

Evidence from ASX reports indicates that the company has been falsifying ASX company reports, having a direct impact on shareholders' investment decisions:

**False Report 1. 100-110 Ounces gold production over a period of two days:**

In the Second Quarter 2018 Activities Report, the company under the heading "Near Term" "For Friday 27th and Monday 30th July 2018 the mills produced 100-110 ounces of gold doré and gold in concentrate which is a positive breakthrough." This was obviously activity that occurred post 2<sup>nd</sup> quarter (3<sup>rd</sup> quarter).

However, In the 3<sup>rd</sup> Quarter 2018 Activities Report, the company reported a **total** gold production of 316.8 ounces for the whole quarter, or an average of approximately 100 ounces of gold per month.

How is it possible for the company to claim gold production of 100-110 Oz in two days, yet the average yearly gold production is under 2 Ounces per day?

How can the company not know that the quantity of 100-110 ounces is more representative of an entire month's gold production?

This report had two competent persons for exploration, but **no competent person** for this spurious claim of gold production. Is this also a breach of the JORC code?

This is clearly false reporting and I ask ASIC to investigate by obtaining the following information:

- i. Who authored the reporting of 100-110 Ounces of gold production in two days at the end of July?
- ii. What primary information and records did they base this reporting on (please request a copy of this primary information and records)?
- iii. What is the QA process involved in reporting gold production?
- iv. Statements from management and employees who prepared this report.
- v. Who in management or the board was aware (or has been made aware) that the report was false or misleading?

**False Report 2. Multiple High-Grade Bulk Samples:**

In the ASX Media Release 19<sup>th</sup> February 2018, OGX reported on a total of 35 samples (collected over several weeks). The bulk samples totalled 38.55 tonnes and are reported to have returned 36.17 g/t. The bulk samples were not indicated as being hand mining or highly selective manual mining, yet the results obtained are again vastly different from the average grade of mining operations for the year, which are closer to 2-3 g/t. How is it possible for the company to produce gold for months on end, at a grade approximately one tenth of that they have espoused and promoted, without the reports being false (or misleading at best)? From ASX report 5<sup>th</sup> February 2018 "To date our 29 one-tonne samples from different parts of the mine have averaged 36.17 g/t gold as reported ... This compares favourably with the initial 40 panel samples that reported an average grade of 47.2 g/t ..."

However, this **does not** compare favourably with actual mining results, by more than a factor of 10, again illustrating that the report is deceptive or false.

	Location	Tonnes
1	NIS1	1
2	MD	1
3	CN4	1
4	MD4	3.5
5	MD	1
6	MD3	1.25
7	CN2	1
8	NN2	1
9	MD	0.75
10	4 NIS	1
11	MD	1
12	WR	1
13	MIS1	1
14	MDS	2.5
15	NN1	1
16	RCF	1
17	3 NIN2	1
18	CINO	1
19	CSI	1
20	RCS	1
21	RCS1	1
22	2 RCF	1
23	MISM	1
24	RCSS	0.8
25	RC	0.75
26	MD	1
27	1 MS4	1
28	RC2F	1
29	RCS1	1
30	RC4S	1
31	MLO	1
32	M11	1
33	MLAS	1
34	RC3F	1
35	MLAN	1
		38.55

I ask ASIC to investigate by obtaining the following information:

- i. Who authored the reporting of the 35 bulk samples?
- ii. What primary information and records did they base this reporting on (please request a copy of this primary information and records)?
- iii. What is the QA process involved in reporting gold production?
- iv. Statements from management and employees who prepared this report.
- v. Who in management or the board was aware (or has been made aware) that the report was false or misleading?

**False Report 3. CIL Bulk Sample Test Results:**

In the ASX Media Release 31 October 2018, OGX reported high grade results, including gold ore from the Mestre Zone. The report advises that the average grade of the ore from Mestre returned 28.75 g/t. The report does not suggest that the ore was as being hand mining or highly selective manual mining, yet the results obtained are again vastly different from the average grade of mining operations for the year, which are under 2 g/t. Even allowing for gold recoveries of only 8.75 g/t through the gravity mill, the average grade produced is out by a multiple of over 4, from the average grade of gold production during the year.

This is clearly false reporting and I ask ASIC to investigate by obtaining the following information:

- i. Who authored the reporting of the CIL bulk sample?
- ii. What primary information and records did they base this reporting on (please request a copy of this primary information and records)?
- iii. What is the QA process involved in reporting gold production?
- iv. Statements from management and employees who prepared this report.
- v. Who in management or the board was aware (or has been made aware) that the report was false or misleading?
- vi. Why does the report appear show the COO Richard Crew operating the excavator obtaining the samples? Why would this not be the job of an excavator operator? Is this part of (or evidence of) wide-spread malfeasance? Good old fashioned "gold salting" perhaps?
- vii. Why is this report signed off by a member of the board Mr Terry Topping, (apparently not in country) and not by the Geology Manager and qualified geologist Mr Thiago Vaz Andrade (who is in country)?

