ASX Announcement
13 November 2020

ASX: AMI

Diversified Minerals – Dargues Gold Mine Mineral Resource and Ore Reserve Statement

HIGHLIGHTS

- Mineral Resource and Ore Reserve Estimates for Dargues Gold Mine prepared under Diversified Minerals Pty Ltd ownership of Dargues
- Mineral Resource of 1,590kt at 6.8g/t Au for 348koz of contained gold (as at 15 March 2017)
- Ore Reserve of 1,108kt at 5.7g/t Au for 202koz of contained gold (as at 30 June 2020)

Aurelia Metals Limited (ASX: AMI) (**Aurelia** or the **Company**) is pleased to report Mineral Resource and Ore Reserve Estimates for the Dargues Gold Mine (**Dargues**) at Majors Creek in New South Wales. These Estimates were prepared under the ownership of Dargues by Diversified Minerals Pty Ltd (**Diversified Minerals**).

The Mineral Resource Estimate (Table 1) and Ore Reserve Estimate (Table 2) are reported and classified in accordance with the JORC Code (2012). Estimates are reported as at 15 March 2017 and 30 June 2020, respectively. The Mineral Resource and Ore Reserve Estimates are detailed in the body of this release and Appendix 1.

Table 1. Dargues Mineral Resource Estimate as at 15 March 2017.

Class	Tonnes (kt)	Au (g/t)	Au (koz)
Measured	560	6.3	113
Indicated	740	7.4	175
Inferred	290	6.5	60
Total Resources	**1,590**	**6.8**	**348**

Note: The Mineral Resource Estimate is undepleted and inclusive of Ore Reserves. There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves. The Mineral Resource Estimate is reported using a 2g/t Au cut-off. Tonnage estimates have been rounded to nearest 1,000 tonnes.

Table 2. Dargues Ore Reserve Estimate as at 30 June 2020.

Class	Tonnes (kt)	Au (g/t)	Au (koz)
Proved	458	4.9	72
Probable	649	6.2	130
Total Reserves	**1,108**	**5.7**	**202**

Note: The Ore Reserve Estimate is reported using a 3.4g/t Au cut-off for stoping and 2.0g/t Au cut-off for development. Tonnage estimates have been rounded to nearest 1,000 tonnes.

Aurelia's acquisition of Dargues is subject to the satisfaction of conditions precedent, and is expected to complete by late 2020 or early 2021 (see AMI announcement dated 13 November 2020 "Strategic Gold Acquisition and Equity Raising"). Aurelia expects to release updated Mineral Resource and Ore Reserve estimates for Dargues in July 2021, as part of its annual Group Mineral Resource and Ore Reserve Statement. Application of Aurelia's estimation methodology to Dargues may result in changes to Mineral Resource and/or Ore Reserve totals. Application of Aurelia's estimation methodology to Dargues may also result in a downgrade in the classification of the Mineral Resource and/or Ore Reserve compared to existing estimates.

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This announcement has been approved for release by the Board of Directors of Aurelia Metals.

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COMPETENT PERSONS STATEMENTS

Dargues Mineral Resource Estimates

Compilation of the drilling database, assay validation and geological interpretations for the Dargues Mineral Resource Estimate was completed by John Collier, who is an employee of Conarco Consulting. Mr Collier is a member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Collier consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Dargues Ore Reserve Estimate

The Ore Reserve Estimate was compiled by Mr Samuel Nethery, an employee of PYBAR Mining Services Pty Ltd. Mr Nethery is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy. Mr Nethery has more than five years experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nethery has given prior written consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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DARGUES MINERAL RESOURCE AND ORE RESERVE STATEMENT

1 INTRODUCTION

The Dargues Reef deposit forms part of the Majors Creek Project and is located 60 kilometres southeast of Canberra and 12 kilometres south of Braidwood (Figure 1). The Mineral Resource Estimate was reported by John Collier of Conarco Consulting on 15 March 2017. The Mineral Resource Estimate and Ore Reserve Estimate are reported and classified in accordance with the JORC Code (2012).

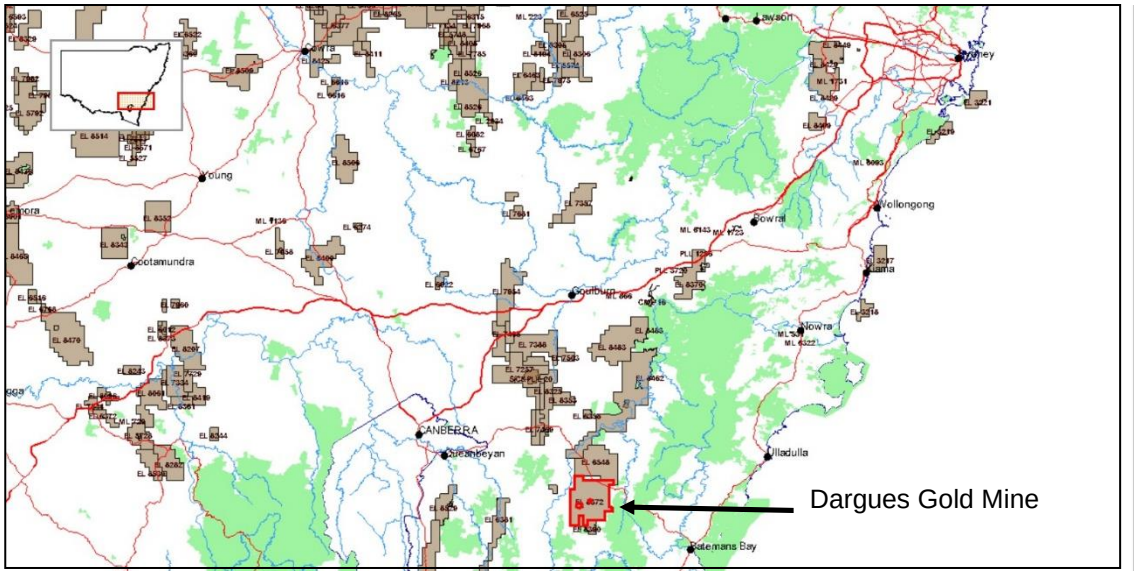

Figure 1: *Location of the Dargues Gold Mine*

2 GEOLOGY AND MINERALISATION

The Dargues Reef deposit is located within the Early Devonian Braidwood Granodiorite, in the Eastern Lachlan Fold Belt. The Lachlan Fold Belt traverses eastern Australia from Tasmania to Queensland. It is described as a composite orogenic belt which has been subjected to four episodes of folding, strong compression and uplift.

2.1 Local Geology

The Braidwood Granodiorite intrudes the Silurian Long Flat Volcanics to the west and Ordovician sediments to the east (Figure 2). Cutting the Braidwood Granodiorite are numerous major structures trending ESE and SE that are clearly visible on regional aeromagnetic images of the area. These linear structures are represented by much of the drainage in the region. Placer alluvial gold mineralisation occurs in the sediments deposited in these drainage systems.

The known primary gold mineralisation in the bedrock occurs mostly in E, NE and ESE trending sub-vertical quartz reefs within the roof of the granodiorite pluton.

The unaltered granodiorite is a light coloured, equigranular granodiorite containing plagioclase, k-feldspar, quartz, hornblende, minor chlorite-altered biotite and accessory magnetite, apatite, sphene, zircon and trace pyrite.

