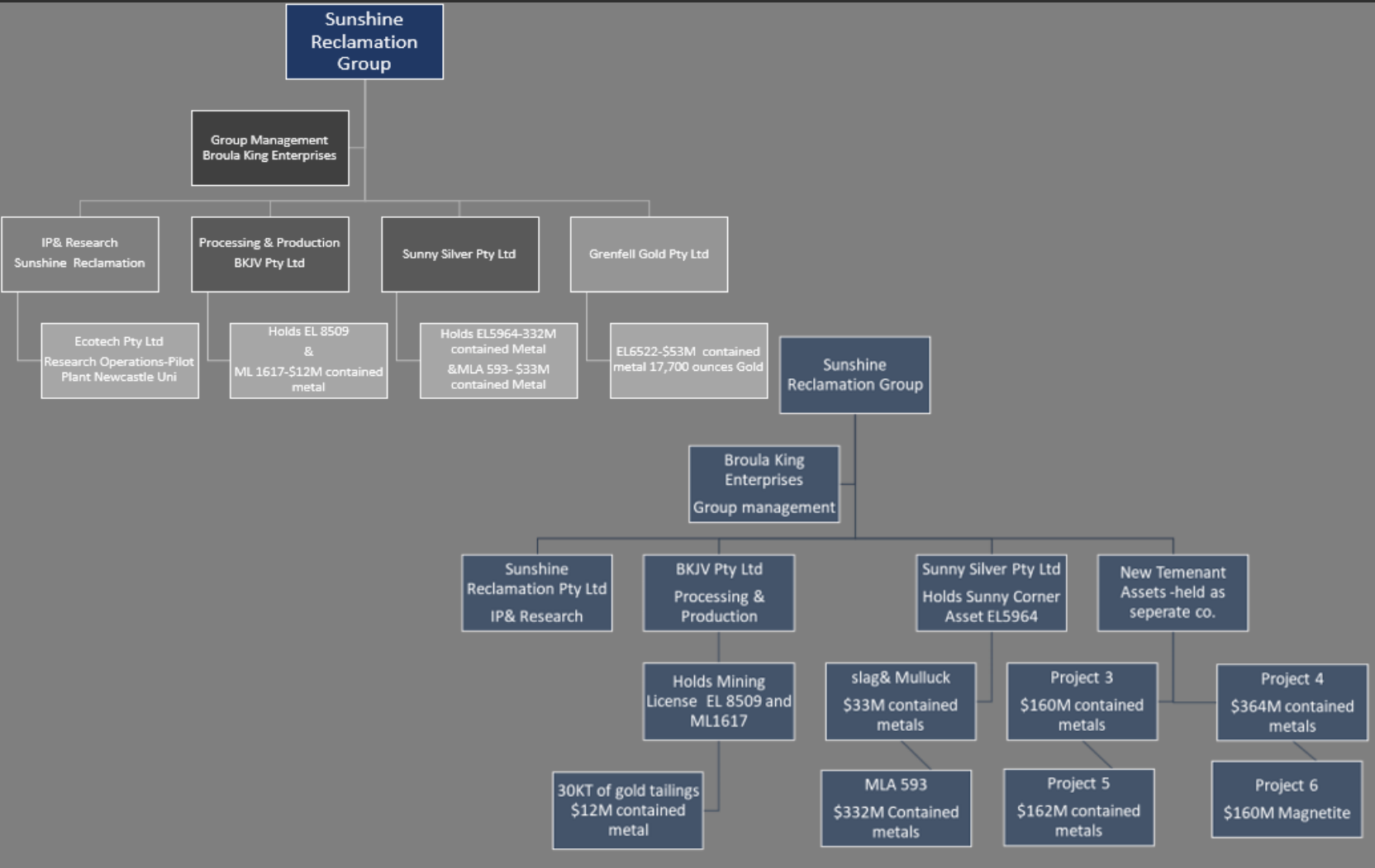


# SUMMARY of BUSINESS STRUCTURE and ASSETS PORTFOLIO



# Sunny Silver Pty Ltd

## Exploration License –EL5964 – Sunny Corner

Exploration Licence (EL) 5964 is located in the central west region of New South Wales, approximately 175 km from Sydney. A topographical map of the tenement is shown in Figure 1. The Area of EL 5964 is 57 square kilometers.

Principle access to Sunny Corner is via the Great Western Highway, as well as minor sealed municipal roads through the township of Sunny Corner and established unsealed farm and forestry tracks around properties.

The Sunny Corner Project's VMS deposit is a system that is flat lying in its eastern half and moderately dipping westward in its western half. The mineralisation comprises fresh, massive pyrite with sphalerite and galena hosted by silicified siltstones and rhyolites, with the main commodities being zinc (Zn), copper (Cu), lead (Pb), gold (Au) and silver (Ag). H & S Consultants Pty Ltd (H&SC), an independent geological consultancy, prepared the resource estimate for the Sunny Corner Project deposit on 16 July 2008, which was ratified in subsequent H&SC reviews for 30 June 2013 and 30 June 2014 respectively, and is summarized in Table 2.

