ASX Announcement

Reward Resource and Feasibility Study Update

KGL RESOURCES

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10 January 2022

- Reward mineral resource estimate updated
  - **20% increase** in contained copper metal to 244 kt
  - Grade consistent at **1.80% copper**
  - Two new higher-grade shoots defined
  - Indicated category mineral resource tonnes **up 23%**
- Basis for feasibility study's revised mine plan
- Feasibility Study now scheduled for **mid-2022**

KGL Resources (**ASX:KGL**) is pleased to announce an update of the mineral resource estimate for the Reward deposit. The Reward deposit hosts one of the three principal mineral resources which comprise the Jervois Copper Project and has been subject to a significant program of resource-growth drilling during 2021. Mineral resource estimate updates for the other two deposits, Bellbird and Rockface, are underway and together they will underpin feasibility study updated mine plans. Taking into consideration this resource update and the expected updates on Bellbird and Rockface, along with COVID-19 restrictions and industry wide challenges, the Feasibility Study is now scheduled for delivery in mid-2022.

Reward Resource Update

The mineral resource estimate was completed by experienced and independent consultants, Mining Associates Pty Ltd, and their summary report is included as part of this announcement. The mineral resource estimate incorporated the results from drilling during 2021 along with drilling results from earlier times. The estimate is reported according to the JORC (2012) guidelines.

Results

When compared to the most recent previous estimate (2020), the Reward mineral resource estimate delivers a 20% increase in contained copper metal, to 244 kt, and 20% increase in resource tonnes to 13.58 Mt, in the indicated and inferred categories. Copper grade remains consistent at 1.80%. Table 1 below presents the latest mineral resource parameters and Figure 1 show the progression of copper results from the past four Reward mineral resource estimates.

Table 1. Reward Mineral Resource Estimate 2022

Reward Mineral Resource		Mineralised Mass (Mt)	Grade			Metal		
Area*	Category		Copper (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Silver (Moz)	Gold (koz)
Open Cut Potential	Indicated	3.84	1.80	39.4	0.31	69.1	4.86	38.2
>0.5 % Cu	Inferred	0.65	0.92	9.2	0.07	5.9	0.19	1.5
Subtotal (< 200 m RL)		4.48	1.67	35.0	0.27	75.0	5.04	38.9
Underground Potential	Indicated	4.78	2.12	42.6	0.45	101.6	6.55	69.2
> 1% Cu	Inferred	4.32	1.56	19.6	0.20	67.3	2.72	27.8
Subtotal (> 200 m RL)		9.10	1.86	31.7	0.33	168.9	9.28	96.6
Resource Categories Subtotal	**Indicated**	**8.62**	**1.98**	**41.2**	**0.39**	**170.7**	**11.41**	**107.4**
	Inferred	**4.96**	**1.48**	**18.2**	**0.18**	**73.2**	**2.91**	**29.2**
Total Resource		**13.58**	**1.80**	**32.8**	**0.31**	**243.9**	**14.32**	**136.7**

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*does not include Reward South deposit

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Mineral resources are not ore reserves and do not have demonstrated economic viability.

Inferred resources have less geological confidence than indicated resources and should not have modifying factors applied to them. It is reasonable to expect that with further exploration most of the inferred resources could be upgraded to indicated resources.

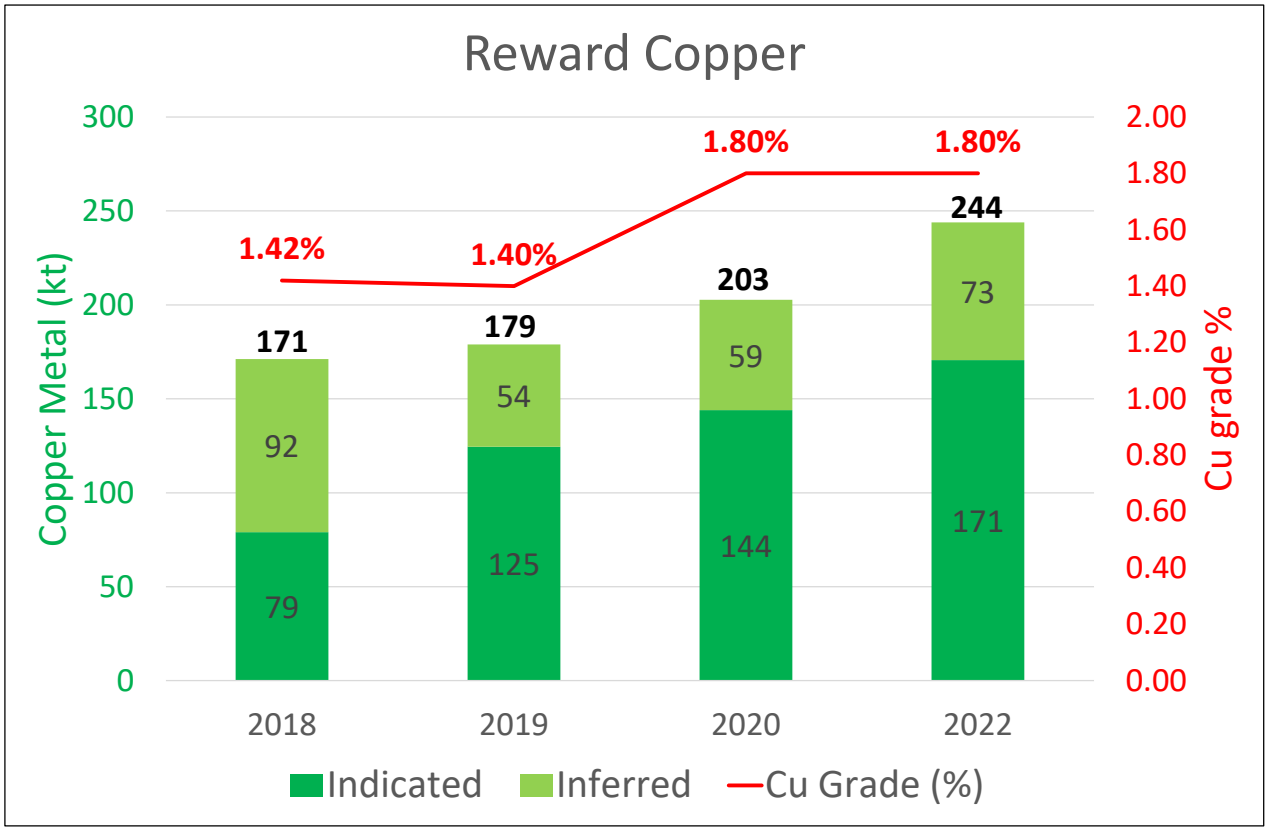


Figure 1: Showing the progression of Reward copper mineral resource estimates from 2018 until the current estimate in 2022. The 2022 estimate provides a 20% increase in total copper metal and a consistent grade of 1.80% Cu compared with the 2020 estimate.

Gold and Silver

Both gold and silver grade has dropped slightly, but the mineral resource estimates show increases in both metal contents from 2020 to 2022. Figure 2 shows the progression of silver metal content and grade for the most recent three mineral resource estimates and Figure 3, similarly, for gold.

