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# Hog Ranch Gold Mineral Resource increases to 1.4Mozs

## Rex Minerals ("Rex" or "the Company") is pleased to announce an update to the JORC compliant Mineral Resource Estimate ("Resource") at the Hog Ranch Gold Property ("Hog Ranch"), in Nevada, USA.

## Resource Highlights

- The May 2020 update has increased the Mineral Resource to **97.6Mt @ 0.45g/t gold (Au) for 1.4Mozs.**
- **69% increase in ounces** compared to the Maiden Mineral Resource reported in September 2019.
- Hog Ranch is **emerging as an exciting regional opportunity**, in which we have already identified **four mineral deposits** (Figure 1). These are:
    - The Krista Project (Inferred) 68.5Mt @ 0.40g/t Au for 890kozs (12 May 2020)
    - Airport and Cameco deposits (Inferred) 4.7Mt @ 0.70g/t Au for 100kozs (12 May 2020)
    - Bells Oxide (Inferred) 15.7Mt @0.5g/t for 240kozs (29 January 2020)
    - Bells Oxide (Indicated) 8.7Mt @ 0.63g/t for 180kozs (29 January 2020)
- This represents an all-in **incredibly low discovery cost of US$0.87/oz.**

Rex's Managing Director, Richard Laufmann, said: "*With this upgrade, Hog Ranch is clearly emerging as a significant and exciting new gold opportunity. In only 8 months following acquisition we have delivered a new Resource estimate of 1.4 million ounces, 90% of which is less than 100m below surface.*

*"We are now in a fantastic position, with a plethora of new targets identified, to grow this resource base.*

*"Gold, Nevada, Heap Leach; we are unveiling a game-changing opportunity at Hog Ranch for Rex Minerals."*

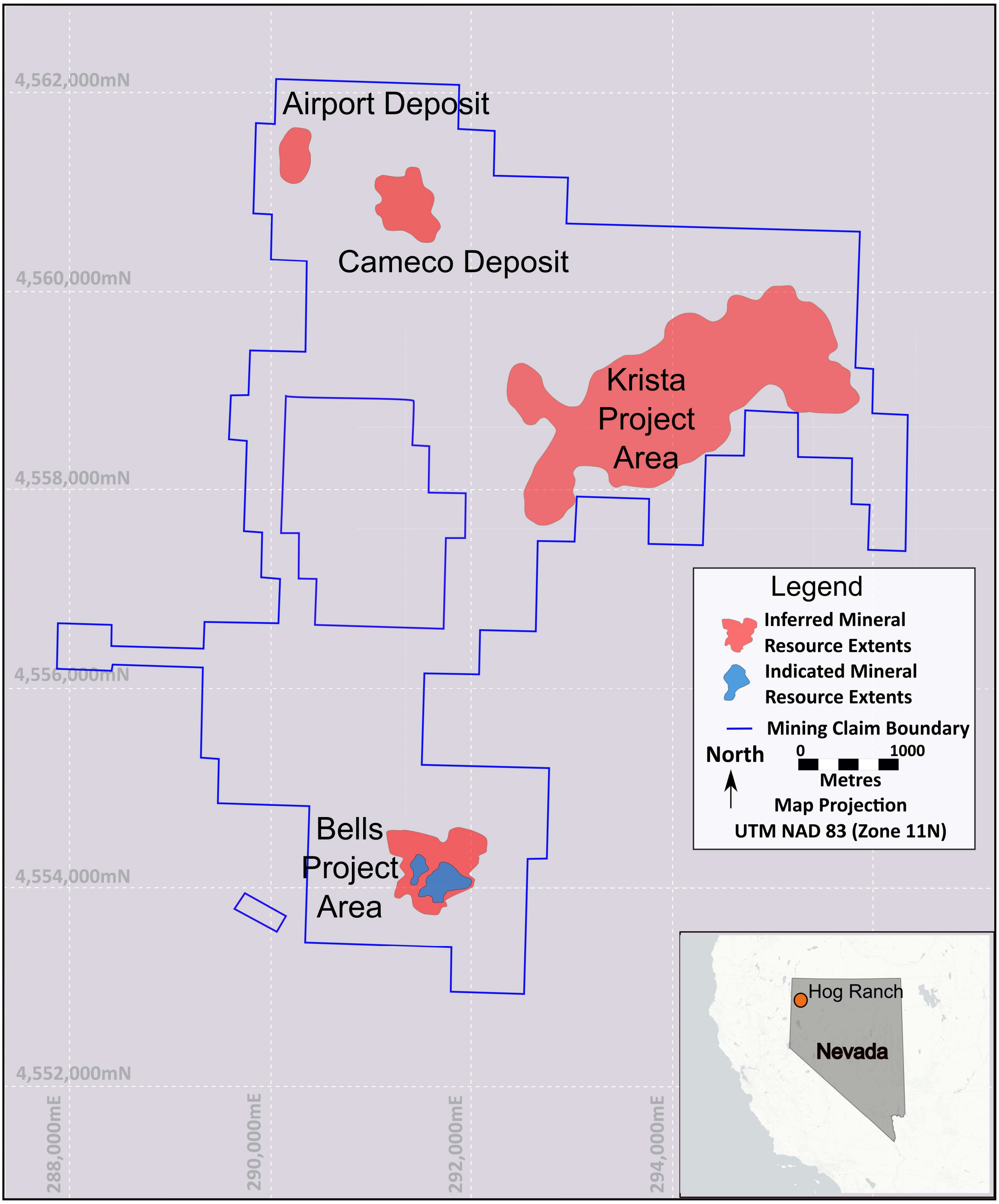

**Figure 1: Location diagram of the Project Areas within the Hog Ranch Property.**

**Figure 2: A recent view of the Krista Project Area, which was mined by WMC in the late 1980's at Hog Ranch. Top image is looking north-west at the Geib Pit (in the Krista Project Area). Bottom image is a view of the partially backfilled Krista Pit Area looking north.**

## Hog Ranch Mineral Resource Estimate

A combination of factors have resulted in a substantial upgrade to the Mineral Resource at Hog Ranch. This has included a more refined interpretation of the geology in the northern Project area, the inclusion of sulphide material as part of a potential open pit heap leach option based on recent and historical metallurgical test work, improved prospects for the gold price and a lower cut-off grade which matches the natural geological distribution of the interpreted gold mineralisation. In addition, Rex has been able to compare the new block model against the historical production records to further test the validity of the data which was used to create the updated Mineral Resource.

Within the Hog Ranch Property area there are two distinct types of gold mineralisation (oxide and sulphide). The oxide horizon makes up the majority (~93%) of the Mineral Resource and is anticipated to have recoveries in line with the historical test work and historical mining at Hog Ranch in addition to some recent metallurgical test work completed at Bells (see announcement of 6 February 2020).

The sulphide horizon is located within two areas (Cameco and Airport) that sit north west of the main oxide Mineral Resource at Krista. Rex has conducted leach test work on material similar to the gold mineralisation defined at Cameco and Airport which also compared well to other siliceous and sulphide rich material that was tested in 1982 prior to the historical mining activities. This has given Rex confidence in the ability to treat the sulphide-rich Cameco and Airport projects using heap leach methods, leading to their inclusion within the updated Mineral Resource estimate for Hog Ranch.

The interpreted distribution of gold combined with low costs associated with a heap leach operation support our selection of cut-off grades for both oxide and sulphide material. For the oxide material at Krista, Rex has adopted a cut-off grade of 0.1g/t Au, whilst for the sulphide material at Airport and Cameco, Rex has adopted a cut-off grade of 0.15g/t Au. The Bells Mineral Resource was completed at a cut-off grade of 0.2g/t Au as Rex believes this to be a smaller-sized operation compared with the assumptions used for the combined Krista, Airport and Cameco area.

**Table 1: Summary results for the updated Mineral Resource estimate at Hog Ranch.**

| Zone | Classification | Tonnes | Gold Grade | Gold Ounces |
|---|---|---:|---:|---:|
| Krista Oxide | Inferred | 68.5Mt | 0.40g/t | 890kozs |
| Cameco & Airport Sulphide | Inferred | 4.7Mt | 0.70g/t | 100kozs |
| Bells Oxide | Inferred | 15.7Mt | 0.50g/t | 240kozs |
| Bells Oxide | Indicated | 8.7Mt | 0.63g/t | 180kozs |
|  | **TOTAL** | **97.6Mt** | **0.45g/t** | **1.4Mozs** |

*Gold grades for Indicated Resources are rounded to two significant figures (nearest 0.01g/t) and gold grades for Inferred Resources are rounded to nearest 0.05g/t. Some apparent differences in gold ounces may occur due to rounding.*

*The Mineral Resource at Krista, Airport and Cameco is reported within an open pit shell optimised for heap leach processing, based on a gold price of US$1,600/oz and at cut-off grades of 0.1g/t gold for oxide and 0.15g/t gold for sulphide.*

*The Mineral Resource at Bells is reported within an open pit shell optimised for heap leach processing, based on a gold price of US$1,600/oz and a cut-off grade of 0.2g/t gold. (See announcement on 29th January 2020).*

Historically, ore was mined from five pits in the Krista Project area within what Rex is terming the oxide zone. Gold mineralisation contained within the Cameco/Airport sulphide zones was not mined.

The Krista and Cameco/Airport Mineral Resource spreads across a very large area and contains 19 separate ore domains as well as a background or waste domain. Example cross sections showing the gold mineralisation within the Krista Project area and Cameco/Airport deposits are represented in Figure 4 to Figure 7 (see also Figure 15 to Figure 22 in the JORC tables of this report).

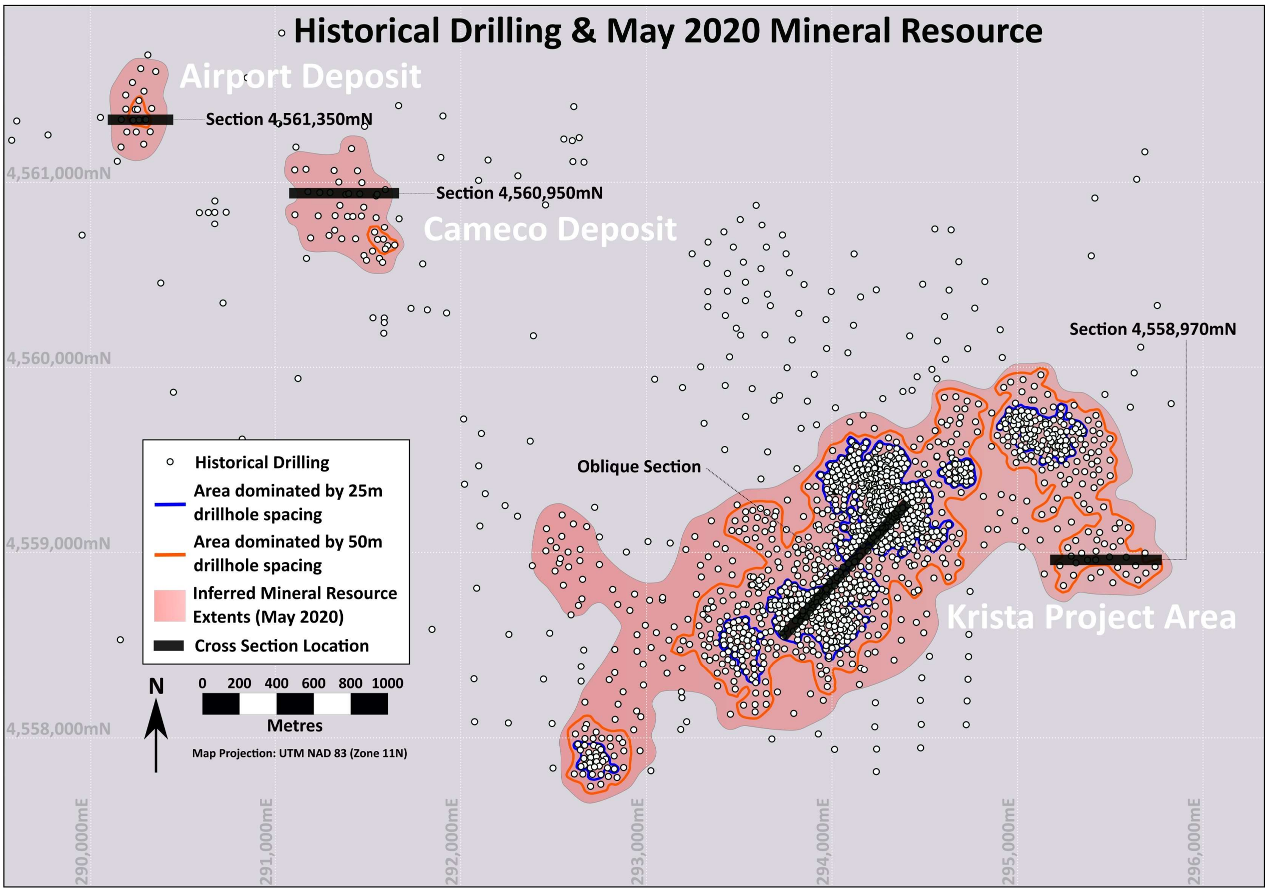

**Figure 3: Plan view image of the northern part of Hog Ranch identifying the Krista Project Area, Airport Deposit and Cameco Deposit relative to the drill hole locations and the defined extents of the updated Mineral Resource estimate.**

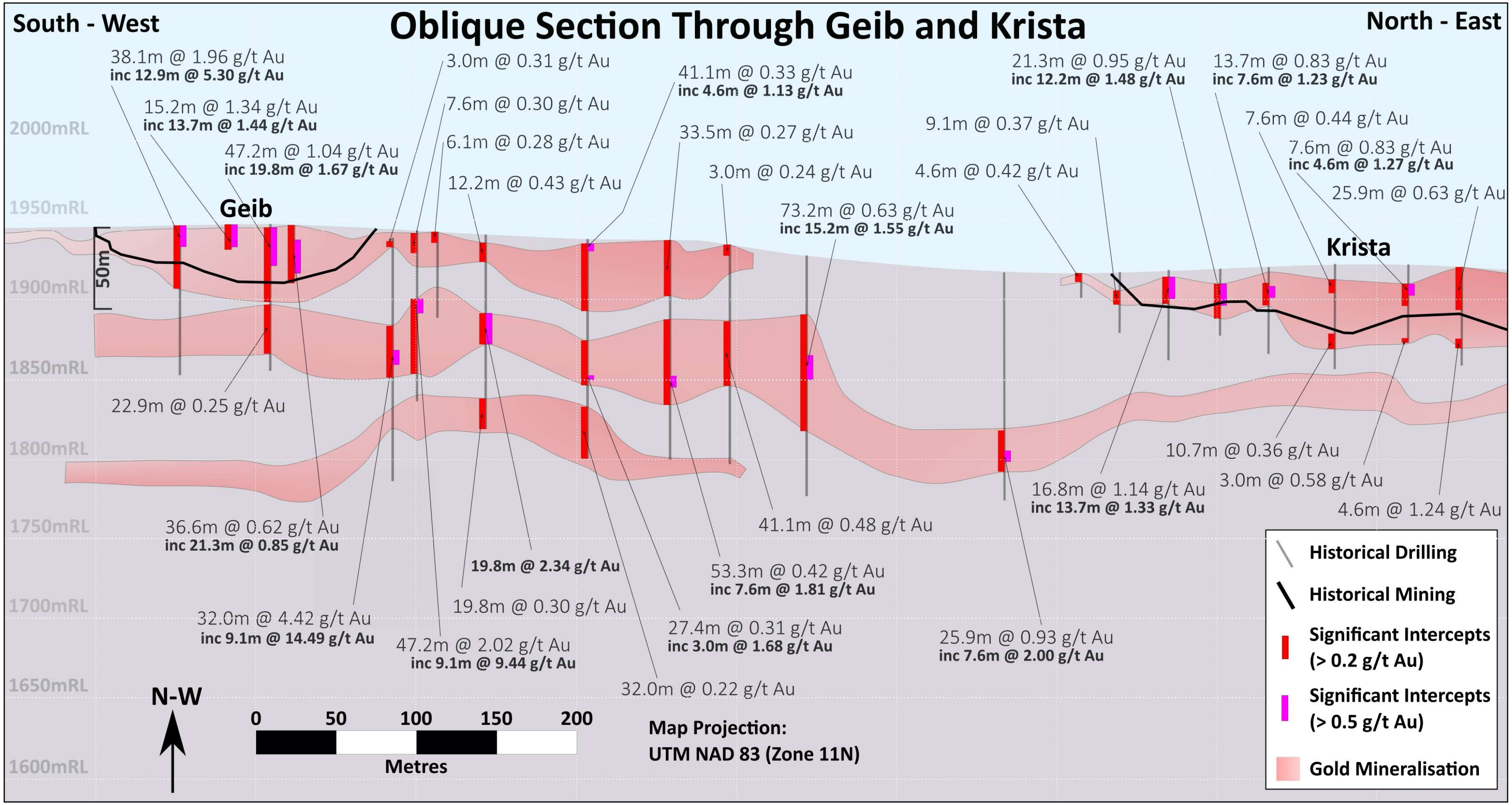

**Figure 4: Oblique cross section in the Krista Project area (see Figure 3 for plan view location) highlighting the drill hole assay information relative to the defined geological domains and the Historical open pit mining locations.**

