ANNOUNCEMENT

Singapore UEN 2012010180E | ARBN 158 717 492 | www.asaplusresources.com

A$0.12

[4 August 2017]

ASX Code: **AJY**

ISSUED CAPITAL
Issued Shares: 88,000,000
Market Cap: $10,560,000

BOARD OF DIRECTORS
Ir Che Mohamed Hussein
LAU Eng Foo (Andy)
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BEIKENG IRON ORE MINE OWNED BY HONGJI MINING CO., LIMITED, A SUBSIDIARY OF THE COMPANY
BEIKENG IRON ORE MINE RESOURCE STATEMENT

Asaplus Resources Ltd ("**Asaplus**" or the "**Company**") refers to it's announcement dated 12 July 2017 (Independent Geological and Resource Report Beikeng Iron Mine). The following information is provided in respect to the Resource Estimate contained within that report.

Mineral Resources – Material Information Summary

Geology and Geological Interpretation

The Beikeng Iron Ore Mine deposit is hosted by skarn material, which has originated as a result of fluids emanating from granodiorite intrusives reacting with carbonate sediments, resulting in a skarn deposit. Along with iron (in the form of magnetite) the skarn orebody also contains economic concentrations of silver, lead, zin and tungsten mineralisation, along with limited copper mineralisation. The skarn orebody is uniformly mineralised along strike, across strike and from surface.

Drilling Techniques

Drilling of the orebody was by NQ sized diamond core.

Classification Criteria

The total resource is classified as "Inferred" because of overall lack of high density drilling/sampling. Drill holes and surface channel sampling lines are spaced approximately 80 metres apart with underground channel sampling lines also at approx. 80m spacings.

Sampling and Sub Sampling

The NQ diamond core was whole core sampled at 2 metre sample lengths, while surface and underground channel samples were collected over generally 2 metre intercepts. All samples were prepared using standard laboratory protocols (ie crushed, pulverised so that >85% passing 75 microns) then subsampled for assay.

Sample Analytical Methods

Samples were transported to a certified commercial analytical laboratory in Fujian Province, People's Republic of China where they were analysed for silver, copper, lead, zinc, tungsten and molybdenum by a 4 acid digest followed by AAS finish. Iron was analysed by Fusion followed by XRF analysis.

Estimation Methodology

The estimate was made using the Polygonal cross-section method using length weighted algorithm, with a maximum extrapolation distance of 42 metres. There were no grade cuts as no extreme values were encountered. The resource estimate is based on the geological understanding of the ore body, the previous drilling of 5 diamond drill holes, 5 surface trenches and 5 underground channel sample profiles.

The metallurgical processes for extraction are standard for the mineralogy present and no extraction problems are anticipated.

Exploration Target Potential

The Exploration Target Potential of the Beikeng Iron Ore Mine is based on the 5 diamond drill holes, the 5 surface trenches and the 5 underground channel sample profiles and the understanding of the geology of the deposit. The Exploration Target Potential with respect to Iron (fe), Lead (Pb), Zinc (Zn) and Tungsten (WO3) is listed below.

Tonnes		Fe(%)		Pb (%)		Zn (%)		WO_3 (%)	
Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower
350,000	250,000	37.0	21.8	2.20	0.48	2.09	0.57	0.71	0.43

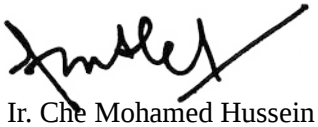
The Exploration Target Potential with respect Silver (Ag) is listed below.

Tonnes		Ag (g/t)	
Upper	Lower	Upper	Lower
1,408,000	1,308,000	50	10

With respect to The Exploration Target Potential the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Company will proceed to develop the exploration potential of the mine by expanding the underground development below the 675m level. This will occur as soon as is practicable once mining has re-commenced. Such development will be ongoing as the need for further ore is established.

Issued for and on behalf of
ASAPLUS RESOURCES LIMITED



Ir. Che Mohamed Hussein Bin Mohamed Shariff
Chairman
7 August 2017

The information in this announcement and the accompanying report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Peebles who is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Peebles is employed by Darlington Geological Services Pty Ltd. Mr Peebles 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 Peebles consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Darlington Geological Services Pty Ltd

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INDEPENDENT GEOLOGICAL AND

RESOURCE REPORT

ON

BEIKENG IRON MINE

FUJIAN PROVINCE, PEOPLE'S REPUBLIC OF CHINA

Prepared for Asaplus Resources Limited

Author: Peter A. Peebles BSc(Geol), MAIG, MAusIMM
Company: Darlington Geological Services Pty Ltd

Date: 1st August 2017

Date 1st August 2017

The Directors
Asaplus Resources Limited
21 Bukit Batok Crescent #15-74 WCEGA Tower
Singapore 658065

Dear Sirs,

Background Information

This independent Geological and Report has been prepared by Darlington Geological Services Pty Ltd ("DGS") (ABN 56 125 009 725) at the request of Asaplus Resources Limited (ARBN 158 717 492) ("Asaplus") to provide an independent appraisal of the Beikeng Iron Mine(also referred to as the Datian Qian Ping Iron Mine) in Fujian Province, People's Republic of China.

This report has been prepared in accordance with the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves December 2012 edition ("JORC Code"), the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("Valmin Code"), and Regulatory Guides 111 and 112 relating to Independent Expert Reports by the Australian Securities and Investments Commission ("ASIC") and relevant requirements of the Listing Rules of the Australian Securities Exchange ("ASX").

This report has been prepared by Peter A Peebles who is the Principal of DGS, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and a Member of the Australian Institute of Geoscientists ("AIG"). He has had over 30 years' experience in mineral exploration and evaluation and more than 20 years' experience in mineral asset valuation.
Mr Peebles has the appropriate qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and "Competent Person" as defined in the JORC Code.

The information in this report that relates to Exploration Targets and Resources is based on information compiled by Mr Peebles who has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Peebles consents to the inclusion in the report of information compiled by him in the form and context in which it appears.

Mr Peebles does not have any material interest either direct, indirect or contingent in Asaplus nor in any of the mineral assets included in this report nor in any other Asaplus asset. DGS has provided geological services to Asaplus on two previous occasions by way of a independent geological reports for inclusion in the Asaplus prospectus (2012), and a geological report on another potential project near Datian (2014)

DGS has had no input into the formulation of any of the mineral tenements under review. This Report has been prepared by DGS strictly in the role of an independent consulting geologist. The present status of tenements listed in this Report is based on information provided by Asaplus and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development. The legal status of the tenements has not been investigated or assessed, nor have any political, environmental considerations been considered. This report is an Independent Geological Report and deals with the prospectivity of the tenements subject to this report only.

Asaplus has warranted to DGS that full disclosure has been made of all material information in its possession or knowledge and that such information is complete, accurate and true. None of the

information provided by Asaplus has been specified as being confidential and not to be disclosed in this Report.

The author has taken all care to ensure that this report is based on the best information available at the time of writing this report, but will not be held liable for any inaccuracies or omissions contained with information received from Asaplus or it's representatives.

Fees for the preparation of this Report are being charged at normal commercial rates with expenses being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions of this document.

Information used in the preparation of this Report has been derived from technical information provided by Asaplus, as well as a site visit.

The writer is generally familiar with the various geological settings and styles of mineralisation and combined with the technical data available is able to make informed comments on the Datian Beikeng Mine Project.

Yours faithfully,

For and on behalf of Darlington Geological Services Pty Ltd

(Signed)

Peter A Peebles BSc(Geol), AIG, AusIMM

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1. Introduction

Asaplus Resources Ltd (Asaplus), holds an 80% interest in the Beikeng Iron Mine, which is situated approximately 20km from the town/city of Datian, within Fujian Province in the Peoples Republic of China (see Figures 1, 2 and 3).

This Report is an Independent Geological Report and Resource Report of the Beikeng Iron Mine.

Datian County is the main mineral producing county of Fujian province. Mineral resources within Datian County are relatively rich, with abundant coal, iron ore and smaller copper, lead, zinc and manganese deposits as well as kaolin. By Australian standards, the size of the iron ore deposits are small and usually of a lower grade, but generally the ore is easily able to be beneficiated to an acceptable grade and the infrastructure is already established (population centres, roads, power, rail etc) with many steel mills and pig iron facilities being close by. There is a major steel mill in Sanming (see Figure 2) which is approximately 100 km by road from the project. This mill produces approximately 5.5 million tonnes of steel per year and is seeking additional suitable mill feed for it's operations. Scattered around the project area are several much smaller "pig iron" facilities, which again are seeking suitable feed for their operations.

The mine site is located on the western side of the Dai Yun Mountains which are dominated by steep hills and low valleys with the highest peak within the licence area of 880 metres asl, and the lowest point is at 735 metres asl. Within the valleys are scattered agricultural activities (rice growing, sweet potatoes) while on the slopes there is limited forestry production (mainly pine).

Figure 1: Location of Fujian Province in the Peoples Republic of China

2. Location and Access

The Project is located within Fujian Province in the People's Republic of China. The nearest major city/towns are Sanming and Datian both with populations of approximately 400,000. The Beikeng Iron Mine is approximately 20 km from Datian, which in turn is 230km from the major city of Xiamen. Access from Xiamen to Datian is by a major freeway, while from Datian to the project area is accessed via a well maintained sealed road.

