

Bedrock gold anomaly confirmed at Capstan

LEFROY EXPLORATION LIMITED

A Western Australian
Focused Gold Explorer

ASX Code: LEX

Shares on Issue:

80.0m

Current Share Price:

15.5c

Market Capitalisation:

\$12.4m

Board of Directors

Chairman
Gordon Galt

Non-Executive Directors

Michael Davies
Geoffrey Pigott

Managing Director

Wade Johnson

Flagship Exploration Project

Lefroy Gold Project

Growth Exploration Projects

Lake Johnston Project
Murchison Project

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Highlights

- Early stage reconnaissance aircore drilling at Capstan has intersected multiple shallow bedrock gold intersections
- The wide spaced 36 hole program evaluated a broad +20ppb Au surface gold anomaly defined by auger sampling
- Promising shallow gold intersections returned from the drilling program include:-
 - 4m at 0.54g/t Au from 52m in LEFA351
 - 4m at 0.47g/t Au from 56m in LEFA335
 - 3m at 0.50g/t Au from 56m in LEFA336
 - 8m at 0.25g/t Au from 52m in LEFA325
- The results are associated with altered dolerite host rocks within a stripped regolith profile
- Capstan is located 800m to the north of Lucky Strike where RC and Diamond drilling has intersected high grade BIF hosted gold mineralisation
- A follow up air core program to both infill and extend the bedrock anomaly is planned to commence in September

Managing Director, Wade Johnson, commented

"These are very promising results from an initial wide spaced drill test of the surficial gold anomaly, and provides further support to our concept of additional bedrock gold mineralisation peripheral to Lucky Strike. We can now place both the surface anomaly and bedrock gold intersections in the context of the regolith and cover sequence to optimise the next air core drill program. With the deep RC drilling currently underway at Lucky Strike and further work planned at Capstan this reinforces our commitment to a major campaign of district drill based exploration at a portfolio of targets along the Mt Monger Fault over the coming 6 months in our Eastern Lefroy Project"

The Board of Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to announce the results from an inaugural reconnaissance aircore (AC) drilling program at Capstan, within its Eastern Lefroy Project (Lefroy Project or LGP). The Eastern Lefroy Project, forms the eastern part of the greater Lefroy Gold Project (Lefroy Project or LGP) located approximately 50km south east of Kalgoorlie in the Eastern Goldfields of Western Australia (Figure 1). The adjoining Western Lefroy tenement package is now a Joint Venture with Gold Fields which commenced on 7 June 2018.

The Capstan prospect is located immediately north of Lucky Strike (Figure 2) and consists of a large and robust surface gold anomaly (plus 20ppb Au) that had not been evaluated by drilling (refer LEX ASX announcement 7 February 2018). The prospect straddles the interpreted position of the regional scale Mt Monger Fault. The Company considers the Capstan anomaly could be significant in the context of the gold mineralisation intersected nearby at Lucky Strike, and may represent the surface expression of another bedrock gold system.