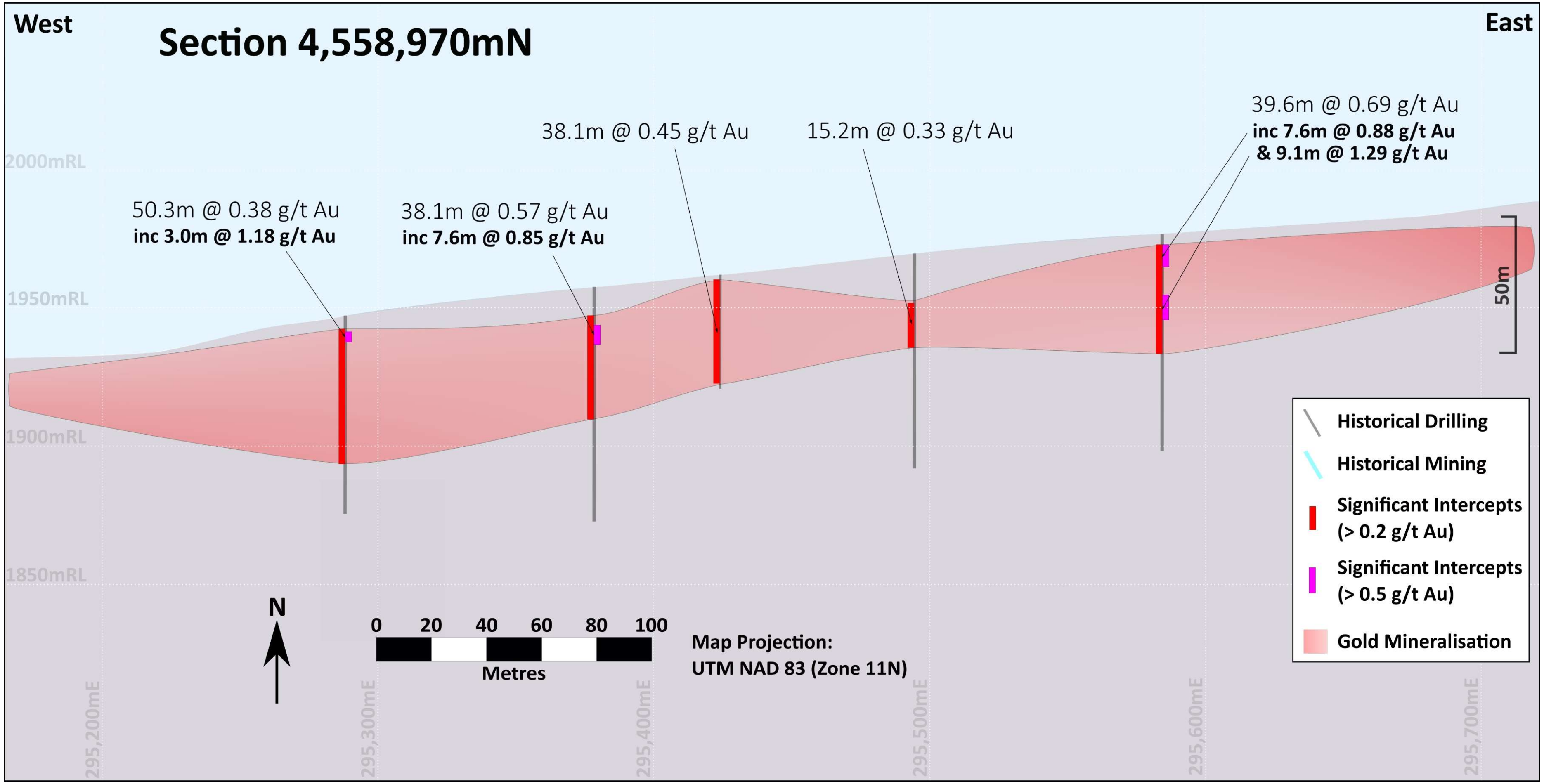

**Figure 5: Cross section 4,558,970mN in the Krista Project area (see Figure 3 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**

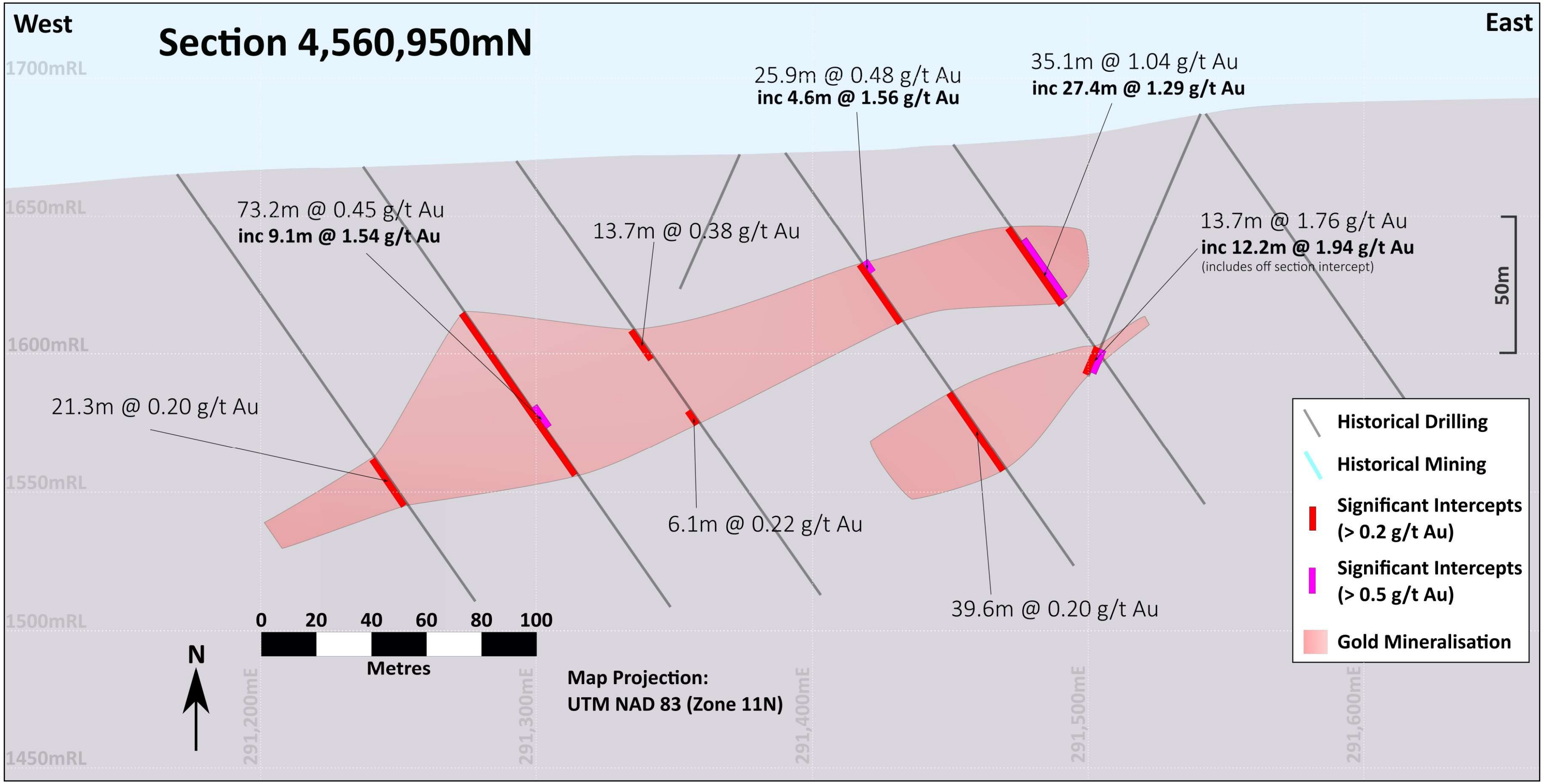

**Figure 6: Cross section 4,560,950mN in the Cameco deposit (see Figure 3 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**

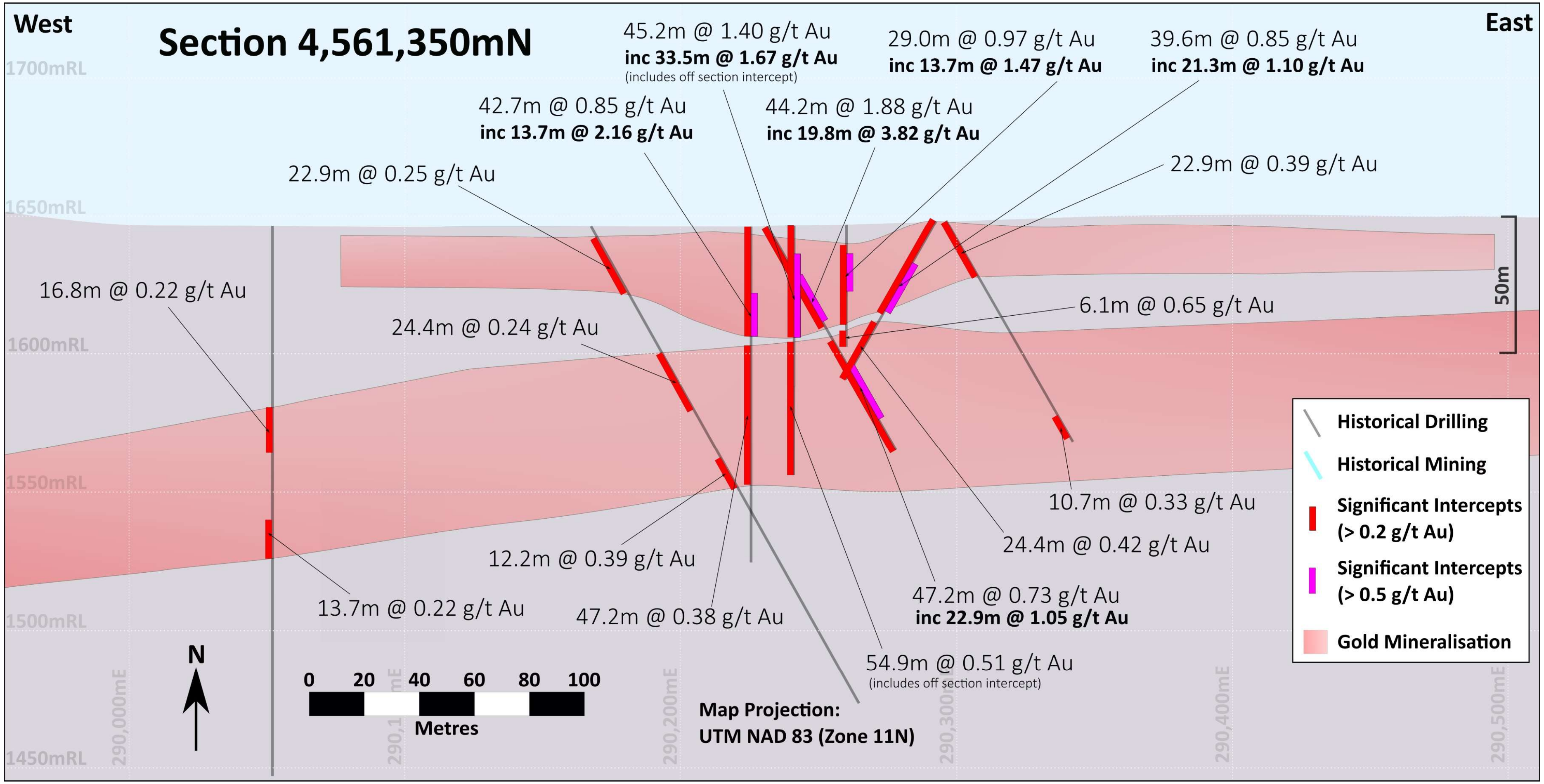

**Figure 7: Cross section 4,561,350mN in the Airport deposit (see Figure 3 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**

## Geology and Geological Interpretation

The host rocks throughout Hog Ranch are dominated by a series of relatively flat lying (or gently dipping to the west) volcanic rocks which can be broadly separated into two main rock types:

- Welded (often flow banded) rhyolite flow, which is the more competent and less permeable rock type;
- Unwelded volcanic tuffs, which are very soft and more permeable, making them more amenable for fluid flow in comparison with the surrounding and more dominantly welded rhyolitic rocks.

The dominant host rocks at Krista consist of both the welded rhyolite and unwelded volcanic tuffs in approximately equal proportions. Rex has separated each of these into a number of domains based on their texture and appearance. The dominant texture observable at Krista is flow banding.

A number of regional structures have been identified at Krista which exist in both a north-easterly and north-westerly direction. These structures appear to cut through the host rock stratigraphy and have had a significant influence on the location of the gold mineralisation.

The gold mineralisation exists parallel to the bedded host rocks and is also observed to extend more favourably in the same direction as the regional structures.

## Drilling Techniques

The historical drill hole database for the Krista and the Airport/Cameco deposits is dominated by vertical RC drill holes with an average depth just over 90m.

The total number of drill holes used for the Mineral Resource estimate at Krista and the Airport/Cameco deposits combined is 1794, of which 1,777 are RC drill holes and 17 are diamond drill holes.

## Sampling and Sub-sampling Techniques

Samples taken for almost all of the historical drilling at Hog Ranch are from RC drill chips which have been sampled over 5ft intervals. Discussions with geologists from WMC indicated that in general, the samples were dry and minimal water was encountered in the shallow RC drill holes. Normal industry standards for RC drilling and sampling are believed to have been followed for the historical drilling activities.

## Sample Analysis Method

An Internal report by Ferret Exploration (1982) identified that the samples from the RC drilling were completed using atomic absorption (AA) analysis by an external Laboratory (Barringer Resources) in Sparks, Nevada. After the drilling by Ferret Exploration and prior to the commencement of mining in 1986, the procedure changed, with all samples assayed by fire assay. Information from WMC geologists noted that the exploration RC drilling samples were sent to an external laboratory (Geochemical Service Inc.) based in Sparks, Nevada for fire assay analysis.

Drilling completed by Cameco (from 1994 to 1997) in addition to subsequent drilling by Seabridge (2001) was sent to the American Assay laboratory in Sparks, Nevada. Original assay sheets from the majority of these drill holes have been reviewed by the author and match the information in the drill hole database. Drilling completed by both Romarco (2004) and ICN Resources Ltd (ICN) (2009) are reported in NI43-101 reports respectively (Walker, 2005; Baker, 2010), who both state that their samples were analysed using fire assay at the ALS laboratory in Reno.

## Estimation Methodology

The block model was created using Vulcan$^{TM}$ software with a parent cell block size of 10m(X) x 10m(Y) x 10m(Z). For reference, the historical bench heights were typically at 20ft in height (6m). The inverse distance squared (ID$^2$) method was used to estimate gold only and estimates were constrained within the interpreted geological domains.

Up to three estimation passes with increasing search neighbourhood size were run for all domains. Assay composites of 5ft lengths were used and estimation applied composite length weighting. Geostatistical analysis was performed using Snowden Supervisor. Top-cuts were applied for the block estimation for each of the defined geological domains individually. The top-cut defined was based on the disintegration approach of log probability plots and in each case the defined limit to the main population of data was in most domains above the 99th percentile.

In addition to the application of a top-cut, there was a “high-yield” restriction applied to the assay results that were top-cut. The high yield restriction limited the influence of these high-grade assay results to a 5m(X) x 5m(Y) x 5m(Z) area.

## Classification

The Krista and Airport/Cameco Mineral Resource estimate has been classified as an Inferred Mineral Resource.

### Inferred Mineral Resource Classification

The Inferred Mineral Resource classification was adopted where the geology could be reasonably interpreted, and drill hole information identified a reasonable level of continuity within the shallow low-grade gold mineralisation up to a maximum distance 100m from any drill hole (pass three, see JORC Tables, Section 3 – Estimation and modelling techniques).

## Cut-off Grade

The Mineral Resource at Krista, Airport/Cameco is reported within an open pit shell optimised for heap leach processing, based on a gold price of US$1,600/oz and at cut-off grades of 0.1g/t gold for oxide and 0.15g/t gold for sulphide. The cut-off grades applied have also taken into account the expected gold recovery for each mineralisation type of 80% for oxide and 60% for sulphide

The Mineral Resource at Bells is reported within an open pit shell optimised for heap leach processing, based on a gold price of US$1,600/oz and a cut-off grade of 0.2g/t gold, which is commensurate of a small-scale open pit and heap leach gold operation. (See announcement on 29 January 2020).

## Mining and Metallurgical Methods and Parameters

The optimised pit shell for Krista, Cameco and Airport was based on a US$1,600/oz gold price, 80% processing recovery for oxide mineralisation, 60% processing recovery for sulphide mineralisation, 45 degree wall angles, mining opex cost of US$2.60 per mined tonne, a processing/G&A cost of US$4.46 per ore tonne and a US$1.75/oz refining charge.

# Overview

## Introduction

Hog Ranch is situated in north-west Nevada with year-round access via a series of highways and well-maintained gravel roads from the nearest main city of Reno (**Figure 8**). The Property comprises 347 unpatented mining claims for a total area of approximately 2,900Ha.

Rex has reviewed the nature, and the possible extent, of the shallow gold mineralisation based on the records from the historical mining and a large historical drill hole database. This has identified a very large gold system, predominately at grades below the historical mining cut-off of approximately 0.6g/t to 0.7g/t gold. At the time the mining operations ceased at Hog Ranch, the gold price was averaging close to US$330/oz.

**Figure 8: Regional location diagram of the Hog Ranch Property, Nevada USA.**

## History

Gold mineralisation at Hog Ranch was first discovered in 1980 as part of a Joint Venture between Noranda Exploration and Ferret Exploration. After a few years of exploration and economic analysis by Ferret Exploration, a consortium made up of Western Goldfields, Geomax (Parent Company of Ferret Exploration) and Royal Resources ultimately provided the funding to commence gold production in 1986 via open pit mining and heap leach methods under the name of Western Hog Ranch Inc.

After approximately 18 months of production, the Project was subsequently sold to WMC, who purchased 100% of Hog Ranch in early 1988. WMC commenced a significant exploration effort, drilling over 1,600 RC holes, a series of additional deep diamond drill holes and further detailed studies during the life of the operation which continued until 1992 (**Figure 9**). Residual gold production and subsequent rehabilitation commenced soon after the mining operations ceased, all of which was completed by 1994.

Post-mining explorers at Hog Ranch have had small exploration campaigns relative to the exploration effort that occurred prior to and during the mining period. Cameco U.S. Inc. was the first company to look in more detail under the cover rocks to the west towards an earlier discovery called the Airport Zone.

The next series of exploration efforts changed focus towards the potential for vein-hosted gold mineralisation at greater depths underneath the shallow lower grade gold mineralisation. This exploration target type was investigated to a limited extent by Seabridge Gold Inc., followed by Romarco Minerals Inc. and then ICN, who all completed some further mapping, data compilations and subsequent diamond and RC drill testing.

**Figure 9: Aerial photo of the Hog Ranch Operation in 1989. View is looking south.**

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## COMPETENT PERSONS STATEMENT

The information in this announcement for the Hog Ranch Property that relates to Exploration Results or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr Olsen is also a shareholder of Rex Minerals Ltd. Mr Olsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Olsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Forward-Looking Statements

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement".

