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ASX Limited  
Company Announcements Office

**ASX : FNT**

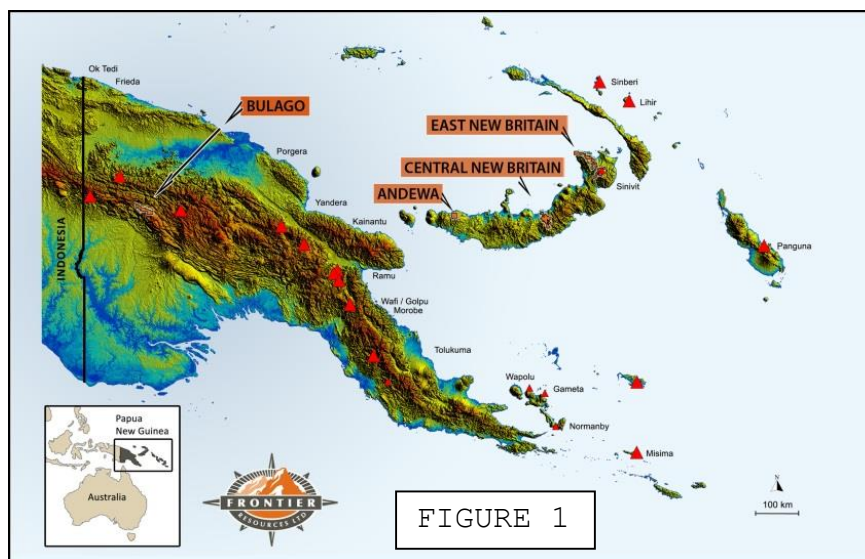
29th July 2015

## TECHNICAL REPORT – QUARTER ENDED 30th JUNE 2015

Frontier Resources Ltd (ASX : FNT) is focussed on mineral exploration in Papua New Guinea and its 100% interest in the Bulago Exploration Licence (EL) (Figure 1). The EL is highly prospective for the discovery and delineation of intrusive related high grade gold, copper+/- gold +/-molybdenum porphyries, associated polymetallic skarn and epithermal gold deposits.

An Entitlements Issue offered eligible shareholders the opportunity to subscribe for one new fully paid ordinary share in the Company for every one share held on the Record Date at an issue price of \$0.002 per share. Total applications under the Entitlements Issue and shortfall offer totalled 200,495,790 Shares for \$400,991.58, representing 52.56% of all shares offered.

On May 25th, Frontier announced that it had signed a Heads of Agreement with GoldRidge Community Investment Limited (GCIL), the Solomon Islands Landowner company that owns 100% of the Gold Ridge Mine/Project on Guadalcanal Island to acquire an 80% interest of the Gold Ridge Mine/Project. Consideration included equity in FNT shares and deferred carry of GCIL's 20% interest into production.



Subsequently on 22nd June 2015, Frontier announced that GCIL had not negotiated in good faith or exclusively with Frontier as required by the terms of the Heads of Agreement and negotiations were terminated, with Frontier to seek recovery of costs from GCIL.

### DETAILS - GOLD RIDGE PROJECT

Consideration to GoldRidge Community Investment Limited for Frontier acquiring 80% of the Gold Ridge Mine/Project, was to have been a 20% deferred carried interest into production, repayable from 50% of GCIL's pro-rata share of future profit, plus the issuance of 19.9% share equity in Frontier, plus the deferred issuance of 4.98% share equity in Frontier one year from the Commencement of the Joint Venture.

Gold Ridge is a low strip ratio gold mine with multiple open pits and a 2.5 million tonne per annum Carbon in Leach processing plant; it is located in the highly mineralised Charivunga Valley, about 40km south-east of the capital of Honiara. The Mine includes the Kupers, Dawsons, Namachamata and Valehaichichi pits and all are located in close proximity to the processing facility (Figure 2).

Total Mineral Resources were estimated to contain 3.18 million ounces of gold, within 64.2 million tonnes grading 1.5 g/t gold (St Barbara Limited Gold Ridge Resources and Reserve Statements dated June 30<sup>th</sup> 2014 and issued to the ASX on August 27<sup>th</sup> 2014 and that Table below).

Total Ore Reserves were estimated to contain 0.67 million ounces of gold, within 14.6 million tonnes grading 1.4 g/t gold. The Total Reserves are included within the Total Resources, are tabulated below by area and were reported with the qualification that they are economic based on the on-going mine plan, but the operation was suspended.

