

# Sand King Deposit Mineral Resource Update

## Highlights

- **JORC 2012 Resource upgrade for Sand King deposit complete**
- **91% increase in ounces over previously reported Mineral Resource**
- **244% increase in Indicated Resource**
- **Combined Missouri & Sand King Resource totals 498,000 ounces**

Eastern Goldfields Limited (ASX: EGS) (**Eastern Goldfields** or the **Company**) is pleased to announce a Mineral Resource upgrade for the Sand King deposit, located approximately 80km north west of Kalgoorlie within the North Eastern Goldfields of Western Australia (Figure 1).

This Resource estimation is the result of a thorough data validation and reinterpretation process that, along with additional confirmatory drilling, allows a JORC Code 2012 upgrade for the deposit. The combined indicated and inferred **Mineral Resource is now 2.45 Mt @ 3.44g/t Au for 271,000 ounces** (1g/t cut-off) and represents an increase of 91% in contained ounces over the previous published Mineral Resource (November 2007). This upgraded Mineral Resource is being used to complete a detailed mining study that will be released in late January 2017.

Resource Comparison	Measured		Indicated		Inferred		Total		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
Sand King - Dec 2016	-	-	1,773	3.33	680	3.74	<b>2,453</b>	<b>3.44</b>	<b>271</b>
Sand King - Nov 2007	98	1.7	516	3.1	935	3.0	<b>1,451</b>	<b>3</b>	<b>142</b>
% Change	-	-	<b>244%</b>	<b>7%</b>	<b>-27%</b>	<b>25%</b>	<b>69%</b>	<b>15%</b>	<b>91%</b>

Adding this upgraded Mineral Resource to the recently published Missouri Mineral Resource (refer ASX Announcement dated 15 December 2016) delivers a combined **Mineral Resource for the Sand King and Missouri deposits of 4.88 Mt @ 3.2g/t Au for 498,000 ounces** (1g/t cut-off).

	Measured		Indicated		Inferred		Total		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
Missouri - Dec 2016	-	-	2,022	3.0	409	2.6	<b>2,431</b>	<b>2.9</b>	<b>227</b>
Sand King - Dec 2016	-	-	1,773	3.3	680	3.7	<b>2,453</b>	<b>3.4</b>	<b>271</b>
<b>Combined Total</b>	<b>-</b>	<b>-</b>	<b>3,795</b>	<b>3.2</b>	<b>1,089</b>	<b>3.3</b>	<b>4,884</b>	<b>3.2</b>	<b>498</b>

Executive Chairman Michael Fotios said:

*"A 91% increase in the contained ounces over the previous Mineral Resource represents an exceptionally strong result, particularly given the drilling primarily targeted open pit mineralisation, with limited extensional drilling done below the pit. We are now planning additional drilling to define the future underground mining potential of both of these deposits. Open pit mining of both these deposits is scheduled to commence*

### BOARD OF DIRECTORS

Mr Michael Fotios  
*Executive Chairman*

Mr Craig Readhead  
*Non-Executive Director*

Mr Alan Still  
*Non-Executive Director*

Ms Shannon Coates  
*Company Secretary*

### ISSUED CAPITAL

Shares: 493m  
Options: 46.6m  
Current Share Price: \$0.29  
Market Capitalisation: \$143.0m  
Cash as at 30/9/2016: \$5.5m

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*late January, with both open pit mine design including future allowance for underground portal development.”*

Entech Pty Ltd, an independent international mining consultant specialising in mining engineering, has been engaged to conduct a mining study at the Sand King deposit. This will result in the determination of an Ore Reserve, the results of which will be released in January.

### **Sand King - Mineral Resource Estimation**

Resource interpretation and modelling was completed in-house.

The Company has an extensive database of historic and current drilling. This data was validated where possible, against original hard copy reports and changes made where errors and/or omissions were noted. The deposit has largely been defined by reverse cycle (RC) drilling (resource and grade control) in the upper portions while diamond drilling is more prominent at depth. Limited assay QAQC from previous operators is available; however, Gilt Edged Mining NL completed a thorough report detailing routine QAQC procedures and results. Overall results provide confidence in analytical results for drilling completed by Gilt Edged Mining NL. Assay QAQC for drilling completed by Eastern Goldfields is deemed to be satisfactory and included routine submission of standards, blanks and field duplicates.

The Sand King Deposit is categorised as an orogenic gold deposit, typical of many others in the Yilgarn region. The basalt host rock has experienced regional greenschist metamorphism. The nature of gold mineralisation and alteration at Sand King is a series of parallel, north east trending sub vertical shear lodes of predominantly biotite-carbonate-sulphide alteration. The presence of quartz veining and biotite alteration are the distinguishing visual controls on ore during mining. The ore lode interpretation is based on a 1g/t cut-off and influenced by the presence and intensity of quartz veining, sulphide and biotite rich alteration. A reduced cut-off grade was occasionally employed to preserve lode continuity. All drilling was used to assist with the interpretation, however, only samples from RC and diamond drilling were used for the estimation.

Samples within the Resource wireframes were composited to 1m. Statistical analysis of the composite data revealed a top cut was necessary; top cuts from 10-30g/t were applied on a lode by lode case. Estimation was by Ordinary Kriging of composite assays into a 3 dimensional block model. Estimation details can be found in section 3 of the annexed JORC tables.

A significant proportion of the Resource (73%) lies in the indicated category which is determined by a combination of drill spacing and the quality of estimation via the slope of regression variable (true to estimated blocks). The Resource is depleted for existing mining and the majority of tonnes (88%) are in fresh rock.

### ***Investor and media enquiries***

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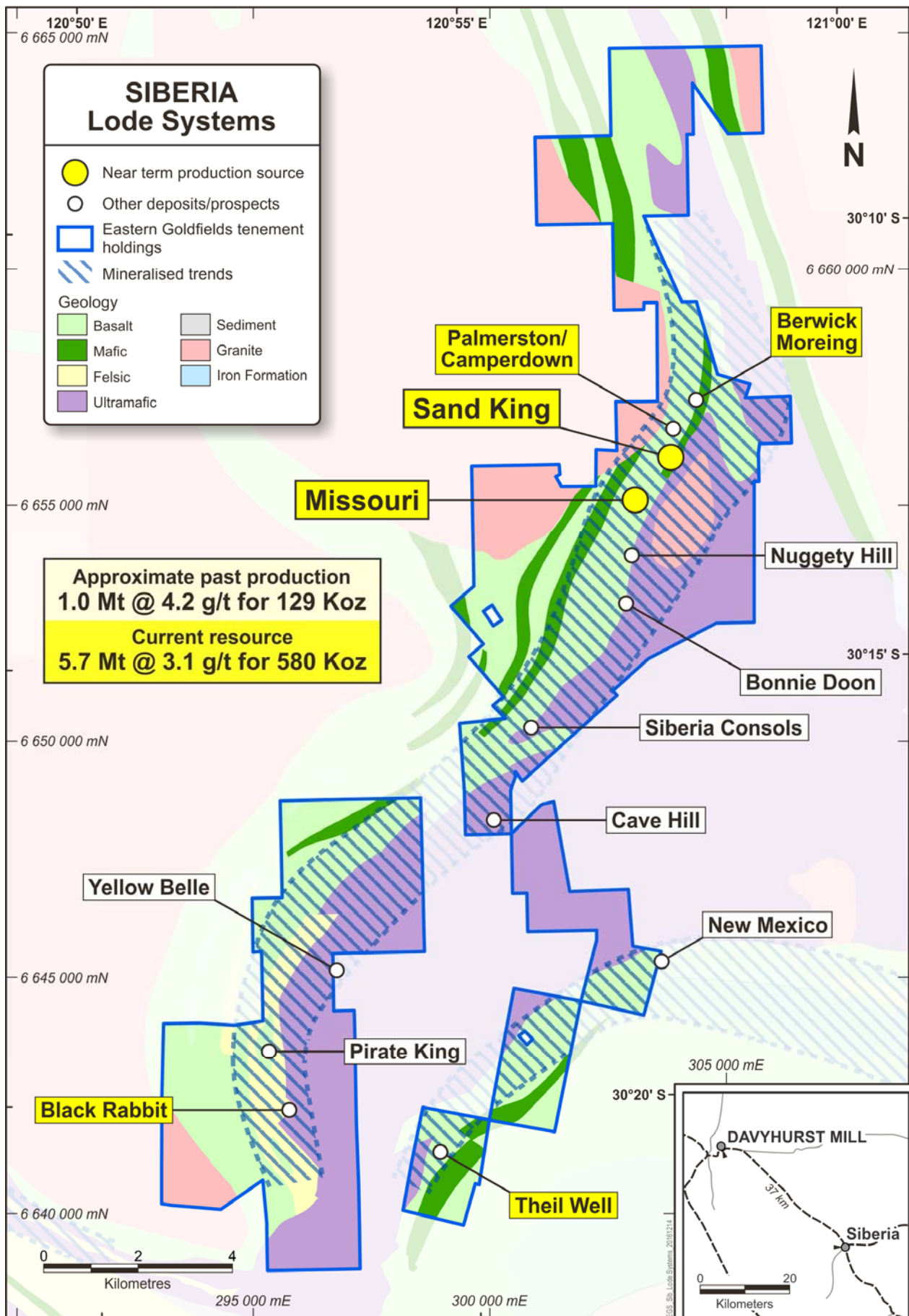