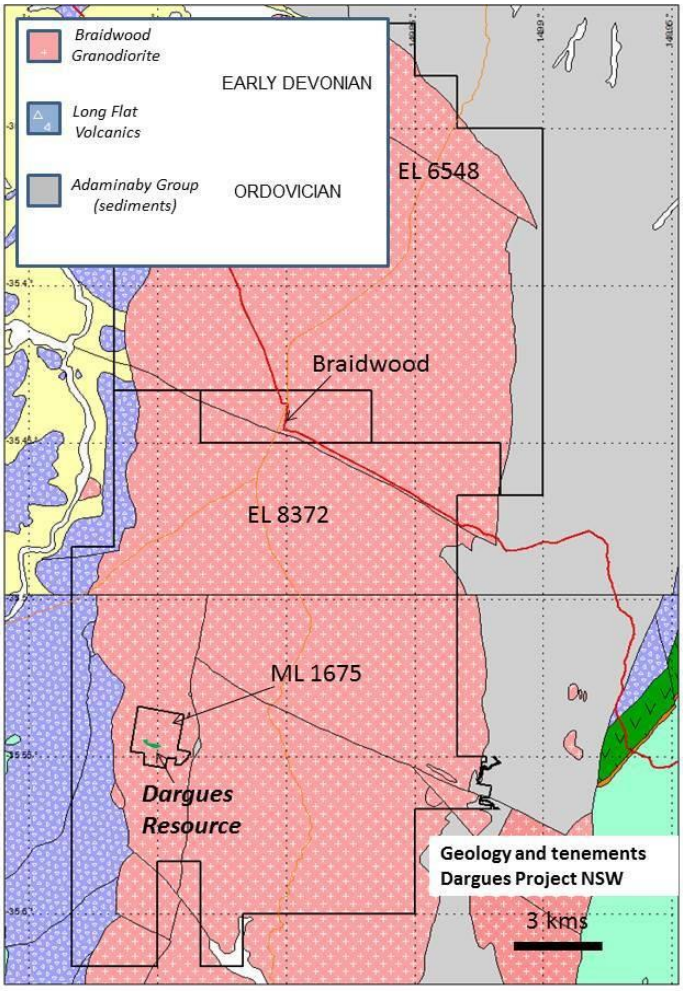

Figure 2: Majors Creek local geology

2.2 Mineralisation and Alteration

Mineralisation at Dargues Reef occurs in numerous discrete, fracture-controlled sulphide lodes situated within intense zones of phyllic alteration. The lodes are steeply dipping (80-90^{o}) and have a variable strike from E-W to ENE-WSW. The main zones of mineralisation occur on the northern side of a parallel diorite dyke with some minor mineralisation sporadically developed on the southern margin. The mineralisation and dyke appear to be disrupted by an interpreted fault, or set of faults, one of which is situated in the position of a N-S trending water course.

Sulphide lodes are generally 0.5 to 10 metres wide (true width) and up to 200 metres long and display a distinctive zonal alteration assemblage. The lodes are generally comprised of K-feldspar-albite-pyrite±chlorite-sericite-silica-carbonate with the alteration assemblage extending up to 60 metres from the lodes. The main sulphide mineral is pyrite, although chalcopyrite, sphalerite and other sulphides are also sometimes present. Gold values are directly linked to pyrite content which ranges from 5-30%. The gold grains occur as small inclusions of native gold in pyrite or along the pyrite grain boundaries. Rare occurrences of visible gold in association with minor quartz veining have been observed at depth with grades of up to 538g/t over a 0.85 metre width.

The typical alteration assemblage is outlined in Table 3.

Table 3: Dargues Reef alteration assemblage

Site Name	Description	Width	Au Grade (g/t)
Weak Propylitic Alteration	Weak Propylitic Alteration	~20m	<0.01-0.05
Increasing Propylitic Alteration	Increasing propylitic alteration Generally light green with stronger chl, epidote & sericite	4-5m	<0.01-0.05
Red Brick	Strong propylitic alteration Strong texturally destructive silica Hematitic? alteration of feldspars +/- py, carbonate	0.5-2m	<0.05
Black Spot	Dark green to black chl spotting, replacement of plagioclase Occurs on margin of 'red brick'	0.1-0.2m	<0.05
Felsic Lode	Largely k-feldspar-alb-py +/- chl-sericite-carbonate-silica	0.1-20m	0.5-40
Phyllic Lode (component of Felsic Lode)	Strong sericite, py + carbonate Generally quite thin	0.1-20m	0.5-10

3 MINERAL RESOURCE ESTIMATE

The Mineral Resource Estimate includes all drilling data and geological interpretations available at the time of reporting on 15 March 2017. Since then, there has been minimal drilling and no material changes to the interpretation. As at 30 June 2020, only minor depletion of the deposit has subsequently occurred through mine development and initial production stoping.

3.1 Previous Estimates

The first published Mineral Resource was prepared by Mining Assets Pty Ltd in 2006. Runge Mining (Australia) Pty Ltd completed several updates with the latest being in 2010. A summary of the previous estimates is listed in Table 4.

Table 4. Summary of previous Mineral Resource Estimates at the Dargues Reef deposit

Company	Measured		Indicated		Inferred		Total Resources		
	Tonnes (kt)	Au (g/t)	Tonnes (kt)	Au (g/t)	Tonnes (kt)	Au (g/t)	Tonnes (kt)	Au (g/t)	Ounces (koz)
Mining Assets					2,150	4	2,150	4	280
Runge 2008 (ID2)			590	5.9	863	6.4	1,453	6.2	289
Runge 2008 OK			586	5.9	858	6.4	1,444	6.2	286
Runge 2010 OK	378	7.2	818	6.8	420	4.5	1,615	6.3	327

3.2 Drilling

The drilling data supplied contained 361 drillholes (excluding mine infrastructure holes) with 150 drillholes used for the Mineral Resource estimate (MRE) and are illustrated in Table 5.

Table 5: Summary of drillholes used in the MRE

Hole Type	In Project		In Resource	
	No. Holes	No. Metres	No. Holes	No. Metres
Diamond (DD)	96	30,203	49	17,331
RC	263	31,357	99	13,039
RC/DD	2	880	2	880
Total	**361**	**62,440**	**150**	**31,250**

Since more than one type of drilling has occurred at Dargues, a statistical comparison of the assays was made between diamond and percussion holes. Q-Q plots illustrate that there is good correlation between 0.5 and 30g/t gold. This is within a good portion of the expected mine grade and confirms there is little bias and that both types of holes should be used for the MRE. The data also suggests that at grades below 0.5g/t gold, RC samples have higher grade. This is expected due to generally having a larger sample size. At grades above 30g/t gold, diamond drilling samples have higher grades which is also expected due to core samples having a smaller size and therefore greater flexibility where the sample is taken. These points are not considered material to the MRE.

3.3 Logging

All holes were logged for a combination of geological and geotechnical attributes. Logging data prior to Cortona Resources (CRC) was initially captured through hard copy logs which was subsequently entered into spreadsheets, validated and entered into an Access Database. Drillhole logging by CRC and Unity Mining was captured digitally and exported to an Access Database. Data was exported from the database to spreadsheet.

3.4 Sampling

All core holes were geologically logged identifying all major lithological, alteration, mineralisation and structural features. Following logging, the core was ½ split using a core saw and generally sampled between 0.5 to 1 m intervals within defined geological (mineralised) boundaries.

Historic RC holes drilled by Moly Mines Limited (MOL) were sampled at 1m intervals and composited using a sampling spear to 3m sub-samples weighing between 5-6 kg. All 3m composites were sent for assay with the original 1m composite remaining to be assayed should anomalous grades be returned.

CRC samples were collected using a composite 2m spear sample or 1m spear sample in mineralisation. Samples returning greater than 0.5 g/t gold were then re-split through a 87.5/12.5 splitter and sent for re-assay. From hole DREX096, 2m composite samples have been taken by spear and all obvious mineralisation has been sampled as 1m samples by riffle splitter.

Sample quality was excellent with only rare wet samples being obtained. Where water could not be kept out of the hole, the hole was abandoned and completed with a diamond core tail.

3.5 QAQC

In total, 17 standards were reported in the database. All standards were sourced from Ore Research and Exploration (ORE) Pty. Ltd with exception of G908-3 which was sourced from Geostats Pty. Ltd. Standards were inserted into a calico sample bag at every 25th sample submitted resulting in a sufficient amount data collected to insure quality control of the samples.

