

Figure 1: The greater sediment-hosted gold belt showing the principal target areas within the Timok Gold Project.

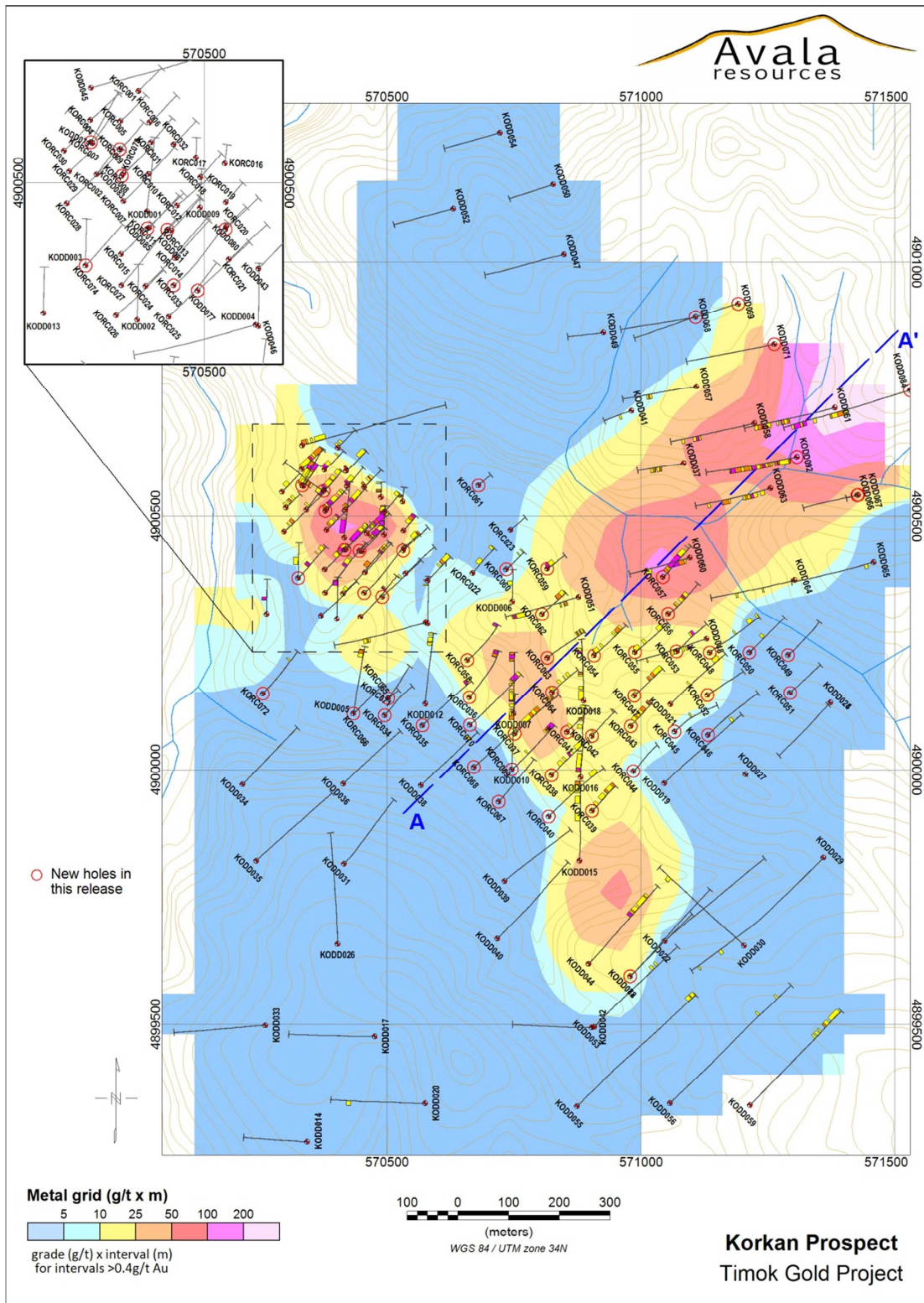


Figure 2: Gram-meter total metal contour plot (intervals greater than 0.4g/t Au x thickness) of all Korkan drilling to date superimposed on topographic contours. The section lines A-A' relates to Figure 3.



