



14 November 2019

Transformational Acquisition of Maroon Gold Pty Ltd, Charters Towers, Queensland

- **Exclusive Option Agreements entered into with the shareholders of Maroon Gold Pty Ltd to acquire 100% of its issued capital (Proposed Acquisition)**
- **Total mineral resource base of 250,000oz Au at average grade of 2.24 g/t Au¹**
 - **Far Fanning Inferred Mineral Resource of 1.17Mt at 1.7g/t Au for 64Koz**
 - **Great Britain Inferred Mineral Resource of 1.54Mt at 2.2g/t Au for 109Koz**
 - **Granite Castle Total Mineral Resources of 0.76Mt at 3.14g/t Au for 77Koz**
- **Fully permitted and operational 340Ktpa CIP processing plant**
 - **Estimated replacement value of A\$40M (GR Engineering Services Limited, 2019)**
 - **Recently undergone extensive refurbishment**
- **Tendering for development studies of Maroon 100% owned assets and discussions on tribute mining/toll processing of synergistic deposits underway**
 - **Maroon's existing asset base provides for strong potential of near term development**
- **Significant exploration portfolio of 245km² with multiple drill ready targets defined**
- **Regional endowment of >15Moz with 74 discrete intrusion related gold systems identified proximal to project portfolio**
- **Glenn Baldwin to be appointed as Managing Director- previously Executive VP and Head of International Operations for Goldfields Ltd, CEO of Consolidated Minerals and Head of Origination for Project Finance of Rand Merchant Bank**
- **Defined regional consolidation strategy with multiple acquisition targets identified**
- **Limited exploration conducted across portfolio and region for past 20 years**
- **Consideration for the Proposed Acquisition comprises of the issue of 900,279,150 shares issued in the Company, payment of A\$100,000 cash consideration, repayment of a A\$2,000,000 convertible note, assumption of US\$18.3M of debt and assume a working capital liability of ~A\$2,000,000**
- **Proposed Acquisition subject to shareholder approval for the purposes of ASX Listing Rule 11.1.2 and completion of due diligence**
- **The Company will be renamed Mojo Minerals Ltd upon completion of the Proposed Acquisition**

¹ Refer to Tables 6, 9 & 10 for full description of Mineral Resources.



EUROPEANCOBALT



Figure 1: Maroon Gold's Blackjack Processing Plant

European Cobalt Ltd ("EUC" or "**the Company**", ASX: EUC) is pleased to announce that it has entered into exclusive option agreements with the shareholders of Maroon Gold Pty Ltd to acquire 100% of its issued capital.

Managing Director Elect, Glenn Baldwin said that *"Maroon Gold has established a high-quality portfolio of near-term development assets combined with the requisite processing infrastructure to capitalise on the strong gold price environment."*

Through leveraging Maroon's strategic ground position in the Charters Towers region and the skillset of Maroon's team, the mineral resources can be rapidly evaluated to determine the feasibility of development."

OVERVIEW - MAROON GOLD PTY LTD

Maroon Gold Pty Ltd ("**Maroon**") is a privately equity backed, Charters Towers region focussed gold developer. Through its acquisition and refurbishment of the Blackjack Processing Plant, Maroon has recently completed tribute mining and processed material from Laneway Resources Limited's ("Laneway", ASX: LNY) Agate Creek Gold Mine.

Maroon has a total resource base of 250,000oz Au across three discrete resources. Tendering for the completion of development studies relating to Maroon's wholly owned resources is underway. The Company's short term strategy includes:



EUROPEANCOBALT

- Evaluation of existing resources within the Maroon portfolio to determine their feasibility of economic development
- Resource definition drilling aiming to increase confidence in existing mineral resources, converting resources where required into compliance with the JORC 2012 guidelines and targeting extensions to resources
- Identification of potential tribute mining and processing opportunities within the region
- Conduct a processing expansion study to define the scalability of the existing plant and infrastructure

Maroon has a total aggregated land holding of 245km² with multiple drill ready targets defined. These targets are currently been ranked in terms of priorities and the drilling programs devised by Maroon are being evaluated.

Tenure & Location

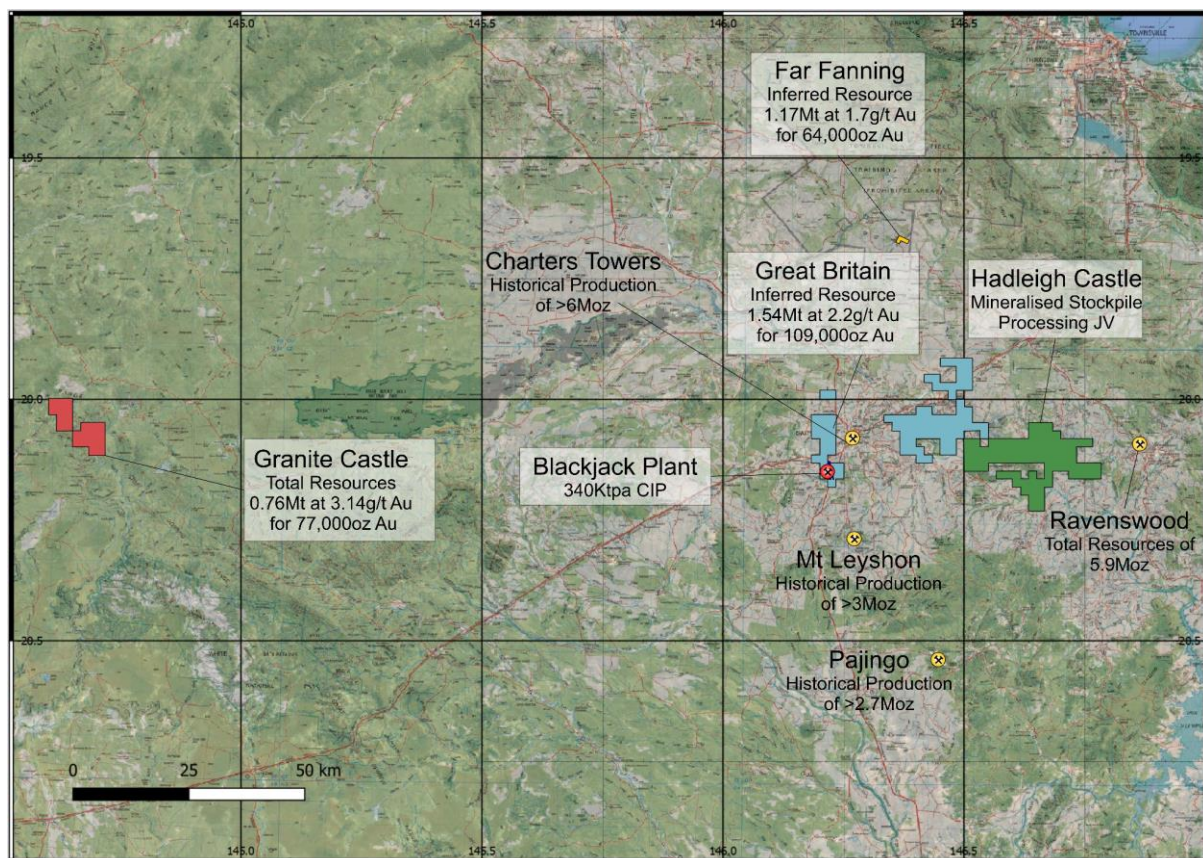


Figure 2: Regional Tenement Location Plan

Maroon and its wholly owned subsidiaries own a total of five granted exploration permits for minerals ("EPM"), an EPM application, a granted mineral development



EUROPEANCOBALT

licence ("MDL") and seventeen granted mining leases ("ML") totalling 245km² of tenure.

Regional Geology & Mineralisation

The Charters Towers Goldfield is situated within the Lolworth-Ravenswood Terrane and lies along a regional scale east-west trending structure, referred to the Mosgardies Shear Zone. The Mosgardies Shear is part of a coincident east-west trending gravity and magnetic boundary which extends over 300km. This deep seated crustal structure is believed to act as a conduit for gold bearing hydrothermal fluids from which the Devonian age gold deposits within the Charters Towers region were formed.

The geology of the district is characterised by complex overprinting and interaction of several phases of intrusions from Pre-Cambrian through to the Permian.

Mineral Resources

The global mineral resource base of 250,000oz Au at 2.24g/t Au is comprised of:

- *Far Fanning Inferred Mineral Resource of 1.17Mt at 1.7g/t Au for 64Koz at a cut off grade of 1g/t Au in accordance with JORC 2012 Edition Guidelines*
- *Great Britain Inferred Mineral Resource of 1.54Mt at 2.2g/t Au for 109Koz in accordance with JORC 2004 Guidelines*
- *Granite Castle Total Mineral Resources of 0.76Mt at 3.14g/t Au for 77Koz at a 1g/t Au cut-off grade, in accordance with JORC 2004 Guidelines and divided by resource categorisation:*
 - *Measured: 111,000t at 3.32g/t Au for 15,000oz Au*
 - *Indicated: 250,000t at 3.59g/t Au for 29,000oz Au*
 - *Inferred: 403,000t at 2.54g/t Au for 77,000oz Au*

A review of all resources is underway to determine the work programs required to convert mineral resources to compliant in accordance with JORC 2012 Guidelines where required. In addition, a gap analysis of the Far Fanning mineral resource is presently underway to determine the required inputs to increase resource confidence to Indicated category.



EUROPEANCOBALT

Processing Infrastructure

The Blackjack Processing Plant is a conventional CIP (carbon in pulp) plant originally installed in 1996. The fully permitted plant has a nameplate processing capacity of 340,000tpa. On site infrastructure includes the tailings dam and tailings expansion capacity, both of which are located on freehold land included within the acquisition. Mill refurbishment was completed in 2018 with wet and dry commissioning completed in January 2019. GR Engineering Services Limited (GR Engineering) have completed a processing plant condition report and have estimated a replacement value of A\$40M.

Further details with respect to Maroon's Projects are set out within the body of this announcement.



Figure 3: SB750 Falcon Gravity Concentrator (part of gravity gold recovery circuit)



EUROPEAN COBALT

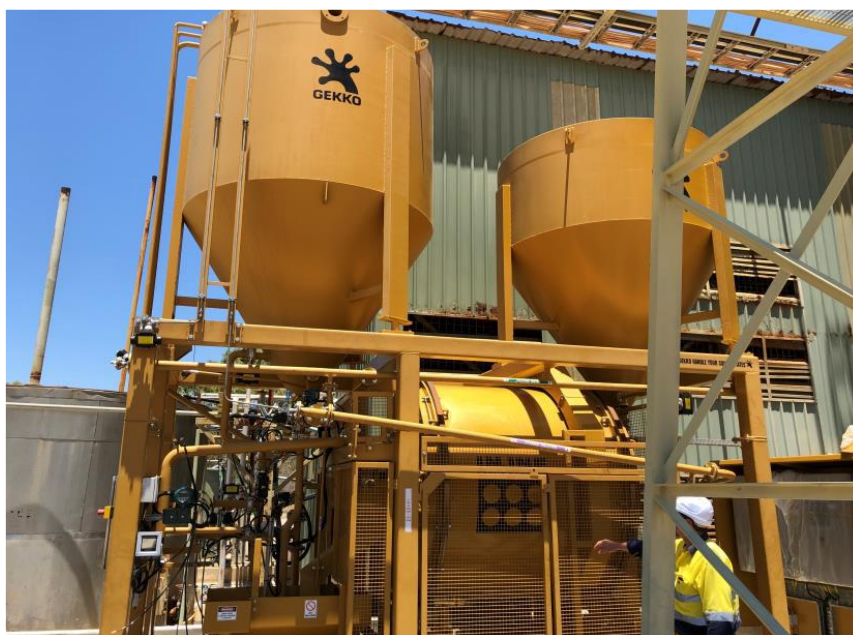


Figure 4: Gekko ILR1000B Inline Leach Reactor

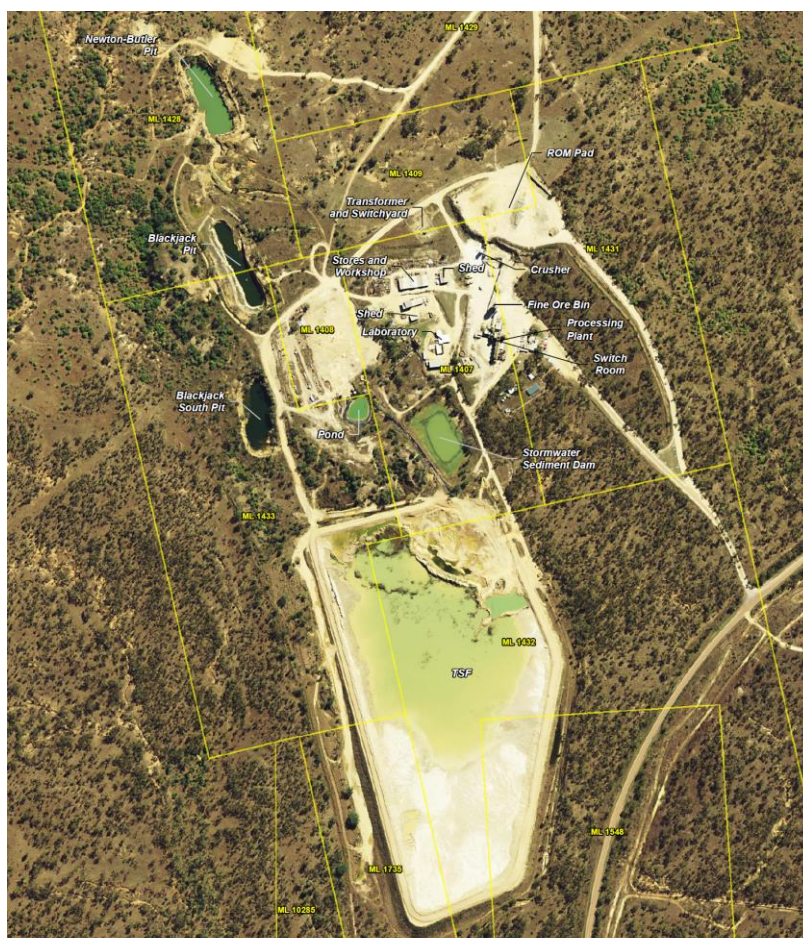


Figure 5: Blackjack Processing Facility



COMMERCIAL TERMS OF THE PROPOSED ACQUISITION

As noted above, the Company has entered into exclusive option agreements ("**Agreement**") with each of the shareholders of Maroon Gold Pty Ltd ("**Vendors**") to acquire 100% of its issued capital ("**Proposed Acquisition**").

The Agreement is conditional on, amongst other matters, mutual due diligence, the parties obtaining all necessary shareholder, regulatory and third party approvals and consents to give effect to the Proposed Acquisition and no material adverse change occurring prior to satisfaction of the conditions precedent.

The Proposed Acquisition of 100% of the issued capital of Maroon is via the issue of 900,279,150 shares, payment of A\$100,000 cash consideration, repayment of a A\$2,000,000 convertible note, assumption of US\$18.3M of debt and assume a working capital liability of ~A\$2,000,000. Further details are set out below.