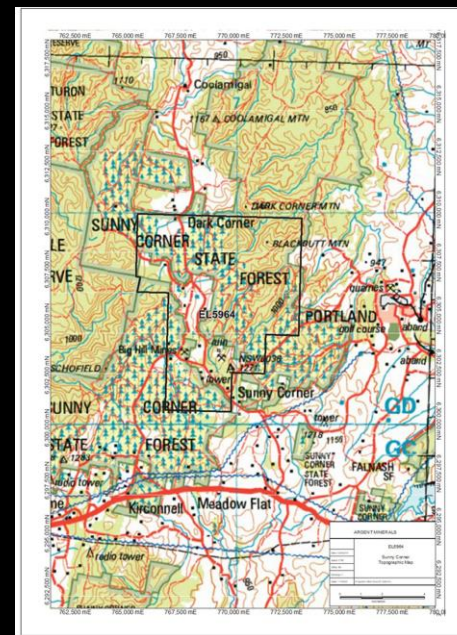
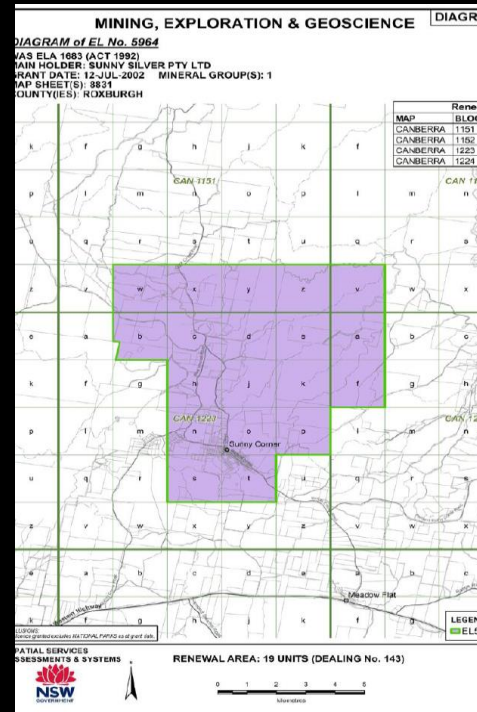
Table 1 – EL 5964 Sunny Corner Project Inferred Resource\*

Category	Tonnes	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)
Total	1,512,000	0.39	2.13	3.70	24	0.17

\* Cut-off grade at 2.5% combined base metals (CBM) i.e. Cu + Pb + Zn.

\*Minor contained metal discrepancies due to rounding of data.

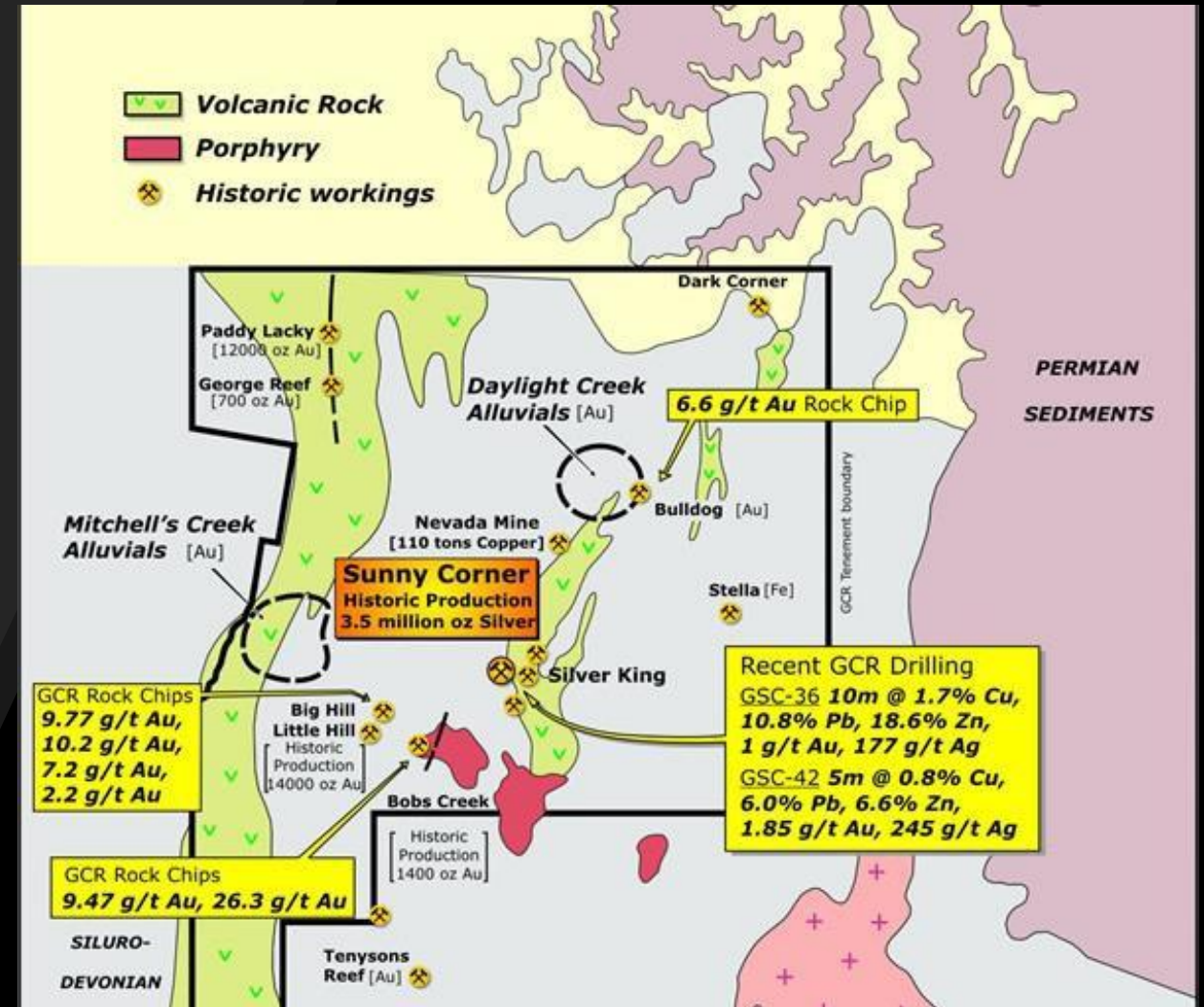
\*Estimate is based on resources being mined by an open cut method.



