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ASX Announcement
23 July 2014

Chalice acquires the Dubenski Gold Deposit, Canada

Renegotiation of option agreement gives Chalice 100% ownership of gold deposit near Cameron Project

Chalice Gold Mines Limited **("Chalice") (ASX: CHN; TSX: CXN)** is pleased to advise that it has acquired the **Dubenski Gold Deposit** in Ontario Canada for C$700,000 by successfully renegotiating an existing option agreement. The acquisition gives Chalice 100% ownership of the gold deposit located within 10km of the Cameron Gold Project.

The previous option agreement with the vendor included an exercise price of C$3,500,000 (exercisable on or before 30 April 2017) plus a 2.5% Net Smelter Royalty. The Dubenski deposit contains an Indicated Resource of 806,000 tonnes at 2.28 g/t for 59,000 ounces and an Inferred Resource of 392,000 tonnes at 1.44 g/t for 18,200 ounces at a cut-off grade of 1g/t to a depth of 150m below surface.

Dubenski is located on Chalice's West Cedartree Project, less than 10km to the west of the Cameron Gold deposit and provides an important additional potentially open pittable source of material to the existing Resources at the Cameron Project.

Key Acquisition Terms

The key terms and conditions of the Acquisition include:

- A consideration payment of C$700,000; and
- An additional payment on all gold production mined in excess of 70,000 ounces (being US$13 per ounce where the gold price is less than or equal to US$1,500 per ounce and US$16 per ounce where the Gold price is greater than US$1,500 per ounce).

The transaction is conditional upon any approvals and consents that may be necessary under the legal and regulatory regime to which the Dubenski Gold Deposit is subject.

Dubenski Project Background

The Dubenski Project consists of two contiguous mining leases covering 377 ha within the West Cedartree Project.

Gold mineralisation at Dubenski is hosted by a sub-vertical shear zone over a strike of 400m that is up to 20m wide and has been delineated to a vertical depth of more than 150m. The mineralisation consists of fine-grained pyrite and free gold associated with carbonate, sericite, silica and locally, fuchsite alteration within strongly-deformed mafic volcanic rocks. The mineralisation is open in all directions.

Chalice's Managing Director Bill Bent said, *"We are very pleased to have renegotiated the acquisition of the Dubenski deposit on favourable terms. Dubenski will make an important contribution to our goal of continuing to grow and enhance the Cameron Gold Project by securing additional high-grade ounces in the region both through exploration success and acquisition."*

BILL BENT
Managing Director

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Competent Persons and Qualified Person Statement

The information relating to the mineral resource estimates reported herein for Dubenski is derived from the sections of the Technical Report dated 5 February 2014 prepared for Coventry Resources Limited by Mr. Peter Ball of Datageo Geological Consultants who is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy. Mr. Ball has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Mr. Ball consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This document may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law or regulation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as plans, expects or does not expect, is expected, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believes, or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry, as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.

Appendix 1

Dubenski Deposit – data, interpretation and estimate techniques; JORC 2012 Compliance tables.

The data and interpretation utilised and the resultant mineral resource estimate for the Dubenski Gold Deposit is summarised as follows: -

- Geology and Mineralisation Interpretation
  - The deposit consists of four steeply dipping quartz zones which outcrop and occur within a felsic sheared and altered host - tuff and lapilli tuff or sericite schist. These zones occur over a strike length of 400m and to a depth of 200m and vary from 5m to 25m in true width
  - The gold is associated with disseminated pyrite, with higher-grade zones corresponding with strong silicification. Although gold is strongly associated with pyrite and silica, not all pyrite carries gold and not all silicified zones are auriferous. Visible gold is common.
  - The zones of mineralisation are wireframed.
- Drill Information and Sampling
  - The deposit has been drilled from surface and underground using mostly NQ sized diamond drilling although only surface holes were used in this assessment.
  - Drilling is diamond and mostly NQ sized, and is not well documented and contained no QAQC information. Core from this drilling is available and a re-sampling program was undertaken to confirm grade
- Sample Preparation and Analysis
  - Industry standard techniques are assumed as the core was prepared and analysed at an accredited commercial laboratory.
  - Gold is determined by fire assay methods
- Estimation Methodology
  - The drilling hole information is composited within the mineralisation interpretation to the most common sample length within the dataset
  - Grade is estimated for the larger zones by ordinary kriging based on an established grade continuity model determined by variography with top-cuts and search restrictions applied as necessary. The estimation is constrained by hard boundaries representing the interpretation and estimated into a block model with a parent size of 10mE x 5mN x 10mRL. Zones with less data are either estimated by inverse distance techniques or have an assigned grade.
  - Density is modelled into the same blocks using supplied specific gravity information
- Validation and Classification
  - The block estimates are validated against the composites both globally and spatially
  - The block estimates are classified according to geological confidence, data density, kriging variance and location
- Reporting
  - A reporting cut-off has been determined by assumptions made on the grade required for open cut mining with a process facility located at the Cameron Site. The cut-off of 1g/t produces an average grade of 2g/t which is felt appropriate. Reporting is limited to 150m from surface
- Mining and metallurgy
  - metallurgical test work has determined a process recovery of in excess of 90% using a fine grind and standard CIL leach.

