

HIGHLAND ROCKS PROJECT

EL 29829

Annual Technical Report

For the Period 18/11/2016 to 17/11/2017

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Abstract

This report discusses exploration activities on EL29829, located c. 530km north-west of Alice Springs, Northern Territory, for the second year of tenure, covering the period 18th November 2016 to 17th November 2017.

Exploration License EL29829 was granted to Tychean Tanami Pty Ltd (Tychean; formerly ERO Mining Ltd) on 18th November 2015 for a period of 6 years. During 2014 Ramelius Resources Ltd entered into a Farm-in Agreement with Tychean Resources Limited, comprising the Tanami Joint Venture, which includes EL29829. Ramelius are operators of the project.

The target commodity of EL29829 is gold. The tenement contains several prospective targets in Tanami Group basement rocks.

Work carried out on the license during the reporting period included target generation, reconnaissance geological mapping and surface geochemical sampling over selected target areas. This work identified anomalous results that warrant follow-up sampling.

During the next 12 months planned exploration activities include Air Core drilling of these anomalies.

1. INTRODUCTION

EL29829 is currently held by Tychean Resources Ltd, and operated under joint venture by Ramelius Resources Ltd. This report summarises the exploration activities carried out for the second year of tenure, covering the period 18th November 2016 to 17th November 2017.

Work carried out on the license during the period included:

- Data review & Target Generation
- Reconnaissance Mapping & Rockchip sampling
- Surface Sampling

1.1 Location and Access

Exploration License EL29829 is located approximately 530km north-west of Alice Springs, Northern Territory. The license covers 250 sub-blocks for a total area of 800 square kilometres. Vehicle access from Alice Springs is by way of the Tanami Road to approximately 180km northwest of Yuendumu, thence westwards approximately 110km along the Escondida Track to the tenement. Figure 1 shows the location of EL 29829.

1.2 Tenure and Land Status

Exploration License EL29829 (250 sub-blocks) was granted to Tychean Resources Ltd (Tychean; formerly ERO Mining Ltd) on 18th November 2015 for a period of 6 years. On 26 May, 2014, Ramelius entered into a Farm-in and Joint Venture Agreement with Tychean over its Tanami tenements. Ramelius may earn 85% interest in EL 29829 along with ELs 27806, 26625, 27511, and 27995 plus EL applications 27921, 27997 and 28493. Pursuant to the agreement, Ramelius must spend \$500,000 on exploration within 3 years to earn its 85% equity. Details on the farm-in and joint venture were released to the ASX on 27 May 2014.

As part of the application process, the company entered into negotiations with the Central Land Council (CLC) in respect of EL29829, being land vested in the Lake Mackay Aboriginal Land Trust (NTP1642) and Yiningarra Aboriginal Land Trust (NTP1792). In accordance with the provisions of the Aboriginal Land Rights (Northern Territory) Act, the company initially provided an Exploration and Mining Proposal to the CLC in May, 2013. A Deed for Exploration was finalised with the CLC on 8th September, 2015. Owing to changes in the company's exploration strategy, updated Exploration and Mining Proposals were provided to the CLC in February and April of 2017.

Table 1: Tenement details for EL29829

Tenement	Holder	Operator	Grant Date	Expiry Date	Sub-Blocks	Exp. Comm 2016-17
EL29829	Tychean Resources Ltd	Ramelius Resources Ltd	18/11/15	17/11/21	250	\$80,000

