

ERL95 - COSMO SOUTH PROJECT

**INTERIM ANNUAL REPORT YEAR 2
FOR PERIOD 19.09.90 - 18.09.91**

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F. FUCCENECCO
18 Oct. '91**

ERL95

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1. TENEMENT LOCATION

1. **SUMMARY**

ERL95 was purchased (90%) from Northern Gold, with transfer effected 7 May '91. Technomin hold the remaining 10% equity in ERL95. ERL95 forms part of the Cosmo South Project for Dominion, and project status for a number of tenements is being sought.

Exploration within the southeast corner of MLN933 - the Cosmo Mine Lease - indicated a trend of anomalous gold mineralization extending along the Howley Anticline axis from Dominion's Phantom Pit southeast into ERL95. Previous soil sampling by Northern Gold had defined the surface anomaly, which was then tested by RC drilling to indicate the presence of narrow, low economic grade, poddy ore lenses.

Follow up soil and rock geochemistry, and mapping by Dominion during Year 2 confirmed the Northern Gold data, and particularly confirmed that the Howley Anticline axial zone is the only area within ERL95 with the potential to host economic grade mineralization.

A recommendation to conduct RC drill hole traverses across the anomalous zone of soil and rock chip sampling has been made. This program will commence in calendar 1991 in the early part of Year 3 of Tenure. An initial budget of \$18,000 is proposed.

2. **PREVIOUS WORK**

ERL95 was purchased by Dominion from Northern Gold NL on 15 February 1991 with title transfer effected on 7 May 1991. Purchase of this tenement was part of a large package of tenement purchase made by Dominion in the Howley and Mt. Shooobridge area for a total purchase price of \$1,250,000.

ERL95 has now been included with a number of other tenements, as listed below and shown in Figure 1, which is called the Cosmo South Project for which Dominion is currently seeking PROJECT STATUS. Collectively these tenements cover an area of 392 hectares.

MCN3574 granted 27.10.89, expires 26.10.94, DGO 100%

MCN3575 granted 27.10.89, expires 26.10.94, DGO 100%

MCN3576 granted 27.10.89, expires 26.10.94, DGO 100%

MCN3577 granted 27.10.89, expires 26.10.94, DGO 100%

ERL95 granted 19.9.89, expires 18.9.94, DGO 90%, Technomin 10%

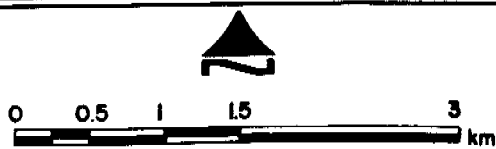
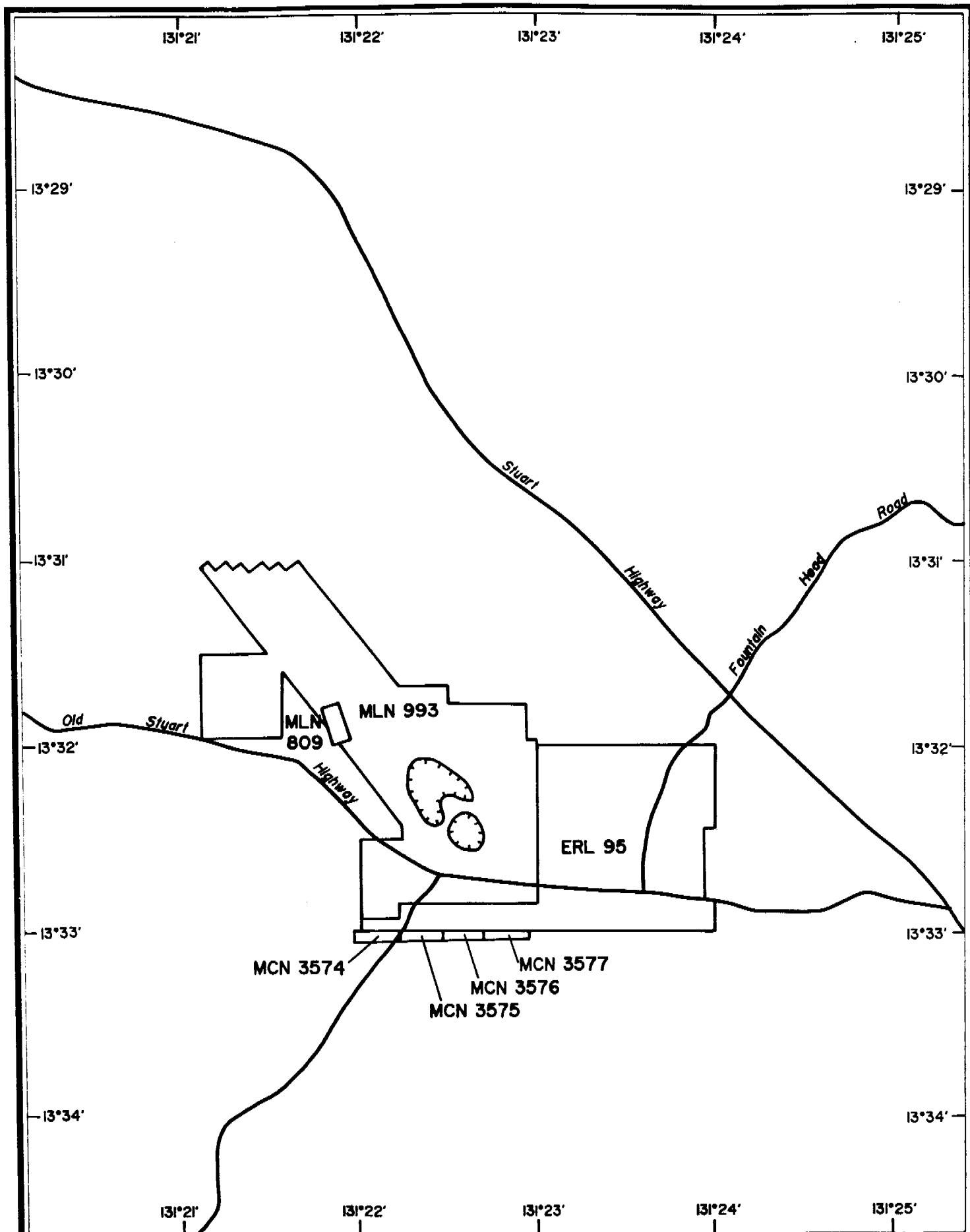
Exploration evaluation of the Southeast corner of MLN993, southeast from Dominion's Phantom Pit, indicated the presence of anomalous to sub-economic widths and grades of gold mineralization, which continued to trend southeast into ERL95.

