

ANNUAL REPORT FOR
EL4/2019
22nd August 2019 to 21st August 2020

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Note: All figures, grids and contained data are presented according to the GDA/MGA94 grid system.

The objectives of the diamond drilling program conducted on EL4/2019 included:

- Testing for potential structural repeats to the east of the Mathinna lodes and workings in an area where no previous drilling has been undertaken
- Test for possible shallow high-grade reefs to the south of the New Golden Gate Mine in an area where there has been no previous drilling
- Test for possible shallow high-grade reefs to the north of the Sophies and Dylan Reefs in an area where there has been no previous drilling.

In February 2020, two diamond holes (MDD005 & MDD008) were drilled for a total of 461.9m. MDD005 and MDD008 were drilled at a dip of -55° and -60° respectively, in a westerly direction, which is perpendicular to stratigraphy.

These holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north.

Drill hole MDD005 did intercept lode style gold mineralisation in the projected locations and included a interval which contained a small amount of visible gold. Significant mineralised zones included 8m @ 0.61 g/t gold from 44m and 2.69m @ 0.48 g/t gold from 61.95m.

The individual sample repeatability using the 30g fire assay methods available at Australian Laboratory Services Pty Ltd (ALS Laboratories) in Tasmania was poor. Despite visible gold being observed in the 0.54m interval from 179.3m, the sample only returned an assay of 0.27 g/t gold. It is likely that there is an issue with nuggety coarse gold and the relatively small fire assay sample size may not be representative. Anomalous samples from MDD005 will be sent to Perth for check analysis using the PhotonAssay method that analyses a larger sample of 500g.

Drill hole MDD008 was drilled purely as a stratigraphic hole and it was not anticipated that any mineralised lodes would be intersected. MDD008 was the eastern most hole of three holes that were drilled as an overlapping fence across the favourable structural corridor on EL19/2018 and EL4/2019 (Figure 12). No anomalous intercepts were returned from MDD008.

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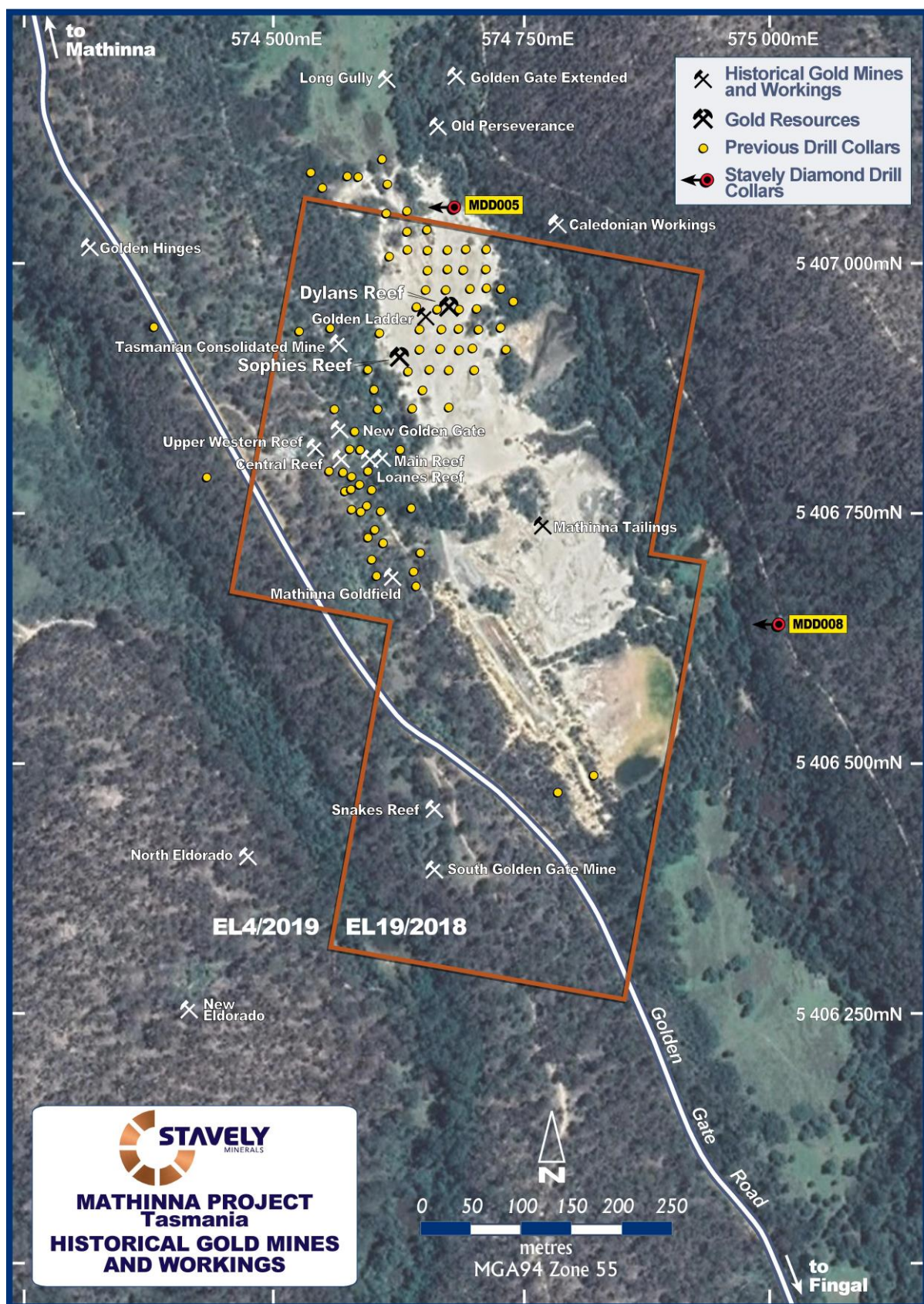


Figure 1. Summary Exploration Activity Map – Diamond Drill Hole Locations – MDD005 & MDD008.

INTRODUCTION

EL4/2019 hosts numerous historical mines and workings which are located in the Mathinna goldfield in Tasmania's north eastern gold province (Figure 2). EL19/2018, which is entirely surrounded by EL4/2019, hosts the New Golden Gate and North Golden Gate Mines. Two co-funded drill holes (MDD005 and MDD008) were completed to understand the stratigraphic and structural setting of the Mathinna mineralisation as part of MRT's Exploration Drilling Grant Initiative.

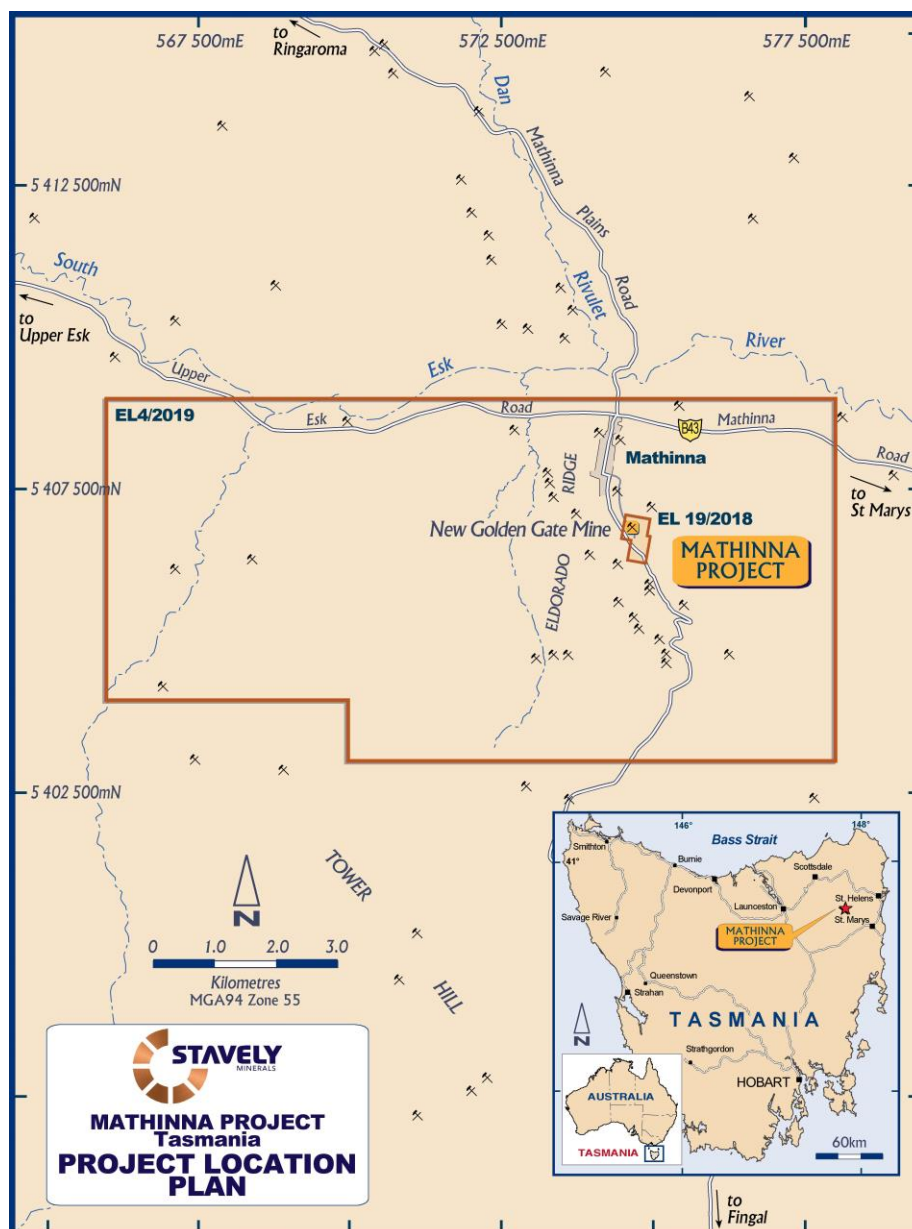


Figure 2. EL4/2019 Location Plan.

