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MAIDEN RESOURCE AND EXPLORATION TARGET AT MARY HARRISON GOLD PROJECT, USA

HIGHLIGHTS

- **Inferred resource estimate of 3.5 Mt at 1.8 g/t Au contains 206,000 ounces.**
- **Exploration Target ranges from 6 Mt to 20 Mt @ 1.1 to 1.8 g/t Au.**
- **Much of the resource is close to surface, open along strike and at depth.**

Precious Metals Investments (NSX:PMZ) is pleased to announce a maiden Resource of: **3.5 Million tonnes averaging 1.8g/t Au** (1.00g/t lower cut-off) for the Mary Harrison gold project in the famous Mother Lode district of California (see Table 1). All resources are currently classified as Inferred.

In addition to the Resource, an Exploration Target# in the range from **6.0 to 20.0 Million tonnes at 1.1 - 1.8 g/t gold** has also been estimated at the project.

The Resource and Exploration Target is based on drilling conducted by RTZ-Kennecott in the late 1980's. PMZ has obtained and verified much of this data and constructed digital data sets. The Resource estimate and assessment of exploration potential was conducted independently by GeoRes.

Table 1. Mary Harrison Resource estimate

Tonnes	Au (g/t)	Lower cut-off	Ounces Au
5,400,000	1.5	0.5	252,000
3,500,000	**1.8**	**1.0**	**206,000**
1,100,000	2.7	2.0	96,000

#Readers are advised the potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define Mineral Resources and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

OTHER HIGHLIGHTS

- **Significant portions of the resource are located close to surface and are potentially amenable to open cut mining.**
- **Resource grade mineralisation commonly exhibits horizontal widths of 10-40m**
- **Excellent potential for resource increases and upgrades with further drilling**
- **Narrower zones of higher grade are potentially amenable to underground mining**

Managing Director Charles Straw commented: *"We have rapidly achieved a key milestone at the Mary Harrison project after only securing the property in July this year. The maiden resource estimate and exploration target highlight and support our view of the potential of the project. The current resource is contained at relatively shallow depths, which augurs well for resource increases at depth and potential future development. Further upgrades and increases in overall tonnage and contained ounces are anticipated following additional drilling as the deposit still remains open along strike and at depth. These targets are considered high priority and follow-up drilling is planned to commence as soon as possible".*

NEXT STEPS

In accordance with and expanding upon recommendations made by GeoRes, PMZ will continue to evaluate the project. This will include:

- ongoing QA/QC validation of the Kennecott dataset.
- geological logging and additional sampling of existing drill core.
- detailed surface sampling and geological mapping.
- defining the lode horizon at surface to assist drill planning and resource modelling.
- drilling to target large gaps along strike in the current drill pattern.
- drilling to infill parts of the current drill pattern and verify previous work and increase resource confidence levels.
- preliminary economic analysis to evaluate open pit mining.
- conceptual study into underground mining.
- metallurgical testwork targeting production of pyrite-gold concentrate for off-site treatment

Background

The Mary Harrison Gold project is located in central California approximately 200km east of San Francisco. The project lies at the southern margin of the famous 'Mother Lode'. The Mother Lode is part of an extensive province of vein-lode type gold deposits that occur in a melange of metasediments, mafic, ultramafic and granitoid rocks in the western foothills of the Sierra Nevada range closely associated with Melones Fault Zone (see Figure 1). Historic production from within the 'Mother Lode' deposits was at least 13 Moz lode gold and 10 Moz of placer gold.

PMZ's substantially owned associated Mineral Ranch Resources Corporation (MRH) has entered into an agreement to acquire the historic Mary Harrison Gold Project (the Property) from the Menzel Cattle Company (MCC). Under the agreement MCC will grant MRH the irrevocable and exclusive right to purchase an undivided 100% interest in the patented mineral claims and 1000 acres of land.

PMZ engaged GeoRes to review and model existing historic drillhole data at the project with the aim of estimating Mineral Resources and an 'Exploration Target' pursuant to the JORC Code. GeoRes have also made recommendations regarding future work at the project including ongoing verification of historic drilling data and associated acquisition of new drillhole and other geochemical and geological data

Previous Work

Recorded historical production at the Mary Harrison Mine is 70,000oz at reported grades of 10-18 g/t Au. The shaft at Mary Harrison was developed to 365m depth and the mine operated intermittently between 1852 and 1903. The nearby Louise Point Mine was developed to 115m depth but there are no historical production records available.

The only record of modern exploration in the area is work conducted by Kennecott-RTZ in the late 1980's. This included some geological mapping and soil sampling ultimately leading to 4,194m in 36 holes of reverse circulation and 3,669m in 25 holes of diamond core drilling (see Table 2).