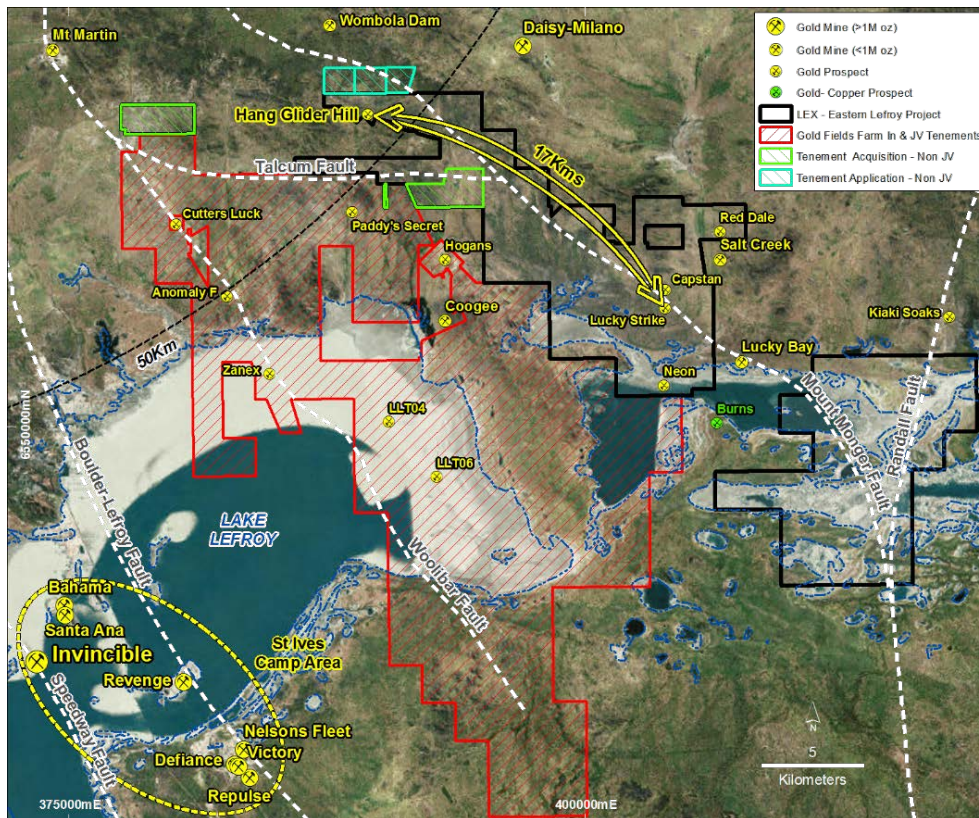


Figure 1 Lefroy Gold Project tenement plan showing Western Lefroy in red and Eastern Lefroy in black outline and proximity to St Ives. Lucky Strike, Capstan, Hang Glider Hill and recent tenement acquisitions are also highlighted.

The Company completed a reconnaissance aircore (AC) drilling program (“program”) at Capstan in July 2018 to evaluate the bedrock in the core part of the surface anomaly. This was designed as an early stage wide spaced (160m line spacing) program to test for bedrock gold mineralisation, but also to confirm the geology and regolith. The results from this initial program have successfully confirmed a broad zone of bedrock gold mineralisation beneath a variable thickness of transported cover and remains open.

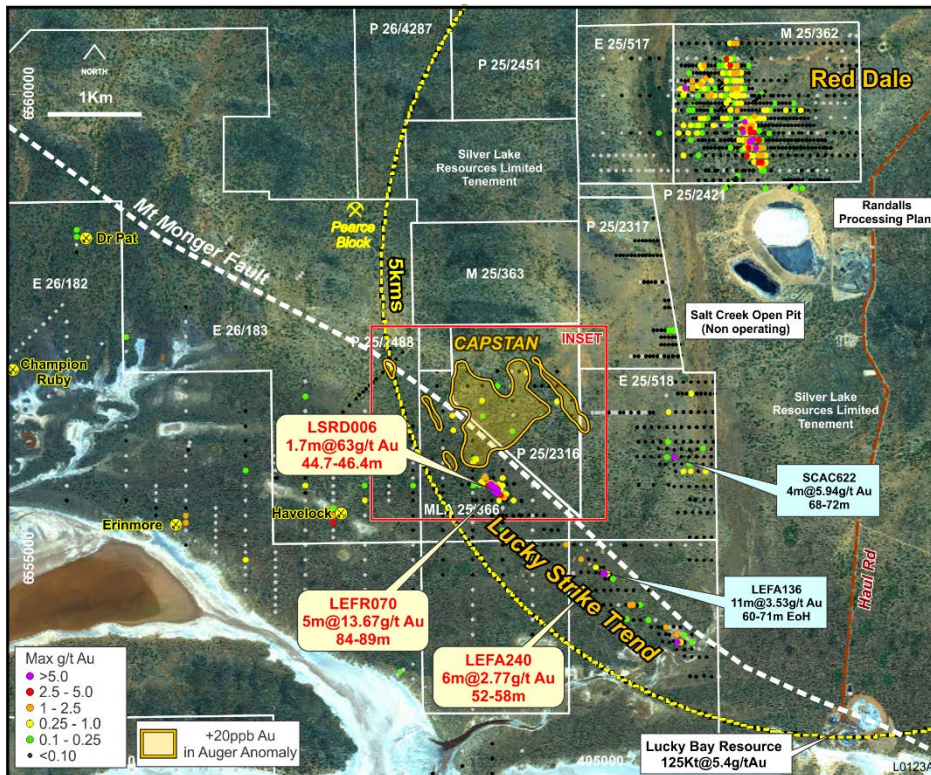


Figure 2 Location of the Capstan surface anomaly relative to Lucky Strike and Red Dale and proximity to the Randalls Processing Facility (SLR) and infrastructure. The key Lucky Strike Trend gold intersections are also highlighted (refer to Figure 3 for detailed inset map and recent drilling).

