# POSITIVE FEASIBILITY STUDY RESULTS FOR WIDGIEMOOLTHA GOLD PROJECT

## HIGHLIGHTS

- **Positive Feasibility Study (FS) confirms the viability of Mincor's 100%-owned Widgiemooltha Gold Project in Western Australia.**
- **Study based on mining a series of low capital cost pits with ore processed via toll treatment.** Ten shallow gold pits planned, allowing for operational flexibility and healthy production levels.
- **Maiden start-up Ore Reserve of 823,590 tonnes at 2.7 g/t Au for 72,580 ounces.**
- **Key FS outcomes** based on a constant gold price of **A$1,600/ounce** and a toll treatment capacity assumption of 60,000 tonnes/month:
  - Recovered gold of 65,863 ounces over an initial 19-month mine life
  - Low capital costs[1] of A$2.8 million
  - Undiscounted cash flow of $28.3 million **($32.9 million at spot gold price of A$1,679[2]/ounce)**
  - C1 Cash Costs[3] of $A970/ounce and All-In Sustaining Costs (AISC)[4] of A$1,126/ounce
  - Maximum cash drawdown of A$7.3 million
  - Net Present Value[5] (NPV8%) of A$25.7 million.
- First gold production targeted for March 2018 quarter though earlier production may be possible, subject to Board and regulatory approvals.
- Well-defined targets provide clear opportunity to expand the existing Resources and Reserves and extend the forecast mine life.

Mincor Resources NL (**ASX: MCR**) is pleased to announce that it has taken a major step forward with its gold development strategy with the release today of robust results from the FS on its 100%-owned **Widgiemooltha Gold Project** in Western Australia.

The FS confirms the economic viability of a low capital cost start-up gold mining operation based on the extraction of shallow reserves across 10 open pits at North Widgiemooltha, with the ore to be treated via a toll-treatment arrangement at one of the several operating mills in the region.

Key FS outcomes include a low upfront capital outlay of just A$2.8 million, which is forecast to generate an undiscounted cash-flow at a flat A$1,600/ounce gold price of A$28.3 million, with a maximum cash drawdown of A$7.3 million. The Project is forecast to recover a total of 65,863 ounces of gold over an initial mine life of 19 months.

The Company's Gold Resource inventory at Widgiemooltha and Norseman contains ~300,000 ounces across six prospects (see Appendix 1). The bulk of the Mineral Resource inventory (238,040 ounces) is contained within five key prospects at Widgiemooltha that form the basis of the FS. The Jeffreys' Find prospect was not included in the FS at this time. The FS includes a maiden start-up Ore Reserve of 823,590 tonnes at 2.7 g/t Au for 72,580 ounces.

Mincor's Managing Director, Mr Peter Muccilli, said the FS marked a key step forward in the Company's gold strategy, detailing a compelling mining investment case based on initial reserves of 72,580 ounces – sufficient to underpin a robust open pit mining operation over an initial 19-month mine life.

[1] Capital costs estimate include pre-production and infrastructure costs. Accuracy level is ±15%.
[2] Spot gold price as at 24 April 2017
[3] C1 cash costs include mining, processing, haulage, site administration and refining costs
[4] AISC includes C1 costs + royalties + pre-production capital costs
[5] NPV includes accumulated tax losses carried forward from prior years which was used to offset against profit generated from the Project

"The Company has an outstanding land position in Kambalda, which is a major nickel and gold producing district in the heart of the Eastern Goldfields," he said.

"These land-holdings continue to provide Mincor with opportunities for growth. The FS demonstrates a very attractive gold production project with a low entry hurdle. We see the potential to be back in production early in the new year, possibly sooner, in a project with tremendous growth potential, and less than two years after suspending our nickel mining due to low nickel prices.

"What is also exciting is what these strong FS results say about the value of the rest of our gold exploration portfolio. We have barely scratched the surface of the gold potential at Widgiemooltha – and the five resources included in this FS are surrounded by untested gold targets.

"Waiting in the wings, of course, are our nickel projects, and we will continue to maintain and investigate avenues to enhance our nickel option for a future recovery in the nickel price."

Photo: Oblique view of the historic Darlek gold pit. The pit was abandoned 32 m above its designed floor in 2000 by a previous company in a low gold price environment. The deepening of the existing floor provides a low capital cost platform to restart gold mining operations. Historical production at Darlek was 156,123 tonnes at 1.92 g/t Au for 9,637 ounces of gold.

## Widgiemooltha Gold Feasibility Study – Key Outcomes

Table 1: Widgiemooltha Gold Feasibility Study – Key Outcomes

| PRODUCTION SUMMARY | Units | |
|---|---|---|
| Life of Mine | months | 19 |
| Strip Ratio | waste: ore | 6:1 |
| Ore Mined | tonnes | 823,590 |
| Average Grade | g/t Au | 2.7 |
| Contained Gold | ounces | 72,580 |
| Average LOM Metallurgical Recovery | % | 90.7 |
| Recovered Gold | ounces | 65,863 |
| Ore toll treatment capacity (per month) | tonnes | 60,000 |
| **CAPITAL COSTS** | | **LOM** |
| Pre-production Capital | | A$2.5M |
| Infrastructure Capital | | A$0.3M |
| **TOTAL CAPITAL COSTS** | | **A$2.8M** |
| **PROJECT ECONOMICS** | **LOM** | **A$/oz** |
| **Revenue *(gold price at A$1,600/ounce)*** | **A$105.3M** | **$1,600** |
| C1 Cash Costs ^ | A$63.9M | $970 |
| Royalties ^^ | A$7.7M | $118 |
| Pre-Production Capital Costs | A$2.5M | $38 |
| **All-In Sustaining Costs (AISC)*** | **A$74.1M** | **$1,126** |
| Infrastructure Capital | A$0.3M | $5 |
| Rehabilitation Cost | A$2.5M | $38 |
| **All-In Costs (AIC)**** | **A$77.0M** | **$1,169** |
| Undiscounted Cashflow | A$28.3M | |
| **NPV8%***** | **A$25.7M** | |
| Maximum Cash Drawdown | A$7.3M | |
| Payback (months) | 9 | |

Notes:

- Cost estimation has been completed to a ±15% accuracy level

^ C1 Cash Costs include all mining, processing, haulage, site administration and refining costs

^^ Royalties include WA State royalty and third party royalty

* AISC include C1 costs + royalties + pre-production capital costs

** AIC include ASIC + infrastructure capital costs + rehabilitation, excludes head office corporate costs

*** NPV includes accumulated tax losses carried forward from prior years which was used to offset against profit generated from the Project

Table 2: Project Financials at Various Gold Price Scenarios

| Gold Price | Undiscounted Cash Flow | NPV8% | Maximum Drawdown |
|---|---|---|---|
| A$1,400 | A$16.5M | A$14.8M | A$8.2M |
| A$1,500 | A$22.4M | A$20.2M | A$7.6M |
| **A$1,600** | **A$28.3M** | **A$25.7M** | **A$7.3M** |
| A$1,700 | A$34.2M | A$31.2M | A$7.1M |
| A$1,800 | A$40.1M | A$36.6M | A$7.1M |

## Implementation Timeline

Mincor will fast-track the delivery of an implementation plan to enable the Board to make a mining decision. Mincor is already in discussions with a number of parties to expedite the process.

The implementation plan will include:

- Completing the regulatory permitting process, with the submission of both the mining proposal and project management plan;
- Securing executable options for toll-treatment, mining tenders and ore haulage;
- Consideration of alternative financing and commercial structures to minimise working capital requirments and maintain Mincor's healthy cash balance (which was A$15.5 million at 31 December 2016) during the relatively short cash drawdown phase of the Project; and
- Finalising the start-up mining schedule and financial model based on the parameters received.

The implementation plan will be completed during the September 2017 Quarter. A decision to mine taken during that Quarter would allow for mining to commence during the calendar year 2017.

## Summary of Key Technical Elements in FS

### Purpose of the Report

The FS purpose is to ascertain the viability of gold production from five resource-level prospects located at Widgiemooltha. The study was based on the upgraded Resources reported in February 2017. Jeffreys' Find prospect was not included in the study.

### Study Team

The study was conducted by Mincor's team working in conjunction with specialised consultants. Key contributors are listed in Table 3.