Key terms of the Heads of Agreement to form a Joint Venture (JV) were:

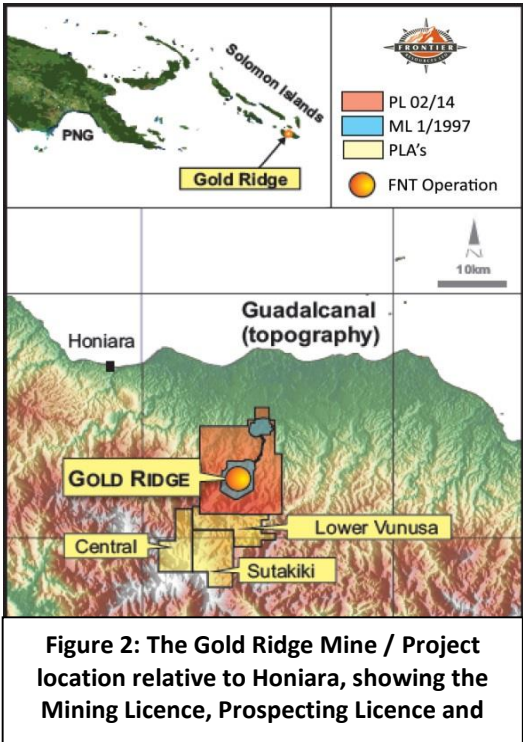
- GCIL will grant Frontier an 80% direct interest in the Project (i.e. Frontier will be transferred 80% of GCIL's shares in Australian Solomons Gold Pty Ltd (ASGL), the ultimate holder of the Project).
- Frontier will carry GCIL's portion of the capital and operating costs in ASGL that are required to recommence mining /processing and exploration on a loan account. Frontier will be repaid by GCIL from 50% of its portion of future profits.
- Frontier will issue GCIL shares in Frontier so that GCIL will hold a 19.9% interest. GCIL will then own a total direct and indirect interest in the Mine / Project of 35.9%.
- GCIL will (when appropriate) sell one quarter of its 19.9% equity in Frontier to obtain operating capital and will budget it to meet its goals, establish appropriate businesses and assist the community.

Frontier will issue GCIL a deferred 4.98% of the Company's share capital, in ordinary shares, one year after the Joint Venture Commencement date, Venture provided that GCIL's interest does not exceed 19.9% of the issued capital of the Company.

- GCIL will appoint 1 Executive Director to the Board of FNT-Landowner Paramount Chief Mr Walton Naezon.
- The Heads of Agreement formed the basis of the proposed Joint Venture Agreement granting Frontier an exclusivity period to the end of June 2015, however, both parties aimed to finalise the JV Agreement by May 29<sup>th</sup> 2015, if possible. Frontier had no knowledge of any impediments to finalising the JV Agreement.

**Chairman Peter McNeil M.Sc. commented:**

*A Heads of Agreement to form a Joint Venture has been signed with the Gold Ridge Landowners through their company GoldRidge Community Investment Limited (GCIL). Frontier Resources Ltd will acquire an 80% interest in the Gold Ridge Mine / Project that contains approximately 3.2 million ounces in Total Resources.*



**Figure 2: The Gold Ridge Mine / Project location relative to Honiara, showing the Mining Licence, Prospecting Licence and**

As consideration, Frontier will issue a 19.9% equity in Frontier, in its ordinary shares, to GCIL and deferred carry their 20% interest into production, being repayable from 50% of their future pro-rata profits. GCIL will then have a total project equity of 35.9%. GCIL will also be issued a deferred 4.98% equity of Frontier, in its ordinary shares, one year after the Joint Venture Commencement Date.

The Agreement is an excellent outcome for Frontier, the Gold Ridge Landowners, the Gold Ridge Mine, its future workforce and the Solomon Islands; we have created a new Melanesian resource ownership model for mining assets needing re-vitalisation, with enhanced landowner management plus significant project



**The Gold Ridge Mine processing plant and open pits (St Barbara photo looking south).**

equity and future profits potential. GCIL will sell a quarter of its 19.9% equity in Frontier to obtain operating capital.

Subject to shareholder and regulatory approvals, GCIL's Chairman and regional Landowner Paramount Chief, Mr Walton Naezon will be appointed an Executive Director of Frontier. Mr Naezon will work with the Executive Directors in promotion, management and overall operations of the Gold Ridge Mine /Project.

Mr Naezon was Mining & Energy Minister (1997-2001), Minister of State Government (2001-2003) and Minister for Commerce (2003-2005). Walton successfully negotiated GCIL's purchase of Gold Ridge from St Barbara and he will provide the local communities/ landowner tribes with control and direct responsibility over the exploitation of and pro-rata profits from the mineral resources on their land.