# JORC Code, 2012 Edition – Table 1 Report

## Section 1 Sampling Techniques and Data

| Criteria | Commentary |
|---|---|
| Sampling techniques | Samples taken for almost all of the historical drilling at Hog Ranch are from RC drill chips which have been sampled over 5ft intervals. There are indications (but not common) from the paper logs of certain samples which were wet due to problems with clay, where water injection was required. Discussions with geologists from WMC indicated that in general the samples were dry and minimal water was encountered in the shallow RC drill holes.<br>For the 2019 drilling program at Bells, sample intervals were taken over 5 foot intervals (1.52m) which were collected after separation of the sample using a rotary splitter situated at the base of the cyclone. The sample was split into three exit points for the following: primary sample, duplicate sample and remaining rejected material from which, a sample of rock chips were collected for geological logging. Water is injected at the head of the drill string at the hammer to supress dust.<br>The individual drill rod length is 10 feet. After the addition of a new drill rod (after the collection of two 5 foot samples) the total return column is flushed to prevent spill over and contamination into subsequent samples down the drill hole. The rods would routinely be held static and flushed for a period of 4 to 5 minutes after the addition of each drill rod. The time taken to flush the return column is considered more than adequate to prevent contamination for subsequent samples given the relatively short total length of all the drilling completed in the reported RC drilling program.<br>Regular standards and blanks including pulp standards and unrecognisable waste rock blanks were routinely placed throughout the samples for each drill hole. A review of the results from all standards and blanks did not identify any evidence that there was contamination between samples as a result of the sampling techniques conducted at the drill rig. Sample weights collected as the primary sample typically exceeded 2.0kg which were subsequently pulverised to produce a 30g charge for fire assay at the laboratory. |
| Drilling techniques | The drill hole database at Krista, Airport/Cameco is dominated by vertical RC drill holes with an average depth of 92m. Out of the total of 1794 validated drill holes in the database, 17 drill holes are identified as diamond drill holes and 1777 are RC drill holes. Normal industry standards for RC drilling and sampling are believed to have been followed for the drilling activities. In 1982, an internal report from Ferret Exploration (Holso, 1982) documented the drilling and sampling procedure which states as follows:<br>*“Reverse-circulation drilling was selected as the samples provided would most nearly duplicate core. Lost circulation problems are also more easily overcome with this type of equipment. It was intended that all drilling be done with air injection only, but some water was required to penetrate thick clay units which caused drilling difficulties. Sloughing hole and accumulation of sample around the drill string annulus caused severe problems, especially early in the program in the deeper holes.”* |

| Criteria | Commentary |
|---|---|
|  | Discussions with geologists who were working with WMC during the operation did not indicate that there were any particular problems as documented at this early stage of exploration at Hog Ranch. Significant water was not believed to be a problem with the bulk of the shallow RC drilling in the Hog Ranch drilling database.<br>For the 2019 RC drilling Campaign at Bells, Drilling was completed using Revere Circulation (RC) drilling utilising double wall drill pipe, interchange hammer and 4¾ inch hammer bits to drill and sample the rock formation.<br>Diamond drilling was used only occasionally at Hog Ranch, typically to test for vein hosted gold at depth and for detailed studies of the geology and alteration. Diamond drilling was more common with explorers after the year 2000 due to the focus on deeper, vein hosted high-grade gold mineralisation. |
| Drill sample recovery | The paper logs available from the historical drilling at Hog Ranch all identify the locations where there was poor or no sample recovery for each drill hole. It has been observed from reviewing the recovery comments in the paper logs that there is a distinct change after 1985. The early drill logs completed by Ferret indicate poor recoveries and at least one sample interval, or more, where no samples were taken in almost every drill hole. In many cases these are logged as voids. However, there does not appear to be any other evidence for the presence of large voids at Hog Ranch, and these sections are more likely to be poor sample return at locations where the rock is strongly altered and clay rich.<br>There is a risk with many of these early holes, that the sections which are more favourable for hosting gold mineralisation have been lost due to poor sample recovery. The unwelded tuff units are more permeable which allows for greater fluid movement during a hydrothermal event. This has resulted in significant clay alteration and also more favourable gold mineralisation within these zones.<br>It is possible with the RC drilling that some of the soft and more mineralised zones have been lost and this could result in an underestimation of the Mineral Resource.<br>It is the view of the competent person that significant drilling expertise is required at Krista to maintain control over the sample recovery to ensure that there is a relatively even amount of sample collected. There is a significant risk that some sections of the higher-grade clay rich material will be lost or under-represented within a regular 5 foot sample interval if the RC driller is not experienced with these types of ground conditions |
| Logging | The major rock units and alteration characteristics at Hog Ranch were identified from substantial earlier work and technical studies completed largely by Western Mining Corporation. Based on what was observed from the original paper drilling logs prior to 1986 just prior to the commencement of mining, a standard rock code and alteration code system was established for rock chip and core logging at Hog Ranch.<br>For all drilling post 1986 the following rock codes and alteration codes (<br>**Table 2**) were established which simplified the ability to classify the major rock types, alteration zones and the weathering profile. |

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
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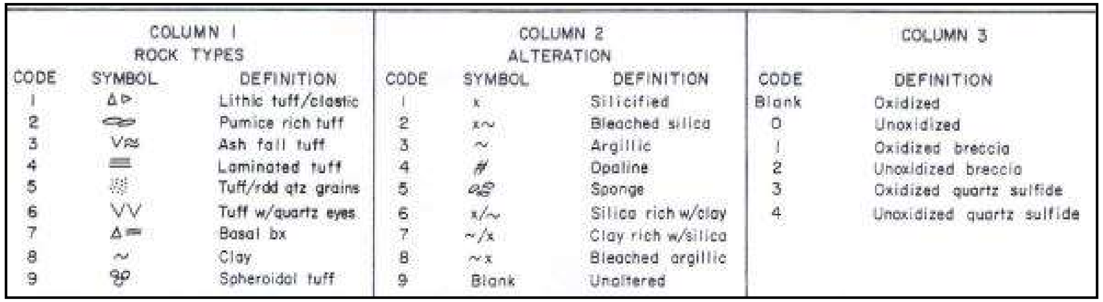
**Table 2: Sample legend for drill hole logging information recorded from 1986 up to 1991 by Western Hog Ranch and WMC, which makes up 80% of the drill hole database.**



<table>
<tr><th colspan="3">COLUMN I<br>ROCK TYPES</th><th colspan="3">COLUMN 2<br>ALTERATION</th><th colspan="2">COLUMN 3</th></tr>
<tr><th>CODE</th><th>SYMBOL</th><th>DEFINITION</th><th>CODE</th><th>SYMBOL</th><th>DEFINITION</th><th>CODE</th><th>DEFINITION</th></tr>
<tr><td>1</td><td>Δ▷</td><td>Lithic tuff/clastic</td><td>1</td><td>x</td><td>Silicified</td><td>Blank</td><td>Oxidized</td></tr>
<tr><td>2</td><td>⊂⊃</td><td>Pumice rich tuff</td><td>2</td><td>x~</td><td>Bleached silica</td><td>0</td><td>Unoxidized</td></tr>
<tr><td>3</td><td>V≈</td><td>Ash fall tuff</td><td>3</td><td>~</td><td>Argillic</td><td>1</td><td>Oxidized breccia</td></tr>
<tr><td>4</td><td>≡</td><td>Laminated tuff</td><td>4</td><td>#</td><td>Opaline</td><td>2</td><td>Unoxidized breccia</td></tr>
<tr><td>5</td><td>⁘</td><td>Tuff/rdd qtz grains</td><td>5</td><td>∞</td><td>Sponge</td><td>3</td><td>Oxidized quartz sulfide</td></tr>
<tr><td>6</td><td>VV</td><td>Tuff w/quartz eyes</td><td>6</td><td>x/~</td><td>Silica rich w/clay</td><td>4</td><td>Unoxidized quartz sulfide</td></tr>
<tr><td>7</td><td>Δ≡</td><td>Basal bx</td><td>7</td><td>~/x</td><td>Clay rich w/silica</td><td></td><td></td></tr>
<tr><td>8</td><td>~</td><td>Clay</td><td>8</td><td>~x</td><td>Bleached argillic</td><td></td><td></td></tr>
<tr><td>9</td><td>∘∘</td><td>Spheroidal tuff</td><td>9</td><td>Blank</td><td>Unaltered</td><td></td><td></td></tr>
</table>

Where logging information is available, this has been placed into the Rex database and used to define the broad boundaries between the major flow banded units.

The typical textures of a welded rhyolite flow and unwelded tuff units from within the Cañon Rhyolite can be characterised as shown in **Figure 10**. The associated Rock Codes that apply to each portion of the idealised sequence are also identified in **Figure 10**.

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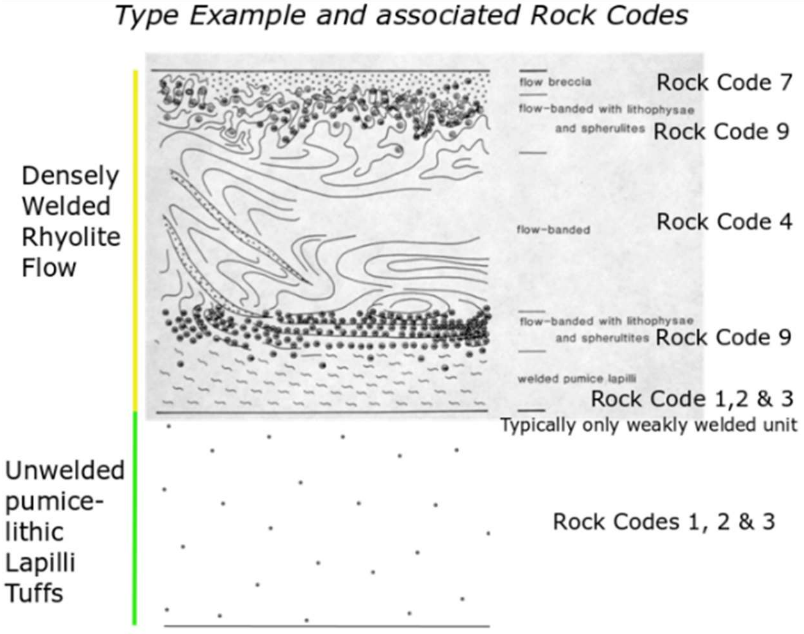
</table>

| Criteria | Commentary |
|---|---|
| |  <br>**Figure 10: Schematic diagram showing an idealised sequence of textures observed for a welded rhyolite flow and underlying unwelded tuff unit. Rock codes used to interpret the individual rhyolite flows and major unwelded tuff units are also identified.**<br>The more dominant welded rhyolite flows typically extend for kilometres. Therefore, they can be modelled and interpreted with a relatively broad drill spacing. |
| Sub-sampling techniques and sample preparation | The sampling approach used for the historical RC drilling during the initial exploration period by Ferret Exploration was documented in an internal report by Holso, 1982, which reported the following:<br>*"Sample return from the drill hole was recovered through a cyclone type sampler. This sample was then split through a coarse splitter to approximately half of its volume. Further hand splitting through a riffle splitter was repeated until two four to five-pound samples were obtained. These were bagged in plastic with one sample intended for analysis while the other was retained for storage. Samples were taken over five-foot drilling intervals. In cases of insufficient sample, a full-size sample was slighted or omitted. When drilling with water injection through clays generally only one sample was collected. This sample was essentially a grab sample with uniformity attempted visually as it was found to be impractical to split such material."* |

| Criteria | Commentary |
|---|---|
|  | It is considered that the above procedure was largely followed for the bulk of the drilling at Hog Ranch, with 5-foot samples from RC drilling making up over 99% of the drill hole database.<br>The sub-sampling and sample preparation for the 2019 RC drilling at Bells is summarised as follows:<br>Drill cuttings were discharged from the cyclone into a rotating splitter. Cuttings exit the splitter into three exit points with both a primary and secondary field sample collected directly into a sample bag which was fitted onto a collection bucket. A small portion of the rock chips for each 5 foot interval was placed into chip trays for record keeping and geological logging. This process was repeated for each interval, with the sample bags replaced after each 1.52 meter (5 feet) interval.<br>After collection of the samples and drying at the laboratory (ALS Reno), the samples were initially crushed to 2mm before separation of a 1kg sample using a riffle splitter.<br>The crushed 1kg sample was pulverised to better than 85% passing 75 microns and a 30g pulp sub sample was used for the analysis. |
| Quality of assay data and laboratory tests | Internal reports by Ferret Exploration identified that the samples from the RC drilling were completed using atomic absorption (AA) analysis by an external Laboratory (Barringer Resources) in Sparks, Nevada.  A report by Holso in 1982 states the following:<br>*"Sample preparation and analysis were performed by Barringer Resources in Sparks….Atomic absorption (AA) analysis was used as it was cheaper than fire assay and appeared to give reliable results.  Barringer routinely fire assayed samples greater than 0.03 ounces per ton gold as checks on the AA analysis.  These values were not reported but copies of some worksheets that were obtained indicate reasonable compliance with AA values.  At the completion of the program nearly all second splits of samples with gold values greater than 0.01 ounces per ton" (0.34g/t) "were fire assayed by Hunter Mining Laboratory in Sparks."*<br>After the drilling by Ferret Exploration and prior to the commencement of mining in 1986, the procedure changed, with all samples assayed by fire assay.  Information from WMC geologists noted that the exploration RC drilling samples were sent to an external laboratory (Geochemical Service Inc.) based in Sparks, Nevada for fire assay analysis.  Geochemical Service Inc. no longer exists.<br>Drilling completed by Cameco (from 1994 to 1997) in addition to subsequent drilling by Seabridge (2001) was sent to the American Assay laboratory in Sparks, Nevada.  Original assay sheets from the majority of these drill holes have been reviewed by the author and match the information in the drill hole database.<br>Drilling completed by both Romarco (2004) and ICN (2009) are reported in NI43-101 reports respectively (Walker, 2005; Baker, 2010), who both state that their samples were analysed using fire assay at the ALS laboratory in Reno.<br>Romarco also undertook some re-assaying of the Seabridge drill core, which, in essence confirmed the presence of some high-grade structures from this drill core, with some apparent influence from coarse gold interpreted as the main cause for variations in the assay results (Walker, 2005). |

| Criteria | Commentary |
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|  | The 2019 RC drilling at Bells was also completed by ALS in their Laboratory based in Reno. The ALS laboratories in North America are accredited by the Standards Council of Canada (SCC) for specific tests listed in their Scopes of Accreditation to ISO/IEC 17025:2005.<br>The analysis used for all the reported gold assays was fire assay with an atomic absorption (AA) finish (noted as method Au-AA23 in the standard schedule of Services from ALS Global).<br>ALS in reno routinely include its own CRM's, blanks and duplicates within each batch of samples. In addition, the Company inserted a large number of its own QA/QC check samples within each batch of samples. |
| Verification of sampling and assaying | Original paper logs where available for the historical drilling were compared and reviewed against the information within the Hog Ranch drill hole database. The paper logs typically recorded any sampling or core recovery issues when encountered, and also reported the assay results returned for each interval sampled. For the dominant drilling campaigns completed by Ferret Exploration, Western Hog Ranch Company Inc (Western) and WMC, there are available paper logs for 30% or more of the recorded drill holes.<br>The 2019 RC drilling program at Bells included a large number (over 20% of all samples) of QA/QC check samples that were placed throughout the samples. The QA/QC data included a 0.9g/t pulp standard, a 0.38g/t pulp standard, a blank pulp standard and a barren rock (unrecognisable) all spread throughout each sample submission.<br>All QA/QC samples were returned within reasonable error limitations and there was no evidence to suggest that the assay results contained any contamination or systematic errors in either the sampling process or the assaying process at the laboratory. |
| Location of data points | Drill hole collar co-ordinates are recorded in UTM NAD83 (Zone 11N) within the Hog Ranch database. Historical collar coordinates have been converted into this datum over various stages and have been validated based on the following:<br>• Discussions with personal from the time period that WMC was operating have confirmed that qualified mine surveyors picked up the drill hole locations after the completion of the various drilling campaigns.<br>• The drill holes were originally surveyed in a local mine grid, (which is related to and referenced to the NAD27 state plane), until at least the completion of the drilling by Cameco in 1996. The location of the Romarco and ICN holes can still be identified on the ground and from recent satellite imagery, which have confirmed their reported location in the drill hole database.<br>• The bulk of the pre-2000 drill hole collars were originally surveyed into a mine grid which is which is related to and referenced to the NAD27 state plane – Nevada West. The mine grid is the same as the state grid less 2,000,000ft in the northing direction and a slight rotation of 0.55 degrees clockwise around the Leadville benchmark on Hog Ranch Mountain, which was apparently the origin point of the mine grid.<br>• The requirement to rotate the mine grid for the accurate placement of the drill hole collars was estimated by work |

| Criteria | Commentary |
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|  | completed by Romarco who completed the collar transformations in the database (Bob Hatch pers comm). The investigations completed by Romarco included locating the old drill holes and using a handheld GPS to confirm the accurate transformation of the drill hole collar information.<br>• The author has reviewed this transformation process with Bob Hatch and compared the locations of the drill hole collar positions against satellite imagery which can identify the disturbance associated with the bulk of the drill hole data in the Hog Ranch database.<br>• The author has also replicated the conversion process and compared the drill hole data from the database with information from the paper drill logs for each of the drilling campaigns where paper drill logs are available.<br>• A review of the current and historical topography in addition to remnant sites of disturbance relative to the drill hole collar locations also indicate that the drill hole collars have been translated correctly.<br>• The validation process identified 82 drill holes in the Hog Ranch database for which there were no records in the original collar information acquired by Romarco. The reported collar position of these drill holes do not correspond with any signs of disturbance and appear to be incorrectly located in the drill hole database. These drill holes and all other drill holes with dubious collar co-ordinates were removed from the drill hole database (rejected drill holes) for the Mineral Resource estimate due to the apparent errors in their drill collar positions.<br>All drill collars from the 2019 drilling program at Bells were located using a Trimble ProXRT2 dual frequency L1/L2 GPS receiver capable of 10cm/4in accuracies. Data collected is post processed using GPS data files from the UNAVCO, Vya Nevada base station located approximately 18 miles from the project site. Accuracy based on the distance from the base station are estimated at 20cm. |
| Data spacing and distribution | Data spacing is overwhelmingly at 5ft (1.5m) down hole for the historical drilling. Accordingly, a composite length of 1.5m (5ft) was chosen.<br>The gold mineralisation that has been classified as an Inferred Mineral Resource extends beyond the limits of the historically mined open pits, with drill spacing typically at close to 50m, and at a maximum of 100m away from a drill hole.<br>Drill spacing between the series of open pit mines in the Krista area is typically at less than 50m spacing. The larger Krista open pit, in particular, has detailed drilling at less than 25m drill spacing for approximately 150m in all directions away from the historical mining.<br>The entire area, outside of the more detailed drilling as described above at Krista, has drilling at 100m spacing or less for up to 500m away from the historical open pit mines, which captures the bulk of the Inferred Mineral Resources at this location.<br>**Figure 11** identifies the spread of drilling information available for Krista and Airport/Cameco with the 25m spaced drilling and 50m spaced drilling locations identified in addition to the defined limits of the Inferred Mineral Resource. |