Table 3: Study Contributors

| Contributor | Role/section |
|---|---|
| Paul Darcey – Mincor Resources | Project study owner |
| Rob Hartley – Mincor Resources | Resource, Reserve and general study guidance |
| John Thevissen – Mincor Resources | Environment, heritage and general study guidance |
| Chen Sun – Mincor Resources | Accounting and finance |
| Dave Clark – Minero Consulting | Study management services, financial modelling |
| Gary McCrae – Minecomp | Pit optimisation, design, scheduling |
| Kevin Phelan – Hartfield Nominees | Metallurgical and milling guidance and review |
| Tim Green – Green Geotechnical | Geotechnical evaluation |
| Botanica Consulting | Environmental consultants |
| Groundwater Resource Management (GRM) | Hydrogeology and hydrology studies |

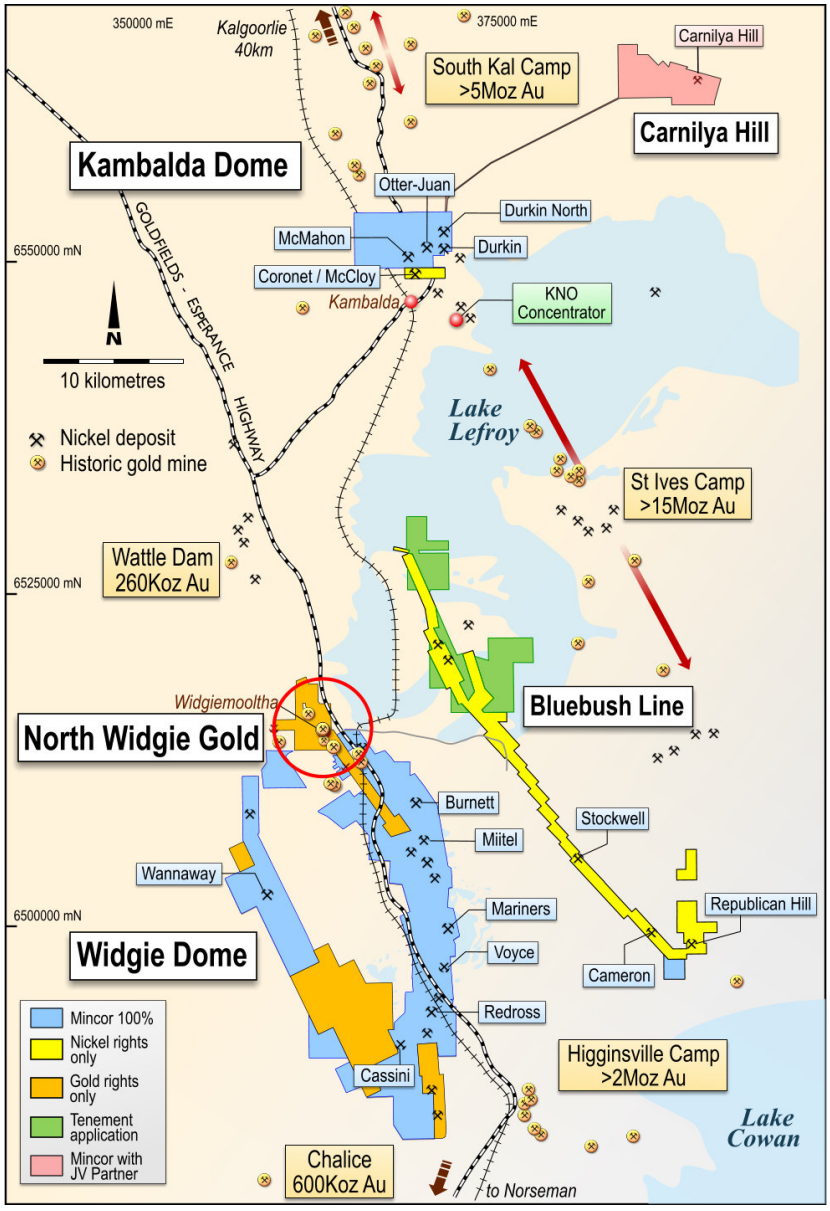
### Location and Site Infrastructure

The Widgiemooltha Gold Project is located 1.5 km west of Widgiemooltha and 30 km southwest of Kambalda, and lies within the Coolgardie Shire in the Goldfields region of Western Australia (Figure 1). Coolgardie lies approximately 80 km to the north of Widgiemooltha and Kalgoorlie-Boulder is approximately 85 km to the north-west.

There is a roadhouse and caravan park at Widgiemooltha. The town of Kambalda provides housing, shopping facilities and light industrial services.

Access to the Widgiemooltha roadhouse is via the sealed all-weather Coolgardie–Esperance Highway. The unsealed Cave Hill Road is currently used to gain access from Widgiemooltha to the prospects.

Figure 1: Mincor's Land-holding in Kambalda and Regional Plan




## Tenements

Mincor's five resource-level gold prospects are within contiguous granted Mining Leases (Table 4).

Table 4: Tenements within the Project Area

| Lease | Area (ha) | Grant Date | Expiry Date | Purpose |
|---|---|---|---|---|
| M15/94 | 869.85 | 31/05/1984 | 30/05/2026 | Mining |
| M15/48 | 359.65 | 14/02/1984 | 13/02/2026 | Mining |
| M15/103 | 902.4 | 12/12/1984 | 11/12/2026 | Mining |
| M15/105 | 9.6845 | 22/10/1984 | 21/10/2026 | Mining |
| M15/478 | 9.7074 | 03/08/1990 | 02/08/2032 | Mining |
| M15/1830 | 4.55 | 17/3/2017 | 16/03/2038 | Mining |
| L15/363 | 2.04 | Not yet granted | | Road/Water Pipeline |

Application for Miscellaneous Licence L15/363 was lodged in February 2017. The lease will enable haulage from the Widgiemooltha access road to Coolgardie–Esperance Highway.

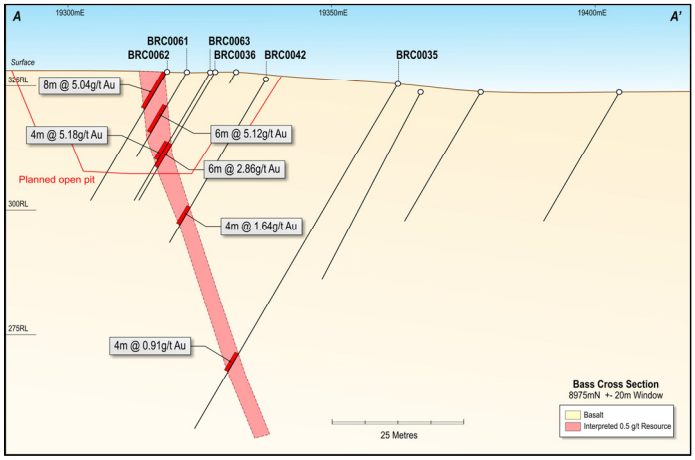
## Widgiemooltha Geology

The Widgiemooltha mineralisation is controlled by north-northwest trending structures and mainly hosted within basaltic rocks. Alteration assemblages consist of biotite-albite-carbonate and contain finely disseminated sulphides, mostly pyrite. The veining is dominantly quartz-carbonate with minor pyrite. Small aplite dykes, 1 m to 10 m thick, occur at Bass and Hronsky, and minor cherty-pyritic sediments and pegmatitic dykes at Flinders.

Two ore morphologies can be identified at North Widgiemooltha, namely the steeply-dipping tabular lodes such as Bass and Hronsky, and the stacked shallow-dipping reef complexes hosting Flinders, Darlek and to a lesser extent West Oliver (Figure 2, Figure 3 and Figure 4). For further details, see ASX release of 6 February 2017.

There is only thin transported overburden in local areas (<3 m). The degree of weathering in the area varies with saprolite (100% weathered sulphides) from 0 to 15 m below the surface, while saprock (a mixture of weathered and unweathered sulphides) occurs down to 50 m depth.

Figure 2: a) Bass Cross-Section; and b) Darlek Cross-Section



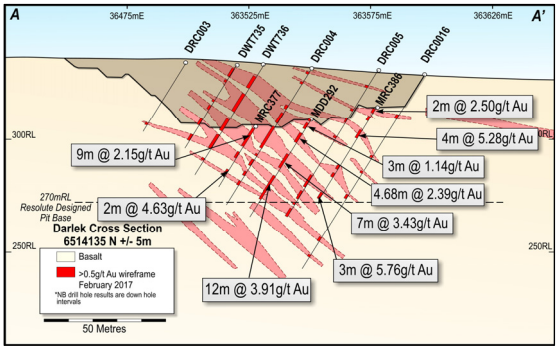
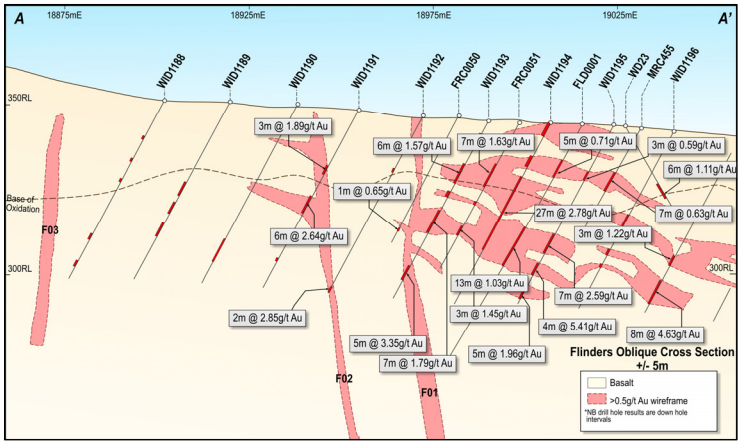