Exploration Rationale

Most of the historical mines within EL4/2019 and EL19/2018 (which is enclosed by EL4/2019) were closed by the 1920's and since then exploration has been extremely patchy and largely ineffective. To be economic, the production grades in the early 1900's had to be around 1 oz/t (30 g/t) gold. Only the very high-grade reefs were mined and little attention was paid to mineralisation which today can be mined economically due to a higher gold price and improved mining and processing techniques. In addition, a recent (2018) geological 3D model which demonstrates a new structural synthesis based on mapping and multiple cross sections has been developed by the MRT.

Drilling in the late 1990's was focused in the northwestern corner of the lease along the northerly projection of the New Golden Gate Mine (Tasmania's second largest gold mine having produced 264,000oz at 26 g/t mostly between 1881 and 1912) structures and up-dip from reported intersections in cross-cuts in the North Golden Gate Mine.

This shallow drilling identified two new shallow high grade shoots to the NE of historical workings (Dylans and Sophies Reefs – Inferred JORC 2004 Resource 25,500oz at 13.4 g/t Au) from surface to 100m, as well as two new reefs to the west of historical workings (Central – 7,900oz at 6.9 g/t Au and the Upper Western – 4,400oz at 10 g/t Au).

The southern strike length of the favourable structural corridor within EL4/2019 and EL19/2018 has only been tested by two drill holes, the southern cross-cuts of the New Golden Gate Mine and the South Golden Gate Mine. The two diamond holes were drilled by the Tasmania Mines Department (now MRT) in the early 1960's and reportedly did intersect reef style mineralisation.

Like-wise the northern extension of the favourable structural corridor has also not been drill tested. There are clear indications that the reefs extend along a trend to the north with the existence of the historical workings.

It was proposed to drill one diamond hole on EL4/2019 to test the southern portion of the favourable structural corridor to determine if there are any further new structures/ shoots which host gold mineralisation. A fence of two overlapping diamond holes was proposed across the favourable structural corridor on EL19/2018. The proposed hole for EL4/2019 will be collared to the east of the other two holes on EL19/2018 and will complete the coverage of the favourable structural corridor in the south.

A second drill hole is proposed on EL4/2019 to test the northern portion of the structural corridor along strike from the reefs discovered in the 1990's to determine if there are any further new structures/ shoots which host gold mineralisation. Drilling in the southern and northern portion of the previously untested portion of the favourable structural zone would provide valuable structural information in a highly prospective area. There is also the potential to discover new shallow high-grade shoots similar to those identified in the late 1990's to the north of the New Golden Gate Mine.

Licence Details

Stavely Tasmania Pty Ltd (a wholly owned subsidiary of Stavely Minerals Limited) was granted EL4/2019 on 22 August 2019 for an initial term of four years. The licence is held in joint venture with Bestlevel Holdings Pty Ltd (Bestlevel). The following terms were agreed to between Stavely Tasmania and Bestlevel:

- Stavely Tasmania is the manager.
- Upon the grant of the tenements, Stavely Tasmania Pty Ltd will have a 51% interest in the tenement(s) and Bestlevel will have a 49% interest.
- In consideration for a \$50,000 payment to Bestlevel, Stavely Tasmania has the right to earn an interest of up to 85% in the tenement(s) in the following stages:
 - Exploration-related expenditure of \$500,000 within a two-year period to earn an additional interest of 24% (to 75%); and
 - At completion of a Feasibility Study and payment of \$200,000 to Bestlevel, Stavely Tasmania may earn an additional 10% interest (to 85%).
- Subject to Stavely Tasmania having earned its 85% interest, a Joint Venture will be formed and subsequent expenditure will be on a 'contribute or dilute' basis.
- Should Bestlevel's interest fall below 5%, it will be transferred to Stavely Tasmania in consideration for a 1.5% net smelter return (NSR).
- Stavely Tasmania retains a right to purchase Bestlevel's NSR for payment of \$250,000 per 0.5% NSR to a maximum of \$750,000 to acquire the entire NSR.
- Should the Joint Venture announce in a JORC-compliant Public Report an Ore Reserve in excess of 500,000oz, Stavely Tasmania will pay Bestlevel \$500,000.
- Both parties have pre-emptive rights over the other's interest.

Subsequent to the drilling program at Mathinna, Stavely Tasmania have earned an interest of 75% in EL19/2018, EL4/2019 & EL6/2019 through the expenditure of \$500,000. Bestlevel retain a 25% interest in the exploration licences.

Geology & Mineralisation Overview

EL4/2019 host numerous historical mines and workings which are located in the Mathinna goldfield in Tasmania's north eastern gold province. EL19/2018, which is entirely surrounded by EL4/2019, hosts the New Golden Gate and North Golden Gate Mines. (Figure 3). The Mathinna goldfield lies on the Mangana-Lyndhurst trend, a north-northwest trending zone which accounts for over half of the gold occurrences in Tasmania's north-eastern gold province (Figure 4). The bulk of the gold occurrences in the province are in discrete high-grade quartz+minor sulphide (predominantly pyrite and arsenopyrite) reefs hosted in Ordovician to Devonian aged shale-siltstone-sandstone sequence of turbiditic origin. These reefs were emplaced structurally during the Middle Devonian Tabberrabberan Orogeny.

The New Golden Gate Mine which produced over 250,000 oz at 26 g/t Au, exploited 4 larger (and a number of smaller) steeply plunging shoots over a vertical extent of over 600 metres. These reefs are north-northeast striking and sub-vertical with the oreshoots generally <50m along strike. The New Golden Gate and North Golden Gate reefs are hosted on the steep eastern limb of a west verging, north-northwest striking fold in a package of dominantly shale and siltstone. Structurally the reefs appear to be hosted in north to north-northeast striking faults which splay off north-northwest striking faults (specifically the steeply west-southwest dipping main and second slides).

Shoots within these north to north-northeast striking structures are short strike length, large vertical extent (steeply south plunging), lensoidal “pipes” within these more laterally extensive faults. The main shoot of high grade and width in the New Golden Gate mine occurred where the Main and Loanes Reefs converged.

Mineralisation is interpreted to be hosted within dextral strike-slip shear zones with right-hand jogs creating dilatant zones that host the structurally controlled quartz vein arrays. Mineralisation is described as being hosted in quartz veins of variable width from a few centimetres to 10m and ranging in strike length from 5m to over 300m. The majority of gold productive veins are reported to be less than 1m wide and between 30m to 60m in strike length.

The recent geological 3D model developed by the MRT, which is based on mapping and multiple cross sections and constrained by 3D geophysical modelling using MRT gravity and magnetic survey data coupled with drilling and rock physical property databases is invaluable in assisting with exploration targeting. The structural architecture of the area is associated with NNW trending dextral wrench shears which control the orientation of lode dilation and mineralisation. The primary lodes at Mathinna are orientated NNE with both linking structures and orthogonal structures. This architecture will provide the philosophy for ongoing exploration activities and drill targeting.

The discovery of high-grade gold mineralisation in the 1990's in the northern portion of EL19/2018 was based on pursuing the New Golden Gate structural control to the north of the historical workings.

The favourable structural corridor continues both north and south of the New Golden Gate Mine within EL19/2018 and into EL4/2019 (Figure 5). To the south of the New Golden Gate Mine, shearing and discrete slides are reported from the South Golden Gate Mine, drill holes GG2 and GG3 and in the two southern cross-cuts in the New Golden Gate Mine. To the north shallow high-grade ore shoots have been discovered at the Sophies and Dylan Reefs.