The landowners understand that their communal and individual actions affect when the mine will operate again and if it will be profitable. Frontier's Board and Management will provide the guidance necessary to ensure that the first Melanesian 'owned' mine succeeds. GCIL and Frontier believe that their partnership will give investors greatly increased confidence in the ultimate viability of the Gold Ridge Mine, by removing the main historic obstacle to success.

Frontier Resources will focus on bringing the Gold Ridge Mine back into production as soon as possible, subject to a Feasibility Study. We will also commence exploration and resource infill drilling, to attempt to demonstrate significantly enhanced Total Resources and Reserves, targeting a larger and higher grade gold zone to enable a more robust and significantly longer life mine. There are very good near mine drill targets for further exploration.

GOLD RIDGE MINE TOTAL RESOURCES AND TOTAL RESERVES												
RESOURCES	Total			Measured			Indicated			Inferred		
Project Area	Tonnes	Gold		Tonnes	Gold		Tonnes	Gold		Tonnes	Gold	
		Grade g/t	Ounces		Grade g/t	Ounces		Grade g/t	Ounces		Grade g/t	Ounces
Dawsons	19,883,000	1.4	863,000	1,056,000	1.4	48,000	15,932,000	1.3	666,000	2,895,000	1.6	149,000
Kupers	13,306,000	1.3	544,000	2,640,000	1.5	127,000	7,662,000	1.2	291,000	3,004,000	1.3	126,000
Charivunga	25,342,000	1.9	1,530,000	-	-	-	8,437,000	1.5	410,000	16,905,000	2.1	1,120,000
Valehaichichi	4420000	1.3	187,000	435,000	1.3	18,000	3,118,000	1.3	128,000	867,000	1.5	41,000
Namachamata	768000	1.7	41,000	166,000	2.0	11,000	457,000	1.7	24,000	146,000	1.4	6,000
Stockpiles	443000	0.7	10,000	443,000	0.7	10,000						
<b>Total RESOURCES</b>	<b>64,162,000</b>	<b>1.5</b>	<b>3,175,000</b>	<b>4,740,000</b>	<b>1.4</b>	<b>214,000</b>	<b>35,606,000</b>	<b>1.3</b>	<b>1,519,000</b>	<b>23,817,000</b>	<b>1.9</b>	<b>1,442,000</b>
RESERVES	Total			Proved			Probable					
Project Area	Tonnes	Gold		Tonnes	Gold		Tonnes	Gold		Tonnes	Gold	
		Grade g/t	Ounces		Grade g/t	Ounces		Grade g/t	Ounces		Grade g/t	Ounces
Dawsons	7,215,000	1.5	348,000	739,000	1.6	39,000	6,476,000	1.5	309,000			
Kupers	3,933,000	1.5	186,000	1,693,000	1.7	91,000	2,240,000	1.3	95,000			
Charivunga	2,834,000	1.3	120,000	61,000	1.1	2,000	2,774,000	1.3	118,000			
Valehaichichi	192,000	1.5	9,000	96,000	1.7	5,000	95,000	1.3	4,000			
Namachamata	-	-	-	-	-	-	-	-	-			
Stockpiles	443,000	0.7	10,000	443,000	0.7	10,000	-	-	-			
<b>Total RESERVES</b>	<b>14,617,000</b>	<b>1.4</b>	<b>673,000</b>	<b>3,032,000</b>	<b>1.5</b>	<b>147,000</b>	<b>11,584,000</b>	<b>1.4</b>	<b>526,000</b>			

#### Positive factors associated with the project include:

- 3.2 million ounces of gold in Total Resources, plus excellent continuing exploration potential.
- Processing plant infrastructure is intact (with selective vandalism), but requires new electrical power generators, conveyor rebuild, laboratory and office equipment etc. Some mining equipment remains onsite, including 5 haul trucks and a 114,0 tonne 6m<sup>3</sup> bucket excavator.
- Landowner ownership of the project and increased transparency will create trust and certainty for all stakeholders, including the Company, landowners, Solomon Island Government and investors.
  - This new model puts 100% responsibility on the landowners and community for their full assistance to ensure a smooth and potentially profitable mining operation.
  - As such, marginal local interests will no longer exert any significant influence on key stakeholder decisions.
  - Importantly this new landowner resource ownership model resolves that Frontier will not be responsible for community support and 'necessities' as this is/will be the responsibility of GCIL.
- Gold Ridge is logistically well located; only 50 minutes drive to the SE of Honiara. It is connected by an all-weather gravel road that is scheduled to be upgraded by the Solomon Islands Government.
- The mess and accommodation block is in good condition, powered and readily habitable.
- Significant quantities of various spare parts and other consumables / items remain onsite.