Overall, the results from the QC analysis performed well with minor instances of poor performance. The worst performing standards were 42P, 43P and 4Pb however given the extremely low target grades and the small standard deviation, it is not unexpected that many samples were outside the range of 2 standard deviations. Also, since the interpretation of the mineralised lodes were based on a nominal 2g/t gold grade, this is not seen as a material risk to the MRE. Standard 61PA performed poorly will 10 of the 12 samples returning a value below two standard deviations. This standard was sourced from barren material from Gosowong, Indonesia and Cracow, Australia which are both low sulphidation epithermal gold deposits. Therefore, this style of mineralisation is not similar to the Dargues and should be discounted. Standard 7PB also performed poorly with reasons unknown. The majority of samples returned a value below two standard deviations from the expected value. This standard has not been used since 2010 and it is recommended that this not be used or unity further investigations have taken place. Since most assays were under-represented, this error could be interpreted as conservative to the materiality to the MRE. The remaining standards with target grades above 2g/t performed well.

The blank standard was produced from using unaltered granite material from RC chips and core. As stated by Runge 2010 “This presents a problem in that the accuracy of the standard cannot be relied upon with the vast majority of the 54 assays returning values less than 2 standard deviations. Runge considers these results to be acceptable, however without a properly certified standard it is difficult to make definitive conclusions”.

3.6 Interpretation

Mineralised zones have been interpreted using a combination of cross-sections and level plans. A nominal 1.0g/t gold cut-off grade has been used to define the boundary between mineralised and un-mineralised material, although some intercepts below 0.5g/t gold have been included for continuity purposes. Sectional polygons have been digitised at nominal 20 metre spacings (Eastings) with these used to create 3-D mineralisation solids. A minimum downhole length of 1 m has been used with internal dilution included if the combined length weighted average was greater than 1.0g/t gold.

The mineralisation wireframes have been extended half the distance to the nearest drillhole up to a maximum of 20 metres. The extremities of the wireframes have also been extrapolated to a maximum of 20 metres along strike.

A total of 26 domains have been interpreted and modelled for the mineralisation. The largest of these zones is the “Main Lode” which has been sub-domained into two zones called 8a and 8b.

3.7 Compositing

Wireframes of each mineralised zone have been used to code the database to allow identification and independent analysis. All holes have been composited to a nominal 1 metre interval.

3.8 Top-cuts

The composite gold data for all domains displays a positively skewed distribution as expected with this style of deposit. The composites for each mineralised domain have been analysed to identify any extreme values which could have an adverse effect on the grade estimation. Any extreme values identified have been top-cut. Top-cuts have been assessed using a combination of the log-probability plots and log histogram plots. A number of domains returned Coefficient of Variations (CVs) greater than 1.2 and therefore have required top-cutting. All other domains remain as composited uncut data. Excluding the waste and diorite domains, three gold domains required top cutting. Table 6 illustrates the impact of the top cutting.

Table 6. Comparison of raw and top cut composites

Domain	Lode	Element	Raw data					Top Cut Value	Top Cut			# samples cut	Top cut %ile
			Count	Max	Mean	StDev	CV		Mean	StDev	CV		
0	Waste	Au	15,095	38.7	0.2	0.8	4.8	15	0.2	0.6	4.2	6	99.96%
8b	Lode	Au	193	127	7.8	12.5	1.6	50	7.3	8.9	1.2	5	97.87%
15	HG	Au	91	376.8	16.3	46.1	2.8	100	12.2	20.8	1.7	2	97.90%
20	HG	Au	4	103	28	50	1.8	20	7.3	8.7	1.2	1	78.76%
100	Diorite	Au	2,019	10.3	0.1	0.4	3.3	0.5	0.1	0.1	1.3	75	96.29%

3.9 Density

Bulk density measurements were carried out by CRC exploration staff on each drill core interval to be submitted for analysis. Prior to CRC involvement, bulk density measurements were carried out on selected intervals from selected holes. The water immersion method was used with weight dry, weight in water and weight wet being recorded. A total of 2,452 measurements were taken in various domains (Table 7).

Table 7. Summary of density measurements

Type	No. Samples	Density
Transitional	8	2.55
Fresh Waste	1,814	2.7
Fresh Ore	571	2.79
Diorite	59	2.77
Total	**2,452**	

3.10 Block Model

The block model was created with a parent block size of 10 metres (X) x 5 metres (Y) x 10 metres (Z) and a sub-block size of 1 metre (X) x 0.5 metre (Y) x 1 metre (Z). The parent block size has been selected based on the average drill spacing and also by kriging neighbourhood analysis (KNA) to select a block with the best overall kriging efficiency, slope of regression and minimal negative kriging weights. The sub-block size was necessary to provide sufficient resolution compared to the wireframes, with all sub-blocks assigned the same grade as the parent block.

3.11 Grade Estimation

For most mineralised zones within the deposit, the wireframes have been used as hard boundaries for the interpolation of gold grades. This is to ensure only gold grades within each wireframe have been used to estimate the block inside the same wireframe. Domain 8a and 8b used soft boundaries where samples from both domains were used. Ordinary Kriging (OK) has been used for the estimation of gold, silver, copper, sulphur, bismuth and arsenic grades. A total of three interpolation passes has been used to fill the block model.

The search ellipse distance and orientation used have been selected for each domain based on the variograms. The search ellipses have been rotated within some domains to account for variations in the orientation of the mineralisation. Domain 8a and 8b has used Locally Varying Anisotropy (LVA) to determine the search orientation which has used more than 40 points to determine the strike, dip and plunge of the mineralisation.

The first estimation pass had a distance of one-third of the range of the variogram with the number of samples used ranging from 6 to 25 samples for all domains except 15 which used between 6 and 15 samples. The second pass had a distance approximately equal to that of the variogram with the same minimum and maximum number of samples as the first pass. The third pass used the same distance as pass two, with a decrease in the minimum samples required to two samples. The minimum and maximum numbers of samples for the estimation have been determined from a KNA whereby the kriging efficiencies and slope of regression flatten suggesting that there is little benefit in using a greater number of samples.

3.12 Classification

The Mineral Resource has been classified into three categories using a combination of search pass, slope of regression (SOR) and drill density (Table 8 and Figure 3). In order to avoid generating a “spotted dog” classification, wireframes have been created for each domain that uses the above assumptions as a guide to produce workable volumes. A breakdown of the Mineral Resource in each classification is shown in Table 8.

Table 8: Resource classification parameters

Category	Rescat	Drill density		Pass	Other
		X	Z		
Measured	1	<10	<10	1	Pass 1 and SOR >0.75
Indicated	2	<20	<20	1	Pass 1 and SOR <0.75 and >0.3
Indicated	2	<20	<20	2	Pass 2 and SOR >0.3
Inferred	3			3	Pass 3 or SOR on all passes <0.3

Figure 3: Long section looking north showing the distribution of Measured (red), Indicated (green) and Inferred (blue) Mineral Resources. Areas in pink are currently unclassified and do not form part of the Mineral Resources.

