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## ASX RELEASE

# Forrestania Expands Eastern Goldfields Hub

**Highlights:**

- **Forrestania Resources has entered into a Binding Heads of Agreement to acquire E28/2575, E28/2576-I, E28/2667, E28/2668, E28/3008, E28/3035, E28/3039, E28/3048, E28/3053, E28/3058, E28/3059, E28/3063, E28/3064, E28/3098, E28/3207 and E28/3355 from Goldtribe Corporation Pty Ltd (Goldtribe), a subsidiary of Alchemy Resources Limited (Alchemy; ASX: ALY) which holds granted gold mining tenure within WA's Eastern Goldfields gold district**

- **Acquisition consideration is to pay Alchemy a sum of $5,000,000 (Total Consideration);**
  - **Issue to Alchemy (or its nominee) a number of Shares equal to $5,000,000 divided by the 10-day volume weighted average price of Forrestania's Shares over the 10 days immediately preceding the date of this Agreement**

- **Karonie Gold Project 111,100 oz Inferred Mineral Resource Estimate ("MRE") at a 0.8g/t Au cut-off ([1]ASX announcement dated 31 August 2021 'Maiden 111,100oz JORC 2012 Resource at Karonie')**

| Deposit | Tonnes (Mt) | Grade g/t | Ounces |
|---|---|---|---|
| KZ5 | 1,876,000 | 1.2 | 70,600 |
| Parmelia | 644,000 | 1.0 | 20,700 |
| Taupo | 441,000 | 1.4 | 19,800 |
| **TOTAL** | **2,961,000** | **1.2** | **111,100** |

Note: Totals may not add due to rounding differences

- **Acquisition represents a strategic consolidation of prospective tenure near existing processing infrastructure and supports Forrestania regional growth strategy**

**Forrestania Resources' Chairman David Geraghty commented:**

*"This acquisition is aligned with Forrestania's disciplined strategy of consolidating prospective tenure, with significant tenure now in the FRS Eastern Goldfields Hub. Importantly, the transaction structure aligns consideration with preserving capital which can be assigned to advancing Forrestania's near term production ambitions across our portfolio of Western Australian gold assets."*

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Forrestania Resources Limited (ASX: FRS) ("FRS" or "the Company") is pleased to announce that it has entered into a Binding Heads of Agreement to acquire E28/2575, E28/2576-I, E28/2667, E28/2668, E28/3008, E28/3035, E28/3039, E28/3048, E28/3053, E28/3058, E28/3059, E28/3063, E28/3064, E28/3098, E28/3207 and E28/3355 from Goldtribe Corporation Pty Ltd (Goldtribe), a subsidiary of Alchemy Resources Limited (Alchemy; ASX: ALY), for consideration comprising a sum of $5,000,000 of fully paid ordinary shares in the capital of the Forrestania Resources divided by the 10-day volume weighted average price of the Purchaser's Shares over the 10 days immediately preceding the date of this Agreement.

**About Karonie Project**

The Karonie Project includes 16 exploration licences covering ~942km2 of highly prospective mineralised structures within Kurnalpi Terrain greenstones 100km east of Kalgoorlie. The Project is located adjacent to Vault Minerals' (ASX: VAU, "Vault Minerals") Aldiss Mining Centre (reserves/resources of over 595,000oz @ 2.0g/t Au[2]), within 50km of VAU's Randalls processing plant. The Project covers areas of the under-explored, Claypan Shear Zone commencing just 12km along strike to the south of Ramelius Resources' (ASX: RMS, "Ramelius") Bombora deposit (resource of 1.7Moz @ 1.6g/t Au[3]) and extending up towards Northern Star Resources (ASX: NST) Carosue Dam Mine in the north. Alchemy announced a maiden Resource for the KZ5, Taupo and Parmelia prospects of 111koz in August 2021[1] (Table 1).

| Deposit | Tonnes (Mt) | Grade g/t | Ounces |
|---|---|---|---|
| KZ5 | 1,876,000 | 1.2 | 70,600 |
| Parmelia | 644,000 | 1.0 | 20,700 |
| Taupo | 441,000 | 1.4 | 19,800 |
| **TOTAL** | **2,961,000** | **1.2** | **111,100** |

