Keras Resources plc / Index: AIM / Epic: KRS / Sector: Mining

14 February 2017

**Keras Resources plc ('Keras' or 'the Company')**

**Initial High Grade Resource at Copenhagen Deposit, Warrawoona Project**

Keras Resources plc is pleased to announce an initial Inferred Mineral Resource at the Copenhagen Deposit, which along with the Company's flagship Klondyke Gold Project ('Klondyke'), comprises the Warrawoona Gold Project ('Warrawoona') in the East Pilbara Gold Belt of the Pilbara Goldfield of Western Australia.

**Overview**

- Inferred Mineral Resource of 180,000t @ 6.1 g/t Au ('gold') for 36,000oz at the Copenhagen deposit
- Total Inferred Mineral Resource Inventory for Warrawoona now stands at 5.8Mt @ 2.2g/t Au for 410,000oz
- Resource covers 140m of strike of the area and is calculated to a maximum depth of 100m
- High-grade resource, which could potentially be exploited using open-pit mining methods, could assist in rapid payback of the development of Warrawoona
- Significant further upside – deposit remains open both down dip and along strike
- Rock chips along strike show potential for significant expansion
- Copenhagen will be a priority drill target post the proposed ASX listing

Keras Managing Director Dave Reeves said:
*"In addition to adding an high-grade gold resource to our existing resource inventory at Warrawoona, today's news also confirms our belief in the prospectivity of the wider project area as we target delineating over one million ounces of gold through further drilling. With only 300m of the known 6km of strike in the Copenhagen shear drilled, including an undrilled zone of high-grade mineralisation 3km along strike at the Coronation Project, we are keen to press on with further exploration work as soon as possible.*

*"Being able to generate a high-grade resource so rapidly is one of the aspects that attracted us to the Warrawoona area. Having access to high-grade, open-pittable resources is a huge benefit for any potential mining development as it assists with rapid payback of the project. With this in mind, further exploration and development of Klondyke and the wider Warrawoona Project remains Keras' short term strategic focus following the proposed ASX listing. We anticipate being in a position to announce further news on the ASX process in the near future."*

**Further Details**

GeoServ, an independent Perth based consultancy, was engaged by Keras in January 2017 to undertake a review of the Copenhagen gold deposit and use the recently completed drilling and historic dataset to calculate a Mineral Resource at the asset.

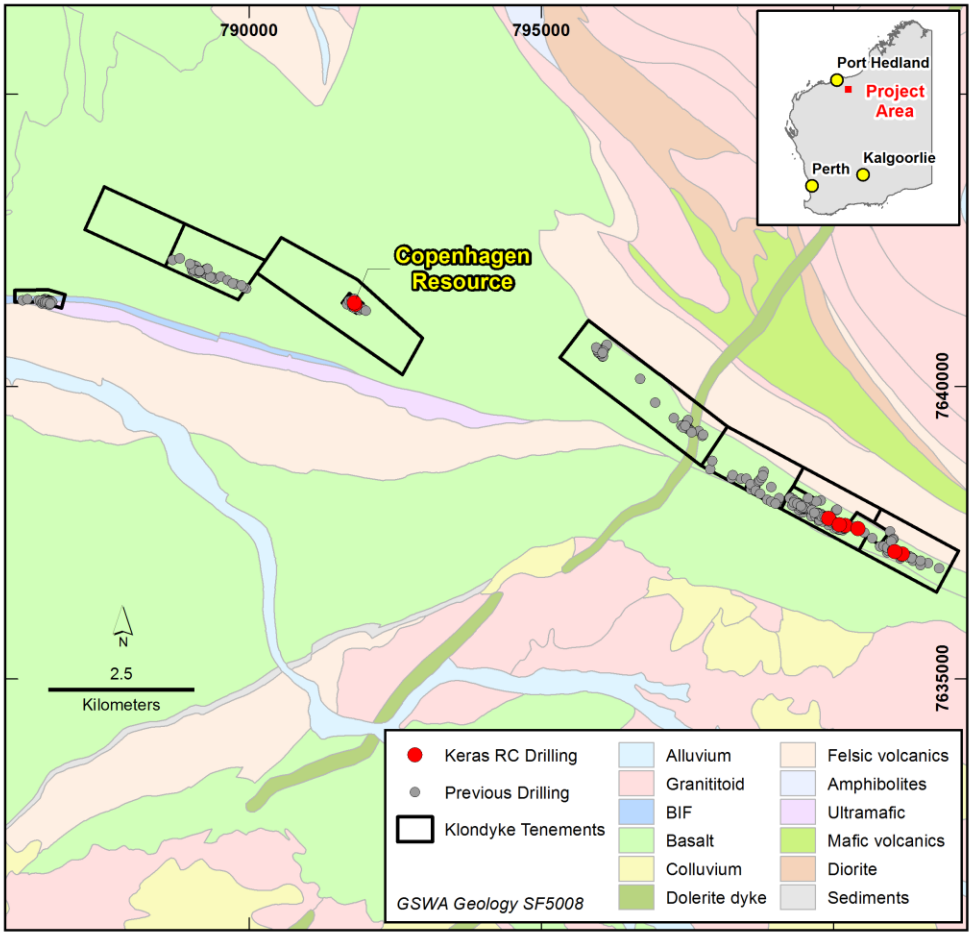
The Copenhagen gold deposit is situated in the East Pilbara District of the Pilbara Goldfield of Western Australia, approximately 190km southeast of Port Hedland and approximately 15km southeast of the town of Marble Bar.

