ACTIVEX LIMITED

COALSTOUN MINERAL RESOURCE UPDATE I ASX RELEASE 18.08.2016

## ASX Code: AIV

### Issued Capital

802,747,240 ordinary shares (AIV)
1.100,000 unlisted options

### Market Capitalisation

$7.224M (18 August 2016, $0.009)

### Directors

Min Yang (Chairman, NED)
Grant Thomas (Managing Director)
Geoff Baker (NED)
Dongmei Ye (NED)
Craig McPherson (Company Secretary)

## About ActivEX

ActivEX Limited is a Brisbane based mineral exploration company committed to the acquisition, identification and delineation of new resource projects through active exploration.

The ActivEX portfolio is focussed on copper and gold projects, with substantial tenement packages in north and southeast Queensland and in the Cloncurry district of northwest Queensland.

The Company also has an advanced potash project in Western Australia where it is investigating optimal leaching methods for extraction and production of potash and by-products.


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# COALSTOUN COPPER DEPOSIT
# SUPERGENE COPPER ZONE
# INFERRED MINERAL RESOURCE UPGRADE

### Highlights

- **Coalstoun supergene copper zone upgraded to an Inferred Mineral Resource of 6.1Mt @ 0.5% Cu (for 29,588t Cu contained) in the partially oxidised zone.**
- Total Inferred Mineral Resource for Coalstoun copper deposit was not re-estimated and remains at 26.86Mt @ 0.38% Cu (for 102,677t Cu contained).
- Upgraded supergene copper resource estimate incorporates targeted drilling completed by ActivEX in late 2015.
- Planned sequential soluble copper analyses may lead to an upgrade in the classification of part of the supergene copper zone to Indicated if favourable results are obtained.
- **The 2015 drill results and resource modelling have highlighted several high priority areas thought prospective for extensions to the supergene secondary copper mineralisation. These areas require drill testing.**

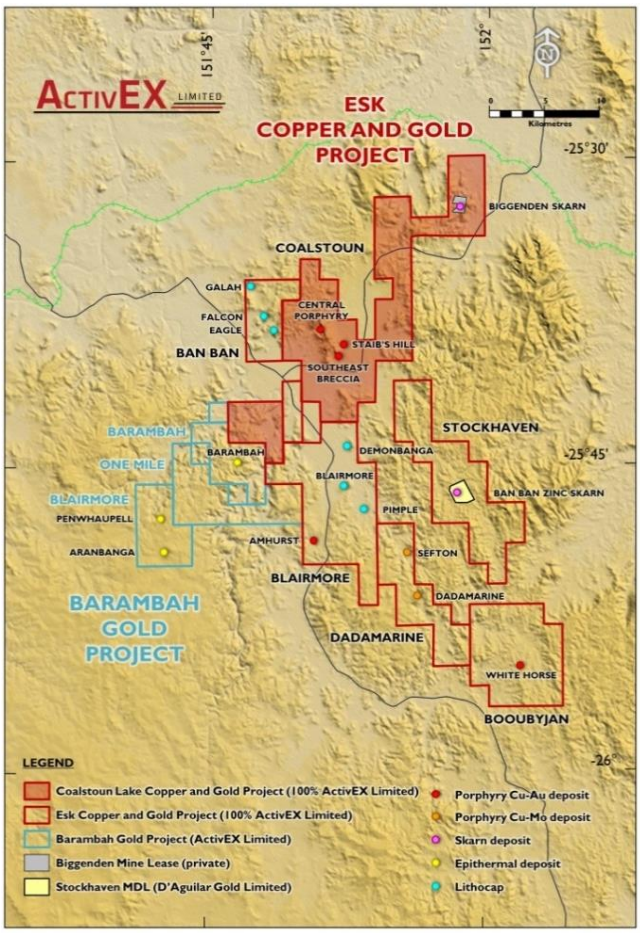


**Figure 1**. ActivEX Limited Coalstoun Lakes Copper and Gold Project location

ActivEX Limited ("ActivEX") is pleased to announce an upgrade to the Coalstoun copper deposit supergene zone Inferred Mineral Resource estimate (JORC Code and Guidelines) to **6.1Mt @ 0.5% Cu (for 29,588t Cu contained at a 0.35% Cu cut off** – Table 1). This new Mineral Resource incorporates the results from RC and diamond core drilling completed in late 2015, which targeted near surface oxidised copper mineralisation. A resource estimate using a lower cut off of 0.30% Cu in the supergene zone, resulted in an Inferred Mineral Resource estimate of 8.5Mt @ 0.44% Cu for 38,000t Cu contained (Table 2) after incorporating the 2015 drilling data.

The Total Inferred Mineral Resource for Coalstoun copper deposit was not re-estimated and remains at **26.86Mt @ 0.38% Cu for 102,677t Cu contained** (Table 1, see ASX announcement 31 March 2015).

The 2015 drill results and resource modelling have highlighted several high priority areas thought prospective for extensions to the supergene secondary copper mineralisation to the north of the current supergene resource. These areas require drill testing.