Asaplus, through one of it's subsidiaries (the Datian Hongji Mining Co) holds the exploration and extraction licence as well as the production safety permit over the 0.77sq km Beikeng Iron Mine. Another subsidiary company (the Datian Silverstone Mining Co. Ltd) holds the exploration licence to the Silverstone Iron Project of 5.6 sq km. The Silverstone Project contains an inferred resource of 3.5 million tonnes at an average grade of 41.8% iron.

Close to the Beikeng and Silverstone projects are many other similar styled mineral deposits, all of them currently in production or have been mined in the past. These mines all contain potentially commercial amounts of iron ore, plus polymetallic metals such as lead, zinc, copper, and silver. Figure 3 shows the location of both the Beikeng and Silverstone Projects as well as some of the nearby iron mines. Other mines, not shown in Figure 3 are displayed in Figure 4.

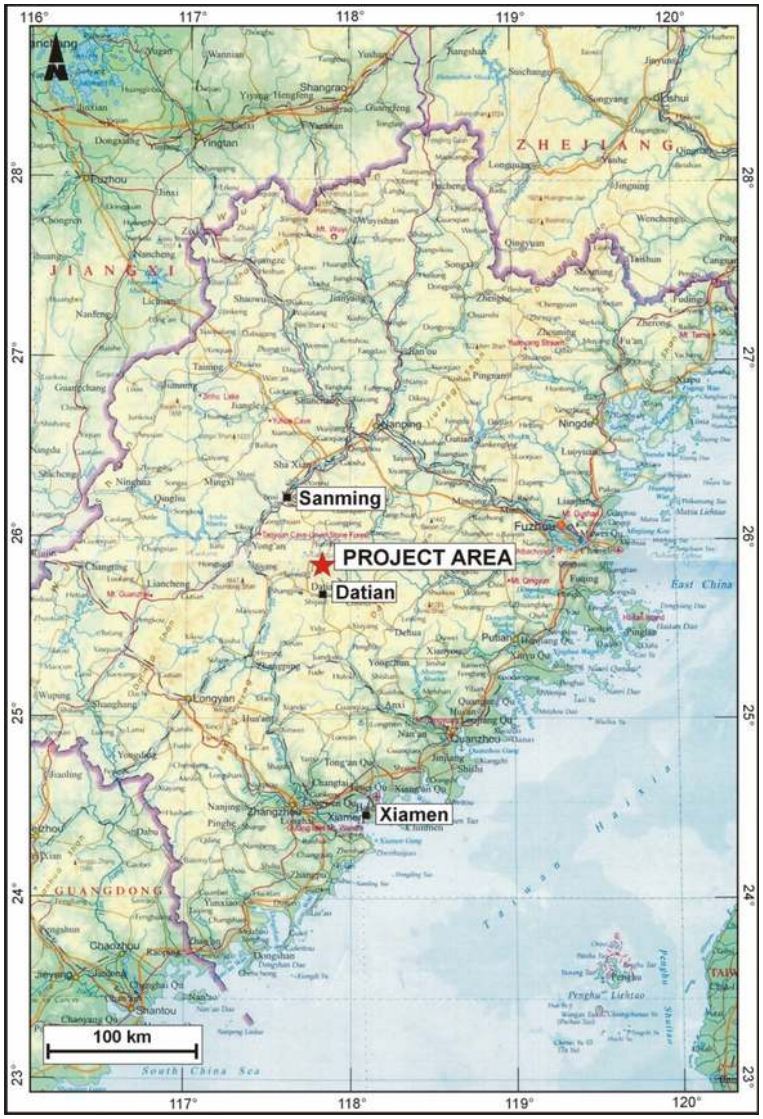

Figure 2: Location of The Beikeng Project Within Fujian Province

Figure 3: Project Location With Nearby Mines

3. History of the Beikeng Iron Mine

As early as 1965 a regional geological survey team found a number of occurrences of limonite. Further work conducted in 1976 identified 5 small limonite ore bodies and in 1987 a geological exploration team, while conducting a regional geochemical stream sampling programme discovered the occurrence of copper (Cu), lead (Pb), zinc (Zn) and silver (Ag) polymetallic anomalies.

In April 2005 the Fujian Gold Holdings Group initiated regional exploration which included mapping, the drilling of 5 diamond drill holes (in September 2006), some surface trenching as well as hydrogeological studies. Other studies included

- Studies of the regional geology and mineralization
- the basic identification of the rock strata, tectonics, and the relationships with the mineralization.
- The basic identification of the ore body and it's occurrence, shape, size, thickness distribution, and to understand the post-mineralization structures and processes.
- the basic identification of ore mineral types
- Hydrological geological mapping, the basic identification within the area of aquifers and to study the recharge of groundwater.
- Undergo resource estimations

These studies were concluded by June 2007.

Development of the Beikeng Iron Mine was commenced in 2008 by the Fujian Datian Chi Xin Mining Co which developed two declines to access the underground ore zones, where limited underground sampling was conducted and an estimated 25,000 tonnes of ore extracted. The mine operated for about 2 years (from 2008 to 2010) when mining ceased as the Mining Extraction Permit for the mine was frozen and subsequently seized. An 80% interest was then acquired by the Datian Hongji Mining Co in 2015.

Once the exploration licence, extraction licence and the production safety permit were issued, then mine development was able to be commenced. Since then, the main decline has been refurbished, the mine has been de-watered and ventilation systems have been installed and further development undertaken. The mine portal has also been refurbished (plate 1)

Plate 1: Mine Portal

An explosive magazine has been built and one of two existing processing plants is being refurbished. (see plates 2 and 3 and Figure 4). In addition, a new purpose built processing plant is being considered and the site for such a plant has been selected and acquired. (see Figure 4)

Plate 2: Explosives Magazine

Plate 3: Processing Plant

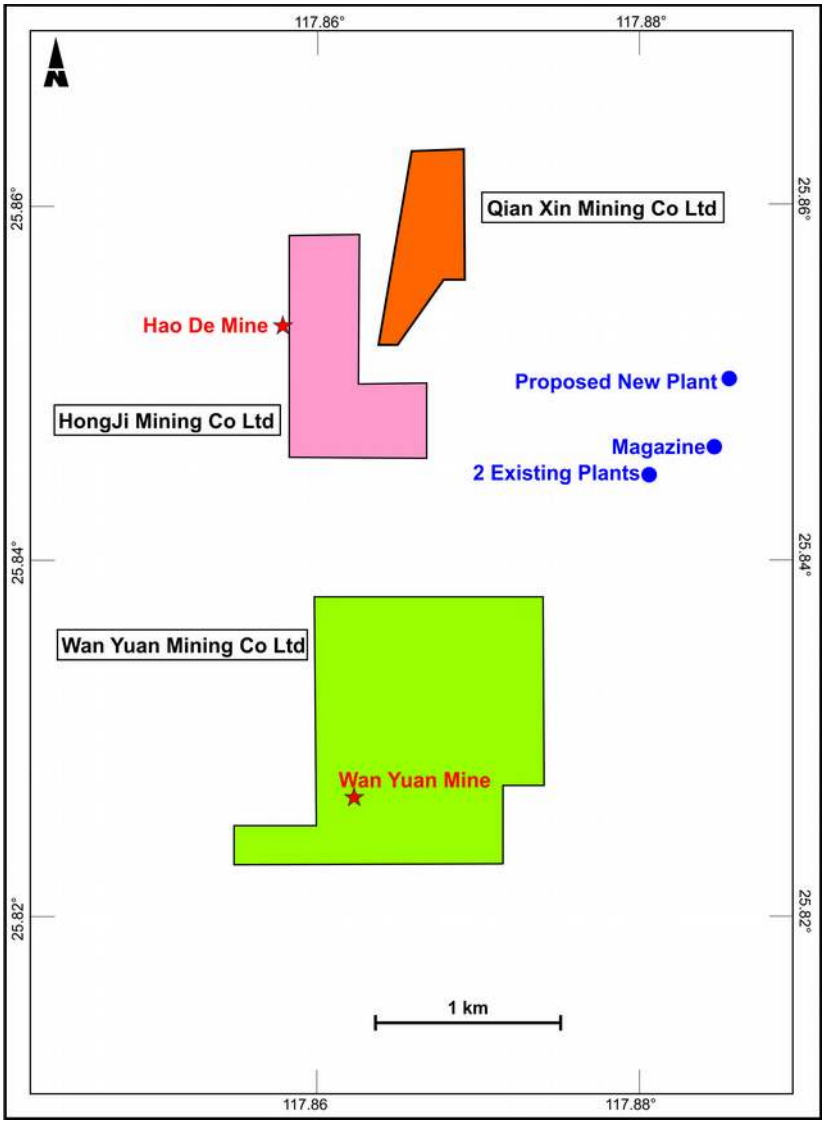

Figure 4: Nearby Mining Companies and Infrastructure

4. Geology

4.1 Regional Geology

Just to the west of the project area, the lithologies consist of the Devonian Tao Zi Keng Group which is about 550 metres thick and consists of shallow marine grey quartz conglomerates, sandstones and gravelly quartz sandstones.

Overlying the Toa Zi Keng Group is the Tong Lin Do Group of Carboniferous age and consists of quartz sandstone, quartzite, serecitic siltstone and mudstones.

The Permian Wen Bi Shan Group, which occupies the central part of the Project area consists of grey-black mudstones, calcareous siltstones and sandstones.

The whole sequence has then been intruded by the Yan Shan granodiorite intrusives.