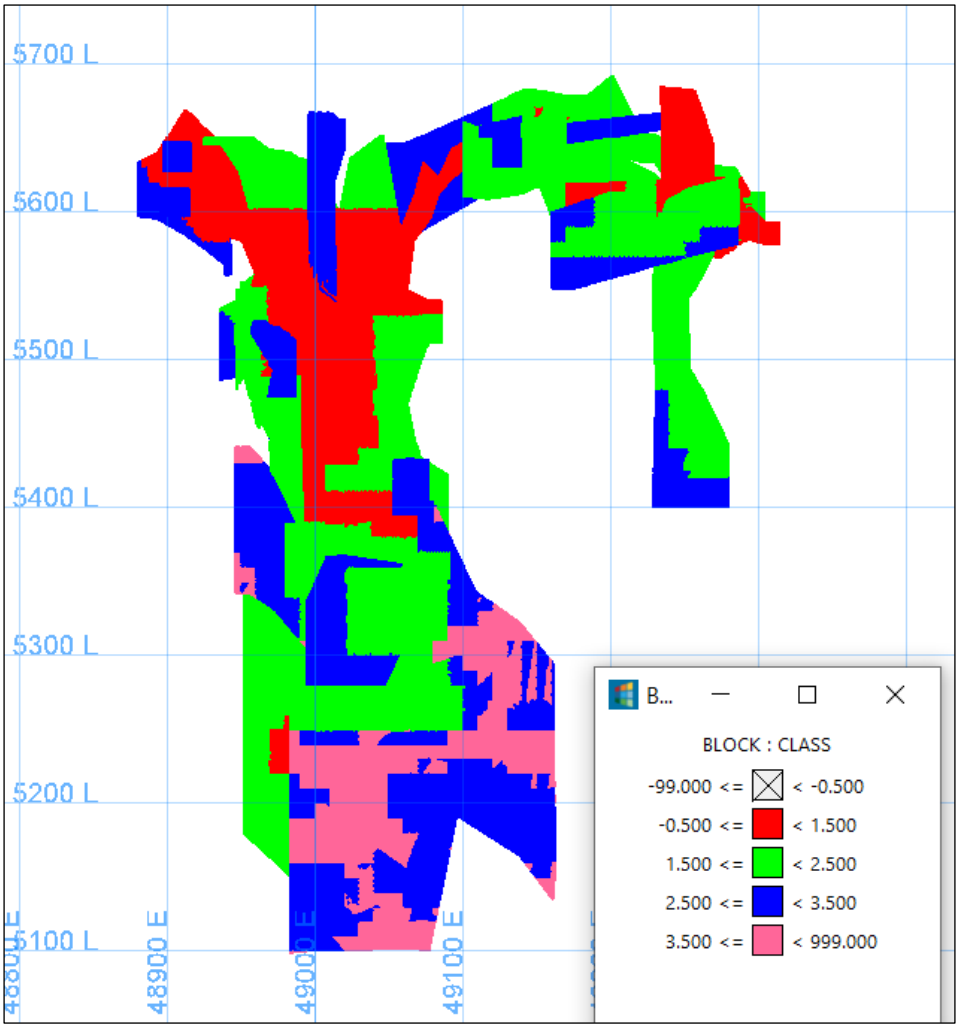

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Table 9. Dargues Mineral Resource Estimate as at 15 March 2017.

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Note: The Mineral Resource Estimate is un-depleted and inclusive of Ore Reserves. There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves. The Mineral Resource Estimate is reported using a 2g/t Au cut-off. Tonnage estimates have been rounded to nearest 1,000 tonnes.

4 HISTORICAL MINING

Dargues Reef forms part of the Majors Creek Goldfields, the largest historical alluvial goldfield in NSW, with historical production of 1.25 Moz.

The Dargues Reef underground mine was mined between 1870 and 1891, and again between 1914 and 1916, by numerous shafts to a maximum depth of 70 metres with initial mining of oxidised ore by opencut methods to depths of up to 10 metres. Recorded production between 1877 and 1916 was 2,016oz at 14g/t Au.

5 ORE RESERVE ESTIMATE

The 2017 Mineral Resource Estimate was used as the basis for the Ore Reserve Estimate (Table 10). As at 30 June 2020, minor depletion of the deposit has occurred through mine development and initial production stoping.

Table 10. Dargues Ore Reserve Estimate as at 30 June 2020.

Class	Tonnes (kt)	Au (g/t)	Au (koz)
Proved	458	4.9	72
Probable	649	6.2	130
Total Reserves	**1,108**	**5.7**	**202**

Note: The Ore Reserve Estimate is reported using a 3.4g/t Au cut-off for stoping and 2.0g/t Au cut-off for development. Tonnage estimates have been rounded to nearest 1,000 tonnes.

5.1 Material Assumptions for Ore Reserves

A Definitive Feasibility Study (DFS) was completed by Mining Plus in 2010. A Project Execution Study was carried out by Diversified Minerals in January 2017. Development of the operation is well advanced with stope production underway and the processing plant operating since April 2020.

The following material assumptions apply to the Ore Reserve Estimate:

- Gold price of A$1,650/oz
- Unplanned stope dilution of 15% to 25%, depending on the stope type, at 0g/t Au and 0.1g/t Ag
- Stope mining recovery of 95%
- Unplanned development dilution of 10%
- Development mining recovery of 100%
- Minimum stope mining width of 1.8 metres
- Sublevel spacing of 25 metres floor to floor
- Maximum stope strike length of 43 metres

5.2 Ore Reserve Classification

The 2020 Ore Reserves have been classified as Proved and Probable, in accordance with the JORC Code (2012). Material classified as Measured and Indicated Mineral Resource is converted to Proved and Probable Ore Reserve, respectively. The Competent Person considers this classification to be appropriate.

5.3 Mining Method

The Dargues infrastructure includes an access decline, a ventilation shaft, escape way shaft and associated infrastructure such as backfill distribution system, pump stations and electrical distribution system.

Mining occurs as bottom up sub-level open stoping (SLOS) with temporary strategic crown pillars, which will be extracted using uphole and downhole stoping and cemented hydraulic fill.

5.4 Ore Processing

The ore processing facility has been operating since April 2020. Metallurgical testwork indicates an overall gold recovery of 95.8%. No deleterious elements have been identified in the ore. A metallurgical recovery of 95% has been used in the preparation of this Ore Reserve Estimate.

5.5 Cut-off Grade

The Ore Reserve has been reported using a stoping cut-off of 3.4g/t gold in-situ and a 2.0g/t bogged gold grade for development. These cut-off grades were determined from an economic breakeven calculation and applied in the mine design.

5.6 Estimation Methodology

Estimation of the Ore Reserve involved standard steps of mine optimisation, mine design, development and production scheduling and financial modelling. Mineable stope shapes have been created, and mining dilution and recovery factors have been applied. All operating and capital costs have been estimated and applied in the financial model. The project returned a positive NPV. The NPV is most sensitive to gold price, followed by operating cost, capital cost and gold recovery.

Figure 4 shows a long section view of the mine design.

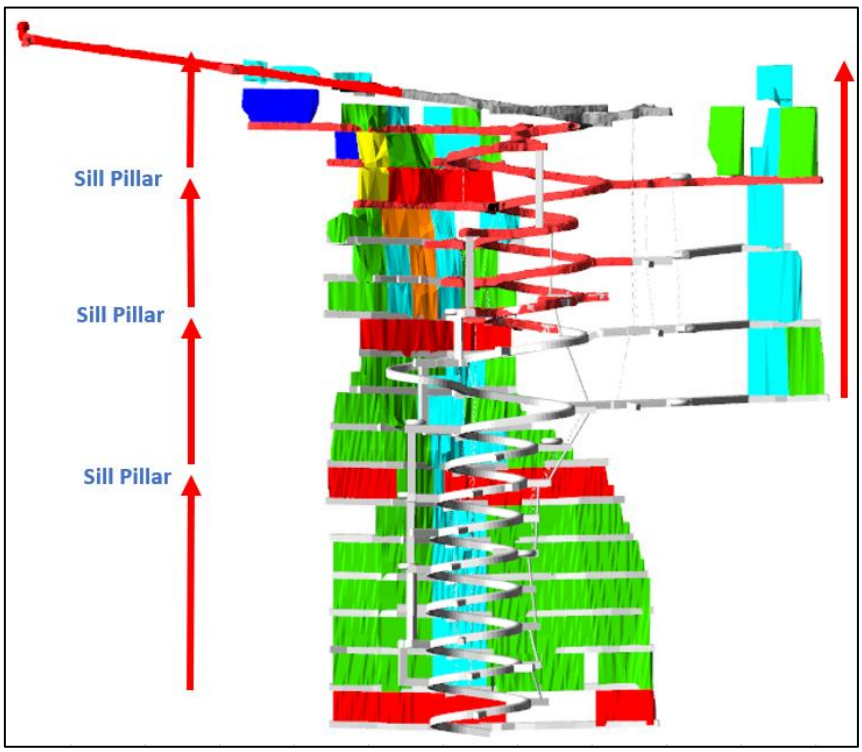


Figure 4. Long section of the Dargues underground mine design looking north.

