Exploration Target, Ajax line EL 007330

Author: Holden D,
Co contributors Sharp D, Meehan T
Red Rock Australasia Pty Ltd
Report Date: 30/7/2022
Date of tenement(s) grant EL007330 - 22/4/2021
Licensee: Red Rock Australasia Pty Ltd
ABN: 34 126 982 009

Table of Contents

1 Executive summary

Exploration targets are a way to quantify the potential for any exploration project. They are not resources or reserves and are simply conceptual in nature. Determination of the targets requires broad assumptions as there is often not enough information to determine how much, if any, of the exploration potential will be converted to mineral resource category. They are a best guess based upon largely historical data and give a sense of size and shape against which future exploration decisions and subsequent funding can be determined.

In the exploration targets presented herein no discount factor has been applied nor has any mining recovery or price sensitive factors been taken into consideration.

Drilling is required to assist in substantiating the accuracy of the targets. Once the initial programme designed to validate the models has been concluded, it may be possible to further refine the targets and apply discount factors to better reflect the probability of economic quantities present.

The exploration target derived for the Ajax line is as tabled below.

category	Lode thickness	Tonnes	Grade(g/t)	ounces
lower	0.8	254,318	6.4	52,328
avg	**1.8**	587,400	13.1	**246,812**
upper	2.8	1,422,443	18.7	853,037

2 Introduction

The Ajax line of workings is on the western margin of the Daylesford township. The line has a long and productive history of gold production and is reported to have produced over 300,000 ounces from its start in the mid-1880s to final closure around the 1940s.

Mining at the turn of the last century was difficult. Faced with the same issues as today's miner of shortage in skilled workers, capital and fluctuating gold price, mines also wrestled with technological challenges. Amongst these were pumping and disposing significant ground water to allow mining to proceed at deeper levels, and processing ore where gold may have been trapped within sulphides. Such refractory ore may not necessarily recoverable through traditional gravity processes as free milling ore and primitive technology would have reduced the rate of recovery. Consequently, recoveries reported in the historical literature may be underestimating the true grade of the mineralised system.

Since acquiring the licence in mid-2022, RRAL has identified the Daylesford region as highly prospective but well underexplored in terms of the modern exploration environment. In addition, the line of workings at Ajax falls outside the township and largely within Crown land providing opportunity of better access to the area.

Of the numerous mines exploiting the Daylesford goldfield, the Ajax line including Nuggety, Trafalgar and associated mines were significant producers. It appears though that the mines faltered not as a

result of exhausted ore resources but more for the previously mentioned factors. To date insufficient drilling has been conducted to allow any formal assessment of any remaining potential ore *however the detail provided in the reports on historical mining along with old mine plans and stope plans gives strong indication of ore continuing at depth, both down dip and along strike.* There is as plunge component to the ore and structurally there is a strong similarity in geology to Ballarat. Adoption of Ballarat as the model has aided significantly in developing possible future targets and estimations of potential especially the nature and extent of exploration targets.

This report details the methodology behind generating the initial exploration targets at Ajax with a view to designing drilling campaigns to validate the targets.

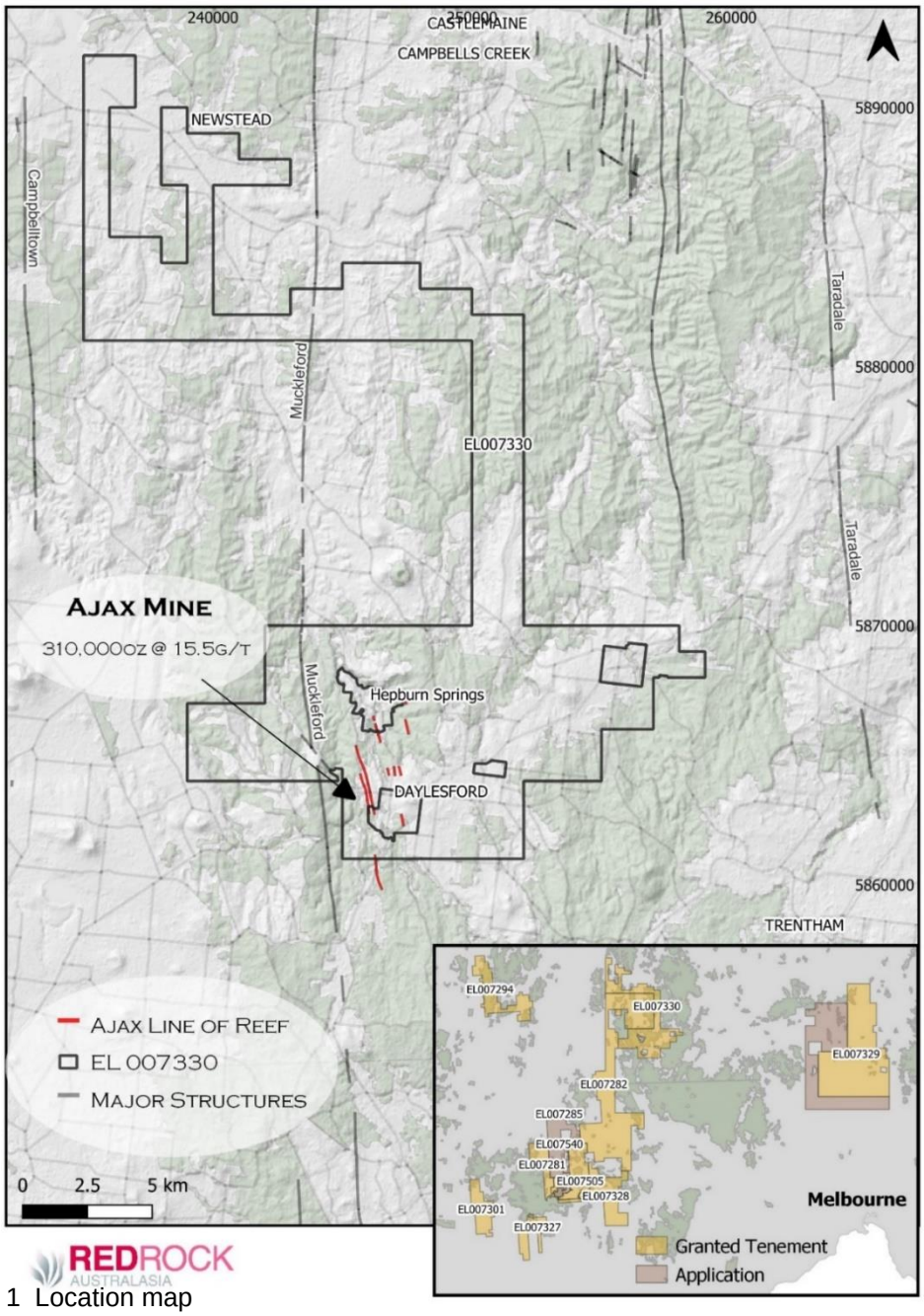


Figure 1 Location map

3 History of the Daylesford Goldfield

Gold was first discovered in 1851 at Wombat flat as prospectors prospected more and more of the creeks and streams heading to inland Victoria. By 1855 alluvial diggings had spread across the region with Daylesford town centre spring to prominence from the early 1860s.