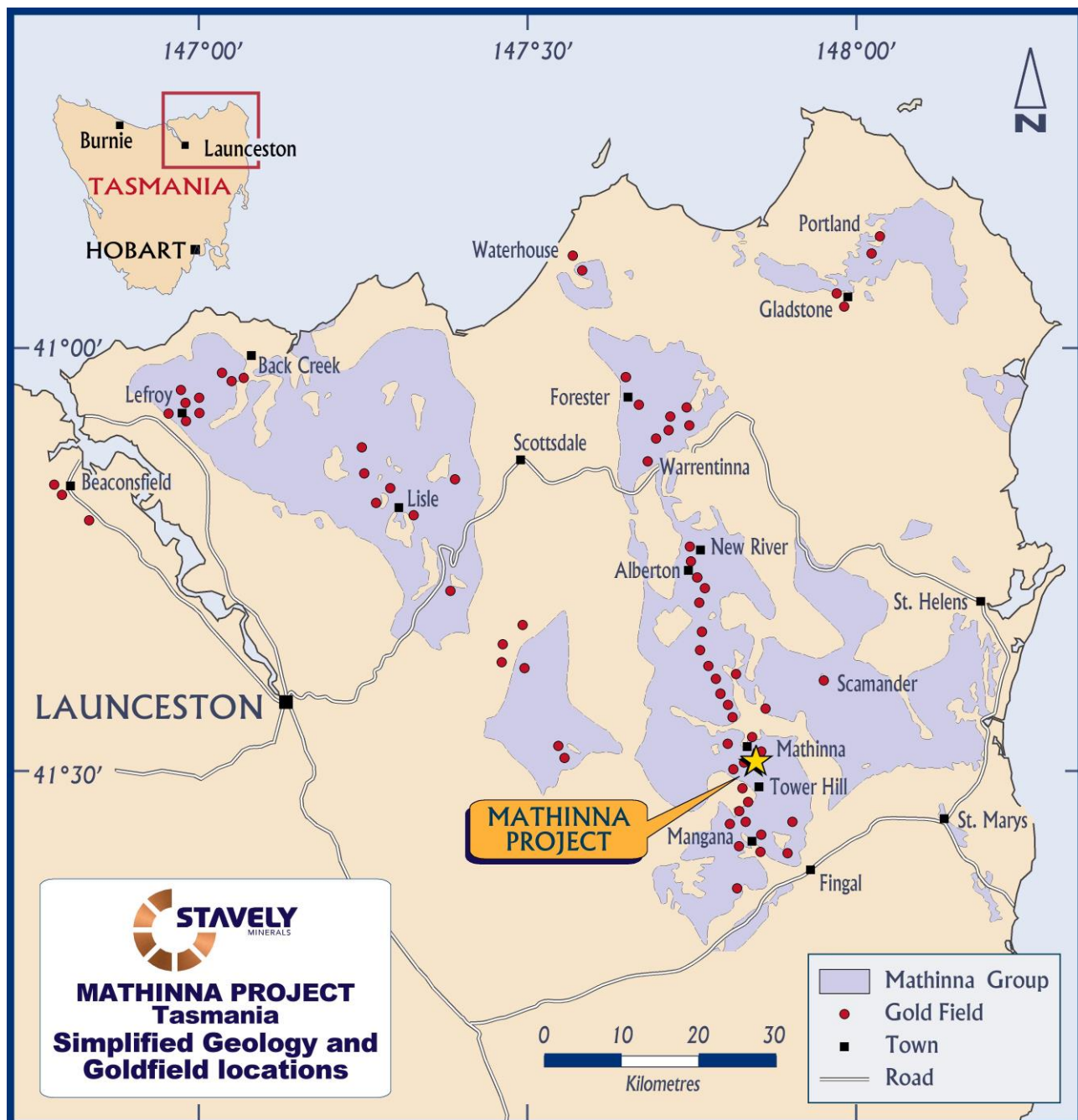


Figure 3. Mathinna Project – Regional Geology Plan.

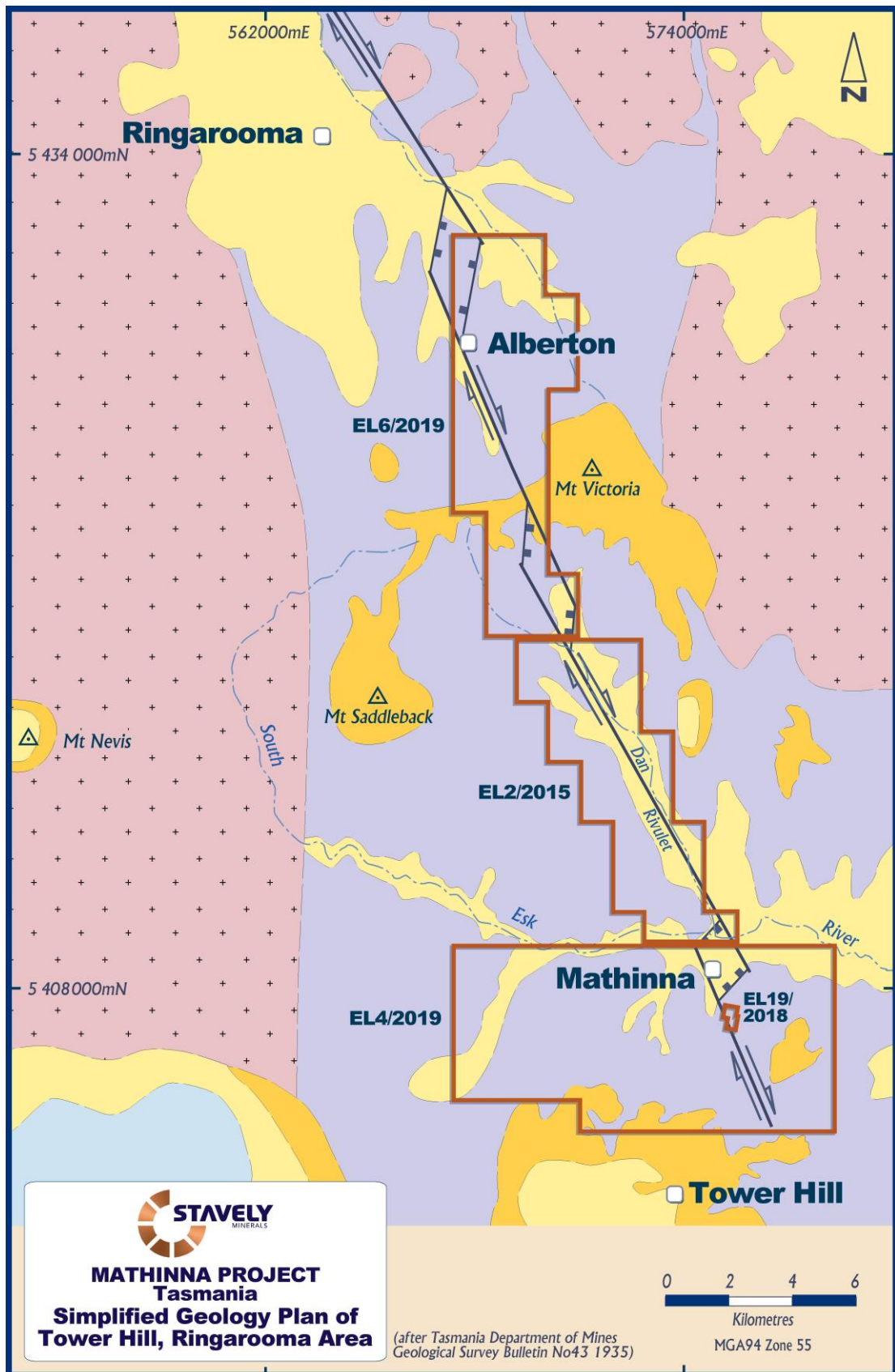


Figure 4. Mathinna Project – Local Geology Plan.

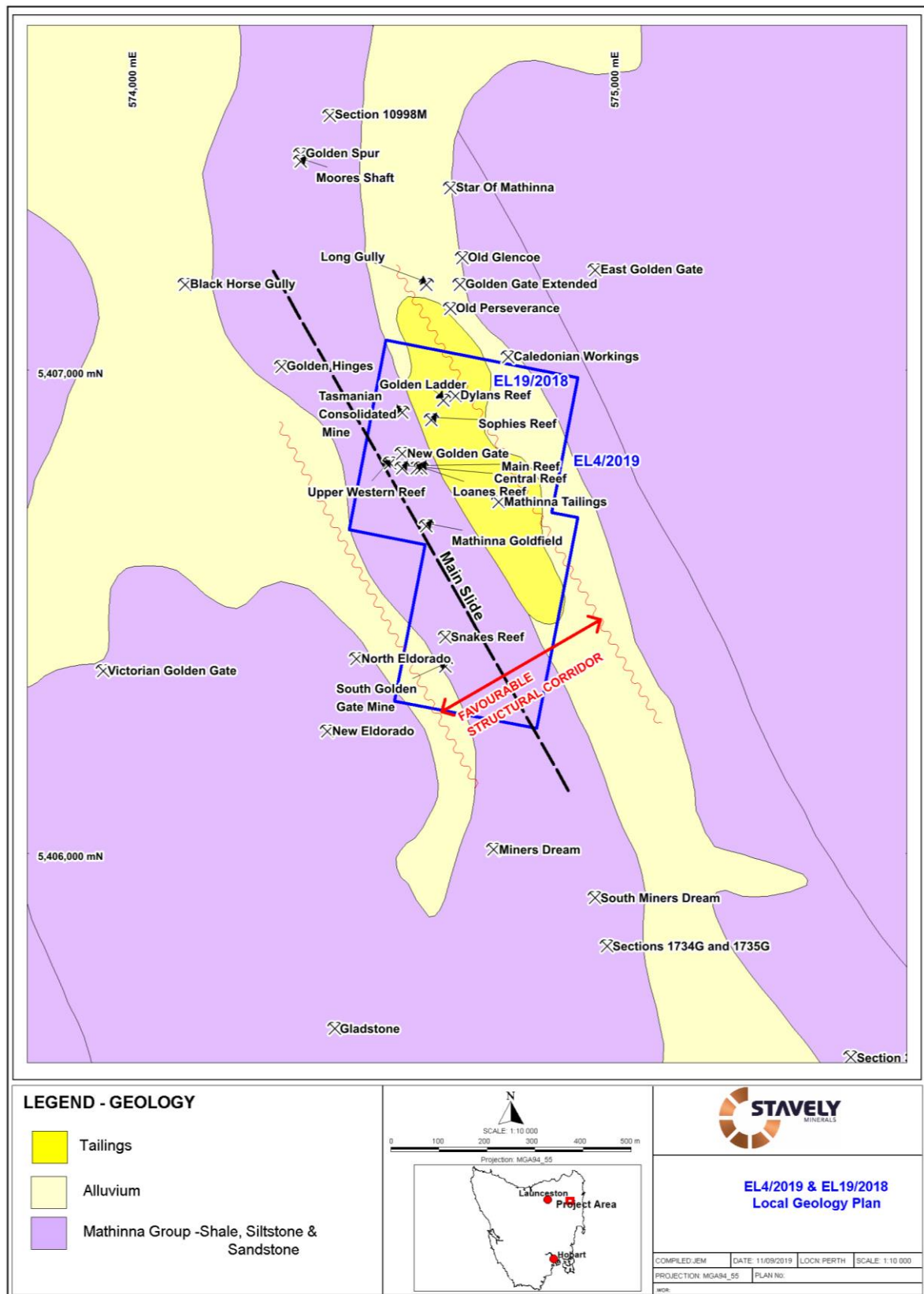


Figure 5. Mathinna Project – Prospect Geology Plan.

