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ASX Symbol

ARL

Ardea Resources Limited

Suite 2 / 45 Ord St West Perth WA 6005

PO Box 1433 West Perth WA 6872

Telephone

+61 8 6244 5136

Email ardea@ardearesources.com.au

Website

www.ardearesources.com.au

Directors

Mat Longworth Non-Executive Chair

Andrew Penkethman Managing Director & CEO

lan Buchhorn Technical Executive Director

Executive Management

Sam Middlemas *Company Secretary & CFO*

Matt Painter General Manager Exploration

Issued Capital

Fully Paid Ordinary Shares 117,300,435

Directors/Employee Performance Rights 3,711,000

ABN 30 614 289 342

Ardea BTZ gold exploration success at Lady Charlotte

- First ever drilling at Lady Charlotte historic gold workings in the Grafter area
- Two reverse circulation drill-holes completed for an initial look at the subsurface geology
- ABFR0286 has intersected: 8m at 6.57g/t Au from 24m
- Gold mineralisation defined in near surface completely oxidised zone and open in every direction
- Results complement associated surface rock chip value of 6.98g/t Au
- This was only the first of multiple targets to be drilled at Grafter, aiming to acquire geological data in an area of transported cover and limited outcrop
- Follow-up drilling to be planned and knowledge gained to be applied to further advance Ardea's BTZ gold exploration at the GNCP

First pass reverse circulation (RC) exploration drilling in the Grafter area of Ardea's Goongarrie Nickel Cobalt Project (GNCP) has intersected significant near-surface gold mineralisation at the Lady Charlotte historic prospect. Lady Charlotte is the first of a series of gold targets drill tested in the Grafter area within the Bardoc Tectonic Zone (BTZ). Drilling was performed back-to-back with the recent successful drill program in the Aphrodite North area (ASX release 13 August 2020).

Only two holes have been drilled by Ardea in the Grafter area, with a further seven drill holes designed to test two other near-surface targets that are yet to be drilled. Given the outstanding start to exploration at Grafter, planning is underway to substantially expand the drilling program to better define gold mineralisation at the Lady Charlotte prospect.

Ardea's Managing Director, Andrew Penkethman, said:

"Ardea's gold targeting at the Goongarrie Nickel Cobalt Project continues to demonstrate the under-explored status of the Bardoc Tectonic Zone within Ardea's tenements, despite the area being only 70km north of the City of Kalgoorlie-Boulder. This early result from Lady Charlotte is highly encouraging because it continues to show the prospectivity of the area for near-surface, oxide gold in a wide variety of settings.

Three consecutive RC drill programs within Ardea controlled BTZ tenure, have all intersected high-grade gold mineralisation in a wide variety of lithological and weathering settings. These are Big Four in the central west, Aphrodite North in the east and Lady Charlotte to the southeast. Our assertion that a significant gold camp lies largely buried by transported cover beneath the GNCP is further developing with each drilling program we complete.

Follow-up RC drilling is being planned and is scheduled to commence in September. The Ardea Team is incredibly excited with the targets developed for this next drill program."



Results from Lady Charlotte

The initial RC result from ABFR0286, **8m at 6.57g/t Au from 24m**, is an excellent start to the first round of exploration drilling at Grafter. This intercept is interpreted to represent high grade supergene mineralisation, with the primary lode position and orientation to be defined by follow-up RC drilling.

The prospect is located immediately south of an extensive plain of transported cover (Figure 1). The initial Grafter drilling was selected here on the expectation of shallower transported cover, thus allowing a more cost-effective window in on the sub-surface geology. On the regional scale, it is very interesting that the first exposures for several kilometres are mineralised.

The other drill hole at Lady Charlotte, ABFR0285, did not intercept any notable gold mineralisation. This is not unexpected at this early stage when there are not yet clear indications of the orientation of supergene mineralisation or primary lode location and orientation.