Convertible Note Payment Schedule

As part of the Proposed Acquisition, EUC will redeem existing convertible notes on issue with a total face value of approximately A\$2,600,000 in consideration for a cash payment of A\$1,000,000 on the 30th of June 2020 and A\$1,000,000 on the 30th September 2020. The existing and future interest from the convertible note within Maroon is to be extinguished through providing these payments.

Gold Stream Restructure

A 20% gold stream at US\$400 per ounce is currently payable by Maroon to Rivi Opportunity Fund LP (**Rivi**). The Company has negotiated with Rivi to reduce the 20% metal stream to a 5% metal stream and 3% net smelter return (**NSR**) applying to Far Fanning, Great Britain, Granite Castle and Blackjack Projects. Other projects within the



Maroon portfolio and additional projects acquired in the future will incur only a 1.25% NSR to Rivi.

In consideration of the significantly reduced metal stream, and subject to shareholder approval of the Proposed Acquisition, the Company will issue Rivi with 50,000,000 fully paid ordinary shares

Debt Repayment Schedule

Maroon has a total debt position of US\$18.3M associated with existing mezzanine finance facilities established for the purposes of acquisition of the plant, plant refurbishment, acquisition of mining assets and working capital for operations.

A repayment schedule with the provider, repayment date and quantum in USD is listed below:

Table 1: Debt Repayment Schedule

Provider	Repayment date	Quantum (USD)	Proposed Deferral Date
TFC	6 December 2019	\$3,000,000	H2CY2020
TFC	28 February 2020	\$4,000,000	H2CY2020
Rivi	20 February 2020	\$2,000,000	December 2020
Rivi	4 December 2020	\$7,000,000	December 2020
Rivi	27 March 2021	\$2,300,000	December 2020

TFC (**TransAsia Group Company**) and Rivi are unrelated entities and both providers of private debt solutions.

TFC has also provided an undertaking to defer principal and interest repayments on similar commercial terms to that in the existing facility. The refinancing negotiations have commenced and are expected to be completed in December 2019. The



indicative new facility is expected to have a full principal and interest payment made in second half of calendar year 2020.

Rivi is also proposing to extend the terms of their debt payment schedule on similar financial terms to that of the existing facility. The repayment due on the 20th of February 2020 is proposed to be extended to December 2020.

FINANCIAL INFORMATION

The anticipated effect of the Proposed Acquisition on the Company's total assets, total equity interests, annual revenue, annual expenditure and annual profit before tax is set out at Schedule 1 of this Announcement.

The effect of the Proposed Acquisition on the Company's consolidated statement of financial position is included at Schedule 2.

PRO FORMA CAPITAL STRUCTURE

The indicative capital structure of the Company following completion of the Proposed Acquisition, based on the current securities on issue, will be as follows:

Table 2: Pro Forma Capital Structure

Security	Existing	Completion
Existing shares	761,697,329	761,697,329
Shares to Vendors	-	850,279,150
Rivi Shares	-	50,000,000
Total shares	761,697,329	1,661,976,479
Options	95,231,506	95,231,506
Performance Shares	73,333,334	73,333,334
MD Options	-	80,600,000
Fully diluted capital structure	930,262,169	1,911,141,319



RELATED PARTY / CONTROL ISSUES & VOLUNTARY ESCROW

Two of the Vendors are related parties of the Company by virtue of a connection with Robert Jewson, the Managing Director of the Company:

- PC Gold Pty Ltd (PC Gold); and
- Geonomics Australia Pty Ltd (Geonomics).

Mr Jewson is one of two directors and 8% shareholder in PC Gold. PC Gold holds 1.47% of the shares in Maroon.

Mr Jewson is the sole director and shareholder in Geonomics. Geonomics holds 0.29% of the shares in Maroon.

None of the other Vendors are considered to be related parties of the Company.

The Company will seek shareholder approval for various matters associated with the Proposed Acquisition, including for the purposes of ASX Listing Rules 7.1, 10.11 and 11.1.2, item 7 of section 611 of the Corporation Act, to enable the Vendors to collectively acquire voting power in the Company in excess of 20% at completion of the Proposed Acquisition. The Company notes, however, that no individual Vendor will have a relevant interest in the Company greater than 20% following completion of the Proposed Acquisition. At the date of this announcement, the maximum voting power the Vendors may acquire in the Company in connection with the Proposed Acquisition is 51%.

In addition, it is currently proposed that 14% and 9% of the shares to be issued to the Vendors are to be voluntarily escrowed for a period of 6 and 12 months respectively from the date of issue.



BOARD CHANGES

The appointment of Mr Glenn Baldwin as Managing Director is subject to shareholder approval of the Proposed Acquisition.

Mr Baldwin has in excess of 25 years of multi-faceted experience within the mining industry. Key previous roles include:

- Executive Director and Vice President of Gold and Base Metals at Saudi Arabian Mining Company
- Executive Vice President and Head of International Operations for Goldfields Limited
- Chief Executive Officer of Consolidated Minerals Ltd
- Chief Operating Office for Ivanhoe Nickel and Platinum
- Head of Origination for Project Finance at Rand Merchant Bank
- Mine Manager, Underground Manager and other operational roles in an open cut and underground capacity at Anglo American, Anglo Platinum, Normandy Mines and Mount Isa Mines

Terms of Employment:

- A base salary of A\$360,000 exclusive of statutory superannuation
- An options incentive package of 80,600,000 options with an exercise price of A\$0.05 and a term of three years from the date of issue will be allotted subject to shareholder approval and the vesting conditions outlined below (**MD Options**).
- Six month notice period for termination applies.



Table 3: MD Option Package

Number of Options	Vesting Condition
26,866,667	The Company producing at least 20,000 ounces of gold p.a at less than A\$1,350/oz AISC over two successive months
26,866,667	The Company producing at an additional 30,000 (i.e. total of 50,000) ounces of gold p.a at less than A\$1,350/oz AISC over two successive months
26,866,666	The Company producing at an additional 40,000 (i.e. total of 90,000) ounces of gold p.a at less than A\$1,350/oz AISC over two successive months

Prior to completion of the Proposed Acquisition, Mr Baldwin will be engaged by and at the cost of Maroon to provide services to the Company in relation to the Projects.

OTHER BOARD CHANGES

Mr Robert Jewson, the current Managing Director of European Cobalt Ltd is to transition to non-executive director upon completion of the Proposed Acquisition.

At this stage no further board changes have been contemplated.

CHANGE OF COMPANY NAME

Subject to the completion of the transaction and shareholder approval, the Company proposes to change the Company's name to Mojo Minerals Ltd.



INDICATIVE TIMETABLE AND USE OF FUNDS

An indicative timetable for the Proposed Acquisition and associated events is set out below:

Table 4: Indicative Timetable

Event	Date
Dispatch of Notice of General Meeting for the Company	13 December 2019
Company General Meeting to approve Proposed Acquisition	14 January 2020
Issue of Shares under the Proposed Acquisition	17 January 2020
Completion of the Proposed Acquisition	17 January 2020

The following table provides the indicative use of funds for the Company in the 12 months following completion of the Proposed Acquisition:

Table 5: Proposed Use of Funds

Allocation of funds	A\$	%
Exploration expenditure on existing Company assets	\$650,000	6.19
Exploration expenditure on Maroon Gold assets	\$1,062,000	10.11
Cash consideration to vendor of Maroon Gold	\$100,000	0.95
Financing Costs & Debt Repayment	\$5,415,000	51.56
Corporate Administration	\$980,000	9.33
Operation Costs (Active Care and Maintenance)	\$300,000	2.86
General working capital	\$1,995,000	19
Total	\$10,502,000	100%

The above table is a statement of current intentions as at the date of this announcement. Intervening events may alter the way funds are ultimately applied by the Company.



SIGNIFICANT CHANGE TO THE NATURE AND SCALE OF ACTIVITIES

Since the Proposed Acquisition will result in a significant change to the nature and scale of the Company's activities, the Proposed Acquisition will require the Company's shareholders' approval under ASX Listing Rule 11.1.2. However, the Company will not be required to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with ASX Listing Rule 11.1.3.

SHAREHOLDER APPROVALS

A notice of meeting seeking shareholder approval for the resolutions required to give effect to the Proposed Acquisition will be sent to the Company's shareholders in due course.

Those approvals will include:

- the change in nature and scale of the Company's activities;
- the Vendors acquiring an interest in the Company greater than 20%;
- the issue of securities to related parties;
- the issue of Shares and Options in connection with the Proposed Acquisition;
- the appointment of the new Managing Director; and
- the change of the Company's name.

On the date of the general meeting, the Company's securities will be suspended from quotation on ASX and, subject to shareholder approval being obtained, the trading halt will be lifted once the Company has made an announcement to the market confirming the result of the shareholder vote and that it will be proceeding with the Proposed Acquisition.



BLACKJACK PROCESSING PLANT & ASSOCIATED MINING LEASES (100% MAROON GOLD PTY LTD)

Overview

The Blackjack Processing Plant is located 15 minutes from Charters Towers. Access to the plant is via the sealed Gregory Developmental Road. The Processing Plant and associated infrastructure is located across 5.2km² of granted mining leases and freehold land held 100% by Maroon.

Maroon Gold purchased the Blackjack plant in December 2017. In late 2018 the Blackjack processing plant was refurbished and modernised which then processed the ore-sorted feed from Far Fanning and recently completed a tribute agreement with Laneway. Tailings from the plant report to the Tailings Storage Facility on site. The tailings storage facility has an estimated remaining life of 18 months at current production levels. Maroon has commissioned a review of the expansion of the tailings dam in terms of both a lift of the existing tailings and two additional adjacent sites, both within existing granted mining leases held by Maroon.

Processing Plant Infrastructure

The Blackjack plant is a conventional CIP plant and was relocated from the Mt Hogan operation and commissioned by Charters Towers Gold Mines in 1996 as a nameplate 340,000tpa operation. The fully permitted plant has a primary and secondary crushing system, 600kW ball mill, gravity circuit, CIL arrangement, elution system and goldroom.

GR Engineering have completed a processing plant condition report and have estimated a replacement value of A\$40M.

Associated Site Infrastructure

The electrical distribution system throughout the site, from the 66 kV connection point at the 66 kV switchyard is owned by Maroon Gold. The system consists of a 66 kV isolating/earth switch, 66 kV fuses, 5 MVA 66/11 kV transformer, 11 kV metering unit with a circuit breaker, Process Plant 11 kV switchboard, cable feeders to transformers



EUROPEANCOBALT

in the administration, workshop, treatment plant and crushing areas and separate overhead lines to transformers at the tailings dam and raw water pit areas.

Raw water supply to the plant is from the town water bore based on an agreement that expires in December 2019. Whilst this may be extendable, other alternatives are also being pursued.

Historical Open Cut & Underground Production

Mining operations at Blackjack were first recorded in 1871. Blackjack was intermittently mined between 1875 to 1876 and 1886 to 1889 mainly through the Blackjack Mine comprised of two underly shafts to depths of approximately 60 and 90m and seven levels up to 170m down the dip of the reef. The most recent mining was open cut and underground mining operations undertaken by Charters Tower Gold Project between 1996 and 1999. Citigold became the operator in late 2006. Processing of recovered ore was carried out by carbon-in-leach (CIL) methods as well as a small trial heap leach. In 2017 Citigold sold the operation to Maroon Gold. Total recorded historical underground production was 78,467t at 42.64g/t Au for 107,584oz Au produced. The majority of the production was from Blackjack and John bull lodes with Swedenborg producing a lesser proponent.

No past production records exist for smaller underground workings and three shallow oxide open pits targeting the Blackjack Reef.



EUROPEANCOBALT

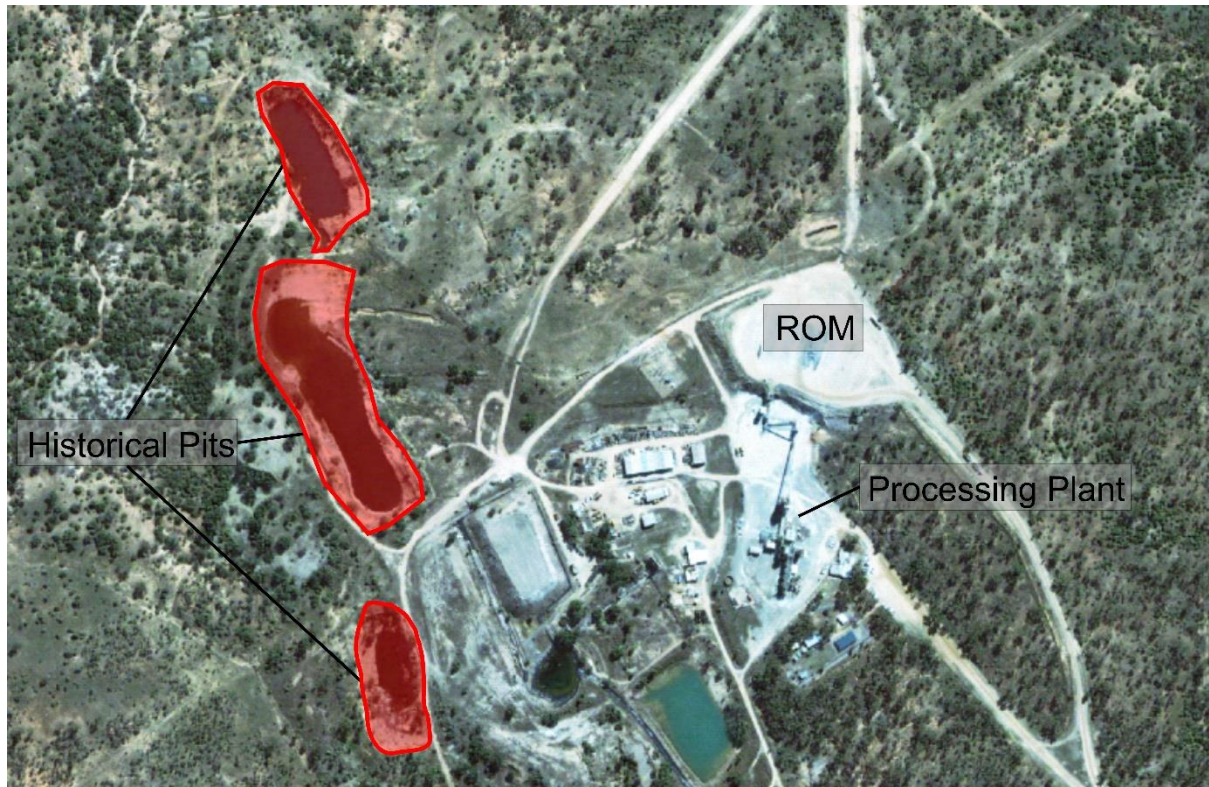


Figure 6: Blackjack Historical Pits

Maroon Gold holds and Environmental Authority (EA) over the Blackjack mining licenses including the Blackjack plant with a Financial Assurance (FA) quantum of A\$1,820,468.

The current TSF has capacity for expansion via a lift, in addition there are other sites identified on the Blackjack mining lease that lend themselves to a long term tailings dam location. Geotechnical, sterilisation and other technical assessments need to be completed before a new location is confirmed.