Appendix 1 – JORC 2012 Tables for Dubenski

Section 1: Sampling Techniques and Data		
Criteria	**Explanation**	**Comments**
Sampling techniques	• *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.*	The deposit was drilled and sampled by diamond coring on variably spaced intervals along strike. The total metres within the immediate vicinity of the Deposit is 30,674m of which 15,421m of NQ sized core has been verified. The holes were drilled mostly towards grid north to intersect the near vertical mineralisation. The drill position was influenced by the relatively close proximity of a lake to the north of the deposit.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	The most recent drill programs have been drilled based on existing exploration information (drilling and old workings) to infill and extent along strike the mineralisation. The holes were surveyed by Coventry employees with collars and orientation recorded. Down holes survey is recorded at collar or taken from information supplied with the project. The diamond core was logged for lithology and other geological features and the logs were supplied with the project.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The diamond core was NQ sized and mineralised intervals and adjacent locations were sampled by cutting the core in half based on observation from the core remaining at site. The preparation and analysis was undertaken at an accredited commercial laboratory. Preparation details related to the holes are assumed based on the laboratory involved and other work carried out by the former project owners. The analysis was by fire assay with either atomic absorption finish or gravimetric determination.
Drilling techniques	• *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).*	All diamond drilling is cored from surface and hole depths range from 29m to 387m. The core was not orientated.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	There is no recorded core recovery in the database but random selection of core from trays in the core yard indicated that core recovery was in excess of 90% - this was assessed by measuring core length against core run.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	None documented but the above assessment gives comfort that the recovery is acceptable.
	• *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.*	Whilst no assessment has been reported by previous owners or undertaken by Coventry the competency of the core would tend to preclude any potential issue of sampling bias.

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.*	Datageo is unaware of any geotechnical logging being conducted on this Project.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*	Geological logging by the previous owners recorded both summary and detailed lithology, mineralisation content, some angle to core axis information, vein type, incidence and frequency, magnetic content
	• *The total length and percentage of the relevant intersections logged.*	The entire length of all holes, apart from surface casing, was logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Based on information relating with the previous companies drilling in adjacent areas and observation of the core all core to be sampled was halved using a mechanical saw. It is not known if the core was consistently taken from one side of the stick.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Not applicable
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Based on information relating to the previous companies approach of using commercial laboratory facilities the preparation is assumed to be industry standard practise although this cannot be verified.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	The previous company did not include any quality control 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.*	Given the lack of QAQC information a 1/4 core resample program was undertaken which validated the average grade of the mineralised zones.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Given the relatively high local grade variance (typical of gold deposits) the diamond samples and subsequent sampling and analysis supported by the validation by re-sampling a significant number of intervals provides confidence in the overall grade of the deposit being fairly represented.
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.*	The assay techniques as recorded on the laboratory sheets and checked on the Laboratory website are appropriate for the determination of the level of gold in the sample. The technique was fire assay with either atomic absorption or gravimetric finish.
	• *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.*	No geophysical tools were utilised
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	No QAQC samples were included by the previous owners, this necessitated the re-sample program.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Mineralisation in the core was observed and verified by DataGeo when at site. The re-sample program confirmed the overall deposit grade.

