Woomera Mining Limited

Suite 116, 147 Pirie Street
Adelaide SA 5000
admin@WoomeraMining.com.au
www.WoomeraMining.com.au

For personal use only

23 May 2019 **ASX Announcement**

WOOMERA SIGNS HEADS OF AGREEMENT TO PURCHASE 80% INTEREST IN THE MT VENN GOLD PROJECT

Highlights

- **Woomera Mining Limited signs Heads of Agreement providing the framework to purchase an 80% interest in Cazaly Resources Limited's Mt Venn gold tenements located in the north eastern goldfields of Western Australia.**
- **The transaction will have Woomera;**
  - **acquire 100% of the shares in Yamarna West Pty Ltd ('Yamarna'), a wholly owned subsidiary of Cazaly, which holds the tenements.**
  - **Yamarna will then transfer to Cazaly a 20% undivided interest in the Tenements, and**
  - **Cazaly will enter into an agreement with Yamarna to establish an unincorporated joint venture under which the JV parties will hold the following interests:**

    Yamarna 80%
    Cazaly 20%
- **The two tenements E 38/3111 and E 38/3150 cover 50km of strike of the Mt Venn Greenstone Belt providing Woomera with the dominant land position (>90%) in the belt.**
- **Numerous gold anomalies identified from soil and rock chip sampling and RAB, aircore and RC drilling including very high grade rock chip samples at Chapman's Reward and Lang's Find that assayed >200 g/t Au, Mount Cumming (rock chips including 8.4 g/t Au, 3.2% Cu and 3.9 g/t Ag) and adjacent geochemical anomalies none of which have been drilled, the Three Bears Prospect where aircore drilling has outlined gold including 12m @ 1.19 g/t Au and numerous other gold in soil anomalies that have not been drilled. Details of the locations of the samples are included in the body of this announcement.**
- **Airborne electromagnetic surveys have identified numerous late time conductors within the Mount Cumming and Mount Cornell ultramafic complexes. The conductors are interpreted as being potential sulphide sources in the basal contact zones of the mafic/ultramafic intrusions.**
- **Mount Venn greenstone belt is associated with the Yamarna Shear and is close to Gold Road Resources (ASX:GOR) Gruyere gold deposit (5.88 Mozs. gold) located in the neighbouring Dorothy Hills Greenstone Belt.**

Woomera Mining Limited (ASX: WML) ('Woomera' or 'the Company') is pleased to announce that it has signed a Heads of Agreement with Cazaly Resources Limited (ASX:CAZ) ('Cazaly) to purchase an 80% interest in Cazaly's Mt Venn gold and nickel project located 125 kms northeast of the township of Laverton in the north eastern goldfields of Western Australia.

For personal use only



Figure 1. Location of the Mt Venn Project

Woomera's Managing Director Gerard Anderson said: "*It is rare to secure such a large land position in an area rapidly being realised as a world class gold district. The geological setting of Mt Venn is analogous to the nearby almost 6 million ounce Gruyere gold deposit. Whilst there has been very little systematic gold and base metal exploration at Mount Venn the work completed to date indicates excellent gold potential including for very high grade gold. The added bonus is the potential for nickel-copper-cobalt mineralisation as indicated from airborne electromagnetic surveys that identified numerous conductors. The Mt Venn Project is a particularly exciting opportunity for the Company".*

The Heads of Agreement provides the framework for a detailed Share Acquisition Agreement and Joint Venture Agreement, which the parties are obliged to use their reasonable endeavours to negotiate and execute on or before 20 August 2019. Importantly, the Heads of Agreement specifies key terms which have been agreed and must be incorporated into the final agreements.

The Mt Venn project consists of two granted exploration licences E 38/3111 and E 38/3150. In addition to the granted exploration licences, the ground covered by four expired Prospecting Licences over the historic Chapman's Reward mine (P38/4149, 4150, 4151 and 4195) is pending amalgamation into E 38/3111. The tenements which cover approximately 390km^2 occur over some 50 kms of strike of the Mt Venn Greenstone Belt giving Woomera the dominant land position (>90%) over the Belt.

Cazaly gained access to the Project in January 2017 with the grant of Exploration Licence 38/3111 following the recommendation from the Department of Aboriginal Affairs to grant access permits to the licence which lies within the Cosmo Newberry Aboriginal reserve which is also subject to a Native Title claim by the Yilka people. Cazaly signed a Native Title Agreement with the Yilka People and the Cosmo Newberry Aboriginal Corporation (CNAC) on 28th July 2016.

The tenements are highly prospective for gold, nickel and nickel-copper-cobalt deposits. Volcanogenic massive sulphide deposits may also be a possibility based on anomalous zinc, copper, lead, gold and silver in felsic volcanics.

The Mt Venn tenements are located close to Gold Road Limited's Gruyere Gold Deposit (5.88M Ozs Au) (*Gold Road Resources ASX:GOR Annual General Meeting Presentation 25 May 2018*) and to Great Boulder Resource's Cu-Ni-Co Mt Venn Deposit (Figure 2).

