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Annual Report on EL23764
for the period:
26 November 2017 to 25 November 2018
Warrego North, Tennant Creek, Northern Territory

Project name: Warrego North

Project holder: Meteoric Resources NL

Project operator: CGM (WA) PTY LTD

Target commodity: Gold, copper, bismuth

Standard NT map sheets: Tennant Creek (SE 53-14), Short Range (5659)

Grant date: 26/11/03

Expiry date: 25/11/19

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Abstract

Exploration Licence 23764, Warrego North, comprises 23 sub-blocks covering an area of 74.5sq km near Tennant Creek in the Northern Territory, targeting Tennant Creek-style Cu and Au ore deposits. EL23764 was granted on 26 November 2003. In 2009 the tenement was subject to a farm-in and joint venture agreement with Sipa Exploration NL which terminated in 2013.

Meteoric has carried out exploration including geochemical sampling, ground magnetic and gravity surveys and RC drilling of targets to depths of up to 200m below surface. This and previous exploration has demonstrated the presence of mineralised ironstones in several locations on the tenements. In addition, previous JV partner Sipa Resources carried out a high-resolution aeromagnetic survey. Interpretation of the aeromagnetic and gravity data identified a number of combined magnetic and gravity anomalies that warrant further exploration, including a large, pronounced anomaly at Parakeet west of the Warrego Granite and anomalies at Cuddihy and Pipeline east of the Warrego Granite. These anomalies are similar to those known to be associated with Cu–Au mineralisation in the Tennant Creek Mineral Field.

Modelling of the magnetic and gravity data at Parakeet indicates that the source of the anomalies is below the existing drilling and that this drilling may have intersected anomalous copper-bismuth+/- gold mineralisation above a copper–gold system at depth.

In 2016 Meteoric entered into a farm-in and joint venture agreement with CGM (WA) Pty Ltd. CGM reviewed historical data to generate a series of targets which were followed up during the 2017 field program. One RC and five diamond drill holes with RC pre-collars were drilled for a total of 2331m to test beneath existing holes which encountered mineralised ironstone. Drill holes were positioned to intercept coincident gravity and magnetic anomalies and/or chargeability anomalies based on newly acquired data from the 2017 induced polarisation survey. Results from the drill program were interesting but uneconomic with only low-order mineralised ironstone encountered in three out of the six holes. 450m of sporadically outcropping ironstone was delineated during a mapping program and found to align conformably with a region of elevated chargeability. Surface geochemical analysis of this ironstone showed elevated gold of up to 0.14 ppm. This ironstone trend is recommended to be followed up with a small RC drill program due to being inadequately tested by historical drilling.

During 2018, Chalice shifted focus to drilling at the Emu prospect on neighbouring EL31610 where four RC holes were drilled into three interpreted ironstone bodies. Whilst elevated copper results were returned (refer to EL31610 annual report), results indicated the highly magnetic bodies were basaltic in composition with unusually elevated iron (magnetite) levels (7-20%), a potential contact metamorphic effect from the intruding Warrego granite and/or late remobilisation and deposition of iron via hydrothermal and/or other epigenetic processes. Chalice considers the anomalies to be analogous with the numerous unnamed Paleoproterozoic dolerite units mapped within the Tomkinson Creek Group

further to the north as defined on the 1:100K Short Range geological Map Sheet. Rehabilitation works were completed at the Parakeet prospect (EL23764) along with some minor desktop geological evaluation of the Parakeet prospect. Some regional gravity and aeromagnetic re-processing was also carried out over the greater Tennant Creek region.

Location, Title History, Physiography and Access

Exploration Licence 23764 was granted on 26 November 2003 and expires on 25 November 2017 and comprises 23 sub-blocks covering an area of 74.53km^2 near Tennant Creek in the Northern Territory, targeting Tennant Creek-style Cu and Au ore bodies. The Tennant Creek Mineral Field (TCMF) hosts numerous high-grade copper–gold deposits with overall past production totalling 5Moz of gold and more than 400,000t of copper. Application to renew the tenement for a further two year period has been lodged with the DME.

In November 2009 the project was subject to a farmin and joint venture agreement with Sipa Exploration NL, a subsidiary of Sipa Resources Ltd. Sipa withdrew from the joint venture in April 2013 with full ownership of the tenement reverting to Meteoric Resources.

Meteoric Resources NL entered into a farmin and joint venture agreement with Bulletin Resources Limited (ASX:BNR) on 31 October 2014 with the aim of drilling the Parakeet target at depth however Bulletin unexpectedly withdrew from the farmin on 29 May 2015 without completing the drilling.

EL23764 is located immediately north of the largest mine in the field, the Warrego mine (Figure 1), which had historical production of 1.3M ounces of gold and 92,000t of copper at an average recovered grade of 8.5g/t Au and 2% Cu and was characterised by high-grade gold zones averaging 20g/t (Chisholm).

EL23764 is situated within the Short Range (5659) 1:100 000 and Tennant Creek (SE 53-14) 1:250 000 map sheets. Access to the tenement is via the Warrego road from Tennant Creek and then by bush tracks to the north and west of the old Warrego mine.

Geological Setting, Exploration History and Exploration Rationale

Geological Setting

EL23764 is located in the Tennant Creek Inlier, an area of Proterozoic rocks consisting of three distinct geological provinces; the Davenport Province to the southeast, the central Tennant Creek Block and the Tompkinson Creek Province to the northwest. The Inlier is composed of a gneissic basement overlain by Proterozoic sediments of the Warramunga Formation, Hatches Creek Group and the Tompkinson Creek Beds. The sequence of Proterozoic sediments was intruded by younger Proterozoic granitoids around 1858 to 1845Ma during the Barramundi Orogeny. The Proterozoic rocks were subsequently overlain by Cambrian sediments of the Georgina Basin.

The TCMF is located within the central block where the oldest rocks are the metasedimentary rocks of the Warramunga Formation, which host the ironstone–gold–copper–bismuth mineralisation, and which underlie most of the Warrego project area (Fig. 1). The Warramunga Formation comprises of a sequence

of argillaceous sedimentary rocks that includes greywacke, siltstone, shale and units of hematite–magnetite shale. Cross-cutting and conformable quartz–feldspar porphyries occur within the sedimentary sequence.

The Warramunga Formation is intruded by granite and felsic porphyry dykes dated at 1850Ma, coinciding with the dates of the Tennant Creek ironstones and mineralisation. The epigenetic ironstones are mostly restricted to the Warramunga Formation and are concentrated in several dominant structural trends. The ironstones generally range from a few tens of tonnes to tens of millions of tonnes, are discordant to bedding and occur within fold closures and shear and fault zones. The Tompkinson Creek and Flynn volcanosedimentary sequences overlie the Warramunga Formation. Deformation of the Warramunga Formation has been assigned to two main events to form WNW-trending upright folds and shearing. The shear zones are typically up to several hundred metres wide and trend W to WNW. The second event produced NNW and NE-trending post-mineralisation regional faults. The project covers an area of poor outcrop consisting of Cenozoic and Quaternary eolian and alluvial sand cover.

The Warrego project tenements are interpreted to cover northern and north western extension of favourable stratigraphy and structures that hosts the Warrego mine.

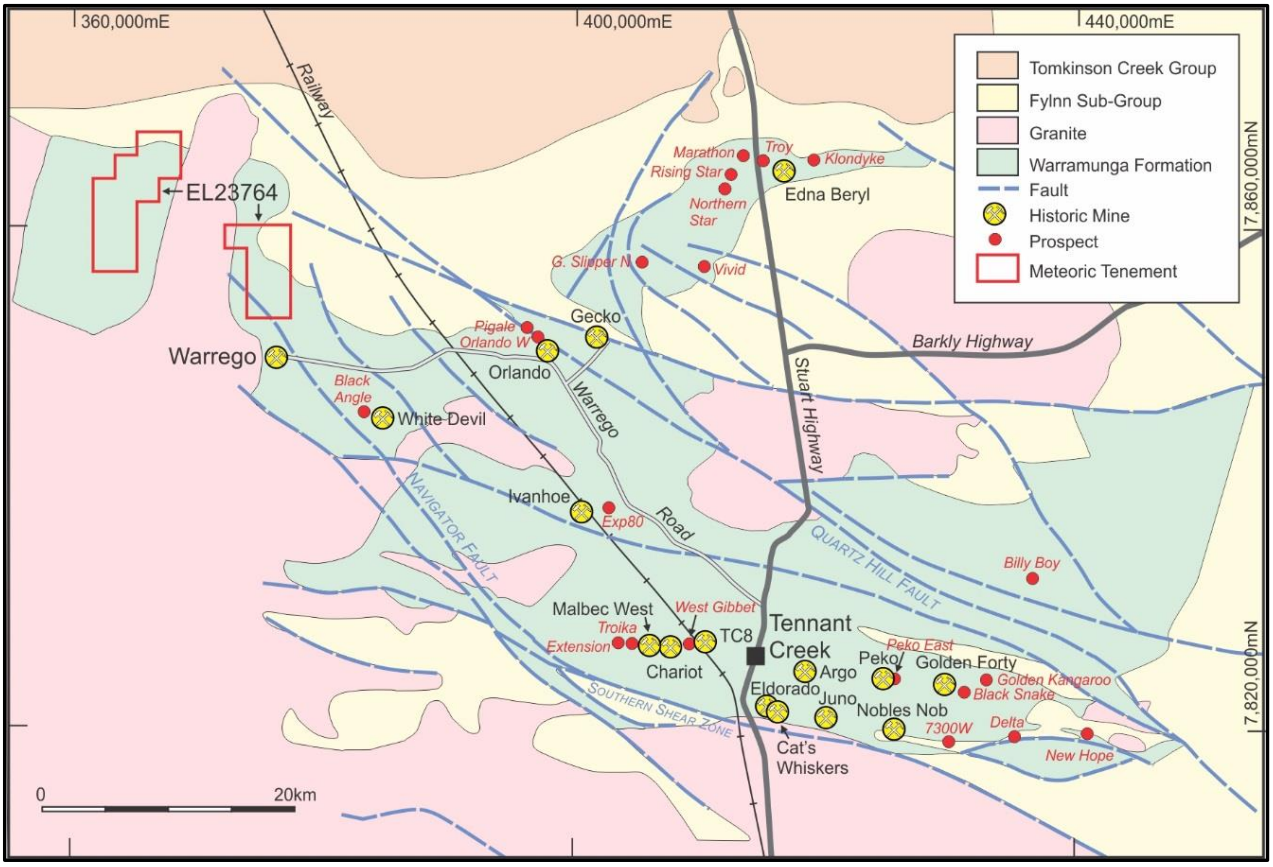

Figure 1. Regional Geological Setting of the Tennant Creek Mineral Field

The gold–copper–bismuth mineralisation in the TCMF is predominantly hosted in magnetite–chlorite–hematite ironstones or sheared equivalents within the Warramunga Formation and is considered to be a high-grade variant of the iron oxide–copper–gold (IOCG) deposits found in Proterozoic terranes in Australia. Significantly, a second phase of ironstone alteration is interpreted to have occurred with the

Au–Cu–Bi mineralisation, which overprints an earlier barren ironstone alteration event. The overprinted ironstones tend to possess high magnetic susceptibilities in excess 0.3–0.4SI units.

There is evidence that the mineral deposits are structurally controlled and occur within more ferruginous horizons of the Warramunga Formation.

The ironstones and mineralisation are discordant to the folded Warramunga Formation rocks and tend to be located in structural flexures near fold axis hinge zones. The mineralisation occurs in small to medium-sized lenses which are usually high grade, the mined deposits averaging 9g/t Au and 2% Cu, with gold grades in some deposits up to 59g/t Au (Juno). The Tennant Creek mineral field is no different to other IOCG provinces, with metal and oxide assemblages varying from one deposit to another, so that the proportion of magnetite and hematite in the ironstones can vary considerably. The sulphide content of the primary deposits rarely exceeds 10%. The gold-dominant ores are generally free milling with high recoveries normally being achieved. Oxidation extends up to 120m below surface and within the ironstones results in a hematite–goethite–quartz–clay assemblage.

There is more recent evidence that copper–gold mineralisation is also associated with less magnetic, hematite-rich ironstones such as at the Nobles Nob and Chariot copper–gold deposits. At Chariot the deposit is coincident with a strong and shallow gravity response, which is separate from the Chariot magnetic response (Chisholm).

Locally, the geology comprises a central granite, the Warrego Granite, which divides the project into an eastern and western area. West of the Warrego Granite several magnetic targets have been identified, including Parakeet, Bustard, Cuddihy and Pipeline which are all situated on EL23764. A regional aeromagnetic image showing these features is shown in Figure 2.