Table 2: Drilling Summary

Hole ID	Type	Number	Total (m)	Assay No.	Comments
LPD 001-025	Core	25	3668.6	1579	2424m of core assayed
LPR 001-016	RC	16	2582.4	768	8 holes for 1412m are missing assays
MHR 001-020	RC	20	2331.7	825	10 holes for 1075.9m are missing assays

Drilling by previous explorers has delineated gold mineralisation over a strike length of almost 2 km from the old Mary Harrison mine in the south to the old Louise Point mine in the north. The drilling was undertaken on variably spaced cross sections typically 61m (200') or 122m (400'). However, several large gaps some up to 345m (800') exist between some drill sections along the trend (see Figure 2). Most of the current resource estimate is located around the Louise Point prospect.

Information obtained from a 1990 Kennecott report indicates an historic **non JORC** estimate for the project of 5.5 Mt @ 1.8g/t based on the previous drilling. Whilst this is a non JORC estimate it does compare reasonably well with the current Inferred resource estimate.

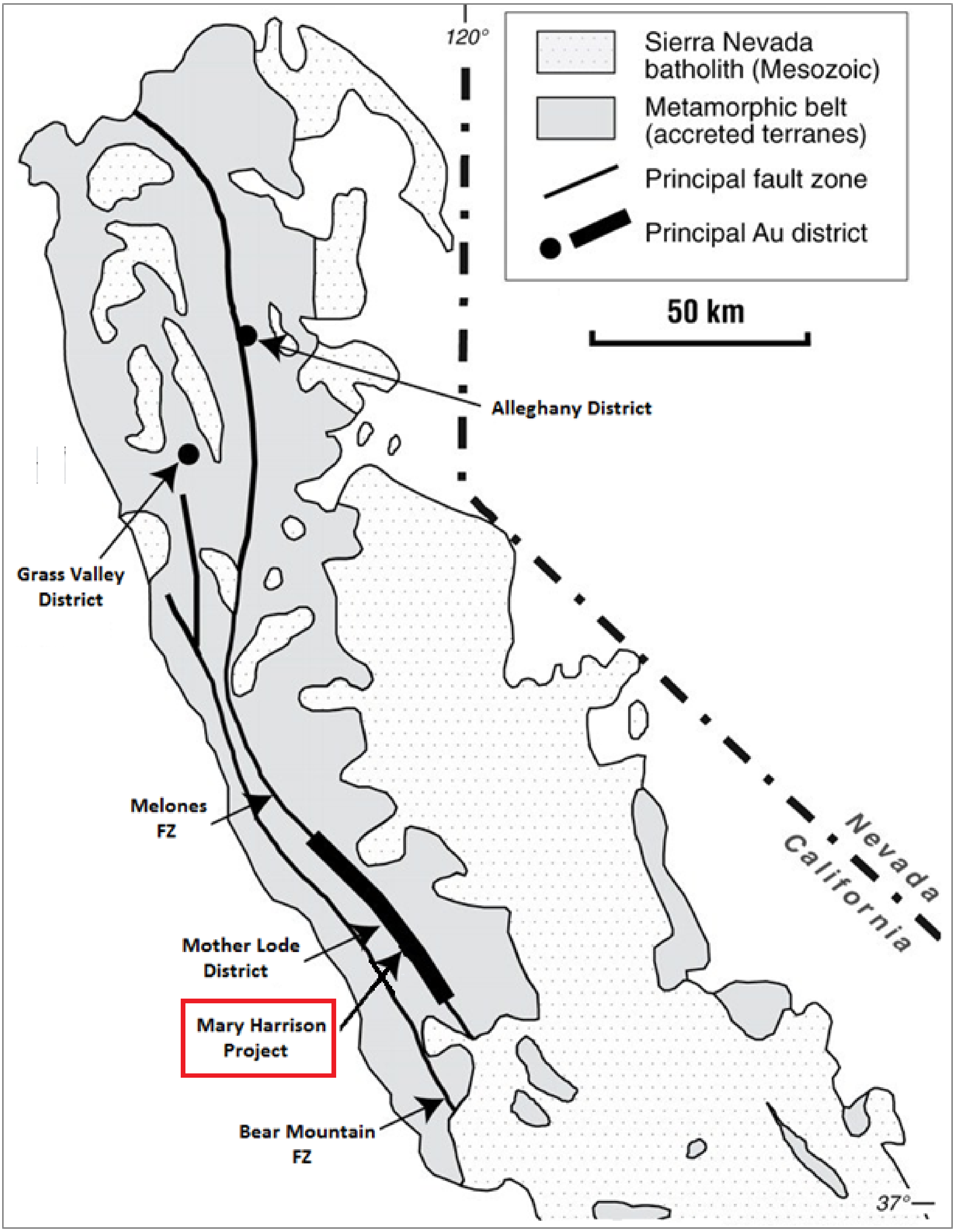


Figure 1. Mary Harrison Location Map

Geology and Mineralization

The Mother Lode is defined as a zone of structurally controlled lode gold deposits that occur in a narrow belt up to 2km wide, and follows the generally north-westerly trending Melones Fault Zone over a distance of around 190km, from Mariposa in the south to Georgetown in the north. The Melones Fault Zone is a regional-scale, Jurassic-age crustal suture striking northwest and dipping moderately eastward. It occurs within a complex, ophiolitic mélange zone separating the eastern and western assemblages of the Sierra Nevada Terrane.