Multi element assay results are awaited to further refine the geological interpretation at Lady Charlotte and help guide the follow-up drill hole planning. Further drilling is required to clarify the nature and extent of gold mineralisation.



Figure 1 – Location of the two drill holes at Lady Charlotte in the Grafter area of the GNCP. Less than 100m north of RC drill hole, ABFR0286, transported cover obscures the geology. Projection GDA94 MGA94 Zone 51.

Defining the Lady Charlotte target

The Lady Charlotte prospect was targeted to follow-up on limited but encouraging signs of alteration and mineralisation noted during detailed mapping and sampling undertaken by Ardea. The drill target was defined by:

- Shallow historic surface workings
- Surface oxidation and alteration suggestive of the pre-existing sulphides and carbonates that characterise BTZ gold mineralisation
- A rock chip result of 6.96g/t Au (subcrop sample, precise relationship with bedrock uncertain)
- Location on an interpreted reactivated shear system that is part of the broader BTZ.

More drilling scheduled for September

The highly encouraging start to Grafter exploration drilling means that additional holes are being planned and will be drilled at Lady Charlotte next month.

Drill rigs are booked to commence drilling in September for the second phase of deep drilling at the Aphrodite North area and to complete additional drilling in the Grafter area. Several other gold targets from the GNCP and elsewhere in the BTZ will also likely be drilled subject to ongoing results and timing of drill rig availability.







The Grafter area strategy

The underexplored Grafter area covers 3.7 x 1.5km at the southeastern sector of Ardea's Goongarrie Nickel Cobalt Project (GNCP). It is located approximately 65km north northwest of the City of Kalgoorlie Boulder.

Around 80% of the area is covered by transported and laterite cover and targets have been interpreted from a combination of field work and desktop studies.

Underlying this cover, the deformed mafic sequence of the upper Kalgoorlie Group, known to be highly prone elsewhere to gold mineralisation, extends throughout the area. The Ardea exploration Team have identified similar gross structural relationships to regional kinks in the BTZ and Boulder Lefroy Fault as documented at the Paddington, Kalgoorlie and New Celebration gold camps.

As the area was previously held by local prospectors, there has been no modern systematic exploration. A modest "toe in the water" first-pass RC exploration program was planned to test three different types of target (A / Lady Charlotte, B and C – Figure 2) at Grafter, with the knowledge gained to be used to continue to refine the exploration targeting approach on concealed BTZ gold targets.





Figure 3 – RC drilling and logging in progress at Lady Charlotte, Grafter area within Ardea's GNCP.

Authorised for lodgement by the Board of Ardea Resources Limited.

For further information regarding Ardea, please visit www.ardearesources.com.au or contact:

Andrew Penkethman Managing Director and Chief Executive Officer Tel +61 8 6244 5136



About Ardea Resources

Ardea Resources (ASX:ARL) is an ASX-listed resources company, with a large portfolio of 100% controlled West Australian-based projects, focussed on:

- Development of the Goongarrie Nickel Cobalt Project, which is part of the Kalgoorlie Nickel Project, a globally significant series of nickel-cobalt deposits which host the largest nickel-cobalt resource in the developed world, coincidentally located as a cover sequence overlying fertile orogenic gold targets; and
- Advanced-stage exploration within its WA nickel sulphide and gold exploration tenure located on crustalscale Tectonic Zone structures in lake settings within the Eastern Goldfields world-class nickel-gold province.



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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this news release.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time.

Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, the ability to create and spin-out a gold focussed Company, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Painter is a full-time employee of Ardea Resources Limited and 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. Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 – Collar location data, Lady Charlotte prospect, Grafter area, GNCP

Collar location data for all new RC drill holes completed by Ardea Resources at Aphrodite North.