4.2 Project Geology

The Wen Bi Shan Group, has been altered by hot fluids emanating from the granodiorite intrusives, close to the boundary of the sediments and the granodiorite. The interaction of the fluids with calcareous sediments forms a skarn which acts to concentrate various metals into various parts of the skarn, thus forming the ore body, which trends in a N-S direction, with a steep (approximately 75 to 80 deg) dip to the west. The metallic minerals found in skarns are usually, but not always, in the form of sulphides. Figure 5 shows the simplified geology as well as the location of the diamond drill holes and the main mine entrance.

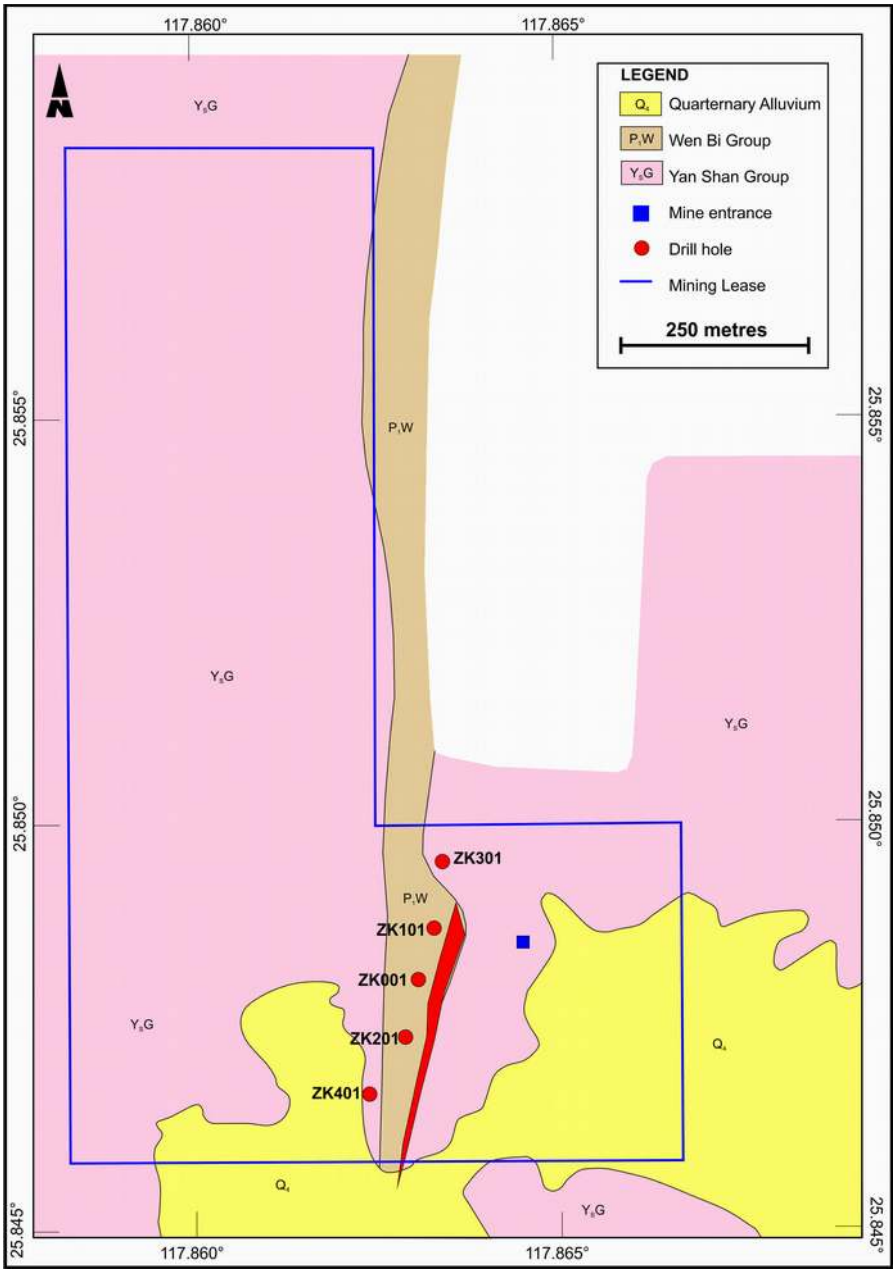

Figure 5: Tenement Geology and Drill Hole Plan

5. Previous Exploration

As outlined earlier in this report, the detailed exploration of the Beikeng Iron Ore Mines commenced in earnest in 2005 and concluded in 2007. The exploration which has enabled an Inferred Resource to be estimated, included surface mapping, surface and underground trenching of some 1,138 metres, 5 diamond drill holes totally 553 metres and 100 samples being analysed for Fe, Pb, Zn and WO_3. In 2017, channel sampling was conducted over the entire width of the ore body in three locations at varying RL's. The results of the channel sampling, trenching and diamond drilling are summarised in Section 7 (Resources).

6. Mineralisation

The skarn is poly-metallic ie contains many different metallic elements, some of which are in commercial concentrations within the Project area. The elements which are present in potentially commercial concentrations are iron (Fe), lead (Pb), zinc (Zn), tungsten (W) and silver (Ag). Lesser amounts of copper are present and are unlikely to be of commercial interest. Elsewhere in the area, the copper concentrations are higher and are of commercial interest.

Prior to the Datian Hongji Mining Co taking control in 2015, the only metals identified as being of commercial interest were iron, lead and zinc. However, since 2015 tungsten, in the form of the mineral scheelite (calcium tungstate - $CaWO_4$) has been discovered. Scheelite fluoresces when exposed to ultra violet light. Plate 4 shows the scheelite under ultra violet light.

The iron is in the form of magnetite (Fe_3O_4), a relatively common iron ore, while near surface the dominant iron ore is weathered magnetite in the form of limonite and goethite.

The zinc ore consists of sphalerite, zinc sulphide (ZnS) and it can be in the form of fine grained disseminated material or in the form of coarser crystalline material.

Lead ore consists of galena, lead sulphide (PbS) and it too can be either as fine grained disseminated material as well as coarser aggregates.

There have been no mineralogical studies conducted on the silver and it is uncertain as to it's form.

From the results of the drilling, surface trenching and underground channel sampling conducted so far it would appear that the iron, lead, zinc, tungsten and silver are evenly distributed across the whole width of the ore body.

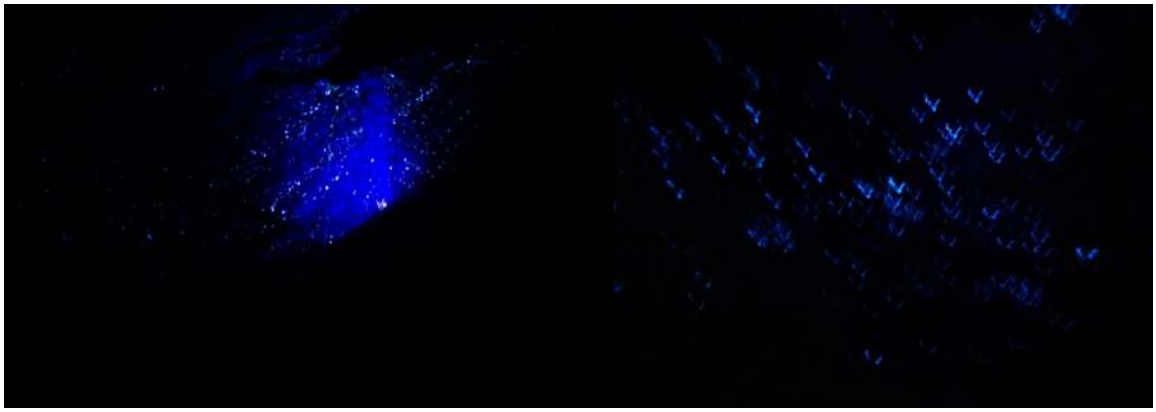

Plate 4: Scheelite Under Ultra-Violet Light

7. Resources

Resource studies have been undertaken and the resource estimate is shown as Table 6. The resources are in the "Inferred" because of overall lack of high density drilling/sampling. The estimate was made using the Polygonal cross-section method using length weighted algorithm, with a maximum extrapolation distance of 42 metres. There were no grade cuts as no extreme values were encountered. The metallurgical processes for extraction are standard for the mineralogy present and no extraction problems are anticipated.

The resource estimate is based on the geological understanding of the ore body, the previous drilling of 5 diamond drill holes, 5 surface trenches and 5 underground channel sample profiles. Drill holes and surface channel sampling lines are spaced approximately 80 metres apart with underground channel sampling lines also at approx. 80m spacings. Underground channel samples are at various RL's (see Figs 6, 7, 8, 9 and 10). The collar information, assay results for drill holes, surface trenching, underground trenching and underground channel sampling are shown in Tables 1 to 5. The location of the drill holes, surface trenching and the mine entrance (and decline) is shown in Figure 6 while the underground channel sampling undertaken in April 2017 which was conducted at the 792m, 688m and 675m RL levels is shown on Fig 7, with the analytical results shown as Table 5. This channel sampling shows that the silver is uniformly distributed across the entire width of the ore body and at all RL levels sampled.