| Criteria | Commentary |
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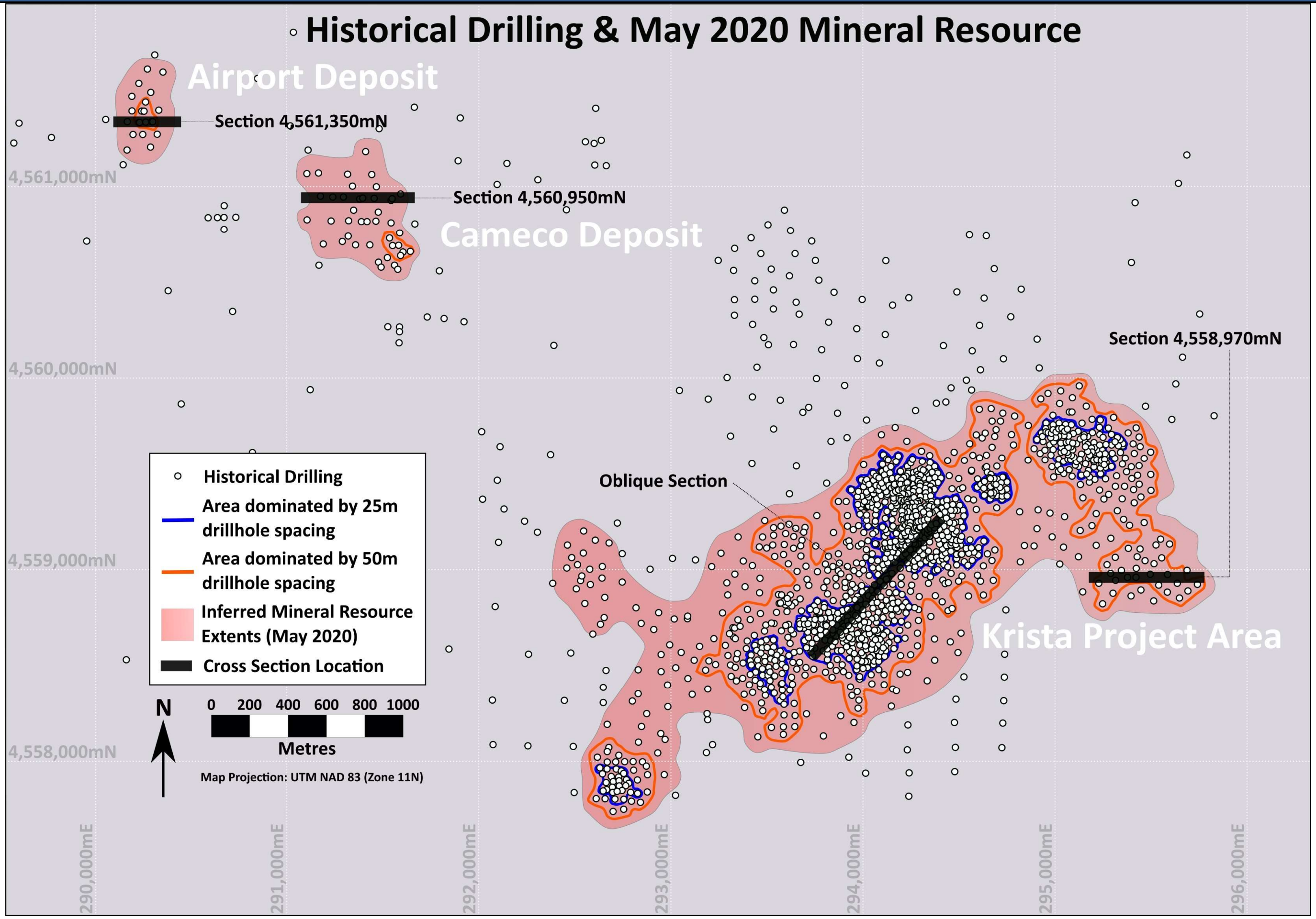
| |  <br>**Figure 11: Plan view of the drill hole collar locations at Krista and Cameco/Airport area with outlines defining the area dominated by 25m drill spacing (or less), 50m drill hole spacing, and the limits of the defined Inferred Mineral Resource.** |

| Criteria | Commentary |
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| Orientation of data in relation to geological structure | The bulk of the gold mineralisation defined at Krista, Airport/Cameco is interpreted to be horizontal, with some minor vertical structures that act as the conduits for the gold mineralisation and can also be mineralised. Most of this historical drilling information is based on vertical drill holes which is appropriate for the dominant horizontal and disseminated gold mineralisation but at a very poor orientation for the occasional vertically orientated gold bearing structures.<br>The 2019 RC drilling at Bells was completed at a 60-degree angle to accommodate the presence of largely horizontally dispersed gold mineralisation and occasional gold intersection that relate to a narrow vertical structure. |
| Sample security | No assessment has been made with regard to the transport and security of the samples taken during the various stages of historical drilling at Hog Ranch. Given the mostly broad low-grade assays that exist in the database, the results from the historical mining and the ability to reconcile the RC drilling database against the gold produced from the historical mining, the author does not consider that there was any issue associated with the transportation and security of the samples that exist in the Hog Ranch database. |
| Audits or reviews | An important and unique aspect of the Hog Ranch Property is the information that is available from the historic mine activities, which reportedly produced approximately 200,000ozs of gold. The reconstruction of the historical open pits were compared against the reported mining information for each location as a method of reviewing and validating the data in the Hog Ranch database.<br>A review and discussion with regard to the block model created for the Krista Mineral Resource estimate compared with the reported mining figures is provided in the Section 3 Table under the Criteria - Discussion of Relative Accuracy/Confidence.<br>No other specific audit or review was conducted other than the validation checks by the author documented earlier (with regard to the sample preparation, analysis and security) for the information in the Hog Ranch drill hole database. |

## Section 2 Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>The Project is made up of 347 unpatented mining claims located in Washoe County, Nevada. The underlying title is held in Platoro West Incorporated (Platoro) and Nevada Select Royalty Inc. The claims are subject to an underlying agreement between Platoro, Nevada Select Royalty Inc and Hog Ranch Minerals Incorporated. The agreement provides full operational control of the Project to Hog Ranch Minerals Inc., with a series of minimum expenditure and activity commitments required to keep the agreement and the option to acquire 100% of Hog Ranch in good standing.<br>In August 2019, Rex purchased a 100% interest in Hog Ranch via its purchase of the private company Hog Ranch Group, which in turn has 100% ownership of the company Hog Ranch Minerals Inc.<br>The mining claims at Hog Ranch are located on open public land managed by the Bureau of Land Management (BLM).</td></tr>
<tr><td>Exploration done by other parties</td><td>Gold mineralisation at Hog Ranch was first discovered in 1980 after the Project had been initially explored for Uranium. Ferret Exploration was the first company to actively pursue the gold potential at Hog Ranch, leading to some initial Mineral Resource estimates and some mining proposals. A consortium made up of Western Goldfields, Geomax (parent Company of Ferret Exploration) and Royal Resources ultimately provided the funding to commence gold production at Hog Ranch in 1986 via open pit mining and heap leach methods under the name of Western Hog Ranch Inc.<br>After approximately 18 months of production, the Project was subsequently sold to WMC, who purchased 100% of Hog Ranch in early 1988. WMC commenced a significant exploration effort, drilling over 1,600 RC holes, a series of additional deep diamond drill holes and further detailed studies during the life of the operation which continued until 1991. Residual gold production and subsequent rehabilitation commenced soon after the mining operations ceased, all of which was completed by 1994. A summary of the gold production and geological information that was obtained during the mining operations was later summarised in a paper by Bussey (1996) – see <b>Table 3</b><br><b>Table 3: (after Bussey, 1996) Summary of the historical production (mined) from each open pit based on production blast hole information prior to placement onto the leach pads.</b>
<table>
<tr><th>Deposit/Resources</th><th>Tons (Mt)</th><th>Tonnes (Mt)</th><th>Gold (oz/ton)</th><th>Gold (g/t)</th><th>Comments</th></tr>
<tr><td>Bells</td><td>1.18</td><td>1.07</td><td>0.041</td><td>1.4</td><td>Found first, mined last</td></tr>
<tr><td>East Deposit</td><td>1.00</td><td>0.91</td><td>0.038</td><td>1.3</td><td></td></tr>
<tr><td>Krista Deposit</td><td>4.64</td><td>4.21</td><td>0.036</td><td>1.23</td><td>Largest deposit</td></tr>
<tr><td>Geib Deposit</td><td>1.28</td><td>1.16</td><td>0.033</td><td>1.13</td><td></td></tr>
<tr><td>139 Deposit</td><td>0.23</td><td>0.21</td><td>0.028</td><td>0.96</td><td>Local visible gold</td></tr>
<tr><td>West Deposit</td><td>0.17</td><td>0.15</td><td>0.045</td><td>1.54</td><td></td></tr>
<tr><td><b>TOTAL</b></td><td><b>8.5</b></td><td><b>7.7</b></td><td><b>0.036</b></td><td><b>1.23</b></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
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</td></tr>
</table>

| Criteria | Commentary |
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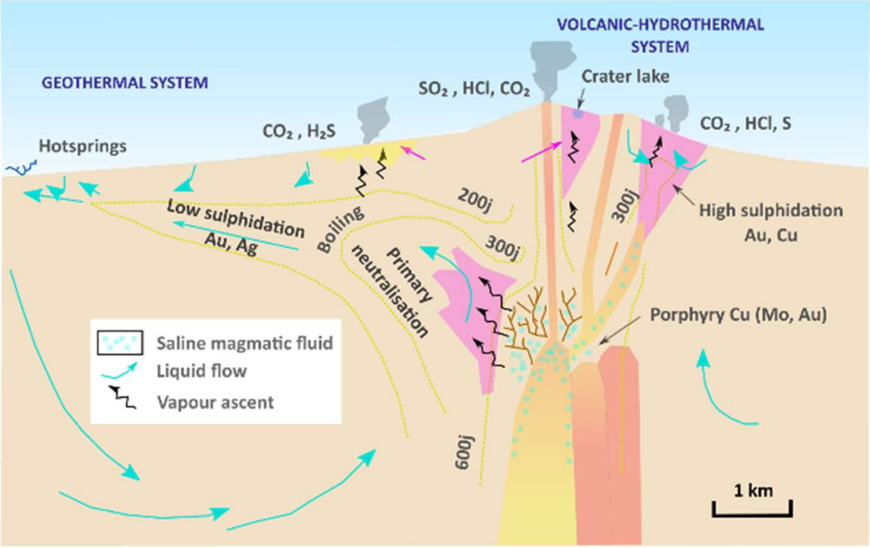
| | Post-mining explorers at Hog Ranch have had small exploration campaigns relative to the exploration effort that preceded and was ongoing during the mining period. Cameco was the first company to look in more detail under the cover rocks to the west towards an earlier discovery called the Airport Zone. Cameco's drilling effort did intersect significant gold mineralisation and proved the evidence for further potential of shallow gold mineralisation at Hog Ranch under the cover rocks on the western side of the property.<br>The next series of exploration efforts changed focus towards the potential for vein hosted gold mineralisation at greater depths underneath the shallow lower grade gold that was the focus of earlier exploration and mining. This led to a number of companies starting with Seabridge and followed by Romarco and then ICN, all of which completed some further mapping, data compilations and subsequent diamond and RC drill testing.<br>The latest exploration effort prior to the acquisition of the Project by Rex was two (2) lines of 2D seismic, completed by Hog Ranch Minerals Inc., which were completed as a precursor to a planned 3D seismic survey, again in an attempt to uncover the location of potential high grade vein hosted gold mineralisation at depth. |
| Geology | The geological setting, alteration and characteristics of the gold mineralisation defined at Hog Ranch all provide strong evidence that Hog Ranch is a low sulphidation epithermal style of deposit which formed close to the surface (**Figure 12**).<br><br> <br>**Figure 12: (modified from Hedenquist, et al., 2000) Schematic representation of the geological environment for the formation of low sulphidation epithermal deposits.** |

| Criteria | Commentary |
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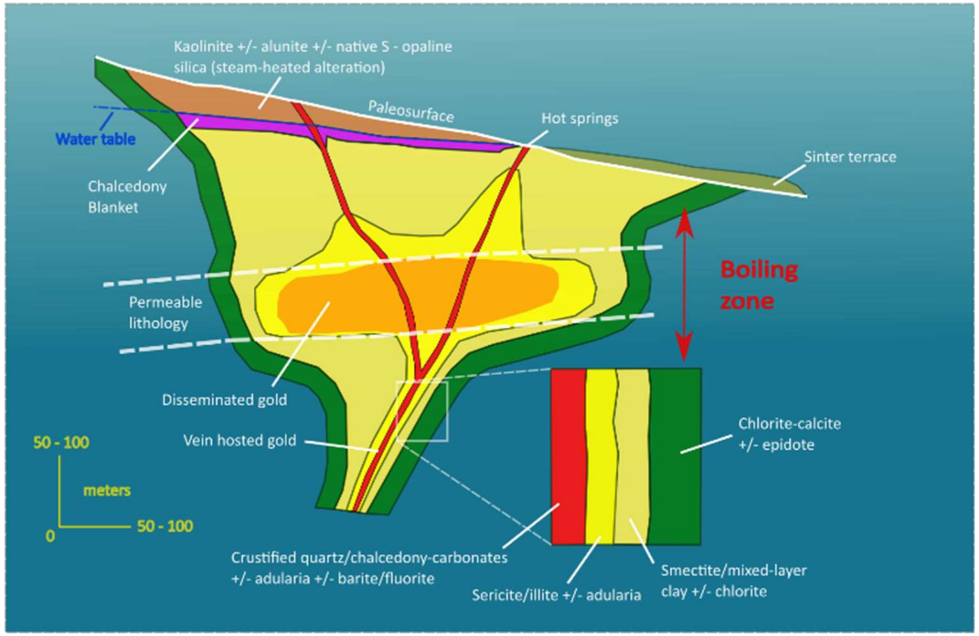
| | Large zones of advanced argillic alteration, and horizontal layers of quartz ("Chalcedony Blanket") as defined in Bussey, 1996 and which can still be observed in the field today, indicate that the gold deposits were formed very close to a paleo water table (**Figure 13**).<br>In addition, evidence from fluid inclusion work indicate that the shallow gold mineralisation at Hog Ranch formed very close to the paleosurface at the time that the gold mineralisation was deposited. The fluid inclusion work also implies a depth of formation to be less than 200m from the paleosurface, with approximately 100m of erosion of the paleosurface to the current topography also implied from modelling of the data obtained from the fluid inclusion work (Bussey, 1996).<br>Within the northern mineralised zone and within the series of historical open pits, it was noted that the alteration and gold mineralisation was more favourably emplaced along more permeable unwelded tuff rocks. The unwelded tuff units, where present close to the historical surface, have created a favourable environment for the formation of an extensive shallow "blanket" of bedding parallel gold mineralisation.<br><br> <br>**Figure 13: (modified after Hedenquist et al., 2000) Schematic representation of the boiling zones within a low sulphidation epithermal deposit of the type interpreted to be similar to how the gold mineralisation formed at the Hog Ranch Property.** |

| Criteria | Commentary |
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|  | The hydrothermal fluids that have resulted in both the alteration and gold mineralisation are interpreted to have been linked to a deep-seated source via a series of faults which acted as the plumbing system required to bring the mineralising fluids up to the paleosurface at Hog Ranch. This model of emplacement and formation for shallow epithermal gold mineralisation is similar to many epithermal deposits worldwide as documented by many authors (i.e. White and Hedenquist, 1995; Hedenquist, et al., 2000; Sillitoe; R. H., 1993, Corbett, 2002) (**Figure 13**).<br>Some variations exist at Hog Ranch compared to the genetic model postulated in **Figure 13** which is largely due to the physical characteristics of the host rocks. One key feature at Hog Ranch is that the shallow gold mineralisation has permeated more favourably along the unwelded tuff horizons at a position which is within 100m vertically beneath the paleo water-table.<br>In addition, a separate target type is interpreted to exist in association with quartz-adularia veins at depth, within an interpreted boiling zone where very high-grade gold mineralisation may have developed. The position for this target type is speculated to exist at a depth of over 200m beneath the paleo water-table and down to a limited, but undetermined depth.<br>Since the deposition of gold, surface weathering effects have cut the current landscape into and exposed parts of the large alteration system associated with the gold forming event at Hog Ranch.<br>As represented in **Figure 14**, the geological model for the gold mineralisation types at Hog Ranch details two major deposit types, based on the current level of understanding.<br>1. Extensive shallow and low-grade gold mineralisation within 100m of the paleo water-table, which has favourably extended along the more porous unwelded tuff units; and<br>2. Higher grade quartz-adularia vein hosted gold mineralisation within feeder structures underneath this large system, which would have most likely developed at over 200m beneath the current day surface over a position known as the boiling zone. |