In 1854 the first hard rock reef opened out was the Mauritius “Kidd’s Gully” mine. Soon after production from Burdon’s reef at Doctor’s Gully realised 2 oz to the ton. At this time Addis and Brook opened the Cornish reef with the production quoted as 3 oz/ton.

By 1856 the Daylesford auriferous belt is had been recognised as a significant gold field It is described as “approximately one mile in width and can be traced for several miles north and south”. The belt comprises many north-south trending reefs including Ajax, Rising Star, Specimen Hill, Colliers, Freemans, Wombat Hill, Cornish, Fear Not, Crown, St George, Eugenie and Hepburn. The earliest reference identified so far suggests mining on the Ajax line of reefs started around 1857.

By the 1860s the Connells and Nuggety Ajax reefs between Connells Gully and Tipperary point as well as Packers Reef on the Dry diggings and Frenchman’s, Steels Pioneer and Humbug reefs at Yandoit were all in production. Unfortunately, the Yandoit reefs proved poor and by 1861 largely shut down.

The ore of the goldfield generally was largely treatable through traditional gravity methods however in the literature there is reference to the treatment of pyritic ore using a chlorination process starting around the 1870’s. As enough of the ore had proved to be refractory but worth recovering, the Daylesford Pyrites Company (“ Daylesford Pyrites Works”) using a 30 ft long furnace and grinding mills to treat ore was established. The works was reputed to be reasonably efficient using the “Newbury Vautin Improved Rapid Chlorination Process for Gold Extraction”.

Fortunes started to shift and late in the 1870s the Cornish mine fell into partial decline and by the 1880s was not considered profitable, and attention shifted to the 1886 Rising Star line. Whilst most mining was in decline sporadic production continued and in 1903 an English company took control of Cornish Hill. They were able to turn a profit from the mine until the First World War. The shifting fortunes of the main lode systems within the Daylesford goldfield seems to have migrated from one line to another and as one became unfavourable, a second became more profitable.

As a more profitable mine, the Ajax company continued well towards the First World War and in fact by 1911 Ajax Co was running a 20 head battery and at North Nugget, a 10 head battery. In 1914 a disastrous fire at the Ajax/North Nuggety destroyed winding engine and housing as well as boilers and compressing plant. Given the mine was still considered highly profitable, new equipment was installed over the old Ajax shaft and the mine continued working well into the 1920s. The Ajax mine attracted neighbours at Nugget Ajax, Ajax North, Ajax South, and Christian Ajax and the importance of the lode structure was well established.

For Ajax mining at depth was starting to compete with water influx. The mine was also struggling for materials and labour and by around 1917, most of the mines on the Ajax lines only continued to engage in minor prospecting. Reportable ore grade and production started to diminish. A year later the Ajax Company discovered a new line of reef however this was short-lived and Ajax North became largely unprofitable in development operations confining its production to taking out remnant stopes.

Ajax and Ajax North closed initially by 1926, however mining continued in Daylesford and in 1939 the most prolific and high-grade producer at 33 dwt/ton is the Maxwell Consolidated working to the 600 ft level.

The gold mining as elsewhere faltered during the First World War. A resurgence again in gold from Daylesford in the 1930s was driven by the Maxwell Consolidated. Its success revived the interest in the Ajax mine also but was short lived, Sporadic attempts to reopen the Ajax Consolidated occurred up until around 1947. The poppet head was eventually pulled down in 1979 and the shaft closed forever.

Today some of the original town centre is now submerged beneath Lake Daylesford (an historical dredging pond now rehabilitated as a feature in Daylesford township). The community however lives on and is a thriving tourist destination bustling with cafes, restaurants, and crafts shops. The township along with sister town, Hepburn, now promote the natural spring water found in the area and many tourist ventures often refer to the glorious gold mining days that built the town.

Many of the historical workings are now covered over or have collapsed. While evidence of some shafts remain as small openings in the countryside, most are too dangerous to easily access and will require substantial rehabilitation works to make safe. There is expectation that some point of entry will eventually be opened, and the historical mine can again be accessed for exploration purposes.

4 Geology

Regional Geology

EL007330 is located in the Bendigo Structural Zone of the Tasman Fold Belt and covers the north-trending Muckleford Fault. The basement lithology comprises of interbedded slates, siltstones and sandstones turbiditic sequences of the Ordovician Castlemaine Group that have undergone east-west compression during the Benambran Orogeny. Limb thrusts propagating from bedding parallel layer slip planes formed as fold lock up approached. The folds form part of larger scale anticlinoria which form broad, gently plunging dome and basin structures. The Daylesford Goldfield is located at the culmination of such a dome on the Daylesford Anticlinorium. Major west-dipping reverse faults are interpreted as listric faults. The regional north-northwest trending Muckleford Fault passes 3 km west of Daylesford and truncates the Daylesford Anticlinorium west of its hinge. (Gough, 2013) Widespread orogenic gold mineralisation associated with faulting occurred during the late stages of deformation. (Arden, 1997)