Parakeet is interpreted to lie on the northwest extension of the Navigator Fault which trends close to the Warrego mine and the nearby Navigator prospects southeast of the mine. East of the Warrego Granite, in an area of poor outcrop, several targets have been identified associated with a gravity ridge.

At Parakeet a series of subcropping ironstones with anomalous Cu–Au values have been identified over a 600m × 400m area coinciding with a large pronounced coincident magnetic and gravity anomaly about 1km in diameter.

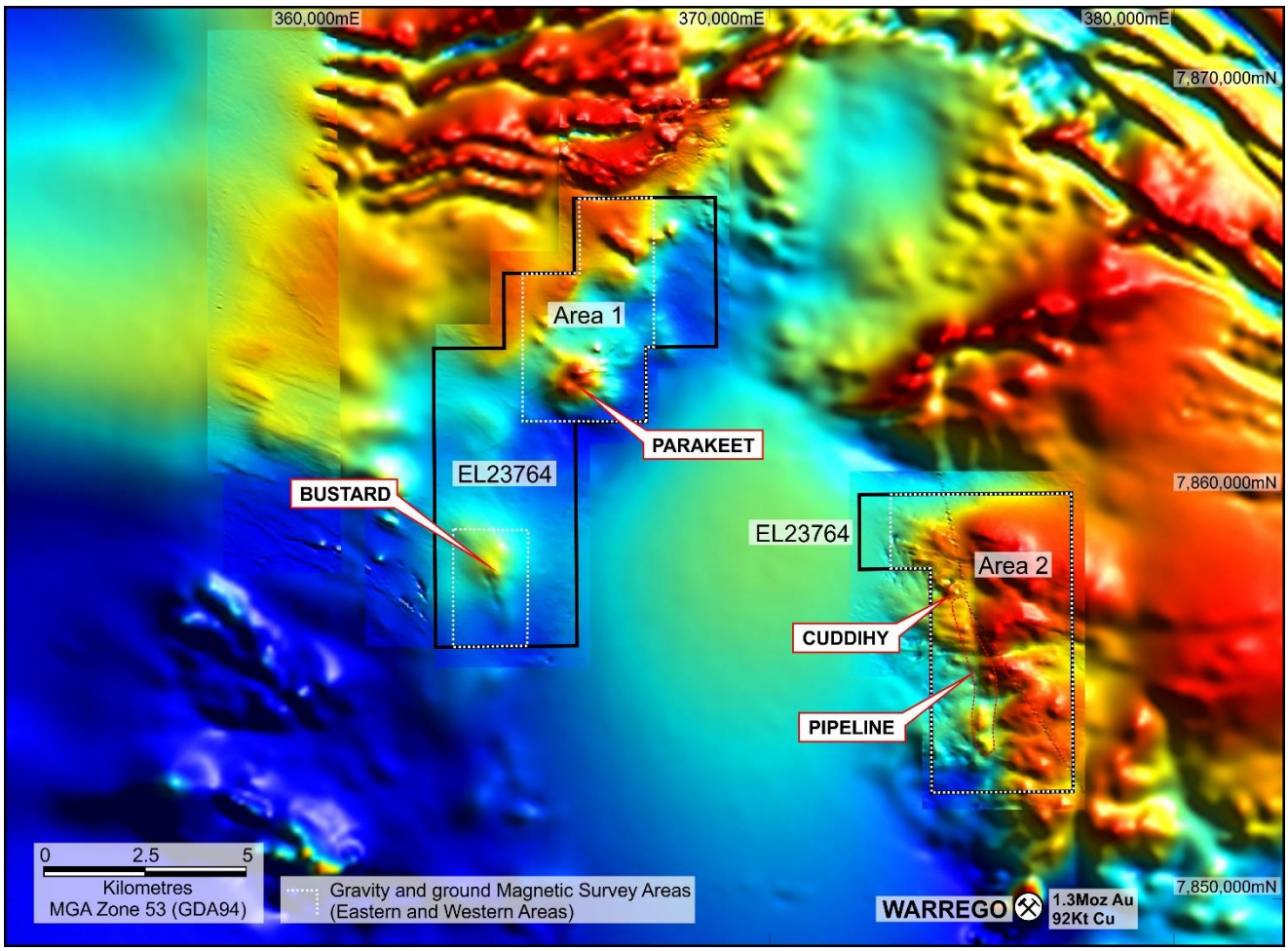

Figure 2. EL23764, Warrego North Aeromagnetic Image

Exploration targets and concepts

Exploration within EL23764 (historical and recent exploration) is aimed at discovering typical Tennant Creek-style gold deposits or gold–copper deposits within ironstones of the Warramunga Formation, considered to be high grade variants of iron oxide-coper-gold (IOCG) mineralisation. There are many examples of this type of deposit in the region, including Warrego, White Devil, Orlando, Gecko and North Star mines. These all take the form of ironstone (magnetite and/or hematite) masses with associated chloritic alteration margins and bodies of gold and/or copper mineralisation.

Sipa and Meteoric Resources recognised that while the use of magnetic methods have in the past been the primary exploration tool used by explorers, its use in conjunction with the use of gravimetric surveying is becoming increasingly important in identifying new exploration targets. The companies have carried out extensive gravity and ground magnetic surveys over target areas.

Structural controls of mineralisation are considered to be important in the Tennant Creek area and in the Warrego area a pronounced structural corridor interpreted from aeromagnetics and coincident with the Navigator Fault trends through the Warrego mine and NW towards Parakeet on the other side of the post mineral Warrego Granite

Historical exploration

Geopeko Limited explored the area during the 1970s and again in the 1980s using data from BMR aeromagnetic surveys and subsequently flying aeromagnetic and radiometric surveys. Several magnetic and geochemical anomalies were identified including Parakeet and Bustard.

The area was explored for uranium by Uranerz in the 1970s and by CRA and the Central Electricity Generating Board in the 1980's without success.

Posgold Ltd (later Normandy) explored the area during the late 1980's to the mid-1990's. Work involved a detailed aeromagnetic survey (50m line spacing) followed by geochemical sampling and vacuum drilling. Anomalies were followed up with ground magnetic surveys, gravity surveys in selected cases and by RAB and RC drilling. Records indicate that anomalous copper was intersected at Parakeet, including 3m @ 1.1% Cu, 0.13g/t Au from 105m in hole PKRC-06 and 3m @ 0.21% Cu, 0.27g/t Au from 69m in hole SRPK-02. Significant copper mineralisation was intersected in RAB and RC drilling adjacent to a magnetic anomaly at Chook southwest of Parakeet, to the west of EL23764. One RC hole was drilled at Chook North returned no significant results. Giants Reef Mining Ltd held parts of the area from the late 1990s and completed detailed aeromagnetics and colour air photography.

Exploration by Meteoric Resources 2003–09

Meteoric Resources NL has explored the tenement since 2003 and has compiled and reviewed the available historical data (geochemistry, rock sampling, vacuum drilling and drill sections) and summarised it in a series of plans, sections and tables.

Detailed gravity and ground magnetic surveys were carried out in 2004 over Area 1, Area 2 and Bustard as shown in Figure 2. The surveys identified 12 coincident magnetic and gravity targets and 5 discrete gravity targets. The targets occur in two main groups: in a series of gravity anomalies and coincident gravity-magnetic anomalies associated with a 9km-long NNW-trending gravity ridge that trends towards the nearby Warrego mine east of the Warrego Granite (Area 2, eastern area) and a group of coincident gravity–magnetic highs with associated ironstone occurrences in the Parakeet–Bustard areas west of the Warrego granite (Area 1 and Bustard, western area). Images of the gravity and magnetic data with targets are shown in Figure 3.

During 2004 and 2005 Meteoric carried out a program of reverse circulation drilling, mapping and downhole geophysical surveys. The drilling tested geophysical targets in both the eastern and western areas including the Parakeet, Bustard, Cuddihy and Pipeline prospects. Twenty-one RC holes for 3,937m depth were drilled, and 1,071 samples were analysed for Au, Cu, Bi, and Fe. Drilling results are summarised in Table 1.

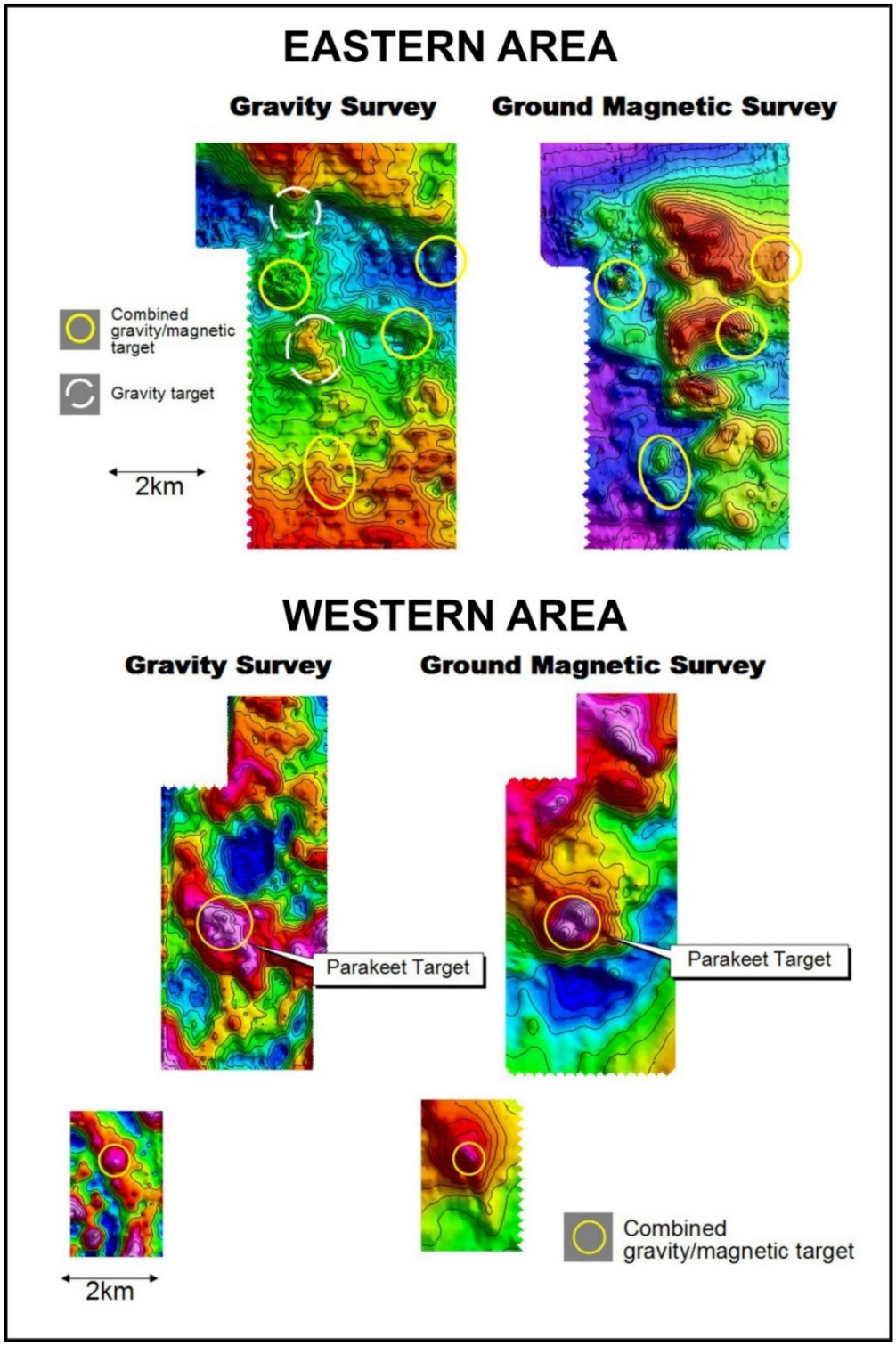

Figure 3. EL23764 Gravity and Ground Magnetic Targets over the Western Area (Area 1) and Eastern Area (Area 2)