| Criteria | Commentary |
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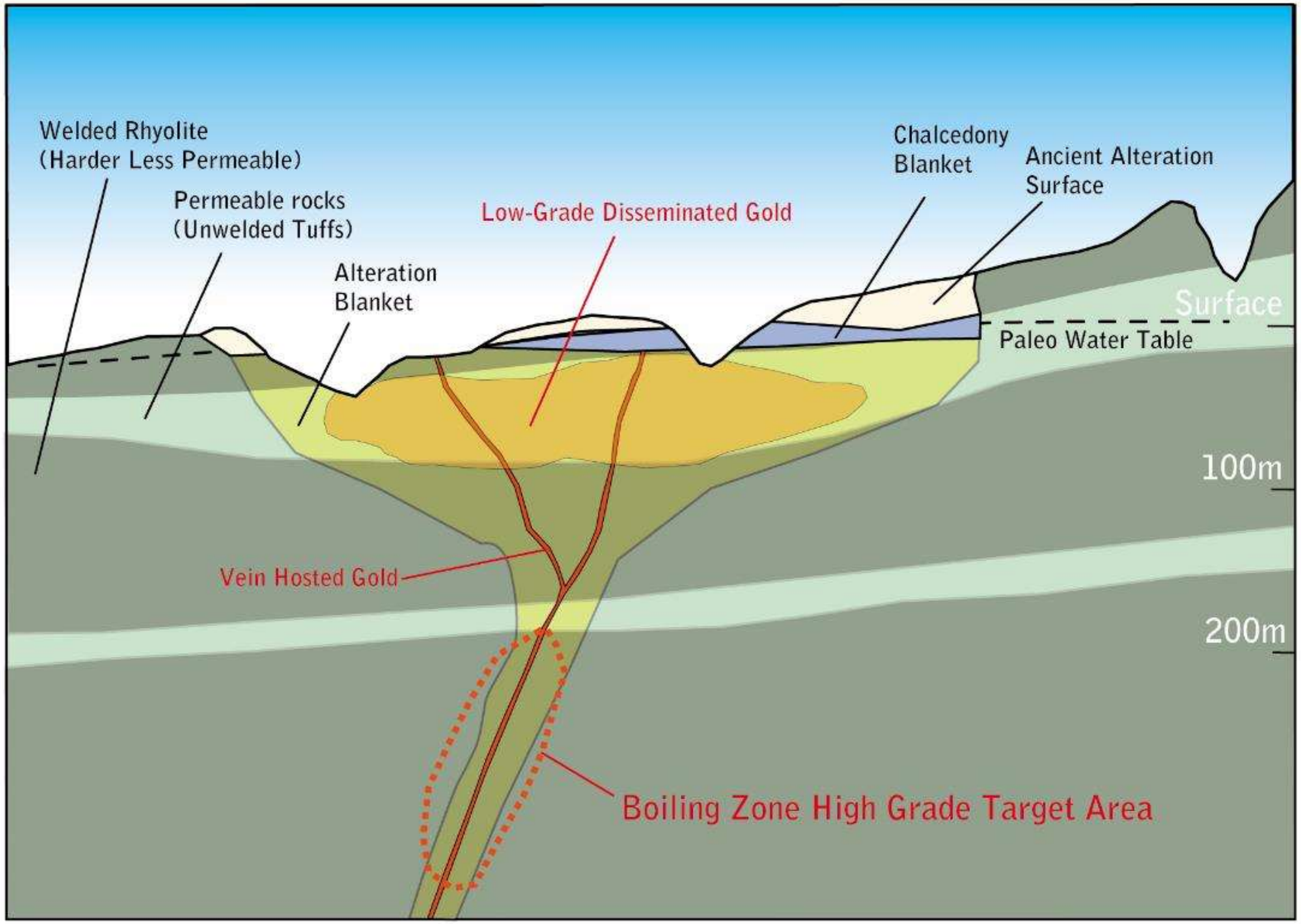
| |  <br>**Figure 14: Schematic diagram representing the current day setting of the gold target types that are interpreted to exist relative to the Volcanic Host Rocks and the broad alteration zones at Hog Ranch.** |

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td>Drill hole information</td><td>There are multiple generations of drilling that have been completed at Hog Ranch with multiple owners and management of these programs. In summary, <b>Table 4</b> provides for a list of the drill holes that were used for each deposit area at Krista and Airport/Cameco Projects and also at the Bells Project. Examples of drill logging and assay information from the original paper drill logs were available from drilling completed by Ferret Exploration, Western Hog Ranch, WMC and Cameco, whose drilling campaigns make up for over 98% of the drill hole database at Hog Ranch.<br><b>Table 4: Summary list for the number of drill holes used in the Mineral Resource estimate for each defined area.</b><br><table>
<tr><th>Breakdown</th><th>Hole Count</th><th>Total Length</th><th>Ave. Hole Depth (m)</th><th>Diamond Holes</th><th>RC Drill holes</th></tr>
<tr><td>Total holes used for Resource</td><td>2317</td><td>193,244</td><td>83.40</td><td>17</td><td>2300</td></tr>
<tr><td>Bells</td><td>523</td><td>28,226</td><td>53.97</td><td>0</td><td>523</td></tr>
<tr><td>Krista</td><td>1681</td><td>147,579</td><td>87.80</td><td>12</td><td>1669</td></tr>
<tr><td>Airport</td><td>38</td><td>5,585</td><td>147.00</td><td>0</td><td>38</td></tr>
<tr><td>Cameco</td><td>75</td><td>11,853</td><td>158.00</td><td>5</td><td>70</td></tr>
</table><br>Where available, the original paper drill logs have been used to define the geology and validate the assay results and other drill hole information in the drilling database. From a total of 2,688 drill holes in the Hog Ranch database there were a total of 2317 validated drill holes that were used in the Mineral Resource estimate for a combined total length of 193,244m.</td></tr>
<tr><td>Data aggregation methods</td><td>No weighting average techniques or grade truncations have been reported in this release, and thus, this section is not material to this report on Mineral Resources.<br>In reporting the Mineral Resource, a cut-off grade of 0.1g/t gold was used for the Krista Project area (oxide), 0.15g/t gold for the Cameco/Airport area (sulphide) and 0.2g/t gold for the Bells area (oxide).</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>The bulk of the drilling information is from vertical RC drill holes (~90%) which is close to perpendicular to the dominantly flat lying stratigraphy and bedding parallel alteration and dispersed low-grade gold mineralisation. Therefore, most of the drill intercepts are close to the true width of the mineralisation defined in the Mineral Resource estimate.<br>There are some narrow, vertical high-grade veins that do occur throughout the project which are at a very poor angle to the dominant drilling direction. Restrictions have been placed on the high-grade drill intercepts (reflecting this interpretation) to ensure that their influence is limited, particularly given this Mineral Resource estimate is focused on defining the shallow lower grade and horizontally dispersed gold mineralisation.</td></tr>
</table>

| Criteria | Commentary |
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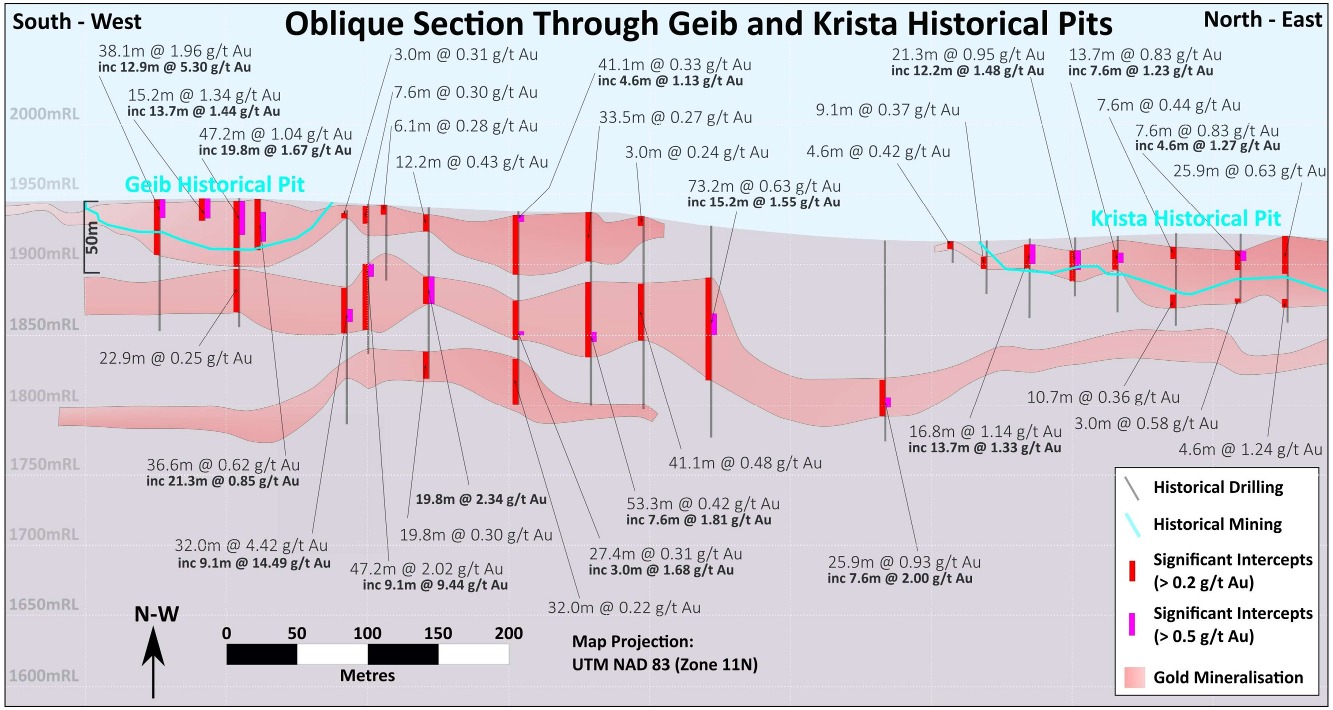
| Diagrams | **Figure 15 to Figure 22** below, are cross sections of the gold mineralisation relative to drill hole intersections and the block model used to define the Mineral Resource estimate within the Krista area.  The cross sections shown in **Figure 15 to Figure 22** are referenced in **Figure 11**.<br><br> <br>**Figure 15: Oblique cross section from the Krista Project area (see Figure 11 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.** |

| Criteria | Commentary |
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|  | <br>**Figure 16: Oblique cross section from the Krista Project area (see Figure 11 for plan view location) highlighting the drill hole locations relative to the block model colour coded assay information.** |

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
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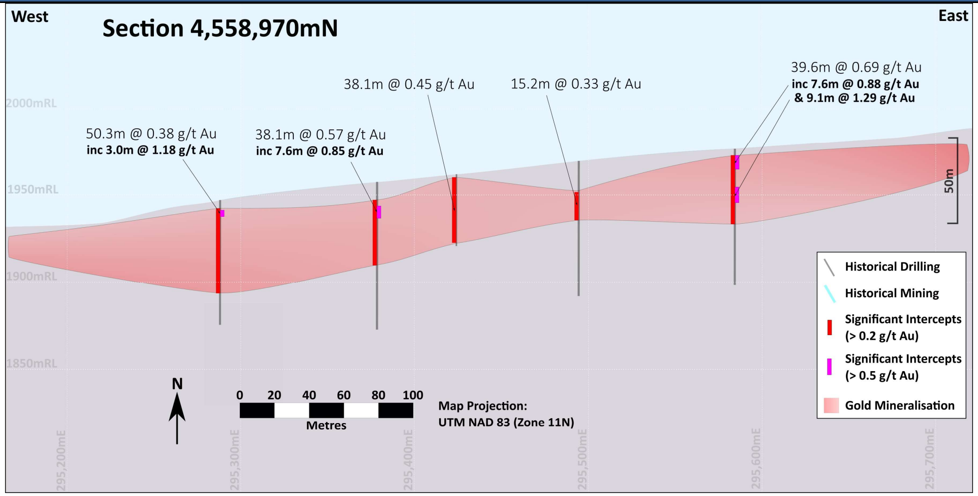

**Figure 17: Cross section 4,558,970N in the Krista Project area (see Figure 11 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**

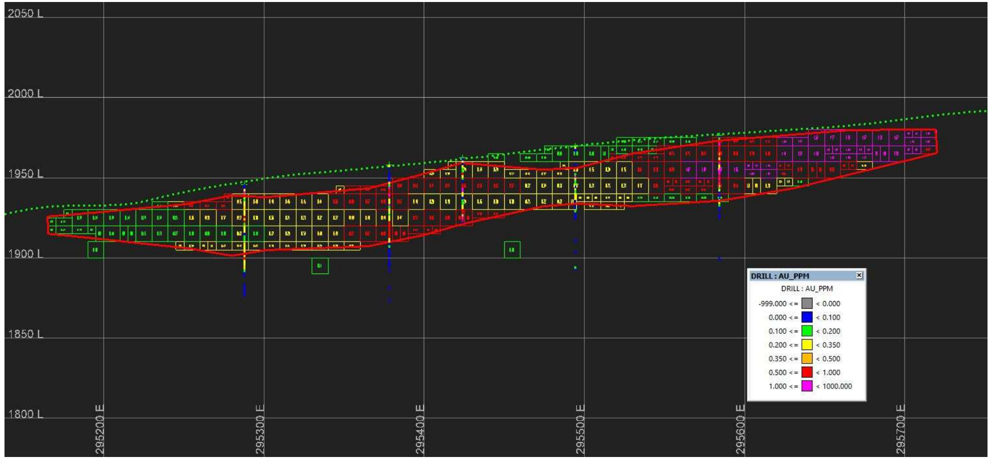

**Figure 18: Cross section 4,558,970N in the Krista Project area (see Figure 11 for plan view location) highlighting the drill hole locations relative to the block model colour coded assay information.**

</td></tr>
</table>

| Criteria | Commentary |
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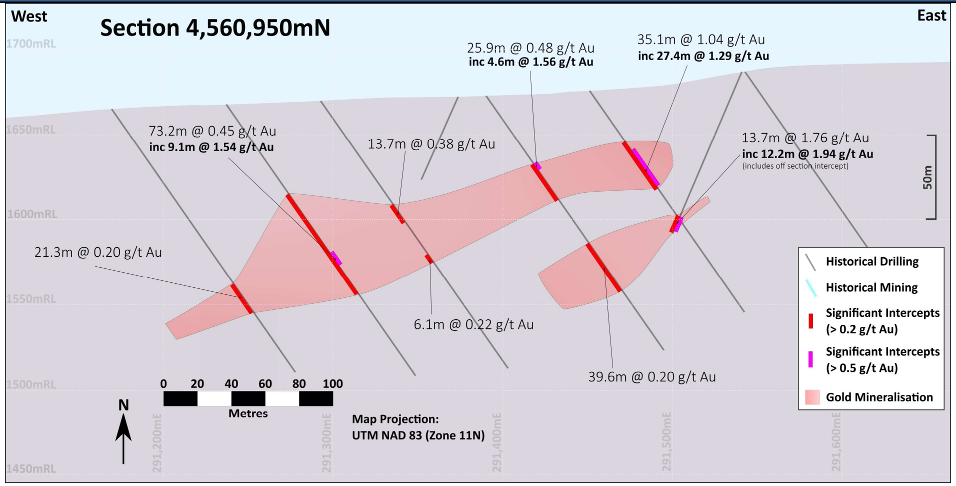
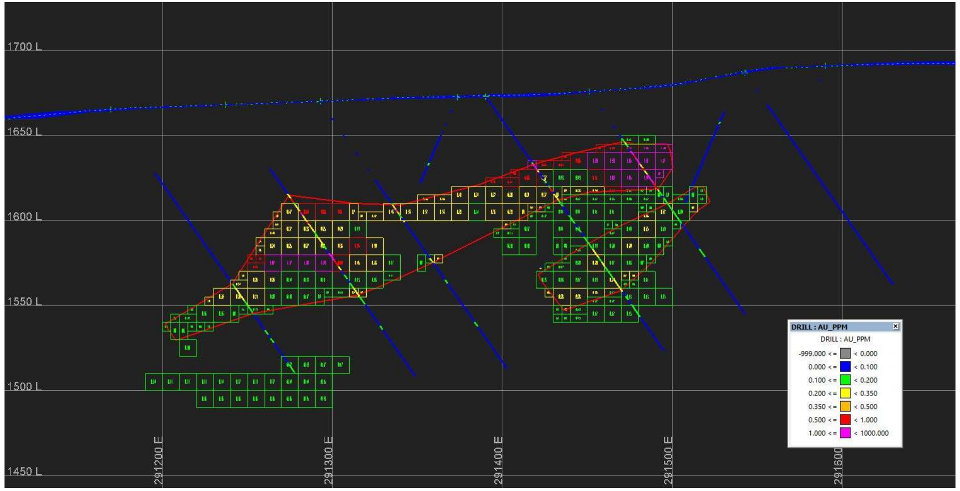
| | <br> <br>**Figure 19: Cross section 4,560,950mN in the Cameco deposit (see Figure 11 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**<br><br> <br>**Figure 20: Cross section 4,560,950mN in the Cameco deposit (see Figure 11 for plan view location) highlighting the drill hole locations relative to the block model colour coded assay information.** |

| Criteria | Commentary |
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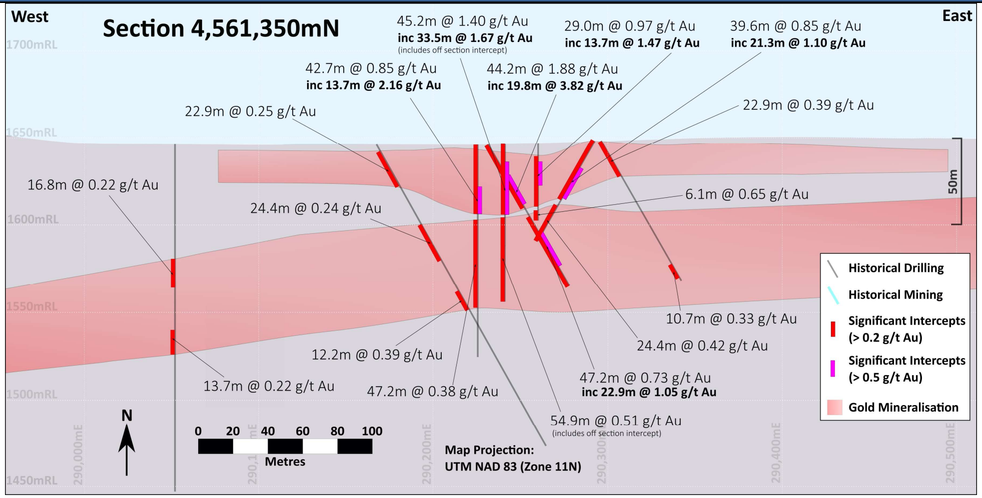
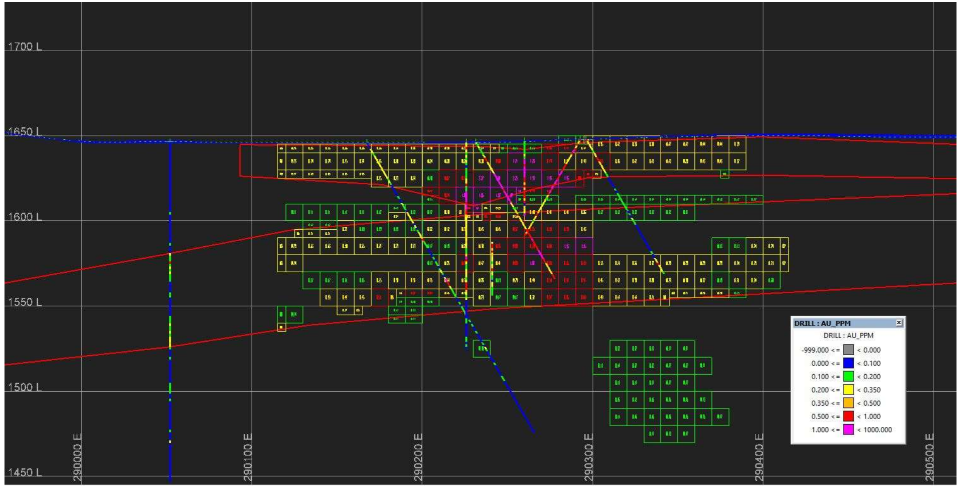
|  | <br> <br>**Figure 21: Cross section 4,561,350mN in the Airport deposit (see Figure 11 for plan view location) highlighting the drill hole assay information relative to the defined geological domains.**<br><br> <br>**Figure 22: Cross section 4,561,350mN in the Airport deposit (see Figure 11 for plan view location) highlighting the drill hole locations relative to the block model colour coded assay information.** |