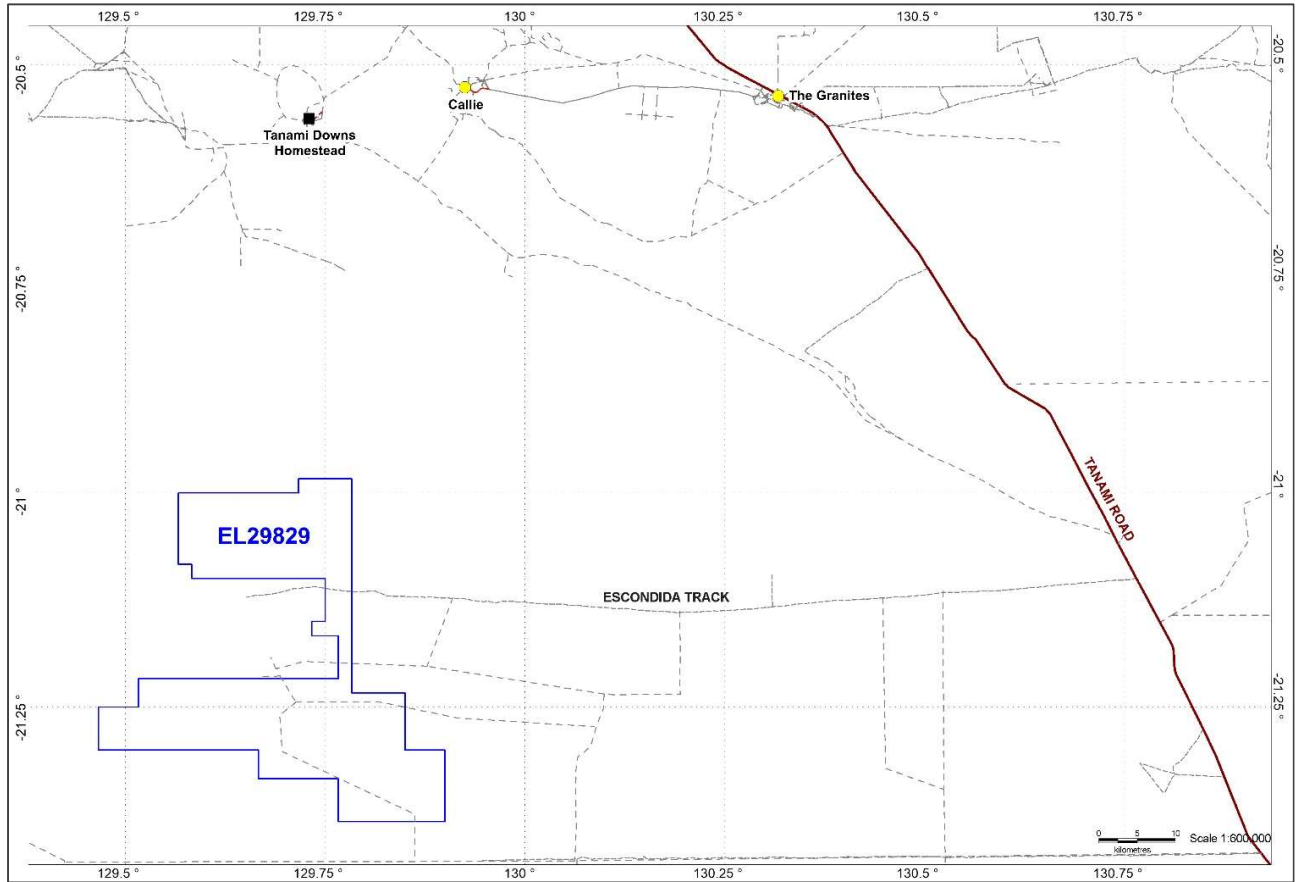


Figure 1: Locality plan showing tenement EL29829

2. GEOLOGICAL SETTING

2.1 Regional Geology and Mineralisation

The Palaeoproterozoic Tanami Region forms part of the North Australian Craton and comprises a succession of fine grained siliclastic sedimentary rocks, turbidite, BIF, mafic sills, basalt and minor Volcaniclastics. The region was subject to multi-phase deformation, regionally metamorphosed to greenschist to mid-amphibolite facies and subsequently intruded by 1825-1790Ma granites (Wygralak *et al.*, 2005).

The northern part of EL29829 is predominantly comprised of basement Proterozoic Tanami Group geology. This includes the moderately magnetic Dead Bullock Formation, comprising siltstone, metapelite and chert which is confirmably overlain by the Killi Killi Formation, comprising turbiditic sandstones. The southern part of the tenement is dominated by the Proterozoic Lander Rock Formation of the Aileron Province. Proterozoic granitoids of the Inningarra and Grimwade Suites intrude the basement rocks. Tertiary colluvial sheetwash and aeolian sands overlies much of the area.

Gold mineralisation in the Tanami Region is dominated by orogenic lode gold deposits, predominantly within mafic volcanic and sedimentary lithologies of the Dead Bullock Formation (e.g. DBS and Granites Goldfields) and Killi Killi Formation (e.g. Groundrush).