Hole ID	Latitude (Deg)	Longitude (Deg)	RL	Dip	Azimuth	EOH (m)
ZK001	25.86308	117.84810	841.23	-90	0	128.0
ZK101	25.84871	117.86329	816.53	-90	0	123.4
ZK201	25.84739	117.86291	824.24	-90	0	120.74
ZK301	25.84955	117.86341	780.6	-90	0	42.81
ZK401	25.84667	117.86238	789.46	-90	0	138.45

Table 1: Diamond Drill Hole Collar Information

Hole No	From (m)	To (m)	Interval (m)	Fe%	Pb%	Zn%	WO_3%
ZK001	0	101	101	NSR			
	101	103	2	18.32	1.71	2.07	0.57
	103	105	2	23.56	1.53	1.86	0.48
	105	107	2	26.41	1.64	1.93	0.37
	107	109	2	21.92	2.13	1.38	0.77
	109	111	2	17.46	1.02	1.23	0.9
	111	113	2	22.36	1.46	1.52	0.5
	113	115	2	23.95	1.51	1.64	0.61
	115	117	2	26.01	0.74	1.01	0.43
	117	119	2	27.43	1.27	1.45	0.7
	119	121	2	28.52	1.58	1.76	0.32
	121	123	2	31.8	1.75	2.23	0.53
	123	125	2	29.88	1.32	0.8	0.68
	125	127	2	35.78	2.53	2.81	0.7
	127	128	1	41.2	1.71	3.59	0.21
ZK101	0	93.6	93.6	NSR			
	93.6	95.6	2	19.86	1.03	2.71	0.26
	95.6	97.6	2	23.65	1.54	2.36	0.47
	97.6	99.6	2	26.04	1.33	2.11	0.35
	99.6	101.6	2	22.89	1.48	2.29	0.66
	101.6	103.6	2	24.62	1.47	1.08	0.73
	103.6	105.6	2	27.89	1.52	1.63	0.81
	105.6	107.6	2	29.01	1.75	1.84	0.54
	107.6	109.6	2	28.73	1.69	1.76	0.66
	109.6	111.6	2	26.08	2.72	2.04	0.27
	111.6	113.6	2	25.93	2.31	1.94	0.61
	113.6	115.6	2	23.19	1.87	1.65	0.66
	115.6	117.6	2	24.89	1.79	1.54	0.76
	117.6	119.6	2	24.38	2.46	3.15	0.49
	119.6	121.6	2	26.1	2.32	2.78	0.53
	121.6	122.5	0.9	31.62	2.43	2.1	0.7
	122.5	123.4	0.9	NSR			
ZK201	0	92.6	92.6	NSR			
	92.6	94.6	2	19.46	3.68	0.31	0.49
	94.6	96.6	2	23.52	2.15	0.78	0.53
	96.6	98.6	2	28.37	2.53	1.04	0.51
	98.6	100.6	2	25.69	1.04	1.25	0.67
	100.6	102.6	2	29.71	1.26	1.31	0.61
	102.6	104.6	2	26.73	1.2	1.17	0.76
	104.6	106.6	2	24.11	1.66	1.59	0.44
	106.6	108.5	1.9	27.52	0.81	1.02	0.57
	108.5	120.74	18.34	NSR			
ZK301	0	42.81	42.81	NSR			
ZK401	0	138.45	138.45	NSR			

Note: NSR means No Significant Results

Table 2: Diamond Drill Hole Assay Results

Trench	From (m)	To (m)	Interval (m)	Fe%	Pb%	Zn%	WO_3%
TC001	0	1.8	1.8	NSR			
	1.8	3.8	2	27.62	0.47	1.23	0.51
	3.8	5.8	2	30.36	0.72	1.13	0.36
	5.8	7.8	2	35	0.83	1.31	0.45
	7.8	9.8	2	34.92	0.78	1.26	0.63
	9.8	11.8	2	34.82	0.28	0.08	0.51
	11.8	13.8	2	38.52	0.31	0.62	0.7
	13.8	15.8	2	33.78	0.42	0.73	0.38
	15.8	17.8	2	31.27	0.56	0.92	0.53
	17.8	19.6	1.8	NSR			
TC101	0	2	2	NSR			
	2	3.1	1.1	25.21	0.39	0.47	0.48
	3.1	5.1	2	34.56	0.56	0.72	0.4
	5.1	7.1	2	41.07	0.93	1.22	0.36
	7.1	9.1	2	39.03	0.85	1.13	0.52
	9.1	11.1	2	40.32	1.12	1.34	0.71
	11.1	13.1	2	42.61	0.1	0.15	0.63
	13.1	15.1	2	45.1	0.25	0.31	0.41
	15.1	17.1	2	37.45	0.34	0.43	0.83
	17.1	19.1	2	58.92	0.05	0.04	0.52
	19.1	21.1	2	43.61	0.51	0.72	0.63
	21.1	23.1	2	38.78	0.73	0.96	0.67
	23.1	25.0	1.9	NSR			
TC201	0	2	2	NSR			
	2	4	2	30.76	0.39	0.47	0.54
	4	6	2	35.67	0.31	0.37	0.71
	6	7.5	1.5	32.14	0.43	0.69	0.7
	7.5	9	1.5	31.26	0.52	0.83	0.68
	9	10.6	1.6	NSR			
TC301				NSR			
TC401	0	2	2	NSR			
	2	4	2	34.65	0.46	0.1	0.63
	4	5.9	1.9	32.1	0.35	0.42	0.51
TC601	0	2	2	31.45	0.41	0.82	0.45
	2	4	2	33.86	0.37	0.63	0.67
	4	5.8	1.8	37.26	0.05	0.1	0.52

Note: NSR means No Significant Results

Table 3: Surface Trenching Assay Results

Trench	From (m)	To (m)	Interval (m)	Fe%	Pb%	Zn%	WO_3%
PD1	0	4	4	NSR			
	4	6	2	18.9	3.99	0.71	0.51
	6	8	2	22.43	4.01	0.75	0.46
	8	10	2	27.3	2.85	1.31	0.49
	10	12	2	27.43	1.82	2.06	0.61
	12	14	2	29.72	1.72	1.83	0.73
	14	16	2	31.16	1.97	1.64	0.7
	16	18	2	28.69	1.23	0.99	0.52
	18	20	2	27.81	1.45	1.37	0.8
	20	22	2	25.06	1.34	1.26	0.7
	22	24	2	20.12	1.46	0.69	0.65
	24	25.8	1.8	19.4	1.03	0.54	0.33
	25.8	27.7	1.9	NSR			
PD1-0	0	2	2	NSR			
	2	4	2	17.86	2.16	3.04	0.58
	4	6	2	25.32	1.87	2.15	0.61
	6	8	2	27.35	1.13	1.74	0.63
	8	10	2	29.43	1.65	1.98	0.81
	10	12	2	31.21	1.89	2.01	0.69
	12	14	2	29.32	1.71	1.36	0.63
	14	15.3	1.3	24.62	0.89	1.09	0.59
	15.3	16.5	1.2	NSR			

Note: NSR means No Significant Results

Table 4: Underground Trench Sampling Results

RL	From (m)	To (m)	Interval (m)	Cu%	Pb%	Zn%	WO_3%	Mo%	Ag g/t
792	0	1	1	NSR					
	1	3	2	0.24	0.23	2	0.97	0.006	51.3
	3	5	2	0.18	0.11	1.36	0.58	0.001	29.4
	5	7	2	0.12	0.13	3.54	0.54	0.001	41.3
	7	9	2	0.13	0.18	2.6	0.36	0.001	37.9
	9	11	2	0.19	0.12	1.71	0.6	0.002	24.8
	11	13	2	0.013	0.17	1.5	2.57	0.001	34.1
	13	15	2	0.036	0.067	2.04	1.63	0.001	20.8
	15	17	2	0.016	0.087	2.93	0.92	0.003	23.7
	17	19	2	0.013	0.064	1.54	1.23	0.003	13.4
	19	21	2	0.012	0.049	1.29	1.71	0.003	11.2
	21	22	1	NSR					
688	0	1	1	NSR					
	1	3	2	0.011	0.042	1.84	1.68	0.001	11.6
	3	5	2	0.017	0.23	1.83	1.28	0.002	43.8
	5	7	2	0.13	0.055	2.06	0.58	0.001	18.7
	7	9	2	0.044	0.056	2.04	0.74	0.002	16.3
	9	11	2	0.068	0.1	1.55	0.86	0.002	20
	11	12	1	NSR					
675	0	1	1	NSR					
	1	3	2	0.013	0.005	2.3	1.07	0.002	15.1
	3	5	2	0.011	0.062	2.77	0.93	0.005	15.7
	5	7	2	0.024	0.11	3.45	1.04	0.002	27.8
	7	9	2	0.038	0.043	0.73	1.16	0.001	9.4
	9	10	1	NSR					

Note: NSR means No Significant Results

Table 5: Underground Channel Sampling Results (2017)