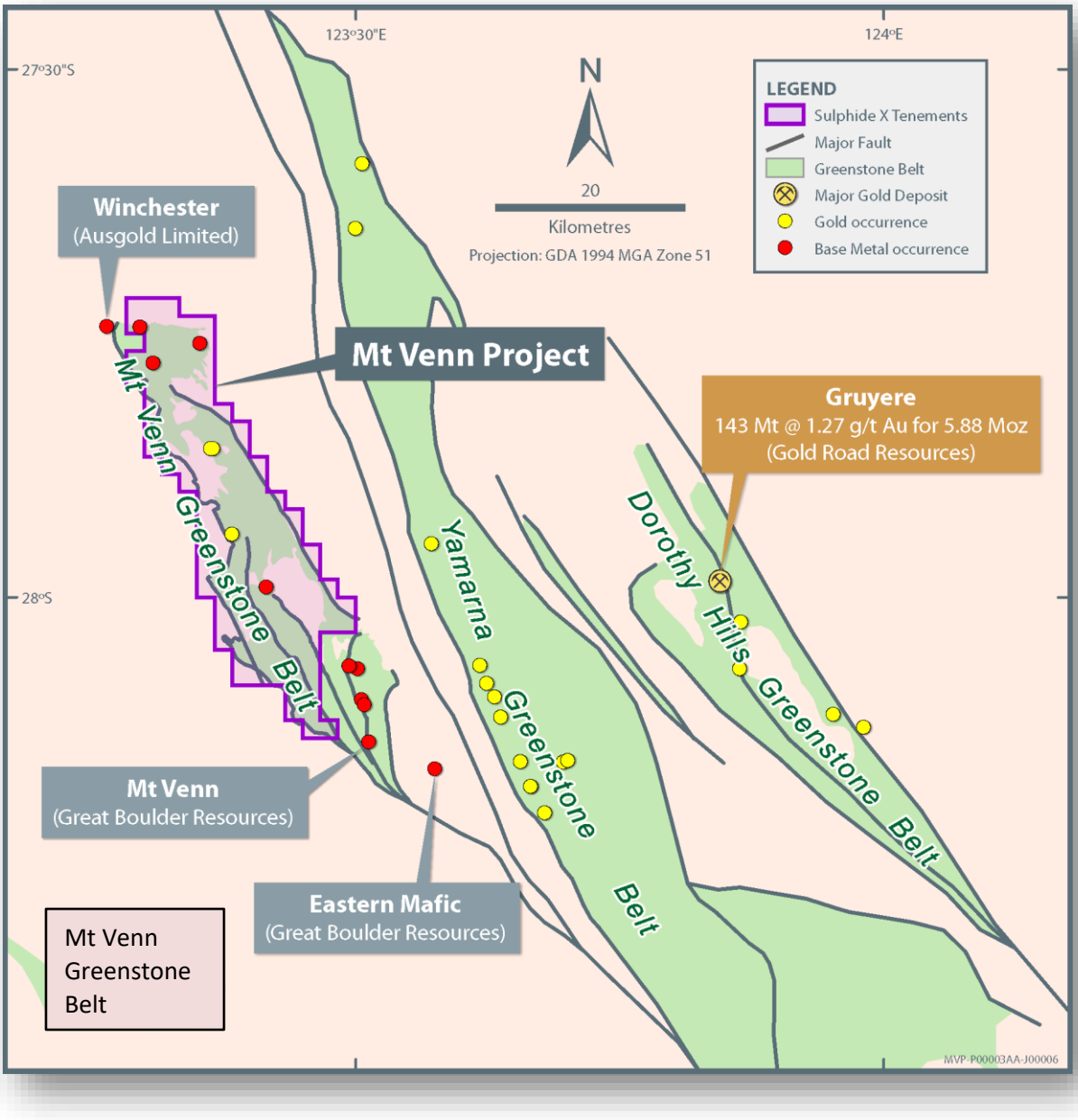


Figure 2. Mt Venn Greenstone Belt location

Gold Potential

The overall potential for gold discoveries is considered to be excellent. There are several gold targets that could be drilled once Heritage Clearances are completed. Foremost among the gold targets are Chapman's Reward, Langs Find, Mount Cumming and the Three Bears Prospect (Figure 3).

