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Market Announcements Platform

10th April 2017

Gazelle ELA 2515 Now Awaiting Ministerial Decision on its Grant

and Information on Gold and Tellurium in the Vats at the Former Sinivit Mine

Frontier Resources Limited (**Frontier**) is very pleased to announce that the Gazelle EL Application 2515 is now with the Minister for Mining awaiting his decision on being granted. Additional information relating to the former Sinivit gold Mine is also compiled herein.

Significant gold and tellurium remains in the vats at the former Sinivit Gold Mine in ELA 2515 and testwork by the former operator has indicated that there is potential to extract it from the existing vat material. In addition, testwork indicated that future sulphide ore processing should incorporate tellurium extraction through an appropriate circuit.

None of the known Sinivit sulphide Inferred Resource has been mined and it is open along strike in both directions and down dip at depth. The potential to substantially increase the sulphide resource is excellent and if/once granted, there will be a major emphasis on accomplishing this to potentially allow a bigger and more robust mining operation.

Thirty-eight historic diamond core drill holes have assays for tellurium associated with the potentially economic oxide and sulphide gold intercepts. Significant downhole intercepts associated with sulphide resources (unmined) include hole 87WDD040A with 4.2m grading 12.50 g/t gold + 725 ppm tellurium + 12.5 g/t silver (148.6m to 152.8m), PLUS 13.5m grading 8.56 g/t gold + 505 ppm tellurium + 9.9 g/t silver (164.55m to 178.05m) and 86WDD017 with 1.45m grading 21.7 g/t gold + 1,550 ppm tellurium + 25 g/t silver (82.75m to 84.2m). Oxide resources (mined and now in the vats) included 86WDD021 with 14.7m grading 11.10 g/t gold + 1156 ppm tellurium + 14.1 g/t silver (7.15m to 21.85m).

Forty-three RC drill hole composite samples from inside the Northern and Central Oxide pits were re-assayed by the former operator for tellurium. The Northern Oxide pit had highlights of 6.0m of 27.68 g/t gold + 1,980 ppm tellurium, 12.0m of 4.01 g/t gold + 590 ppm tellurium and 8.0m of 16.43 g/t gold + 610 ppm tellurium. The Central Oxide Pit had highlights of 4.0m of 57.3 g/t gold + 1,640 ppm tellurium, 6.0m of 10.05 g/t gold + 980 ppm tellurium and 2m of 15.85 g/t gold + 1,430 ppm tellurium.

Testwork on a Banka drilled composite sample from the vats returned a size fraction screened weighted average grade of 2.36 g/t gold + 132ppm tellurium. This is a preliminary estimate of what remains in the vats. Approximately 54 % of the remaining gold was noted in the fraction greater than 2 mm.

The weighted average of all in pit RC drill holes analysed for tellurium is 264m grading 355 ppm, or more than double the average estimated to remain in the vats (by limited analyses from Banka drilling).

The testing indicated tellurium would require an acid leach and subsequent gold leaching would require a basic leach. There has been little metallurgical testing to determine the process required for optimum treatment of the primary sulphide resource, however, it will likely require a specific primary ore floatation circuit. Initially the feed for the new sulphide circuit could be obtained from the ore remaining in the vats, with the vats then utilised as tailings dams. New tailings storage facilities would be required if/when the sulphide resource comes into production.

The Kankberg underground Mine in Sweden contains a reserve of 2,880,000 tonnes grading 4.1g/t gold (380,000 ounces) + 186 ppm tellurium and this seems comparable to Sinivit. The US Geological Survey lists Kankberg as one of the only mines in the world with tellurium as a <u>direct</u> product.

DETAILS

The Nengmutka high sulphidation vein system is a 10 km by 400 m wide complex structural zone containing gold-silver-copper-tellurium mineralisation. Economic mineralisation has been identified over a one kilometre strike of the Sinivit Vein with significant unmined oxide mineralisation developed over a 900-metre strike length on the Kavursuki Vein. No sulphide mineralisation has been mined!

At very shallow near surface levels, high sulphidation systems display enrichments in tellurium, antimony and locally mercury. The auriferous Sinivit hydrothermal veins (Types II, III and IV veins) contain an association of minerals below the oxide zone, in decreasing order of abundance of chalcopyrite, pyrite, bornite, tetrahedrite, chalcocite, telluride and gold minerals. Telluride minerals include native tellurium, rickardite, hessite, calaverite and several gold-silver and bismuth tellurides.

More than 90% of tellurium worldwide has been produced from anode slimes (from electrolytic copper refining) and the remainder from skimmings at lead refineries and from flue dusts and gases. Other potential sources of tellurium include bismuth telluride and gold telluride ores.

The oxide ore from the previous mining operation at Sinivit was processed via vat and heap leaches. There were 17 vats and 2 heaps (over vats) reported to contain approx. 280,000 tonnes of material crushed to nominally 80% passing 10 mm. Each vat was leached with cyanide for a varying time span and gold recoveries were estimated by the operator to about 66% (i.e. approx. 34% of the original gold remains in the vats due to the poor benefaction related to the vat leaching process utilised).

The largest consumers of tellurium are applications in solar panels and as a semiconductor material. Cadmium telluride (CdTe) solar panels achieve some of the highest efficiencies for solar cell electric power generation. In addition, tellurium is used in metallurgical applications in iron, copper and lead alloys.