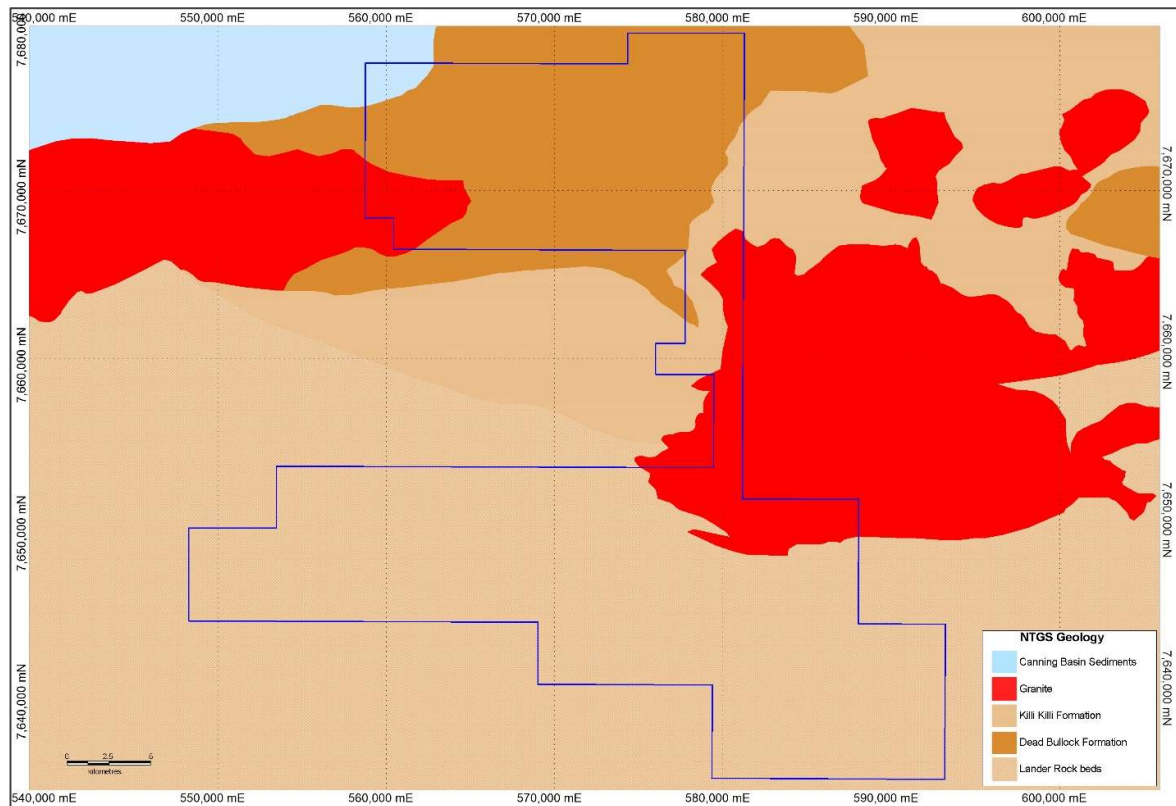


Figure 2: EL29829 Regional Geology

3. PREVIOUS EXPLORATION

3.1 1997 to 2000 Havilah Resources NL / Desertex NL Joint Venture

From 1997 to 2000, the southeastern part of the licence was explored for gold under a joint venture between Havilah Resources NL and Desertex NL. Work included ground reconnaissance, surface geochemical sampling, reconnaissance RAB drilling and follow-up systematic RAB drilling of various structural and/or magnetic targets. Exploration returned generally low-level Au anomalies as well as low-level As and Cu anomalies.

3.2 2000 to 2004 Normandy Exploration / Newmont Tanami Pty Ltd

From 2000 to 2004, northern part of the licence was explored for gold by Normandy Exploration (subsequently Newmont Tanami Pty Ltd). Normandy carried out extensive regional surface sampling, vacuum drilling, and follow-up RAB drilling at a number of prospects. Air-core drilling was also carried out in areas of deeper transported cover to test specific basement magnetic features.

3.3 2016 to 2017 Ramelius Resources

Work during the 2016 field season included geological mapping, surface geochemical sampling, and vacuum and Air Core drilling over selected target areas. This work identified anomalous results which require follow-up sampling and drill testing.

3.4 Exploration Rationale

EL29829 contains extensive areas which have been mapped as the Dead Bullock Formation Member of the Proterozoic Tanami Group which hosts several large gold deposits (eg. Callie). Historical work within the licence area has identified a number of gold anomalies in areas of no to very little transported regolith cover. These existing anomalies have only been subjected to limited shallow drilling and as such require further investigation and drill testing.

Areas with significant transported cover remain untested within the highly prospective Dead Bullock Formation in the northern part of EL29829, whilst there is no reported exploration in the southern part of the licence which has been mapped as undifferentiated Lander Rock Beds.

