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Australian Securities Exchange Limited  
Via Electronic Lodgement

## DALGARANGA GOLD PROJECT EXPLORATION AND FEASIBILITY UPDATE

- **An aggressive drilling programme is underway at Dalgaranga, with 3 drill rigs on site**
  - **RC and Aircore exploration drilling targeting new discoveries at the Hendricks, Beefeater, Vickers and Gilbeys South prospects**
  - **RC and Diamond drilling targeting resource conversion and extension at the Gilbeys and Golden Wings Deposits**
- **Initial drill results are expected within 10 days, with the active drill programme expected to provide regular newsflow over coming months**
- **Large diameter metallurgical diamond drilling has been completed at the Gilbeys deposit, with samples currently being tested in the laboratory in Perth**
- **A detailed aeromagnetic survey over the entire project has been completed**
- **An ultra-detailed surface survey has been completed over the entire mining lease, providing detailed contour data for feasibility and construction engineering**
- **Feasibility Study progressing on schedule, with the key consultants appointed**

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**") is pleased to report on exploration and feasibility activities at its 80% owned Dalgaranga Gold Project in the Murchison region of Western Australia.

The Dalgaranga Gold Project contains a Measured, Indicated and Inferred Resource of **23.7Mt @ 1.4 g/t gold for 1.05 million ounces of contained gold** including an initial **Proved and Probable Ore Reserve of 442,000 ounces** of gold (see Figure 1 & 2 & Table 1 & 2). The Company recently announced the completion of a Pre Feasibility Study, which has highlighted a robust development case for the project, and the a full Feasibility Study (FS) is underway in respect of its Dalgaranga Project (see ASX Announcement 31 March 2016).

### **Dalgaranga Exploration Update**

An aggressive drill programme is underway with three drill rigs currently on site at Dalgaranga. The drilling is a combination of regional RC and Aircore drilling at the Hendricks, Beefeater, Vickers and Gilbeys South prospects as well as RC and diamond drilling at the Gilbeys and Golden Wings Deposits (see Figure 2).

The Company has also completed a detailed Aeromagnetic survey over the entire project area. The new survey has been flown at 50m spacings at a 30m flying height, providing far superior dataset when compared to the historical surveys. This new data will aid the identification of structural trends known to host gold mineralisation, extensions of these trends and the definition of additional trends. The data has been processed and initial interpretations have assisted in fine tuning the exploration drilling currently being undertaken (see Figure 3)

In addition to the aeromagnetic survey, a ultra-detailed surface elevation survey has been completed. This survey has resulted in very detailed surface contours over the entire Mining Lease, which will assist in the engineering required for the Feasibility and detailed engineering required for development of the project.

## Dalgaranga Feasibility Update

The results of the Pre Feasibility Study (as announced on 31 March 2016 along with the material assumptions) demonstrate an exceptionally robust gold development project capable of repaying its capital of \$75 million within the first 12 months of production based on a throughput of 2.5Mtpa project to produce an average of 104,000ozpa over an initial life of mine of 6 years, at a LOM All-In Sustaining Cost of A\$913/oz, resulting in a NPV<sub>8</sub> on the project of \$193 million and an IRR of 90% (assuming a gold price of US\$1,200 and an A\$ exchange rate of 75c, or A\$1,600) . As a result the Company is aggressively progressing the Feasibility Study.

Most of the key consultants have been appointed and have commenced work on the Feasibility and the permitting of the project. The key consultants include:

Activity	Key Consultant
Process Plant Design	Mintrex
Metallurgical Overview	Mintrex
Metallurgical Testwork	ALS Ammtec
Comminution Modelling	Orway Mineral Consultants
Hydrogeology	Rockwater
Environmental Permitting	Clark Lindbeck and Associates
Subterranean Fauna	Rockwater
Flora Surveys	Native Vegetation Solutions
Waste Rock Classification	Soil Water
Geotechnical Assessment	Absolute Geotechnics
Tailings Storage Design	Coffey Mining
Surface Surveys	Land Surveys
Resource Estimation	RungePincockMinarco

The Dalgaranga Feasibility Study remains on track for completion before the end of the year.

In addition to the Feasibility Study, the statutory approvals are also progressing with the Mining Proposal, Mine Closure Plan and the Works Approvals expected to be submitted to the Department of Mines and Petroleum in the next three months, with approvals anticipated to be received by the end of 2016.

## Forward Looking Statements

To comply with the recently released ASIC Information Sheet 214, in order to restate the results of the Pre-Feasibility Study (PFS) completed by independent consultants in March 2016, the Company has been requested by the ASX to confirm (in this release) the reasonableness of the assumptions in the Dalgaranga PFS and the resulting Production Target. (See PFS announcement 31<sup>st</sup> March 2016, the PFS JORC Table 1 Sections 1-4 have been included as Appendix 1 for completeness).

The Company would like to reiterate that the Dalgaranga PFS outlines a 6 year mine life (one year of construction and commissioning and five years of production) with an average life of mine production rate of 104,000 ounces per annum, at an All In Sustaining Capital Cost of A\$913/ounce. As part of the Study, a **Proved and Probable Reserve of 442,000 ounces of contained gold has been estimated. The first 5 years of the project's life is underpinned by this Ore Reserve** (more than 81% of the material to be processed over the life of mine is currently in Reserve). The last year of production is based on Inferred Resources, inclusion of these Inferred Mineral Resources does not substantially change the financial outcome or alter the viability of the project. Given the Company has increased the Mineral Resource at the Project by around 700,000 ounces in the last three years through exploration, discovery and resource extensions, including a strong history of conversion of Inferred Resources into Indicated and Measured Resources, and the fact that geologically the ore zones at Gilbeys extends into the Inferred portion of the Resource with only drill density reducing the confidence in the Inferred portion of the deposit, it is considered reasonable to expect that infill drilling (currently underway) will increase the confidence in the Inferred portion of the Resource. A gold price of \$1,470 was used in the pit optimisation and design process at Dalgaranga, this is more than **A\$250/ounce BELOW the current spot gold price of A\$1,730/ounce.**

Additionally, substantial zones of mineralisation have also been intersected outside the known deposits in exploration drilling at more than seven historical prospects, however the Company has not included any Exploration Targets in the Production Target, which is underpinned by Ore Reserves (81%) and Mineral Resources only.

All JORC modifying factors are very well advanced (evidenced by estimation of a Proved and Probable Ore Reserve), including securing long term tenure with the grant of the Mining Lease, environmental baseline studies, mining studies,

metallurgical studies, geochemical studies, tailings disposal studies, engineering studies including capital and operating cost estimates and hydrogeological studies all having been completed on the project.

### Project Financing Update

Following release of the Dalgara PFS in March 2016, Gascoyne undertook a capital raising of \$15 million via a private placement that was more than three times oversubscribed by a number of high quality domestic and international professional and institutional investors. The Company is pleased to advise that it remains debt free and is in a very strong financial position, with cash of approximately \$16 million\* available to progress the Feasibility study and to order a number of long lead time items for the development.