The geology of the Mary Harrison Gold project can be divided into three broad units; slate-phyllite, greenstone and serpentinite. Aplite dykes intrude the package. Gold mineralization on the property occurs within the Melones Fault Zone. Much of the gold mineralization is hosted by carbonate altered greenstone, while the higher grades associated with brecciation and stockwork quartz-carbonate veining. Highest grade mineralization commonly occurs in serpentinite bodies that have been replaced by a quartz-ankerite-mariposite +/- talc alteration assemblage. Mineralization is accompanied by >2% pyrite. In the sulfide zone gold generally occurs within pyrite grains. Minor silver is also present in the system. Oxidation has been observed to at least 20m below surface.

The mineralised zone dips around 55 degrees to the north east and can attain horizontal thickness of greater than 40m, at average gold grades of greater than 2.0g/t. This zone is accompanied by more narrow lodes in the footwall and hanging-wall (see Figure 3).

Current work

Hard copy data of historical work and geological understandings on the project were obtained by PMZ. Drillhole data was entered into and exported from the PMZ database, and supplied in database form to GeoRes. The Consultant was reliant on data provided by PMZ and has reviewed appropriate QA-QC data. Publicly available data was also reviewed and utilised where appropriate.

The verification work conducted by PMZ to date lends good support to the historic drillhole data. There is little reason not to believe the data provided. It has been generated by large mining companies who employed reputable professionals and utilised appropriate techniques.

A series of 3D geological shapes have been interpreted by GeoRes and PMZ from available geological and assay data. These shapes are constrained into domains or ‘lodes’. Three dimensional grade modelling within each domain utilised the Inverse distance squared method with a series of different search ellipses reflecting dip, strike and plunge controls of the mineralisation and information derived from geostatistics and variography applied to the major domains of mineralisation. The grade estimation utilised un-folding techniques to best trend continuity in and along the plane of the lodes.

Mineralisation is best developed in the Louise Point area. Here the ‘central’ lode is up to 40 m wide with a maximum down dip length of over 300 m (see Figure 2). Seemingly contiguous zones of higher grade mineralisation do occur and a northerly plunge is suggested. This remains to be tested.

A summary of the resource and exploration target assessment is presented in Appendix 1 which uses Table 1 of the JORC Code as a guideline.