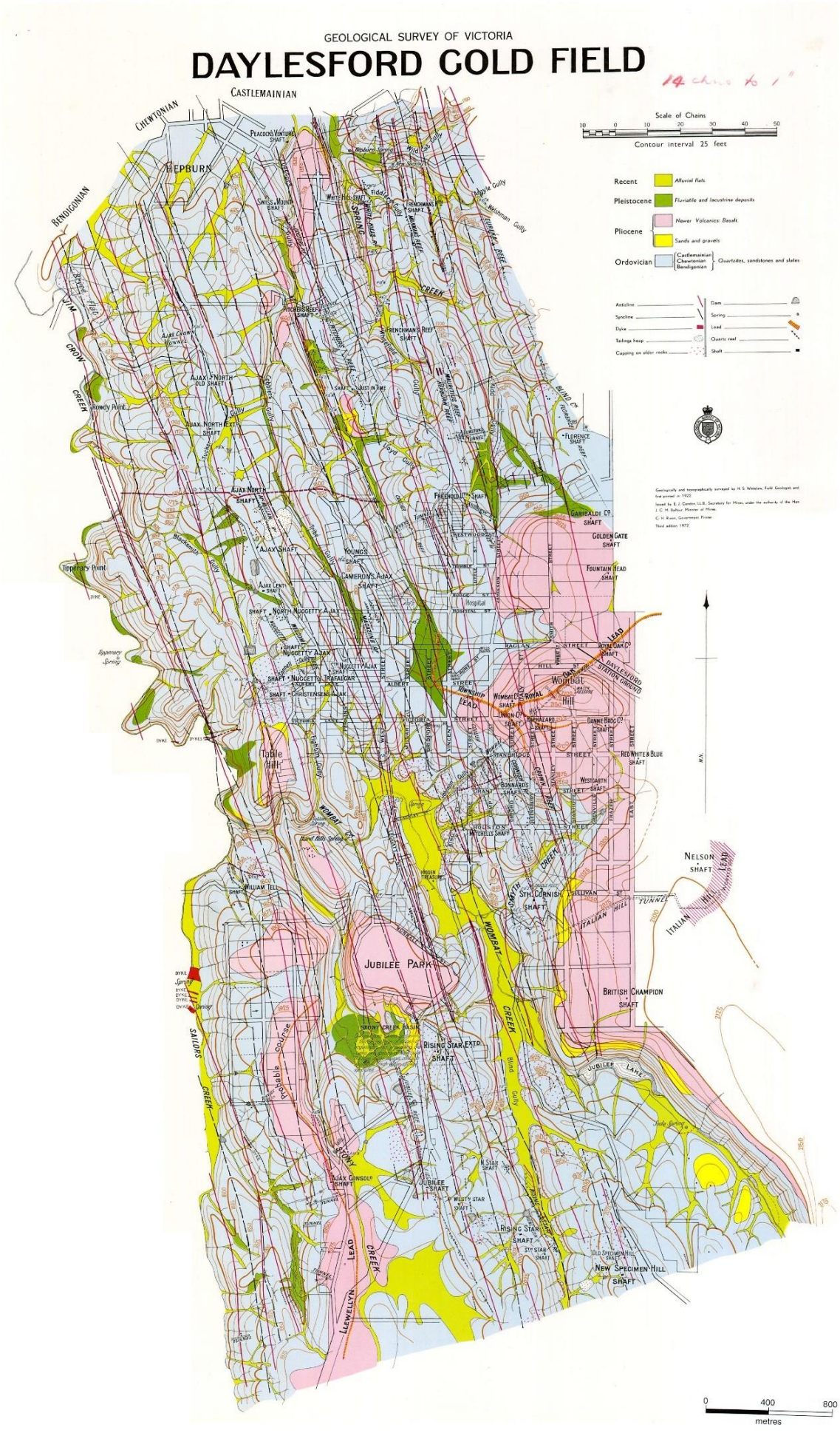


Figure 2 Generalized geological map showing significant mineralised structures and historical working locations After Baragwanth 1923.

Local Geology and Mineralisation

Underground mapping in several mines by the GSV has shown an alternating sequence of shale and sandstone horizons. In practice these may sometimes represent shale horizons up to 2 metres wide, sandstones that may be massive channel deposits up to 10 metres thick, or alternatively they may represent upward fining sand dominated turbidite units mapped individually or as groups of units with similar characteristics.

Folds in the area are upright with axial planes dipping steeply to the east, with wavelengths varying from over 500 metres to less than 50 in some places. The fold pattern appears to be far less regular than that observed in the mineralised corridors of the Bendigo or Castlemaine goldfields. Although faulting may in part explain this irregularity, it appears likely that significant variation in wavelength does exist, as shown on several traverses that have been mapped in detail by the GSV.

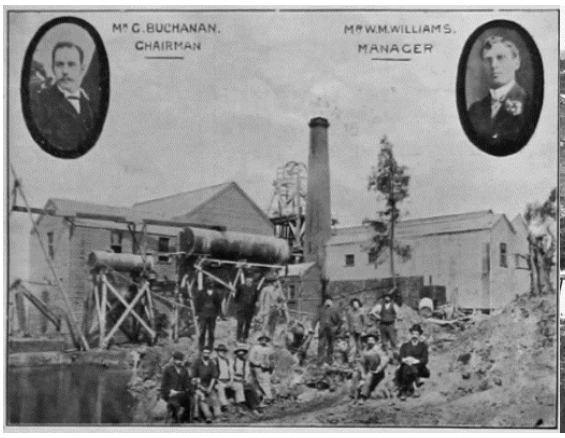
Larger amplitude folds appear more likely to host significant mineralisation, with the Ajax line associated with one of the broadest fold limbs in the area. Examination of the available mine plans, combined with the relationship between the faulting and bedding, strongly suggests that the overall plunge of the Ajax anticline is to the south in the Ajax South (14°S) (Macdonald, 2006)

The Ajax mines worked a series of nine stacked reverse fault hosted lodes that dip between 45^{o} and 90^{o} to the west (Whitelaw and Baragwanath, 1923). The faults strike oblique to bedding and consists of laminated quartz that is highly mineralised in places. Mineralisation appears to occur in 'shoots' within these fault systems which have been identified to potentially correspond with favourable lithology. In the case of the Ajax line, the shoots are associated with sandstone containing thinner beds of slate (Whitelaw and Baragwanath, 1923). These lodes have a variable thickness along strike. The following lode thickness in the Ajax Mine have been estimated by Whitelaw and Baragwanath, 1923:

- Ajax Lode: 1 foot to 6 feet. (0.3-2m)*
- MacMillan's Lode: 3-10 feet.(1-3m)*
- North Lode: 1 to 4 feet.0.3-1.3m)*

* subsequent search of the literature has identified the lode thicknesses exceed Baragwanath's initial observation and this increased thickness from the literature search has been used in developing the models

These faults are only payable in the eastern limb of the anticlines although limited exploration has occurred in the western limb where these faults are reported to be parallel to the bedding with little or no quartz (Arden, 1997). There is the potential for mineralisation in the western limb where these faults become bedded in dark shale units directly after intersecting. This style of mineralisation is commonly seen in the Ballarat goldfields.