The Company is investigating near surface mineralised zones for potential open pits and is targeting extensions and high grade zones of supergene secondary copper (Figure 2) with the aim of significantly expanding and upgrading the established Inferred Resources,

ActivEX acquired the Coalstoun tenement (EPM 14079 – Figure 1) from Newcrest in November 2013 with formal transfer completed in late July 2014. Initial resource estimates were completed within approximately eight months of tenement transfer using exclusively historical information.

The deposit is located within the Coalstoun tenement (Figure 1) and is situated about 25km east of Gayndah in southeast Queensland.

EPM 14079 sits within the Esk Basin (formerly Esk Trough), a tectonostratigraphic member of the Devonian to Triassic New England Orogen.

The Coalstoun Intrusive Complex occurs as a Middle Triassic Cu-Au-Mo mineralised porphyry system emplaced in meta-argillites of the Goodnight Block during regional shortening across the Northern New England Orogen in southeast Queensland (Figure 3). The Coalstoun copper deposit is associated with a topographic low surrounded by hills of the Walla Range, in the middle of the complex.

Hydrothermal alteration and mineralisation is characterised by multiple porphyritic intrusions and associated igneous-matrix breccia.

At least three intrusives are known from drill hole information. Two are syn-mineral, porphyritic intrusions and one is a lesser post-mineral porphyritic intrusion. Syn-mineral intrusives can vary in xenolith percentage to form 'igneous breccia' which are common throughout the area. Two hydrothermal breccia phases have also been identified grading from quartz-pyrite dominant to anhydrite, although the anhydrite phase appears to post-date primary sulphide copper mineralisation. Subsequent weathering has exposed primary mineralisation and produced a supergene body of copper enrichment.

The Company commissioned independent consulting geologists H&S Consultants Pty Ltd ("H&SC") of Brisbane, Australia to update the resource estimate for the Coalstoun copper supergene deposit.

The supergene resource estimate is based on a total of 63 drill holes (22 reverse circulation, 1 combined RC/diamond and 40 diamond drill holes (see Table 2 in ASX announcement 31 March 2015 and Table 1 in ASX announcement 23 November 2015)) for a total of 14,685.4m with 6,611 copper assay samples mainly varying between approximately 0.5 and 6 metres in length. A mineral wireframe was developed for the deposit under geological/mineralogical control and a nominal 0.1% Cu cut off. The dimensions of the flat lying deposit are approximately 1.85km by 0.5km in width and 0.5 to 35m in thickness,

Copper mineralisation consists of both disseminations and veinlets of chalcopyrite, chalcocite or copper oxides depending on the depth of oxidation from weathering processes. Samples from surface appear to be depleted of copper mineralisation when compared to deeper samples. Below this oxidized zone is a secondary sulphide supergene / partially oxidized zone ranging from 0.5m to approximately 36m thick that lies at a depth of about 15-35m below surface. This supergene - partially oxidized zone lies on top of the primary mineralised intrusive (Figure 2).

The oxide copper was modelled horizontally whereas the primary copper was modelled using an ellipsoidal variogram model.

A total of 3,720 three metre composites were extracted from the drill hole database using the main mineralised intrusion wireframe that includes the supergene zone; No top cutting was applied to the data.

Reporting of the resource estimate used a 0.35% copper cut off on un-cut data with a partial percent volume adjustment for the supergene wireframe. Default density values were used derived from 100 samples from two diamond core holes completed during ActivEX' drilling program in August.

All resources are classified as Inferred at this stage based on the wide drill hole spacing, limited QAQC and density data (Figures 4 and 5).

**Table 1. Resource estimate figures for Coalstoun supergene resource** (*minor rounding errors*)

| Year | Category | Domain | Tonnes (Mt) | Cu (%) | Cu (t) | Cut off (Cu %) |
|---|---|---|---|---|---|---|
| 2015 | Inferred | Supergene | 7.0 | 0.47 | 32,700 | 0.30 |
| 2016 | Inferred | Supergene | 6.1 | 0.5 | 29,588 | 0.35 |

**Table 2. Grade tonnage data for 2016 supergene resource**
(*use of significant figures does not imply accuracy*)

| Cu cut off | Volume | Mt | Cu % | Cu tonnes |
|---|---|---|---|---|
| 0 | 9,083,087 | 23.1 | 0.29 | 66,629 |
| 0.1 | 8,558,118 | 21.7 | 0.31 | 66,321 |
| 0.2 | 6,735,260 | 17.1 | 0.34 | 58,610 |
| 0.3 | 3,359,180 | 8.5 | 0.44 | 37,482 |
| 0.4 | 1,645,624 | 4.2 | 0.54 | 22,454 |
| 0.5 | 709,955 | 1.8 | 0.66 | 11,833 |
| 0.75 | 141,943 | 0.4 | 0.98 | 3,526 |
| 1 | 52,740 | 0.1 | 1.21 | 1,617 |

ActivEX is planning to complete sequential copper analysis with the hope of upgrading the classification of part of the deposit to Indicated.

