E.L. 4864

PROPOSED

PROGRAM OF WORK

PHASE 2

DRILLING.
INTRODUCTION

Further to our Phase 1 program presented to the Department of Mines and Energy at the beginning of 1988, we advise the following:-

Of the Target Areas A, B and C only two areas within A were drilled. At the time of this program being carried out, Macmahon contracted a structural study throughout E.L. 4864 and E.L. 5243 to determine more positive targets to drill. From the structural study it was found that structurally, Areas A, B and C would not likely produce sufficient size ore bodies.

From the structural study two new areas nominated as Target Areas D and E have now been identified as having the possibility of producing an ore body, depending on drilling results.

Therefore the Phase 1 drilling program was cancelled and it is now proposed to put forward Phase 2 which will concentrate on Target Area D. Refer Drawing 4864/2.

It has been determined from site inspections that Target Area D is outside RO. 1213 and 1214 and is highly likely outside the second "special zone" area.

As we already are aware that sulphides exist in this area, we propose to use a more accurate form of drilling i.e. reverse circulation drilling as opposed to Phase 1 percussion air trac drilling.
THE PROGRAM

TIMING.

It is anticipated that preparation of drill sites including access tracks will commence as soon as approval is given. The anticipated time would be two weeks for drill site preparation and access tracks, a week for drilling and two weeks to restore the area should results not be encouraging.

DRILL METHOD.

It is proposed to use a truck mounted R.C. drill rig plus support truck. As this equipment has been used on other Macmahon held Exploration Licences, we do not expect equipment on site for more than a week.

ACCESS.

Access tracks to work areas will be required, extending from existing road. As a truck mounted rig is proposed to be used, decent access will be needed. No sheeting of tracks should be necessary as equipment will only need to move in and out once. Proposed access has been shown on drawing 4864/4.

DRILL HOLES.

A total number of 8 holes is proposed, angled @ 60° or vertical for a depth of 50 metres. All drill hole locations have been pegged and marked as shown on Drawing 4864/4 (i.e. D1 to D8).

WORK AREA.

A work area at each drill site will be necessary similar in dimension to drill sites at White Range.

SAMPLING.

Samples will be collected in a hydrocyclone for every metre of drilling. These will be collected in plastic bags, split into smaller proportions and removed from site for analysis.

TOPSOIL.

Topsoil will need to be removed where earthworks for drill pads or access tracks take place. This will be stockpiled adjacent to each drill site or access track in order for easier restoration.

VEGETATION.

It is not anticipated that substantial vegetation need be knocked down. Access tracks will be located to avoid such vegetation. Drill sites are more critical - location and some vegetation will need to be removed.
HISTORICAL SITES.

It is not intended that any historical sites be moved or relocated. All areas and structures will need to be recognised and flagged by the Conservation Commission.

EXISTING EXCAVATIONS.

It is intended that some existing excavations be backfilled. We would appreciate CC.NT's advise as to the importance of existing excavation within Target D as some need to be backfilled for drill sites to be effectively located.

DETAILED DRAWINGS.

We have attached Drawing 4864/2 as a general guide to location of Target Area D. We have also attached Drawing 4864/... showing locations of proposed drill sites.

ACCOMODATION.

Our workforce will be accommodated within Mr. Gary Bohning's camping area adjacent to The Arltunga Store.

HOURS OF OPERATION.

As this is a short program, it is proposed that the hours of operation will be between 6.00am and 7.00pm, 7 days a week.