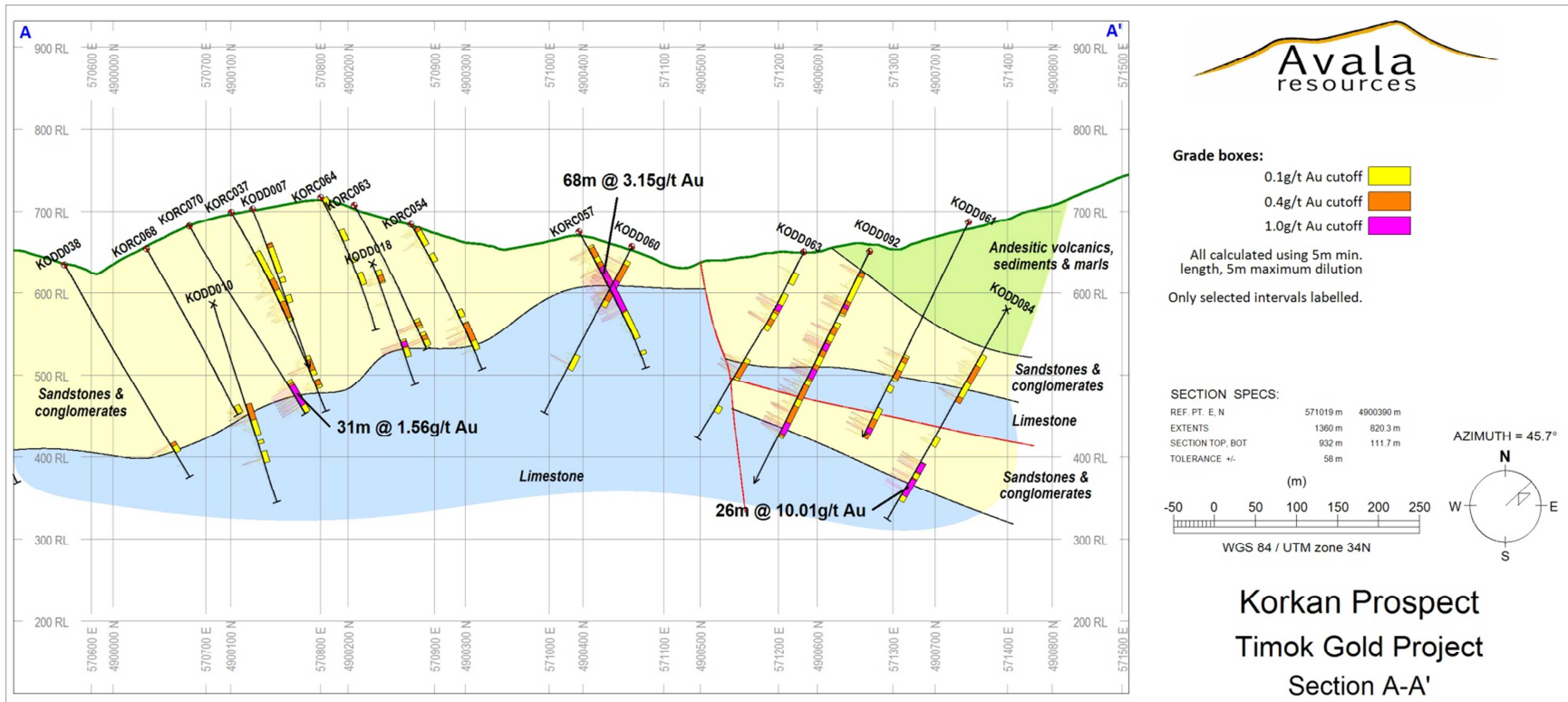


Table 1: All Korkan gold drill intercepts.