Figure 1: Siberia Mine Centre Location Plan

## Sand King Resource

## Perspective View

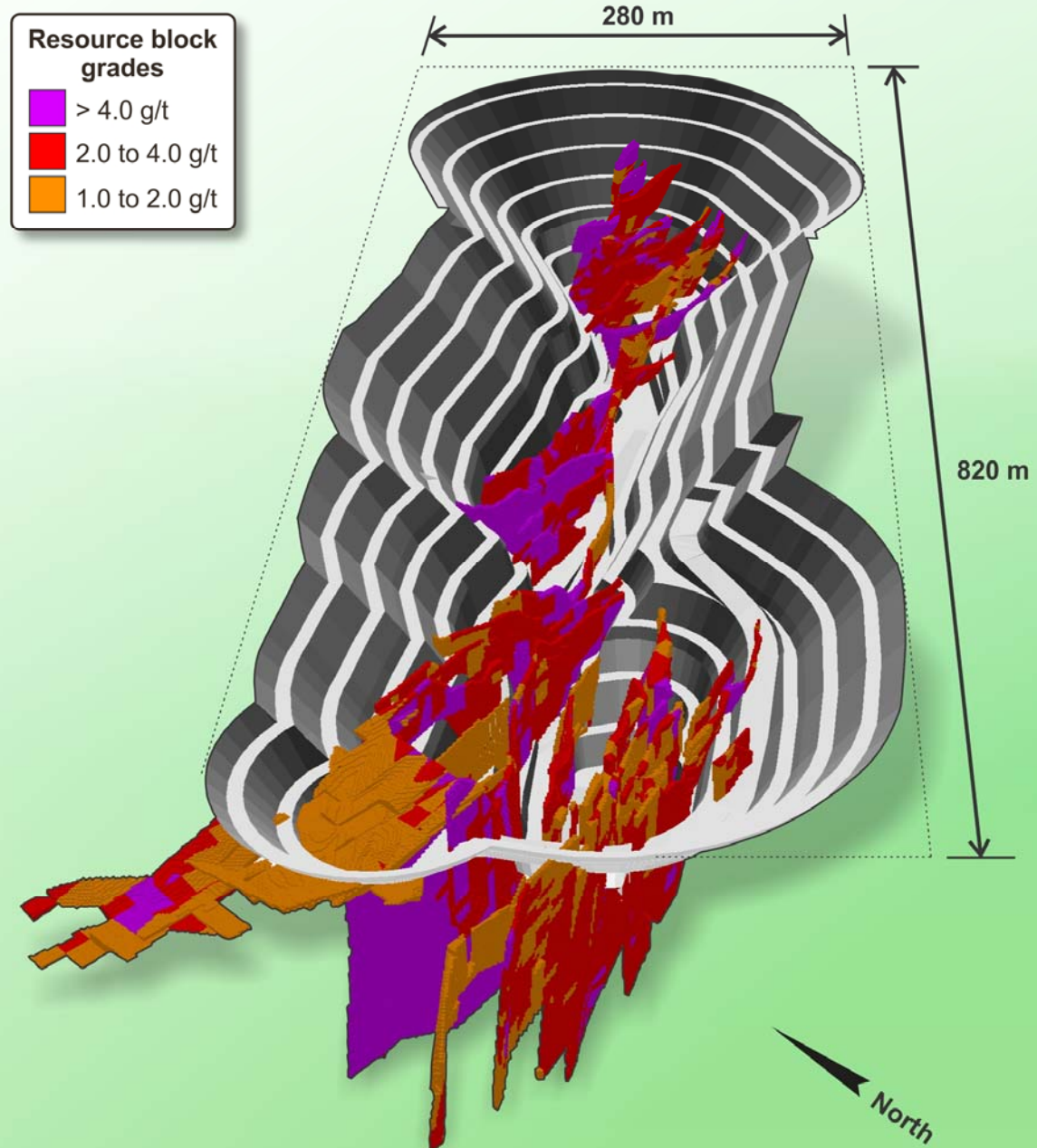
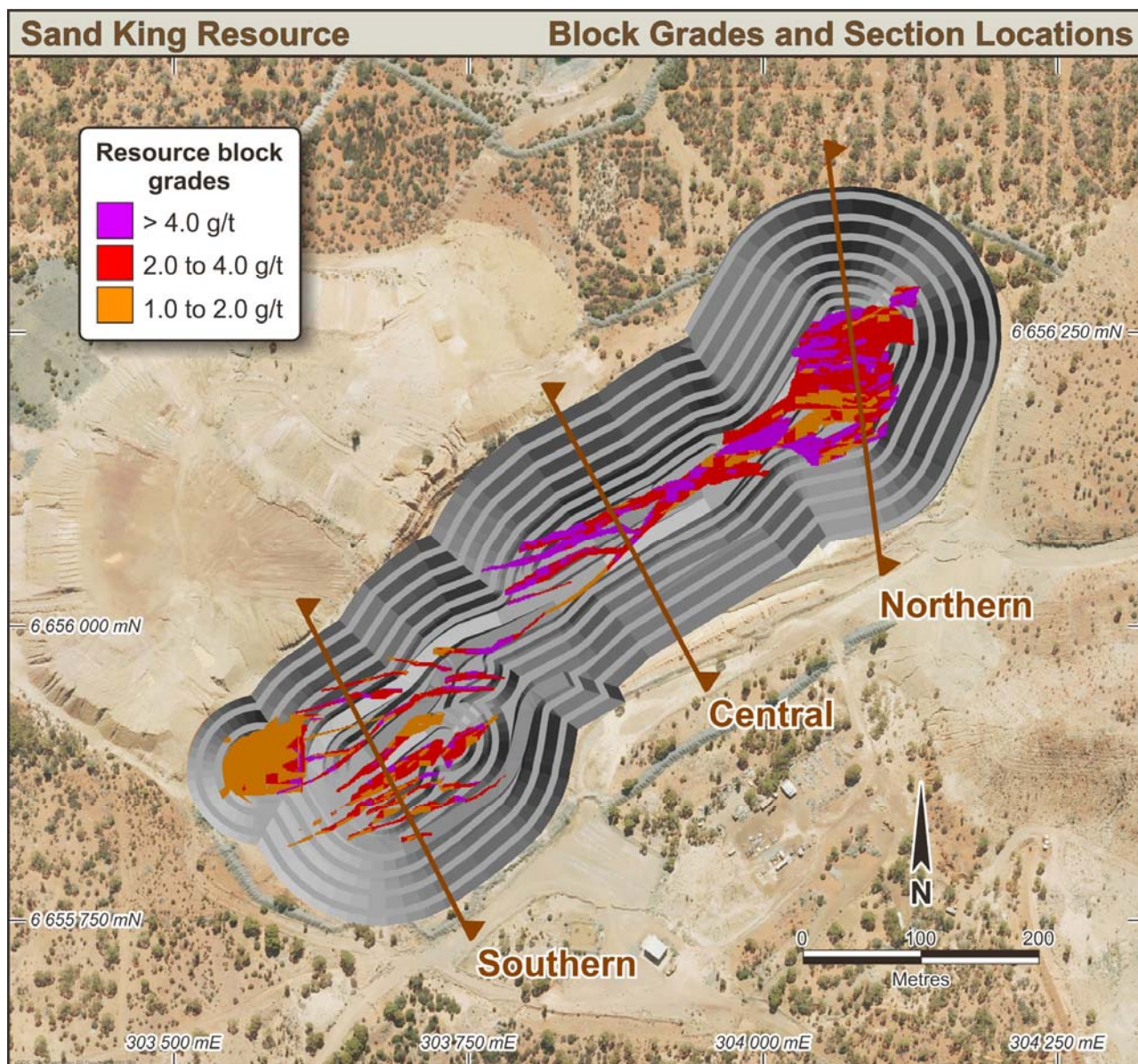