The Coalstoun copper deposit has obvious open pit heap leach potential and has significant synergies with ActivEX' nearby White Horse supergene copper prospect. The White Horse prospect is located within the Booubyjan tenement (EPM 14476) which forms part of the ActivEX Esk Copper and Gold Project (Figure 1).

The Company is looking to bring both prospects to resource stage and giving consideration to a combined project development.

**Figure 2**. Supergene enriched copper zone in partially oxidised rocks (ACL001: 7m @ 0.64% Cu from 15m)

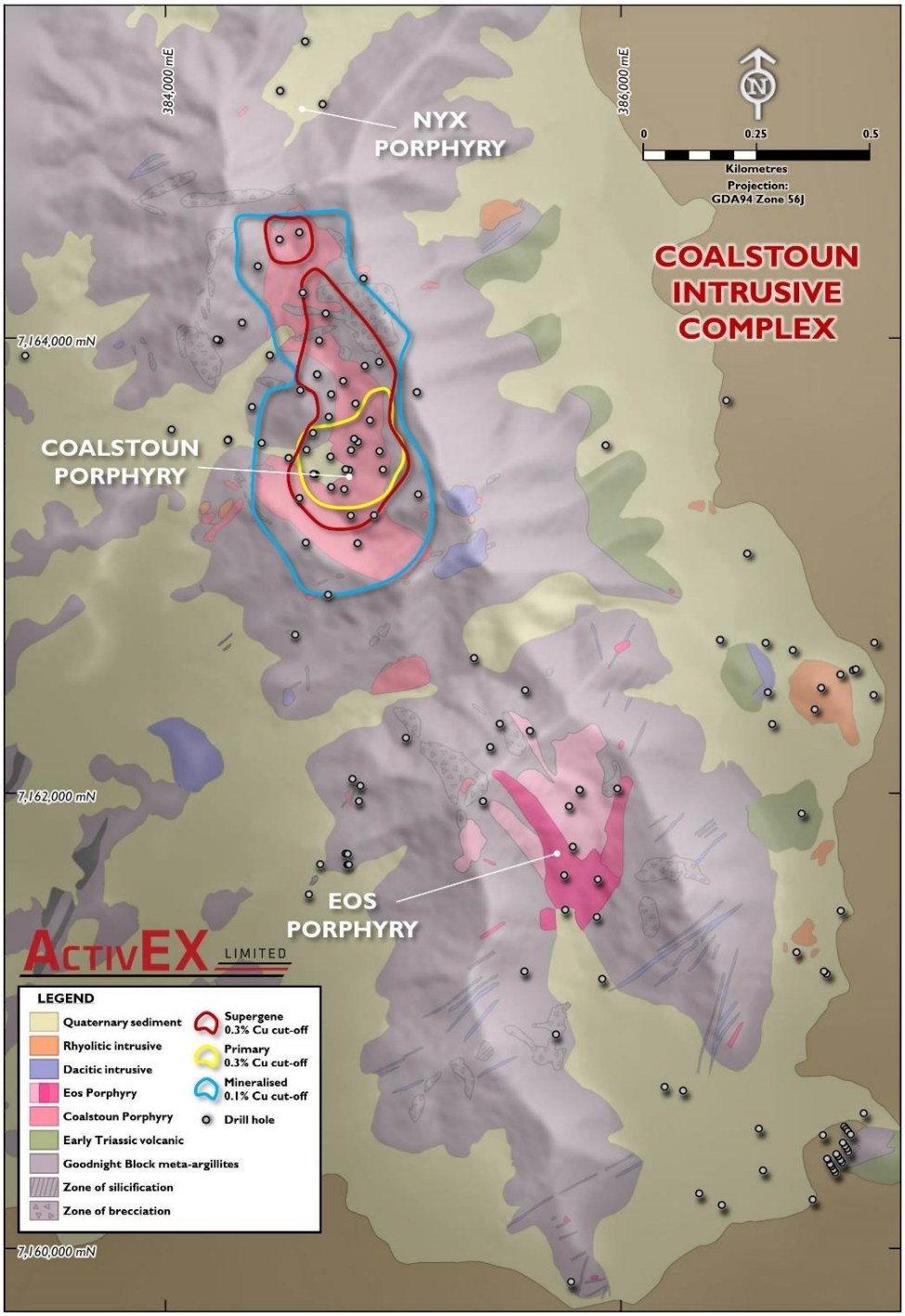


**Figure 3**. Coalstoun copper deposit geology

For further information contact:
Mr Grant Thomas, Managing Director or
Mr Craig McPherson, Company Secretary