Due to the fact that the Company has only recently completed the PFS and is in the process of completing a full Feasibility Study, the Company is currently not fully funded for all of the expected capital cost of the project. However Gascoyne's market capitalisation of approximately \$125 million is well in excess of the expected total capital cost of \$75 million (including 15% contingencies). The strong support of existing shareholders (highlighted by the oversubscription of the recent \$15 million capital raising), the strength of the Company's share register and the strong investor interest in the project, the Company's history of successful capital raisings, the exceptional economics of the project as demonstrated by the PFS completed by leading independent consultants (**NPV<sub>8</sub> of A\$193 million and an IRR of 90%**, using flat gold price over the life of mine of A\$1,600; **~A\$130 below the spot price**) and advice received from a number of fundraising professionals, has led to Hartleys Limited (a leading Australian stockbroker and Gascoyne's corporate advisor) and a number of other well respected and independent financial groups advising the Company that the project is likely to be fundable through traditional debt and equity sources.

The Company is also in discussions with a number of leading Australian and international banks to provide debt funding for the project and is currently shortlisting the financial institutions to progress to the next phase of discussions.

In addition, the Company is currently investigating other funding options for the project, including potential to enter into a Build Own Operate (and transfer) agreement with one of a number of large construction companies, which could significantly reduce the capital cost. The preferred funding model will be selected once financial modeling is complete.

Commenting on the progress to date, the Company's Managing Director Mr Mike Dunbar said:

*"It is fantastic to be in such a strong position, to have three drill rigs turning at Dalgara, focusing on exploration and ongoing resource growth and conversion as well as development related drilling. The Company has never been in a better position to deliver ongoing exploration news and resource growth at the Dalgara project over the coming months.*

*The Feasibility Study is going full steam ahead with most of the key consultants engaged and actively working towards completion of the Study before the end of the year.*

*One area which we are currently focused on is the project permitting, with the aim to get all of the regulatory approvals submitted inside the next three months. This will provide the relevant Government agencies sufficient time to assess the development proposals and ensure that permitting is kept off the critical path for development."*

For further information please refer to the Company's website or contact the Company directly.

On behalf of the board of  
Gascoyne Resources Limited

\* includes \$4.0 million of funds subject to shareholder approval, which is being sought at a General Meeting of shareholders on Wednesday the 25<sup>th</sup> of May 2016. Proxy votes received to date are showing in excess of 98% support for the placement.

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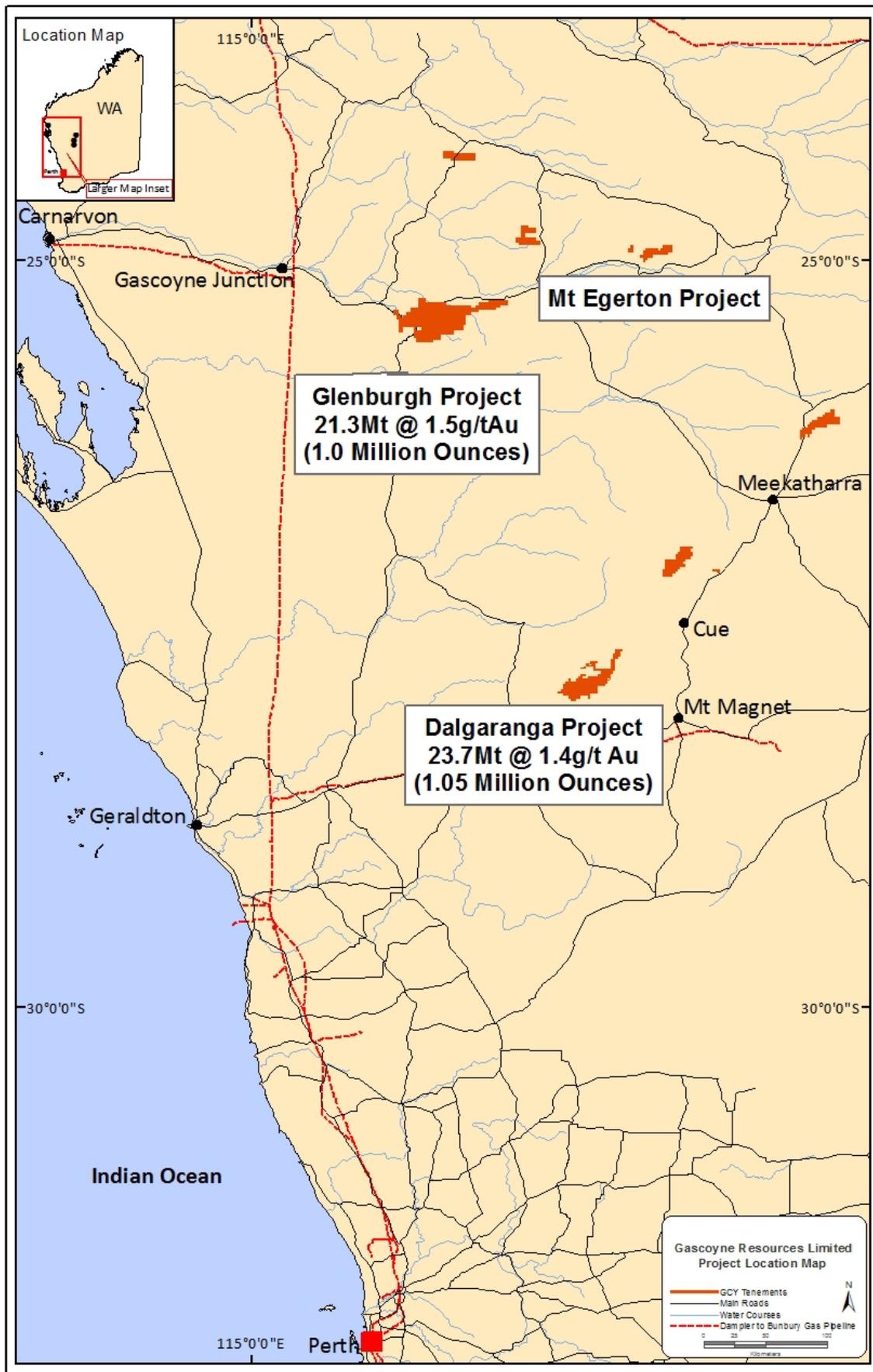


