KINGSROSE
MINING LIMITED

ASX Announcement
18 September 2018

WAY LINGGO RESOURCE UPDATE

Kingsrose Mining (ASX:KRM) advises that the update Mineral Resource at the Way Linggo mine in Indonesia is **354,000 tonnes at 7.2 g/t Au and 68 g/t Ag for 81,000 ounces of gold and 769,000 ounces of silver**. This estimate, is based as at June 30, 2018, and is reported in accordance with the JORC Code (2012 ed.)

TABLE 1: Way Linggo (Mine) Mineral Resource – As at 30 June 2018

Category	Tonnes (Kt)	Gold (Au) g/t	Au Ounces (Koz)	Silver (Ag) g/t	Ag Ounces (Koz)
Measured	-	-	-	-	-
Indicated	257	8.1	67	79	653
Inferred	97	4.7	14	37	116
Total	**354**	**7.2**	**81**	**68**	**769**

Note: Small discrepancies may have occurred due to rounding

FIGURE 1: Open Cut Mining at Way Linggo

8/150 Hay Street Subiaco WA 6008 | P (08) 9381 5588 | F (08) 9381 7755
info@kingsrosemining.com.au | www.kingsrosemining.com.au | ASX: KRM
ABN: 49 112 389 910

This is the first significant update to the Mineral Resource since production resumed at Way Linggo and the Company's shares were re-instated to trading in 2017. The mine is now in full production using conventional open cut methods (see photo, Figure 1).

GEOLOGY AND GEOLOGICAL INTERPRETATION

The Way Linggo gold / silver deposit is centred on an extensive epithermal quartz vein system, which has been modelled over a strike of approximately five hundred metres.

Conceptually, the interpreted domains for estimation are individual, sub parallel, continuous epithermal veins. For practical purposes however, closely related parallel veins, and hence some internal wallrock dilution, is included into the estimation domain definition wireframes.

DRILLING, SAMPLING, SUBSAMPLING AND SAMPLE ANALYSIS

The samples informing this Mineral Resource estimate are from a mixture of diamond drill holes (drill core) and underground face sampling. Typical, for a historical project of this duration, a wide range of drilling diameters (from BQ to PQ) are known to have been used. Face sampling is taken from an insitu rock face into a sample bag using a standard geological hammer according to typical industry practice.

Core is cut by diamond saw and half core used for sampling, the remaining half is archived. For gouge, soft and friable core a manual knife (or similar device) is used to approximately halve the core.

Face chips are nominally chipped horizontally across the face/trench, sub set by geological features. Sample collection is manual via a geological hammer.

Core samples and face samples sampled on site in this way are dispatched to the laboratory for further sample preparation (crushing, splitting if required, followed by fine grinding), subsampling and analysis.

Gold concentration in diamond drilling samples is determined by fire assay lead collection followed by flame atomic adsorption spectrometry. Analysis for silver in diamond drilling is variable historically with analysis using industry standard methods for the period of drilling. Gold and silver concentrations in face/trench samples is determined by aqua regia digestion with an AAS finish.

The nature, quality and appropriateness of the sampling, sample preparation and analysis technique are typical for mineralisation and resource estimation of this type.

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ESTIMATION METHODOLOGY

Modelling and estimation were undertaken utilising Surpac mining software. Wireframes define the three-dimensional representation of the sub-surface mineralised body. Drillhole intersections within the mineralised body are defined. These intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to prepare for grade estimation.

An empty block model is then created for the area of interest; with each wireframe used to assign block domain codes which match the flag used for the composites. Grade estimation is then undertaken into the blockmodel, with ordinary kriging estimation.

The insitu estimate is further coded by wireframe models representing both the historical underground mining void and the end of year open pit mining void, as at 30 June 2018. The model is then reported fully depleted at this date.

CLASSIFICATION

Inferred Resources are those for which there is limited geological evidence. Geological and grade continuity are implied. Confidence in the estimate is low. The estimate is not sufficiently confident for mine planning. Inferred mineral resources were not reported where sample spacing was insufficient to inform a 35m search ellipse.

Indicated Resources are those for which there is adequately detailed and reliable geological evidence. Geological and grade continuity are assumed. Confidence in the estimate is medium. The estimate is of sufficient confidence for preliminary mine planning. Indicated mineral resources were not reported where sample spacing was insufficient to inform a 35m search ellipse.