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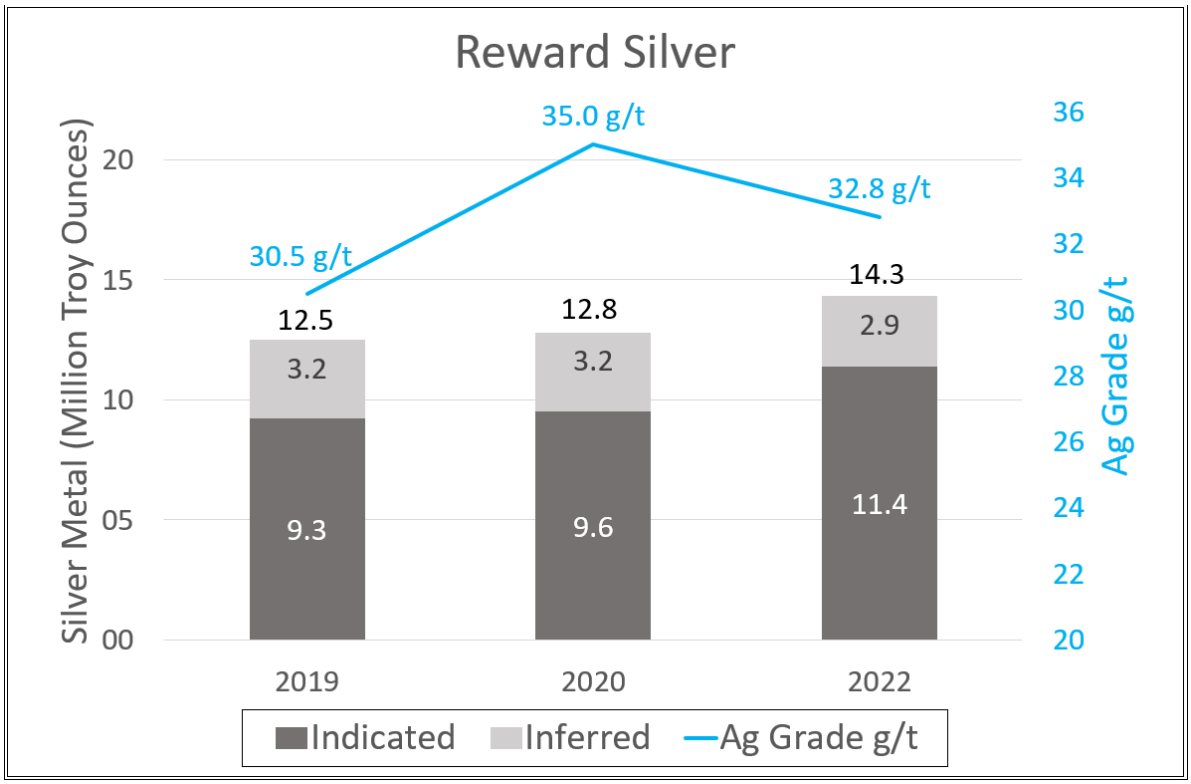


Figure 2: Showing the progression of Reward silver mineral resource estimates from 2019 until the current estimate in 2022

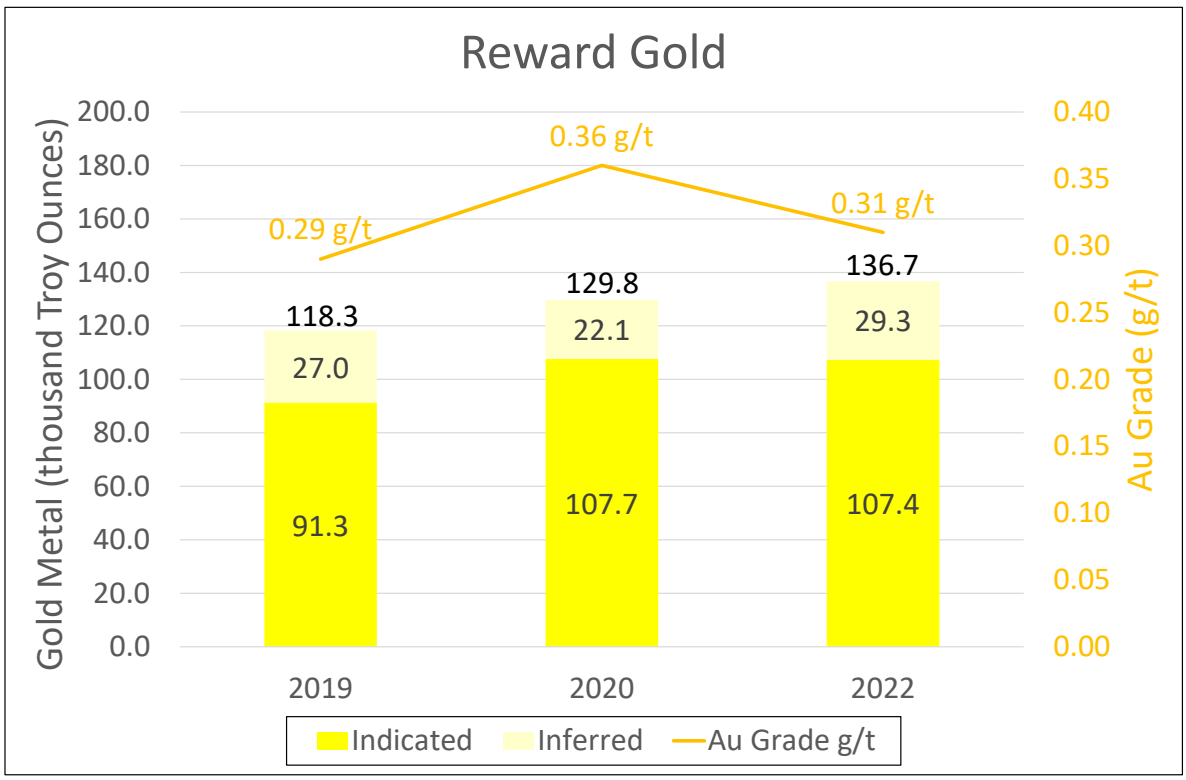


Figure 3: Showing the progression of Reward gold mineral resource estimates from 2019 until the current estimate in 2022

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KGL Managing Director Simon Finnis comments: “While we have experienced delays in the resource work after we were unable to drill in 2020 due to COVID-19, which has subsequently delayed the Feasibility Study, a 20% increase in the Reward mineral resource is an important result for KGL. This increase has been achieved by carefully planned resource growth drilling, largely within the known footprint of the Reward deposit.

> “Two new higher-grade shoots have been defined (Main FW and Main HW) located within a previously modelled lower-grade gap between Main shoot and Deeps South shoot (see long section in Figure 4). Importantly this newly defined mineralisation should be readily accessible for mining from the Reward decline and therefore make an important early contribution to production.
>
> “Mineral resources for Bellbird and Rockface are currently being estimated, although this work is being hampered by slow assay lab turn-around times for the final set of Rockface drill holes.”