Copenhagen, comprising one mining lease covering 6.0705 hectares, is located within the historic Warrawoona Mining Centre and owned by Haoma Mining NL, with Keras assuming role of operator by way of a five year right to mine, with accompanying right to purchase.

Historically gold mineralisation has been known to occur in the area in the Archaean Warrawoona Syncline in “auriferous reefs within mafic, ultramafic and sedimentary schists” (Snowden, 1997). Most historic gold production is thought to be derived from a belt of chlorite schists containing laminated banded quartz veins. The mineralisation is interpreted as shear zone controlled and related to fuchsite and sericite-chlorite-carbonate-silica-pyrite alteration along a marker black chert horizon (Snowden, 1997).

Mining development at the deposit was primarily by surficial workings and fossicking prior to the Second World War, then post war, via open cut completed in the 1980s. Pre-war, mine production is put at 260.4t @ 20.87g/t Au, with poor recoveries due to primitive metallurgical operations resulting in a recovered grade of only 4.11g/t Au for 34oz. Post-war mine production is put at 51,000t @ 4.61g/t Au and was treated via heap / vat leach. Recorded recoveries for the vat operation of 67.91%, when applied to the input material of 48,900t @ 4.49g/t Au (3,000t @ 7.4/pt Au was stockpiled), gives total post-war gold production of 4,792oz Au.

Figure 1: Location of Copenhagen Resource




Estimation via inverse distance cubed was undertaken on two modelled domains interpreted at the deposit, utilising top cuts where necessary, to yield a Mineral Resource as shown in Table 1.

Table 1 – Copenhagen Mineral Resource Estimation Results above a 0.5 g/t Au Cut-Off

| | **Tonnes** | **Au (g/t)** | **Ounces** |
|---|---|---|---|
| **Inferred** | 180,000 | 6.1 | 36,000 |
| ***Total Resource*** | **180,000** | **6.1** | **36,000** |

The inability to verify various work methodologies contributing to data collection for the project, as well as some questions over assay accuracy has led to the classification of all resources as Inferred. A plausible way forward at the project is to conduct concerted drilling programmes along targeted cross sections and further comparing the results of the new drilling with those of the old. A position can then be taken as to the veracity of historic data with a view to upgrading resource classifications.

Full details of the resource estimate are contained in the JORC table 1 which is attached to this release.

Table 2 – Total Mineral Resources Warrawoona Project at a 0.5g/t cutoff

| Inferred Resources | Tonnes | Au (g/t) | Ounces |
|---|---|---|---|
| **Klondyke** | 5,600,000 | 2.08 | 374,000 |
| **Copenhagen** | 180,000 | 6.1 | 36,000 |
| | | | |
| ***Total Resource*** | **5,780,000** | **2.2** | **410,000** |

***Competent Persons Statement***

The Information in this report that relates to Mineral Resources is based on information compiled by Mr. Daniel Saunders, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Saunders is a director of GeoServ Pty Ltd, an independent geological consulting company. Mr. Saunders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Saunders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

For further information please visit www.kerasplc.com, follow us on Twitter @kerasplc or contact the following: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**Notes**

Keras has a portfolio of owner-operated gold interests and potentially cash generative joint venture gold projects. The Company's strategy is focussed on advancing its owner-operator gold interests towards production whilst concurrently identifying and assessing low risk, high margin joint venture operations to enable further cash flows. The Company benefits from an experienced management team, which has extensive gold experience and is based in Perth, reducing execution risk.