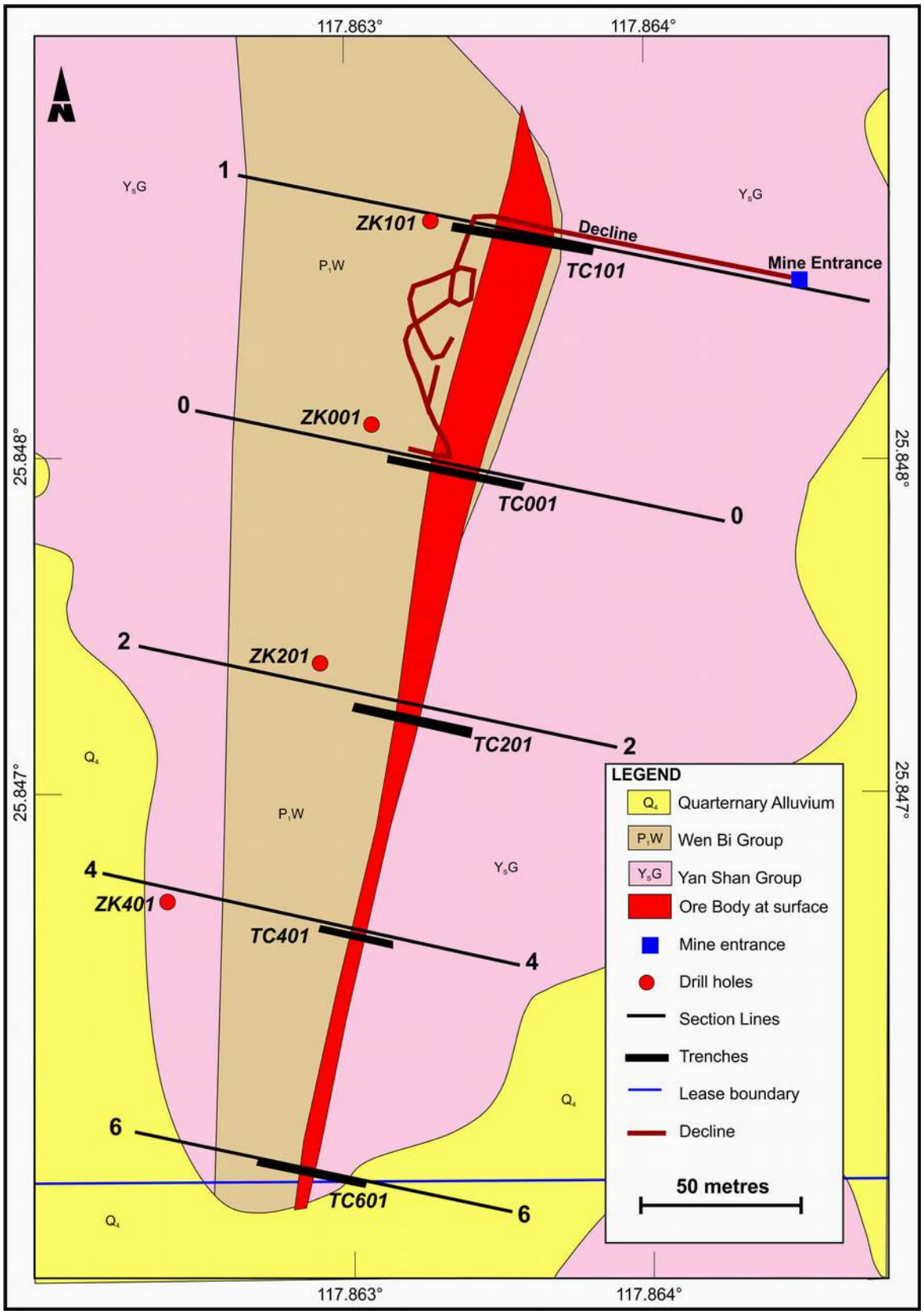

Figure 6: Location of Drill Holes, Surface Trenching and Mine Entrance

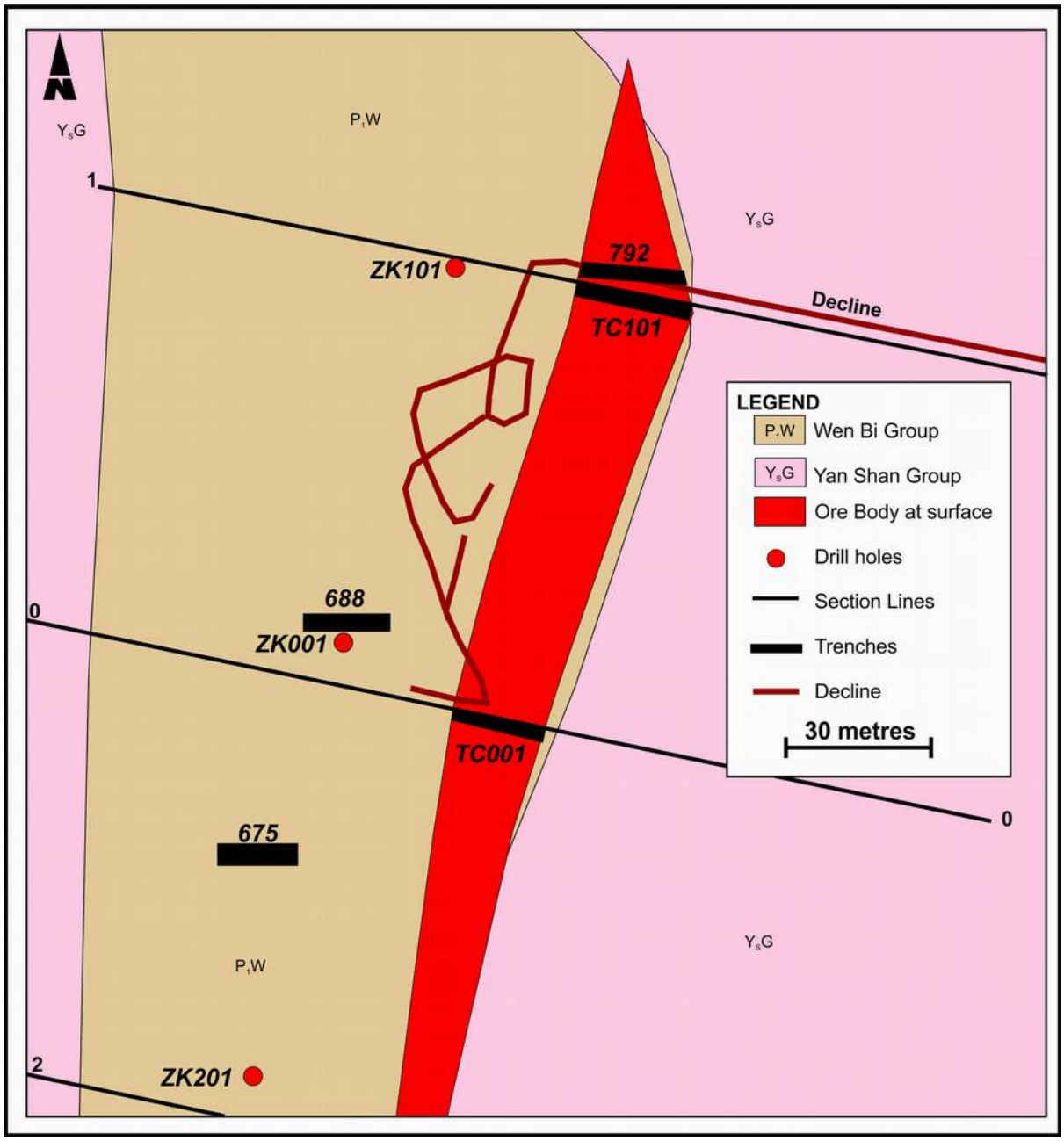

Figure 7: Location of 2017 Underground Channel Sampling at RL's 675, 688 & 792

Figures 8, 9, 10, 11, 12 and 13 show cross-sections along lines 0, 1, 2, 3, 4 and 6. Refer to Figure 6 for their location.