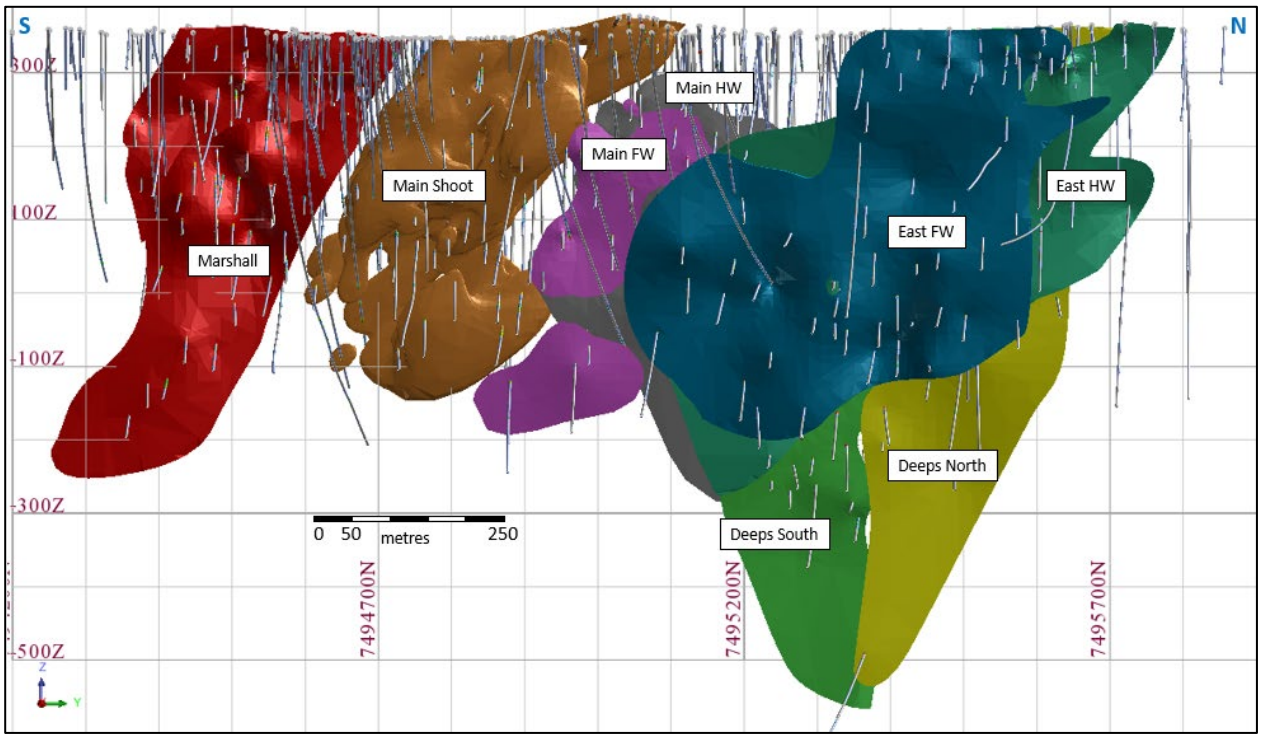


Figure 4 Long Section of the Reward deposit showing the position of the mineralised shoots constraining the mineral resource estimate. Note the position of the newly defined Main HW and Main FW shoots.

Feasibility Study

KGL Resources Limited had expected the Jervois Feasibility Study would be complete in Q1 2022, however industry-wide challenges including Covid-19 related restrictions impacting site activities has led to a delay in completing the Jervois mineral resource and ore reserve updates, subsequent finalisation of the optimised mine plan and, therefore, the completion of the Feasibility Study itself. Bellbird resource update should be completed in early 2022, and it will be a number of months before Rockface will be complete.

Whilst the delay to mid-2022 is disappointing, it will allow KGL to:

- include recent Rockface results in the mineral resource update;
- add to mineral resources, most likely at Reward and Rockface based on recent drilling;

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- further optimise the mine plan;
- finalise offtake arrangements;
- identify and define any cost pressures to refine capital and operating costs, and;
- continue to explore optimal project financing options, including the potential for Government assistance (NAIF), and develop an appropriate funding strategy.

The clear benefit of this additional time will be the likely easing of some of these industry-wide challenges, and subsequent cost pressures, and a more detailed and considered understanding of the project and funding requirements. Inclusion of the recent high-grade results in our mineral resource base and mine plan will assist in offsetting the impact of rising capital and logistics costs related to the remote location of Jervois.

Despite the ongoing challenges the project is emerging as a significant copper and silver project located in a first-world jurisdiction, where all approvals are now in place. Jervois will offer customers a long-term supply of copper concentrate, with gold and silver credits, from a secure and stable operating environment in comparison to similar mines operating in more difficult geo-political jurisdictions.

Mr Finnis further commented,

> ”The delay in completing the Jervois Feasibility Study would, in more normal circumstances, represent a significant risk for shareholders. The recent discovery-record at Jervois increasingly indicates potential for a larger and potentially more robust asset coming to development in a demand environment driven by a global shift into vehicle electrification and renewable energy systems. Management and board are therefore hopeful in delivering a higher value asset for shareholders which we expect will attract significant interest from financiers.”

This announcement has been approved by the directors of KGL Resources Limited.

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Competent Person Statement

The information in this announcement that relates to Mineral Resource Estimates is based on data compiled by Ian Taylor BSc (Hons), a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Taylor is a consultant working for Mining Associates Pty Ltd who were engaged by the Company to carry out the mineral resource estimate. Mr Taylor has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Taylor consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking statements

This release includes certain forward-looking statements. The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

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Mineral Resource Estimate for Reward Deposit, Jervois Project, NT

05/01/2022

1 SUMMARY

The Reward deposit is one of the deposits identified within KGL's Jervois Project. The Jervois Project is located in the Northern Territory, 275 km ENE of Alice Springs. (22.65°S and 136.27°E). The Exploration Licence and four Mining Claims are 100% owned by KGL subsidiary Jinka Minerals Ltd.

Mining Associates Pty Ltd ("MA") was commissioned by KGL Resources. ("KGL", or the "Company"), a mineral exploration and development company currently listed on the Australian Stock Exchange ("ASX"), to prepare a Mineral Resource Estimate ("MRE") and Technical Report on the Reward deposit.

Based on the reported study, delineated mineralization of the Reward Deposit is classified as Indicated and Inferred Mineral Resource according to the definitions outlined in JORC (2012). Confidence and classification regarding the grade estimates are based on several factors, including but not limited to sample and drill spacing relative to geological and geostatistical observations, the continuity of mineralization, mining history, bulk density determinations, accuracy of drill collar locations, quality of the assay data, and other estimation statistics.

The resource is reported above a depth of 200 m RL and a 0.5% copper cut off and below 200 m RL at a 1% copper cut off (200 m RL is approximately 150 m below the surface).

Table 1. Reward Mineral Resource Estimate 2021

Resource		Mineralised Mass (Mt)	Grade			Metal		
Area*	Category		Copper (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Silver (Moz)	Gold (koz)
Open Cut Potential	Indicated	3.84	1.80	39.4	0.31	69.1	4.86	38.2
>0.5 % Cu	Inferred	0.65	0.92	9.2	0.07	5.9	0.19	1.5
Subtotal (< 200 m RL)		4.48	1.67	35.0	0.27	75.0	5.04	38.9
Underground Potential	Indicated	4.78	2.12	42.6	0.45	101.6	6.55	69.2
> 1% Cu	Inferred	4.32	1.56	19.6	0.20	67.3	2.72	27.8
Subtotal (> 200 m RL)		9.10	1.86	31.7	0.33	168.9	9.28	96.6
Resource Categories Subtotal	**Indicated**	**8.62**	**1.98**	**41.2**	**0.39**	**170.7**	**11.41**	**107.4**
	Inferred	**4.96**	**1.48**	**18.2**	**0.18**	**73.2**	**2.91**	**29.2**
Total Resource		**13.58**	**1.80**	**32.8**	**0.31**	**243.9**	**14.32**	**136.7**

*does not include Reward South deposit

* Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes.

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.

Inferred resource have less geological confidence than Indicated resources and should not have modifying factors applied to them. It is reasonable to expect that with further exploration most of the inferred resources could be upgraded to indicated resources.

Weathering of the deposits has an impact on metallurgical recoveries. KGL is considering different processing and or differing recoveries based on the amount of sulphur and deleterious elements present. Table 2 shows the deposits reported by weathering profiles, including the High Sulphur resource (S/Cu > 4.5).