***Gold Projects***

Warrawoona Gold Project – Western Australia

- Contains the primary Klondyke Gold Project and the Copenhagen Gold Deposit
- Total Inferred Mineral Resource Inventory of 5.8Mt @ 2.2g/t Au for 410,000oz
- Active growth strategy – continue to assess additional opportunities in the project area to add contiguous lease areas to the critical mass that has been consolidated

***Tribute Gold Projects***

Keras has a portfolio of tribute mining agreements in the Kalgoorlie Goldfield, Australia and is targeting 20,000-30,000oz gold per annum from these assets.

***Wider Portfolio***

Keras is currently awaiting a mining permit for its Nayega Manganese Project in Togo. Once received it will look to develop the asset into a low-cost export mining operation.

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

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| ***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 Copenhagen project was sampled using RC and diamond drilling from surface. Data for a total of 50 RC holes for 2875.5m were available to GeoServ. Holes were drilled in various orientations but most commonly to the south-west, orthogonal to the overall strike of the mineralisation. Holes were almost exclusively drilled at -60 degrees dip on a variable spacing approaching 25m x 25m. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Records show RC samples were collected at one metre intervals by a riffle splitter mounted to the drill rig cyclone where details exist. The method of sample collection in other cases is unknown. Diamond drilling was sampled at variable intervals constrained to observed features and the main vein. QAQC records were not sighted. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report.* | RC drill holes were sampled at one metre intervals exclusively and split at the rig to achieve a target 2-5 kilogram sample weight. Samples were prepared via the standard approach used by commercial gold labs, then assayed presumably using aqua regia. |
| ***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).* | Recent Keras RC drilling employed a diameter of 140mm (5.5”). Drilling was completed using face sampling hammer with hole depths 78m to 102m. Drilling completed prior to Keras used unknown hammer configuration with depths ranging 43m to 207m. Diamond core sizes drilled are not known, with holes ranging in depth from 133m to 418.2m. Core is assumed not to have been orientated as no structural information is available. Down hole surveys were completed using a single shot camera. |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Where recorded RC sample recovery is noted as being generally good.. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | RC recoveries were visually checked for recovery, moisture and contamination. |
| | *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.* | Insufficient information is available to determine whether a relationship exists between sample recovery and grade. Available reports suggests that recovery was generally good and as such it is not expected that any such relationship would have a significant effect on any global estimate. |

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| ***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.* | RC chips were geologically logged using predefined lithological, mineralogical and physical characteristic (colour, weathering etc) logging codes. RC logging was completed on one metre intervals at the rig by the geologist or on geological or lithological intervals for diamond core. It is reported that chip trays were collected for each of the RC intervals and that diamond core was placed into trays and stored on site. Neither the chip trays or diamond core were available to review for holes other than those drilled by Keras. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Logging was qualitative in nature. |
| | *The total length and percentage of the relevant intersections logged.* | 100% of all recovered intervals were geologically logged. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Based on available reports diamond core was cut in half longitudinally with half submitted for analysis and the other half retained in core trays. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | RC samples were collected from the full recovered interval at the drill rig by riffle splitter. Water content in historic RC samples is unknown. Keras RC samples were drilled dry. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The sample preparation techniques employed by each of the laboratories include oven drying at 120°C for 8 hours before being pulverised to achieve a grind size of 85% passing 75 micron. For pre-Keras drillholes, procedures are unknown. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | Unknown. |
| | *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.* | Unknown. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The sample sizes collected are in line with standard practice however the high nugget nature of mineralisation suggests increased sample sizes would be more appropriate. As for all precious metals deposits, larger samples sizes provide better 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.* | Majority of assays were completed at unknown laboratories. Keras samples were analysed at SGS Kalgoorlie via fire assay. |