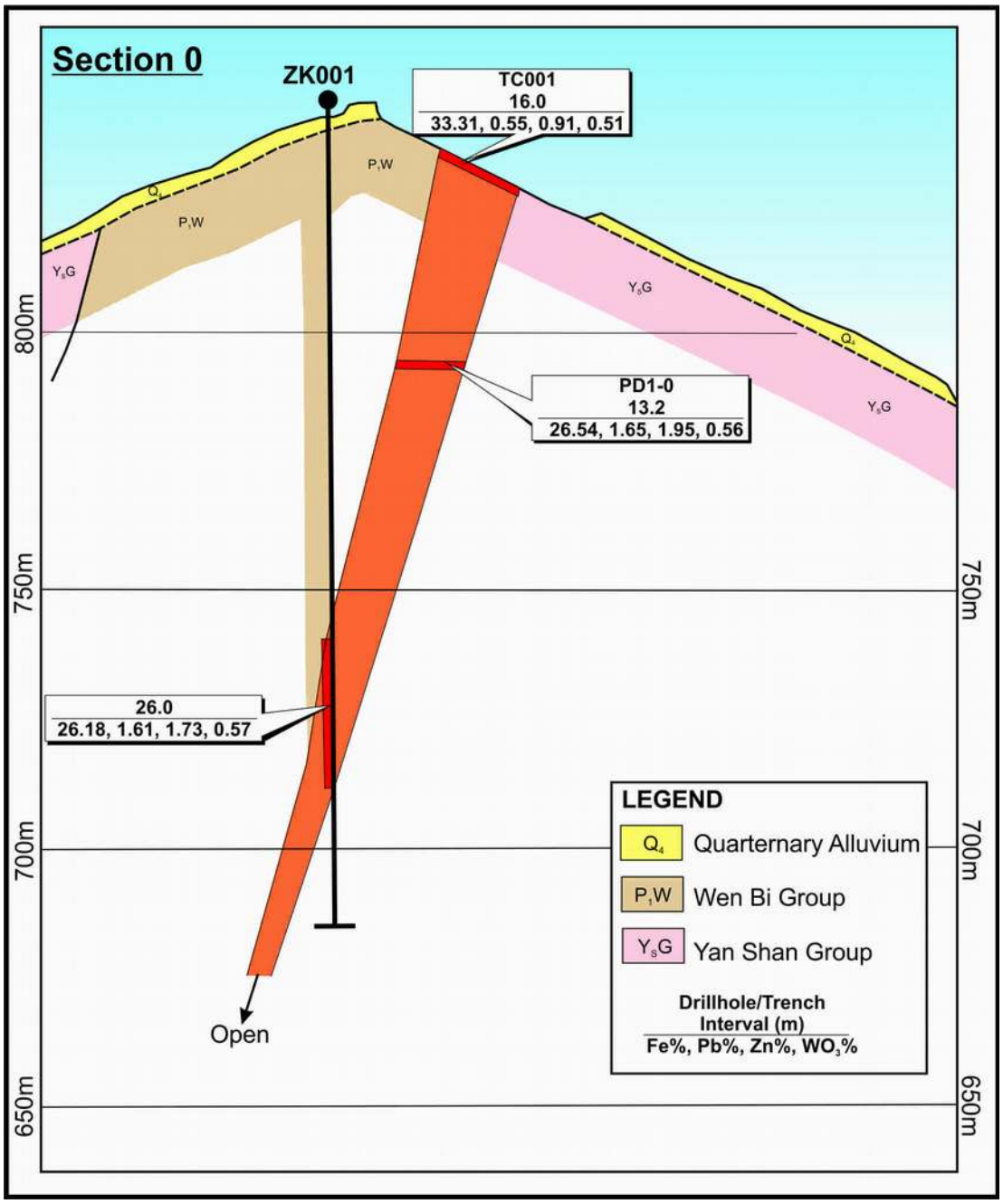

Figure 8: Section Line 0

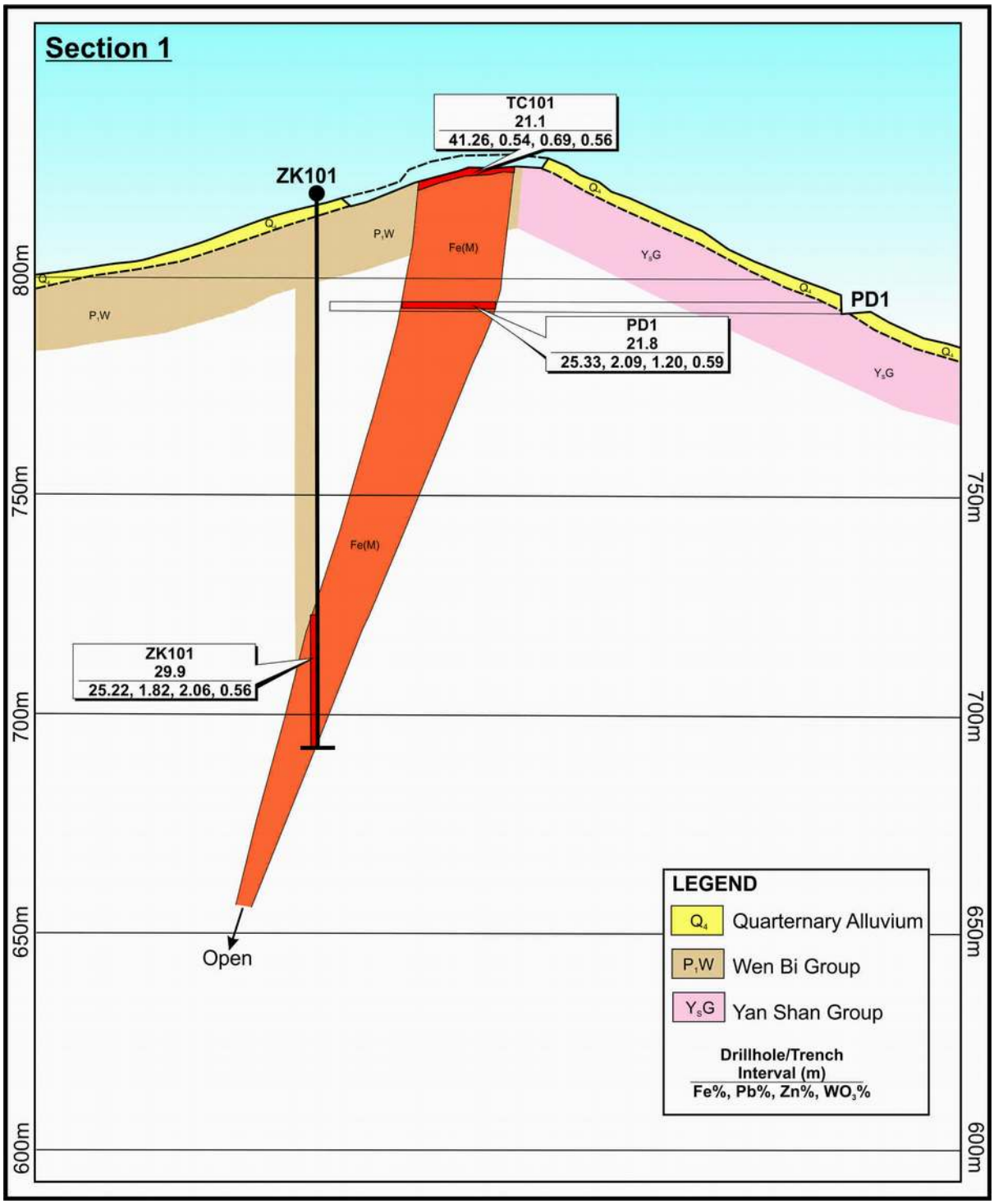

Figure 9: Section Line 1

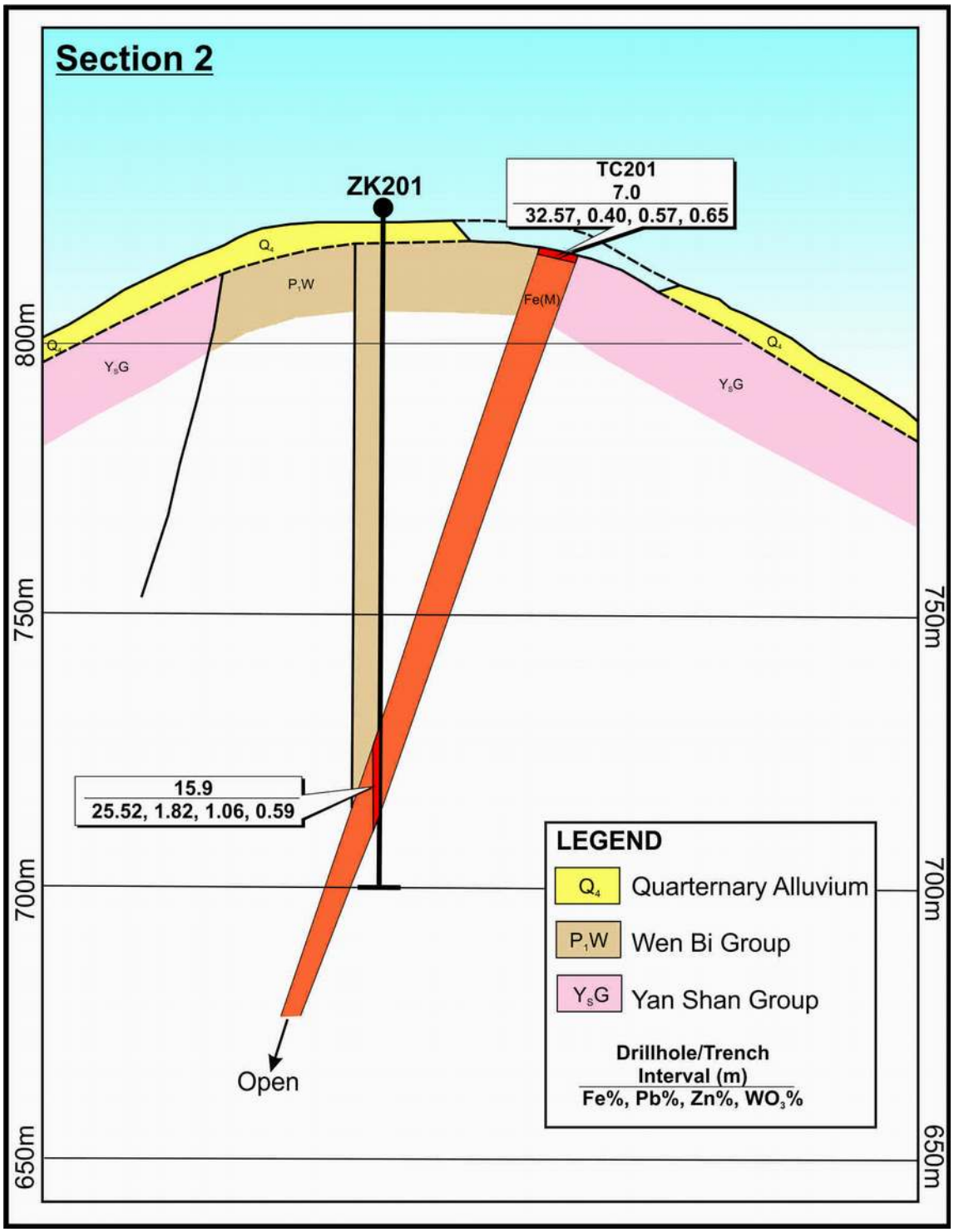

Figure 10: Section Line 2

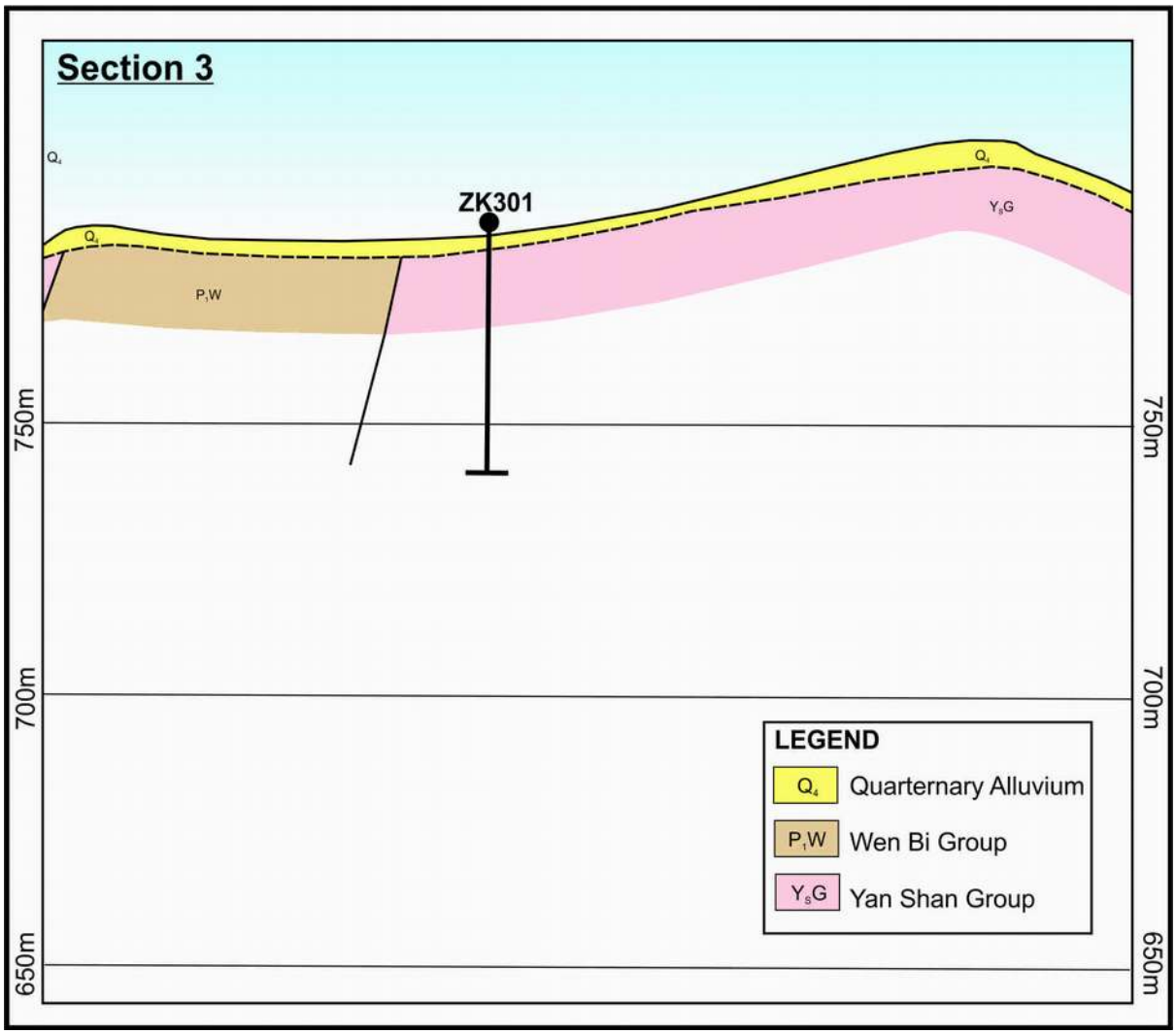

Figure 11: Section Line 3

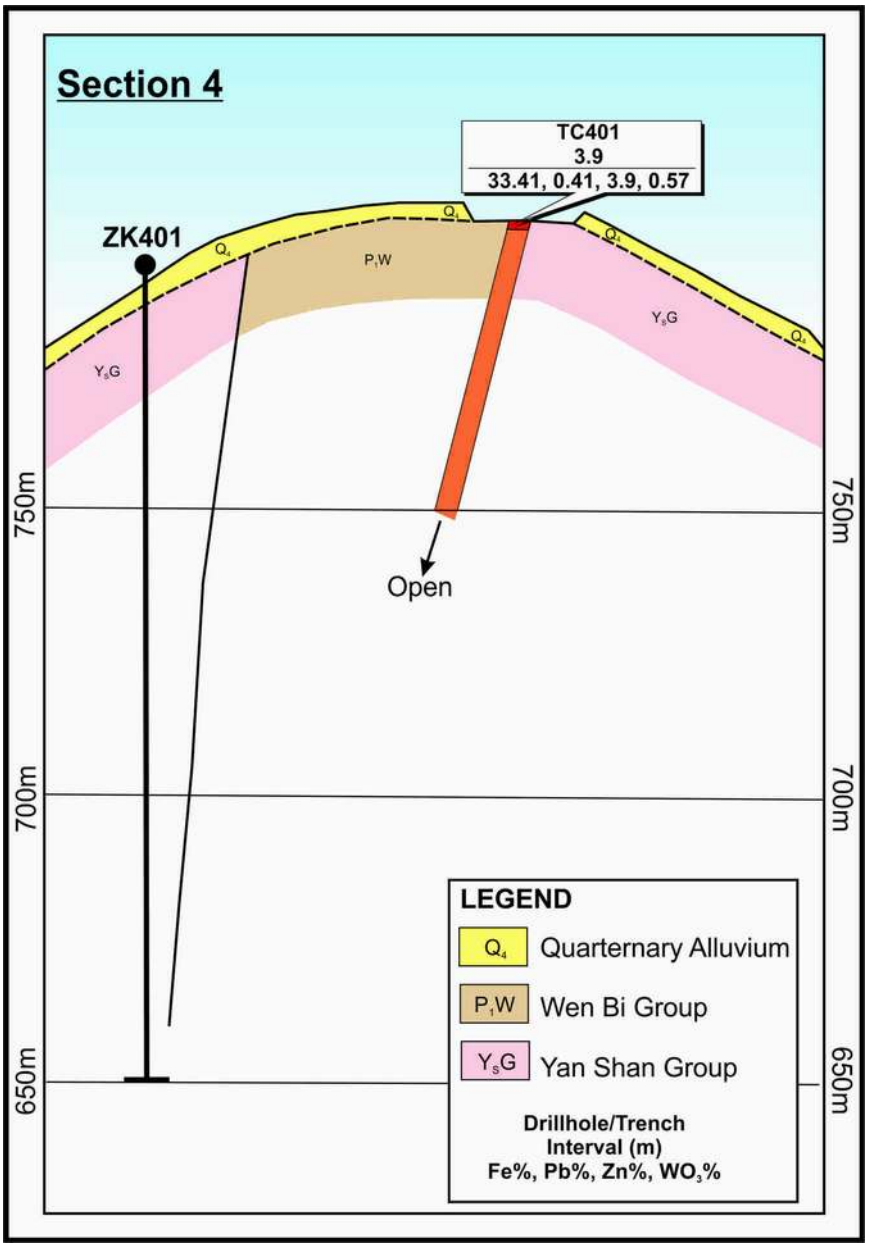