The former Sinivit operator sampled the vats with a Banka drill to obtain samples and get an indication of the amount of remaining gold. Metallurgical testing was carried out in 2010 by a third party to determine distribution and possible recovery of gold remaining in the vat leached ore and to determine a recovery method for tellurium.

A cursory sampling program for tellurium content consisted of samples from the top 1.5 m depth. Gold, tellurium and copper were assayed across a range of size fractions. Average tellurium assay results ranged from 76.0 ppm to 329.5 ppm. A composite sample of 50 kg consisting of 2.1 to 7.5 kg samples from thirteen of the vats was treated as follows: Leach sample size 125g, Grind 80% <38micrograms, Leach temperature of 70 degrees C, Leach reagent 75g/l H_2SO_4, Solid: liquid ratio of 25%:75%, Leach time of 4 hours. This resulted in tellurium recoveries in the 70-86% range and Leachate with 33-78 g/l Te and Significant Fe^{+2}, Al and Mn transfer into leachate.

Petrographic and SEM analyses (scanning electron microscopy) were also carried out in 2010 to define the gold and telluride mineralogy. Results showed tellurides of tetradymite and rickardite usually restricted to quartz, and gold-silver telluride (altaite) usually as inclusions in pyrite and chalcopyrite.

The testing indicated tellurium would require an acid leach and subsequent gold leaching would require a basic leach. There has been little metallurgical testing to determine the required process for optimum treatment of the unmined primary sulphide ore, however, it will likely require treatment via a specific primary ore floatation circuit. Initially the feed for the new sulphide circuit could be obtained from the ore remaining in the vats, with the vats then utilised as tailings dams.

New tailings storage facilities (TSF) would be required if the sulphide resource comes into production. Likely locations will have to be identified, however, single catchment creeks are likely sources for TSF, with dam construction buffered with waste material as an extended waste dump.

Thirty-eight diamond core drill holes (all from 1980s) have been located with assays for tellurium. Sixteen of these holes had some low to very high tellurium assay results associated with the potentially economic oxide and sulphide gold intercepts and their downhole intercepts are all listed sequentially below:

85WDD006 **– 18.0m with 2.76 g/t gold + 260 ppm tellurium** + 10.0 g/t silver + 69 ppm copper (4.45m to 22.45m)

85WDD007 - **1.85m with 1.12 g/t gold + 2795 ppm tellurium** + 29.7 g/t silver + 0.58% copper (45.65m to 47.5m)

85WDD008 - **7.8m with 1.67 g/t gold +249 ppm tellurium** + 2.5 g/t silver +96 ppm copper (1.35m to 9.15m)

85WDD009 - **1.25m with 5.09 g/t gold + 426 ppm tellurium** + 62 g/t silver + 0.26% copper (59.25m to 60.5m)

85WDD011 - **5.85m with 0.45 g/t gold + 116 ppm tellurium** + 1.7 g/t silver + 95 ppm copper (17.65m to 23.5m)

85WDD014 - **5.9m with 8.78 g/t gold + 79 ppm tellurium** + 23.4 g/t silver + 0.98% copper (48.25m to 54.15m)

86WDD017 – **1.45m with 21.7 g/t gold + 1,550 ppm tellurium** + 25 g/t silver + 0.52% copper (82.75m to 84.2m)

86WDD020 - **8.7m with 4.76 g/t gold + 165 ppm tellurium** + 3.7 g/t silver + 852ppm copper (129.35m to 138.05m)

86WDD021 -**14.7m with 11.10 g/t gold + 1156 ppm tellurium** +14.1 g/t silver +494ppm copper (7.15m to 21.85m)

87WDD024 - **5.3m with 8.04 g/t gold + 863 ppm tellurium** + 19.2 g/t silver +0.93% copper (138.25m to 143.55m) **PLUS 5.75m with 15.3 g/t gold + 393 ppm tellurium** + 10.9 silver+ 218 ppm copper (13.5m to 19.25m)

87WDD040A - **4.2m with 12.50 g/t gold + 725 ppm tellurium** + 12.5 g/t silver + 0.41% copper (148.6m to 152.8m), **PLUS 13.5m with 8.56 g/t gold + 505 ppm tellurium** + 9.9 g/t silver +0.30% copper (164.55m to 178.05m), incl. **1.45m of 29.25g/t gold + 2,600 ppm tellurium** +42.41 g/t silver + 2.6% copper. from 164.55m to 166.0m and **10.95m of 6.62 g/t gold + 272 ppm tellurium** + 2.82 g/t silver + 233 ppm copper, from 167.1m to 178.05m

87WDD051 -**10.3m with 4.49 g/t gold + 367 ppm tellurium** + 19.2 g/t silver + 0.15% copper (253.9m to 264.2m)

87WDD065 **- 5.1m with 3.97 g/t gold + 67 ppm tellurium** + 5.4 g/t silver + 0.21% copper (115.85m to 120.95m)

