



ASX: MRC

07 July 2020

HIGH-GRADE MINERALISATION CONTINUES AT TORMIN INLAND STRAND

- **Western Strandline Phase One 6,917m drilling program completed**
- **Drilling successfully defines high grade north/south extensions to Western Strandline outside the current S102 Mining Right area including (all from surface):**

Nothern extension of Western Strandline includes:

- Hole L27-4) **5m @ 73.1% THM¹** from 27m
- Hole L26-5) **5m @ 68.6% THM** from 33m
- Hole L28-6) **7m @ 65.2% THM** from 35m

Southern extensions of Western Strandline include:

- Hole L30-7) **13m @ 51.2% THM** from 30m
- Hole L30-8) **17m @ 45.5% THM** from 29m

- **Measured and Indicated JORC Resource to be delivered by early Q3 2020 on S102 Mining Right area**
- **10,000 metre Step-Out and Infill Resource drilling program planned for Western and Eastern Strandlines underway**
- **Aeromagnetic survey over De Punt and Klipvley Karoo Kop prospecting application planned**

The extensional drilling indicates that the Western Strandline extends from the northern to the southern boundary of the 12km prospecting area.

Executive Chairman Mark Caruso said “The program has confirmed and demonstrated the exciting prospectivity of the Western Strandline. The occurrence of high grade mineralisation of the Western Strandline is now confirmed and it remains open to the north and south of the targeted S102 resource and mining areas. The Western Strandline deposition is clearly defined and predictable to the point where we will commence immediate mining.

The Company is now underpinning the known potential of one of the highest grade global mineral sands prospects by converting it into JORC compliant resources. We will be stepping up our efforts to target additional resources that will further underpin the growth of our newly granted mining operations at the Inland Strand at Tormin.”

1- THM includes all minerals that report as sink during heavy liquid separation at SG of 2.96 (TBE) after desliming, within the 45 micron to 1mm size fraction as a percentage of the total material.

Mineral Commodities Ltd (“MRC” or “the Company”) and its empowerment partner, Blue Bantry Investments 255 (Pty) Ltd, are pleased to provide the latest update on drilling from the newly granted Section 102 Amended Mining Right (“S102 Mining Right”) (WC 30/5/1/2/2/10108MR) and Prospecting Right (WC 30/5/1/1/2/10262PR) owned by the Company’s 50% South African subsidiary, Mineral Sands Resources (Pty) Ltd (“MSR”). The first phase of drilling at the Western Strandline has been completed with a total of 6,917 metres drilled, consisting of 311 holes for 5,995m. The drilling program targeted resource definition at the newly granted expanded Mining Rights area and northern and southern extensions of the Inland Strand, adjacent to the existing Tormin mining operations in the Western Cape province of South Africa.

Significant results from the extensional drilling on the **Western Strandline** to the north of the area in the newly granted S102 Mining Right include (all from surface):

- Hole L27-4) **5m @ 73.1% THM¹** from 27m
- Hole L26-5) **5m @ 68.6% THM** from 33m
- Hole L28-6) **7m @ 65.2% THM** from 35m

From the **southern extensions** of **Western Strandline** include:

- Hole L30-7) **13m @ 51.2% THM** from 30m
- Hole L30-8) **17m @ 45.5% THM** from 29m

The extensional drilling indicates that the **Western Strandline** extends from the northern to the southern boundary of the 12km prospecting area.

The Tormin Inland Strands Project

The Inland Strands are multiple palaeo strandlines running semi-parallel to the coastline and within the Geelwal Karoo farm Inland Strand prospecting tenure. Two palaeo-marine strandlines have been identified, which consist of a Western Strandline (35-40m above mean sea-level), and an Eastern Strandline (86m above mean sea level). Aeromagnetic data indicates that the Inland Strands run contiguously along the coastline of the Company’s entire granted mining, prospecting and application tenure. The drilling program targeted a geophysical aeromagnetic anomaly previously identified as a buried palaeo-strandline by MSR in 2014.

The strandline is a concentration of high-grade Valuable Heavy Minerals² (“VHM”) with overburden horizons above the strandline in the form of Aeolian facies (orange feldspathic sand), erosion surface facies (dorbank, silcrete, calcrete) and Red Aeolian Sands deflation zones that have also been confirmed to be mineralised in places.

2- VHM includes zircon, rutile, anatase, ilmenite, garnet and magnetite.