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

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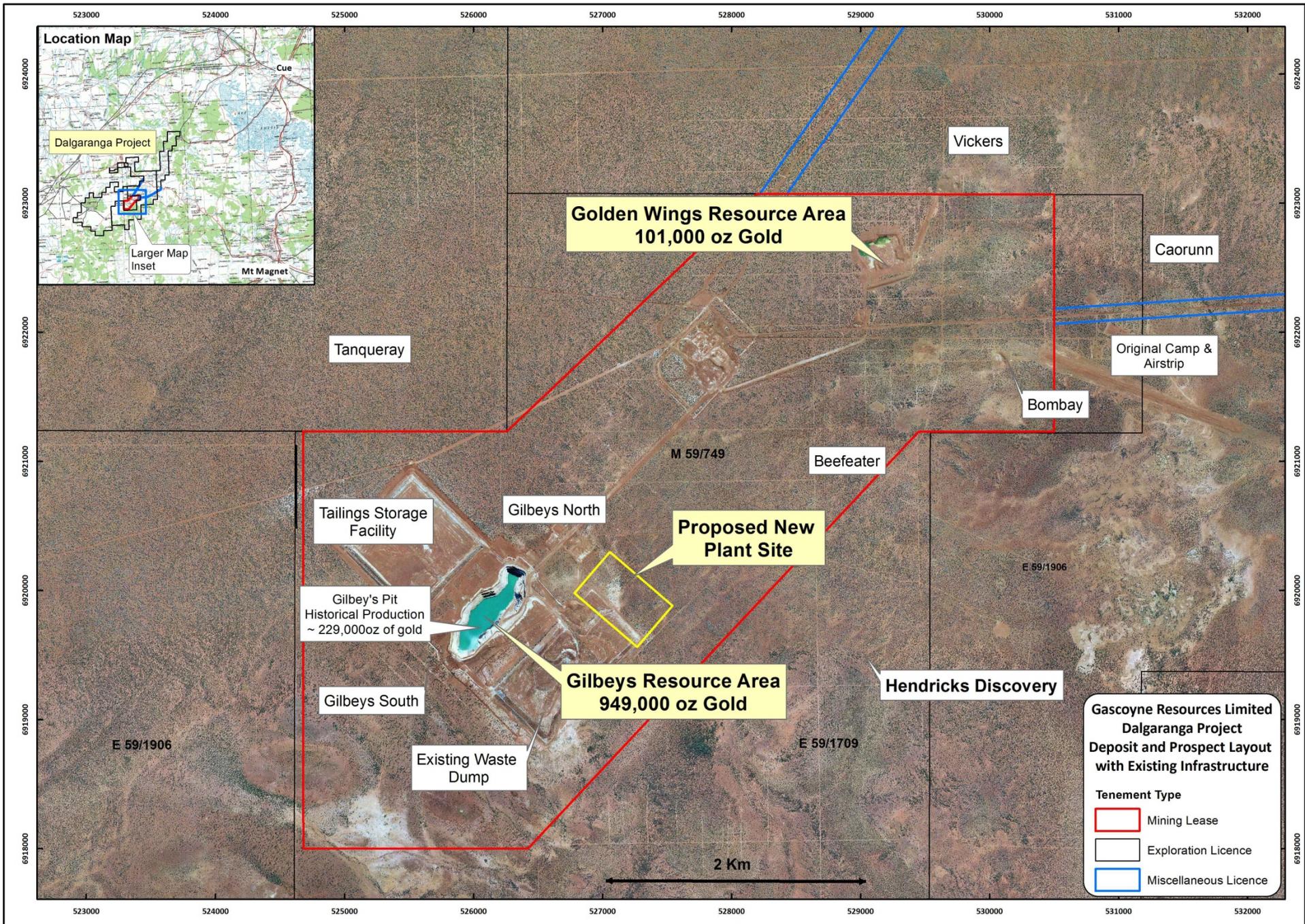


Figure Two: Dalgaranga Project Deposit and Prospect Layout

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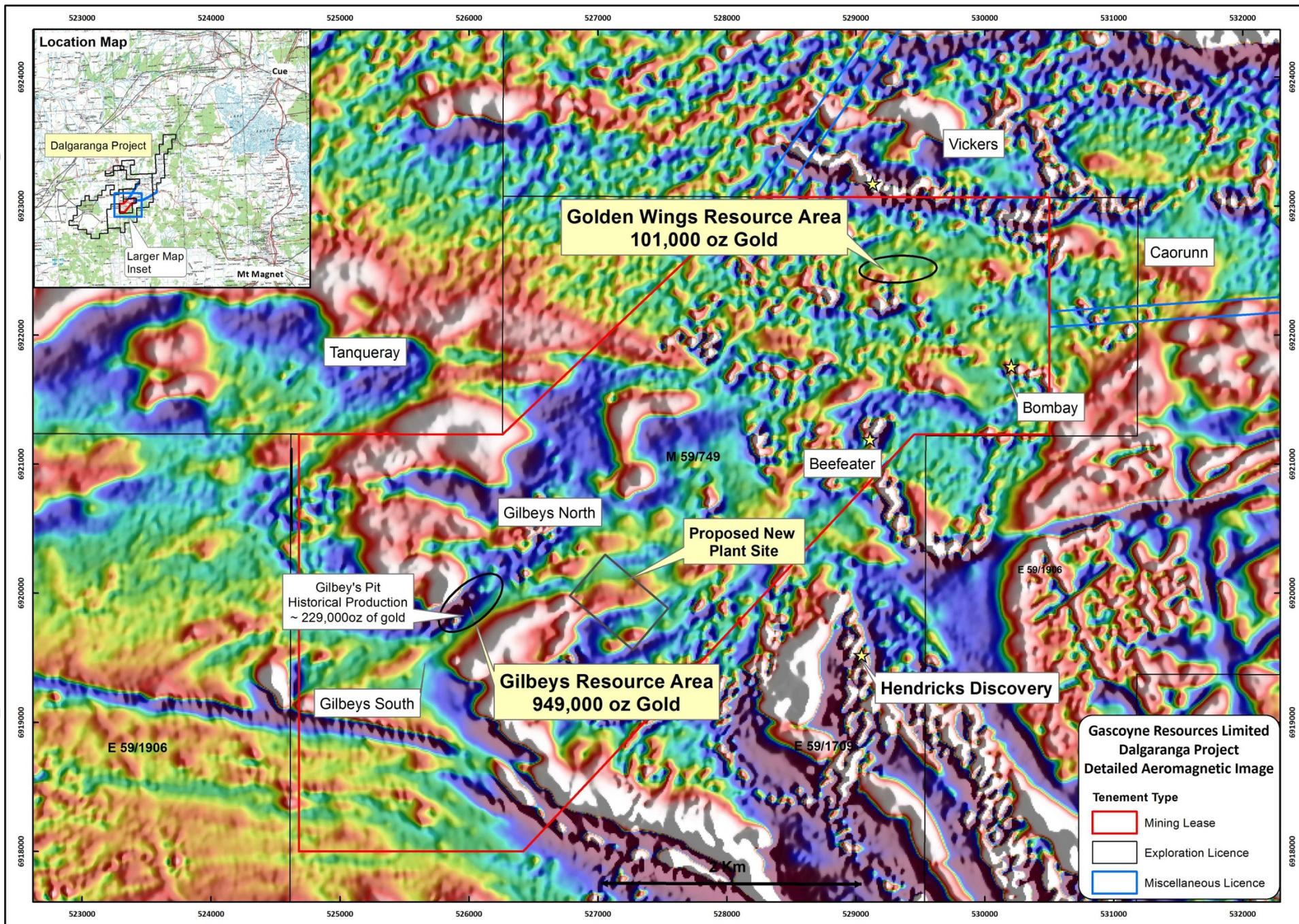


Figure Three: Dalgarranga Project Detailed Aeromagnetic Image

## BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.

The Company's two main gold projects combined have **2.1 million ounces of contained gold on granted Mining Leases**:

### DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 65km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 produced 229,000 oz's of gold with reported cash costs of less than \$350/oz.

