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TORRINGTON TUNGSTEN AND TOPAZ PROJECT UPDATE

2017 Highlights:

- RC percussion and diamond drilling commenced on 24 January 2017 and is ongoing;
- Topaz fibre research project at the UNSW has commenced; and,
- The 1 for 3 rights issued closed oversubscribed raising $1,340,917 before costs.

Reverse circulation percussion (RC) and diamond core (DC) drilling programme:

A total of 129 RC and 10 DC holes have been completed to date (10 March).

The majority of the reconnaissance RC holes around the Mt Everard prospect were vertical and only 15m deep as were the five holes drilled within the proposed plant site. Drilling from RC hole number 109 onwards has been around old workings at Wild Kate and all have been 60degree angle hole to approximately 30m deep with one hole drilled to 58m (see Figure 1 for prospect localities).

The drilling programme is ongoing, but due to the forecast heavy rain for this week, there will be a switch to DC drilling on 20th March when the next 19-day drilling roster commences as the DC holes take longer to complete and saves rig movement while the ground is wet so reducing the environmental impact.

To date only one vertical DC hole (1C) within the Mt Everard pit (where the bulk sample for the successful metallurgical testwork programme was taken) was submitted to ALS in Brisbane for analysis to determine whether powder XRF analysis can be used as the preferred analytical method instead of fusion XRF. Powder XRF uses a larger (more representative) amount of sample material and is quicker and less expensive than fusion but is not suitable for all tungsten analyses. The one limitation is that the powder XRF upper threshold for tungsten (W) is 5,000ppm (0.5%). As can be seen below in Table 1 the powder method assays are virtually identical to the fusion results when applying a top-cut of 5,000ppm to the latter. This remains robust at any grade and interval width.

Table 1: Summary of assays from DC hole 1C

Sample Interval (metre)	Width (metre)	XRF Powder ppm	XRF Fusion ppm (cut at 5,000 ppm)	XRF Fusion ppm (uncut)
0 to 16	16	1,387	1,380	1,766
3 to 16	13	1,570	1,553	2,029
3 to 11	8	2,088	2,089	2,863
3 to 6	3	4,300	4,323	6,387

Going forward using the powder XRF method routinely there are two options, namely to accept a 0.5% (5,000ppm) top-cut or getting any samples over 0.5% re-assayed by fusion XRF. The latter method will most likely be followed if more detailed drilling confirms the occurrence of grades in excess of 0.5% over 1 metre is not due to a 'nugget' effect. The complete assay sheet for the 16 metre interval in hole 1C is given in Table 2 below.

Table 2: Core hole TOR0001C assay

Interval (metre)	Fusion XRF W ppm	Powder XRF W ppm
0-1	1,160	1,100
1-2	380	350
2-3	360	330
3-4	9,240	>5,000
4-5	2,970	2,900
5-6	0.695	>5,000
6-7	510	500
7-8	730	740
8-9	820	870
9-10	350	350
10-11	1,330	1,340
11-12	440	450
12-13	290	310
13-14	270	270
14-15	1,480	1,660
15-16	1,000	1,020
16-17	390	380
17-18	360	340
18-19	540	510
19-20	150	120