For personal use only

For personal use only

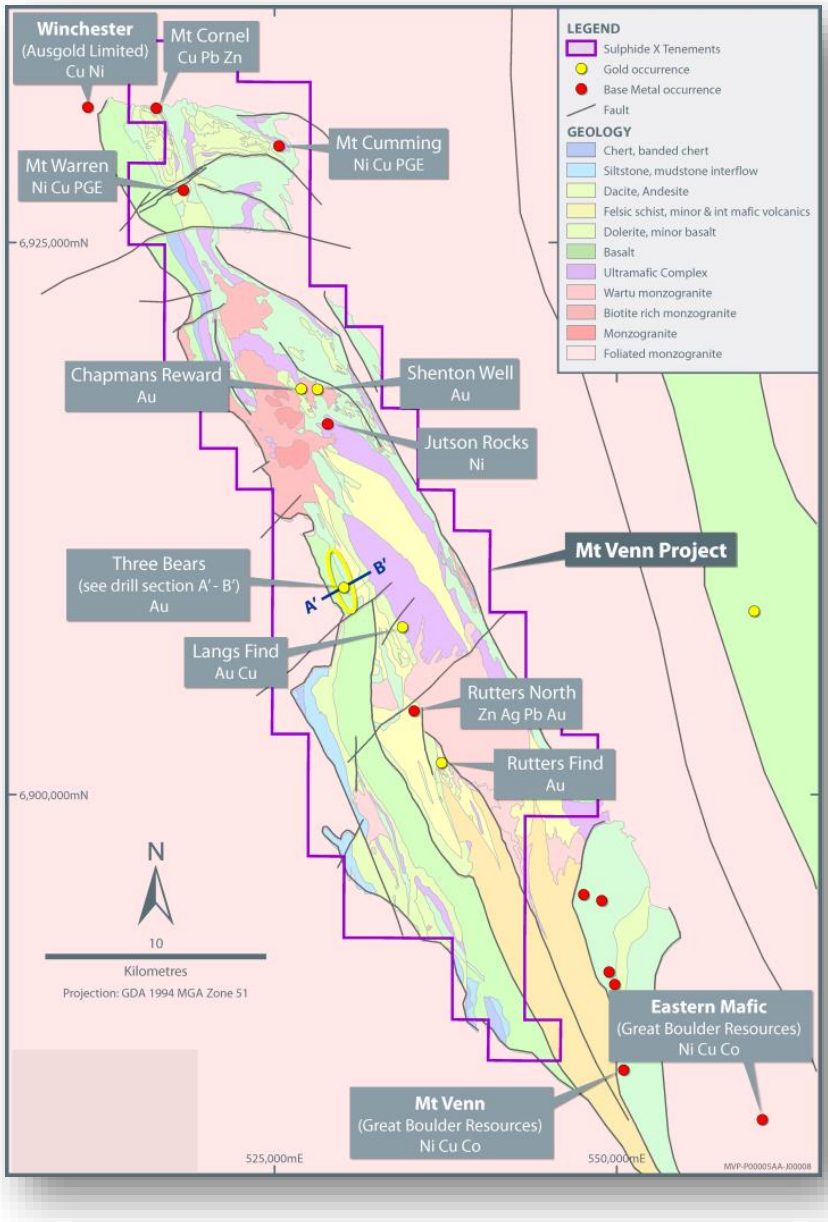


Figure 3. *Identified exploration targets within the Mt Venn Greenstone Belt*

Chapman's Reward - The first discovery of gold was officially reported in 1923 by the State Prospecting Party's ('SPP') discovery of several existing pits, at Chapman's Reward (currently excised but amalgamation has been applied for), following numerous high-grade quartz veins, in schist or gneiss, with widths of up to 5m and specks of fine gold. Selected sampling from pit walls and dump material by the SPP were encouraging with assays up to 201g/t Au (Results of SPP sampling shown below in Table 1 – Source: The WA Department of Mines 1923 Annual Report.)

Prospect	MGA94_51_East	MGA94_51_North	Sample	Au Ozs total/t	Au g/t	Comments
Chapman's Reward	535585	6918398	1	0.075	2.33	Jutson's/Chapman's - auriferous flat lying qtz vein in workings
Chapman's Reward	535585	6918398	2	2.765	85.99	Jutson's/Chapman's - 1 to 2m qtz vein in workings
Chapman's Reward	535585	6918398	3	1.410	43.87	Jutson's/Chapman's - 30cm qtz vein in same pit as 2
Chapman's Reward	535585	6918398	4	6.467	201.13	Jutson's/Chapman's - qtz vein mulloch from same pit as 2&3
Chapman's Reward	535585	6918398	6	5.363	166.79	Jutson's/Chapman's - qtz vein mulloch from same pit as 2&3
Chapman's Reward	535585	6918398	7	0.213	6.61	Jutson's/Chapman's - qtz vein in workings
Chapman's Reward	535585	6918398	8	2.454	76.33	Jutson's/Chapman's - qtz vein near workings
Chapman's Reward	535585	6918398	10	0.075	2.33	Jutson's/Chapman's - qtz vein near workings
Chapman's Reward	535585	6918398	11	0.029	0.91	Jutson's/Chapman's - qtz vein near workings
Chapman's Reward	535585	6918398	13	1.425	44.32	Jutson's/Chapman's - qtz vein mulloch near working as sampled by 16
Chapman's Reward	535585	6918398	14	0.356	11.08	Jutson's/Chapman's - 2m wide qtz vein in workings on 350^0
Chapman's Reward	535585	6918398	16	0.044	1.36	Jutson's/Chapman's - <1m wide qtz vein in workings

Table 1. Coordinates and descriptions of State Prospecting Party's 1923 rock chip sampling undertaken at Chapman's Reward results converted to Au g/t

For personal use only

Notes:

- Sample locations are noted in the WA Department of Mines 1923 Annual Report (Geological Survey of Western Australia, 1924). Coordinates are not included however the location descriptions are deemed sufficient to enable the relocation of samples points
- g/t Au results have been converted from pennyweight (dwt)
- The Exploration Results have not been reported in accordance with the JORC Code 2012
- A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- Nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- The acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

From 1925, a total of 26.65 ounces of gold was recovered from 15.24 tonnes of ore at an average grade of 54.39 g/t gold from Chapman's Reward (GML 215OT).

Cazaly Resources Limited conducted rock chip sampling in September 2018. The results are shown below in Table 2.