Drill hole	Туре	Depth (m)	Tenement	Grid	Easting (mE)	Northing (mN)	RL (mASL)	Dip (°)	Azimuth (°)
ABFR 0285	RC	80	E24/196	MGA94_51	327755	6661980	406	-60	090
ABFR 0286	RC	80	E24/196	MGA94_51	327730	6662060	406	-60	090

Appendix 2 – Assay results, Lady Charlotte

All assays from recent RC drilling program at the Lady Charlotte prospect, Grafter area, GNCP. Gold assays have been received for both drill holes but auxiliary data (from XRF and LA-ICP-MS analyses) is pending. These entries have intentionally been left blank.

Abbreviations used: Au – gold, Ag – silver, As – arsenic, Sb – antimony, S – sulphur, m – metre, g/t – grams per tonne, ppm – parts per million, b.d. – below detection.

Hole	From	То	Sample	Au	Ag	As	Sb	S
TIOLE	(m)	(m)	number	(g/t)	(g/t)	(ppm)	(ppm)	(%)
ABFR0285	0	4	AR032328	0.004				
ABFR0285	4	8	AR032330	b.d.				
ABFR0285	8	12	AR032331	b.d.				
ABFR0285	12	16	AR032332	b.d.				
ABFR0285	16	20	AR032333	b.d.				
ABFR0285	20	24	AR032334	b.d.				
ABFR0285	24	28	AR032335	b.d.				
ABFR0285	28	32	AR032336	b.d.				
ABFR0285	32	36	AR032337	b.d.				
ABFR0285	36	40	AR032338	0.02				
ABFR0285	40	44	AR032340	0.002				
ABFR0285	44	48	AR032341	b.d.				
ABFR0285	48	52	AR032342	b.d.				
ABFR0285	52	56	AR032343	b.d.				
ABFR0285	56	60	AR032344	0.01				
ABFR0285	60	64	AR032345	0.032				
ABFR0285	64	68	AR032346	b.d.				
ABFR0285	68	72	AR032347	b.d.				
ABFR0285	72	76	AR032348	0.002				
ABFR0285	76	80	AR032350	0.002				
ABFR0286	0	4	AR032351	0.008				
ABFR0286	4	8	AR032352	b.d.				
ABFR0286	8	12	AR032353	b.d.				
ABFR0286	12	16	AR032354	b.d.				
ABFR0286	16	20	AR032355	0.004				
ABFR0286	20	24	AR032356	0.016				
ABFR0286	24	28	AR032357	5.94				
ABFR0286	28	32	AR032358	7.19				
ABFR0286	32	36	AR032360	0.112				
ABFR0286	36	40	AR032361	0.02				
ABFR0286	40	44	AR032362	0.01				
ABFR0286	44	48	AR032363	0.06				
ABFR0286	48	52	AR032364	0.02		1		
ABFR0286	52	56	AR032365	0.02				
ABFR0286	56	60	AR032366	0.004				
ABFR0286	60	64	AR032367	0.016				
ABFR0286	64	68	AR032368	b.d.				
ABFR0286	68	72	AR032370	b.d.				
ABFR0286	72	76	AR032371	0.018				
ABER0286	76	80	AR032372	0.01/		1		



Appendix 3 – Rock chip assay results, Lady Charlotte

Abbreviations used: Au – gold, Ag – silver, As – arsenic, Sb – antimony, S – sulphur, m – metre, g/t – grams per tonne, ppm – parts per million, b.d. – below detection.

Grid	Easting	Northing	Sample number	Au (g/t)	Ag (g/t)	As (ppm)	Sb (ppm)	S (%)	Description
MGA94_51	327745	6662057	S301714	0.071	b.d.	20	1.3	0.038	Mafic basalt, maroon bn (mottle zone) siliceous
MGA94_51	327743	6662051	S301715	6.98	0.6	b.d.	0.3	0.013	Quartz vein, moderate goethite staining