# Sunny Silver Pty Ltd

## Exploration License –EL5964 – Sunny Corner

- The GCR drill campaign comprised 49 RC holes for a total of 4090 metres drilled beneath and adjacent to the historical Sunny Corner silver mine which is reported to have produced 210,000 tons @ 13.8 ounces of silver per ton for 2.9 million ounces of silver between 1881 and 1893.
- The flat lying to 20-30° westerly dipping resource has a strike length of approximately 260 metres, a width of 230 metres and an average thickness of 6.5 metres (see the cross section 63028720N and longitudinal section 769220E). The resource is partially open 120m to the south with hole GSC010 containing 20 metres of 3% CBM.
- In December 2008 a programme of 5 diamond holes were drilled to obtain samples for metallurgical testing and density calculations. Assay results were released on 1 April 2009 click here to view the ASX announcement "[Assay results for Sunny Corner Metallurgical Holes](#)".
- In March 2009 Argent drilled five diamond holes at Sunny Corner to obtain samples for metallurgical (flotation) testing. Testing has now been completed and the results indicate that recovery of over 97% of contained base and precious metals was readily achieved to a 30% by weight bulk concentrate grading 20.5% Zn, 8.8% Pb, 2.3% Cu, and 180g/t Ag. Attempts, including fine grinding to 6 microns, were unsuccessful in achieving saleable zinc, copper or lead concentrates with acceptable recoveries. The company will now seek markets for the bulk concentrate and will investigate alternative means, including hydrometallurgical, to liberate the individual metals.
- A review of previous drilling at Sunny Corner was undertaken by VMS expert Mr Rod Sainty who concluded that the ore horizon was open to the north and west and recommended further drilling.