Figure 12: Section Line 4

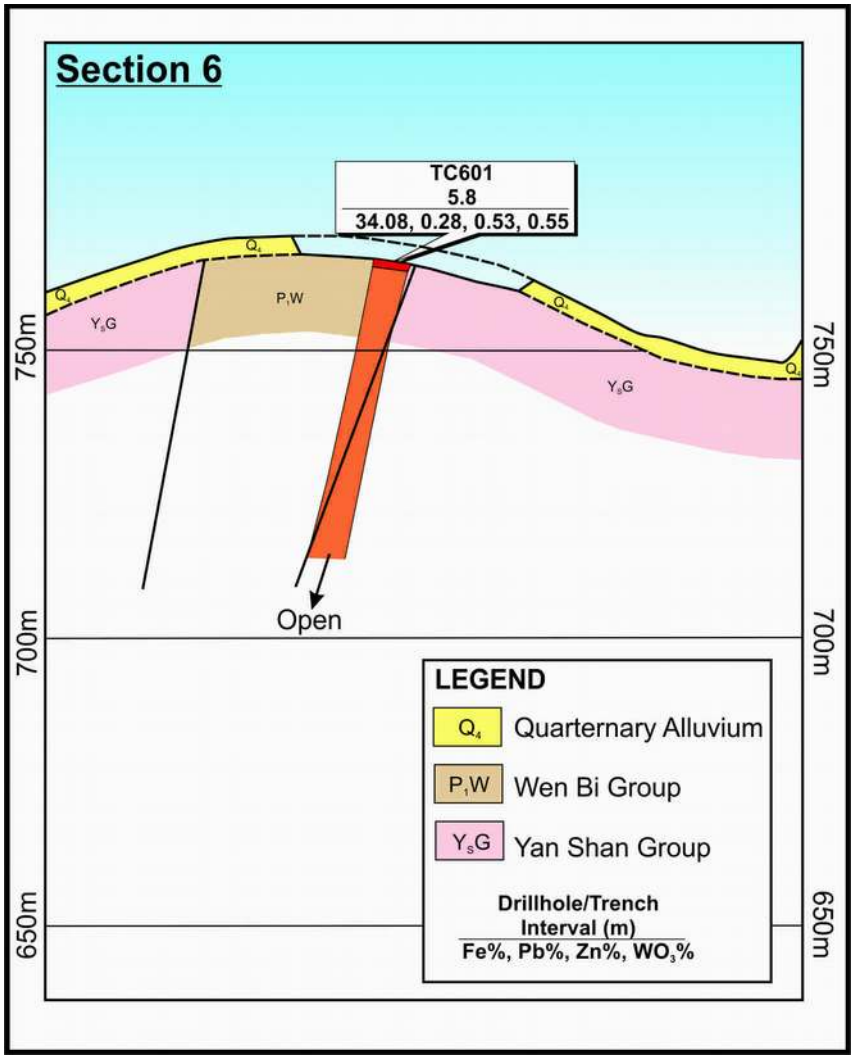

Figure 13: Section Line 6

A summary of the Resource Estimate is shown in Table 6 and the whole resource is in the "Inferred" category. The resource estimate includes the 25,000 tonnes already mined, as this material was never processed and is stockpiled at the mine site.