Note: Totals may not add due to rounding differences

Table 1: Karonie Gold Project Inferred Mineral Resource Estimate ("MRE") (0.8g/t Au cut-off)[1]

| Deposit | Cut-off Grade g/t Au | Classification | Tonnes | Grade g/t | Ounces Au |
|---|---|---|---|---|---|
| **KZ5** | 0.50 | Inferred | 3,765,000 | 0.9 | 110,200 |
| **Parmelia** | 0.50 | Inferred | 2,132,000 | 0.8 | 52,100 |
| **Taupo** | 0.50 | Inferred | 605,000 | 1.2 | 23,400 |
| **TOTAL** | **0.50** | **Inferred** | **6,502,000** | **0.9** | **185,700** |

| Deposit | Cut-off g/t Au | Classification | Tonnes | Grade g/t | Ounces Au |
|---|---|---|---|---|---|
| **KZ5** | 0.80 | Inferred | 1,876,000 | 1.2 | 70,600 |
| **Parmelia** | 0.80 | Inferred | 644,000 | 1.0 | 20,700 |
| **Taupo** | 0.80 | Inferred | 441,000 | 1.4 | 19,800 |
| **TOTAL** | **0.80** | **Inferred** | **2,961,000** | **1.2** | **111,100** |

| Deposit | Cut-offg/t Au | Classification | Tonnes | Grade g/t | Ounces Au |
|---|---|---|---|---|---|
| **KZ5** | 1.00 | Inferred | 1,047,000 | 1.4 | 46,400 |
| **Parmelia** | 1.00 | Inferred | 238,000 | 1.2 | 9,100 |
| **Taupo** | 1.00 | Inferred | 321,000 | 1.6 | 16,300 |
| **TOTAL** | **1.00** | **Inferred** | **1,606,000** | **1.4** | **71,800** |

Note: Totals may not add due to rounding differences

Table 2: Karonie Gold Project MRE cut-off grade comparison[1]

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The Karonie Project tenement package, consisting of Exploration Licences E28/2575, E28/2576-I, E28/2667, E28/2668, E28/3008, E28/3035, E28/3039, E28/3048, E28/3053, E28/3058, E28/3059, E28/3063, E28/3064, E28/3098, E28/3207 and E28/3355.