Figure 3: a) Flinders Cross-Section; and b) Hronsky Cross-Section



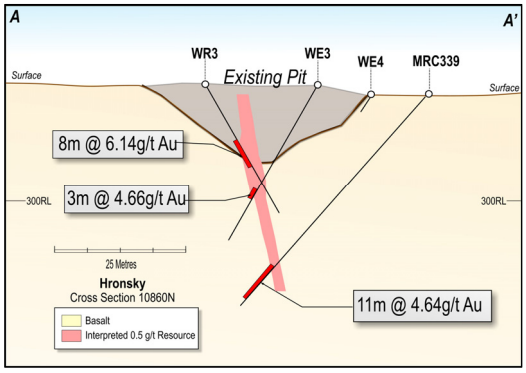
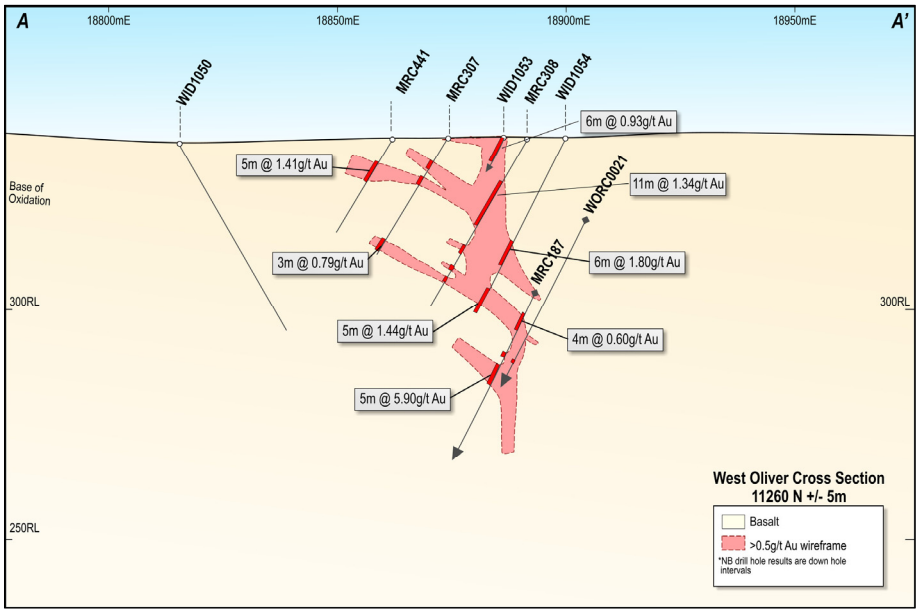



Figure 4: West Oliver Cross-Section




## Widgiemooltha Resources

Since the release of the Gold Resource inventory in February 2017 (see ASX release of 6 February 2017), the Company has found a small arithmetical error in the tabulation of the Resource estimates at two of the prospects. The error resulted in the over-reporting of 10,780 ounces. Following correction of this error, the Gold Resources at Widgiemooltha stand at 3,795,500 tonnes at 2.0 g/t Au for 238,040 ounces of gold (Table 5).

The updated Resource has incorporated two phases of infill drilling and the re-processing of four assay batches after quality assurance and quality control (QAQC) checks. The Resource was based on new 0.5 g/t Au wireframes for all prospects.

The infill drilling campaign was successful in upgrading the Resource classification within the notional June 2016 pit shells from an Inferred Category to the higher confidence Indicated status. This upgraded Resource category can be used as the basis for feasibility studies, and the determination of Reserves as required by the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC Code).

Table 5: Widgiemooltha Gold Resources as at April 2017 (excluding Jeffreys Find)

| RESOURCE | MEASURED | | INDICATED | | INFERRED | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Ounces |
| West Oliver | - | - | 295,810 | 2.3 | 142,420 | 2.5 | 438,220 | 2.4 | 33,130 |
| Bass | - | - | 385,990 | 2.2 | 344,400 | 2.0 | 730,390 | 2.1 | 49,010 |
| Hronsky | - | - | 201,430 | 2.6 | 261,250 | 2.0 | 462,680 | 2.3 | 34,120 |
| Darlek | - | - | 712,790 | 1.9 | 169,170 | 1.6 | 881,960 | 1.9 | 52,430 |
| Flinders | - | - | 796,000 | 1.8 | 486,250 | 1.5 | 1,282,240 | 1.7 | 69,340 |
| **TOTAL** | **-** | **-** | **2,392,010** | **2.0** | **1,403,480** | **1.8** | **3,795,500** | **2.0** | **238,040** |

Notes:

- Figures have been rounded and hence may not add up exactly to the given totals.
- Resources are inclusive of Reserves reported at 0.5 g/t cut-off.

The information in this Public Report that relates to Mineral Resources is based on information compiled by Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a full-time employee of Mincor Resources NL. Mr Hartley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Three-dimensional block models were generated for each of the five prospects. Real world estimation was completed using 1 m composites, with the inverse distance squared interpolation method for gold, and averages for density within oxidation zones based on diamond drill core (see ASX release of 6 February 2017 for further details).

The Resources were assigned to three material types defined by the degree of weathering within the sulphides. These material types are saprolite (100% weathered sulphides), saprock (a mixture of weathered and unweathered sulphides) and fresh (100% unweathered sulphides). The material type is important for the application of metallurgical recoveries, which vary for each type.

The classifications of Resource confidence levels were undertaken by Mincor's geological staff and reported as per 2012 JORC Code guidelines. The classifications were based on drill-hole spacing and robustness of geological interpretation. Based on these criteria, the bulk of Resources were classified as Indicated. Inferred Resources are located at the periphery of all the prospects where drill densities are lower. Whole resource shapes could also be classified as Inferred (if based on limited drill holes).

## Gold Price Forecasts and Marketing

A position on the future A$ gold price was taken following consideration of the current A$ spot price and using the March 2017 Consensus Economics "Energy & Metals" and "Foreign Exchange" consensus forecast data. Due to the short mine life of the Project and strong outlook (consensus forecasts for gold are >A$1,600/ounce), a flat gold price of A$1,600/ounce was incorporated into the financial model over the life of the Project. The spot gold price on 24 April 2017 was A$1,679 /ounce.

Mincor will sell the gold produced through either a toll treatment agreement or to the Perth Mint.

## Mining Factors and Assumptions

Minecomp and Minero Consulting were appointed to carry out the mining designs and schedules. The February 2017 Resources were imported into Whittle pit optimisation software. The optimisations included updated inputs that have been ascertained from the study. Some of these updated inputs included the confirmation of major costs received through the Request for Quotation (RFQ) process, metallurgical recoveries from recent test work and overall pit slope angles from geotechnical studies. The optimisation software had successfully generated pits shells from A$1,000/ounce gold price. Optimisation runs were conducted on A$50/ounce price increments, generating the notional shells for each run up to A$2,000/ounce. The Company decided the A$1,450/ounce pit shell provided sufficient freeboard to the current gold price and a solid foundation for final pit designs used in the study.

Mine designs included geotechnical imports from Green Geotechnical who reviewed existing pits in the immediate area and fresh diamond drill core. There were recommendations of a series of wall and batter angles for pit designs; the steepest angle was 70°.

Pit designs assume open pit mining using six-wheel articulated trucks that haul on steeper ramps and have a small turning radius.

Mining dilution is factored at 20% for all pits, except the main Flinders pit which was assigned 10% given the greater ore widths. Mining recovery is 95% for all the prospects. A minimum mining width of 2.0 m was adopted. These parameters are considered appropriate by independent consultants for the types of mineralisation observed at Widgiemooltha.

## Widgiemooltha Metallurgy

Mincor appointed Kevin Phelan, a consultant from Hartfield Nominees, to oversee and coordinate the metallurgical requirements for the FS. ALS-Ammtec undertook the metallurgical testwork in its Perth laboratories.

Composite samples covering all Mincor's Widgiemooltha gold prospects were collected and tested. The samples were taken from reverse circulation (RC) percussion chips from the recent infill drilling program. Each composite was made up of between 20 and 30 downhole metres to ensure representivity of saprolite (100% weathered sulphides), saprock (a mixture of weathered and unweathered sulphides) and fresh (100% unweathered sulphides) mineralised profiles. The samples were selected to represent the average grade of each deposit, after an allowance for mining dilution.