Appendix 4 – JORC Code, 2012 Edition, Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	 All holes were sampled on a 4 metre down hole interval basis, with exceptions being made for end of hole final-lengths. All sampling lengths were recorded in ARL's standard sampling record spreadsheets. Sample condition, sample recovery and sample size were recorded for all drill-core samples collected by ARL. Industry standard practice was used in the processing of samples for assay, with 4m intervals of RC chips collected in green plastic bags. Chip sampling at Grafter was on specific structures and features in outcrop, with an aim to assist mapping to elucidate controls on gold mineralisation. Rock chip sample size generally between 1.5 and 3.0 kg. Assay of samples utilised standard laboratory techniques with standard ICP-AES undertaken on 40 gram samples for Au. Pt and Pd, and lithium borate fused-bead XRF analysis used for the remaining multi-element suite. Other elements are determined by separate XRF and LA-ICP-MS analyses. Further details of lab processing techniques are found in Quality of assay data and laboratory tests below.
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). 	 In this program, Ardea drilled the Lady Charlotte prospect in the Grafter area with 2 reverse circulation (RC) drill holes. Both holes were drilled at 60° to 090°. RC drilling was performed with a face sampling hammer (bit diameter between 4½ and 5¼ inches) and samples were collected by either a cone (majority) or riffle splitter using 2 metre composites. Sample condition, sample recovery and sample size were recorded for all drill samples collected by ARL.
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	 RC chip sample recovery was recorded by visual estimation of the reject sample, expressed as a percentage recovery. Overall estimated recovery was high. RC Chip sample condition recorded using a three code system, D=Dry, M=Moist, W=Wet. A proportion of samples were moist or wet, with the majority of these being associated with soft kaolin-goethite clays, where water injection has been used to improve drill recovery. Measures taken to ensure maximum RC sample recoveries included maintaining a clean cyclone and drilling equipment, using water injection at times of reduced air circulation, as well as regular communication with the drillers and slowing drill advance rates when variable to poor ground conditions are encountered.
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	 RC logging was undertaken on 1 metre intervals. Visual geological logging was completed for all drilling both at the time of drilling (using standard Ardea logging codes), and later over relevant met-sample intervals with a metallurgical-logging perspective. Geochemistry from Ardea aircore drilling data was used together with logging data to validate logged geological horizons. Aircore results cannot be used in a resource estimation. Logging was performed at the time of drilling, and planned drill hole target lengths adjusted by the geologist during drilling. The geologist also oversaw all sampling and drilling practices. ARL employees supervised all drilling. A small selection of representative chips were collected for every 1 metre interval and stored in chip-trays