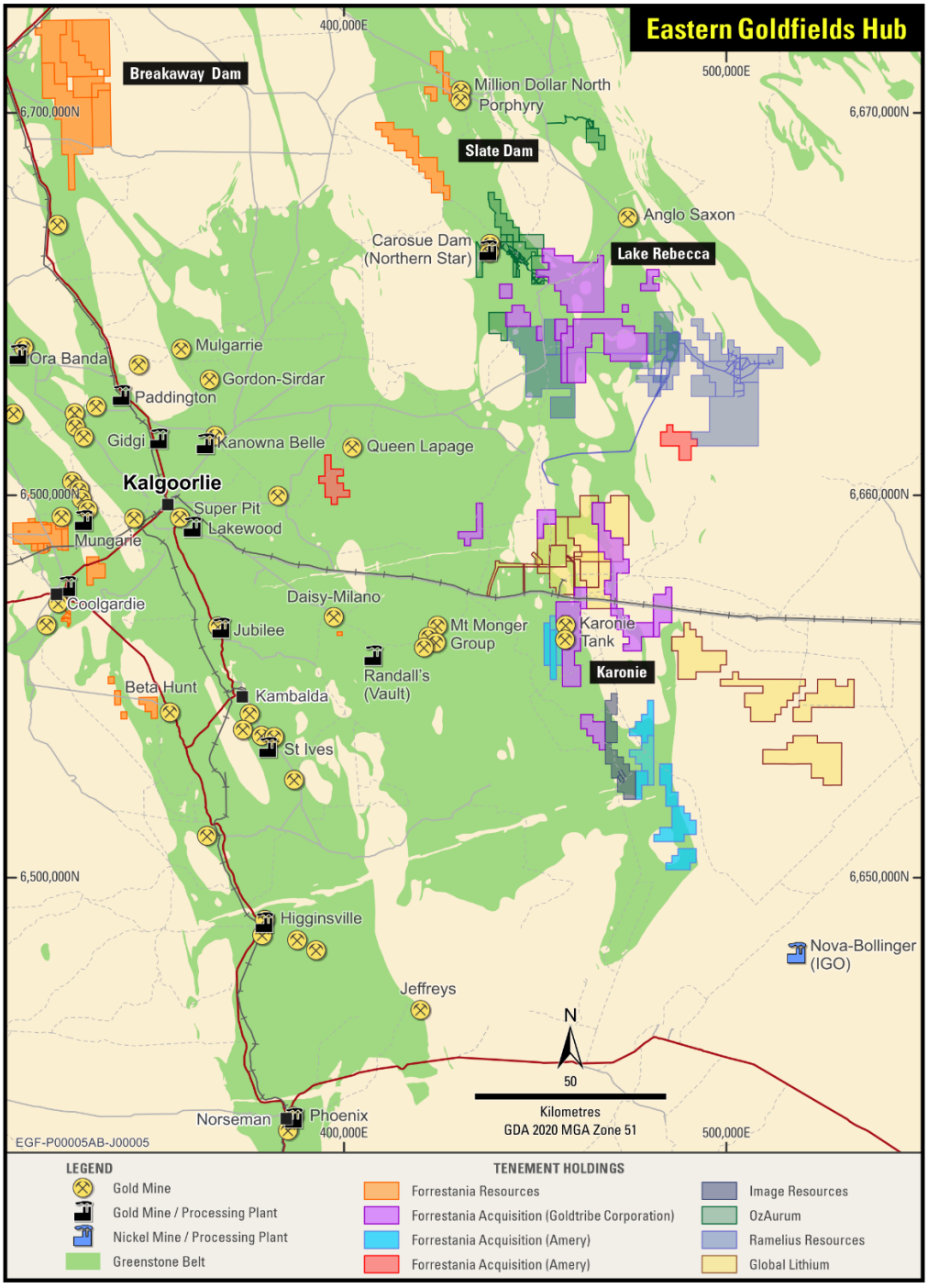



***Figure 1.*** Eastern Goldfields Hub location

*[1]Refer Alchemy Resources Limited (ASX: ALY) ASX announcement dated 31 August 2021 'Maiden 111,100oz JORC 2012 Resource at Karonie'*
*[2]Refer Silver Lake Resources Ltd (ASX: SLR) ASX announcement dated 15 September 2021 "Mineral Resource, Ore Reserve Statement & Outlook to FY24"*
*[3]Refer Breaker Resources NL (ASX: BRB) ASX announcement dated 20 December 2021 "Lake Roe Gold Project Mineral Resource Update"*

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**Corporate Details**

The Company has entered into a Binding Heads of Agreement to acquire E28/2575, E28/2576-I, E28/2667, E28/2668, E28/3008, E28/3035, E28/3039, E28/3048, E28/3053, E28/3058, E28/3059, E28/3063, E28/3064, E28/3098, E28/3207 and E28/3355 from Goldtribe Corporation Pty Ltd (Goldtribe), a subsidiary of Alchemy Resources Limited (Alchemy; ASX: ALY), in and around the Company's Eastern Goldfields Hub.

Consideration

Under the Agreement:

a) Acquisition consideration is to pay Alchemy a sum of $5,000,000 (total consideration);
    a. Issue to Alchemy (or its nominee) a number of fully paid ordinary shares in Forrestania equal to $5,000,000 divided by the 10-day volume weighted average price of the Purchaser's Shares over the 10 days immediately preceding the date of this Agreement.

Royalty

    a. Subject to clause (b) below, following Settlement, Forrestania grants to the Vendor a 1% net smelter royalty (Royalty) on all minerals mined from the Tenements. The royalty shall be granted on terms of a formal royalty deed to be executed by the parties at Settlement (Royalty Deed). The Royalty Deed shall be drafted by the Purchaser's legal counsel and be consistent with the Energy & Resources Law Association (previously AMPLA) standard form royalty deed for a net smelter return royalty.

