Name of Titleholder: Sitzler Savage Pty Ltd

Name of Operator: Peko Bull Pty Ltd

Report Title: Annual Report - Peko Rehabilitation Project (GR016)

MLC3, MLC6 to 14 (inclusive), MLC19, MLC43-44, MLC125-126, MLC128, MLC156-157, MLC507, MLC509-510, MLC519, and MLC664-667 (inclusive)

Peko Tailings Project Group Annual Report

for the period 1st January 2016 to 31st December 2017

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Date June 2018

Commodities Au, Cu, Co, Magnetite

Abstract

The Peko Tailings Project is centred at the historic Peko mine east of Tennant Creek. Mining operations in this area date back to the 1930s (415,000oz Au, 150,000t Cu).

The project titles are held % by Sitzler Savage Pty Ltd, which was subject to protracted legal issues between 2009 and 2015. Activity on site was in abeyance during this period.

Small scale production of magnetite, had been attempted in the years prior to 2009, with the last operation ceasing in early 2009 due to flooding, financial and ownership issues. Another mine plan was conceived in 2011, however legal disputes between the then owners prevented any further development.

In September 2017, Peko Bull Pty Ltd (Peko Bull) acquired Sitzler Savage Pty Ltd from Gibbins Investments (Gibbins Investments) Pty Ltd.

Peko Bull aims to develop a suitable processing flowsheet for the economic extraction of Au, Cu, Co and magnetite from the tailings dams, which has the additional benefit of neutralising the acid forming capacity of the historic tailings, removing the sulphides and separating the magnetite from the silicate minerals.

In 2016, Peko Bull initiated evaluation works on the tailings dams, which included drilling (19 auger holes for 38m and 46 RC holes for 409m) and metallurgical testing works (447 samples).

There has been no exploration activity, of in-situ ore bodies, with-in the Peko tenements for several decades. In future years, Peko Bull intends to adapted a brownfields exploration strategy, which will include i) reviewing existing data, ii) reassessing historical geological models, iii) updating economic parameter assumptions, and iv) accessing the application of new technologies, technics and concepts. If justified, field work will be scheduled (most likely 2019); this would include regional field studies (surface sampling, 3D modelling) and resource drilling.

In November 2017, Peko Bull commissioned Massa Geoservices to complete a JORC estimation of Mineral Resources of the Peko Tailings. This maiden JORC report defined the tailings dam with a Inferred Mineral Resource of 3.163Mt, with Au 1.1g/t, Cu 0.22% and Co 0.10%.

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Company Overview

Peko Bull Pty Ltd (PekoBull) is a private Australian mining company, which is focused on projects which require our in house metallurgical expertise and our understanding of advanced processing technology. The Company strategically targets the acquisition and development of geologically de-risked assets, which require additional processing de-risking.

PekoBull acquired the Peko Tailings Retreatment Project (the Project) via the acquisition of 100% of the issued capital in Sitzler Savage Pty Ltd and Peko Rehabilitation Project Pty in Oct 2017, which was the holder of a portfolio of mineral leases and exploration licences encompassing the historical Peko Mine in the Tennant Creek area.

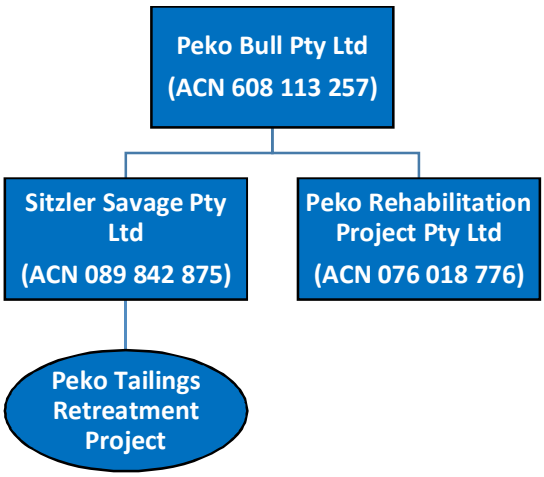

Figure 01: Company structure

Project Background

The Project area contains a resource of 3.75Mt of magnetite, gold, copper and cobalt mine tailings, from 50 years of processing of ore from the mine.