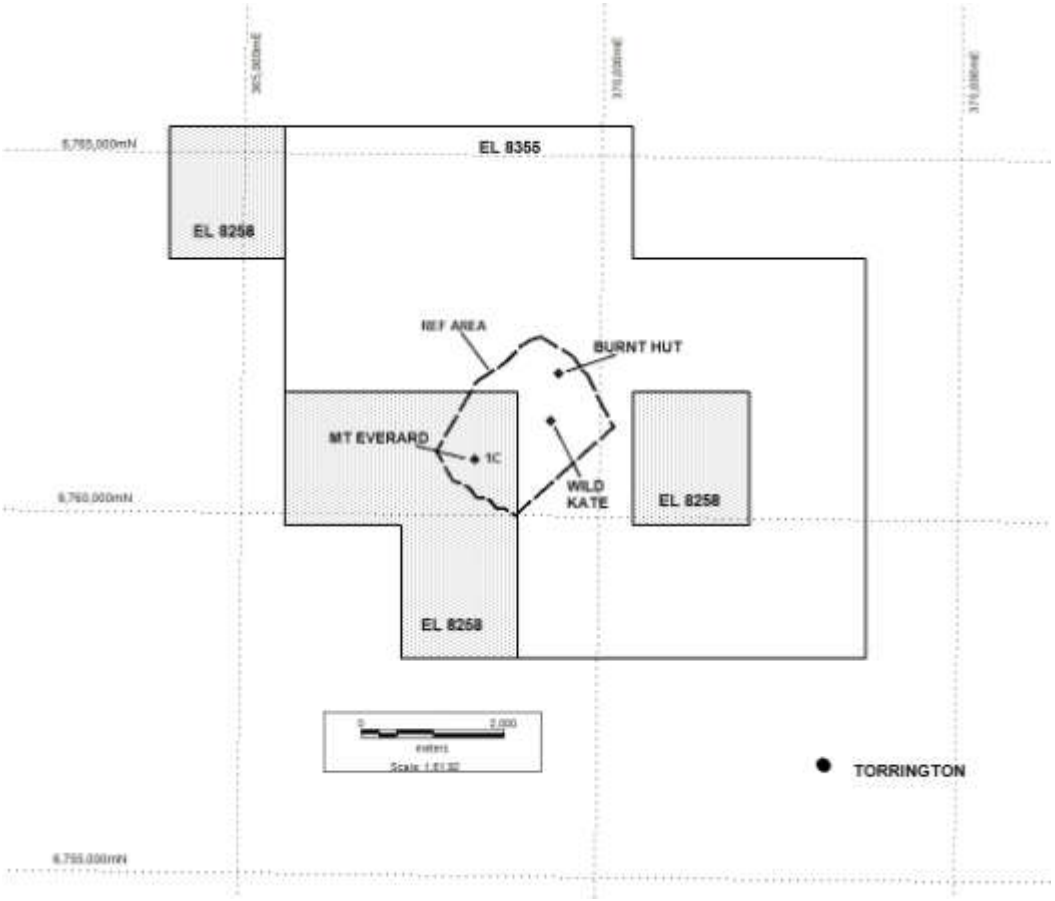
No additional samples have been delivered to ALS (Brisbane) as yet, but a batch of over 400 will be delivered to the lab on Wednesday 15 March.

What is evident from the reconnaissance drilling at Mt Everard is that the Torrington Pendant metasediment cover is more prevalent than previously thought; that there is widespread aplite present in the drilling which has not been mapped; that the only thick zone of silexite appears to occur in the immediate vicinity of the Mt Everard pit, extending to at least 20m below the pit floor – this area has effectively been drilled out now; pending assay results, there are a few reconnaissance holes that may warrant follow-up drilling.

Based on only the 20 holes that have been completed at Wild Kate to date, the silexite appears more prevalent in that it is thicker (up to 35 metre), more widespread and consistent between holes.

Due to the abnormal and persistent rainfall events being experienced in the Torrington area and which are forecast to continue, it will take longer than the planned 3-months to complete the drilling programme.

Figure1: Project and prospect localities



Topaz research project

The Company's Board has agreed to finance the immediate commencement of the collaborative topaz fibre research project with the UNSW which will run until August 2017. The research rationale is that the growth of oriented mullite fibres depends on (1) the use of oriented templates for epitaxial growth and the achievement of separability and (2) the establishment of suitable experimental conditions capable of producing fibres of the desired proportions. Since the ARC Linkage Grant application is not expected to be announced until late July, there are ~5 months that can be utilised to finalise the work on the templates and commence the work on the topaz decomposition.

The direct funding cost of this work is $50,000 excluding the Company's involvement and costs. Deliverables will be hard-copy and soft-copy versions of a report detailing experimentation and results that will form the basis for further research with or without the financial assistance of the ARC Linkage Grant.

Rights Issue

The Directors are appreciative of the support the shareholders have expressed through their support of the 1 for 3 rights issue, which closed oversubscribed raising $1,340,917 before costs. The Directors also wish to express their thanks to Suzanne Yeates the new Company Secretary and CFO who was instrumental in keeping the costs to below the estimate of $20,000.

For, and on behalf of, the Board of Directors of TopTung Limited,

Dr Leon Pretorius
Executive Chairman
TopTung Limited

For any enquiries please contact

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Competent Person's Statement

The information in this Report that relates to exploration results and metallurgical testwork for the Torrington Project is based on information compiled by Dr Leon Pretorius. Dr Pretorius is the Executive Chairman of TopTung Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) (CP) and a Member of the Australian Institute of Geoscientists (MAIG). Dr Pretorius has sufficient experience which is relevant to the type of beneficiation plant under consideration and to the activities being undertaken. This qualifies Dr Pretorius as a "Competent Person" as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Dr Pretorius consents to the inclusion of the matters listed in this report based on the information in the form and context in which it appears. Dr Pretorius holds shares in TopTung Ltd.