- All new houses for displaced landowners have been completed. The Solomon Islands Government is responsible for associated infrastructure such as schools and medical aid posts.

**Current and historic challenges with the project include:**

- The Mining Lease, Prospecting Licence and PL Applications are located on the lower to upper northern slopes respectively of Mount Chaunapaho and the area has a tropical maritime monsoonal climate.
- The Tailings Storage Facility is the major issue with the project that needs to be resolved. Cyclonic rainfall on April 2<sup>nd</sup> 2014 caused extensive damage to the mine site access and a loss of storage volume in the Tailings Storage Facility, prompting the suspension of mining operations.
- St Barbara Ltd is providing GCIL with a water treatment facility for the Tailings Dam (by the end of August 2015), to allow pumping of the water to reduce its level.
- The Solomon Islands Government gave permission last week to Gold Ridge Mining Ltd (GCIL's operating subsidiary) to build a large, new spillway to help protect the integrity of the Tailings Storage Facility from future major rain events.
- Illegal mining by various people has been occurring in the pits, however their removal will be facilitated and maintained by GCIL.

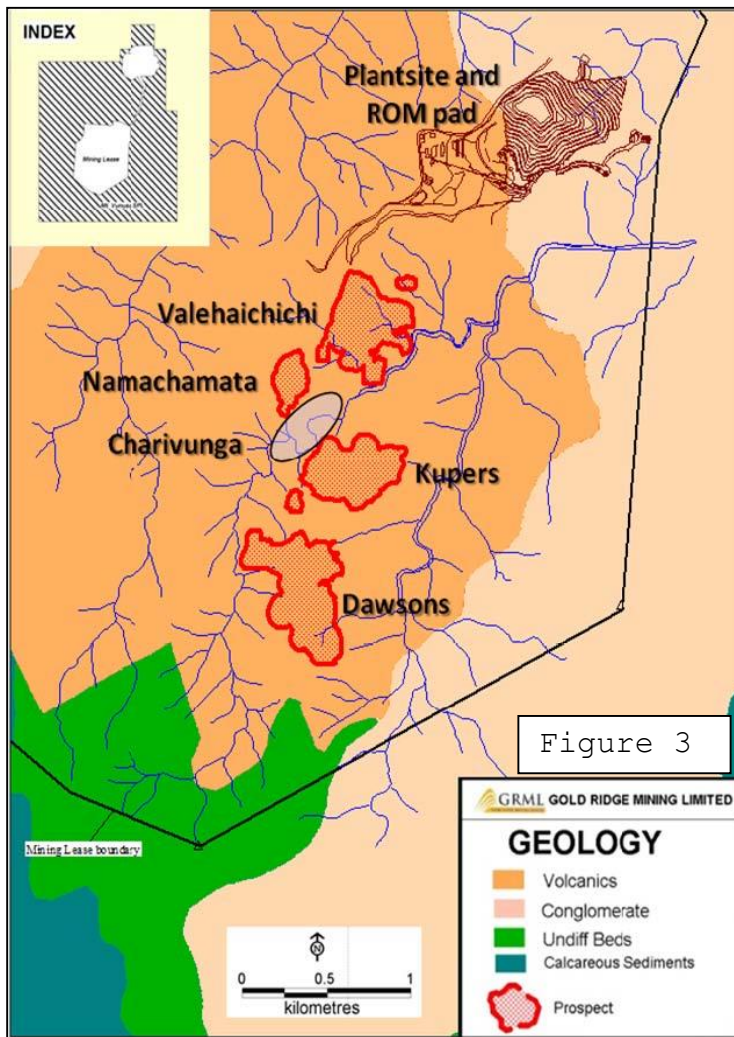


Figure 3

The Gold Ridge Mining Lease (No1/1997) was granted on March 12<sup>th</sup> 1997 and is valid for 25 years, with a 10 year renewal option. The Project also currently consists of Prospecting Licence 02/14, that surrounds the ML and Prospecting Licence Applications Lower Vunusa, Sutakiki and Central, that are located to the South of the ML.

Ross Mining started the Gold Ridge Mine and was subsequently acquired by Delta Gold NL. Delta invoked *Force Majeure* on June 5<sup>th</sup> 2000, during the Ethnic Conflict on Guadalcanal Island, between the Guadalcanal Gwale people and migrants from neighbouring Malaita Island; the Australian Federal Police RAMSI mission subsequently restored law and order.

The Gold Ridge Mine was purchased by Australian Solomons Gold Ltd (ASGL) from American Home Assurance (AHAC) on 30 May 2005. Part of the acquisition consideration was a deposit of US\$20 million. The agreement also provided for additional payments to be made at various points in the redevelopment process. The parties renegotiated the remaining amount due in February 2009 and the debt of US\$20 million was satisfied by the payment of US\$2.5 million cash and the establishment of a fixed production payment income stream of US\$15 per ounce recovered from the Gold Ridge Mining Lease.