The program comprised 36 vertical aircore holes totaling 2050m on five east west traverses spaced 160m apart (Figure 3). Along each traverse holes were spaced at a nominal 160m apart, closed down to 80m where favourable geology was observed during drilling or extended to 320m where the transported cover was deeper (approximately 50m to bedrock). The Company considers this an appropriate drill spacing and in order to place the gold results in context.

The composite sample results from the initial program have delivered promising bedrock gold intersections (Table 1) within or close to the outline of the surface gold anomaly. The results from these holes form a semi coherent bedrock gold anomaly (0.10-0.50g/t Au), centered on hole LEFA337, that is open to the west, south and south east.

Significant results from the AC drill program include:-

- **4m at 0.54g/t Au from 52m in LEFA351**
- **4m at 0.47g/t Au from 56m in LEFA335**
- **3m at 0.50g/t Au from 56m in LEFA336**
- **8m at 0.25g/t Au from 52m in LEFA325**

Importantly this zone of elevated gold in bedrock is located approximately 600m to the north of Lucky Strike (Figure 3) and coincident with the northerly projection of the fault that is interpreted to control the high grade gold mineralisation there.

The AC drilling intersected a sequence composed predominantly of dolerite and basalt, and lesser ultramafic. The bedrock is covered by transported palaeochannel cover that can be up to 50m thick in some holes. Interpretation of the depth of cover in each hole gives guidance to the dimensions and orientation of the palaeochannel that trends across the anomaly and likely deepens to the east.

Much of the regolith profile intersected in the drill holes at Capstan is stripped, whereby the majority of the upper saprolitic horizon that can host a blanket of secondary (supergene) gold has been removed. This can lead to a much smaller and subtle geochemical footprint of a gold system beneath the transported cover, and the understanding of this concept was an important guiding principle in the discovery history of the Invincible gold mine, at St Ives (Woodcock, et al, 2015).