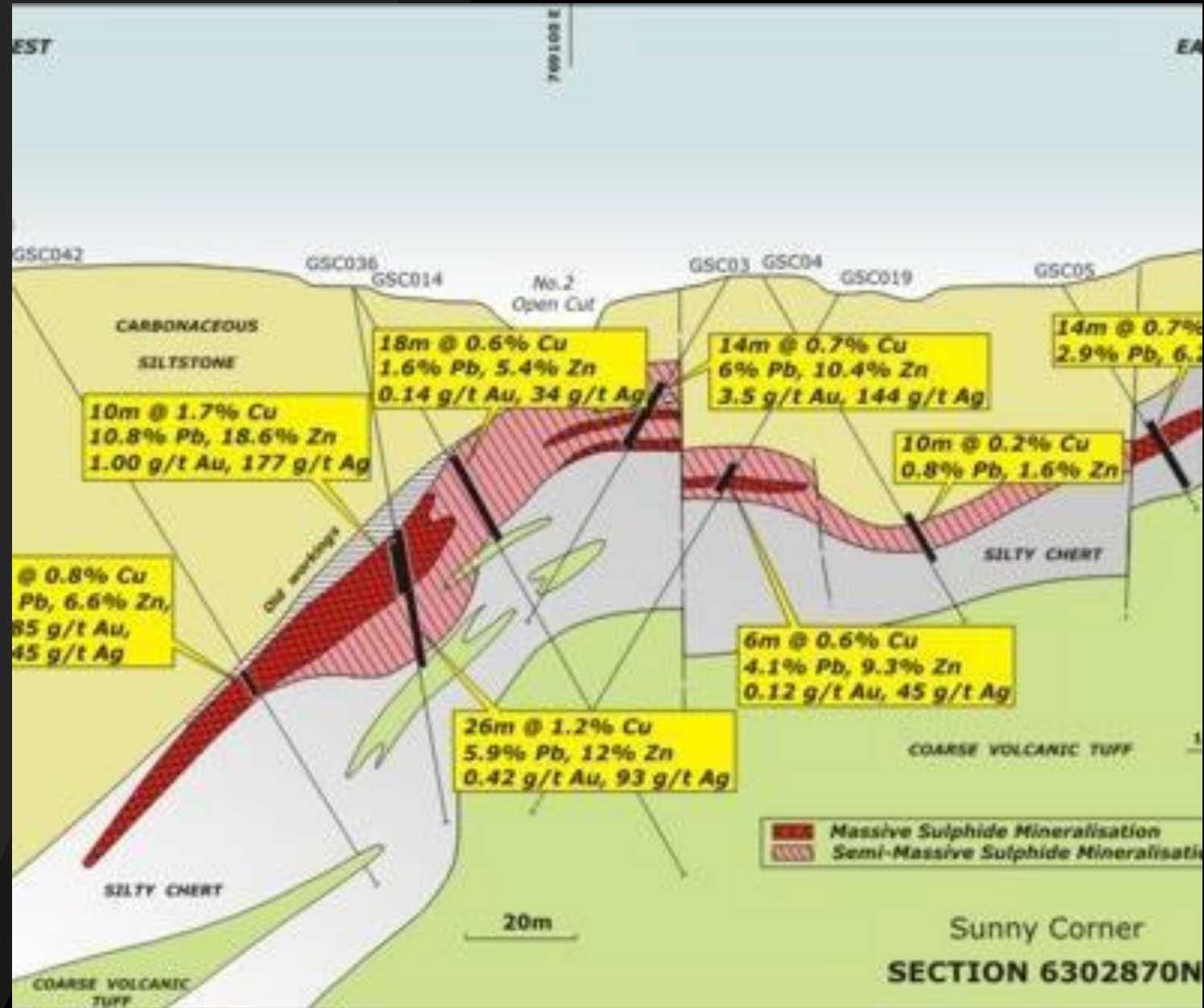




# Sunny Silver Pty Ltd Mining License Application –MLA 593 Sunny Corner

•Geological work by GCR geologists indicates that the old Sunny Corner Mine is hosted in a broad (600m wide) corridor of intense faulting and alteration which extends in a north-south orientation for in excess of 3.5km. This faulting occurs coincidentally with the north trending contact between fine sedimentary rocks and felsic volcanic rock and dip westward. Sulphide minerals rich in copper, lead, zinc (base-metals) arsenic, gold and silver occur in both types of rock in fault zones and in bedding parallel structures.

- Four drilling programmes totaling 49 RC drill holes have been completed since September 2003. Results include 10m at 1.7% copper, 10.8% lead, 18.6% zinc, 1 g/t gold and 177 g/t silver in hole GSC-36 and 5m at 245 g/t silver, 1.85 g/t gold, 0.8% copper, 6.0% lead and 6.6% zinc in Hole 42, which was drilled to intersect the same mineralised body 30m down dip. This result shows that the high-grade massive sulphide Mineralisation continues to extend down dip. This body is open down dip and to the north.
- Results from the remainder of the holes confirm the presence of a specific mineralised horizon to the east of hole 42 and enhance the geological understanding of the area.





Site Remains 1800's Mining



45000 Mt Mullock



Top of Slag Heap



140,000 Mt Slag



# BKJV Pty Ltd

## Exploration License EL 8509

### Broula King Mine Site

•A well maintained, Gold, Silver, Copper, Lead, Zinc and Magnetite prospective Exploration Lease (EL) 8509, located between Cowra in regional New South Wales. This EL was granted to the Broula King Joint Venture Pty Ltd on 8 February 2017 across Group 1 Minerals for a 6-year period.

•EL 8509 comprises of 140.9 km<sup>2</sup> and contains two granted well maintained Mining licenses – one for Gold the other for Iron. The area covered by EL 8509 is highly prospective.

•Although the primary target for EL 8509 is gold and copper, the iron mineralisation is likely genetic association with porphyry, skarn and epithermal Au-Cu-Ag.

•Considerable work has been undertaken by Broula King Enterprises (BKE) who holds EL 8509 on local stakeholders' engagement over the past six months. Various landholder negotiations are underway.

- Broadly, EL 8509 is located between Grenfell and Cowra in the Central West Slopes of New South
- Wales. The sealed Mid-Western Highway between Cowra and Grenfell passes through the
- Licence. From the highway, most areas within the Licence are accessible from secondary
- public roads and farm tracks on freehold land.