Tonnes	Fe (%)	Pb (%)	Zn (%)	WO3 (%)
1,058,100	27.52	1.53	1.22	0.58

Table 6: Inferred Resource Estimate Summary

8. Exploration Target Potential

The "Inferred Resource" has been estimated from surface to the 675m RL, while the Exploration target Potential has been taken from the 675m RL to another 50m below that (ie to the 625m RL). The orebody above the 675m RL has been shown to be continuous in strike, continuous across the sampled and drilled widths and at depths from surface to the 675m RL (see Figs 6, 7, 8, 9 and 10). The orebody has very simple geology and is open at depth, and there is no geological reason to suggest that the ore does not continue below

the ore body that makes up the "Inferred" Resource. There has been very limited assaying for silver, but the underground channel sampling conducted in 2017 (see Table 5) indicates that the silver is distributed across the entire widths of the orebody and at all depths with samples taken from RL's 756, 688 and 792.

Table 7 shows the Exploration Target Potential with respect for Fe, Pb, Zn and WO_3 with the ranges of tonnages and potential grades for the respective commodities. The Exploration Target Potential with respect to silver is shown below as Table 8

Tonnes		Fe(%)		Pb (%)		Zn (%)		WO_3 (%)	
Upper	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**	**Upper**	**Lower**
350,000	250,000	37.0	21.8	2.20	0.48	2.09	0.57	0.71	0.43

Table 7: Exploration Target Potential For Fe, Pb, Zn and WO_3

Tonnes		Ag (g/t)	
Upper	**Lower**	**Upper**	**Lower**
1,408,000	1,308,000	50	10

Table 8: Exploration Target Potential For Silver

With respect to The Exploration Target Potential the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Company will proceed to develop the exploration potential of the mine by expanding the underground development below the 675m level. This will occur as soon as is practicable once mining has re-commenced. Such development will be ongoing as the need for further ore is established.

9. Glossary of Technical Terms

Adit	A horizontal tunnel excavated from the surface, normally used to access underground ore bodies
Alluvium	Transported detrital material which has been deposited by wind, moving water etc
Alteration	A zone within a rock that has undgone physical or chemical change
Argillaceous	Containing high proportions of clay like minerals
Azimuth	The compass direction that a drill hole is aimed at
Beneficiation	A process by which mineral concentrations can be increased
Calcareous	Containing calcium carbonate
Carboniferous	A period of geological time from about 360 million to 300 million years ago.
Channel Sampling	A sample taken either across or along a geological strucure. Can be on the surface or in an underground opening
Collar	The location of a drill hole
Conglomerate	Coarse grained sedimentary rocks in which the clasts are well rounded.
Decline	An inclined road to access deeper parts of an underground mine.
Devonian	A period of geological time from about 395 million to 345 million years ago.
Diamond drilling	A method of drilling with a diamond impregnated bit, giving a cylindrical core of rock.
Dip	The angle at which a rock layer or feature is inclined from the horizontal
Drive	A horizontal tunnel within underground workings
Galena	Lead sulphide - an important ore of lead
Goethite	A type of iron ore - $FeO(OH)$
Granodiorite	A granite with a lower silica content
Intrusives	A body of igneous rock which invades older rocks
Limestone	A sedimentary rock consisting of calcium carbonate
Limonite	A type of iron ore - Hydrated iron oxide. $FeO(OH) \cdot nH2O$
Litholgy	Rock type
Mafic	An igneous rock type that is dark in colour and consists essentially of minerals rich in iron and magnesium
Magnetite	A magnetic form of iron ore
Mineralisation	The process and concentration of minerals within a rock which may be of economic significance
Mudstone	A sedimentary rock formed by the consolidation of muds
Pig Iron	Impure steel which has a high carbon content
Polymetallic	More than one metal
Portal	Opening to access an underground mine
Quartzite	A metamorphosed sandstone
Sandstone	A sedimentary rock made up of sand sized particles
Scheelite	An ore of tungsten - often floursescent
Sericite	A fine mica formed by metamorphism
SG (Specific Gravity)	A measure of density - tonnes per cubic metre
Siltstone	A sedimentary rock made up of silt sized particles
Skarn	A rock formed by the interaction of fluids from an igneous intrusion and nearby sediments - usually limestones
Sphalerite	Zinc sulphide - an important ore of zinc
Strike	Horizontal trend or direction of a geological feature
Sulphides	Metallic ore containing sulphur

10. Bibliography

1. Fujian Province Datian Qian Ping North Pit Detailed Geological Report. Zhand Zhi Chen, WuWen Sen. June 2007

Appendix – JORC Table 1 data

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		• Channel sampling across mine openings for underground sampling..
		  • Standard industry practices adopted
		  • Surface mapping determined sample points
		  • Samples submitted to Chinese laboratory where standard industry practices employed.

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was diamond core with unknown diameter. No orientation as holes were vertical.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Noted on Logs • Not known • Not known

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*
	• *The total length and percentage of the relevant intersections logged.*
		• Samples logged to a suitable level to support a resource estimation.
		  • Logging undertaken on qualitative intervals
		  • All intervals logged

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not known • No non core drilling undertaken

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Standard industry practices employed • Standard industry practices employed • Not known
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Standard industry practices employed • No instruments or geophysical tools employed • Not known
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not known • No twinning of drill holes • Data presented as detailed maps and plans • No assay adjustments
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Underground surveys used to map underground openings • Local grid employed and transformed into latitude/longitude • Detailed surface contours at 2 metre intervals
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Sampling from underground openings at various levels. Insufficient sample spacings for Resource/Reserve estimation • Not known
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drillholes angled appropriately • No sample bias due to drill orientation
Sample security	• *The measures taken to ensure sample security.*	• Not known
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits reportedly conducted

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Tenure according to Chinese law. • Tenure according to Chinese law
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not undertaken
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation controlled by skarn formation. Skarn appears to be continuous across the length of the tenement.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Standard surveying techniques for collars, RL's. Drill Holes vertical Hole length and interception depths standard industry practices This is not relevant as the vast majority of the geological understanding of the distribution of mineralization has come from exposures within underground openings (drives, stopes, declines etc) as well as diamond drill holes •
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No cutoff grades used • Not used • Metal Equivalents not used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Geometry of the mineralization has been determined from underground openings. Drill angle has been appropriate. • True widths of mineralization has been determined by the orientation of underground workings

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All sampling across underground openings has been reported, including grades and widths where known.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Ore previously mined has been free of deleterious/contaminating substances.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work will be to develop mining levels below the current mine levels.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

JORC Code explanation	Commentary
• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data provided by Laboratory in digital and Paper format. Data entry checked visually • Industry standards inserted at regular intervals
• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Site visit undertaken with underground Inspection and discussions with mine personnel.
• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Very high • Data used is primarily assay results together Geological interpretation. • No alternatives considered • Surface and underground mapping used to Define mineral boundaries • Limits of the skarn
• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Length as mapped and drilled/costeaned as were Depths and widths
• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Polygonal cross-section method using length Weighted algorithm. Max extrapolation distance 42 metres. No extreme grade values. Computer Software Mapinfo and MineMap • Previous estimates non JORC compliant

JORC Code explanation	Commentary
• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Fe, Pb, Zn, WO3, Ag easily recovered • Not applicable • Not applicable • Not applicable • No assumptions • Geology well defined • No extreme grades • Sampling data correlated with geological interpretation
• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Natural moisture-non porous minimal moisture
• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• No cut off grades used
• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining method underground. Ore body has a Minimum width of 4 metres. Limits of mineralisation Easily defined visually
• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Standard metallurgical extraction methods to be Employed. Suitable extraction plants available
• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Mining waste to be placed on surface. Process Into existing tailings dam
• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity,*	• Bulk density of 31 measurements. Industry standards Adopted.

JORC Code explanation	Commentary
etc), moisture and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Material has no vugs, is not porous • Material is very uniform
• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Resource is Inferred due to insufficient drilling Density for anything else but Inferred • Confidant in all areas • Reflects Competent Person's view
• *The results of any audits or reviews of Mineral Resource estimates.*	• Previous estimate not JORC compliant
• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Estimate is Inferred because of overall lack of high density drilling/sampling. Confident on overall grade distribution, continuity of mineralisation and simple uncomplicated geology • Local estimates over a continuous strike length of 380m. Grades of polymetallic ore deemed viable. Mineralisation continuous • No previous production data available