FAR FANNING PROJECT (99.942% MAROON GOLD PTY LTD)

Far Fanning is located within a group of mining leases, 60km south west of Townsville. The Project is located on the Dotswood Pastoral Holding which is owned by the Australian Department of Defence. The site is accessed from the unsealed Dotswood Road via Mingela on the Flinders Highway or off Hervey Range Road to the north of the site. The property is held by the Commonwealth Government for military training purposes, forming part of the Townsville Field Training Area (TFTA). The TFTA surrounds the mining project area and access to the project area is provided via a formal easement across the TFTA.

Geology & Mineralisation

The Project occurs in the Devonian to Carboniferous Burdekin Basin. Mineralisation is hosted within the Devonian Dotswood Group comprised of arkoses, conglomerates, red shales, siltstones and tuffaceous sediments. The Far Fanning Project is located on the northern limb of the regional, west-plunging Kitty O'Shea Anticline. Folded sediments are intruded by the Permo-Carboniferous Mt Kitty O'Shea Suite which is comprised of dolerite, diorite and gabbro. A series of radial andesitic dykes and ring fractures are distributed out from the intrusive centre.

The broad structural target zone at Far Fanning is delineated over a strike length of 1,700m trending west to north-west and is characterised by open fold structures at the eastern end of the trend and monoclines throughout the rest of the structural zone. The mineralisation consists of numerous lenses. These mineralised lenses parallel and cross cut bedding and vary in width from 2m to over 20m. The overall dip of the lenses is roughly normal to the direction of maximum steepening of the fold. Although the beds in the fold flexure dip 60 to 80° to the south, the mineralisation tends to dip to the north at 35 to 50°.

Previous Mining

Mining at Far Fanning commenced in 1866 with intermittent minor operations. North Queensland Consolidated (NQC) undertook open pit mining between 1986 and 1987 resulting in 450,00t being extracted from seven oxide pits along a 1,700m strike length. Gold extraction was via cyanide heap leaching. Of the 417,000t processed, 11,000oz



Au was produced at an average grade of 0.9g/t Au. Recoveries were estimated in the range of 55-70%.

SMC Resources Ltd (SMC) undertook predominantly open cut mining between 2000 and 2004 and to a lesser extent underground development. A total of 243,000t was processed at 4.33g/t Au for 33,893oz Au produced. Mining and production activities ceased in 2009 and the site was placed into care and maintenance.

Mineral Resources

The Mineral Resource Statement for the Far Fanning Gold Mineral Resource Estimate (MRE) was prepared during September 2019 and is reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') 2012 edition.

In the opinion of Entech the resource evaluation reported herein is a reasonable representation of the global gold mineral resources within the Far Fanning deposit, based on Reverse Circulation and Diamond Drilling sampling data available as of July 31st, 2019. The MRE is comprised of Inferred material within fresh rock and is detailed in the table below:

Table 6: Far Fanning Mineral Resource at a 1g/t gold cut off grade

Project Area	Weathering	Resource Category	Tonnes (Mt)	Au (g/t)	AU Ounces (kOz)
Far Fanning	Fresh	Inferred	1.17	1.7	64
Total Resource			1.17	1.7	64

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding



EUROPEAN COBALT

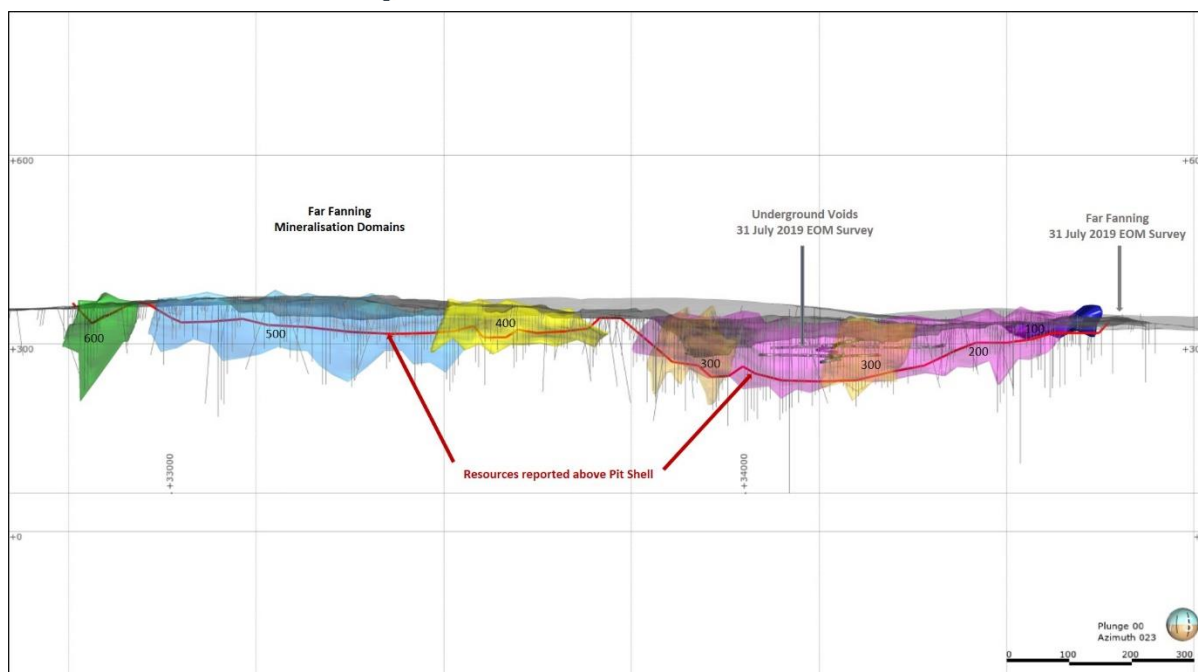


Figure 7: Far Fanning Deposit Long-Section. Presenting Drill hole traces, Mineralisation Domains, Historical Open Pit and Underground Depletions and base of Inferred Mineral Resources (above pit optimisation shell). Looking North-East, Not to Scale.

This MRE comprises 43,893 m drilling from 804 reverse circulation and diamond holes drilled at the project and is reported excluding all historical and recent mining activity surveyed up to 31st July 2016. Depth from surface to the current vertical limit of the Mineral Resource varies across the resource from 40 m to 100 m. Mineralisation interpretations were informed by Reverse Circulation drilling (776 drill holes of which 753 intersect the resource) and Diamond Drilling (28 drill holes inclusive of diamond tails of which 28 intersect the resource) for a total 8,993 m of drilling intersecting the MRE.

This MRE comprises Inferred Mineral Resources which are unable to have economic considerations applied to them, nor is there certainty that they will be converted to Measured or Indicated Resources through further sampling.

Historical Sampling, Sub-Sampling and Assay Analysis Techniques

Reverse Circulation (RC) samples were utilised for lithological logging and assaying. Samples were split at the drill rig with sub-samples ranging from 1.5 kg – 5.0 kg.



EUROPEANCOBALT

Diamond drill hole (DD) core was utilised for lithological logging, assaying, bulk density and metallurgical test work. Core was sampled at either half or quarter core, depending on project owner. The core was predominantly sampled at 1.0 m intervals, with minor sampling on geological intervals.

Drilling samples were dried, crushed, pulverised to 85% passing 75 µm and predominantly Fire Assayed using a 50 g charge and atomic absorption spectroscopy (AAS) finish at the following ISO certified commercial laboratories: Comlabs, ALS, SGS. Later drilling programmes utilised inductively coupled plasma atomic emission spectroscopy (ICP-AES).

Commercially prepared, predominantly matrix-matched low, medium & high value certified reference Quality Assurance and Quality Control (QAQC) standards were inserted into the sample stream with blanks. There was a heavy reliance on laboratory provided QAQC data to ensure continuity of assay quality checks across various owners.

Geology and Geological Interpretation

The Far Fanning orebody is developed in Late Devonian Julia Formation of the Dotswood Group, overlying the Fanning River Group. The rocks are folded into parasitic folds with associated kink bands and intruded post-folding by Carboniferous to Permian rhyolitic plugs and dykes. Mineralisation is hosted in bedding-parallel veins within an envelope controlled by the orientation and geometry of kink bands.

The broad structural zone at Far Fanning is delineated over a strike length of 1700 metres, trends west to north-west and is characterised by open fold structures at the eastern end of the deposit and monoclines throughout the rest of the deposit. The deposit consists of numerous ore lenses. These ore lenses parallel and cross cut bedding and vary in width from 2 m to over 20 m. The overall dip of the ore lenses is roughly normal to the direction of maximum steepening of the fold. Therefore, although the beds in the fold flexure mainly dip to the south (60 to 80 degrees), the ore lenses dip to the north (35 to 50 degrees).

Gold mineralisation is associated with quartz-sulphide stringers and veinlets with minor breccias and disseminated sulphides. Mineralisation, as intersected in diamond



drillholes within the Mineral Resource, contains similar primary controls on mineralisation, orientation and continuity as observed and mined in the Far Fanning Pit.

Interpretation of mineralisation domains was based on a combination of geological logging (lithology and veining) and a nominal cut-off grade of 0.5 g/t gold. A total of six mineralisation domains were defined within the Far Fanning project area.

Assumptions with respect to mineralisation orientation and continuity within the MRE were drawn directly from:

- Close spaced historical RC and DD drilling,
- Historical Open pit and underground mining,
- Historical interpretations by multiple companies and individuals

Factors which limited the confidence of the geological interpretation included; absent or subjective lithological data and assay quality for historical drill holes, RC sampling representing most mineralised drill intercepts, and limited oriented structural data within the mineralised zones. Additionally, the presence or absence of quartz/pyrite as well as the structural complexity of the deposit and the location of faulting and folding.

Entech considers confidence is moderate for the geological interpretation, geometry and continuity of the structures within the MRE. Mining to date supports the geometry and continuity implied in the MRE and the application of Inferred level of confidence appropriately represents the competent persons view on continuity.

Estimation Methodology

RC and DD sample data within mineralisation domains was composited into two metre downhole lengths using a best fit methodology. Exploratory Data Analysis (EDA) of the declustered, composited gold variable was undertaken within Isatis™ software. Analysis for sample bias, domain homogeneity and top capping was undertaken.

Assessment and application of top-capping for the estimate was undertaken on the gold variable within individual domains. Where appropriate, top caps were applied on a grouped domain basis, as outlined below:



EUROPEANCOBALT

- 300 = 25 g/t Au and 2 composites,
- 500 = 11 g/t Au and 3 composites,
- 600 = 6 g/t Au and 2 composites.

Variography was undertaken on the capped, declustered gold variable within individual and grouped mineralisation domains. Robust variogram models were delineated and utilised for Qualitative Kriging Neighbourhood Analysis (QKNA) to determine parent cell estimation size and optimise search neighbourhoods.

Searches were aligned within the plane of mineralisation, defined by variography and had maximum dimensions of 100m in northing, easting and 20m in the RL. Minimum and maximum samples for all domains set at 10 and 20 respectively.

Interpolation was undertaken utilising Ordinary Kriging (OK) within parent cell block dimensions of Y: 6.25 mN, X: 12.5 mE, Z: 5 mZ and variable sub-celling to provide adequate domain volume definition and honour wireframe geometry. Considerations relating to appropriate block size include drill hole data spacing, conceptual mining method SMU analysis, variogram continuity ranges and search neighbourhood optimisations.

Domain boundaries represented hard boundaries, whereby composite samples within that domain were used to estimate blocks within the domain.

Global and local validation of the gold variable estimated outcomes was undertaken with statistical analysis, swath plots and visual comparison (cross and long section) against input data.

The 3D block model was then coded with density, depletions, weathering and classification prior to evaluation for Mineral Resource reporting.

Reconciliation data pertaining to production performance of Far Fanning, over time, was not available for open pit or underground. The open pit dataset was not considered an appropriate comparison for validation purposes due to the following limitations on production data:

- There are no records of mill reconciliation,
- Production data comprises material from multiple deposits, other than Far Fanning,



EUROPEANCOBALT

- The historical cut-off grade for open pit/underground is unknown.

Classification Criteria

Mineral Resources were classified as Inferred to appropriately represent confidence and risk with respect to data quality, drill hole spacing, geological and grade continuity, mineralisation volumes, historical mining activity as well as metal distribution. Additional considerations were the stage of project assessment, amount of diamond drilling, current understanding of mineralisation controls and selectivity within an open pit mining environment.

Only diamond and reverse circulation data was utilised during the estimate. Average sample spacing is variable ranging from 25 to 50 metres, with a nominal 25 metre spacing maintained for all classified domains.

Inferred Mineral Resources were defined where a low to moderate level of geological confidence in geometry, continuity, and grade, was demonstrated, and were identified as areas where;

- Drill spacing was averaging a nominal 40 m or less, or where drilling was within 40 m of the block estimate, and
- Estimation quality was considered low, as delineated by a conditional bias slope between 0.2 – 0.6.

The reported Mineral Resource was constrained at depth by the available drill hole spacing outlined for Inferred classification and an optimised pit shell at US\$1360. Thus, depths of resource from topographic surface varied from 40 m in the west to 100 m in the east of the deposit. Upper limit constraints on the Mineral Resources were demarcated by the base of topography and historical open pit voids.

Mineralisation within the model which did not satisfy the criteria for Mineral Resource remained unclassified.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. MRE's do not account for selectivity, mining loss and dilution. This MRE includes Inferred Mineral Resources which are unable to have economic



considerations applied to them, nor is there certainty that they will be converted to Measured or Indicated Resources through further sampling.

Cut-Off Grade

The Mineral Resource cut-off grade for reporting of open pit global gold resources at Far Fanning was 1 g/t gold. This was based upon conceptual mining study outcomes at Far Fanning, assessment of grade tonnage curves and consideration of comparable size deposits of similar mineralisation style and tenor. Tonnages were estimated on a dry basis.

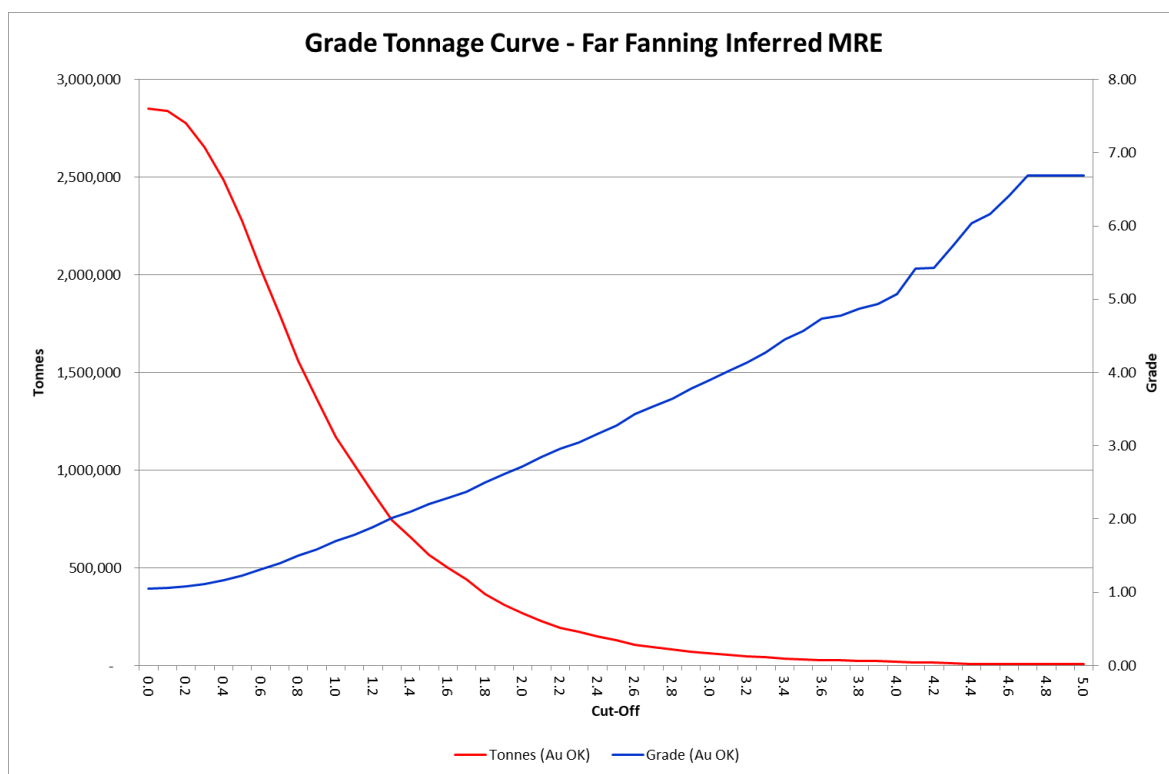


Figure 8: Grade Tonnage Curve for Far Fanning Classified Material

Assessment of Reasonable Prospects for Eventual Economic Extraction

Entech assessed the Far Fanning MRE, as reported, to meet Reasonable Prospects for Eventual Extraction based on the following considerations.