Regional geochemical sampling programs identified anomalous results in the Lander Rock Beds which require follow-up sampling. Analysis of all existing data (including detailed aeromagnetics flown by Newmont) in the northern part of the licence is required to identify targets for further work.

4. EXPLORATION COMPLETED 2016 – 2017

Exploration completed during the 2016 - 2017 reporting period comprised:

- Target generation
- Geological reconnaissance & rockchip sampling
- Soil and LAG sampling

Sample Type	No. of samples
Soil	384
LAG	21
Rockchip	127

Table 2: Surface Sampling Details for EL29829

The surface sampling sites are shown in *Appendix 1: EL29829 Exploration Index Map*

All digital data from the rockchip, soil & LAG sampling campaigns are included with this report.

4.1 Target Generation

A review of all existing data, including detailed aeromagnetic imagery obtained from Newmont and geochemical data from Ramelius work in 2016 was undertaken. This led to the identification of 16 target areas within EL29829. These targets are listed in Table 3 and shown in Figure 3.

Target	Target Type	Comments	Recommended Work
HR_T1	Drilling	800m strike length of +100ppb Au anomalism remains open to the west	AC drilling
HR_T2	Geochem / Geophysics	Quartzite hills; possible alteration related to buried intrusion	Rock chip sampling
HR_T3	Drilling / Geophysics	Adequately tested by AC drilling in 2015-2016, with no economic mineralisation identified	-
HR_T5	Geochem	Au anomalism in LAG samples	Field check of regolith & infill sampling
HR_T6	Geochem	Poor repeatability of soil results from 2015-2016 program	Field check of regolith & infill sampling
HR_T7	Drilling	Adequately tested for large near surface deposit	-
HR_T8	Geochem / Geophysics	Anomalous gold values in vicinity of contact between Dead Bullock stratigraphy and intrusion	Soil sampling in areas with suitable regolith
HR_T9	Geophysics	Eastern extension of T7 beneath transported cover	-
HR_T10	Geophysics / Drilling	Dead Bullock Stratigraphy with anomalous AC drill intersections	AC drilling
HR_T14	Geophysics	Termination of magnetic stratigraphy by NE trending structure	Field check of regolith
HR_T18	Geophysics	ENE trending folds in otherwise D1 fold trend	Field check of regolith
HR_T19	Drilling - extensional	Possible strike extension to anomalous drilling results beneath transported regolith	-
HR_T20	Geochem / Geophysics	Fold hinge in Dead Bullock Formation with weak Au anomalism in vacuum drilling	-
HR_T21	Geochem	Au anomalism in soil samples	Field check of regolith
HR_T22	Geochem / Geophysics	SE extension of D2 structure with Au anomalism in RAB drilling	AC drilling
HR_T23	Drilling / Geophysics	Fold closure in Dead Bullock Formation beneath transported cover; Anomalous AC drill results up to 20ppb Au	AC drilling

