



# ASX ANNOUNCEMENT

18 May 2017

# LODESTAR MINERALS

## COMPANY SNAPSHOT

**LODESTAR MINERALS LIMITED**  
 ABN: 32 127 026 528

### CONTACT DETAILS

Bill Clayton, Managing Director  
 +61 8 9435 3200

### Registered and Principal Office

Level 1, 31 Cliff Street  
 Fremantle, WA 6160

PO Box 584  
 Nedlands, WA, 6959

info@lodestarminerals.com.au

www.lodestarminerals.com.au

### CAPITAL STRUCTURE

**Shares on Issue:**  
 453,318,328 (LSR)

**Options on Issue:**  
 45,333,702 (listed)  
 41,050,127 (unlisted)

ASX: LSR

### PROJECTS

- Peak Hill – Doolgunna:
- Camel Hills – gold
- Neds Creek – gold
- Marymia – gold
- West Pinyrinny – gold



## New Early Stage Gold Targets at Yowereena

- Data review identifies two large, untested gold geochemical targets in previous cover-bedrock interface sampling.
- Preliminary field sampling by Lodestar has identified two additional areas of interest for further investigation:
  - A potential gold trend along strike from Boundary Fence prospect.
  - Strongly oxidised gossanous breccia veins on northern margin of Contessa granite anomalous in Bi, Mo and Au.
- Further fieldwork planned for both new areas

West Australian gold explorer Lodestar Minerals Limited (ASX: LSR, “Lodestar” or the “Company”) provides the following exploration update for the Yowereena farm-in tenements located immediately north of the Company’s 100%-owned Ned’s Creek project (see Figure 1). The update incorporates the results from a program of field exploration completed by Lodestar in April 2017 and an ongoing compilation and review of historical data.

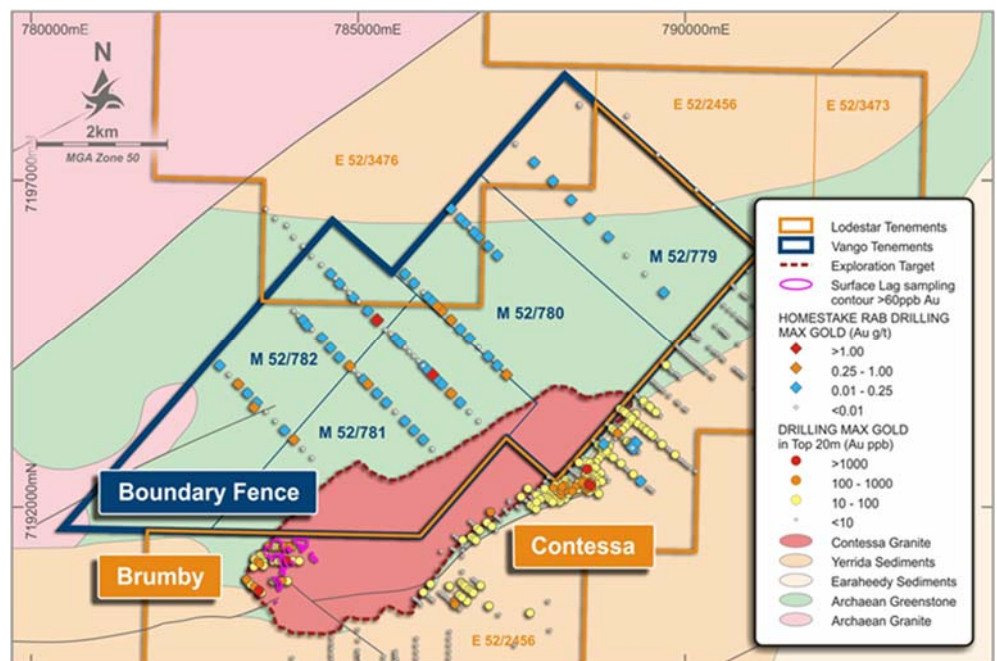


Figure 1: Location of the Yowereena farm-in tenements relative to Ned’s Creek.