Table 2. Reward Resource by Resource Category and Weathering

Resource		Mass	Grades										Metal				
Category	weathering	(Mt)	Cu %	Pb %	Zn %	Ag g/t	Au g/t	Fe %	S %	Bi ppm	U ppm	W ppm	Cu kt	Pb kt	Zn kt	Ag Moz	Au koz
Indicated	Oxide	0.24	1.76	0.81	0.37	53.6	0.40	14.9	1.96	400	16	106	4.2	1.9	0.9	0.41	3.1
	Transitional	0.31	2.07	0.77	0.33	57.2	0.29	14.2	2.34	465	18	96	6.4	2.4	1.0	0.57	2.9
	High Sulphur	0.25	1.12	0.64	0.27	33.5	0.34	18.8	6.33	701	14	83	2.7	1.6	0.7	0.27	2.7
	Fresh	7.83	2.01	0.43	0.35	40.3	0.39	18.1	2.86	379	15	96	157.3	33.6	27.7	10.14	99.0
Inferred	Oxide	0.002	0.94	0.26	0.11	10.9	0.06	9.4	0.81	149	10	142	-	-	-	0.00	-
	Transitional	0.01	0.73	0.15	0.08	9.2	0.04	12.4	0.87	154	14	54	0.1	-	-	0.00	-
	High Sulphur	0.02	1.13	1.41	0.37	44.0	0.20	16.4	6.13	367	8	61	0.2	0.3	0.1	0.03	0.1
	Fresh	4.93	1.48	0.28	0.18	18.2	0.18	16.6	1.76	191	12	44	72.9	13.6	9.0	2.88	29.1
Subtotal	Oxide	0.24	1.75	0.81	0.37	53.3	0.40	14.8	1.95	398	16	106	4.2	1.9	0.9	0.41	3.1
	Transitional	0.32	2.04	0.76	0.32	56.27	0.28	14.1	2.30	459	18	95	6.5	2.4	1.0	0.57	2.9
	High Sulphur	0.27	1.12	0.70	0.28	34.3	0.33	18.6	6.32	675	14	81	2.9	1.9	0.8	0.29	2.8
	Fresh	12.76	1.80	0.37	0.29	31.8	0.31	17.5	2.43	306	14	76	230.2	47.2	36.7	13.03	128.0
Total		13.58	1.80	0.39	0.29	32.8	0.31	17.4	2.50	318	14	77	243.9	53.4	39.4	14.32	136.7

* Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes

1.1 GEOLOGY AND GEOLOGY INTERPRETATION

Reward is interpreted as an original syn-depositional copper-rich polymetallic massive sulphide deposit that has undergone deformation, metamorphism and some degree of structural remobilisation. Recent modelling of mineralisation by KGL geologists strongly supports the interpretation of a low-grade, broadly stratabound zone, overprinted by higher grade 'shoots' that represent structural remobilisation into fold hinges and breccia style structures.

Interpretation of higher-grade zones is based primarily on geological logging supported by abrupt changes in copper and/or silver grades. High grade structural shoots are characterised by coarser grained sulphides and magnetite sulphide breccia. The lower grade stratabound halo was defined as greater than 0.5% sulphur. Intervals encompassing high grade shoots and stratabound mineralisation were modelled using Leapfrog software with an anisotropic component conforming to the plunge of measured F2 fold hinges.

Reward domains were created primarily based on structural shoots orientation (Figure 1), weathering and grade. Cross sections of the interpreted implicit models for Marshall shoot and Deeps South are shown in Figure 2 and Figure 3.

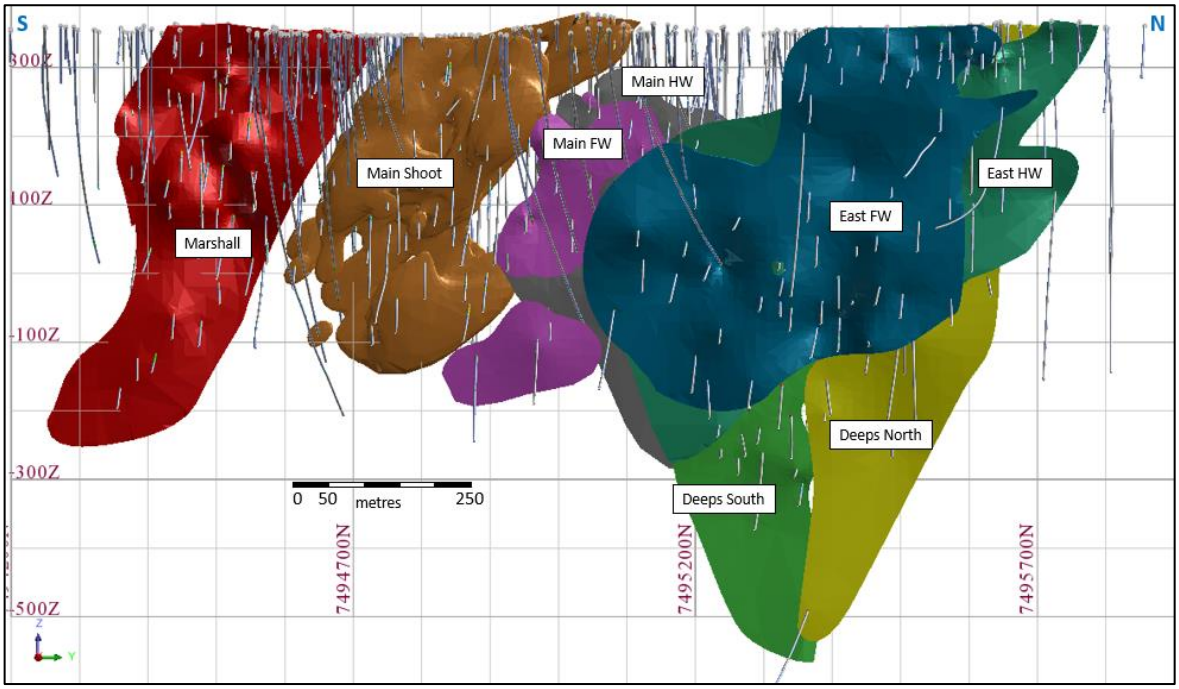


Figure 1. Long Section View showing wireframe domains

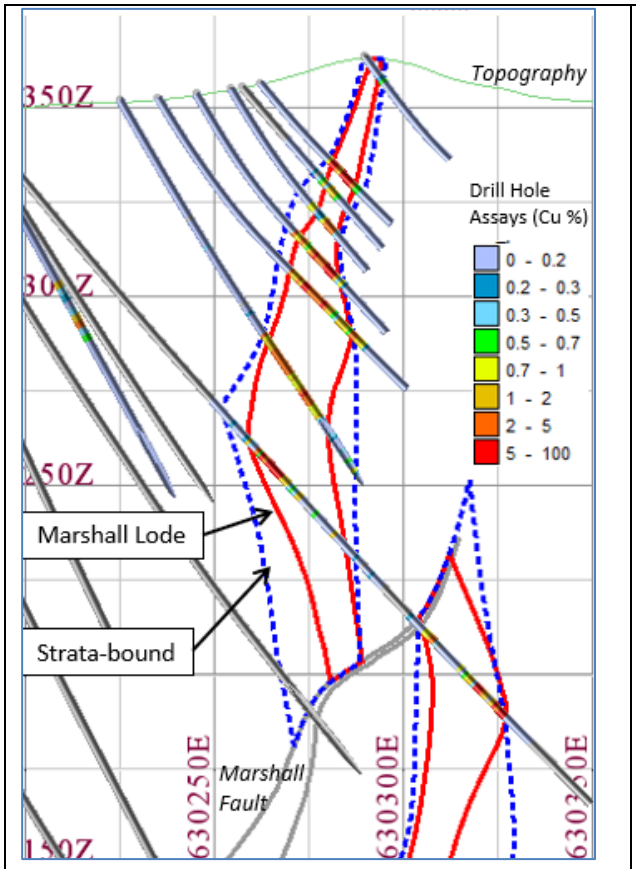


Figure 2. Marshall Lode Cross Section (7494525 mN ± 12.5m)

