Dargues Gold Mine and exploration in the Orbit of the Portal

SMEDG May 30th 2019

Angela Lorrigan
Dargues Gold Mine – Project overview

- DML is developing an underground mine to produce a gold-rich sulphide concentrate.
- Development of the decline is well-advanced.
This is what it looks like
Dargues Gold Mine – down down down

- More than 650m laterally from the portal
- 80 below surface
..and...just in case you thought we were making a terrible mess of NSW

1.45 sq km = total mine site area including the tailings dam

1.6 sq km = area of housing development in one suburb of one town on the South Coast
Geology

Braidwood Granodiorite
Lower Devonian circa 410 Ma
Geology
Photograph from Forster, Downes, Blevin and Phillips (2014)

Photography by Dave Forster
## Resource & Reserve

<table>
<thead>
<tr>
<th>Measured</th>
<th>Indicated</th>
<th>Inferred</th>
<th>Total (2g/t cut off)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kt</td>
<td>Au (g/t)</td>
<td>Au (koz)</td>
<td>Kt</td>
</tr>
<tr>
<td>560</td>
<td>3.6</td>
<td>113</td>
<td>740</td>
</tr>
<tr>
<td></td>
<td>7.4</td>
<td>175</td>
<td>290</td>
</tr>
<tr>
<td></td>
<td>6.5</td>
<td>60</td>
<td>1,590</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proven Reserve</th>
<th>Probable Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kt</td>
<td>Au (g/t)</td>
<td>Au (koz)</td>
</tr>
<tr>
<td>503</td>
<td>5.0</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Who needs cyanide?
Goal: To find more Resource and not break the budget

Existing data
- Magnetics
- ASTER
- Soil samples
- IP
- Drill holes

Data from mining
- Structural model
- Alteration mapping
Magnetics
Plan View – 5590 RL
Green – Fault
Red – Mineralisation
Purple - Diorite

Majority of mineralisation around intersection of E-W striking fault and NE-SW striking fault. This trend is not appropriately tested below the current resource.
**Chloritic** (chlorite/carbonate/amphibole).

**Sericitic** (illite/muscovite/smectite + chlorite/carbonate);

**Pyrophyllitic** (pyrophyllite/alunite+chlorite)
Drilling data

For regional targets what is the best indicator of another Dargues?

Are there any metal or alteration trends within Dargues to help us find extensions?
Gridded data IDW$^3$

Gold probably the best guide for this purpose.
Extensions
Regional

Gridded data IDW3
Best overall correlation with Au is Cu.

Bi is a strong, coherent anomaly (>8 ppm)

Bi “tighter” around the main orebody.
Bi and Cu on IP

Bi > 8

Cu > 60
Further knowledge to be gained through mining

Results from DD drilling and mapping underground will help us build a better picture of the controls on mineralisation.
Conclusions

• There are a lot of targets to be had in re-visiting old data.

• Be wary of drawing conclusions from patterns that are an artefact of sample distribution.

• Within the Resource gold is the best indicator to more gold.

• Bi at > 8 ppm forms a useful halo around Dargues and should be applied in the wider area.

• What we learn from venturing into the new mine will help to guide future exploration.
Thankyou to: Diversified Minerals

Dr Drazen Vukovic

Ben Chandler

Greg Cozens