Lodestar announced a farm-in agreement with emerging gold miner Vango Mining Limited (“Vango”) over Vango’s Yowereena tenements on 14th March 2017<sup>1</sup>. Lodestar is earning up to an 80% interest in the tenements by meeting minimum expenditure commitments of A\$357,000 for the project for the 12 months following the execution date of the agreement<sup>1</sup>.

The Yowereena tenements comprise four granted mining leases covering the northern margin of the Contessa granite and poorly exposed Archaean basement along the southern tectonic margin of the Marymia Inlier. The Archaean sequence at Yowereena has demonstrated gold potential with high-grade gold mineralisation reported from drilling at the Boundary Fence prospect and a number of anomalous gold intercepts in historic first-pass regional drilling. Furthermore, the geological model Lodestar has developed during four years of gold exploration at the adjacent Ned’s Creek project supports the potential for both syenite-hosted and structurally controlled gold mineralisation at Yowereena.

A recent field visit and ongoing review of historic exploration data has revealed large scale gold and multi-element anomalism across the Yowereena – Contessa area, strongly supporting Lodestar’s belief that the area within this major tectonic zone has potential for significant discoveries.

### Geological Database Review

As part of Lodestar’s comprehensive review of the available data generated from earlier exploration at Yowereena, two large gold targets beneath areas of alluvial cover have been identified from Homestake Gold’s (“Homestake”) 2001 geochemical drilling program.

Homestake<sup>2</sup> carried out systematic shallow drilling in the eastern part of the project on a 160m grid spacing (maximum depth 18m) to sample the contact between transported cover and underlying weathered rock. This technique is a cost efficient way to refine areas for deeper drilling targeting bedrock gold mineralisation.

A total of 330 holes were drilled and a single 3 or 4 metre composite sample was collected from each hole at the contact (cover-bedrock interface sampling or CBI). Each sample was analysed for gold and multi-elements.

The CBI sampling revealed two large, contiguous anomalies (>10ppb gold) within the northeast trending structural corridor (see Figure 2). Neither target was subsequently followed up with any further drilling.

Anomaly A, located to the north, reported maximum gold to 76ppb Au partly coincident with gold anomalies along a traverse of 100m spaced aircore drilling. Three adjacent holes near the western end of the anomaly reported<sup>3</sup>:

- YHAC030 – 1m at 0.316g/t Au from 58m;
- YHAC031 – 1m at 0.364g/t Au from 78m; and
- YHAC032 – 1m at 0.283g/t Au from 75m.

Anomaly A has a gold – bismuth association suggesting a fluid source derived from felsic intrusions. The next closest line of drilling is 800m south west of the anomaly.

Anomaly B occurs closer to the northern contact of the Contessa granite and reported a maximum 41ppb Au. Anomaly B has an arsenic – gold association with strongly anomalous arsenic of up to 311ppm in individual holes. There has been no bedrock drilling in the area of Anomaly B which is located 300m north of the Contessa granite and is aligned with a northeast trending shear zone interpreted from aeromagnetic data.

<sup>1</sup> See Lodestar’s ASX announcement dated 14 March 2017.

<sup>2</sup> See Barrick Gold of Australia Annual Report 2001: Technical Report No. 1024. Open file report A64505 submitted to the West Australian Department of Mines and Petroleum.

<sup>3</sup> See Homestake Gold of Australia Annual Report 2000: Technical Report No. 996. Open file report A62465 submitted to the West Australian Department of Mines and Petroleum.

## Reconnaissance Sampling Program

Reconnaissance surface sampling was conducted by Lodestar within the 35 square kilometre area of Mining Leases M52/779 to M52/782. The field visit was intended primarily to visit sites of previous activity, check historic drill hole locations and access for future exploration programs. In general, the samples reported here were intentionally collected from residual outcrop that had not been targeted or tested by historic sampling.