Mining

It was assumed that the Far Fanning deposit could be potentially mined via open-pit mining methods. This assumption was based on conceptual open pit mining studies for Far Fanning and extraction methodologies utilised in comparable size deposits of



EUROPEANCOBALT

similar mineralisation style and tenor. Mineral Resources were reported within a pit shell based on a gold price of US\$1,360. This was considered an appropriate shell to constrain and report Inferred resources for the style of deposit and commodity under consideration.

The MRE extends nominally 40 m (west) to 100 m (east) below topographic surface. Entech considers material at this depth would fall within the definition of 'reasonable prospect of eventual economic extraction' within an open pit mining framework.

No dilution or cost factors were applied to the estimate.

Metallurgy

It should be noted that Entech has relied on metallurgical studies provided by Maroon Gold. Based on this data, Entech understands that the Far Fanning 'fresh' material is metallurgically amenable to conventional gold processing with expected recoveries averaging 86-95%. The estimated recoveries are based on the processing of 42,855t of mineralised stockpiles at Far Fanning which were stockpile sampled, ore sorted, belt sampled then processed through the Blackjack Processing Plant. A full metallurgical accounting procedure was implemented by Maroon to reconcile the head grade, recovered grades and tails grades. A comprehensive evaluation of the metallurgical characteristics within the different lithological and oxidation domains is proposed to be undertaken.

No metallurgical recovery factors were applied to the Mineral Resources or Resource Tabulations.

Ore Sorting

A state of the art Tomra X Ray ore sorter operated successfully onsite at the start of 2019, providing the commissioning feedstock for the Blackjack plant. The aim of the ore sorter was to provide sufficient test sample to define the operating parameters for beneficiation of feed material to reduce the overall tonnes required to be processed through the Blackjack Processing Plant.

During the period January to April 2019, 42,855 tonnes of mineralised stockpiles were recovered through the ore sorter at Far Fanning with an average reconciled head grade of 1.28g/t. The product from the ore sorter was trucked to Blackjack plant which recovered 1,607 ounces of gold



EUROPEANCOBALT



Figure 9: Crushing Infrastructure onsite at Far Fanning- crushing Low Grade Stockpiles



Figure 10: Tomra X-Ray Ore Sorter onsite at Far Fanning- ore sorting low grade stockpile material

Permitting & Approvals

Far Fanning consists of five mining leases that are held by Maroon Gold's wholly owned subsidiary Fortified Gold Pty Ltd (Fortified). These mining leases have various expiry dates January and February 2022 and January 2024. The mining leases lie within Crown Land used for live fire exercises, and no area extensions are likely to be granted.

Fortified is the holder of the Far Fanning Environmental Authority with a Financial Assurance (FA) in place of A\$1,460,312.



GREAT BRITAIN PROJECT (100% MAROON GOLD PTY LTD)

Overview

Great Britain is located within 2km of the township of Charters Towers. The Charters Towers district has historically produced over 9Moz of gold prior to 1914 and since 1985 has produced >2Moz from Mt Leyshon, Pajingo and Ravenswood Mines.

Geology & Mineralisation

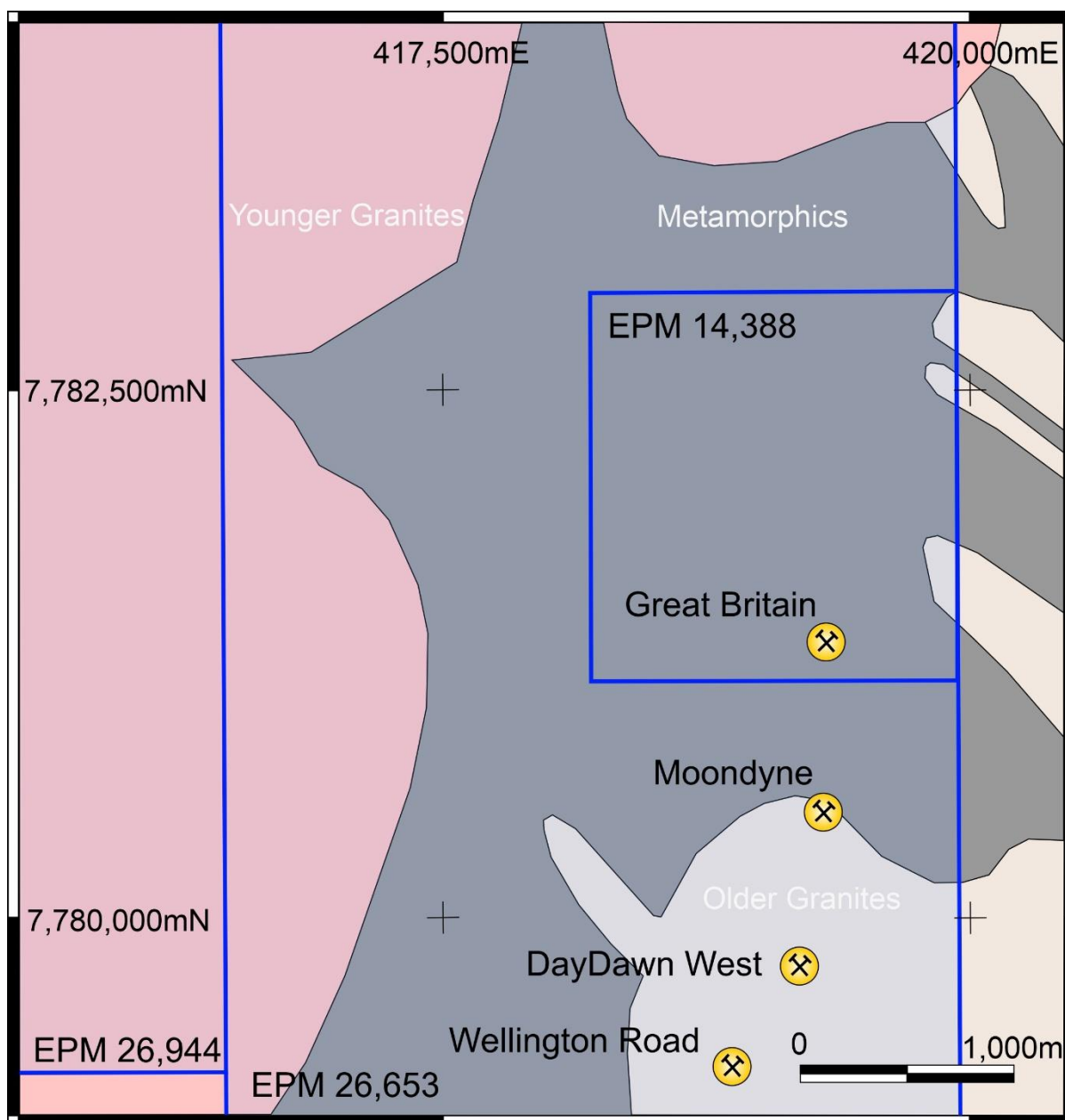


Figure 11: Great Britain Regional Geology & Mineralisation



EUROPEANCOBALT

The current land surface within the Charters Towers region is thought to represent an exposed roof pendant of the Ravenswood Batholith, an Ordovician to Mid-Devonian igneous complex intruded into a Proterozoic to Cambrian package of metamorphosed sediments and igneous rocks. These Charters Towers metamorphic rocks are high temperature and low pressure metamorphic rocks, dominated by metasediments. The Ravenswood Batholith is then in turn cut by Permo-Carboniferous intrusives.

A series of north-northwest trending Permo-Triassic shear zones cut the entire rock sequence and have rotated and juxtaposed the intrusive granitoids.

The gold mineralisation at Great Britain is hosted by quartz-carbonate sulphide stockwork and stringer veins within silica-sericite altered envelopes, within the lower greenschist facies Charters Towers Metamorphics. Locally the host lithologies are comprised of siltstones, sandstones and cherts interbedded with moderately foliated calc-silicates, phyllites and minor banded iron units. The metasediments strike northwest and dip 50 to 60° to the northeast. Subvertical dolerite dykes intrude metasediments and displace the mineralised lodes.

Gold mineralisation occurs as three sub-parallel stacked lodes that are continuous and northeast dipping. These lodes vary in width from 2 to 15m.

Mineralisation identified at Puzzler and Dogmatix prospects reported elevated copper and silver content, with traces of molybdenum. This elemental association is supportive of Permo-Carboniferous gold mineralisation analogous to Mt Leyshon and Ravenswood.

Previous Mining

Small scale mining at Great Britain dates back from 1875 to the Mid 1920's with a recorded production of 3,000oz Au from the Great Britain and Shamrock Mines. Gold mineralisation within these workings was described as being broad continuous north east dipping stacked lenses varying in width from 2 to 15m.

Approximately 23,000oz Au was produced from the Blue Peter group of workings between 1872 and 1939. These workings are located to the south east of Puzzler, and



include the Blue Piter, Hibernia and Bluchers Victory Mines. Mineralisation extends over 1.4km of strike with lodes dipping 30° to the south east.

Mineral Resource

An Inferred Mineral Resource was estimated for Great Britain, by former owner Mantle Mining Corporation Limited (MNM) to the Australian Securities Exchange (ASX) on the 2nd October 2006, under the public report titled 'Mantle Mining Corporation Limited, Prospectus 2006', were estimated at 2.128 million tonnes at 1.8 g/t Au for 123,00 ounces at 0.5 g/t Au and 1.54 million tonnes at 2.2g/t Au for 109,000 ounces² at a 1.0 g/t Au cut-off.

Table 7: Great Britain Mineral Resource

Classification	Cut Off Grade g/t Au	Tonnes	Au g/t	Au Oz
Inferred	0.5	2,128,000	1.8	123,000
Inferred	1.0	1,540,000	2.2	109,000

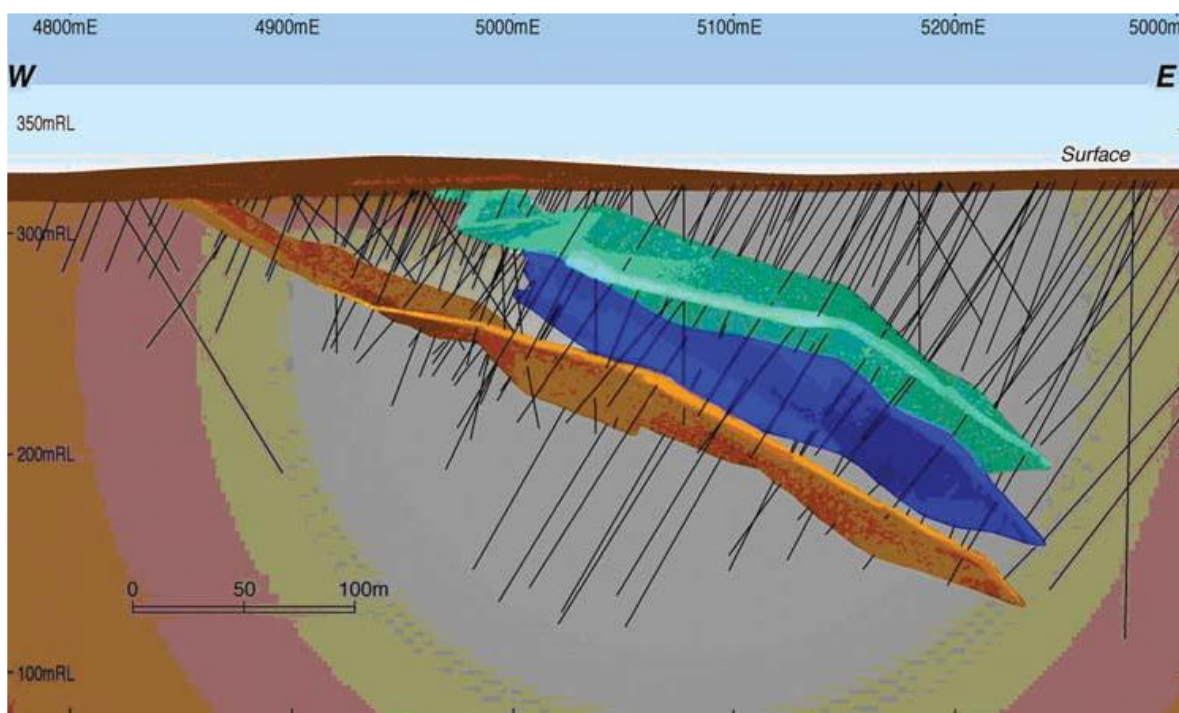


Figure 12: Great Britain Schematic Cross Section, Mantle Mining Prospectus, 2006

The information in this announcement pertaining to the Great Britain mineral resources was reported by a former owner, Mantle Mining Corporation Limited within JORC

² <https://www.asx.com.au/asxpdf/20061002/pdf/3yspxr1rmgg04.pdf>



EUROPEANCOBALT

Code 2004 guidelines and is not being reported for the first time by European Cobalt Ltd (EUC). The current estimates for Great Britain may not conform to the reporting requirements of the JORC Code 2004 and a Competent Person has not done sufficient work to classify the estimates of mineral resources within the JORC Code 2012.

To EUC's knowledge no material changes, recent estimates or material data relevant to the mineral resources has occurred at the deposit. The information pertaining to Great Britain Mineral Resources is an accurate representation of the available data for the project at the time of acquisition.

With completion of acquisition it is EUC's intention to undertake an evaluation of the data to verify the Mineral Resources in accordance with the JORC Code (2012). Entech Pty Ltd (Entech) has been engaged by EUC to assist in this work, which will involve verification of all data underpinning the mineral resources and additional resource definition drilling prior to an update and reporting of Great Britain mineral resources to JORC Code 2012 guidelines. It is expected this work will be undertaken within FY2020. The costs for evaluation and verification will be funded from EUC's existing cash resources.