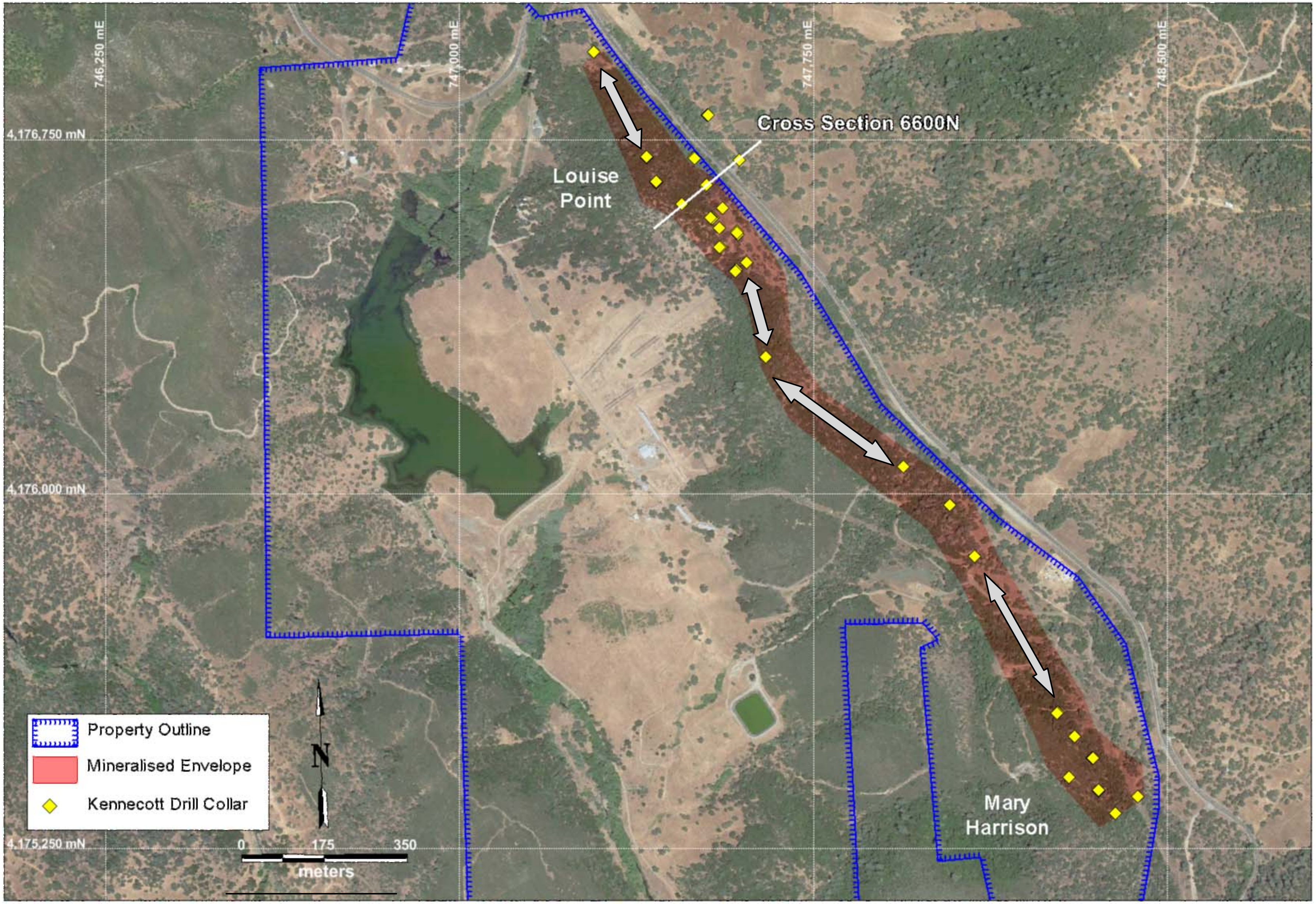
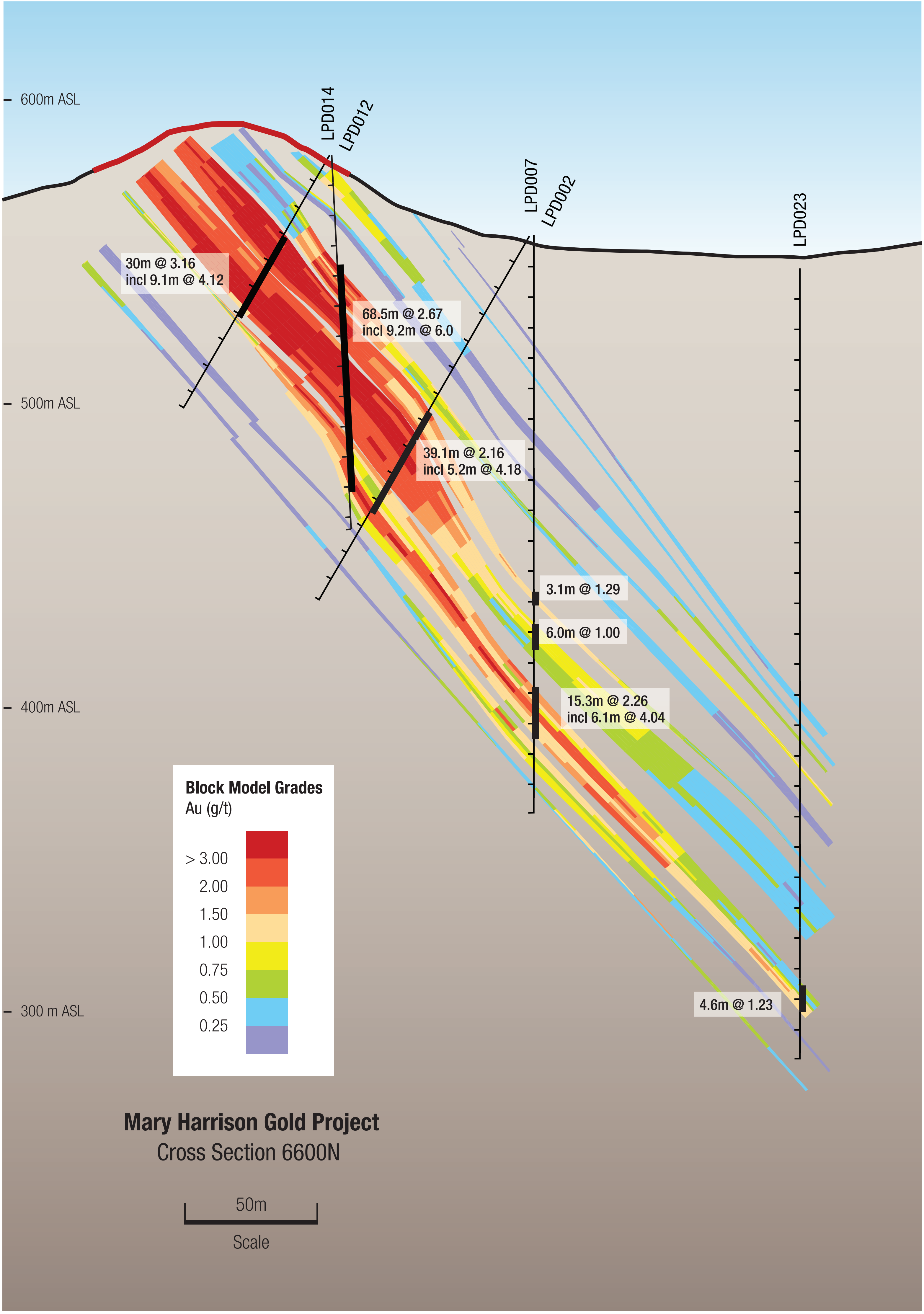


Figure 2. Mary Harrison – Drill collars and lode map



Mary Harrison Gold Project

Cross Section 6600N

APPENDIX 1 – RESOURCE ESTIMATION DETAILS & METHODOLOGY

The following Table presents the details and methodology used for the Resource estimation Exploration Target evaluation and reporting. It uses the format of the JORC Code's Table 1 (which is a check list and a guideline to systematically reporting evaluation work).