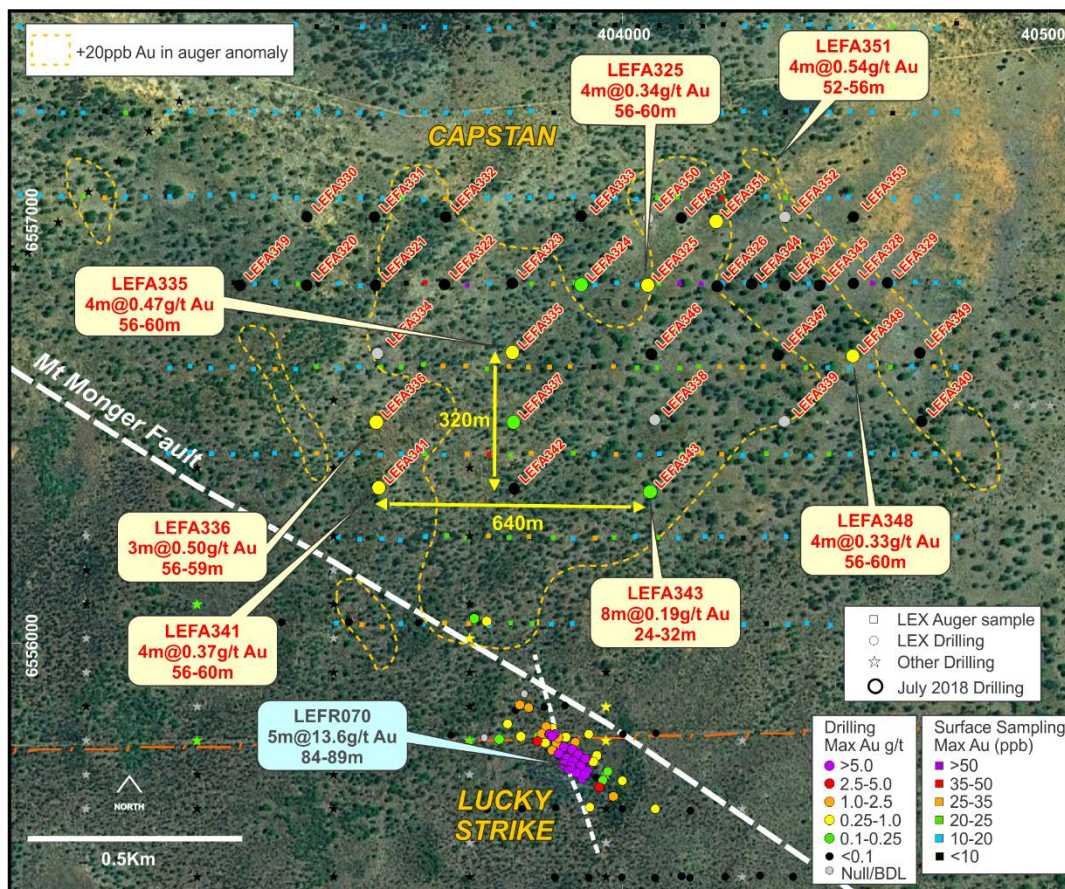


Figure 3 Capstan drilling location plan highlighting key drill intercepts relative to the surface anomaly and proximity to Lucky Strike.

The Company considers the gold results from the initial drilling program at Capstan a promising start, given the intersections come from bedrock beneath the stripped profile, they are associated with altered dolerite host rocks and that the bedrock anomaly is located approximately 600m from Lucky Strike.

Capstan Next Steps

The results from the inaugural drilling at Capstan are a significant development and further support the opportunity for a bedrock gold system. Planning and preparation for another stage of AC drilling, scheduled to commence in September, is now underway.

Table 1: 2018 Aircore Drilling-Lefroy Gold Project-Capstan

Drill hole intersections tabulated below are calculated with a 0.10g/t Au lower cut for the entire drill program. Samples are routinely collected as 4m composite intervals. The last sample of each hole is dedicated 1m interval, and the prior sample can vary from 1-4m depending on final depth. Only drill holes with significant (>0.10g/t Au) intersections are tabulated.

Hole ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Hole Depth (m)	Dip	Depth From (m)	Depth To (m)	Downhole Intersection (m)	Au Value (g/t)
LEFA324	6556840	403904	291	70	-90	56	60	4	0.13
LEFA325	6556838	404060	291	61	-90	52	60	8	0.25
LEFA335	6556681	403743	292	65	-90	56	60	4	0.47
LEFA336	6556518	403422	292	60	-90	56	59	3	0.50
LEFA337	6556517	403745	292	61	-90	48	52	4	0.21
LEFA341	6556364	403429	292	63	-90	56	60	4	0.37
LEFA343	6556354	404065	292	33	-90	24	32	8	0.19
LEFA348	6556672	404541	292	68	-90	56	60	4	0.33
LEFA349	6556680	404699	292	65	-90	56	60	4	0.10
LEFA351	6556989	404220	292	62	-90	52	56	4	0.54

Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to exploration reporting on the Capstan prospect at the Lefroy Gold Project.

- Robust Surface Gold Anomaly Confirmed at Capstan: 7 February 2018
- March 2018 Quarterly Activities Report: 27 April 2018
- June 2018 Quarterly Activities Report: 31 July 2018
- Exploration Update: Drilling Commenced at Capstan: 27 July 2018