The project contains a JORC Measured, Indicated and Inferred resources of **23.7 Mt @ 1.4g/t Au for 1,051,000 ounces** of contained gold (Table 1). The Dalgaranga project has an Initial **Proved and Probable Ore Reserve of 442,000 ounces of gold** (Table 2).

A PFS study has been completed and full FS has commenced. The PFS, has highlighted a robust development case for the project.

It is expected that the FS will be completed by the end of 2016, with final development decision in early 2017. The PFS investigated the development of two open pits feeding a 2.5Mtpa processing facility resulting in production of around 104,000ozpa for 6 years. Optimisation studies have suggested that the operation would be a low cost, high margin and long life operation with high operating margins.

Significant exploration potential also remains outside the known resources with numerous historical geochemical prospects only partly tested.

**Table 1 Dalgaranga Project**

**February 2016 Mineral Resource Estimate (0.5g/t Cut-off Above 120mRL, 1g/t Cut-off Below 120mRL)**

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Laterite				0.5	1.1	17,100	0.1	0.8	3,000	<b>0.6</b>	<b>1.1</b>	<b>20,000</b>
Oxide	0.4	1.8	20,000	1.0	1.7	52,000	0.5	1.9	28,000	<b>1.8</b>	<b>1.8</b>	<b>100,000</b>
Transitional	0.3	1.8	14,000	0.5	1.8	28,000	0.2	1.6	11,000	<b>1.0</b>	<b>1.7</b>	<b>53,000</b>
Fresh	1.8	1.3	74,000	7.5	1.3	322,000	11.1	1.4	482,000	<b>20.4</b>	<b>1.3</b>	<b>878,000</b>
<b>Total</b>	<b>2.4</b>	<b>1.4</b>	<b>108,000</b>	<b>9.4</b>	<b>1.4</b>	<b>419,000</b>	<b>11.9</b>	<b>1.4</b>	<b>524,000</b>	<b>23.7</b>	<b>1.4</b>	<b>1,051,000</b>

**Table 2: Dalgaranga Ore Reserve**

Ore Reserve Category	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold Ounces
Proved	2.27	1.34 g/t	97,000
Probable	7.81	1.4 g/t	345,000
<b>Total Ore Reserve</b>	<b>10.1</b>	<b>1.4</b>	<b>442,000</b>

### GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3 Mt @ 1.5g/t Au for 1.0 million oz gold** from several prospects within a 20km long shear zone (see Table 3)

A preliminary feasibility study on the project has been completed (see announcement 5<sup>th</sup> of August 2013) that showed a viable project exists at A\$1,500 /oz. The study included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the exploration drilling completed since 2013, which intersected significant shallow high grade zones at a number of the known deposits.

**Table 3: Glenburgh Deposits - Area Summary**

**2014 Mineral Resource Estimate (0.5g/t Au Cut-off)**

Area	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
North East	0.2	4.0	31,000	1.4	2.1	94,000	3.3	1.7	178,000	<b>4.9</b>	<b>1.9</b>	<b>303,000</b>
Central	2.6	1.8	150,000	3.2	1.3	137,000	8.4	1.2	329,000	<b>14.2</b>	<b>1.3</b>	<b>616,000</b>
South West							2.2	1.2	84,000	<b>2.2</b>	<b>1.2</b>	<b>84,000</b>
<b>Total</b>	<b>2.9</b>	<b>2.0</b>	<b>181,000</b>	<b>4.6</b>	<b>1.6</b>	<b>231,000</b>	<b>13.9</b>	<b>1.3</b>	<b>591,000</b>	<b>21.3</b>	<b>1.5</b>	<b>1,003,000</b>

Note: Discrepancies in totals are a result of rounding

### **EGERTON (100% GCY)**

The project includes the high grade Hibernian deposit which contains a resource of **116,400 tonnes @ 6.4 g/t gold for 24,000 ounces** in the Measured, Indicated and Inferred JORC categories (Table 4). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, **2m @ 147.0 g/t gold, 5m @ 96.7 g/t gold and 5m @ 96.7 g/t gold** associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has only been drill tested to 70m below surface and there is strong potential to expand the current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions.

**Table 4: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)**

<b>Classification</b>	<b>Tonnes</b>	<b>Au g/t</b>	<b>Au Ounces</b>
Measured Resource	32,100	9.5	9,801
Indicated Resource	46,400	5.3	7,841
Inferred Resource	37,800	5.1	6,169
<b>Total</b>	<b>116,400</b>	<b>6.4</b>	<b>23,811</b>

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the resource base and progress project permitting, while also continuing to explore the Dalgarranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has 100% ownership of the high grade Egerton project; where the focus has been to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

Further information is available at [www.gascoyneresources.com.au](http://www.gascoyneresources.com.au)

### **Competent Persons Statement**

*Information in this announcement relating to the Dalgarranga project is based on data compiled by Gascoyne's Geology Manager Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Goldsworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goldsworthy consents to the inclusion of the data in the form and context in which it appears.*

*The Gilbeys and Golden Wings Mineral Resources at the Dalgarranga project and the Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY-ASX announcement 4<sup>th</sup> November 2015 titled: Dalgarranga Mineral Resource Grows to Over One Million Ounces, ASX announcement 24<sup>th</sup> February 2016 titled 40% Increase in Golden Wings Mineral Resource at Dalgarranga and ASX announcement 24<sup>th</sup> July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). 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 and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.*

*The Dalgarranga Ore Reserve has been estimated by CSA Global Pty Ltd, an external consultancy, and is reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY-ASX announcement 31<sup>st</sup> March 2016 titled: Dalgarranga Pre-Feasibility Confirms Exceptional Project Economics). 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 and, in the case of estimate of Ore Reserves that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.*

*The Egerton Resource estimate and Gaffney's Find prospect historical exploration results have been sourced from Exterra Resources annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, who conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

## Appendix 1

### Dalgaranga Project Pre-Feasibility Study Gilbeys and Golden Wings Deposits JORC Code (2012) Table 1 Section 1, 2, 3 & 4

#### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Dalgaranga deposits have been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and currently by GCY. The majority of holes are on a 25m grid either infilling or extending known prospects. The majority of drill holes have a dip of -60° towards local grid east for Gilbeys and south for Golden Wings.</li> <li>• Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative.</li> <li>• RC drilling was used to obtain 1m samples which were split by either cone or riffle splitter at the rig to produce a 3 - 5 kg sample. In some cases a 4m composite sample of approximately 3 - 5 kg was collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire Assay. A 4m composite sample of approximately 3 - 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay. The diamond drilling was undertaken as diamond tails to the recently completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two are NQ. The NQ holes were sampled by ½ core sampling while the HQ hole was ¼ core sampled. The samples are assayed using 50g charge fire assay with an AAS finish.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth. The diamond drilling was undertaken as diamond tails to the RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two were NQ.</li> </ul>

Criteria	JORC Code explanation	Commentary
<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>	<ul style="list-style-type: none"> <li>RC and AC sample recovery was visually assessed and recorded where significantly reduced. Very little sample loss was noted. The diamond drilling recovery was excellent with very little or no core loss identified.</li> <li>RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. Diamond drilling was undertaken and the core measured and orientated to determine recovery, which was generally 100%.</li> <li>Sample recoveries are generally high. No significant sample loss was recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated and no preferential loss/gain of grade material was noted. The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1m intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. Diamond drill holes have all been geologically, structurally and geotechnically logged.</li> <li>RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. The Diamond core photographed tray by tray wet and dry.</li> <li>All drill holes were logged in full.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>Diamond drilling completed by GCY was ½ core (for NQ) or ¼ core (for HQ) sampled. Previous companies have conducted diamond drilling, it is unclear whether ½ core or ¼ core was taken by previous operators.</li> <li>RC chips were riffle or cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared.</li> <li>To RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. Samples are pulverised to a grind size where 85% of the sample passes 75µm.</li> <li>Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling. Diamond drilling has 4% certified standards included.</li> <li>Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>was sampled.</p> <ul style="list-style-type: none"> <li>A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.</li> </ul>
<p><b>Quality of assay data and laboratory tests</b></p>	<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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques. The diamond sampling will be assayed using fire assay with a 50g charge and an AAS finish, additional quartz washes of the grinding mills is undertaken by the lab, before and after samples which contain visible gold.</li> <li>No geophysical tools have been used at Gilbey's or Golden Wings</li> <li>Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.</li> </ul>
<p><b>Verification of sampling and assaying</b></p>	<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>	<ul style="list-style-type: none"> <li>Significant intersections were visually field verified by company geologists.</li> <li>No twinned holes have been drilled to date by GCY, although infill drilling by has confirmed mineralisation thickness and tenor.</li> <li>Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server.</li> <li>Assay values that were below detection limit were adjusted to equal half of the detection limit value.</li> </ul>
<p><b>Location of data points</b></p>	<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>	<ul style="list-style-type: none"> <li>Historical collars were surveyed to within +/- 1m. GCY drill collars have been surveyed by hand held GPS to an accuracy of about 1m. The RC and diamond drill holes will be picked up by DGPS in the near future. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys.</li> <li>The grid system is MGA94 Zone 50.</li> <li>The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.</li> </ul>
<p><b>Data spacing and distribution</b></p>	<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> </ul>	<ul style="list-style-type: none"> <li>Initial exploration by GCY is targeting discrete areas that may host mineralisation. Consequently current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m - 100m of</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether sample compositing has been applied.</li> </ul>	<p>an existing hole.</p> <ul style="list-style-type: none"> <li>The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code.</li> <li>In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre riffle split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Gilbey's, which is towards local grid east and at Golden Wings it is south. The drilling is angled at -60° which is approximately perpendicular to the dip of the stratigraphy.</li> <li>No orientation based sampling bias has been identified in the data</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by GCY. RC samples are delivered daily to the Toll depot in Mt Magnet by GCY personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have deliver the samples directly to the laboratory. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay laboratory for analysis.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>Data is validated by Mitchell River Group whilst loading into database. Any errors within the data are returned to GCY for validation.</li> </ul>