The Mathinna Goldfield has been explored sporadically since 1969. This work has been variably focused on the alluvials, tailings, shallow open-cuttable low grade hardrock and high-grade underground reef potential but has been sporadic in nature.

Since the mid 1990's there have been 7 drilling programs in the New Golden Gate area (Figure 6). The first phase of drilling was 3 diamond holes drilled by the Mines Department (now MRT), two (GG1 & GG2) to the south of the New Golden Gate Mine and one (GC3) to the north. All 3 holes intersected reef style mineralisation with the northern hole intersecting a narrow (0.3m down-hole) 20g/t reef and one of the southern holes reportedly intersecting visible gold.

In 1989, Epoch Minerals Exploration NL carried out an 11 hole (for 825m) RAB drilling program around the upper workings. Favourable results around the New Golden Gate Shaft included 8m @ 10.7 g/t Au and 2m @ 4.7 g/t Au in PDH5; 2m @ 4.2 g/t Au and 2m @ 3.9g/t Au in PDH6; 2m @ 5.4g/t Au in PDH9 and 2m @ 1.05 g/t Au, 2m @ 1.0 g/t Au and 2m @ 1.2 g/t Au in PDH10.

In 1995 Resolute Samantha Limited drilled one RC hole near the New Golden Gate/ North Golden Gate workings.

From late 1998 to early 1999, Defiance Mining drilled 45 RC holes for 4,246.5m around the New Golden Gate / North Golden Gate workings. This drilling successfully intersected high grade reefs, named Dylans and Sophies as well as further defining high grade reef mineralisation in the vicinity of the New Golden Gate Shaft which had been intersected in the Epoch percussion holes. These intersections form the basis of the resources mentioned below.

In late 1999 to early 2000, Defiance drilled a further 23 RC holes for 2,018 metres and a further 886m of diamond core on 12 RC holes (8 from the previous program). This drilling further defined the reef mineralisation intersected in the earlier program.

Some of the better intersections included:

2m at 34.33 g/t Au from 111m in MT050 (Sophies Reef)
2m @ 15.2 g/t Au from 74m in MT080 (Sophies Reef)
3m @ 9.62 g/t Au from 109m in MT078 (Sophies Reef)
3m @ 23.05 g/t Au from 46m in MT055 (Dylans Reef)
4m @ 15.37 g/t Au from 51m in MT039 (Dylans Reef)
2m @ 26.8 g/t Au from 92m in MT046 (Dylans Reef)
2m @ 25.4 g/t Au from 220m in MT075 (Upper West Reef)

In 2004, Cala Resources carried out a small 8 hole RC drill program for 180m (although 2 holes were abandoned at 1 and 2m depth) straddling the northern boundary of the lease. This drilling was technically poor with ground water forcing abandonment of many of the holes and hampering sample recovery.

From the drilling along strike from the New Golden Gate Mine in the late 1990's, two new shallow high grade resources were identified to the NE of historical workings (Dylans and Sophies – 25,500oz at 13.4 g/t Au) from surface to 100m, as well as two new reefs to the west of historical workings (Central – 7,900oz at 6.9 g/t Au and the Upper Western – 4,400oz at 10 g/t Au).

Some of the better intercepts from drilling at the Sophies and Dylan Reefs are presented in Figure 7.

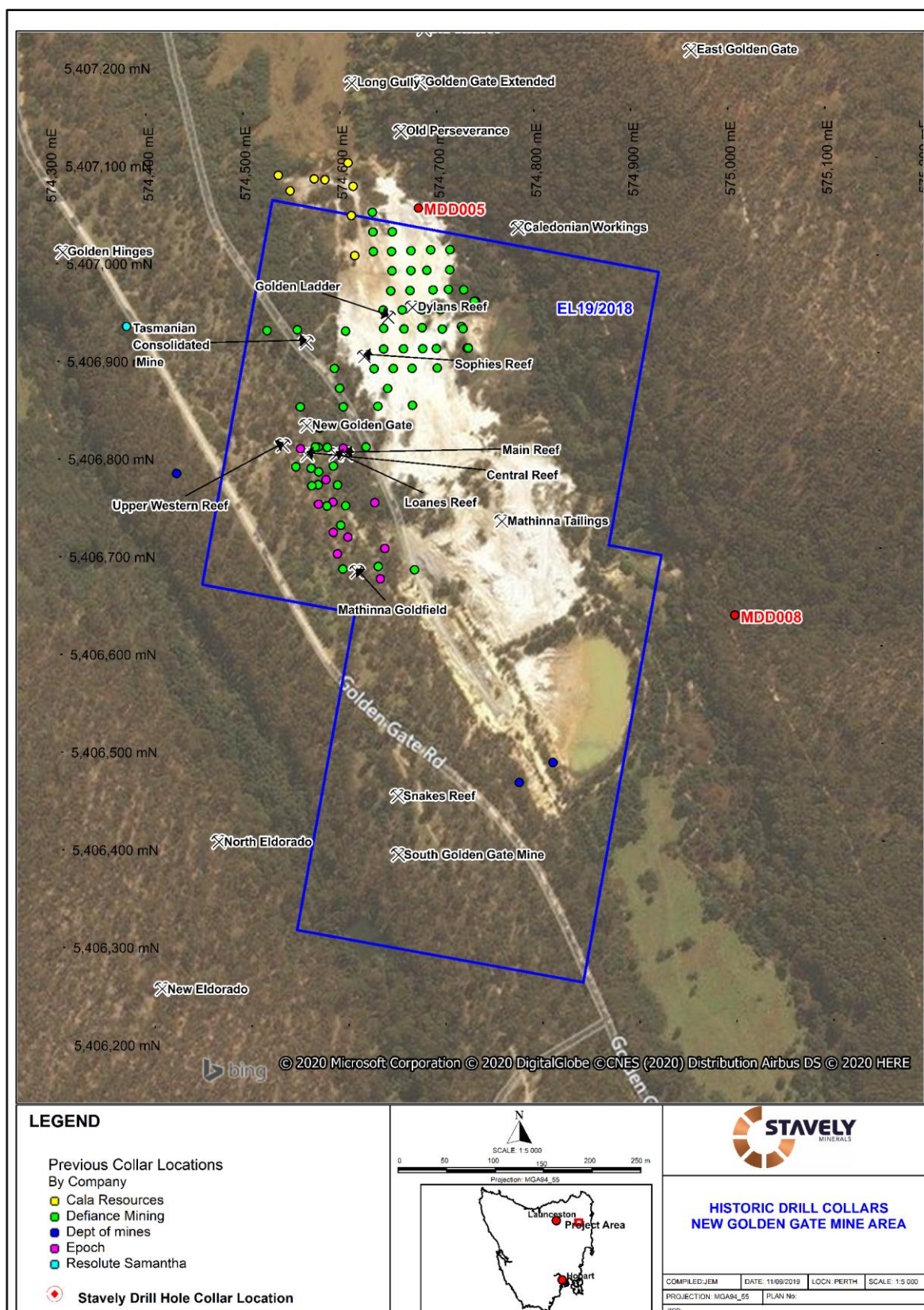


Figure 6. Mathinna Project – Historical Drill Collar Location Plan.