The most significant result from this program was a rock sample reporting 1.25g/t gold, 517ppm bismuth, 365ppm molybdenum and 15ppm tellurium from a siliceous ironstone breccia located 1 kilometre south west and along strike from Boundary Fence (sample results listed in Table 1). Some relevant observations are as follows:

- This sample is located on the same north-easterly structural trend as Boundary Fence and there has been no drilling over this area or the intervening distance towards Boundary Fence.
- The metal association (Au-Bi-Mo-Te) is the same as that observed at Lodestar's Brumby prospect (syenite-hosted) and is consistent with metal associations reported from syenite and granite intrusion-related gold deposits within Australia and elsewhere.
- The sample is located on a (concealed) granite contact (interpreted from VTEM data and mapping by Marymia Exploration – see Figure 2). The regional geology places the granite within the Marymia Inlier; however the results suggest it may belong to the same suite as the Contessa-Brumby composite intrusion, which is believed to be the expression of a partial melting and mineralising event within the Jenkin tectonic corridor.

Initial drilling at Boundary Fence, planned for later this year, will aim to confirm the high grade gold intercepts reported in Marymia Exploration's 1993 historic drilling. Detailed structural mapping, to be carried out prior to drilling, will seek to identify potential structural controls to assess whether historic drilling was not optimally oriented to intersect oblique or plunging mineralisation.

A second area, located at a fault offset on northern contact of the Contessa granite, hosts several slightly outcropping, strongly oxidised, gossanous quartz veins with sulphide boxwork textures (see Figure 2). The veins reported low-level gold with weakly elevated bismuth, molybdenum and tellurium. While the sulphidic, haematite and high-grade gold bearing veins at Brumby retain fresh pyrite, the gossanous veins are totally oxidised and may be leached of metals, including gold. The granite adjacent to the quartz veins is locally intensely albite altered which is a characteristic of intrusion-related gold systems.

## Next Steps

The newly identified areas will be the focus of follow-up fieldwork, including a sampling campaign to determine the extent and significance of these preliminary results. Lodestar will continue to seek to collate any other available sources of historic data for Yowereena to assist with future targeting.

These early results at Yowereena are highly encouraging and continue to demonstrate widespread gold anomalism and the potential for this under-explored terrain to host a significant discovery. It also further supports Lodestar's regional geological model. The newly identified gold targets strengthen Lodestar's inventory of targets which includes the Brumby, Contessa, Marymia and West Pinyrinny prospects.

**Bill Clayton**  
Managing Director

**Media Enquiries**  
Michael Vaughan, Fivemark Partners  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)  
m: +61 422 602 720

**Competent Person Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Bill Clayton, Managing Director, who is a Member of the Australasian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Clayton consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcement dated 14<sup>th</sup> March 2017 "Farm-in Agreement Enhances Gold Potential at Neds Creek". This announcement is available to view on the Lodestar website. 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 materially modified from the original market announcement.*