No Royalty will be payable on the first 110,000 ounces of gold mined from the Parmelia, KZ5 and Taupo deposits on the Tenements. For the avoidance of doubt, the Royalty on any other minerals mined from the Tenements and any gold mined from the Tenements from outside of the Parmelia, KZ5 and Taupo deposits will be payable from Completion. Completion under the Agreement is conditional upon the satisfaction of the following conditions precedent:

    a. **Due diligence**: completion of financial, legal and technical due diligence by the Purchaser on the Tenements, to the absolute satisfaction of the Purchaser within a period of 30 days from the date of this Agreement;
    b. **Shareholder approval**: the shareholders of the Purchaser approving the transactions contemplated by this Agreement in a general meeting;
    c. **Regulatory approvals**: the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in this Agreement;
    d. **Third party approvals**: the Parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the Mining Act (if required), necessary to lawfully complete the matters set out in this Agreement; and
    e. **Deeds of assignment and assumption**: the Vendor, the Purchaser and, if necessary, under the Third Party Agreements, the relevant third party, executing a deed of assignment and assumption in relation to each Third Party Agreement.

If the conditions precedent are not satisfied (or waived) on or before the date that is nine months from the date of the agreement (unless extended by the written agreement), then either Forrestania or the vendors may terminate this Agreement.

The Agreements are otherwise on standard terms and conditions for an agreement of this type.

**This announcement has been authorised for release by Forrestania Resources' Board.**
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## About Forrestania Resources Limited

Forrestania Resources Limited (ASX: FRS) is a rapidly growing gold exploration and development company focused on building a portfolio of high-quality projects across Western Australia's premier mining districts.

Led by a refreshed and experienced board, Forrestania is strategically expanding its footprint across the Southern Cross, Eastern Goldfields and Forrestania regions through disciplined exploration, selective acquisitions and a commitment to unlocking the broader potential of these highly prospective belts.

In the Southern Cross district, the Company is advancing a strategy to define significant gold resources that can support long-term development opportunities.

The Forrestania Project, from which the Company takes its name, lies within a world-class mineral province adjacent to the historic Bounty gold mine (~1Moz historic production) and in proximity to major mining operations, underscoring the region's exceptional prospectivity.

Further north, Forrestania's projects near Coolgardie and Menzies provide additional exposure to gold within proven mineralised corridors of the Eastern Goldfields.

Forrestania Resources is dedicated to creating shareholder value through systematic exploration, strong technical execution and a focused approach to growing its gold asset base across Western Australia.