•The tenement is split between the Forbes S155-7 and Bathurst S1/55-08 1:250,000 scale sheets and the Grenfell 8530 and Cowra 8630 100,000 scale sheets.

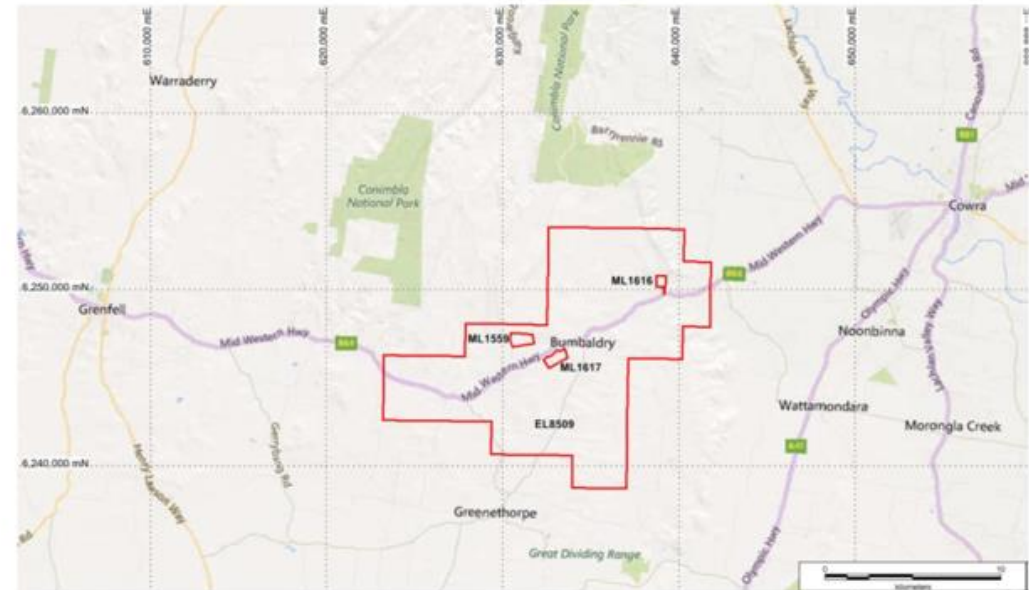