No Measured Mineral Resources were reported in this public release. The competent person considered that the historical data procedures (including database process, assay QAQC, validation procedures) were insufficiently well documented, core recovery was insufficiently complete and short scale grade and geological continuity insufficiently demonstrated for a Measured rating of Mineral Resource confidence.

CUT_OFF GRADE

The mineral resource was reported relative to a nominal Ultimate Pit Design (UPD). The UPD is the same pit shell that Way Linggo mining operation uses for its internal budgeting purposes, and is based an a US$1300/oz gold price and US$17/oz silver price.

Within the UPD a cutoff grade of 0.5 g/t Au was used, presumed to be reflective of the marginal profitability of Open Cut material considering downstream costs at ""lip-of-pit"".

External to the UPD a cutoff grade of 2.5 g/t Au was used, presumed to be reflective of the marginal cost of operation for a typical narrow vein underground operation.

MINING AND PROCESSING

For the purpose of estimating a Mineral Resource it has been assumed that the Mineral Resource is mineable using conventional open cut and/or narrow vein underground mining techniques. In fact, an open cut operation is currently operating on the Mineral Resource, and narrow vein underground mining occurred up until 2013.

There is a milling operation based at the Way Linggo minesite, and metallurgical performance has been demonstrated at >95% recovery for gold and >85% for silver. It is assumed these metallurgical recoveries will continue.

This Mineral Resource Estimate contains no further allowance for Modifying Factors such as minimum widths, oreloss or dilution.

-ENDS-

For more information please contact:

Paul Jago, Managing Director
+61 8 9381 5588
info@kingsrosemining.com.au

Paul Armstrong
Read Corporate
+ 61 8 9388 1474

For further information regarding the Company and its projects please visit www.kingsrosemining.com.au

Competent Persons Statement

The information in this report that relates to the Mineral Resource Estimates is based on and fairly represents information compiled under the supervision of Mr Bill Rayson, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Rayson is a consultant to the Company, and is an employee of "The Trustee For TES Trust". Mr Rayson has sufficient experience that is relevant to the style of mineralization 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 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Rayson consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

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JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques **Drilling techniques** **Drill sample recovery**	• Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• This Table 1 relates to sampling by diamond drilling and face sampling. Face sampling are samples taken from lines, treated geometrically as pseudo-drillholes (collar position, orientation, intervals noted) using a geological rock pick. Sampling is according to geological intervals. • Diamond Core, where used is aligned and measured by tape, referenced to downhole core blocks. Sampling is according to geological intervals. Face-Sampling and Trench-Sampling, where used is aligned and measured by tape. Sampling is according to geological intervals." • Diamond drilling, face sampling and trench sampling were performed to industry standards. Samples were taken by geological intervals, taken in such a way the sample length is generally targeting 1m or smaller. Diamond core is split onsite and half submitted for crushing, pulverisation and ultimately analysis at commercial assay laboratories. Face/Trench samples are submitted, in entirety, for crushing, pulverisation and ultimately analysis at commercial assay laboratories. In both diamond and face/trench sampling : Initial weight is highly variable due to core size and variable interval length effects. • Precious metals analysis method has varied by historical fieldwork phase. All methods are industry standard total or near total analysis methods. • The samples informing this Mineral Resource estimate are from a mixture of diamond drill holes (drill core) and face/trench sampling. Typical for a historical project of this duration a wide range of drilling diameters (from BQ to PQ) are known to have been used and these core sizes are recorded in the database against individual intervals. Similarly, a wide range of drilling configurations (from conventional diamond up to triple tube wireline) are known to have been used and the recording of this information against individual drillholes is not reliable. Face/Trench sampling is taken from an insitu rock face into a sample bag using a standard geological hammer according to typical industry practice. • Diamond drill recoveries are recorded as a percentage of measured core against downhole drilled run length intervals in industry standard way. • The competent person believes that this method of assessing and recording recoveries does not provide sufficient information on localised core loss and discing/grinding in mineralised zones. Selective review of core photos with regard to this concern shows intervals of poor recovery and discing within mineralised unit. The