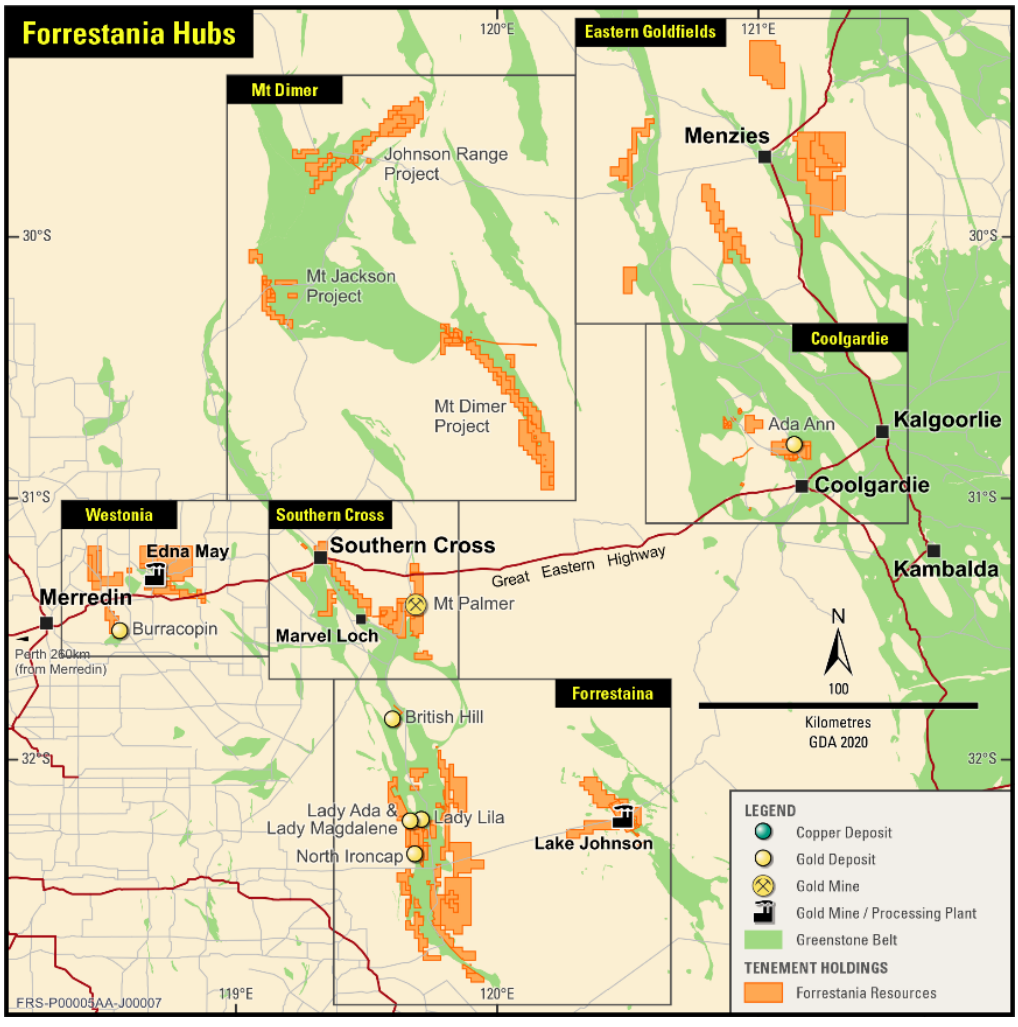



***Figure 2.*** Forrestania Regional Hub locations

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**COMPETENT PERSON STATEMENT**

The information in this report that relates to Exploration Results is based on information compiled by Mr James Wilson, who is the Chief Executive Officer of Alchemy Resources Limited and holds shares and options in the Company. Mr Wilson is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012'). Mr Wilson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks is an employee of Auranmore Consulting. Richard Maddocks 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'. Richard Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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# APPENDIX A