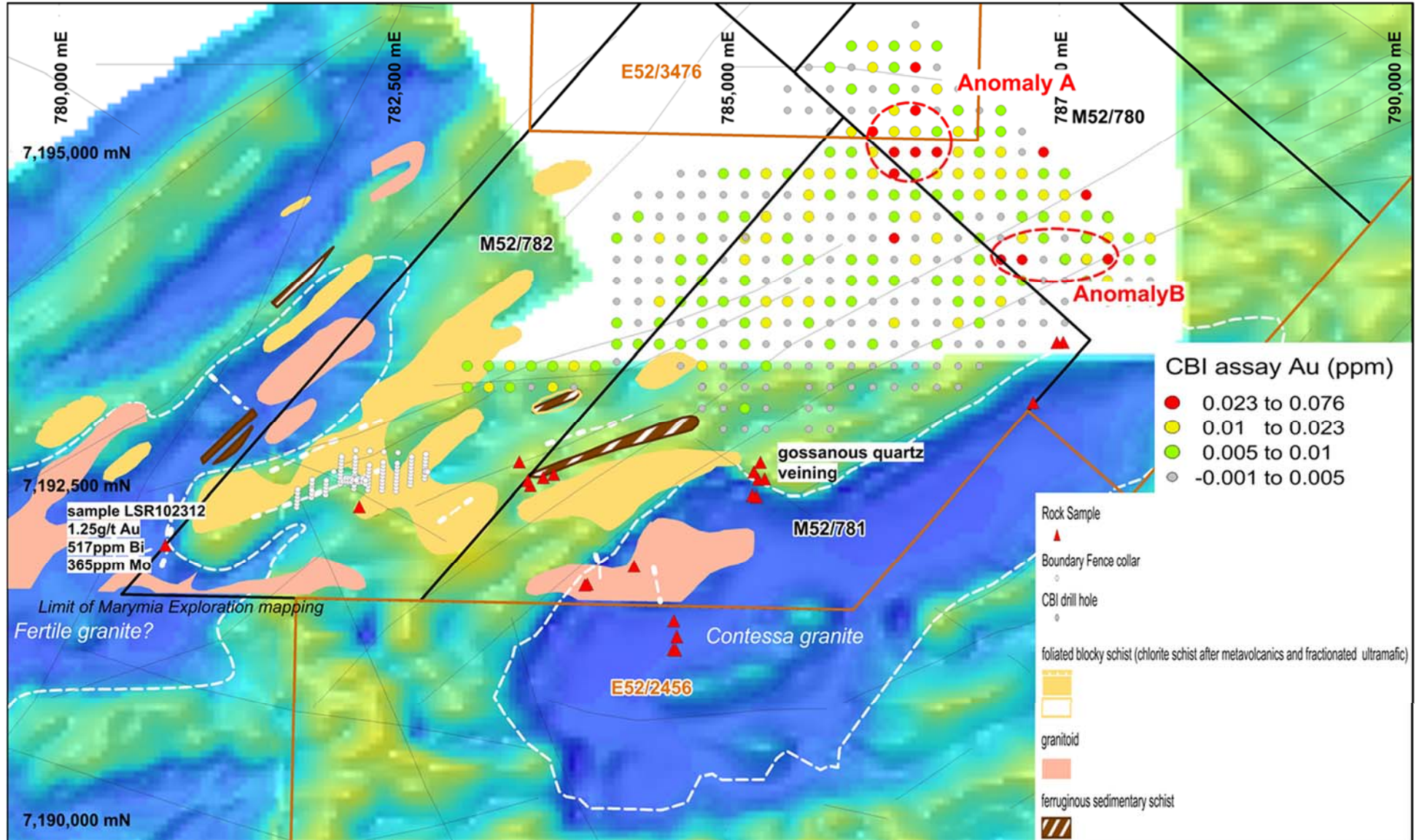


Figure 2 Yowereena rock sample locations and gold Anomalies A & B showing Marymia Exploration geology on VTEM conductivity (channel 20) image that clearly maps the low conductivity of the Contessa granite and a second granite to the west (MGA94 Zone 50).

