



## ASX Announcement

25 October 2018

# Newly defined large-scale gold anomalies prioritised for drill testing at East Cadillac Gold Project, Quebec

*Regional geochemistry defines new large-scale gold-in-soil anomalies for drilling in early 2019*

### Highlights

- **Several extensive and coherent MMI (mobile metal ion) gold-in-soil anomalies** defined in new geochemistry results on 100%-owned areas at the East Cadillac Gold Project in Quebec, Canada:
  - Legrand soil anomaly covers an area of **~3.4km x 1.3km**, with a peak gold value of up to **22 times background**. The anomaly has a similar pathfinder response and lies in a **similar structural setting to Canadian Malartic** (a >16Moz gold mine located ~70km to the west);
  - Anderson soil anomaly covers an area of **~2.3km x 0.5km**, with a peak gold value of up to **22 times background**, located on a regional structure that hosts several large gold deposits to the west.
- The Legrand and Anderson anomalies represent the largest and most coherent anomalies found to date at the East Cadillac Project, and are **entirely untested by drilling**.
- The **new high-priority targets** are to be drill tested in the upcoming winter drill season, due to commence in **January 2019**.

Chalice Gold Mines Limited (“Chalice” or “the Company”) (ASX: CHN | TSX: CXN) is pleased to announce that it has defined several new, high priority, large scale, gold-in-soil anomalies at its **East Cadillac Gold Project** in Quebec, Canada, based on extensive surface geochemistry programs completed during the 2018 summer field season. The newly defined anomalies represent priority drill targets.

The recent soil, rock chip and geophysical programs were designed to expand regional data coverage and define new regional drill targets for the upcoming winter drilling season. The program builds on previous regional work, completed by Chalice in 2017, which included reconnaissance soil, rock chip and bark geochemistry as well as LiDAR, Aeromagnetic and 3D-IP geophysical surveys.

The results of the previous phase of work were used to design and execute the ~28,700m reconnaissance diamond drilling program completed in Q2 2018. This drill program identified two significant new zones of mineralisation at the Lac Rapides and North Contact Prospects and confirmed the potential for large-scale gold systems on the district-scale East Cadillac Project.

Chalice’s Chief Executive Officer Alex Dorsch said: *“The latest results confirm that East Cadillac is highly prospective for large-scale gold systems, and that the exploration toolkit we are applying gives us the best chance of vectoring towards a substantial discovery. This potential is further underlined by the prospective geological setting of the Project in the prolific Val-d’Or district, and its location along strike from several multi-million ounce gold deposits and mines.*

“Since acquiring and consolidating the Project, we have systematically explored the area and made substantial progress in a relatively short period of time. We are very excited about the upcoming drilling program and we look forward to receiving results as our exploration activities ramp-up.”

### Surface Geochemistry and Geological Mapping Programme

The surface geochemical and geological mapping programs were completed during June-September 2018. A total of 1,504 mobile metal ion (MMI) soil samples were collected from both newly optioned / acquired claims and in-fill samples were collected over target areas defined from the wide-spaced 2017 soil sampling program.

The MMI soil sampling results have identified four new significant gold and pathfinder soil anomalies in areas subject to limited or no previous drilling (Figure 1).