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | *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.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>*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.* | Samples referred to in this Public Report are reverse circulation (RC) drill samples, obtained using an 'industry standard' drill rig (350psi / 1150cfm & 800psi / 1400 cfm booster), drilling equipment and sampling practices.<br>RC drilling obtained 1m samples dispensed into plastic bags and calico bags via an industry standard cyclone / cone splitter.<br>The cone splitter was used to obtain one calico bag containing a reduced size 1m (or 2m) sample "split" for gold analysis (1 to 3kg) and large 1m plastic bag of drill chips. Samples for gold analysis were collected at 1m intervals. The RC samples obtained are representative of the material drilled.<br>4m composite samples taken with a sample scoop thrust into the RC sample bag which is laid out in individual metres in a plastic bag on the ground. 1m single splits taken using a cone splitter at time of drilling, if 4m composites are anomalous (>100-200ppb or lower depending on location), 1m single splits are submitted for analyses. Average sample weights about 3.0kg for 4m composites and 2.0-3.0kg for 1m samples |
| *Drilling techniques* | *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.).* | RC drilling was completed from surface using 3m x 4" RC drill rods, a 5.25" hammer (with a standard sample retrieval collar) and a RC tungsten button drill bit. |
| *Drill sample recovery* | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>*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.* | Sample recoveries and moisture content estimates were logged / recorded into spreadsheets by the field assistant then uploaded into a database. There were very few (<1%) significant sample recovery problems.<br>No relationship exists between sample recovery and grade, and accordingly no bias has occurred as a result of loss/gain of material. No results have been received to date. |
| *Logging* | *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.*<br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>*The total length and percentage of the relevant intersections logged.* | Geological logging was completed on all RC and AC holes, with colour, weathering, grain-size, lithology, alteration, mineralogy, veining, textures/structure and comments on other significant features noted. Logging of sulphide mineralisation and veining is quantitative. All holes were logged in full.<br>Representative samples of bedrock collected from each metre of each RC hole were retained in labelled chip sample trays. These are stored in the Alchemy office in Perth.<br>No judgement has yet been made by independent qualified consultants as to whether RC samples have been geologically and geotechnically logged to a level of detail to support |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | appropriate Mineral Resource estimation, mining studies and metallurgical studies. |
| *Sub-sampling techniques and sample preparation* | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>*If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>*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.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | RC samples were cone split and collected in pre-numbered calico bags. The cone splitter sample shoot opening was adjusted to collect between 1 and 3 kg of sample. Samples were collected every metre. Residual sample material was collected every metre in large green plastic bags and retained on site for resampling if required.<br>One commercial laboratory standard or blank laboratory standard, one blank sample (barren basalt) and one duplicate sample was inserted every 30 samples (i.e. 6% QAQC samples).<br>RC sample sizes are considered appropriate for the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and the assay ranges for the primary elements analysed.<br>RC samples were collected from the drill rig by spearing each 1m collection bag (RC) or from the ground (AC) and compiling a 4m composite sample. Single splits were automatically taken by the rig cone splitter for RC. Wet or dry samples were noted in the logs. |
| *Quality of assay data and laboratory tests* | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>*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.*<br>*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.* | All RC samples were sent to the ALS Laboratory in Kalgoorlie for sample preparation and analysis. Preparation of the samples follows industry laboratory best practice involving logging of sample weights, drying the entire sample in an electric oven set at 105ºC+5ºC for several hours (drying time dependent on moisture content), then crushing the entire sample (>70% -6mm). A split of 2.5 to 3kg was taken and then pulverized to 85% passing 75µm using an Essa LM5 grinding mill. A representative sample was split and bagged as the analytical sample.<br>All samples were analysed using ALS method code Au-AA26 for Au (up to 50g Fire Assay with AAS finish) with a lower detection limit of 0.01g/t Au.<br>Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and duplicates as part of in-house procedures.<br>Alchemy used commercially available reference materials (Lab Standards) with a suitable range of values, that were inserted every 30 samples.<br>Results indicate that Lab Standard assay values are within acceptable error limits.<br>Blank samples did not detect any significant contamination from adjacent samples and duplicate sample assay values are also within acceptable error limits. |
| *Verification of sampling and assaying* | *The verification of significant intersections by either independent or alternative company personnel.*<br>*The use of twinned holes*<br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | Reported drill hole intercepts are compiled by the Company's competent person.<br>No twinned holes were drilled in the current drilling campaign.<br>Data is collected by qualified geologists and geo-technicians working under the supervision of a qualified geologist and entered into Excel spreadsheets. Validation rules are in place to ensure no data entry errors occur. Data is loaded into a database by an experienced database administrator, and reviewed by an Alchemy geologist, who is a competent person. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | No assay data adjustments have been made. |
| *Location of data points* | *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.*<br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | A DGPS was used to locate collar positions, with an expected +/-10cm vertical and horizontal accuracy.<br>Down hole surveys were collected at surface and at end of hole in RC drill holes using a downhole camera.<br>The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 51).<br>The drill collar and down hole location accuracy is considered appropriate for this stage of exploration. |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.*<br>*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.*<br>*Whether sample compositing has been applied.* | Drill line spacings currently range from ~20m to ~50m within each prospect area, and on these drill lines hole spacings vary from ~20m to ~40m.<br>No Mineral Resource or Reserve has been reported for this drilling.<br>Shallow RC samples within alluvial cover at Taupo were physically composited into 4m samples. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type*<br>*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.* | Gold bearing structures and lithologies in the area drilled are interpreted to dip steeply to the west and plunge moderately down to the east.<br>All holes were drilled at between -55 degrees towards the grid east (~88.0 $^{0}$ magnetic) (approx. right angles to lithological trends).<br>No orientation-based sampling bias has been identified. |
| *Sample security* | *The measures taken to ensure sample security.* | All drill samples were collected in pre-numbered calico bags and subsequently put into large green plastic bags and stored in a trailer on site until transported to ALS Kalgoorlie.<br>All samples were transported via company vehicle to ALS Kalgoorlie and subsequently transported to Perth by ALS for prep and sample analysis. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | Considering the preliminary nature of the drill program, no external audit or review of the sampling techniques or sample data capture has been conducted to date. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | *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.*<br>*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.* | Type - Exploration Licence (currently in good standing)<br>Reference name –Karonie<br>Reference number – E28/2575<br>Location – 100km east of Kalgoorlie, Australia.<br>Ownership – 100% Goldtribe Corporation Pty Ltd (a wholly owned subsidiary of Alchemy Resources Limited)<br>Overriding royalties - none<br>The land is 100% freehold.<br>No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known.<br>No environmental issues are known. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | A significant amount of exploration has been conducted across the majority of E28/2575, E28/2601 and E28/2576. Previous exploration companies include Freeport McMoran Ltd, Poseidon Gold Ltd, WMC, Goldfields Pty Ltd, Integra Mining Ltd, Border Gold, and Silver Lake Resources.<br>Exploration work completed across the area covered by E28/2575, E28/2601 and E28/2576 has included desktop studies and collaborative research, geological and regolith mapping, soil sampling, RAB, Aircore, RC and diamond drilling, and numerous airborne and ground geophysical surveys (magnetics, gravity, IP, surface EM and downhole EM). |
| *Geology* | *Deposit type, geological setting and style of mineralisation* | Deposit Type – Structurally controlled, shear zone and dolerite hosted mesothermal gold mineralisation.<br>Geological setting – Proterozoic Woodline Formation overlying variably folded Archean and sheared sediments and mafic volcanic units. Multiple deformation events leading to complex faulting and metamorphism ranging from greenschist to amphibolite facies.<br>Style of mineralisation – quartz vein hosted gold mineralisation within steep west dipping shear zones. Better grades and tonnages are associated with isoclinally folded (or otherwise thickened) coarser grained mafic units (dolerites). Gold mineralisation is associated with strong silicification-carbonate-biotie + calc-silicate alteration, and observed steep north plunging fold axes and lineations correlate with steep north plunging high grade ore shoots. |
| *Drill hole Information* | *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:*<br>○ *easting and northing of the drill hole collar*<br>○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>○ *dip and azimuth of the hole*<br>○ *down hole length and interception depth*<br>○ *hole length.*<br>*If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | All drill hole information is tabulated within the body of the announcement. |
| *Data aggregation methods* | *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.*<br>*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.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | A weighted average was used to calculate all mineralisation intercepts.<br>A 0.5g/t Au lower cut-off grade, no upper cut off grade, and maximum 2m internal waste is used in the calculations for RC drilling. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*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').* | All intercepts reported are downhole widths. It is estimated that the angle between the drill hole direction and the plane of mineralisation is ~$45^0$ (or less) which implies that downhole intercept width x ~0.7 = true intercept width (or thicker). |
| *Diagrams* | *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.* | Appropriate plans and cross sections have been included in the body of this announcement. |
| *Balanced reporting* | *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.* | All gold drill intercepts >0.3g/t Au have been reported for RC drilling. |
| *Other substantive exploration data* | *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.* | All meaningful data and information has been included in the body of the report. |
| *Further work* | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Drilling has been completed Follow up drilling will be planned if results warrant additional work. |