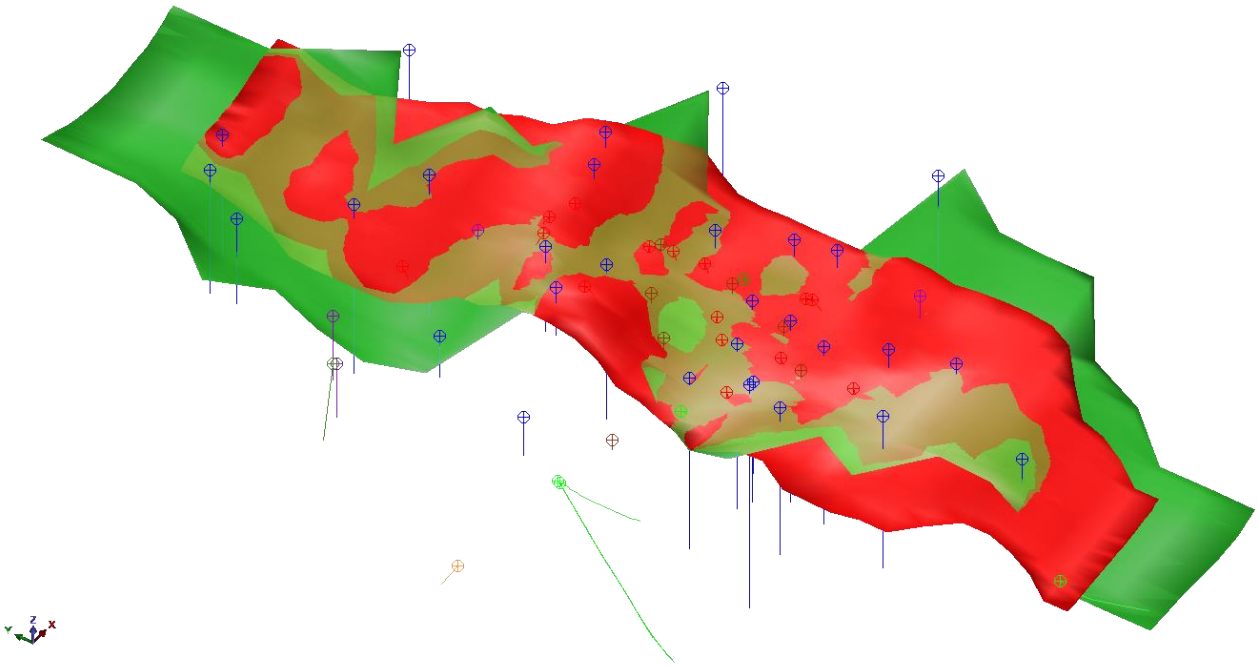

**Figure 4**. Comparison of the 2015 supergene mineral wireframe (green) with the 2016 mineral wireframe (red)

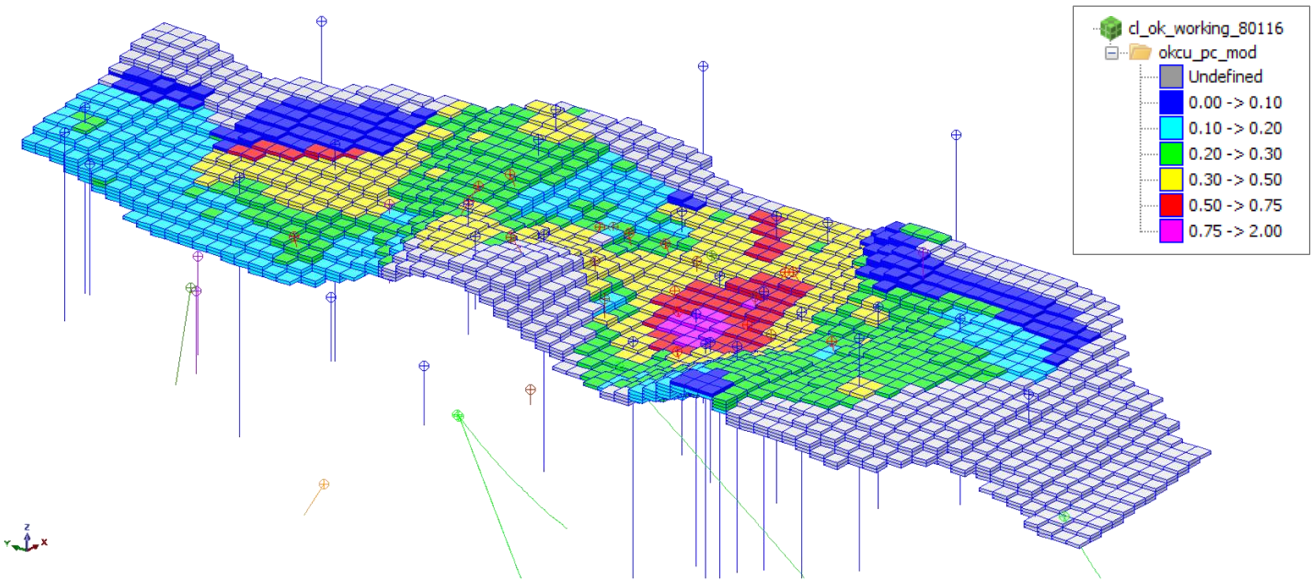


**Figure 5:** Copper block grade distribution for the supergene mineralisation

# Appendix 1

## Declarations under JORC 2012 and JORC Tables

The information in this report that relates to exploration results is based on information compiled by Mr G. Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and a Member of the Australian Institute of Geoscientists (MAIG) and Ms J. Hugenholtz, who is a Member of the Australian Institute of Geoscientists (MAIG). Both Mr Thomas (Managing Director) and Ms Hugenholtz (Exploration Manager) are full-time employees of ActivEX Limited and have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities being undertaken to qualify as a Competent Person as defined by the 2012 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

Mr Thomas and Ms Hugenholtz consent to the inclusion of their names in this report and to the issue of this report in the form and context in which it appears. The following Tables detail sampling techniques, data management and reporting criteria according to the 2012 JORC Code & Guidelines.