	• *The use of twinned holes.*	There are locations within the Deposit where holes from the different programs have been drilled in close proximity with the comparison in both down hole interval length and grade providing variable results. The hole traces were within 3 to 5m thus variation in grade and vein thickness should not be considered unusual.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols*	Primary data was recorded on hand written drill logs which were later entered into electronic spread sheets. There is no documentation on the method of validation on the contents of the logs hence the need for the review of the data.
	• *Discuss any adjustment to assay data.*	Not applicable
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	The collar positions were resurveyed by Coventry from a known datum. The orientation and dip at surface was recorded from the casing (if present) in the holes. Down hole orientation was recorded using appropriate techniques for the drilling from 2008 onwards, previous hole had only occasional acid recording for inclination.
	• *Specification of the grid system used.*	The regional grid is UTM NAD83 Zone 15 and the Deposit strike is equivalent to the EW axis of the grid.
	• *Quality and adequacy of topographic control.*	Topographic control is taken from contoured orthophotography and depth reading within the lake.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	The upper part of the Deposit (438300mE through to 438500mE) has been drilled on 10m x 15m spacing to a depth of 100 m below the surface. Elsewhere the drill density decreases to 20 m x 20 m and to one hole per section on some sections to the east
	• *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.*	Successive drilling programs have infilled the previous and on the majority of occasions drilling has returned mineralisation in the expected locations. Together with surface exposure there is a high degree of confidence in the geological continuity. The style of mineralisation does not provide evidence of grade continuity over significant distances along strike.
	• *Whether sample compositing has been applied.*	The sampling reflects the geological conditions with most sample intervals being between 0.8 and 1.1m in length.
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.*	The drilling is oriented mostly to grid north on the majority of occasions and thus designed to intersect the near vertical dipping veins as near as possible in a perpendicular manner.
	• *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.*	No sampling bias is considered to have been introduced.

Sample security	• *The measures taken to ensure sample security.*	The chain of custody is unknown for this Deposit but if it is compared to the same companies approach for the nearby Deposits then the procedures adopted are likely to be appropriate.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Review and checks on collar location and down hole survey information were carried out by the DataGeo as part of the field visit and the results were acceptable. Drill data was randomly audited by comparing data held in the database to copies of the field and assay sheets and this was found to be acceptable.

Section 2: Estimation and Reporting of Mineral Resource		
Criteria	**Explanation**	**Comments**
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	Review and checks on collar location and down hole survey information were carried out by the DataGeo as part of the field visit and the results were acceptable. Drill data was randomly audited by comparing data held in the database to copies of the field and assay sheets and this was found to be acceptable.
	• *Data validation procedures used.*	The client entered all information provided into an Access database and did spot checks on accuracy. The above audit provided sufficient confidence in the database contents to state that it accurately represents the drill information.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	A site visit was made in the period 20th to 22nd July 2012 at which time DataGeo reviewed the entire West Cedartree Project area including the Dubenski Deposit. The surface exposure and drill hole collar locations were reviewed and core inspected.
	• *If no site visits have been undertaken indicate why this is the case.*	Not applicable
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The confidence in the geological interpretation is considered to be reasonably good as it is supported by surface exposure and close spaced drilling. There is evidence of displacement at depth in the central part of the deposit. Overall this style of deposit is well represented in nearby deposits/prospects within similar geological settings.
	• *Nature of the data used and of any assumptions made.*	Only physical data obtained in the field was utilised this consisted of the position of the mineralisation at surface and the interpretation from the drilling at depth.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	The application of hard boundaries to reflect the position of the mineralised zones is supported by the field and drilling observations. No other assessment style is thought appropriate at this time.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	The presence of quartz and shearing within the appropriate rock type provides the geological control and this combined with presence of gold is used to constrain the interpretation.
	• *The factors affecting continuity both of grade and geology.*	The zones are subject to pinch and swell along strike and down dip and this combined with the natural variability of gold distribution affects the continuity of the mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The drill hole spacing for those holes utilised in the mineral resource estimate along strike varies between 10m to 15m in the central western area to 20m to 25m to the eastern end of the mineralisation. The upper part of the Deposit (438300mE through to 438500mE) has been drilled on 10m x 15m spacing to a depth of 100 m below the surface. Elsewhere the drill density decreases to 20 m x 20 m and to one hole per section on some sections to the east.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The larger zones (in terms of composites) were estimated using ordinary kriging given the presence of a grade continuity model. Zones with fewer composites had grade estimated using inverse distance techniques to the power of 3 and the smallest zone had a grade assigned from the composites. Gold estimation was carried out in Vulcan™ application. Specific gravity was estimated using inverse distance methods. The composites were created within each zone and input to the grade estimation was restricted to those composites which were within the zone being estimated. Top-cuts were applied to the composites based on statistical analysis if required and for zone min02 which contained the highest grade composites which were top-cut to 20g/t had their influence restricted to 15m along strike, 10m down dip and 5m perpendicular to the dip-strike plane. Estimated blocks were informed a three step strategy with orientation set to the orientation of the vein being estimated. The initial (primary) search was 20m x 10m x 5m in strike, dip and across dip-strike plane. This search range was expanded by double the length for blocks were not informed in the primary search. This strategy informed 85% of the blocks within the zones to be estimated.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	No production is recorded. A shaft was sunk in the hanging wall and a crosscut made towards the mineralisation to establish drill position but there is no record sampling from this development. Previous estimates have occurred on more localised areas which in general terms are comparable to the mineral estimate.
	• *The assumptions made regarding recovery of by-products.*	There are no by-products.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	There are no deleterious elements.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	The block model was constructed using blocks which were 10mE (along strike) x 5mN (across strike) by 10m in the vertical plane. Sub-celling to 1/2 the block size in each direction was adopted to ensure accurate volume representation. Estimation was to the parent block size.
	• *Any assumptions behind modelling of selective mining units.*	Not applicable
	• *Any assumptions about correlation between variables.*	Not applicable
	• *Description of how the geological interpretation was used to control the resource estimates.*	Hard boundaries were applied to the zones. Grade was estimated within these boundaries.
	• *Discussion of basis for using or not using grade cutting or capping.*	Statistical analysis indicated that some zones had elevated coefficients of variation and thus to minimise the influence of outlier grades top-cuts were applied.