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## Section 3 Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Database integrity* | *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>*Data validation procedures used.* | The database has been checked by company geologists and reviewed by the competent person. Government open file reports were also checked by the Competent Person against the supplied database with no apparent errors |
| *Site visits* | *Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.* | The competent person has not visited the site. A site visit was not deemed necessary due to the early development phase of the project and the competent persons familiarity with the area. |
| *Geological interpretation* | *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>*Nature of the data used and of any assumptions made.*<br>*The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>*The use of geology in guiding and controlling Mineral Resource estimation.*<br>*The factors affecting continuity both of grade and geology.* | The geological interpretation is based on a shear hosted geological model. Solid wireframe shapes have been constructed based on a nominal 0.3g/t Au cut-off grade. The shear hosted mineralisation is generally consistent along strike and down dip and shows continuity over several drill sections. Alternative geological interpretations are not considered likely based on the available drilling information. |
| *Dimensions* | *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | The approximate dimensions of the modelled deposits are:<br>KZ5: strike 450m, thickness 2m-15m, maximum depth below surface 340m.<br>Taupo: strike 450m, thickness 2m-10m, maximum depth below surface 120m.<br>Parmelia: strike 560m, thickness 4m – 25m, maximum depth below surface 230m. |
| *Estimation and modelling techniques* | *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domains, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>*The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>*The assumptions made regarding recovery of by-products.*<br>*Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* | The solid wireframe shapes have been used to constrain the grade estimation. Drilling data was composited to 1m intervals with intervals less than 0.5m combined with the previous composite.<br>Variogram models were used to determine the optimal search distances and orientations. Vulcan software was used to interpolate grades using ordinary kriging. Drilling is generally on 50m sections and this represents the average distance of extrapolation of grades. A minimum of 2 composites and maximum of 25 was used in the estimation.<br>No previous estimates or mine production is available to check this estimate.<br>No assumptions have been made regarding by-products<br>No deleterious elements have been identified |