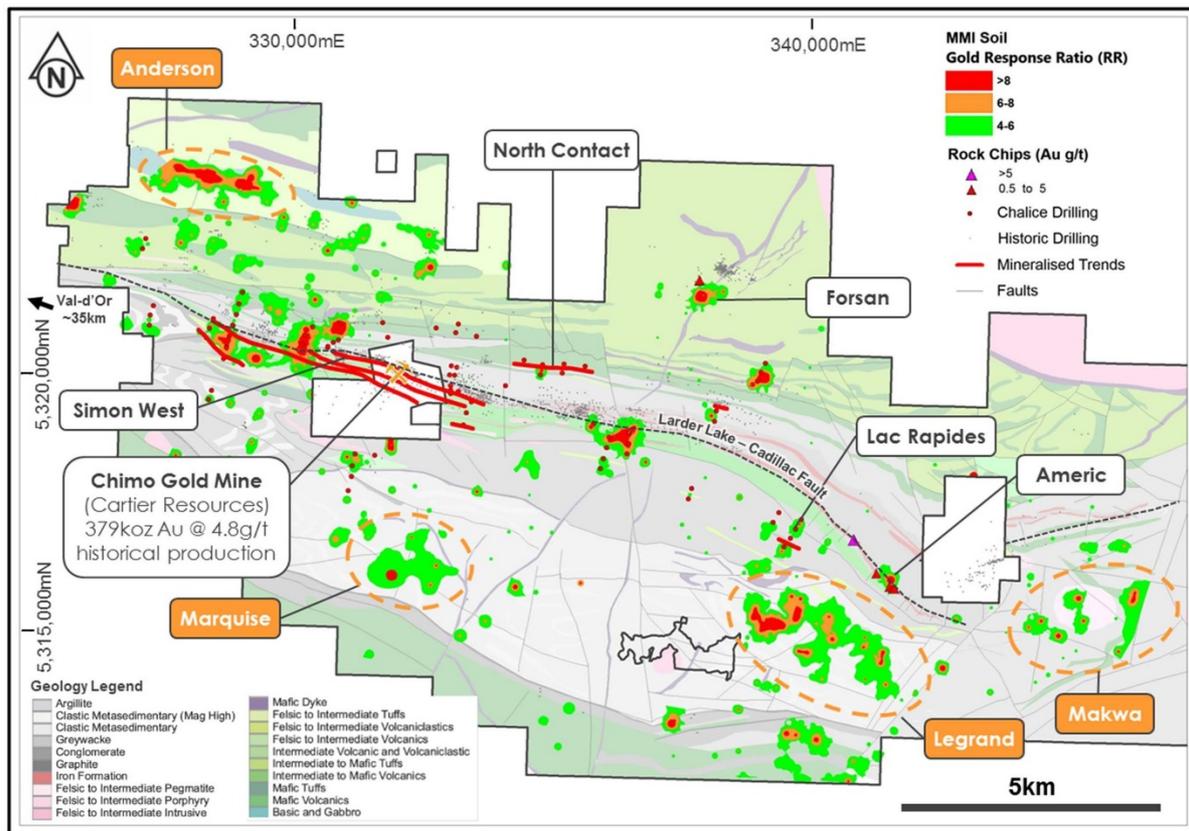


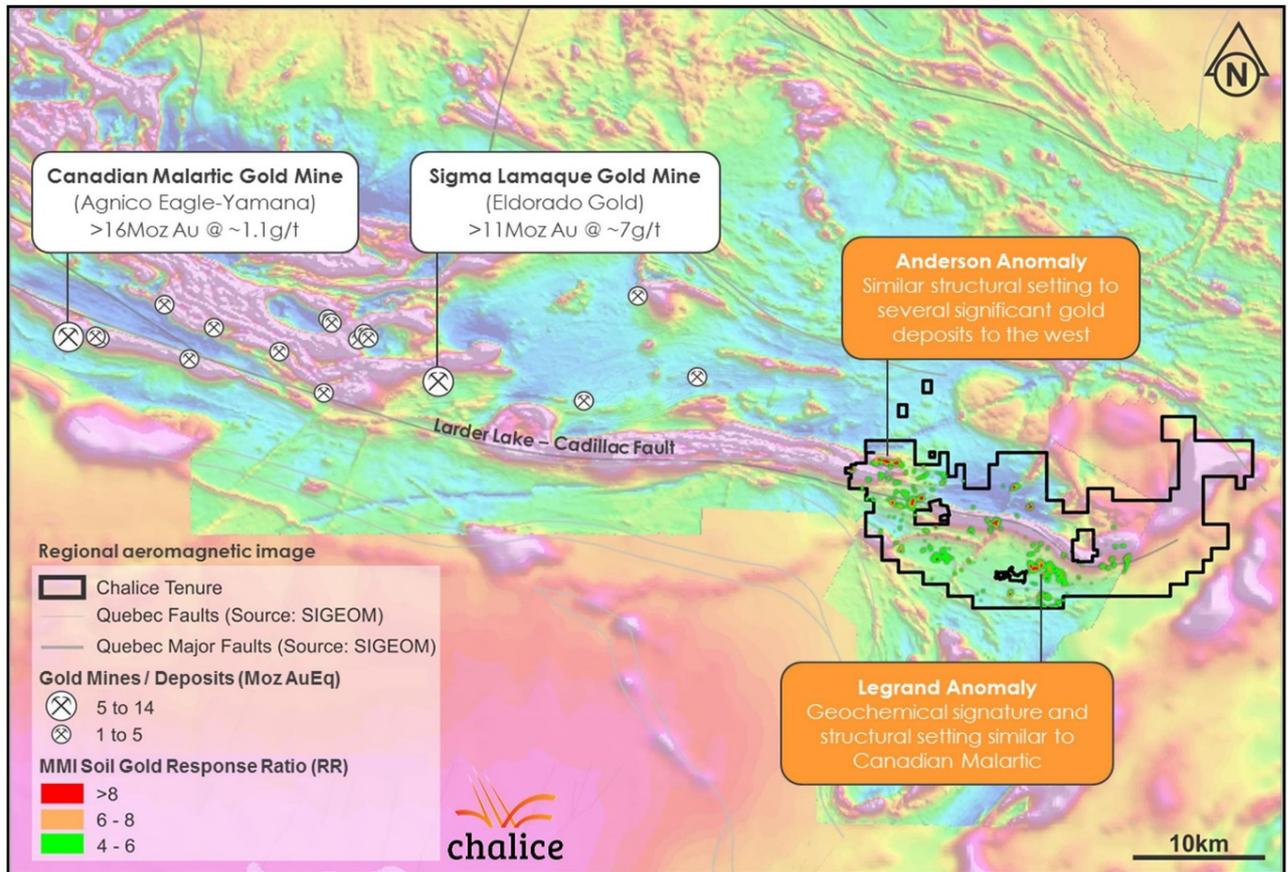
Figure 1. MMI gold-in-soil, rock chip sampling and interpreted geology