| Criteria | Commentary |
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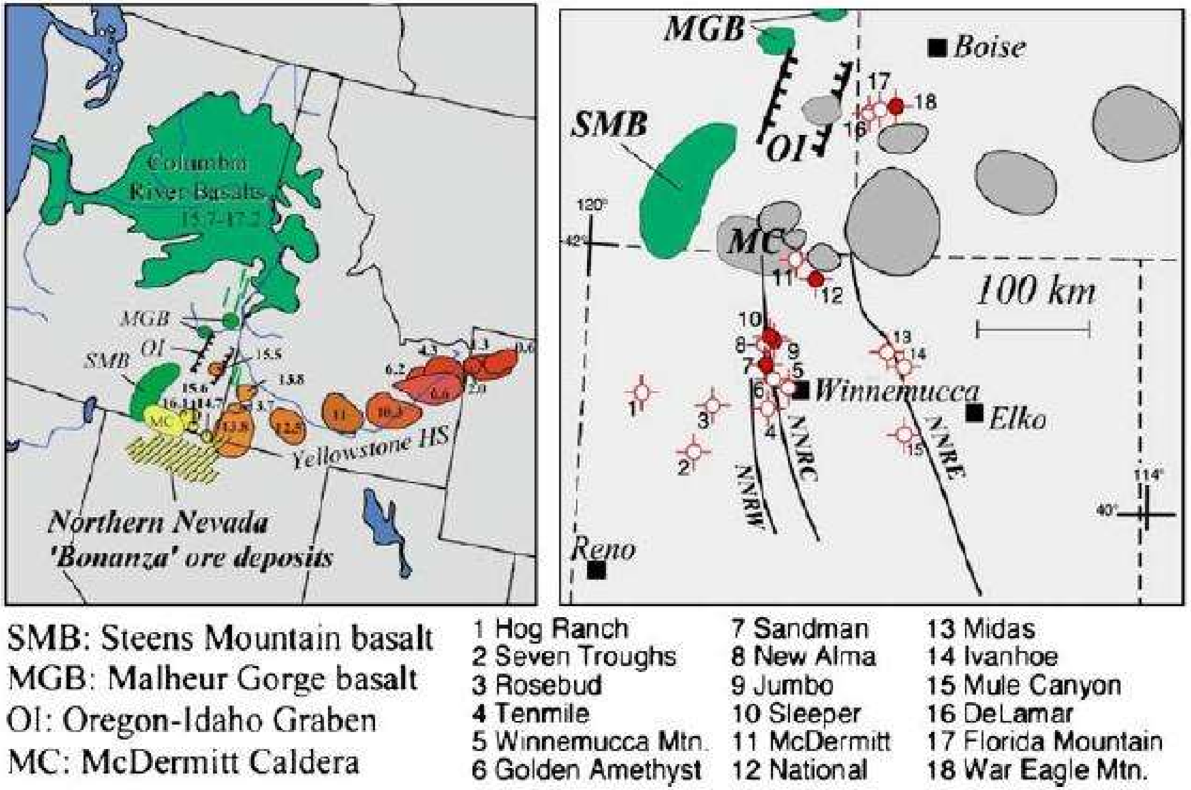
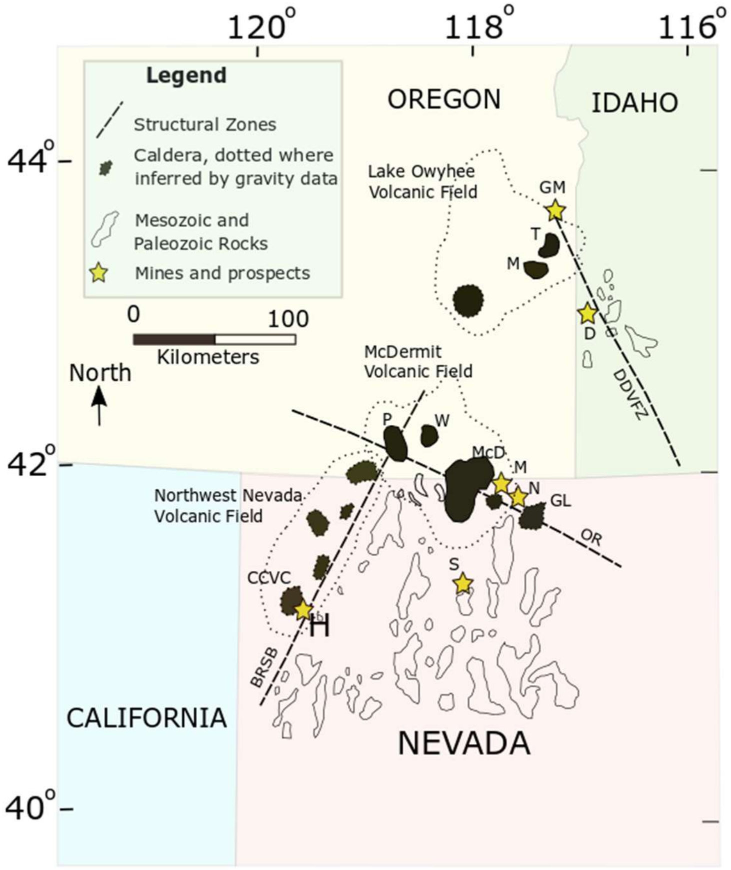
| Balanced reporting | The large drill hole database at Hog Ranch forms the bulk of the geological information with regards to the Mineral Resource estimate.<br>Reporting of the database has been limited to information which is both relevant to the prospects of Krista or limited to the key highlights that relate to a specific target type or key piece of geological evidence relevant to the Project.<br>Whilst not all details with regard to the drill hole database and other exploration information have been documented in this report, it is considered that an unbiased and appropriate level of reporting has been summarised for a balanced and informed view with regard to the current level of understanding of the gold mineralisation at Hog Ranch and more specifically for Krista as defined in this announcement. |
| Other substantive exploration data | In addition to the information provided in this report, explorers at Hog Ranch have at various stages completed significant soil sampling and geochemical analysis in addition to a number of geophysical surveys. A detailed description and analysis of the more regional exploration information is beyond the scope and focus of this document.<br>A combination of the geophysics (magnetics plus other) data and satellite imagery reflect the well-established understanding with regards to the very large alteration system at Hog Ranch. In addition, based on the most recent collation of the exploration information completed by geologists at Pacific Rim Mining Corp, there remains numerous untested targets and anomalies for the two main types of gold mineralisation as discussed in Section 2 - Geology of this table. |
| Further work | There are two distinct target types at Hog Ranch which could lead to a commercially viable option for the development of a new gold project.<br>**Shallow low-grade gold mineralisation**<br>Similar to the earlier mining operation, the shallow dispersed gold mineralisation remains as a potential target, with a higher gold price and a relatively low-cost structure now potentially allowing for the economic extraction of the much larger and lower grade gold mineralisation.<br>The opportunity now exists to broadly drill test the extensions to the large alteration system for evidence of further low-grade gold mineralisation.<br>**Deeper high-grade vein hosted gold mineralisation**<br>In addition to the shallow gold mineralisation, there remains a significant high value target type at depth which is common within similar styles of epithermal gold deposits throughout Nevada. The Sleeper and Midas gold deposit are examples of the target type which could occur in the right environment at deeper levels, underneath the shallower flat lying and lower grade gold mineralisation at Hog Ranch. |

## Section 3 Estimation and Reporting of Mineral Resources

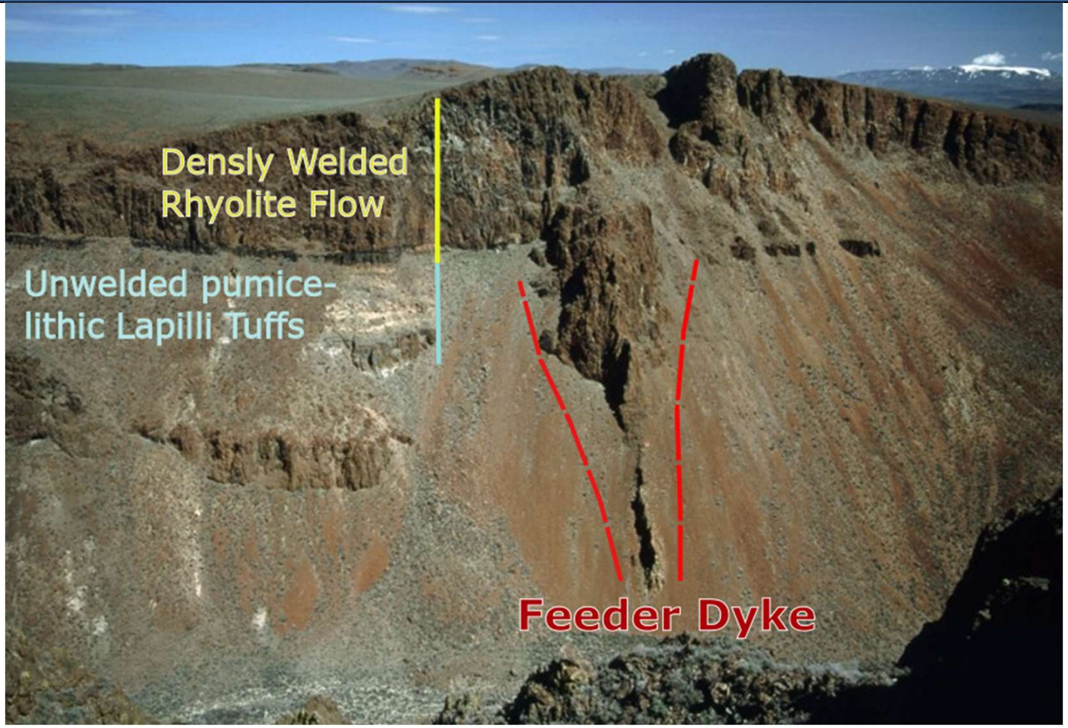
| Criteria | Commentary |
|---|---|
| Database integrity | The information obtained for the drill hole data at Hog Ranch was contained within an Access Database. This database was originally compiled by earlier explorers who acquired the Hog Ranch Project post the period of active mining. Most of the data was compiled by exploration geologists working for Romarco, ICN and subsequently Pacific Rim.<br>Rex has completed a number of validation steps to test the integrity and accuracy associated with the data that exists within the database, largely based on comparisons against the original paper drilling logs and other data that are available.<br>In summary, the assay data, rock codes, alteration and other information in the drill hole database were reviewed and validated as follows:<br>• Approximately 16% of the drill holes in the database are from the drilling completed by Ferret Exploration from 1980 up until 1986. Most of this drilling was located originally around the Bells area followed by the discovery and drilling of the northern deposits (around the West, 139, Geib and Krista pit locations). The author has been able to sight 40% of the original paper drill logs for the drilling that was completed by Ferret Exploration to assist with validating the drilling over this period. The standard rock codes (which appear to have been adopted after 1985) were not used by Ferret Exploration in their drill logs sighted by the author. Some logs did have a rock code assigned, in addition to a description made for each interval to describe the rock type and any other observable features. Assay results were handwritten onto the paper logs in ounces per tonne, which have been checked against the assay information in the database. All assay results appear to have been entered and converted correctly based on the information available from the paper logs completed by Ferret Exploration.<br>• By the time Western took control in 1986, a standardised approach to the core logging was established for the major rock types and alteration. The drilling completed by Western during 1986 and 1987 represents around 20% of the drill hole information in the database. Approximately 33% of the paper drill logs for drilling completed by Western were available to validate the drilling information over this period. Similar to Ferret Exploration, the assay information was handwritten onto the paper drill logs in ounces per ton for all drill logs that have been reviewed by the author.<br>• The bulk of the drilling in the database was completed by WMC from 1988 up to 1992 representing 60% of the drill holes in the Hog Ranch database. The drilling by WMC covered prospects all over the Hog Ranch Property as part of their regional exploration effort. Paper logs for 31% of the drilling completed by WMC have been sighted by the author. The rock, alteration and weathering codes along with the practice of inserting the assay results onto the paper logs continued as per the codes identified in the Western paper logs.<br>*Note: Over 96% of the drill hole information in the database is from drilling completed between 1980 and 1992. Subsequent explorers were focused on either gold mineralisation out to the west underneath shallow cover rocks (Cameco/Gold Valley) or looking for deeper high-grade feeder vein hosted gold mineralisation underneath the shallow dispersed gold mineralisation that was exploited during the mining operations at Hog Ranch.* |

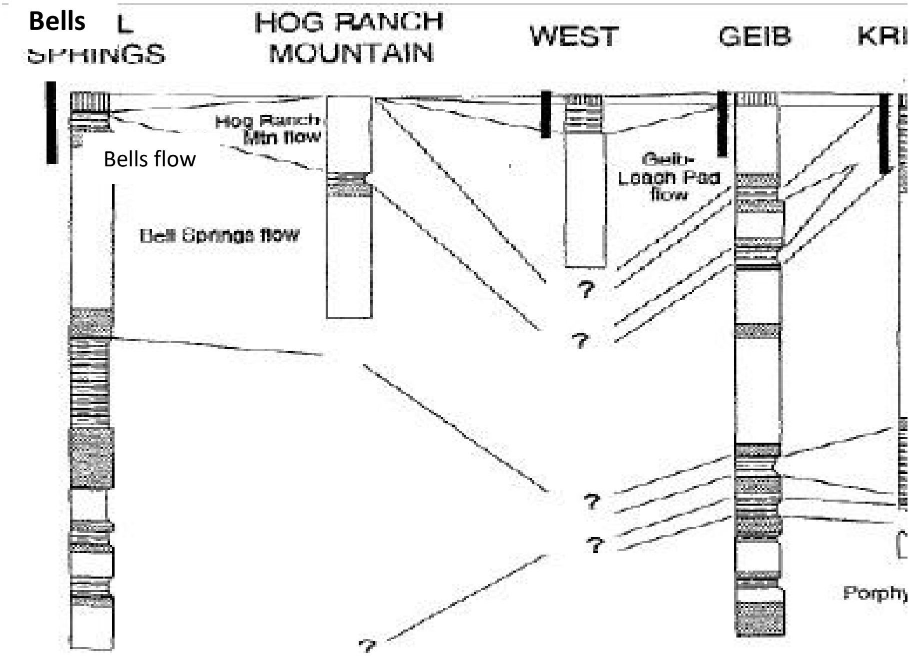
| Criteria | Commentary |
|---|---|
| | - Cameco completed 56 drill holes from 1994 up until 1996, with an additional 16 holes completed by Gold Valley who was in a Joint Venture with Cameco in 1997. Combined, these drill holes were focussed on the discovery of new gold mineralisation underneath shallow cover rocks on the western portion of the Hog Ranch Property, close to, but not as far west as, the Airport zone. The author has been able to sight over 60% of the drill logs from this period of drilling, including some of the original laboratory assay sheets from American Assay Laboratory in Sparks, Nevada.<br>- Seabridge completed eight (8) diamond drill holes in 2001 searching for deeper vein hosted gold. Significant sections of this diamond core are still preserved in a storage shed close to Winnemucca in addition to the original drill logs and laboratory assay sheets being available. Seabridge was very selective with the sampling of the drill core and large sections remain unsampled. In addition, some re-sampling of the core, where there was reported significant mineralisation, was re-sampled and reported in an NI43-101 report by Walker (2004). All the information available from the Seabridge core in the drill hole database appears to be correct based on validation checks by the author.<br>- Further drilling was completed in 2004 and 2009 by Romarco and ICN Resources respectively which represent approximately 1% of the drill holes in the Hog Ranch database combined. The original drill logs for these holes have not been sighted. However, both drilling campaigns were reported separately within an NI43-101 reports (Walker, 2004; Baker, 2010). The assay results were reported to have been completed at the ALS laboratory in Reno by fire assay. |
| Site visits | The author has visited the Hog Ranch Project on multiple occasions throughout 2019, which included inspections of the rehabilitated open pits from the previous mining activities and observations during the 2019 RC drilling program at Bells. In addition, inspections and interviews were completed at Kappes Cassidy and Associates (KCA) site office and testing facilities who completed the original column leach tests for Hog Ranch prior to mining and also discussions with technical staff and management who were working for WMC at Hog Ranch during the time it was actively operating as an open pit and heap leach operation. |
| Geological interpretation | **Regional Geology**<br>The geology of north-eastern Nevada is dominated by extensive volcanic rocks related to extensional tectonism of mid Miocene age. The Volcanic rocks in the region include the Summit Lake Tuff, Soldier Meadow Tuff and the Canon Rhyolite, all of which have been dated at between 16Ma and 15Ma.<br>Closely associated with this volcanism is a series of gold deposits over a broad area known as the northern Nevada epithermal district, which includes bonanza grade gold deposits such as the Sleeper and Midas gold deposits. These epithermal deposits are interpreted to be genetically related to the Yellowstone Hot Spot (Saunders et. al., 2008) which can be traced from Northern Nevada in an east-north-easterly direction up to its present-day location in Wyoming (**Figure 23**). |