5.7 Material Modifying Factors

Diversified Minerals holds, through a subsidiary company, Mining Lease 1675 for Dargues. The mine operates under the required regulatory consents and licences. Infrastructure necessary for operations at Dargues is established. Production activities commenced in April 2020.

There is currently insufficient information with which to base any material changes to the parameters used to estimate the Ore Reserve. As such, it is expected that some variance may be seen in areas such as Mineral Resource Estimation, resource reconciliation, ground conditions, mining factors and metallurgical recoveries as data is gained from the ongoing operation of the mine.

6 PRODUCTION TARGET

A Production Target is an estimation of potentially mineable tonnes based on the application of mining modifying factors. Assumptions used are detailed under the Ore Reserves section of this report, including mining costs, metal prices, metallurgical recoveries and other inputs used for the purpose of Ore Reserve estimation against Measured, Indicated and Inferred Mineral Resources. In preparation of the Production Target as part of the overall Ore Reserve report, Diversified Minerals was guided by ASX Listing Rules Chapter 5.16 to 5.19.

A Production Target of 1,372kt was estimated from the Mineral Resource Estimate. This represents a conversion of 70% (by ounces) of the Mineral Resource to the Production Target. The Ore Reserve proportion (based on Measured and Indicated Mineral Resources) of the Production Target is 83% (by ounces) with the balance being converted from the Inferred Mineral Resource.

The following cautionary statement applies in respect to the Production Target:

> *There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's current expectations of future results and events, and should not be solely relied upon by investors when making investment decisions.*

Table 11. Dargues Production Target as at 30 June 2020.

Classification	Tonnes (kt)	Au (g/t)	Au (koz)
Ore Reserve portion of Production Target	1,108	5.7	202
Inferred portion of Production Target	264	4.9	41
Production Target	**1,372**	**5.5**	**243**

Note: The Production Target is reported using a 3.4g/t Au cut-off for stoping and 2.0g/t Au cut-off for development. Tonnage estimates have been rounded to nearest 1,000 tonnes.

APPENDIX 1 DARGUES JORC Code 2012 (Table 1) - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

Section 1 Dargues Sampling Techniques and Data (Criteria in this section apply to all succeeding section)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The Dargues reef deposit was sampled from Diamond drillholes and RC holes. Drill spacing between 20m and 50m defined the mineralisation which extended to 80m on the deposit margins. There were a total of 82 RC holes, 47 surface diamond holes, 3 underground diamond holes and 3 underground wedge holes. All holes were angled towards the deposit.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Recent drillhole collars have been accurately surveyed in MGA94 grid by licensed surveyors, Bradley Surveying and Design Pty Ltd. Where possible historical collars were also located and surveyed by Bradley, although numerous drillholes had been rehabilitated and therefore could not be surveyed. Previously DGPS surveyed coordinates transformed into MGA94 grid were used for these holes. The majority of recent drillholes have been downhole surveyed using Eastman camera or Gyro instruments. Diamond holes were originally surveyed every 30m or 50m by single shot Eastman camera, whilst RC holes were only surveyed for dip at bottom of hole and halfway down hole (with an assumed azimuth at the collar based on the rig set-up). Downhole Surveys Pty Ltd has resurveyed all CRC diamond core holes (DREX038-043 and DREX083-085) using a Flexit Gyrosmart tool and has re-entered the RC holes (DREX045-082 and DREX086-118) where possible. Historic holes up to DREX014 generally have nominal surveys, although some have a single Eastman survey at the end of hole.
	• *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.*	Diamond drillholes were sampled to the geological intervals and were between 0.5 m and 1 m in length. RC samples were collected as 1 m or 2 m composite spear samples. Mineralised zones were sampled at 1 m intervals from a rig mounted riffle splitter. Core samples were taken at 1 m intervals or at geological boundaries. The majority of sample preparation and analysis for CRC and Unity Mining has been by ALS Chemex's laboratory in Orange, NSW, with three batches of samples going through the SGS laboratory in West Wyalong, NSW. MOL samples were assayed by ALS Chemex's lab in Orange. Umpire assays have been analysed by Genalysis, Perth. All samples were assayed using the Fire Assay technique with a 50g charge (Au-AA26) and AAS finish. The remaining elements
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Majority of drilling is RC using a $4^{7/8}$ inch face-sampling bit. Diamond drilling by CRC and Unity Mining used HQ core from surface to fresh rock and then oriented NQ2 core to end of hole. Historic core drilling used either NQ or BQ core (DDH1-9), BQ core (DRU1-10) or HQ from surface to fresh rock with NQ to end of hole (DRS1-8).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results*	Actual recoveries from the RC and DD drilling were not measured, however visual reviews of the recovery for RC drilling shows no problems were identified.

	assessed. • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	All core was routinely checked by the logging geologist using core blocks and rod counts to determine the depth. There were no major issues Information from the diamond drilling does not suggest that there is a correlation between recoveries and grade. Diamond drill core from this deposit generally has a high recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	All holes were logged for a combination of geological and geotechnical attributes. All holes were field logged by CRC or Unity Mining geologists. Lithology, mineralisation, texture, veining, weathering and alteration information were recorded. The total length of all holes were logged in detail.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether Quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Diamond drill core was ½ split using a core saw and generally sampled at 0.5 to 1 m intervals within defined geological (mineralised) boundaries. RC – 1m samples collected in a plastic bag through a properly designed cyclone. A 1 m or 2 m length composite sample was collected by using a trowel or ridged plastic spear, and submitted for analysis. Upon receipt of assay results the original composite sample was re-split and submitted for repeat analysis. All sampling procedures for the CRC drilling had been reviewed and are considered to be of a high standard. This standard of sampling was also carried out by Unity Mining. Quality control standards, blanks and duplicates are routinely included with the drilling samples by the CRC Exploration Team. The QAQC protocols implemented for the CRC and Unity Mining drilling programs included: • Insertion of a reference sample (commercial batch standards) for every 25 samples; • Insertion of a blank at the start of every hole submitted, as well as at the end of strongly mineralised intervals as determined by the controlling geologist; Pulp repeats sent to umpire laboratory. Field duplicate sampling was completed by passing the bulk reject sample from the plastic bag through a riffle splitter. In addition, ¼ core was routinely submitted. Duplicate sample intervals were designated by the geologist. Conarco considers that the overall QAQC results for the Dargues Reef resource are acceptable and confirm the validity of the assay data for use in the resource estimate.
Quality of assay data and laboratory test	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers,*	Analysis for Au was completed using Fire Assay (Au-AA26) with AAS finish. Analysis for Ag, As, Bi, Cu, Mo, Pb, S, and Zn was completed using the aqua regia technique (ICP-AES). The majority of standards submitted by CRC and Unity Mining report within the required grade range. Duplicate

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.

- *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*

sample analyses show good correlation with the original analysis.

Independent laboratory checks have been conducted by Genalysis Laboratories. Good correlation between ALS and Genalysis results although three results require investigation.

In total, 17 standards were reported in the database. All standards were sourced from Ore Research and Exploration (ORE) Pty. Ltd with exception of G908-3 which was sourced from Geostats Pty. Ltd. Standards were inserted into a calico sample bag at every 25th sample submitted resulting in a sufficient amount data collected to insure quality control of the samples.