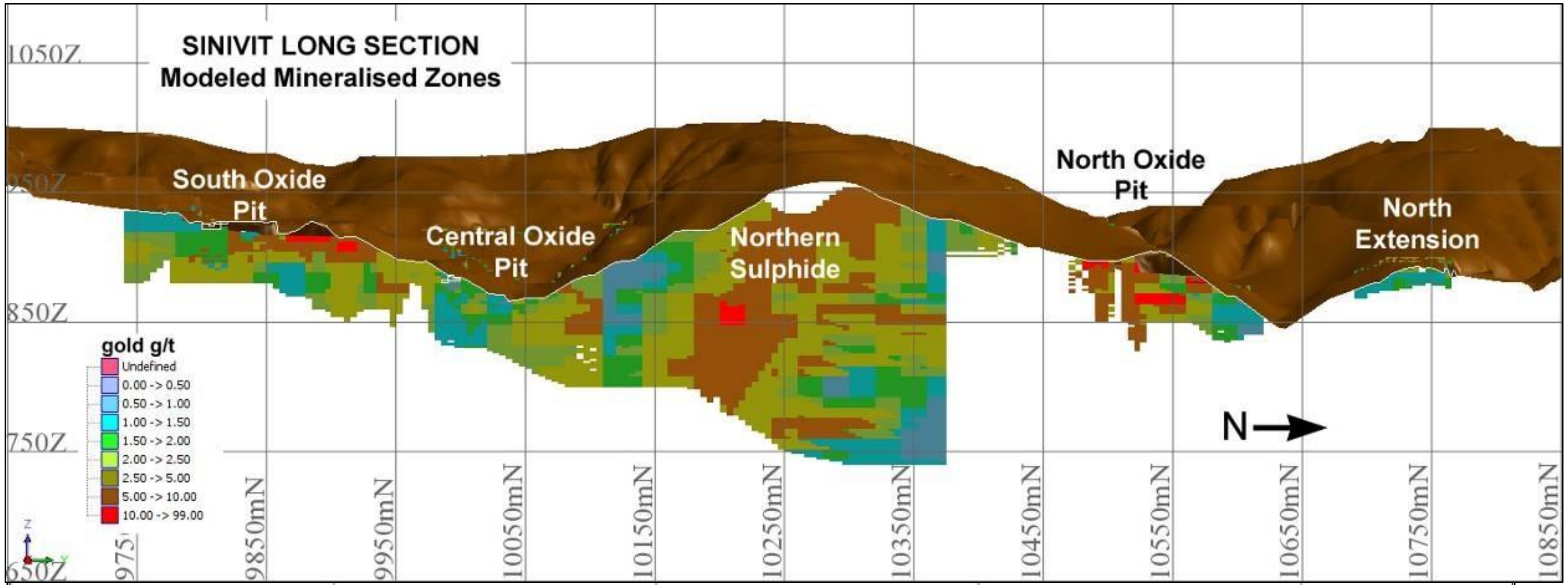
87WDD053 - **1.95m with 8.62 g/t gold + 645 ppm tellurium** + 40.3 g/t silver + 6.38% copper (37.25m to 39.2m)

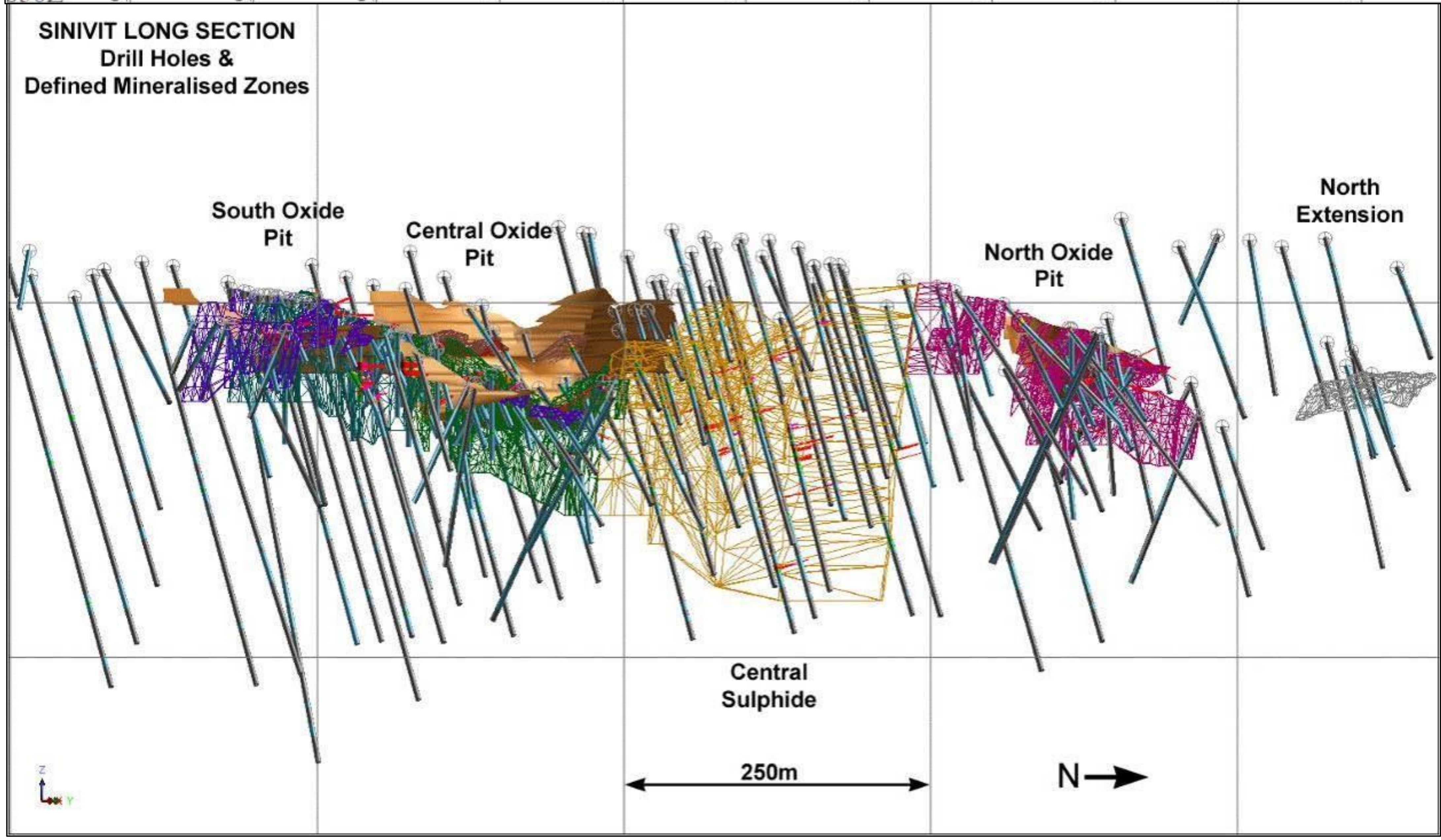
87WDD058 -**10.55m with 5.60 g/t gold + 156 ppm tellurium** + 44.2 g/t silver + 0.90% copper (150.9m to 161.45m)