Table 1 below summarises the main attributes of the geochemical anomalies. Importantly, the MMI gold anomalies are mostly associated with gold pathfinder elements, providing more evidence that the anomalies are related to bedrock gold mineralisation.

Table 1. MMI soil anomaly properties

Anomaly Name	Approx. Length at 4RR contour (km)	Approx. Width at 4RR contour (km)	Peak MMI Gold Value (Response Ratio)	Associated Pathfinder Elements
Legrand	3.4	Up to 1.3	22	As, Bi, W
Anderson	2.3	Up to 0.5	22	Minor Ag, Bi
Marquise	1.4	Up to 0.7	20	As, Sb, Ag
Makwa	Up to 1.5	Up to 0.3	10	W, Ag, Cu

The Legrand gold-in-soil anomaly is coherent and covers a large surface area within a 5km x 4km area of anomalous arsenic and tungsten with minor bismuth. No bedrock geology outcrops were recognised in this area although aeromagnetic interpretation suggests that the Legrand anomaly overlies Pontiac Sediments which also host significant gold deposits elsewhere in the region including the Canadian Malartic gold deposit (>16Moz Au at ~1.1g/t Au), located approximately 70km to the WNW (Figure 2).



**Figure 2. Regional gold deposits and Chalice MMI gold-in-soil geochemistry over regional aeromagnetics**

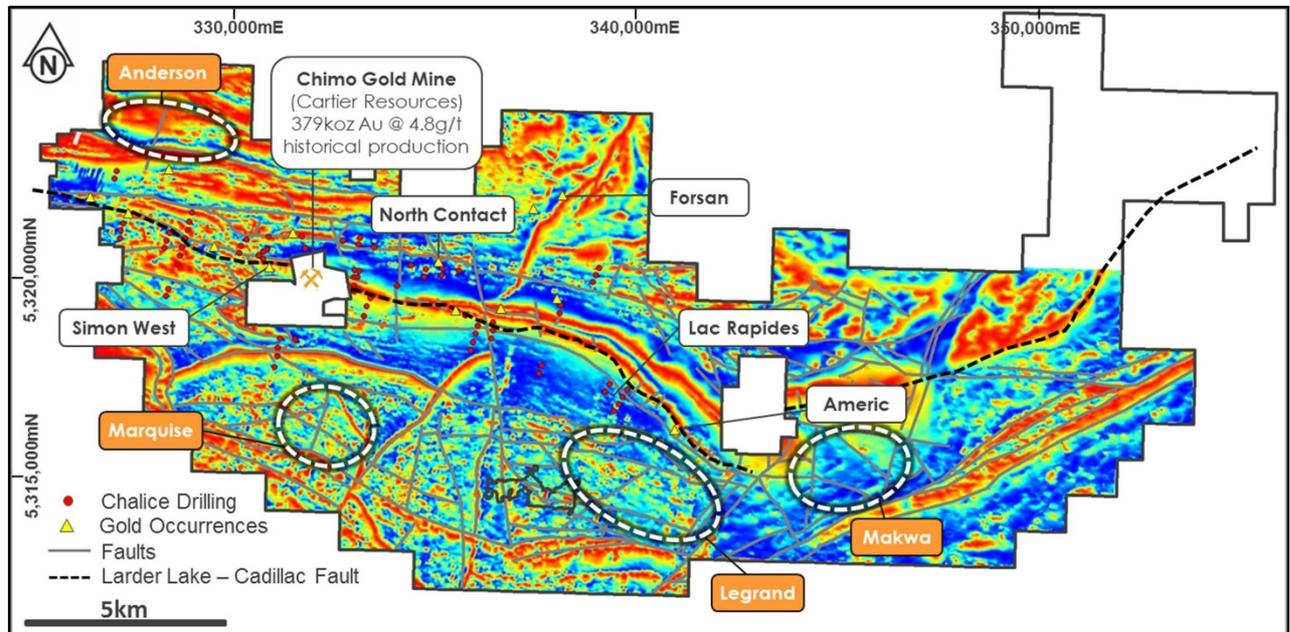
The **Legrand** anomaly overlies a zone of interpreted complex structure in an area of folded sedimentary rocks transected by thrust faults and intruded by felsic dykes, all of which suggests a favourable setting for orogenic gold mineralisation. In addition, the distribution of anomalous pathfinder metals in soils has a similar pattern of the metal zonation documented for the Canadian Malartic gold deposit which displays a zonation from proximal Au-W to distal Cs-Li-Tl. The Legrand anomaly has not been previously drill tested and is to be prioritised for drilling in the upcoming winter program.

