Aberfoyle Resources Limited
A.C.N. 004 664 108

Exploration Division

EXPLORATION LICENCE 9535
‘DUCK HOLE’
(MT PEAKE 1:250,000 SHEET)

ANNUAL REPORT ON EXPLORATION
FOR THE YEAR ENDED
17 JULY 1997

Distribution:

Aberfoyle Resources Ltd, Perth (1)
Aberfoyle Resources Ltd, Melbourne (1)
Dept Minerals and Energy, NT (1)

Prepared and Issued By:

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Exploration Manager
Australian Gold
August 1997
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<th>Plate No</th>
<th>Title</th>
<th>Scale</th>
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<td>Duck Hole Location Plan</td>
<td>1:250,000</td>
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<tr>
<td>DUH 02</td>
<td>Aeromagnetic Image</td>
<td>1:50,000</td>
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APPENDICES

Appendix 1 AAPA Authority Certificate
1. SUMMARY

EL 9535 ‘Duck Hole’ was granted to Aberfoyle on 18/7/96. The tenement, which is contiguous with other Aberfoyle properties in the Mt Peake area, covers a prominent ‘bullseye’ aeromagnetic feature.

Work by Aberfoyle in the 12 months to 17/7/97 involved collating historical exploration data and the issue of an AAPA Authority Certificate. The aeromagnetic feature was drill tested by BHP Minerals in 1984 but samples were not analysed for gold. Further exploration is warranted on this feature, and other linear aeromagnetic anomalies on the tenement. Percussion and vacuum drilling is proposed.
2. INTRODUCTION

2.1. Location and Access

EL9535 is located approximately 300km NNW of Alice Springs on the Mt Peake 1:250,000 sheet. The tenement lies on Anningie Station. Access is via graded station tracks and mill roads from Anningie homestead.

2.2. Tenure

EL 9535 was granted to Aberfoyle on 18/7/96 for a period of six years. The area of the licence is 16 blocks (52km²). An annual expenditure commitment of $15,000 applied to EL 9535 for the first year of title.

3. GEOLOGY

The licence lies within the Lower Proterozoic Arunta Block. The Mt Peake 1:250,000 sheet shows no exposure of Proterozoic lithologies in the tenement area. Percussion drilling of magnetic targets by BHP Minerals Ltd in 1984 intersected magnetic gneisses (quartz - feldspar - biotite - hornblende, + magnetite), considered to be part of the Arunta basement.

4. WORK COMPLETED

4.1. Past Work Search

A search at the NTDME’s Darwin office conducted by Richard Exploration Administration Services Pty Ltd on behalf of Aberfoyle Resources has revealed the following history of company exploration in the general area of EL 9535.

- CRA carried out uranium exploration in the area around EL 9535 in the early 1970’s (NTDME reports CR73/8, CR74/31). Their exploration concentrated on an area of extensive calcrete shown on the Mount Peake 1:250,000 geological sheet. They completed geological mapping at 1:80,000 scale, conducted airborne and ground radiometric surveys and analysed ground waters. A total of 33 RAB holes were drilled to shallow depths and samples analysed for uranium. Borehole logging (scintillometer?) was also carried out.

- In the early 1980’s CRA also held ground southeast of EL 9535 (NTDME reports CR82/189; CR83/1). Stream sediment and rockchip sampling were conducted with analyses for base metals, tin and gold completed. Stream sediment samples were also screened for kimberlitic indicator minerals with chromite occurring in one sample.

Of most significance were two drainage samples which assayed 0.65ppm and 0.75ppm Au. These were followed up with detailed rockchip sampling and prospecting. One rockchip sample of ‘haematitic shale’ assayed 1.10ppm Au and an adjacent soil sample up to 4.64ppm...
Au in one size fraction. Further work on this prospect however, could not substantiate the original results and analytical error was suggested. Lander Rock Beds crop out in the vicinity of this sampling.

- In the mid 1980's BHP held an EL roughly coincident with EL 9535 (NTDME report CR84/141). They investigated a large magnetic ‘bullseye’ anomaly, flying a small airborne magnetic survey over their licence, and conducting ground magnetics and gravity surveys. A coincident magnetic/gravity anomaly was tested by three shallow precollared diamond drillholes. Assay results were disappointing, however gold was not determined. The holes intersected magnetic gneiss of the Arunta Block.