SampleID	GDA_East	GDA_North	Prospect	Date_Sampled	Comments	Au ppm
CF001	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein in 20^{0}working at Chapman's Reward 15-50cm wide. Gneiss, minor amphib and chlorite schist	0.22
CF002	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein in 20^{0}working at Chapman's Reward 15-50cm wide. Gneiss, minor amphib and chlorite schist	0.52
CF003	6917845	535663	Chapman's Reward	20/09/2018	as above with some pegmatite associated	0.54
CF004	6917845	535663	Chapman's Reward	20/09/2018	pegmatite vein from muloch at old workings Chapman's Reward	0.08
CF005	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein from mulloch in pegmatatie/gneiss and mica scist	8.18
CF006	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein from mulloch in pegmatatie/gneiss and mica scist	31.80
CF007	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein in 20^{0}working at Chapman's Reward 15-50cm wide. Gneiss, minor amphib and chlorite schist	0.25
CF008	6917845	535663	Chapman's Reward	20/09/2018	qtz feox vein in 20^{0}working at Chapman's Reward 15-50cm wide. Gneiss, minor amphib and chlorite schist	0.13

Table 2. Coordinates and descriptions of Cazaly Resources Limited's September 2018 rock chip sampling undertaken at Chapman's Reward results converted to Au g/t

Woomera intends to conduct drilling at Chapman's Reward during FY2020 once the ground covered by the expired prospecting licences have been amalgamated into the exploration licence. The proposed drilling will be to JORC Code 2012 standard.

Lang's Find – the SPP also took rock chip samples from Lang's Find with the sample locations and sample descriptions shown below in Table 3.

Prospect	MGA94_51_East	MGA94_51_North	Sample	Au Ozs total/t	Au g/t	Comments
Lang's Find	540550	6906870	17	6.692	208.13	Lang's Find - <1m qtz vein on 60^0 in workings
Lang's Find	540550	6906870	19	1.981	61.62	Lang's Find - qtz vein from dump with visible gold and chalcopyrite
Lang's Find	540550	6906870	20	5.315	165.30	Lang's Find - qtz vein from working 30m further NNE with visible gold

Table 3. Coordinates and descriptions of State Prospecting Party's 1923 rock chip sampling results undertaken at Lang's Find converted to Au g/t

Notes:

- Sample locations are noted in the WA Department of Mines 1923 Annual Report (Geological Survey of Western Australia, 1924). Coordinates are not included however the location descriptions are deemed sufficient to enable the relocation of samples points
- g/t Au results have been converted from pennyweight (dwt)
- The Exploration Results have not been reported in accordance with the JORC Code 2012
- A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- Nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- The acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Lang's Find has adjacent geochemical anomalies, none of which have been drilled. Woomera intends to conduct drilling at Lang's Find during FY2020 once the ground covered by the expired prospecting licences have been amalgamated into the exploration licence. The drilling will be to JORC Code 2012 standard.

Cazaly Resources Limited conducted rock chip sampling in September 2018 at Lang's Find. The results are shown below in Table 4.

SampleID	GDA_East	GDA_North	Prospect	Date_Sampled	Comments	Au ppm
LF001	6906876	540546	Lang's Find	20/09/2018	dollied qtz chip pile beside workings at Lang's Find	7.05
LF002	6906876	540546	Lang's Find	20/09/2018	60° 10cm qtz feox vein within shaft to ~20m at Lang's Find East end	4.66
LF003	6906876	540546	Lang's Find	20/09/2018	60° 10cm qtz feox vein within shaft to ~20m at Lang's Find West end	2.25
LF004	6906876	540546	Lang's Find	20/09/2018	15m further north, qtz vein from mulloch 60° qtz feox vein	15.60
LF005	6906876	540546	Lang's Find	20/09/2018	gossan float & o/c near Lang's Find	0.12

Table 4. Coordinates and descriptions of Cazaly Resources Limited's September 2018 rock chip sampling undertaken at Lang's Find

Mount Cumming - Between 1995 to 1997, Elmina NL undertook rock chip sampling with three samples (out of a total of 106) assaying >0.5g/t Au. All of these samples were associated with quartz veins in outcrop areas at Jutson Rocks (20.5g/t and 15.8g/t) and Mount Cumming (8.4g/t Au, 3.2% Cu and 3g/t Ag). (WAMEX Report A064708).

Sample	X_AMG	Y_AMG	Au_ppm	Au_Rp1	Au_Rp2	Cu_ppm
J83A	531920	6928960	4.9	2.1	8.2	32000

Table 5. Rock chip sampling results at Mount Cumming

In 1996, a regional soil sampling (1000m by 250m grid) was completed by Elmina NL which identified two large anomalous areas (Lang's Find and Mount Cumming) and several small anomalies. Infill soil sampling the following year (500m by 100m grid) identified four main anomalous clusters, located at Lang's Find, south-west of Mount Cumming, west of Rutter's Soak and east of Mount Scott. Most of the gold assays occurred in the 3 to 20ppb range, with the highest value of 720ppb being located 250m east of the above rock chip sample of 8.4g/t Au at Mount Cumming (WAMEX Report A064708).

None of the adjacent geochemical soil anomalies to Mount Cumming have been drilled.

Three Bears Prospect – Cazaly Resources Limited conducted two drilling programmes, in January and July 2017. The results confirm the presence of a large, wide gold mineralised system over 3km long. (Reference CAZ ASX releases 27 Feb 2017, 8 June 2017).