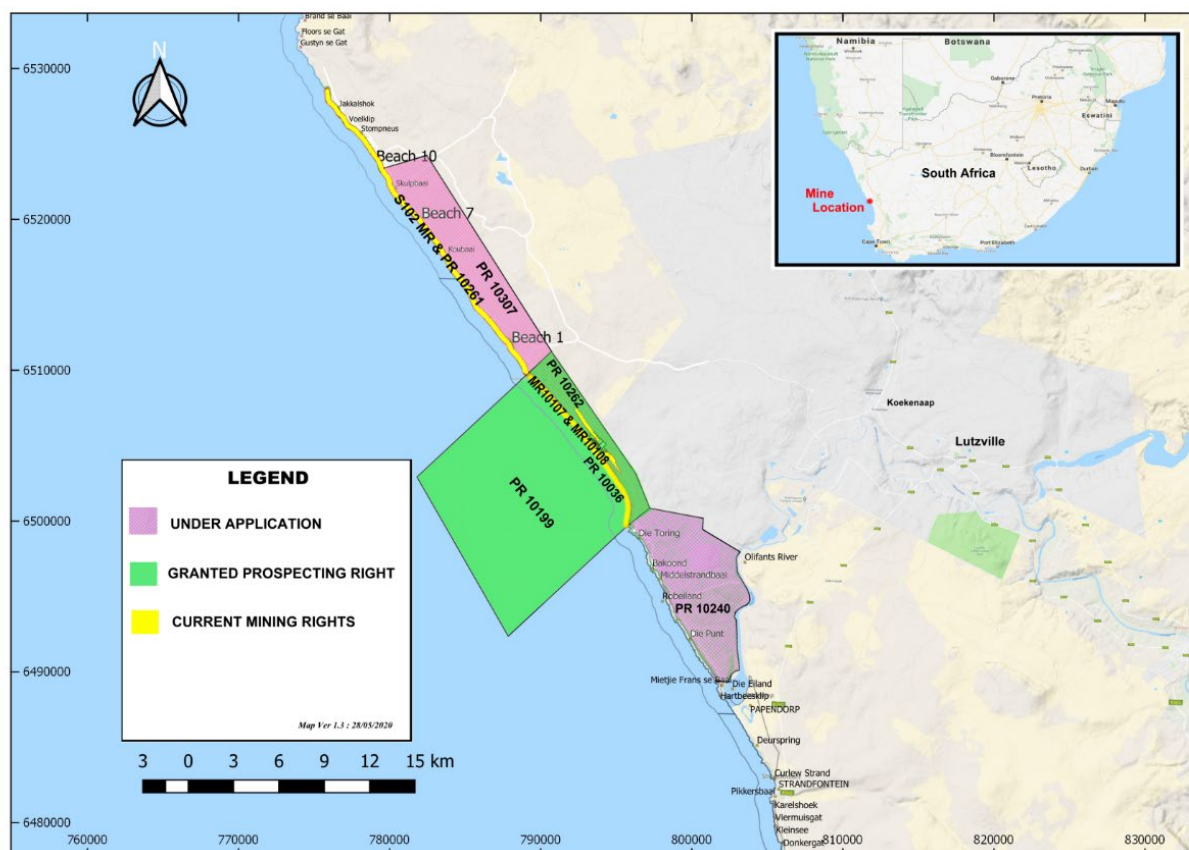


Figure 1 – Geographical location of the Company tenements in the Western Cape province of South Africa

In January 2020, the Company was granted Prospecting Right 10262PR to explore the Inland Strands area, covering 1,741 hectares on the Company-owned farm Geelwal Karoo 262. This prospecting area is 12km long and adjacent to the existing mining operations. In mid February, resource definition drilling commenced, with initial exploration results released on 7 April 2020³.

This first phase of the resource drilling campaign was completed in the first half of June with a total of 6,917 metres drilled on the Inland Strands.

- 3- ASX Announcement 7 April 2020 - HIGH-GRADE RESULTS AND NEW INLAND STRANDLINE DISCOVERY AT TORMIN

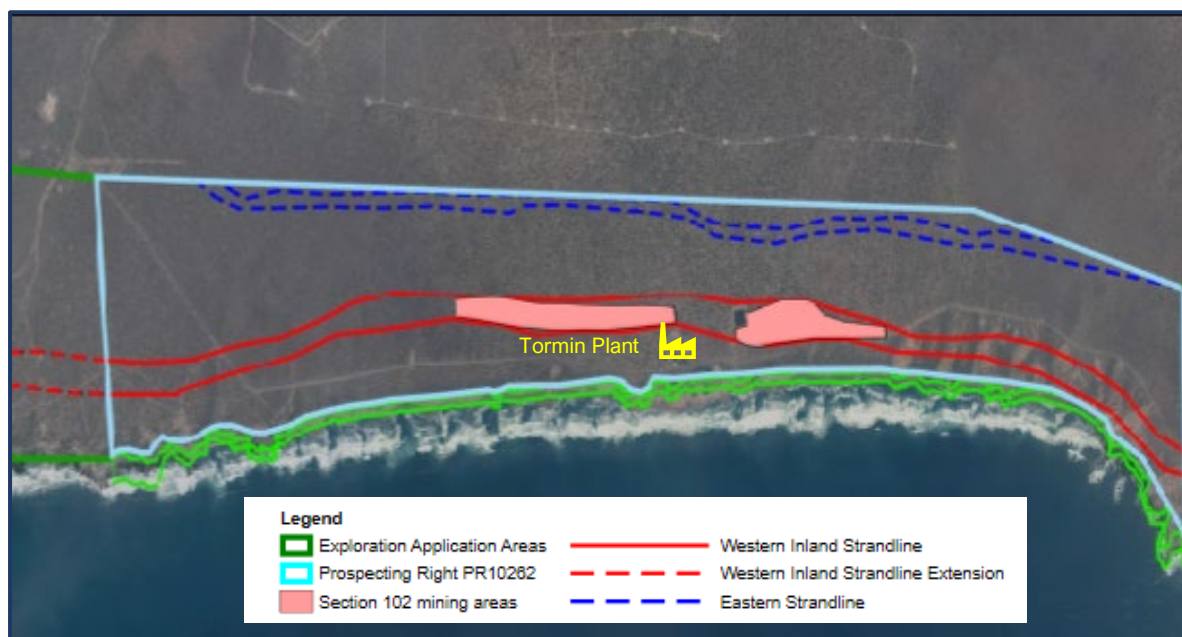


Figure 2 – Section 102 Mining Areas

Resource Definition Drilling - S102 Mining Right area on the Western Strandline

The drilling program was concentrated on defining resources over the newly issued S102 Mining Right area which covers 5.5km of the identified 12km long Western Strandline, as well as extensional drilling to the north and south of the S102 area. The resource drilling program on the S102 area consisted of a total of 311 holes drilled for 5,995m containing 23 drill fence lines 250m apart on 20m spacings (254 holes) and 11 infill drill fence lines on 25m spacing (57 holes) between the primary lines in the southern half of the Western Strandline. The exploration holes drilled in fence lines are indicated in Figure 3 and over an aeromagnetic map in Figure 4. All one-metre drillholes samples were dried, weighed, de-slimed (removal of -45 micron fraction) and screened (+1mm oversize) before assay at the Tormin laboratory by XRD machines (the Rietveld method after HLS) and at external laboratories for QA/QC. With the resource definition program completed, the Company expects to release a maiden JORC Indicated and Measured Resource on the Western Strandline by the end of July 2020.