Criteria	JORC Code explanation	Commentary
		 for future reference. In total, 160m were drilled during the program, with the chips generated during the entire program logged in detail.
Sub-sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all subsampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material bing sampled 	 4 metre composite samples were recovered using a 15:1 rig mounted cone splitter or trailer mounted riffle splitter during drilling into a calico sample bag. Sample target weight was between 2 and 3kg. In the case of wet clay samples, grab samples taken from sample return pile, initially into a calico sample bag. Wet samples were stored separately from other samples in plastic bags and riffle split once dry. QAQC was employed. A standard, blank or duplicate sample was inserted into the sample stream every 10 samples on a rotating basis. Standards were quantified industry standards. Every 30th sample a duplicate sample was taken using the same sample sub sample technique as the original sub sample. Sample sizes are appropriate for the nature of mineralisation.
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 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. 	 All Ardea samples were submitted to Kalgoorlie Bureau Veritas (BV) laboratories and transported to BV Perth, where they were pulverised. The samples were sorted, wet weighed, dried then weighed again. Primary preparation has been by crushing and splitting the sample with a riffle splitter where necessary to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser. All coarse residues have been retained. The samples have been cast using a 66:34 flux with 4% lithium nitrate added to form a glass bead. Al, As, Ba, Ca, Cl, Co, Cr, Cu, Fe, Ga, K, Mg, Mn, Na, Ni, P, Pb, S, Sc, Si, Sr, Ti, V, Zn, Zr have been determined by X-Ray Fluorescence (XRF) Spectrometry on oven dry (105'C) sample unless otherwise stated. A fused bead for Laser Ablation MS was created to define Ag_LA, Be_LA, Bi_LA, Cd_LA, Ce_LA, Co_LA, Cs_LA, Dy_LA, Er_LA, Eu_LA, Gd_LA, Ge_LA, Hf_LA, Ho_LA, In_LA, La_LA, Lu, LA, Mo_LA, Nb_LA, Nd_LA, Ni, LA, Pr_LA, Rb_LA, Re_LA, Sb_LA, Sc_LA, Se_LA, Sm_LA, Sn_LA, Ta_LA, Tb_LA, Te_LA, Th_LA, TI_LA, Tm_LA, U_LA, V_LA, WLA, Y_LA, Vb_LA, which have been determined by Laser Ablation Inductively Coupled Plasma Mass Spectrometry (LAICP-MS). The sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold, Platinum and Palladium in the sample. Au1, Pd, Pt have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Loss on Ignition results have been determined gravimetrically. BV routinely inserts analytical blanks, standards and duplicates into the client sample batches for laboratory QAQC performance monitoring. Ardea also inserted QAQC samples into the sample stream at a 1 in 10 frequency, alternating between blanks (industrial sands) and standard reference materials. Additionally, a review was conducted for geochemical consistency between historically expected data, recent data, and geochemical
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	 BV routinely inserts analytical blanks, standards and duplicates into the client sample batches for laboratory QAQC performance monitoring. Ardea also inserted QAQC samples into the sample stream at a 1 in 20 frequency, alternating between duplicates splits, blanks (industrial sands) and standard reference materials. All of the QAQC data has been statistically assessed. Ardea has undertaken its own further in-house review of QAQC results of the BV routine standards, 100% of which returned within acceptable QAQC limits. This fact combined with the fact that the data is demonstrably consistent has meant that the results are considered to be acceptable and suitable for reporting.
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 All drill holes are to be surveyed using an RTK DGPS system with either a 3 or 7 digit accuracy. This has yet to be undertaken but will be following completion of the Grafter area program in September to October 2020. Presently the coordinates are from a handheld GPS device. The coordinates are stored in the exploration database referenced to the MGA Zone 51 Datum GDA94. Gyroscopic downhole surveys were undertaken with hole orientation measurements



Criteria	JORC Code explanation	Commentary
		 gathered every 10m during descent and then on ascent of the tool. Topography is flat to undulating. The topographic surface has been constructed from hole collar surveys. These are consistent with regional DTMs and are considered adequate for exploration purposes. A DGPS pickup up of drill collar locations is considered sufficiently accurate for reporting of resources, mine planning and reserves.
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 The two drill holes are 80 m apart, aimed at outcropping or subcropping mineralisation and alteration. The spacing is not considered sufficient at this stage for the definition of Mineral Resources. Samples were composited over 4m for the drill program. Rock chip sampling was <i>ad hoc</i>, on exposures, either natural or in historic workings. Sampling spacing and distribution were determined by the mapping geologist to elucidate style of and constraints on mineral relationships with controlling structures.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 All drill holes in this program were angled at 60° to the east. Without diamond drilling, the orientation of mineralised structures is unknown, but a steep west to subvertical dip best fits the limited data collected to date. It is also consistent with other known mineralisation along structure to the south and north. Geological interpretation of the geology of the Grafter area continues, but presently there is sufficient uncertainty to preclude definition of sampling bias or not.
Sample security	The measures taken to ensure sample security.	 All samples were collected and accounted for by ARL employees/consultants during drilling. All samples were bagged into calico plastic bags and closed with cable ties. Samples were transported to Kalgoorlie from logging site by ARL employees/ consultants and submitted directly to BV Kalgoorlie. The appropriate manifest of sample numbers and a sample submission form containing laboratory instructions were submitted to the laboratory. Any discrepancies between sample submissions and samples received were routinely followed up and accounted for.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	 No audit or review beyond normal operating procedures has yet been undertaken on the current dataset. ARL has periodically conducted internal reviews of sampling techniques relating to resultant exploration datasets, and larger scale reviews capturing the data from multiple drilling programs. Internal reviews of the exploration data included the following: Unsurveyed drill hole collars (less than 1% of collars). Drill Holes with overlapping intervals (0%). Drill Holes with no logging data (less than 2% of holes). Sample logging intervals beyond end of hole depths (0%). Samples with no assay data (from 0 to <5% for any given project, usually related to issues with sample recovery from difficult ground conditions, mechanical issues with drill rig, damage to sample in transport or sample preparation). Assay grade ranges. Collar coordinate ranges Valid hole orientation data. The BV Laboratory was visited by ARL staff in 2017, and the laboratory processes and procedures were reviewed at this time and determined to be robust.