**Table 1 Rock chip sampling results (MGA94 Zone 50)**

SampleID	Easting	Northing	Comments	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Te_ppm
LSR102318	785242	7192538	gossanous qz vein, breccia, strongly oxidised	42	3	15.1	313	1.4	3.74
LSR102319	785290	7192540	qz breccia vein	55	1.6	8.84	91	2.2	1.58
LSR102320	785230	7192409	granite on faulted contact, locally strong albite alteration	4	<0.2	0.12	18	0.4	0.08
LSR102321	785198	7192418	albite altered granite adjacent to contact	2	0.2	0.04	8	0.2	<0.02
LSR102322	785209	7192593	gossanous qz vein, bx, strongly oxidised	2	1.6	2.8	99	1.8	1.66
LSR102294	784604	7191261	fg feldspar granite	5	0.2	2.5	3	<0.2	0.02
LSR102295	784631	7191358	mottled rd-crm clay weathered granite	<1	0.6	2.36	7	<0.2	0.02
LSR102296	784610	7191475	fg feldspar granite	2	0.2	1.06	3	<0.2	0.04
LSR102297	784622	7191258	red fg granite, weakly silicified	3	1.2	0.92	20	1.2	0.14
LSR102304	783533	7192491	QZ veining	<1	1.2	0.08	6	4.4	0.02
LSR102305	783515	7192528	ptly siliceous, fractured metasediments. Sulphidic?	<1	0.8	0.06	41	1	0.02
LSR102306	783629	7192551	qtz vein	<1	0.4	<0.02	7	1.2	<0.02
LSR102307	783450	7192668	qtz vein within ironstone float	<1	0.8	0.06	32	1.4	0.04
LSR102308	783710	7192575	vein qtz on laterite hill	7	42	3.84	130	6.4	1.82
LSR102309	783961	7191751	weathered granite, nr exposed contact with metaseds - unaltered	27	0.6	0.22	7	0.4	0.04
LSR102310	783941	7191745	granite with limonite joint surfaces	11	0.4	0.14	5	<0.2	0.04
LSR102311	782250	7192336	thin laminated qz veining in siliceous metaseds	1	1.4	0.08	26	0.2	0.02
LSR102312	780796	7192047	siliceous breccia - ironstone	1250	3	517	71	365	15.5
LSR102313	787528	7193568	goethitic ironstone	4	1	1.96	48	0.2	0.04
LSR102314	787482	7193566	goethitic ironstone in mafics, clay weathered, qz poor leached o/c with possible sericite alteration	4	3.6	1.32	30	0.4	0.04
LSR102315	787304	7193117	clay weathered granite, o/c mottled pink, possible pits after py?	1	1	0.42	7	1.2	0.06
LSR102316	784311	7191889	weathered granite, some limonite on joints, weathered albite veining?	2	0.8	0.42	8	0.4	0.02
LSR102317	785259	7192664	massive goethitic ironstone	<1	0.4	0.12	54	0.2	0.04

# JORC Code, 2012 Edition

## Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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. 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><b>Homestake Gold of Australia 2000 - 2001</b> Cover-bedrock-interface (CBI) shallow RAB drilling completed in 2001, targeting the interface between transported cover and underlying saprolite for geochemical sampling. 330 holes were completed on a 160m by 160m orthogonal grid. A single composite sample of 3m to 4m was taken across the interface. Samples were collected at 1m intervals and laid out in sequence. 3m or 4m composite samples were collected at the contact between transported cover and saprolite (sample method not reported). Sample size not reported. <b>Lodestar</b> – rock chip samples of 3-4kg were collected from outcrops.</li> <li>Reporting of historic sampling and QAQC procedures is incomplete. No QC samples were included with the rock samples, laboratory standards and replicate assays were included with the laboratory reports.</li> <li>Homestake CBI drill samples were submitted to Genalysis Laboratories and analysed for gold by B/ETA and Ag, As, Bi, Co, Cr, Cu, Fe, Mn, Ni, Pb, Sb and Zn by AAS. Rock samples were submitted to Bureau Veritas and a 40g charge analysed for gold by aqua regia digest (Method AR001) and Ag, As, Bi, Co, Cu, Fe, In, Mn, Mo, Ni, Pb, S, Sb, Sn, Te, W and Zn by ICP-MS or ICP-OES (Method AR102 or AR101).</li> </ul>
Drilling techniques	<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>Homestake RAB drilling – open hole, blade bit, 4.25" diameter.</li> </ul>
Drill sample recovery	<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>Information on sample recoveries is incomplete.</li> <li>Information on sampling methods is incomplete, the quality of the sampling is unknown.</li> <li>No ore grade gold results were reported from the geochemical sampling.</li> </ul>
Logging	<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</li> </ul>	<ul style="list-style-type: none"> <li>Historic samples have been logged during early stage, shallow exploration drilling – drilling is not intended to define a mineral resource.</li> <li>Qualitative logging.</li> </ul>