Criteria	JORC Code explanation	Commentary
		Mineral Resource classification, capped at "Indicated", addresses this concern. • A relationship between core recoveries and grade has not been established. However, it is postulated that core loss occurred in some of the mineralised diamond drilling intersections due to the friable nature of the vein material. It is further postulated that this effect may cause some level of under call in the diamond core drilling.
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.	• Core logging was conducted by PT. Natarang Mining ("PTNM") geologists, who delineate intervals on geological, structural, alteration and/or mineralogical boundaries, to industry standard. • Logging is qualitative and most core is photographed. Rock types, veining and alteration/sulphidation are all recorded. • All drill core is logged.
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.	• Core is cut by diamond saw and half core used for sampling, the remaining half is archived. For gouge, soft and friable core a manual knife (or similar device) is used to approximately halve the core. • Face chips are nominally chipped horizontally across the face/trench, sub set by geological features. Sample collection is manual via a geological hammer. Samples were collected damp with natural moisture. • The nature, quality and appropriateness of the sample preparation technique is typical for mineralisation and resource estimation of this type. • The competent person is not aware of any work taken to maximise the representivity of the sample. • Duplicate samples are not routinely sampled. • The sample size far exceeds the grain size of the precious metals, which are generally microscopic. Sample sizes are appropriate.
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 (eg standards, blanks, duplicates, external	• Gold concentration in diamond drilling samples is determined by fire assay lead collection followed by flame atomic adsorption spectrometry. Analysis for silver in diamond drilling is variable historically with analysis using industry standard methods for period of drilling. Gold and silver concentrations in face/trench samples is determined by aqua regia digestion with an AAS finish. Analysis is considered near total for all assay types of both silver and gold. Accordingly, no treatment (i.e. factoring or similar) has been performed to the raw assay to allow for incomplete digestion, if any. • Geophysical tools etc are not applicable to this report. None Used.

Criteria	JORC Code explanation	Commentary
	laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Due to the age and duration of the Way Linggo project the primary QAQC are largely unable to be verified. The competent person has relied upon secondary methods of validation including: relying on contemporary accounts by authors who assessed data quality; reviewing interpretations and grade estimates generated from historical data against observable geology and mine->mill reconciliation history.
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.	• Significant intersections were reviewed by senior exploration geology and mining geology managers from PTNM. • Twinned holes have not been used. • Due to the age and duration of the Way Linggo project the primary data sources and provenance are largely unable to be verified. The competent person has relied upon secondary methods of validation including: interviewing staff; relying on historical authors who assessed data quality; reviewing interpretations and grade estimates generated from historical data against observable geology and mine->mill reconciliation history. • No adjustment is made to any data.
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.	• Drillholes pre-2008 - Majority of holes were routinely surveyed every 30m during drilling and at the end of hole using an older- style, film-based, single-shot camera. Occasionally Tropari instruments were used. Post 2008 exploration drillholes have been surveyed with digital downhole camera at nominally fifty metre intervals. Mine workings locations are recorded to modern survey standards using reliable survey instruments. Short diamond holes may have no downhole survey. Face samples are georeferenced by the geologist using the assistance of known point survey pickups and where necessary tape measure and bearing. • The Way Linggo mine operates on a local, rotated, metric, cartesian grid. • The Way Linggo deposit is within and proximal to an operating open cut mine. Topographical control is provided by conventional modern survey techniques and is adequate for purpose.
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.	• Data spacing is variable. In the centre, previously mined portions of the deposit have face sampling at an effective density of circa 2x10m, in the plane of the structure. At the periphery of the Mineral Resource estimate, exploration spacing exceeds circa 50mx50m, in the plane of the structure. • Data spacing and distribution is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. • Sampling is based on geological intervals. Compositing is not applied until estimation stage.