The **Anderson** anomaly is a strong coherent gold-in-soil anomaly defined over a strike length of 2.3km and located about 2.5km north of the Larder Lake-Cadillac fault zone (LLCFZ). The east-west orientation is similar to other sub-parallel structures that host the Forsan gold deposit and other gold occurrences in the northern mafic succession. The anomaly is also to be prioritised for drill testing.

Rock chip sampling conducted during the 2018 field season has identified a 1.2km long zone of anomalous gold mineralisation, with assays up to 39g/t Au, located between 1-2.5km east of the recent Lac Rapides gold discovery. Gold mineralisation is associated with pyrite and/or arsenopyrite alteration in and around quartz veins in Banded Iron Formation. Limited historic drilling in this area has not intersected significant gold mineralisation however, given the strong association of gold with sulphide mineralisation, it is likely that the planned 3D-IP survey will allow a better definition of potential targets for testing.

## Geophysical Surveys

New aeromagnetic and LiDAR geophysical surveys were completed in June-August 2018 on newly acquired tenure to expand existing LiDAR and helicopter-based aeromagnetic coverage to the north and west of the main Larder Lake – Cadillac Fault (Figure 3). In conjunction with field geological mapping, these surveys have improved the Company’s geological understanding of the known gold occurrences throughout the project area.



**Figure 3. TDR Aeromagnetic image, showing Chalice’s drilling to date over regional aeromagnetics**

## Proposed Future Work

A 3D-IP OreVision survey commenced in early October to extend existing coverage along the Larder Lake-Cadillac Fault for an additional ~7km east of the 2017 survey area (which covered ~16km of strike). The grid is also being extended to the south to cover the new Legrand anomaly to the south-east of Lac Rapides. Survey results are expected by the end of December.

The recently received results are being incorporated with the previously acquired data to design a diamond drill program planned for the upcoming winter drill season, to commence in January 2019. The program will be designed to test the new surface anomalies as well as testing several zones along strike from existing mineralisation. Existing targets will be refined and additional drill targets may be added to the program once the 3D-IP survey results are finalised in late December.