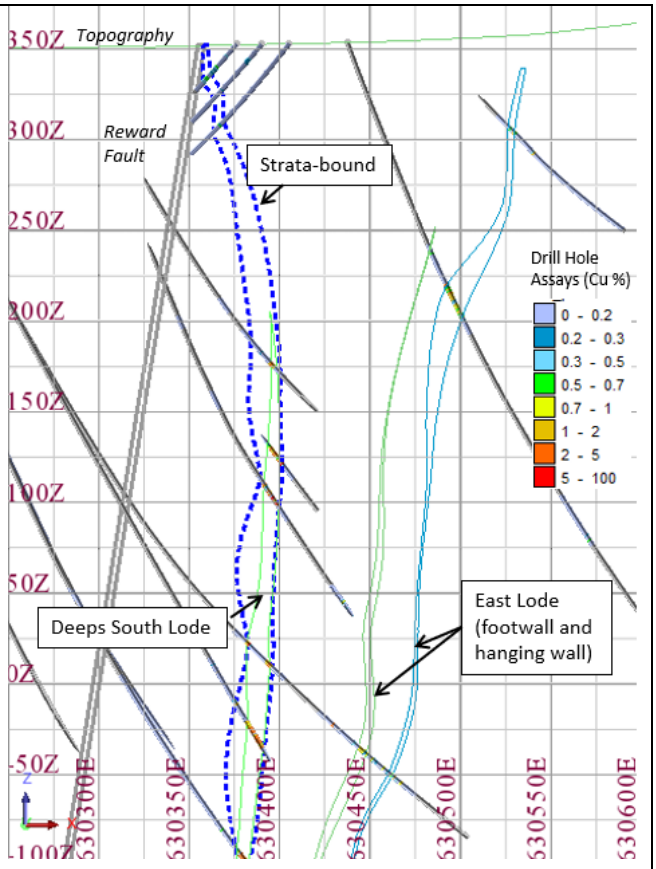


Figure 3. Deeps South and East Lodes, Cross Section (7495350 mN ± 12.5m)

1.2 DRILLING TECHNIQUES

Resource definition drilling over the life of the project has been undertaken on 50 m spaced cross sections perpendicular to strike with holes spaced on average 50 m (50 x 50m grid). The higher grade shoots and shallower mineralisation (above 200m RL) has been infilled to approximately 25 x 50 m. Of the 598 holes (125 km of drilling) on the deposit, 70 holes (historical) have been rejected, deemed unreliable either in survey or have missing data. The total number of validated holes at Reward is 528 holes for 120 km of drilling.

KGL drilling since 2011 mostly utilised a combination of RC pre-collars (5.25" face sampling bit) to a pre-determined depth above predicted mineralisation followed by diamond coring (wireline with dominantly HQ3 (63 mm) diameter with some NQ3 (45 mm) diameter). Pre-2011 hole diameter and drill type details are generally not recorded (NR) in the database. Table 3 summarises drilling statistics by drill hole type. RC_DD drill holes utilised RC pre-collars with diamond coring through zones of mineralisation, and DDW denotes diamond drilling wedges, or child holes drilled from a pre-existing hole path by directional drilling methods

Table 3 Summary of drilling by drill hole type

Hole type	Code	Number of holes	Total metres
Diamond drill	DD	107	31252.03
Diamond child wedge	DDW	14	8809.03
Reverse circulation	RC	246	26089.28
Reverse circulation with diamond tail	RC_DD	111	47501.29
Unknown drill method	NR	50	6712.16
Total		528	120,364

1.3 SAMPLING AND SUB-SAMPLING TECHNIQUES

Sampling was continuous through mineralisation/alteration zones and extended up to 10 m for diamond core and up to 50 m for RC up and down-hole. The 2020-2021 sampling program has been all quarter sawn diamond core. Earlier sampling included quarter core and riffle split RC samples.

1.4 SAMPLE ANALYSIS

Since mid-2015 KGL has sent all samples to Intertek laboratories in Alice Springs for sample preparation, from where they were forwarded to Intertek in Townsville for analysis. Earlier 2011 to 2015 samples were sent to ALS Global in Townsville. Intertek and ALS analysis used a 4-acid digest with ICP-OES finish. Over-grade (> 2 % Cu) samples were re-analysed by 4-acid digest and ICP-OES finish on a larger initial sample and longer digest time. KGL QAQC protocols are designed to establish measurement systems and procedures to provide adequate confidence that quality is adhered to, and results are suitable for inclusion in Resource Estimation.

1.5 ESTIMATION METHODOLOGY

The Mineral Resource statement reported herein is a reasonable representation of the Reward deposit based on current sampling data. Grade estimation was undertaken using Geovia's Surpac™ software package (v7.4.2). Ordinary Kriging ("OK") was selected for grade estimation of copper, silver and gold (and the ancillary elements).

Copper is the primary economic element, silver, gold, lead, zinc, are estimated using the copper domains as hard boundaries and utilising dynamic search ellipses. Deleterious elements U W Bi and F are estimated within the sulphur domain (a soft boundary across the copper domains). Iron and Sulphur are estimated inside the sulphur domain using dynamic search ellipses. Iron and Sulphur are estimated into the country

rock to aid waste rock classification. Only Main shoot and Marshall have sufficient oxidised samples to enable the weathering profile to be used as an additional hard boundary.

The block model utilises parent blocks measuring 2.5 m x 10 m x 5 m with sub -blocking to 1.25 m x 5 m x 2.5 m to better define the volumes. Blocks above topography are excluded from the estimation. Estimation resolution was set at the parent block size. Due to the reasonably spaced drill patterns, search radii were found to be optimal near 70 m for the major axis of the search ellipse. Anisotropic ratios of 1.5 and 2.5 were applied to the semi-major and minor axis of the search ellipse. The minimum and maximum samples utilised were 8 and 20 for the first pass and reduced to 6 and 15 for the second pass. Third pass informing samples were further reduced to a minimum of 2 and maximum of 10. Search distances were factored by the estimation pass. Grade capping was applied to all elements except Fe and S. Experimental variograms were generated where possible. Domains and elements where experimental variograms could not be created, variogram models were borrowed from similar domains or elements (with weak to moderate corelations to the element under investigation).

The default density of the block model is 2.80 t/m^3. All oxide material is assigned 2.6 t/m^3. The mineralised transitional material is assigned 3.0 t/m^3 and the transitional waste is assigned a density of 2.8 t/m^3. Density values were further improved with a 2-pass estimation strategy. Pass one used measured density readings (n = 13,577, average 3.01, Variance 0.1 and CV 0.105) to estimate the block density, the second pass used density values determined from a linear regression of iron assays. The mineral resource averages 3.08 t/m^3.

Block model validation consisted of visual checks in plan and section, global comparisons between input and output means, alternative estimation techniques, swath plots and to previous estimates.

1.6 CUT-OFF GRADES

Cut off grades of 0.5% Cu above 200 m RL and 1% Cu below 200 m RL; 200 m RL is approximately 150 m below the surface and is considered to the depth limit for potential open pit mining. KGL are considering the optimal transition depth for the change over from open pit to underground in the FS currently under way.

Classified resources (combined indicated and inferred) as defined above are presented at increasing copper cut offs highlighting the deportment of associated elements (Table 4). Figure 4 shows the resource as grade tonnage curves by resource category.