Previous owners of the Project were focused on the processing the tailings to produce coal washery magnetite only (largely due to high magnetite prices in the 2000s). A magnetite plant was constructed at the Project, which successfully produced small quantities of different grades of coal washery magnetite for local and overseas customers from 2007 to 2009.

The Project was placed into care and maintenance in early 2009 amid significant disputes between parties with a beneficial company interest. Following a lengthy period of legal proceedings and financial restructuring, the Project was wholly acquired by a single creditor, allowing PekoBull to acquire the Project free of encumbrances.

Location and Infrastructure

The Project is located approximately fourteen kilometres east of the town of Tennant Creek in the NT. Access to the Project is via the Peko Road to the old Peko Mine site.

A gas pipeline and the railway line from Adelaide to Darwin runs through the centre of the Tennant Creek Township, providing excellent access to both ports for bulk exports of products.

The Project already contains grid power and a large potable water pipeline from the town.

Figure x: Location of the Peko Tailings Project

Titles

The 26 Mineral Leases that are the subject of this combined group report are held by private company Sitzler Savage Pty Ltd, and are listed in Table 01. The leases are largely contiguous.

The MLs cover 260.9ha and their locations are shown in Figure 02.

The Project tenements are located within the granted portion of the Warumungu Land Claim. The land is freehold land held in trust by the Warumungu Land Trust. Authority Certificate C99/025 has been issued by the Aboriginal Areas Protection Authority for the tenements comprising the Project.

Table 01: Peko Tailings Project tenement details

Holder (100%)	Claim ID	Claim Type	Claim Area (ha)	Date Granted	Expiry Date
Sitzler Savage P/L	MLC14	Mineral Lease Central (MLC)	15.20	14/10/1976	31/12/2018
Sitzler Savage P/L	MLC19	Mineral Lease Central (MLC)	15.30	1/1/2000	31/12/2020
Sitzler Savage P/L	MLC665	Mineral Lease Central (MLC)	3.80	1/1/2000	31/12/2020
Sitzler Savage P/L	MLC666	Mineral Lease Central (MLC)	4.00	1/1/2000	31/12/2020
Sitzler Savage P/L	MLC667	Mineral Lease Central (MLC)	2.50	1/1/2000	31/12/2020
Sitzler Savage P/L	MLC156	Mineral Lease Central (MLC)	6.90	1/1/2004	31/12/2024
Sitzler Savage P/L	MLC157	Mineral Lease Central (MLC)	8.90	1/1/2004	31/12/2024
Sitzler Savage P/L	MLC6	Mineral Lease Central (MLC)	16.10	1/1/2005	31/12/2025
Sitzler Savage P/L	MLC664	Mineral Lease Central (MLC)	4.30	1/1/2005	31/12/2025

