NORTH FLINDERS MINES LTD

COMBINED ANNUAL REPORT PRESENTED FOR

MINERAL CLAIMS

MCC 285 AND MCC 286 (EXPLORER 30)

FOR 12 MONTHS TO 7TH JULY 1992

TENNANT CREEK 1:250,000 SHEET SE 53-14
TENNANT CREEK 1:100,000 SHEET 5758

D A C ARCHIBALD
OCTOBER 1992
RH:DACA105

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TABLE OF CONTENTS

1. INTRODUCTION 1
2. LOCATION AND ACCESS 1
3. PREVIOUS WORK 1
4. EXPLORATION UNDERTAKEN IN TWELVE MONTHS TO JULY 1992 1
5. EXPENDITURE FOR TWELVE MONTHS TO JULY 1992 2
6. PROPOSED PROGRAM OF WORK FOR NEXT TWELVE MONTHS 2

LIST OF FIGURES

Figure No. Scale
1. Locality Map - Location of Tenements -
2. Explorer 30 Leases - Drillhole Locations 1:4 000
1. INTRODUCTION

This report was prepared by North Flinders Exploration and documents exploration carried out on the Explorer 30 prospect. It is one of a number of Tennant Creek prospects that are subject to a joint venture agreement (Tennant Creek Central Joint Venture) between North Flinders Mines Ltd and Peko-Wallsend Operations Ltd. The Agreement dated 16th January 1991, permits North Flinders Mines Ltd to explore the Central Joint Venture tenements and thereby earn a participating interest in the Tennant Creek Central Joint Venture. Since this agreement was concluded, Poseidon Gold Ltd has gained control of Peko-Wallsend Operations Ltd's interest in the Joint Venture.

2. LOCATION AND ACCESS

The Explorer 30 Claims (MCC 285 and MCC 286) are located 15.5km east south east of Tennant Creek. Access is via the road to the Peko Mine, then eastwards to the tenement by an existing rough track.

3. PREVIOUS WORK

Few records relating to Geopeko's work on the Explorer 30 claims have been located. However, it is known that they cover a large elliptical aeromagnetic anomaly with an east-west elongation. Modelling indicated the possibility of a large deep ironstone lode. The feature was tested by abandoned drill holes DDH 1 (depth 103 metres) and DDH 1A (depth 162 metres) drilled from close to the south-east corner of MCC 285. DDH 2 (depth 115 metres) was inclined towards the south and collared close to the north-east corner of MCC 285. It was also abandoned. Drill hole 2A, from the same site as DDH2, is believed to have approached closer to the target and may have intersected it (depth of hole unknown). It is understood a down hole probe indicated that a zone of magnetic sediments have caused the magnetic anomaly.

4. EXPLORATION UNDERTAKEN IN TWELVE MONTHS TO JULY 1992

Reconnaissance mapping has shown the entire area of MCC 285 and MCC 286 is blanketed by Quaternary cover.

During the reporting period the prospectivity of the Mineral Claims was reassessed in relation to the newly acquired airborne magnetic and radiometric data prior to further work on the ground in the coming year.
5. **EXPENDITURE FOR TWELVE MONTHS TO JULY 1982**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Consultant Geologist (2 days @ $500/day)</td>
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<td>Geologist (3 days @ $400/day)</td>
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<td>Field Assistant (2 days @ $250/day)</td>
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<td>Acquisition of Geophysical Data</td>
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<td>Administration</td>
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</table>

**TOTAL**                                            **5825.00**

6. **PROPOSED PROGRAM OF WORK FOR NEXT TWELVE MONTHS**

It is anticipated that work in the next twelve months will comprise:

- establishment of a levelled 50x50 metre grid over all tenements.
- ground magnetic surveying
- gravity survey
- comprehensive drilling through soil/colluvial cover to map geochemically sample bedrock under cover.

The use of the above exploration techniques has become the standard method of initially assessing tenements within the Tennant Creek Central Joint Venture. Of the 48 prospects within the J.V., some 23 have already been covered in this way.