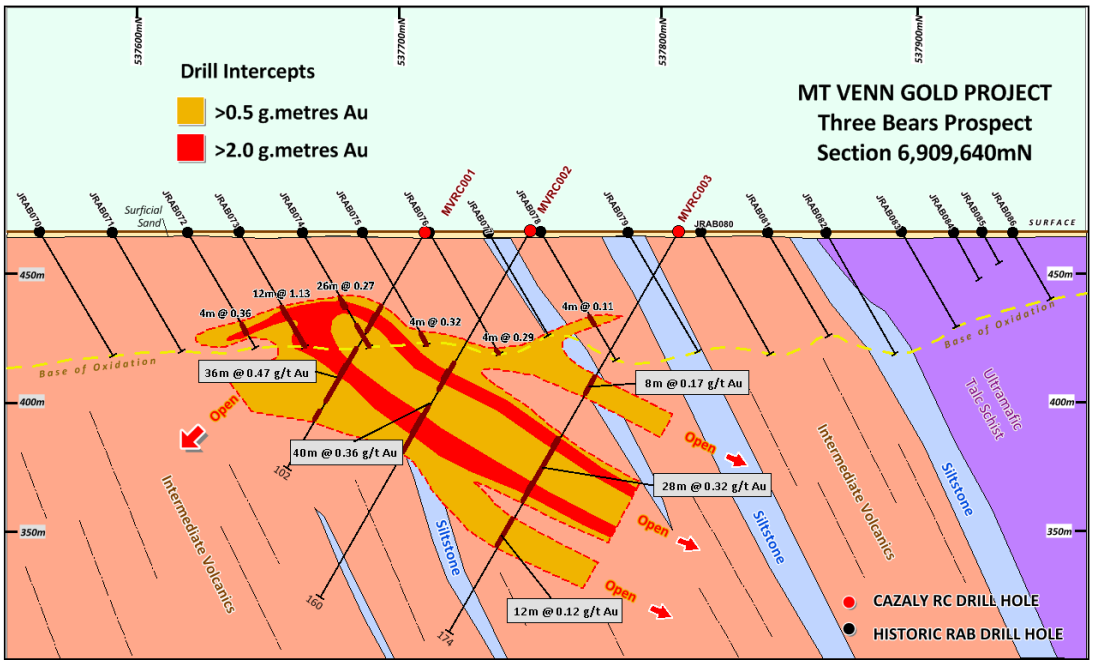


Figure 4. Three Bears Prospect Section 6,909,640mN

Nickel and Cu-Ni-Co Potential

Both ground and airborne electromagnetic surveys were completed in the northern tenement area including over the Mount Cumming and Mount Cornell ultramafic complexes. Numerous late time conductors were identified and interpreted as being potential sulphide sources in the basal contact zones of the mafic/ultramafic

For personal use only

intrusions (Figure 5). Note these positions are similar to the structural and stratigraphic setting of major nickel-copper massive sulphide deposits elsewhere in Western Australia.

RC drilling of a number of conductor targets did not intersect sulphides however, several conductors were not drill tested due to a lack of funds. A summary of the opportunities includes:

- Mt Cumming – 3 of 5 modelled Priority 1 Conductors not drilled to date
- Mt Warren – 200m long Conductor not drilled
- Mt Cornell – EM trend of 750m

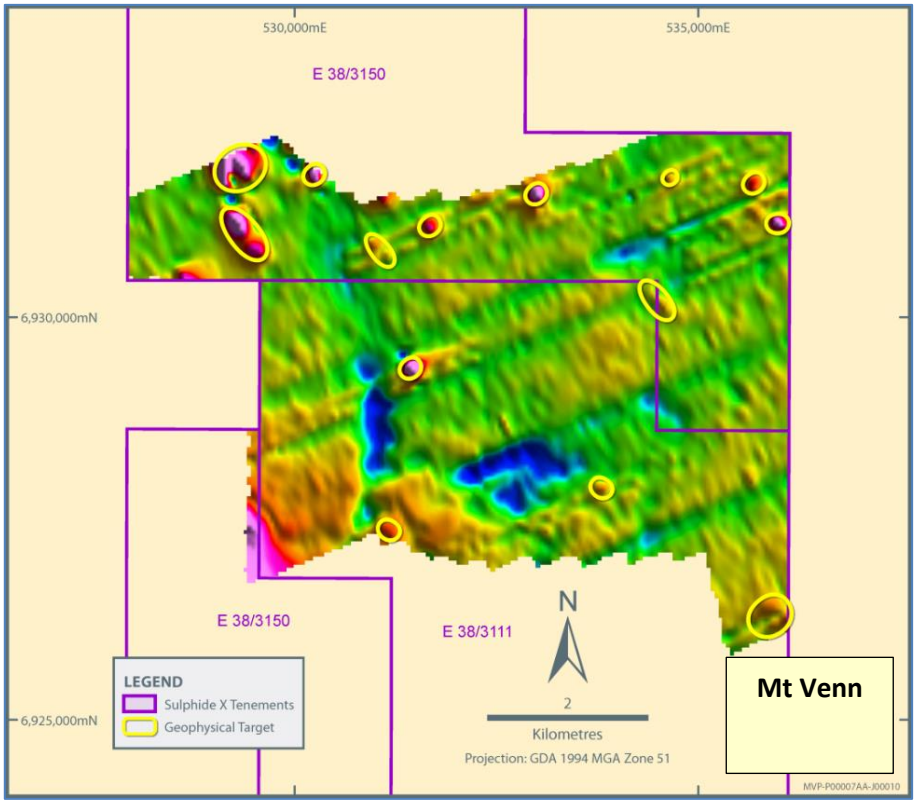


Figure 5. Mt Cumming and Mt Cornell EM Conductors

Another potential nickel target includes nickel in soil anomalies which yielded >700 ppm Ni and > 420 ppm Cu interpreted in komatiites and gabbros.