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Chief Executive Officer

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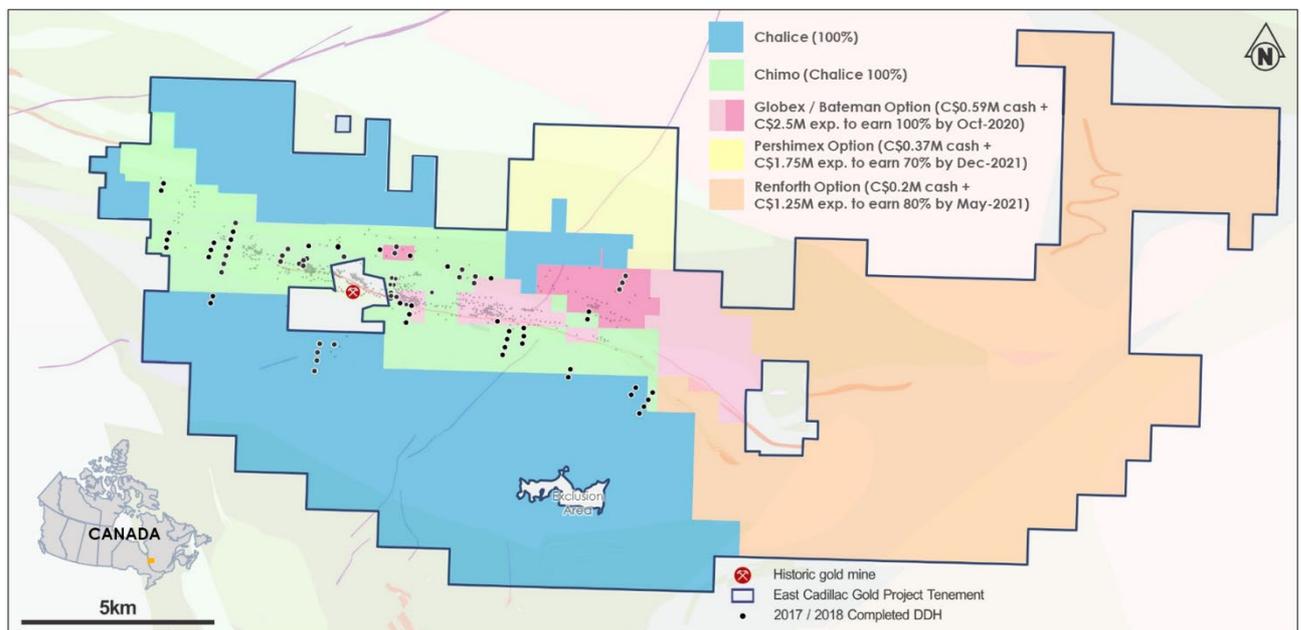
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### About the East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project covers an area of 245km<sup>2</sup> and is located ~35km east of the >20Moz Val-d'Or gold camp in Quebec, Canada. With land holdings encompassing a strike length of 27km of the Larder Lake-Cadillac Fault, the most prolifically endowed gold trend in the southern Abitibi, the Project is along strike with globally significant mines including Canadian Malartic (>16Moz) and Sigma Lamaque (>11Moz).

The Project surrounds the historical Chimo gold mine, owned by Cartier Resources (TSX: ECR), which produced ~379koz @ 4.8g/t Au. The Project is a consolidation of several earn-in option agreements (Chalice earning 70 to 100%) and Chalice's 100%-owned claims (refer to figure below).



## Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results in relation to the East Cadillac Project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

## Forward Looking Statements

This document may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this document and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events and include, but are not limited to, the estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success at the Company’s projects, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “is to be”, “will”, “may”, “would”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes” or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company’s interim and annual financial statements, all of which are filed and available for review on SEDAR at [sedar.com](http://sedar.com).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**APPENDIX 1 – EAST CADILLAC GOLD PROJECT – JORC TABLE 1**
**Section 1 Sampling Techniques and Data**

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Chalice sampling comprises 1504 mobile metal ion (MMI) soil and QAQC samples. Soil samples collected from between 10 to 30 cm below surface. For every 20 samples collected a sand blank and field duplicate are inserted and sent to the laboratory.</p> <p>Results are reported for all 1504 MMI soil samples.</p> <p>Chalice sampling includes 157 rock chip and QAQC samples. Samples collected from available outcrops which occur sporadically in the areas traversed. For every 20 samples collected a certified standard and blank are inserted and sent to the laboratory.</p> <p>All samples are scanned using a Terraspec Halo short-wave infrared scanner.</p>
<b>Drilling techniques</b>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	No drilling reported
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	No drilling reported
<b>Logging</b>	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>A short field description of each MMI soil sample was recorded including colour, organic content, sand content, and inorganic vs. organic designation</p> <p>A short field description of each rock chip sample was recorded including lithology, colour and grain size</p>