To derive the expected recoveries for the project, testwork was undertaken using industry-standard 24-hour bottle roll cyanidation on various size fractions. These size fractions are within the normal operating grind size expected in conventional carbon-in-leach (CIL) or carbon-in-pulp (CIP) gold processing plants in the area. The testwork showed excellent recoveries and favourable leach kinetics. The recoveries adopted for the project are shown in Table 6.

Table 6: Recovery Parameters adopted in the Study

| | PROCESSING METALLURGICAL RECOVERIES | | |
|---|---|---|---|
| | Saprolite | Saprock | Fresh |
| **All prospects –** Flinders, Flinders North, Hronsky North, Darlek, Bass South (Area 3), Bass South (Area 2), Bass South (Area 1), Bass North, West Oliver South, West Oliver North | 95.0% | 90.0% | 90.% |

The reagent consumption in leach tests did not suggest abnormal usage rates and the Ball Mill Index ascertained is consistent with similar ore types in the Goldfields region of Western Australia.

Gravity determination tests have shown that 15% to 30% of the gold can be collected in a gravity circuit.

Viscosity variations have been identified in some of the saprock ores; particularly at Bass, where testwork showed that a more viscous slurry is produced. Further work is required to optimise the viscosity, but due to the low tonnages, blending is a strong option to negate the issue, and if not, it is possible there is potential for some increased reagent use.

## Reserves

The FS includes a maiden gold Ore Reserve of 823,590 tonnes at 2.7 g/t Au for 72,580 ounces of gold (Table 7). A small amount (4%) of Inferred Resource was captured by the final pit designs and is included as Probable Reserve. The estimated Reserves stated are inclusive of Measured and Indicated Mineral Resources.

Table 7: Ore Reserves as at April 2017

| DEPOSIT | PROVEN | | PROBABLE | | TOTAL | | |
|---|---|---|---|---|---|---|---|
| | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Ounces |
| West Oliver | | | 130,160 | 2.7 | 130,160 | 2.7 | 11,340 |
| Bass | | | 94,980 | 2.9 | 94,980 | 2.9 | 8,950 |
| Hronsky | | | 164,510 | 2.9 | 164,510 | 2.9 | 15,600 |
| Darlek | | | 181,010 | 2.3 | 181,010 | 2.3 | 13,140 |
| Flinders | | | 252,930 | 2.9 | 252,930 | 2.9 | 23,560 |
| **Total** | | | **823,590** | **2.7** | **823,590** | **2.7** | **72,580** |

Notes:

- Calculations have been rounded to the nearest 10 tonnes, 0.1 g/t Au grade and 10 ounces; differences may occur due to rounding.
- Probable Ore Reserves contain a small amount (4%) of Inferred Resource material.
- For further details, please see Appendix 3 – JORC Code, 2012 Edition – Table Report Template Sections 1, 2, 3 and 4.

The information in this report that relates to Mineral Reserves is based on information compiled by Dave Clark who is a full-time employee of Minero Consulting and 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 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Fellow of the AusIMM.

## Overall Mining Approach

Total material movement for the project from 10 pits is 2,321,992 Bank Cubic Metres (bcm), made up of 320,859 bcm of ore and 2,001,133 bcm of waste for an overall stripping ratio of 6:1, waste to ore. The depth of the pits ranges from 30 m to 75 m (average is 45 m) and in volume from 32,000 bcm to 839,000 bcm (average 230,000 bcm). The 10 pits included in the mine plan each have different economic profiles and the sequence in which they are mined can easily be adjusted (Table 8).

Table 8: Breakdown of Reserves and Reserves and Metrics by Pit

| PIT DESIGNS | | | | | | Ore volume (BCM) | Waste volume (BCM) | Total volume (BCM) | Stripping ratio (BCM:BCM) |
|---|---|---|---|---|---|---|---|---|---|
| Resource | Design | Total | | | Pit design depth | | | | |
| | | Tonnes | Au (g/t) | Ounces | | | | | |
| West Oliver North | 1 | 10,476 | 2.71 | 913 | 30 | 4,721 | 27,509 | 32,230 | 5.8 |
| West Oliver South | 5 | 119,685 | 2.71 | 10,423 | 50 | 46,120 | 213,308 | 259,428 | 4.6 |
| Bass North | 1 | 25,501 | 2.50 | 2,052 | 45 | 11,776 | 128,398 | 140,174 | 10.9 |
| Bass South | Area 1 | 34,793 | 2.47 | 2,768 | 35 | 14,066 | 114,951 | 129,017 | 8.2 |
| | Area 2 | 12,058 | 2.59 | 1,002 | 35 | 4,983 | 56,658 | 61,641 | 11.4 |
| | Area 3 | 22,626 | 4.30 | 3,126 | 35 | 9,962 | 95,087 | 105,049 | 9.5 |
| Hronsky | North V3 | 164,512 | 2.95 | 15,603 | 75 | 66,712 | 772,358 | 839,070 | 11.6 |
| Darlek | 2 | 181,010 | 2.26 | 13,137 | 50 | 65,899 | 172,967 | 238,866 | 2.6 |
| Flinders | Main | 226,487 | 2.94 | 21,395 | 70 | 86,373 | 347,776 | 434,149 | 4.0 |
| | North | 26,447 | 2.54 | 2,161 | 40 | 10,246 | 72,122 | 82,368 | 7.0 |
| **Total** | **All** | **823,594** | **2.74** | **72,579** | | **320,859** | **2,001,133** | **2,321,992** | **6.2** |

Mining will be on a continuous shift basis and based on a 12-hour working day. The trucking fleet assumes six-wheel articulated trucks to be loaded by excavator, supported by standard ancillary mobile equipment and plant. The mobile equipment availability has been assigned to 26 days per month (85%). Production is based on 3,500 bcm per day (182,000 bcm per month).

Drill and blast activities will be carried out from surface on 5 m benches and then excavated in 2.5 m passes. No free dig has been assumed in the schedule. Pre-production mining activities include mobilisation, site set up, clearing, grubbing and the stockpiling of topsoils. Waste will be hauled to waste dumps located nearby.

RC grade control drilling will be undertaken on 20 m panels before the mining of the benches. The cost of the initial program of pre-mining grade-control drilling has been allocated to the pre-production capital costs. Drill and blast sampling for grade control has been factored into the operating costs.

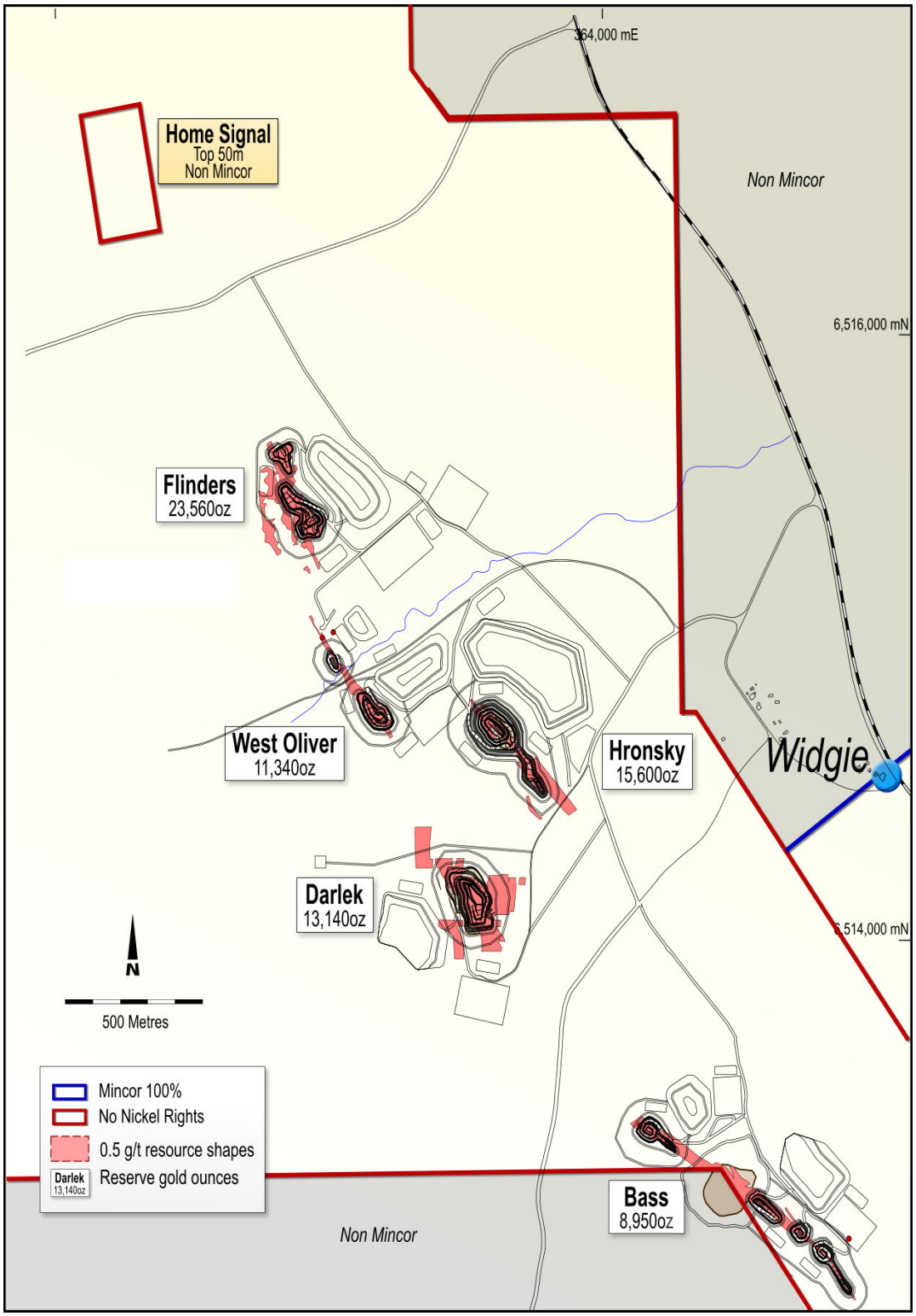
The ore delivery schedule is set at 60,000 tonnes of ore per month to a toll processing facility. Haulage is via semi-trailer trucks and will access the Coolgardie-Esperance Highway north of the project area. Mincor has conditional approval to use this access point once the apron entering the highway is re-established (part of pre-mining capital). The highway access point has been used in recent times by third party nickel operations. The Coolgardie- Esperance Highway is classified as RAV 7.3. Some haulage contractors have agreements in place with Main Roads Western Australia which allow for a slightly higher capacity haulage due to the Performance-Based Standard (PBS) scheme in place.