Base Metal Potential

The Rutters Zinc Prospect lies in felsic volcanics on the margins of the Wartu granite. Drilling intersected widespread and thick low grade zinc including 39m @ 0.23% Zn, 40 @ 0.12% Zn and 13m @ 0.25% Zn.

Whilst the zinc anomalism is low grade, it is possible its extensive development coupled with elevated gold, silver, arsenic, copper and lead occurring in felsic volcanics is indicative of potential volcanogenic massive sulphide mineralisation at depth. This is supported by the presence of pervasive pyrite alteration and coincident EM and IP anomalies.

Key Terms of the Heads of Agreement

Cazaly Resources Limited is an ASX listed public company. Yamarna West Pty. Ltd., is a wholly owned subsidiary of Cazaly. Yamarna is the owner of exploration licences E38/3111 and E38/3150 issued under the Western Australian Mining Act 1978. Yamarna is also the applicant for the amalgamation into E38/3111 of the land formerly the subject of expired prospecting licences P38/4149, P38/4150, P38/4151 and P38/4195.

Under the Heads of Agreement, the parties have agreed a framework for a detailed Share Acquisition Agreement and Joint Venture Agreement, which the parties are obliged to use their reasonable endeavours to negotiate

For personal use only

and execute on or before 20 August 2019. The Heads of Agreement specifies the key terms outlined below which have been agreed by the parties and must be incorporated into the final agreements.

It is agreed that Woomera will acquire 100% of the shares in Yamarna subject to the terms of the Heads of Agreement.

Prior to the Completion Date, expected on or before 20th August 2019, Yamarna will transfer to Cazaly a 20% undivided interest in the Tenements and contemporaneously with Completion, Cazaly will enter into an agreement with Yamarna which establishes an unincorporated joint venture under which the JV parties will hold the following interests:

Yamarna	80%
Cazaly	20%

The consideration comprises:

(a) a cash payment of AUD$900,000 comprising a deposit of $20,000 and a balance of $880,000 payable at Completion;

(b) a deferred cash payment of AUD$100,000 upon the ground covered by the Expired Prospecting Licences being amalgamated into E38/3111; and

(c) the issue of seven million (7,000,000) fully paid ordinary shares in Woomera at Completion (to be subject to a voluntary escrow of 12 months from the date of issue of the shares).

Key aspects of the Joint Venture are:

1. Stage 1 Exploration - Woomera to sole fund a total amount of $1,200,000 in exploration on the Tenements during the first 3 years of the Joint Venture.

2. Further Exploration - Woomera will free carry Cazaly to the completion of a Pre-Feasibility Study.

Woomera to ensure that exploration expenditure shall be sufficient to keep the Tenements in good standing.

Upon Woomera completing a Pre-Feasibility Study, Cazaly can elect to:

(a) contribute to ongoing JV expenditure in accordance with its 20% JV interest and otherwise dilute in accordance with the provisions of the intended unincorporated joint venture agreement, if such expenditure commitment is not met; or
(b) convert its JV interest to an ongoing net smelter royalty (NSR) of 2.0%.

WML will be appointed the Manager of the JV and will remain Manager whilst it has a majority interest.

The Share Acquisition Agreement is to be subject to customary conditions for a share acquisition and the good standing of the tenements, and will also be subject to Woomera successfully undertaking a fund raising of $3m by 20 August 2019 in order to fund the acquisition of 100% of the shares in Yamarna and to provide capital for exploration of the Tenements and working capital. Woomera may at its discretion still proceed with the acquisition if the fund raising is less than $3m.

WML is considering the nature of the fund raising in the best interests of shareholders during the negotiation and execution of the Share Acquisition Agreement and Joint Venture Agreement. The fund raising may include:

(a) An equity capital raising combining a placement to sophisticated and professional investors in conjunction with an offer to participate through an entitlement offer (or share purchase plan) to all shareholders, at a price determined in consultation with the sophisticated and professional investors. To the extent a placement is made in reliance of WML's placement capacity under ASX Listing Rule 7.1A, the placement will be in accordance with the minimum price required by the ASX Listing Rules;

For personal use only

(b) A convertible note issuance;
(c) A debt raising; or
(d) A hybrid of any of (a), (b) and (c).

Financial Year 2020 Exploration Plan

The acquisition of the Mt Venn assets will not materially alter the Company's commitment to continue plans to explore the Company's other key exploration projects. In addition to drilling at Mt Venn, the plan for FY2020 is for drilling to be undertaken at the Alcurra-Tieyon Project in the Musgraves, drilling in the Gawler Carton at Labyrinth and potentially at Nawa and drilling on the Company's Pilgangoora Lithium Project. The Company plans to also undertake soil sampling at Mt Cattlin following the calendar year 2019 harvest.