Sitzler Savage P/L	MLC7	Mineral Lease Central (MLC)	11.20	1/1/2005	31/12/2025
Sitzler Savage P/L	MLC8	Mineral Lease Central (MLC)	14.70	1/1/2006	31/12/2030
Sitzler Savage P/L	MLC10	Mineral Lease Central (MLC)	15.00	1/1/2007	31/12/2031
Sitzler Savage P/L	MLC11	Mineral Lease Central (MLC)	12.50	1/1/2007	31/12/2031
Sitzler Savage P/L	MLC12	Mineral Lease Central (MLC)	15.40	1/1/2007	31/12/2031
Sitzler Savage P/L	MLC13	Mineral Lease Central (MLC)	6.80	1/1/2007	31/12/2031
Sitzler Savage P/L	MLC9	Mineral Lease Central (MLC)	3.70	1/1/2007	31/12/2031
Sitzler Savage P/L	MLC507	Mineral Lease Central (MLC)	4.00	1/1/2009	31/12/2033
Sitzler Savage P/L	MLC43	Mineral Lease Central (MLC)	8.40	1/1/2010	31/12/2034
Sitzler Savage P/L	MLC44	Mineral Lease Central (MLC)	12.20	1/1/2010	31/12/2034
Sitzler Savage P/L	MLC509	Mineral Lease Central (MLC)	7.90	1/1/2011	31/12/2020
Sitzler Savage P/L	MLC510	Mineral Lease Central (MLC)	8.30	1/1/2011	31/12/2020
Sitzler Savage P/L	MLC125	Mineral Lease Central (MLC)	16.70	1/1/2014	31/12/2023
Sitzler Savage P/L	MLC126	Mineral Lease Central (MLC)	11.60	1/1/2014	31/12/2023
Sitzler Savage P/L	MLC128	Mineral Lease Central (MLC)	10.40	1/1/2014	31/12/2023
Sitzler Savage P/L	MLC3	Mineral Lease Central (MLC)	17.90	1/1/2014	31/12/2023
Sitzler Savage P/L	MLC519	Mineral Lease Central (MLC)	7.20	1/1/2014	31/12/2023