Previous work completed by Northern Gold included:-

- i) Geological mapping at 1:2000 scale
- ii) Sampling of Cosmo Gas Pipeline trenches, both N-S and E-W, within ERL95
- iii) Soil sampling - 182 samples
- iv) Rock chips - 12 samples
- v) RC percussion drilling - 11 holes for 1166 metres

This drilling targeted at:-

- (A) Axial zone of Howley Anticline containing quartz stockworks within Wildman Siltstone sediments.



ERL 95 TENEMENT LOCATION

PROJECT **COSMO SOUTH**

STATE **N.T.**

ORIGINATOR **F.F.**

Date **10/91**

DRAWN **R.L.**

Date **10/91**

SCALE **1:50000**

FIGURE NO **1**

PLAN NO **2B-T13**

 **Domino Mining Limited**

- (B) Northeast limb of Howley Anticline, containing siliceous-ferruginous pelite of the Middle Koolpin formation.

Best results from Target A above were from hole CE1 with 11 metres at 1.90 g/t Au from 11 metres which included 1 metre at 3.34 g/t Au and 6 metres at 2.42 g/t Au from 92 metres.

However, overcutting and undercutting of Hole CE1 failed to repeat the widths and grades of mineralization leaving some doubt as to the validity of the original assays.

Target B above returned no significant assays.

Northern Gold, at the expiry of former EL4736 in September 1989, concluded that a potential existed for extensions to the Cosmo Howley mineralization. On this basis the ERL95 was granted.

3. **WORK COMPLETED YEAR 2**

Northern Gold completed no additional work on ERL95 during Year 2, prior to sale to Dominion.

Work completed by Dominion included:-

- i) Appraisal and evaluation of Northern Gold data prior to acquisition.
- ii) Additional soil sampling - 54 samples
- iii) Rock chips - 21 samples
- iv) Geological mapping at 1:10,000 scale, integrating with Dominion's Regional Geology data base.

Where are results
& maps for
ii, iii iv.

4. ***CONCLUSIONS AND RECOMMENDATIONS FOR YEAR 3***

The above work has confirmed that the anticline axial zone (Northern Gold's Target A soil anomalous zone) is the only area within ERL95 with the potential to host economic grade mineralization.

In Year 3 of Tenure, Dominion propose to complete a preliminary program of scout drilling to comprise about 6 holes for 300 metres. This program will be completed prior to end calendar 1991.

If results of this preliminary program are successful, further follow up drilling will be completed in 1992. A preliminary budget of \$18,000 is proposed for Year 3.

5. EXPENDITURE TO 30 SEPT 1991

	Cosmo South Project	Estimate ERL95
Assays	15,344	2,749
Earthworks	189	-
Drilling	27,283	-
Legal	478	478
Equipment	225	225
Salaries & Wages	19,105	6,551
Travel & Accom.	1,054	827
Vehicles	2,492	1,292
Drafting & Computing	3,217	1,022
Camp & Field Supplies/Consumes.	6,645	965
Darwin Office	4,982	1,055
Administration	11,986	2,836
Sub Total	93,000	18,000
Land Purchase	200,000	200,000
GRAND TOTAL	293,000	218,000

Covenant for Year 2 for ERL95 was \$16,500 with Dominion attributable expenditure in the 4½ months since acquisition amounting to \$18,000 out of total Cosmo South Project expenditure of \$93,000. In addition, the sum of \$200,000, being the proportional component of the Howley and Shoobridge area tenement package purchase of \$1,250,000 is ascribed to ERL95.