COMPETENT PERSONS STATEMENT

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Gerard Anderson, Managing Director of Woomera Mining Limited. Mr Anderson is a Member of the Australasian Institute of Mining and Metallurgy who has over forty-two years of experience in the field of activity being reported. Mr Anderson has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' relating to the reporting of Exploration Results. Mr Anderson consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Contact

Gerard Anderson
Managing Director
Woomera Mining Limited

Peter Taylor
Investor Relations
0412 036 231
Peter@nwrcommunications.com.au

About Woomera Mining Limited

Woomera Mining Limited (Woomera) is an ASX listed exploration company based in Adelaide, South Australia with an extensive minerals tenement portfolio prospective for Copper, Lithium, Gold, Uranium, Iron Ore, Nickel and Cobalt. The Woomera tenement package includes tenements in the Musgrave Province of South Australia (**Musgrave Alcurra-Tieyon Project**). The Company also has tenements in the Gawler Craton which are considered prospective for IOCGU deposits, Cu-Ni-Co deposits, RE and Precious Metals. Woomera's tenement portfolio also includes 9 granted tenements and 3 tenement applications in Western Australia including 2 tenements and 1 tenement application in the Pilbara region of WA (**Pilgangoora Lithium Project)**, 3 lithium tenements near Ravensthorpe (**Mt Cattlin Lithium Project),** 1 lithium tenement and 1 tenement application at Binnerengie near Lake Cowan and several WA lithium brine prospects over Lakes Tay, Sharpe, Dundas and Dumbleyung (**Lakes Lithium Projects**).

For personal use only

For personal use only

ANNEXURE 1.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• 24 reverse circulation (RC) drill holes for 3,147m, 116 air core (AC) drill holes for 4,995m and 138 rotary air blast (RAB) drill holes for 2,546m were completed by Yamarna West Pty Ltd (**YAM**) to variable depths. • All sampling was conducted using Cazaly Resources Ltd (**CAZ**) protocols including industry best practice QAQC procedures including duplicates and standards. • RC samples were collected in 1 metre intervals from a rig mounted cyclone with attached cone splitter. The dry samples were split into a bulk sample (green bag) and a representative 3kg split (calico). All 1 metre samples were lined up in rows of 20 beside the hole. Damp or wet samples were collected in green bags and spear/scoop sampled. • Composite samples were collected from each 1metre bulk green bag using a sample spear to ensure a representative sample was combined from 2-4 metre intervals, depending on the geologist's instructions. In some intervals, only 1 metre cone split representative samples were collected for analysis. • RAB and AC samples were collected off a rig mounted cyclone in buckets and placed on the ground beside the hole in 10 sample rows. Composite samples consisting of representative scoop samples were collected from the sample piles in 1-4 metre intervals, depending on the geologist's instructions. • 3kg composite samples were sent to Bureau Veritas in Perth, sorted, crushed and pulverized to -75µm, split to produce a 40g charge for either Fire assay (RC) or Aqua Regia digest (RAB, AC) analysis for gold. Samples were also analysed for Al, Fe, Mn, V, Ag, As, Ba, Bi, Co, Cr, Cu, Mo, Ni, Pb, Sb, Sc, Te, Tl, W and Zn by ICP and OES or MS finish. • 21 Grab rock chip samples from surface outcrops were completed by YAM
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling by YAM utilized a face sampling percussion hammer with $5^1/_2$ inch bits • AC drilling by YAM utilized a face sampling blade or hammer bit with a nominal hole diameter of 80mm • RAB drilling by YAM utilized a blade bit

Criteria	JORC Code explanation	Commentary
		and open hole sample collection method with a nominal hole diameter of 80mm
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results 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.*	• YAM RC, AC and RAB drill recoveries were visually estimated. • All RC samples were dry and no significant ground water was encountered. Sample recovery was estimated to be good. Some sample loss was encountered at the top of hole • YAM AC and RAB sample recovery was mostly estimated to be good. Some wet samples were encountered in RAB drilling at the bottom of hole. These are <1% of samples collected and were recorded in geological logs. • Drill cyclones were cleaned regularly
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 YAM drill chips were geologically logged on site by geologists following the CAZ logging scheme. • Logging recorded depth, colour, lithology, texture, mineralogy, mineralization, alteration and other features. • All YAM drill holes were logged in full
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.*	• YAM 1 metre RC drill samples fall through a rotary cone-splitter directly below the rig mounted cyclone. A 2-3 kg sample is collected in an pre-numbered calico bag, and lined up in rows with the corresponding plastic bag. The majority of samples were dry, wet or dry samples were appropriately recorded. • YAM AC and RAB 1metre drill samples were laid out on the ground in 10 metre rows. A 2-4 metre composite sample (2-3 kg) was collected using a metal scoop, into pre-numbered calico bags. The majority of samples were dry, wet or dry samples were appropriately recorded. • Duplicate field sample composites were collected in YAM RC drilling at the rate of 2 samples per hole • Appropriate sampling protocols were used during YAM RC, AC and RAB composite sampling. These included scoop or spear collection at various angles through bulk 1 metre sample bags or piles to maximize representivity.
Quality of assay data and laboratory tests	• *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, 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.*	• All YAM RC samples were analysed using a 40g charge Fire Assay with an AAS finish which is industry standard for gold analysis. A 40g aqua regia digest with an MS finish has been used for AC and RAB samples which is industry standard for low level gold analysis. This is considered a partial digest