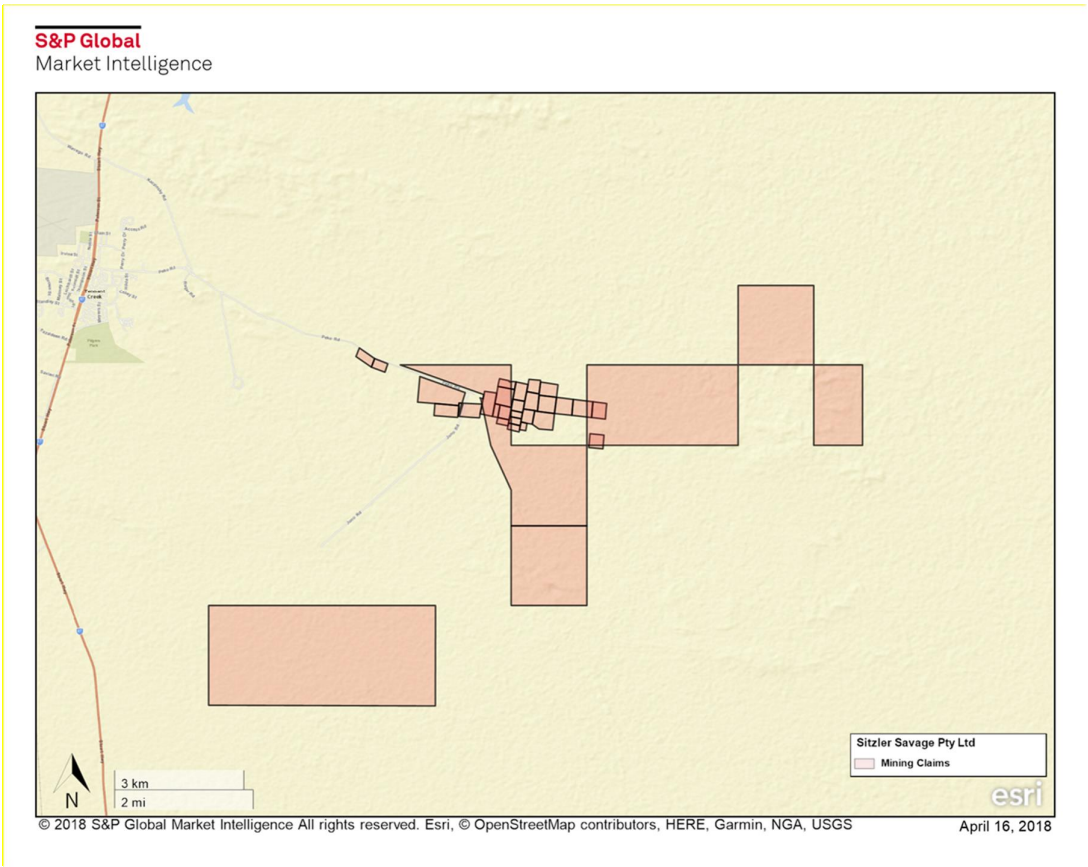

Figure 02: Location of Mineral and Exploration Leases – Peko Tailings Project

Regional Geology

The mineralisation of the Tennant Creek region is associated with iron oxides, in particular, ironstone bodies. The economic ore deposits of the region are associated with haematite and magnetite with little or no quartz. Over 650 ironstone bodies are known in the Tennant Creek Inlier, although only 25% contained any ore grade gold or copper. Many of these were only very minor in size, and only 100 of these have been mined.

Individual lodes vary from a few tens of tonnes up to 15 million tonnes of ore. The individual orebodies of Tennant Creek are irregular, but overall ellipsoidal in shape and generally pipe-like, with near vertical and near horizontal long axes, the latter trending east-west.

The principal primary gangue minerals in the region are magnetite, quartz, chlorite, talc, hematite, dolomite, sericite, jasper, pyrite and pyrrhotite. The most common ore minerals are chalcopyrite, native gold, native bismuth and bismuth sulphosalts, with lesser bornite, galena, sphalerite, cobalt, uraninite and scheelite. Tennant Creek deposits exhibit a spectrum of mineralogic associations, with the end members being more reduced and oxidised respectively.

One of the larger ironstone deposits in the Tennant Creek region is the Peko Mine orebody. Peko was a pipeline structure, 450 metres long, 35 metres wide and 430 metres in depth. The surface expression of this orebody was an outcrop of massive magnetite just 30 metres across. An aeromagnetic survey in 1935 led to the recognition that a much larger body laid at depth.

Activities – 1st January 2017 to 31st December 2017

In September 2015, Peko Bull signed an Acquisition Agreement with Gibbins Investments, which assigned Peko Bull the Right to Mine on the Peko Tailings Project for 27 months.

The focus of the Peko Bull's management team during this period was to de-risk the Project so as finial investment decision could be taken regarding the finial acquisition of Sitzler Savage Pty Ltd and Peko Rehabilitation Project Pty Ltd (which was done in November, 2017).

Works completed between January 2017 and December 2017 included:

- 2016 drilling program, across all tailings dams, including:
    - 19 auger holes, for 38m
    - 46 RC holes, for 409m
- Analysis of the 2016 drilling program, including:
    - Confirmation of vertical thickness of the dams
    - Validation of grade Au-Cu-Co, and historical resource estimates
    - Initial metallurgical test work
    - A maiden JORC resource
- A preliminary feasibility study, including:

- Initial design and optimization of proposed metallurgical process flowsheet
- Preliminary costing of the proposed processing plant
- Forecasted recoveries (gold, cobalt, copper and magnetite)
- Preliminary economic analysis

Drilling – 2016 Tailings Drilling Program

PekoBull undertook a program of hand auger (19 holes, 38m) and track mounted RC drilling (46 holes, 409m) in January 2016 to validate the grades and thickness of tailings dams. The RC holes were 100mm diameter.

Table 03: PekoBull drilling summary

Dam	No. Auger Holes	Total Metres	No. of RC Holes	Total Meters	Average Depth
1	15	30			2
1X	4	8			2
2			9	126	14
3			9	83	9
4			20	180	9
5			8	20	2.5
Total	19	38	46	409	