Table 12: List of Standards

Standard	# Samples	Target Grade	StDev	+1 StDev	+2 StDev	-1 StDev	-2 StDev
10pb	16	7.15	0.19	7.34	7.53	6.96	6.77
152a	23	0.116	0.005	0.121	0.126	0.111	0.106
18pb	48	3.63	0.07	3.7	3.77	3.56	3.49
42p	47	0.091	0.0015	0.0925	0.094	0.0895	0.088
43p	19	0.073	0.001	0.074	0.075	0.072	0.071
4pb	44	0.049	0.002	0.051	0.053	0.047	0.045
50p	25						
52c	26	0.346	0.017	0.363	0.38	0.329	0.312
52p	6						
52pb	98	0.307	0.017	0.324	0.341	0.29	0.273
53pb	108	0.623	0.021	0.644	0.665	0.602	0.581
54pa	36	2.9	0.11	3.01	3.12	2.79	2.68
61d	35	4.76	0.14	4.9	5.04	4.62	4.48
61pa	12	4.46	0.04	4.5	4.54	4.42	4.38
62pa	3						
7pb	68	2.77	0.06	2.83	2.89	2.71	2.65
G908-3	41	1.03	0.05	1.08	1.13	0.98	0.93

Overall, the results from the QC analysis performed well with minor instances of poor performance. The worst performing standards were 42P, 43P and 4Pb however given the extremely low target grades and the small standard deviation, it is not unexpected that many samples were outside the range of 2 standard deviations. Also, since the interpretation of the mineralised lodes were based on a nominal 2 g/t gold grade, this is not seen as a material risk to the MRE. Standard 61PA performed poorly will 10 of the 12 samples returning a value below two standard deviations. This standard was sourced from barren material from Gosowong, Indonesia and Cracow, Australia which are both low sulphidation epithermal gold deposits. Therefore, this style of mineralisation is not similar to the Dargues and should be discounted. Standard 7PB also performed poorly with reasons unknown. The majority of samples returned a value below two standard deviations from the expected value. This standard has not been used since 2010 and it is recommended that this not be used or unity further investigations have taken place. Since most assays were under-represented, this error could be interpreted as conservative to the materiality to the MRE The remaining standards with target grades above 2 g/t performed well.

The blank standard was produced from using unaltered granite material from RC chips and core. As stated by Runge 2010 “This presents a problem in that the accuracy of the standard cannot be relied upon with the vast majority of the 54 assays returning values less than 2 standard deviations. Runge considers these results to be acceptable, however without a properly certified standard it is difficult to make definitive conclusions”.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	The intersections have been reviewed by senior members of CRC and Unity Mining. An independent review was conducted during the site visit by Runge. No anomalies were discovered. No twinning of holes has been conducted by CRC although the nature of drilling fans from single locations results in adjacent mineralised intersections occurring as close as 4m at shallow depths. Qualitative verification of assays with logged geology was completed by Runge and Conarco with no major discrepancies identified. Primary data was collected either as paper logs or as generic logging programme. This data was then imported into the database. All logging and sampling methods have been reviewed by Runge and Conarco and are considered to be of a high standard. There were no adjustments to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control.*	All drillholes used in the resource estimate have been accurately surveyed using either DGPS or qualified surveyors. Downhole surveys have been conducted at regular intervals using industry standard equipment. A wireframe of the historic underground workings was provided to Runge by CRC along with a hardcopy schematic diagram. These, in conjunction with drillhole intersections, were used to construct updated wireframes of the underground workings to exclude 'mined' material from the resource estimate along the main lode. Although the surface locations of the shafts have been accurately defined, recent drill intersections have provided conflicting information as to the extent of historical workings underground. As a result, mineralisation within the known depth extents of the historic workings have been downgraded from a Measured Resource to an Indicated Resource. Mine grid was determined by: • Easting MGA minus 700,000 • Northing MGA minus 6,000,000 • Elevation AHD plus 5,000 The topography was generated using LIDAR data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	Drill spacing is between 20 m and 50 m for the majority of the deposit and up to 80 m on the margins of the deposit. The data spacing and the distribution is sufficient to determine geological and grade continuity as determined by the JORC code 2012. Data density is also sufficient for well-structured variograms for the defined mineralised domains. A composite length of 1m was selected after analysis of the raw sample lengths.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key*	The orientation of the drilling is approximately perpendicular to the strike and dip of the mineralisation and therefore should not be biased. There are no known biases caused by the orientation of the drill holes.

	mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security*	Drill core was kept on site and sampling and dispatch of samples were conducted as per on-site procedures. Transport was either by the company employee's or by a registered transport company.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	Runge reviewed original laboratory assay files and compared them with the database. Minor errors were found.

Section 2 Dargues 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	• *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.* • *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.*	The Dargues reef deposit is located wholly within ML1675 which lies entirely within EL8372. These licences are 100% owned by Diversified Minerals. The mining Lease (ML1675) is due for expiry on 12th April 2024 while EL8372 is due for expiry on 20th May 2018. The tenements are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Other companies to have held the project include Unity Mining, Cortona Resources, Moly Mines Limited (MOL), Hibernia Gold Pty Ltd, Horizon Pacific Limited, Amdex Mining Limited, Ominco Mining NL, Otter Exploration NL, Esso Exploration and Production Australia Inc. and Broken Hill South Limited.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Braidwood Granodiorite intrudes the Silurian Long Flat Volcanics to the west and Ordovician sediments to the east. Cutting the Braidwood Granodiorite are numerous major structures trending ESE and SE which are clearly visible on regional aeromagnetic images of the area. These linear structures are represented by much of the drainage. The placer alluvial Au mineralisation occurs in the sediments deposited in these drainage systems. The known primary Au mineralisation in the bedrock occurs in mostly E, NE and ESE trending sub-vertical quartz reefs within the roof of the granodiorite pluton (Gordon, Feb 2006). The unaltered granodiorite is a light coloured, equigranular granodiorite containing plagioclase, kfeldspar, quartz, hornblende, minor chlorite-altered biotite and accessory magnetite, apatite, sphene, zircon and trace pyrite. Mineralisation at Dargues Reef occurs as a number of discrete, fracture-controlled sulphide lodes situated within intense zones of phyllic alteration (silica-chlorite and lesser epidote and sericite). The lodes are steeply dipping (80- 90@) and have a variable strike from E-W to ENE-WSW. The main zones of mineralisation (commonly referred to as the Big Blow and Main Lode) occur on the northern side of a parallel diorite dyke with some minor mineralisation sporadically developed on the southern margin. The mineralisation and dyke appear to be disrupted by an interpreted fault (or sets of faults), one of which is situated in the position of a N-S trending water course (Spring

Creek).

The sulphide lodes are generally 0.5 m to 10 m wide (true width) and up to 200 m long, and display a distinctive zonal alteration assemblage. The lodes are generally comprised of kfelspar-albite-pyrite+/-chlorite-sericite-silica-carbonate with the alteration assemblage extending up to 60 m from the lodes. The main sulphide mineral is pyrite, although chalcopyrite, sphalerite and other sulphides are also present. Gold values are directly linked to pyrite content (ranging from 5% to 30%). The gold grains occur as small inclusions of native gold in pyrite or along the pyrite grain boundaries. Rare occurrences of visible gold in association with minor quartz veining have been observed at depth with grades of up to 538g/t over a 0.85m width.

Drill hole Information

- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
  - *easting and northing of the drill hole collar*
  - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
  - *dip and azimuth of the hole*
  - *down hole length and interception depth*
  - *hole length.*
- *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.*

The drilling data supplied to Conarco contained 361 drillholes (excluding mine infrastructure holes) with 150 drillholes used for the MRE (Table 13). The 150 holes used for the MRE are listed in Table 14 showing the company who drilled them.