Allied acquired ASGL, completed a A\$150 million refurbishment/expansion of the existing processing plant, increased capacity from 2.0 to 2.5 million tonnes per annum and put the mine back into production successfully in March 2011. St Barbara Limited purchased Allied Gold for £360 million in cash/script in mid-2012 and operated the mine for less than 2 years. The Sale document notes Gold Ridge had Total Mineral

Resources containing 2.5 million ounces of gold, including Probable Ore Reserves containing 1.1 million ounces of gold. The Simberi Mine (in Papua New Guinea) was included in the purchase of Allied and it had Total Resources containing 6.5 million ounces of gold, including Total Proven and Probable Ore Reserves containing 2.0 million ounces of gold. The Gold Ridge Total Resources in mid-2012 were therefore approximately 38% of the Simberi Mines Total Resources at a similar gold grade, but Gold Ridge had lower gold recoveries.

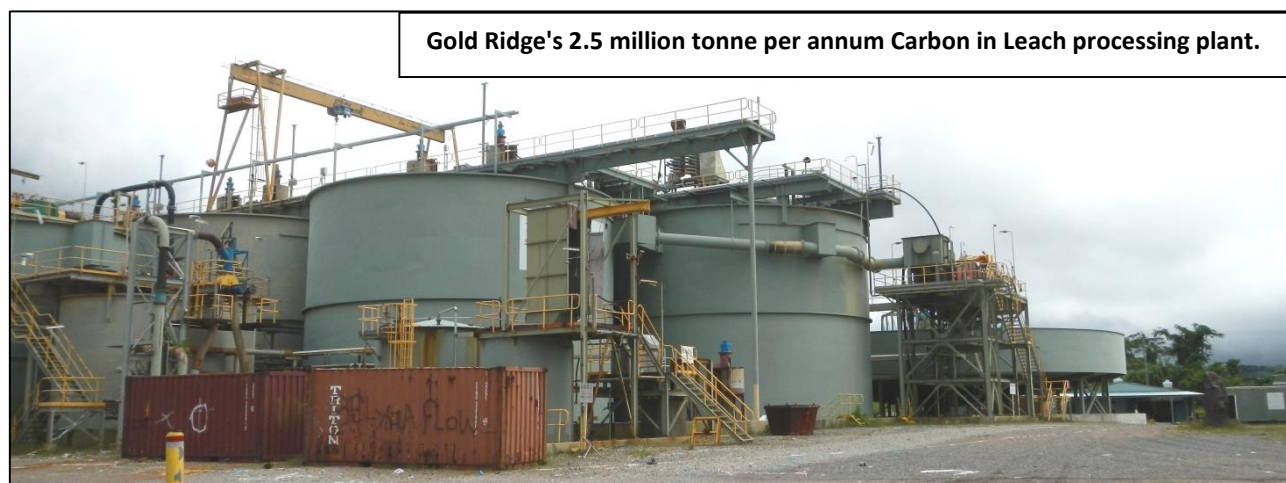
The low-sulphidation epithermal /intrusion related Gold Ridge gold deposits are hosted by shallow dipping volcanoclastics. Gold mineralisation is associated with intense argillic alteration in moderately to steeply dipping structures, plus with low angle to approximately bedding-parallel alteration zones, shears and veins that bifurcate from major NNE and NNW trending faults.

The new (unmined) Charivunga Zone (Figure 3) is more strongly gold mineralised than the average for the Gold Ridge Pits. Drilling has returned gold results including GDC0761, with 13m grading 2.3 g/t gold (from 48m), plus 15m grading 2.6 g/t gold (from 215m), plus 84m grading 2.0 g/t gold (from 313m) (St Barbara Presentation - ASX 28/10/2013). Guadalcanal Island is geologically highly prospective and underexplored for additional epithermal gold deposits plus porphyry copper- gold deposits.