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

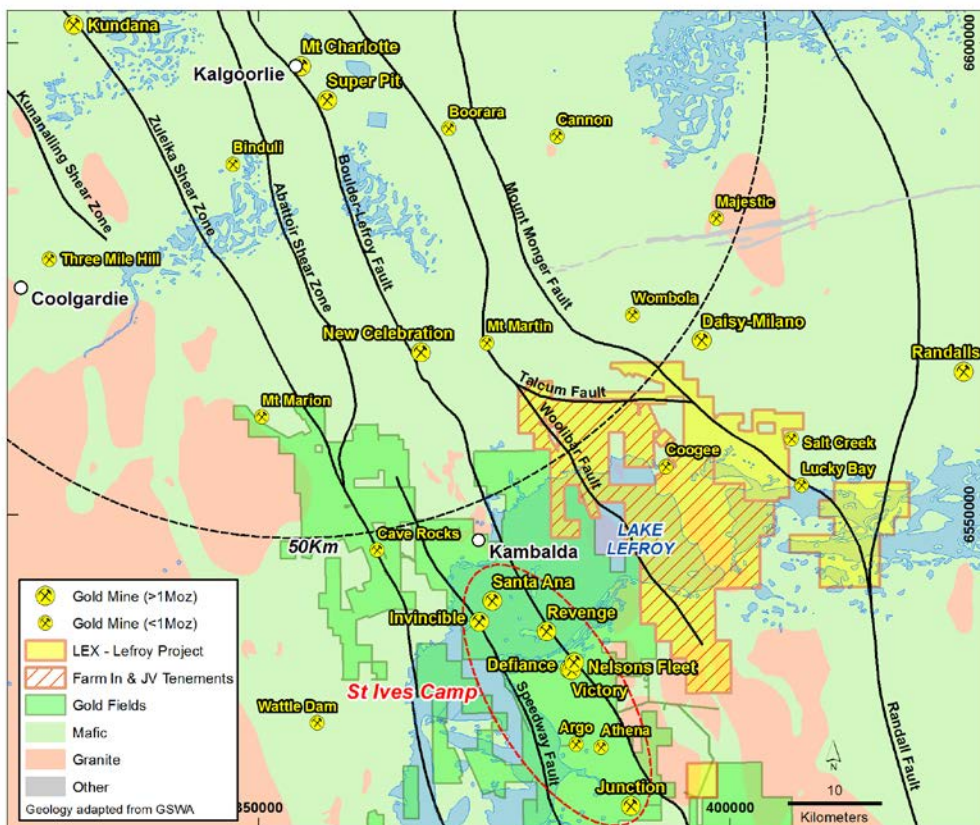
Reference

Woodcock, J., Edmonds, P., Moore, S., Douth, D., Foley, A., 2015. St Ives gold mine; Invincible: From Discovery to development. In NewGenGold 2015 Conference Proceedings.

About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a WA based and focused explorer taking a disciplined methodical and conceptual approach in the search for high value gold deposits in the Yilgarn Block of Western Australia. Key projects include the Lefroy Gold Project to the south east of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure covering 594km², located in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields’ St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy, and is also immediately south of Silver Lake Resources’ (ASX: SLR) Daisy Milano gold mining operation. The Western Lefroy tenement package is subject to a Farm in and Joint Venture agreement with Gold Fields that commenced on 7 June 2018.



Location of the Lefroy Gold Project relative to Kalgoorlie and the Western Lefroy tenement package subject to the Gold Fields joint venture.

For Further Information please contact:

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JORC CODE, 2012 Edition-Table 1 Lefroy Gold Project: Capstan Anomaly – 20 August 2018