Table 13: Summary of drillholes used in the MRE

Hole Type	In Project		In Resource	
	No. Holes	No. Meters	No. Holes	No. Meters
Diamond (DD)	96	30,203	49	17,331
RC	263	31,357	99	13,039
RC/DD	2	880	2	880
Total	**361**	**62,440**	**150**	**31,250**

Table 14: List of holes by company used in the MRE

Hole Type	Company	No. Holes	No. Meters
Diamond	Amdex	1	90
	Broken Hill	1	114
	Cortona Re	6	2,141
	CRC	20	9,444
	Hibernia	8	2,713
	Horizon	9	726
	Moly Mines	4	2,104
RC	CRC	92	12,149
	Hibernia	7	890
RC/DD	Dargues	1	633
	Hibernia	1	246
Total		**150**	**31,250**

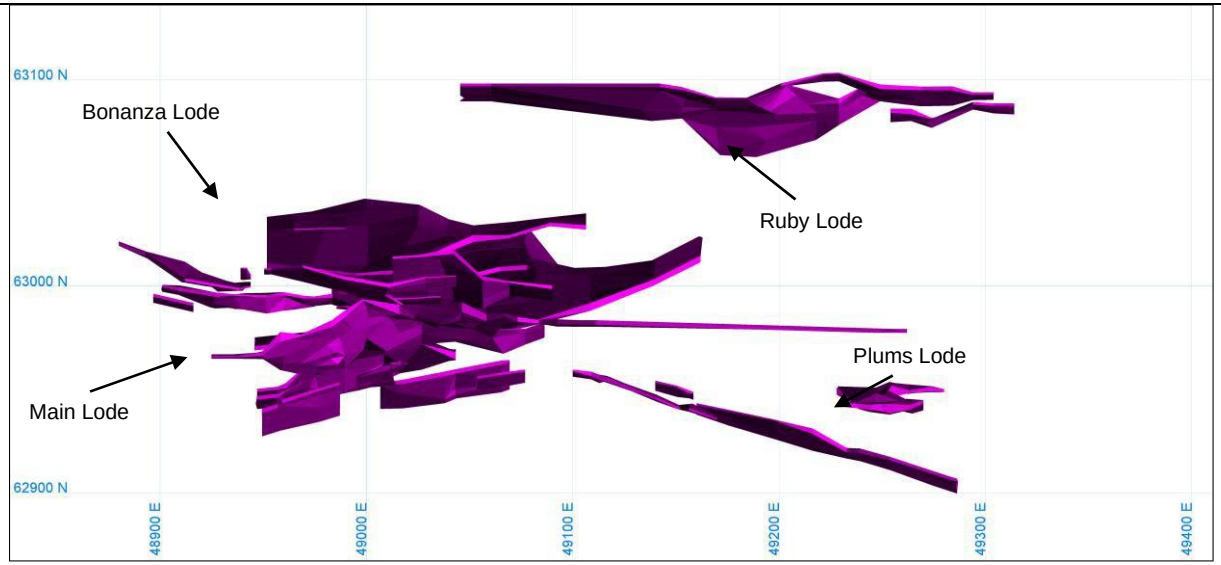
Since more than one type of drilling has occurred at Dargues, a statistical comparison of the assays was made between diamond and percussion holes. A Q-Q plot shows there is good correlation between 0.5 and 30 g/t gold. This is within a good portion of the expected mine grade and confirms there is little bias and that both types of holes should be used for the MRE. The data also suggests that at grades below 0.5 g/t gold, RC samples have higher grade. This is expected due to generally having a larger sample size. At grades above 30 g/t gold, diamond drilling samples have higher grades which is also expected due to core samples having a smaller size and therefore greater flexibility where the sample is taken. These points are not considered material to the MRE.

Data aggregation methods

- *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually*

All intersection grades have been length weighted.

Small high grade results within a broader mineralised zone have been reported as included intervals.

	Material and should be stated. • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Metal equivalent values have not been used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The Dargues reef deposit is sub-vertical with an east-west strike direction. Angled holes drilled from the north and the south have limited the apparent width of the orebody.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	 **Figure 5:** Plan view showing all mineralised domains.

Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	For the purpose of reporting Ore Reserves and Mineral Resources this section is not applicable.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	For the purpose of reporting Ore Reserves and Mineral Resources this section is not applicable.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	There are possible extensions to Main Lode and also to Plums Lode with both lodes open at depth and along strike. Further drilling would be required to identify this potential.

Section 3 Dargues Estimation and Reporting of Mineral Resources (Criteria listed in section1, and where relevant in section 2, also apply to this section)

Criteria	JORC Code Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Runge performed data audits on drill hole location, sample positions/sample id, and assays. Conarco also concluded that there were no major issues with the integrity of the database. The database was routinely maintained by CRC and Unity Mining.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Regular site visits by senior management of CRC and Unity Mining have occurred. A site visit by Runge occurred for the purpose of the Mineral Resource report. The author was the Principal Geologist for Unity Mining during to the acquisition of the project up until 2013. During this time, regular visits were made to site.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.*	There is strong confidence in the geological interpretation. This is based on the relatively close spaced drill holes which exhibit continuity of structure as well as grade. Geological mapping and drilling have confirmed clear geological structure resulting in generally continuous, robust wireframes.

	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The deposit is comprised of multiple sub-vertical ore lenses. Minor variations may occur but is not considered material. The lithology model for this deposit is well defined and consistent. The use of geological information obtained from drill core and RC logging was paramount to the creation of ore domains. The majority of the orebody comprises relatively low variation of gold grades. This is with exception of the bonanza lode which was sub-domained and utilised a higher top-cut gold grade.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Dargues Reef Au deposit extends for approximately 400m in an E-W direction. The mineralisation extends from surface to a maximum vertical depth of 590m below the surface. True width of the mineralisation varies from 2m up to approximately 12m.
Estimation and modelling techniques	• *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.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the Mineral Resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	The deposit mineralisation was constrained by wireframes constructed using a 1g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. Statistical and geostatistical analysis was carried out on data from 2 lodes (8 and 15). Results for lode 8 identified the necessity for sub-domaining into two zones. Due to the spatial and orientation similarities, variography from the upper zone (8a) was applied to lodes 1 – 9, 16 – 23 and 26 – 30. Variography from the lower zone (8b) was applied to lodes 10, 11 and 24. The bonanza lode (Lode 15) was also modelled separately. Ordinary Kriging was used to estimate average block grades in 3 passes using Vulcan software. No previous modern mining has taken place and so production data is unavailable. Silver and copper grades have also been estimated using ordinary kriging methods. Sulphur, Bismuth and Arsenic have also been estimated using ordinary kriging method. Parent block size of 10 m (E) X 5 m (N) X 10 m (RL) (E) with subcells of 1 m by 0.5 m by 1 m. The parent block size was selected on the basis of 50% of the average drill hole spacing as well as a kriging neighbourhood analysis which assists the determination of the optimum block size by the best analysing kriging efficiencies, slope of regression and negative kriging weights. Validation was conducted on the entire deposit and individually on the main lode (Object 8). No assumptions have been made of selective mining units. No assumptions have been made about correlation between variables. The geological interpretation correlated the mineralisation with the structural domains. These domains were then used as hard boundaries for geostatistical analysis, variography and grade estimation. Statistical analysis showed that all domains had moderate coefficient of variation and that outlier values were present. Therefore, top cutting of grades was required. Validation plots for gold, silver, copper, sulphur, bismuth and arsenic showed good correlation between the composite grades and the block model grades.

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource has been reported at a 2 g/t Au cut-off based on assumptions about economic cut- off grades and geological continuity.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.*	Conarco has assumed that the deposit would be mined using the modern mechanised underground technique such as sub-level open stoping, bench stoping, transverse stoping and cut and fill mining.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.*	It is assumed that conventional processing methods will have a 97.5% recovery rate. The plant design comprises of three stage crushing; grinding circuit was a ball mill; rougher and cleaner flotation; and concentrate thickening and filtration. There will be no cyanide leaching at site. The plant will produce 355 ktpa of ore and produce on average 28,000 wet metric tons annually of gold silver pyrite concentrate for export via Port Kembla.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	The project has been assessed under both the NSW Environmental Planning and Assessment Act 1979 (EP&A Act) and the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). State and Commonwealth approval have both been granted. The waste rock and process tailings will be stored in an appropriate storage facility on surface, some of which will be used as backfill.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of*	The in situ bulk density was assigned to various domains based on 2452 results obtained from representative drill core using the Water Immersion method. The results from the individual domains are listed below.