#### **Additional capital was to be raised by Frontier to:**

- **Undertake a Feasibility Study to evaluate re-opening the mine as soon as possible, including to:**
  - Investigate repairing the CIL processing plant, conveyor, electrical systems, laboratory and mine offices. Frontier's initial due diligence has determined that the order of magnitude cost for this is approximately A\$30 million, plus required operating capital.
  - Investigate the Mine's future power requirements.
  - Address specific cost reduction opportunities for the Mine that include:
    - Better determining the metallurgical characteristics of the ore types and increasing mill recoveries and also through improved blending and run of mine pad (ROM) management.
    - Investigating the possible addition of a refractory gold processing / concentrating circuit to significantly increase the gold recovery.
    - Increasing plant throughput to the Mine's nameplate capacity, through plant optimisation.
    - Investigating upgrading the remaining mining fleet to maximise utilisation and increase the volume of ore hauled.
    - Improved grade control and mine planning measures.
- Investigate and rectify issues with the Tailings Storage Facility as appropriate and as soon as possible.
- Undertake diamond core drilling at Gold Ridge to attempt to increase the Total gold Resources and Reserves to ensure an enhanced and more economically robust mine with a significantly longer life.

Recent photographs of the Gold Ridge Mine





On 22nd June Frontier announced that GoldRidge Community Investment Limited had not negotiated in good faith or exclusively with Frontier as required by the terms agreed to in the Heads of Agreement (HoA announced to the ASX on May 25 th 2015) and negotiations were terminated.

Frontier intend to pursue the recovery of associated costs from GCIL. During the exclusivity period, GCIL allegedly conducted multiple negotiations with at least 11 other parties including the Solomon Islands Government via a Memorandum of Understanding for funding.

During negotiations Frontier conceded on each of the points as requested by GCIL, agreeing to a cash component totalling SBD\$25million (A\$4.4m) over 24 months (in lieu of the deferred 5% FNT shares), payment of a historic debt to the Landowners of SBD\$10 million (A\$1.6m) over 12 months and full liability for the Tailings Storage facility.

The proposed equity of 19.9% shares in FNT remained part of the proposed consideration and a second FNT Board of Director position was also offered to GCIL.

Chairman Mr Peter McNeil noted:

The Chairman of GCIL Mr Walton Naezon, GCIL Company Secretary Benjamin Afuga and GCIL Director Mr Thomas Mackenzie signed the Heads of Agreement on May 19th 2015. The Company provided GCIL with the first Draft of the JV on May 19th when both parties had agreed to use best efforts to finalise the JV by May 29th. GCIL, however did not present the Draft JV to their legal advisor until June 3rd and no direct comments were ever received by FNT.

Frontier conceded favourably on every issue that GCIL queried but they had already decided that they no longer wanted to negotiate on the terms of the HoA. Frontier became aware that GCIL was allegedly negotiating with other potential investors during the exclusivity period. GCIL then formally provided Frontier with an ultimatum to accept a JV based unrealistically on ownership of only the removable assets (chemicals and storage containers) onsite, but not the processing plant or resources, in violation of the spirit and intent of the Heads of Agreement. Negotiations were formally concluded late on Thursday 18th June and the Company requested a trading halt.

Frontier was committed to returning the mine to production and managing the lack of storage volume in the Tailings Facility Storage dam upon signing the JV. During the due diligence process, Frontier determined that GCIL misled the Company regarding permission to build a new spill way and believe that immediate action should be taken to decrease the level of water in the TSF to prevent the possibility of a dam wall breach.

## CORPORATE

A non-renounceable entitlements issue closed on 11<sup>th</sup> May 2015. The Entitlements Issue offered eligible shareholders the opportunity to subscribe for one new fully paid ordinary share in the Company for every one share held on the Record Date at an issue price of \$0.002 per share.

Entitlements Issue	Shares	Value
Shares validly applied for under the Entitlements Issue	108,577,298	\$217,154.60
Total Shortfall from Entitlements Issue	272,898,408	\$545,796.82
Shortfall Applications	91,918,492	\$183,836.98
Shortfall Remaining	180,979,916	\$361,959.83

Total applications under the Entitlements Issue and shortfall offer totalled 200,495,790 Shares for \$400,991.58 representing 52.56% of all shares offered. The Directors closed the Shortfall Offer under the Replacement Prospectus and consequently the remaining Entitlements Issue shortfall of 180,979,916 shares were not placed.

Board of Directors and Management roles were re-structured as a result of the Heads of Agreement that Frontier signed with GoldRidge Community Investment Limited (GCIL).

- Mr Peter A. McNeil resigned as Managing Director, but remains as Non-Executive Chairman / Director, with normal responsibilities and Chief Geologist oversight.
- Ms Paige S. McNeil was appointed Managing Director (previously Executive Director - Corporate).
- Mr Peter Swiridiuk was appointed Executive Director - Technical (previously a Non Executive Director). Peter works with the Executive Directors and Management and initially will be responsible all for technical aspects (except geology).
- The size and scope of the Board would evolve as required with the development of the project.
- Frontier would appoint additional Senior Management personnel as required.