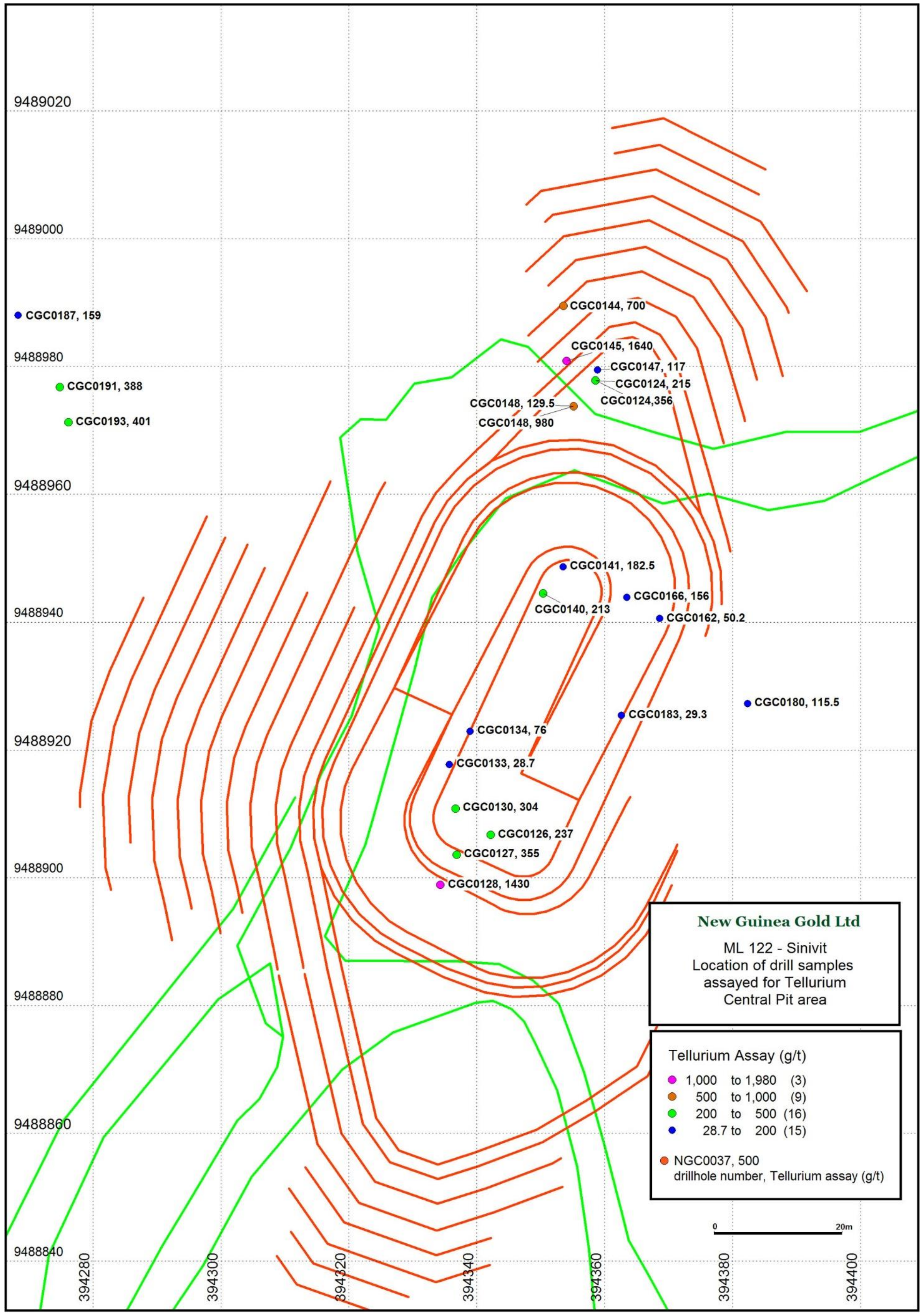
87WDD067 - **4.85m with 2.41 g/t gold + 25 ppm tellurium** + 5.1 g/t silver + 634 ppm copper (31.25m to 36.1m)

Forty-three RC drill hole composite samples from inside Northern and Central Oxide pits were re-assayed for tellurium and all assay results are tabulated on the right.