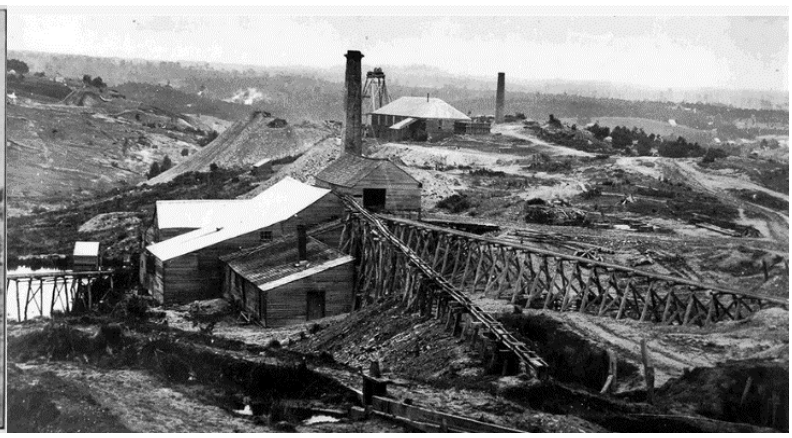


Figure 3 Ajax mine (left) and Cornish Battery 21885

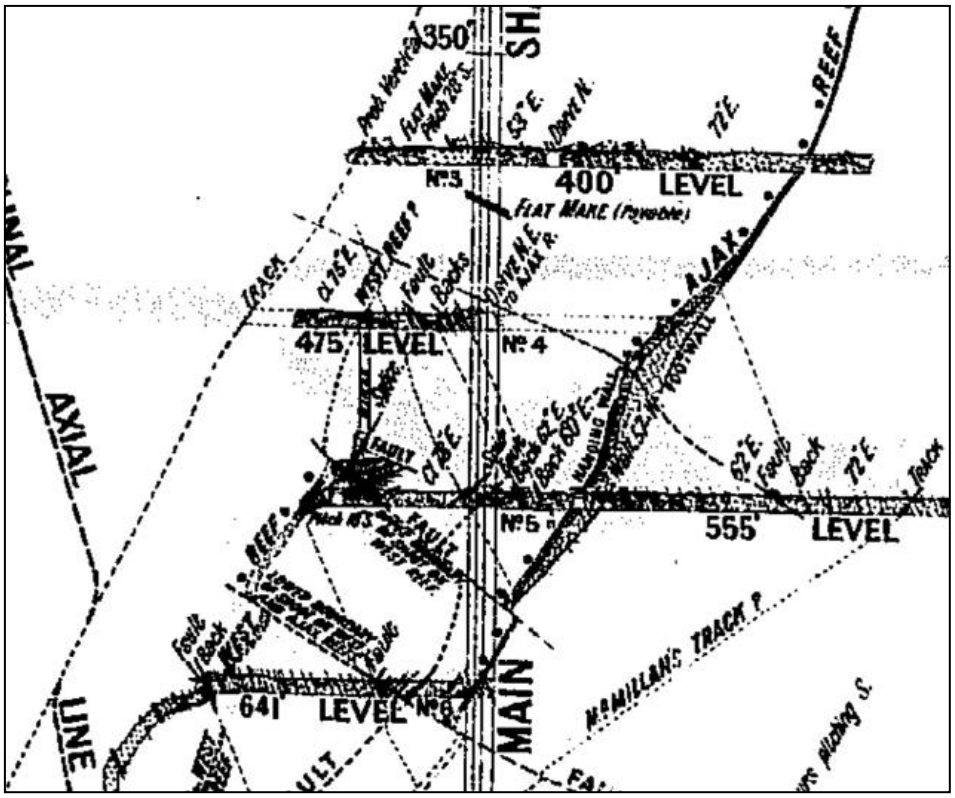


Figure 4 West dipping faults in the Ajax ((Whitelaw and Baragwanath, 1923)

At the Nuggetty and North Nuggetty Ajax mines, sub-horizontal tensional veins, known locally as ‘flat makes’ occur. These veins are up to 90m in width, 2m thick were mined for 340m north and south (Baragwanath, 1923). These veins border the west dipping faults and probably formed in a response to movement along them (Mahar, 2002) In the Ajax line, these veins increase in abundance where the lithology is dominated by thick sand beds which is considered to a reflection of the competency of these units (Mahar, 2002). There is potential for local gold enrichment at the intersection of the east and west dipping faults (Whitelaw and Baragwanath, 1923).

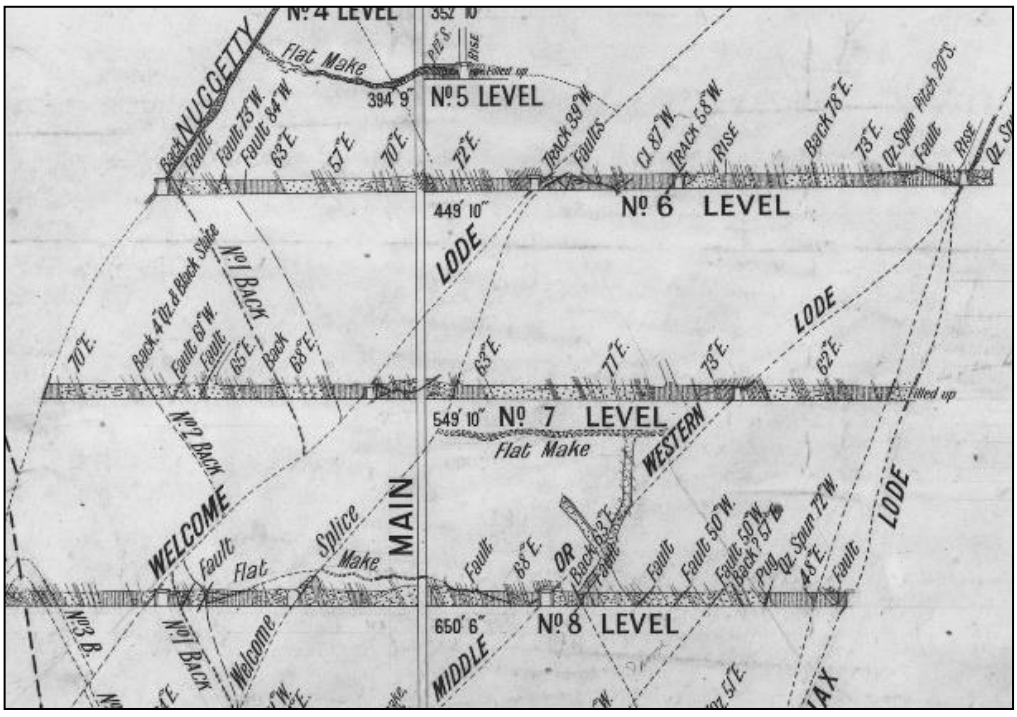


Figure 5 Flat Makes in the Nuggety Ajax Mine (Whitelaw and Baragwanath, 1923)

The Flat Makes have not been included in the Exploration Target and are seen as an opportunistic target at this stage. The breakdown of production between the West Dipping faults and Flat Makes has never been completed to the best of Red Rock Australasia's knowledge. This is one of the tasks that will be completed during the literature search.

Previous diamond drilling has indicated that mineralisation extends into surrounding sandstone wall rock that contains little to no quartz veining. Petrographic examination of the sediments revealed visible free gold associated with disseminated pyrite aggregates containing an assemblage of arsenopyrite, pyrite and lesser copper, lead and zinc.

Reef Styles

West dipping shears/ reverse faults

These structures form a series of subparallel fault in the eastern limb of anticlinal folds seen in both the Ajax and Cornish lines. On the Ajax lines seven main loads have been worked: Blacksmiths, nuggetty Welcome, Western, Ajax, McMillan's and Ajax North the reefs are separated by approx. 20 – 50 meters and have sinuous sub parallel traces. Where the faults cross the fold hinge, the structure tens to develop a dilatant zone which leads to a thickening of the reef at this point.

Associated quartz reef varies from a few centimetres to over 10 meters however most available information suggest in the rage 1 – 3 metres but can be upwards of 6 metres in part.

East dipping faults

East dipping structures are rarely seen in these mines. These structures are associated with more laminated quartz as bedding parallel slip faults and often end up linking structures from within the east facing limb of the fold

Flat Makes

These flat lying veins most likely as a form of tension gash vein system were reported to be persistent over several hundreds of meters long strike up to 20 to 50 m in width and from 0.5 to 2m thick. In the determination of this exploration target, the flat makes have not been taken into consideration. The presence of the flat makes will serve to provide additional upside to the project should mining commerce.