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| | *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.* | NA. |
| | *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.* | Unknown. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.* | NA. |
| | *The use of twinned holes.* | Keras holes were used as confirmatory holes. Results confirmed grades and widths of historic intercepts. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Earlier primary data was collected using paper logs and transferred into Excel spreadsheets for transfer into the drill hole database. MS Access is used as the database storage and management software and incorporates numerous data validation and integrity checks using a series of predefined relationships. GeoServ suspects not all drill data from the project may be hand. |
| | *Discuss any adjustment to assay data.* | Adjustments made to the assay data were limited to the replacement of below detection results with half the applicable detection limit. |
| ***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.* | Data provided by Norton Goldfields – accuracy assumed and verified during pickup of Keras collars using DGPS. |
| | *Specification of the grid system used.* | The grid system used is MGA94 Zone 50. All reported coordinates are referenced to this grid. Original data has been transformed from AMG84 Zone 50. |
| | *Quality and adequacy of topographic control.* | Topographic control is based on aerial survey data collected using 2m contours. Quality is considered acceptable. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.* | Drilling has been completed on a variable grid approaching 20mX x 20mY, drilled orthogonal to the strike of mineralisation. |
| | *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.* | The degree of geological and grade continuity demonstrated by the data density is sufficient to support the definition of Mineral Resources. |

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| | *Whether sample compositing has been applied.* | Samples have been composited to one metre lengths using a minimum acceptable length of 0.75m. The majority of samples were collected on 1-metre intervals and as such very few composites were rejected for failing to achieve the minimum length. Those composites which failed to achieve this minimum were analysed and due to their small number and consistent assay statistics were not likely to introduce bias nor affect the quality of the resource estimate. |
| ***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.* | The gold mineralisation at Prince of Wales manifests as a main narrow quartz vein striking approximately 095 and dipping steeply (80°-90°) to the south. Several subordinate veins exist parallel and oblique to the main vein. Drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. As such the orientation of drilling is not likely to introduce a sampling bias. |
| | *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.* | The orientation of drilling with respect to mineralisation is not expected to introduce any sampling bias. |
| ***Sample security*** | *The measures taken to ensure sample security.* | Measures employed to ensure sample security are unknown. |
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | No auditing or review has been undertaken on the data informing this Exploration Target. |

## Section 2 Reporting of Exploration Results

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| ***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 Copenhagen Gold Project is situated in the East Pilbara District of the Pilbara Goldfield of Western Australia, approximately 190km SE of Port Hedland and approximately 20km SE of the town of Marble Bar. The project, comprising four mining leases and covering 6.0705 hectares, is located within the historic Warrawoona Mining Centre with 100% beneficial interest owned by Haoma Mining NL. |
| | *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 tenements are in good standing and no known impediments exist. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | The Copenhagen area is thought to have been discovered as a result of the gold rushes to the Pilbara in the late 1880s and is reported to have produced 4800oz Au. Modern exploration has been undertaken by the Geological Survey of Western Australia (GSWA) followed by a number of explorers in the mid-1980s and then from 1994 to the present day. During this period Fortuna and haoma were the preminent explorers. Drilling information from these explorers has been reviewed and included as part of this Mineral Resource estimate, with the respective confidence in the quality considered in assignment of the Mineral Resource classification applied. |

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| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | The Copenhagen mining leases lie within the Warrawoona Group, one of the oldest greenstone belts within the Pilbara Craton. Composed largely of high-Mg basaltic lavas with lesser tholeiite, andesite, sodic dacite, potassic rhyolite, chert and banded iron formation (BIF), all metamorphosed to greenschist facies, the Warrawoona Group is sandwiched between the Mount Edgar Granitoid Complex to the north and the Corunna Downs Granitoid Complex to the south. Four deformation events are recognised in the area; the earliest is schistosity developed parallel to the margin of the Corunna Downs Batholith. The second deformation is local and involved tight isoclinal folding. The third deformation event is represented by intense shear zones which are associated with gold mineralisation. The shears are steep dipping to near vertical and are considered to have a reverse movement. The gold mineralisation is localised within the zone of intense shearing and carbonate and sericite alteration.<br><br>At Copenhagen, a strongly sheared, carbonated zone denoted the lode. It is hosted by a lesser altered ultramafic talc-chlorite schist, which is in turn bounded by chert. |
| ***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:*<br><br>*easting and northing of the drill hole collar*<br><br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br><br>*dip and azimuth of the hole*<br><br>*down hole length and interception depth*<br><br>*hole length.* | Refer to Appendix 1 |
| ***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.* | All reported assays have been length weighted. No top-cuts have been applied in the compilation of length weighted grades for reporting of exploration results. A nominal lower cut-off grade of 0.5g/t Au is applied, with up to two metres internal dilution. |
| | *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.* | High grade gold intercepts within broader lower grade intercepts are reported as included intervals. |