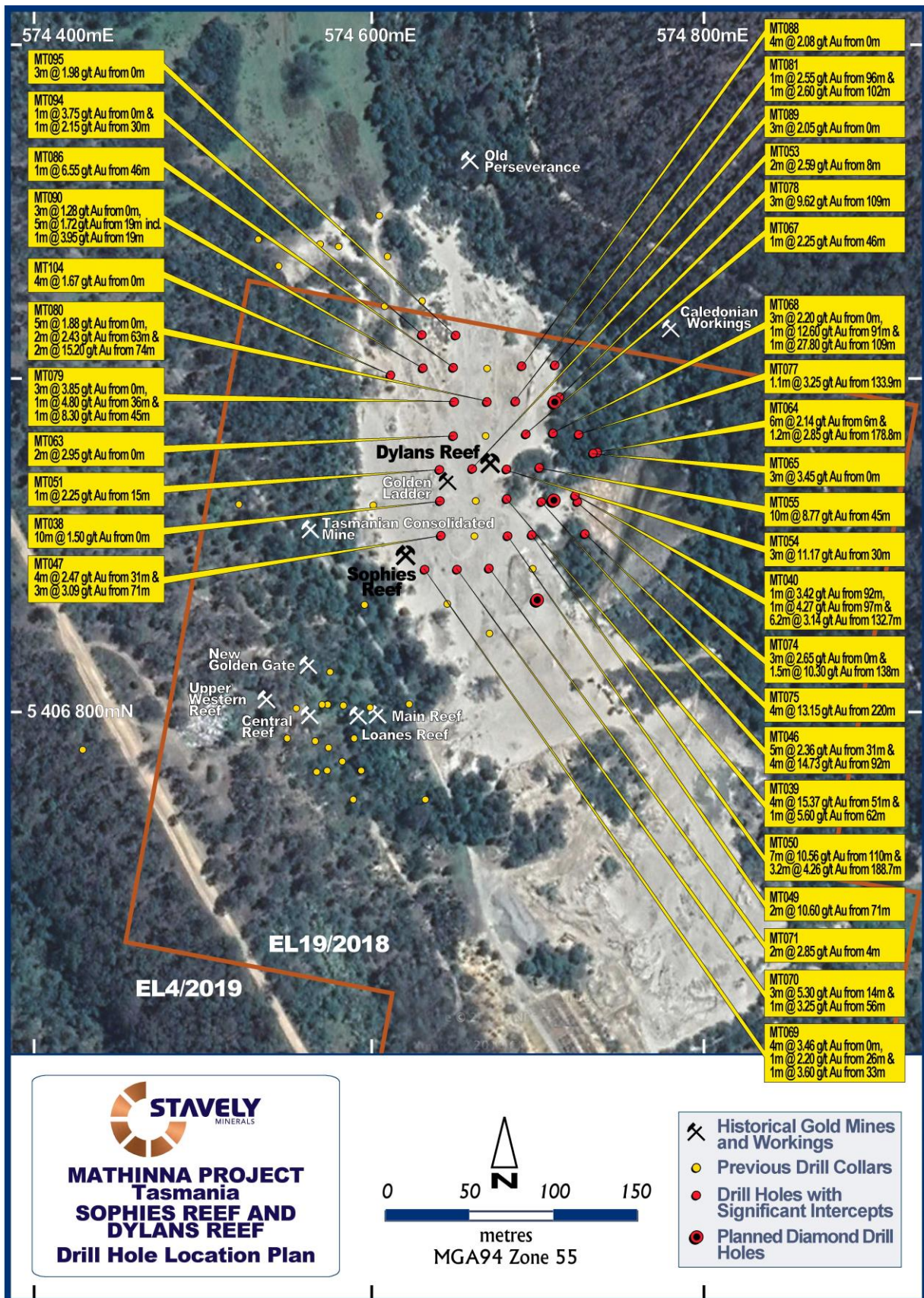


Figure 7. Mathinna Project – Sophies Reef and Dylans Reef – Drill Collar Plan with Significant Intercepts.

EXPLORATION ACTIVITIES

In January and February 2020, two diamond drill holes (MDD005 & MDD008) were drilled on EL4/2019 as part of Mineral Resources Tasmania's (MRT) Exploration Drilling Initiative Program to better understand the overall stratigraphic and structural setting of the Mathinna area.

Diamond Drilling

Drilling was conducted by Titeline Drilling Pty Ltd on EL4/2019 using a D200 diamond drill rig to produce HQ drill core. In February 2020, two diamond holes (MDD005 & MDD008) were drilled for a total of 461.9m. MDD005 and MDD008 were drilled at a dip of -55° and -60° respectively, in a westerly direction, which is perpendicular to stratigraphy.

A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 23.9m for MDD005 and 18.24m for MDD008. Once bedrock was reached diamond drilling to produce HQ diameter core commenced.

Drill collar locations are presented in Figure 1, and collar details are given in Table 1.

Table 1. EL4/2019 – Mathinna Gold Project – Drill Collar Table

Mathinna Gold Project - Drill Collar Table								
MGA 94 Zone 55								
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	Prospect	Tenement
MDD005	DD	574680	5407053	-55/270	304	272.9	Northern Stratigraphic hole	EL4/2019
MDD008	DD	575002	5406633	-60/265	321	189	Southern Stratigraphic hole	EL4/2019

Drill collar locations were pegged before drilling and surveyed using handheld GPS to accuracy of +/- 3m. The grid system used is GDA94, zone 55. Down-hole single shot surveys were conducted by the drilling contractor at approximately every 30m down-hole. Topographic control was achieved via use of DTM developed from a 2012 airborne LiDAR survey conducted by Optech Gemini for the Tasmanian Government.

Geological logging was completed on the two diamond drill holes. Qualitative logging of the core including, lithology, mineralogy, alteration, veining, weathering, structure and geotechnical parameters. Diamond recovery was logged and recorded in a database. The diamond recovery was recorded for each run of drilling and measured against the drilled length. Recovery was generally very good with recovery over 99%.

Half core samples of intervals of interest in the drill core was sampled to geological boundaries with sample lengths generally between 45cm and 1.1m. The core was cut at site using a core saw and submitted to ALS Laboratories in Bernie, Tasmania for analysis of gold using the 30g fire assay method with a 0.01 ppm detection limit.

Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. The samples were then analysed by fire assay with an AAS finish (30g charge).

Up to a 30g sample is fused at approximately 1,100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation.

Certified standards were inserted every 40 samples. None of these standards returned results outside the normal 2 standard deviations of the expected result.

Digital drilling data, including collar, survey, lithology, alteration, veining, mineralisation, structure, recoveries and magnetic susceptibility are presented in Appendix 1. The original laboratory files are presented in Appendix 2.

Diamond Drill Hole - MDD005

On 20 January 2020, drilling of diamond hole MDD005 commenced and was completed to a depth of 272.9m on 26 January 2020. Drill hole MDD005 was designed to test the area between the Sophies and Dylans Reefs and the historical workings to the north (Old Perseverance, Golden Gate Extended and Old Glencoe), also in an area which has not previously been drilled (Figure 1). A summary log is presented below –

0 – 23.9	Pre-collar, no core.
23.9 – 35	Grey fine-grained sandstone interbedded with dark grey fine-grained siltstone.
35 – 35.1	Grey puggy fault gouge with lithic and quartz fragments.
35.1 – 40.3	Creamy white (bleached/silicified) fine-grained sandstone with minor quartz stringers.
40.3 – 62	Variable creamy white to grey, laminated siltstone with minor quartz carbonate veinlets.
62 – 73	Dylan Reef? (bifurcating?) Zone of intensely altered, creamy grey (cherty) siltstone, smaller quartz vein breccias and minor puggy fault shears, a section of relatively unaltered grey siltstone/mudstone before a 0.6m quartz carbonate chlorite vein breccia at 68.3 to 68.9m with a small “horse” of sheared, olive grey altered siltstone. More

	altered green grey silt/mudstone up to 72.6m to finish with 0.4m quartz carbonate vein breccia.
73 – 73.6	Alteration halo continues with olive green siltstone and minor quartz carbonate veining.
73.6 – 82.2	Grey siltstone.
82.2 – 82.35	Weakly laminated quartz carbonate vein.
82.35 – 87	Grey foliated siltstone with infrequent minor quartz veins with strong localised cherty alteration halos.
87 – 90.5	Black foliated mudstone.
90.5 – 97	Grey laminated siltstone with frequent hairline quartz carbonate veinlets.
97 – 97.2	Chert quartz carbonate vein.
97.2 – 118	Variable green grey to black, variably altered interbedded siltstones and mudstones. The lighter coloured lithologies associated with alteration halos around quartz carbonate veining.
118 – 127.45	Grey fine-grained siltstones with occasional interbedded very fine grained cherty siltstones with stockwork veining.
127.45 – 127.8	5cm of laminated quartz vein and disrupted, irregular quartz carbonate veins in a strongly deformed laminated siltstone.
127.8 – 136.66	Dark grey to light grey siltstones, the later moderately silica/sericite altered by minor quartz carbonate veining and display hairline stockwork veinlets of chlorite.
136.66 – 136.95	Well laminated shear zone of altered olive grey siltstone, black deformed mudstone, quartz carbonate veins and puggy fault gouge.
136.95 – 143.3	Dark grey siltstone with minor planar quartz carbonate veinlets,
143.3 – 144.5	As above with stockwork veining and bucky quartz carbonate veining.
144.5 – 153.9	Dark grey siltstone with minor quartz carbonate veinlets.
153.9 – 157.8	Black to dark grey, brecciated and strong stockworked black mudstones with abundant sulphides.
157.8 – 158.27	Strongly laminated and puggy fault gouge.
158.27 – 162.38	Grey siltstones with frequent irregular thin quartz carbonate veinlets;
162.38 – 165.1	Very strongly sheared siltstones, quartz carbonate fault breccias, laminated quartz veins +/- sulphides and multiple fault gouges.
165.1 – 179.34	Dark to olive grey laminated siltstones with very frequent, regular quartz carbonate veinlets to 5mm and frequent irregular qtz/carb veining to 25mm
179.34 – 212.9	Siltstones with minor quartz carbonate veining.
212.9 – 217.7	Siltstones with strong veining.
217.7 – 221.2	Barren siltstones.
221.2 – 225	Siltstones with increasing strong veining
225 – 225.3	Sheared puggy fault zone with fragmented siltstone and quartz vein.
225.3 – 233.5	Siltstones with moderate quartz carbonate veining.
233.5 – 258.95	Siltstones with infrequent minor veining.
258.95 – 259.25	Strong sheared puggy fault zone with quartz fragments.
259.25 – 266.8	Siltstones with strong veining.

266.8 – 272.9 Siltstones with minor veining but also a 5cm well laminated quartz sulphide vein at 267.2m. Sulphide ~40% of vein.