- Stockdale held the area in the late 1980's (NTDME report CR89/625), conducting regional scale geochemical sampling to test for the presence of kimberlitic indicators. None were found and the area relinquished.

- Poseidon held a licence north east of EL 9535 (NTDME reports CR93/581; CR94/692) in the early 1990’s. They targeted ‘Granites’ style gold in the Lander Rock Beds and completed TM imagery interpretation, BMR magnetics interpretation, orientation RAB drilling, BLEG sampling, soil sampling and costeaming. No significant results were reported with all Au assays less than 1 ppb.

- The area was held by WMC in the early 1990’s (NTDME report CR94/184). They targeted Au and Cu in iron-rich rocks. They held discussions with NTDME geologists involved in DME mapping projects of Barrow Creek and Mount Doreen sheets, produced regional stratigraphic correlations, undertook lineament studies and interpreted regional aeromagnetic and gravity datasets. On the ground they conducted a semi-regional gravity survey.

Published data relevant to EL 9535 includes:

- BMR 1958 flown airborne magnetics and radiometrics.

- 1:250,000 scale airphotography flown by the Division of National Mapping in 1971.

- 1:24,000 scale colour airphotography flown over the southern part of the Mount Peak sheet by Tanganyika Holdings Limited in 1972.

- A second BMR flown airmagnetic/radiometric survey in 1976. The BMR also completed a regional gravity survey of the Mount Peake sheet in the 1960’s.

- Recent more detailed aeromagnetics flown by the NTDME/AGSO over the Mt Peake 1:250,000 sheet.
4.2. AAPA Site Clearance

Aberfoyle Resources applied to the Aboriginal Areas Protection Authority (AAPA) for an Authority Certificate covering the entire area of EL 9535. The application was made on the 20 January 1997 and the Certificate was issued on the 23 June 1997.

One place of significance to Aboriginal people was identified. A copy of the AAPA’s correspondence (including a copy of the Authority Certificate) is included in this report as Appendix 1.

4.3. Airborne Magnetics and Radiometrics Survey

As the poor quality of existing magnetics data does not allow accurate targeting of surface or sub-surface (vacuum/RAB) geochemical exploration, it was considered necessary to gather higher quality data using modern geophysical equipment.

Geoterrex were contracted to fly the entire area of EL 9535 and surrounding Aberfoyle tenements to gather magnetic and radiometric data on a 500m line spacing. This line spacing, together with the high sampling rate offered by modern equipment, is considered adequate for the accurate location of magnetic anomalies, and is equivalent to recent NTDME/AGSO flown airborne surveys to the east (Barrow Creek 1:250,000 sheet) and west (The Granites, Mount Solitaire, Highland Rocks, Mount Theo 1:250,000 sheets).

The survey was flown in late June 1995, prior to the grant of EL9535, and only the costs of data interpretation are included in expenditure in the first year of title.

5. EXPENDITURE

Aberfoyle Resources expended a total of $5,249.02 on exploration of EL 9535 during the first year of tenure. A breakdown of this expenditure appears below:

<table>
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<th>COST CENTRE</th>
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<tr>
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<td>Administration</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$5,249.02</strong></td>
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6. PROPOSED PROGRAMME AND BUDGET

1. Percussion drilling  
   $15,000
2. Vacuum drilling  
   $5,000

TOTAL  
$20,000

We may determine that vacuum is an inappropriate drilling technique on parts of EL 9535 with sub-surface geochemical sampling using RAB more suited. If this is the case we would expect a higher level of exploration expenditure.

7. CONCLUSIONS AND RECOMMENDATIONS

Review of past exploration in the area around and within EL9535 ‘Duck Hole’ has demonstrated that potential exists for gold mineralisation of the styles found to the west at Callie, Granites, Tanami and Dead Bullock Soak. Work by CRA, and more recently Aberfoyle and WMC immediately to the south east of EL9535 has defined numerous gold and arsenic anomalies from soil, rock and RAB drill samples associated with folded, faulted magnetic stratigraphy within the Lander Rock Beds.

Through application and joint venture, Aberfoyle now manages exploration over a large contiguous tenement package that wholly encloses EL9535.

