EL12/2014

Loyetea Drilling Report

LOY20-005, LOY20-006

For: Edrill Pty. Ltd.

January 2021

Chris Allen, B.Sc. (Hons)

Introduction

This report summarises 2020 drill results on Edrill Pty. Ltd.'s Loyetea property (EL12/2014), completed between 30th April and 21st May, 2020, composed of a total of 355.6m of NQ diamond drilling. Including 2020 drilling, Edrill has completed a total of 1,716.5m on EL12/2014. The 2020 drill holes were located approximately 40m NE of LOY19-004, completed by Edrill in 2019, and approximately 450m NE of several shallow drill holes by Jervois Mining in 1997 as part of work on EL1/91. Previous drilling in the area has mostly targeted skarn related mineralisation within the Ordivician sediments on the margin of the Devonian Housetop Granite, with Comalco-Shell targeting F-Sn-W mineralisation, and Jervois Mining exploring for base metals, Sn and W.

Target mineralisation for Edrill at EL12/2004 includes magnetite, Sn, W and base metal mineralisation in skarned Ordivician sediments at the margin of the Housetop Granite, with the transition zone between the Moina Sandstone equivalents and the overlying Gordon Limestone of particular interest.

Drill core was logged, cut and sampled at the Edrill office in December. Selective samples were taken from zones of strong mineralisation and/or skarn alteration, with a total of 25 samples from LOY20-005 and LOY20-006 submitted to ALS Minerals for multi-element ICP-MS, including trace-level Au. More detailed sampling of the drill holes may be warranted in the future.

Individual drill holes are discussed below. Table 1 shows details of drillholes, with Table 2 showing assay data for significant intervals.

Table 1: 2020 Drill Collar locations.

Hole	Easting GDA94	Northing GDA94	RL (m)	Azimuth	Dip	Depth	Commenced	Completed
LOY20-005	411099	5426532	403.8	309.7	-81.69	173.8	30-Apr	08-May
LOY20-006	411102	5426529	403.8	144.66	-59.99	181.8	11-May	21-May

LOY20-005

LOY20-005 was collared on 30th April, and completed on 8th May at a depth of 173.8m. The hole was drilled to test for skarn mineralisation in calcareous sediments on the margin of the Housetop Granite.

The hole commenced in poorly altered and weakly magnetic vesicular Tertiary basalt from 3-12.8m overlying moderate to strongly oxidised Tertiary sediments with occasional boulders of granite and pyroxene skarned limestone, and sub-angular to rounded magnetite gravel to cobbles at the base of the paleochannnel at 31.4m.

Moderate to steeply-dipping banded grey to dark grey Ordivician limestone and sandy limestone underlies Tertiary sediments, with disseminations of very fine sulfides throughout dark grey bands indicating bedding planes, and minor pyrite in fine chlorite-sericite-garnet veinlets. Patchy trace to

weak garnet and pyroxene skarn alteration appear to be controlled by bedding, and are typically overprinted by oxidation infiltrating from faults, fractures and joints. Occasional calcite veins cut earlier structures, with healing of some fractures evident. The limestone continues to 79m, with bedding angle becoming shallower with depth, and a small marbled zone at 72m forming the footwall of a rubble fault zone. A large clay and gravel fault zone extends from 79-90m, with sub-angular to sub-rounded grey limestone, skarned limestone, and medium-grained granite gravels. Granite gravel content within the fault zone increases with depth, until a decomposed sericitic granite from 90-91m, and a poorly magnetic medium-grained granite dyke with weak sericite, chlorite, and potassium alteration, with trace disseminated pyrite and chilled margins from 91-104.6m.

Limestone continues below the dyke, with weak marbling and garnet alteration near the contact, and more marble and weak garnet alteration from 111.5-112.3m immediately preceding intense strata-controlled magnetite-pyroxene-epidote skarn to 113m, and 0.2m interval of baked, highly fractured silty calcareous sediments with infiltration of magnetite and hematite along fractures.

A weakly magnetic medium to coarse-grained oxidised potassic granite with a chilled upper margin underlies the limestone, with this terminated by a faulted base at 122.15m, below which is a baked silty calcareous sediment with pyroxene skarn and up to 20% magnetite to 122.5m.

The grey limestone with minor dark grey sulfidic banding continues from 122.5m at a moderate dip, often with weak recrystallisation and FeO infiltration from fractures and joints generally increasing with depth, until a rubbly faulted base at 156.4m.

Coarse, equigranular pink granite with weak sericite alteration and biotite altering to hornblende/actinolite forms the footwall of the fault, grading towards moderate sericite alteration with depth. This granite grades into weakly silicified and porphyritic at 165m, with minor albite and disseminated magnetite, with this continuing to the end of hole at 173.8m.

LOY20-006

LOY20-006 was collared on 8th May and completed on 21st May from the same drill pad as LOY20-005, at an azimuth of 145^{0}, and dip of -60^{0}, and was drilled to test the interpreted major fault zone in the area.

The hole was commenced in a fine-grained weak to moderately magnetic basalt with a weakly hematite altered vesicular base at 14m, and overlying Tertiary sediments similar to those in LOY20-005, with a large porphyritic granite boulder from 20-23m, and magnetite gravels to cobbles concentrated at the base of the paleochannel at 27.1m.

From 27.1-62.1m is a strongly altered, oxidised and sheared zone of predominantly clays with rare mylonitic textures. Orientation of core was not possible, so direction of movement is unknown. Although interpretation of rock types is extremely difficult, it is suggested this zone consists of altered granite with minor zones of sediment. Zones with common quartz grains have been interpreted as intensely altered granite, with some other zones showing relict textures to suggest intrusive rocks.