Figure 2: Isometric view of Sand King showing modelled mineralisation.





**Figure 3: Plan view of Sand King showing modelled mineralisation.**

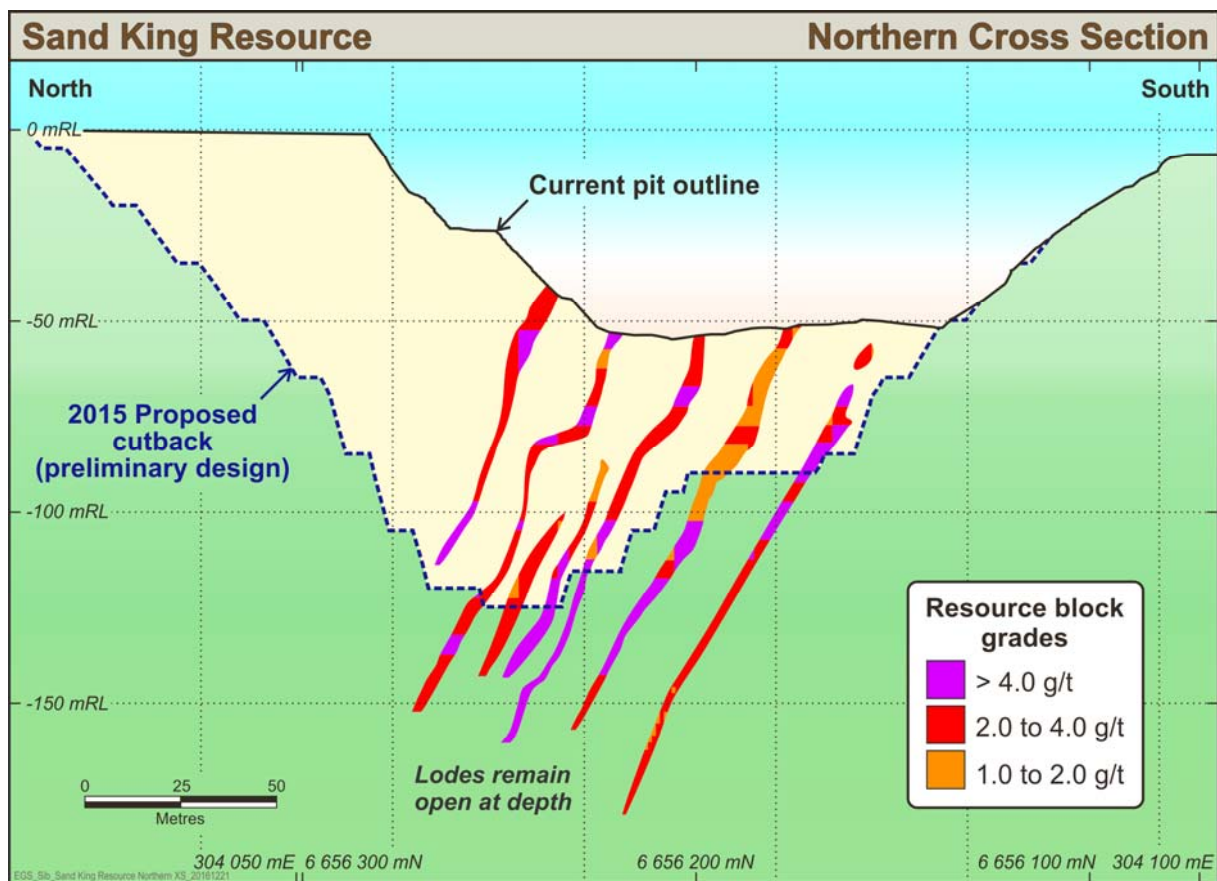


Figure 4: Northern Cross Section Looking East

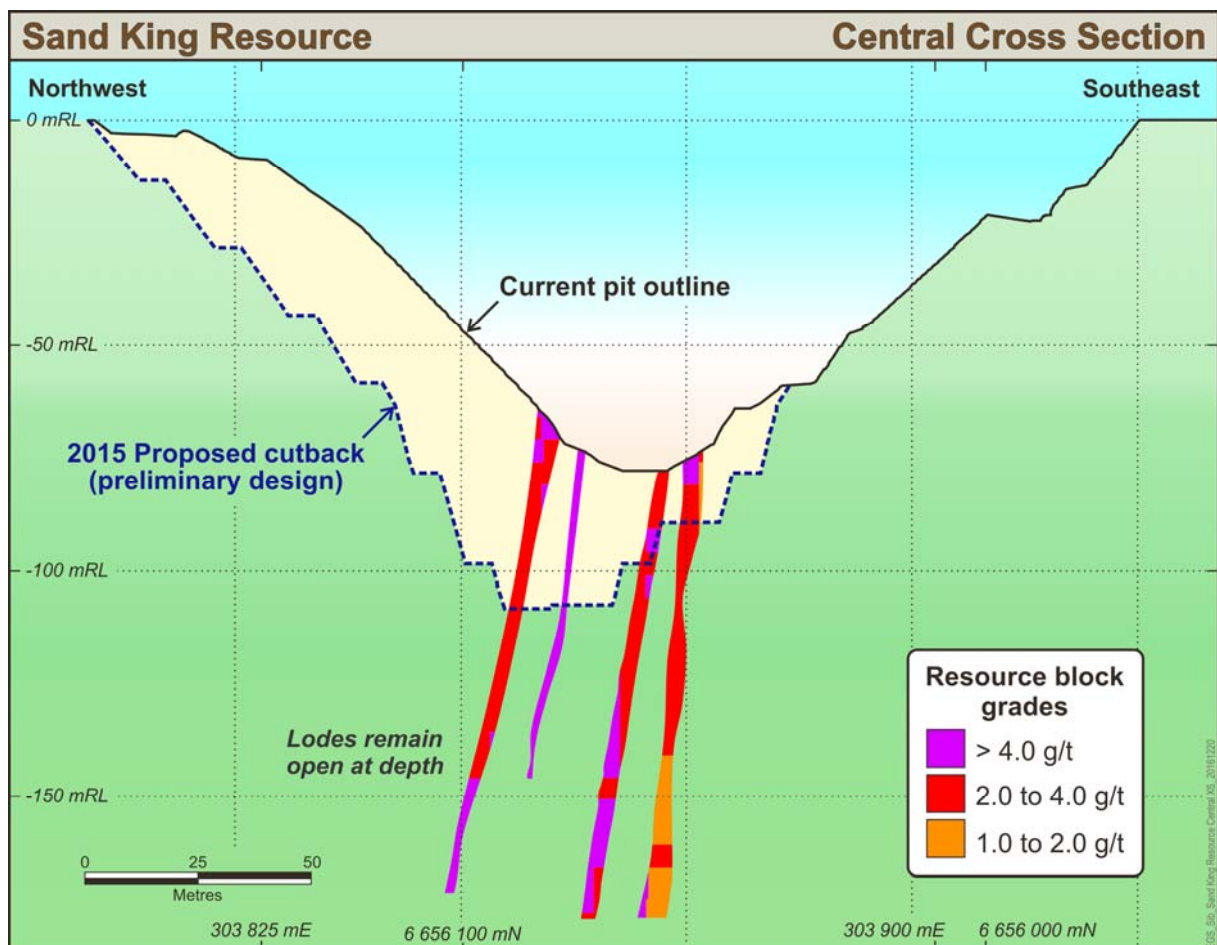
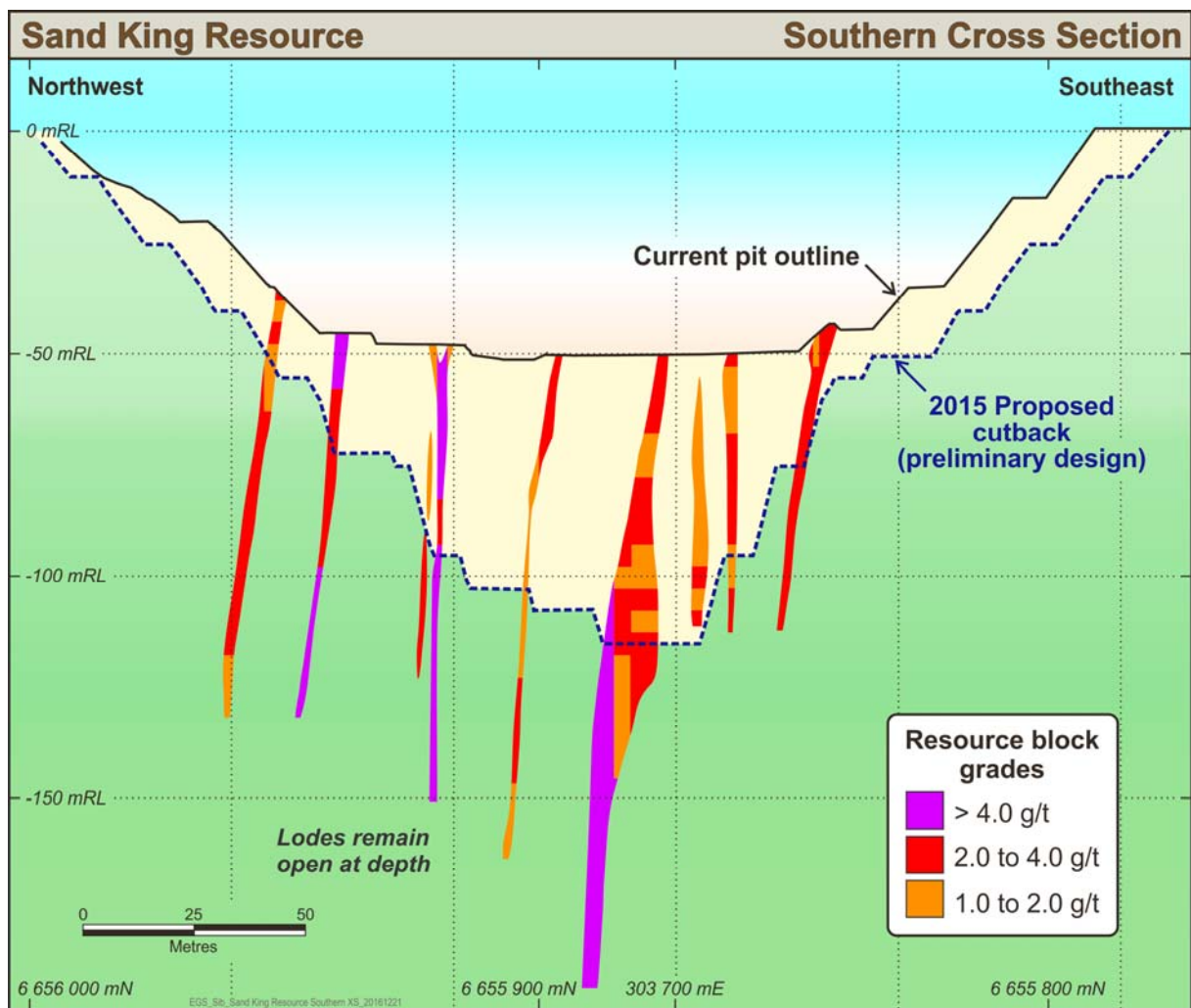


Figure 5: Central Cross Section Looking North East





**Figure 6: Southern Cross Section Looking North East**

### ***Competent Person Statement***

The information in this report that relates to historic Exploration Results and Mineral Resources (with the exception of the Missouri Mineral Resource) is based on information compiled under the supervision of Mr Michael Thomson, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed. 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.

The information in this report that relates to the Missouri and Sand King Mineral Resource is based on information compiled under the supervision of Mr Michael Thomson, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Geoscientists. Mr Michael Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Michael Thomson consents to the inclusion in the 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 Ore Reserves is based on information compiled by Mr Craig Mann, who is an independent mining engineering consultant and a full-time employee of Entech Pty Ltd, and has sufficient relevant experience to advise Eastern Goldfields Limited on matters relating to mine design, mine scheduling, mining methodology and mining costs. Mr Mann is satisfied that the information provided in this statement has been determined to a PFS level of accuracy, based on the data provided by Eastern Goldfields Limited.

### ***Forward Looking Statements***

Eastern Goldfields Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Eastern Goldfields Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.