Mineralogy

Gold is hosted in the quartz veins and in the immediate wall rock as alteration adjacent to the main quartz filled structures. Generally dominated by pyrite with lesser arsenopyrite, sphalerite and galena and rare chalcopyrite. Arsenic concentrations appear to be significantly lower than at Bendigo and more similar (again) the deposit at Ballarat. Early processing of the ore seems to suggest that whilst free milling was a major component, the establishment of the Daylesford Pyrites Works to process ores would imply some refractory ore is present. This is presumed to be most likely in the wall rock alteration halos.(Bravo, 2001)

Production

Total gold production from the Daylesford goldfield to date is estimated in excess of 1.29 million ounces. Primary gold production amounts to 795,254 ounces.

Two major lines of workings dominated historical production namely the Ajax and Cornish lines with production figures of 657,343 @14.8g/t and 523,429@ 10.8g/t respectively. These lines count for nearly 70% of the production. The ajax lines was clearly the bigger producer and at a notably higher grade. The deepest mines at Daylesford identified to date is the Ajax shaft at 370m and the New Cornish at 404m. Outside of the two main lines of lode, several other mines produced significant amounts of gold including the Rising Star Mine (78,458 oz), Maxwell Consolidated (21,989 oz) and the Specimen Hill Mine (35,801 oz). (MacDonald, 2006)

Historical data

Data for this report has come from a variety of sources, relying predominantly on the historical reports and data since the turn of last century. Much is taken from publications and journals written by the Geological Survey of Victoria at the time the mines were in operation. This has been complimented with general reading on the history of Daylesford and reviewing geological maps of the region as well as the reporting through the Mine surveyor and various parliamentary papers and proceedings.. Some reliance has been made on practical experience in mining very similar narrow vein systems in Ballarat and some of the geometries are based upon this experience.

Geological Survey reports and maps

Of primary importance has been detailed mine plans, sections and mapping of stopes. The images have ben taken from the Geological Survey of Victoria from late 1800's through to 1920's. The plans have been rectified and located in 3D space within Micromine software as a registered image. The shapes are then digitized from the underlying raster image into polygon shapes to form the basis of the modelled wireframes of lode structures.

Historical maps, shaft names and topographical features. Whilst further ground truthing will continue, there is a high degree of confidence that the plans are located in their correct geographical positions.

Newspaper and bulletins

Further anecdotal evidence comes from the newspapers of the era has added to the confidence. Often the papers would have weekly updates on progress and may give reference to the grade, production depth location and progress which is then translated back to the original mine plans.

To refine the targets moving forward, each stope, note or data point is currently being added to an overlay which will allow more precise modelling of the nature and extent of the lode system.

A majority of the exploration on the tenement has been completed by joint venture partners Continent Resources and Range River Gold, with a strong focus on the Ajax and Cornish lines of lode.

Exploration activity

This data has been compiled from Technical Reports supplied to the GSV by Continent Resources/Range River Gold who conducted the most thorough geological review and the most recent drill programs on the Ajax and Cornish lines

15/5/98 – 14/5/99

A detailed structural interpretation based on historic mining records and Landsat imagery was completed to identify targets for gold mineralisation.

Previous drilling comprised:

• an unreported diamond drilling program at the Aurora Mine by Ajax Consolidated NL in 1951

• an RC program (5 holes, aggregating 277 m) at Eganstown by Dome Resources NL in 1988 and

• an RC program (8 holes, aggregating 497 m) along the Cornish line by Nord Resources (Pacific) Pty Ltd between 1988–89. The only significant intersection from this program was 9 m @ 0.64 g/t Au from 52.0 m including 2 m @ 1.92 g/t from 56.0 m in 125 RC 6.

A comprehensive review of the past mining and exploration across the Daylesford Goldfield was completed.

15/5/01 – 14/5/02

Further reviews of previous mining activity and literature searches of the records were completed. A significant number of plans and reports were collated, and a number of these were copied for use or reference during interpretation of the area. A list of mine plans was provided in the report.

15/5/02 – 30/6/03

Newspaper reports, historic company reports and other geological data were compiled.

1/7/05 – 30/6/06

A review of previous exploration was carried out. A geophysical review is in progress.

Database Compilation and 3D Modelling

15/5/96 – 15/5/97

Results of historical research were incorporated into 3-dimensional computer models of the Ajax and Cornish lines; and target zones identified based on this modelling. Seven mines have been incorporated into the model for the Ajax line - Ajax North, The Ajax Mine, Ajax Central, North Nuggetty Ajax, North Ajax, Nuggetty Trafalgar and Christensons Ajax.

Modelling on the Cornish line focussed on the North Cornish, the Victorian Comish (Bonnards) and the New Comish (Mitchalls and Bonnards) mines.

The modelling data has not been able to be located

Mapping

16/05/00 – 15/05/01

Structural mapping of the Ajax Anticline and surrounding area by Thom (2000) revealed significant local variations in fold plunge, fold morphology and bedding. It was noted that the workings are associated with areas of intense folding and deformation in stark contrast to unworked areas north of the Ajax North mineshaft.

15/5/01 – 14/5/02

Two reconnaissance visits to the Daylesford area focussed on inspection of the key geological features including major folding, faulting and stratigraphic variation.

Geochemistry

15/5/98 – 14/5/99

Seven soil samples and one rock sample were collected from the Ajax and Cornish areas respectively. Samples were analysed for an extended suite of elements including gold and platinum but did not return any high values.

Geophysics

15/5/96 – 14/5/97

An airborne magnetic and radiometric survey was flown across EL 3431 at 100 m line spacings in June 1996. Results from the survey identified NNW trending fold closures that are intersected or displaced by NE trending structures.

Drilling

Results summarised from Arden, 1997, 1999.

15/5/94 – 14/5/95

Two RC holes (RC2 & 5 aggregating 170 m) were drilled to test results from the channel sampling at the South Star Extended Prospect. Although the drilling intersected significant zones of quartz veining, no significant gold grades were returned, the peak result being 3m @ 0.07 g/t Au from 12 m in RC5. Two diamond holes (RD12 & 17 aggregating 467.2 m) were drilled to test for westerly dipping auriferous reefs in the South Cornish and Argus areas south of Daylesford. Hole RD12 intersected several quartz reefs associated with shear zones and carbonaceous shale and slate. Hole RD17 was drilled to follow up anomalous gold results from Nord surface sampling and shallow RC drilling. Designed to intersect surface mineralisation at depth, the hole intersected several auriferous reefs. The South Cornish mine was worked to a maximum depth of about 110 m (360 feet), well above RRG's high grade intersections in RD12.

15/5/95 – 14/5/96

A five hole (513 m) RC drilling program (RC7 - 11) was completed to test anomalies identified by further channel sampling at the South Star Extended Prospect. No significant assays were reported. A six hole (467 m) RC drilling program (KID1 - 6) was completed at the Keep it Dark Prospect to test gold anomalies identified by Nord Resources in 1988. Most holes intersected bleached sandstone and siltstone with abundant quartz veining and sericite–pyrite alteration. Significant results are shown in the table below.