## Section 2 Reporting of Exploration Results

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 license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Dalgaranga Project is situated on tenement number M59/749. The tenement is currently held under a JV arrangement with Mr Jaime McDowell. GCY has an 80% interest in the tenement.</li> <li>The tenement is in good standing and no known impediments exist.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The tenement area has been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 - 2000.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Regionally, the Dalgaranga Project lies within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. At Gilbey's, gold mineralisation is associated with sericite chlorite quartz schists after mafic rocks or sediments and quartz pyrite arsenopyrite dipping lodes within biotite-sericite-carbonate pyrite schists within a sheared porphyry-shale-basalt package.</li> </ul>
<b>Drill hole</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the under-</li> </ul>	<ul style="list-style-type: none"> <li>All exploration results have previously been</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>information</i>	<p>standing of the exploration results including a tabulation of the following information for all Material drill holes:</p> <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> <p>• 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.</p>	<p>reported by GCY between 2013 and 2016.</p> <ul style="list-style-type: none"> <li>• All information has been included in the appendices. No drill hole information has been excluded.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>• Exploration results are not being reported.</li> <li>• Not applicable as a Mineral Resource is being reported.</li> <li>• Metal equivalent values have not been used.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>• Most drill holes are angled to local grid east so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 70-100% of down hole intersections.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>• Relevant diagrams have been included within the main body of text.</li> </ul>
<b>Balanced Reporting</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>• 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>	<ul style="list-style-type: none"> <li>• All GCY hole collars were surveyed in MGA94 Zone 50 grid using differential GPS. GCY holes were down-hole surveyed with multi-shot tools.</li> <li>• Exploration results are not being reported.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>• All interpretations for Gilbey's mineralisation are consistent with observations made and information gained during previous mining at the Gilbey's open pit.</li> </ul>
<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>	<ul style="list-style-type: none"> <li>• Gilbey's will continue to be drilled to extend the current Mineral Resource and delineate further resources.</li> <li>• Refer to diagrams in the body of text within the main body of text.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>For GCY drilling geological and field data is collected using Field Marshall software on tablet computers. Historical drilling data has been captured from historical drill logs.</li> <li>The data is verified by company geologists before the data is sent to Mitchell River Group for further validation and compilation into a SQL database server. Historic data has been verified by checking historical reports on the project.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A site visit by the Competent Person for Mineral Resources was conducted in November 2015.</li> <li>During the visit, the deposit area, drill core, outcrop, the Gilbey's and Golden Wings open pits and the core logging and sampling facility were inspected.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Gilbey's open pit.</li> <li>Geochemistry and geological logging has been used to assist identification of lithology and mineralisation.</li> <li>The deposits consists of local grid west dipping lodes. Infill drilling has supported and refined the model and the current interpretation is considered robust.</li> <li>Outcrops of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation.</li> <li>Infill drilling has confirmed geological and grade continuity.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Gilbey's Mineral Resource area extends over a strike length of 1,160m (from 3,425mN – 4,585mN) and includes the 400m vertical interval from 430mRL to 30mRL.</li> <li>The Golden Wings Mineral Resource area extends over a strike length of 840m (from 528,950mE – 529,790mE) and includes the 175m vertical interval from 430mRL to 255mRL.</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, 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.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> </ul>	<ul style="list-style-type: none"> <li>Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Gilbey's Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 100m down-dip beyond the last drill holes on section for Gilbeys and 50m at Golden Wings. This was equivalent to approximately one drill hole spacing in the this portion of the deposit and classified as Inferred Mineral Resource. Extrapolation was generally half drill hole spacing between drill holes.</li> <li>The 2015 Gilbeys Mineral Resource estimate reported 4.5Mt at 1.6g/t Au, for 245,000 in-situ ounces. After taking into account ore loss, dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4Mt at 1.5g/t Au for 217,000 ounces.</li> <li>No recovery of by-products is anticipated.</li> <li>Only Au was interpolated into the block model.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li>• <i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li>• <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<p>There are no known deleterious elements within the deposits.</p> <ul style="list-style-type: none"> <li>• The parent block dimensions used at Gilbeys were 12.5m NS by 5m EW by 5m vertical with sub-cells of 3.125m by 1.25m by 1.25m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Gilbey's dataset. At Golden Wings the parent block dimensions used were 5m NS by 10m EW by 5m vertical with sub-cells of 1.25m by 2.5m by 1.25m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Golden Wings dataset.</li> <li>• At Gilbeys an orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 50m, with a minimum of 10 samples. For the second pass, the range was 100m, with a minimum of 6 samples. For the third pass, the range was extended to 250m, with a minimum of 2 samples. A maximum of 30 samples was used for all three passes. A maximum of 10 samples per hole was used in the Interpolation. At Golden Wings an orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 40m, with a minimum of 10 samples. For the second pass, the range was 60m, with a minimum of 6 samples. For the third pass, the range was extended to 100m, with a minimum of 2 samples. A maximum of 30 samples was used for all three passes. A maximum of 6 samples per hole was used in the interpolation.</li> <li>• No assumptions were made on selective mining units.</li> <li>• Only Au assay data was available, therefore correlation analysis was not possible.</li> <li>• The deposits mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate.</li> <li>• At Gilbeys Statistical analysis was carried out on data from 21 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 5 to 40g/t Au were applied, resulting in a total of 40 samples being cut. At Golden Wings Statistical analysis was carried out on data from 22 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 10 to 30g/t Au</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>were applied, resulting in a total of 16 samples being cut.</p> <ul style="list-style-type: none"> <li>Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed reasonable correlation between the composite grades and the block model grades.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Tonnages and grades were estimated on a dry in situ basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The Gilbeys Mineral Resource is reported at depth dependant cut-offs. For material within approximately 300m of the topographic surface (425mRL to 120mRL), a reporting cut-off of 0.5g/t Au was applied. For deeper material (120mRL to 30mRL), a reporting cut-off of 1g/t Au was applied. Cut-off parameters were selected based on an upside case Whittle shell generated during the Scoping Study, with a higher cut-off applied to deeper material to reflect higher costs associated with deeper open pit mining. The Golden Wings Mineral Resource was reported at a 0.5g/t Au cut-off</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RPM has assumed that the deposits could potentially be mined using open pit mining techniques. Open pit mining has previously occurred at the Gilbey's and Golden Wings deposits. No assumptions have been made for mining dilution or mining widths, however mineralisation at Gilbey's is generally broad with mineralisation widths of greater than 50m on most benches. It is assumed that mining dilution and ore loss will be incorporated into any Ore Reserve estimated from this Mineral Resource.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical testwork was conducted on the Gilbey's deposit by Equigold prior to the construction of a Processing Plant. Equigold mined the deposit from 1996 to 2000. GCY has access to extensive reconciliation records from that period of operation. The remaining mineralisation has the same characteristics to the mined resource. The company has conducted a limited metallurgical testwork programme as part of the Scoping Study. This has confirmed the excellent metallurgical recoveries with over 98% recovery via a standard CIL flowsheet.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>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 aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Historical mining has occurred at the Gilbey's deposit. Existing waste dumps and a tailings storage facility lie in close proximity to the Gilbey's deposit. A level 1 flora and fauna survey has been undertaken at the nearby Golden Wings prospect. This confirmed that there are no environmental impediments to development. GCY will work to mitigate environmental impacts as a result of any future mining or mineral processing.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>There are 27 density measurements collected during historical drilling programs at Gilbey's. GCY have recorded an additional 312 measurements from the fresh zone.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>Density is measured using the water immersion technique. Moisture is accounted for in the measuring process and measurements were separated for lithology, mineralisation and weathering.</li> <li>It is assumed there are minimal void spaces in the rocks within the Gilbey's deposit. Values applied in the Gilbey's block model are similar to other known bulk densities from similar geological terrains.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (ie 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).</i></li> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Gilbeys Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was defined by extensive grade control and close spaced diamond and RC drilling of less than 25m by 25m and where the mineralisation interpretation is robust. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. The Golden Wings Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 30m by 30m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 30m by 30m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.</li> <li>The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades.</li> <li>The Mineral Resource estimate appropriately reflects the view of the Competent Person.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>Internal audits have been completed by RPM which verified the technical inputs, methodology,</li> </ul>

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Criteria	JORC Code explanation	Commentary
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<p>parameters and results of the estimate.</p> <ul style="list-style-type: none"> <li>The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses.</li> <li>The Mineral Resource statement relates to global estimates of tonnes and grade.</li> <li>The Gilbeys 2015 Mineral Resource estimate reported 4.5Mt at 1.6g/t Au, for 245,000 in-situ ounces. After taking into account ore loss, dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4Mt at 1.5g/t Au for 217,000 ounces.</li> </ul>