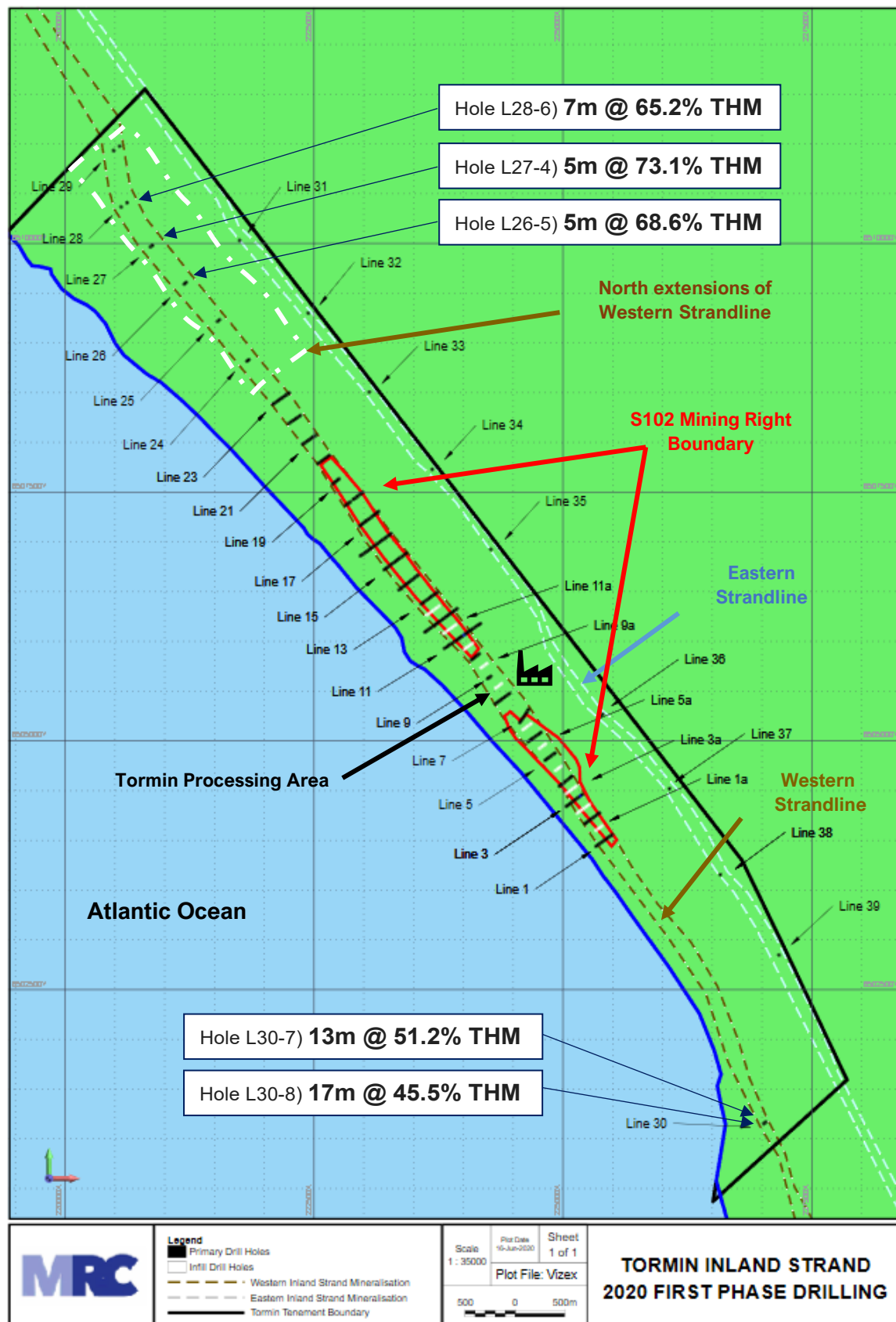


Figure 3 – Location map of resource drilling program along 12km of prospecting area in the Western and planned holes in Eastern Strandlines