15/5/97 – 14/5/98

Two diamond drill holes (RD18 & 19 aggregating 1035 m) were drilled beneath the North Nuggetty, Ajax and Ajax Central Mines. Both holes intersected several weakly mineralised reef structures. Most of the gold is associated with narrow quartz veins, minor sulphides and structures. However some gold occurs in silty sandstone without any apparent veining, sulphides or structures. Best results were in RD19 with 9.1 m @ 9.18 g/t Au intersected.

15/5/98 – 14/5/99

Four diamond holes (RD20 – 23) with RC pre-collars (aggregating 963 m) were drilled in the central part of the Ajax line. Arden (1999) reported that this showed "widespread gold mineralisation not solely restricted to (a) previously mined narrow zone within east-dipping sediments to the east of the Ajax Anticlinal Axis".

5 Exploration Targets

Assumptions

In developing exploration targets review of all historical data has been undertaken. The targets refer to the down dip component taken as the direction perpendicular to strike, and strike as the overall bearing of the line of lode. Within this plane is the plunge of the ore shoot, often thought of as a cigar shaped envelope that lies within the structural plane. This may be more as consequence of the interaction of the bedding plane or axial fold hinge with the structural orientation.

To develop the targets, obviously a number of assumptions have been included in determining the geometry of the mineralised structures.

In generating the target shapes, there is a high level of interpretation needed to identify an appropriate thickness and width of various zones. Until all historical production information has been incorporated into the model there is no practical way to accurately assess the reef or lode thickness. In the context of this, the exploration targets are calculated based on average lode thicknesses taken from the literature and added to the model which incorporates not only the writing description, but geological notes shown on cross sections, long sections and plans. Work continues to refine the lode shapes and this will be validated during the phase one exploration program.

Tonnages are therefore calculated form the assumption of thickness and is given an estimated width based upon the shape and orientation of the stope with a specific density for 2.67g/cm^3 (as determined for quartz)

There is a well-defined plunge component to the mineralised structures, and this can been seen represented in the stope shapes from long sections. The measurement normal to the plunge is the assumed width of the mineralised zones. The length is the calculation for the down plunge of the lode system in the longitudinal plane to an identified geological boundary. In this instance this has been to the synclinal fold hinge.

Within the mineralisation as described previously in this report is the foundation of the target there is the apparent higher grade" Flat Make" quartz vein structure. Multiples of these appear to run between the main fault structures and are often described as having a marked increase in grade. In the determination of the targets however, *the vein sets have not been included*, largely as their geometry is unknown and the distribution yet to be confirmed. In terms of the model this may see an increase in predicted grade.

Grade has been determined using the historical information available. Largely based upon the production numbers as an indication of grade, this data has been added to the model to derive a grade approximation for each of the mineralised target. In most cases this provide the upper grade anticipated. The lower grade value has been difficult to derive. In terms of this model given the striking parallels to other mines in the Bendigo Ballarat zone and in particular to the Ballarat mine, then the production grade from this mine has been used as an approximation of the lower limit, above which further exploration would be warranted. This is supported by mining statistics from Ballarat gold mine currently operation and is approximated to around 6.4 grams per tonne. If this is the mining grade derived in similar mineralised structures using modern method's then given this grade includes mining dilution/ overbreak and process losses, it has been assumed in terms of exploration targeting to represents the very lower end of anticipated grades.

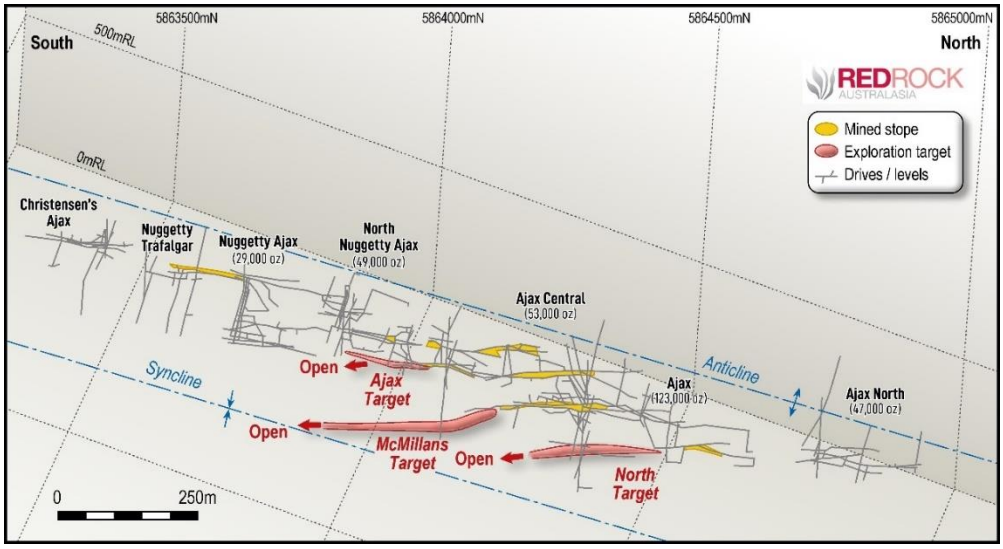


Figure 6 Plan view showing the relationship of the historical mine shafts to the initial exploration targets.

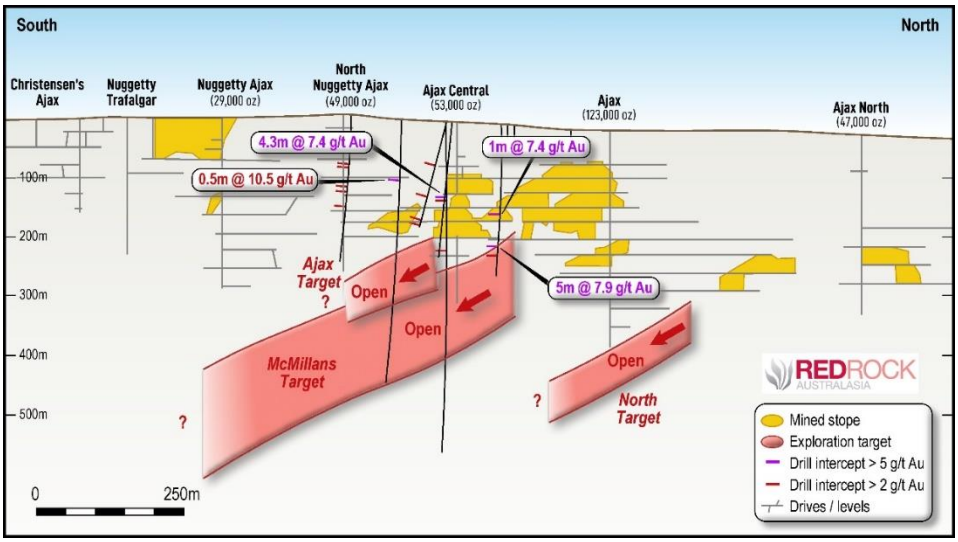


Figure 7 Schematic cross section of the three primary target reefs.