Table 1. Meteoric RC Drilling Results

Drill Hole	Prospect	Target	Hole	From	To	Intercept	Cu	Bi	Au	Comments
			Depth m	m	m	m	%	ppm	g/t	
WNRC01	Parakeet	GM9	250	219	223	4	0.32	86	<0.01	Weak hematite alteration and sulphides
WNRC02	Parakeet	GM10	250	167	169	2	0.26	62	<0.01	Strong hematite alteration
				173	175	2	0.27	71	0.07	
				198	200	2	0.23	3300	0.23	
WNRC03	Parakeet	GM8	200	96	100	4	0.14	<10	<0.01	Hematite alteration and sulphides
				138	140	2	0.14	<10	<0.01	Hole deviated, missed target
				138	140	2	0.38	42	0.1	
				142	144	2	0.12	25	<0.01	
				145	152	7	0.23	27	<0.01	
				154	159	5	0.48	76	<0.01	
WNRC04	Bustard	GM11	292	92	94	2	0.11	37	<0.01	Hematite and magnetite alteration and
				124	126	2	0.15	46	<0.01	sulphides
				140	144	4	0.2	129	<0.01	
WNRC05	Cuddihy	GM1	219	192	193	1	0.24	114	<0.01	Hematite and magnetite alteration, fluorite
				193	194	1	<0.10	1630	<0.01	and sulphides
WNRC06	Pipeline	GM2	94			nsi				Minor ironstone
WNRC07	Pipeline	GM7	190			nsi				
WNRC08	Pipeline	GM6	198			nsi				Weak ironstone
WNRC09	Pipeline	GM5	180			nsi				
WNRC10	Pipeline	GM4	184			nsi				
WNRC11	Pipeline	GM3	180	120	124	4	0.29	<10	<0.01	Magnetite alteration
WNRC12	Pipeline	G4	180							
WNRC13	Pipeline	G2	160			nsi				
WNRC14	Pipeline	G3	160			nsi				
WNRC15	Pipeline	G5	160			nsi				Broad anomalous Cu/Fe from 8-94m
WNRC16	Parakeet	GM12	200			nsi				Weak hematite and magnetite alteration
WNRC17	Parakeet	GM10A	160	98	99	1	0.12	1280	0.07	Ironstone and sulphides
				120	128	8	0.18	62	0.12	
WNRC18	Parakeet	GM10A	196	152	156	4	0.11	73	0.11	Ironstone and sulphides
WNRC19	Bustard	G6	160			nsi				Hematite on contact with porphyry
WNRC20	Parakeet	GM8	204			nsi				Hole flattened, missed target

nsi: no significant intersection G: gravity target GM: combined gravity and magnetic target

Significantly, of 8 holes drilled at Parakeet–Bustard, 7 holes intersected anomalous copper values, some with anomalous gold. The anomalous copper values ranged from 0.2% to 0.5% over intersected widths of 2–14m with a best intercept of 14m at 0.3% Cu from 145m (including 5m at 0.5% Cu from 154m) in drillhole WNRC03. This hole deviated and appears to have missed the target. An additional hole, WNRC20, was completed to test this target but it flattened substantially so that this target remains untested, as shown in Figure 4. Drilling of gravity and magnetic targets east of the Warrego Granite and north of the Warrego mine at Cuddihy and Pipeline intersected anomalous copper and bismuth in holes WNRC05 and WNRC11 associated with magnetite and/or hematite alteration.

Interpretation of the Parakeet gravity and ground magnetic data in 2005 by a geophysicist with a great deal of experience in the TCMF highlighted that the depth of the anomalous bodies increases to the south and that it not possible to explain the larger magnetic feature apparent at a more regional scale by

any of the magnetic bodies intersected in Meteoric's drilling. The modelling indicated that the source of the larger Parakeet magnetic anomaly is at a depth of approximately 400m, with a magnetic susceptibility higher than any of the bodies intersected by the drilling, and below the drill-tested zone.

In 2008 airborne magnetic and gravity data were reassessed and a program of geochemical soil and rock chip sampling was carried out to validate the historical geochemistry. A total of 948 samples comprising 139 rock chip (mostly ironstone) and 809 soil samples were assayed for trace level Au and As, Bi, Ca, Cu, Fe, Sb, and U. Results were encouraging with gold values in rock chip samples (mostly ironstones) of up to 1310ppb; most soil samples had below detection levels of gold. The rock chip samples also had elevated levels of Bi and Cu usually coincident with the elevated Au values. A radiometric survey was also carried out over the Parakeet area.

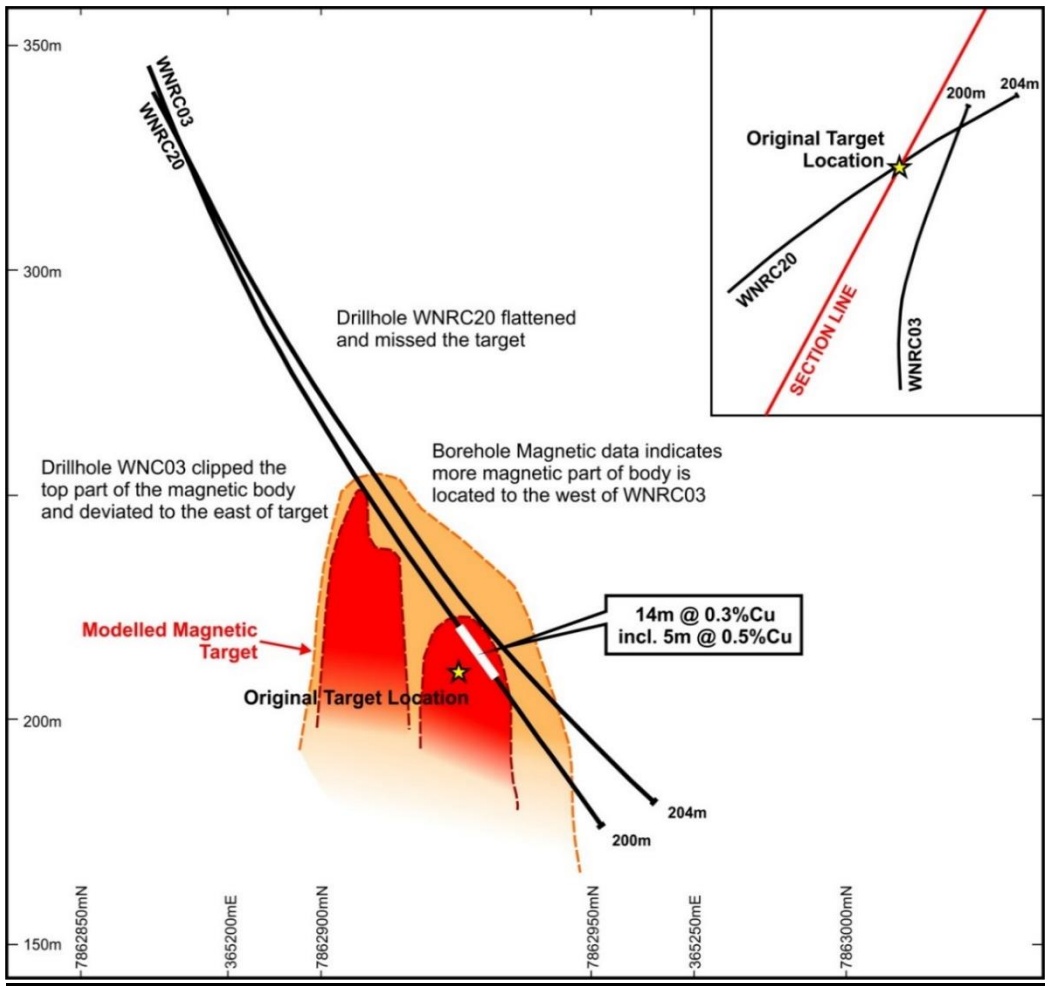

Figure 4. Parakeet Oblique Drill Section, WNRC03 and WNRC20

Exploration by Sipa Exploration 2009–12

In 2009 Sipa Exploration conducted a review of previous work on the tenement and a priority assessment within the project area, which was used to plan and execute exploration activities on the ground. The review of the previous work indicated that soil geochemistry is of limited use in the area, but vacuum drill sampling appears to produce more consistent results. Most samples returned Au values below detection

limit. Copper seems to define some geochemical anomalies and a structural trend. Bismuth is generally very low. An on the ground reconnaissance was also conducted. In 2011 Sipa conducted a termite mound sampling program to test the fertility of the NNW-trending structure in the eastern section of EL23764.

During 2011–12 Sipa carried out a high-resolution aeromagnetic survey over the project area which identified a number of magnetic anomalies. Some of these anomalies may be stratigraphic, but a number also appear to relate to structures (Figure 5). The Parakeet anomaly is a particularly prominent feature west of the Warrego Granite. East of the Warrego Granite in Area 2, the first vertical derivative of the aeromagnetics clearly shows a series of aeromagnetic anomalies, of which Cuddihy is the largest, in the axial plane position of a large fold structure (Figure 6).

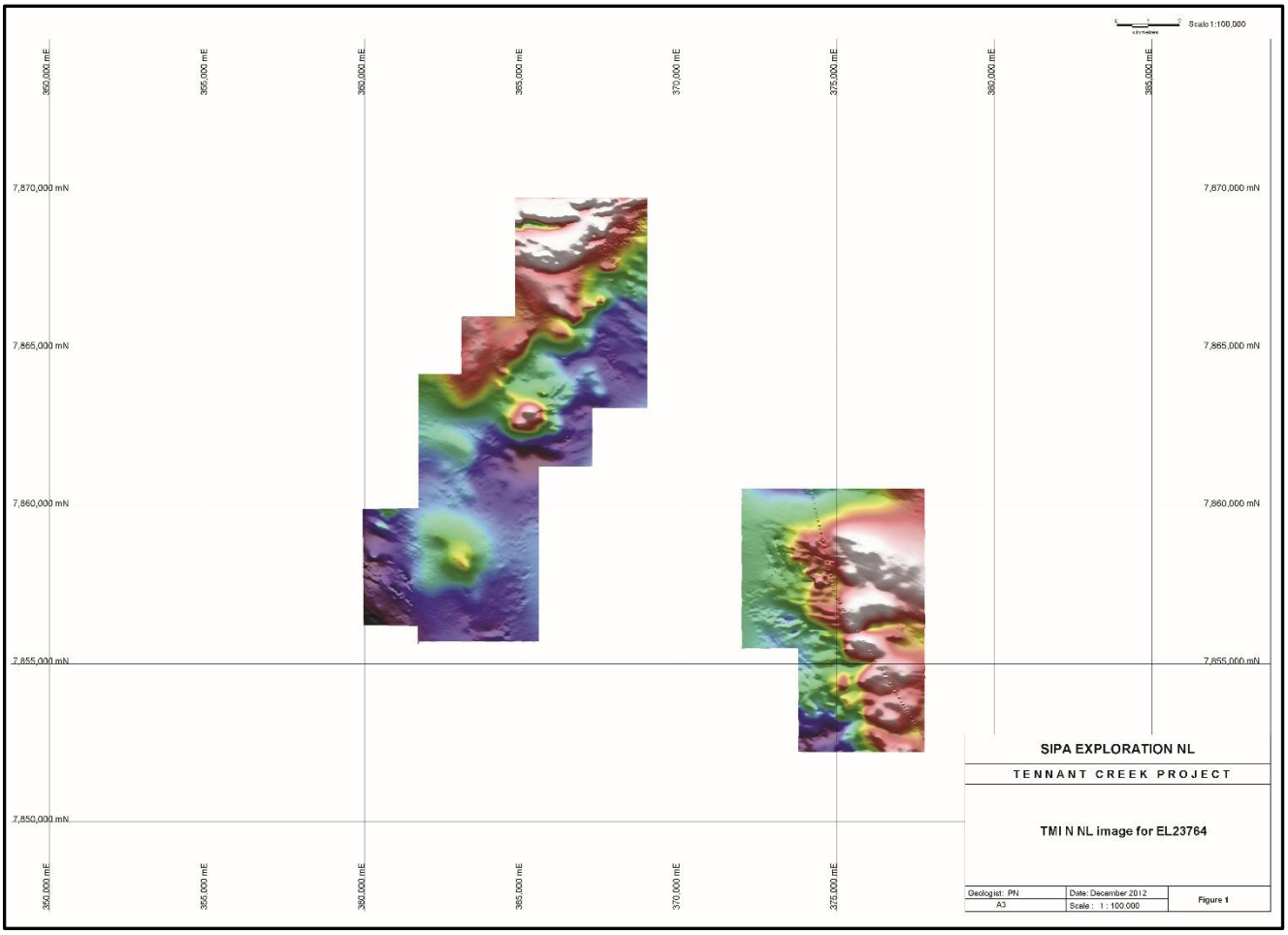

Figure 5. EL23764 Aeromagnetic Survey TMI Image

Sipa commissioned a geophysicist with recent experience in the TCMF to interpret the results of the aeromagnetic survey. The interpretation focused on two areas: Area 1 over Parakeet and adjacent areas, as shown in Figure 7; and Area 2 east of the Warrego Granite and north of the Warrego mine, as shown in Figure 8.