The site infrastructure to be established includes offices, service bays, run of mine (ROM) pads, magazines, water pipelines and road network linking the pit operations.

A full site layout of the Widgiemooltha operations with pit outlines, waste dumps and site infrastructure is presented in Figure 5.

The mine workforce consists of ~14 Mincor staff and a selection of consultants for the administration and management of the Project.

Figure 5: Widgiemooltha Gold Project – Site Layout and Reserves




## Costs

### Request for Quotation process

The key operating cost elements assumed in the financial model have been validated through a Request for Quotation (RFQ) process. The RFQ received from various contractors were within 15% accuracy to meet the scope of works objectives for their respective areas. The major cost elements received in the RFQ process included toll treatment charges, mining and haulage costs.

### Royalties

A State royalty of 2.5% is payable on realised value of the sold gold. The first 2,500 ounces produced in each financial year is exempted from this royalty.

North Widgiemooltha has a third-party royalty affecting gold production. A royalty of 10% of the difference between the London pm fixed price and A$600 per troy ounce of gold sold is payable for the mining leases listed in Table 4, excluding M15/1830 (Hronsky). An additional 4% third-party NSR royalty is payable when the cumulative production exceeds 200,000 ounces of recovered gold for the affected tenements.

### Cost Matrix

Table 9 provides a breakdown of operating costs per unit over the life of the Project.

Table 9: Operating Costs Breakdown

| OPERATING COSTS *(gold price at A$1,600/ounce)* | LOM Cost (A$) | LOM Cost/Ore Tonne (A$) | LOM Cost/Ounce (A$) |
|---|---|---|---|
| Mining | $22.9M | $27.82 | $348 |
| Processing, Haulage and Refining Costs | $39.5M | $47.96 | $600 |
| General Administration | $1.5M | $1.81 | $23 |
| Royalties | $7.7M | $9.41 | $118 |
| **TOTAL OPERATING COSTS** | **$71.7M** | **$87.00** | **$1,088** |

## Capital Costs

### Pre-Mining Capital Costs

All work activities conducted during the three months prior to commencement of mining have been estimated and allocated to pre-mining capital. The pre-mining capital has been classified into three areas: infrastructure capital, pre-production mining capital and pre-production administration capital.

Infrastructure capital includes the construction of site infrastructure/offices, roadworks and highway access. Potable water is available utilising Mincor's existing Redross allocation from the scheme pipeline that passes through Widgiemooltha township. Diesel generators will provide power for offices and workshop.

Pre-production mining capital includes a major program of site preparation included clearing, grubbing and topsoil stockpiling, as well as the initial grade control program before mining.

Pre-production administration capital is the associated on-site management and staff costs to run the programs. The pre-production infrastructure capital is inclusive of a 15% contingency.

Table 10: Pre-mining costs summary

| Capital costs | LOM (A$) |
|---|---|
| **Pre-production mining capital** | |
| Site preparation | $1.1 M |
| Mining extras | $0.3 M |
| Grade control | $0.6 M |
| **Subtotal** | **$2.0 M** |
| **Pre-production administration capital** | |
| Site management labour, Mincor and consultants | $0.1 M |
| Mine administration | $0.1 M |
| Flights and accommodation | $0.1 M |
| Other overheads | $0.2 M |
| **Subtotal** | **$0.5 M** |
| **Pre-production infrastructure capital** | **$0.3 M** |
| **TOTAL PRE-PRODUCTION MINING COSTS** | **$2.8 M** |

## Heritage

The southern part of the project area around the proposed Bass Pit lies within the Ngadju Native Title Claim (WC1999/002). An Aboriginal Heritage Survey was completed in November 2016 by the Goldfields Land and Sea Council, with the assistance of six Ngadju Traditional Owners. The survey covered an area of ~600 hectares, well outside the proposed Bass work area to allow for future expansion. The Ngadju Peoples approved all currently proposed mining activities.

## Environmental

All environmental baseline field flora and fauna studies were completed by Botanica Consulting in December 2016 in compliance with the Department of Mines and Petroleum (DMP) requirements for a Clearing Permit (CPS7402/1). The Clearing Permit was granted for the period 18 March 2017 to 31 January 2022 for all areas except the Hronsky Mining Lease M15/1830. As M15/1830 was granted (17 March 2017) after the initial Clearing Permit application was lodged, an addendum to the Clearing Permit was requested to allow Hronsky to be included in the DMP Mining Proposal. This modification to the Clearing Permit is expected to be approved by mid-May 2017, in line with lodgement of the Mining Proposal with the DMP.

Botanica carried out flora and fauna survey. Initial baseline studies recorded two Priority Taxa, no Threatened flora, and no sightings of fauna on the EPBC Threatened fauna list. Botanica assessed that impacts of proposed mining on flora and fauna were localised, small to negligible, and therefore manageable.

Botanica undertook waste rock characterisation studies. The waste rock samples were analysis by the Chem Centre (2016). Results indicate no potentially acid-forming (PAF) materials. The samples were also tested for heavy metals and the associated risk of producing metalliferous drainage. Results from the samples indicate very low potential for production of metalliferous drainage.

The rehabilitation costs have been applied using the DMP formula to calculate the Mining Rehabilitation Fund (MRF). The financial model has the rehabilitation work programs and cost of A$2.5 million applied at the end of the mine life.

## Hydrogeology

Groundwater Resource Management undertook the Hydrological study for Widgiemooltha Gold Project. A preliminary report recommended several small-scale crossings conceptualised simply as floodways on the main north-south access road in five different locations.

The water management plan required the diversion of Widgiemooltha Creek around the southern end of the proposed West Oliver North pit. The diversion costs have been included in the financial model.

Pit water inflows from water bore testing is considered minimal. Dewatering, if needed, will only require small scale pumping.

## Other

Two programs that are yet to be finalised, and which are requirements for the Mining Proposal, include dust monitoring and acoustic modelling. The programs are scheduled for June 2017, and the results will also be used to finalise the Project Management Plan.

Mincor has identified and consulted Key Stakeholders in regarding the Widgiemooltha Gold Project. These include the Shire of Coolgardie, the Widgiemooltha local community, various local government agencies, the Goldfields Land and Sea Council and third-party mining companies working in the immediate area.

Consultation with the Widgiemooltha residents has started and further discussions are planned to ensure the Project Management Plan addresses any areas of concern.