	<p><i>(or costean, channel, etc) photography.</i></p> <ul style="list-style-type: none"> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The total depth of the hole was logged.</li> </ul>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> </ul> <ul style="list-style-type: none"> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> </ul> <ul style="list-style-type: none"> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable, no diamond core was sampled.</li> <li>• Samples were placed on the ground in sequence in 1m intervals. Details of the nature and quality of sampling are unknown. Rock samples were dried and crushed to -3mm. Samples greater than 2.4kg are riffle split to 2.4kg and then pulverized to 90% passing 75 microns.</li> <li>• Sample preparation is appropriate for the purpose of geochemical sampling and early stage exploration.</li> <li>• The RAB drilling presented in this report is historic, QAQC procedures were not reported.</li> <li>• The RAB drilling presented in this report is historic, QAQC procedures were not reported.</li> <li>• The samples size is not known for Homestake RAB drilling.</li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> </ul> <ul style="list-style-type: none"> <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>• All samples were sent to accredited laboratories of the time for sample analysis using standard methods and practices. Gold was determined by aqua regia digest and AAS which is an effective digest for gold in oxidised material encountered in shallow exploration drilling. Lodestar samples were analysed by aqua regia digest, which is appropriate for the purpose of geochemical sampling although refractory minerals will not be completely digested.</li> <li>• Geophysical methods were not used.</li> <li>• QAQC procedures were not reported. Rock samples included laboratory reports with replicate assay data and acceptable precision.</li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<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> </ul> <ul style="list-style-type: none"> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Historic data cannot be verified and no significant intersections were reported from CBI drilling.</li> <li>• Twinned holes were not completed.</li> <li>• Homestake used an electronic logging and reporting system and the original assay reports have not been viewed.</li> <li>• No adjustments applied for this historic assay data.</li> </ul>
<p><i>Location of data points</i></p>	<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 Resource estimation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Homestake used a hand-held GPS to position drill collars. Hole coordinates were reported as AGD84 Zone 50 grid. Lodestar used a hand-held GPS (Garmin GPSMap62) with an accuracy of ±5m.</li> </ul>