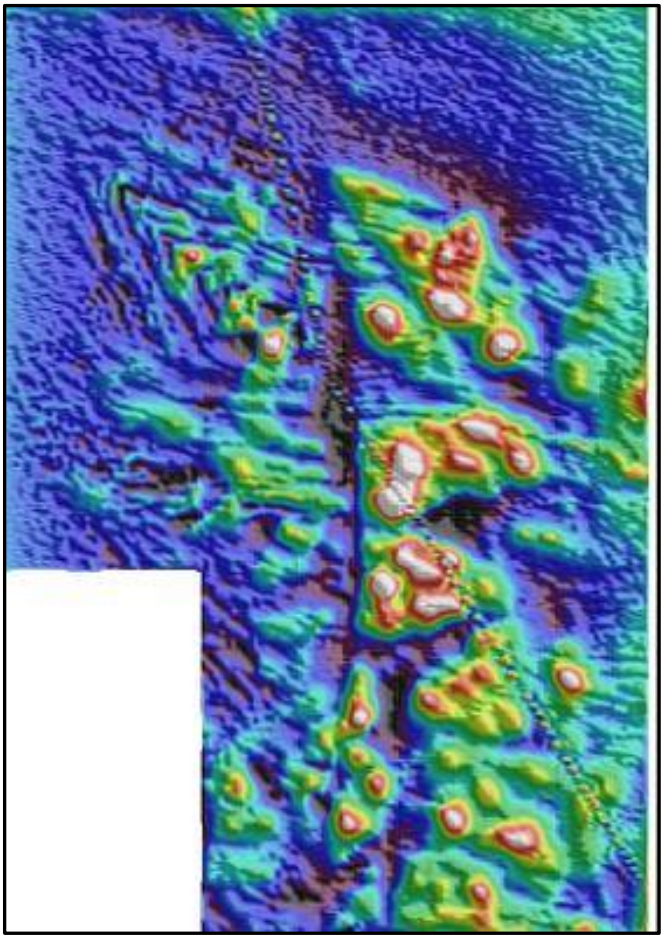

Figure 6. Area 2, 1VD Aeromagnetic Image (linear artefact is the Armadeus Basin-Darwin gas pipeline)

Sipa's consulting geophysicist (Spinifex Geophysics) carried out detailed 3D magnetic inversion modelling and forward modelling on the aeromagnetic data with the aim of determining the likely depth, geometry and magnetic susceptibility of the magnetic sources at Parakeet in Area 1 and at a large magnetic anomaly 2km NE of Cuddihy in Area 2. Horizontal depth slices through the 3D models and plan projections of these bodies derived from the forward models are shown in Figures 9 and 10 respectively.

The most magnetic parts of the 3D models are represented as wireframes on the figures. The modelling indicates that there are six probable ironstone bodies in the Parakeet area (Area 1) with calculated magnetic susceptibilities of >0.75SI units. The depth to the top of these bodies is a minimum of 300–400m below surface.

The modelling in the area 2km NE of Cuddihy (Area 2) indicates that there are four probable ironstone bodies with calculated magnetic susceptibilities of 1.0SI unit. The depth to the top of these bodies is a minimum of 400–500m below surface.

Significantly, these results independently confirm the previous modelling at Parakeet, regarding a large untested target at depth. The results also highlight the presence of untested targets east of the Warrego Granite and north of the Warrego mine. The high magnetic susceptibilities appear to be characteristic of the second, overprinting stage of ironstone alteration commonly associated with copper–gold–bismuth mineralisation observed elsewhere in the TCMF.