Table 4. Deportment of associated elements with copper mineralization

cut-off	Tonnes (M t)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Fe (%)	S (%)	Bi (ppm)	U (ppm)	W (ppm)	F (ppm)
0.50	**13.58**	**1.80**	**32.8**	**0.31**	**0.39**	**0.29**	**17.4**	**2.50**	**318**	**14**	**77**	**2950**
0.75	12.91	1.86	33.8	0.32	0.40	0.29	17.5	2.54	323	14	77	3000
1.00	12.32	1.90	34.4	0.33	0.40	0.30	17.7	2.58	326	14	77	3050
1.25	9.44	2.14	37.6	0.37	0.41	0.32	17.9	2.78	354	15	81	3110
1.50	7.02	2.41	41.2	0.42	0.43	0.34	18.3	3.01	389	15	85	3070

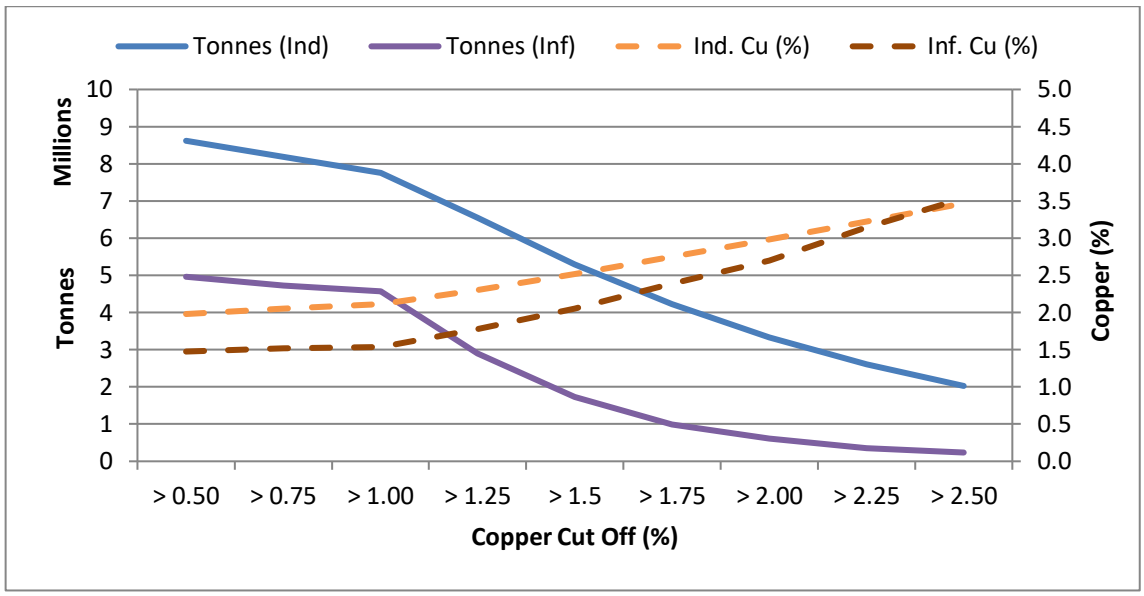


Figure 4. Classified Resource - Grade Tonnage Curves

1.7 CRITERIA USED FOR CLASSIFICATION

Resource classification is based on data quality, drill density, number of informing samples, kriging efficiency, conditional bias slope, average distance to informing samples and geological continuity (deposit consistency). The confidence in the quality of the data and historic mining activities justified the classification of indicated and inferred resources. Data quality does not preclude Measured but geological confidence and grade continuity are not sufficiently defined to assign Measured Resources; this can change with further drilling.

Indicated resources are the portions of the deposit with a drill spacing of 50 m x 50 m and demonstrate a reasonable level of confidence in the geological continuity of the mineralisation, supported by some infill drilling. Inferred resources are the portions of the deposit covered by drill spacing greater than 50 m or those portions of the deposit with a smaller number of intercepts but demonstrating an acceptable level of geological confidence. Portions of the resource that do not meet these requirements remain unclassified resources and are not reported.

A mineral resource is not an ore reserve and does not have demonstrated economic viability.

1.8 MINING AND METALLURGICAL METHODS AND PARAMETERS AND OTHER MATERIAL MODIFYING FACTORS CONSIDERED TO DATA

The mineralisation above the 200 m RL (approximately 150 m below the surface) has been deemed to be potentially accessible by open cut mining methods The Reward Deposit is a large steeply dipping syn-depositional copper deposit likely resulting in a high strip ratio. Mineralisation below the 200 m RL (approximately 150 m below the surface) is considered to have underground potential above a 1 % Cu cut off. No other mining assumptions have been used in the estimation of the Mineral Resource.

KGL have commissioned metallurgical testing of multiple composite samples from the Jervois project.

Mineral processing and metallurgical recoveries do not have a significant impact on the mineral resource estimate and have not been applied to the in-situ grades. Metallurgical recoveries are considered when

determining “reasonable prospects for eventual economic extraction. Metallurgical Recoveries for copper and silver are reported as functions of copper grade in oxide/transitional and sulphide ore (Table 5).

Table 5: Recovery Assumptions

Material	Recovery Algorithm	Example
Oxide and Transition -	Cu Rec = (% Cu-(0.48-(0.04 x % Cu))/% Cu	For a Cu Head Grade of 1.9%, the Copper Recovery will be 78.7%
	Ag Rec = 0.88*LN(% Cu Rec*100) -2.98	For a Cu Recovery of 78.7%, the Silver Recovery will be 86.2%
Sulphide Ore	Cu Rec = (% Cu-0.075) x 0.975)/% Cu	For a Cu Head Grade of 1.9%, the Copper Recovery will be 93.7%
	Ag Rec = 2.07 x % Cu Rec - 1.255	For a Cu recovery of 93.7%, the Silver Recovery will be 68.5%

Sulphur has been estimated through-out the block model. Fe and S have been estimated within the S domain and outside the sulphur domain (waste rock). It is assumed that surface waste dumps will be used to store waste material and conventional storage facilities will be used for the process plant tailings. KGL is undertaking Kinetic test work to assess potential for acid mine drainage, preliminary results indicate most of the waste material recoverable by mining will have low potential to become acidic.

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Date: 5th January 2022

SECTION 1 SAMPLING TECHNIQUES AND DATA

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 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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• At Reward diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. The core samples comprised a mixture of sawn HQ quarter core, sawn NQ half core and possibly BQ half core (historical drilling only). Sample lengths are generally 1m, but at times length were adjusted to take into account geological variations. RC sample intervals are predominantly 1m intervals with some 2 and 4m compositing (historical holes only). • RC samples are routinely scanned by KGL Resources with a Niton XRF. Samples assaying greater than 0.1% Cu, Pb or Zn are submitted for chemical analysis at a commercial laboratory. • Mineralisation at all deposits (Jervois Project) is characterized by disseminations, veinlets and large masses of chalcopyrite, associated with magnetite-rich alteration within a psammite. The mineralisation has textures indicative of structural emplacement within specific strata i.e. the mineral appears remobilised within a stratabound unit. • Documentation of the historical drilling (pre-2011) for Reward is variable.
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).*	• The KGL and previous Jinka-Minerals RC drilling was conducted using a reverse circulation rig with a 5.25-inch face-sampling bit. Diamond drilling was either in NQ2 or HQ3 drill diameters. Metallurgical diamond drilling (JMET holes) were PQ core. • There is no documentation for the historic drilling techniques, drill type is recorded as UNK. • Diamond drilling was generally cored from surface with some of the deeper holes at Rockface and Reward utilizing RC pre-collars. • Oriented core has been measured for the recent 2020-2021 KGL drill program
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*	• The KGL RC samples were not weighed on a regular basis, KGL report no sample recovery issues were encountered during the drilling program. • Jinka Minerals and KGL split the rare overweight samples (>3kg) for assay. Since overweight samples were rarely reported no sample bias was established between sample recovery and grade. • Drilling muds are used to improve drilling recovery, in broken ground tripple tube barrels are