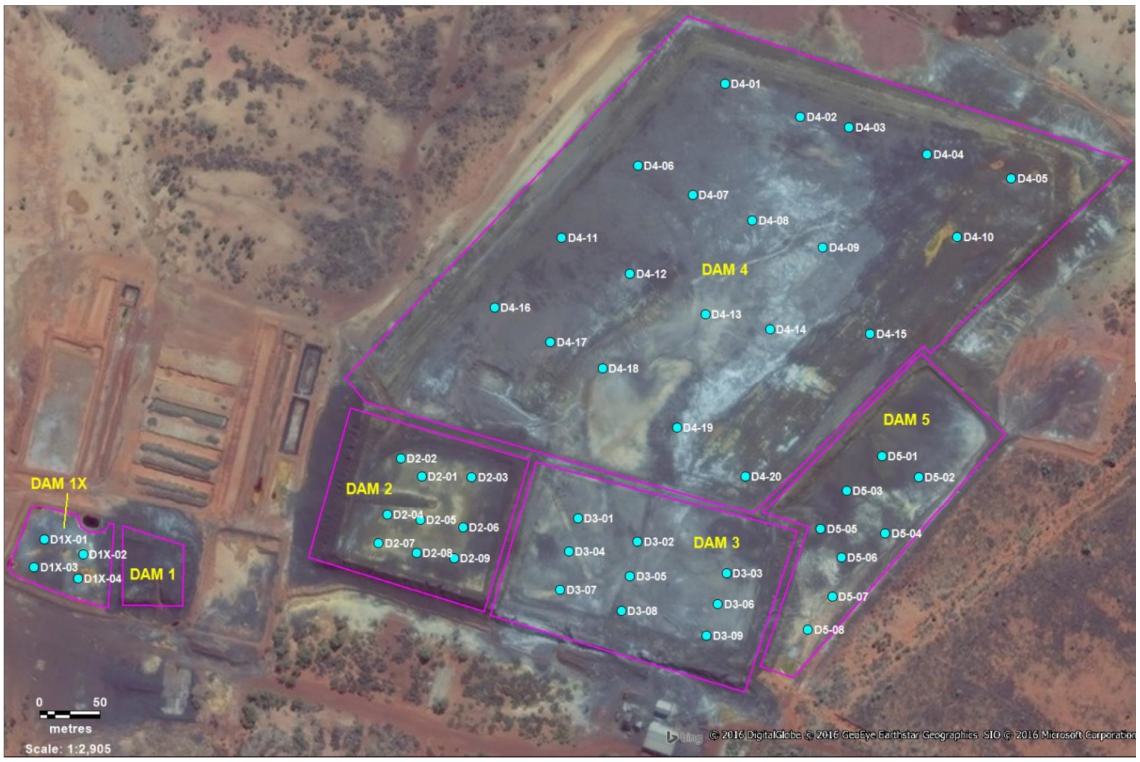

Figure 02: Location of Drill Holes

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Drilling of Dam 1 was hampered by difficult soft ground conditions and drilling with the RC track rig was abandoned in favour of auger drilling. The four holes in Dam 1X were also augered due to the shallow thickness of the tailings. The Dam 1 and 1X holes were not survey, but were distributed evenly to cover the entire dam.

Table 04: PekoBull Drilling Results (per dam)

Dam No.	Au (ppm)	Co (ppm)	Cu (ppm)	Ag (ppm)	Bi (ppm)	Fe %	S %
1	2.68	1166	3456	13.6	1073	47.1	5.23
1X	2.89	1977	6573	14	1116	47.6	6.45
2	1.63	2201	4952	6.9	766	44.9	6.99
3	1.17	983	2588	3.4	601	39.9	4.1
4	0.99	807	1729	3.7	453	41.1	3.86
5	1.24	217	932	1.6	588	35.8	0.93

Resource Reports

Multiple historic resource reports have been completed on the Peko tailings, as summarized in table 05 below.