Criteria	Explanation
Sampling techniques and data	
Data	• All input data for GeoRes's estimation work derived from a set of Kennecott-RTZ exploration drill holes dating from the late 1980's. Drill hole data was supplied to GeoRes by PMZ. • All data was taken by GeoRes at face value as valid and accurate. GeoRes took into account the data verification studies undertaken by PMZ (summarized below and detailed in separate PMZ documentation).
Geochemical sampling techniques	• No surface soil or rock sampling data was available. A geological map exists and has labelled on it an outline of +0.5g/t Au in soils which is coincident with the lode trend.
Drilling techniques	Kennecott-RTZ drilled the project area in the late 1980's. Drilling comprised: o 36 holes (for ~4,914 m) using reverse circulation (RC) of~125 mm diameter, and o 25 holes (for 3,669 m) using diamond coring of ~50 mm (NQ) diameter.
Drill sample recovery	• Original sample recovery data was not available to PMZ. • PMZ inspected 7 diamond drill holes and assessed the core recovery to be commonly >90% through mineralised intervals. • PMZ observed that reasonable recovery in the RC holes could be assumed from good data agreement with their twinned diamond holes (see below).
Logging	• It is assumed that all holes were geologically logged by Kennecott given the sectional interpretations available. • PMZ inspected drill core from 7 holes and found excellent geological interpretation agreement with Kennecott's sectional interpretations. • Logs were not available to GeoRes but the sectional interpretations were.
Sub-sampling techniques and sample preparation	• PMZ report that RC samples were riffle split and that diamond core was halved – both typical methods. • Sampling was typically on continuous 5 ft (~1.5 m) intervals down- hole. • Whilst it is unclear if this sampling crossed lithological boundaries GeoRes considered it short enough to adequately distinguish mineralised sections. o The continuous sampling implied good representivity.
Quality of assay data and laboratory tests	• Limited QA/QC of original data was available. Kennecott performed duplicate Fire Assays of original AAS assays from selected core samples. • PMZ undertook an evaluation of the 170 Kennecott duplicate assays (AAS v Fire Assay) of drill core. These data sets had excellent correlation (r >0.9), inherently confirming the quality of previous sampling, sample prep and assaying quality.
Verification of sampling and assaying	PMZ undertook a program of sampling 64 intervals of half drill core. 43 of these samples are 'exact' ½ core twins of previous Kennecott samples. o PMZ results confirm the tenor of reported Kennecott assays. o The PMZ results had an average grade of 2.10g/t Au versus 2.17 g/t for the original Kennecott data. o A correlation co-efficient, r=0.87 is achieved if only two high-grade outliers are discounted

	• PMZ undertook an analysis of original data from RC holes twinned by subsequent diamond holes.
	  o PMZ found generally good agreement in the length of mineralised intercepts in adjacent holes.
	  o They also found some grade variation between adjacent intervals, but within the tolerance associated with typical gold variability across 'twinned' holes
	• PMZ inspected drill core from 7 holes and found excellent geological interpretation agreement with Kennecott's sectional interpretations.
	
	• Sampling data was not available for a proportion (18) of Kennecott's RC holes.
	  o GeoRes's opinion was that missing data would not materially influence the estimation work – in most instances its location simply preventing extrapolation further down dip and in the gap between the two mine areas.
	  o In these holes the sampling data was completely missing. In virtually all other the sampling data appeared complete.
	  o It was understood that sampling data was missing not through its original absence but rather for current data access limitations pertaining to project acquisition.

Location of data points	• PMZ notes that original drill hole collars appear to have been well surveyed as they were presented to 2 decimal places on the state grid and on a local project grid. • PMZ undertook hole collar location verification through a program of hand-held GPS collar pickups of 11 drill holes. • Hole locations were verified, with all holes located within 2-6 m of expectation (within the accuracy of hand-held GPS). Dip and azimuth of hole casing was also checked against original dip and azimuth data. • Little down-hole survey data was present in the original data, and the hole deviations noted (from collar measurements) were small. • GeoRes assumes the lack of down-hole surveying would not materially influence estimation results - given the small deviations and the relatively short length of holes.

Data spacing and distribution	• Drill hole and data spacing combined:
	  o Sections spaced 200 ft (~60 m) or 400 ft (~120 m) apart.
	  o Continuous down-hole sampling at 5 ft (~1.5 m) intervals.
	• GeoRes considered the sample spacing to be adequate for characterising the mineralisation and its continuity and for estimating Resources.
	• Although the down-hole sample interval length of 1.5 m was fairly consistent GeoRes also imposed a 1.5 m composite length during geostats analysis and grade estimation.