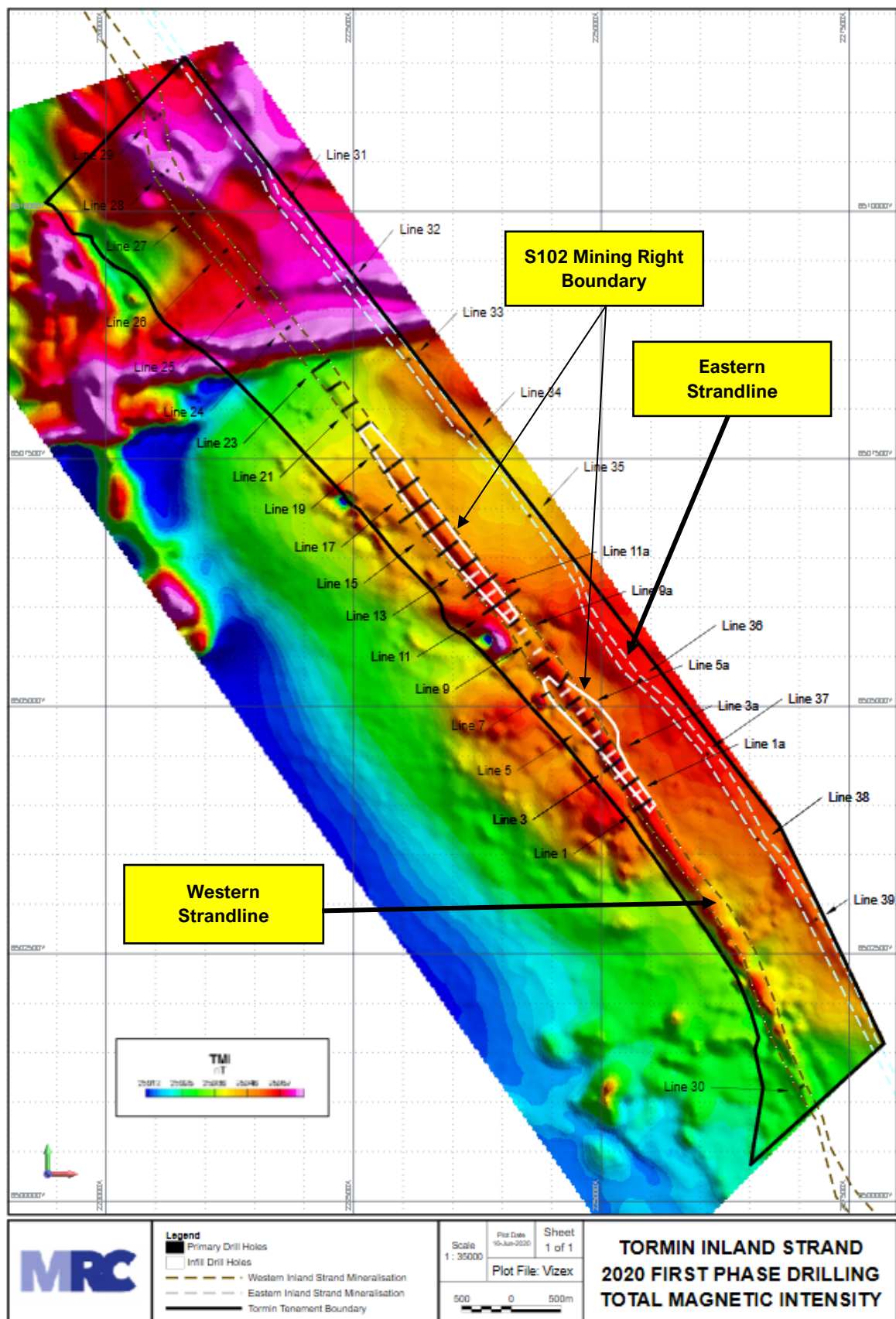


Figure 4 – Location map of exploration holes plotted over aeromagnetic anomalies (strandlines)

The north and south extensions of the Western Strandline

To test the northern extensions of the orebody, 12 holes were drilled between the boundary of S102 Mining Right area to the northern boundary of the Prospecting Right. A pair of holes, 20m apart, were drilled on the centre of 6 lines 500m apart, with all holes intersecting mineralisation. Some of the thickest and highest grade intersections are outlined below:

- Hole L28-6) **11m @ 50.8% THM from 34m**, includes **7m @ 65.2% THM from 35m**
- Hole L27-4) **5m @ 73.1% THM from 27m**
- Hole L26-5) **14m @ 37.9% THM from 24m**, includes **5m @ 68.6% THM from 33m**
- Hole L25-6) **5m @ 61.4% THM from 33m**

These initial drilling results indicate an exploration target area of additional high-grade mineralisation to the north of the S102 area, which is approximately 2.5km long by 150 to 200m wide. The main mineralised horizon is flat, laying at an average depth of ~28m from surface and between 5m to 14m thick (Figure 5).