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><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></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>MMI soil samples are processed as received. MMI soil samples are analysed by SGS Laboratories in Burnaby, British Columbia, Canada using laboratory technique GE_MMI_M.</p> <p>Rock chip samples are dried and crushed to 70% passing 2mm, riffle split to 250g and pulverised to better than 85% passing 75 microns. The sample is now below 250g and is pulverized to better than 85%. Samples are analysed by ALS Laboratories in Val-d'Or, Quebec, Canada using laboratory techniques ME-MS61, Au-AA23, and Au-GRA21.</p>
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><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></p> <p><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></p>	<p>Laboratory procedures and assay data have been carefully selected based on appropriate techniques for the type of analysis required.</p> <p>A Terraspec Halo instrument is used to measure short wave infrared data on all rock chip samples collected. The Halo requires an external white reference disc when it is first turned on for calibration. Subsequently, it has an internal white reference disc used every few minutes while in use and takes 30 seconds to calibrate.</p> <p>SGS Laboratories inserts MMI blanks, replicates, and reference material with the frequency of 14%.</p> <p>ALS Laboratories inserts a rock standard, blank or crush duplicate every 20 samples in sequence.</p>
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>No significant intersections reported</p> <p>No drilling reported</p> <p>All sample data manually collected and entered into Excel spreadsheet, which is backed up and stored on a server. GPS locations are downloaded and exported in CSV format, before being merged into the primary database. All electronic data is routinely backed up and kept on a central server</p> <p>None applied</p>
<b>Location of data points</b>	<p><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></p> <p><i>Specification of the grid system used</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Soil and rock chip sample locations were collected using a handheld GPS unit which has an accuracy of +/- 5m.</p> <p>The grid system used is UTM NAD83 Zone 18 datum.</p> <p>Topographic control is based on a property scale LIDAR survey</p>

Criteria	JORC Code explanation	Commentary
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><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></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Soil samples collected on a 400m x 400m grid with infill to 200m x 200m</p> <p>Rock chip samples collected from available outcrops which occur sporadically in the areas traversed.</p> <p>No mineral resource estimates reported</p> <p>No compositing applied</p>
<b>Orientation of data in relation to geological structure</b>	<p><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></p> <p><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></p>	<p>Sampling traverses are oriented to achieve as close as possible to orthogonal intersection of mineralized zones, and this was achieved with a relatively high degree of confidence.</p> <p>No drilling reported</p>
<b>Sample security</b>	<p><i>The measures taken to ensure sample security.</i></p>	<p>Rock chip samples are delivered directly to the laboratory by a company representative and are double bagged with a security tag attached, and a bag list which is verified by the laboratory when processed.</p> <p>MMI Soil samples are double bagged with a security tag attached and shipped to the laboratory. A bag list is sent with the samples and electronically which is verified by the laboratory when processed.</p>
<b>Audits or reviews</b>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>None completed</p>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>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.</i></p> <p><i>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.</i></p>	<p>The East Cadillac Gold Project comprises agreements with Globex Enterprises Inc, Pershimex Exploration Inc. and Renforth Resources, and claims held by Chalice Gold Mines (Quebec) Inc. located approximately 35-40km east of Val-d'Or, Quebec, Canada.</p> <p>Chalice Gold Mines (Quebec) Inc has entered into a binding option and farm-in term sheet to acquire Globex's interest in the Nordeau Gold Project through total option payments of C\$590,000 and incurring exploration expenditures of C\$2,500,000 over 4 years. Chalice shall grant a 3% gross metal royalty to Globex upon exercising the option.</p> <p>Claims owned 100% by Globex Enterprises Inc include title nos. 2437791-2437811; 2437912-2437915; 2437862-2437873. Claims owned 60% Globex Enterprises Inc - 40% Chalice Gold Mines (Quebec) Inc. include title nos. 2438798-2438811; 2438935-2438937. The Globex Option comprises a total 54 claims for 1,499.89Ha.</p> <p>Chalice Gold Mines (Quebec) Inc acquired a 100% interest in the Monarques Gold Corp. Chimo Gold Project in September 2018.</p>