RC DRILING TELLURIUM SAMPLING	Intercept Length (m)	Au (g/t)	Te (ppm)	Te Intercept (m*ppm)	Cu (ppm)	From (m)	To (m)	Northing	Easting	Hole ID
Northern Oxide Low grade	6.0	3.20	47	282	251	8	14	9489335	394482	NGC 34
	4.0	2.63	115	458	81	2	6	9489382	394510	NGC 52
	14.0	1.51	**247**	**3,458**	231	0	14	9489392	394516	NGC 55
	12.0	4.01	**590**	**7,080**	150	0	12	9489397	394522	NGC 56
	8.0	1.94	**265**	**2,120**	146	2	10	9489407	394512	NGC 72
	4.0	1.92	**354**	**1,416**	65	4	8	9489403	394508	NGC 73
	10.0	2.88	**297**	**2,970**	130	2	12	9489412	394532	NGC 101
Northern Oxide High Grade	**4.0**	**31.65**	**500**	**2,000**	4,095	18	22	9489359	394488	NGC 37
	6.0	**29.18**	**391**	**2,346**	314	18	24	9489384	394503	NGC 51
	6.0	**27.72**	73	437	123	10	16	9489389	394509	NGC 53
	2.0	**16.15**	**620**	**1,240**	2,360	16	18	9489389	394509	NGC 53
	6.0	5.16	**330**	**1,980**	308	6	12	9489387	394539	NGC 61
	2.0	**24.30**	**520**	**1,040**	217	2	4	9489410	394520	NGC 71
	6.0	**27.68**	**1,980**	**11,880**	352	2	8	9489408	394528	NGC 100
	8.0	**16.43**	**610**	**4,880**	240	0	8	9489422	394520	NGC 121
	2.0	**34.20**	**510**	**1,020**	8,120	12	14	9489436	394517	NGC 130
	4.0	**12.93**	**540**	**2,160**	199	0	4	9489414	394527	NGC 143
	8.0	**17.85**	118	940	532	22	30	9489401	394496	NGC 144
	8.0	**10.34**	**321**	**2,568**	267	0	8	9489395	394509	NGC 147
Central Oxide Low Grade	**8.0**	2.83	**237**	**1,896**	171	6	14	9488907	394342	CGC 126
	6.0	1.88	**422**	**2,532**	982	16	22	9488904	394337	CGC 127
	12.0	3.25	29	344	137	2	14	9488918	394336	CGC 133
	10.0	1.90	183	**1,825**	1,166	18	28	9488949	394354	CGC 141
	12.0	3.49	117	**1,404**	1,276	4	16	9488979	394359	CGC 147
	4.0	3.13	156	624	181	0	4	9488944	394363	CGC 166
	4.0	2.94	**215**	860	781	10	14	9488978	394359	CGC 124
	4.0	1.49	**355**	**1,420**	4,570	4	8	9488904	394337	CGC 127
	6.0	0.85	**304**	**1,824**	2,613	20	26	9488911	394337	CGC 130
	4.0	0.78	76	304	501	24	28	9488923	394339	CGC 134
	4.0	1.29	130	518	954	20	24	9488974	394355	CGC 148
	14.0	0.16	50	703	3,077	8	22	9488941	394369	CGC 162
	4.0	0.42	29	117	7,550	10	14	9488925	394363	CGC 183
Central Oxide High Grade	2.0	**15.85**	**1,430**	**2,860**	5,530	24	26	9488899	394334	CGC 128
	4.0	**57.30**	**1,640**	**6,560**	2,235	24	28	9488981	394354	CGC 145
	8.0	9.24	**356**	**2,848**	1,914	20	28	9488978	394359	CGC 124
	2.0	**14.60**	**213**	426	10,600	28	30	9488944	394350	CGC 140
	2.0	**16.00**	162	324	1,310	20	22	9488989	394354	CGC 144
	2.0	5.14	**700**	**1,400**	5,730	28	30	9488989	394354	CGC 144
	6.0	**10.05**	**980**	**5,880**	4,050	24	30	9488974	394355	CGC 148
	4.0	7.85	116	462	113	2	6	9488927	394382	CGC 180
Western Oxide Wall	**10.0**	**24.30**	**388**	**3,880**	638	18	28	9488977	394275	CGC 191
	10.0	4.65	**401**	**4,010**	704	16	26	9488971	394276	CGC 193
	2.0	7.04	159	318	10,000	26	28	9488988	394268	CGC 187