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (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.</i> 	<ul style="list-style-type: none"> The sampling noted in this release has been carried out using AirCore (AC) drilling at the Capstan Prospect. The AC program comprised 36 vertical holes for 2050m, holes varying in depth from 15-83m with an average depth of 56m. Holes were drilled on a 160m x 160m spacing with infill holes of 80m x 80m spacing where prospective geological features were intersected. Sampling and QAQC protocols as per industry best practice with further details below. AC samples were collected from the cyclone at 1m intervals and laid out in rows of 10 or 20m (10-20 samples) on the ground. Composite 4m samples were then collected by scoop sampling the 1m piles with a flour scoop to produce a bulk 2-3kg sample which was sent to the Laboratory in Kalgoorlie for analysis. Samples were dried, pulverised, split to produce a 40g sample for analysis by fire assay with Au determination by Atomic Absorption Spectrometry. Anomalous (assays >0.10g/t Au) composite samples are yet to be resampled as individual 1m samples and collected by the same scoop sample technique.
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> The AirCore (AC) drilling was completed by Raglan Drilling (Kalgoorlie). The AC drill bit has a diameter of 78mm and collects samples through an inner tube to reduce contamination, but also allows better penetration through any palaeochannel puggy clays and fine sands. Aircore drilling is blade refusal and hence terminates in fresh or hard material such as quartz
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> The majority of the samples collected from the AC drill program were dry. Minor AC samples were wet at the base of the holes, any wet samples were collected in a green bag to reduce contamination. Sample recovery size and sample condition (dry, wet, moist) recorded. Recovery of samples estimated to be 80-100%, with some variability to 10% recovery particularly drilling through moist transported clays-gravels and in the deeper (+60m) holes. Drilling with care (eg. clearing hole at start of rod, regular cyclone cleaning) if water encountered to reduce incidence of wet – sticky sample and cross contamination. Insufficient sample population to determine whether relationship exists between sample recovery and grade. The quality of the sample (wet, dry, low recovery) was recorded during logging.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Detailed logging of, regolith, lithology, structure, mineralisation and recoveries recorded in each hole by qualified geologist. Logging carried out by sieving 2m composite sample cuttings, washing in water and the entire hole collected in plastic chip trays for future reference. Every hole was logged for the entire length.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> No core drilling completed Composite samples of 4m were collected by scoop sampling 1m intervals into pre-numbered calico bags. Sample weight 1.5 - 2 kg. The last interval of each hole is a 1m sample and the second last composite can vary between 1-4m. Collected composite samples placed in plastic and/or polyweave bags for despatch to assay laboratory. Composite samples with anomalous gold grades will be resampled to individual 1m samples by sampling residual drill spoil The sample preparation of the AC follows industry best practice, involving oven drying, pulverising, to produce a homogenous sub sample for analysis. Along with composite samples, standards and blanks were randomly inserted (approximately every 60 samples) and were included in the laboratory analysis. Standards were certified reference material prepared by Geostats Pty Ltd. Duplicate samples were collected at zones of interest and at irregular intervals of about 1 in every three holes.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Samples routinely analysed for gold using the 40gram Fire Assay digest method with an AAS finish at Bureau Veritas's Perth Laboratory. A separate Bottom of Hole (BOH) sample was also collected will be analysed for a suite of multi elements, but results are yet to be received. No geophysical tools, spectrometers or hand held XRF instruments used. Quality control process and internal laboratory checks demonstrate acceptable levels of accuracy. At the laboratory regular assay repeats, lab standards, checks and blanks are analysed. Laboratory runs and reposts a quartz flush at the commencement of the sample batch.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> The results have been reviewed by alternative company personnel and minor sampling errors identified were field checked and corrected. No holes were twinned. Capture of field logging is electronic using Toughbook hardware and Maxwells Logchief software. Logged data is then exported as an excel spreadsheet to the Companys external database managers which will be loaded to the Company's DATASHED database and validation checks completed to ensure data accuracy. Assay files are received electronically from the laboratory by the Managing Director and filed to the companys server. There has been no adjustment to the assay data. The primary Au field reported by the laboratory is the value used for plotting, interrogating and reporting.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> 	<ul style="list-style-type: none"> Drill hole positions were surveyed using a hand held Garmin GPS with a horizontal (Easting Northing) accuracy of +-5m. Drill azimuth is set up by the supervising geologist.

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<p>No downhole surveys completed.</p> <ul style="list-style-type: none"> • Grid System – MGA94 Zone 51. • Topographic elevation captured by using reading from Garmin hand held GPS with an accuracy of +/-10m and considered suitable for the flat terrain.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Hole spacing at nominal 160m centres on new in fill east west orientated drill lines with line spacing's of 160m. Infill drilling to 80m centres around geologically significant (alteration, quartz veining) areas. • AC samples composite range 1-4m but generally 4m. No assay compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The East West orientated drill traverses considered effective to evaluate the north westerly trending geology and regional Mt Monger Fault parallel structures which has been interpreted from aeromagnetic and gravity data. Drill holes are reconnaissance and are orientated appropriately to ensure unbiased sampling of the geological trends • The AC drilling is reconnaissance in nature, being relatively wide spaced and the orientation of the gold mineralised structures intersected is yet to be confirmed.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Individual composite samples were bagged in plastic bags, collected and personally delivered to the Bureau Veritas Laboratory in Kalgoorlie by the LEX Field Supervisor. • Bureau Veritas check the samples received against the LEX submission form to notify of any missing or extra samples. Following analysis the sample pulps and residues are retained by the laboratory in a secure storage yard.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • All results of this drill program were reviewed by the Senior Exploration Geologist and Managing Director, and anomalous gold intersections inspected in the field to correlate with geology. No specific site audits or reviews have been conducted.