For personal use only

Criteria	JORC Code explanation	Commentary
	• *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.*	Technique however in weathered samples it is considered to approximate a total digest assay. • Samples were also analysed for Al, Fe, Mn, V, Ag, As, Ba, Bi, Co, Cr, Cu, Mo, Ni, Pb, Sb, Sc, Te, Tl, W and Zn by ICP and OES or MS finish. • Field duplicate samples were submitted with each sample batch at a rate of 1 per 25 samples. The laboratory inserted standards, blanks and duplicate samples. Results are within tolerable limits
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.* • *Discuss any adjustment to assay data.*	• All YAM data has been checked internally by senior CAZ staff • CAZ is yet to collect 1m splits within significant composite sample intercepts for assay. Duplicate composite samples show repeatable values with acceptable tolerances within significant intercepts where available • Field data is collected using Field Marshal software on Toughbook computer. The data is validated using Micromine software in the office. • No adjustment to assay data has been made
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 YAM location points were collected using handheld GPS in MGA 94 – Zone 51
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.*	• YAM RC drill holes were drilled at varying spacing from 40m to 100m depending on the target and geology. AC and RAB drilling were drilled at 100m x 150m and 100m x 50m depending upon the targeting and the geology. This AC/RAB spacing was utilized for first pass testing of targets. Further RC drilling is considered necessary before being of sufficient density for Mineral Resource estimation • Four metre composite samples have been collected for YAM RC drilling via spearing. Four metre composite samples have been collected for RAB/AC drilling using a metal scoop
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 mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• YAM RC drilling at -60 degrees towards the west (270) has appeared to confirm the interpreted east dipping stratigraphy minimizing lithological bias. RC drilling is considered sufficient to confirm primary mineralized structure orientation dipping to the east. AC/RAB drilling is not sufficient to confidently predict orientation of structural mineralisation • No sampling bias is identified in the YAM RC drill data

For personal use only

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• YAM RC samples were delivered by CAZ staff directly to the laboratory depots in Leonora and Kalgoorlie. The laboratory managed secure transport of samples from regional depots to the Perth laboratory
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• YAM Data is audited and reviewed in house using Datashed and Micromine as well as visual audits by senior staff.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• All drilling in this report is located within granted E38/3111, which is held 100% by CAZ through wholly owned subsidiary company Yamarna West Pty Ltd (**YAM**). YAM signed an Access Agreement for exploration with The Yilka Native Title Claimant group and the Cosmo Newberry Community. These groups have Native Title over the area through a registered claim and Cosmo Newberry Aboriginal Reserve. • The tenement is in good standing with no known impediments
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic holders of the Project area include Global Metals Exploration NL, Elmina NL, Asarco Exploration Company and Kilkenny Gold NL • 86 RAB holes for 2,181m, 54 AC drill holes for 1,594m and 41 RC drill holes for 6,768m was undertaken by Global Metals Exploration in 2011-12 which highlighted gold mineralization in shallow weathered basement at the “Central” prospect known today as “Three Bears” • Elmina, Asarco and Global Metals geochemical sampling included 4,644 auger samples, 453 rock chip samples and 7,135 soil samples which has identified a number of other gold and base metal anomalies
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Orogenic Archean gold mineralization associated with major shears is targeted at the Mt Venn Project. Base metal mineralization is also targeted. The geology of the mineralization is not yet known due to the lack of information collected to date.

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*
		• Refer to tables and body of text within this announcement for drill hole locations and results.
		• Low level geochemical information has been used from YAM and historic drilling to help identify trends or the “footprint” of gold and base metal mineralization. This is summarized in figures and maps and considered appropriate.
		• A nominal 0.2g/t gold and 0.02% Zn, 0.02% Cu and 1g/t Ag lower cut-off has

For personal use only

For personal use only

Criteria	JORC Code explanation	Commentary
	○ *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.*	been used and reported as significant in the context of the first pass drilling at a grassroots stage of exploration.
Data aggregation methods	• *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.* • *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.*	• No top cuts have been applied when reporting results • First assay from the interval is reported (Au1) • Aggregate sample assays are calculated using a length weighted average • Significant RC assay results have been reported based on >0.10g/t Au, 0.02% Cu, 0.02% Zn and 1g/t Ag. • Significant AC/RAB assay results have been reported based on >0.10g/t Au, 0.02% Cu, 0.02% Zn and 1g/t Ag • A representative "gram metre" value has been calculated and presented in parts of the report using industry standard calculations based on "g/t gold x metre interval" aggregate over an anomalous intercept length. This intercept is based on plus 0.10g/t Au, 0.02% Cu, 0.02% Zn and 1g/t Ag values and contains no more than one interval of waste. This representation of grade is considered appropriate for the style of mineralisation. • No metal equivalent values are reported
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 drill hole 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 (eg 'down hole length, true width not known').*	• Mineralisation intersected in YAM RC drilling appears oblique to the orientation of the drill holes. Reported mineralization down hole is considered to be closely representative of true widths. However, more information is required to confirm true width of mineralization. • Orientation of mineralisation intersected in YAM RAB/AC drilling is not known and therefore true widths of mineralization is not known
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.*	• Refer to Maps, Figures and Diagrams in the document
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.*	• All YAM drill hole locations are reported and a table of significant intercepts is provided in previous ASX announcements by parent company Cazaly Resources Ltd (ASX: CAZ)
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;*	• All meaningful and material information is reported here and in previous ASX announcements by parent company Cazaly Resources Ltd (ASX: CAZ)

Criteria	JORC Code explanation	Commentary
	bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg 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.*	• Further Heritage Survey, drilling, ground geophysical surveys, geological mapping and prospecting is being planned and is expected to commence within Q2-3 2019

For personal use only