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| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalents values are used for reporting of exploration results. |
| ***Relationship between mineralisation widths and intercept lengths*** | *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | The gold mineralisation identified to date at the Copenhagen project consists of a number of interpreted mineralised veins striking approximately 120 and dipping sub-vertically. Resource drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. |
| ***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.* | NA |
| ***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.* | NA |
| ***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.* | Mapping has been completed and is presented in various reports. Some are reproduced in the following compilation. |
| ***Further work*** | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* | Intensive exploration and resource development work is planned for 2017 as part of a concerted effort to re-establish the project, including RC drilling and geological interpretation. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Currently unknown. |

## Section 3 Estimation and Reporting of Mineral Resources

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| ***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.* | Earlier primary data was collected using paper logs and transferred into Excel spreadsheets for transfer into the drill hole database. Details on the import of assay data are not recorded however is assumed that they are imported from digital files. |
| | *Data validation procedures used.* | All drill holes within the Access database were imported into Surpac and plotted This process performs an internal check of the data and lists any areas where there are overlapping samples, inconsistent sample intervals, or negative intervals and visual checks completed to ensure all holes plotted correctly and that they aligned with the topography. This process did not identify any issues which may have a material effect on the result. Assays were plotted and reviewed on each hole together with the lithology logged for each interval. |
| ***Site visits*** | *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* | The Copenhagen project was visited by GeoServ Perth Pty Ltd employees in 2012 during which time mapping and geological reconnaissance across all tenements was completed. |
| | *If no site visits have been undertaken indicate why this is the case.* | NA |
| ***Geological interpretation*** | *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* | Confidence in the geological interpretation is good given the strong visual nature of mineralisation. |
| | *Nature of the data used and of any assumptions made.* | The geological interpretation is based on available logging information and no assumptions have been made. |
| | *The effect, if any, of alternative interpretations on Mineral Resource estimation.* | The strong structural control of mineralisation and its observed relationship to shearing effectively precludes any alternate interpretation. There remains possibility that higher grade zones may be related to secondary cross cutting structures however this is yet to be tested and insufficient information currently exists to reflect this. |
| | *The use of geology in guiding and controlling Mineral Resource estimation.* | Geological surface mapping including structural observations were incorporated into the Mineral Resource estimate and assisted with providing support for the mineralisation interpretation. |

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| | *The factors affecting continuity both of grade and geology.* | The presence of main lode and its outer ultrmafic host is considered a marker horizon, with mineralisation generally constrained to the Copenhagen Shear. The continuity of grade is likely to be affected by the nuggetty nature of gold mineralisation and the variable nature (width and continuity) of the host quartz veins. |
| ***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.* | A total of 2 individual lenses reflecting gold mineralisation above a nominal cut-off of 0.2g/t Au were generated. These lenses dip sub-vertically and strike approximately 120. Lenses vary in width from a few metres to tens of metres, although average 3-4 metres, and have strike lengths between 50m to 200m. Mineralisation extends to depths between 50 and 70 metres below surface. |
| ***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. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* | Grade estimation was completed using Inverse Distance Cubed (ID3). Surpac software was used to generate the resource block model and to estimate the gold grades.<br><br>Drill hole sample data was flagged within the database with the corresponding domain as defined by the interpreted solids. Sample data was composited to 1m intervals within each of the flagged domains and investigated for the application of top-cuts.<br><br>Grade was estimated into each of the mineralisation objects, each flagged as a unique domain within the block model to allow appropriate constraint of the composite data and estimation. |
| | *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* | Various historical mineral resource estimates have been completed on the Copenhagen project. Each has employed significantly different methodology and techniques however they broadly reflect the grade and tonnage obtained in this estimate. No recent mine production has been recorded. |
| | *The assumptions made regarding recovery of by-products.* | No assumptions have been made regarding the recovery of by-products. |
| | *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* | No estimates of elements other than gold, deleterious or otherwise, have been completed. |