EOH

Diamond Drill Hole - MDD008

On 5 February 2020, drilling of diamond hole MDD008 commenced and was completed to a depth of 189m on 8 February 2020. Drill hole MDD008 was designed to test the area between the New Golden Gate Mine and the Southern Golden Gate Mine in an area which had not previously been drilled (Figure 1). A summary log is presented below –

0 – 18.24	No core, pre collar.
18.24 – 26.9	Siltstone with frequent oxidised planar and irregular quartz carbonate veins and veinlets to 50mm.
26.9 – 28.1	Sandstone with infrequent planar quartz carbonate veinlets to 10mm.
28.1 – 28.15	Thin quartz vein breccia with puggy lower contact.
28.15 – 37.2	Sandstone with minor interbedded slatey mudstone and very infrequent irregular quartz carbonate veinlets.
37.2 – 37.5	Bucky quartz vein.
37.5 – 59.5	Sandstone with infrequent interbedded mudstone. Sandstone host infrequent irregular quartz carbonate veinlets to 10mm and mudstone host sheared and contorted veinlets.
59.5 – 59.6	Moderately sheared black mudstone with sheared pygmatic veinlets to 5mm.
59.6 - 98.1	Grey siltstone with moderately frequent minor quartz carbonate veinlets and strong quartz carbonate chlorite +/- minor pyrite veins with strong alteration of included wall rock at 83.9 to 84.7m, 87.8 to 88.1m, 92 to 92.7m and 95.2 to 95.5m.
98.1 – 148.6	Grey fine grained siltstone with localised weak to moderate silica chlorite alteration halos on minor veining. Strong quartz carbonate chlorite vein at 136.5 to 136.7 with strong alteration of included wall rock but minimal alteration halo.
148.6 – 150.5	Zone of sheared and weakly brecciated siltstone with moderate sections of pug with quartz fragments. Siltstone is moderately altered.
150.5 – 182	Grey, fine grained, unaltered siltstone with minor veining with localised alteration halos and minor thin pugs.
182 to 183	Moderately sheared siltstone from with 7cm of pug/lithic fragments, weak to moderately brecciated siltstone for 30cm, 2cm pug with fragments, 25cm of weakly brecciated siltstone, 13cm of pug with lithic clasts and 25cm of weakly brecciated siltstone. A minor 2cm pug with fragments at 183.3m. This structure is not altered, nor mineralised with sulphides.
183 – 189	Grey, fine grained unaltered siltstone.

EOH.

DISCUSSION OF RESULTS

The two diamond drill holes were designed to test the favourable structural corridor on EL4/2019. Drill hole MDD008 was designed to test the area between the New Golden Gate Mine and the Southern Golden Gate Mine in an area which has not previously been drilled (Figures 8, 9 & 10). Drill hole MDD005 was designed to test the area between the Sophies and Dylans Reefs and the historical workings to the north (Old Perseverance, Golden Gate Extended and Old Glencoe), also in an area which has not previously been drilled (Figure 8, 9 & 10).

It was anticipated that a turbiditic sequence of shale, siltstone and sandstones will be intersected in the drilling. At the New Golden Gate Mine, the reefs appear to be hosted in the north to north-northeast striking faults which splay off north-northwest striking faults (specifically the steeply west-southwest dipping main and second slides). The main slide has been projected to continue to the south into the area of interest (Figure 8). It was expected that one or more structurally emplaced discrete high-grade quartz+minor sulphide (predominantly pyrite and arsenopyrite) reefs will be intersected by the proposed drilling.

It was anticipated that MDD005 would intercept the Sophies Reefs. Drill hole MDD005 did intercept lode style gold mineralisation in the projected locations and included an interval which contained a small amount of visible gold (Photo 1). In hole MDD005, it is believed that the Sophies East Reef was intercepted at approximately 44m and the Sophies Main Reef at approximately 62m. In addition, several “new” reefs were intercepted by drill hole MDD005 (Figure 11).

Significant mineralised zones (using the 30g Fire Assay method) included:

MDD005	8m @ 0.61 g/t Au from 44m
	2.69m @ 0.48 g/t Au from 61.95m
	1m @ 0.34 g/t Au from 73.3m
	0.95m @ 0.49 g/t Au from 148.95m
	1m @ 0.3 g/t Au from 153.9m
	0.54m @ 0.27 g/t Au from 179.3m (visible gold was logged in this interval)

The individual sample repeatability using the 30g fire assay methods available at ALS Laboratories in Tasmania was poor. Despite visible gold being observed in the 0.54m interval from 179.3m, the sample only returned an assay of 0.27 g/t gold. It is likely that there is an issue with nuggety coarse gold and the relatively small fire assay sample size may not be representative. Anomalous samples from MDD005 will be sent to Perth for check analysis using the PhotonAssay method that analyses a larger sample of 500g.

Drill hole MDD008 was drilled purely as a stratigraphic hole and it was not anticipated that any mineralised lodes would be intersected. MDD008 was the eastern most hole of three holes that were drilled as an overlapping fence to across the favourable structural corridor on EL19/2018 and EL4/2019 (Figure 12). No anomalous intercepts were returned from MDD008.



Photo 1. Photograph of Visible Gold in Mathinna Diamond Drilling - MDD005 179.3m down-hole.

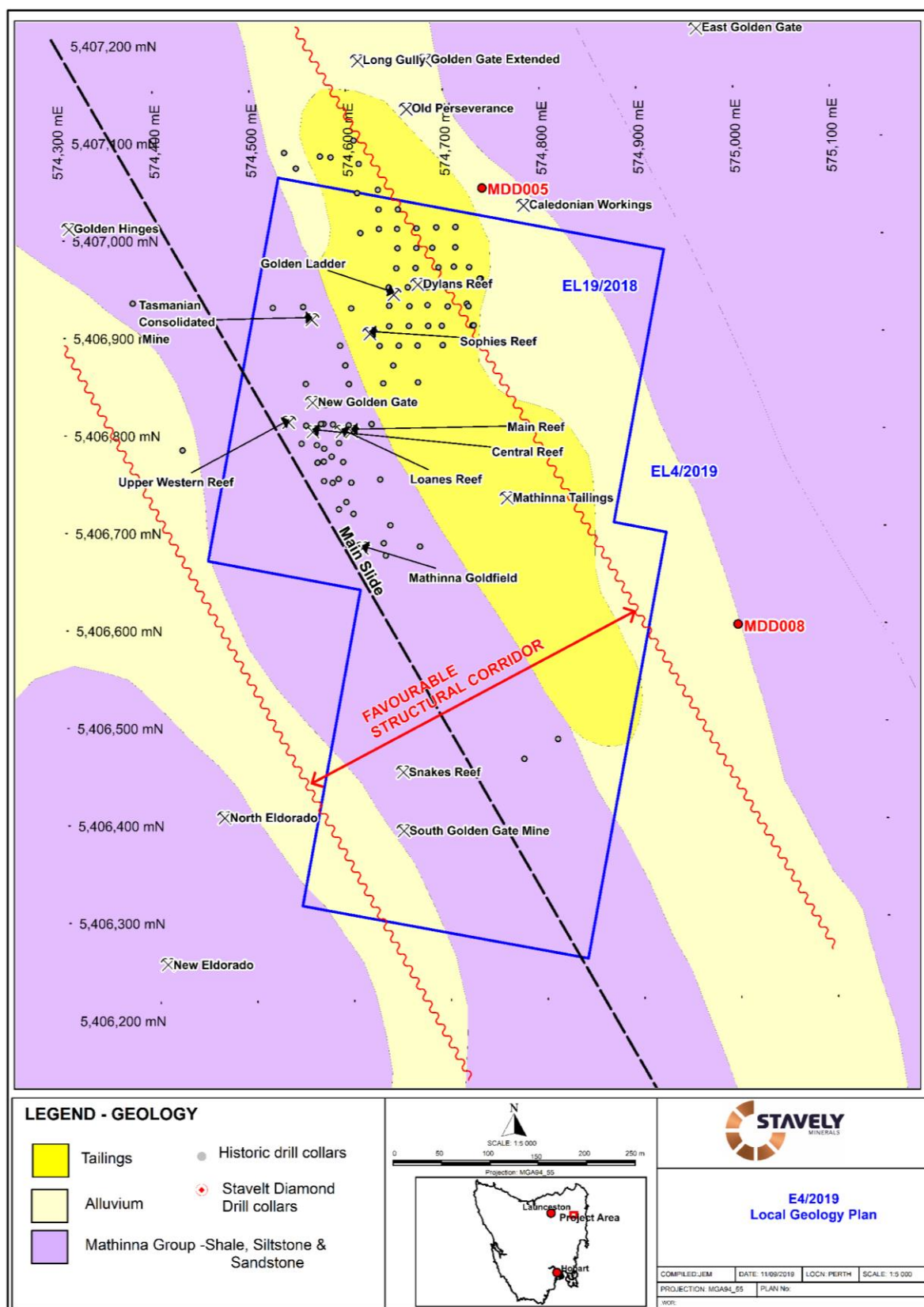


Figure 8. Mathinna Project – Prospect Geology with Drill Hole Locations.

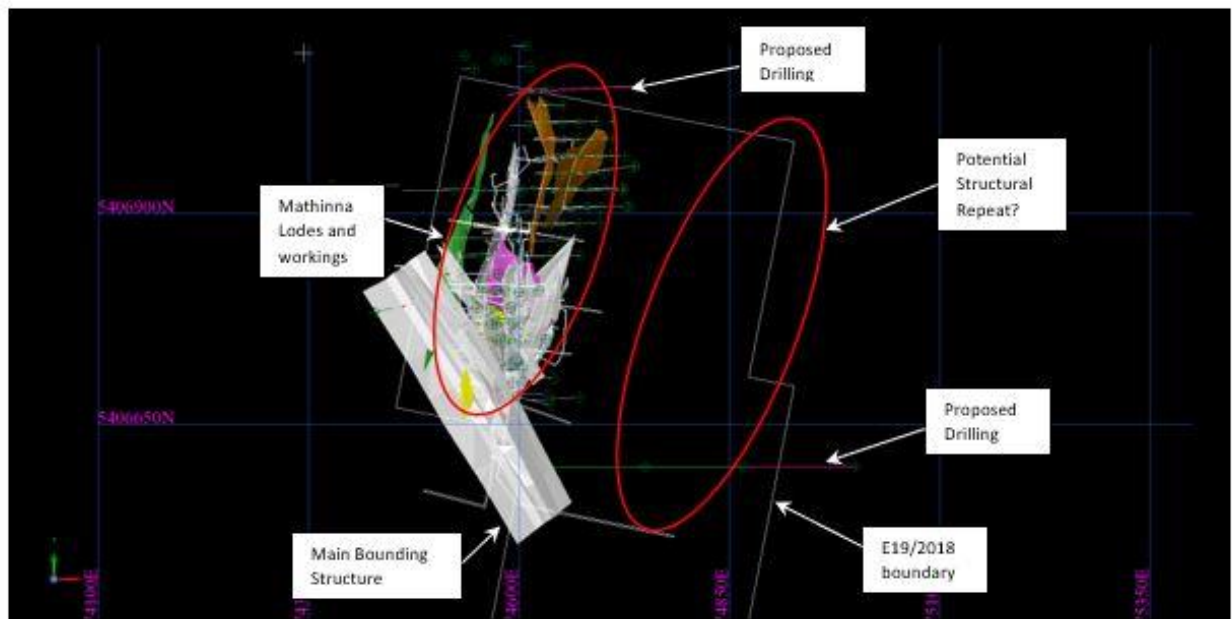


Figure 9. Plan View of Mathinna Showing Existing Workings and Lodes and Proposed Drilling.