REVERSE CIRCULATION DRILLING SIGNIFICANT INTERVALS								
Korkan								
<i>0.4g/t Au cut-off, 5m minimum length, 5m maximum internal dilution</i>								
Hole ID	From (ft)	To (ft)	Interval (ft)	Au (Oz/t)	From (m)	To (m)	Interval (m)	Au (g/t)
KORC003	206.7	331.4	124.7	0.057	63	101	38	1.78
KORC004	157.5	223.1	65.6	0.026	48	68	20	0.81
KORC004	249.3	360.9	111.5	0.016	76	110	34	0.51
KORC005	3.3	62.3	59.1	0.079	1	19	18	2.47
KORC006	3.3	29.5	26.2	0.114	1	9	8	3.56
KORC007	52.5	88.6	36.1	0.013	16	27	11	0.41
KORC007	206.7	232.9	26.2	0.065	63	71	8	2.03
KORC008	78.7	121.4	42.7	0.121	24	37	13	3.75
KORC009	9.8	68.9	59.1	0.046	3	21	18	1.43
KORC009	160.8	180.4	19.7	0.014	49	55	6	0.45
KORC010	19.7	55.8	36.1	0.023	6	17	11	0.70
KORC010	111.5	160.8	49.2	0.033	34	49	15	1.04
KORC011	150.9	305.1	154.2	0.110	46	93	47	3.43
KORC012	144.4	347.8	203.4	0.036	44	106	62	1.11
KORC013	278.9	354.3	75.5	0.045	85	108	23	1.39
KORC014	311.7	351.0	39.4	0.059	95	107	12	1.82
KORC014	374.0	400.3	26.2	0.027	114	122	8	0.85
KORC015	269.0	285.4	16.4	0.025	82	87	5	0.79
KORC015	311.7	354.3	42.7	0.122	95	108	13	3.78
KORC016	52.5	72.2	19.7	0.027	16	22	6	0.85
KORC017	62.3	91.9	29.5	0.020	19	28	9	0.61
KORC019	154.2	232.9	78.7	0.025	47	71	24	0.79
KORC024	413.4	482.3	68.9	0.023	126	147	21	0.73
KORC025	492.1	518.4	26.2	0.066	150	158	8	2.04
KORC027	406.8	439.6	32.8	0.078	124	134	10	2.44
KORC028	134.5	180.4	45.9	0.044	41	55	14	1.37
KORC029	85.3	114.8	29.5	0.014	26	35	9	0.44
KORC031	3.3	49.2	45.9	0.056	1	15	14	1.73
KORC032	3.3	29.5	26.2	0.035	1	9	8	1.09
KORC032	114.8	131.2	16.4	0.075	35	40	5	2.34
<b>KORC035</b>	<b>797.2</b>	<b>836.6</b>	<b>39.4</b>	<b>0.030</b>	<b>243</b>	<b>255</b>	<b>12</b>	<b>0.94</b>
<b>KORC036</b>	<b>698.8</b>	<b>823.5</b>	<b>124.7</b>	<b>0.033</b>	<b>213</b>	<b>251</b>	<b>38</b>	<b>1.03</b>
<b>KORC037</b>	<b>311.7</b>	<b>360.9</b>	<b>49.2</b>	<b>0.015</b>	<b>95</b>	<b>110</b>	<b>15</b>	<b>0.48</b>
<b>KORC037</b>	<b>410.1</b>	<b>479.0</b>	<b>68.9</b>	<b>0.015</b>	<b>125</b>	<b>146</b>	<b>21</b>	<b>0.48</b>