The data in this report that relates to Mineral Resources for the Coalstoun copper deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code & Guidelines. Mr Tear is a director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which it appears.

## JORC Table 1 – Coalstoun Central Porphyry Copper Deposit Resource Estimation

### Section 1 – Sampling Techniques and Data

| Criteria | Commentary |
|---|---|
| Sampling techniques | ActivEX Exploration<br>• Diamond core samples were cut in half and sampled at 1 metre intervals. Intervals were selected by the geologist.<br>• All RC drill samples were collected at 1 metre interval spacing.<br>Historic Exploration<br>• Samples mainly vary between approximately 0.5 and 6 metres. |
| Drilling techniques | ActivEX Exploration<br>• Diamond core and RC drilling techniques have been carried out.<br>• Diamond core diameter was HQ whilst RC hole size was 5.5 inches.<br>• The assays reported are from diamond and RC drill holes.<br>Historic Exploration<br>• Diamond and RC drilling techniques have been carried out.<br>• One diamond core hole had percussion collars with diamond tails beginning at 110m.<br>• Diamond core diameter was a mix of PQ, HQ and NQ depending on drilling conditions. |
| Drill sample recovery | ActivEX Exploration<br>• RC recovery is initially visually estimated based on the size of the green bags and recorded as a percentage. The green bags are then weighed. An additional estimate for RC recoveries are then calculated from hole size, the green bag weight, the calico lab sample weight and the derived default densities for the lithologies and oxidation levels.<br>• RC recoveries were considered reasonable noting that there was a distinct high bias with the end-of-6m rod interval although there is no obvious copper grade bias associated with recovery for the 1-5m rod samples or the 6th m rod samples.<br>• Diamond core recovery is measured by the geologist using a tape measure.<br>• Core recovery from the recent diamond drilling was very good at almost 100% with minor loss associated with the top of hole material.<br>Historic Exploration<br>• Limited sample recoveries are available from historic reports; one RC/diamond drill hole, DD92CL-5, has sample recovery information for the diamond drilled portion. The reported recovery is very good at an average of 97% recovery. No other holes have detailed sample-by-sample recovery information. Another summary table notes that |

| Criteria | Commentary |
|---|---|
| | 14 Esso and Kennecott holes have no or only sludge recovery from top of hole (0 m) up to 100 feet (~30m), averaging ~30 feet (~9m). |
| Logging | ActivEX Exploration<br>• Drill core samples were geologically logged off-site on a sub-metre scale by Project Geologist Josh Leigh.<br>• Drill chip samples were geologically logged on- and off-site at a per-metre level by Project Geologist Josh Leigh, Exploration Geologist Sean Ke and Exploration Geologist Jose Veracruz.<br>• Every metre drilled was geologically logged to a level of detail to support future Mineral Resource estimations.<br>Historic Exploration<br>• Percussion drilling and diamond core was qualitatively geologically logged and presented as lithology summaries and on logs accurate from one metre to sub-metre scale. |
| Sub-sampling techniques and sample preparation | ActivEX Exploration<br>• Diamond core was cut with a core saw into representative halves and one half was sent for assay; assay results pending.<br>• RC drill samples were riffle split using a riffle splitter mounted on the drill rig, with 10% collected in a calico bag (ready to be sent to the laboratory, if required) and 90% collected in a green plastic bag.<br>• XRF analysis was conducted on all drill chip samples using a Niton XL3t handheld XRF in 'Soil' mode, using three filters, each with a 30 second duration to give a total analysing time of 90 seconds.<br>• Samples to be sent for laboratory analysis were determined by geological methods (logging) and/or on-site handheld XRF (Niton) analysis using a Cu cut off of 2,000ppm.<br>• All samples sent for laboratory analysis were dry samples.<br>• Assays were conducted by ALS Global, Brisbane laboratory, using standard procedures and standard laboratory checks, ME-ICP61 and Au-AA25.<br>• The nature and quality of the sample preparation is considered appropriate for the mineralisation style.<br>• The samples sizes are appropriate for the material being sampled.<br>Historic Exploration<br>• Details of specific sampling techniques and sample preparation are not provided in historic company reports besides the use of core splitting for samples assayed by Esso. |
| Quality of assay data and laboratory tests | ActivEX Exploration<br>• Handheld XRF analyses are considered to be partial assays and were only used as a guide for selecting samples for subsequent laboratory assay.<br>• A total of 517 Niton assays were transferred into the preferred copper assay field for subsequent interpretation and modelling.<br>• The nature and quality of the assaying and laboratory procedures used is considered appropriate for the mineralisation style.<br>• The four acid digest used in ME-ICP61 is considered to be a 'near-total' digest.<br>• For all drill holes, sample selection from each hole was sent to laboratory as a separate batch.<br>• Quality control measures for laboratory analysed samples consisted of:<br>  • Field duplicate obtained by riffle splitting a calico bag sample at a rate of two duplicates per hole.<br>  • One laboratory duplicate (pulveriser split) per hole.<br>  • One blank sample (OREAS 22d - quartz sand + 0.5% FeOx) per hole.<br>  • One lithogeochemical blank sample (OREAS 27 – rhyodacite) per hole.<br>  • One pebble blank (white decorative stones) per hole.<br>  • One head grade sample (OREAS 501b – porphyry copper-gold ore) per approximately 30 samples.<br>  • One high grade copper sample (OREAS 504b – porphyry copper-gold ore) per hole.<br>Historic Exploration |

