA (East)	GDA RL	Dip	MGA Azimuth
MDRCD373	RD	252.7	6,526,867	359,271	318	-60	40
MDRCD374	RD	250	6,526,602	359,744	318	-60	40
MDRCD375	RD	252.6	6,526,383.00	359,753.22	318.14	-60	40
MDRCD250	DD	330.7	6,526,915.15	359,469.07	318.59	-60	40
MDRCD342	DD	300.7	6,527,051.89	359,422.66	318.08	-60	40
MDRCD216A	DD	180.8	6,527,234.89	359,418.86	317.97	-60	40
MDRCD430	DD	273.9	6,527,668.02	359,056.59	321.38	-70	40
MDRCD431	DD	201.9	6,527,366.34	359,366.22	318.27	-60	40
MDGT002	DD	72.5	6,527,910.26	358,923.26	323.23	-75	90
MDGT004	DD	198.7	6,527,655.10	359,312.50	320.31	-65	220
MDGT005A	DD	85.5	6,527,289.06	359,564.11	317.32	-65	270

**Table 2 – Drilling intersections**

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
MDRCD373	Mandilla East	227.16	228	0.84	1.49
MDRCD374	Mandilla South	64.3	65	0.7	2.38
		66.18	73.15	6.97	0.30
		<b>75.9</b>	<b>95.4</b>	<b>19.5</b>	<b>1.11</b>
		<i>Includes 0.93m at 12.42g/t Au from 89.27m</i>			
MDRCD375	Mandilla South	169.5	179.35	9.85	1.33
		<i>Includes 0.5m at 10.18g/t Au from 169.8m</i>			
		<b>195.5</b>	<b>205.55</b>	<b>10.05</b>	<b>1.75</b>
		<i>Includes 0.45m at 32.34g/t Au from 202.85m</i>			
MDRCD250	Mandilla East	250.17	287.5	37.33	0.76
		<i>Includes 0.3m at 11.34g/t Au from 268.7m</i>			
		312.8	315.15	2.35	1.37
MDRCD342	Mandilla East	<b>217</b>	<b>249.5</b>	<b>32.5</b>	<b>0.84</b>
		287.3	295.5	8.2	0.23
MDRCD216A	Mandilla East	31	49.25	18.25	0.41
		107	122	15	0.24
		130.5	131.5	1	1.35
MDRCD430	Mandilla East	<b>48.23</b>	<b>67.22</b>	<b>18.99</b>	<b>0.56</b>
		72.22	84.15	11.93	0.44
		<b>111.7</b>	<b>127.31</b>	<b>15.61</b>	<b>1.22</b>
		159.45	160	0.55	8.99
		197	202.9	5.9	0.25
MDRCD431	Mandilla East	57.7	60	2.3	0.83
		62.75	70.05	7.3	0.95
		80	82.5	2.5	1.44
		98.96	105.22	6.26	1.30
		<b>119.8</b>	<b>150.5</b>	<b>30.7</b>	<b>0.43</b>
MDGT002	Mandilla East	59	62.85	3.85	0.41
		65.6	66	0.4	6.08
MDGT004	Mandilla East	<b>165</b>	<b>166.4</b>	<b>1.4</b>	<b>28.03</b>
		<i>Includes 0.7m at 11.55g/t Au from 165.0m</i>			
		<i>Includes 0.7m at 44.50g/t Au from 165.7m</i>			
		195.79	198.2	2.41	2.44
MDGT005A	Mandilla East	57.5	59	1.5	1.14

## 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.</p> <p>The sampling described in this release has been carried out on the last 2019, all 2020 and 2021 diamond drilling.</p> <p>11 DDH holes were drilled and sampled. The core is orientated, logged geologically and marked up for assay at a maximum sample interval of 1.2 metres constrained by geological or alteration boundaries. Drill core is cut in half by a diamond saw and half HQ or NQ2 core samples submitted for assay analysis.</p> <p>DD core was marked up by AAR geologists and cut on site with AAR's CoreWise saw.</p> <p>Cut core was sampled and all samples assayed by MinAnalytical.</p> <p>Company standards and blanks were 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>	DD Drilling was cored using HQ and NQ2 diamond bits.
<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>	Diamond drilling collects uncontaminated fresh core samples which are cleaned at the drill site to remove drilling fluids and cuttings to present clean core for logging and sampling.
<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 and drill core 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>Logging of DD core records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples, and structural information from oriented drill core. All recent core was photographed in the core trays, with individual photographs taken of each tray both dry, and wet, and photos uploaded to the AAR Server.</p>



<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>HQ and NQ2 diamond core was halved and the right side sampled 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>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>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</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 ore 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 40 - 80m spacing.</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			
<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>	<b>Tenement</b>	<b>Status</b>	<b>Location</b>	<b>Interest Held (%)</b>
		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 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</li> </ul>	<p>This Information has been summarised in Table 1 and 2 of this ASX announcement.</p>			

	from the understanding of the report, the 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>