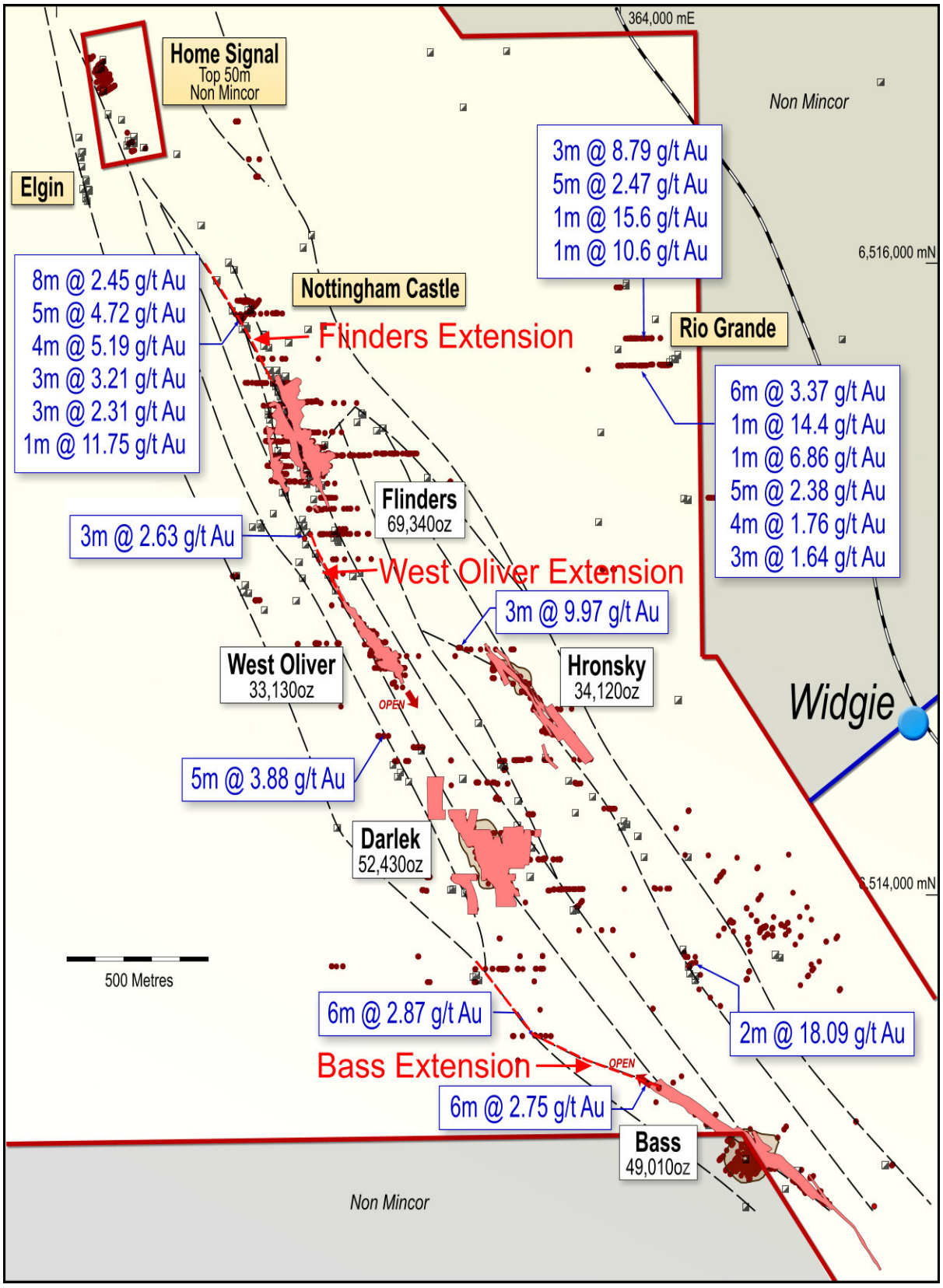
## Widgiemooltha Exploration Potential

The strong FS results highlights the value of Mincor's emerging gold business and the quality of its gold exploration portfolio at Widgiemooltha (Figure 6). The resources at each project remain open both along strike and down-plunge, and the near-mine exploration potential is one of the most attractive features of this project. The exploration portfolio provides a strong foundation for the Company to materially expand its gold inventory and enhance project value by drilling well-defined targets, including:

- Drilling of Inferred Resources that reside in recent pit optimisation shells but were not included in feasibility studies;

- Extensional targets immediately north of Bass, West Oliver and Flinders; and
- Numerous historical shallow high-grade intersections across the broader area.

Figure 6: Widgiemooltha Gold Prospects, Resource Inventory and Regional Potential



## Risks and Opportunities

### Risks

- A major fall in the A$ gold price – the financial model assumes a flat price of A$1,600/ounce.
- Failure to lock in toll treatment capacity of 60,000 tonnes/month (basis of financial model).
- Quotation costs for milling, mining and haulage used in the financial model are not achieved.
- Regulatory permitting is still required.
- Not achieving the modelled rates for mining production, dilution, mining recovery and metallurgical recovery.
- Gold Resources – problems resulting from the complex ore shapes at Flinders and Darlek.

### Opportunities

- Future gold price >A$1,600/ounce.
- Lock in toll treatment capacity >60,000 tonnes/month.
- Achiveing better than the modelled rates for mining production, dilution, mining recovery and metallurgical recovery.
- Strong exploration upside with the potential for low-cost drilling programs to substantially grow the Resource inventory.

**- ENDS -**

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## APPENDIX 1: Gold Mineral Resources as at April 2017

| RESOURCE | | MEASURED | | INDICATED | | INFERRED | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Ounces |
| West Oliver | **2017** | **-** | **-** | **295,810** | **2.3** | **142,420** | **2.5** | **438,220** | **2.4** | **33,130** |
| | 2016 | - | - | 193,750 | 2 | 41,450 | 1.7 | 235,200 | 1.9 | 14,440 |
| Jeffreys Find | **2017** | **-** | **-** | **833,400** | **1.7** | **321,700** | **1.5** | **1,155,100** | **1.7** | **61,560** |
| | 2016 | - | - | 833,400 | 1.7 | 321,700 | 1.5 | 1,155,100 | 1.7 | 61,560 |
| Bass | **2017** | **-** | **-** | **385,990** | **2.2** | **344,400** | **2** | **730,390** | **2.1** | **49,010** |
| | 2016 | - | - | 223,900 | 2.4 | 174,250 | 2.3 | 398,150 | 2.4 | 30,340 |
| Hronsky | **2017** | **-** | **-** | **201,430** | **2.6** | **261,250** | **2.0** | **462,680** | **2.3** | **34,120** |
| | 2016 | - | - | 80,900 | 2.5 | 55,400 | 2.4 | 136,300 | 2.5 | 10,770 |
| Darlek | **2017** | **-** | **-** | **712,790** | **1.9** | **169,170** | **1.6** | **881,960** | **1.9** | **52,430** |
| | 2016 | - | - | 733,111 | 1.7 | 164,650 | 1.4 | 897,750 | 1.7 | 47,620 |
| Flinders | **2017** | **-** | **-** | **796,000** | **1.8** | **486,250** | **1.5** | **1,282,240** | **1.7** | **69,340** |
| | 2016 | - | - | - | - | 1,328,900 | 1.7 | 1,328,900 | 1.7 | 73,910 |
| **TOTAL** | **2017** | **-** | **-** | **3,225,410** | **2.0** | **1,725,180** | **1.8** | **4,950,600** | **1.9** | **299,590** |
| | **2016** | **-** | **-** | 2,065,050 | 1.8 | 2,086,350 | 1.7 | 4,151,400 | 1.8 | 238,640 |

Notes:

- Figures have been rounded and hence may not add up exactly to the given totals.
- Resources are inclusive of Reserves reported at 0.5 g/t cut-off.
- Refer to the 6 February 2017 ASX release for JORC Table 1 details.

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hartley who is a full-time employee of Mincor Resources NL and 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 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hartley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Member of the AusIMM.

## APPENDIX 2: Gold Ore Reserves as at April 2017

| DEPOSIT | PROVEN | | PROBABLE | | TOTAL | | |
|---|---|---|---|---|---|---|---|
| | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Ounces |
| West Oliver | - | - | 130,160 | 2.7 | 130,160 | 2.7 | 11,340 |
| Bass | - | - | 94,980 | 2.9 | 94,980 | 2.9 | 8,950 |
| Hronsky | - | - | 164,510 | 2.9 | 164,510 | 2.9 | 15,600 |
| Darlek | - | - | 181,010 | 2.3 | 181,010 | 2.3 | 13,140 |
| Flinders | - | - | 252,930 | 2.9 | 252,930 | 2.9 | 23,560 |
| **Total** | **-** | **-** | **823,590** | **2.7** | **823,590** | **2.7** | **72,580** |

Notes:

- Calculations have been rounded to the nearest 10 tonnes, 0.1 g/t Au grade and 10 ounces; differences may occur due to rounding.
- Probable Ore Reserves contain a small amount (4%) of Inferred Resource material.

The information in this report that relates to Mineral Reserves is based on information compiled by Dave Clark who is a full-time employee of Minero Consulting and 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 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Fellow of the AusIMM.