**False Report 4. Waste Rock Stockpile:**

In the ASX Media Release 24<sup>th</sup> January 2018, OGX announced "Previously stockpiled waste rock returns a surprise sample grade of 15.42 g/t." Considering that the production average for the year was approximately under 2 g/t, how is it possible to have (supposed) waste rock with such a high sample grade? This is clearly false or misleading.

**False Report 5. CIL Alleged Tailings Results:**

In the ASX Media Release 5<sup>th</sup> February 2018, OGX announced "...outstanding Grades of gold in tailings" and "Five one-tonne random samples of tailings recover a total of 46.37 grams of gold in doré" at an "...average grade of 9.27 g/t.

In the ASX Media Release 31<sup>st</sup> October 2018, OGX announced 22.11 tonnes of tailings produced an average of 6.143 g/t in CIL circuit, and 2.11 g/t in the gravity circuit.

- |             | Ore Mined | Gold Dore | Grade |
|-------------|-----------|-----------|-------|
| 4th Quarter | 6748      | 385.29    | 1.78  |
| 1st Quarter | 3990      | 258.1     | 2.01  |
| 2nd Quarter | 3781      | 219.53    | 1.81  |
| 3rd Quarter | 4288      | 316.8     | 2.30  |
| Tot/Ave     | 18807     | 1179.72   | 1.95  |
- i. This flies in the face of the 12-month total for gold production average grade of 1.95 g/t.
  - ii. One may well ask how it is possible to obtain a higher grade for the tailings the **second time** it goes through the gravity plant!
  - iii. It is also interesting to note that the grade of gold ore from tailings through **gravity** plant has been shown to be 2.11 g/t in the latest report (to support the latest convenient theory that CIL is the solution), however this **same report refers to an** historical tailings bulk sample report of 9.27 g/t (**not from CIL** but from gravity). It appears that they can't even tell a consistent lie in the same report.
  - iv. One may also ask how this report would even contemplate referring to (or giving credence to) an historical report of 5 tailings samples of between 278 g/t and 524 g/t, when the yearly beneficiation grade is under 2 g/t. It is obvious that this ore has been concentrated prior to sampling and bears no resemblance to the reality of production of less than 2 g/t.

#### False Report 6. "high grade ores":

Hidden inside the media release dated 20th November 2018 (regarding a funding placement), is a further report containing information relating to gold ore resources:

1. This report refers to "high grade ores" achieving 16.79 g/t and yet seems to be yet a different story from the bulk samples from later 2017 and early 2018. Is the company now saying that this is the typical grade only achievable from areas of high-grade ore? Because this was not the message that was being portrayed from the earlier bulk sample announcements as quoted above in "False Report 2".
2. Also, this report (20th November) contains information relating to gold ore resources. Why is this report **not released under the JORC code** and authorised by a registered and suitably qualified professional?

#### Other Evidence

In addition, other evidence raises questions and suggest that reporting has been fabricated at will:

- i. On two occasions, unrelated **ebullient reports** accompanied the release of quarterly reports **on the same day** (Q1/18: Tailings Bulk Samples and Q3/18: Tailings and Ore Bulk Samples). This may be suggestive of falsifying the unrelated reports in an attempt to assuage the negative impact of the quarterly reports.
- ii. The report regarding tailings released 31 Jan 18 was released with no competent person sign-off and **had to be re-released** 05 Feb 18 with board member and director Terry Topping standing in as competent person (in panic?) from Australia.
- iii. Did the in-country qualified geologist Mr Thiago Vaz Andrade refuse to consent be the "competent person" to any report that has involved the tailings estimates? If so,

this would be highly unusual, considering he is the on-site exploration geologist.  
Perhaps he was aware that these reports are clearly based on false data?

From this brief analysis of some of the company's ASX reports it appears that wildly optimistic reporting of bulk samples from the mine and tailings **have never** translated into production where the results have been consistently abysmal. This makes a clear case that the results and announcements have been repeatedly either misleading or fabricated at will **to suit the prevailing narrative**. Is this indicative of wider malfeasance at OGX?

Please investigate and prosecute where necessary to restore confidence in OGX. I intend to share this information with appropriate media organisations for the benefit of the public.