	<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>• AGD84 Zone 50 grid (Homestake)/MGA94 Zone 50 grid (Lodestar).</li> <li>• Local elevation is recorded from GPS or not at all. Subject to significant error.</li> </ul>
<i>Data spacing and distribution</i>	<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>• Homestake BCI drilling was conducted on a 160m by 160m orthogonal grid.</li> <li>• Data spacing and distribution is not sufficient for Mineral Resource estimation.</li> <li>• Homestake CBI RAB 1m drill samples were composited to 3m to 4m samples for assay.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<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>• The orientation of possible mineralised structures is unknown, drilling was designed to provide systematic geochemical sampling across areas of surface cover.</li> <li>• The orientation of possible mineralised structures is unknown.</li> </ul>
<i>Sample security</i>	<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>• There is no record of any sample security measures in the historic data.</li> </ul>
<i>Audits or Reviews</i>	<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>• No audits or reviews, other than checking historic drill logs and assays, have been carried out and sampling techniques cannot be verified.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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> </ul>	<ul style="list-style-type: none"> <li>The tenements on which the historic exploration was completed and in which Lodestar is earning an 80% interest are held by Vango Mining Limited and Dampier (Plutonic) Pty Ltd. <ul style="list-style-type: none"> <li>M52/779 expires on 26/09/2034 (VANGO 60/100:DAMPIER 40/100).</li> <li>M52/780 expires on 26/09/2034 (VANGO 60/100:DAMPIER 40/100).</li> <li>M52/781 expires on 30/12/2036 (DAMPIER 100/100).</li> <li>M52/782 expires on 30/12/2036 (DAMPIER 100/100).</li> </ul> </li> </ul> <p>M52/779 and M52/780 are located within the Yugunga Nya people native title claim WAD6132/1998. M52/781 and M52/782 are located within the Yugunga Nya people native title claim WAD6132/1998 and the Gingirana claim WAD6002/2003.</p> <ul style="list-style-type: none"> <li><b>M52/779 and M52/780 are subject to application for forfeiture 489020. All tenements are subject to registered mortgage 499547. No other impediments to operations have been identified.</b></li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Gold exploration in the Plutonic Well greenstone belt commenced in 1986. Marymia Exploration, in their 1994 report, state that there had been little or no previous exploration within the tenements. Marymia Exploration carried out regional soil sampling and geological mapping. The soil sampling identified a modest gold anomaly, with a maximum of 15ppb gold, related to an outcropping quartz reef. Rock chips recovered from the area reported up to 0.20g/t gold. The soil sampling was extended, reporting peak values of 115ppb and 920ppb gold. The peak anomalies correspond to a flexure along the quartz reef and a probable shear zone trending southwest-northeast to west-east. The anomaly extended over an area of 500m by 100m at &gt;20ppb gold. The prospect is known as Boundary Fence. Marymia Exploration tested the anomaly with 99 RAB drill holes and 6 RC holes. RAB drilling reported significant results of &gt;1g/t gold with possible supergene enrichment close to the surface. RC drill holes targeted near-surface high-grade mineralisation at shallow depth and 4 holes targeted the down-dip continuation of the mineralised zone, assuming a 30° northerly dip for the quartz vein system. Homestake Gold of Australia carried out regional drilling over a wide area to test the Archaean stratigraphy beneath shallow transported cover. 115 RAB and aircore holes were completed during this program, covering a strike distance of 7 kilometres. A follow-up program of shallow RAB drilling targeting the cover bedrock interface (CBI) for gold and multi-element geochemistry was completed in 2001. There has been no drilling since Homestake's program in 2001.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The area includes the southern margin of the Archaean Marymia Inlier. The margin is part of a major break in structural domains, marked by the Jenkin Fault, where the Yilgarn Craton abuts the Marymia Inlier and has been</li> </ul>

	<p>reactivated throughout the Capricorn Orogen. Archaean rocks that are believed to underlie the Bryah and Yerrida Basins, are partly exposed and consist of interlayered mafic schists, felsic volcanic rocks, talc-chlorite schist and minor chert.</p> <p>The Archaean supracrustal sequence is concealed beneath the Yerrida Group to the south and east and truncated by the Marymia Inlier to the north.</p> <p>Gold has been discovered in the Contessa granite, a composite intrusion located in the southern part of the Archaean supracrustal sequence, indicating the potential for intrusion-related mineralisation within and on the margins of the granite. At Boundary Fence strong gold anomalism associated with an east-northeast trending shear zone also indicates potential for Archaean lode-style gold mineralisation within sheared and layered stratigraphy.</p>
<p><i>Drill hole Information</i></p>	<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>• Tabulated data is provided in Table 1, attached.</li> </ul>
<p><i>Data aggregation methods</i></p>	<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 metal equivalent values should be clearly stated.</li> </ul> <ul style="list-style-type: none"> <li>• Not Applicable.</li> <li>• Not applicable.</li> <li>• Metal equivalent values not used.</li> </ul>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<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 (eg ‘down hole length, true width not known’).</li> </ul> <ul style="list-style-type: none"> <li>• Drilling completed by Homestake was drilled vertically for geochemical sampling purposes.</li> <li>• Not Applicable.</li> <li>• Not Applicable.</li> </ul>
<p><i>Diagrams</i></p>	<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</li> </ul> <ul style="list-style-type: none"> <li>• Plans showing drill sites and significant results are included in the report.</li> </ul>

	<i>reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<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 relevant sample data is reported in Table 1.</li> </ul>
<i>Other substantive exploration data</i>	<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>• None to report.</li> </ul>
<i>Further work</i>	<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>• Numerous gold targets requiring further mapping, sampling and drilling have been identified from historic work. Testing potential strike and depth extensions to mineralisation and anomalies will require follow-up exploration drilling.</li> </ul>