# APPENDIX 3: JORC Code, 2012 Edition – Table Report Template Sections 1, 2, 3 and 4

## Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Sampling techniques | • Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.<br>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.<br>• Aspects of the determination of mineralisation that are Material to the Public Report.<br>• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'RC drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. | • Reverse circulation (RC) samples were collected in 1 m intervals. The whole sample was riffle split in a two-stage splitter, that produced a 75% split stored on site in plastic bags, the remaining 25% was split to a 2-5 kg sample for assaying. The remaining 12.5% was only collected for duplicate samples, otherwise it was discarded.<br>• Samples were submitted to an accredited commercial laboratory, samples over 3 kg in weight were 50:50 riffle split before proceeding with sample preparation.<br>• All samples were analysed via 50 g fire assay. |
| Drilling techniques | • Drill type (e.g. core, RC, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | • Drill type is all 150 mm diameter RC.<br>• HQ3 diamond core. |
| Drill sample recovery | • Method of recording and assessing core and chip sample recoveries and results assessed.<br>• Measures taken to maximise sample recovery and ensure representative nature of the samples.<br>• 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. | • Sample recoveries were not recorded, however given the excess sample weights in the 12.5% splits which were recorded by the laboratory, recoveries were very good. |
| 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.<br>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.<br>• The total length and percentage of the relevant intersections logged. | • All RC chips are geologically logged for lithology, alteration, vein percentage and oxidation.<br>• All diamond core also as above plus geotechnically logged. |
| Subsampling techniques and sample preparation | • If core, whether cut or sawn and whether quarter, half or all core taken.<br>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.<br>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.<br>• Quality control procedures adopted for all subsampling stages to maximise representivity of samples.<br>• 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.<br>• Whether sample sizes are appropriate to the grain size of the material being sampled. | • Mincor RC samples were split by riffle splitter at the drill rig into a small calico bag for laboratory analysis and the reject collected in green plastic bags and left at the drill site.<br>• Standards, duplicates and blanks were inserted every 10 samples within a drill sequence.<br>• All the samples were dry and sample collected for assaying weighed 2-5 kg, which is considered appropriate for grain sizes of the material expected. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| 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.<br>• 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.<br>• 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. | • Mincor samples were sent to SGS, a NATA accredited laboratory. The samples were oven dried and pulverized. A 50 g charge weight of the resultant pulverised material is assayed using a high grade fire assay fusion method using lead flux with a silver collector. Atomic absorption spectroscopy (AAS) is used to determine the final concentration of gold. This method is considered a total measure of gold.<br>• In addition to Mincor quality assurance/quality control (QAQC) samples submitted with the batch, SGS uses its own certified reference materials for QAQC adherence. |
| Verification of sampling and assaying | • The verification of significant intersections by either independent or alternative company personnel.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• Discuss any adjustment to assay data. | • Mincor holes are logged on Microsoft Excel templates and uploaded by consultant into Datashed format SQL databases, these have their own in-built libraries and validation routines. |
| Location of data points | • Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.<br>• Specification of the grid system used.<br>• Quality and adequacy of topographic control. | • The instrument used is a Leica Captivate RTK GPS. The survey control was SSM Widgiemooltha 35, horizontal accuracy of 0.015 m, vertical accuracy 0.05 m.<br>• The drill hole collar survey accuracy would be Positional 0.05, Vertical 0.1; these were single shots, sometimes under trees.<br>• Holes are picked up in MGA94 UTM 51.<br>• A local grid for most prospects was used to align with the general strike of orebodies, the Wannaway grid was used as it already was sub-parallel. |
| Data spacing and distribution | • Data spacing for reporting of Exploration Results.<br>• 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.<br>• Whether sample compositing has been applied. | • Drill-hole spacing is nominally 20 m x 20 m within Resource areas and up 100 m between prospects. |
| 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.<br>• 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. | • Hole azimuths were orientated at roughly 235-238°, and commonly 60° dips.<br>• Mineralised structures appear to strike at a approx. 330° and are steeply dipping.<br>• Thus, drill orientation should not introduce any bias. |
| Sample security | • The measures taken to ensure sample security. | • The sampling of RC material is overseen by Mincor exploration employees in the field and the samples are taken into Mincor's custody at the time of drilling, whereupon they are organised and stored at secure company premises before being delivered to the contracted laboratory by Mincor staff.<br>• All diamond core sawn at Mincor facility, bagged and dropped off by hand to accredited laboratory in Kalgoorlie. |
| Audits or reviews | • The results of any audits or reviews of sampling techniques and data. | • In-house audits of data are undertaken on a periodic basis. QAQC reports are generated by database consultant. One batch was re assayed due to standards not being within tolerance limits. |

## 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.<br>• 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. | All resources lie within Mining tenements owned 100% by Mincor Resources NL. Listed below are tenement numbers and expiry dates:<br>• M15/48 Darlek – 13/02/2026 (all rights except for nickel)<br>• M15/103 Flinders – 11/12/2026 (all rights except for nickel)<br>• M15/105 Flinders North – 21/10/2026 (all rights except for nickel)<br>• M15/478 Flinders South – 2/8/2032 (all rights except for nickel)<br>• M15/1830 Hronsky – 16/03/2038 (all rights). |
| Exploration done by other parties | • Acknowledgment and appraisal of exploration by other parties. | • Bass, West Oliver, Flinders and Darlek was previously explored by WMC and Resolute.<br>• Hronsky was explored by Black Mountain Gold NL and mined by Amalg. |
| Geology | • Deposit type, geological setting and style of mineralisation. | • Archean quartz-sulphide vein gold controlled by major north-northwest structures and hosted in metabasalt or ultramafic rock units.<br>• Some evidence of supergene enrichment. |
| 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:<br>o easting and northing of the drill-hole collar<br>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill-hole collar<br>o dip and azimuth of the hole<br>o downhole length and interception depth<br>o hole length.<br>• 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. | • See previous ASX releases through 2016 and 2017. |
| Data aggregation methods | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• 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.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated. | • Intersections have been reported above 0.5 g/t Au, intercepts are length weighted only. Some internal dilution is allowed if within minimum mining widths. |
| Relationship between mineralisation widths and intercept lengths | • These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.<br>• If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known'). | • Mineralisation is generally steep, so downhole intercepts will be greater than true widths. |
| 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. | • See plan of recent drill-hole locations, long section and cross sections. |
| 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. | • All holes including holes with no significant results are listed in previous ASX releases in 2016. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| 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 groundwater was intersected in drilling.<br>• Fresh rock is very competent. |
| 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).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Resources at the extremities are usually still open down plunge, see diagrams.<br>• See Bass cross section with significant intersection at northern end of previous resource. |

## Section 3 – Gold 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, e.g. transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.<br>• Data validation procedures used. | • The Resolute and WMC derived data whilst only provided in database format has been relied upon for some time.<br>• Mincor data was uploaded directly from laboratory digital files by database consultant. Geology personal checked results on cross sections and whilst creating composite table in database. |
| Site visits | • Comment on any site visits undertaken by the Competent Person and the outcome of those visits.<br>• If no site visits have been undertaken, indicate why this is the case. | • Competent Person has been with Mincor since it has owned these assets, and has visited the sites numerous times – in particular, while drilling was underway. |
| Geological interpretation | • Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.<br>• Nature of the data used and of any assumptions made.<br>• The effect, if any, of alternative interpretations on Mineral Resource estimation.<br>• The use of geology in guiding and controlling Mineral Resource estimation.<br>• The factors affecting continuity both of grade and geology. | • These orebodies appear to be dominantly controlled by the north-northwest shears bounding the area.<br>• Previous interpretations and the successful mining of these interpretations gives reasonable confidence.<br>• Data from the open pits and historic shafts helped guide the interpretation. |
| 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. | • Please refer to plans and cross sections for dimensions. |
| 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.<br>• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.<br>• The assumptions made regarding recovery of by-products.<br>• Estimation of deleterious elements or other non- grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).<br>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.<br>• Any assumptions behind modelling of selective mining units. | • Orebodies were estimated using inverse distance squared in Surpac version 6.7.<br>• Attributes estimated are gold using 1 m composites.<br>• Top cut was applied at 10 g/t at Flinders for one zone.<br>• Block model cells were 5 m NS, 2 m EW and 1.25 m RL.<br>• Search distance was 25 m x 25 m with a second pass at 50 m to inform the extremities of the resource.<br>• Previous Resolute estimates exist for Flinders and Darlek but both were done at higher cut-offs in a lower gold price environment.<br>• Estimates by Mincor were done early in 2016, however, further drilling has required the updating of these (refer to Appendix 1).<br>• Production data in the form of tonnage mined and grade was available for Darlek and Bass. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • Any assumptions about correlation between variables.<br>• Description of how the geological interpretation was used to control the resource estimates.<br>• Discussion of basis for using or not using grade cutting or capping.<br>• The process of validation, the checking process used, the comparison of model data to drill-hole data, and use of reconciliation data if available. | |
| 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 quoted as dry. |
| Cut-off parameters | • The basis of the adopted cut-off grade(s) or quality parameters applied. | • As resources occur at surface the model was constructed with a view towards selective open pit mining. Thus, a 0.5 g/t Au lower cut-off was deemed appropriate. |
| 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. | • Selective open pit mining is the assumed mining method. |
| 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. | • Mincor has not conducted any metallurgical test-work at this stage, however, the Bass and Darlek ore was milled at Chalice and the Hronsky ore previously milled by Amalg. |
| 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. | • The deposits are within already disturbed land by previous mining.<br>• The location and size of these deposits would lend themselves to small open pits with treatment at a third party mill elsewhere in the district.<br>• Only environmental issues would be waste rock storage and water disposal from pits. |
| 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.<br>• 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.<br>• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. | • There is no density measurement for the RC samples, however, recent diamond drill-holes completed by Mincor were measured for specific gravity, averages within oxidation boundaries were used globally within each prospect. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Classification | • The basis for the classification of the Mineral Resources into varying confidence categories.<br>• Whether appropriate account has been taken of all relevant factors (i.e. 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).<br>• Whether the result appropriately reflects the Competent Person's view of the deposit. | • Where mineralisation is consistently informed by 25 m spaced holes or less this has been classified as Indicated.<br>• Mineralisation out to 50 m from drill holes is classified as Inferred.<br>• Any remaining mineralisation is unreported. |
| Audits or reviews | • The results of any audits or reviews of Mineral Resource estimates. | • No audits or reviews have been conducted on these resources.<br>• Cube Consulting did audit the early 2016 estimates by Mincor and made some recommendations for improvement; most were incorporated in new estimates. |
| 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.<br>• 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.<br>• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. | • These estimates are global estimates. |