Orientation of data in relation to geological structure	The geological structure had previously been interpreted as a steeply dipping linear lode system.
	• Drilling orientations combined:
	  o Drill sections @054° normal to lode strike @324°.
	  o Holes either vertical or inclined ~60° SW against lode dip 50° NE.
	• Sampling was therefore done as close as practicable to across lode structures and appeared to be at the best orientation for unbiased sampling.
	• GeoRes's sectional lode mineralisation interpretation strongly reinforced Kennecott's earlier sectional geological interpretations and validated the sampling orientation.

Audit or reviews	PMZ undertook a program of sampling data verification which included:

	o drill hole locality checks, o drill core inspection and correlation with sectional interpretations, o Analysis of 170 assay duplicates of drill core, o an analysis of twinned hole results, and o an assessment of sample recovery. o New analysis of 64 ½ diamond core, twinning previous samples • PMZ's overall opinion was that all data appeared valid and within modern accuracy tolerances. • GeoRes accepted PMZ's validation results and opinion.
Reporting of Exploration Results	
Mineral tenement and land tenure status	Described in PMZ documentation.
Exploration done by other parties	Described in PMZ documentation.
Geology	• *Deposit type*: Would be characterised as a steeply dipping quartz lode (vein) system of orogenic, low sulphide classification. GeoRes geologically interpreted a consistent sequence of ~10 sub-parallel and fairly close lodes with an average strike direction of 324° and a 50° dip to the NE. • *Geological setting*: The lode gold mineralisation is in a 190 km long narrow belt following the NW trending Melones Fault Zone. The zone occurs within a complex ophiolitic melange.
Mineralisation	• *Style*: Gold mineralization is hosted by carbonate altered greenstone, while the higher grades associated with brecciation and stockwork quartz-carbonate veining. Highest grade mineralization commonly occurs in serpentinite bodies.
Data aggregation methods	Resources were reported as block gold grade accumulation averages, using tonnage weighing.
Relationship between mineralisation widths and intercept lengths	Although not relevant here (as this document does not report exploration results) it is noted that the lengths of lode intercepts interpreted here would all be "down-hole" lengths and that mineralisation widths were not discussed or relevant.
Diagrams	See PMZ documentation
Balanced reporting	NA
Other substantive exploration data	NA
Further work	GeoRes's geological modelling, geostatistical analysis, grade estimation and Resource classification indicate that the Target and defined Resources could be upgraded and extended. • Resource upgrade and extension would be achieved through in-fill drilling, step-out drilling, outcrop mapping and surface sampling o *In-fill drilling*: Completion of drilling on 60 m sections (filling in those currently at 120 m or more spacing) would reasonably be expected to convert most current Exploration Target zones to Inferred Resources. o *Step-out drilling* – dip extensions: Most sections only contain several shallow drill holes. Adding deeper drill holes to the NE should in all probability extend the lodes down dip. In places a hole to the SW is required to extend lodes up dip to surface. o *Step-out drilling* – along strike: Existing sections are fairly tightly located over the old mines or between them. Adding sections to the NW of the Louise Point Mine and in larger gaps to the south would appear to be particularly necessary to the aim of finding mineralisation along strike.

	o Outcrop mapping: Lode outcrop mapping and sampling along strike would considerably add to accuracy of the geological lode modelling. • Existing data upgrades: Down-hole survey data is particularly lacking from the Kennecott holes. If achievable, collection of this data would improve accuracy of geological lode modelling. Further assay validation work is necessary and underway.
Estimation and reporting of Mineral Resources	
Drill hole database	Data for the drill holes was available in a Kennecott-RTZ hard-copy compilation dated 1997. The compilation comprised a summary, tabulated drill data, and cross-section plots. • PMZ computerised the tabulated drill data into an MS Access database and supplied this database to GeoRes. • GeoRes extracted data into MS Excel spreadsheets for formatting and pruning before loading into a Minex drill hole database.
Database integrity and verification	Transcription errors from the hard-copy to final spread-sheets were not observed, and no differences were noted during numerous visual comparisons. • No implausible data or sample interval errors were flagged by the numerous automatic checks performed during Minex database loading. • Reports of mineralised intervals from the databases were all correct when checked against the corresponding intervals annotated on various hard-copy cross-sections. • Plots of databased drill holes all matched the hard-copy cross- section plots and plan plots.
Geological interpretation	Gold mineralised drill hole intercepts were geologically interpreted into a consistent sequence of 12 sub-parallel and fairly close named lode (vein) intervals. o Gold mineralisation was generally sharply differentiated from non-mineralised material. o Mineralisation was initially based on intervals averaging >~0.2 ppm gold. o Intervals were interpreted to be contiguous, and therefore occasionally included low grade internal waste intervals (<0.2 ppm). o The intervals of each lode were correlated from section to section and identified by name. o The interpretation was based on a lode system with an average strike direction of 324° and a 50° dip to the NE. o Except where lodes petered out along strike all lodes between the upper and lower lodes on a section were interpreted (so that lodes would not be "missing" on a section and give rise to modelling errors) o Most lode interpretations and correlations were obvious. Occasionally intervals were split between two lodes. Missing intervals were usually positioned where low grade mineralisation occurred. The Consultant was confident in the overall interpretation. Alternative interpretations would have very little impact on the derived Resource estimate. o Alternative individual lode interpretations (thickness and/or location down-hole), within the overall NW striking and NE dipping system, would have little impact volumetrically as overall geometry would be maintained by the commensurate alterations to adjacent lode interpretations.