**Table 1: EGS Resource Statement**

PROJECT	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
GOLDEN EAGLE	0	0.0	345	2.5	311	2.6	656	2.5	54
LIGHTS OF ISRAEL UNDERGROUND	0	0.0	74	4.3	180	4.2	254	4.2	35
MAKAI SHOOT	0	0.0	1,985	2.0	153	1.7	2,138	2.0	136
WAIHI	0	0.0	805	2.4	109	2.4	914	2.4	71
<b>Central Davyhurst Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,200</b>	<b>2.2</b>	<b>800</b>	<b>2.6</b>	<b>4,000</b>	<b>2.3</b>	<b>300</b>
LADY GLADYS	0	0.0	1,858	1.9	190	2.4	2,048	1.9	128
RIVERINA AREA	0	0.0	941	2.4	1,644	2.5	2,585	2.5	205
FOREHAND	0	0.0	386	1.7	436	1.9	822	1.8	48
SILVER TONGUE	0	0.0	155	2.7	19	1.3	174	2.5	14
<b>Mulline Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,300</b>	<b>2.1</b>	<b>2,300</b>	<b>2.4</b>	<b>5,600</b>	<b>2.2</b>	<b>390</b>
SAND KING	0	0.0	1,773	3.3	680	3.7	2,453	3.4	272
MISSOURI	0	0.0	2,022	3.0	409	2.6	2,431	2.9	227
PALMERSTON / CAMPERDOWN	0	0.0	118	2.3	174	2.4	292	2.4	22
BERWICK MOREING	0	0.0	0	0.0	50	2.3	50	2.3	4
BLACK RABBIT	0	0.0	0	0.0	434	3.5	434	3.5	49
THIEL WELL	0	0.0	0	0.0	18	6.0	18	6.0	3
<b>Siberia Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,900</b>	<b>3.1</b>	<b>1,800</b>	<b>3.2</b>	<b>5,700</b>	<b>3.1</b>	<b>580</b>
CALLION	0	0.0	86	2.8	83	2.3	169	2.6	14
FEDERAL FLAG	32	2.0	112	1.8	238	2.5	382	2.3	28
SALMON GUMS	0	0.0	199	2.8	108	2.9	307	2.8	28
WALHALLA	0	0.0	448	1.8	216	1.4	664	1.7	36
WALHALLA NORTH	0	0.0	94	2.4	13	3.0	107	2.5	9
MT BANJO	0	0.0	109	2.3	126	1.4	235	1.8	14
MACEDON	0	0.0	0	0.0	186	1.8	186	1.8	11
IGUANA	0	0.0	690	2.1	2,032	2.0	2,722	2.0	177
LIZARD	106	4.0	75	3.7	13	2.8	194	3.8	24
<b>Davyhurst Regional Subtotal</b>	<b>138</b>	<b>3.5</b>	<b>1,800</b>	<b>2.2</b>	<b>3,000</b>	<b>2.0</b>	<b>5,000</b>	<b>2.1</b>	<b>340</b>
<b>Davyhurst Total</b>	<b>138</b>	<b>3.5</b>	<b>12,200</b>	<b>2.5</b>	<b>7,900</b>	<b>2.4</b>	<b>20,300</b>	<b>2.5</b>	<b>1,610</b>
BALDOCK	0	0.0	136	18.6	0	0.0	136	18.6	81
BALDOCK STH	0	0	0	0	0	0	0	0	0
METEOR	0	0.0	0	0.0	143	9.3	143	9.3	43
WHINNEN	0	0	0	0	39	13.3	39	13.3	17
<b>Mount Ida subTotal</b>	<b>0</b>	<b>0.0</b>	<b>140</b>	<b>18.6</b>	<b>180</b>	<b>10.2</b>	<b>320</b>	<b>13.8</b>	<b>140</b>
<b>Combined Total</b>	<b>138</b>	<b>3.5</b>	<b>12,300</b>	<b>2.7</b>	<b>8,100</b>	<b>2.6</b>	<b>20,600</b>	<b>2.6</b>	<b>1,750</b>

1. All Resources listed above with the exception of the Missouri and Sand King Resource were prepared and first disclosed under the JORC Code 2004 (refer to ASX release “*Swan Gold Prospectus*”, 13/2/2013). It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
2. The Missouri and Sand King Mineral Resources has been updated and complies with all relevant aspects of the JORC code 2012.
3. The First Hit, Sunraysia and Lady Bountiful Resources are no longer held by Eastern Goldfields and as such have been omitted from the above table.
4. The above table contains rounding errors.

## JORC CODE, 2012 EDITION – TABLE 1 REPORT TEMPLATE

### Section 1 Sampling Techniques and Data

Information for historical (Pre Eastern Goldfields Limited) drilling and sampling has been extensively viewed and validated where possible. Information pertaining to historical QAQC procedures and data is incomplete but of a sufficient quality and detail to allow drilling and assay data to be used for resource estimations. Further, Eastern Goldfields Limited has undertaken extensive infill and confirmation drilling which confirm historical drill results. Sections 1 and 2 describe the work undertaken by Eastern Goldfields Limited and only refer to historical information where appropriate and/or available.