Target generation

The targets have been derived using the information previously reported and the above assumptions. The area of each lode target has been calculated as a wireframe model developed in Micromine software based upon the imported and oriented underground mine plans, stope data and geological models. A grade estimate has then been applied to each area with a minimum acceptable lower grade and upper most expected grade

A nominal thickness described above has been ascribed to the wireframe outline in longitudinal plan down plunge and along strike. It is important to stress that given the high variability on width of the ore zone which in turn is intimately related to the structural development and the lodes position relative to fold hinges, the range reported for the exploration target is broad. The Ajax reef presents prefect example where reports in the literature suggest the lode could be up to 18 feet (6m) thick, however the reef is in place also reported as less than 1 m wide. Consequently, the range and thus ounces varies by over 6x from the lower to the upper.

Target	plunge Extent	width extent	Range	Thickness	Tonnes	Grade	Ounces
Mcmillans	600	150	lower	0.9	216,270	6.4	44,500
			avg	**2**	480,600	**13.7**	**211,682**
			upper	3.7	889,110	21	600,281
Ajax	175	100	lower	0.3	14,018	6.4	2,884
			avg	**1**	46,725	**12.2**	**18,327**
			upper	6.1	285,023	18	164,942
North	300	100	lower	0.3	24,030	6.4	4,944
			avg	**0.75**	60,075	**8.7**	**16,803**
			upper	3.1	248,310	11	87,815

Pictorial excerpts from the wireframe model are shown below:

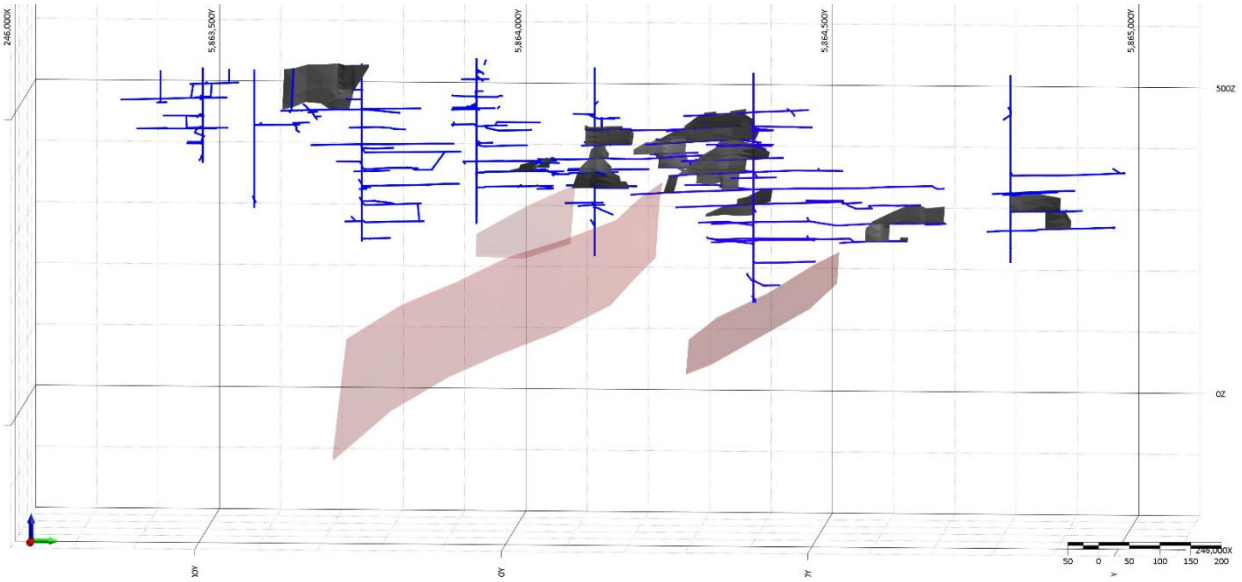


Figure 8 Long section looking west with target polygons shown in pale red. Historical workings and stopes in blue.

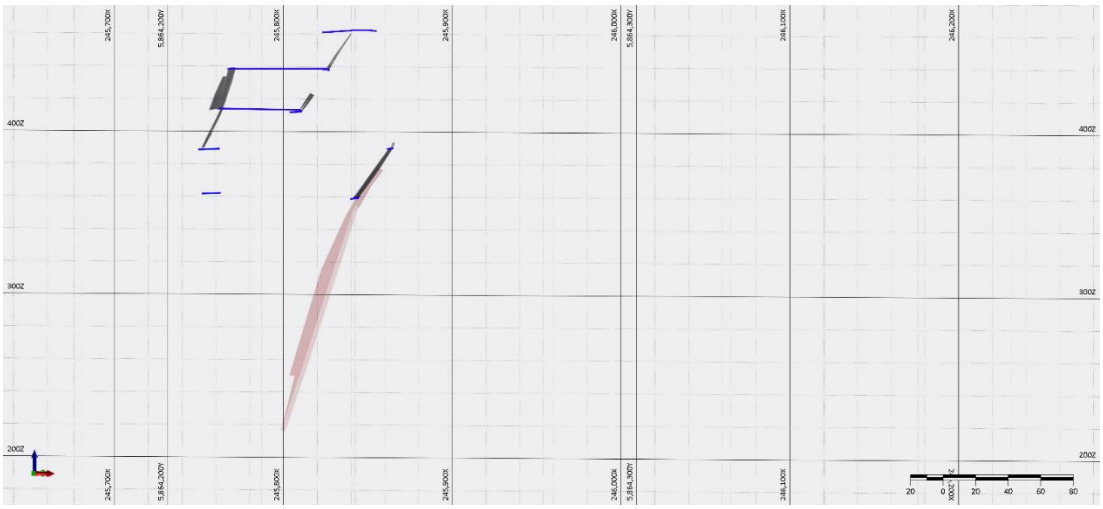


Figure 9 Cross section looking north through Ajax zone.