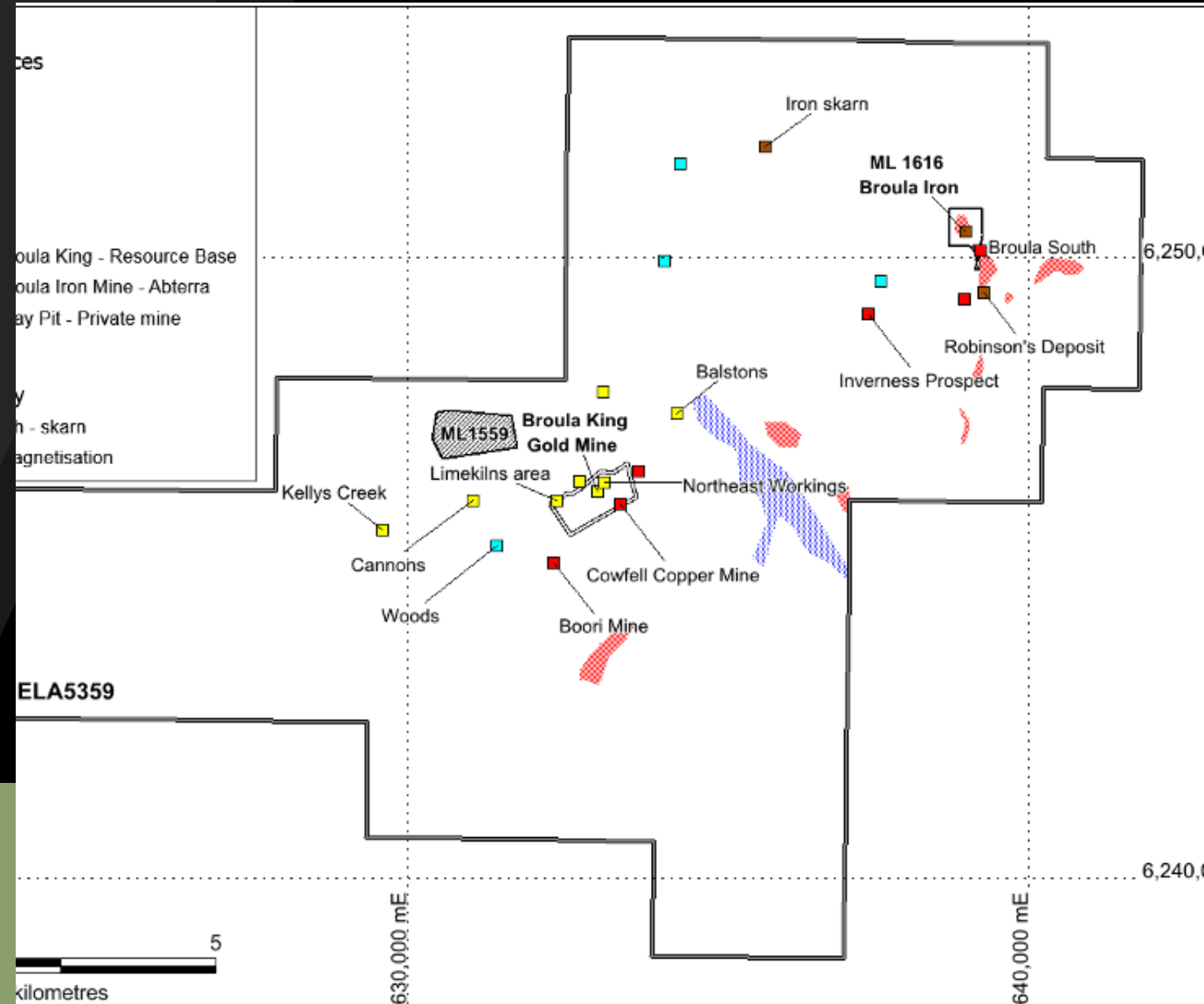
Figure 1: EL 8509 Location Plan

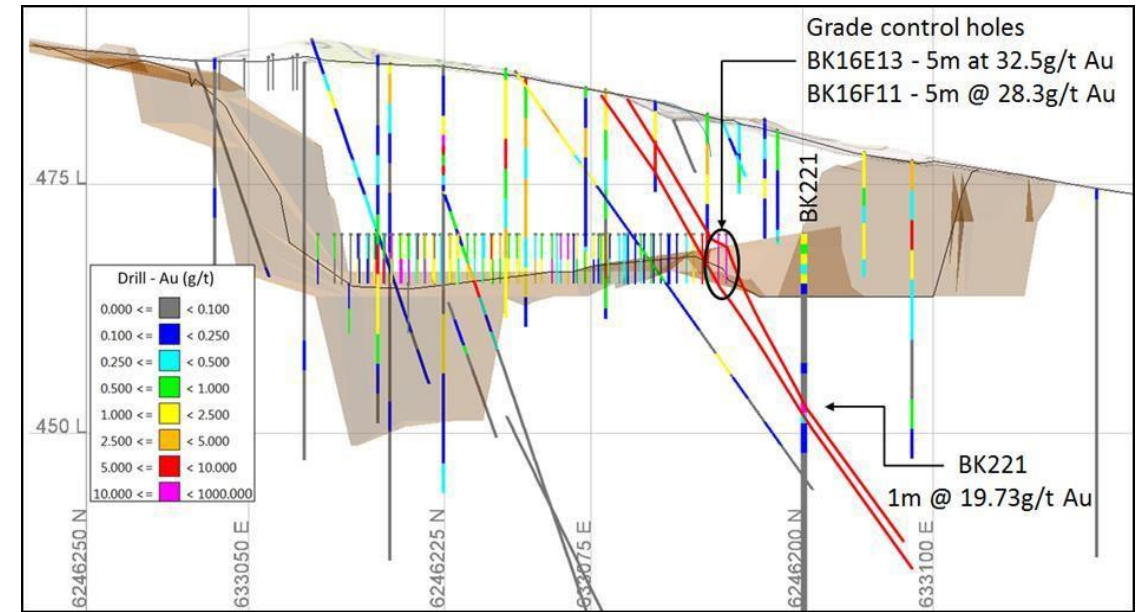
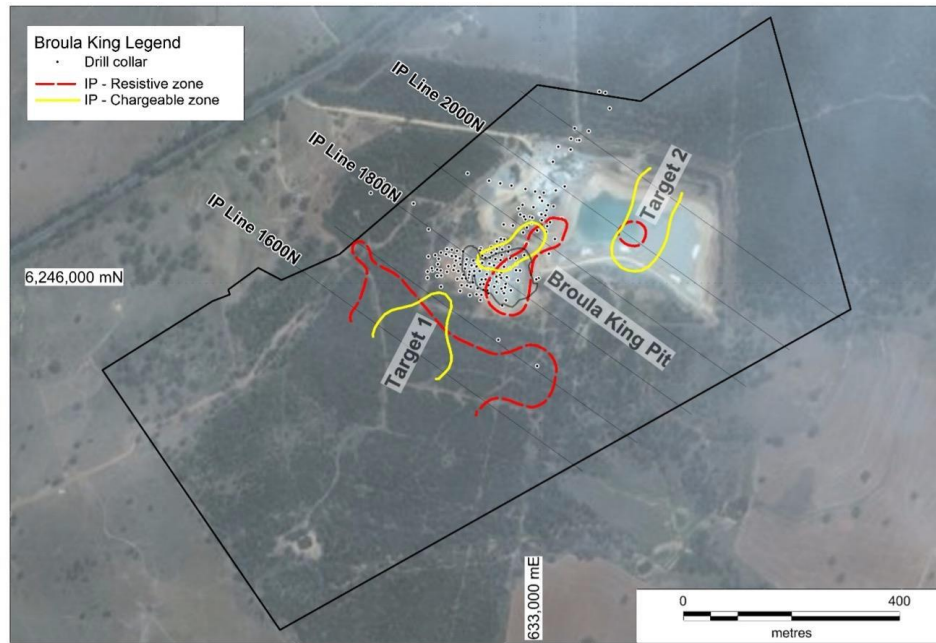
BKJV Pty Ltd  
Exploration License EL 8509  
Broula King Mine Site