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Goldfields Group; Auger holes were drilled to a maximum depth of 1.5m. RC samples were routinely collected at 1m intervals. Diamond drill core samples were taken at geological boundaries and sawn in half. Samples pulverised at laboratory.</li> <li>Monarch Gold Mining Company Ltd; RAB samples were collected at 2m and 4m composites via a scoop method at 1m intervals. RC samples were collected at 1m, 2m to 5m intervals. 1m samples were riffle split.</li> <li>WMC; In early drilling by WMC, samples were "panned" for visible gold. Percussion samples were collected at 1m intervals, split in the field. Diamond core samples were cut in half or quartered.</li> <li>Gilt Edged Mining NL; All RAB and RC holes were collected through a cyclone and sampled at 1m intervals, pipe or spear sampled, composited over 5m intervals. The composite samples weighing about 3kg were despatched for analysis. 5m composites with assays greater than 0.2 g/t Au were resampled by riffle-splitting the whole of each 1m sample down to about 3kg prior to being despatched for analysis.</li> <li>Siberia Mining Corporation Ltd; RAB samples were collected at 1m intervals from the drill hole collar using a plastic bucket and laid on the ground. A scoop sample was taken from each sample to form a 5m composite. RC samples were collected at 1m intervals, and passed through a cyclone and split using a two tiered, 75:25 riffle splitter. The split sample (approximately 2-3kg) was stored in a drawn calico bag, which was then placed next to the split sample reject (approximately 10-15kg), which was contained in UV resistant PVC bags. A representative scoop sample was then taken from each split sample reject bags to form a 4m composite sample. Diamond half core sampled at 1m intervals.</li> <li>Eastern Goldfields Ltd (EGL) &amp; Swan Gold; RC samples were routinely collected at 1m intervals and cone split. Half sawn core samples crushed, pulverised and 40g or 50g sample taken for fire assay at Intertek.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Goldfields Group; Auger holes were using an auger rig on the back of a Toyota Landcruiser from Snap Drilling. RC holes were drilled by Western Diamond Drillers using a Schramm Rig. Diamond holes were drilled by Mundy Drilling services using a KL1200 rig. Diamond holes were oriented.</li> <li>Monarch Gold Mining Company Ltd; RC holes were drilled by Kennedy Drilling using a 4 inch blade.</li> <li>WMC; RC percussion holes were drilled using a Schram Rig. RC holes were drilled using blades and hammer. The RC drilling diameter is unknown. Diamond drill holes for NQ core were drilled and reduced to BQ core at depth if necessary. Some diamond holes commenced with a percussion pre-collar. Diamond core generally not oriented.</li> <li>Gilt Edged Mining NL; RC holes were drilled by either Sing Drilling or McKAY Drilling. Both Kalgoorlie companies used a booster and auxiliary compressor. The RC drilling diameter is unknown.</li> <li>Siberia Mining Corporation Ltd; RAB holes were drilled by ProDrill Pty Ltd of Kalgoorlie using an open hole RAB drill rig. All holes were drilled dry. RC holes were drilled by Premium Drilling Pty Ltd of Kalgoorlie using a 350/750 Schram RC drill rig and a 5.25" face sampling hammer. An auxiliary booster was used on holes deeper than 75m.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>EGL; RC drilling using 5.25 inch face sampling hammer. PQ, HQ and NQ diamond core. PQ drilled from surface until fresh rock encountered, then changed to NQ for geotechnical holes. Resource holes drilled HQ from surface to fresh rock, then changed to NQ.</li> </ul>
<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>Quantitative auger, RAB and RC drill recoveries were not recoded by Goldfields Group, Monarch Gold Mining Company Ltd, WMC, Gilt Edged Mining NL, Siberia Mining Corporation, Maitland Mining NL, Newcrest Mining Ltd, Julia Mines NL, Placer Dome Asia Pacific Ltd, Goongarrie Gold Pty Ltd, Australian Consolidated Equities Ltd, Centaur Mining and Exploration Ltd, EGL, Britannia Gold NL, Glengarry Resources NL, Sundowner Minerals NL and Gutnick Resources NL.</li> <li>EGL - Diamond drill recoveries are recorded as a percentage calculated from measured core against downhole drilled intervals (core blocks). RC sample recoveries not recorded.</li> <li>Diamond Core recoveries are very high due to the competent ground. Any core recovery issues are noted on core blocks and logged.</li> <li>There is no known relationship between sample recovery and grade.</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>Goldfields Group; Qualitative: colour, oxidation, hardness, shearing, texture, grain size, rock, alteration, minerals and Quantitative: alteration intensity, mineralisation intensity, structure intensity, vein percent.</li> <li>Monarch Gold Mining Company Ltd; Qualitative: colour, oxidation, hardness, shearing, texture, grain size, rock, alteration, minerals. Quantitative: alteration intensity, mineralisation intensity, structure intensity, vein percent.</li> <li>WMC; RC and diamond logging describes the dominant and minor rock types, mineralisation, oxidation, alteration, texture, vein type and basic structure. Quantitative values assigned to amounts of sulphides, alteration and veining.</li> <li>Gilt Edged Mining NL; Qualitative: rock code, alteration, sulphides, weathering.</li> <li>Siberia Mining Corporation Ltd; Qualitative: alteration, colour, lithology, oxidation, mineralogy, vein style, vein assemblage, remarks. Quantitative: mineralisation intensity.</li> <li>EGL; Qualitative: alteration, colour, grain size, lithology, oxidation, mineralogy, structure, texture, vein style, vein assemblage, remarks. Quantitative: mineralisation intensity, vein percent.</li> <li>Entire holes are logged in detail.</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>Goldfields Group; RC samples were routinely collected at 1m intervals and riffle split. Diamond drill core samples were taken at geological boundaries and sawn in half. RC and diamond samples were dried, crushed, split, pulverised and a 50 gm charge taken. All sampling of resource drilling incorporated a system of standards and blanks to keep strict control on assay reliability.</li> <li>Monarch Gold Mining Company Ltd; RAB samples were collected at 1m intervals and 2m and 4m composites taken via a scoop method. RC samples were collected at 1m, 2m and 5m intervals. 1m samples were riffle split. Samples were prepared with a single stage mix and grind from which an assay charge was taken Composite samples with assays greater than 0.2 g/t Au were split at 1m intervals and re-analysed. Field duplicate samples were taken and analysed every 20 samples. Blanks and standards were routinely submitted with assay batches to evaluate sample preparation and assay accuracy.</li> <li>WMC; In early drilling by WMC, samples were "panned" for visible gold. Percussion samples were collected at 1m intervals, split in the field. Diamond core samples were cut in half or quartered. Samples were dried in fan forced ovens at 80°C for paper packets and 140°C for samples in calico bags, sieved using a nylon mesh .Oversize samples crushed in Jacques jaw crusher to produce -6mm sample, split employing either a rotary or riffle splitter and pulverised using Tema Swing mills prior to analysis, except for soil and stream sediment samples finer than 80 mesh. A 25grm charge was taken for assaying.</li> <li>Gilt Edged Mining NL; All RAB and RC holes were collected through a cyclone and sampled at 1m intervals, pipe or spear sampled, composited over 5m intervals. The composite samples weighing about 3kg were despatched for analysis. 5m composites with assays greater than 0.2 g/t Au were resampled by riffle-splitting the whole of each 1m sample down to about 3kg prior to being despatched for analysis. Samples were despatched to MinLab in Kalgoorlie where they were dried, pulverised to a nominal 90% minus 200 mesh (75 microns) and a 25 gm aliquot taken to be analysed for gold. Comprehensive QA/QC and check sampling reports were produced. Umpire assay checks were completed using a second laboratory (genalysis).</li> <li>Siberia Mining Corporation Ltd; RAB samples were collected at 1m intervals from the drill hole using a plastic bucket and laid on the ground. A scoop sample was taken from each sample to form a 5m composite. RC samples were collected at 1m intervals, and passed through a cyclone and split using a two teared, 75:25 riffle splitter. The split sample (approximately 2-3kg) was stored in a drawn calico bag, which was then placed next to the split sample reject (approximately 10-15kg), which was contained in UV resistant PVC bags. A representative scoop</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>sample was then taken from each split sample reject bags to form a 4m composite sample. Diamond half core was sampled at 1m intervals. Samples were dried, crushed, split, pulverised until 80% passed minus 75 microns and a 50 gm charge taken. Field duplicates were submitted. Composites with assays greater than 0.2 g/t Au were re-assayed using individual 1m re-split samples.</p> <ul style="list-style-type: none"> <li>EGL &amp; Swan Gold; RC samples were routinely collected at 1m intervals from a cone splitter and submitted for analysis. Samples were crushed, pulverised and a 50gm charge taken for analysis. Field duplicates, blanks and standards were submitted for QAQC analysis. Diamond core in sampled at 1m intervals or to zones of geological interest. Core samples are sawn in half. Minimum sample length in NQ core or 0.3m.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Goldfields Group; Auger samples were set to Analabs (Welshpool) to be assayed for gold to 1ppb by graphite furnace P605 and arsenic to 1ppm by aqua regia hydride H605. RC samples were submitted to Australian Laboratory Services (ALS) in Kalgoorlie for gold and arsenic analysis. Fire assay methods were used for gold analysis with 50gm charge, detection limit of 0.01ppm Au, while Aqua Regia methods, with detection limits of 5ppm As, were used for arsenic analysis. Diamond drill core samples were despatched to Genalysis in Kalgoorlie and analysed for gold using 50gm fire assay to 0.01ppm. A system of standards and blanks were incorporated in all sample despatches to keep a strict control on assay reliability. QA/QC re-assaying of mineralised RC intersections and interpreted structures was undertaken later in the reporting period.