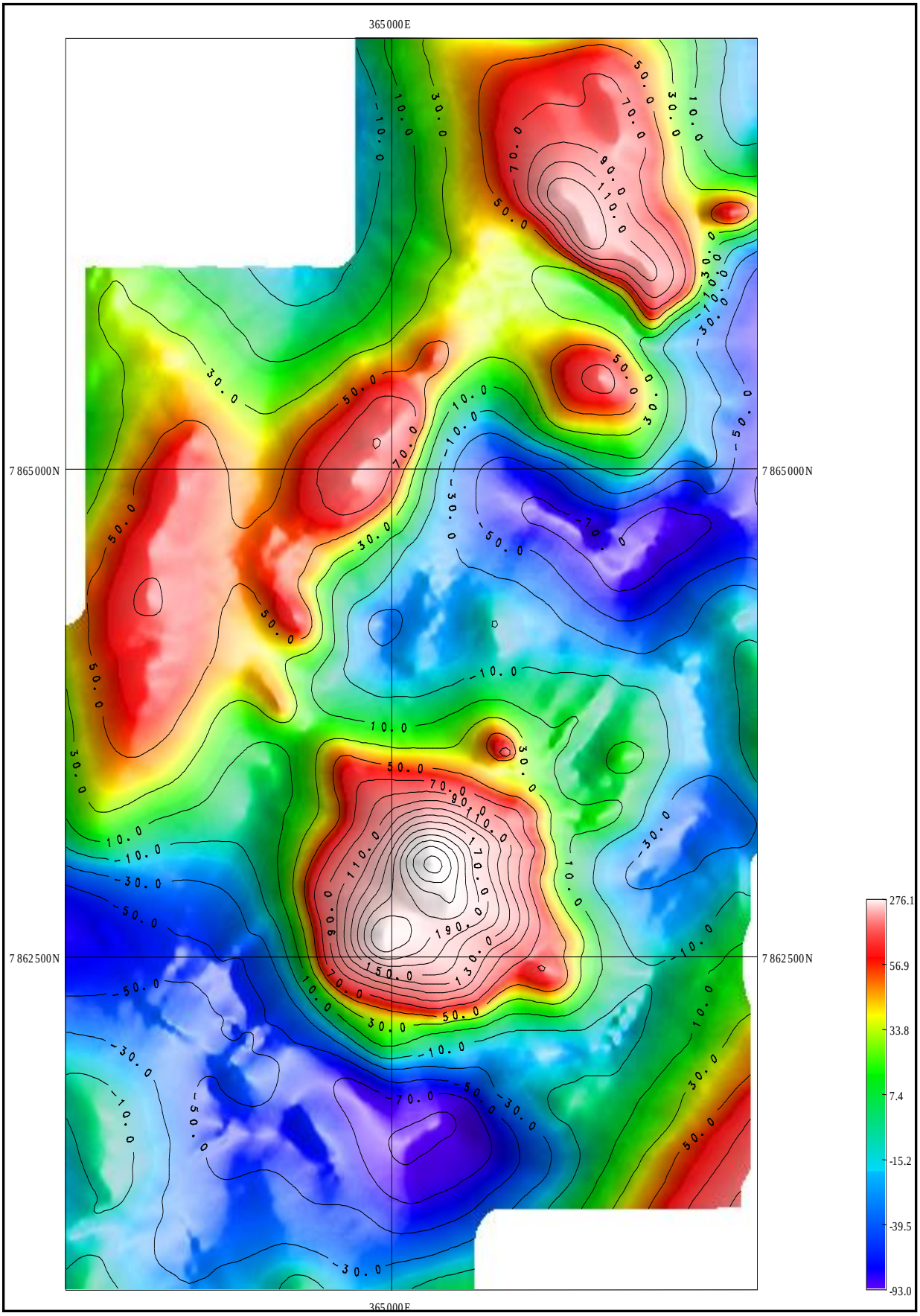

Figure 7. Area 1, Parakeet Residual TMI Anomalies

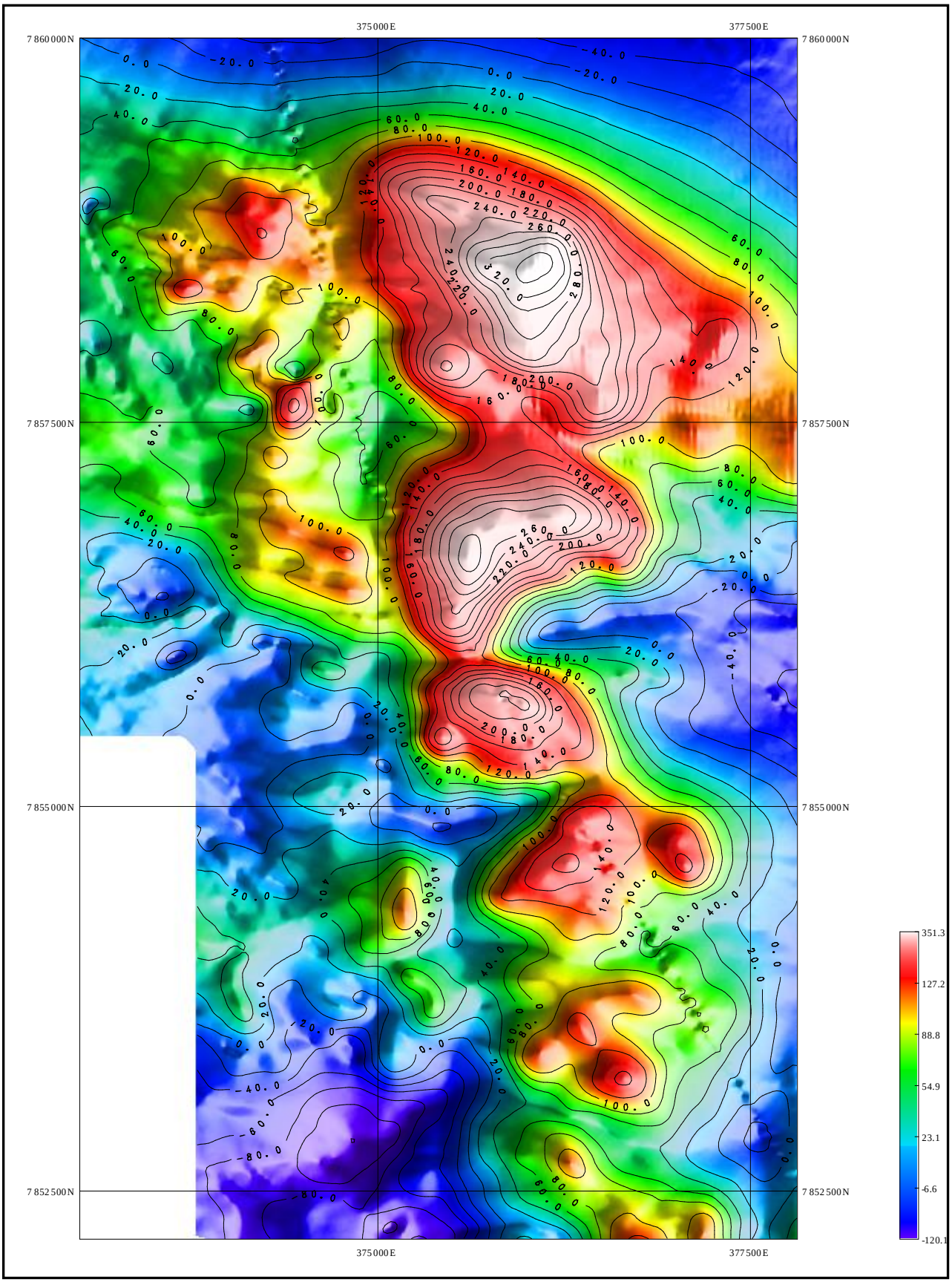

Figure 8. Area 2, Residual TMI Anomalies

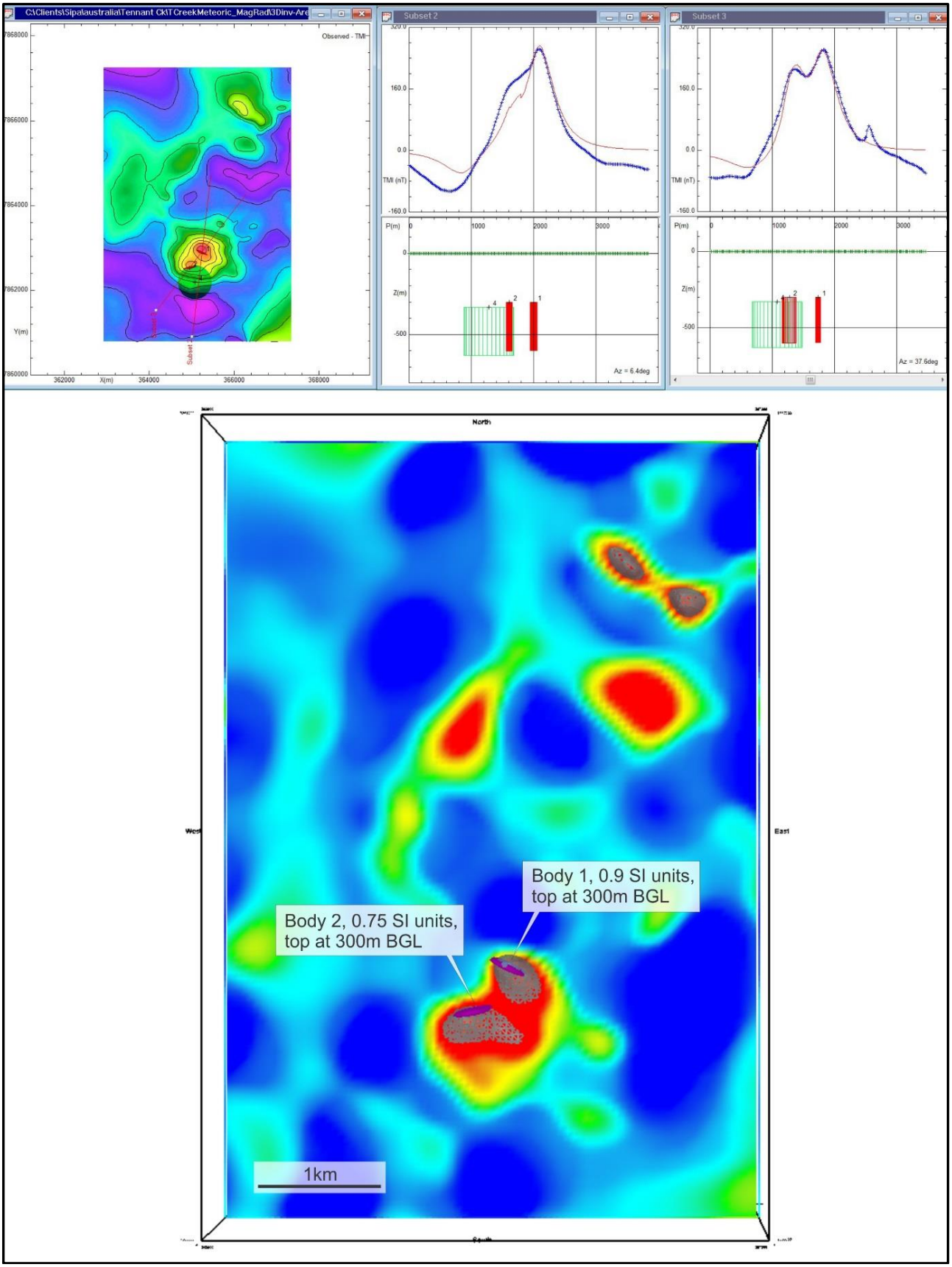

Figure 9. Parakeet (Area 1), Forward Modelling (top) and Depth Slice at 460m BGL through the 3D Aeromagnetic Susceptibility Model showing Model Wireframes and Plan Projections of the 2D Model Bodies

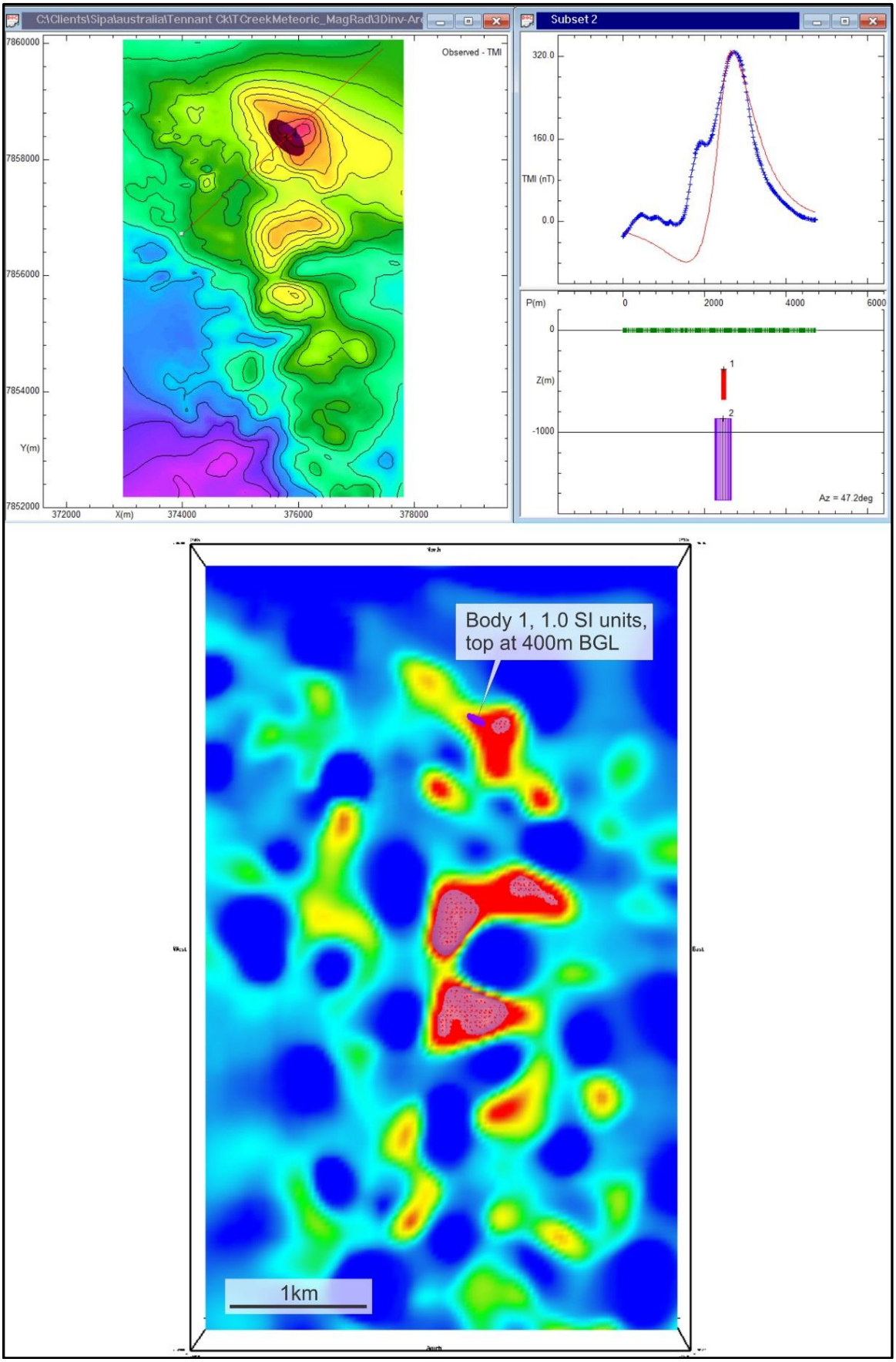

Figure 10. Area 2, Forward Modelling (top) and Depth Slice at 510m BGL through the 3D Aeromagnetic Susceptibility Model showing Model Wireframes and Plan Projections of the 2D Model Bodies

Previous work and data review on the tenement revealed that soil sampling is not a reliable tool to detect geochemical anomalies. Isolated anomalous samples may indicate the presence of geochemically anomalous structures, but the absence of anomalous samples in the soil samples does not sterilize the ground. Vacuum sampling seems to produce better results.

Exploration by Meteoric Resources 2012–14

Meteoric commissioned consulting geophysicists Spinifex Geophysics to carry out 3D forward and inversion modelling of the ground magnetic and gravity data as well as 2D modelling of the IP data over the Parakeet prospect. The exercise aimed to integrate the drill hole geology and magnetic susceptibility measurements as well as represent the key data and modelling outcomes in 3D. A recommendation was also made for future drilling targets.

The Parakeet prospect is associated with two strong magnetic anomalies comparable in intensity with magnetic anomalies associated with copper–gold orebodies in the mineral field.

The ground magnetic anomalies and associated gravity anomaly are shown in Figure 11, highlighting the two main targets at PKT1 and PKT2 and a third target at PKT3. All three targets have recorded historical drill intercepts with anomalous copper, gold or bismuth values.

3D inversion modelling of the ground magnetic data has identified a total of six bodies with magnetic susceptibility values greater than 0.4 SI units, characteristic of ironstone bodies at Tennant Creek. A perspective view of the modelled bodies interpreted to be ironstones is shown in Figure 12. Targets PKT1 and PKT2 are the largest of the bodies.

Significantly, modelling of the ground magnetics provides more control on the depth estimates of the modelled ironstone bodies compared to the previous modelling of aeromagnetic data.

Figure 13 shows a plan image of a derivative of the total magnetic intensity with sections through the 3D magnetic susceptibility block model. Magnetic susceptibility greater than 0.4 SI units are shown in red and copper values greater than 100ppm are coloured red on the drill traces. Section A shows Target PKT1 (right hand body) and PKT2 (larger left hand body). Section C shows what could be the southeast extensions of Target PKT2.

The sections clearly show that the previous drilling has not tested the major ironstone targets at PKT1 and PKT2 and appears to have intersected what could be the copper halo over a large copper–gold system at depth. The depth to the top of target PKT1 is estimated to be 170m and the depth to the top of target PKT2 is estimated to be 230m, significantly shallower than estimated by modelling of the aeromagnetic data.

Forward modelling (a method independent of inversion modelling) of the ground magnetic data also shows the presence of multiple pipe-like bodies, supporting the interpretation of the inversion modelling. In addition, modelling of downhole magnetic data from drillhole WNRC01 at Target PKT2 shows evidence of a strongly magnetic off-hole source. Modelling of the IP identified two chargeability anomalies which could be related to the PKT1 target situated about 80m to the east of the IP line. Modelling of the gravity data identified a gravity anomaly coincident with the PKT1 magnetic target.

Interpretation of aeromagnetic data suggests the presence of a strong NW-trending structure through Parakeet which could be a parallel structure to, or the extension of, the Navigator Fault (a major structure associated with the Warrego deposit), indicating a favourable structural setting for Parakeet.

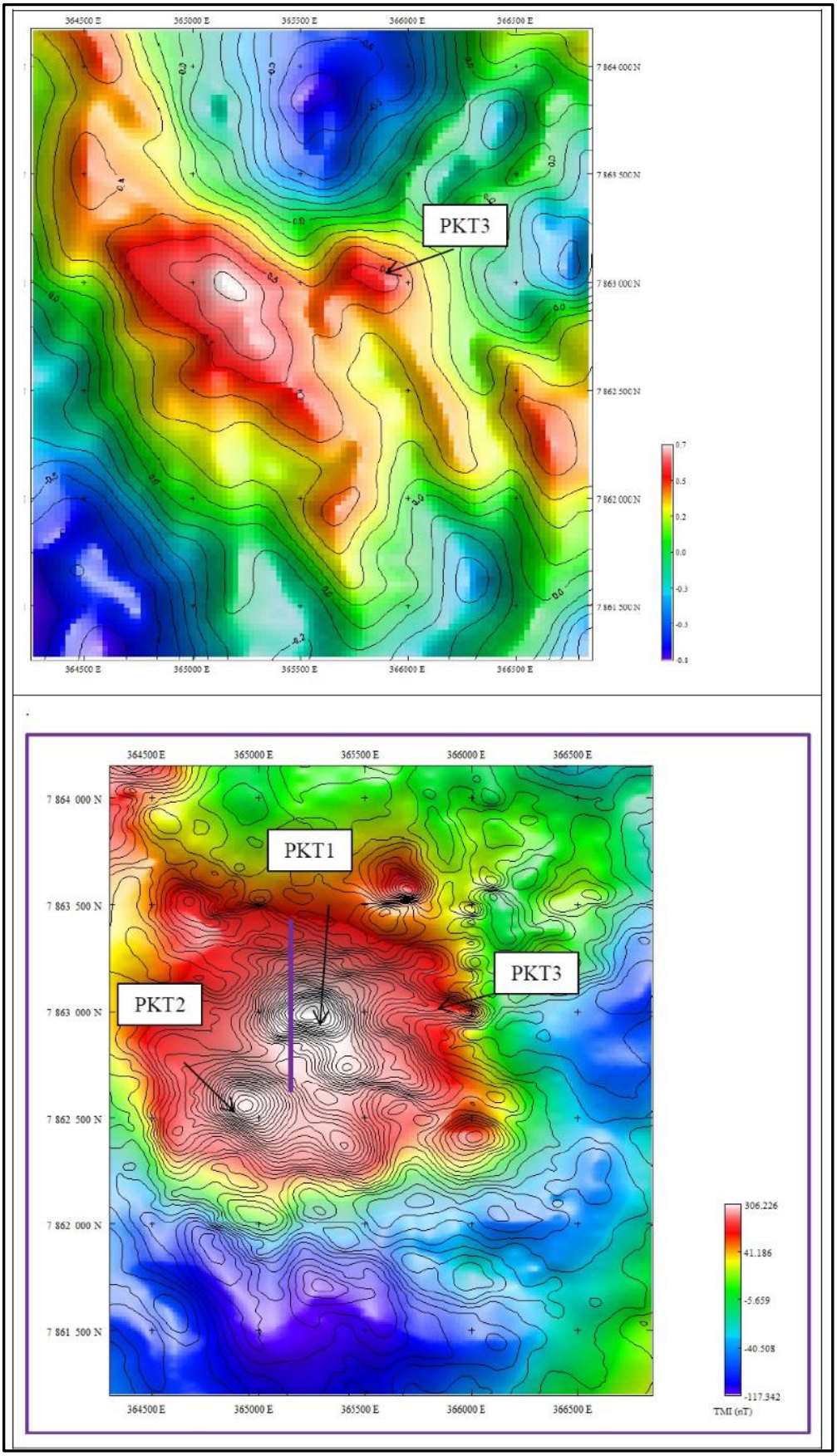

Figure 11. Parakeet Gravity (top) and Ground Magnetic Anomaly (bottom) showing Targets PKT1, PKT2 and PKT3