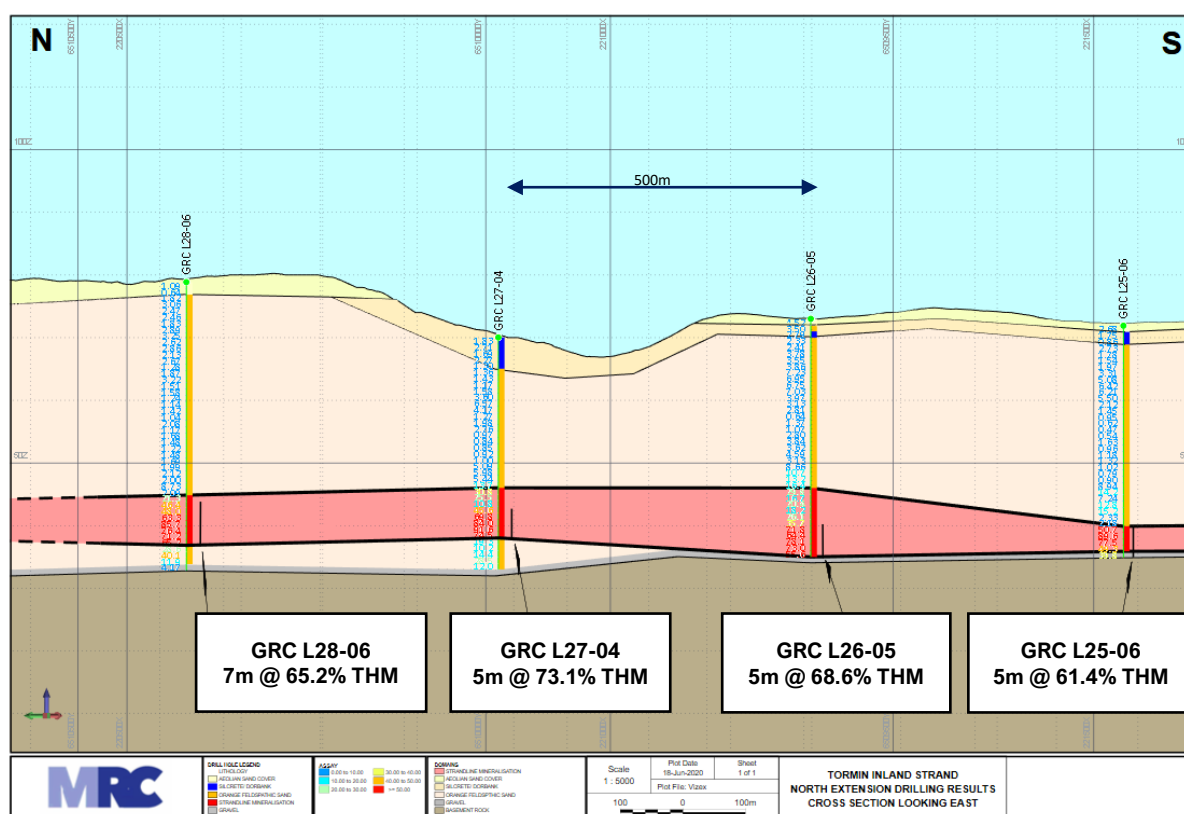


Figure 5 – Highly mineralised N-S cross-section in the northern extensions of the Western Strandline

Step out drilling to the south consisted of two holes spaced 20m apart at the centre on fence line 30, near the southern boundary of the prospecting right also intersected high-grade mineralisation in the Western Strandline at a depth of ~30m from surface, as outlined below:

- Hole L30-7) **13m @ 51.2% THM from 30m**
- Hole L30-8) **17m @ 45.5% THM from 29m**

This demonstrates the open and continuous nature of the mineralised horizon with the potential for sequence to expand in thickness to the south of the Western Strandline (Figure 6) and be very high grade.

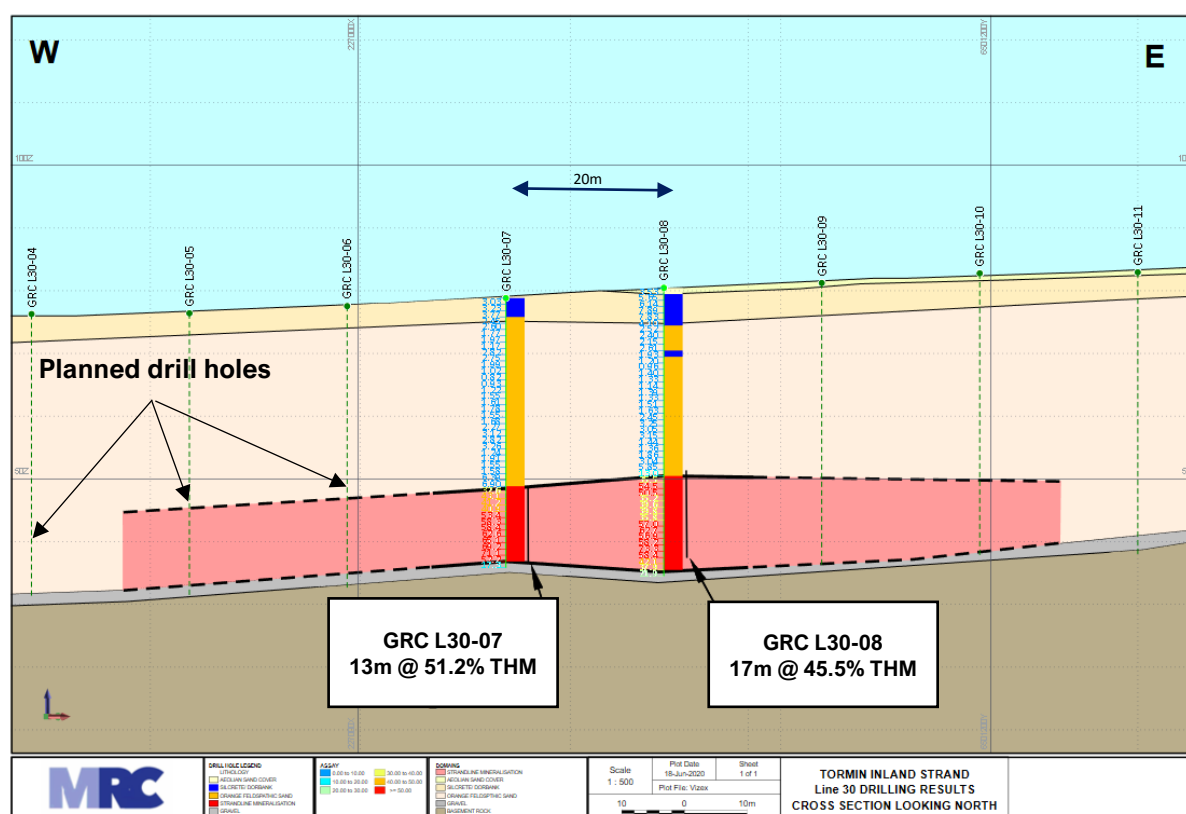


Figure 6 – Mineralised W-E section (line 30) in the south extensions of the Western Strandline

Only intersections with grades above 10% THM or above 5% VHM are reported to demonstrate the high-grade nature of the strandline zones.

Drill collar information and assay results of drilling are outlined in Appendix 2.

Infill and Step Out Resource Definition

The Company intends to immediately commence a 10,000m drilling program designed to infill the existing targeted resource areas and step out the resource along the extent of the known mineralised zones. The additional drilling is planned at the north and south extensions of the Western Strandline to complete fence line resource drilling as part of a strategy to unlock the full potential of the Prospecting Right as quickly as possible.

Eastern Strandline

The Eastern Strandline is located at an average height of 86m above sea level and runs semi-parallel to the Western Strandline. Recent analysis of aeromagnetic data and historical drilling (non-JORC compliant) has identified the heavy mineral strandline and the Company has prioritised follow-up exploration. A 2,000 metre aircore drilling program has recently commenced at the Eastern Strandline targeting 9 lines of drilling spaced 1,000m apart (Figure 2 and 3). Exploration results are expected by the end of the September quarter.