•The Broula King gold mine consists of at least five north-northwest trending zones, which dip moderately to the west, and two east trending zones, which dip vertically. The deposit has been reported to contain "In situ reserves totalling 210 000 tonnes at 2.6 g/t Au" (Cluff Resources Pacific Ltd and Lachlan Resources N.L., 1989, p. 7). The mineralisation is hosted by altered and brecciated felsic to intermediate volcanic rocks, volcanoclastic sedimentary rocks, and carbonate units of the Illunie Volcanics.

•Gold mining (multiple shafts) at Broula King is reported to have commenced in 1901 and to have continued intermittently until 1939. Accounts from this period record production in the order of 5,000 tonnes at 18g/t for 2,920 oz. of gold. Process tailings of in excess of 10,000 tonnes at around 3 g/t are on site presently and expected to be reprocessed.

•The Broula King Joint Venture (BKJV) was established in 2007 and commenced open cut mining operations at Broula King on granted ML1617 which lies at the centre of EL 8509 in May 2012 and processing began in August 2012. A total of 186,863 tonnes of ore at 2.50 g/t gold were treated to produce 11,482 ounces of gold. The plant (capable of processing at 100,000 tpa) was placed on 'Care and Maintenance' in August 2014.





- Two styles of Mineralisation at the Broula King deposit have been described as "interstitial fine-grained gold within highly silicified wall rock ...; and vein ore where coarse gold is found in the outer edges of thin quartz veins". The veins are up to 1.5 metres thick. Some of the veins contain colloform textures and in places the quartz is chalcedonic. The sulphides associated with the mineralised veins include pyrite, galena, and sphalerite, with lesser chalcopyrite. The reefs consist of quartz veins and stockworks. The Mineralisation formed as part of a moderately high sulphur system, at low to moderate temperatures, which probably overprinted an earlier porphyry stage. Considerable additional perspective exists within the ML.
- Hole BK221 which returned from 17m, 1m @ 19.73g/t Au. Also, off the pit ramp BK16E13 and BK16F11 respectively intersected from 0m, 5m at 32.5g/t Au and from 0m, 5m @ 28.3g/t Au.

BKJV Pty Ltd  
 Mining License ML 1617  
 Broula King Mine Site

ML 1617 is located between Grenfell and Cowra in the Central West Slopes of New South Wales. The sealed Mid-Western Highway between Cowra and Grenfell passes through the Lease. From the highway, most areas within the Lease are accessible from secondary public roads and farm tracks on freehold land.

The tenement is split between the Forbes SI55-7 and Bathurst SI/55-08 1:250,000 scale sheets and the Grenfell 8530 and Cowra 8630 100,000 scale sheets. The title area is about 74.92HA.

**Figure 2** shows the location of ML 1617 and other mining leases in the area.

ML 1617 has a Gold Mining processing Facility set up on site and a registered Tailing Storage facility