Table 3: Targets identified in EL29829

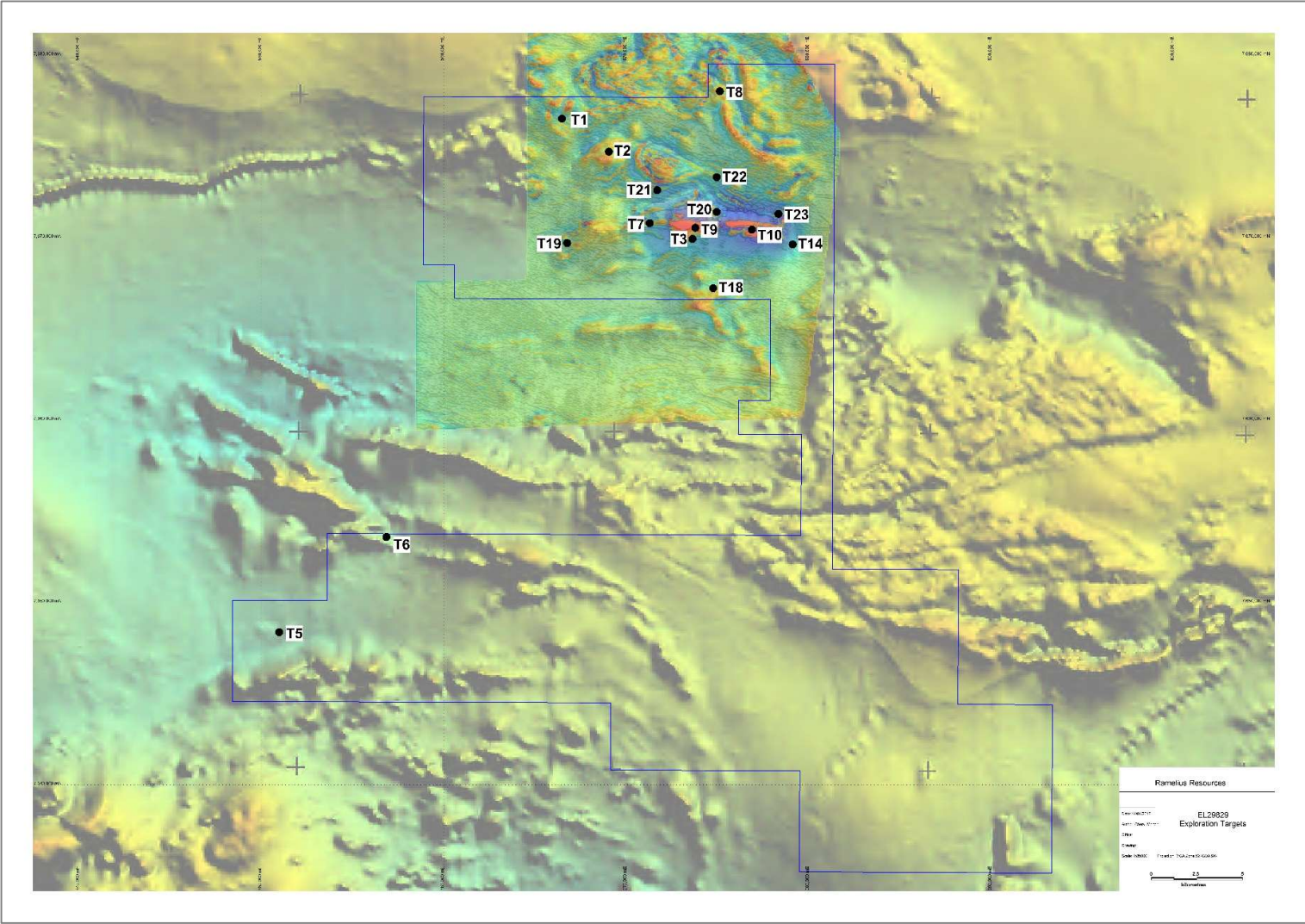


Figure 3: EL29829 Exploration Targets on aeromagnetic image

4.2 Mapping & Rockchip Sampling

Reconnaissance mapping was conducted across several targets to determine whether the regolith profiles were amenable to surface sampling techniques. This led to soil programs being planned over parts of Targets 5, 6, 8, 21 and 22.

Numerous hills at Target 2 are comprised of outcropping quartzites which are interpreted to occur above a buried intrusion. Mapping and rockchip sampling traverses were undertaken in the area to test for anomalous mineralisation and identify locations where Air Core drilling traverses might be possible.

A total of 127 rockchip samples were collected during the mapping, with best assay results of 390ppb Au from Target 22, 122ppb Au from Target 2 and 106ppb Au from Target 8.

4.3 Soil & LAG Sampling

Soil and LAG sampling was undertaken in areas of suitable regolith at Targets 5, 6, 8, 21 and 22. Sampling was completed on a 500m x 500m grid, and limited to areas of interpreted shallow cover or erosional plains. At each site, a 2-3kg sample of material sieved to 0.5mm was collected from approximately 30cm depth. Where available, LAG samples (-6mm+2mm, typically comprising ferricrete nodules and quartz/lithic fragments) were also collected at each site.

Several gold values >1ppb were recorded in soil samples from Targets 8, 21 and 22. At Target 8, patchy +1ppb Au anomalism was identified over a 2.9km strike length. Peak gold values from LAG sampling of 22.7ppb at Target 22 and 7ppb at Target 8 were recorded. Whilst the gold anomalism in each of these areas is low in tenor and patchy, it is considered to confirm the potential for bedrock mineralisation. Highly variable depths of sand cover were interpreted during field reconnaissance across the targets, suggesting the lack of surface anomalism in places may be due to regolith complexities rather than lack of potential mineralisation.

No significant anomalism was identified at Targets 5 and 6 in the southern part of the licence.

5. EXPLORATION PROPOSAL

During the next 12 months, planned exploration activities include shallow Air Core drilling across identified targets in the northern part of EL29829. Programs are designed to test geophysical targets, surface geochemical anomalies and to follow-up results from previous drilling. If sufficient anomalism is generated by Air Core drilling, deeper RC drilling may be considered.

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