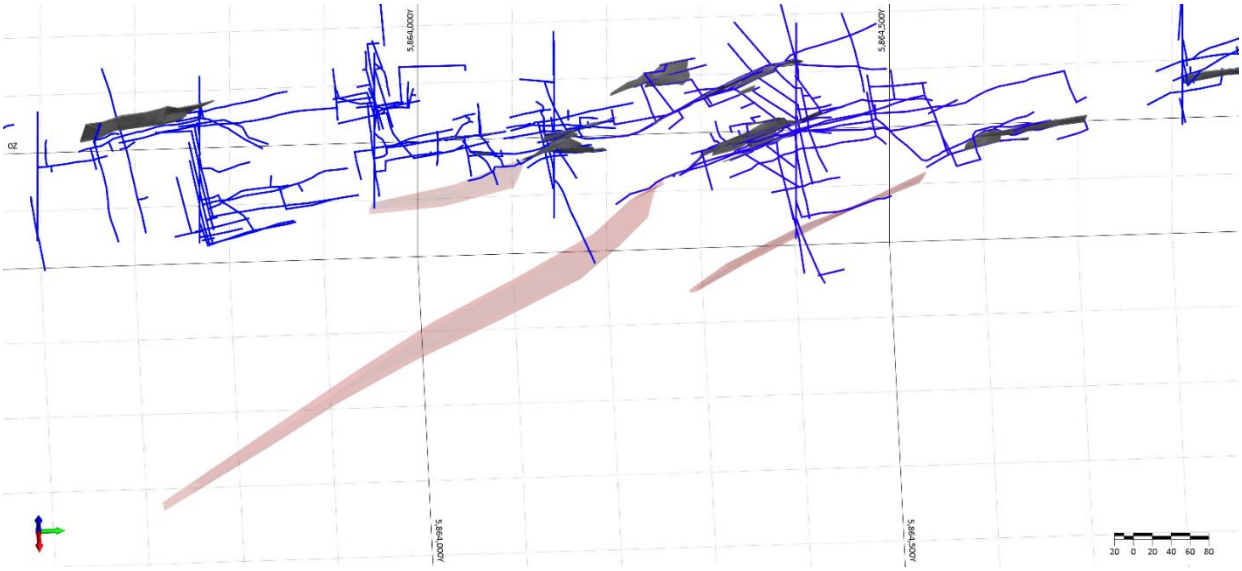


Figure 10 Plan view showing target polygons in pale red and mine workings/stope in blue.

6 Exploration Strategy and timeframe

Work programme to update exploration target

As most of the mines on the Ajax line were large company mines that kept excellent records and were visited by Government Geologists whilst still in operation, a large amount of data relating to stoping and grades is available. The data from these records will continue to be collated to give a further understanding of the grade distribution and average thickness of stopes for the different lodes and style. The breakdown of production levels between individual shear hosted lodes and flat makes will also be determined. Continent Resources completed an extensive data review in the late 1990's. This data will be referenced where available.

Work will also commence on reefs not yet included in this report with the intention of an upgrade due before the end of 2022.

Diamond drilling of preferred targets at a spacing yet to be determined is seen as a priority to validate the models. Creation of lithological models based on drill results will follow and this will help to define further detail in the structural elements which will undoubtedly lead to further opportunities.

Closer space drilling to an inferred resource level will be desirable once the targets themselves have been validated. Drill spacing to be determined once gold distribution and intersection repeatability have been determined from the Phase 2 drilling and previous exploration drill programs. It may be possible to find a point of entry to the original mine and use this entry as a platform for further drilling underground. The benefits of drilling from within the mine will allow many more holes to be completed or the same meterage with less community interaction .

Proposed timeline to complete work programme

Given the proximity of the Ajax line to community, any future work will need to be accommodating in both nature and extent. Aside from the obvious controls on hours of operation for drilling and the usual suppression of noise, dust and control for all fluids on site, other community activities may impact upon the timing. This may include environmental concerns over flora and fauna seasonality breeding or growing. Given the community has a large transient and rental population, many locally organised events will bring large visitor numbers to the township and this will impact upon operations. Even such routine events such as school holidays and the nearby riding school provides a strongl example.

Regardless, the intention is to look to validate and if possible upgrade the exploration targets to a higher level of confidence late in 2022. The targets are considered to be at a low level of confidence and will remain so until drilling has been completed.

7 References

ARDEN P & CORLETT S. J, 1997. Annual Report for EL 3431 – Daylesford for the year ending May 15, 1997. Minerals and Petroleum Expired Exploration Reports File.

BRAVO, A.P., 2001. CONTINENT RESOURCES PTY LTD. EL 3431, Daylesford Project - Central Victoria.. Annual report for the period ending 15 May 2001. Report No AR3431-2001. Minerals and Petroleum Expired Exploration Reports File

GOUGH, J. 2013. Gough, J. EL 5420. Annual report for the period ending 31 March 2013.

MAHER S. 2002. Economic Geology, in Castlemaine 1:100,000 Map Geological Report. GSV, in press

MACDONALD, G., 2006. Continent Resources Pty Ltd. EL 3431, Daylesford Project, Victoria. Annual report for the period ending 30 June 2006. Minerals and Petroleum Expired Exploration Reports File.

WHITELAW & BARAGWANATH, 1923. The Daylesford Goldfield. GSV Bulletin No. 42.

8 About the authors:

The information that relates to Exploration Targets has been complied by Red Rock Australasia Pty Ltd with Mr Holden as the lead author and Competent person.

Messrs Holden, Sharp and Meehan have sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and the activity being undertaken as to qualify as Competent persons defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore reserve (2012 JORC code).

Mr Holden is a member of the Australian Institute of Geoscientists (AIG) and currently is a full time employee of Red Rock Australasia Pty Ltd heading up the Company's exploration activities. Mr. Meehan is also currently a full time employee of Red Rock Australasia Pty Ltd whilst Mr Sharp continues to advise and assist the Company as an independent geological consultant.

David Holden BSc geology MBA MEM, member of AIG

David graduated from Otago University, New Zealand. His career spans over 35 years in the minerals industry from the coal mines in New Zealand to deep underground gold mines in South Africa, working globally including Africa, North and South America, South East Asia Australia and New Zealand. David has held a number of senior management roles including Supervising Geologist, Chief geologist and Technical Director for a number of public companies including Prosperity Resources Limited (ASX listed), Quadrant Australia (ASX listed), Avonlea Minerals Limited (ASX listed) and President/CEO roles for IGC Resources Inc (TSX listed), Atomic Resources Limited (ASX) Firestrike Resources limited (ASX). David was intimately involved in the multimillion ounce discoveries of gold at Mt Todd in the Northern Territory and the Nimary Mine in Western Australia. Recently David was instrumental in the discovery of the Big Sandy lithium deposit in Arizona USA.

In 1997 David founded a geological consulting service company Ravensgate Pty Ltd which specializes in Technical Expert reports, resource estimations valuations and exploration management, and in 2005 started Shackleton Capital Pty Ltd, advising listed companies on both corporate and technical matters relating to project acquisition or initial public offering.

David also holds a Masters in Business Administration and a Masters in Emergency Management giving him a broad base of managerial and corporate skills to compliment the years of experience.

David Sharp BSc Geology, Member AIG.

Dave is a geologist with over 20 years' experience, predominately within the Victorian Goldfields. He has worked in numerous mines and managed exploration projects in Victoria having been involved with bringing new or existing mines into production including the Ballarat Gold Mine and A1 gold mines at Woods Point.

Dave worked across all aspects of exploration and mining projects including gold and base metals and has a strong skill set in mapping historical development in 3D software, target generation and exploration drilling focused on resource development and production.

Tarrant Meehan BSc(Hons) Geology, Member AIG.

Employed as the Senior Exploration Geologist for RRAL, Tarrant has extensive experience in narrow vein gold hosted ore systems and has worked underground at Ballarat for over 6 years. His primary role towards the latter period at the Ballarat Mine was targeting and building the resource base for the mine managing several underground drilling drilling rigs. His role assumed responsibility for drill planning and subsequent analytical and geological interpretation of results.
Tarrant also has more general exploration experience in Victoria and Western Australia primarily focused on gold.