| Criteria | Commentary |
|---|---|
| | • No official assay certificates have been obtained from Kennecott or CRA reports.<br>• Only assay certificates for Cu and Mo have been obtained from Esso.<br>• All assay certificates have been obtained from Newcrest.<br>• Samples collected by Newcrest, CRA and Golden Breed were assayed at ALS laboratories in Brisbane.<br>• All samples were assayed Cu with varying additional elements and analysis methods.<br>• Assay techniques used (as per assay certificate): Au-AA26, ME-ICP41s, ME-MS42, Au-ICP22, ME-MS61, 1b, G.R.C. No. 1, G.R.C. No. 2, PM209.<br>• No QAQC procedures were established for historic data. |
| Verification of sampling and assaying | ActivEX Exploration<br>• Significant intersections were verified by Exploration Manager Juli Hugenholtz.<br>• Geological logging is conducted on paper logs and later converted to digital format. Data is verified by geologist and paper logs are stored for reference.<br>• Laboratory results and associated QAQC documentation is stored digitally.<br>• All in-house QAQC samples returned expected concentrations except for three samples which returned concentrations above what was expected to a maximum of 0.25ppm Au and 115ppm Cu. No other issues were identified.<br>Historic Exploration<br>• Significant intersections verified by exploration manager Juli Hugenholtz. |
| Location of data points | ActivEX Exploration<br>• Drill hole collars were located using conventional hand held GPS.<br>• Down hole surveys were taken every 30m using a Reflex EZ-Trac digital downhole survey instrument.<br>• Coordinates are recorded in grid system MGA94, Zone 56.<br>Historic Exploration<br>• Historic collars were located using a mix of standard GPS pickup and digitisation from historic reports. |
| Data spacing and distribution | ActivEX Exploration<br>• Drill hole spacing ranges from 10m to 200m.<br>• Drill hole spacing to establish the degree of geological and grade continuity is considered appropriate for an Inferred Resource category.<br>Historic Exploration<br>• Drill spacing is irregular with nominal spacing of 100m in the central part of the deposit increasing to 150-200m further out. |
| Orientation of data in relation to geological structure | ActivEX Exploration<br>• The geometry of the mineralisation with respect to drill hole angles is considered perpendicular at this stage.<br>• Drilling orientation and the orientation of the mineralised enrichment zone is considered to not have introduced a sampling bias.<br>Historic Exploration<br>• Vertical drilling intersects the supergene enriched blanket at a near perpendicular angle as to not introduce a sampling bias. Reported intersections are considered true thickness of supergene enriched zone.<br>• Primary sulphide mineralisation is considered open at depth. |
| Sample security | ActivEX Exploration<br>• Sample bags were packed in batches into polyweave bags for transport and zippy tied to avoid tempering.<br>• Samples were transported to the ALS Global Brisbane laboratory by ActivEX personnel.<br>Historic Exploration |

| Criteria | Commentary |
|---|---|
| | • Sample security details not provided in historic company reports. |
| Audits or reviews | ActivEX Exploration<br>• The Niton XRF analyser is calibrated annually.<br>• The Niton XRF analyser is checked against five or more standards of varying compositions, prior to, and after operation each working day.<br>• Standard laboratory procedure for laboratory samples.<br>• In-house review of QAQC data for laboratory samples.<br>Historic Exploration<br>• Historic reports do not indicate the use of appropriate in-house QAQC procedures for drill hole samples assayed prior to Newcrest.<br>• Appropriate QAQC procedures were carried out for drill hole samples assayed by Newcrest. |