On the area of EL9535, percussion drilling by BHP in 1984 tested a prominent bullseye aeromagnetic feature, but samples were not analysed for gold. Further drilling is warranted, and coarse spaced first pass geochemical sampling of the rest of the tenement using vacuum drilling if appropriate.
APPENDIX 1

AAPA Authority Certificate
File: D89/199;89/2044

23 June 1997

Aberfoyle Resources Limited
Level 31 South, 525 Collins Street
MELBOURNE VIC 3000

ATTENTION: KEN DYBALL

RE: ISSUE OF AUTHORITY CERTIFICATE FOR EL 9145, PINE HILL STATION AREA & EL 9535, ANNINGIE STATION AREA

I refer to your application for an Authority Certificate, received on the 20 January 1997, for the above location.

Accordingly, under the powers delegated to me under Section 19 of the Aboriginal Sacred Sites Act 1989 I am pleased to issue the attached Authority Certificate.

Please note carefully the conditions outlined in the Certificate. You should also note that the Authority has issued you with two identical copies of the digitized map attached. One copy should be retained with your original Certificate. The second is supplied for use by contractors to avoid unnecessary photocopying of a colour coded document. If you have any further queries regarding this Authority Certificate please contact Mr Anthony Gatti in our Alice Springs office on 89526366.

Yours faithfully

[Signature]

DAVID RITCHIE
Chief Executive Officer
ABORIGINAL AREAS PROTECTION AUTHORITY

AUTHORITY CERTIFICATE

Issued in accordance with Section 22 of the Aboriginal Sacred Sites Act

REFERENCE: D89/199;89/2044 (Doc:22614) C97/084

APPLYING TO: EL 9145 in the Pine Hill Station area of the NT and EL 9535 in the Anningie Station area of the NT, as shown on the attached maps.

PROPOSED WORK OR USE: Track clearing for access, surface geochemical soil sampling, R.A.B./vacuum drilling, surface geophysical surveys and percussive/diamond drilling with a view to discovery of a mineable resource.

ISSUED TO: Aberfoyle Resources Limited
Level 31 South, 525 Collins Street
MELBOURNE VIC 3000

CONDITIONS:

1. It is the responsibility of the recipient of this Certificate to:
   (i) Include the conditions of this Certificate in any subsequent contract or tender document commissioning works described in this Certificate.
   (ii) Otherwise inform agents and employees of the conditions of this Certificate and obligations under the Aboriginal Sacred Sites (NT) Act 1989.

2. The proposed use or works covered by this Certificate must commence within 24 months of the date of issue.

3. The information on the maps relate specifically to the areas of the Certificate as marked and the fact that sites are not shown in other areas should not be taken as a definitive indication of the existence or lack of existence of sites in these areas.

4. The maps attached to the Certificate form part of the Certificate.

5. No mining works permitted within the areas highlighted in red on the map plans attached to the Certificate.

6. EL9145
   Mining personnel wishing to access site area 5553-62 for mining purposes are required to first consult with custodian Don Campbell at his Pine Hill outstation/living area, adjacent to Pine Hill Station.

7. EL 9535
   Personnel requiring access to EL 9535 via the west or south sides should be aware of conditions in force as per Authority Certificate C95/035 issued to Aberfoyle Resources on 28/3/95 ie. areas 2 and 3.

The COMMON SEAL of the
ABORIGINAL AREAS PROTECTION AUTHORITY
was hereto affixed on the 23rd day of 1997

DAVID RITCHIE
Chief Executive Officer
16 January 1997

The Regional Officer
Aboriginal Areas Protection Authority
P O Box 3656
ALICE SPRINGS NT 0871

Dear Sir

EXPLORATION LICENCES 9145 AND 9535

Please find enclosed an Application for an Authority Certificate for the areas of ELs 9145 and 9535, which are located west of Barrow Creek.

Also enclosed are maps of the areas (parts Mt Peake and Napperby 1:250,000 topographic series), together with a cheque for $50 for the fee.

Yours faithfully

K E R DYBALL
Mineral Properties Officer

enc

cc C G Drown
APPLICATION

FOR AN

AUTHORITY CERTIFICATE
PERSON/ORGANIZATION MAKING APPLICATION:

NAME: Aberfoyle Resources Limited

ADDRESS: Level 31 South, 525 Collins Street, Melbourne Vic 3000

Contact: Ken Dyball Ph: 03-92706666 Fax: 03-9270 6699

Adelaide office: 91 Beulah Road, Norwood SA 6057

Contact: Chris Brown

Phone: (08) 363 1636 Facsimile: (08) 363 1409

[NOTE: This name will appear on the Authority Certificate]

AREA TO BE COVERED BY CERTIFICATE

This application is made for the issue of an Authority Certificate to cover the area delineated on the attached and comprised within the following Australian Map Grid (AMG) Co-ordinate.