SINIVIT LONG SECTION
Modeled Mineralised Zones
1050Z
950Z
850Z
750Z
650Z
South Oxide Pit
Central Oxide Pit
Northern Sulphide
North Oxide Pit
North Extension
gold g/t
Undefined
0.00 -> 0.50
0.50 -> 1.00
1.00 -> 1.50
1.50 -> 2.00
2.00 -> 2.50
2.50 -> 5.00
5.00 -> 10.00
10.00 -> 99.00
N
9850mN
9950mN
10050mN
10150mN
10250mN
10350mN
10450mN
10550mN
10650mN
10750mN
10850mN


SINIVIT LONG SECTION
Drill Holes &
Defined Mineralised Zones
South Oxide Pit
Central Oxide Pit
North Oxide Pit
North Extension
Central Sulphide
250m
N


New Guinea Gold Ltd
ML 122 - Sinivit
Location of drill samples
assayed for Tellurium
Central Pit area
Tellurium Assay (g/t)
1,000 to 1,980 (3)
500 to 1,000 (9)
200 to 500 (16)
28.7 to 200 (15)
NGC0037, 500
drillhole number, Tellurium assay (g/t)
0
20m
9489020
9489000
9488980
9488960
9488940
9488920
9488900
9488880
9488860
9488840
394280
394300
394320
394340
394360
394380
394400
CGC0187, 159
CGC0191, 388
CGC0193, 401
CGC0144, 700
CGC0145, 1640
CGC0147, 117
CGC0124, 215
CGC0124,356
CGC0148, 129.5
CGC0148, 980
CGC0141, 182.5
CGC0140, 213
CGC0166, 156
CGC0162, 50.2
CGC0180, 115.5
CGC0183, 29.3
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CGC0126, 237
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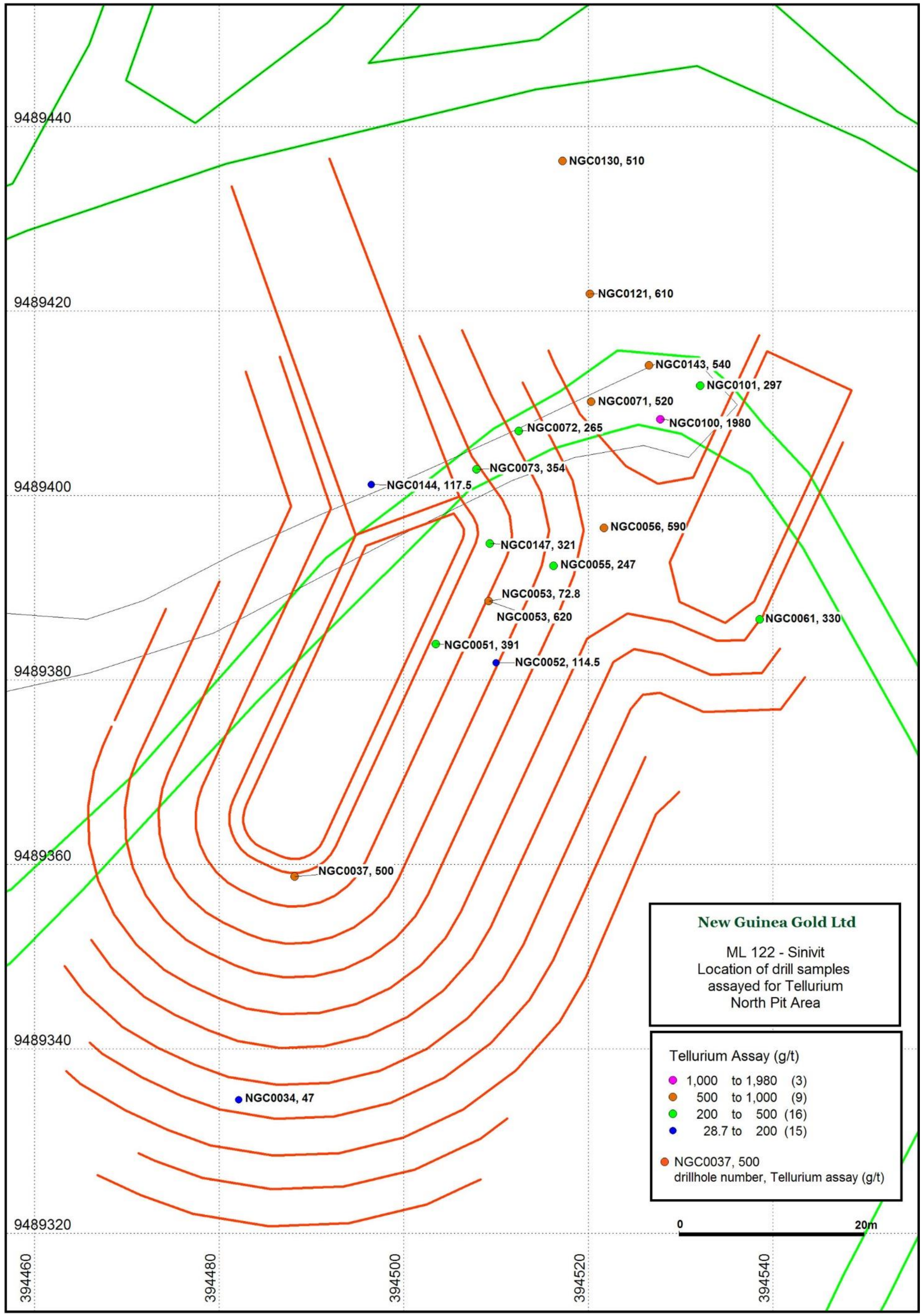
New Guinea Gold Ltd
ML 122 - Sinivit
Location of drill samples
assayed for Tellurium
North Pit Area
Tellurium Assay (g/t)
1,000 to 1,980 (3)
500 to 1,000 (9)
200 to 500 (16)
28.7 to 200 (15)
NGC0037, 500
drillhole number, Tellurium assay (g/t)
0
20m
9489440
9489420
9489400
9489380
9489360
9489340
9489320
394460
394480
394500
394520
394540
NGC0130, 510
NGC0121, 610
NGC0143, 540
NGC0101, 297
NGC0071, 520
NGC0100, 1980
NGC0072, 265
NGC0073, 354
NGC0144, 117.5
NGC0056, 590
NGC0147, 321
NGC0055, 247
NGC0053, 72.8
NGC0053, 620
NGC0061, 330
NGC0051, 391
NGC0052, 114.5
NGC0037, 500
NGC0034, 47