Chairman Peter McNeil M.Sc. commented

*It gives me great pride to lead the Board of Frontier through this next phase of development. I have resigned as Managing Director to allow greater focus on the role of Chairman and to oversee the geology of this highly prospective and exciting project.*

*The Company is in very capable hands with Paige McNeil appointed as Managing Director and Peter Swiridiuk as Executive Technical Director; both professionals having the experience and exposure to effectively manage operations in the South Pacific.*

*I would like to take this opportunity to thank the many long term shareholders of Frontier. Your support over the last 12 years has allowed the Company to survive some extremely challenging times and to finally arrive at a very exciting destination in the Solomon Islands.*

### **Paige McNeil – Managing Director**

Paige McNeil (Grad DipEd, AGIA, GAICD) is a Corporate Governance practitioner with 17 years operational and administrative experience in the mineral exploration industry in Papua New Guinea, Australia and Canada. Paige was a Founding Director and Company Secretary for Kanon Resources Ltd (2003) and Quintessential Resources Ltd (2010) which were subsequently listed on the TSX-V and ASX respectively. She was responsible for the raising of \$10M in capital for Quintessential's exploration over 2 years. Paige was the former Administration Manager and Company Secretary for Frontier Resources (2006 and 2010).

Paige holds a Graduate Diploma in Corporate Governance from Governance Institute of Australia (2006) and is a Graduate of the Australian Institute of Company Directors (2008). She facilitates modules for the Governance Institute of Australia.

### **Peter Swiridiuk – Executive Technical Director**

Peter Swiridiuk, BSc (Hons), DipEd, MAIG has 25 years experience exploring for copper, gold, base metals, diamonds and coal. Peter was previously a technical consultant working on exploration projects in the Solomon Islands. Between 1997 and 2012, he spent substantial amounts of time managing exploration,



discovery and resource definition for projects in Papua New Guinea, including evaluation of data at Frieda River and as consultant geophysicist to Frontier Resources (2004-2013).

From 2007, he spent six years as Managing Director of ASX listed Coppermoly Limited where he attracted over \$32 million through IPO, capital raisings and a joint venture partner Barrick Gold Corp. While leading Coppermoly, over 2 billion pounds of copper, were delineated in two separate JORC resources on New Britain Island, Papua New Guinea.

Peter has also been a technical consultant working on projects in Australia, Philippines, Cyprus, Mexico and in Oman, where his exploration led to the discovery of two copper mines. Peter has authored numerous independent technical reports for the purpose of capital raisings.

#### **Peter McNeil – Non Executive Chairman**

Peter McNeil B.Sc. M.Sc. (Geochemistry) has 32 years continuous professional post-graduate mineral exploration industry experience, with 30 of those in Papua New Guinea. He has also worked in Tasmania, WA's Kimberley /NE Goldfields, Arizona-USA and Newfoundland-Canada. Peter was consultant site supervisory geologist on the 'discovery' holes of both the Nimary and Sunrise Dam gold ore bodies in WA, which became the largest and second largest gold discoveries in Australia during the 1990's totalling about 14 million ounces combined. Peter has 23 years corporate and managerial experience as a Chairman, Managing Director, Director, and President associated with several ASX and TSX-V listed companies.

Company Secretarial and Chief Financial Officer functions continue to be undertaken by Minerva Ltd.

Releases to the ASX during the period included:

22nd June 2015	Negotiations terminated to acquire 80% of the Gold Ridge Project, Frontier to seek recovery of costs from GCIL.
29th May 2015	Joint Venture negotiations continuing with GCIL regarding the proposed acquisition of 80% of the Gold Ridge Mine/Project.
25th May 2015	Modifications to Frontiers' Board of Directors and management roles.
25th May 2015	Frontier signs heads of agreement to acquire 80% of the Gold Ridge Mine/Project consideration is equity in FNT shares and deferred carry of GCIL's 20% interest into production.
14th May 2015	Closure of rights issue & shortfall offers.

For additional information relating to Frontier please visit our website at [www.frontierresources.com.au](http://www.frontierresources.com.au)

## **FRONTIER RESOURCES LTD**

P.S.McNeil, B.Ed, AGIA, GAICD

Managing Director

#### **Competent Person Statement:**

The information in this report that relates to Exploration Results, Mineral Resources and Ore Resources is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Chairman of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of exploration results.