	o It would appear very unlikely that the overall NW striking and NE dipping system itself was mis-interpreted as it was based on old mining records, correlations from section to section worked consistently. o The overall dip and strike of the lode horizon is in line with many deposits in the Mother Lode along the Melones Fault. • The package of interval interpretations closely followed the hard- copy Kennecott cross-sectional geological interpretations. • Continuity of grade and geology within the lode interpretations would be essentially parallel the influence of the regional fault system the lodes exist in. • The grade continuity pinched and swelled in the fashion common with quartz vein lodes and their structural controls
Geological modelling techniques	Lode geological modelling employed DTM surface interpolation based on the down-hole lode intercepts. o Each lode was modelled independently with an upper (hanging wall) and lower (foot wall) boundary surface. o Surfaces were modelled as 5*5 m regular grids o Modelling used a reference plane parallel to the overall system 324° strike and 50° NE dip. o Modelling used a trending algorithm to interpolate smooth surfaces honouring local inflection trends away from the reference plane. o Surfaces were extrapolated ~50-100 m up and down dip away from intercepts at the edges of the interpretations. • The individual lode surfaces were manipulated into a full valid model to avoid potential cross-overs between and within lodes.
Geological model verification	• The geological lode model (the package of lode surfaces) was validated by: o Reporting lode and inter-lode volumes. o Cross-sectional plotting. o 3D plotting.
Dimensions	• In plan view the shape of the mineralised zone model (comprising vertically stacked lodes) formed a long thin NW striking rectangle~2.2 km long in strike length and ~40-150 m wide across strike. • In cross-section the lodes covered a maximum vertical extent of~400 m, from ~250 m RL up to ~650m RL at surface. • In cross-section the full package of lodes and intervening waste layers covered an average true thickness of ~100 m.
Estimation and (block) modelling techniques	Key estimation assumptions were: o Grade continuity would be segregated by lode – and be implemented by data population segregation. o Grade continuity would trend most strongly in the plane of the lode – and be implemented through dynamic "un-folding" techniques. • Sample population domains: o Each lode was assigned to a unique population domain. o All samples in each lode were flagged with the domain name (for sample analysis and grade estimation). • Grade continuity control block model (Z-grid): o Grade continuity within the plane of the lodes was achieved through a transformational "un-folding" 3D block model (Minex Z-grid). o *Rotation*: The model was rotated to align its un-folding X and Y axes parallel to the average lode system strike and dip plane and its Z axis normal to that plane across dip. o *Block size*:

	▯ The model nominal 10*10*5 m blocks were built from the geological lode surface models. These sizes were considered a reasonable compromise fraction of the ~60 m section spacing. ▯ Effectively the 10*10 m X and Y block axes were aligned down dip and along strike respectively. ▯ In the Z direction (across dip) a fixed number of blocks were specified to be fitted within each lode such that their average size would be similar to the sample interval length (~1.5 m). o *Continuity control*: The model aligns X and Y search directions sub-parallel to the lode bounding surfaces so that searching is continuously (dynamically) transformed to be along the undulations of the layer and not in a straight line. The Z direction remains normal to the lode. • Sample analysis: o Grade continuity was investigated by geostatistical analysis of lode drill hole sample gold assays. o Sample intervals for geostats analysis were composited down-hole to 1.5 m. o Gold samples for geostats analysis were upper limited to <5.0 ppm. o Detailed geostats was undertaken on the four dominant central (stratigraphically) lodes (by sample numbers and continuity). o Variography was undertaken in the plane of the lodes utilising the "un-folding" block model transformations. o A distance weighting of either 1.5 or 2.0 (increasing effective sample distance) was applied to the Z across dip direction to decrease continuity normal to the lodes. o All lodes gave maximum ranges of at least 70 m, showing continuity at distances greater than data spacing on and between sections. o In the three lesser lodes this maximum range was anisotropically skewed down-dip, reflecting the closer data spacing on section. o In the dominant lode the maximum range was 90 m and isotropic (same in all directions in the plane of the lode). • Grade estimation block models (3D grid): o *Grade models & continuity*: Gold grade estimation was performed into 3D block models built with the same dimensions and rotation as the Z-grid grade continuity control block model – and with the continuity control from the Z-grid. o *Algorithm*: Gold grades were estimated into blocks using an ID^2 algorithm. o *Composites*: Sample intervals for block estimation were composited down-hole to 1.5 m. o *Domains*: Lodes were estimated independently through population domain control. o *Anisotropy*: A distance weighting of 2.0 (increasing effective sample distance) was applied to the Z across dip direction to decrease continuity normal to the lodes. o *Scan distance*: Estimation was done separately with 150 m and 300 m data scan distances, to evaluate lower and upper ranges respectively of Exploration Targets.