Cautionary statements for Great Britain Mineral Resources

- The estimates of Great Britain Mineral Resources are not reported in accordance with JORC Code 2012.
- A Competent Person has not done sufficient work to classify the estimates of Mineral Resources in accordance with JORC Code 2012.
- It is possible that, following evaluation and additional drilling, the currently reported mineral resource estimates may materially change when reported by EUC in accordance with the JORC Code 2012.
- No data has come to the attention of EUC which would cause concern as to the accuracy or reliability of MNM mineral resource estimates.
- EUC have not independently validated the former owner's (MNM) estimates and therefore is not reporting, adopting or endorsing these estimates.



GRANITE CASTLE PROJECT (100% MAROON GOLD PTY LTD)

Overview

Granite Castle is located 145km via road to Blackjack Processing Plant. Gold and silver mineralisation are hosted within a steeply dipping ($\sim 80^\circ$) shear zones from surface and has been tested to a depth of 150m. The Mineral Resource has been estimated along a 600m strike length of the shear zone. Mapping of the shear zone extends 1km to the west and 200m to the east of the extent of the Mineral Resource.

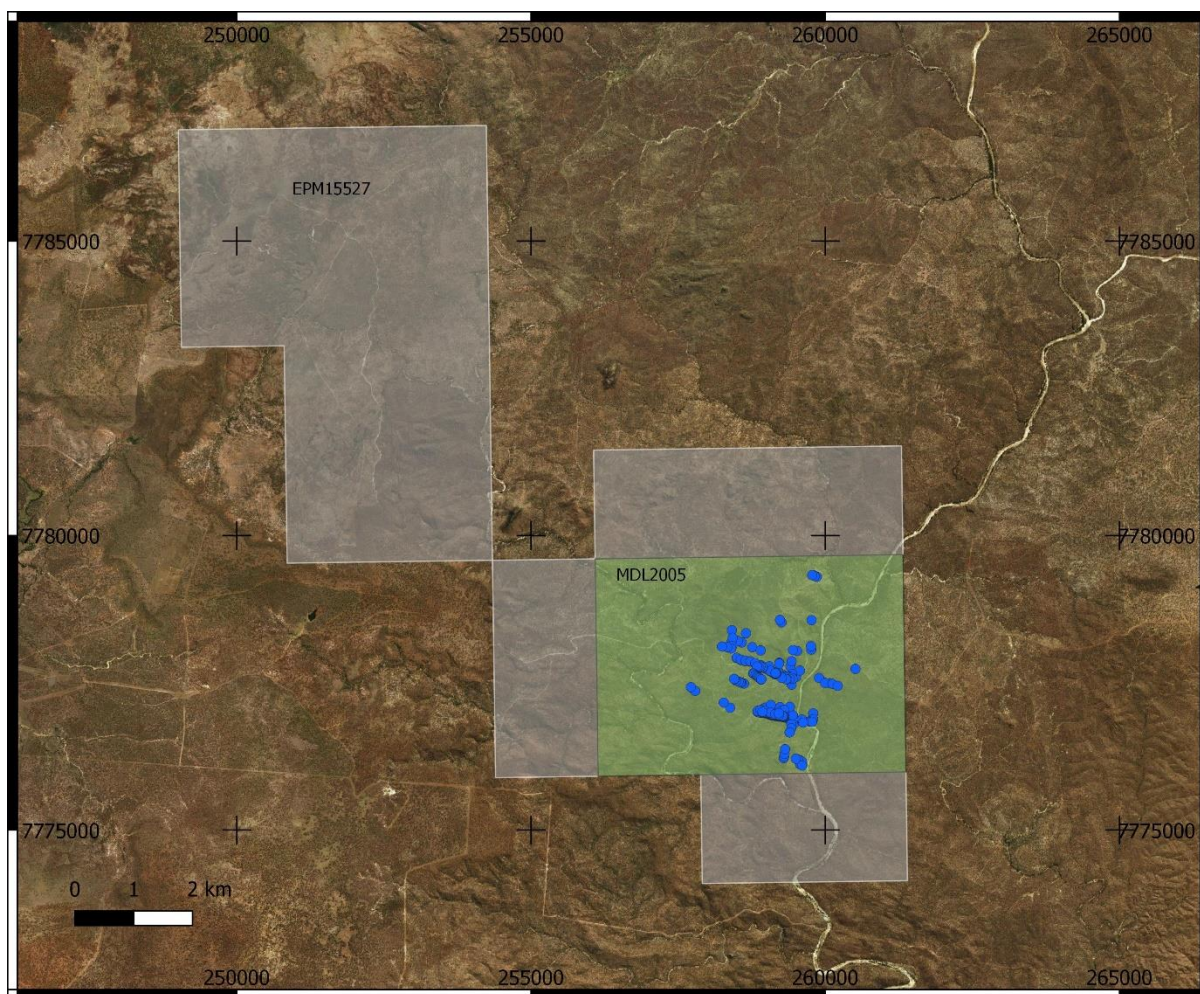


Figure 13: Granite Castle Project- Tenure and Previous Drilling

Geology & Mineralisation

The geology of the area is comprised of quartzites, schists, gneiss and amphibolites of the Proterozoic Cape River Beds which have been intruded by two Silurian-Devonian intrusives, the Lolworth Intrusive complex and Dumbano Granite. The Dumbano Granite regarded as the source of the mineralising fluids.

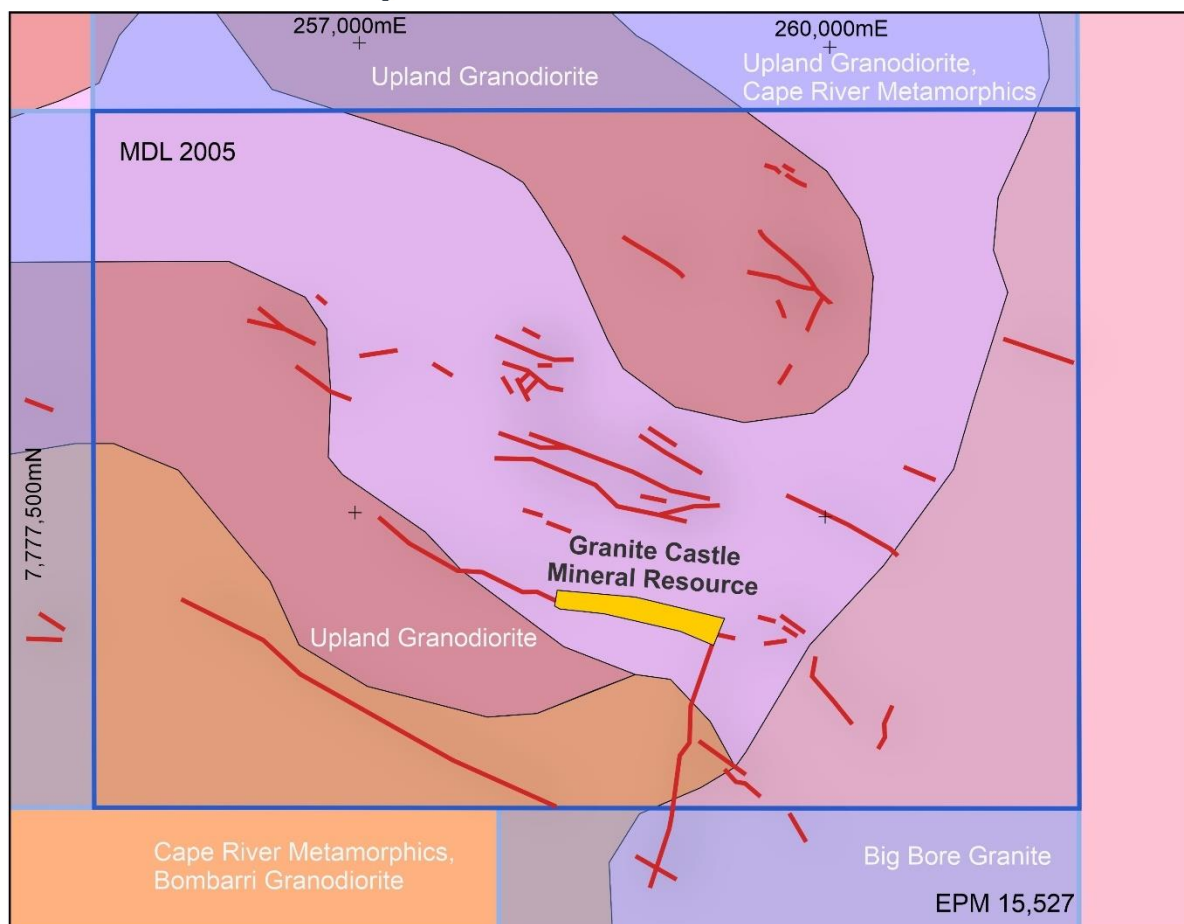


Figure 14: Granite Castle Geology Plan and Maps Veins (red)

Gold mineralisation at Granite Castle is contained within shear zones hosted by the younger phases of the Dumbano Granite.

Small scale mining is historically reported to have occurred at Granite Castle between 1910 and 1942 resulting. At total of 1,900t was produced at an average grade of 39g/t Au for 2,411oz Au produced. Production was predominantly from the Granite Castle and Boulder King lines of workings.

Mineralisation at Granite Castle is strongly structurally controlled and is not confined to a specific host lithology. Lodes of mineralisation have formed as a result of hydrothermal fluids, shears emplaced and subsequently have been greisenised. The overprinting has resulted in the masking of much of the original hydrothermal system. Appreciable levels of silver, lead and zinc are associated with the mineralisation. A total of twelve discrete shear zones have been identified within the project area.



Mineral Resource Estimation

The Granite Castle mineral resource was reported by a former owner, Mantle Mining Corporation Limited within JORC Code 2004 guidelines and is not being reported for the first time by European Cobalt Ltd (EUC). The current estimates for Granite Castle may not conform to the reporting requirements of the JORC Code 2004 and a Competent Person has not done sufficient work to classify the estimates of mineral resources within the JORC Code 2012.

The Measured, Indicated and Inferred Mineral Resources for the Granite Castle deposit, as reported by former owner Mantle Mining Corporation Limited (MNM) to the Australian Securities Exchange (ASX) on the 27th May 2008, under the public report titled 'Improved Confidence Levels for Latest Resource Estimates at Granite Castle', were estimated at 0.76 million tonnes at 3.14 g/t Au for 77,210 ounces³ at a 1.0 g/t Au cut-off.

Table 8: Granite Castle Mineral Resource, 1g/t Au cut-off

Classification	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz
Measured	111,307	4.32	15,463	57.5	205,790
Indicated	249,988	3.59	28,829	70.7	567,910
Inferred	403,409	2.54	32,918	56.1	727,236
Total	764,704	3.14	77,210	61	1,500,937

To EUC's knowledge no material changes, recent estimates or material data relevant to the mineral resources has occurred at the deposit. The information pertaining to Granite Castle Mineral Resources is an accurate representation of the available data for the project at the time of acquisition.

With completion of acquisition it is EUC's intention to undertake an evaluation of the data to verify the Mineral Resources in accordance with the JORC Code (2012). Entech Pty Ltd (Entech) has been engaged by EUC to assist in this work, which will involve verification of all data underpinning the mineral resources and additional resource definition drilling prior to an update and reporting of Granite Castle mineral resources to JORC Code 2012 guidelines. It is expected this work will be undertaken

³ <https://www.asx.com.au/asxpdf/20080528/pdf/319bn2rscsl369.pdf>



EUROPEANCOBALT

within FY2020. The costs for evaluation and verification will be funded from EUC's existing cash resources.

Cautionary statements for Granite Castle Mineral Resources

- The estimates of Granite Castle Mineral Resources are not reported in accordance with JORC Code 2012.
- A Competent Person has not done sufficient work to classify the estimates of Mineral Resources in accordance with JORC Code 2012.
- It is possible that, following evaluation and additional drilling, the currently reported mineral resource estimates may materially change when reported by EUC in accordance with the JORC Code 2012.
- No data has come to the attention of EUC which would cause concern as to the accuracy or reliability of MNM mineral resource estimates.
- EUC have not independently validated the former owner's (MNM) estimates and therefore is not reporting, adopting or endorsing these estimates.



EUROPEANCOBALT

HADLEIGH CASTLE- MINERALISED STOCKPILES (PROCESSING JV)

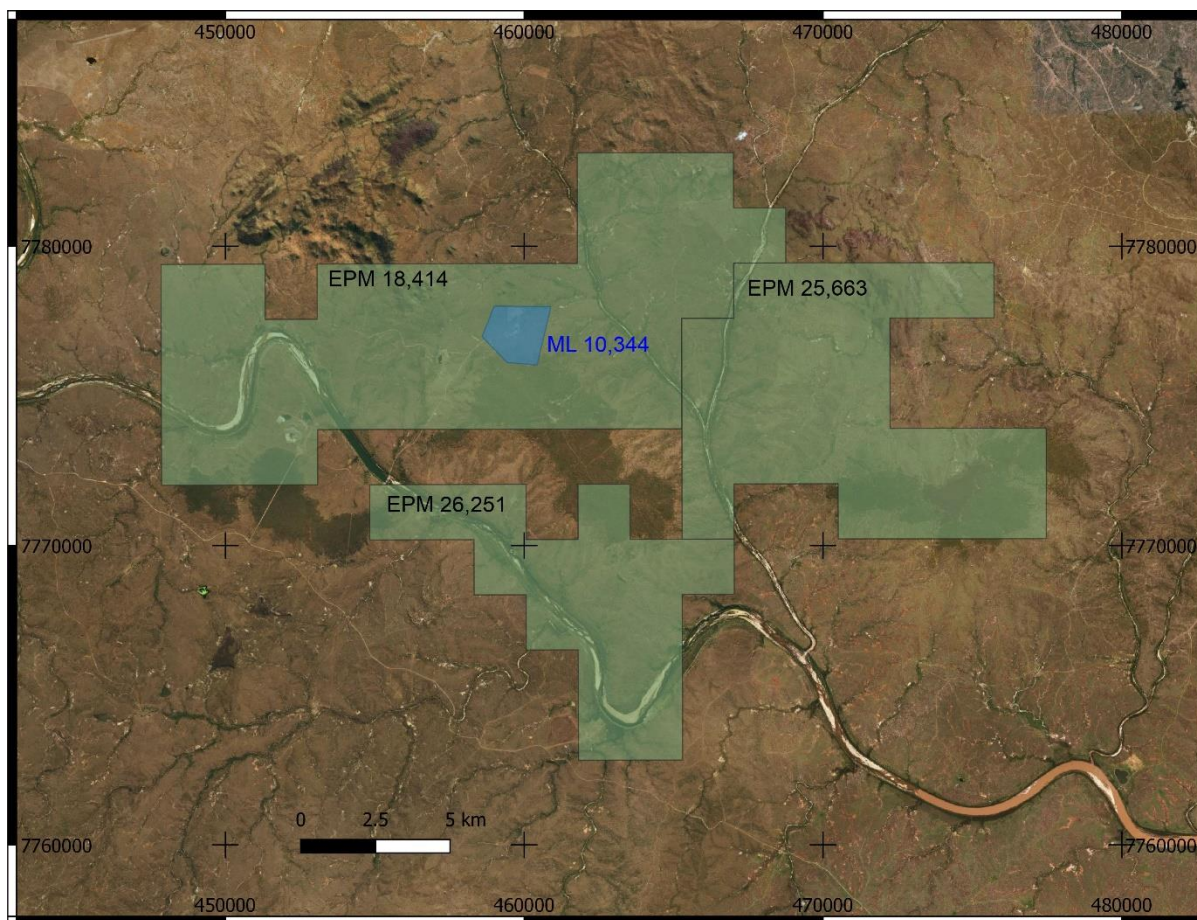


Figure 15: Hadleigh Castle Location Plan

Historical open pit and underground mining at Hadleigh Castle have left extensive remnant low-grade stockpiled mineralisation. Maroon has entered into a joint venture to process these dumps located 75km via road from the Blackjack Processing Facility.