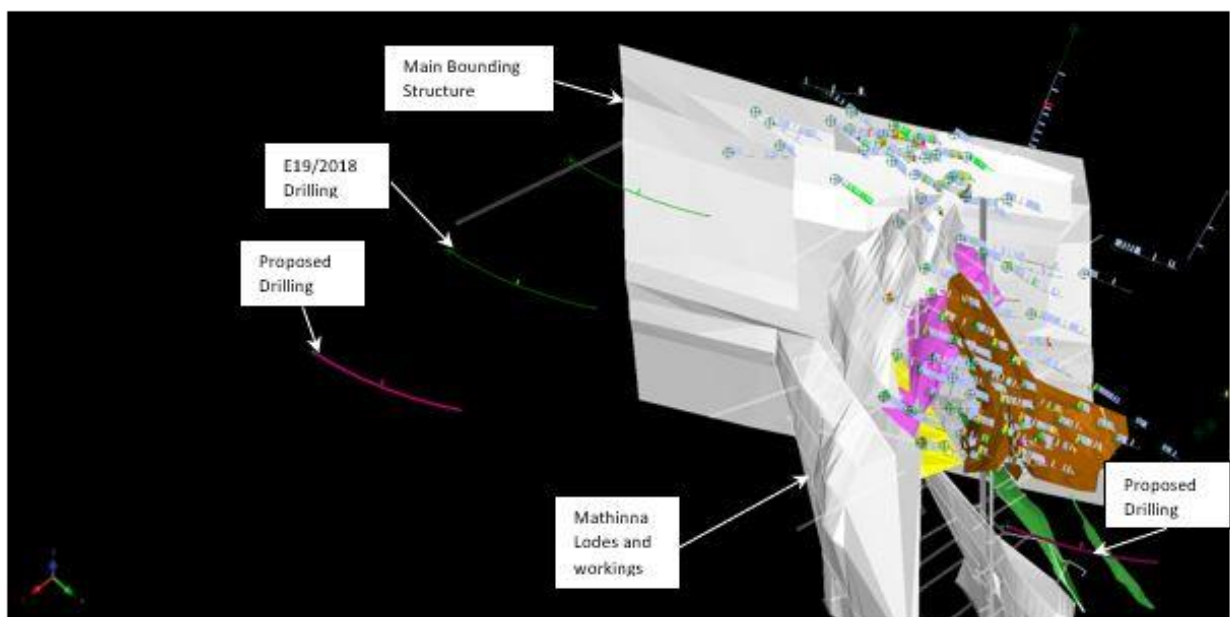


Figure 10. Oblique view (looking South West) of Mathinna showing Existing Workings and Lodes and Proposed Drilling.

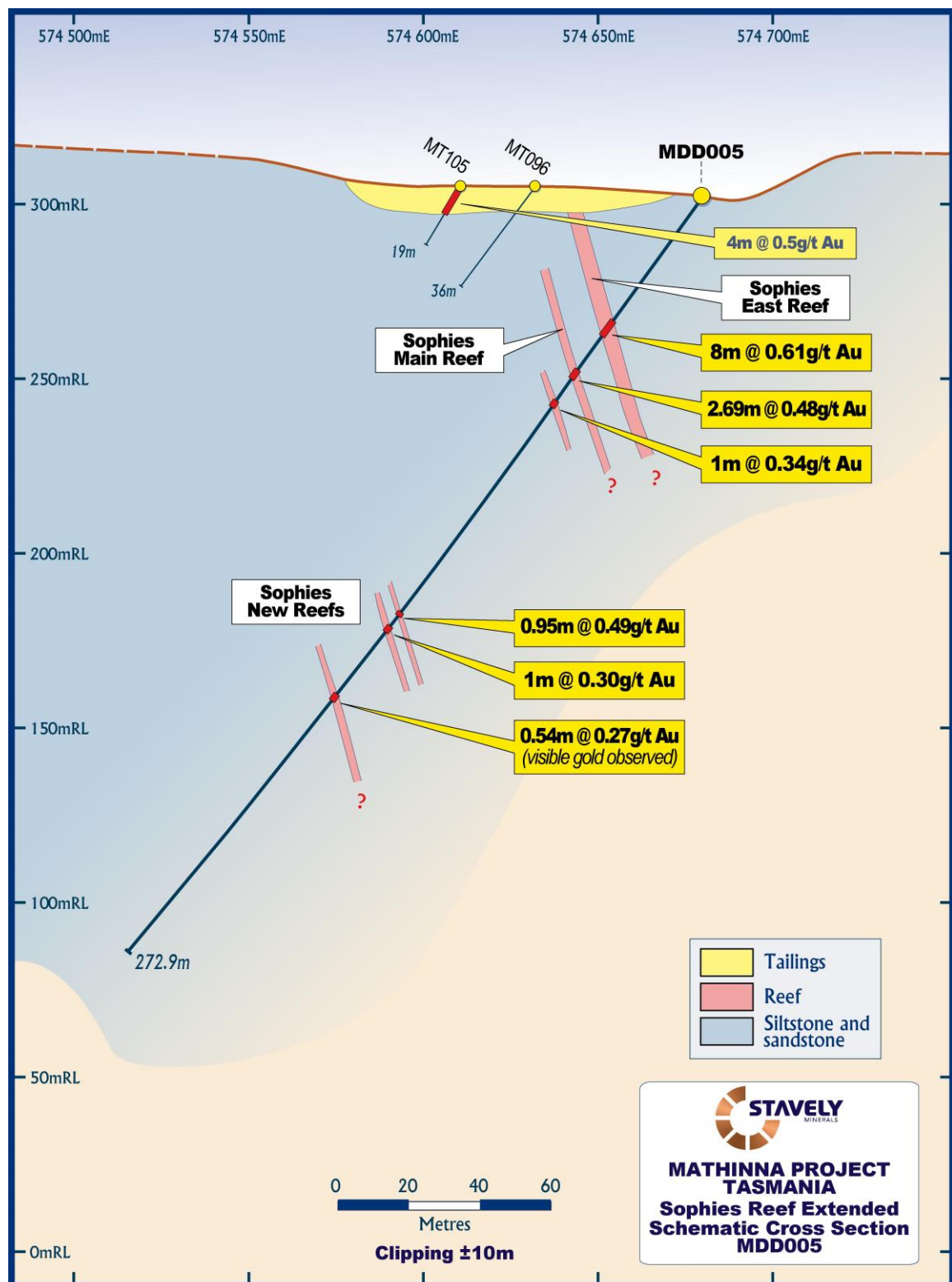


Figure 11. Sophies Reef Extended – Schematic Cross Section MDD005.