Criteria	JORC Code explanation	Commentary
		<p>Claims acquired from Monarques Gold Corp. include title nos. 2385084, 2438140-2438211 for a total of 73 claims for 2,899.81.4Ha. All claims have a combined NSR royalty of 2.5%, and the Company is able to acquire 0.5% of the NSR royalties held by Monarques Gold Corp. for C\$1 million at any time.</p> <p>Chalice Gold Mines (Quebec) Inc has entered into a binding option and farm-in term sheet to acquire a 70% interest in the Forsan Project by making total option payments of C\$375,000 to Pershimex and funding exploration expenditures of C\$1.75 million over a period of five years. Upon meeting these requirements and exercising the option, Chalice shall then grant a 1% Net Smelter Royalty (NSR) to Pershimex on the claims on the basis that all royalties (including pre-existing royalties) do not exceed 3%. Chalice maintains a pre-emptive right over the Pershimex royalty.</p> <p>The Forsan Project comprises a total 27 claims for 12.4 km<sup>2</sup> and includes title Nos.2437916-2437942.</p> <p>Chalice Gold Mines (Quebec) Inc has entered into a binding option and farm-in term sheet to acquire 80% interest in the Denain-Pershing Project by making total option payments of C\$200,000 to Renforth and funding exploration expenditures of C\$1.25 million over a period of three years. Upon meeting these requirements and exercising the option, Chalice shall revert a 2% NSR upon either party diluting its Project interest to less than 10%, unless the aggregate royalties payable to any party in respect of a particular claim would exceed 3%, in which case the royalty rate will be reduced such that the maximum aggregate royalty is 3%. The Denain-Pershing claims have pre-existing NSR Royalties of up to 2%</p> <p>The Project comprises a total of 184 claims for 10,001.29 Ha and includes title nos. 2443200-2443243, 2480250-2480258, 2481131-2481222, 2405317-2405327, 2423153-2423166, 2462745-2462751, 2477257-2477258, 2480184-2480187, 2484903</p> <p>Claims owned 100% by Chalice Gold Mines (Quebec) Inc. include title nos. 2434329, 243469-243471, 2438058-2438067, 2438103-2438104, 2438130-2438133, 2445500-2445501, 2456677-2456680, 2456713-2456714, 2457365-2457366, 2457890-2457892, 2458268-2458272, 2466091-2466092, 2461488-2461495, 2468029-2468043, 2470586, 2471188-2471200, 2472374-2472375, 2481223-2481300, 2491522, 2491126, 2491239-2491250, for a total of 175 claims for 8,941.55 Ha.</p> <p>All tenements are in good standing and there are no known impediments to operating in the area.</p>
<p><b><i>Exploration done by other parties</i></b></p>	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>Exploration commenced in the 1940's and numerous companies have carried out prospecting, geological mapping, trenching and outcrop sampling and ground geophysical surveys and drilling.</p> <p>Multiple programs of diamond drilling were completed prior to Chalice Gold securing options with Globex, Pershimex, and Renforth and acquiring the Chimo Gold project from Monarques Gold Corp. and pegging new claims over adjoining areas.</p>

Criteria	JORC Code explanation	Commentary
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Gold deposits on the East Cadillac Gold project are greenstone-hosted gold deposits that belong to the orogenic class of gold deposits.</p> <p>The East Cadillac Gold project contains a sequence of volcano-sedimentary rocks that is known as the Trivio structural domain, a kilometres-wide deformation corridor interpreted as the eastern extension of the larder lake – Cadillac tectonic zone.</p> <p>Gold mineralization is categorized into two types of epigenetic gold occurrences:</p> <p>i) Gold mineralisation in silicified lodes with disseminated to semi-massive sulphides (arsenopyrite, pyrrhotite and pyrite) spatially related to sedimentary banded iron formations. Secondary quartz veining is commonly associated with this type of gold mineralisation.</p> <p>ii) Structurally controlled gold mineralisation in altered and sheared zones with quartz or quartz carbonate veins parallel to the schistosity and shear zones (most likely to be found in volcanic units). Associated disseminated sulphides include arsenopyrite, pyrite and minor chalcopyrite; graphitic horizons are common.</p> <p>Both types of mineralization occur as free gold associated with sulphide minerals ranging from 1% to 5% when in quartz veins to as much as 20% to 50% when in association with magnetite iron formations.</p>
<b>Drill hole Information</b>	<p><i>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:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul>	No drilling reported
<b>Data aggregation methods</b>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>Response ratios are calculated to report MMI soil results as the value divided by the average of the lowest quartile of all samples, rounded to the nearest integer</p> <p>Not applicable</p> <p>Not applicable</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	Not applicable

Criteria	JORC Code explanation	Commentary
	<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>	
<b>Diagrams</b>	<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>	See figures in body of report
<b>Balanced reporting</b>	<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>	Previous exploration results are reported
<b>Other substantive exploration data</b>	<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>	All meaningful and material data reported
<b>Further work</b>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Drilling along strike and down plunge of multiple targets, as well as follow-up on MMI results