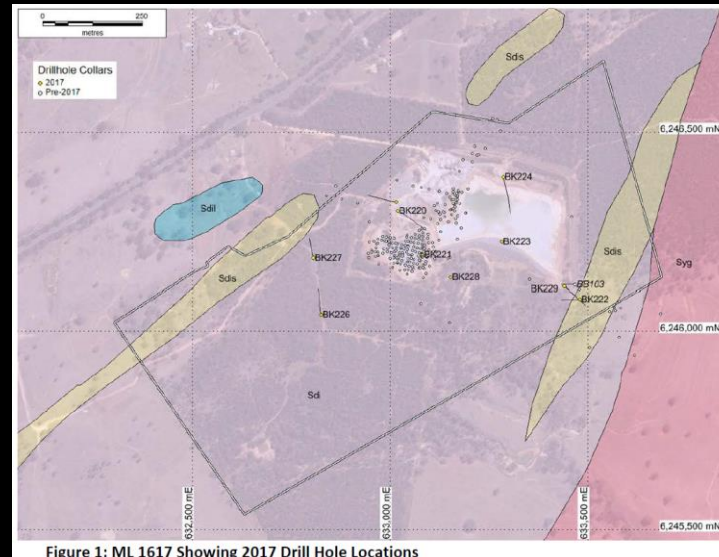


Figure 1: ML 1617 Showing 2017 Drill Hole Locations

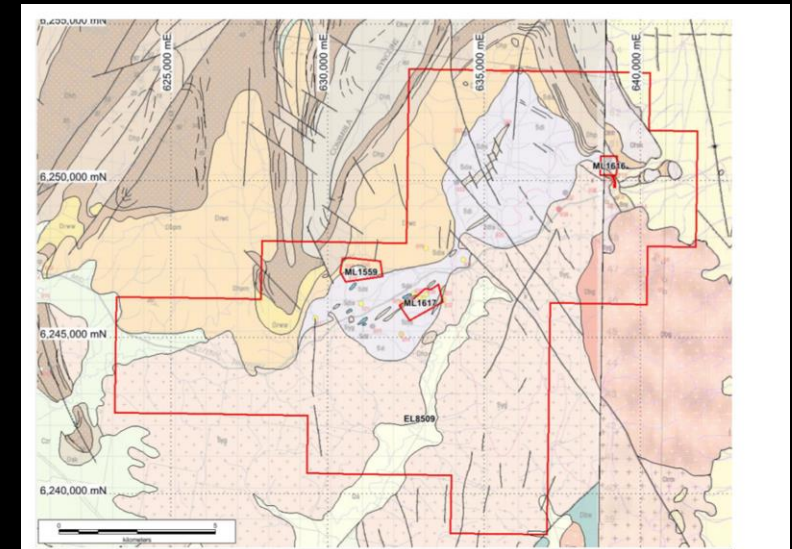
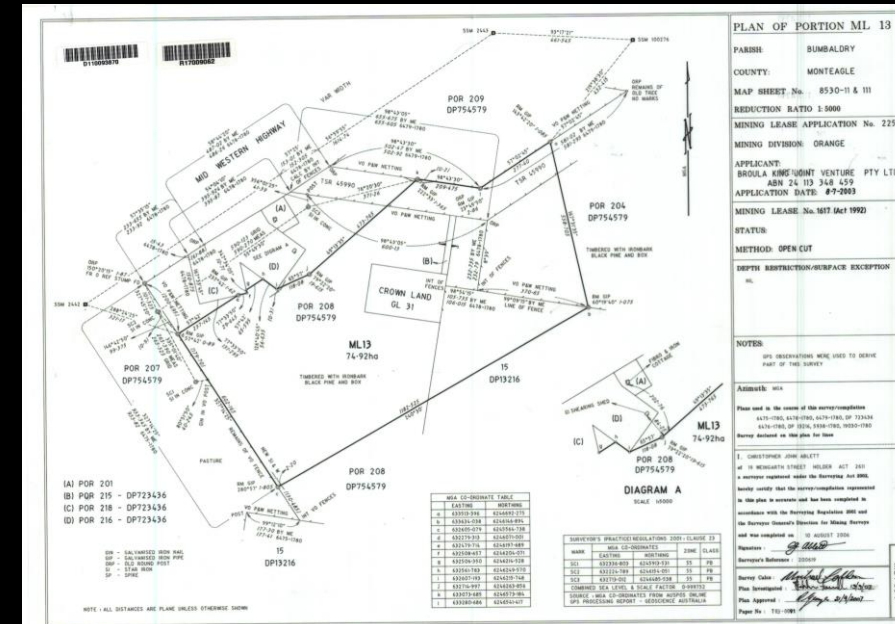


Figure 2: EL 8509 Geological Setting



PLAN OF PORTION ML 13  
 PARISH: BUMBALDRY  
 COUNTY: MONTAGLE  
 MAP SHEET: No. 8530-II & III  
 REDUCTION RATIO: 1:5000  
 MINING LEASE APPLICATION No. 225  
 MINING DIVISION: ORANGE  
 APPLICANT: BROULA KING MINE VENTURE PTY LTD  
 ASK 24 13 348 457  
 APPLICATION DATE: #7-2013  
 MINING LEASE No. 1617 (Act 1992)  
 STATUS:  
 METHOD: OPEN CUT  
 DEPTH RESTRICTION/SURFACE EXCEPTION:  
 NIL  
 NOTES:  
 GPS OBSERVATIONS WERE USED TO DERIVE PART OF THIS SURVEY  
 ANNEX: NIL  
 Please read in the reverse of this survey/plan  
 4476-108, 4476-109, 4476-110A, OF 753436  
 4476-108, OF 753436, 4476-110A, 4476-110B  
 Survey conducted on this plan for issue  
 I, CHRISTOPHER JOHN GILLET  
 of 15 MURKIN STREET, MURKIN ACT 2601  
 being duly sworn, that the information contained  
 in this plan is correct and has been compiled in  
 accordance with the Provisions of the Mining Act and  
 the Mining (General) Regulations for Mining Leases  
 and has been compiled on 10 AUGUST 2016  
 Signature: *[Signature]*  
 Director's Reference: 225/16  
 Survey Code: *[Code]*  
 Plan Information: *[Code]*  
 Plan Approval: *[Signature]*  
 Paper No: 131-0261