Aeromagnetic Survey

The Company has significant prospecting areas of Inland Strand Prospecting Right under application. These prospecting tenures include large tracts of semi-continuous Inland Strand exploration targets to the south of the Tormin Inland Strand Prospecting Permit, known as the De Punt Prospecting Area, covering an area of approximately 13.4km in length covering approximately 4,495 hectares. The area to the north of the current Tormin Inland Strand Prospecting Permit, known as Klipvley Karoo Kop, covers an area approximately 16km in length and covering approximately 3,970 hectares.

The significant results towards the northern and southern extents of the Tormin Prospecting Right (Geelwal Karoo farm), have indicated high potential for adjoining prospecting areas, which will be further explored using geophysics prior to drilling. MRC has engaged Xcalibur Airborne Geophysics ("XAG") to undertake a horizontal gradient fixed-wing airborne magnetic and radiometric survey over the tenements, consisting of approximately 1,109 line kilometres with 100m survey line spacing and 35m flying height above ground level. XAG will commence the survey by mid-August subject to weather conditions; data processing and anomaly maps will be delivered in the September quarter.

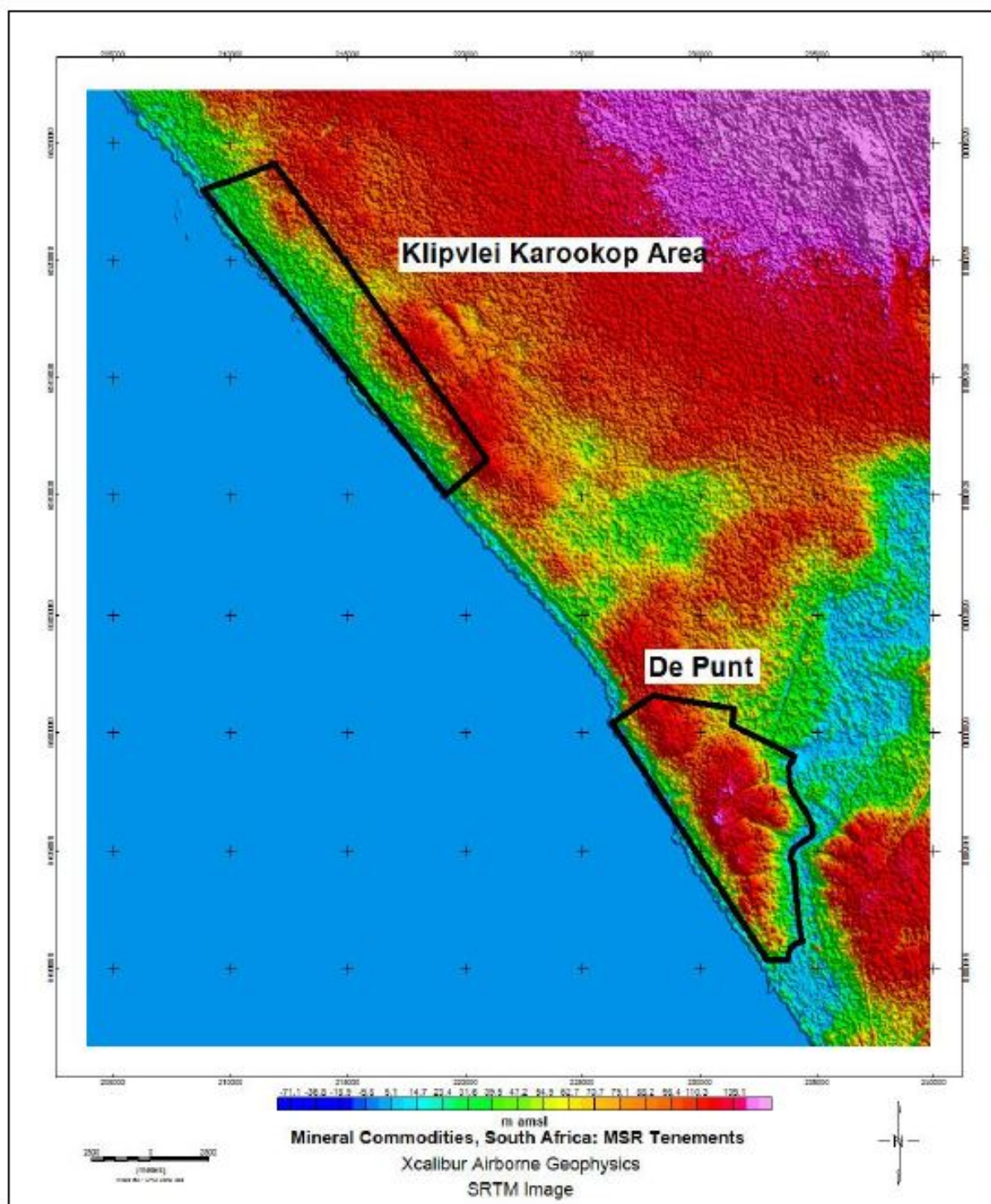


Figure 7 – Planned aeromagnetic survey in De Punt and Klipvlei Karoo Kop Prospecting application areas

END

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About Mineral Commodities Ltd:

Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade mineral deposits within the industrial and battery minerals sectors.

The Company is a leading producer of zircon, rutile, garnet and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa. In October 2019, the Company completed the acquisition of Skaland Graphite AS, the owner of the world's highest-grade operating flake graphite mine and one of the only producers in Europe. The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.

Cautionary Statement

This report contains certain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that several factors could cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements.

Competent Persons Statement

The information in this Announcement related to Exploration Results is based on information compiled and has been approved for release by Mr Bahman Rashidi, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Rashidi is Exploration Manager and a full-time employee of the Company and has over 22 years of exploration and mining experience in a variety of mineral deposits and styles. Mr Rashidi has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in accordance with the JORC Code 2012.