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| | *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* | The Copenhagen block model employs parent blocks with dimensions 10mX x 10mY x 10mZ representing approximately half the average drill spacing in northing and easting. Sub-blocking down to 2.5mX x 2.5mY x 2.5mZ allowed accurate resolution of the wireframe volumes. Grades were estimated into parent blocks only, with sub-blocks being assigned the value of their corresponding parent. Discretisation was set to 3X x 3Y x 3Z for all domains.<br><br>Search distances for estimation were set at approximately the maximum continuity of the variogram model. The minimum (4) and maximum (16) samples were defined based on available composites and spatial distribution and were constant across all domains. |
| | *Any assumptions behind modelling of selective mining units.* | Selection of the block size was based on available drilling data and is therefore significantly larger than any anticipated SMU. |
| | *Any assumptions about correlation between variables.* | No assumptions were made about correlation between variables. |
| | *Description of how the geological interpretation was used to control the resource estimates.* | The geological interpretation was used to guide the generation of mineralisation domains. Domains are used as hard boundaries to constrain sample data and blocks for estimation. |
| | *Discussion of basis for using or not using grade cutting or capping.* | Top-cuts were applied via the use of a relative difference approach in which the composites were ranked and their relative difference plotted graphically to determine values at which the continuity of grades disintegrated. Of the 2 domains, both had a top-cut applied. The relevant top-cut value was based on the highest value at which composites showed a constant distribution. |
| | *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | Validation of the block model involved graphical review of the assay data against the block grades. Overall this showed that generally the block grades reflected the assay grades, although with a smoother distribution. Also important was investigation of the respective tonnages being estimated, with good correlation between composites and blocks more important in those zones reflecting large tonnages i.e. the majority of the tonnes generate good correlations between composites and blocks.<br><br>No reconciliation data was available for inclusion in the validation. |
| ***Moisture*** | *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | All tonnages are estimated on a dry basis. |

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| ***Cut-off parameters*** | *The basis of the adopted cut-off grade(s) or quality parameters applied.* | A nominal cut-off of 0.2g/t Au was applied to the interpretation of the Copenhagen prospect in order to assist with generating continuity of mineralisation. The reporting of Mineral Resources is done at 0g/t Au cut-off. |
| ***Mining factors or assumptions*** | *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | Given the shallow nature of mineralisation, existing pit void and flat topography, mining is likely to be completed initially using standard open pit mining techniques. No assumptions on mining methodology have been made. |
| ***Metallurgical factors or assumptions*** | *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | Little metallurgical data has been sighted. |
| ***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.* | No assumptions have been made. |
| ***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 measurements, the nature, size and representativeness of the samples.* | Assignment of bulk density values to the block model were assumed based on average measurements for the lithology types encountered at Copenhagen. Bulk densities are assigned based on weathering state. |

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| | *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* | Bulk density determinations have not been completed and instead use assigned values based on average densities of similar lithological units. Drilling has not identified the presence of any voids nor significant differences between lithologies and alteration zones. |
| | *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | Application of bulk density values was based on a series of surfaces representing transitional and fresh oxidation RL's. |
| ***Classification*** | *The basis for the classification of the Mineral Resources into varying confidence categories.* | Classification of the Mineral Resource considered the interpretation confidence, drilling density, demonstrated continuity, estimation statistics (conditional bias, kriging efficiency), estimation pass and block model validation results. |
| | *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* | Use of aqua regia may mean some undercall of grade especially in areas of coarse gold mineralisation. The validation of the block model shows good correlation between input data and block grades. |
| | *Whether the result appropriately reflects the Competent Person's view of the deposit.* | The assignment of the Mineral Resource classifications reflects the Competent Person's view of the deposit. |
| ***Audits or reviews*** | *The results of any audits or reviews of Mineral Resource estimates.* | No audits or review have been completed for the Mineral Resource 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 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 relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. |
| | *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.* | The statement relates to the global estimates of tonnes and grades. |
| | *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | No production data relating to modern grade estimates are available. |