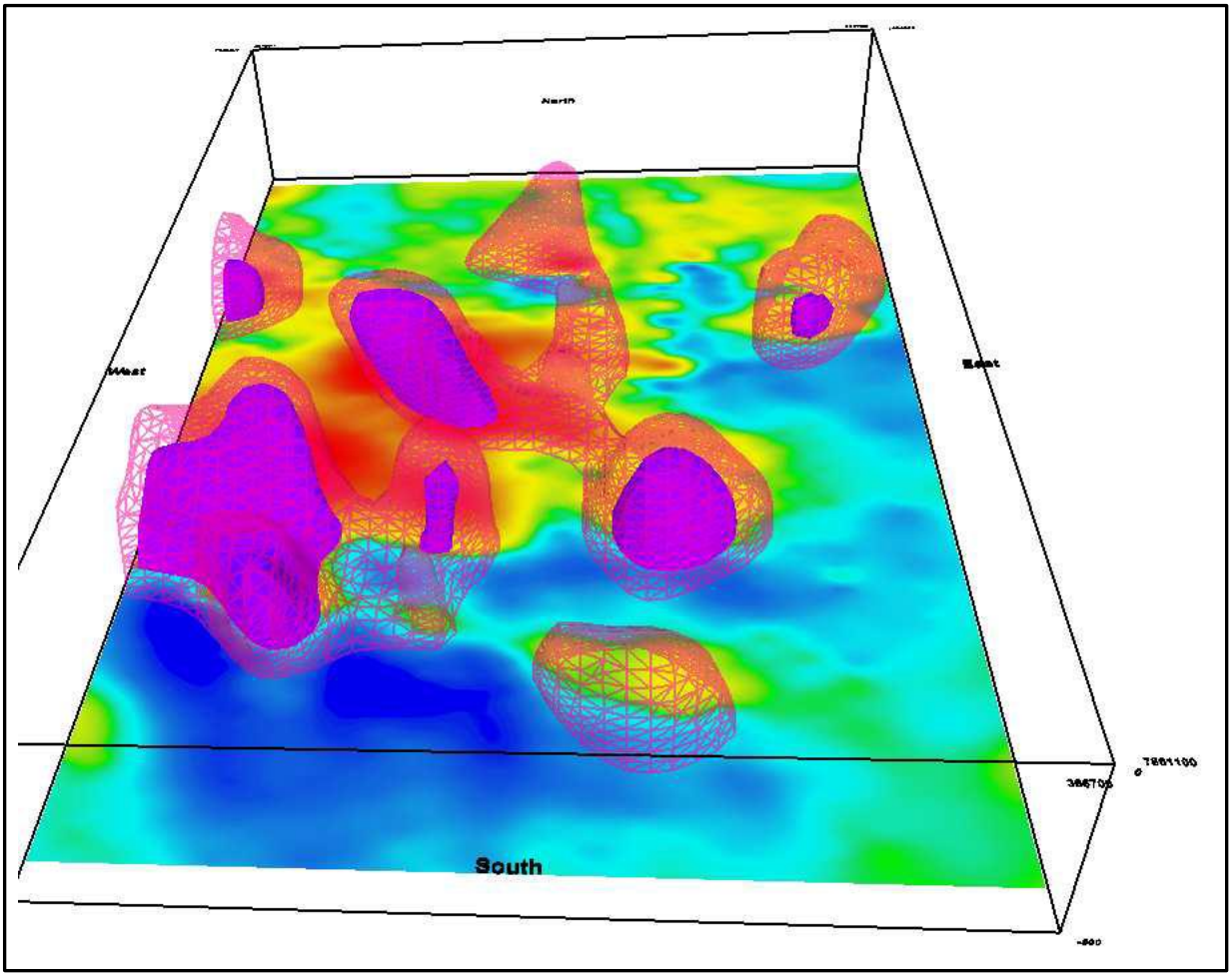

Figure 12. Perspective View of the Parakeet Ground Magnetic 3D Inversion Model. Purple wireframes contain block model susceptibility values >0.4 SI units

Additional magnetic and gravity targets that have not been fully tested on EL23764 are east of the Warrego granite at Area 2 and at Bustard, south of Parakeet.

Meteoric assessed drill testing of the PKT1 and PKT2 targets and Spinifex Geophysics reviewed the modelling data and drilling and completed a drill hole design to test the interpreted magnetic sources at depth and concluded as follows:

Modelling of ground magnetic data over the Parakeet anomalies showed there are strongly magnetic sources with magnetic susceptibility properties that imply Tennant Creek type strongly magnetic ironstone bodies at depth below the deepest holes in the existing drilling. The existing drilling intersected anomalous copper associated with weak–moderate hematite–magnetite alteration in the holes at the PKT1 and PKT2 target locations.

3D forward and inverse modelling of the ground magnetic data have independently achieved comparable depth and location results for PKT1 adding further confidence in the model. Downhole magnetic survey data in WNRC01 (PKT2) indicated the presence of a strongly magnetic ironstone body below the hole. The lateral position of the body cannot be determined as there were technical problems with the survey and the only useable data were total magnetic intensity (TMI).

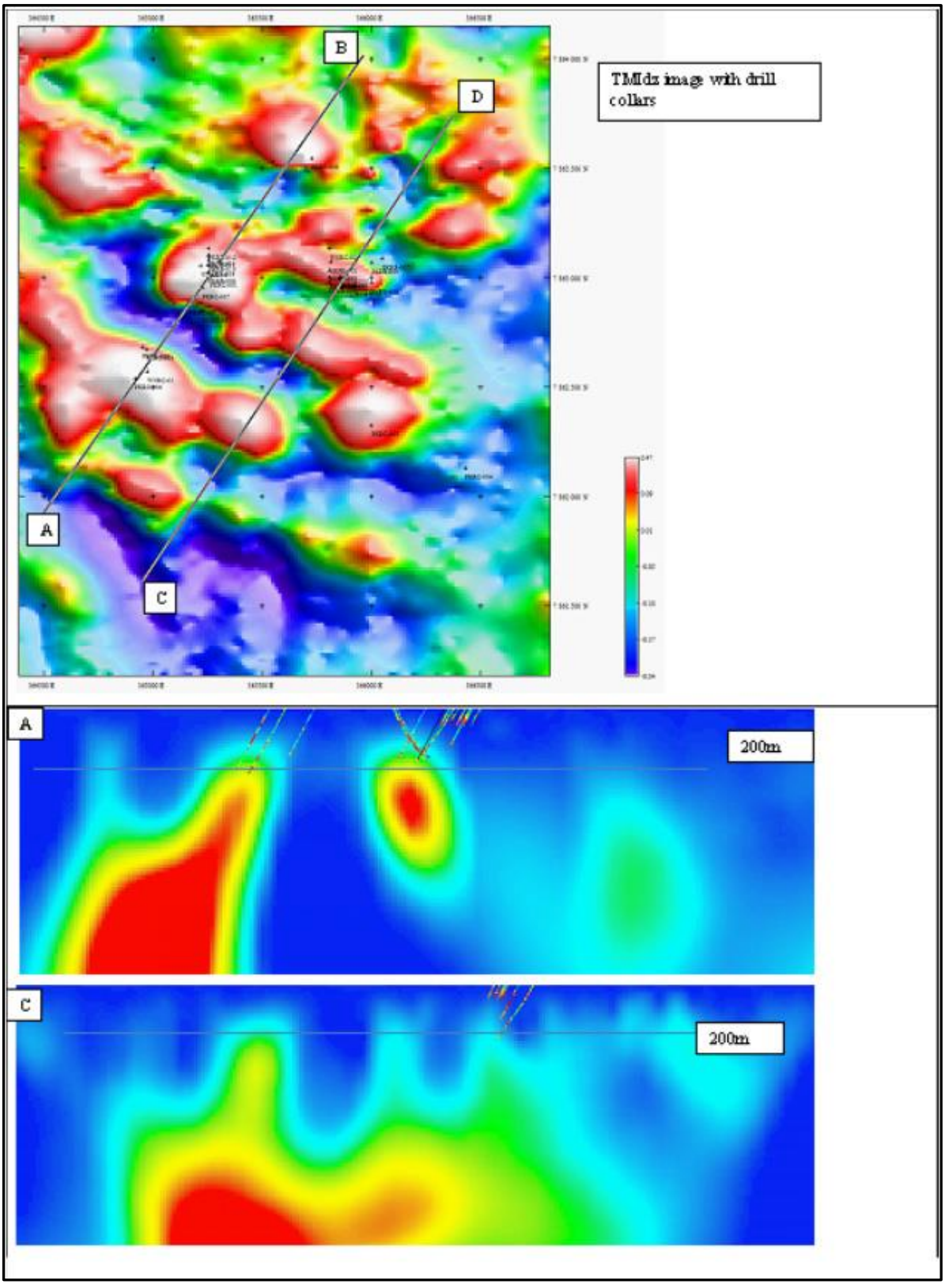

Figure 13. Top: Plan Image of Second Derivative TMI. Bottom: Sections AB and CD through the 3D Magnetic Susceptibility Block Model

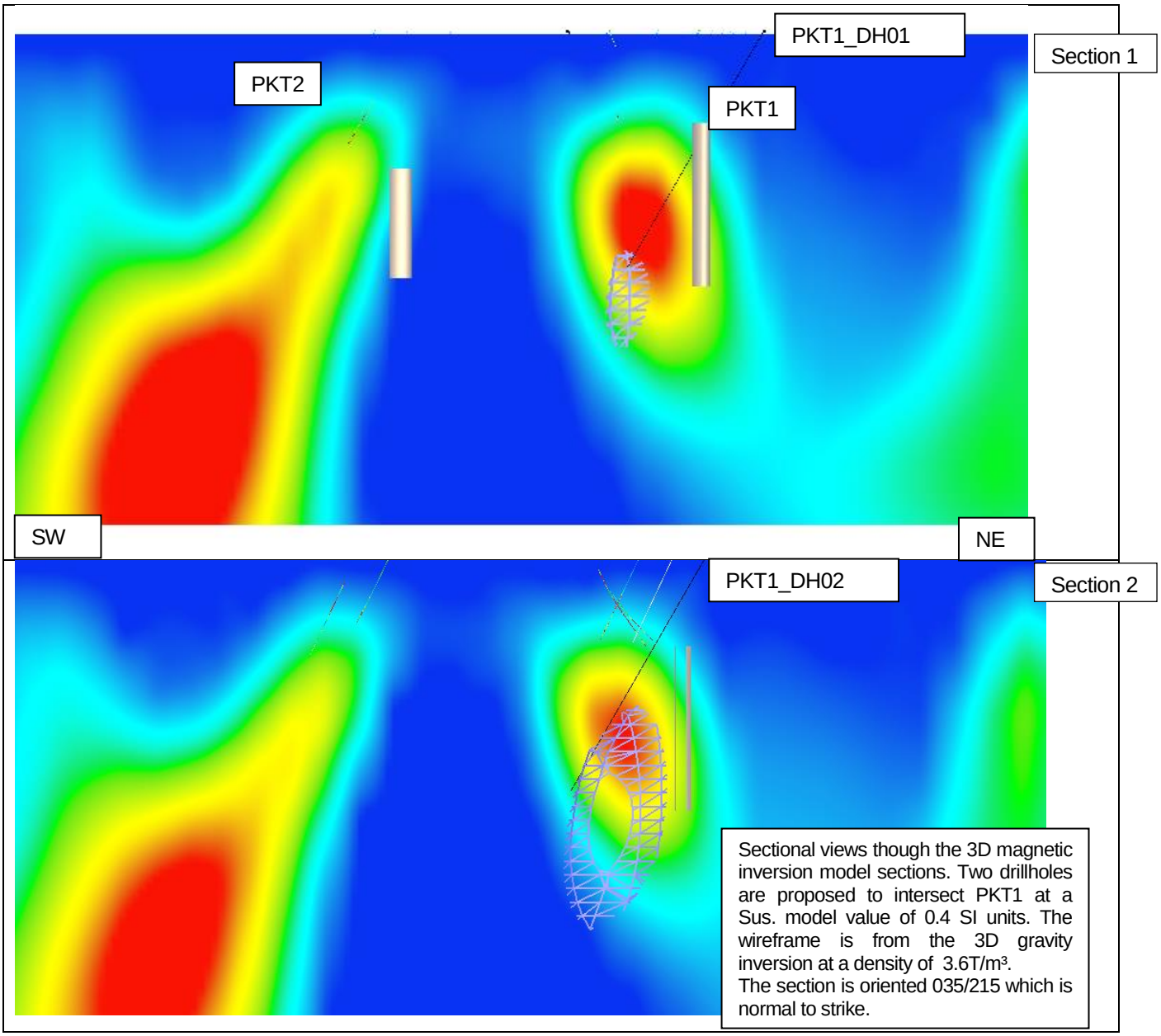

Figure 14. Perspective and sectional views through PKT1 and PKT2. The planned traces of the proposed drill holes are shown in black

Two drill holes were proposed to test the PKT1 magnetic model. The design of the holes was based on an assessment of all the available data in the 3D space. The datasets used include the drilling and Cu assays, the forward and inverse magnetic models derived from the ground magnetic survey data and the 3D inversion of ground gravity data.