Table 05: Historical Peko Tailings Resources Estimates

Source	Date	Tonnes (M)	Au (g/t)	Cu (g/t)	Co (%)	As (%)	Bi
PWL	Undated	3.534	1.33	0.27	-	-	-
ADL/Golconda	1992	3.632	1.17	0.243	0.119	-	-
Normandy	1997	3.753	1.14	0.255	0.105	0.143	0.053
BinEx	2016	-	1.16	0.25	0.10	-	-
Massa – JORC	2017	3.163	1.1	0.22	0.1	-	-

Volumetric Survey

The volumetric estimates generated as part of the 1997 Normandy report is considered to be the most accurate. Normandy generated a digital terrain model of the surface of the dams and the surrounding area via aerial photography by Qasco, and used drill hole data to establish the base of each dam.

The Qasco aerial photography was not made available in Peko Bull.

As part of the 2018 work program, Peko Bull intends to complete a new topographic survey of the tailings dams.

2017 Maiden JORC Report

In November 2017, Peko Bull commissioned Dr. Marat Abzalov of Massa Geoservices to complete a JORC estimation of Mineral Resources of the Peko Tailings.

Geostatistical analysis was made (ISATIS), using data collected during the 2016 drilling/sampling program, to estimate the mineralogy. However, due to the lack of raw topographic data, the JORC resource model was constrained by simplified boundary assumptions of the tailing dam's slopes.

The Nov 2017 maiden JORC report (2012) defined Inferred Mineral Resource of 3.163Mt, with Au 1.1g/t, Cu 0.22% and Co 0.10%.

The conclusions detailed in the 2017 JORC Report are consistent with both BinEx Geological Report (2016) and the Normandy Resource Report (1997), with the exception of the volume (and therefore tonnage). The Normandy report calculated volume via a digital terrain model, which was generated from aerial photography (collected by Qasco), and the BinEx report concluded that "there was sufficient previous work to reliably establish the volume and tonnage of tailings present".

However, as Peko Bull did not have access to the historical aerial photography data, Dr. Marat Abzalov could not incorporate this information into the maiden JORC report.

As part of the DFS, Raging Bull will complete a topographic survey of the tailings dam, and after which, commission an updated JORC report.

Planned Activities – 2018 - 2020

To date, the Peko Tailings Retreatment Project has been significantly de-risked through preliminary:

- drilling/sampling programs on the tailing dams
- lab testing/optimization of the proposed metallurgical flowsheet
- feasibility study and costing of the processing plant

These initial works have shown that the Project has excellent technical and commercial characteristics, and could potentially be a highly profitable operation.

The Company is currently preparing to complete a Definitive Feasibility Study (DFS), which would include the following scope:

- Additional optimization of the flowsheet, including recovery and production rates
- Additional drilling/sampling, to update the tailings resource to an indicated JORC resource
- Detailed metallurgical testing, including thickening, grinding, floatation, flotation tail leaching, magnetic separation and flotation concentrate leaching tests, using samples from the above-mentioned drilling program.
- Detailed design, costing and EPC of the processing facility, to produce a capital and operating cost to a +/-15% level of accuracy
- Marketing studies, including securing off-take MOUs
- EIA studies
- Preliminary studies into the future exploration, mining in-situ ore and tolling opportunities.

Once the DFS has been completely, the Company will utilize debt financing options to fund the construction of the processing facility, and bring the project into production.

Table 05: Future Work Timeline

Timeline	Budget	Year 1				Year 2	
	A$k	Q1	Q2	Q3	Q4	Q1	Q2
Drilling/sampling campaign	150						
Updated JORC report	50						
Metallurgical testing	500						
Process plant design, costing and EPC	500						
Studies (marketing, EIA, additional opportunities)	300						
Project management, G&A and contingency (10%)	900						

1. Conclusions and Recommendations

With resolution of long running legal disputes surrounding the Peko Tailings Project in late 2015 and assumption of management by Peko Bull Pty Ltd the future is open for progressive testing, evaluation and exploitation of the polymetallic tailings deposits at the Peko minesite, together with rehabilitation of the site.

In parallel, work can begin on assessing the potential for additional hardrock resources in the Project area and undertaking exploration where considered justified.

References

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