Information on Tellurium

Tellurium has an abundance of about 1 µg/kg in the Earth's crust (comparable to platinum) and is one of the rarest stable solid elements; it was first discovered in the 18th century in gold ore from the mines in Zlatna, near today's city of Sibiu, Romania. Tellurium is a chemical element with the symbol Te and an atomic number of 52. In refined form it is a brittle, mildly toxic, silver-white metalloid which looks similar to tin. Tellurium is chemically related to selenium and sulphur and is occasionally found in native form, as elemental crystals.

The production of cadmium telluride (CdTe) solar cells is the major end use for tellurium in the United States. Other uses are as an alloying additive in steel and copper to improve machining characteristics, in lead alloys to improve resistance to vibration and fatigue, in cast iron to help control the depth of chill and in malleable iron as a carbide stabilizer. It is used in the chemical industry as a vulcanizing agent and accelerator in the processing of rubber and as a component of catalysts for synthetic fibre production. Other uses included those in photoreceptor devices and as a pigment to produce various colours in glass and ceramics.

Global consumption estimates of tellurium by end use are: solar 40%, thermoelectric production 30%, metallurgy 15%, rubber applications 5% and other 10%. World production of tellurium in 2016 was estimated to be about 400 tons. The tellurium price peaked in 2008 at US$350 per kilogram (US$159 per pound), but continued its downward trend in 2016, decreasing from US$77 per kilogram (US$35 per pound) in 2015 to an estimated US$34 per kilogram (US$15 per pound).

For additional information please visit our website at www.frontierresources.com.au

FRONTIER RESOURCES LTD

P.A. McNeil, M.Sc., MAIG
Chairman and Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Chairman/Managing Director of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the Inclusion in the report of the matters based on the information in the form and context in which it appears.

Frontier Resources Ltd Exploration Licence Information

	Licence No.	Date From	Date To	Ownership	Area (SQ KM)	Lat. Sub Blocks
Bulago River*	EL 1595	7/07/2014	6/7/2016	100% Frontier Gold PNG Ltd	100	30
Muller Range	EL 2356	31/12/2015	30/12/2017	100% Frontier Copper PNG Ltd	330	99
Sewatupwa River	ELA 2476	Application only		90% Frontier Copper PNG Ltd	436	131
Lake Lavu	ELA 2477	Application only		90% Frontier Copper PNG Ltd	839	252
Gazelle	ELA ?	Application only		90% Frontier Copper PNG Ltd	722	217
* Under renewal - Hearing completed					**2,427**	**SQ KM**

NB: The Papua New Guinea Mining Act of 1992 stipulates that ELs are granted for renewable 2 year Terms (subject to Work and Financial Commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted.

JORC CODE 2012

SECTION 1 -- SAMPLING TECHNIQUES AND DATA

SAMPLING TECHNIQUES

Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.

Historic information is quoted but all normal exploration procedures are known to have been followed.

DRILLING TECHNIQUES

Core was drilled PQTT, HQTT and NQTT (triple tube) by various drill rigs over a long period of time and was removed from the inner tube into 1m long core trays, being broken to fit as appropriate. RC drilling was also undertaken and if RC results are presented it is re [ported as such.

MEASURES TAKEN TO MAXIMISE SAMPLE RECOVERY AND ENSURE REPRESENTATIVE NATURE OF THE SAMPLES

Downhole sample recovery was maximised by the drillers utilising appropriate downhole drilling consumables at the appropriate times to 'consolidate' or hold the rock together.

Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

Recovery is normally excellent at >95% overall.

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

The core was geologically and geotechnically logged in sufficient detail to support appropriate Mineral Resource estimation, mining and metallurgical studies

Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.

The core was preliminarily logged and marked up for sampling (normally on a lithologic or 1m or 2m basis, depending on the intervals' mineralisation potential), measured for recovery and photographed. After being cut and sampled the remaining 1/2 core was geologically and geotechnically logged in detail.

The total length and percentage of the relevant intersections logged

100% of the core was logged.

SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION

If non-**core*****, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.***

Core samples were obtained from the drilling and utilised. RC samples were riffle split.

For all sample types, the nature, quality and appropriateness of the sample preparation technique.