A fault-bounded zone of fine grained moderate to strongly sericite and illite altered rock from 47.2-49m is likely a felsic intrusive, and hosts up to 0.5% coarse disseminated molybdenite (or bismuthinite?) in a more intensely altered zone immediately below a sericite-chlorite-hematite vein. The unit is not repeated in the hole, and is bounded by pyrophyllite, which was not observed elsewhere in the hole.

62.1-87m is dominated by moderate to strongly silicified sandstone and gravelly sandstone, with patchy weak garnet alteration preceding silicification, minor disseminated pyrite, and two zones of highly sheared, strongly altered sediments as for uphole. Trace very fine disseminated molybdenite was also observed, generally in skarn altered zones. Skarn alteration and sulfide content increase towards the bottom of the interval, becoming dominated by calc-silicate and garnet alteration, accompanied by 1% pyrrhotite, minor fine disseminated pyrite, and trace fine molybdenite.

Sediments generally coarsen with depth, becoming a mostly matrix supported gravel to pebble conglomerate at 87m until 147.7m. Skarn alteration is predominantly garnet and calc-silicate with minor pyroxene, and weak to moderate silicification throughout. Up to 3% magnetite is concentrated in quartz-tourmaline veins and veinlets and as replacement of clasts, with minor fine pyrite throughout, and 2% pyrrhotite disseminated and forming rims around clasts at the base of the interval. A 0.2m interval of chilled granite with weak sericite and potassic alteration with a faulted base from 145.8-146m is thought to be a faulted offset of the granite intersected at 147.7m.

Granite was intersected at 147.7m and continues to the bottom of hole at 181.8m. As for LOY20-005, the rock is pervasively K altered, and has a chilled upper margin, becoming porphyritic away from the contact. From 150-155m the granite is weakly banded, with alternating zones of fine grained and porphyritic material, and from 155-158m is an aplitic zone, with weak banding caused by concentration of biotite. Parts of the granite are weak to moderately sericite altered, and rarely contain up to 1% pyrite, with minor disseminated magnetite throughout the remainder of the rock.

Results & Discussion

A total of 25 samples were selected from drill holes (11 from LOY20-005 and 14 from LOY20-006), with sample intervals ranging from 0.35 to 2.8m. Significant results are shown below in Table 2.

Results from LOY20-005 suggest contact skarn is a promising target, with a maximum of 1280ppm Zn in garnet skarned limestone immediately above the contact with the granite at 79m, with another limestone-granite contact at 113m also hosting elevated Zn in addition to strong magnetite-pyroxene skarn, and minor retrograde epidote skarn.

The base of the granite also produced a minor skarn in the limestone, with strong magnetite-pyroxene alteration, but did not host elevated Zn. However, Sn within the skarn assayed at 197ppm. Skarn alteration was absent in limestone at the faulted contact between limestone and granite at 156m.

Significant results from LOY20-006 were restricted to highly altered intrusive(?) rocks within the major shear zone. The felsic intrusive with disseminated molybdenite assayed at 316ppm Mo, 91ppm Bi, 0.109ppm Au, and 0.33ppm Ag. It is possible the extremely soft sulfide observed within this interval is a combination of molybdenite and bismuthinite. The Au result is highly anomalous, with the next highest assay for Au at 0.014ppm taken from the lower part of the unit, and all other samples taken from both holes close to the detection limit. Zn is slightly elevated at the top of the intrusive, but reaches 1250ppm Zn in the sheared lower part. Presuming parallel contacts, true thickness of this unit will be approximately 1.6m, but it is possible this thickness varies greatly.

Also of note, while technically not anomalous, Cr values average 238.8ppm over 5m from 89.7-94.7m in LOY20-006 in skarn altered gravel conglomerate. The source of Cr is unknown, and could be due to ultramafic source materials, or from fluids associated with skarn development.

Although there are insufficient data here to confidently correlate elements, Au appears to correlate very well with Ag, As, Bi, Cd, Mo and Sb. No other strong correlations have been noted, but Zn correlates moderately well with Cu and Co.

Table 2: Significant intervals from selective sampling of 2020 drill holes.

Hole	From (m)	To (m)	Interval (m)	Au_ppm	Ag_ppm	As_ppm	Bi_ppm	Fe_%	Mo_ppm	Sn_ppm	Zn_ppm
Loy20-005	77.9	79	1.1	0.003	0.18	23.7	1.08	7.45	0.32	6.4	1280
Loy20-005	112.3	113.2	0.9	0.002	0.05	25.2	0.61	42	16.35	49.8	887
Loy20-005	122.15	122.5	0.35	0.001	0.02	35.7	2.88	17.2	1.3	197	209
Loy20-006	47.2	49	1.8	0.109	0.33	107	91.2	3.57	316	28.8	574
Loy20-006	49	50	1	0.014	0.15	18.4	26.9	7.82	5.66	8.6	1250

Conclusions and Recommendations

While no high-grade mineralisation was intersected, results from Edrill's 2020 drill program are encouraging, with anomalous Zn and Sn results within exoskarn at the limestone-granite interface, further proving this area as an exploration target.

Anomalous results in LOY20-006 are predominantly within highly altered felsic rocks bounded by faults hosting pyrophyllite alteration. These rocks are oriented parallel to the local shear fabric, and are thought to be a fine-grained intrusive, but may be a felsic volcanic sediment. This unit has not been encountered in previous work in the area by Edrill, and while the true thickness at the point of intersection is calculated as approximately 1.6m, given the anomalous Mo, Zn, Au and Ag, may be worth follow-up as a separate target. At a minimum, historic work in the area should be checked for any mention of this unit. Elevated Cr values in gravel conglomerates in LOY20-006 are not considered anomalous, and are probably associated with ultramafic materials contained within conglomerate; they are not considered an exploration target.