The processing joint venture requires Maroon to fund all upfront capital costs inclusive of financial assurances, site access, metallurgical testing and ore sorting trials. Maroon is to charge cost plus 5% for all load and haul (with on charge capped at A\$20/oz Au produced) and cost price for processing. All upfront costs incurred by Maroon and applicable margin is to be reimbursed from 60% of the net margin on a monthly basis once processing commences until upfront costs have been reimbursed in full. The remaining split of the 40% during this initial period is to be divided equally between Maroon and their JV partner. Once upfront capital costs have been repaid in full the joint venture reverts to 50%/50% of recovered gold.



EUROPEANCOBALT

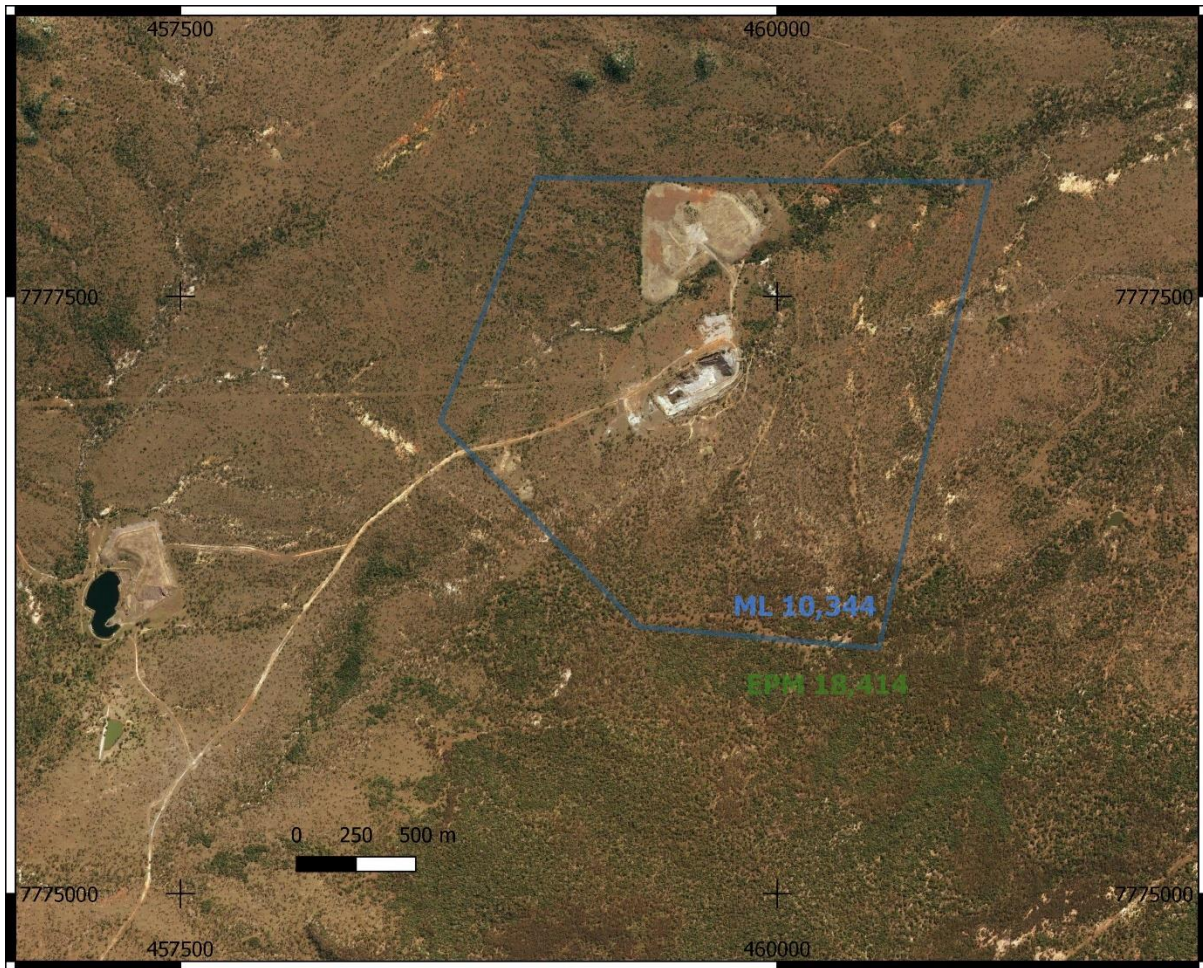


Figure 16: Hadleigh Castle Historical Open Pits and Waste Dumps

AGATE CREEK, TRIBUTE MINING & PROCESSING OPERATION

Maroon Gold Pty Ltd and Laneway Resources Ltd (ASX: LNY, Laneway) entered into a Tribute Agreement on 8 October 2018 for the Agate Creek Gold Project (Agate) which is located approximately 40km south of Forsayth and 60km west of Kidston in North Queensland.

Maroon Gold held both the Operator and Senior Site Executive roles for Agate. Maroon, as the operator, is responsible for all mining, transportation and processing activities. Laneway stated in their Quarterly Activities Report for the period ending 30 September 2019 that ~70,000t of ore was processed through the Blackjack Processing Plant at an average grade of 7.3g/t Au with gold recoveries averaging 97% for just under 16,000oz Au produced.



EUROPEANCOBALT

Maroon Gold received the first 3.5g/t of the head grade to cover costs, and the balance of the head grade (as reconciled on bullion production) as revenue was divided 60% for Laneway Resources and 40% for Maroon Gold.

CONTACT INFORMATION

For further information in relation to the Proposed Acquisition please contact:

Mr Rob Jewson

Managing Director

rob@europeancobalt.com

+61 (08) 9481 0389



EUROPEANCOBALT

Cautionary statements for Great Britain and Granite Castle Mineral Resources

- The estimates of Mineral Resources are not reported in accordance with JORC Code 2012.
- A Competent Person has not done sufficient work to classify the estimates of Mineral Resources in accordance with JORC Code 2012.
- It is possible that, following evaluation and additional drilling, the currently reported mineral resource estimates may materially change when reported by EUC in accordance with the JORC Code 2012.
- No data has come to the attention of EUC which would cause concern as to the accuracy or reliability of MNM mineral resource estimates.
- EUC have not independently validated the former owner's (MNM) estimates and therefore is not reporting, adopting or endorsing these estimates.

Competent Persons Statement

The information that relates to Mineral Resources at the Far Fanning Deposit in the report to which this statement is attached is based upon information compiled by Mrs. Jillian Irvin BSc., a Competent Person who is a member of the Australian Institute of Geoscientists (MAIG 3035). Mrs Irvin is a Principal Consultant at Entech Pty Ltd and an independent consultant to European Cobalt Ltd (EUC). Mrs Irvin has sufficient experience relevant to the style of mineralisation and deposit type under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mrs Irvin consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Mrs Jillian Irvin confirms that the information in this market announcement that relates to the Great Britain and Granite Castle Mineral Resources, provided under ASX Listing Rule 3.1 is an accurate representation of the available data and studies supplied to European Cobalt. Mrs Irvin is a Principal Consultant at Entech Pty Ltd, an independent consultant to European Cobalt Ltd (EUC) and member of the Australian Institute of Geoscientists (MAIG 3035). Mrs Irvin has sufficient experience relevant to the style of mineralisation and deposit type under consideration and to the activity which she has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the



EUROPEANCOBALT

Australasian Code for the Reporting of Mineral Resources. Mrs Irvin consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

DISCLAIMER

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.



Appendix 1: Tenement Schedules

Table 9: Charters Towers

Lease	Name	Status	Holder	Area	Grant Date	Expiry Date
EPM 26653	Charters Towers	Granted	Maroon Gold Pty Ltd	27 sub blocks	12-Jun-18	11-Jun-23
EPM 14388	Great Britain	Granted	Maroon Gold Pty Ltd	7 sub blocks	24-Feb-05	23-Feb-20
EPM 15527	Oaky Creek	Granted	Maroon Gold Pty Ltd	25 sub blocks	30-Nov-07	29-Nov-19
MDL 2005	Granite Castle	Granted	Maroon Gold Pty Ltd	1,931 Hectares	15-Mar-17	14-Mar-22
EPM 26942	Charters Towers 2	Granted	Maroon Gold Pty Ltd	40 sub blocks	19-Feb-19	18-Feb-24
EPM 26944	Charters Towers 3	Granted	Maroon Gold Pty Ltd	7 sub blocks	06-Nov-18	05-Nov-23

Table 10: Blackjack

Lease	Name	Status	Holder	Area	Grant Date	Expiry Date
ML 1387	Beaumont North	Granted	Maroon Gold Pty Ltd	8.094 Ha.	28-Nov-74	28-Feb-25
ML 1407	Blackjack	Granted	Maroon Gold Pty Ltd	12.13 Ha.	12-Jun-80	30-Jun-22
ML 1408	Blackjack West	Granted	Maroon Gold Pty Ltd	3.033 Ha.	12-Jun-80	30-Jun-22
ML 1409	Blackjack North	Granted	Maroon Gold Pty Ltd	8.094 Ha.	12-Jun-80	30-Jun-22
ML 1428	Blackjack 1	Granted	Maroon Gold Pty Ltd	27.65 Ha.	10-Oct-85	28-Feb-25
ML 1429	Blackjack 2	Granted	Maroon Gold Pty Ltd	53.57 Ha.	10-Oct-85	28-Feb-25
ML 1431	Blackjack 6	Granted	Maroon Gold Pty Ltd	20.29 Ha.	22-Jan-87	31-Jan-27
ML 1432	Blackjack 7	Granted	Maroon Gold Pty Ltd	35.23 Ha.	18-Dec-86	31-Dec-26



EUROPEANCOBALT

Lease	Name	Status	Holder	Area	Grant Date	Expiry Date
ML 1433	Blackjack 10	Granted	Maroon Gold Pty Ltd	26.55 Ha.	10-Oct-85	28-Feb-25
ML 1548	Beaumont United	Granted	Maroon Gold Pty Ltd	16.19 Ha.	18-May-89	31-Jan-27
ML 1735	Scandinavian West	Granted	Maroon Gold Pty Ltd	9.672 Ha.	18-Feb-93	28-Feb-23
ML 10,285	Blackjack Extended	Granted	Maroon Gold Pty Ltd	94.3138 Ha.	03-Feb-25	28-Feb-25
EPM 27184	Blackjack Extension	Granted	Maroon Gold Pty Ltd	7 Sub blocks	11-Nov-19	10-Nov-24

Table 11: Far Fanning

Lease	Name	Status	Holder	Area	Grant Date	Expiry Date
ML 1349	Far Fanning 1	Granted-Renewal Pending	Fortified Gold Pty Ltd	8.094 Ha.	4-Nov-74	31-Jan-24
ML 1350	Far Fanning 2	Granted-Renewal Pending	Fortified Gold Pty Ltd	8.094 Ha.	4-Nov-74	28-Feb-22
ML 1351	Far Fanning 3	Granted-Renewal Pending	Fortified Gold Pty Ltd	8.094 Ha.	4-Nov-74	31-Jan-24
ML 1437	Great Fanning 1	Granted-Renewal Pending	Fortified Gold Pty Ltd	105.2 Ha.	16-Jan-86	31-Jan-22
ML 1438	Great Fanning 2	Granted-Renewal Pending	Fortified Gold Pty Ltd	126.5 Ha.	16-Jan-86	31-Jan-22



Schedule 1 – Transaction Comparison Table

	Prior to Transaction	Effect of Transaction	Pro-forma	% change	Scale of change
Total assets	\$14,760,009 ¹	\$51,406,700	\$66,166,709	348%	4.48
Total equity	\$13,542,073 ¹	\$21,406,700	\$34,948,773	158%	2.58
Revenue	\$201,730 ²	\$0	\$201,730	0%	0
Annual profit (before tax and extraordinary items)	\$(4,468,733) ²	\$(1,995,000)	\$(6,463,733)	45%	1.45
Budgeted expenditure (next 12 months) ³	\$1,630,000	\$8,872,000	\$10,502,000	544%	6.44
Total shares ⁴	761,697,329	900,279,150	1,661,976,479	118%	2.18
Total convertible securities	168,564,840 ⁵	80,600,000	249,164,840	48%	1.48

Notes:

1. All figures provided in Schedule 1- Transaction Comparison Table
2. As provided in EUC's half-year financial report to 31 December 2018 announced 13 March 2019.
3. For the half-year ended 31 December 2018, as provided in EUC's half-year financial report to 31 December 2018 announced 13 March 2019.
4. Refer to the indicative uses of funds set out within the announcement.
5. Comprised of 850,279,150 Consideration Shares and 50,000,000 Rivi Shares.
6. Comprised of 73,333,334 performance shares and 95,231,506 options.



Schedule 2 – Pro Forma Statement of Financial Position

	Maroon Gold Pty Ltd (post capital raising)	European Cobalt Ltd	Acquisition Adjustment	Consolidated Balance Sheet Post Acquisition
	Unaudited	Audited	Unaudited	Unaudited
Assets				
Current Assets				
Cash and cash equivalents	4,258,648	11,397,289	(100,000)	15,555,937
Gold on Hand	514,240			514,240
Receivables	573,649	129,195		702,844
Inventory	115,492			115,492
Other Assets		27,562		27,562
Total Current Assets	5,462,029	11,554,046	(100,000)	16,916,075
Non-current Assets				
Other Financial Assets	3,141,243			3,141,243
Exploration and Evaluation	566,519			566,519
Property, Plant and Equipment	38,619,080	100,036	22,829,595	61,548,711
Total Non-current Assets	42,326,842	100,036	22,829,595	65,256,473
Total Assets	47,788,871	11,654,082	22,729,595	82,172,548
Liabilities and shareholder's equity				
Current liabilities:				
Trade and Other Payables	9,152,560	806,157		9,958,717
Borrowings	16,088,480			16,088,480
Provisions		43,800		43,800
Total Current Liabilities	25,241,040	849,957	-	26,090,997
Non-current Liabilities:				
Provisions	2,465,928	-		2,465,928
Borrowings	13,102,286	-		13,102,286
Total Non-current Liabilities	15,568,214	-	-	15,568,214
Total Liabilities	40,809,254	849,957	-	41,659,211
Shareholders' equity:				
Share capital	11,977,803	97,201,759	17,731,409	126,910,971
Reserves		8,652,150	-	8,652,150



EUROPEAN COBALT

	Maroon Gold Pty Ltd (post capital raising)	European Cobalt Ltd	Acquisition Adjustment	Consolidated Balance Sheet Post Acquisition
Accumulated losses	(5,007,509)	(95,043,999)	5,007,509	(95,043,999)
Non-controlling interest	9,323	(5,785)	(9,323)	(5,785)
Total Shareholders' Equity	6,979,617	10,804,125	22,729,595	40,513,337
Total Liabilities and Equity	47,788,871	11,654,082	22,729,595	82,172,548

Notes:

1. Maroon Gold Pty Ltd are unaudited as at 30 June 2019 and updated to include the proposed capital raising being completed by Maroon Gold Pty Ltd.