Section 2: REPORTING OF EXPLORATION RESULTS – Lefroy Gold Project-Capstan Anomaly – 20 August 2018

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Lefroy Project is located approximately 50km in a south easterly direction from Kalgoorlie, Western Australia and consists of a contiguous package of tenements covering approximately 594 square kilometres. • The tenement group E25/518, P25/2316 and P25/2317 form the Capstan Anomaly area. These tenements are current and in good standing with the Department of Mines, Industry Regulation and Safety (DMIRS) of Western Australia. The tenements are held by Lefroy Exploration Limited (LEX) or held outright by LEX. • The tenements have expiry dates ranging from 09/08/2019 and 28/05/2020.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • For Full details of exploration completed by other parties at the Lefroy Project refer to the Independent Geologists Report ('IGR') attached to the LEX prospectus (2016). Previous work on, or adjacent to, the Capstan Anomaly area was completed by Solomon (Australia) Pty Ltd, Ramsgate Resources NL, WMC Ltd, Eagle Bay Resources, Titan Resources Ltd, Integra Mining Limited and Silver Lake Resources Ltd. (Refer Table 1 in the body of the LEX ASX release dated 9-November 2017 report for WAMEX reference numbers)
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • For full details of the geological settings at the Lefroy Project refer to the Independent Geologists Report attached to LEX prospectus (2016) and also documented in LEX ASX release dated 9-November 2017 report ---WAMEX reports noted in Table 1. • The Lefroy Project is located in the southern part of the Norseman Wiluna Greenstone Belt and straddles the triple junction of three crustal units, the Parker, Boorara and Bulong Domain. The Lefroy project tenements are mostly covered by alluvial, colluvial and lacustrine material with very little outcrop. The project is underlain by a folded and fault bounded sequence of Archaean rocks, and in the Lucky Strike area being predominantly metasediments, and basalt. The key structural element at Lucky Strike is the north west trending Mt Monger Fault separating the mafic lithologies to the north in the Bulong domain to the metasediments to the south.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>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</i> 	<ul style="list-style-type: none"> • Capstan- Previous drilling information used for current targeting and no LEX drilling completed over the Capstan anomaly. Historic drill data sourced from the following WAMEX reports: A104013, 78793, A41940 and refer to Independent Geologists Report attached to the LEX prospectus (2016). • Table containing drill hole collar, survey, and intersection data for material (gold intersections >0.10gpt Au) drill holes are included in the Table 1 in the body of the announcement. • No Information has been excluded. • There are historical drill holes within the Lucky

Criteria	JORC Code Explanation	Commentary
	<p><i>understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>Strike Prospect and these are depicted on the drill hole plan in the announcement.</p>
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • All report grades have been length weighted. High grades have not been cut. A lower cut off of 0.10gpt Au has been used to identify significant results depicted on Figures in the text. These are considered significant given the first pass reconnaissance nature of the drilling. • Table 1 in the body of the report presents all individual composite results greater than 0.10g/t Au • Reported AC results have been calculated using a minimum intercept width of 1m. Anomalous composite samples have been resampled • No metal equivalent values or formulas used.
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • All results are based on down-hole metres. • Given the wide spaced reconnaissance nature of the drilling the geometry of the mineralisation reported is not sufficiently known and the true width is not known
<p>Diagrams</p>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Appropriate summary diagrams are included in this announcement.
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Significant individual assay results are provided in Table 1 for the recent LEX drill program. • Drill holes with no significant results are not reported. Significant assay results from historical drilling are noted in the text and figures in the report.
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Other relevant exploration data for Capstan and its relationship to the nearby Lucky Strike has been included in this announcement
<p>Further work</p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Follow up infill air core drilling is being planned for the Capstan Prospect