Hole ID	From (ft)	To (ft)	Interval (ft)	Au (Oz/t)	From (m)	To (m)	Interval (m)	Au (g/t)
KORC037	666.0	711.9	45.9	0.017	203	217	14	0.54
KORC037	754.6	777.6	23.0	0.013	230	237	7	0.41
KORC038	364.2	403.5	39.4	0.041	111	123	12	1.27
KORC039	308.4	337.9	29.5	0.014	94	103	9	0.44
KORC039	426.5	469.2	42.7	0.019	130	143	13	0.60
KORC043	128.0	160.8	32.8	0.016	39	49	10	0.51
KORC043	196.9	223.1	26.2	0.026	60	68	8	0.81
KORC043	265.7	344.5	78.7	0.014	81	105	24	0.43
KORC043	426.5	469.2	42.7	0.023	130	143	13	0.71
KORC047	285.4	324.8	39.4	0.014	87	99	12	0.45
KORC047	351.0	400.3	49.2	0.013	107	122	15	0.41
KORC053	315.0	357.6	42.7	0.061	96	109	13	1.89
KORC054	23.0	39.4	16.4	0.015	7	12	5	0.46
KORC054	449.5	528.2	78.7	0.025	137	161	24	0.79
KORC056	141.1	164.0	23.0	0.045	43	50	7	1.40
KORC056	292.0	347.8	55.8	0.027	89	106	17	0.84
KORC057	78.7	121.4	42.7	0.020	24	37	13	0.62
KORC057	144.4	367.5	223.1	0.101	44	112	68	3.15
KORC058	620.1	666.0	45.9	0.035	189	203	14	1.08
KORC059	3.3	52.5	49.2	0.035	1	16	15	1.10
KORC062	288.7	357.6	68.9	0.019	88	109	21	0.60
KORC063	531.5	547.9	16.4	0.034	162	167	5	1.05
KORC063	590.6	610.2	19.7	0.030	180	186	6	0.94
KORC069	682.4	803.8	121.4	0.083	208	245	37	2.59
KORC070	748.0	849.7	101.7	0.050	228	259	31	1.56
KORC074	187.0	226.4	39.4	0.034	57	69	12	1.07
KORC078	6.6	36.1	29.5	0.108	2	11	9	3.36
KORC078	190.3	246.1	55.8	0.040	58	75	17	1.25

DIAMOND DRILLING SIGNIFICANT INTERVALS								
Korkan								
<i>0.4g/t Au cut-off, 5m minimum length, 5m maximum internal dilution</i>								
Hole ID	From (ft)	To (ft)	Interval (ft)	Au (Oz/t)	From (m)	To (m)	Interval (m)	Au (g/t)
KODD001	55.8	226.4	170.6	0.138	17	69	52	4.30
KODD002	433.1	498.7	65.6	0.085	132	152	20	2.63
KODD005	751.3	794.0	42.7	0.017	229	242	13	0.52
KODD007	164.0	180.4	16.4	0.014	50	55	5	0.43
KODD007	764.4	889.1	124.7	0.035	233	271	38	1.09

Hole ID	From (ft)	To (ft)	Interval (ft)	Au (Oz/t)	From (m)	To (m)	Interval (m)	Au (g/t)
KODD009	111.5	180.4	68.9	0.054	34	55	21	1.68
KODD009	206.7	285.4	78.7	0.050	63	87	24	1.56
KODD009	344.5	360.9	16.4	0.027	105	110	5	0.84
KODD010	771.0	839.9	68.9	0.017	235	256	21	0.54
KODD012	761.2	777.6	16.4	0.019	232	237	5	0.58
KODD013	177.2	216.5	39.4	0.040	54	66	12	1.26
KODD015	1000.7	1046.6	45.9	0.023	305	319	14	0.70
KODD016	66.3	121.4	55.1	0.067	20.2	37	16.8	2.07
KODD016	731.6	761.2	29.5	0.025	223	232	9	0.78
KODD018	357.6	387.1	29.5	0.015	109	118	9	0.47
KODD018	656.2	682.4	26.2	0.051	200	208	8	1.60
KODD037	315.0	337.9	23.0	0.038	96	103	7	1.17
KODD037	397.0	426.5	29.5	0.022	121	130	9	0.68
KODD038	830.1	846.5	16.4	0.026	253	258	5	0.80
KODD043	265.7	305.1	39.4	0.024	81	93	12	0.74
KODD044	849.7	895.7	45.9	0.175	259	273	14	5.44
KODD044	915.4	941.6	26.2	0.014	279	287	8	0.44
KODD044	1174.5	1190.9	16.4	0.016	358	363	5	0.48
KODD045	0.0	65.6	65.6	0.022	0	20	20	0.70
KODD046	935.0	964.6	29.5	0.039	285	294	9	1.20
KODD048	262.5	292.0	29.5	0.048	80	89	9	1.48
KODD051	170.6	203.4	32.8	0.017	52	62	10	0.53
KODD051	830.1	876.0	45.9	0.027	253	267	14	0.85
KODD055	2021.0	2037.4	16.4	0.017	616	621	5	0.54
KODD057	587.3	603.7	16.4	0.015	179	184	5	0.48
KODD058	689.0	728.3	39.4	0.175	210	222	12	5.43
KODD059	1345.1	1370.1	24.9	0.014	410	417.6	7.6	0.45
KODD060	78.7	246.1	167.3	0.028	24	75	51	0.88
KODD061	620.7	643.0	22.3	0.028	189.2	196	6.8	0.87
KODD061	679.1	718.5	39.4	0.013	207	219	12	0.41
KODD061	905.5	1020.3	114.8	0.020	276	311	35	0.62
KODD062	1368.1	1387.8	19.7	0.017	417	423	6	0.53
KODD062	1499.3	1535.4	36.1	0.038	457	468	11	1.17
KODD063	236.2	278.9	42.7	0.037	72	85	13	1.14
KODD063	305.1	334.6	29.5	0.019	93	102	9	0.59
KODD063	521.7	593.8	72.2	0.023	159	181	22	0.71
<b>KODD079</b>	<b>0.0</b>	<b>29.5</b>	<b>29.5</b>	<b>0.014</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>0.43</b>
<b>KODD079</b>	<b>213.3</b>	<b>328.1</b>	<b>114.8</b>	<b>0.028</b>	<b>65</b>	<b>100</b>	<b>35</b>	<b>0.86</b>
<b>KODD080</b>	<b>252.6</b>	<b>288.7</b>	<b>36.1</b>	<b>0.023</b>	<b>77</b>	<b>88</b>	<b>11</b>	<b>0.73</b>