2. Issue of European Cobalt Ltd ordinary shares for the acquisition of Maroon Gold Pty Ltd are estimated at a price of 3.3 cents per share (last closing price).

JORC CODE, 2012 – TABLE 1 – FAR FANNING MINERAL RESOURCES

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<p>The majority of sampling at Far Fanning has been completed by reverse circulation (RC) percussion drilling, with 5% from a halved diamond drill core (DD) drilling. Face chip, underground sludge hole and blast hole sampling was also completed, but the samples were excluded in the Mineral Resource estimate due to unequal sample lengths or non-representative sampling. A nominal grid spacing of 25m east-west x 12.5m north-south has been used.</p> <p>Sampling was carried out under geological supervision with samples being split at the rig for sub-samples for assaying. Split samples were in the range of 1.5 to 5kgs and samples were submitted to internationally recognised laboratories, where they were pulverised to produce a 50g charge for fire assay. The fire assay was initially finalised with atomic absorption spectroscopy (AAS), with the later programmes using inductively coupled plasma atomic emission spectroscopy (ICP-AES).</p> <p>To Entech's knowledge, no additional drilling has been completed since the previous, unpublished Mineral Resource estimate for Far Fanning by Terra Search Pty. Ltd. (Terra Search) in October 2015.</p>
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<p>A range of drilling techniques and sampling intervals has been used throughout the life of the Far Fanning project. The database presently includes 93,163m of sampling including:</p> <ul style="list-style-type: none"> 2,323m of diamond core and RC with diamond tail using HQ and NQ sized non oriented core. 43,588m of RC and other percussion (rotary and hammer) exploration holes. 8,236m of underground sampling including sludge and face sampling. 39,014m of blast hole sampling.

Criteria	JORC Code explanation	Commentary														
		<p>Data types collected and the company responsible:</p> <table><tr><th>Company</th><th>Drill methods</th></tr><tr><td>Marathon</td><td>13 DD (646m); 200 rotary percussion (4,357m)</td></tr><tr><td>BHP</td><td>9 DD (595m); 317 hammer percussion (23,353m)</td></tr><tr><td>NQR</td><td>34 RC (1,504m)</td></tr><tr><td>Burdekin Resources Ltd</td><td>186 RC (9,883m)</td></tr><tr><td>SMC</td><td>11,116 Blast (39,014m); 800 UGPC (7,633m); Face sampling (604m); 177 shallow RC (2,160m)</td></tr><tr><td>NQM</td><td>2 DD (394m); 4 RC + DDH tail (687m); 25 RC (2,331m)</td></tr></table>	Company	Drill methods	Marathon	13 DD (646m); 200 rotary percussion (4,357m)	BHP	9 DD (595m); 317 hammer percussion (23,353m)	NQR	34 RC (1,504m)	Burdekin Resources Ltd	186 RC (9,883m)	SMC	11,116 Blast (39,014m); 800 UGPC (7,633m); Face sampling (604m); 177 shallow RC (2,160m)	NQM	2 DD (394m); 4 RC + DDH tail (687m); 25 RC (2,331m)
Company	Drill methods															
Marathon	13 DD (646m); 200 rotary percussion (4,357m)															
BHP	9 DD (595m); 317 hammer percussion (23,353m)															
NQR	34 RC (1,504m)															
Burdekin Resources Ltd	186 RC (9,883m)															
SMC	11,116 Blast (39,014m); 800 UGPC (7,633m); Face sampling (604m); 177 shallow RC (2,160m)															
NQM	2 DD (394m); 4 RC + DDH tail (687m); 25 RC (2,331m)															
Drill sample recovery	<ul style="list-style-type: none">• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>• <i>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.</i>	<p>Core recovery was measured using standard techniques, by measuring core in trays and calculation of recovery. RC recovery has been measured qualitatively and comments made in logs if sample size reduced.</p> <p>All of the percussion drilling companies have made statements that the cyclone, splitters and sampling buckets were cleaned regularly.</p> <p>Recovery information for the drill holes was not available, but the documentation for the previous estimate by Terra Search suggests that there is no evidence for grade variation with recovery.</p> <p>The RC bit size was generally 4.5" or greater and generally recovered >20kg bulk samples per metre drilled. All samples were adequate for lab requirements for effective assay.</p>														
Logging	<ul style="list-style-type: none">• <i>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.</i>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>• <i>The total length and percentage of the relevant intersections</i>	<p>All holes were logged on preferred 1 m (or 2m for some RC) intervals using visual inspection of washed RC chips, or both full and split core.</p> <p>Qualitative logging was completed for grainsize, weathering, lithology, sulphide mineralogy and alteration type and intensity. This has been standardised across the various company records in the Terra Search database, and is thus semi-quantitative. Logging recorded numeric estimates for sulphide mineralogy and quartz veining.</p>														

Criteria	JORC Code explanation	Commentary
	<i>logged.</i>	<p>Initial project logging was recorded onto A4 ledger sheets, with later logs recorded on A4 ledger sheets and entered into a digital template. All logs have now been digitised and transferred into the Terra Search Explorer 3 relational database. Data has been validated within Explorer 3 and spatially validated in Leapfrog™.</p> <p>Logging is of a sufficient quality to be used in mineral resource estimation. 100% of surface percussion and DDH drilling used in the 2016 Mineral Resource estimate has been geologically logged.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>All core was split and half and quartered core was sampled. All RC drillhole samples were split in a riffle splitter to produce a sub-sample for assaying.</p> <p>For the NQR drilling programme only, 4m composite samples were taken by spearing individual 1m samples and combining them. Where the 4m samples showed anomalous results, the individual 1m samples were also submitted for assay.</p> <p>Sample preparation has been undertaken at ISO certified commercial laboratories, such as Comlabs, ALS and SGS. Samples were dried, crushed to <5mm and pulverised so that +85% of the sample passed through a 75 micron mesh sieve, as appropriate for Au assaying.</p> <p>All of the laboratories used certified reference material and blanks and repeat assays were also included in the sample stream.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<p>The primary analytical technique was 50g fire assay. Early results were measured with an AAS finish, while later results (NQM) used an ICP-AES finish. This is considered to be a total assay technique.</p> <p>The blast and sludge holes drilled by SMC were assayed by cyanide leach in its on-site laboratory. QA/QC work by SMC and laboratory round robin checks show that these gold grades are similar to fire assay but generally underestimate the grade by a relatively minor amount as would be expected from a partial digest technique.</p> <p>Most of the assays for the exploration and resource definition drilling (by BHP, NQR, Burdekin & NQM) were carried out by ALS, with 10% of assays being checks and internal standards.</p>

Criteria	JORC Code explanation	Commentary														
		<p>Further details provided in the table below.</p> <table><tr><th>Company</th><th>Assay techniques</th></tr><tr><td>Marathon</td><td>Comlabs – 50g FA Au</td></tr><tr><td>BHP</td><td>12,182 at ALS 50g FA Au</td></tr><tr><td>NQR</td><td>1,144 at ALS/Comlabs 50g FA Au (1:20 internal standards)</td></tr><tr><td>Burdekin Resources Ltd</td><td>5,952 at ALS 50g FA Au (1:40 internal standards)</td></tr><tr><td>SMC</td><td>22,509 at On-site lab cyanide leach</td></tr><tr><td>NQM</td><td>1,181 at ALS 50g FA Au</td></tr></table>	Company	Assay techniques	Marathon	Comlabs – 50g FA Au	BHP	12,182 at ALS 50g FA Au	NQR	1,144 at ALS/Comlabs 50g FA Au (1:20 internal standards)	Burdekin Resources Ltd	5,952 at ALS 50g FA Au (1:40 internal standards)	SMC	22,509 at On-site lab cyanide leach	NQM	1,181 at ALS 50g FA Au
Company	Assay techniques															
Marathon	Comlabs – 50g FA Au															
BHP	12,182 at ALS 50g FA Au															
NQR	1,144 at ALS/Comlabs 50g FA Au (1:20 internal standards)															
Burdekin Resources Ltd	5,952 at ALS 50g FA Au (1:40 internal standards)															
SMC	22,509 at On-site lab cyanide leach															
NQM	1,181 at ALS 50g FA Au															
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>	<p>Significant intersections were verified by senior geologists within the relevant companies at the time of drilling.</p> <p>There are eight twinned holes within the drillhole dataset. The primary holes and their duplicates are as follows; BFFRC32 & FFP73, BFFRC33 & FFP72, BFFRC37 & FFP297 and BFFRC39 & FFP086</p> <p>According to Terra Search, field duplicates and standards were submitted with the relevant assay batches as reviewed in 2015. Terra Search also sighted laboratory duplicate and laboratory-supplied QA/QC data and various internal memos and reports which comment on QA/QC and follow up of any assay queries.</p> <p>Drillhole location data and geological observations were recorded in the field and reported in ledgers (early work) and Excel spreadsheets (SMC and NQM). Terra Search collated this data electronically into a database.</p> <p>The database is in Terra Search's Explorer 3 format and has also been exported into spreadsheets for incorporation in MapInfo and Leapfrog software.</p>														
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>	<p>All drillhole collars were positioned using a theodolite/total station, based on an AMG grid established on site by Marathon. The grid was re-surveyed in 1996 by a licensed surveyor, working for Burdekin Resources (Burd1996/002), to establish metal star pickets on major section lines and to enhance the survey stations. A total of 13 stations were established on site.</p>														

Criteria	JORC Code explanation	Commentary
		<p>The 1996 survey revealed errors of 0.2 to 0.7m with regard to many hole locations and RLs. Not all holes have been resurveyed.</p> <p>All drill co-ordinates are presented in a local coordinate system, referenced to AMG Zone 55.</p> <p>The majority of holes were vertical. The NQR report states that downhole surveys on DDH holes indicated that deviation was not a problem. Downhole surveys on inclined holes were carried out using a single shot survey tool.</p> <p>Topographic control is based on the local survey, adjusted based on the 1996 Burdekin survey and is in the form of a Leapfrog-generated wireframe surface. The topography surface provided has the mine workings (pit and dumps) included as one surface and appears to be slightly smoothed in some areas. A pre mining topography, which appears to pre-date any of the current workings was supplied, but there are some slight discrepancies between it and the mined-out topography in the areas away from the pits and dumps.</p>
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> 	<p>The drill hole spacing was originally planned to accurately map bedding plane parallel mineralization, contained within a kink-band envelope.</p> <p>The current data spacing and distribution of nominally 25m x 12.5m in easting and northing is sufficient to establish geological and grade continuity on a global scale at the currently applied Inferred Resource classification.</p> <p>Some sample compositing has been applied where the samples have been expected to be non-mineralised, however the overwhelming majority of mineralised samples are at their original sampled lengths of one or two metres.</p>
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> 	<p>The majority of surface drilled holes used in the estimate are vertical and intersect the interpreted mineralisation at angles of approximately 20° to 60°, with the average at approximately 45° to 50°.</p> <p>Intersections are considered to be appropriate considering the orientation of the interpreted mineralisation, although true width intercepts (at 90°) would have been ideal. A material bias was not identified from the current drillhole orientation.</p>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>Chain of custody was managed by individual companies during the drilling and sampling programmes.</p>

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	Sampling techniques utilised over the years are consistent with industry standards prevailing at the time. Entech has no knowledge of any reviews or audits carried out for the procedures or data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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 license to operate in the area. 	<p>The Far Fanning project is 100% owned by Maroon Gold Pty Ltd. The project is located within granted Mining Leases ML 1349-51 and ML 1437-38 and not subject to native title claims.</p> <p>The project is not overlain by a pastoral lease but is located within a military training area.</p> <p>Entech understands all existing tenements are in good standing as of September 2019.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>The Far Fanning project was most recently evaluated by NQM in 2009. Prior to that it was operated as both open pit and underground by SMC. Previous exploration was carried out by NQR, Burdekin Resources, BHP and Marathon.</p> <p>Several resource evaluations have been completed, including Mineral Resource estimates by Widenbar & Associates Pty. Ltd. in 1998 and unpublished estimates by Snowden Mining Industry Consultants (Snowden) in 2009 & 2010, Terra Search in 2015 and AMC in 2016.</p> <p>Previous exploration activities have included surface geochemical sampling, open hole percussion drilling, RC percussion drilling and diamond drilling.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The Far Fanning ore-body is developed in Late Devonian Julia Formation of the Dotswood Group, overlying the Fanning River Group. The rocks are folded into parasitic folds with associated kink bands, and intruded post-folding by Carboniferous to Permian rhyolitic plugs and Dykes. Bulging associated with the intrusion and dyke emplacement led to a local increase of fold plunge across the intrusion, a process that is inevitably accompanied by normal faulting.</p> <p>Mineralisation is hosted in bedding-parallel veins within an envelope controlled by the orientation and geometry of kink bands.</p> <p>The broad structural zone at Far Fanning is delineated over a strike length of 1700 metres, trends west to north-west and is characterised by open fold structures at the eastern end of the deposit and monoclines throughout the rest of the deposit. The deposit consists of numerous ore lenses. These ore lenses parallel and cross cut bedding and vary in width from 2 metres to over 20 metres. The overall dip of the ore lenses is roughly normal to the direction of</p>

	<p>maximum steepening of the fold. Therefore, although the beds in the fold flexure mainly dip to the south (60 to 80 degrees), the ore lenses dip to the north (35 to 50 degrees). In detail ore lenses consist of discontinuous mineralised fracture sets and metric size clast supported breccia pods (Elliott and Houtgraaf, 1986)</p> <p>Gold mineralisation is reported to be associated with quartz-sulphide stringers and veinlets minor breccias and disseminated sulphides. Approximately 80 - 85% of the gold is free milling.</p> <p>Structural control on the orebody is reportedly a combination of:</p> <ul style="list-style-type: none"> • a Riedel model with mineralisation controlled by shearing and fracturing within a low strain shear zone resulting in a kink set configuration (Baxter, 1987); & • Three-phase folding control, with syngenetic source of metal and mineralisation concentrated within cleavage planes and fold axes. (Berton & Clayton, 2008).
<p>Drill hole Information</p> <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 drill holes: <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 drill hole 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. 	<p>All drillhole data used in the 2016 Mineral Resource estimate has previously been reported as exploration data and is in a digital database format.</p> <p>No new drilling information has been added to the project since the Terra Search 2015 estimate.</p>
<p>Data aggregation methods</p> <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 	<p>No exploration results are being reported as part of this Mineral Resource report.</p>