</li> <li>Monarch Gold Mining Company Ltd; Samples submitted to ALS for 50g Fire Assay with AAS finish. Samples were also analysed at Ultratrace for gold, palladium and platinum. Submitted field duplicates, blanks and standards for QAQC analysis.</li> <li>WMC; All samples were sent to WMC Exploration Division Kalgoorlie Laboratory to be analysed for gold using wet method, aqua regia leach, reading by AAS; a 25gm sample was digested with aqua regia, the gold extracted using aliquot DIBK and the solvent backwashed. The gold concentration was determined by Atomic Absorption.</li> <li>Gilt Edged Mining NL; All samples were submitted to Minlab of Kalgoorlie to be assayed for gold; 5m composites were analysed by aqua regia/AAS with a detection limit of 0.01ppm and 1m samples assayed by Fire/AAS with a detection limit of 0.01ppm. Certified reference material standards was employed. Duplicate samples, analytical standards, and check analyses at a second laboratory were used to monitor analytical quality.</li> <li>Siberia Mining Corporation Ltd; All samples were submitted to SGS Analabs in Kalgoorlie to be assayed for gold using 50gm Fire Assay with detection limit at 0.01ppm Au and for sulphur. Samples were also analysed at Ultratrace. Standards and repeats (1 in 20) were used during the first phase drilling campaign to provide a reference to the internal lab standards. There was a strong correlation between standard (client) and laboratory results. Repeats of composite samples showed no problems with technique or dependability with the laboratory.</li> <li>EGL&amp; Swan; Samples were sent to Intertek Assay Laboratories to be analysed for gold by 50gm fire assay. Certified reference material standards were employed for a gold range of 0.32 to 48.55ppm. Blanks were also employed. Satisfactory results were obtained for both. Field duplicates were routinely taken from RC sampling.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Selected drill intersections from WMC, Goldfields and Siberia Mining Corporation diamond core have been inspected by EGL geologists. Some WMC holes have been re-logged by EGL geologists and mineralisation identified at the reported intervals.</li> <li>Drill intersections from WMC and Goldfields diamond core were inspected by Siberia Mining Corporation geologists in 2005 and mineralization was visible in core at the expected intervals. Mineralisation widths and styles are very comparable with NQ2 drilling by SMC in 2004.</li> <li>Holes are not deliberately twinned.</li> <li>WMC; Hand written geology logs and assays were digitally captured.</li> <li>EGL; Data has been verified by reviewing original drill and assay logs. Print outs of computerized sample intervals and assays generated by WMC were used to verify the intercepts reported. Geological and sample data logged directly into field computer at the core yard. Data is transferred to Perth via email and imported into GBIS SQL database by the database administrator (DBA). Assay files are received in .csv format and loaded directly into the database by the DBA. Hardcopy and/or digital copies of data are kept for reference if necessary.</li> <li>Monarch Gold Mining Company Ltd; Geological and sample data was logged digitally and .csv or .xls files imported into Datashed SQL database with in-built validation.</li> <li>Data entry, verification and storage protocols for remaining operators is unknown.</li> <li>No adjustments have been made to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral</i></li> </ul>	<ul style="list-style-type: none"> <li>Goldfields Group; Collar co-ordinates for RC and DD holes, including elevation were surveyed with DGPS. RAB holes were located with GPS. Downhole surveys were taken every 10m for RC and DD holes, method unknown. RAB holes not downhole surveyed. The gird system used is AGD 1984 AMG Zone 51.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>Resource estimation.</i></p> <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Monarch Gold Mining Company Ltd; Drill hole collars were surveyed by Spectrum Surveys of Kalgoorlie using RTK GPS. Downhole surveys were undertaken by electronic multiple shot (ems) or Eastman single shot. The gird system used is GDA1994 MGA Zone 51.</li> <li>• WMC; Drill hole collars were surveyed by Electronic Distance Meter (EDM) theodolite by the Kalgoorlie Gold Operations' mine surveyor. Holes also surveyed using theodolite by McGay Surveys as well as by WMC mine surveyors. WMC RC holes were generally not downhole surveyed. Diamond holes down hole surveyed by Eastman single shot camera or multishot approximately every 30m. The gird system used is AGD 1984 AMG Zone 51.</li> <li>• Gilt Edged Mining NL; Contract surveyors were engaged for siting of drill holes prior to drilling, pick-up of accurate drill hole co-ordinates after drilling and down-hole plunge and azimuth readings. All holes drilled after 1998 were picked up by Fugro Survey Pty Ltd of Kalgoorlie using differential GPS. The gird system used is AGD 1984 AMG Zone 51.</li> <li>• Siberia Mining Corporation Ltd; Collar co-ordinates for northings, eastings and elevation were recorded by Fugro Spatial Solutions Pty Ltd. The gird system used is AGD 1984 AMG Zone 51. Diamond holes were down hole surveyed by gyro. RC holes generally not downhole surveyed. If surveyed then done by Digital electronic multishot (DEMS)</li> <li>• EGL and Swan; Collar locations were surveyed by DGPS and downhole surveys were collected using electronic multishot by the drillers. Subsequent to drilling holes were open hole gyro surveyed by ABIMS where possible. The gird system used is GDA1994 MGA Zone 51.</li> <li>• At close of mining in 2008, Monarch Gold surveyed the Missouri pit area. Topographical control is considered adequate for resource modelling</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling is predominantly on a 20mE X 20mN grid.</li> <li>• At Sand King the data spacing and distribution is sufficient to establish geological and grade continuity to support the definition of Mineral Resource and classifications as defined under the JORC 2012 code..</li> <li>• Samples are not composited for reporting.</li> <li>• Samples are composited for resource calculations.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• At Sandking drilling is predominantly inclined to the south, optimal for the predominantly east-west striking, north dipping mineralisation.</li> <li>• It is not known whether there is any introduced sample bias due to drill orientation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Unknown for earlier operators.</li> <li>• EGL – Samples are bagged, tied and in a secure yard on site. Once submitted to the laboratories they are stored in cages within a secure fenced compound. Samples are tracked through the laboratory via their LIMS.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Digital data from the SQL database has been reviewed by EGL and is consistent with hard copy and digital WAMEX data.</li> <li>• Goldfields Group and WMC; Siberia Mining Corporation conducted a due diligence on the data and core in 2005 and were “comfortable with the quality and integrity of the data”. Digital data has been reviewed and is consistent with hard copy data.</li> <li>• Monarch Gold Mining Company Ltd; Monthly QAQC reports were produced to monitor accuracy and precision.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary									
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Sand King deposit is on Tenement M24/290 held by Siberia Mining Corporation Pty. Ltd., a wholly owned subsidiary of Eastern goldfields Limited. The tenement is in good standing.</li> <li>There are no heritage issues.</li> </ul> <table border="1"> <thead> <tr> <th>TENEMENT</th><th>HOLDER</th><th>AGREEMENTS</th></tr> </thead> <tbody> <tr> <td>M24/0290</td><td>SIBERIA MINING CORPORATION PTY LTD</td><td>M24/290 - SIBERIA GRANTED GARDNER THE RIGHT TO EXPLORE FOR NICKEL MINERALS ON M24/290. ROB MITCHELL AND HANK SHRERS (SURFACE ALLUVIAL RIGHTS TO 2M DEPTH)</td></tr> <tr> <td></td><td></td><td>M24/0352 - ROB MITCHELL AND HANK SHRERS (SURFACE ALLUVIAL RIGHTS TO 2M DEPTH)</td></tr> </tbody> </table> <ul style="list-style-type: none"> <li>There are no heritage issues</li> <li>There are no known impediments to operating in the area.</li> </ul>	TENEMENT	HOLDER	AGREEMENTS	M24/0290	SIBERIA MINING CORPORATION PTY LTD	M24/290 - SIBERIA GRANTED GARDNER THE RIGHT TO EXPLORE FOR NICKEL MINERALS ON M24/290. ROB MITCHELL AND HANK SHRERS (SURFACE ALLUVIAL RIGHTS TO 2M DEPTH)			M24/0352 - ROB MITCHELL AND HANK SHRERS (SURFACE ALLUVIAL RIGHTS TO 2M DEPTH)
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		M24/0352 - ROB MITCHELL AND HANK SHRERS (SURFACE ALLUVIAL RIGHTS TO 2M DEPTH)									
<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>Drilling on the tenements was completed by numerous operators, but the majority of work was completed by WMC, Gilt Edged Mining, Siberia Mining Corporation, Monarch Gold and Swan Gold. All work by these companies was to industry standards of the time</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>Sand King is an orogenic lode style deposit hosted by mafic rocks, predominantly basalt</li> <li>Gold mineralisation at Sand King takes the form of stacked quartz-biotite-feldspar-sulphide shear lodes within the basalt. Widths vary from sub 1m to ~6m true width. Mineralised structures are NE-SW striking in the south and normally steeply dipping to the north while in the north-eastern end of the deposit mineralisation is interpreted to dip shallower to the north ( ~60 degrees)</li> </ul>									
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Tables of all drill intercepts from all recent drilling have been previously released to the market. See ASX release dated 15 December 2016.</li> <li>Where include in diagrams the intercepts from historic drilling have been tabulated in the ASX releases</li> <li>No drill assays are being released</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 (eg 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</li> </ul>	<ul style="list-style-type: none"> <li>No drill assays are being released</li> </ul>									