	the measurements, the nature, size and representativeness of the samples.	**Table 15:** Number of Density Samples **Type** / **2017 Estimate** (**No. Samples**, **Density**) Transitional: 8 samples, 2.55 Fresh Waste: 1814 samples, 2.7 Fresh Ore: 571 samples, 2.79 Diorite: 59 samples, 2.77 The host rock to the mineralisation is granodiorite. Visual inspection of the core has shown that the presence of voids is minor. The Water Immersion method was used with weight dry, weight in water and weight wet being recorded. This method is appropriate from the style of mineralisation. All samples are measured for their bulk density which has resulted in 2.55 t/m3 for transitional material, 2.70 t/m3 from fresh waste, 2.79 t/m3 for fresh ore and 2.77 t/m3 for mineralised diorite. These values were then applied to the relevant domains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The classification of the Mineral Resource was completed by John Collier from Conarco Consulting. The classification of Measured, Indicated and Inferred was made on the basis of continuity of structure, drill spacing, surface mapping and statistics within each mineralised domain. The Mineral Resource classification has taken into consideration drill density, search pass (distance and quantity of samples) and the slope of regression within the estimate (quality and distribution of data). These are listed below. **Table 16:** Classification parameters **Category** / **Rescat** / **Drill_density** (**X**, **Z**) / **Pass** / **Other** Measured: 1, <10, <10, 1, Pass 1 and sor >0.75 Indicated: 2, <20, <20, 1, Pass 1 and sor <0.75 and >0.3 Indicated: 2, <20, <20, 2, Pass 2 and sor >0.3 Inferred: 3, , , 3, Pass 3 or sor on all passes <0.3 This result appropriately reflects the Competent Person's view.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	Internal audits have been completed by Runge and also while the author was employed by Unity Mining. This has verified the technical inputs, methodology, parameters and results of the estimate.

Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Mineral 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.* • *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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The level of relative accuracy is reflected in the appropriate sub-division of Measured, Indicated and Inferred Resources as outlined in the JORC code 2012. This statement relates to global estimated tonnes and grade. Production activities commenced in April 2020. This is insufficient information with which to base any material changes to the current parameters.

Section 4 Dargues Estimation and Reporting of Ore Reserves (Criteria listed in section 1, and where relevant in sections 2 & 3, also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	Mineral Resources are 1,590kt at 6.8g/t Au for 348koz Au. The Ore Reserves are 1,108kt at 5.7g/t Au for 202koz Au. Mineral Resources are inclusive of Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	The competent person has been based onsite as the Mining Engineering Manager since April 2020.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.*	A Definitive Feasibility Study (DFS) has been undertaken for the project. Mining Plus completed the DFS in 2010. A Project Execution Study was carried out by Diversified Minerals in January 2017. Development of the operation is well advanced, stope production has commenced, and the processing plant has been operating since April 2020.

	• *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	The basis of the cut-off grades are : • Stoping – 3.4g/t Au • Development – 2.0g/t Au • Gold price – A$1650 per ounce • Metallurgical recovery – 95%
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre- Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	The DFS determined that underground mining with decline access was the most appropriate mine configuration. The chosen mining method is sublevel open stoping. Ore Reserves are based on detailed stope shapes which were designed during the Project Execution Study. Shapes have been removed from the estimate where mining depletion has occurred. Mining factors used include : • Unplanned stope dilution – 15% to 25% depending on the stope type, at 0g/t Au and 0.1g/t Ag. • Stope mining recovery – 95% • Unplanned development dilution – 10% • Development mining recovery – 100% Mining assumptions used include : • Minimum stope mining width – 1.8m • Sublevel spacing – 25m floor to floor • Maximum stope strike length – 43m Inferred Resources have been added to the mining schedule and form approximately 17% of the planned ounces mined. This material has not been included as part of the Ore Reserves. The infrastructure requirements include the decline, ventilation and escapeway shafts, backfill distribution system, pump stations and electrical distribution system. As this is an operating mine, the infrastructure requirements are largely in place.

Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications*	DFS level metallurgical testwork has been undertaken and a flotation recovery flowsheet has been adopted, with a primary grind and a rougher flotation, followed by a regrind and cleaner flotation circuit. The concentrate is filtered for transport off-site for extraction of the gold. This is well-tested technology. Metallurgical testwork was carried out initially on 17 RC chip samples from a single hole. Further testwork was carried out on HQ core taken from a 23.7m section of a single hole. Follow up testwork was carried out on half and quarter HQ core. No deleterious elements are present in the ore. Metallurgical testwork indicates an overall gold recovery of 95.8%. The processing plant has been operating since April 2020. The Ore Reserve is appropriate for this style of mineralisation.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The project received approval on 2 September 2011 pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act). Following two appeals to the Land and Environment court, the Court subsequently granted project approval on 7 February 2012. Modification 1 for the use of paste fill at the Project Site was subsequently approved on 12 July 2012 (MP10_0054). Modification 2 (MP10_0054 MOD2) to regularise changes to the layout of the project was approved on 24 October 2013. Modification 3 (MP10_0054 MOD3) for additional infrastructure and extension of the mine life was approved on 10 August 2016. Modification 4 (MP10_0054 MOD4) to alter the location of the heavy vehicle crossing over Spring Creek was approved on 23 May 2019.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Project construction reached Practical Completion on 22 May 2020.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.*	The basis of the capital cost estimates used in the Project Execution Study is summarized as follows :- • Mine physicals were determined by detailed design work. • Quotations from suppliers to feasibility level accuracy for mine and process plant equipment • Where quotations were not available either benchmarking or empirical estimates were used. • Underground development rates were sourced from Pybar Mining Services. • Process plant design and capital cost estimate by DRA.

	• *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Suitably qualified contractors provided budget pricing against preliminary bills of quantities for the various site works activities of bulk earthworks, civil works and structural mechanical piping installation works. • The capital estimate for the TSF was provided by KPPL. The basis of the operating cost estimates used in the Project Execution Study is summarized as follows: • Rates provided by Pybar Mining Services were used in the operating cost model. • Labour costs were determined through benchmarking of other similar sized mine sites. • Where possible operating costs for mining, processing and administration were determined using independent supplier quotes. In cases where this was not possible, first principles and estimates were made based on experience. There are no known deleterious elements identified. All costs are in Australian dollars. Concentrate transport charges were estimated based on quotes received from several transport companies. A state government royalty of 4% of net sales revenue has been used.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Revenues are calculated based on a gold price of A$1650 per ounce.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.*	No market assessment has been carried out.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The financial analysis covered in the Project Execution Study used the following key inputs to generate the NPV :- • Gold price – A$1600 to A$1660 per ounce • Discount rate – 10% The project returned a positive NPV. The NPV is most sensitive to gold price, followed by operating cost, capital cost and gold recovery.

Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	The Project received project approval on 2 September 2011 pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act). Following two appeals to the Land and Environment Court, the Court subsequently granted project approval on 7 February 2012. Modification 1 for the use of paste fill at the Project Site was subsequently approved on 12 July 2012 (MP10_0054). Modification 2 (MP10_0054 MOD2) to regularise changes to the layout of the project was approved on 24 October 2013. Modification 3 (MP10_0054 MOD3) for additional infrastructure and extension of the mine life was approved on 10 August 2016. Modification 4 (MP10_0054 MOD4) to alter the location of the heavy vehicle crossing over Spring Creek was approved on 23 May 2019.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the Ore Reserve is contingent.*	The Project received project approval on 2 September 2011 pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act). Following two appeals to the Land and Environment Court, the Court subsequently granted project approval on 7 February 2012. Modification 1 for the use of paste fill at the Project Site was subsequently approved on 12 July 2012 (MP10_0054). Modification 2 (MP10_0054 MOD2) to regularise changes to the layout of the project was approved on 24 October 2013. Modification 3 (MP10_0054 MOD3) for additional infrastructure and extension of the mine life was approved on 10 August 2016. Modification 4 (MP10_0054 MOD4) to alter the location of the heavy vehicle crossing over Spring Creek was approved on 23 May 2019.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	Ore Reserves were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC 2012). The results appropriately reflect the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	No independent audit of the Ore Reserve has been carried out.

Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *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.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The level of relative accuracy is reflected in the appropriate sub-division of Measured, Indicated and Inferred Resources as outlined in the JORC Code 2012. This Ore Reserve Statement relates to global estimated tonnes and grade. Factors which could affect the accuracy and confidence of the estimate due to not having any production history include:- • Resource estimation and reconciliation • Ground conditions and dilution factors • Metallurgical recoveries Production activities commenced in April 2020. This is insufficient information with which to base any material changes to the current parameters.