	o *Anomalous grades*: Although very high grade samples were present in small but significant numbers the grade estimation here did not employ any method to ensure their influence was particularly felt. o *Check estimates*: Although Kennecott reported a non-JORC estimate the lack of details precludes direct comparisons, although the Kennecott estimate is of similar magnitude to the current estimate o No other suitable data exists to check current estimates with. Geological block model: o An orthogonal un-rotated 3D block model was built to database grade estimates, to develop block classification variables, and to report Resources from. o The model covered the full geological lode model area. o Model block sizes were nominally 10*10*5m. These sizes were considered a reasonable compromise fraction of the ~60 m section spacing. o Model blocks were built from the "un-folding" block model, with a sub-blocking factor of 5 used to fit them within the rotated and variably sized blocks. Maximum sub-blocking could result in minimum sized blocks of 2*2*1 m.
Block model verification	The grade and geological block models were validated by: • Reporting aggregated block volumes and cross-checking against lode volumes. • Cross-sectional plotting and comparison of drilled grades to adjacent block model grades. • 3D plotting.
Moisture	Reporting has assumed a hard rock dry basis, with no account made for water.
Cut-off parameters	• Inferred Resources were reported using several lower gold grade cut-offs (0.5, 1.0, 2.0 and 3.5 g/t respectively) to give an idea of the shape of a grade/tonnage curve. • A lower cut-off of 1.00g/t Au is preferred for resource reporting. • The Exploration Target range was derived from reporting estimates using lower cut-offs between 0.5 and 1.0 g/t.
Mining factors or assumptions	• Is is assumed that relatively conventional open-cut and underground mining could be employed to potentially mine the prospect. • Historical mining was from underground, and high grades over mineable widths would continue to support this as a method. • Current lode and grade modelling offers support for potential open- cut mining – a possibility which could be evaluated through pit optimisation and the reason a 1.00g/t lower cut-off is preferred for resource reporting. • Higher grade zones in the model may support underground mining.
Bulk density	• Raw density data was not available and so was not modelled. • A default density of 2.6 t/m^3 was assumed for all reporting, based on typical values for the prospect geology.
Classification criteria	Classification criteria for reporting were developed as project knowledge was gained and grade estimation results came to hand. *Inferred Resources criteria*: o Set by reporting gold blocks estimated with a default average data scan distance of <45 m (and <75 m in the dominant lode). o These distances were ~3/4ths of the maximum generally isotropic geostatistical ranges. o Spatially those blocks formed contiguous zones located around the mineralisation and where the drill sections were spaced ~60 m apart. o In these areas the geological continuity between drill hole sections seems clear from both the past sectional geological interpretations and from the current mineralisation intercept interpretations and sectional correlations.

	o Notwithstanding the clear interpreted geological continuity which might have prompted a higher classification the resources were restricted to the Inferred class for several reasons reducing confidence:
	  - Presence of areas where the drill sections were ~120 m apart, well beyond geostatistical ranges.
	  - Lack of any drill sections along strike much less than the typical 60m spacing – thus not allowing more geostatistical analysis to firm up on ranges along strike in more lodes than the dominant one.
	  - The holes with missing sample data, the locations of which would indicate greater continuity than shown by the holes with data but currently with no proof.
	
	Exploration Target criteria:
	o Set by reporting upper and lower ranges of quantity and grade range from gold blocks estimated with 300 m and 150 m scan distances respectively – and subtracting the contained Inferred Resources.
	o These distances were derived from consideration of the mapping, the drill hole spacing and sectional layout, the consistency of the lode interpretation, and the spatial distribution of estimated blocks.
	o The Target was considered conservative as in both down dip and along strike directions the grade blocks effectively only extended to the edges of the lode geological models which themselves were only extrapolated to a maximum of 100 m beyond the peripheral drill holes.
	o Along strike the 150 m scan for the lower target created contiguous zones of blocks for the May Harrison and Louise Point mine areas and extended some way along strike between both.
	o The 300 m scan for the upper target effectively joined up the gap between the two mine areas.
	
	Competent Person's view: The classification criteria were developed directly by the Competent Person and fairly reflect his views.

Audits or reviews	• Kennecott reported a **non-JORC** estimate for the Louise Point prospect of 5.5 Mt @ 1.8g/t. No details were available as to how this estimate was derived which precludes direct comparisons or validation. • Current work has not been audited or reviewed by third parties.
Discussion of relative accuracy/confidence	Estimate status: o This estimation work was considered to be an initial appraisal aimed at quantifying the potential scale of Resources at the project. o As such the additional work required to assess accuracy and confidence was not required or necessary.