Criteria	JORC Code explanation	Commentary
	<i>metal equivalent values should be clearly stated.</i>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling is predominantly angled at -60° to the south, optimally intersecting the steep north dipping mineralisation. This drill orientation does not intersect all lodes at optimally angles and as such some drill intercepts are longer than true widths.</li> <li>• All intercept widths reported are down hole lengths. The geometry of mineralisation is known for the Sand King deposit. However no attempt has been made to report true widths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• See plans and sections.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All drill intercepts from recent drilling are reported.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Metallurgical and geotechnical work has been completed for Sand King deposit in the past.</li> <li>• Additional metallurgical, geotechnical, environmental and engineering work has been or is in the process of being completed for Sand King deposit.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Cross over studies to quantify the underground mining potential of the deposit</li> <li>• Statutory approvals for mining Sand King are in progress.</li> </ul>

## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

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>Data from EGL drilling captured into Field Marshall logging software. Data sent from site and imported into SQL database via DBMS. Validation checks in SQL database ensure data integrity is not compromised.</li> <li>Data for use in resource estimation derived directly from SQL via queries (views)</li> <li>Data validation included: <ul style="list-style-type: none"> <li>review of historic digital data versus original hardcopy records</li> <li>Inspection of mineralised intervals in historic core</li> </ul> </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>Numerous site visits completed to: <ul style="list-style-type: none"> <li>View and log historic core</li> <li>Map the Sand King pit</li> <li>Ensure there are no impediments to development</li> </ul> </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>Sand King pit has been recently mapped by structural geological consultants who determined the structural controls on mineralisation. Structural orientations seen in pit walls and from ore mark ups completed by previous operators. Mineralised structures are NE-SW striking, steeply dipping to the north.</li> <li>An extensive relog program of historic diamond core was completed to provide consistency with EGL geological logging.</li> <li>Inspection of core and ore shows the mineralisation to be associated with quartz-carbonate veining and biotite-sulphide alteration either side of the veining. Resource interpretations guided by presence and intensity of veining and/or biotite noted in logging.</li> <li>Geological continuity of NE-SW structures are well defined, although terminate abruptly. Mineralisation is also locally complicated by intruding felsic dykes.</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 Sand King deposit extends for over 800m in NE-SW direction and approximately 300m in a SE-NW direction. The Resource extends for 280m below the surface RL of 420m AHD,</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</li> </ul>	<ul style="list-style-type: none"> <li>1m composite samples coded to the mineralised domains used as inputs to estimation. Only RC and diamond drilling samples used for estimation</li> <li>Ordinary Kriging (OK) was used to estimate gold grades into a 3-dimensional block model. Estimation parameters derived from modelled semi-variograms. Micromine software was used for the estimation.</li> <li>A high grade cut of between 10 and 30g/t was applied to 1m composite data based on analysis of individual domains.</li> <li>The parent block dimensions used were 10m NS by 10m EW by 5m vertical with sub-cells of 1m by 1m by 0.5m. Drill hole spacing is approximately 20m between section and 20m along section. A parent block size of 10m x 10m x 5m was selected (approx. 50% of data spacing)</li> <li>An orientated ellipsoid search was used to select data and was based on parameters derived from the variography.</li> <li>Estimation completed in 4 runs each with less restrictive search, and minimum sample parameters. The initial interpolation pass was used with a maximum range of 70m and minimum number of samples of 20. Range increased progressively and number of samples required reduced for each subsequent run.</li> <li>No estimation of deleterious elements was carried out. Only Au was interpolated into the block model.</li> <li>Previous resource estimates have been completed in 2007, and internally Resource in 2013. This estimate compares favourably to the 2013 estimate. Globally, ore tonnes are similar slightly higher band grade is lightly lower reflecting slightly more dilution built in the 2016 model. Compared to the 2007 model, this model represent a substantial increase (91% increase in ounces) and in related to a more</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>(eg sulphur for acid mine drainage characterisation).</p> <ul style="list-style-type: none"> <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> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<p>comprehensive geological modelling along with significant more drilling conducted by EGS.</p> <ul style="list-style-type: none"> <li>No assumptions have been made regarding recovery of by-products.</li> <li>Selective mining units were not modelled in the Mineral Resource</li> <li>Only Au was estimated so correlation analysis was not possible</li> <li>The deposit mineralisation was constrained by wireframes constructed using a 1 g/t Au cut-off grade in association with logged geology, particularly the presence of quartz veining and biotite-sulphide alteration. The wireframes were applied as hard boundaries in the estimate.</li> <li>The validation was carried out by two methods: <ul style="list-style-type: none"> <li>Visual comparison of block grades with nearby drill assay results on a section by section basis.</li> <li>Comparison of estimated grades and composite grades on a domain by domain basis.</li> <li>Trend analysis of estimated block model grades versus composite grades on 20m easting, 20m northing and 10m vertical intervals.</li> </ul> </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. No moisture values were reviewed.</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 Mineral Resource has been reported at a 1.0 g/t Au cut-off based on assumptions about economic cut-off grades for open pit mining.</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>The deposit has previously been mined using selective open pit mining methods. It is intended to adopt similar selective mining practises at the deposit.</li> <li>Selected mineralised lodes are thought to be amenable to underground mining, being of sufficient grade and continuity.</li> <li>No mining parameters or modifying factors have been applied to the 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>Sand King deposit has been successfully mined in the past with no reported metallurgical issues.</li> <li>Metallurgical test-work was undertaken by previous operators at the project and has been reviewed</li> <li>Results from previous processing have demonstrated that good gold recovery can be expected from conventional CIL processing methods.</li> </ul>



Criteria	JORC Code explanation	Commentary
<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>The previous mining operations included the development of waste dumps at the site. These dumps will be expanded to accommodate additional waste disposal.</li> <li>The area is not located in an environmentally sensitive area so there is no reason to believe that environmental approvals would restrict development of the project.</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> <li>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.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk density determinations were derived from historic measurements.</li> <li>Bulk density values used in the resource were 1.8t/m<sup>3</sup>, 2.4t/m<sup>3</sup> and 2.85t/m<sup>3</sup> for oxide, transitional and fresh mineralisation respectively. Waste basalt bulk density was 3.0t/m<sup>3</sup></li> <li>These bulk density estimates are similar to values determined for comparable basalt hosted gold deposits</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>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).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The Mineral Resource was classified as Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity.</li> <li>The Indicated portion of the Mineral Resource was defined where: <ul style="list-style-type: none"> <li>Good data support exists with drill hole spacing averaging 20m x 20m</li> <li>Low kriging variance (&lt;0.3) and average distance of informing points less than 20m.</li> </ul> </li> <li>The remaining portions of the deposit were classified as Inferred Mineral Resource where: <ul style="list-style-type: none"> <li>Data support is poorer with drilling typically greater than 20m x 20m</li> <li>Estimation quality is lower defined by a slope of regression typically between 0.3 and 0.65</li> </ul> </li> <li>Inferred resources are typically at the periphery of mineralised domains and at depth where confidence is generally lower</li> <li>The definition of mineralised zones is based on sound geological understanding of the controls on mineralisation. This has produced a robust model of mineralised domains. This model differs slightly from previous models where only steep lodes were modelled. The northern end of the deposits has moderately north dipping lodes modelled. d resources are typically at the periphery of mineralised domains and at depth where confidence is generally</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>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>The model is the subject of an internal review process by suitably qualified EGL personnel.</li> </ul>

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>	<ul style="list-style-type: none"> <li>The Sand King Mineral Resource estimate is considered to be reported with a reasonable degree of confidence. The data quality is good and the drill holes from recent drilling have detailed logs produced by qualified geologists. Historic logging has been reviewed.</li> <li>The Mineral Resource statement relates to global estimates of tonnes and grade. Confidence in the estimate allows reasonable quantification of global metal content. However at a local scale there are risks associated with the estimation, largely due to the deposit consisting of numerous stacked lodes in multiple orientations. The interpretation is considered globally robust but at a local scale variations to ore geometry could be expected.</li> <li>The deposit is not currently being mined.</li> <li>Historical production records are available for the deposit when previously mined.</li> </ul>