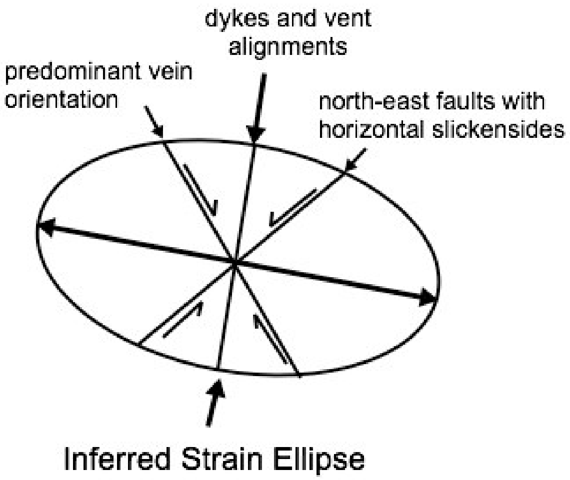
| Criteria | Commentary |
|---|---|
|  |  <br>**Figure 23: (after Saunders et.al., 2008) LEFT - Ages of the calderas of the Yellowstone Hot Spot track ("HS") and RIGHT – Locations for many of the low-sulphidation epithermal deposits in the northern Great Basin and through going structures such as the Northern Nevada Rift (NNRE, NNRC and NNRW).**<br>Hog Ranch occurs along the Black Rock Structural Boundary (BRSB), a western strand of the northern Nevada rift system (**Figure 23**). At Hog Ranch, the Miocene aged rhyolites outcrop, and are part of the Cottonwood Creek Volcanic Centre ("CCVC" Bussey 1996 – (**Figure 24**). |

| Criteria | Commentary |
|---|---|
| |  <br>**Figure 24: (modified after Bussey, 1996) Regional map of northwest Nevada and southern Oregon and Idaho showing regional volcanic centers and mineralised areas (after Rytuba, 1989; Rytuba and Vander Meulen, 1991). Mines and Prospects: GM-Grassy Mountain, D-Delamar, M-McDermitt, Cordero, N-National, Buckskin, H-Hog Ranch and S-Sleeper. Calderas and volcanic centers: T-Three Fingers, MM-Mahogany Mountain, W-Whitehorse, P-Pueblo, McD-McDermitt complex, GL-Goosey Lake Depression and CCVC-Cottonwood Creek Volcanic Center. Structural zones: DDVFZ- Delamar-Duck Valley Fault Zone, OR-Orevada Rift, and BRSB-Black Rock Structural Boundary.** |

| Criteria | Commentary |
|---|---|
| | **Local Geology**<br>Hog Ranch is located within a broad basin known as the Cottonwood Creek basin, with the associated host rocks related with the Cottonwood Creek Volcanic Centre (CCVC), which is made up of volcanic and volcaniclastic rocks. The volcanic rocks regionally are referred to as the Cañon Rhyolite which are overlain by volcaniclastic rocks referred to as the High Rock Sequence. The Cottonwood Creek basin is approximately 30km long in a north-south direction and 20km wide in an east-west direction. The bulk of the historical mining and defined gold mineralisation at Hog Ranch exists on the eastern margin of the Cottonwood Creek basin.<br>**Stratigraphy**<br>The Hog Ranch Property is hosted predominantly in a thick sequence of volcanic rocks of the Cañon Rhyolite and a thin sequence of overlying volcaniclastic rocks of the High Rock sequence.<br>The High Rock sequence is composed of volcanic sandstones, tuffaceous fluviolacustrine tuffs and diatomite (Bussey, 1996). Most of the High Rock sequence was deposited on an erosion surface which cuts into the Cañon Rhyolite, and locally interfingers with the uppermost flows of the Cañon Rhyolite.<br>The Cañon Rhyolite is composed of a series of unwelded bedded tuffs and welded flow-banded rhyolite tuffs. Diamond drilling completed during the mining operations by WMC reported the Cañon Rhyolite to be over 1,000m in thickness (Bussey, 1996).<br>The type model for the Cañon Rhyolite, which is the dominant host rock to the gold mineralisation at Hog Ranch, can be found at local mountain outcrops where parts of the Cañon Rhyolite are exposed. In the example shown In **Figure 25**, there is a feeder dyke leading up to the welded Rhyolite flow, from which a welded Rhyolite layer extends for over 2km in all directions. At Hog Ranch, the drilling has not identified the location of any feeder dykes and the broad stratigraphy is based solely on relatively flat lying alternate layers of Welded Rhyolite Flows and Unwelded Tuffs. It is typical for the large welded Rhyolite flows to extend for many kilometres at Hog Ranch and the surrounding area. |

| Criteria | Commentary |
|---|---|
| |  <br>**Figure 25: Surface outcrop which identifies a typical example of the Cañon Rhyolite of the CCVC with alternating layers of Densely welded Rhyolite Flows interlayered with unwelded pumice-lithic lapilli tuffs.  Photo taken looking east along Little High Rock Canyon (8 km NNE of Hog Ranch).**<br>The vertical zonal variations within the Cañon Rhyolite are reported to typically follow the zonal variations in ash-flow tuffs as discussed by Smith (1960). The general vertical section of an eruptive sequence consists of a lower zone of poorly welded pumice lapilli tuff that grades upward into densely welded tuff that may exhibit distinctive spherulitic textures. The spherulitic zone grades up into a welded devitrified flow banded zone that consists of the bulk of the eruptive unit and the most common rock type at Hog Ranch. The flow-banded unit grades upward into a zone containing lithophysae and spherulitic devitrification textures and locally abundant obsidian and hydrated glass (Bussey, 1996).<br>Interbedded with the flow banded units is unwelded to weakly welded lapilli tuff with distinct bedding features. |

| Criteria | Commentary |
|---|---|
|  | The major flow banded units can be identified over a large area, extending in some cases for kilometres. Locally at the mine site, Bussey (1996) identified a number of flow banded units that could be traced in drill holes around the historical open pits (**Figure 26**). Locally, the oldest defined flow is the White Mountain Flow which extends underneath the historically mined open pits.<br>A significant zone of unwelded tuff exists between the White Mountain Flow and the next well-defined flow called the Geib/Leach Pad Flow. Further to the south, the Bells deposit is hosted in almost solely a large spherulitic to flow banded welded Rhyolite rock. There is a not enough information at this stage to link the Bells flow to the other defined flows around the northern open pits.<br>Discussions and geological review of the original drill logs where available have enabled a broad geological interpretation to be developed of the major welded flow banded units as described by Bussey (1996), over a large section of the Hog Ranch Project where drilling information with rock codes were available.<br> <br>**Figure 26: (after Bussey, 1996) Summary Stratigraphy of the Hog Ranch Property including interpreted continuity of the major flow units between the major project locations.** |

| Criteria | Commentary |
|---|---|
| | **Structure**<br>Bussey (1996) has identified the key structural orientations based on information gathered from the mine pits. There are three dominant structural trends which appear to influence the local geology and gold mineralisation (**Figure 27**).<br> <br>**Figure 27: (modified after Bussey, 1996) Interpreted strain ellipse identified at Hog Ranch based on the known structures, veins and dykes mapped during the life of the mining operation.**<br>In summary, the defined structural orientations defined by Bussey (1996) have the following attributes:<br>1. The north-east striking faults move in a horizontal direction and often have gold mineralisation orientated in this direction dispersed around a tight structure. The intersection of this fault with other faults appear to have a strong influence on where the higher-grade gold mineralisation exists.<br>2. The northerly trend is mostly filled with dykes and lines up with the broad regional trends that appear to have a more regional influence on the gold deposits. The volcanic vents that formed to create the host rocks line up in a north-south direction and often the gold mineralisation appears to exist as stacked loads which line up in a northerly direction.<br>3. The north-west trending faults were identified as the orientation which host a number of narrow high-grade veins. These veins are possibly in a favourable orientation for development of high-grade vein hosted gold in feeder structures at depth in addition to some small high-grade sections at shallow levels.<br>Later explorers have also identified a set of faults that strike at around $70^0$ to $90^0$ or close to due east (Baker, 2010). These faults are reported from mapping completed by Baker in 2009 at Hog Ranch. |

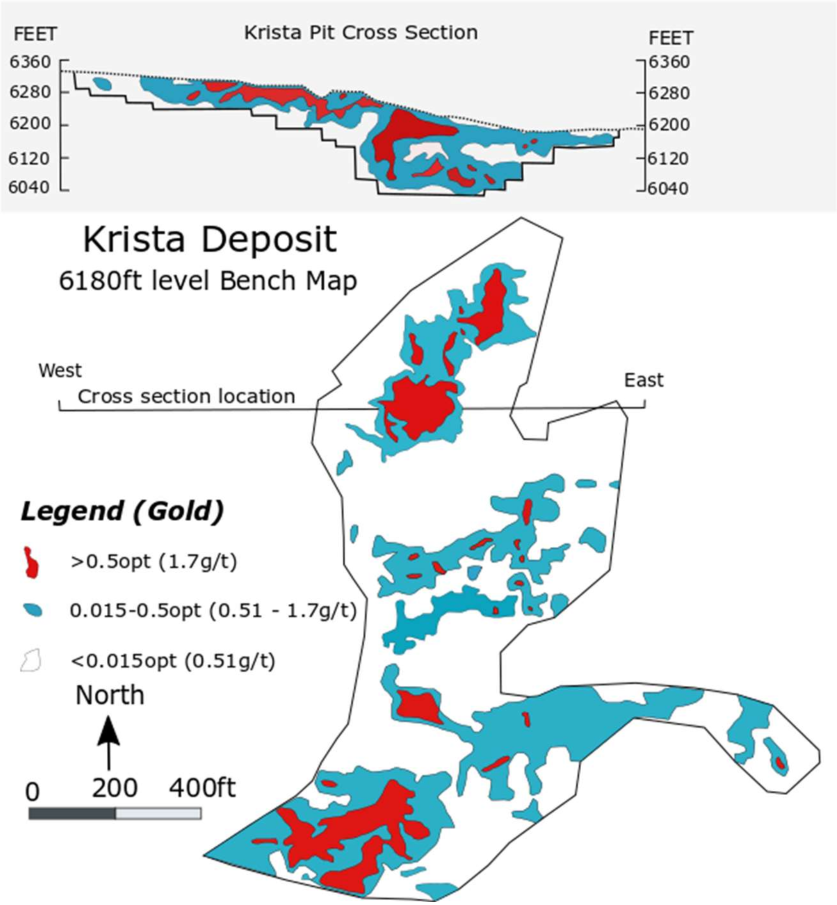
| Criteria | Commentary |
|---|---|
| | **Alteration** |

The alteration characteristics of the host rock and associated gold mineralisation have been well defined in Bussey (1996), based on X-Ray Powder Diffraction (XRD) analysis of over 291 samples from various drill holes throughout the property. In general, the broad alteration pattern defined at Hog Ranch appears to be reflective of the alteration mineralogy and zonation away for the main source of hydrothermal fluids for a low-sulphidation deposit as defined by many authors, including (White and Hedenquist, 1995; Sillitoe, 1993).

In total, nine alteration assemblages were defined in Bussey (1996), which are summarised in **Table 5**. The alteration mineralogy is dominated by quartz, adularia, various clay minerals, alunite and opaline silica. Alteration in the Krista region which includes the bulk of the historical open pits covers an area of approximately 20km$^2$, and to the south at the Bells deposit covers an area of 4km$^2$ (Bussey, 1996).

**Table 5: (after Bussey, 1996) Description of alteration assemblages in the Hog Ranch district.** ****Minerals in bold type are definitive for the given assemblage.***

| Abbreviation | XRD Mineralogy | Comments |
|---|---|---|
| **None** | **Alkalie feldspar**, cristobalite | Devitrified, aphyric rhyolite, unaltered |
| **Hop** | **Opal**, alunite, kaolinite | Mostly distal alteration assemblage; samples may show incomplete alteration |
| **Hkf/ab** | **K-feldspar, albite, quartz**, illite, pyrite | Recrystalized fresh rhyolite; rock appears "bleached" |
| **HA** | **Smectite, mixed layer illite-smectite**, tosudite, kaolinite, opal, pyrite | "shallow" argillic assemblage |
| **Hq** | **Quartz** | Massive dense silicification |
| **HAAL** | **Kaolinite**, quartz, tosudite, alunite, cristobalite | Low temperature, advanced argillic assemblage |
| **HS** | **Illite**, quartz, K-feldspar, pyrite | "deep" argillic assemblage |
| **HK** | **K-feldspar**, illite, quartz, pyrite | Potassic assemblage; K-feldspar is adularia in thin section |
| **Hkf/k** | **K-feldspar, kaolinite** | Probable disequilibrium assemblage, HAAL on HK; only found at White Mn |
| **HP** | **Chlorite, quartz, K-feldspar, albite**, illite, calcite, pyrite | Deepest assemblage; propylitic equivalent |

| Criteria | Commentary |
|---|---|
|  | **Gold Mineralisation**<br>The following information with regard to the gold mineralisation at Hog Ranch, and also more specifically at Krista (**Figure 28**) is based on a summary of the observations made from the historical open pit mines in Bussey (1996).<br> <br>**Figure 28: (modified after Bussey, 1996) Krista Pit 6180ft level bench map from the Krista open pit showing the gold distribution based on blast hole drilling information.** |

| Criteria | Commentary |
|---|---|
|  | The gold mineralisation can occur in the flow banded (welded) rhyolite units as well as the unwelded bedded tuffs and the overlying volcaniclastic rocks. High grade mineralisation is found in narrow quartz-adularia veins that were usually surrounded by large halos of lower grade material with only minor veining. The disseminated zones of mineralised rock had a flat tabular distribution (bedding parallel) which were best developed in unwelded bedded tuff units. |
| Dimensions | The overall dimensions of the gold mineralisation created in the Krista and Airport/Cameco block model were reviewed against the broad dimensions and distribution of gold identified throughout the drill hole database and also the gold distribution that is reflected in the historical open pits as reported by Bussey (1996). Higher grade mineralisation (over 1.7g/t Au) as defined in the report by Bussey is typically restricted between 50 and 100m where some level of continuity is observed.<br>At lower grades, the gold mineralisation is identified in both the drill holes and from the historical mining to extend for hundreds of metres horizontally, up to a maximum of 400m, but is restricted to narrower intervals vertically, ranging typically from 20m up to a maximum depth extent of approximately 60 to 80m. This is also reflected in the block model as observations of the grade distribution in cross section (**Figure 15 to Figure 22**) and various horizontal slices appear to mimic the expected distribution of the gold mineralisation as documented within this report. |
| Estimation and modelling techniques | The parameters and modelling technique for the Krista, Airport/Cameco block model are based on the current understanding of the geology and shallow gold mineralisation largely from documentation in Bussey (1996). In addition to further discussions held directly with Steven Bussey of Western Mining Services who worked as a geologist for WMC at the Hog Ranch mine during its operating life.<br>**Block Size**<br>A parent cell block size of 10m x 10m x 10m was used for the Krista, Airport/Cameco bock model. The dimensions of the block size were chosen taking into consideration the nature of the gold mineralisation, the relative drill spacing available over the bulk of the Inferred Mineral Resource estimate (typically at 50m x 50m or less) with 1.5m (5 feet) samples down hole, and consideration of the likely mining method of open pit mining with bench heights of 10m or less. For reference, the historical bench heights were typically at 20ft in height (6m).<br>**Interpolation Method**<br>It was considered that with the current drill spacing at Krista, Airport/Cameco and the rapid changes that can often exist naturally for a gold deposit of this nature, that there is a preference to bias the allocation of grade to the nearest neighbour and thus reduce the influence of assay information that is a greater distance away from the individual blocks. Therefore, the $ID^2$ method of interpolation was chosen, utilising the following criteria for the search ellipse and also the restrictions as defined in the cut-off parameters for the higher-grade assay results.<br>Inverse distance squared ($ID^2$) to the parent block size was used to estimate gold (Au) only. |

| Criteria | Commentary |
|---|---|
| | **Search Ellipse Parameters**<br>The search ellipse selected was based on the overall geometry and distribution of gold mineralisation that was documented in Bussey, 1996. There is a distinct preferential trend to the higher grade and lower grade gold mineralisation which is interpreted to be parallel to controlling structural features throughout Hog Ranch.<br>This dominant trend is in a north-easterly direction, where mineralisation appears to extend for between 100m to over 300m in some sections). Perpendicular to this trend, there is reduced but still significant dispersion of gold mineralisation which is typically restricted to 50m but can extend in some cases to over 100m.<br>In the vertical direction, there is a strong control on the gold mineralisation which is broadly parallel to the stratigraphy, and the gold mineralisation has a much greater limitation to its distribution in a vertical direction.<br>The following search ellipse parameters were chosen for the sections of block model which could be defined as an Inferred Mineral Resource. The search used radius proportional weighting.<br>Pass One:<br>• Vertical direction 10m,<br>• North-east direction 40m (orientated at 40 degrees),<br>• North-west direction 30m (orientated at 310 degrees).<br>Pass Two:<br>• Vertical direction 15m,<br>• North-east direction 60m (orientated at 40 degrees),<br>• North-west direction 45m (orientated at 310 degrees)<br>Pass Three:<br>• Vertical direction 20m,<br>• North-east direction 100m (orientated at 40 degrees),<br>• North-west direction 75m (orientated at 310 degrees).<br>**Grade cutting or capping**<br>Of particular concern with regard to the grade interpolation within the block model was to limit the influence of high-grade assay results which are more likely to be related to vein hosted vertical structures that are known to have a very small area of continuity. This higher-grade population of data is not considered to be part of the more continuous lower grade and horizontally dispersed gold mineralisation which is the focus of the Mineral Resources estimate.<br>The data populations based on the current level of geological understanding at Krista, Airport and Cameco the assay data were reviewed individually. The summary statistical analysis was completed using Snowden SUPERVISOR software. The data for each population was taken from the 1.524m (5ft) composites and coded relative to the appropriate geological domain. |

| Criteria | Commentary |
|---|---|
| | **Top-cut values applied to each geological domain** |

Top-cuts were applied for the block estimation for each of the defined mineralised domains individually. The top-cut defined was based on the disintegration approach of log probability plots whereby the high-grade tail starts to break away from the main population of data. In most case the defined limit to the main population of data was above the 99th percentile.