## 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 |
|---|---|---|
| Mineral Resource estimate for conversion to Ore Reserves | • Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.<br>• Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.<br>• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.<br>• If no site visits have been undertaken indicate why this is the case. | • List of resource block models follows and dates of estimation:<br>o Bass.mdl – Dec2016<br>o Darlek selective mining.mdl – Jan 2016<br>o Flinders op model.mdl – Feb 2017<br>o West Oliver dec2016.mdl<br>o Hronsky selective pit.mdl – Jan 2017.<br>• Mineral Resources are inclusive of Ore Reserves<br>• Competent Person visited the site in March 2017. |
| Study status | • The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.<br>• The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. | • The study is considered to be to a bankable feasibility level of confidence, i.e. +/- 15% accuracy. |
| Cut-off parameters | • The basis of the cut-off grade(s) or quality parameters applied. | • Cut-off grades derived from Whittle optimisation, which in turn is based on quotes for mining, indicative toll milling rates and budgeted gold price of A$1,450/ounce for Reserves in current mine plan. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Mining factors or assumptions | • The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).<br>• The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.<br>• The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.<br>• The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).<br>• The mining dilution factors used.<br>• The mining recovery factors used.<br>• Any minimum mining widths used.<br>• The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.<br>• The infrastructure requirements of the selected mining methods. | • Resources were imported into Whittle pit optimisation software to generate optimum pits at various gold prices.<br>• The A$1,450 pit shells were used as the basis for design.<br>• All mining is assumed to be via open pit utilising six-wheel articulated trucks that can use steeper ramps, narrower ramps, and smaller turning radius.<br>• Green Geotechnical reviewed existing pits together with fresh diamond drill core to produce a series of design wall and batter angles, the steepest being 70°.<br>• Mining dilution at 20% for all pits was applied except the main Flinders pit which was reduced to 10% given the greater ore widths.<br>• Mining is via nominal 100t size excavator with 2 m minimum mining width.<br>• A small amount (4%) of Inferred was captured by the final pit designs. This is included as Probable Reserve and financial model.<br>• The open pits with require some minor road upgrades to access the highway. Power will be via diesel gensets and potable water is available from the scheme water pipeline. |
| Metallurgical factors or assumptions | • The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.<br>• Whether the metallurgical process is well-tested technology or novel in nature.<br>• The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.<br>• Any assumptions or allowances made for deleterious elements.<br>• The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.<br>• For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications? | • Standard CIP recovery from cyanide leached gold is the recovery method.<br>• Testwork samples were taken from each prospect with one composite of saprolite and one composite of saprock/fresh material. Darlek only had one composite from the base of the current open pit.<br>• No deleterious elements are expected.<br>• Three of the existing orebodies where treated previously – either at the Chalice mill or Burbanks mill. However, that mill data is not available. |
| Environmental | • The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. | • Botanica Consulting have conducted initial flora and fauna surveys; a second autumn flora survey will be conducted shortly (Q2-Q3 2017).<br>• Waste rock samples have been collected from each prospect, and waste rock classification and characterisation work conducted.<br>• The West Oliver pit design does encroach on to the Widgiemooltha creek however a diversion has been designed.<br>• Noise and dust monitoring will be carried out as the residents of Widgiemooltha are within a kilometre of the Hronsky prospect. |
| Infrastructure | • The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. | • The Coolgardie-Esperance highway is within a few kilometres to the east.<br>• Potable water is available by moving Mincor's existing Redross allocation from the scheme pipeline that passes through Widgiemooltha township.<br>• Power requirements will be for offices and workshop via a diesel generators. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Costs | • The derivation of, or assumptions made, regarding projected capital costs in the study.<br>• The methodology used to estimate operating costs.<br>• Allowances made for the content of deleterious elements.<br>• The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.<br>• The source of exchange rates used in the study.<br>• Derivation of transportation charges.<br>• The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.<br>• The allowances made for royalties payable, both Government and private. | • Capital costs are limited to mobilisation costs of mining contractor, minor road works, pre-star works.<br>• Operating costs were from RFQs provided by three mining contactors.<br>• No deleterious elements exist with the ore.<br>• The project has a short life and fast implementation phase. Therefore, current gold prices and exchange rates have been used.<br>• Ore transportation costs from the RFQ from three reputable haulage companies.<br>• Several toll milling options exist; the assumption is the upper limit of the existing mills capacity.<br>• There is a 2.5% state royalty as well as a private royalty payable. |
| Revenue factors | • The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.<br>• The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products. | • Head grade is based on diluted and recovered Resources from Whittle optimised pit shells at A$1,450/ounce.<br>• Gold price is based on near current spot and exchange rate A$1,600/ounce. |
| Market assessment | • The demand, supply and stock situation for the commodity, consumption trends and factors likely to affect supply and demand into the future.<br>• A customer and competitor analysis along with the identification of likely market windows for the product.<br>• Price and volume forecasts and the basis for these forecasts.<br>• For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract. | • Gold bullion would be produced for sale.<br>• Gold is an easily traded product and likely sold to the Perth Mint. |
| Economic | • The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.<br>• NPV ranges and sensitivity to variations in the significant assumptions and inputs. | • Key financial assumptions, gold price of A$1,600/ounce, accumulated tax losses of A$73.1 million, ore toll treatment capacity of 60,000 tonnes/month.<br>• Sensitive mostly to gold price and recovered ounces,<br>• Pits optimised at A$1,450 – being below the price used in feasibility.<br>• RFQ data received from mining and haulage contractors and mills, requested for +-15%.<br>• 8% discount rate used in DFS financial model. |
| Social | • The status of agreements with key stakeholders and matters leading to social licence to operate. | • Mining Licence from WA state government.<br>• Involvement of local Shire and Widgiemooltha townspeople in operational and mine closure plans. |
| Other | • To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:<br>• Any identified material naturally occurring risks.<br>• The status of material legal agreements and marketing arrangements.<br>• The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent. | • All tenements are granted Mining licences.<br>• Approval for land clearance has been obtained.<br>• A Mining Proposal and Project Management Plan are yet to be submitted but all environmental issues have been addressed and is not expected to be unreasonably withheld. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Classification | • The basis for the classification of the Ore Reserves into varying confidence categories.<br>• Whether the result appropriately reflects the Competent Person's view of the deposit.<br>• The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). | • Probable Reserves are based on (i.e. are a subset of) Indicated Resources subject to financial viability.<br>• The Competent Person is satisfied with the classification of the Reserves in view of the deposit.<br>• Minor Inferred material is used for public reporting of Reserves where it is captured as a consequence of the design pit shell. |
| Audits or reviews | • The results of any audits or reviews of Ore Reserve estimates. | • No audits of the Reserve have been undertaken. |
| Discussion of relative accuracy/ confidence | • Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.<br>• 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.<br>• Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.<br>• It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. | • Reserve estimate is global.<br>• The Reserve is most sensitive to the dilution parameters, and given some geometric complexity to the West Oliver and Flinders interpretations might lessen their relative confidence in achieving the dilution parameters as planned.<br>• The Bass, Hronsky and to a lesser extent Darlek orebodies are less complex and hence have less risk attached to them. |