**Section 2 - Reporting of Exploration Results**

| Criteria | Explanation |
|---|---|
| Mineral tenement and land tenure status | • EPM 14079, Coalstoun, has recently been purchased by ActivEX Limited from Newcrest Operations Limited.<br>• See Figure 1 for location.<br>• The majority of EPM 14079 is located on Freehold Land covered by many pastoral enterprises.<br>• A Native Title Claim Application (QUD93/2012) was lodged by the Wakka Wakka People #5 on 10 Feb 2012 and covers the Coalstoun porphyry area. |
| Exploration done by other parties | • Previous exploration has been dominantly carried out by Kennecott, Esso, Burmine, CRAE and MIM. Work included geophysics, mapping, rock chip, soil and stream sediment sampling, trenching and drilling.<br>• For additional information, please refer to the ActivEX website (http://www.activex.com.au/coalstoun-lakes-copper-gold.php). |
| Geology | • The Coalstoun prospect is a Middle Triassic Cu-Au-Mo porphyry system which lies within the north-northeast trending Perry Fault zone. The prospect is hosted by the Carboniferous to Early Permian Goodnight Block and emplaced during regional shortening across the Northern New England Orogen in southeast Queensland. Hydrothermal alteration and mineralisation is characterised by multiple porphyritic intrusions and associated igneous-matrix breccia.<br>• Hydrothermal alteration is zoned from a potassic core (K-feldspar-biotite- magnetite-albite) hosting Cu, Mo and Au which is rimmed and cut by late stage phyllic veins and fault-controlled quartz-sericite-pyrite alteration. Propylitic (chlorite-epidote) alteration is regionally extensive. Multi-stage hydrothermal-cemented breccias (including anhydrite-pyrite-calcite, pyrite-specular hematite-albite-ankerite-hematite, chlorite-pyrite-albite-calcite, and quartz-pyrite-calcite-(manganese)-hematite assemblages) cross-cut the primary sulphide Cu mineralisation and extend regionally into the propylitically altered wall-rock. The anhydrite-bearing hydrothermal facies is known to host high Cu (up to 1 wt. %), whereas the specular hematite-bearing facies found up to ~2.5 km from the central intrusive hosts up to 0.5 g/t Au and 1 wt. % Cu. Secondary Cu mineralisation post-dates primary mineralisation and is believed to be caused by exposure of primary mineralisation due to weathering. The exposed Cu was subsequent enriched through the natural, in situ generation of sulphuric acid during pyrite dissolution. The resulting acid allowed for an accelerated dissolution of primary copper minerals and the formation of copper laden supergene fluids to descend down to the water table, precipitating via various redox reactions to form the supergene Cu mineralisation. |
| Drill hole information | • Refer to Table 2 in ASX release dated 31/03/2015 and Table 1 in ASX release dated 23/11/2015 drill hole location information. |
| Data aggregation methods | • Exploration Results not being reported. |

| | |
|---|---|
| Relationship between mineralisation widths and intercept lengths | • Vertical drilling intersects the supergene enriched blanket at a near perpendicular angle as to not introduce a sampling bias. Reported intersections are considered true thickness of supergene enriched zone.<br>• It is unknown at this stage whether drilling of primary mineralisation has been intersected perpendicular to the mineralised trend. Therefore, any reported intersections from the zone of primary mineralisation should be considered as down hole lengths only. |
| Diagrams | • Refer to body of report for diagrams. |
| Balanced reporting | • Exploration Results not being reported. |
| Other substantive exploration data | • Exploration Results not being reported. |
| Further work | • Refer to body of report for further work plans. |

**Section 3 – Estimation and Reporting of Mineral Resources**

| Criteria | Commentary |
|---|---|
| Database integrity | • ActivEX completed a validation phase, reviewing the data in Excel files and then loading data into an Access database and performing various data checks e.g. duplicate samples.<br>• The data was loaded into an Access database with H&SC performing only very limited validation of the data and did not detect any obvious problems likely to impact significantly on the resource estimates. Minor edits to the database, such as overlapping intervals and misnamed collar ids where fixed as necessary.<br>• H&SC has not performed detailed database validation and ActivEX personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources. |
| Site visits | • Site visits have been carried out by Juli Hugenholtz, Exploration Manager for ActivEX, who acts as the Competent Person with responsibility for the integrity and validity of the database on which resource estimates were conducted.<br>• No site visit has been undertaken by Simon Tear of H&SC, Competent Person for the reporting of the resource estimate due to time and cost constraints. |
| Geological interpretation | • The lithological interpretation created by ActivEX of the Coalstoun copper deposit is reasonable.<br>• Geological interpretation was based on forty 50m E-W oriented sections.<br>• H&SC created a new supergene mineralised wireframe based on a combination of the geological logging for chalcocite presence (chalcopyrite presence was used in the obverse), oxidation level and copper grade (nominal 0.1% Cu).<br>• In addition, H&SC modified the oxidation surfaces for the BOCO and BOPO to compliment the mineral zone. |
| Dimensions | • The Mineral Resources at a cut-off of 0.35% Cu span a width of approximately 1.2km by 1.9km and 475m in depth. |
| Estimation and modelling techniques | • The copper grade estimation was completed using Ordinary Kriging in the Micromine software with the modelled data loaded into a Surpac block model for post-modelling processing and resource estimate reporting.<br>• No assumptions were made regarding the recovery of by-products.<br>• Deleterious elements were not estimated.<br>• Drill spacing is irregular with a nominal spacing of 50-100m in the central part of the deposit increasing to 150-200m in peripheral areas.<br>• A total of 3,720 3m copper composites were extracted unconstrained from the drill hole database. 3m was the dominant sample interval. A total of 356 3m composites lie within the supergene wireframe.<br>• No top cutting was applied to the composite data.<br>• Simple univariate statistics did not indicate distinct grade sub-populations within the supergene mineralisation.<br>• Spatial distribution analysis indicated a flat direction for the supergene mineralisation.<br>• Ordinary Kriging was used to interpolate block grades for copper with a block size 25m by 25m by 5.0m (X, Y & Z) |