Hole ID	From (ft)	To (ft)	Interval (ft)	Au (Oz/t)	From (m)	To (m)	Interval (m)	Au (g/t)
KODD081	229.7	252.6	23.0	0.023	70	77	7	0.72
KODD081	278.9	370.7	91.9	0.047	85	113	28	1.45
KODD083	0.0	55.8	55.8	0.027	0	17	17	0.83
KODD083	78.7	114.8	36.1	0.123	24	35	11	3.82
KODD084	846.5	928.5	82.0	0.014	258	283	25	0.42
KODD084	994.1	1020.3	26.2	0.022	303	311	8	0.67
KODD084	1309.1	1358.3	49.2	0.047	399	414	15	1.46
KODD084	1381.2	1466.5	85.3	0.322	421	447	26	10.01
KODD085	154.2	269.0	114.8	0.203	47	82	35	6.31
KODD087	255.9	288.7	32.8	0.015	78	88	10	0.48
KODD087	334.6	397.0	62.3	0.013	102	121	19	0.41
KODD087	419.9	469.2	49.2	0.016	128	143	15	0.51
KODD092	95.1	114.8	19.7	0.025	29	35	6	0.77
KODD092	226.4	282.2	55.8	0.027	69	86	17	0.85
KODD092	344.5	380.6	36.1	0.026	105	116	11	0.81
KODD092	410.1	482.3	72.2	0.037	125	147	22	1.16
KODD092	521.7	597.1	75.5	0.027	159	182	23	0.83
KODD092	616.8	685.7	68.9	0.017	188	209	21	0.53
KODD092	715.2	856.3	141.1	0.034	218	261	43	1.07

- Significant intervals 'not in bold' have been previously released.
- Diamond drill samples are generally taken on a 1m basis and weigh ~3kg.
- Reverse circulation drill samples are taken on a 1m basis and weigh ~5kg.
- Assay method: Fire assay Au (50g).
- Intercept widths do not necessarily represent true width.
- No top cut applied.
- Refer to [www.avalaresources.com](http://www.avalaresources.com) for a full listing of significant intervals at various cut-off grades.
- Related twin drill hole 'pairs' for Korkan:
  - KODD079-KORC003
  - KODD080-KORC020
  - KODD081-KORC013
  - KODD083-KORC008
  - KODD085-KORC011
  - KODD087-KORC037