### JORC Table 1, Section 4 – Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<ul style="list-style-type: none"> <li>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</li> <li>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource estimates for Both the Golden Wings deposit (GW) and Gilbeys deposit (GB) have been prepared by Mr Shaun Searle of Runge Pincock Minarco, and have been reported on the ASX on the 24<sup>th</sup> February 2016 and 4<sup>th</sup> November 2015 respectively.</li> <li>The Mineral Resource is reported inclusive of the Ore Reserve.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Mr Karl van Olden has not visited the site, CSA Global are sufficiently familiar with the Dalgaranga site the previous operation of the same open pit and the regional location for a site visit not to be necessary</li> </ul>
<b>Study status</b>	<ul style="list-style-type: none"> <li>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</li> <li>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</li> </ul>	<ul style="list-style-type: none"> <li>CSA Global is working with Gascoyne Resources and its technical advisors to prepare a Pre-Feasibility Study for the Dalgaranga operation. This study is nearing completion. The results of the study indicate that the Dalgaranga mine plan is technically achievable and economically viable. The material modifying factors have been appropriately considered in this study</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The cut-off grade has been calculated using a gold price of AU\$1,500/oz and a metallurgical recovery of 95%. The cut-off grade differentiates between material types due to the differential cost of processing. The cut-off grades applied are oxide – 0.344 g/t, transitional – 0.386 g/t and fresh – 0.434 g/t Au.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</li> <li>The choice, nature and appropriateness of the selected</li> </ul>	<ul style="list-style-type: none"> <li>Pit optimisations have been completed by CSA Global. These optimisations have been used to identify ultimate pit dimensions and pit stages for GW and GB deposits.</li> <li>The GW deposit is the smaller of the two deposits and is mined in a single stage, early in the life of the operation. The GB deposit has been separated into four stages of mining.</li> <li>Detailed mine designs of the stages and final open</li> </ul>

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	<p><i>mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></p> <ul style="list-style-type: none"> <li>• <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i></li> <li>• <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li> <li>• <i>The mining dilution factors used.</i></li> <li>• <i>The mining recovery factors used.</i></li> <li>• <i>Any minimum mining widths used.</i></li> <li>• <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li>• <i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	<p>pit have been developed, guided by the pit optimisations. These designs were subsequently used to generate a detailed mining schedule of the mining operations</p> <ul style="list-style-type: none"> <li>• The mining method that is applied to the Dalgaranga operation is conventional drill and blast, load and haul open pit mining methods in line with the methods previously applied in the operation. These methods are the same as many other similar operations within the Western Australian Goldfields. The mining equipment applied to the operation is sized to produce productive operations. Larger excavators are applied to the waste cut-backs in the initial stages of the operation, smaller excavators are used in ore mining and the later stages of the operation when the stripping ratio reduces.</li> <li>• The GB pit has been mined previously. The geotechnical parameters used for this mining have been applied to the designs of the future operation. The existing walls show limited deterioration, which provides confidence that the applied wall angles will generate an appropriately stable pit design. The geotechnical parameters for GB have been used for the adjacent GW deposit. During the next stage of study (Feasibility Study) more detailed geotechnical analysis is expected to be conducted on these pits to confirm assumptions and identify any significant geological structures that will need to be considered in the final pit design.</li> <li>• The Mineral Resource was estimated by Mr Shaun Searle of RungePincockMinarco in 2015 and 2016 and announced on the 4<sup>th</sup> of November 2015 and 24<sup>th</sup> of February 2016 for Gilbeys and Golden Wings respectively.</li> <li>• The resource block model comprised block dimensions of 5m x 10m x 5m for Golden Wings and 12.5m x 5m x 5m for Gilbeys</li> </ul> <p>Overall mining factors applied to the Resource Model are 8% mine dilution and 98% mine recovery. Minimum mining widths applied to the design are typically 30 m.</p> <ul style="list-style-type: none"> <li>• Inferred Mineral Resources have been included in the pit optimisation and mining schedule, but have been reported as waste when generating the Ore Reserve Estimate. Inferred Mineral Resources comprise 19% of the mined gold ounces in the pit designs and schedule. The vast majority of this material occurs in the final stage of mining (14%) substantially after the project has paid-back all investment. The economic viability of the operation is not dependent on the Inferred material at any stage.</li> <li>• Operational establishment, processing plant, camp, site and mine infrastructure, have been included in cashflow modelling.</li> </ul>
<p><b>Metallurgical factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The project proposes to use a carbon in leach (CIL) processing method. Processing will be conducted in a newly constructed plant adjacent to the mining operations.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Whether the metallurgical process is well-tested technology or novel in nature.</li> <li>• The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</li> <li>• Any assumptions or allowances made for deleterious elements.</li> <li>• The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</li> <li>• For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</li> </ul>	<ul style="list-style-type: none"> <li>• The proposed process includes two stage crushing, milling, gravity recovery and cyanide leaching; carbon adsorption and gold recovery. This technology is well-tested, and does not introduce any novel techniques.</li> <li>• The proposed processing method aligns with the previous methods applied at the Dalgaranga operation. The design of the plant is based on a plant successfully operating in the region.</li> <li>• Recent metallurgical test-work has been conducted on drill samples of the deposits. The results show that the proposed processing methods will produce good gold recoveries ranging from 95% to 98% Au. The testwork shows that up to 60% of gold recovery is achieved in gravity separation. The test results align with metallurgical performance achieved in the previous operation of this deposit. To ensure a robust operational plan, a blanket recovery of 95% Au has been applied throughout. Sampling and test-work shows that this recovery is consistently achieved across oxide, transitional and fresh material.</li> <li>• Test work does not indicate any preg-robbing characteristics for the oxide, transitional or fresh zones.</li> <li>• Previous operations mined a substantial portion of the GB deposit. The metallurgical test-work recently concluded and applied to this Ore Reserve estimate aligns with previous performance.</li> <li>• The sold product will be gold doré bars.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</li> </ul>	<ul style="list-style-type: none"> <li>• Acid rock drainage issues have not been precluded from waste material mined at depth in the GB pit. Provisions have been made in the waste dump design to encapsulate any problematic potentially acid forming material according to industry accepted practices.</li> <li>• The existing tailings storage facility is intended to be re-commissioned for the life of the operation, with extensions budgeted in the later parts of the mine life.</li> <li>• Baseline environmental and heritage studies have been conducted on the Dalgaranga property and environmental licensing is not identified to pose any restriction to the planned activities.</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</li> </ul>	<ul style="list-style-type: none"> <li>• The Dalgaranga project is located in the Murchison region of Western Australia. Previous mining operations at the site were decommissioned, deconstructed and the site was closed. There is sufficient land within the operating area for the planned activities to be re-established.</li> <li>• Water supply for the process will be sourced, in the first two years, from dewatering of the GB pit lake. Perimeter extraction bores will provide a source of water during the mine life. An existing bore-field will provide supplementary process water for the remainder of the mine life.</li> <li>• A potable bore will provide potable water to the camp and operations.</li> <li>• A 160-person camp site will be established in proximity to the mine site. Workshops, offices, and warehouse is planned adjacent to the mining and processing operations as required.</li> </ul>