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<th>NORTHING</th>
<th>GRID ZONE</th>
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[NOTE: The area for which this certificate is sought must be marked on the appropriate 100,000 scale Topographic Map Sheet (or 1:250,000 if 1:100,000 scale is not produced for the area). If larger scale maps (ie. 1:50,000 etc), plans and/or aerial photographs are available to assist in accurately locating the area they should also be attached. For further information on supply and availability of maps contact Mapping and Information Division, Department Lands and Housing, Nicholls Place, Cavenagh Street, Darwin (phone(08)987032) or 21 Gregory Street, Alice Springs]
PROPOSED WORK OR USE:

Track clearing for access, surface geochemical soil sampling.
RAB/vacuum drilling, surface geophysical surveys and percussion/
diamond drilling with a view to discovery of a mineable resource.
Proposed work to commence March 1997 if possible.

NOTE: A concise description of proposed work or use eg. road building, bore sinking, quarrying etc. If insufficient space is available attach additional information including technical details if available.

APPLICATIONS: (with attachments) may be forwarded by post or hand delivered to:

The Chief Executive Officer
Aboriginal Areas Protection Authority
Post Office Box 1890 (First Floor, T.I.I. Building, 74 Cavenagh Street)
DARWIN NT 0801

The Regional Officer
Aboriginal Areas Protection Authority
Post Office Box 3656 (B.R.A.P.A. Office Building)
ALICE SPRINGS NT 0871
GENERAL INFORMATION

1. WHAT IS AN AUTHORITY CERTIFICATE

Section 20 of the Act (Clause 1) states that "a person who proposes to use or carry out work on land may apply to the Authority for an Authority Certificate".

Under Section 22 the Authority shall issue a certificate when it is satisfied that:

The work or use of the land can proceed without there being a substantive risk or damage to a sacred site or in the vicinity of the land or when an agreement has been reached between the Aboriginal custodians of any affected sites and the applicant for the Certificate, setting out conditions on which work may be carried out or use made.

The holder of an Authority Certificate is indemnified against prosecution under the Act if at any time in the future, it is argued that a sacred site has been damaged or entered and the holder of the Certificate can show that they acted in accordance with the provisions of the Certificate (Sections 25&33).

2. PROCEDURE FOR OBTAINING AN AUTHORITY CERTIFICATE

A person seeking an Authority Certificate under Section 20 must apply in writing to the Authority, using this form and specifying:

a) The area for which the Applicant is seeking a Certificate. The area should be delineated on topographic maps at the largest scale available and also, if available, on aerial photographs;

b) The intended use to be made of the area, including an outline of any proposed works;

c) The timing of the proposed works or intended land use including the constraints on project imposed by seasonal access etc.

2.1 Prescribed Fee

Section 20 Part 5 states that the application shall be accompanied by a prescribed fee. From 1st April, 1990, the prescribed fee is $50 and acceptance of associated costs outlined below in 2.3.

2.2 Authority to consult with custodians

Once the Authority has received an application, the Authority must, within sixty (60) days, consult with custodians of sacred sites on or in the vicinity of the land to which the application relates which are likely to be affected by the proposed work.

2.3 Meeting between Custodians, Authority and Applicant

If the consultation determines that there are sites likely to be affected by the proposal, the Authority will advise the applicant of his right under Section 20(3) to request a conference with custodians and the Authority to seek resolution of the constraints imposed by the existence of sacred sites within the area.

If the Authority is requested to organise such a conference with custodians under Section 20(3) the Authority will advise the Applicant of the costs associated with the organisation of such a meeting which shall be borne by the applicant. Such costs may include:

(a) Transport of custodians to and from the meeting

(b) Payment of custodians for attendance at the meeting

(c) Provision of food, drink, etc. for custodians attending the meeting.

(d) During negotiation on a complex project, it may be necessary to employ a consultant to assist in the resolution of custodians' concerns. The applicant may be provided with a list of consultants maintained by the Authority with specific expertise in the area of application.

For further information phone (089) 81 4700 Darwin or (089) 52 6366 Alice Springs.