| Criteria | Commentary |
|---|---|
| | with no sub-blocking.<br>• The supergene zone was modelled horizontally with a three pass search strategy with initial search ellipses for the oxide copper of the order of 75m by 75m by 15m (X, Y & Z) increasing to 200m by 200m by 15m with the initial minimum number of data being 17 decreasing to 6 and the minimum number of octants starting at 3 and reducing to 1.<br>• The BOCO surface, which is coincident with the top of the supergene mineralisation, was treated as a hard boundary. Whereas the BOPO, which is coincident with the base of the supergene mineralisation was treated as a soft boundary with the underlying fresh porphyry mineralisation<br>• H&SC considers Ordinary Kriging with no top cuts to be an appropriate estimation technique for the type of mineralisation and extent of data available at the Coalstoun copper deposit.<br>• The block model was reviewed both visually and statistically. It was concluded that the block model fairly represents the grades observed in the drill holes. |
| Moisture | • Tonnages of the Mineral Resource are estimated on a dry weight basis. |
| Cut-off parameters | • The resources are reported at a cut-off of 0.35% Cu within the mineral wireframe on advice from ActivEX<br>• A partial percent volume adjustment was used to constrain the resource estimate. |
| Mining factors or assumptions | • The Mineral Resources were estimated on the assumption that the material will be mined by open pit methods.<br>• The resource estimates include internal mining dilution. |
| Metallurgical factors or assumptions | • Exploration at Coalstoun is at an early stage and no form of metallurgical testwork has as yet been conducted by ActivEX.<br>• It is assumed that there will be no recovery issues for the oxide copper mineralisation. |
| Environmental factors or assumptions | • The environmental factors have not been investigated for the purposes of the Resource Estimate reported here. It is assumed that the environmental factors such as acid mine drainage, noise and dust suppression etc. will be dealt with in a similar way to other mines operating in the area. More work is required in order to quantify the environmental factors but H&SC are not aware of any critical issues at this stage. |
| Bulk density | • Density is based on 100 measurements completed on selected single pieces of core. The data was used to generate default density values for the mineralisation and the different oxidation zones.<br>• Density data was provided by ActivEX from two diamond drillholes completed in 2015. Measurements were made at ALS Laboratories on selected single pieces of core using the weight-in-air/weight-in-water method (Archimedes Principle). Oxide samples were not sealed, either in wax or by any other method.<br>• The majority of the mineralisation is in partially weathered rock and any likely density error is considered relatively small.<br>• Processing of the data has allowed for the generation of default average values for the three oxidation zones and the supergene mineralisation. The default average density values were as follows: 2.11t/m$^3$ for the BOCO zone, 2.46/m$^3$ for the BOPO zone, 2.57t/m$^3$ for the Fresh zone and 2.54t/m$^3$ for the Supergene zone.<br>• No density data is available from historic company reports. |
| Classification | • All resources are classified as Inferred<br>• Mineral resources have been classified on the estimation search pass category (Passes 1 to 3) subject to assessment of other impacting factors such as drillhole spacing (variography), geological understanding, mineralogical distribution, QAQC outcomes, density measurements and potential metal recoveries.<br>• The maximum extrapolation of the Inferred Resource is approximately 100m beyond the last drillhole within the defined mineral zone.<br>• The classification appropriately reflects the Competent Person's view of the deposit. |
| Audits or reviews | • The estimation procedure was reviewed as part of an internal H&SC peer review.<br>• No audits of the Mineral Resource estimates have been completed. |

| Criteria | Commentary |
|---|---|
| Discussion of relative accuracy / confidence | • The Mineral Resources have been classified using a qualitative assessment of a number of factors including the data quality and distribution, mineral logging, the drillhole spacing, QAQC data, density data and possible metal recoveries.<br>• The Mineral Resource estimates are considered to be accurate globally, but there is some uncertainty in the local estimates due to the variable drillhole spacing.<br>• The Mineral Resource Estimates of the Coalstoun copper deposit are sensitive to the cut-off grade applied. Closer spaced drilling would raise the confidence in the Mineral Resource Estimates by confirming grade continuity and providing more information on the structure and/or distribution of the mineralisation.<br>• H&SC has not assessed the reliability of input data and ActivEX personnel take responsibility for the accuracy and reliability of the data used to estimate the Mineral Resources.<br>• No recent mining of the deposit has taken place so no production data is available for comparison. |