<b>JORC CODE 2012</b>		
<b>Section 1 -- Sampling Techniques and Data</b>		
<b>Criteria</b>	<b>Explanation</b>	<b>Commentary</b>
<b>Sampling techniques</b>	o 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 whole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	<b>The information is historic</b> and was surveyed (averaged) utilising a handheld GPS, with reference to topographic maps etc. Logging normally included mineralisation, lithology, weathering, alteration, structure and texture. Sampling protocols and QAQC are as per industry best practice procedures.
	o Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Standard industry practice sampling procedures were followed.
	o 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 11m samples from which 3 kg was pulverised to produce a 30g 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.	
<b>Drilling techniques</b>	o 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.).	
<b>Drill sample recovery</b>	o Method of recording and assessing core and chip sample recoveries and results assessed	
	o Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	o 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.	
<b>Logging</b>	o 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.	
	o Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	
	o The total length and percentage of the relevant intersections logged	
<b>Sub-sampling techniques and sample preparation</b>	o If core, whether cut or sawn and whether quarter, half or all core taken.	
	o If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	
	o For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
	o Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
	o 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.	
	o Whether sample sizes are appropriate to the grain size of the material being sampled.	
<b>Quality of assay data and laboratory tests</b>	o The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Assaying techniques utilised can be considered to be appropriate. Acceptable levels of accuracy and precision were established with duplicate and repeat analyses by the laboratory.
	o 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.	
	o 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.	
<b>Verification of sampling and assaying</b>	o The verification of significant intersections by either independent or alternative company personnel.	
	o The use of twinned holes.	

	o	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
	o	Discuss any adjustments to assay data.	No adjustments/calibrations have been made to assays.
<b>Location of data points</b>	o	Accuracy + quality of surveys used to locate drill holes (collar + down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Not applicable. A hand held GPS (waypoint averaged) was used to determine drill collar locations.
	o	Specification of the grid system used. Quality and adequacy of topographic control.	Map datum is AGD 066. 40m contours - 1:100,000 plans
<b>Data spacing and distribution</b>	o	Data spacing for reporting of Exploration Results.	Refer to the attached plans for details relating to the data spacing of exploration results.
	o	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 current data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation.
	o	Whether sample compositing has been applied.	No sample compositing has been applied.
<b>Orientation of data in relation to geological structure</b>	o	Whether the orientation of sampling achieves unbiased sampling of possible structures to the extent this is known, considering the deposit type.	
	o	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.	
<b>Sample security</b>	o	The measures taken to ensure sample security	
<b>Audits or reviews</b>	o	The results of any audits or reviews of sampling techniques and data.	No specific audits or reviews of sampling techniques and data have been undertaken.

<b>Section 2 -- Reporting of Exploration Results</b>			
<b>Criteria</b>		<b>Explanation</b>	<b>Commentary</b>
<b>Mineral tenement and land tenure status</b>	o	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.	Exploration Licence (EL) 1595 -Bulago is located in Papua New Guinea's Hela Province and ELs are regulated under the Mining Act of 1992 (currently under review).  There are no agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and/or environmental issues associated with the EL.  The PNG National government under the Mining Act of 1992 currently has the right to acquire up to 30% of any project at the time of granting of a mining lease for the 'sunk cost'.
	o	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 tenement has no known impediments exist apart from the geographic isolation and the necessity for creating and maintaining good relationships with amicable, strongly development minded local landowners.
<b>Exploration done by other parties</b>	o	Acknowledgment and appraisal of exploration by other parties.	Exploration in the region was initiated in the late 1960s as part of a PNG porphyry copper deposit search. It was explored for gold initially in the early/mid 1980's, with little work since 1988.
<b>Geology</b>	o	Deposit type, geological setting and style of mineralisation.	High grade gold intrusive -epithermal related targets, higher grade gold -silver-zinc-lead magnetite skarns and porphyry copper-gold - molybdenum targets.
<b>Drill hole information</b>	o	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	
	o	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.	
<b>Data aggregation methods</b>	o	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 Material and should be stated.	Tables of results included show data aggregation if applied in trench/channel samples etc. No top cuts have been applied.
		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	If this occurs, it is stated in the text.
	o	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are reported.
<b>Relationship between mineralisation widths &amp; intercept lengths</b>	o	These relationships are particularly important in the reporting of Exploration Results.	
	o	If the geometry of the mineralisation with respect to 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 (e.g. 'down hole length, true width not known').	The 'down' outcrop or downhole sampled lengths have been reported because the geometry of the mineralisation with respect to the sampling orientation has not been properly constrained.
<b>Diagrams</b>	o	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.	Appropriate maps, sections and tabulations of intercepts are included.
<b>Balanced reporting</b>	o	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.	Summary reporting of Exploration Results has been completed.
<b>Other substantive exploration data</b>	o	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	All meaningful exploration data to hand has been included in this and previous releases.
<b>Further work</b>	o	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Future exploration and drilling is dependent on a capital raising to be undertaken.
	o	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Appropriate plans will be included, where possible in a later release documenting approved future work programs.