Criteria	JORC Code explanation	Commentary
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.	• The orientation of the vein system is known, and drilling intercept angles are generally of suitable orientation to the vein system to provide unbiased sampling results. Face and Trench samples, by their nature, tend to be perpendicular to the strike of the samples structure. • The drilling and sampling orientation are not considered to introduce a sampling bias.
Sample security	• The measures taken to ensure sample security.	• Samples retrieved from drilling are stored securely in a locked facility patrolled by onsite security. Samples are then logged, cut and stored in numbered sample bags for transported by PTNM employees to the assay laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• An independent review of the historical work 1996-2008 was conducted and reported upon by Snowden. In 2008 Snowden concluded:"Based on the results from the data verification undertaken by PT Natarang and Snowden and review of the QNQC data, Snowden believes that the data collection, analysis, QNQC procedures and geological interpretation at Way Linggo project are to current industry standards. Since 2008, PTNM has worked with various independent consultants through its Mineral Resource estimation process to continually review and improve its processes and procedures. This process has ultimately resulted in public statement of Mineral Resources.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Tenure is occasioned via a fourth generation Contract of Work (CoW) held by PTNM. PTNM is 85% owned by KRM with the remaining 15% interest held by an Indonesian national. The mine, mill and camp area are all currently constructed and operating within a mixed agricultural and national park setting. Standard Indonesian divestment provisions exist against the COW. KRM is obliged to pay royalties to various parties on its production, including government royalties of 3.75% and 3.25% of gold and silver bullion values respectively. The corporate structure, divestment provisions and royalty obligation are described in detail in the companies annual report. • The COW is valid till 2034. The mine is currently operating. Community relations are cordial. There are no known impediments to continued operation.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• All exploration at the Way Linggo Project has been completed by PTNM.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Way Linggo deposit is an epithermal gold / silver deposit. Epithermal gold-silver-quartz vein mineralisation has been identified at Way Linggo. Economic mineralisation is predominantly restricted to the major vein structures, with the majority of gold and silver contained in main-stage banded quartz veins and quartz vein breccia.
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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o 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.	• No new drillhole information is being presented in this release
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.	• No new drillhole information is being presented in this release
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').	• No new drillhole information is being presented in this release.

Criteria	JORC Code explanation	Commentary
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.	• No new drillhole information is being presented in this release.
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.	• No new drillhole information is being presented in this release.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No new drillhole information is being presented in this release.
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.	• No forward work plan has been identified.

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.	• The database used for the estimation was provided by PTNM from its master copy. The database is best described as a working database, and validation errors are reported and fixed as they are found. No formal processes are in place to prevent transcription and/or keying errors. • 3d review of drillhole traces and grades against known geology and review of primary data tables were conducted to highlight any anomalies.
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.	• Due to the detailed exploration history, the broad mineralised envelopes representing the main estimation domains are reliably identified from hole to hole at similar downhole positions. Exposure in both open cut and underground mining operations has confirmed the

Criteria	JORC Code explanation	Commentary
	• 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.	position and orientation of the main mineralised zones. However, there is some uncertainty of the internal configuration and continuity of individual mineralising lenses, and short scale packages of unmineralised wallrock inclusions, within the broader mineralisation envelopes and estimation domains. • For estimation purposes, geological and grade continuity at a scale suitable for mining is assumed to exist however is not conclusively confirmed. This is commensurate with the JORC 2012 definition on "Indicated" Mineral Resource. • Due to the detailed exploration history and two phases of mining, no gross-scale alternative interpretations are currently considered viable. • In all cases the local lithological and structural geology (where available) has been used to inform the interpretive process. All available information from drilling and mapping has been considered during interpretation. • The broad mineralised envelopes representing the estimation domains are reliably identified from hole to hole at similar downhole positions. However, there is some uncertainty of the internal configuration and continuity of individual mineralising lenses and short scale packages of unmineralised wallrock inclusions.
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 best understood portion of the deposit showing best continuity and grade is a single modelled package 250m along strike, 200m down dip and averaging 6m width. All "Indicated" Mineral Resource is from this zone, and was the zone historically targeted by underground mining and currently by open cut mining. Subordinate zones, typically of lesser continuity/grade/width, increase the along strike expression of the Mineral Resource to 550m, and 250m down dip.
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	• For Way Linggo, modelling and estimation work was undertaken utilising Surpac mining software.MS-Office Suite and other custom software was used for data manipulation and exploratory data analysis. Digitised control points and polygons form the basis of creating a three-dimensional orebody wireframe. Wireframes define the three-dimensional representation of the sub-surface mineralised body. Drillhole intersections within the mineralised body are defined. These intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation, the factual and interpreted geology was used to guide the development of the interpretation. Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation parameters. Top cut analysis was carried out by decile analysis. Knowledge of