Criteria	• *JORC Code explanation*	• Commentary
	preferential loss/gain of fine/coarse material.	employed. Core recovery for recent drilling is >95% with the mineral zones having virtually 100% recovery. • No evidence has been found for any relationship between sample recovery and copper grade and there are no biases in the sampling with respect to copper grade and recovery.
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.*	• All KGL RC and diamond core samples are geologically logged. Logging in conjunction with multi-element assays is appropriate for mineral resource estimation. • Core samples are orientated and logged for geotechnical information suitable for mining studies. • All logging has been converted to quantitative and qualitative codes in the KGL Access database. • All relevant intersections are logged. • Paper logs existed for the historical drilling. There is very little historical core available for inspection.
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 sub-sampling 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 being sampled.*	• The following describes the recent KGL sampling and assaying process: • RC drill holes are sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of ~3kg; • RC sample splits (~3kg) are pulverized to 85% passing 75 microns. • Diamond core was quartered with a diamond saw and generally sampled at 1m intervals with samples lengths adjusted at geological contacts; • Diamond core samples are crushed to 70% passing 2mm and then pulverized to 85% passing 75 microns. • Two quarter core field duplicates were taken for every 20m samples by Jinka Minerals and KGL Resources. • All sampling methods and sample sizes are deemed appropriate for mineral resource estimation • Details for the historical sampling are not available.
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.*	• The KGL drilling has QAQC data that includes standards, duplicates and laboratory checks. In mineralisation standards are added at a ratio of 1:10 and duplicates and blanks 1:20. • Base metal samples are assayed using a four-acid digest with an ICP AES finish. Gold samples are assayed by Aqua Regia with an ICP MS finish. Samples over 1ppm Au are re-assayed by Fire Assay with an AAS finish. • There are no details of the historic drill sample assaying or any QAQC. • All assay methods were deemed appropriate at the time of undertaking.

Criteria	• *JORC Code explanation*	• Commentary
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.*	• Data is validated on entry into the MS Access database, using Database check queries within Maxwell's DataShed. • Further validation is conducted when data is imported into Micromine and Leapfrog Geo software • Hole twinning was occasionally conducted at Reward with mixed results. This may be due to inaccuracies with historic hole locations rather than mineral continuity issues. • For the resource estimation below detection values were converted to half the lower detection limit. Below detection limit samples of some historic holes are stored as a small negative number.
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.*	• For the KGL drilling surface collar surveys were picked up using a Trimble DGPS, with accuracy to 1 cm or better. • Downhole surveys were taken during drilling with a Ranger or Reflex survey tool at 30m intervals • All drilling by Jinka Minerals and KGL is referenced on the MGA 94 Zone 53 grid. All downhole magnetic surveys were converted to MGA 94 grid. • For Reward there are concerns about the accuracy of some of the historic drillhole collars. There are virtually no preserved historic collars for checking. • There is no documentation for the downhole survey method for the historic drilling. • Topography was mapped using Trimble DGPS and merged with the LIDAR
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.*	• Drilling at Reward was on 25 m spaced sections in the upper part of the mineralisation extending to 50 m centres with depth and ultimately reaching 100 m spacing on the periphery of mineralisation. • For Reward shallow oxide RC drilling was conducted on 80 m spaced traverses with holes 10 m apart. • The drill spacing for all areas is appropriate for resource estimation and the relevant classifications applied. • A small amount of sample compositing has been applied to some of the near surface historic drilling.
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.*	• Holes were drilled perpendicular to the strike of the mineralization; the default angle is -60 degrees, but holes vary from -45 to -80. • Drilling orientations are considered appropriate and no obvious sampling bias was detected.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored in sealed polyweave bags on site and transported to the laboratory at regular intervals by KGL staff or a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are regularly reviewed internally and by external consultants.

SECTION 2 REPORTING OF EXPLORATION RESULTS

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 Jervois Project is within EL25429 and EL28082 100% owned by Jinka Minerals and operated by Kentor Minerals (NT), both wholly owned subsidiaries of KGL Resources. • Execised from the Explortion Licences are four Mining claims (ML 30180, ML 30182, ML 30829 & ML 32277) owned by Jinka Minerals.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has primarily been conducted by Reward Minerals, MIM and Plenty River.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL25429 and EL28082 lie on the Huckitta 1: 250 000 map sheet (SF 53-11). The tenement is located mainly within the Palaeo-Proterozoic Bonya Schist on the northeastern boundary of the Arunta Orogenic Domain. The Arunta Orogenic Domain in the north western part of the tenement is overlain unconformably by Neo-Proterozoic sediments of the Georgina Basin. • The stratabound mineralisation for the project consists of a series of complex, narrow, structurally controlled, sub-vertical sulphide/magnetite-rich deposits hosted by Proterozoic-aged, amphibolite grade metamorphosed sediments of the Arunta Inlier. • Mineralisation is characterised by veinlets and disseminations of chalcopyrite in association with magnetite. In the oxide zone which is vertically limited malachite, azurite, chalcocite are the main Cu-minerals. • Massive to semi-massive galena in association with sphalerite occur locally in high grade lenses of limited extent with oxide equivalents including cerussite and anglesite in the oxide zone. Generally, these lenses are associated with more carbonate-rich host rocks occurring at Green Parrot, Reward and Bellbird North.
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*	• This table references a Mineral Resource Estimate and this item is not applicable • All drill holes are stored in the drill hole database, derailing drill hole collar location, elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar, dip and azimuth of the hole at consistent points down hole, and hole length.

Criteria	• *JORC Code explanation*	• Commentary
	• *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• This table references a Mineral Resource Estimate and this item is not applicable • No metal equivalents are used
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 (eg 'down hole length, true width not known').*	• This table references a Mineral Resource Estimate and this item is not applicable
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.*	• Refer Figures 1, 2 and 3 in the report
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.*	• This table references a Mineral Resource Estimate and this item is not directly applicable. The mineral resource considers all drilling at Reward.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical*	• Outcrop mapping of exploration targets using Real time DGPS. • IP, Magnetics, Gravity, Downhole EM are all used for

Criteria	• *JORC Code explanation*	• Commentary
	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.	targeting • Metallurgical studies are well advanced including recovery of the payable metals including Cu, Ag and Au. • Deleterious elements such as Pb Zn Bi and F are modelled
Further work	• *The nature and scale of planned further work (eg 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.*	• The current report relates to an updated mineral resource as a result of confirmatory drilling and is ongoing

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	*JORC Code explanation*	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• MA has undertaken limited independent first principal checks of the database. • Historical ITRs accept the integrity of the database. • The geological database is managed and updated by KGL Staff. • Basic database validation checks were run, including checks for missing intervals, overlapping intervals and hole depth mis-matches.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The CP(Mr I.Taylor) visited site from the 1st to 3rd November 2020 to review the geology, drill core and field practices as part of the 2020 DFS and Mineral Resoruce Estimate Update.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological model is well understood at a deposit scale. Reward is interpreted as an original syn-depositional copper rich polymetallic massive sulphide deposit that has undergone deformation, metamorphism and some degree of structural remobilisation. • Geological logging, structural mapping and drill hole assays have been used in the establishment of a resource estimate. Validation has been carried out by KGL and MA competent persons. • No alternative interpretations have been presented. Alternative estimation methods applied to density estimation had little effect on overall tonnes and grade. • Geological and grade continuity within defined domains appears welll understood. Lithology and weathering were considered during the mineralsation domain interprettations • Infill drilling by KGL since the 2020 resource update have increased the confidence in grade and geology interpretations which is the basis for the mineral resource