Two sections oriented 035/215 through the 3D model are shown on Figure 14.

The details of the section line endpoints are given in Table 2, along with the proposed hole collar positions and drilling design.

Table 2. Parakeet Drilling Proposal Target PKT1 (Meteoric)

Section No.	**Section ID**	**MGAE**	**MGAN**	**MGAE**	**MGAN**	
Section 1	-14	364512.6	7861864.0	366089.6	7864116.6	
Section 2	23	364500.0	7861912.0	366090.0	7864183.0	
Planned holes	**Hole ID**	**MGAE**	**MGAN**	**Dip**	**Azi (grid)**	**TD**
Section1	PKT1_DH01	365380.0	7863082.0	60	215	450
Section 2	PKT1_DH02	365298.0	7863052.0	60	215	450

The holes have been designed to intersect the magnetic inversion model at or near its maximum model susceptibility value. In the case of PKT1_DH01 on section 1, this also intersects the forward model (plate body on the section) and also the eastern end of the 3.6T/m³ wire framed derived from the 3D inversion of the gravity data. In the case of PKT1_DH02 on section 2 this also intersects the above model positions and also the hole trace is located directly under the anomalous Cu intersection. The advantage of using two holes to target the interpreted ironstone source/s was that there was a greater chance of hitting an ironstone body and also the three component magnetic survey that should be carried out in the holes will have a significantly wider search range.

Exploration by Bulletin Resources 2014-15

Following the execution of a farm-in and joint venture agreement with Bulletin Resources Ltd, Meteoric compiled and collated its records of all previous exploration on the tenement and provided digital copy to Bulletin. The initial aim of the farm-in was to drill the Parakeet target at depth to test for the presence of a major mineralised ironstone system below the existing drilling. Bulletin then assumed the position of operator on the tenement and reviewed the magnetic and gravity models with consultants Spinifex Geophysics. Bulletin then carried out further modelling of the geophysical data and designed an initial single diamond drill hole test as shown in Table 3.

Table 3. Parakeet Drilling Proposal, Target PKT1 (Bulletin)

Collar	**East MGA**	**North MGA**	**RL**	**Depth m**	**Dip**	**Azimuth MGA**	**Azimuth Magnetic**
Proposed DDH	365377	7863123	342	650	-60	215	210.5

The drill hole was designed to test both the ground magnetic model wireframe (0.4SI) and the gravity model wireframe (0.9g/cc) as shown in the plan and section shown in Figures 15 and 16 respectively. This proof of concept hole was to test below the mineralisation intersected to date and be followed up by further deep drilling in the event of success. Bulletin lodged a Mine Management Plan for this drilling with DME. However in May 2015 Bulletin unexpectedly withdrew from the farmin agreement. Subsequently Meteoric has reached agreement in principle for a farmin and joint venture agreement with another company with a view to commencing deep drilling at Parakeet, subject to final board approval from that company. Initial documentation of this agreement is currently in preparation.

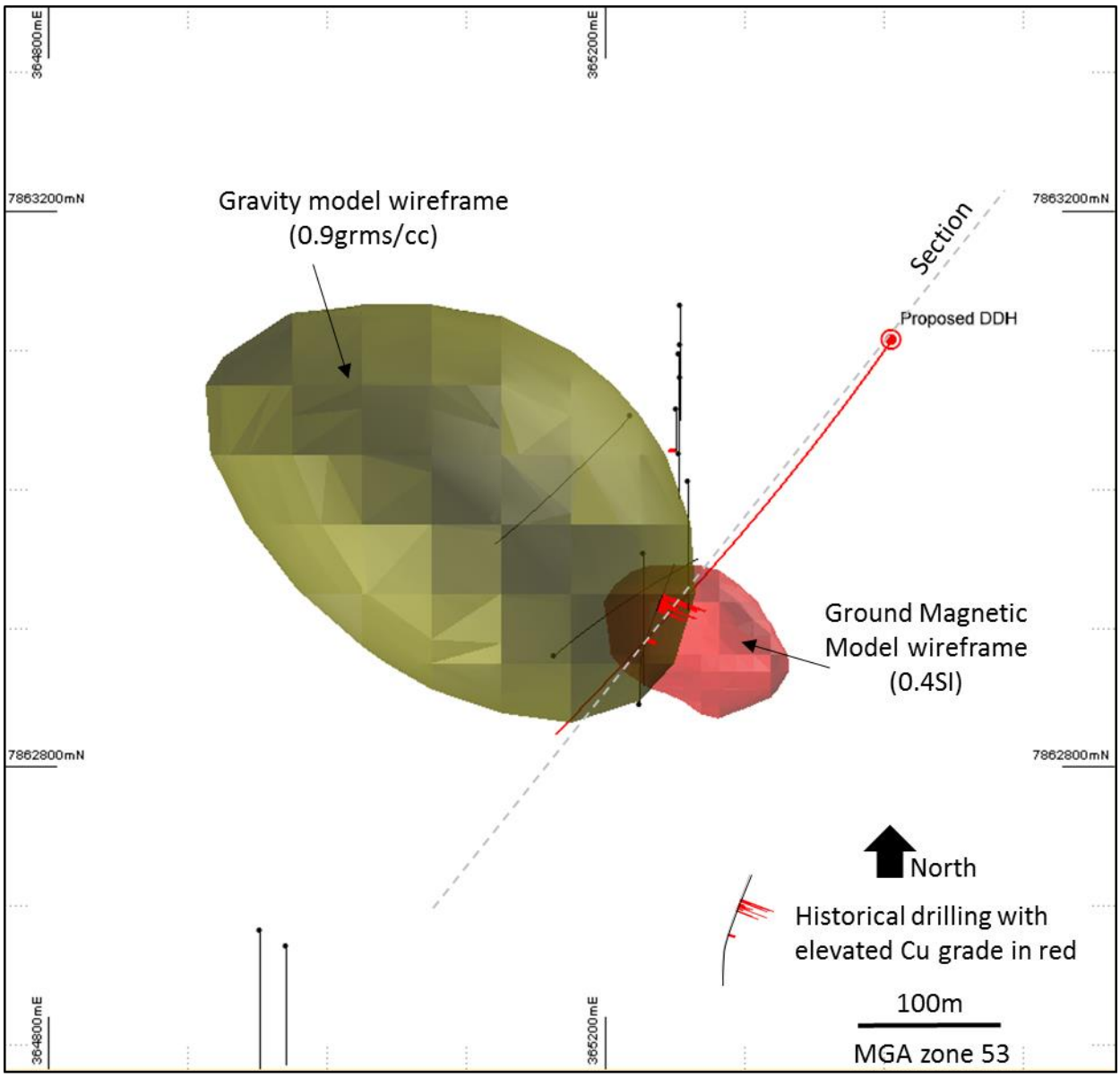

Figure 15. Plan View of Proposed Diamond Drill Hole at PKT1, showing Gravity Model Wireframe (0.9grms/cc), Magnetic Model Wireframe (0.4SI units) and Existing Drilling

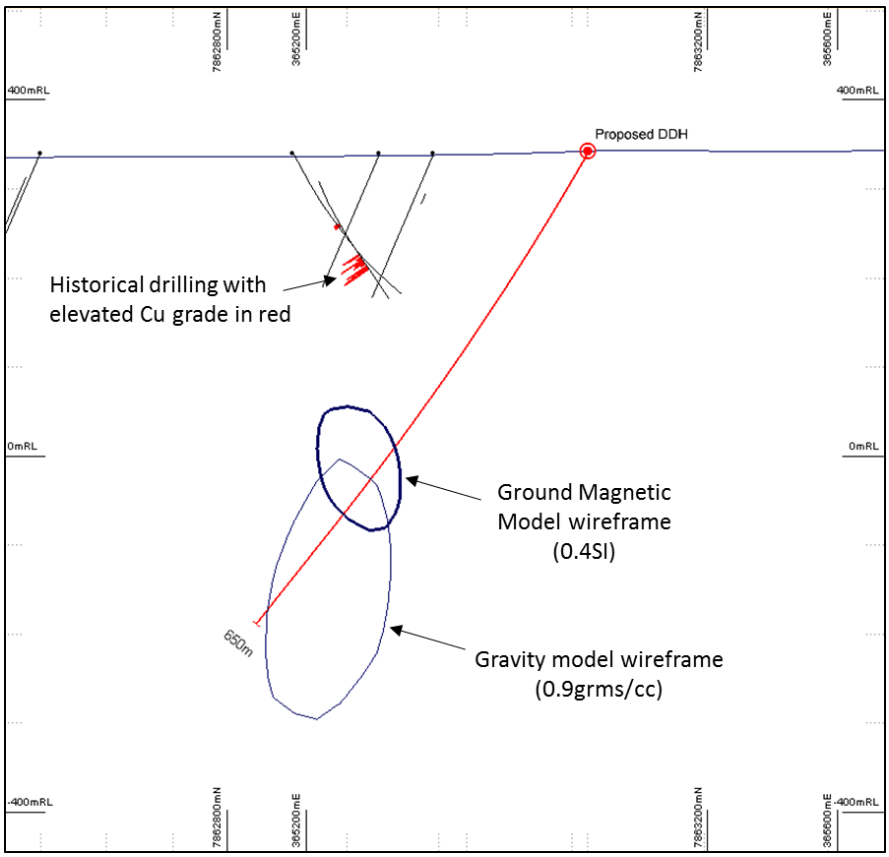

Figure 16. Cross Section through Proposed Diamond Drill Hole at PKT1

Exploration by CGM (WA) 2015-17

A farm-in and joint venture agreement between Meteoric Resources and CGM was signed on 27 April 2016 whereby CGM would become the project operator and earn up to 70% of the project by spending $800,000 on exploration before 27 April 2020. Chalice was initially interested in drilling the Parakeet prospect at depth to test a coincident gravity and magnetic anomaly interpreted to represent a mineralised ironstone system located at depth below existing drilling. Meteoric provided CGM with a digital copy of all previous exploration data for the Warrego North project.

During 2016, CGM undertook a review of the magnetic and gravity inversion models with geophysical consultants Newexco. Target generation was then carried out incorporating a synthesis of all available geological, geophysical and geochemical datasets. An initial program comprising two diamond holes, with RC pre-collars, was planned for the 2016 field season with provision made within the Mine Management Plan for an additional four holes, results dependent. A delay in the approval of the land access agreement and Mine Management Plan resulted in the drilling being delayed until the following 2017 reporting period.

During the 2017 reporting period Chalice completed the following:

- 6 drill holes (1 RC and 5 diamond with RC pre-collars): 2331m total (table 4);
- Induced polarisation (IP) geophysical surveying: 8 lines with 12km combined length;
- Geological mapping; and,

- Rock chip geochemical sampling: 17 samples

The 2017 work program took place at the parakeet prospect and followed on from previous exploration by Meteoric Resources. Figure 17 and tables 4 and 5 provide a summary of all field activities and significant results returned during 2017, which are briefly discussed.