Criteria	JORC Code explanation	Commentary
	(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	the geology and mineralisation was used to guide the analysis of the variogram fans in determining the orientation of maximum continuity and search parameters. An empty block model is created for the area of interest; with each ore wireframe used to assign block domain codes which match the flag used for the composites. This model contains attributes set at background values for gold as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used is determined by mineralisation geometry, estimation parameters and density of informing data available. Grade estimation is then undertaken, with ordinary kriging estimation. • Gold and Silver coproducts are assumed recovered in dore. No other byproducts are considered. • No deleterious elements have been estimated. • The parent block size is 5mY * 2mX * 5mZ.Minimum sub-cell size in 1.25mY*0.5mX*1.25mZ.Sample spacing is variable. Sampling downhole was to geological intervals, then composited to 1m best fit. The densest sample set (face samples), were taken around 2m along strike and 10m down dip. Towards the edges of the Mineral Resource, sampling via diamond drilling is up to 100m along strike and 60m down dip. A single pass anisotropic ellipse search was employed. Search ranges for both gold and silver 35m x 35m x 8.75m. • No assumptions have been made about the modelling of SMU. • No assumptions have been made about the correlation between variables. • The geological interpretation was used to create a set of hard domain boundaries to control composite selection and estimation volumes. • Decile method (I.R Parrish Method) was used to select topcut for both gold and silver. • The model was estimated in the previously mined areas of the pit, and model reconciliation was backcast against mill grade to validate the model performance.
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 estimated as dry tonnes. Samples are dried prior to analysis, therefore represent effectively zero moisture.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The mineral resource was reported relative to a nominal Ultimate Pit Design (UPD).Within the UPD a cutoff grade of 0.5 g/t Au was used, expected to be reflective of the marginal profitability of Open Cut material considering downstream costs at "lip-of-pit". External to the UPD a cutoff grade of 2.5 g/t Au was used, expected to be reflective of the marginal cost of operation for a typical Narrow Vein underground operation.

Criteria	JORC Code explanation	Commentary
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.	• For the purpose of estimating a Mineral Resource it has been assumed that the Mineral Resource is mineable using conventional Open Cut and/or Narrow Vein Underground mining techniques. In fact, an Open Cut operation is currently operating on the Mineral Resource, and Narrow Vein Underground mining occurred up until 2013. This Mineral Resource contains no allowance for Modifying Factors such as minimum widths, oreloss or dilution.
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.	• A processing plant is currently operating onsite. Current processing history provides confidence in the amenability of Way Linggo Mineral Resource to conventional processing practices.
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. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• This Mineral Resource forms the basis of the currently operating Way Linggo mine. Processing of the mined ore is currently occurring at the operating Way Linggo processing facility. It is assumed that all operations will continue to be allowed and permitted in line with current onsite practices."
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 and differences between rock and alteration zones within the deposit.	• Bulk densities of all mineralised domains have assumed 2.33. • This density was determined historically with unknown veracity, however has acceptable reconciliation against the mill over meaningful reconciliation timeframes. • All materials reported have been assumed density of 2.33.

Criteria	JORC Code explanation	Commentary
	• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	
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.	• Resources are classified according to JORC 2012 guidelines. Inferred Resources are those for which there is limited geological evidence. Geological and grade continuity are implied. Confidence in the estimate is low. The estimate is not sufficiently confident for mine planning. Indicated Resources are those for which there is adequately detailed and reliable geological evidence. Geological and grade continuity are assumed. Confidence in the estimate is medium. The estimate is of sufficient confidence for preliminary mine planning. Confidence in the Mineral Resource at Way Linggo is not sufficient to achieve a Measured Resource classification. • This approach considers all relevant factors. • This result reflects the Competent Person's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• This mineral resource estimate has not been audited.
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.	• The Mineral Resource classification applied to the deposit implies a confidence level and level of accuracy in the estimates. • These levels of confidence and accuracy relate to the global estimates of grade and tonnes for the deposit. • Production, and hence mill reconciliation, started for the current phase of open cut mining in 2017. The model has been estimated in these mining envelopes, allowing model performance to be 'backcast' against mill claimed head grade. Mill head grade contained ounces are 85% of Mineral Resource for Au and 81% for Ag. This is within acceptable limits, noting that comparing mineral resource to head grade in this way does not account for further modifying factors such as oreloss.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
All	N/A	• No Ore Reserves are currently estimated at Way Linggo. Section 4 is not applicable.