The whole core was appropriately diamond saw cut to quarter core to ensure representativeness relative to any structural /mineralisation orientations. The half core was then put into consecutively numbered calico bags for analysis.

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.

Half core was cut to ensure representativeness relative to any structural /mineralisation orientations.

Whether sample sizes are appropriate to the grain size of the material being sampled.

The sample size is appropriate for the exploratory phase of work and allows residual samples to be available for use for comparative assaying and later metallurgical testing.

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.

All analyses were appropriately requested relative to the target type and expected assay ranges. Gold was historically done by 50gram fire assay at a variety of well credentialed laboratories

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.

Acceptable levels of accuracy and precision were established. Industry standard reference samples were generally introduced into the sample sequence.

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.

These machines were not utilised and the laboratory is accredited and has its own internal procedures and parameters to ensure representative readings are made and reported.

VERIFICATION OF SAMPLING AND ASSAYING

The verification of significant intersections by either independent or alternative company personnel.

Historical information.

The use of twinned holes

No twinned holes are reported.

Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.

Historical information.

Any adjustments to assay data.

No adjustments were made to any assay data, however, where available the assay results were averaged and the average result was reported.

ACCURACY + QUALITY OF SURVEYS USED TO LOCATE DRILL HOLES (COLLAR + DOWN-HOLE SURVEYS), TRENCHES, MINE WORKINGS AND OTHER LOCATIONS USED IN MINERAL RESOURCE ESTIMATION

Good accuracy from theodolite surveying.

Specification of the grid system used.
Map datum is AGD 066 and PNG is covered by 1:100,000 topographic plans that have 40m contour intervals. DTM plans from SRTM or aeromagnetics have 10m contour intervals.

Quality and adequacy of topographic control
Topographic control is determined by theodolite then handheld GPS and/or tape and compass surveying and is adequate.

DATA SPACING AND DISTRIBUTION
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.
Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation.

Whether sample compositing has been applied.
No sample compositing was undertaken as noted.

ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE
Whether the orientation of sampling achieves unbiased sampling of possible structures to the extent this is known, considering the deposit type.
The sampling conducted achieved unbiased sampling of possible structures to the extent this is known and /or possible relative to physical constraints on the location of the drill rig and / or the orientation of the outcrop sampled relative to its strike and dip.

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.
The orientation of the holes is noted above and the orientation of the outcrops are noted as possible in the body of the text. Where possible the true widths have been estimated, and indicated in the text. There is no attempt to introduce sampling bias, but in very steep and difficult areas it is often difficult/impossible to be able to drill in the best location and therefore you must drill from where you can. All reasonable attempts are made to drill in the best location possible, however, drilling from one pad is much more economical than drilling for separate pads and as such it is routinely undertaken in that manner producing vertical and /or horizontal fans of drill holes.

SAMPLE SECURITY
The measures taken to ensure sample security
Samples were retained in the custody of company staff onsite until despatched by helicopter for freighting via an accredited fright handler or they were in some cases hand carried (checked airline bagged) by the Managing Director to Australia. Samples were collected from the freight agent by the laboratory and taken to their facility for analysis or delivered to the laboratory by the Managing Director.

AUDITS OR REVIEWS
Industry standard practices are used.

SECTION 2 -- REPORTING OF EXPLORATION RESULTS

TENURE
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.
Exploration Licences are subject to the Papua New Guinea Mining Act of 1992. Tenure is secure if the EL holder complies with the agreed work and expenditure programs, but can be insecure if the region is deemed 'in the National Interest' for some reason. Terms are 'infinitely' renewable 2 year periods and are subject to a Wardens Court Hearing to ascertain the landowners attitude toward the exploration.

ELA 2515 is currently under application. The Wardens Court Hearing was positive and there is no reason known to suggest that it will not be granted.

EXPLORATION DONE BY OTHERS
Exploration completed by previous explorers has been systematically and comprehensively documented in previous releases and Quarterly Reports to the ASX. Any historic exploration quoted herein is noted to be such.

GEOLOGY
Deposit type, geological setting and style of mineralisation.
Targets on all properties are epithermal related gold, plus porphyry copper-gold - molybdenum.

DRILL HOLE INFORMATION
A summary of all information material to the understanding of the exploration results

DATA AGGREGATION METHODS

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

Historical assays are tabulated herein.

The assumptions used for any reporting of metal equivalent values should be clearly stated.

No metal equivalent values reported.

RELATIONSHIP BETWEEN MINERALISATION WIDTHS and INTERCEPT LENGTHS

If the geometry of the mineralisation with respect to 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.

The diagrams and plans contained herein show relatively what the angle of incidence is to the structure being drilled. Intercepts are noted as downhole intercept but where possible the true widths have been estimated, and also indicated.

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.

Assay results are comprehensively reported as indicated.

OTHER SUBSTANTIVE EXPLORATION DATA

Other exploration data, if meaningful and material should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances

Historical Exploration work has been relatively comprehensively reported.

FURTHER WORK

The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).

Future work is discussed in the text, as it has been planned to date. Future work is potentially subject to modification if interpretations are modified or exploration objectives change.

Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

Plans and sections are included as possible, that highlight the areas of possible extensions to mineralisation and show the main geological interpretations. Future drilling areas are not shown.