Section 2 - Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	 The tenement on which the drilling was undertaken is E24/196. ARL, through its subsidiary companies, is the sole holder of the tenement. The tenement is in good standing. Heritage surveys over the area did not identify any areas of interest over or near the program area.
Exploration done by other parties	 Acknowledgment and appraisal of exploration by other parties. 	 The target area has not been subject to systematic exploration previously. The area was identified through appraisal of regional open file datasets and proprietary targeting criteria and datasets. Nickel laterite resource drilling is located ~2km to the west, and sporadic historic gold drilling recorded in open file is evident outside the tenure to the north and south. Surface prospecting has been undertaken in the area in recent times.
Geology	 Deposit type, geological setting and style of mineralisation. 	 The geology of the target area is still under assessment. Mafic host rocks are deeply weathered with destruction of most diagnostic or characteristic textures. An interpreted layer-subparallel shear is interpreted to run parallel to the apparent orientation of mineralisation, but it is unclear whether this structure is the host. The target style of mineralisation is orogenic shear or vein hosted gold mineralisation. Veining and alteration styles observed in weathered rock at surface and intersected during drilling are consistent with this style of mineralisation.
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	 Both holes drilled in this most recent program are listed in "Appendix 1 – Collar location data".
Drill hole Information	 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. 	 All assay data relating to the metals of interest at both target areas, namely gold and associated trace finder elements arsenic, antimony, silver and sulphur, where available, are listed in "Appendix 2 – Assay results". Other elements were assayed but have not been reported here. They are of use and of interest from a scientific and metallurgical perspective but are not considered material and their exclusion does not detract from the understanding of this report.
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	 Drill hole samples have been collected over 4 m down hole intervals. Gold intercepts are defined using a 0.5 g/t cut-off on a minimum intercept of 1 m and a maximum internal waste of 2 m. All assay samples were composited over 2 m. No metal equivalent calculations have been used in this assessment.
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, 	 Both drill holes in this program were angled. Without additional RC drilling and or diamond drilling, the orientation of mineralised structure(s) is presently unknown. At this early stage of exploration, a supergene blanket is interpreted for oxide mineralisation. A steep west to subvertical dip is thought likely for primary gold mineralisation but has not yet been confirmed. Given such an orientation and an expectation of variable thicknesses, a true thickness for the mineralised zone is expected to be between 4 and 7 m. But further work is required to confirm this.



Criteria	JORC Code explanation	Commentary
	true width not known').	•
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	 An appropriate drill hole location plan is shown in the body of the document. A section has not been included as further drilling is required to help determine the orientation and extent of gold mineralisation.
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. 	 Not applicable to this report. All results are reported either in the text or in the associated appendices.
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. 	 No other data are, at this stage, known to be either beneficial or deleterious to recovery of the metals reported.
Further work	 The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Further drilling is required to identify the extent and nature of supergene and primary gold mineralisation. Additional drill holes are being designed to follow up on the results reported, with drilling likely to commence in September. The program design is discussed in the document and will be finalised upon receipt and full interpretation of the results. Complete geochemical assay results (for elements other than gold) are pending. The success of a second phase of RC drilling may prompt oriented diamond drill holes that will provide structural orientation data in addition to more assay data.