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		<ul style="list-style-type: none"> <li>• Power supply to the operation will be from a set of diesel generators</li> <li>• Potable water will be sourced from a potable water borehole with Reverse Osmosis (RO) processing for drinking water.</li> <li>• Labour is expected to be sourced from a fly-in-fly-out work force from Perth on a two weeks on, one week off roster.</li> <li>• Flights will be to the Mount Magnet Airfield and then bussed to site</li> <li>• Camp accommodation will be hired for the duration of the mine life</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li>• <i>The methodology used to estimate operating costs.</i></li> <li>• <i>Allowances made for the content of deleterious elements.</i></li> <li>• <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i></li> <li>• <i>The source of exchange rates used in the study.</i></li> <li>• <i>Derivation of transportation charges.</i></li> <li>• <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> <li>• <i>The allowances made for royalties payable, both Government and private.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The predominant capital costs for the project relate to establishment of the site and the construction of the processing plant. The plant design is based on a recently constructed plant, which means estimates are well understood and the risk of significant cost variance is low.</li> <li>• Mining capital costs will relate to the establishment of the operation, mobilisation of the contractor and costs associated with establishing the owners team. Mining will be undertaken by a contractor and the capital cost of the mining equipment will be borne by the contractor</li> <li>• The process plant operating costs are well understood as the plant is similar to one recently built and put into operation. Contingencies have been added to operating costs in the project financial model to ensure a robust estimate</li> <li>• Mine operating costs have been developed from first principles by a mining contractor to provide a budget estimate of the mining schedule. These costs have been used in the optimisation, cut-off grade estimates and in the financial model. The same contractor will be invited to update their estimates after the completion of the PFS.</li> <li>• General and administration costs have been estimated on a first principles basis</li> <li>• Costs excluded in the financial modelling include corporate overheads/ head office costs; project financing, interest charges and escalation; and ongoing exploration costs.</li> <li>• No deleterious elements have been identified for the project.</li> <li>• The project economics have been modelled on a gold price of AU\$1,500/oz. Financial models for a range of gold prices down to AU\$1,333/oz have been developed. This range of prices provides a representation of the gold prices since 2008 and the lower prices are in the range forecast by the World Bank.</li> <li>• The AU\$1,333/oz relates to US\$1,000/oz at an exchange rate of US\$:AU\$ = 0.75</li> <li>• All costs have been estimated in AU dollars.</li> <li>• Selling costs have been estimated for gold, including royalties, refining and transport.</li> <li>• Allowances have been made for Western Australian State royalties and a royalty to the project's current 20% owner.</li> </ul>
<b>Revenue factors</b>	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and</i></li> </ul>	<ul style="list-style-type: none"> <li>• See comments above</li> </ul>

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	<p><i>treatment charges, penalties, net smelter returns, etc.</i></p> <ul style="list-style-type: none"> <li>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</li> </ul>	
<b>Market assessment</b>	<ul style="list-style-type: none"> <li>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</li> <li>A customer and competitor analysis along with the identification of likely market windows for the product.</li> <li>Price and volume forecasts and the basis for these forecasts.</li> <li>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</li> </ul>	<ul style="list-style-type: none"> <li>Gold is a freely globally traded commodity, with prices determined by demand and supply. As such, specific market studies have not been undertaken. The revenue assumptions for this project are in Australian Dollars. The combined effects of United States Dollar gold price and the US\$:AU\$ exchange rate have resulted in a relatively stable Australian Dollar gold price over the previous three years, reflected in the \$1,500/oz gold price used in this estimation.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</li> <li>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</li> </ul>	<ul style="list-style-type: none"> <li>Cost inputs have been estimated from quotations and/or by competent specialists including current labour rates for the region.</li> <li>Sensitivity analysis has indicated that the project drivers are commodity price and metallurgical recovery followed by operating costs; NPV and IRR remain favourable for commodity price sensitivity tests of -17% of gold price. The full project sensitivity analysis is shown in the Dalgaranga PFS Report. The All In Sustaining Cost (AISC) margin for this project ranges from +30% to +44% across a range of potential commodity prices.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>The status of agreements with key stakeholders and matters leading to social licence to operate.</li> </ul>	<ul style="list-style-type: none"> <li>The project is located in the remote Murchison region of Western Australia. The site has previously been operated and the current project is a re-establishment of previous mining, with the processing plant proposed to be located closer to the deposit than previously.</li> <li>The project management are in liaison with the state government and engagement with key stakeholders is in place.</li> <li>Heritage surveys have been conducted for the property and no items of heritage significance have been identified on the affected property.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</li> <li>Any identified material naturally occurring risks.</li> <li>The status of material legal agreements and marketing arrangements.</li> <li>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</li> </ul>	<ul style="list-style-type: none"> <li>No Material naturally occurring risks have been identified for the Dalgaranga project. The environment is stable with a long history of productive mining operations that have not been affected by naturally occurring events.</li> <li>The Dalgaranga Project is in possession of necessary legal agreements to develop the operation. The requirements to maintain agreements are transparent and well managed by the company in consultation with the Western Australian Government.</li> <li>Gold is an easily traded commodity and does not require any specific marketing arrangements.</li> <li>There are reasonable grounds to expect that future agreements and Government approvals will be granted and maintained within the necessary timeframes for successful implementation of the project</li> <li>There are no known material matters dependent on a third party that require resolution for the Dalgaranga project to be developed</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Ore Reserves into varying confidence categories.</li> </ul>	<ul style="list-style-type: none"> <li>The mineral resource above the cut-off grade within the designed open pits has been modified by the</li> </ul>

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	<ul style="list-style-type: none"> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> <li>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</li> </ul>	<p>application of the designated mining recovery and mine dilution factors.</p> <ul style="list-style-type: none"> <li>Mr Karl van Olden, the Competent Person for this Ore Reserve estimation, has reviewed the work undertaken for the PFS and considers that in general, it is sufficiently detailed and relevant to the deposit to allow Measured Resources scheduled within the pit designs to be classified as Proved Ore Reserves and for Indicated Resources scheduled within the pit designs to be classified as Probable Ore Reserves</li> <li>There are no Probable Ore Reserves derived from Measured Mineral Resources.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Ore Reserve estimates.</li> </ul>	<p>This Ore Reserve has been prepared by Mr Karl van Olden, CP after review of the PFS work and project documentation. Information prepared by experts and supplied by Gascoyne Resources including Mineral Resources, Metallurgy, Process Design, geotechnical and Environmental have been relied upon in the preparation of this statement.</p>
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</li> <li>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.</li> <li>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</li> <li>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul style="list-style-type: none"> <li>The Dalgaranga PFS document addresses the various modifying factors to a PFS level of confidence. This documentation includes a description of the work completed to address the confidence of the modifying factors and assumptions made.</li> <li>Accuracy of capital and operating cost estimates is considered to be within +/-25%, consistent with accepted PFS standards. Contingency has been allowed in the capital cost estimate on a line by line basis to reflect the degree of uncertainty of the estimate for each area.</li> <li>The next stage of study will require additional geotechnical analysis of pit design requirements at depth. This work will be to confirm that the parameters used during the excavation of the existing open pit remain valid for the lower portions of the pit. The existing pits have walls that have stood relatively stable for approximately 20 years, which indicates that current assumptions will not require any material adjustment in the final design</li> <li>The project is not yet operational and as such, no production data exists at this time.</li> </ul>

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