The information from Mr Bahman Rashidi was prepared under the JORC Code (2012). Mr Rashidi consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. The following table provides a summary of important assessment and reporting criteria used for the Tormin Inland Strand exploration in accordance with the Table 1 checklist in The Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition). Criteria in each section apply to all preceding and succeeding sections.

Appendix1
JORC TABLE 1
Section 1 Sampling Techniques and Data
 (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
<ul style="list-style-type: none"> Sampling techniques 	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Sampled exclusively by vertical aircore. One-metre air core drill samples from a cyclone were collected in 20-25kg plastic bags. Each bag was riffle split into two pre-numbered calico bags of ~5kg each and the remainder of the samples collected in a large plastic bag. 5kg sample were submitted directly to the Tormin mine laboratory to be analysed for oversize, slimes and heavy minerals. The laboratory sample was dried, de-slimes (removal of -45 micron fraction) and screen (+1mm oversize). 200g of sample split to use for heavy liquid separation using TBE with density range between 2.92 and 2.96 g/ml to define THM content.
<ul style="list-style-type: none"> Drilling techniques 	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Aircore drilling was used, aircore drilling is considered a standard industry drilling method for HMS mineralisation. 85 mm drill bits and rods were used. All holes were drilled vertical.
<ul style="list-style-type: none"> Drill sample recovery 	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No sample loss or cavitation were experienced. Sample recovery was very good. The twin tube air core drilling provides high quality samples from the face of the drill hole.
<ul style="list-style-type: none"> Logging 	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Each hole was logged by a geologist on pre-printed log sheets. Geological and lithological observations per depth were recorded together with field sections and hand drawn down-the-hole logs. Special attention was given to heavy minerals intersected as a guide to potential marine strandlines and marine diamond deposits Percentage HMS was recorded from visual observations as well as the magnetic content of each metre by handheld pen magnet. Marine gravels and contact with basement bedrock recorded as maximum depth of mineralisation. Each 1m sample were washed and sieved to obtain a representative sample stored in numbered chip trays.
<ul style="list-style-type: none"> Sub-sampling techniques and sample preparation 	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sampling over 1m down the hole intervals as determined by 1m marks on the rig mast. Drill samples were riffle split into approximately 3kg samples to be assayed Technicians undertaking the splitting are supervised by mine site geologist to ensure sampling quality. Duplicate samples were riffled for the Tormin mine laboratory external QA/QC checks.
<ul style="list-style-type: none"> Quality of assay data and laboratory tests 	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether 	<ul style="list-style-type: none"> All sample analyses were undertaken by the Tormin mine laboratory. The mine owns and operates a state of the art heavy liquid separation lab with Panalytical XRD machines. All grades reported are from XRD results on heavy liquid sink. Industrial laboratory XRF machines (Panalytical Epsilon 3 ED) are used by Tormin mine as a grade verification check on the XRD zircon content.

Criteria	JORC Code Explanation	Commentary
	<i>acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none">The Tormin mine laboratory completed its own internal QA/QC check that's include CRMs, duplicates and blanks.External sampling checks (one out of every 20 samples) have been done by XRD Analytical and Consulting in Pretoria.
<ul style="list-style-type: none">Verification of sampling and assaying	<ul style="list-style-type: none"><i>The verification of significant intersections by either independent or alternative company personnel.</i><i>The use of twinned holes.</i><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i><i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none">All sampling was done by mine site personnel overseen by a qualified and experienced mine geologist.All sample preparation was done by qualified staff, supervised by chemists and the laboratory manager.The lab results and logging have been reviewed by external consultants to MSR as well as internally by MRC's exploration manager.The drillhole logs have been converted to electronically stored formats and stored in a database provided by Maxwell Geoservices (Webshed). This database is hosted on an offsite server supplied by Maxwell Geoservices and managed by their trained database staff.No adjustment to assay data results were done outside the standard XRD calibration software being used.
<ul style="list-style-type: none">Location of data points	<ul style="list-style-type: none"><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i><i>Specification of the grid system used.</i><i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none">Hole collars were surveyed by DGPS accurate to within centimetres by mine surveyors.Down hole surveys for shallow vertical aircore holes are not required.WGS 84 datum and UTM/ zone 34S coordinate system is used.
<ul style="list-style-type: none">Data spacing and distribution	<ul style="list-style-type: none"><i>Data spacing for reporting of Exploration Results.</i><i>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.</i><i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none">Each drill fence line is 500m apart along the north extension of the western strandline strike.Each drillhole is spaced 20m apart along each drill line perpendicular to the strandline inferred strike.
<ul style="list-style-type: none">Orientation of data in relation to geological structure	<ul style="list-style-type: none"><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i><i>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.</i>	<ul style="list-style-type: none">Vertical drilling to intersect sub-horizontal strata.Orientation of the drill holes will not result in sampling bias.
<ul style="list-style-type: none">Sample security	<ul style="list-style-type: none"><i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none">Sampling were done using pre-printed calico bags to prevent mislabelling.All sample bag numbers were logged against the drillhole by the site geologist.Three samples per metre drilled were produced. One stored securely in a bag farm for reference, one for external QA/QC use and one was sent directly to the mine lab at the end of each days drilling in a secure area.The Tormin mine laboratory inspected the submitted samples and did not report any missing or error of the samples against the sample lists.
<ul style="list-style-type: none">Audits or reviews	<ul style="list-style-type: none"><i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none">The lab results and logging have been reviewed by external consultants to MSR and internally as part of normal validation processes by MRC.Verification and comparison of current drill results to the historical non-JORC compliant exploration results are planned.