	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Volume validation was carried out by comparison of the solids representing the mineralisation to the block model. Grade validation was carried by both global comparison of the average estimated grade to the average input grade and spatially by comparison of the estimated grades to the input grades by position. Also visual comparison was used.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages were estimated using specific gravity determined by wet and dry measurements, and then modelling the result within the block model.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	A 0.5g/t Au boundary appears to define statistically and geologically the margins of the veins.
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.*	Mining of this deposit will be by open cut methods given the deposit's proximity to the surface. As part of the Cameron Gold Camp Project this deposit is scheduled to be mined to a depth of approximately 90 at a cut-off grade of 0.53g/t Au.
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.*	No metallurgical test work has been conducted on this deposit however neighbouring deposits in mostly similar geological settings have been sufficiently tested by Coventry's consultants to allow the assumption that using a conventional fine grind and cyanide extraction a recovery of 90% is likely to be achieved.
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.*	No assumptions have been made but it is considered likely that the management of waste rock and process residue will be handled as part of the Cameron Gold Project.
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.*	Specific gravity has been determined from 1684 1/4 core samples using weight in the air and weight in water technique. The results were modelled using inverse distance techniques into the block model.

	• *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.*	The rocks do not display significant porosity given the setting is mostly felsic volcanics, any voids produced at the time of emplacement have been filled by quartz.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	The material is consistent as evidenced by the consistency in the specific gravity information.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	The classification is based on physical observation of the mineral system at surface supported by consistently spaced drilling information at depths to 120m below surface. Shortcomings in down hole positional control have been offset by the amount of drilling data with supportable assay information. Higher confidence areas have more supporting data, areas of lower geological support reflect a lower classification.
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	The input data particularly in the first 100m from the surface is consistent and closely spaced enough to support the projection of the geological interpretation at depth which in terms of style of mineralisation is consistent with other deposits within the same geological setting. This is combined with the surface exposures of parts of the system. The more recent drilling programs have successfully infilled the previous programmes in terms of mineral positions predicted. The estimated grade correlates reasonably well with the input data given the nature of the mineralisation.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource estimate reflects the Competent Persons understanding of the Deposit.
Audits or reviews.	• *The results of any audits or reviews of Mineral Resource estimates.*	No external audit has been conducted on this mineral resource estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The procedures have been adopted to quantify relative accuracy as they are deemed unnecessary given the mineral resource is volume and sample constrained. The confidence in the mineral resource is defined by the classification adopted as per the guidelines of the 2012 JORC code.
	• *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.*	The statement relates to global estimates of tonnes and grade.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	none available