<i>should be clearly stated.</i>		
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	No exploration results are being reported as part of this Mineral Resource report.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	Relevant maps and sections are included as part of the Mineral Resource Technical Report.
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> 	No exploration results are being reported as part of this Mineral Resource report.
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> 	No exploration results are being reported as part of this Mineral Resource report.
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> 	Deposit infill and extensional drilling is planned for 2019. The Inferred Mineral Resource is currently constrained by an optimisation pit-shell and further modelled mineralisation occurs along strike and down-dip from the shell. Refer to the main body of the report for further detail and diagrams.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in sections 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> 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. 	<p>All historical geological and field data is stored in both hard copy and MS Excel spread sheets. Validation of the spreadsheets was undertaken in Explore 3, Leapfrog and Datamine by Terra Search in 2015 and AMC in 2016.</p> <p>Entech undertook further validation checks in 2019 when loading into Surpac software.</p>
	<ul style="list-style-type: none"> Data validation procedures used. 	<p>Validation was undertaken by Terra Search in 2015 by loading the drillhole data into an Explore 3 data base which specifically targets errors in drilling data such as duplicate records and holes missing survey and collar information. Duplicate data was identified in the blasthole and sludge hole database and removed by AMC in 2016. Further validation was completed (including spatially) using Leapfrog software.</p> <p>The drill hole data utilised for the Mineral Resource was considered in good standing and incorporates drilling results available up to and including 31st July 2019.</p>
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. 	<p>No site visit was undertaken. The competent person reviewed site visit reports by independent consultants Terra Search, 2015 and AMC 2016.</p> <p>In addition to the reviews of site visit reports, Entech utilised the experience of EUC geologists to ensure all tacit knowledge regarding the project, access to mineralisation exposures and core processing infrastructure was taken into account for this decision.</p>
	<ul style="list-style-type: none"> If no site visits have been undertaken indicate why this is the case. 	<p>The competent person did not undertake a site visit to the Far Fanning Project due to limited accessibility to mineralisation exposures in historical open pits/underground, drill core, lack of core processing infrastructure or current drilling programmes to observe data collection procedures. There has been no drilling or processing of drill material since 2015 and mining ceased in 2004. The competent person reviewed site visit reports by independent consultants Terra Search, 2015 and AMC 2016.</p>

Criteria	JORC Code explanation	Commentary
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. 	<p>A site visit is planned by the competent person in October 2019 to coincide with resource infill/extensional drilling, prior to an MRE update.</p> <p>Far Fanning is a narrow vein gold system, which is characterized by nuggety gold. It has been interpreted and reviewed by multiple companies and individuals prior to the current interpretation. Many improvements have been made over the years and it has also been in part confirmed by open pit and underground mining which ceased in 2004.</p> <p>Factors which limited the confidence of the geological interpretation included; absent or subjective lithological data and assay quality for historical drill holes, RC sampling representing the majority of mineralised drill intercepts, and limited oriented structural data within the mineralised zones. Additionally the presence or absence of quartz/pyrite as well as the structural complexity of the deposit and the location of faulting and folding.</p> <p>Entech considers confidence is moderate for the geological interpretation, geometry and continuity of the structures within the MRE. Mining to date supports the geometry and continuity implied in the MRE and the application of Inferred level of confidence appropriately represents the competent persons view on continuity.</p>
	<ul style="list-style-type: none"> Nature of the data used and of any assumptions made. 	<p>Mineralisation interpretations were informed by 776 reverse circulation and 28 diamond drill (DD inclusive of diamond tails) holes for a total of 8,993m of drilling intersecting the MRE.</p> <p>Interpretation of mineralisation domains was based on a combination of geological logging (lithology and veining) and a nominal cut-off grade of 0.5 g/t gold. A total of six mineralisation domains were defined within the Far Fanning project area.</p> <p>Areas exclusive to the mineralised domains were delineated as a background / waste domain (1000).</p> <p>Assumptions with respect to mineralisation orientation and continuity within the MRE were drawn directly from:</p> <ul style="list-style-type: none"> Close spaced historical RC and DD drilling stored in Excel spreadsheets Historical Open pit and underground mining

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i> 	<ul style="list-style-type: none"> Historical interpretations by multiple companies and individuals <p>No alternative interpretations for the mineralisation have been considered by Entech for this Inferred MRE.</p> <p>The current interpretation of the mineralisation is controlled by the geological combination of quartz and pyrite. The logged presence of these mineralisation proxies was utilised to guide mineralisation trends.</p> <p>Weathering surfaces for bottom of oxidation and top of fresh were derived from drill logging and pit mapping.</p> <p>Lithology (quartz/pyrite) and structure were considered the predominant controls on mineralisation continuity. Database derived geological and assay data, input from historical geologists familiar with the Far Fanning geology, current structural understanding of the narrow vein mineralisation controls, existing open pit data, historical mineralisation wireframes and mining voids were utilised to evaluate geological, structural and mineralisation continuity.</p>
Dimensions	<ul style="list-style-type: none"> <i>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.</i> 	<p>The current Mineral Resource estimate extends 1,700m along strike and up to 200m down-dip, with thicknesses in the order of 20 to 60m. Drilling generally extends to a depth of approximately 160m to 200m vertically and closely constrains the interpretation both along and across strike. Only a handful of drillholes extend below the current limits of interpretation.</p>
Estimation and modeling techniques	<ul style="list-style-type: none"> <i>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.</i> 	<p>Estimation of grade for the 2016 Mineral Resource estimate was by ordinary kriging (OK) using Datamine software and Isatis for statistics. Samples were flagged by mineralised domains (Zonecode 100 to 600) and for the background waste (Zonecode 1000). The volume block model was flagged with the same codes.</p> <p>Sample data was composited to a two-metre downhole length using a best fit method. Top caps were applied prior to block grade estimation.</p> <p>Zonecode values applied to each domain listed below:</p>

Criteria	JORC Code explanation	Commentary																
		<table><tr><th>Deposit Area</th><th>ZONECODE</th></tr><tr><td>A East Pit</td><td>100</td></tr><tr><td>A Main Pit</td><td>200</td></tr><tr><td>B1 & B2 Main pit</td><td>300</td></tr><tr><td>C Long Pit</td><td>400</td></tr><tr><td>D Long Pit</td><td>500</td></tr><tr><td>E Long Pit</td><td>600</td></tr><tr><td>Background waste</td><td>1000</td></tr></table> <p>Exploratory Data Analysis (EDA) analysis of the capped and declustered composited gold variable within domains (100-600 and 1000) was undertaken. Other estimation parameters including: estimate block size and search neighbourhoods were derived through KNA.</p> <p>An Ordinary Kriging (OK) interpolation approach was selected for all interpreted domains and the background waste. Variography was performed on the composites, with Zonecodes 200, 400, 500 and 600 grouped together to allow for more robust variograms. These were the main north-dipping interpreted mineralisation shapes and contained the bulk of the data. The minor additional domains used the same variogram model for the estimate, although the directions for the axes were modified to suit the individual Zonecode domains.</p> <p>All estimates utilised domain boundaries as hard boundaries for grade estimation wherein only composite samples within that domain are used to estimate blocks coded as within that domain.</p>	Deposit Area	ZONECODE	A East Pit	100	A Main Pit	200	B1 & B2 Main pit	300	C Long Pit	400	D Long Pit	500	E Long Pit	600	Background waste	1000
Deposit Area	ZONECODE																	
A East Pit	100																	
A Main Pit	200																	
B1 & B2 Main pit	300																	
C Long Pit	400																	
D Long Pit	500																	
E Long Pit	600																	
Background waste	1000																	
	<ul style="list-style-type: none"><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	A Check Estimate was undertaken by Entech using Inverse Distance Squared (constrained by individual mineralisation domains).																
	<ul style="list-style-type: none"><i>The assumptions made regarding recovery of by-products.</i>	There were no assumptions made with respect to by-products.																
	<ul style="list-style-type: none"><i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	No estimation was made for deleterious elements or other non-grade variables.																

Criteria	JORC Code explanation	Commentary															
	<ul style="list-style-type: none"> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> 	<p>Block dimensions for interpolation were approximately half the drill spacing: Y: 6.25 mN, X: 12.5 mE, Z: 5 mRL with variable sub-celling to provide adequate domain volume definition and honour wireframe geometry. Considerations relating to appropriate block size include: drill hole data spacing, conceptual mining method SMU analysis, variogram continuity ranges and search neighbourhood optimisations.</p> <p>Only diamond and reverse circulation data was utilised during the estimate. Average sample spacing is variable ranging from 25 to 50 metres, with a nominal 25 metre spacing maintained for all classified domains.</p> <p>Searches were aligned within the plane of mineralisation, defined by variography and had maximum dimensions of 100m in northing, easting and 20m in the RL. Minimum and maximum samples for all domains set at 10 and 20 respectively.</p>															
	<ul style="list-style-type: none"> <i>Any assumptions behind modelling of selective mining units.</i> 	No selective mining units were assumed in this estimate.															
	<ul style="list-style-type: none"> <i>Any assumptions about correlation between variables.</i> 	No correlated variables have been investigated or estimated.															
	<ul style="list-style-type: none"> <i>Description of how the geological interpretation was used to control the resource estimates.</i> 	All domain estimates were based on mineralisation domain constraints constructed using a combination of geological logging and a nominal cut-off grade of 0.5 g/t gold. The mineralisation constraints have been used as hard boundaries for grade estimation wherein only composite samples within that domain are used to estimate blocks coded as within that domain.															
	<ul style="list-style-type: none"> <i>Discussion of basis for using or not using grade cutting or capping.</i> 	<p>Assessment and application of top-cutting for the estimate was undertaken on the gold variable within individual domains. Top cuts were applied to four domains, with few samples (2-3) cut per domain. Cuts were applied only if they were considered extreme outliers within the local population, as outlined below:</p> <table> <tr> <th>ZONECODE</th><th>Topcut (Au g/t)</th><th>Samples Cut</th></tr> <tr> <td>300</td><td>25</td><td>2</td></tr> <tr> <td>500</td><td>11</td><td>3</td></tr> <tr> <td>600</td><td>6</td><td>2</td></tr> <tr> <td>1000</td><td>10</td><td>7</td></tr> </table>	ZONECODE	Topcut (Au g/t)	Samples Cut	300	25	2	500	11	3	600	6	2	1000	10	7
ZONECODE	Topcut (Au g/t)	Samples Cut															
300	25	2															
500	11	3															
600	6	2															
1000	10	7															
	<ul style="list-style-type: none"> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	Validation of the gold estimate outcomes was completed by global and local bias analysis (swath plots), statistical and visual comparison (cross and long section)															

Criteria	JORC Code explanation	Commentary
		with input data. Reconciliation data pertaining to production performance at Far Fanning, over time, was not available for review.
Moisture	<ul style="list-style-type: none"> 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 on a dry basis. No determinations were made on moisture content.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	The Mineral Resource cut-off grade for reporting of open pit global gold resources at Far Fanning was 1.0 g/t gold. This was based upon preliminary optimisation studies undertaken by AMC engineers during (2016) and Entech engineers (2018) using project data and assumptions based on comparable deposits in Australia.
Mining factors or assumptions	<ul style="list-style-type: none"> 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. 	<p>Entech has assumed the deposit could be extracted via open-pit mining methods and has reported the resource within a pit shell based on a gold price of US\$1,360. This was considered an appropriate shell to constrain and report Inferred resources and address RPEEE considerations.</p> <p>The MRE extends nominally 40 m (west) to 100 m (east) below topographic surface. Entech considers material at this depth would fall within the definition of 'reasonable prospect of eventual economic extraction' within an open pit mining framework.</p> <p>No dilution or cost factors were applied to the estimate.</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> 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. 	<p>It should be noted that Entech has relied on metallurgical studies provided by EUC. Based on this data Entech understands that the Far Fanning 'fresh' material is metallurgically amenable to conventional gold processing with expected recoveries averaging 86-95%.</p> <p>No metallurgical recovery factors were applied to the Mineral Resources or Resource Tabulations.</p>
Environmental factors or assumptions	<ul style="list-style-type: none"> 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 	No new environmental factors have been considered nor new assumptions made by Entech. Several stockpiles and dumps are located on surface.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	
Bulk density	<ul style="list-style-type: none"> 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. 	There is less than 20 direct measurements of bulk density at Far Fanning. Density values of 2.2 t/m ³ were applied to oxide material and 2.60 t/m ³ to fresh material, based on the position of the base of complete oxidation interpreted 3D surface.
	<ul style="list-style-type: none"> 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. 	There was limited data supporting the bulk density values and determination methods for Far Fanning. Historical reports indicate a conventional Archimedes methodology was utilised. However procedures detailing approach to voids, moisture, competency were not available for review.
	<ul style="list-style-type: none"> Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	Refer to above notes.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. 	<p>The Mineral Resource estimate has been classified as Inferred Mineral Resource, due to the absence of QAQC documentation, limited and unsubstantiated bulk density data, little or no reference samples being retained and uncertainty regarding underground depletion.</p> <p>Inferred Mineral Resources were defined where a low to moderate level of geological confidence in geometry, continuity, and grade, was demonstrated, and were identified as areas where:</p> <ul style="list-style-type: none"> Drill spacing was averaging a nominal 40 m or less, or where drilling was within 40 m of the block estimate; and Estimation quality was considered low, as delineated by a conditional bias slope between 0.2 – 0.6. <p>The reported Mineral Resource was constrained at depth by the available drill hole spacing outlined for Inferred classification and an optimised pit shell at US\$1360. Thus depths of resource from topographic surface varied from 40 m in the west to 100 m in the east of the deposit.</p> <p>Upper limit constraints on the Mineral Resources were demarcated by the base of topography, historical open pit voids and at depth by US\$1360 pit shell. Mineralisation within the model which did not satisfy the criteria for Mineral Resource remained unclassified.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). 	<p>Consideration has been given to all factors material to the Mineral Resource outcomes, including but not limited to: confidence in volume and grade delineation, quality of data underpinning Mineral Resources and mineralisation continuity experienced during open pit operations.</p> <p>In addition to the above factors the classification process considered nominal drill hole spacing and estimation quality (conditional bias slope, number of samples, distance to informing samples).</p>
	<ul style="list-style-type: none"> Whether the result appropriately reflects the Competent Person's view of the deposit. 	<p>The delineation of Inferred Mineral Resources appropriately reflects the Competent Person's view on the deposit.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<p>Entech is not aware of any external reviews on the Far Fanning Mineral Resources.</p>
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> 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. 	<p>The overall confidence of the geological interpretation is moderate, due to the presence of outcrop in the historical pit areas, consistent features in the drilling, and the relatively close-spacing for the drilling in most areas of the mineralisation interpretation.</p> <p>The confidence in the global Mineral Resource estimate is moderate based on the geology, drillhole data, descriptive statistics and variography. Overall estimation confidence is defined by the resource classification.</p> <p>Variances to the tonnage, grade, and metal of the Mineral Resource estimate is expected with further definition drilling. It is the opinion of the Competent Person that these variances will not significantly affect economic extraction of the deposit.</p>
	<ul style="list-style-type: none"> 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. 	<p>The Mineral Resource statement relates to global tonnage and grade estimates.</p> <p>No formal confidence intervals nor recoverable resources were undertaken or derived.</p>
	<ul style="list-style-type: none"> These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<p>Entech was not able to review production data for the Far Fanning project that was directly relatable to the current estimate. Production records supplied appeared to have additional operations data included and could not be directly compared with the depletions flagged within this MRE.</p>