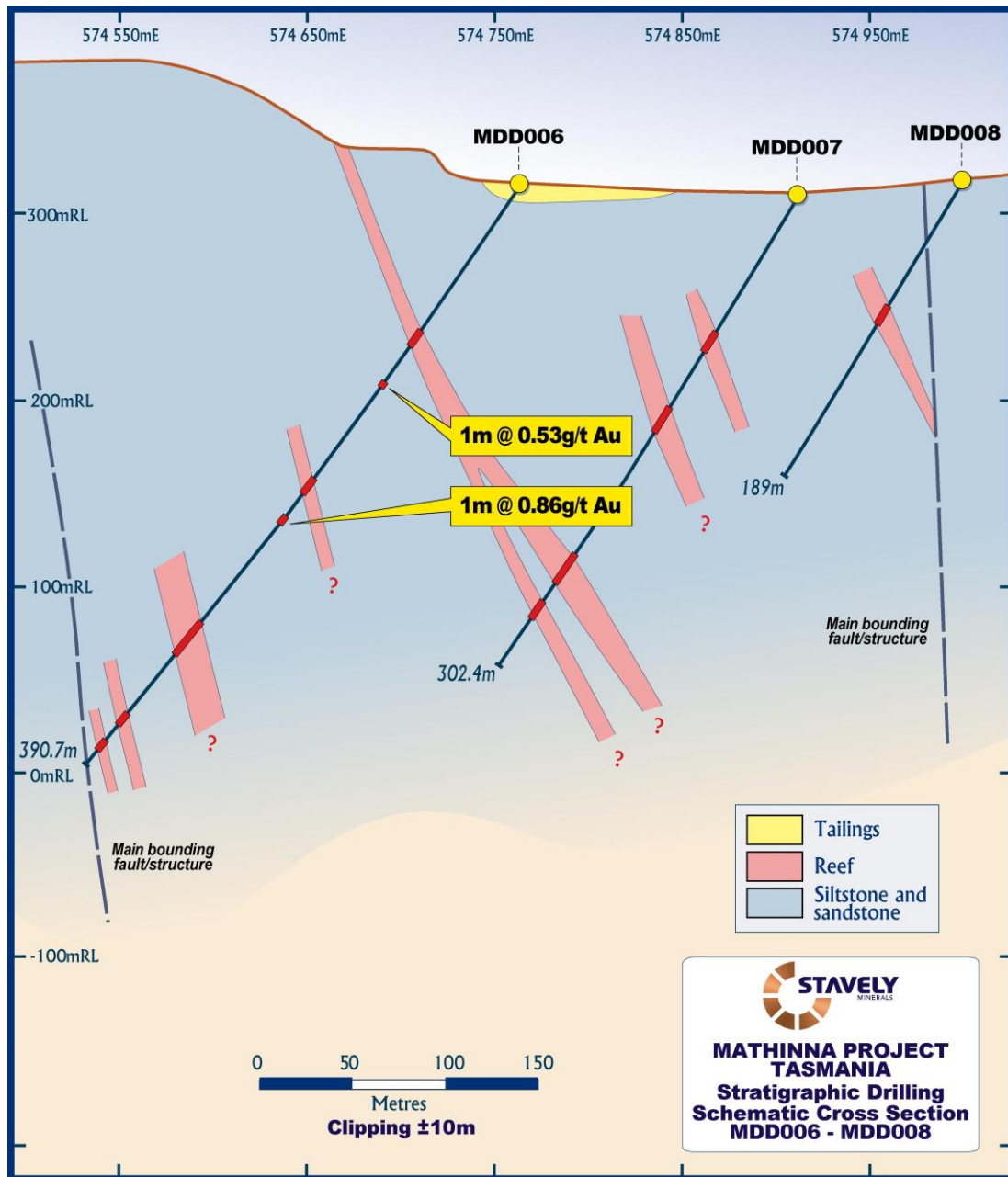


Figure 12. Stratigraphic Drilling Schematic Cross Section MDD006 – MDD008.

CONCLUSION

The geoscientific objectives to be tested by the drilling program include:

- Testing for potential structural repeats to the east of the Mathinna lodes and workings in an area where no previous drilling has been undertaken
- Test for possible shallow high-grade reefs to the south of the New Golden Gate Mine in an area where there has been no previous drilling
- Test for possible shallow high-grade reefs to the north of the Sophies and Dylan Reefs in an area where there has been no previous drilling

The drill holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north.

Drill hole MDD005 did intercept lode style gold mineralisation in the projected locations and included an interval which contained a small amount of visible gold. Significant mineralised zones (using the 30g Fire Assay method) included:

MDD005	8m @ 0.61 g/t Au from 44m
	2.69m @ 0.48 g/t Au from 61.95m
	1m @ 0.34 g/t Au from 73.3m
	0.95m @ 0.49 g/t Au from 148.95m
	1m @ 0.3 g/t Au from 153.9m
	0.54m @ 0.27 g/t Au from 179.3m (visible gold was logged in this interval)

The individual sample repeatability using the 30g fire assay methods available at ALS Laboratories in Tasmania was poor. Despite visible gold being observed in the 0.54m interval from 179.3m, the sample only returned an assay of 0.27 g/t gold. It is likely that there is an issue with nuggety coarse gold and the relatively small fire assay sample size may not be representative. Anomalous samples from MDD005 will be sent to Perth for check analysis using the PhotonAssay method that analyses a larger sample of 500g.

FUTURE EXPLORATION

The individual sample repeatability using the 30g fire assay methods available at Australian Laboratory Services Pty Ltd (ALS Laboratories) in Tasmania was poor. Despite visible gold being observed in the 0.54m interval from 179.3m, the sample only returned an assay of 0.27 g/t gold. It is likely that there is an issue with nuggety coarse gold and the relatively small fire assay sample size may not be representative. Anomalous samples from MDD005 will be sent to Perth for check analysis using the PhotonAssay method that analyses a larger sample of 500g, however given the current COVID-19 travel restrictions, the follow-up sampling and detailed investigation of the results will be delayed.

The co-funded drill holes (MDD005 and MDD008) have provided a significant dataset of excellent structural information that will help to target further exploration.

Further drilling will be planned but due to the current COVID-19 pandemic it is uncertain as to when this will occur.

ENVIRONMENTAL MANAGEMENT

Drill hole MDD005 is located in an area covered by the Mathinna tailings (Figure 13 & Photo 2). Drill hole MDD008 is located in an existing clearing along a track (Figure 13). No clearing was required.

There are no inhabited buildings in the vicinity of the proposed drilling and hence there were no noise pollution issues.

The entire worksite including drill rig, drill hole collar, and drill rod layout area is underlain by durable plastic to contain any fluid spillage or drill cuttings.

Fuel is stored in the fuel truck. Where it is stored in containers they are underlain by plastic sheeting and a bund is constructed.

Drilling fluids were contained within sumps which will be dug adjacent to the drill pad on the downward side. Drains were dug to direct any accidental spills into the sump.

Subsequent to the completion of the drilling program, the holes have been plugged and capped. The drill sumps have been back-filled and the top soil has been replaced.

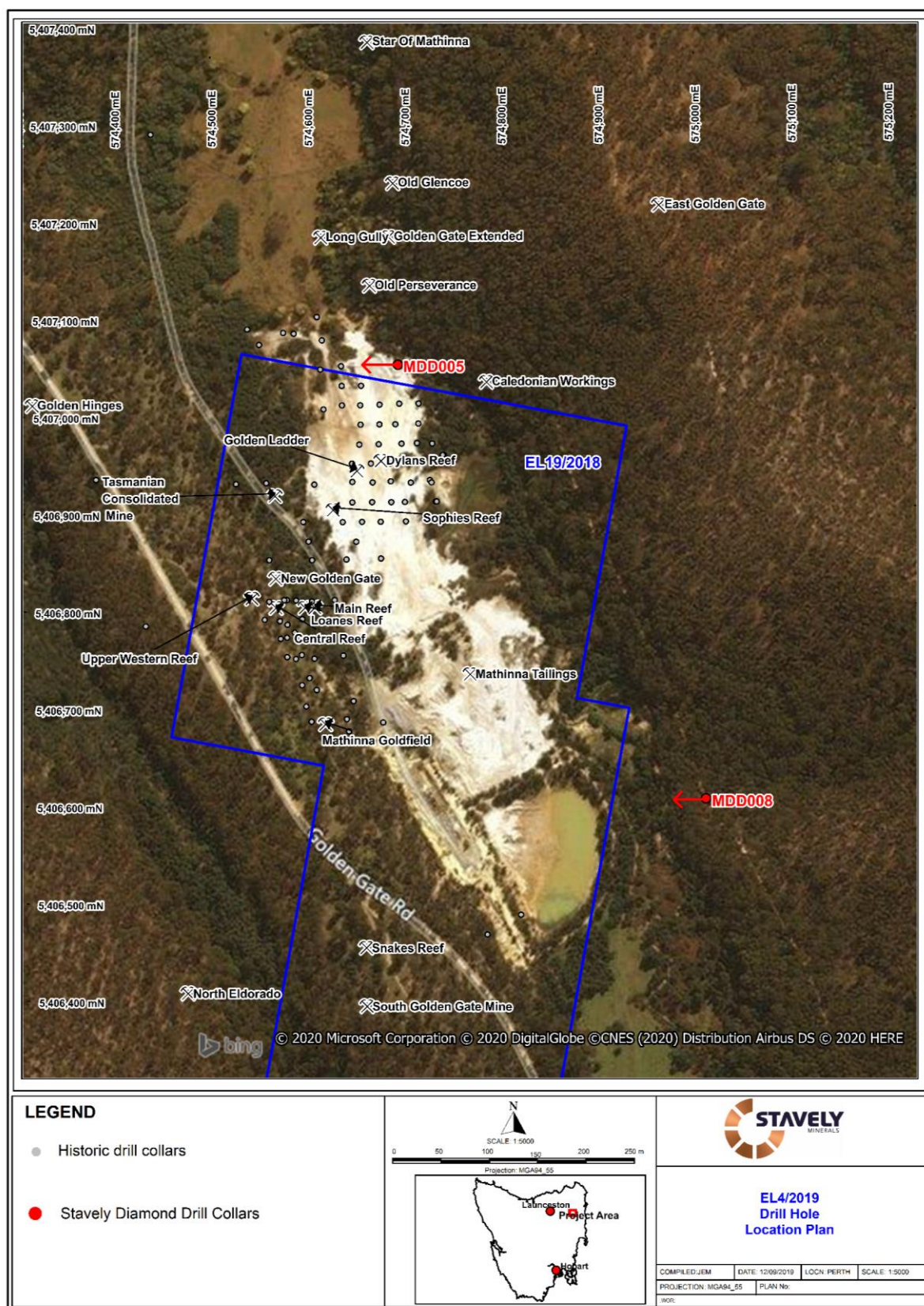


Figure 13. EL4/2019 Diamond Drill Locations Overlain on Satellite Image.



Photo 2. Photo of Drill Site on the Mathinna Tailings.

EXPENDITURE

The total expenditure for EL4/2019 for the period 22nd August 2019 to 21st August 2020 is \$199,285. A summary of the expenditure is presented in the table below.

Table 2. Expenditure Summary

Exploration Activity	Cost
Geoscience	
Geology	\$6,195
Geochemistry	\$7,218
Drilling and Gridding	
Drilling	\$163,895
Land Access	
Land Access	-
Rehabilitation	
Rehabilitation	\$1,688
Other	
Other	\$2,172
Administration	
Administration	\$18,117
Total	\$199,285

Digital Drilling Data

Original Laboratory Data