		estimation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Reward deposits strike over 1.5 km. Within the structural corridor lie five high grade shoots each approximately 200m in length, and plunge steeply south up to 800 m below the surface. Two lodes lie to the east in the footwall of the reward structure..
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource. This method considered appropriate given the nature of mineralisation. All elements were estimated using ordinary kriging. • Estimation was undertaken in Surpac 2021 (v7.4.2). • Drill hole interecpts were flagged manually within Surpac with individual domain codes. The flagged drill hole intercepts were imported into LeapFrog, and three dimensional mineralisation wireframes created. Intervals were checked for inconsistences, split samples, edge dilution and mineralisation outside the interpretation. A separate table was created to store drill hole intercepts greater than 0.2% S. these intercepts were domained as stratabound mineralisation. • The domain codes (for Cu and S) have then been used to extract a raw assay file from MS Access for grade population analysis (multi-element), as well as analysis of the most appropriate composite length to be used for the estimation. • Analysis of the raw samples within the Cu mineralisation domains indicates that the majority of sample lengths are at 1 m. Samples were composited to one metre honouring geological boundaries. • Grade continuity analysis within Cu domains to define the mineralisation has been undertaken.Where variograms could not be generated for a particular element, variograms were considered from adjacent domains. • 3D experimental variogram modelling using a nugget (C0) and two spherical models (C1, C2), occasionally one spherical model was sufficient. Nuggets ragned from reasonable low to high, between 0.20 and 0.73, and variogram ranges varied between 60 and 150 m for Cu. The high nugget was for the new domain main HW. Nuggets for additional elements ranged from 0.2 to 0.7 and variogram ranges varied between 50 and 180 m.. • Anisotropic ellipses based on the resulting bearing, plunge, dip, and defined ranges and anisotropic ratios were graphically plotted in Surpac and displayed against the extracted assay composites to ensure modelled parameters were reasonably orientated. Estimation utilised dynamic anisotropy based on local variations in domain orientation. • The interpolations have been constrained within the mineralisation wireframes and undertaken in three passes with the mineralisation wireframes utilised as hard-boundaries during the estimation. • The first pass utilised a search distance of 70 m and a minimum number of informing samples of 8, and a maximum number of informing samples of 20. The second pass utilised a minimum of 6 and maximum of 16 samples, the search distance was doubled to 140 m. Both passes restricted the maximum number of samples per hole to 4. The third pass

		dropped the minimum to 2 and maximum to 10 samples and the restriction of samples per hole was lifted. Third pass maximum distance was 210 m. 56% of estimated metal (> 0.5 % Cu) is estimated in pass 1. • The company is not intending to recover Pb, Zn at this stage of the project. Ag and Au will report to the copper concentrate. • The model includes an estimation of deleterious elements Bi, W, U and F, these elements will attract a penalty and rejection limits in the concentrate may apply. S for potential acid mine drainage characterisation is included in the block model. • No specific assumptions have been made regarding selective mining units. However the sub-blocks are of a suitable selective mining unit size for either an open pit operation or underground mining scenario. • A 3D model with a parent block size of 2.5 m (X) by 10 m (Y) by 5 m (Z) was used. The drill hole spacing in the deposit ranges from 25 m by 25 m in the better drilled parts of the deposit to the dominant 50 m by 50 m drill pattern. In order for effective boundary definition, a sub-block size of 1.25 m (X) by 5 m (Y) by 2.5 m (Z) has been used; the sub-blocks are estimated at the parent block scale. • There is a moderate to good corelation between Pb and Ag and weak corelation between Bi and Ag. There is a moderate (> 0.5) corelation between Cu, Pb, Zn, Ag Au and S. Fe is associated with magnetite and shows a weak corelation (!0.3) with S and Cu There is no corelation between F, U and W and the other elements. • The geological model (grade domains and faults interpretations) were used to control grade estimation. • High grade outliers (Cu, Pb, Zn, Ag, Au, Bi, F, U and W) within the composite data were capped. No capping was applied to Fe and S. Domains were individually assessed for outliers using histograms, log probability plots and changes in average metal content; grade caps were applied as appropriate. Generally the domains defined a well distributed population with low CV's and only minimal grade-capping was required. • The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are based on dry tonnes.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource is reported above 200 m RL and a 0.5 % Cu lower cut-off representing open pit potential mineralisation. Below 200 m RL the resource is reported at a 1 % Cu Cut-off reflecting an underground mining scenario. Assumed Copper price is $AU 12,082/t ($US 4.00/lb), and assumed Silver price of $AU 24/t. The 2020 Recovery algorithms for copper and

		silver were supplied by KGL. Assumed payables are 95.5% Cu, 90% Ag > 30g/t and 90% Au > 1.0 g/t in concentrate.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The mineralisation above the 200 m RL (approximately 150 m below the surface) has been deemed to be potentially accessible by open cut mining methods The deposit is a large steeply dipping syn-depositional copper deposit likely resulting in a high strip ratio. • Mineralisation below the 200 m RL (approximately 150 m below the surface) is considered to have underground potential above a 1 % Cu cut off. • No other mining assumptions have been used in the estimation of the Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical factors have been applied to the in situ grade estimates. • Metallurgical Recoveries for copper and silver are determined as functions of copper grade in oxide/transitional and sulphide ore.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• KGL is undertaking Kinetic test work to assess potential for acid mine drainage, preliminary results indicate most of the waste material recoverable by mining will have low potential to become acidic. • Sulphur has been estimated through-out the block model. Fe and S have been esitmated within the S domain and outside the sulphur domain (waste rock). • It is assumed that surface waste dumps will be used to store waste material and conventional storage facilities will be used for the process plant tailings.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture*	• Onsite measurements (13,846 density readings are matched to an assay value) by water immersion method are only conducted on competent transitional and fresh core. Limited oxide samples have been taken. • Dry bulk density has been varied according to the weathering profile. Within Fresh material bulk density was estimated (OK) directly from density readings. A minimum of 5 samples and a maximum of 12 samples was used. In areas not filled with estimated density values, a linear regression of iron assays was employed; the calculated density data was then used in a second pass. • Reward - the average modelled density of mineralised oxide

	and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	material is 2.60 t/m^3, transitional material is 3.02 t/m^3, the high sulphide material averages 3.07 t/m^3 and mineralised fresh material averages 3.09 t/m^3
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Blocks have then been classified as Indicated, Inferred or Unclassified based on drill hole spacing, geological continuity and estimation quality parameters. • The above criteria were used to detemine areas of implied and assumed geological and grade continuity.Only small areas have confirmed geological and grade continuity, thus no measured is yet defined. Classification was assessed on a per domain basis and resoruce categories were stamped onto the individual domains. • Unclassified mineralisation has not been included in this Mineral Resource. Unclassified material is either contained in isolated block above cut off within the strata-bound domain and in deep proportions of the deposit with sparse dill intercepts. • The classification reflects the competent person's view of the Reward deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• There has been a limited independent audit of the data performed by MA, there has been no independent review of the mineral resource.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• With further drilling it is expected that there will be variances to the tonnage, grade and contained metal within the deposit. The competent person does not expect that these variances will impact the economic extraction of the deposit. • The mineral resource estimate appropriately reflects the competent person's view of the deposit. • No geostatistical confidence limits have been estimated. Consideration has been given to all relevant factors in the classification of the mineral resource. • The ordinary kriging result, due to the level of smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. • Should local estimates be required for detailed mine scheduling, techniques such as Uniform conditioning or conditional simulation could be considered. Ultimately grade control drilling will be required. • Limited Mining records exist (40 kt of oxide extracted from Green Parrot – south of the resource). Some historic mining has occurred on the Marshal – Reward structure, records are insufficient to reconcile.