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| | *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* | The parent block size is 10mX, 25mY, 10mZ with sub-blocks of 2.5 x 2.5 x 2.5 for KZ5 to better delineate the narrow lodes. Taupo and Parmelia have sub blocks of 5 x 5 x 5. |
| | *Any assumptions behind modelling of selective mining units.* | No assumptions have been made regarding modelling of selective mining units. |
| | *Any assumptions about correlation between variables.* | |
| | *Description of how the geological interpretation was used to control the resource estimates.* | The solid mineralised shapes were used as hard boundaries in the grade estimation |
| | *Discussion of basis for using or not using grade cutting or capping* | Log cumulative frequency graphs and co-efficients of variation were used to determine top cuts of 10g/t for KZ5, 8g/t for Taupo and 5g/t for Parmelia. |
| | *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | Validation was done with swath plots and visual examination of the model against drilling. |
| *Moisture* | *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | The estimate was conducted using dry tonnes. |
| *Cut-off parameters* | *The basis of the adopted cut-off grade(s) or quality parameters applied.* | The Mineral Resource has been reported at a cut-off grade of 0.8g/t Au. This is considered appropriate for potential open pit mining methods. |
| *Mining factors or assumptions* | *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | No mining assumptions or modifying factors have been considered |
| *Metallurgical factors or assumptions* | *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | No metallurgical assumptions or parameters have been considered |
| *Environmental factors or assumptions* | *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these* | No environmental assumptions or parameters have been considered. |

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| | *aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | |
| *Bulk density* | *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br><br>*The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br><br>*Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | Bulk density measurements are based on mining operations in the area. A dry bulk density of 2.85 t/m³ has been applied to fresh material, 2.2 t/m³ to transitional material and 1.8 t/m³ to oxidised material. |
| *Classification* | *The basis for the classification of the Mineral Resources into varying confidence categories.*<br><br>*Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.*<br><br>*Whether the result appropriately reflects the Competent Person's view of the deposit.* | The wide spaced drilling and the lack of empirical density data results in an Inferred classification. The Inferred classification reflects the Competent Person's view of the deposits |
| *Audits or reviews* | *The results of any audits or reviews of Mineral Resource estimates* | No audits or reviews have been conducted on this Mineral Resource |
| *Discussion of relative accuracy/ confidence* | *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br><br>*The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br><br>*These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | The Mineral Resource estimate has been classified as Inferred. The drilling, geological interpretation and grade estimation reflects the confidence level applied to the Mineral Resource.<br><br>This estimate represents a global estimate of the in-situ tonnes and grade of the Karonie Gold Project. |