Section 2 Reporting of Exploration Results

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

Criteria	Explanation	Commentary
<ul style="list-style-type: none"> Mineral tenement and land tenure status 	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The area has a granted prospecting right (WC 30/5/1/1/2/10262 PR) in the name of Mineral Sands Resources (Pty) Ltd a subsidiary of ASX listed Mineral Commodities Ltd (ASX: MRC). This Prospecting Right (Inland Strand) incorporates an area approximately 12km in length covering 1,741 hectares of coastal area immediately adjacent to the existing beach mining operations on the Company-owned farm Geelwal Karoo 262.
<ul style="list-style-type: none"> Exploration done by other parties 	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The general area has been investigated and mined for heavy mineral deposits as far back as the 1930s (Haughton, 1931). Subsequent geological surveys and exploration programs investigated the distribution, mineralogy and economic potential of the heavy mineral sands along the coastline of Geelwal Karoo (Toerien & Groeneveld 1957, Abele 1989, Swart 1990, Barnes 1998) and Trans Hex 1989-1991). During 1999, Trans Hex conducted additional onshore drilling of strandlines and identified the inland raised beach deposits containing heavy minerals. Trans Hex subsequently bulk sampled the material by digging several trenches in 1999-2000.
<ul style="list-style-type: none"> Geology 	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The heavy mineral sand deposits occur in a current active beach environment (eg Tormin mine) as well as in older palaeo-beach raised strandlines found inland (inland strandlines) eg. Tronox Namakwa Sands. Apart from the mid-Jurassic, Cretaceous and Tertiary (Paleogene) sediments along the coast, numerous small fossiliferous, marine and terrestrial deposits of Neogene age outcrop along the coastal zone. The onshore mineral sands are marine paleo-terraces "Inland Strands", aeolian sands and fluvial sediments. These targets were formed during Miocene, Pliocene and Quaternary/Pleistocene coastal transgression (sea move inland) and regression cycles.
<ul style="list-style-type: none"> Drillhole Information 	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> Easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> A summary of the 14 aircore drilling (564m) is reflected in the text of this release. The minimum hole length is 31m, maximum 47m and average depth of drilling is 40.25 metres. East collar ranges – 220,486mE to 227,039mE North collar ranges – 6,501,154mN to 6,510,978mN Azimuth ranges/dip ranges – vertical drilling
<ul style="list-style-type: none"> Data aggregation methods 	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No weighting or cutting of HM values, other than averaging of grades intersected were reported. As all samples are 1 metre in length, no length weighting is required in averaging grades.
<ul style="list-style-type: none"> Relationship between mineralisation widths and intercept lengths 	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The strandline mineralisation is sub-horizon in nature and the air core drilling intercepts are vertical. Thickness of intercept reported is therefore true thickness of the mineralisation.
<ul style="list-style-type: none"> Diagrams 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Maps, sections and plan view are provided in this report.

Criteria	Explanation	Commentary
	<i>view of drillhole collar locations and appropriate sectional views.</i>	
<ul style="list-style-type: none">• Balanced reporting	<ul style="list-style-type: none">• <i>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.</i>	<ul style="list-style-type: none">• Intersection with grades above 10% or above 5% VHM have been reported in this release to indicate the high-grade strandline zones.
<ul style="list-style-type: none">• Other substantive exploration data	<ul style="list-style-type: none">• <i>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.</i>	<ul style="list-style-type: none">• Historical drill data is not reported as it is classified as historical foreign estimates that are non-JORC compliant.
<ul style="list-style-type: none">• Further work	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">• Further drilling is planned to produce an inferred/indicated resource over the north extension of Western Strandline and an inferred Resource over the Eastern Strandline.• Measured and Indicated Resource of S102 Mining Right area to be delivered in late July.

Appendix 2

Drill Collar information and Assay Results of scout holes

HOLE ID	EASTING WGS 84-UTM	NORTHING WGS 84- UTM	HEIGHT (m)	DEPTH (m)	DIP (degrees)	DRILL HOLE INTERSECTS	TARGET
L24_4	221825.8	6508816	72.3	39	-90	3m @ 27.4% THM from 33 m and 2m @ 12.4% THM from 13m	North extension of Western Strandline
L24_5	221845.9	6508831	72.5	37	-90	6m @ 12.4% THM from 10m and 4m @ 17.3% THM from 30m	North extension of Western Strandline
L25_6	221530.6	6509218	71.8	37	-90	5m @ 61.4% THM from 32 m	North extension of Western Strandline
L25_7	221550.7	6509233	72.7	36	-90	2m @ 14.7% THM from 25m	North extension of Western Strandline
L26_4	221195.3	6509592	72.2	31	-90	3m @ 22.2% THM from 28m	North extension of Western Strandline
L26_5	221215.1	6509607	73.0	38	-90	14m @ 37.9% THM from 24m include 5m @ 68.6% THM from 33 m	North extension of Western Strandline
L27_4	220857	6509966	70.0	37	-90	14m @ 38.0% THM from 23m Include 5m @ 73.1% THM from 27 m	North extension of Western Strandline
L27_5	220877.5	6509980	70.3	36	-90	9m @ 42.4% THM from 27m and 2m @ 22.0% THM from 23m	North extension of Western Strandline
L28_6	220561.4	6510367	78.8	46	-90	11m @ 50.8% THM from 34m Include 7m @ 65.2% THM from 35 m	North extension of Western Strandline
L28_7	220581.5	6510382	80.2	47	-90	14m @ 29.3% THM from 33m	North extension of Western Strandline
L29_9	220486.5	6510933	91.9	46	-90	NSR	North extension of Western Strandline
L29_12	220547.1	6510978	95.7	46	-90	NSR	North extension of Western Strandline
L30_7	227019	6501154	78.8	43	-90	13m @ 51.2% THM from 30m	South extension of Western Strandline
L30_8	227039.2	6501169	80.4	45	-90	17m @ 45.5% THM from 29m	South extension of Western Strandline