Table 4. Location and attributes of 2017 drilling by CGM (WA)

Collar	East MGA	North MGA	RL (m)	Depth (m)	Dip	Azimuth MGA	Azimuth Magnetic
WND17-001	365282	7862872	340	401	-70	313.58	317.8
WND17-002	364960	7862332	340	354.8	-75	283.58	287.8
WND17-003	365200	7863240	340	225	-70	325.78	330
WND17-004	365280	7862785	340	550	-70	315.78	320
WND17-005	365130	7862860	340	400	-70	335.78	340
WND17-006	365380	7862870	340	400	-70	335.78	340

Six drill holes were completed over two phases at the Parakeet prospect accounting for a total of 2331 metres of drilling. Phase one involved drilling WND17-001 & WND17-002 which targeted two coincident magnetic and gravity anomalies whereby mineralised ironstone containing an intercept of 8m @ 1.74% Cu and 0.46 g/t Au was intersected in hole WND17-001. The second phase of drilling was planned to test for down-dip and east-west extensions to this intercept with the aim of constraining its geometry as well as drill an untested IP anomaly to the north-east. Holes WND17-004 & WND17-006 were successful in intercepting mineralised ironstone, however the assay results were low-order and resulted in the east-west extensions of the prospect being downgraded. Hole WND17-003 was drilled entirely by RC and targeted an untested IP anomaly to the north of WND17-001. This hole was unsuccessful in intercepting mineralised ironstone.

Table 5. Summary of Significant Intercepts from 2017 Drilling (0.1% Cu cut-off)

Hole Id	From	To	Interval	Au ppm	Cu ppm	Bi ppm
WND17-001	92	101	9	0.11	2926	137
WND17-001	103	112	9	0.09	3098	22
WND17-001	120	123	3	0.04	1409	2
WND17-001	135	150	15	0.03	2188	15
WND17-001	236	241	5	0.03	1233	3
WND17-001	242	260	18	0.22	8570	450
WND17-001	264	273	9	0.03	1181	9
WND17-001	280	282	2	0.07	1076	15
WND17-001	282	291	9	0.03	1457	33
WND17-001	319	337	18	0.06	3810	46
WND17-004	196	205	9	0.03	1527	171
WND17-004	216	222	6	0.01	1714	58
WND17-004	249	252	3	0.01	1098	<17
WND17-004	442	445	3	0.09	1074	13
WND17-004	446	451	5	0.04	2170	92
WND17-005	252	255	3	0.05	1382	<2
WND17-006	162	166	4	0.05	1273	3
WND17-006	166	172	6	0.07	2290	0
WND17-006	183	189	6	0.07	1907	64
WND17-006	208	222	14	0.07	1589	118
WND17-006	265	276	11	0.21	2381	39

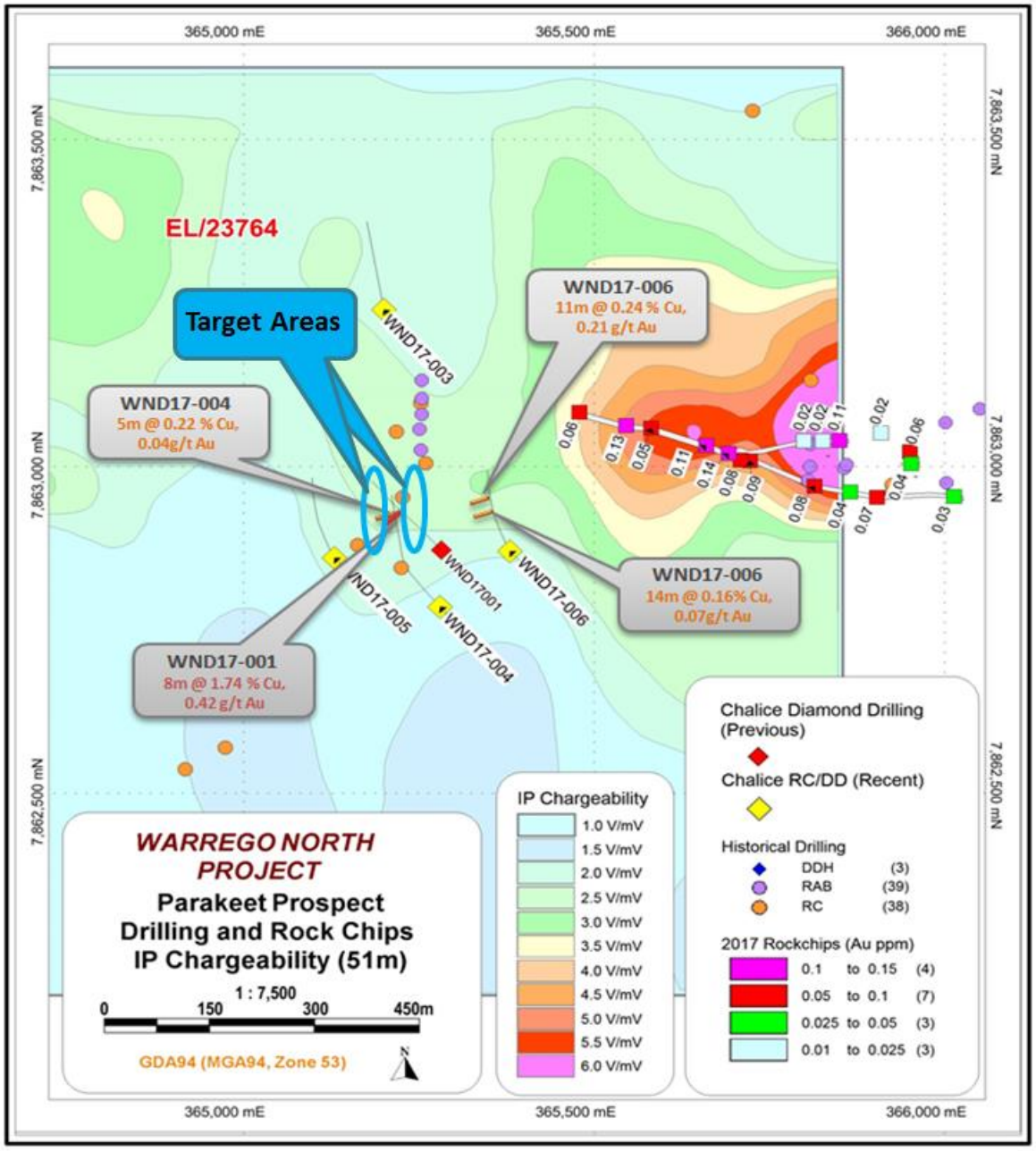

Figure 17. 2017 Drilling and Rock Chip Geochemistry over IP Chargeability Depth Plan (51m). Follow up target areas shown in blue.

A double offset pole dipole IP survey was completed at the Parakeet prospect prior to the second phase of drilling and comprised eight north-south receiver lines for a combined line length of 12 km. A 3D inversion model was prepared by Spinifex Geophysics resulting in the identification of three chargeable anomalies (Figure 18).

Anomaly PKT6, situated proximal and east of the Parakeet drilling, showed the highest chargeability and best definition by the inversion; however, historical drilling showed uneconomic mineralisation around this anomaly. Two moderate-priority anomalies were also identified: PKT5 and PKT4. PKT5 represents a broad zone of low chargeability (2.5 msec) around the central portion of the survey area. The inversion has not resolved the lateral or depth extent of the anomaly well, however it does represent a region of

elevated chargeability and was tested by the 2017 drilling with disappointing results. Anomaly PKT4, situated towards the west of the survey area, shows low chargeability (3 msec) and is not well resolved at depth by the inversion.

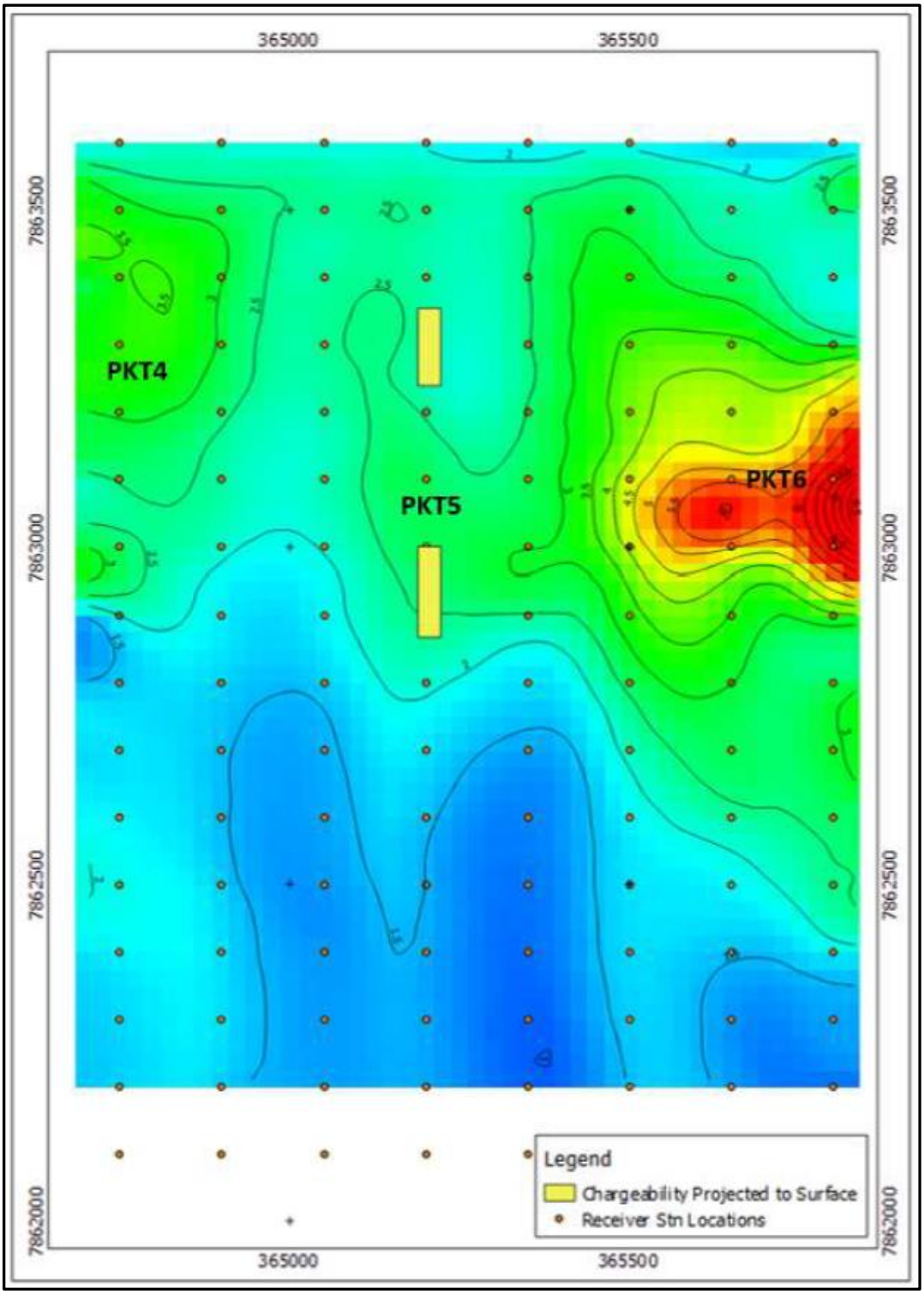

Figure 18. Chargeable anomalism over the Parakeet Prospect

Mapping of the eastern portion of the Parakeet prospect identified a trend defined by 450 metres of sporadically outcropping ironstone which aligns conformably with a chargeable anomaly around PKT6. This structure is interpreted to be dipping northeast based on the offset between ironstone outcrop and

the chargeable anomaly. Outcrop sampling along the strike extent of the ironstone was carried out and submitted for geochemical analysis. Assay results showed elevated gold values of up to 0.14 ppm (figure 17).

Exploration by CGM (WA) 2017-18 (Current Reporting Period)

Work carried out during the current reporting period comprised:

- Final environmental rehabilitation of drilling activities completed to date at the Parakeet prospect. All rehabilitation activities are now considered up to date.
- Additional desktop geological evaluation at the Parakeet prospect. A target zone east and west of hole WND17-004 has been defined and will serve as the basis for follow up drilling. WND17-004 exhibits strong chlorite alteration, veining and copper anomalism from 441m – 456m, features suggesting a mineralised ironstone body is nearby. Further drilling to the east and west from WND17-004 hole (refer to blue target areas - figure 17) will confirm if the ironstone as intersected in WND17-001 is vertically continuous at depth and importantly, whether it increases in thickness and grade.

Conclusions

The only field work carried out during the reporting period was the completion of rehabilitation activities at the Parakeet prospect.

Additional desktop evaluation of the Parakeet prospect is ongoing with initial interpretation/s suggesting well defined targets immediately east and west of WND17-004. WND17-004 exhibits strong chlorite alteration, veining and copper anomalism from 441m – 456m, features suggesting a mineralised ironstone body is nearby. Further drilling to the east and west from WND17-004 hole will confirm if the ironstone as intersected in WND17-001 is vertically continuous at depth and importantly, whether it increases in thickness and grade.