EL. 4864

REPORT

PROPOSED PROGRAM AND EXPENDITURE

FOR YEAR 2

24.02.88 TO 23.02.89

CR89/521
ATTACHMENTS

DRAWING 4864 AA

Location of Licence

4864 AB

Location of Target Areas for Drilling
PROGRAM:

Further to field inspections of known gold occurrences by Consulting Geologist Mr. P.S. Forwood and a structural assessment of same by Structural Geologist Dr. C.J. Wilson, from Melbourne University, a program for Year 2 has been formulated.

1) Drilling

For Year 2, drilling will be carried out concentrating on agreed targets put forward by both Geologists.

It is proposed to use a Model D3100 Air Trac drilling rig powered by a towed 500 cfm compressor. This shallow hole drilling method (up to 20m depth) has not only proven successful in the Tennant Creek area but causes far less environment damage than conventional RC drill rigs which require scrub clearing, access tracks and drill pads to be constructed. Our drill rig will need none of those because it is track mounted so little surface disruption during travelling will occur. We are about to commence shallow drilling of Mineral Claims in the Kurinelli region using this rig and from this exercise we will be able to refine our drilling methods and program for the Aritunga region.

The immediate target areas in priority to drill are Areas A, B, C, D, E, MacDonnell Reef, F, and G. (refer attached Drawing No. 4864 AB) All the target areas fall within the boundary where liaison between Macmahon, Mines & Energy and Conservation is required prior to drilling commencing. A detailed program is presently being formed for submission to Mines & Energy.

2) Structural Studies

Also during Year 2, further studies will be carried out on the structural control of gold mineralisation under the supervision of Dr. Wilson. Should further target areas be recommended, then further drilling will follow.

EXPENDITURE

1) Drilling: A budget of $25,000 has been allocated for the drilling of the above target areas. Should further target areas be recommended from the structural studies, a reassessment of the budget will be undertaken.

2) Further Structural Studies: From our budget of $10,000 allocated to structural studies within the licence, a total of $7,000 is budgeted for Year 2 (the other $3,000 having been spent in Year 1).