A summary of the top cut values applied to the May 2020 Mineral Resource Estimate at Krista, Airport/Cameco are shown in the table below.

**Table 6: Summary table of top cuts applied to each domain as determined from their respective Log Probability plots**

| Domain Code | Top Cut value (Gold g/t) | Domain Code | Top Cut value (Gold g/t) |
|---:|---:|---:|---:|
| 5 | No top cut | 310 | 13.5 |
| 301 | 7 | 311 | 3.7 |
| 302 | 16 | 312 | 4.7 |
| 303 | 8 | 313 | 10.0 |
| 304 | 9.5 | 314 | 3.5 |
| 305 | 3.5 | 315 | 41.0 |
| 306 | 4.1 | 316 | 2.5 |
| 307 | 4.0 | 317 | 5.0 |
| 308 | 1.0 | 318 | 10.0 |
| 309 | 3.9 | 319 | No top cut |

In addition to the application of a top-cut, there was a “high-yield” restriction applied to assay results that were top-cut. The high yield restriction has limited the influence of these high-grade assay results to a 5m x 5m x 5m area. The discretisation steps in the X, Y and Z direction were set to 5 within the 10m x 10m x 10m parent block. The basis to apply a high yield restriction is due to the interpretation that the bulk of these higher-grade assay results are associated with narrow vertically oriented structures and veins which have a very small area of continuity.

It was noted from the historical mining information that there is at least one example of high-grade drill hole assay(s), which carried significant weight within an historical Resource prior to mining. Eventual mining to this region identified that the high-grade assay results were related to only a very small region and did not have a significant lateral extent, resulting in significantly less ounces mined than originally predicted. This example, plus the understanding of the high-grade assay results that typically relate to vertical vein hosted gold mineralisation, is the basis for applying the top cut and high-yield restriction on all assay results that exist above the determined top-cut value for each respective domain.

| Criteria | Commentary |
|---|---|
| Moisture | Tonnes have been estimated on a dry basis. |
| Cut-off parameters | In reporting the Mineral Resource, a lower cut-off grade of 0.1g/t gold was used for the Krista Project area (oxide), 0.15g/t gold for the Cameco/Airport area (sulphide) and 0.2g/t gold for the Bells area (oxide). |
| Mining factors or assumptions | As part of the constraints used for the Mineral Resource estimate, an optimised open pit was developed on the block models that define gold mineralisation at Hog Ranch. The assumed costs for the Pit Shells were lower for the Krista and Cameco/Airport based on a large-scale open pit and heap leach operation and higher for Bells area based on a smaller stand-alone open pit and heap leach operation.<br>The optimised pit shell at Krista and Airport/Cameco was based on a US$1,600/oz gold price, US$1.75/oz refining charge, 80% processing recovery for oxide mineralisation and 60% processing recovery for sulphide mineralisation, 45 degree wall angles, mining opex cost of US$2.60 per mined tonne and a processing/G&A cost of US$4.46 per ore tonne.<br>The optimised pit shell at Bells was based on US$1,600/oz gold price, US$5.0/oz refining charge, 80% processing recovery for oxide mineralisation, 45 degree wall angles, mining opex cost of US$3.37 per mined tonne and a processing/G&A cost of US$6.79 per ore tonne. |
| Metallurgical factors or assumptions | There is substantial information from the results of the Historical mining and earlier large-scale test work which all indicate that gold recoveries from the major oxide rock units should exceed 80%.<br>KCA, who are a specialised metallurgical testing and design engineering firm based out of Reno, Nevada, completed a number of studies leading up to the commencement of mining at Hog Ranch in 1986. The most significant test results that were completed and reported were from large 10t samples of the two major ore types sourced from two trial open pits in 1986.<br>The samples taken were reported from two separate pits. The sample in Pit No.1 was classified as mostly welded ash, considered by the author to represent the dominant rock type in the region which is the flow-banded welded rhyolite. The sample from Pit No.2 was reported to be partially welded and laminated rock with sections of very soft clay material. This is taken by the author to represent the often clay rich and more altered unwelded rhyolite material, or partially mixed material.<br>The material for the test work was crushed and agglomerated as per the design parameters that were established from earlier test work prior to being placed into 20ft high columns with leaching and testing completed over time to understand the leaching characteristics for both ore types.<br>The results from this test work identified the following based on head grades that are higher than what is currently contemplated in the Inferred Mineral Resource:<br>• Gold recovery from Pit No.1 was 80% in 80 days<br>• Gold recovery from Pit No.2 was 90% in 63 days (KCA, 1986) |

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>

More recently Rex has completed column leach test work on samples from the Bells Project, most specifically to ascertain if the lower grade material could have a similar recovery in comparison to the higher-grade ore that was tested historically. The results confirmed that a gold recovery in excess of 80% could be achieved (see Rex announcement 6 February 2020). Therefore, for the purpose of the Inferred Mineral Resource estimate, a gold recovery for the oxide material of 80% was used for all grade ranges identified in the block model.

In addition to the historical and recent test work completed on the oxide type of material, there were some initial metallurgical tests completed for some highly siliceous material at Krista, with a similar siliceous and sulphide rich material also tested by Rex at Bells. The historical test results identified a range of recoveries for the highly siliceous material of between 60% and 65%, with the recent test work at Bells providing for an estimated recovery from bottle roll tests of 57% for an outcropping highly siliceous and sulphide rich sample. Further sampling and optimisation may improve on the recoveries for the siliceous and sulphide rich material. However, for the purposes of the Inferred Resource estimate and based on the best available information to date, a recovery of 60% for all material classified as sulphide was used.

**Historical Production Recoveries**

A review of the results from the historical mining indicate that the recoveries for the life of the project were less than 70% (i.e. 200,000ozs recovered for just over 300,000ozs reportedly placed on the leach pads). However, discussions with some of the operators at the mine and indications from some internal reports have highlighted that this was largely a result of (potentially below cut-off) run-of-mine ore being placed on the leach pads, which was noted in earlier reports to have much lower recoveries, in the order of 50% or less. WMC stopped the practice of placing run-of-mine ore on the leach pad soon after they acquired the Hog Ranch operation in early 1988. **Table 7** below shows the reported material mined and gold recovered when WMC operated and reported production from Hog Ranch, after removing the run-of-mine material.

**Table 7: Annual Gold Production information taken from WMC annual reports. *WMC annual reports were based on the Australian financial year, which covered the period from 1 July through to 30 June the following year***

<table>
<tr><th>Financial Year</th><th>88/89</th><th>89/90</th><th>90/91</th><th>91/92</th><th>92/93</th><th>93/94</th><th>94/95</th><th>TOTAL</th></tr>
<tr><td>Ore treated (kt)</td><td>1,047</td><td>454</td><td>566</td><td>863</td><td>536</td><td>0</td><td>0</td><td>3,466</td></tr>
<tr><td>Grade (g/t Au)</td><td>1.33</td><td>1.41</td><td>1.43</td><td>1.34</td><td>1.62</td><td>-</td><td>-</td><td>1.40</td></tr>
<tr><td>Gold (kg) in ore</td><td>1,393</td><td>640</td><td>809</td><td>1,156</td><td>852</td><td>-</td><td>-</td><td>4,850</td></tr>
<tr><td>Gold (ounces) in ore</td><td>44,775</td><td>20,583</td><td>26,025</td><td>37,184</td><td>27,399</td><td>-</td><td>-</td><td>155,966</td></tr>
<tr><td>Gold (ounces) produced</td><td>31,850</td><td>17,311</td><td>20,538</td><td>25,413</td><td>23,070</td><td>7,405</td><td>4,590</td><td>130,177</td></tr>
<tr><td>Recovered Grade</td><td>0.95</td><td>1.19</td><td>1.13</td><td>0.92</td><td>1.34</td><td></td><td></td><td></td></tr>
<tr><td><b>Implied Recovery</b></td><td><b>71.10%</b></td><td><b>84.10%</b></td><td><b>78.90%</b></td><td><b>68.30%</b></td><td><b>84.20%</b></td><td><b>-</b></td><td><b>-</b></td><td><b>83.46%</b></td></tr>
</table>

</td></tr>
</table>

| Criteria | Commentary |
|---|---|
| Environmental factors or assumptions | The Hog Ranch Property has experienced open pit and heap leach mining previously as is considered under the context of this report. Although the historical mining was rehabilitated over 25 years ago, the Project property has changed little since this time.<br>A full review of the environmental factors that may impact on the potential viability of a new mining operation at Hog Ranch is beyond the scope of this report. The current information available and reviewed by the author indicates that there are no known new environmental impediments or liabilities with regard to a potential mining operation as of the effective date of this report. Therefore, no additional environmental factors or assumptions were made in addition to the overall mining cost assumptions that were applied to the open pit optimisation. |
| Bulk density | A number of diamond drill holes that were completed by Romarco and Seabridge have been preserved and are under cover in a warehouse close to the township of Winnemucca, Nevada. Selective samples were taken from this drill core which represent the major rock units which host the gold mineralisation.<br>Density measurements for these rock samples were taken at the ALS laboratory in Reno. The method for testing was:<br>*Bulk density was determined on core samples, after coating with paraffin before analysis. The core sample was weighed and then slowly placed into a bulk density apparatus which is filled with water. The displaced water is collected into a graduated cylinder and measured. From the data, the bulk density is calculated as follows:*<br>*Density = Weight of sample (g)/Volume of water displaced (cm$^3$)*<br>*The paraffin wax density is compensated for when determining the final bulk density value.*<br>In addition to the laboratory standard bulk density results presented in **Table 8**, a larger number of bulk density measurements were completed from the available drill core using water displacement as the method to determine the bulk density. The results from this work identified an average density of 2.2 tonnes per cubic metre for the welded rhyolite based on 44 samples located from 13m to 100m below the surface, and an average density of 1.7 tonnes per cubic metre for the unwelded tuff rocks for 10 samples located from 5m to 100m beneath the surface.<br>The recorded rock units have been largely separated and modelled as either a welded rhyolite flow or an unwelded tuff. However, it is recognised that there are some minor variations internal to the major rock boundaries where some minor welded rocks or less altered rocks may exist within the broadly defined Unwelded Tuff. |

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>
<p><b>Table 8: Summary of density measurements for various rock samples taken from available diamond drill core at Hog Ranch</b></p>
<table>
<tr><th>Rock Type</th><th>Rock Description</th><th>Depth (m)</th><th>Gold Assay (g/t)</th><th>Density (g/cm$^3$)</th></tr>
<tr><td>Unwelded Tuff</td><td>Unwelded altered and weathered Tuff</td><td>10.2</td><td>0.10</td><td>1.52</td></tr>
<tr><td></td><td>Stg altered unwelded Tuff unit</td><td>50.2</td><td>0.03</td><td>1.61</td></tr>
<tr><td></td><td>Stg altered unwelded Tuff unit</td><td>146.0</td><td>0.01</td><td>1.30</td></tr>
<tr><td></td><td>Altered unwelded (to partial welded) Tuff unit</td><td>183.5</td><td>0.34</td><td>2.19</td></tr>
<tr><td><b>Average</b></td><td></td><td></td><td></td><td><b>1.66</b></td></tr>
<tr><td>Welded Rhyolite Flow</td><td>Oxidized and argillised flow banded Rhyolite</td><td>22.0</td><td>0.02</td><td>1.81</td></tr>
<tr><td></td><td>Altered and mineralised flow banded Rhyolite</td><td>41.1</td><td>0.72</td><td>2.28</td></tr>
<tr><td></td><td>Altered welded Rhyolite Flow</td><td>53.3</td><td>0.38</td><td>2.24</td></tr>
<tr><td></td><td>Altered and mineralised Flow Banded Rhyolite</td><td>60.2</td><td>1.10</td><td>2.38</td></tr>
<tr><td></td><td>Relatively fresh flow banded Rhyolite</td><td>304.3</td><td>0.06</td><td>2.29</td></tr>
<tr><td><b>Average</b></td><td></td><td></td><td></td><td><b>2.20</b></td></tr>
</table>
<p>On balance, based on the currently available information for the density of the rocks, the following density values were used for the two broad categories of rock types that have been defined in the geological model:</p>
<ul>
<li>Unwelded tuff was allocated a density of 1.7 tonnes per cubic meter.</li>
<li>Welded rhyolite flow was allocated a density of 2.2 tonnes per cubic meter.</li>
</ul>
</td></tr>
<tr><td>Classification</td><td>
<p>A unique aspect of the Hog Ranch Property is the historical mining which can be used to confirm significant details with regard to the geology, alteration and associated gold mineralisation. The available literature, based on the geological findings from the extensive exploration effort by WMC during the period that the gold mine was operating, has provided significant information and confidence in the general ability to define the geology and gold mineralisation at Hog Ranch.</p>
<p><b>Inferred Mineral Resource Classification</b></p>
<p>The Inferred classification was adopted where the geology could be reasonably interpreted, and drill hole information identified a reasonable level of continuity within the shallow low-grade gold mineralisation up to a maximum distance away from any drill hole of 100m (pass three, see Section 3 – Estimation and modelling techniques).</p>
<p>Given the general confidence in the geology and gold mineralisation in the locations classified as an Inferred Mineral Resource, it is considered that only minimal validation drilling would be required to further upgrade the currently defined Inferred Mineral Resource into an Indicated Mineral Resource.</p>
<p>A further constraint applied to the block model for the purpose of defining the Mineral Resource at Hog Ranch was based on a pit</p>
</td></tr>
</table>

| Criteria | Commentary |
|---|---|
| | shell optimised for open pit mining and heap leach processing (see Section 3 - Mining Factors or Assumptions).<br>**Indicated Mineral Resource Classification – Bells only**<br>The gold mineralisation that has been classified as an Indicated Resource (in addition to the constraints applied to the Inferred Mineral Resource) has the following attributes:<br>• is restricted to where the general geology and continuity of the gold mineralisation can be reasonably interpreted away from the historical Bells open pit<br>• has been confirmed from modern drilling in the 2019 RC drilling program completed by Rex and,<br>• has been interpolated within the first pass which are defined in Section 3 – Estimation and modelling techniques. |
| Audits or reviews | No independent audit or review has been undertaken on the updated Mineral Resource estimate for the Krista Project which is the subject of this announcement. |
| Discussion of relative accuracy/confidence | The estimation from the block model which is the basis for the Krista and Bells Mineral Resource has been reconciled against the reported historical production. The following assessment is a summary of this reconciliation.<br>At the Bells deposit, the relative difference for both the tonnes and grade is at less than 5%, with the variation to the total ounces at approximately 8% when compared against the production reported by Bussey (1996) (see **Table 9**).<br>**Table 9: Comparisons between the tonnes and grade reported for the Bells deposit from the historical production (Bussey, 1996) against the Block Model estimation (using a cut-off grade of 0.7g/t) and based on the parameters and information provided in this report.** |

| Source | Tonnes | Grade | Ounces |
|---|---|---|---|
| Reported Historical Production | 1,070kt | 1.41g/t gold | ~48kozs |
| Block Model Estimate | 1,116kt | 1.45g/t gold | ~52kozs |
| **Difference** | **4%** | **3%** | **~8%** |

At the Bells deposit, a combination of both the recent RC drilling and also improved reconciliation has provided significant confidence in the accuracy of the block model, particularly within close proximity to the historical mining where grade and geological continuity can be inferred from the surrounding drilling. This improvement in confidence is reflected in the change to the classification for the block model close to the historical mining up to the level of Indicated.

Where drill spacing is increased or relative continuity is more uncertain, the remainder of the block model has been classified as Inferred, up to a maximum of 100m away from any existing drill hole. The Bells deposit is relatively well defined and although a significant proportion of the Mineral Resource remains in the Inferred category, it is considered that minimal confirmation drilling will be required to further converted the bulk of the Inferred Mineral Resource into an Indicated Mineral Resource.

| Criteria | Commentary |
|---|---|
| | At the Krista deposit, there is no modern drilling and therefore the Mineral Resource update has remained within the Inferred category. However, the comparison between the block model for the updated Mineral Resource estimate against the historical production provides confidence that the block model either closely approximates, or slightly underestimates the total gold mineralisation at the Krista area (**Table 10**). The direct comparison between the block model was completed at a cut-off grade of 0.6g/t, which is believed to be the closest approximation of the economic cut-off that was used during the historical mining at Hog Ranch. This cut-off grade was slightly lower than the cut-off grade at Bells due to the larger haulage distance and costs to transport the ore from Bells to the processing facility at the Krista area. |

**Table 10: Comparisons between the tonnes and grade reported for the Krista mined deposits from the historical production (Bussey, 1996) against the Block Model estimation (using a cut-off grade of 0.6g/t) and based on the parameters and information provided in this report.**

| Source | Tonnes | Grade | Ounces |
|---|---|---|---|
| Reported Historical Production | 6,630kt | 1.22g/t gold | ~260kozs |
| Block Model Estimate | 4,700kt | 1.19g/t gold | ~180kozs |
| **Difference** | **29%** | **2%** | **~30%** |

The updated block model at Krista appears to closely estimated the average grade in comparison with the reported combined mining from all the open pits as reported by Bussey (1996). However, there is a discrepancy of just under 2Mt of ore which has also led to a discrepancy of 80,000ozs lower in the block model (~30%) than the reported mined ounces.

The tonnage discrepancy is considered to be largely a result of run-of-mine material which is below the cut-off grade that was dumped on the leach pad prior to 1988 when WMC stopped this practice due to significant problems associated with the overall performance of the leach pad. Based on the early reports from KCA and subsequent estimated production up to late 1988, it is considered that a total of 2Mt is a reasonable estimate of the total amount of lower grade material that was placed as run-of-mine material on the leach pad and therefore, reported as ore in the Bussey (1996) paper.

However, the remaining 2Mt is considered to be mostly below the cut-off of 0.6g/t, and therefore should be at a lower average grade than the final reported average grade. It is therefore considered that even allowing for the additional lower grade material in the block model which would represent the missing 2Mt at a lower grade, the total ounces estimated from the Bussey (1996) would still be higher than the estimate derived from the updated block model.

On balance, given the natural errors and discrepancies between the two datasets, it is considered that the updated block model either is a close approximation or slightly underestimates the total gold content in comparison with the reported gold production at Krista.

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